



Marfrig Global Foods S.A.

Parent Company and Consolidated
Financial Statements (DFP)
At December 31, 2022



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

Independent auditor's report on the individual and consolidated financial statements

**Grant Thornton Auditores
Independentes Ltda.**

Av. Eng. Luiz Carlos Berrini, 105 -
12º andar
Itaim Bibi, São Paulo (SP) Brasil

T +55 11 3886-5100

To the Management and Shareholders of
Marfrig Global Foods S.A.
São Paulo – SP

Opinion

We have audited the individual and consolidated financial statements of Marfrig Global Foods S.A. (the Company), identified as Parent and Consolidated, respectively, which comprise the statement of financial position as of December 31, 2022, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the corresponding explanatory notes, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the individual and consolidated financial position of Marfrig Global Foods S.A. as of December 31, 2022, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

The key audit matters are those who, in our professional judgment, were the most significant in our audit of current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and when we formed our opinion on these individual and consolidated financial statements, and, accordingly, we do not express a separate opinion on these matters.

1. Evaluation for impairment of goodwill arising from business combinations and intangible assets of defined useful life – Notes 3.1.7, 13, and 17

Why the matter was determined to be a KAM

As described in Notes 13 – “Investments” and 17 – “Intangible Assets”, as of December 31, 2022, the Company had goodwill based on expected future profitability and certain intangible assets with finite useful life recorded in the individual and consolidated financial statements, in the amounts of R\$ 1,004,965 thousand, and R\$ 20,412,424 thousand, respectively. The assets in question arise from acquisitions of investments made in the current year and in last years, subject to critical judgments and assessments in determining their recoverability, which take into consideration the generation of future profits, among other assumptions. Based on judgments and assumptions, the Company makes estimates to evaluate the likelihood of occurrence or not of future profits to realize said assets as well as to establish the assumptions and estimates that determine such profits.

By definition, the resulting accounting estimates will rarely be equal to the respective actual results (due to uncertainties and the high degree of judgment inherent in determining these assumptions and estimates). Therefore, the estimates and assumptions involve a significant risk and may require a material adjustment to the carrying amounts of the assets in the individual and consolidated financial statements at the date of the respective evaluations. For this reason, we considered this matter significant and, thus, a key audit matter.

How the matter was addressed in the audit of the financial statements

Our audit procedures included, among others:

- Evaluate and obtain an understanding of the processes, operating controls and cash flow projections considered in the impairment tests;
- Involve our corporate finance specialists in the valuation of financial and economic projections, review of mathematical calculations, analysis and understanding of the assumptions and methodology used to calculate and compare information to market expectations, and comparison of information to expectations from previous years and other historical information;
- Challenge the assumptions calculated by Management, such as interest and economic growth rates, to determine whether the assumptions were adequate, conservative or unrealistic based on economic data and market inputs;
- Evaluate the disclosures made by the Company in the individual and consolidated financial statements.

Based on our audit approach and the procedures performed, we understand that the amounts recorded and the criteria and assumptions adopted and disclosed in the financial statements to assess impairment of certain intangible assets, including goodwill, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

2. Realization of federal and state tax credits – Notes 9 and 12

Why the matter was determined to be a KAM

As described in Notes 9 – “Recoverable taxes” and 12 – “Deferred income and social contribution taxes”, as December 31, 2022, the Company had federal and state tax credits recorded in the individual and consolidated financial statements, in addition to deferred income and social contribution tax assets arising from tax losses, negative social contribution basis and temporarily non-deductible and/or taxable differences, in the amounts of R\$ 5,394,764 thousand, and R\$ 15,196,144 thousand, respectively. Said tax credits are subject to critical judgments and assessments in determining their recoverability. The accrual of tax credits by companies in the meatpacking industry is inherent in the business, due to the tax incentives granted by Brazilian legislation to exporters.

Management assesses the impairment risk of these assets when the likelihood of using these tax credits is remote, considering the following legal alternatives: **(i)** offset against other state and federal taxes, under the prevailing tax legislation; **(ii)** payments to suppliers; **(iii)** acquisition of equipment, inputs, and consumables by means of negotiation with suppliers; **(iv)** request for approval and refund, in kind, of said tax credits. Regarding the deferred income tax asset, based on judgment and assumptions, the Company makes estimates to evaluate the likelihood of occurrence or not of future profits to realize said asset as well as to establish the assumptions and estimates that determine such profits.

By definition, the resulting accounting estimates will rarely be equal to the respective actual results (due to uncertainties and the high degree of judgment inherent in determining these assumptions and estimates). Therefore, the estimates and assumptions involve a significant risk and may require a material adjustment to the carrying amounts of the assets in the individual and consolidated financial statements at the date of the respective evaluations. For this reason, we considered this matter significant and, thus, a key audit matter.

How the matter was addressed in the audit of the financial statements

Our audit procedures included, among others:

- Analyze the existence of disallowance of any tax credits taken during the year;
- Obtain a confirmation letter from the Company's attorneys for the ongoing requests for tax credit refund;
- Analyze, on a sampling basis, acquisitions of inputs, equipment and payments to suppliers during the year;
- Evaluate and gain an understanding of the processes, operating controls and cash flow projections considered in the impairment tests and involve our corporate finance specialists in the valuation of financial and economic projections, review of mathematical calculations, analysis and understanding of the assumptions and methodology used to calculate and compare information to market expectations, and comparison of information to expectations from previous years and other historical information;
- Analyze, on a sampling basis, the federal and state tax credits offset against tax debts of the same nature and evaluate requests for refund filed during the year;
- Challenge the assumptions calculated by Management, such as interest and economic growth rates, to determine whether the assumptions were adequate, conservative or unrealistic based on economic data and market inputs;
- Evaluate the disclosures made by the Company in the individual and consolidated financial statements.

Based on the audit approach and the procedures performed, we understand that the amounts recorded and criteria and assumptions adopted in recording tax credits and respective disclosures are appropriate in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's management and presented as supplemental information for IFRS purposes, have been subject to auditing procedures which were performed together with the audit of the Company's financial statements. In forming our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria defined in said technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Information other than the individual and consolidated financial statements and auditor's report thereon

The Company's management is responsible for this other information that is included in the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with the Company's and its subsidiaries' governance are those responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements for the current year and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 01, 2023

Grant Thornton Auditores Independentes Ltda.



Marcelo Castro Valentini
Assurance Partner

MARFRIG GLOBAL FOODS S.A.

Balance sheet

As at December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

ASSETS

	Note	Parent		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
CURRENT ASSETS					
Cash and cash equivalents	4	1,719,329	87,349	6,403,788	1,759,482
Financial investments and marketable securities	5	1,957,341	352,061	16,088,745	6,640,778
Trade accounts receivable	6	1,990,386	2,713,807	6,727,128	3,841,374
Inventories	7	957,438	847,802	12,852,085	4,351,282
Biological assets	8	-	-	3,200,633	64,162
Recoverable taxes	9	1,663,007	1,664,310	3,261,989	1,937,212
Prepaid expenses		2,397	4,521	225,475	108,830
Notes receivable	10	486,618	416,044	60,977	34,814
Advances to suppliers		762,066	144,016	1,172,394	368,391
Derivative financial instruments	32	2,816	17,867	131,127	25,658
Dividends receivable		-	1,555,464	-	-
Other receivables		40,722	38,568	473,737	382,322
		9,582,120	7,841,809	50,598,078	19,514,305
NON-CURRENT ASSETS					
Financial investments and marketable securities	5	-	4,311,713	406,402	6,098,021
Trade accounts receivable	6	-	-	5,307	-
Court deposits		52,889	55,578	510,392	62,627
Recoverable taxes	9	3,731,757	3,086,705	8,922,184	3,111,719
Notes receivable	10	7,319,446	16,193,569	11,692	-
Restricted cash	11	-	-	89,717	-
Deferred income and social contribution taxes	12	-	274,839	3,011,971	885,048
Derivative financial instruments	32	63,835	-	74,118	-
Other receivables		272	1,755	352,450	260,735
		11,168,199	23,924,159	13,384,233	10,418,150
Biological assets	8	-	-	1,649,133	-
Investments	13	23,180,993	11,117,739	701,933	242,199
Investment property	14	111,329	104,923	111,329	104,923
Property, plant and equipment	15	4,380,335	3,928,406	46,030,660	9,132,568
Right-of-use assets	16	134,439	151,515	3,216,533	659,967
Intangible assets	17	248,607	272,527	20,412,424	7,931,146
		28,055,703	15,575,110	72,122,012	18,070,803
		39,223,902	39,499,269	85,506,245	28,488,953
TOTAL ASSETS		48,806,022	47,341,078	136,104,323	48,003,258

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

MARFRIG GLOBAL FOODS S.A.

Balance sheet

As at December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

LIABILITIES AND EQUITY

	Note	Parent		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
CURRENT LIABILITIES					
Trade accounts payable	18	1,918,016	1,149,453	17,431,545	3,826,714
Trade accounts payable - supplier chain financing	19	-	-	1,393,137	-
Accrued payroll and related charges	20	148,186	124,195	2,066,326	2,374,509
Taxes payable	21	23,128	34,868	673,199	950,421
Loans, financing and debentures	22	6,598,771	5,627,138	12,813,280	6,842,294
Advances from customers	23	2,540,988	1,508,946	2,405,785	1,994,756
Lease payable	24	20,118	9,348	819,547	161,032
Notes payable	25	77,939	78,877	816,905	78,062
Provision for contingencies	26	-	-	867,294	-
Derivative financial instruments	32	173,203	56,894	264,544	56,894
Dividends payable		-	-	756	357,311
Other payables		35,623	72,197	868,262	405,669
		11,535,972	8,661,916	40,420,580	17,047,662
NON-CURRENT LIABILITIES					
Deferred income and social contribution taxes	12	289,446	-	10,719,659	117,279
Trade accounts payable	18	-	-	7,459	-
Accrued payroll and related charges	20	-	-	456,944	-
Taxes payable	21	61,394	141,269	417,721	433,763
Loans, financing and debentures	22	10,617,698	6,474,601	48,359,511	23,483,504
Lease payable	24	95,199	140,264	2,783,551	481,430
Notes payable	25	20,421,137	27,729,526	117,756	101,803
Provision for contingencies	26	209,891	177,404	5,859,743	280,809
Derivative financial instruments	32	5,425	99,178	183,068	99,241
Other payables		-	-	328,722	386,044
		31,700,190	34,762,242	69,234,134	25,383,873
EQUITY					
Share capital	27.1	8,204,391	8,204,391	8,204,391	8,204,391
Capital reserves and treasury shares	27.2	(2,434,260)	(2,467,506)	(2,434,260)	(2,467,506)
Legal reserve	27.3	484,848	276,492	484,848	276,492
Tax incentive reserve	27.4	517,726	431,064	517,726	431,064
Earnings reserve	27.5	4,443,963	1,671,852	4,443,963	1,671,852
Dividend	27.6	-	383,150	-	383,150
Other comprehensive income	27.7	(5,646,808)	(4,582,523)	(5,646,808)	(4,582,523)
Controlling shareholders' equity		5,569,860	3,916,920	5,569,860	3,916,920
Non-controlling interest		-	-	20,879,749	1,654,803
Total equity		5,569,860	3,916,920	26,449,609	5,571,723
TOTAL LIABILITIES AND EQUITY		48,806,022	47,341,078	136,104,323	48,003,258

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

MARFRIG GLOBAL FOODS S.A.

Statement of income

Years ended December 31, 2022 and 2021

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

	Note	Parent		Consolidated	
		YTD 2022	YTD 2021	YTD 2022	YTD 2021
NET SALES REVENUE	28	17,793,861	14,434,116	130,631,697	85,388,468
Cost of products and goods sold	29	(15,071,631)	(13,657,168)	(112,879,382)	(68,187,863)
GROSS PROFIT		2,722,230	776,948	17,752,315	17,200,605
Operating income (expenses)		5,231,912	5,955,350	(8,097,361)	(4,589,462)
Selling expenses	29	(967,080)	(692,247)	(9,495,206)	(3,121,756)
General and administrative expenses	29	(222,060)	(186,234)	(1,642,927)	(1,097,989)
Equity in earnings (losses) of subsidiaries	13	2,704,280	7,110,105	(64,575)	(20,462)
Other operating income (expenses)		3,716,772	(276,274)	3,105,347	(349,255)
Net income before financial income (expenses)		7,954,142	6,732,298	9,654,954	12,611,143
Net financial result	30	(3,714,379)	(2,717,261)	(6,876,715)	(3,708,714)
Financial income		4,006,888	3,093,146	11,629,217	3,906,867
Financial expenses		(7,721,267)	(5,810,407)	(18,505,932)	(7,615,581)
Net income before taxes		4,239,763	4,015,037	2,778,239	8,902,429
INCOME AND SOCIAL CONTRIBUTION TAXES		(68,477)	326,960	1,144	(2,256,050)
Current income and social contribution taxes	33	495,808	1,089,181	(433,213)	(1,563,524)
Deferred income and social contribution taxes	33	(564,285)	(762,221)	434,357	(692,526)
NET INCOME FOR THE YEAR BEFORE EQUITY INTERESTS		4,171,286	4,341,997	2,779,383	6,646,379
Loss for the year from discontinued operations	3.3	(5,459)	-	(16,408)	-
Net income for the year before equity interests		4,165,827	4,341,997	2,762,975	6,646,379
Net income attributable to:					
Controlling interest - continuing operation		4,171,286	4,341,997	4,171,286	4,341,997
Controlling interest - discontinued operation		(5,459)	-	(5,459)	-
Controlling interest - total		4,165,827	4,341,997	4,165,827	4,341,997
Non-controlling interest - continuing operation		-	-	(1,391,903)	2,304,382
Non-controlling interest - discontinued operation		-	-	(10,949)	-
Non-controlling interest - total		-	-	(1,402,852)	2,304,382
NET INCOME FOR THE YEAR		4,165,827	4,341,997	2,762,975	6,646,379
BASIC EARNINGS PER SHARE - COMMON	31	6.4022	6.4194	6.4022	6.4194
DILUTED EARNINGS PER SHARE - COMMON	31	6.3976	6.4065	6.3976	6.4065

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

MARFRIG GLOBAL FOODS S.A.

Statement of changes in equity

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

	Share capital	Capital reserves and treasury shares	Legal reserve	Tax incentive reserve	Earnings reserve	Dividend	Other comprehensive income	Retained earnings	Total	Total non-controlling interest	Total equity
AT DECEMBER 31, 2020	8,204,391	(1,684,338)	59,327	-	148,431	70,542	(4,703,644)	-	2,094,709	1,419,354	3,514,063
Cumulative translation adjustment and asset valuation adjustment	-	(123,674)	-	-	-	-	121,121	1,303	(1,250)	(2,068,933)	(2,070,183)
Acquisition/Disposal of treasury shares	-	(656,422)	-	-	-	-	-	-	(656,422)	-	(656,422)
Goodwill stock option	-	(3,072)	-	-	-	-	-	-	(3,072)	-	(3,072)
Dividend distribution	-	-	-	-	-	(1,859,042)	-	-	(1,859,042)	-	(1,859,042)
Net income for the year	-	-	217,165	431,064	1,523,421	2,171,650	-	(1,303)	4,341,997	2,304,382	6,646,379
AT DECEMBER 31, 2021	8,204,391	(2,467,506)	276,492	431,064	1,671,852	383,150	(4,582,523)	-	3,916,920	1,654,803	5,571,723
AT DECEMBER 31, 2021	8,204,391	(2,467,506)	276,492	431,064	1,671,852	383,150	(4,582,523)	-	3,916,920	1,654,803	5,571,723
Cumulative translation adjustment and asset valuation adjustment	-	114,601	-	-	-	-	(960,135)	1,302	(844,232)	(431,726)	(1,275,958)
Acquisition/Disposal of treasury shares	-	(78,769)	-	-	-	-	-	-	(78,769)	-	(78,769)
Goodwill stock option	-	(2,586)	-	-	-	-	-	-	(2,586)	-	(2,586)
Losses on net investment hedge	-	-	-	-	-	-	(117,543)	-	(117,543)	(235,757)	(353,300)
Actuarial gains on pension plans and post-employment benefits	-	-	-	-	-	-	13,817	-	13,817	27,714	41,531
Addition of non-controlling interest due to business combination	-	-	-	-	-	-	-	-	-	21,268,417	21,268,417
Share-based payment in subsidiary BRF	-	-	-	-	-	-	(6,266)	-	(6,266)	(12,568)	(18,834)
Treasury shares in subsidiary BRF	-	-	-	-	-	-	5,842	-	5,842	11,718	17,560
Dividend distribution	-	-	-	-	-	(1,483,150)	-	-	(1,483,150)	-	(1,483,150)
Net income (loss) for the year	-	-	208,356	86,662	2,772,111	1,100,000	-	(1,302)	4,165,827	(1,402,852)	2,762,975
AT DECEMBER 31, 2022	8,204,391	(2,434,260)	484,848	517,726	4,443,963	-	(5,646,808)	-	5,569,860	20,879,749	26,449,609

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

MARFRIG GLOBAL FOODS S.A.

Statement of cash flows

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	YTD 2022	YTD 2021	YTD 2022	YTD 2021
PARENT COMPANY NET INCOME FOR THE YEAR	4,165,827	4,341,997	4,165,827	4,341,997
NON-CASH ITEMS	(3,845,642)	(4,660,339)	7,660,308	7,366,170
Depreciation and amortization	426,116	355,446	5,572,121	1,563,272
Non-controlling interest	-	-	(1,391,903)	2,304,382
Provision for contingencies	32,487	(167,948)	194,514	(134,651)
Deferred taxes and tax liabilities	564,285	762,221	(434,357)	692,526
Equity in earnings (losses) of subsidiaries	(2,704,280)	(7,110,105)	64,575	20,462
Exchange variation on financing	(505,827)	769,912	998,751	791,288
Exchange variation on other assets and liabilities	836,289	139,311	1,583,455	318,454
Interest expenses on financial debt	1,348,698	546,951	3,470,725	1,623,995
Interest expenses on finance lease	2,271	2,682	86,593	19,876
Cost with issue of financial operations	25,560	11,444	250,966	83,192
Adjustment to present value	(65)	107	801,012	107
Expected losses on inventories	(19,983)	18,618	(55,878)	22,810
Expected losses on doubtful accounts	1,687	1,409	11,175	(563)
Expected losses on non-realization of recoverable taxes	8,246	-	14,450	7,210
Gain or loss on discontinued operation	5,459	-	16,408	-
Revaluation of investment property	(6,405)	-	(6,405)	-
Gain or loss on fair value adjustment of biological assets	-	-	(33,840)	-
Bargain purchase	(3,880,949)	-	(3,880,949)	-
Leniency agreement	-	-	588,774	-
Other non-cash effects	20,769	9,613	(189,879)	53,810
EQUITY CHANGES	2,223,717	3,013,799	(2,491,083)	(2,674,302)
Trade accounts receivable	1,515,190	(1,826,120)	911,492	(1,078,386)
Current inventory and biological assets	(89,654)	(243,270)	(288,366)	(1,421,963)
Court deposits	2,689	(12,877)	29,914	(13,685)
Accrued payroll and related charges	23,991	16,373	(982,895)	675,138
Trade accounts payable and supplier chain financing	168,447	371,912	114,025	684,301
Current and deferred taxes	(731,777)	(1,236,537)	(1,367,182)	(879,757)
Notes receivable and payable	1,397,823	5,905,787	(1,133,082)	(415,403)
Derivative financial instruments	(26,228)	32,437	405,611	18,962
Other assets and liabilities	(36,764)	6,094	(180,600)	(243,509)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	2,543,902	2,695,457	9,335,052	9,033,865
Investments	(50,162)	(219,680)	(687,027)	(195,392)
Acquisition of subsidiary, net of cash	-	-	4,462,485	-
Investments in fixed and non-current biological assets	(857,797)	(1,025,472)	(4,304,125)	(2,104,670)
Investments in intangible assets	(18)	(1,129)	(179,170)	(4,353)
Investments in marketable securities	(4,375,324)	(4,610,318)	(5,736,667)	(2,361,087)
CASH FLOW USED IN FINANCING ACTIVITIES	(5,283,301)	(5,856,599)	(6,444,504)	(4,665,502)
Loans and financing	4,246,299	4,983,165	5,376,418	(521,160)
Loans obtained	13,252,026	12,582,353	58,299,638	32,312,779
Loans settled	(9,005,727)	(7,599,188)	(52,923,220)	(32,833,939)
Payment of interest rate derivatives - fair value hedge	-	-	(219,374)	-
Leases paid	(36,501)	(22,580)	(708,888)	(199,825)
Treasury shares	(78,769)	(656,422)	(78,769)	(656,422)
Acquisition of non-controlling interest	-	-	(7,288)	-
Capital increase	-	-	-	-
Share issuance expenses	-	-	(6,594)	-
Dividends received	-	-	-	-
Dividends (paid) received in the year	250,831	(1,352,174)	(2,769,703)	(3,744,927)
CASH FLOW (USED IN) PROVIDED BY FINANCING ACTIVITIES	4,381,860	2,951,989	1,585,802	(5,122,334)
Exchange variation on cash and equivalents	(10,481)	4,939	167,956	471,529
CASH FLOW IN THE YEAR	1,631,980	(204,214)	4,644,306	(282,442)
CASH AND CASH EQUIVALENTS				
Balance at end of year	1,719,329	87,349	6,403,788	1,759,482
Balance at beginning of year	87,349	291,563	1,759,482	2,041,924
CHANGE IN THE YEAR	1,631,980	(204,214)	4,644,306	(282,442)

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

MARFRIG GLOBAL FOODS S.A.

Statement of value added

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	YTD 2022	YTD 2021	YTD 2022	YTD 2021
REVENUE	19,503,212	15,400,983	139,163,357	86,580,502
Sales of goods and services	19,502,703	15,398,326	139,024,953	86,590,116
Other revenues	2,196	4,066	738,353	(10,177)
Leniency agreement	-	-	(588,774)	-
Expected losses on doubtful accounts	(1,687)	(1,409)	(11,175)	563
INPUTS PURCHASED FROM THIRD PARTIES (including taxes - ICMS, IPI, PIS and COFINS)	12,245,675	13,963,550	106,638,151	63,848,589
Cost of goods sold and services rendered	13,143,541	11,845,842	91,158,234	54,010,857
Materials, energy, outsourced services and other	2,983,083	2,117,708	19,326,810	9,837,732
Impairment/Recovery of assets	-	-	34,056	-
Bargain purchase	(3,880,949)	-	(3,880,949)	-
GROSS VALUE ADDED	7,257,537	1,437,433	32,525,206	22,731,913
Depreciation and amortization	426,116	355,446	5,572,121	1,563,272
NET VALUE CREATED BY THE COMPANY	6,831,421	1,081,987	26,953,085	21,168,641
VALUE ADDED RECEIVED THROUGH TRANSFER	6,711,168	10,203,251	11,563,801	3,886,405
Equity in earnings (losses) of subsidiaries	2,704,280	7,110,105	(64,575)	(20,462)
Financial income and exchange rate gains	4,006,888	3,093,146	11,629,217	3,906,867
Other	-	-	(841)	-
TOTAL VALUE ADDED TO BE DISTRIBUTED	13,542,589	11,285,238	38,516,886	25,055,046
VALUE ADDED DISTRIBUTION	13,542,589	11,285,238	38,516,886	25,055,046
EMPLOYEES	852,091	743,174	11,559,223	7,538,861
Direct compensation	646,822	578,571	10,045,299	7,357,224
Benefits	155,308	129,496	1,225,303	143,591
FGTS (severance pay fund)	49,961	35,107	288,621	38,046
TAXES PAYABLE	780,644	370,872	5,239,060	3,051,525
Federal	335,853	(3,024)	1,966,899	2,586,661
State	436,918	367,712	3,221,419	458,636
Municipal	7,873	6,184	50,742	6,228
VALUE DISTRIBUTED TO PROVIDERS OF CAPITAL	7,744,027	5,829,195	18,955,628	7,818,281
Interest	7,721,267	5,810,407	18,505,932	7,615,581
Rentals	22,760	18,788	449,696	202,700
VALUE DISTRIBUTED TO SHAREHOLDERS	4,165,827	4,341,997	2,762,975	6,646,379
Net income from operations in the year	4,165,827	4,341,997	4,165,827	4,341,997
Non-controlling interest	-	-	(1,402,852)	2,304,382

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

MARFRIG GLOBAL FOODS S.A.

Statement of comprehensive income

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	YTD 2022	YTD 2021	YTD 2022	YTD 2021
NET INCOME FOR THE YEAR	4,165,827	4,341,997	2,762,975	6,646,379
Exchange variation on net investments and balance sheet translation	(960,135)	121,121	(1,391,861)	(1,947,812)
Losses on net investment hedge	(117,543)	-	(353,300)	-
Actuarial gains on pension plans and post-employment benefits	13,817	-	41,531	-
Share-based payment in subsidiary BRF	(6,266)	-	(18,834)	-
Treasury shares in subsidiary BRF	5,842	-	17,560	-
Total comprehensive income for the year	(1,064,285)	121,121	(1,704,904)	(1,947,812)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,101,542	4,463,118	1,058,071	4,698,567
Attributable to:				
Controlling interest - continuing operation	3,107,001	4,463,118	3,107,001	4,463,118
Controlling interest - discontinued operation	(5,459)	-	(5,459)	-
Controlling interest	3,101,542	4,463,118	3,101,542	4,463,118
Non-controlling interest - continuing operation	-	-	(2,032,522)	235,449
Non-controlling interest - discontinued operation	-	-	(10,949)	-
Non-controlling interest	-	-	(2,043,471)	235,449

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

The Management of Marfrig Global Foods (“Marfrig” or “Company”) presents the Management Report and Financial Statements, accompanied by the reports of the Audit Board and Independent Auditors, for the fiscal year ended December 31, 2022.

MESSAGE FROM MANAGEMENT

Already the world’s largest beef patty producer and one of its largest beef producers, Marfrig celebrated an important milestone in its strategy in 2022, becoming the controlling shareholder of BRF S.A., which is one of the largest food companies on the planet with a history of over 85 years.

Already enjoying a geographically diversified production platform, our business now incorporates the results of BRs and gained even more diversification in terms of proteins. The accounting combination of the two companies led Marfrig to deliver in the year consolidated net revenue of R\$131 billion, Adj. EBITDA of R\$13 billion and net income of R\$4 billion.

While we grew through the investment in BRF, we also increased our organic and greenfield investments, mainly in branded and value-added products.

Marfrig’s capital expenditures in the beef segment in 2022 amounted to R\$2.7 billion, with the highlight the conclusion of the new beef patty plant in Bataguassu, Mato Grosso do Sul, which has annual production capacity of 24k tons and will focus on meeting the growing demand from the food service segment. The 7,850-square-meter unit is considered one of the world’s most technologically advanced plants in terms of automation. Another highlight was the investment in the Canada-based company Sol Cuisine, made through our joint venture with ADM, which launched our plant-based operation in North America.

In the South America Operation, the highlight was the conclusion of the expansion of the Tacuarembó plant, which increased Marfrig’s Uruguay primary processing capacity from 3,700 head/day to 4,200 head/day, further reinforcing our leadership in the country.

Investments also included expansion of the deboning area in Várzea Grande, Mato Grosso and automation of the plant in Liberal, Kansas in the North America Operation. We remain focused on growing our beef operations organically and on improving the profile of our liabilities. Our liability management efforts have proven critical to ensuring our healthy financial position. In the second quarter, we repurchased and cancelled over US\$320 million in bonds to deleverage, reduce financial expenses and improve cash generation.

During 2022, we anticipated the distribution of dividends in the amount of R\$1.1 billion and the cancellation of over 30 million treasury shares.

Another highlight was the important progress made in ESG, especially through the Marfrig Green+ plan, which is increasingly recognized as a pioneering initiative and for its results.

In 2022, Marfrig once again led the important FAIRR ranking in its industry, being classified as low risk for the environment; we once again were included in the B3's main sustainability index, the ISE; and in the Business Benchmark on Farm Animal Welfare (BBFAW), Marfrig was the only company in its industry to achieve Tier 2 (business strategy integrated processes), which attests to the rapid advances we are making in identifying our indirect suppliers, which is a critical link in our chain and strategic for combatting the deforestation of biomes.

In 2022, Marfrig's greenhouse gas emission targets were approved by the Science Based Targets Initiative (SBTi), making it the only beef protein producer in the Americas to have its targets approved and to commit to limiting the increase in the global average temperature to 1.5°C by 2035.

In November, jointly with other leading companies (Itaú Unibanco, Rabobank, Santander, Suzano and Vale), we announced in an event held at the Climate Change Conference (COP27) in Egypt the creation of a company fully dedicated to the restoration, conservation and preservation of forests in Brazil. The initiative's goal is to reach, over 20 years, total restored and protected area of 4 million hectares of native forests in different Brazilian biomes, namely Amazonia, Atlantic Forest and Cerrado, with this area equivalent to the size of Switzerland or the state of Rio de Janeiro.

Also on the sustainability front, we were recognized by the prestigious Harvard Business School, which elected Marfrig as one of its case studies in the Agribusiness Seminar.

We also remain fully dedicated to the integrity of our financial health indicators, always operating sustainably and prioritizing the creation of value for all stakeholders, including the beef production chain, local communities, investors and all Marfrig clients and employees.

In closing, I want to thank our shareholders, clients and suppliers for the trust they have placed in our Company. To our employees, we are profoundly thankful for your immense dedication to an activity essential to everyone's lives: food production.

Marcos Antonio Molina dos Santos
Chairman of the Board

São Paulo, March 1, 2023 – Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for 2022. 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 financial statements and respective notes for the period ended December 31, 2022 filed at the Securities and Exchange Commission of Brazil (CVM).

MARFRIG GLOBAL FOODS

Marfrig's value-creation strategy is based on three core businesses: beef processing, further processing and plant-based products.

Beef processing: with total primary processing capacity of approximately 30,000 head/day, the main competitive advantages of Marfrig's beef processing business is its operations in the U.S. market, which are its most profitable, and its integrated platform in South America that exports most of its production to key geographies around the world.

North America Operation: Marfrig is the fourth largest beef processor in the United States. The 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. Its products are sold domestically in the retail, wholesale and food service channels, as well as exported to various markets. Marfrig also is the leading U.S. exporter of chilled beef, with a focus on the Japanese and South Korean markets. In addition to the sale of complementary products and of byproducts, Marfrig also has tannery and logistics operations and direct online sales to consumers. The operation offers a portfolio of value-added products with superior specifications and quality, as well as widely recognized brands.

South America Operation: One of the region's leading beef patty producers, with primary processing capacity of approximately 16,500 head/day, Marfrig is recognized for the quality of its products in both local and international markets. Marfrig is one of the region's main exporters and has the largest number (13) of plants in South America authorized to export to China. In Brazil, Marfrig is the second largest beef processor, with primary processing capacity of 11,300 head/day and annual production capacity of 102,000 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 the only one to produce and sell organic beef, mainly for export to Europe, United States and Japan. In Argentina, in addition to having two primary processing plants, the Company 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.

Further processing: 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. With products sold in South America and the United States, Marfrig's further processing plants are located in the United States, Brazil, Uruguay and Argentina.

Plant-based Products: PlantPlus Foods is a joint venture formed by Marfrig and ADM for the production and distribution of plant-based products. Its industrial plants in the United States and operations using existing facilities in Várzea Grande, Mato Grosso in Brazil, and in Canada, through the recently acquired Soul Cuisine, to produce the most innovative plant-based products to serve the most demanding clients and large foodservice chains in the Americas.

Results by Business Unit

NORTH AMERICA				
Tons (thousand)	2022	2021	Var. %	Var. Abs.
Total Volume	2,098	2,051	2.3%	47
Domestic Market	1,834	1,765	3.9%	68
Export Market	264	286	-7.6%	(22)

US\$ Million	2022	2021	Var. %	Var. Abs.
Net Revenue	11,874	11,673	1.7%	201
Domestic Market	10,486	10,322	1.6%	164
Export Market	1,389	1,351	2.8%	38
COGS	(10,191)	(8,821)	15.5%	(1,370)
Gross Profit	1,683	2,852	-41.0%	(1,169)
Gross Margin (%)	14.2%	24.4%	-1026 pbs	-
adjEBITDA	1,322	2,571	-48.6%	(1,249)
adjEBITDA Margin	11.1%	22.0%	-1089 pbs	-

Net Revenue

In 2022, total sales volume of the North America Operation was 2,098 kt, representing growth of 2.3% compared to 2021 and setting a new record for the operation. Sales in the domestic market accounted for 87% of total volume.

The operation's net revenue in the year also was an all-time high, of US\$11,874 million, an increase of 1.7% compared to 2021. The record revenue growth in the year is explained by the higher sales volume and increases in the average prices practiced in export market (+11.2% vs. 2021), which offset the lower average prices in the domestic market.

In Brazilian real, the operation's net revenue was R\$61.4 billion.

Cost of Goods Sold

In 2022, the average price used as a reference for cattle purchases (USDA KS Steer) was US\$141.92/cwt, increasing 16.9% from 2021. Initially, cattle supply benefited from the supply of cows and heifers related to weather conditions, which was offset by the cyclical downturn in the supply of fed cattle during the year and the industry's high utilization rate, which led to favorable dynamics for cattle producers.

The higher sales volume and increase in raw material costs affected cost of goods sold, which in absolute terms was US\$10,191 million, 15.5% higher than in 2021.

Gross Income

In 2022, the gross income of the North America Operation was US\$1,683 million, down 41.0% from 2021. The cutout ratio (average beef price divided by average cattle price) was 1.86x in 2022 compared to 2.27x in 2021, with the decrease explained by the higher cost of raw material price, as explained above, and by the lower sales price in the domestic market.

USDA Comprehensive (sales price index) was US\$262.98/cwt, compared to US\$274.22/cwt in 2021.

This combination supported gross margin expansion to 14.2% in 2022, down 10 p.p. compared to 2021.

In Brazilian real, gross income was R\$6,796 million.

Adj. EBITDA & Adj. EBITDA Margin

In 2022, the North America operation delivered Adj. EBITDA of US\$1,322 million and Adj. EBITDA Margin of 11.1%. In Brazilian real, Adj. EBITDA was R\$6.796 million, 50.6% lower than in 2021.

SOUTH AMERICA				
Tons (thousand)	2022	2021	Var. %	Var. Abs.
Total Volume	1,461	1,361	7.4%	101
Domestic Market	913	881	3.7%	33
Export Market	548	480	14.2%	68

R\$ Million	2022	2021	Var. %	Var. Abs.
Net Revenue	27,632	22,544	22.6%	5,088
Domestic Market	9,937	9,451	5.1%	486
Export Market	17,694	13,092	35.2%	4,602
COGS	(23,938)	(20,630)	16.0%	(3,308)
Gross Profit	3,694	1,914	93.0%	1,780
Gross Margin (%)	13.4%	8.5%	488 pbs	-
^{adj}EBITDA	2,328	905	157.1%	1,423
^{adj} EBITDA Margin	8.4%	4.0%	441 pbs	-

Net Revenue

In 2022, the South America Operation registered sales volume of 1,461 kt, 7.4% higher than in 2021, explained by Brazil reducing, in late 2021, its shipments to China for over 100 days following its self-banning of exports to the country following two atypical cases of bovine spongiform encephalopathy (BSE) in animals in the states of Minas Gerais and Mato Grosso.

Net revenue from the South America Operation came to R\$27,632 million in 2022, up 22.6% from 2021, explained by the increase of 14.2% in total average sales price and, especially, by the increase of 23.6% in the average export price in U.S. dollar.

In 2022, exports accounted for 64% of the operation's total revenue, up 6 percentage points in relation to 2021.

Cost of Goods Sold

In 2022, the cost of goods sold of the South America Operation was R\$23,938 million, increasing 16.0% from 2021, explained by the higher sales volume and by raw material cost, as follows:

In Brazil, the cattle cost (CEPEA arroba price) was R\$317.7 /@, increasing 3.9% on 2021.

In Argentina, raw material costs also rose, to US\$4.0/kg, or 15.0% higher than in 2021.

In Uruguay, the cattle price increased 19.3% from 2021 (average of US\$4.78/kg in 2022 vs. average of US\$4.00/kg in 2021), according to INAC data.

Gross Income

In 2022, gross income from the South America operation was R\$3,694 million, 93.0% higher than in 2021, explained by: (i) 14.2% increase in the average total sales price; (ii) growth in total sales volume of 7.3%; and (iii) increase in export average price of 23.6% measured in U.S. dollar.

Adj. EBITDA & Adj. EBITDA Margin

In 2022, Adj. EBITDA from the South America Operation was R\$2,328 million, 157.1% higher than in 2020. Adj. EBITDA Margin in the year was 8.4%.

BRF

With the approval of the new Board of Directors of BRF S.A. nominated by Marfrig Global Foods S.A, as from April 1, 2022, Marfrig is the controlling shareholder of BRF S.A. Accordingly, BRF's results will be consolidated into those of Marfrig as of 2Q22, in accordance with Technical Pronouncements CPC 15 (R1) – Business Combination and CPC 36 (R3) – Consolidated Statements.

Marfrig began reporting the “BRF Segment” as of 2Q22. We present below information net of intercompany transactions and corresponding to the cumulative period from April 1 to December 31, 2022, making impossible any comparison with the same period of 2021.

Profit or Loss

BRF registered sales volume of 3,597 ktons and Net Revenue of R\$41,627 million. Cost of goods sold was R\$34,607 million.

Consequently, gross income was R\$7,019 million, corresponding to gross margin of 16.9%.

In 2022, Adj. EBITDA of BRF was R\$3,807 million, with Adj. EBITDA Margin of 9.2%.

CONSOLIDATED RESULTS

Tons (thousand)	2022	2021	Var. %	Var. Abs.
Total Volume	7,156	3,412	109.8%	3,745
Domestic Market	4,865	2,646	83.9%	2,219
Export Market	2,291	766	199.2%	1,526

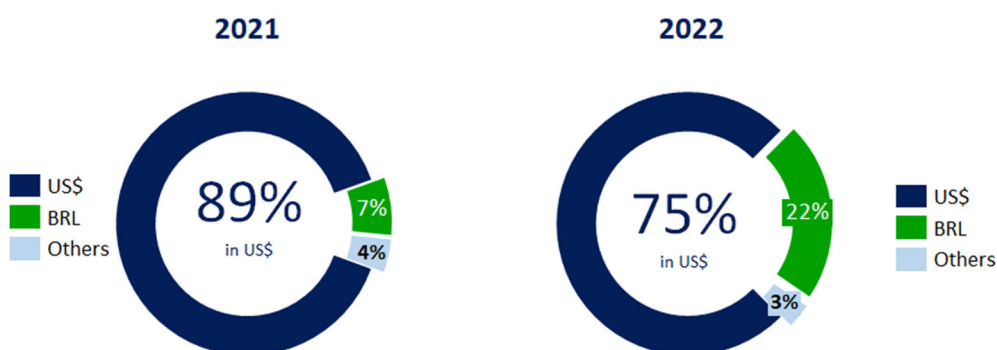
R\$ Million	2022	2021	Var. %	Var. Abs.
Net Revenue	130,632	85,389	53.0%	45,243
Domestic Market	87,077	65,023	33.9%	22,054
Export Market	43,555	20,365	113.9%	23,190
COGS	(112,879)	(68,188)	65.5%	(44,692)
Gross Profit	17,752	17,201	3.2%	552
Gross Margin (%)	13.6%	20.1%	-655 pbs	-
DVGA	(11,138)	(4,219)	164%	(6,919.0)
(+) D & A	(5,572)	(1,563)	256%	(4,008.9)
adjEBITDA	12,748	14,544	-12.3%	(1,796)
adjEBITDA Margin	9.8%	17.0%	-720 pbs	

Net Revenue

Marfrig's consolidated net revenue was R\$130,632 million in 2022, representing a new record for the Company and an increase of 53.0% on the prior year. The main factors were the consolidation of the financial information of BRF as of 2Q22 and the record volumes and revenues recorded in the beef segment.

Marfrig is a highly internationalized company, with a large share of its revenue generated in currencies other than the Brazilian real. In 2022, net revenue denominated in foreign currency accounted for 78% of total revenue.

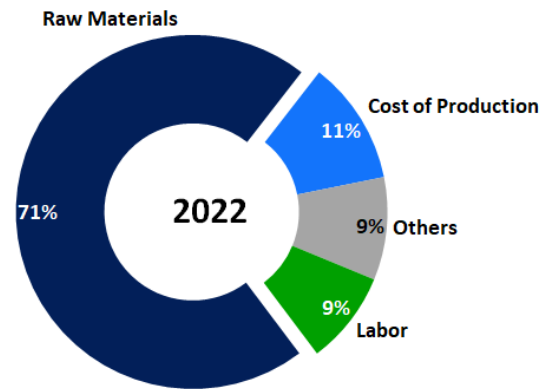
Revenue by Currency (%)



Cost of Goods Sold

In 2022, COGS amounted to R\$112,879 million, 65.5% higher than in 2021. In addition to the consolidation of BRF, the increase is explained by higher cattle cost in North America, as explained above, and the higher sales volume in the South America Operation.

Raw material costs accounted for around 71% of total costs.



Selling, General & Administrative Expenses

In 2022, selling, general and administrative expenses amounted to R\$11,138 million, increasing 164.0% from 2021 and explained mainly by the incorporation of BRF.

In 2022, selling expenses amounted to R\$9,495 million. Selling expenses as a ratio of net revenue stood at 7.3%, increasing 361 bps from 2021, explained mainly by the consolidation of BRF and its profile of higher marketing expenses.

General and administrative expenses were R\$1,643 million. General and administrative expenses as a ratio of net revenue stood at 1.26%, stable in relation to the prior year.

Adj. EBITDA & Adj. EBITDA Margin

In 2022, Adj. EBITDA was R\$12,748 million, a reduction of 12.3% compared to 2021. Adj. EBITDA margin was 9.8%, down 720 bps from 17.0% in 2021.

The main factors explaining this performance were the normalization of margins in the North America Operation, as explained above, which was partially offset by the better performance of the South America Operation and the consolidation of three quarters of the results of BRF.

FINANCIAL RESULT

R\$ Million	2022	2021	Var. %	Var. Abs
Net Interest Provisioned	(2,896)	(1,660)	74.5%	(1,236)
Other Financial Revenues and Expenses	(1,399)	(797)	75.5%	(602)
RECURRING FINANCIAL RESULT	(4,295)	(2,599)	65.2%	(1,696)
Exchange Variation	(2,582)	(1,110)	132.7%	(1,473)
NET FINANCIAL RESULT	(6,877)	(3,709)	85.4%	(3,168)

The net financial result in 2022 was an expense of R\$6,877 million, increasing 85.4% from R\$3,709 million in 2021.

Excluding the effects from exchange variation, the net financial result was an expense of R\$4,295 million, increasing 65.2% on the prior year, explained mainly by: (i) consolidation of the financial information of BRF in the result of Marfrig; (ii) the increase in provisioned net interest, since the Company increased the share of its debt denominated in local currency (BRL), which was affected by the higher basic interest rate in Brazil; (iii) with these factors partially offset by the repurchase and cancellation of bonds in the secondary market during 2022.

Capital Expenditures

In 2022, Marfrig's capital expenditures, excluding investments by BRF, amounted to R\$2,650 million, up 14% from 2021. This increase is explained by the higher investments in organic growth projects, such as: (i) the technological improvement project at the plant in Liberal, Kansas to streamline operations in cuts and case-ready products; (ii) construction of a rendering plant, also in Liberal; and in the South America Operation, (iii) the expansions of the deboning and beef patty areas, both in Várzea Grande; (iv) conclusion of the project to build a new beef patty plant in Bataguassu; and (v) the expansions of the primary processing capacity of the San Jorge (Argentina) and Tacuarembó (Uruguay) plants.

Another investment highlight was the capital injection at PlantPlus (JV with Archer-Daniels-Midland Company – ADM), which was used to acquire Sol Cuisine, located in North America.

These projects are aligned with the Company's strategy to optimize its geographic footprint, which maximizes the potential of its most efficient units while closing less efficient plants.

Net Income (Loss) | Attributed to the controlling shareholder

Consolidated net revenue attributed to the controlling shareholder amounted to R\$4,171 million in 2022.

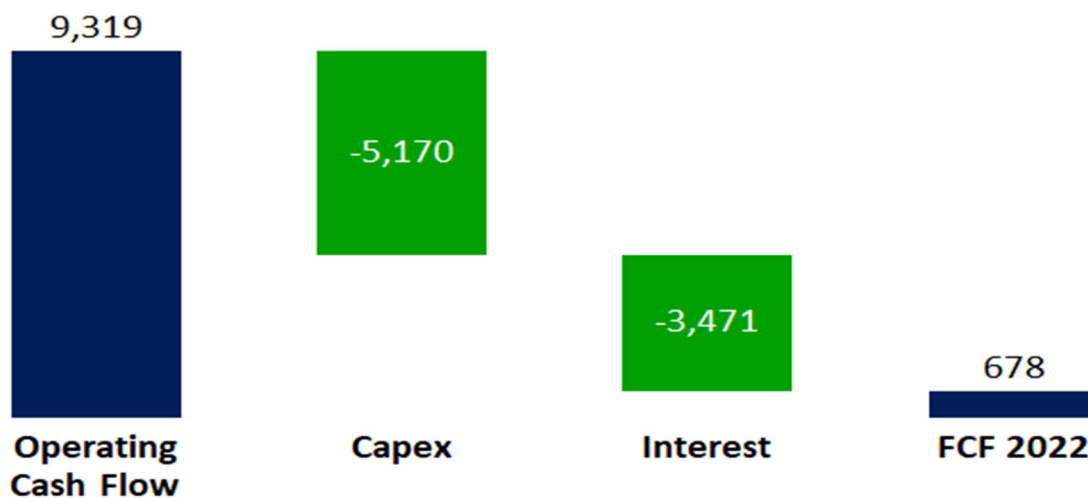
This excellent performance led the Company to distribute, in advance, over R\$1,100 million in dividends, or approximately R\$1.67 per share in 2022, of which R\$ 500 million in August, which represented a dividend yield of 5.6% and another R\$ 600 million in December, representing a yield of 11.9%.

Another significant portion of net income was allocated to the profit reserve, which enabled, for example, the creation of the share repurchase program and the subsequent cancellation of over 30 million shares in 2022.

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.

Cash Flow

(R\$ million)



In 2022, Marfrig's operating cash flow was positive R\$9,319 million, already including the financial information of BRF, investments made in the period came to R\$5,170 million and financial expenses amounted to R\$ 3,471 million. As a result, positive free cash flow was R\$678 million in 2022.

When the effects of BRF consolidation are isolated, i.e., analyzing only Marfrig's cash flow, operating cash flow was positive R\$5,827, the amount invested was R\$2,650 and total financial expenses were R\$2,432. The closing balance was cash generation of R\$746 million.

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 2022 at 63% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

Consolidated Net Debt in 2022 was US\$7,413 million, already including the liabilities of BRF. In Brazilian real, net debt on the last day of 2022 was R\$38,680 million. Financial leverage, measured by the ratio of net debt to proforma Adj. EBITDA in the last 12 months, considering BRF's results in the same period, stood at 2.95x in U.S. dollar and 2.99x in Brazilian real.

The net debt of Marfrig (ex-BRF) in Brazilian real was R\$24,314 million, down 1.3% from 3Q22. In U.S. dollar, net debt was US\$4,660, up 2.3%, mainly explained by the payment of dividends during the quarter, as follows:

- R\$600 million paid in advance to shareholders of Marfrig – MRFG3
- R\$286 million to the non-controlling shareholders of National Beef.

At end-4Q22, the gross debt of Marfrig (ex BRF) stood at US\$7,332 million, up 10.3% from 3Q22, explained mainly by the securing of credit facilities in the domestic market (Brazil) that were formalized in the closing days of December. The same effect also occurs on cash, combined with the generation of results for the period, made cash available (cash and cash equivalents) grow 27.8% compared to 3Q22 – (US\$ 2,672 million in 4Q22 vs US\$ 2,091 in 3Q22). When measured in reais, gross debt was R\$ 38,257 million in cash and cash equivalents of R\$ 13,943).

Excluding the effects from the consolidation of BRF, THE financial leverage of Marfrig (ex-BRF), measured by the ratio of net debt to Adj. EBITDA in the last 12 months, stood at 2.69x in U.S. dollar and 2.72x in Brazilian real. The higher leverage ratio mainly reflects the normalization of margins in the North America Operation.

CREDIT RISK RATING – GLOBAL SCALE

Marfrig remains in constant dialogue with rating agencies to ensure that its risk perception reflects its operating and financial performance.

Agency	Brazilian Scale	Global Scale	Perspective
S&P	brAAA	BB+	Stable
Fitch Ratings	AA+bra	BB+	Stable
Moody's	-	Ba2	Positive

CORPORATE GOVERNANCE

Marfrig Global Foods S.A. has a business management model that complies with the rules of the Securities and Exchange Commission of Brazil (CVM), the Novo Mercado Regulations of B3 and the recommendations of the Brazilian Code of Corporate Governance Best Practices of the Brazilian Corporate Governance Institute (IBGC). Business conduct is based on transparency in the reporting of information to its various stakeholders (shareholders, investors, clients, consumers, suppliers, employees and society) and adopts corporate governance practices that exceed legal recommendations and obligations.

In addition to a Board of Directors and a permanent Audit Board, the Corporation has four Advisory Committees to its Board of Directors, whose main function is ensuring that its activities are conducted to protect and increase the value of its assets and to optimize return on investment in the long term. These are the: Statutory Audit Committee, Financial Committee, Compensation Committee, Corporate Governance & Human Resources Committee and Sustainability Committee.

Other instruments and policies supporting Marfrig's corporate governance activities include:

- Code of Ethics & Conduct:** approved by the Board of Directors, the document, which is applicable to all Marfrig managers and employees, establishes the ethical and conduct principles that guide all internal and external relations and is aligned with best practices and legal requirements. The code is a set of expected behaviors and accepted and prohibited practices in the conduction of the Company's business. Once a year or whenever there are changes/updates, Marfrig administers training on the Code of Conduct to all applicable employees, whether officers, Audit Board members, directors, employees or interns. The document, which is available in three languages (Portuguese, English and Spanish) and widely disseminated via Marfrig's communication channels, is submitted, like its other Compliance Policies, to its annual revision process.

- **Anticorruption Policy:** also approved by the Board of Directors, the document, based on Brazilian anticorruption law, establishes guidelines for the conduct expected from employees, stakeholders and third parties when acting on behalf of Marfrig regarding anticorruption-related topics. The document, which is available in three languages (Portuguese, English and Spanish) and widely disseminated via Marfrig's communication channels, is submitted, like its other Compliance Policies, to its annual revision process.
- **Whistleblowing Channel:** called HELPLINE, the channel is available to all employees, clients, suppliers, service providers, investors, government officials and partners to receive reports on any activity in violation of the Company's standards and policies as well as of governing law, in particular Brazil's Federal Law 12,846/13, which combats corruption. The reports submitted via the HELPLINE are treated as confidential and anonymous; however users can, if they wish, make a report in which they identify themselves.
- **Securities Trading Policy:** establishes the rules and procedures to be adopted by the Company and its related persons regarding trading in securities issued by it, assuring to all stakeholders that ethical conduct is adopted by those with access to material information.
- **Disclosure Policy:** establishes the practices for the disclosure and use of information to be observed by the Controlling Shareholder, Managers and members of the Audit Board, as well as by anyone who, due to their position, function or duties at the Company, may come to acquire knowledge of any material information of the Company, in accordance with CVM Instruction 358 of January 3, 2002 and with CVM Instruction 369 of June 11, 2002. The Company's material fact notices are published on the news portal of Valor Econômico (<http://www.valor.com.br/valor-ri>), on its Investor Relations website, and on the Regular and Special Information (IPE) system of the Securities and Exchange Commission of Brazil (CVM).
- **Dividend Policy:** When proposed by the Company, shareholder remuneration is paid in the form of dividends and/or interest on equity based on the limits set by law and by its Bylaws.
- **Related Party Policy:** ensures transparency for shareholders, investors and the market and promotes fair treatment of suppliers and clients, in line with the corporate governance best practices adopted by the market.
- **Market Risk Management Policy:** defines (i) the risk limits acceptable by the Company; (ii) the parameters for negotiating products to hedge Marfrig's exposures; (iii) the responsibilities and approval powers for contracting hedge instruments; (iv) the methodology for monitoring, communicating and informing the agents involved in market risk management.
- **Compliance Program:** the Compliance Program works to strengthen Marfrig's commitment to ethics and transparency, as well as to avoid, detect and address any deviation or breach.

Based on best corporate governance practices and on the Marfrig Culture, the program's guiding principles are prevention, detection and response. The Program is structured based on five pillars:

- Level responsible – The program is led by the Compliance Department, which reports to the Chief Legal Officer. This management structure also includes an Ethics & Compliance Committee, which meets monthly and monitors topics relating to ethics and conduct.
- Support from senior management – The Compliance structure can draw on the unlimited support of senior management for all actions, which is an essential condition for the program's effective implementation.
- Continuous risk management – Using a Compliance Risk Matrix that is periodically revised, the area manages all risks verified and then proposes mitigation measures and reinforces prevention mechanisms.
- Continuous Monitoring – To detect deviations in behavior and conduct, the Compliance team has mechanisms to monitor actions and performance indicators, which are important procedures in risk management.
- Policies and training – Marfrig's goal is to establish and uphold a culture guided by Integrity. It works on various fronts with employees and partners, which include the mandatory training agenda, regular communications and a compliance clause in all contracts with third parties.

Marfrig has a robust training program conducted annually that uses a technological platform for administrative employees and an on-site format for operational employees to facilitate access by all employees. The content of the training courses covers all Compliance Policies, including the Code of Ethics & Conduct and the Anticorruption Policy.

In 2022, training courses were administered to 100% of employees.

Marfrig has ten compliance policies that are approved by our Board of Directors and submitted annually for revision. The policies are accessible to all employees via the intranet, the corporate website and the investor relations website, as follows:

- I. Code of Ethics & Conduct;
- II. Global Anticorruption Policy;
- III. Policy on Donations, Sponsorships & Contributions;
- IV. Policy on Conflicts of Interest;
- V. Policy on Relations & Communication with Government Officials;
- VI. Policy on Business Gratuities, Entertainment & Hospitality;
- VII. Social Media Policy;
- VIII. Fair Competition Policy;
- IX. Policy on Prevention of Money Laundering and Terrorism Financing; and
- X. Code of Ethics and Conduct of Third Parties.

Submission to Market Arbitration Chamber

The Company, its shareholders, Managers and Audit Board members undertake to resolve, through arbitration at the Market Arbitration Chamber, any and all controversies that arise between them related to or arising from their condition as issuer, shareholders, managers and Audit Board members and, in particular, from the provisions of Federal Law 6,385/76, Federal Law 6,404/76, the Corporation's Bylaws, the rules issued by the National Monetary Council, by the Central Bank of Brazil and by the Securities and Exchange Commission of Brazil and the other rules applicable to the capital markets in general, as well as those in the Novo Mercado Regulations, other regulations of the B3 and the Novo Mercado Listing Agreement.

Relationship with the independent auditors

Pursuant to CVM Instruction 381/2003, which refers to the rendering of services by our independent auditors, Grant Thornton Brasil, we hereby declare that the total fees related to services other than those associated with the independent audit did not represent more than 5% of the total fees paid to the group of auditors by Marfrig Global Foods S.A. and its subsidiaries, and none of the work affected the independence of the auditors.

International Chamber of Commerce

Since 2017, Marfrig is a member of the Commission on Integrity and Corporate Responsibility of the International Chamber of Commerce ("ICC") Brazil, an organization based in France that works to promote and support international trade and globalization. The commission's purpose is to help strengthen compliance policies in the private sector and reestablish the country's international credibility.

In 2019, the ICC launched the campaign "Brazil Wants More," and the Company, as a supporter, participated in the launch ceremony that took place in São Paulo. The Corporation's executive officers were present and witnessed the execution of a Memorandum of Understanding between ICC Brazil and the Ministry of Justice and Public Security for the creation of an exclusive whistleblowing channel to receive reports of improper practices by government officials, with the goal of strengthening the fight against transnational corruption, money laundering, piracy and cybercrimes, as well as protecting fair competition and intellectual property rights. Within the scope of said campaign, the ICC also launched the Conduct Guide for Public-Private Relations prepared by the commission, which represents the first self-regulation in Brazil to guide practices based on integrity in relations between companies and the government.

In 2021, Marfrig reinforced its commitment to the ICC by approving, through its Board of Directors, its adherence to the Private Sector Commitment Integrity in the Production Chain, and started to require that all participants in its production chain follow the same standards of integrity established for its direct employees. Through this commitment, the Corporation expects to encourage a broad system of integrity and to disseminate best practices in compliance.

CAPITAL MARKETS & INVESTOR RELATIONS

Marfrig stock, which trades on the Novo Mercado segment of the São Paulo Stock Exchange (B3), under the ticker MRFG3, ended 2022 quoted at R\$8.70/share, down 60.6% from the end of 2021. In 2021, average daily financial trading volume was approximately R\$131 million.

Marfrig also trades through Level 1 American Depositary Receipts (ADR), with the ticker MRRTY, on the U.S. Over-the-Counter (OTC) market. Each ADR (USOTC:MRRTY) corresponds to one common share (BOV:MRFG3).

Given the high liquidity of its stock, Marfrig was included in the IBRX – B3, the index of the 50 most traded stocks on the exchange, and also is a component of the Carbon Efficient Index (ICO2) and Corporate Sustainability Index (ISE B3).

The Brazilian stock exchange, the B3, ended the year of 2022 with an increase of 4.7% and reached 109,735 points in the last trading session of the year.

SUSTAINABILITY & SOCIO-ENVIRONMENTAL PERFORMANCE

With sustainability one of its strategic pillars, Marfrig Global Foods has been working constantly to implement best ESG practices that are aligned with the principles of responsible investment. On the corporate governance front, Marfrig created a Sustainability Committee to discuss, assess and define its sustainability priorities.

Marfrig's commitment to sustainability is expressed in its business strategies, in the partnerships and commitments it undertakes with renowned social and environmental organizations and in its actions to promote animal welfare.

At the industry forefront in sustainable production and preserving biodiversity, Marfrig not only undertook, but continues to uphold and strengthen its various public commitments in partnership with major organizations.

Marfrig has developed and implemented a sustainability platform based on six core pillars:

- 1. Control of origin:** managing the origin of raw materials and engaging suppliers in best sustainability practices. This front also is responsible for executing the Marfrig Verde+ Program, which focuses on disseminating sustainable and low-carbon cattle production practices throughout the value chain. This effort culminates in the industrial operations with rigorous control of food quality and safety through processes and procedures for monitoring the use of antibiotics, hormones and controversial substances, if used in the cattle production process.
- 2. Climate change:** working to continually capture efficiency gains in processes to minimize the impacts of our operations on climate change and adapt them to this new context.

3. Animal welfare: managing animal husbandry practices, from farm to slaughter, which must be performed in line with the recommendations of World Animal Protection and with the most stringent international standards for humane slaughter.
4. Use of natural resources: promoting the effective management of water and energy consumption in production processes, while seeking new alternatives for generating energy from clean and renewable sources.
5. Effluents and Solid Wastes: disseminating environmentally responsible practices for the proper treatment and disposal of the effluents and solid waste generated by our operations.
6. Social responsibility: To contribute effectively to the social development and welfare of the communities near our operations, we developed campaigns, organized donations and implemented social responsibility programs in the different countries where we operate. Highlights include the Marfrig Institute and the partnership with Hospital de Amor, in Brazil.

Achievements & Highlights in 2022

Marfrig Green+: a pioneering program in the industry to combat deforestation in Amazonia and Cerrado biomes. With the program, Marfrig aims to ensure that 100% of its production chain is sustainable and free of deforestation by 2030. In 2022, it achieved 100% satellite monitoring of its direct suppliers and 73% control of its indirect suppliers in the Amazonia Biome; it also reached 72% control of its indirect suppliers in the Cerrado Biome.

Reinstatement of Cattle Suppliers: As of the close of 2022, we had 2,586 farms reinstated, i.e., suppliers that resumed operations in conformity with our commitments by demonstrating their firm commitment to the principle of inclusion, under the Marfrig Green+ Program.

Best Beef Protein Company at FAIRR: Marfrig was the best beef producer in the ranking of Collier FAIRR Protein Producer Index, with the company rising four places in the overall classification, from seventh to third place, which is its best result since being included in the ranking. Marfrig also is the only company classified as low risk among the 11 beef protein companies. FAIRR is an initiative that gathers investors from around the world, with US\$70 trillion under management, that analyze protein producers from different countries based on environmental, social and governance criteria.

Corporate Sustainability Index (ISE): For the second straight year, Marfrig was included in the 17th portfolio of the B3 Corporate Sustainability Index (ISE), which is a tool that conducts a comparative analysis of listed companies' performance in environmental, social and corporate governance. The indicator is a reference of good sustainability practices, since it compiles the stocks of companies that follow differentiated principles on the topic.

Carbon Efficient Index (ICO2): The Corporation also is a component of the B3's Carbon Efficient Index (ICO2), whose portfolio includes the stocks of companies that adopt efficient measures to minimize the greenhouse gas emissions of their operations.

CDP: Over the last year 18,700 companies in the world were assessed by CDP, and Marfrig was rated "A-" considering the three requirements analyzed by the index. As a result, the company figures among companies that are references in the management of natural resources worldwide. In 2022, we also made improved our score in the CDP Climate Change category, from B to A-.

BBFAW: Marfrig was the only beef protein producer in the Americas to achieve Tier 2 in the Business Benchmark on Farm Animal Welfare (BBFAW) 2021, the most important global ranking of animal welfare management.

Carbon Neutral Beef: In partnership with Embrapa, Marfrig maintains the Viva Carbon Neutral Beef (CCN) seal, which certifies that the products come from animals raised in a livestock-forest production system that neutralizes methane emissions.

Science Based Targets: Marfrig is Brazil's first animal protein company and Latin America's only beef producer to commit to Science Based Targets, an initiative to reduce greenhouse gas emissions to keep global warming below 1.5°C, as envisaged in the Paris Accord. It also was the only Brazilian company in the industry to have its goals approved by the institution.

Combating Deforestation: The Corporation signed a public commitment coordinated by the Brazilian Business Council on Sustainable Development (CEBDS) whose goal is to collaborate with the Amazonia Council and combat illegal deforestation.

Mitigation of Social and Environmental Risks: Marfrig, in partnership with Agroicone, concluded the Social and Environmental Risk Mitigation Map for the Atlantic Forest Biome, which is unprecedented in the sector. It also enabled the company to expand its social and environmental practices in the biome, in line with the goals of the Marfrig Green+ Plan. As a result, Marfrig now has, from a social and environmental risk standpoint, accurate control of areas in all biomes where it operates in Brazil.

Managing Committee of the Voluntary Protocol for Monitoring Cattle Suppliers in the Cerrado: Marfrig became a member of the Managing Committee of the Voluntary Monitoring in the Cerrado Protocol. The protocol aims to contribute to aligning best social and environmental monitoring practices for sourcing beef products from the Cerrado biome. A series of criteria and parameters for responsible procurement were defined for companies to ensure that their supply chains are not connected with social and environmental problems.

Biomass: Marfrig is the co-creator of the company BIOMAS, which is fully dedicated to the restoration, conservation and preservation of forests in Brazil. The initiative's goal is to reach, over 20 years, total restored and protected area of 4 million hectares of native forests in different Brazilian biomes, namely Amazonia, Atlantic Forest and Cerrado, with this area equivalent to the size of Switzerland or the state of Rio de Janeiro. Initially called Biomass, the company was born with the mission to restore 2 million hectares of degraded areas via the planting of some 2 billion native trees under a large-scale business model. The company also will work to conserve and preserve 2 million hectares of land. The expectation of the group formed by large companies with a global footprint, not to mention the initiative's environmental benefits, is to foster regional development and strengthen local communities by engaging them in the value chain.

Global Compact: Marfrig remained a signatory to the United Nations (UN) Global Compact, an initiative to encourage companies to adopt policies on corporate and social responsibility and sustainability.

Authorization to produce organic beef under USDA protocols: The unit in Bataguassu, Mato Grosso maintained its authorization to produce organic beef in accordance with the protocols of the U.S. Department of Agriculture (USDA), becoming eligible to export beef to the country.

SOCIAL RESPONSIBILITY

To contribute to the development and social welfare of local communities, Marfrig carries out important programs to support communities in the various countries where it operates. The contributions range from partnerships with health institutions to financial support for social causes, as well as awareness-raising campaigns for employees and donation drives at units.

Marfrig Institute:

Created in 2011, the Marfrig Fazer e Ser Feliz Institute is a non-profit organization that supports children in socially vulnerable situations between the ages of 6 and 16 by offering them a series of physical and intellectual development programs through sports and leisure activities and by fostering citizenship and respect for the environment.

Hospital do Amor:

Since 2017, the Corporation maintains a partnership with Hospital de Amor, an oncology center of excellence located in Barretos, São Paulo. Initially created to supply beef to satisfy daily consumption at the hospital, which serves around 20,000 people a month, the partnership was expanded to include the participation of cattle producers. Donations are used to maintain the cancer treatment, prevention and early diagnosis offered by the entity to the public for free through the Brazilian public healthcare service SUS.

Global Child Forum Benchmark (GCFB):

Marfrig is one of the companies that most protect child rights on a global scale. In 2022, the company's score increased 27 percentage points from 2021, which places it among the four companies that most evolved in the period. Marfrig received a score of 7.3 on a scale of up to 10, making it the Brazilian company with the best score in the report, while outperforming the overall average score of the Food, Beverage and Personal Care industry, of 4.4. Marfrig also advanced in all aspects in relation to 2021: workplace, market, community and environment. In 2022, the report methodology started to consider a new pillar, of Governance, in which Marfrig obtained the maximum score (10).

PEOPLE MANAGEMENT

The business performance of Marfrig Global Foods is the product of the efforts of its more than 32,000 employees located in the various countries where it operates. Accordingly, the Company strives to support its professionals in their career development through good practices in recruiting, retaining and developing talent, while also encouraging diversity in the workplace.

Number of Employees

	2022	2021
North America Operation	10,290	9,919
South America Operation	22,244	21,860
Total Employees	32,534	31,779

In the South America Operation, in 2022 we continued to focus on the health of our employees without abandoning our mission to feed the world. Around 82% of our employees were vaccinated against H1N1 to minimize the transmission risk of the novel coronavirus, and 98% have completed their Covid-19 vaccine plan. We tested everyone at all our units for covid-19, with the entire process monitored by our Health & Safety team, in accordance with our Covid-19 Contingency Plan. Employees who tested positive were placed on leave, during which we continued to provide medical assistance to them. At some units, employees were tested more than six times, whenever the need was identified, to mitigate the spread of Covid-19.

We reduced by 15% the frequency of leave due to occupational disease covered by the social security system in 2022, thanks to the implementation of occupational health measures.

In 2022 we started this programs:

- Mental Health Program, which after welcoming and identifying cases by our health team, offers teleconsultations with professional Psychologists and Psychiatrists at no additional cost to employees included after assessment by the unit's health team;
- RSI/DORT, which aims to prevent work-related musculoskeletal disorders for Marfrig employees. It is multidisciplinary in nature, carried out from the integration of the following areas of the company: Human Resources, Training, Ergonomics, Occupational Safety, industry, Maintenance, Nutrition, Nursing and Medicine.

Our workplace safety guidelines were further revised to reduce the exposure of employees to the risk of workplace accidents. We follow all resolutions of the International Labour Organization (ILO), as well as the legislation of the countries where we operate. We also conduct campaigns to raise safety awareness and train employees on workplace hazards and risks and the proper use of individual protective equipment through mandatory training courses based on function.

We launched at our units a Leadership in Security and Risk Perception Workshop to strengthen senior leadership in increasingly focusing on the root causes of unsafe behaviors and conditions.

We expanded the use of digital tools by providing PPEs that incorporate biometrics and launched systematic inspection of worker safety using tablets, which should dramatically reduce paper consumption while gaining greater agility in the execution of actions.

We also strengthened the program Clear Rules to disseminate safety rules to ensure that employees at our units are clearly aligned with the concepts of our workplace safety processes. These Safety Rules expand concepts promoting the value of human life and provide guidance on the safe behaviors and procedures to adopt in daily work routines.

In 2022, we achieved reductions of 28.1% in workplace accidents and of 35.1% in lost-time accidents.

To develop and improve competencies and the sense of belonging, in 2022, we administered, through the People Who Inspire Program, 3,072 hours of team building training and another 2,824 hours in learning paths to ensure the highest standards of excellence and operating efficiency, while fostering energy, engagement, value and commitment to the construction and maintenance of our relations and processes.

The e-learning training programs administered to employees from various areas and hierarchical levels totaled 9,807 hours, with the effort crucial to enabling employees to seek creative solutions and continuous performance reviews to augment their perception and engagement with regard to professional opportunities and challenges.

We also created various internal opportunities in different areas and hierarchical levels to give employees more opportunities in their career advancement. In 2022, 54% of our job openings were filled by internal promotions. In leadership positions, internal recruiting reached 62%, demonstrating Marfrig's commitment to in-house development of its professionals.

We also trained over 823 employees through our Professional Training Program, who in 2022 were recruited to fill specialized position on the production line, with the program measurably contributing to the development and improvement of technical competencies and behaviors.

Another highlight was the hiring of persons with disabilities, which increased by 33%, given Marfrig's belief in the power of inclusion and that diversity makes our team stronger!

We work continuously to strengthen our brand as an employer by job opportunities. In 2022, more than 256 openings were advertised in the media and our openings received 1,451,795 views on social media. We also were invited to participate in important job fairs at leading universities and in partnership with major corporations.

In 2022, we launched the Corporate Area Internship Program, which recruited 20 young professional to play a key role in our future by not only offering them technical knowledge, but also developing the behavioral skills they will need in the job market. In the North America Operation, we strive to create an environment in which employees have the opportunity to deliver their best every day, in which their ideas and opinions are considered, and they feel part of a family, the National Beef family.

We foster individual growth and opportunities through on-the-job training (workplace safety, food safety, development of specific skills, improvement in language skills, and more) and organize opportunities for external training and managerial development/improvement training, as well as opportunities for reimbursement of tuition. We have a strong culture of "promotion from within" which provides growth and opportunities for our employees to advance their career and skill development.

This culture also creates a greater sense of stability, resulting in higher retention among our employees. In North America, where the workforce is comprised of over 47 nationalities that speak more than 30 languages, the Company works to promote respect and to accommodate the wide variety of cultures that come together every day to work at our facilities. We partner with local educational institutions to offer employees access to English as a Second Language (ESL) classes and provide on-site Rosetta Stone training for employees who want to learn new language skills.

Launched in late 2018, the Share & Grow Together Program works to engage employees and increase retention through an annual Employee Opinion Survey and Action Planning sessions.

In April 2022, over 91% of National Beef employees completed the survey. Key strengths identified by our employees are supervisor relationships, intent to stay at National Beef and their understanding of how each employee contributes to the Company's success. This initiative provides a forum for conversation with employees so that their voices are heard, helping us to implement real change and create an even better workplace.

In addition, we have provided 32 hours of leadership development training to more than 960 supervisors, managers, and other key employees across the company. In 2022, we continued practicing the safety protocols put into place during the pandemic in 2020 and 2021. Our COVID-19 Task Force continued evaluating and adjusting operations in each facility, ensuring that all current health regulatory guidelines are met. We organized vaccination clinics in our plants and communities that offered Covid-19 and Flu vaccines to employees, their families, service providers, and local residents.

With a keen focus on mental health, we offer all of our employees and their dependents access to licensed mental health professionals who can provide support, therapy, and medical assistance. In all cases, the services are 100% confidential and there is no limit on the number of consultations.

We continued to work on ways to improve the balance between the professional and personal life of our employees, by offering part-time positions in our production facilities to increase flexibility, providing an opportunity for employees at our beef processing units to earn additional days off based on their attendance and providing predictive scheduling - advance communication of work shifts so employees can better plan their time away from work. We also introduced an enhanced vacation policy in 2022.

ATTACHMENT I – CONTINUED OPERATION

RECONCILIATION OF ADJ EBITDA	2022	2021
Net Profit / Loss	4,171	4,342
(+) Provision for income and social	(1)	2,256
(+) Non-controlling Interest	(1,392)	2,304
(+) Net Exchange Variation	2,582	1,110
(+/-)Net Financial Charges	4,295	2,599
(+) Depreciation & Amortization	5,572	1,563
EBITDA	15,227	14,195
(+) Other Operacional Revenues/Expenses	(3,105)	349
(+/-) Non-controlled equivalence	65	20
(+/-)Others Aj. EBITDA BRF	562	
EBITDA^{AJ}	12,748	14,544

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

1. OPERATIONS

Marfrig Global Foods S.A. (“Company” or “Marfrig”) 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 Company’s activities include the production, processing, further processing, sale and distribution of animal-based (beef, pork, lamb, fish and poultry), pastas, margarine, pet food, and plant-based proteins. The Company is domiciled in Brazil and headquartered in the city of São Paulo.

The Company 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 ticker MRFG3. Because it is listed on the Novo Mercado special corporate governance segment of B3, the Company 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 (BOV:MRFG3).

The Company’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: Bovespa Index (IBOV); Value Index (IVBX 2); Agribusiness Index (AGFS - IAGRO); 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 (MLCX); and BM&FBOVESPA Dividend Index (IDIV B3). The Company’s stock is also part of the main sustainability indexes, such as Carbon Efficient Index (ICO2) and the Corporate Sustainability Index (ISE).]

2. PRESENTATION AND PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Management of the Company approved the issue of these individual and consolidated financial statements on March 1, 2023, 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 financial statements

The Company’s consolidated 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 Corporation Law, the Brazilian Accounting Standards (NBCs) and resolutions and instructions issued by the Securities and Exchange Commission of Brazil (CVM).

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The individual and consolidated Statement of Value Added is required under Brazilian Corporation Law and the accounting practices adopted in Brazil applicable to listed 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 financial statements.

Individual financial statements

The parent company 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 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 equity and consolidated income (loss) and the parent's equity and income (loss) disclosed in the individual financial statements. Thus, the individual and consolidated financial statements are being presented in the same document.

2.2. Basis of presentation

The individual (parent company) and consolidated 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 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 individual and consolidated 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 individual and consolidated financial statements are stated in note 3.1.

2.3. Foreign currency translation

Functional and reporting currency

The 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 financial statements are expressed in Brazilian real (R\$), which is the Company's functional and reporting currency.

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Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company 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 statement of income. 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:

- Asset and liability balances are translated using the exchange rate in effect at the date of the consolidated financial statements;
- Statement of income accounts are translated using the monthly average exchange rate; and
- All differences arising from the foreign currency translation are recognized in equity and in the consolidated statement of comprehensive income under "Cumulative translation adjustment."

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

3.1. Significant accounting practices

The significant accounting practices adopted to prepare these financial statements are as follows:

3.1.1. Results of operations

Results of operations are recorded on the accrual basis:

Revenue

Revenue from sales of products is recognized in accordance with NBC TG 47 (IFRS 15) – Revenue from contracts with customers, establishing a model of five steps to determine the measurement of revenue and how it will be recognized. Therefore, the Company recognizes revenue when the products are delivered and duly accepted by its customers, upon which the risks and rewards related to ownership are transferred. The ownership of risks and rewards is transferred when the products are shipped with the corresponding sales invoice, taking into account the incoterms. These conditions are met when the goods are transferred to the buyer, complying with the main freights modalities used by the Company.

Revenue is shown net of taxes, returns, rebates and discounts and the consolidated financial statements are also net of intercompany sales eliminations.

Financial income and expenses

Income comprises gains on changes in the value of financial assets and liabilities measured at fair value through profit or loss, as well as interest income obtained using the effective interest method.

Income also includes interest income on invested amounts, gains on the disposal of financial assets and changes in the value of financial assets. Interest income is recognized in the statement of income using the effective interest method.

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Financial expenses basically comprise expenses with interest on loans and changes in the value of financial assets and liabilities measured at fair value through profit or loss. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized with the investment.

3.1.2. Segment reporting

The information by operating segment is based on internal reporting to the chief operating decision maker, according to NBC TG 22/R2 (CVM Resolution 582/09) – Segment reporting. The chief operating decision makers are the chief executive officer, the chief financial officer and the chief executive of each division (Beef North America, Beef South America, Poultry, Pork and Processed Products – BRF and Corporate).

The Company's management identified four main reportable segments that are strategically organized according to the divisions, as per note 34.

3.1.3. Accounting estimates

The preparation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and IFRS requires the use of management's judgment to determine and record accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include, when applicable, the residual value of property, plant and equipment, expected losses on doubtful accounts, expected losses on inventories, deferred income and social contribution tax assets and provisions for tax, labor and civil risks. The settlement of transactions involving these estimates may result in values different from estimates, due to the inherent inaccuracy of the process.

The Company and its subsidiaries review estimates and assumptions at least quarterly.

The issues requiring Company's estimates are as follows:

- a) Fair value measurement of biological assets (Note 3.1.6);
- b) Measurement corresponding to actuarial gains and losses (Note 3.4)
- c) Expected losses on doubtful accounts (Note 6);
- d) Expected losses on inventories (Note 7);
- e) Impairment of taxes (Note 9.6);
- f) Deferred income and social contribution tax assets (Note 12);
- g) Fair value measurement of items arising from business combinations (Note 13.2.6);
- h) Fair value measurement of investment properties (Note 14);
- i) Useful life of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives (Notes 15, 16 and 17, respectively);
- j) Impairment of intangible assets with indefinite useful life, including goodwill (Note 17);
- k) Provisions (tax, labor and civil proceedings) (Note 26);
- l) Fair value of financial instruments and derivatives (Note 32);
- m) Stock option plan (note 37.5).

3.1.4. Financial instruments

Financial instruments include financial investments and marketable securities, debt and equity instruments, trade accounts receivable and other receivables, cash and cash equivalents, derivative financial instruments, loans and financing, as well as trade accounts payable and other debts.

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Financial instruments were recognized in accordance with NBC TG 48 (IFRS 9) – Financial instruments, as per CVM Decision 763/16.

These financial assets and liabilities are initially recognized when the Company becomes party to the contractual provisions of the instruments and are subsequently recognized at their fair value plus, for instruments that are not recognized at fair value through profit or loss, any directly attributable transaction costs.

After initial recognition, the Company classifies financial assets as subsequently measured at:

Amortized cost

When the financial assets are held for the purpose of collecting contractual cash flows and the contractual terms of these assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVOCI)

When the financial assets are held both for the purpose of collecting contractual cash flows and for the sale of these financial assets. In addition, the contractual terms must give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss (FVTPL)

When financial assets are not measured at amortized cost, fair value through other comprehensive income or designated as such upon initial recognition. Financial instruments are designated as measured at fair value through profit or loss when the Company manages and makes purchase and sale decisions regarding these investments based on their fair value and in accordance with the Company's documented risk management and investment decision. After initial recognition, attributable transaction costs are recognized in profit or loss when incurred, along with the fluctuations in fair value.

The classification of the financial assets is based both on the Company's financial asset management model and on their cash flow characteristics.

Similarly, the Company classifies financial assets and liabilities as subsequently measured at their amortized cost, FVTPL or FVOCI. Financial liabilities measured at amortized cost use the effective interest method, adjusted for any reductions in the settlement value.

Derivative financial instruments and hedge accounting

The derivative financial instruments designated as hedge transactions are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives are presented as financial assets when the fair value of the instrument is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives during the year are recognized directly in the statement of income, except for financial instruments designated for hedge accounting, which are recognized directly in equity as other comprehensive income. The amounts recognized under other comprehensive income are immediately transferred to the statement of income when the hedged transaction affects profit or loss.

3.1.5. Foreign currency

Management defined the Brazilian real as the functional currency of the Company and its companies in Brazil, according to the provisions of NBC TG 02/R3 (CVM Resolution 640/10) – The effects on changes in foreign exchange rates and translation of financial statements.

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The functional currency of foreign companies is the currency of the country in which they operate, except for companies located in the Netherlands, United Kingdom and Uruguay, whose functional currency is the US dollar. Translations into the reporting currency are also in accordance with NBC TG 02/R3 (CVM Resolution 640/10) – The effects of changes in foreign exchange rates and translation of financial statements.

Foreign currency transactions: i.e., all transactions not made in the functional currency, are translated using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the closing exchange rate. Non-monetary assets and liabilities acquired or entered into in foreign currency are translated using the exchange rates on the transaction dates or the dates at which they are stated at fair value when fair value is used.

Exchange rate variation gains or losses on monetary and non-monetary assets and liabilities are recognized in the statement of income.

3.1.6. Current and non-current assets

The main practices adopted for current and non-current assets are as follows:

Cash and cash equivalents

Consist of cash, banks and highly liquid financial investments with maturities equal to or less than 90 days at the time of acquisition that are readily converted to known amounts of cash and that are subject to an insignificant risk of change in value.

Marketable securities

They include virtually all investments of the following types: time deposit, interest-bearing deposit and repurchase agreements. These investments may be readily redeemed and have an insignificant risk of change in value. In addition, shares and ADRs of listed companies and non-convertible debentures are recorded under this line item.

Trade accounts receivable

Trade accounts receivable are recorded at the fair value and when applicable, discounted to present value, according to NBC TG 12 (CVM Resolution 564/08) – Present value adjustment.

The expected loss on doubtful accounts is set up in an amount deemed sufficient by Management to cover any losses on the realization of receivables, calculated on an individual basis and considering in its assumptions the concept of expected credit losses, as introduced by NBC TG 48 (IFRS 9) – Financial instruments.

Inventories

Inventories are stated at the average acquisition or production cost, adjusted at net realizable value, if lower than the average cost.

Biological assets

According to NBC TG 29/R2 (CVM Resolution 596/09) - Biological assets and agricultural produce, agricultural activity is the management of the biological transformation of assets (living animals and/or plants) for sale, into agricultural products or into additional biological assets. The Company classifies cattle, poultry, pork and forests as biological assets.

The Company recognizes biological assets when it controls these assets as a result of past events and it is probable that future economic benefits will flow to the Company and the fair value of the asset can be reliably measured.

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Under NBC TG 29/R2 (CVM Resolution 596/09) – Biological assets and agricultural produce, biological assets must be measured on initial recognition and at the end of each reporting period at fair value less costs to sell, unless fair value cannot be reliably measured.

The Company values cattle, poultry, pork and forests at their fair value based on market prices.

Restricted cash

Refers to the balance in a bank account which cannot be used temporarily due to the obtainment of loans from financial institutions and/or acquisition of new businesses for the group. The balance is subject to small variations and is described in note 11.

Investments

The Parent company's investments in subsidiaries, associates and joint venture are accounted for using the equity method in the financial statements.

Investment property

Investment property is recognized at fair value, which reflects the market conditions at the reporting date, in compliance with NBC TG 28/R3 (CVM Resolution 584/09).

Investment property is written off when it is sold or when the investment property is no longer permanently used and no future economic benefit is expected from its sale.

The difference between the net value obtained from the sale and the carrying amount of the asset is recognized in the statement of income in the period the asset is written off.

Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less depreciation calculated using the straight-line method at the rates mentioned in note 15 and take into consideration the estimated useful lives of assets and property lease terms with respect to leasehold improvements.

Finance charges on financing agreements incurred when property, plant and equipment items are being built are capitalized until the asset begins its operations.

Other expenditures are capitalized only if the economic benefits associated with the property, plant and equipment item increase. Any other type of expenditure is recognized as an expense when incurred.

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

Lease (Right of use)

Applied as from January 1, 2019 to unify the lease accounting model, the standard NBC TG 06 (R3)/IFRS 16 requires that for all lease agreements under the scope of this standard – except those entitled to exemptions – lessees must recognize the liabilities assumed as corresponding entries to the respective right-of-use assets. The Company used the modified retrospective approach.

This approach does not impact the Company's equity on the date of initial adoption, as the amount of right-of-use assets equals the amount of lease liabilities adjusted to present value. Furthermore, it allows the Company to apply the practical expedient for defining the lease contract in the transition.

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The Company opted to use the exemptions proposed by the standard for lease agreements with terms ending 12 months as from initial adoption and for lease agreements whose underlying assets are of low value.

As of January 1, 2019, the previous balance recorded under leased property, plant and equipment (finance lease) was reclassified to right-of-use assets and the corresponding lease liabilities were incorporated under lease payable, as described in Notes 16 and 24.

Intangible assets

Intangible assets consist of assets acquired from third parties, including through business combinations, and those generated internally by the Company. They are stated at acquisition or formation cost, less amortization calculated using the straight-line method, and based on the recovery estimated periods.

Intangible assets with indefinite useful lives and goodwill resulting from expected future profitability are not amortized and are tested annually for impairment.

The goodwill represents the excess of total consideration paid over the difference between the fair value of assets acquired and liabilities assumed on the takeover date of the acquired company.

Goodwill is capitalized as an intangible asset and any impairment is recognized in the statement of income. Whenever the fair value of the assets acquired and liabilities assumed exceeds total consideration paid, the difference will be fully recognized in the consolidated statement of comprehensive income at the acquisition date. The Company's intangible assets are described in note 17.

3.1.7. Impairment

Impairment tests on goodwill and other intangible assets with indefinite economic useful life are annually conducted at the end of the year. Other non-financial assets, such as property, plant and equipment and intangible assets, are submitted to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount (i.e., the higher between the value in use and the fair value less costs to sell), an impairment loss is recognized.

When it is not possible to estimate the recoverable amount of an individual asset, an impairment test is conducted in its cash generating unit (CGU): the smallest group of assets to which the asset belongs and for which there are separately identifiable cash flows. The Company adopts as CGU for assessing the recoverable amount of an asset, its segmentation by business unit (BU).

Goodwill recorded on initial recognition of an acquisition is allocated to each BU of the Company that is expected to benefit from the synergies of the combination that originated the goodwill, for purposes of impairment test.

Impairment losses are included in the statement of income. An impairment loss recorded for goodwill is not reversed.

3.1.8. Current and non-current liabilities

Current and non-current liabilities are stated at known or estimated amounts, plus the related charges, exchange rate gains (losses) and/or monetary changes incurred through the balance sheet date, when applicable.

3.1.9. Provisions

Provisions are recognized when an outflow of future economic benefits resulting from past events is probable and they can be reliably estimated.

3.1.10. Share-based payment plan

The effects of the share-based payment plan are calculated at fair value and recognized in the balance sheet and the statement of income as contract conditions are met and as commented in note 37.5.

3.1.11. Income and social contribution taxes

The Company recognizes deferred taxes on tax losses and temporary differences. In the consolidated statements, deferred income tax is estimated in compliance with the regulations of the various jurisdictions in which the Company conducts business and with NBC TG 32/R4 (CVM Instruction 371/02 and CVM Resolution 599/09) – taxes on income, which requires estimating the current tax position and assessing any temporary differences between the tax and accounting treatments.

Tax losses calculated in Brazil are not time-barred but are limited to the use of 30% on taxable income for the year.

The carrying amount of a deferred asset is revised quarterly. The carrying amount of a deferred tax asset is written off when it is not probable that there will be sufficient taxable income to allow part or the entire benefit of the deferred asset to be used. The recognition is made when it is probable that there will be sufficient taxable income for its offset.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxing authority.

Furthermore, income and social contribution taxes for the current year are calculated based on taxable income in accordance with the legislation in force in each jurisdiction in which the Company operates.

3.1.12. Dividends and interest on capital

Management's proposal for distribution of dividends and interest on equity within the mandatory minimum dividend amount is recorded as current liabilities since it is considered a legal obligation set forth in the bylaws. The amount that exceeds mandatory minimum dividend, which is declared by Management before the end of the reporting period and has not yet been approved by the shareholders, is recorded as proposed additional dividend in equity.

3.1.13. Earnings per share

Basic

Basic earnings/losses per share is calculated by dividing the earnings or losses attributable to the Company's controlling and non-controlling shareholders by the weighted average number of common shares outstanding during the period, pursuant to NBC TG 41/R2 (CVM Resolution 636/10) – earnings/losses per share, excluding the common shares held as treasury shares.

Diluted

Diluted earnings/losses per share is calculated by dividing the earnings/losses attributed to the Company's common shareholders by the weighted average number of common shares, which would be issued in the conversion of all diluted potential common shares into common shares. The effect of dilution of earnings (loss) per share does not generate significant difference between basic and diluted earnings (loss). The dilution percentage is shown in note 31.

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3.1.14. Share issuance expenses

In accordance with NBC TG 08 (CVM Resolution 649/10) – transaction costs and premium on issue of securities, transaction costs incurred with the raising of funds through the issuance of equity securities should be separately recorded in a valuation allowance which reduces equity, less possible tax effects.

3.1.15. Treasury shares

Treasury shares are Company shares acquired by the Company itself and kept in the treasury with the specific purpose of carrying out the Company's stock option plan, as per note 27.2. Treasury shares are recorded in a separate account, and, for the purpose of balance sheet presentation, are deducted from the Earnings Reserve, whose balance was used in such operation.

3.1.16. Consolidation

Accounting practices are uniformly applied to all consolidated companies and are consistent with those applied in previous years.

Description of the main consolidation procedures:

- a) Elimination of the balances of intercompany assets and liabilities;
- b) Elimination of ownership interest, reserves and retained earnings of subsidiaries; and
- c) Elimination of balances of intercompany revenues and expenses and unrealized profits resulting from intercompany transactions.

3.1.17. Statement of value added

The Company prepared the individual and consolidated statement of value added in accordance with NBC TG 09 (CVM Resolution 557/08) – Statement of value added, which is an integral part of the financial statements under Brazilian accounting standards applicable to listed companies, while it represents additional information under IFRS standards.

3.1.18. Hyperinflationary economy

The effects were recognized against “Cumulative translation adjustment and asset valuation adjustment” and foreign exchange variations were recorded in the statement of income for the year.

As required by the accounting standard, non-monetary items, as well as the income for the year, were restated by the variation in the inflation index between the initial recognition period and the reporting period, with the aim of recording the balance sheet of subsidiaries at current value.

The translation of the balances of subsidiaries located in a hyperinflationary economy into the reporting currency was made at the exchange rate in force at the end of the year, for balance sheet and statement of income items.

In the consolidated statements for the year ended December 31, 2022, restatement due to hyperinflation had a positive impact of R\$ 648,045 on the Company's results.

Argentina

Since 2018, Argentina has been considered a hyperinflationary economy. In 2022, the Central Bank of Argentina increased the basic interest rate to 98.4% in an attempt to contain the highest price increase in 30 years.

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The Company has presented the financial statements with the restatement for inflation for subsidiaries in that country, as well as considering the impacts on its consolidated financial statements.

Turkey

Inflation rates in Turkey have remained high in recent periods and have exceeded cumulative inflation over the past 3 years by more than 100%, according to the Turkish Statistical Institute. Based on this index and on qualitative analyses, Turkey is considered a hyperinflationary economy and, therefore, starting in the second quarter of 2022, the accounting procedures for hyperinflationary economies described below were applied for the Company's subsidiaries in Turkey (NBC TG 42 – Financial Reporting in Hyperinflationary Economies). The price index defined and applied in the period was 64%.

3.2. Business combinations

Business combinations are recognized using the acquisition method. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the value of any non-controlling interest in the acquiree.

The Company measures the non-controlling interest in the acquiree at the fair value or based on the acquirer's share in fair value of the acquiree's identifiable net assets. Costs that are directly attributable to the acquisition are recorded as an expense when incurred.

Business combinations between entities under common control are recognized using the acquisition method when the agreements have substance and at cost when no substance is observed in the transaction. In assessing the existence of substance, factors such as involvement of third parties in the transaction, creation of new entities, plans for the new entity as eventual sale, change of control, among others, are considered.

In a business acquisition, Management assesses the assets acquired and the liabilities assumed with the objective of classifying and allocating them according to contractual provisions, economic circumstances and relevant conditions at the acquisition date.

Goodwill is initially measured as the excess of the consideration transferred in the business combination over the fair value of the net assets acquired (identifiable assets and liabilities assumed, net). If the consideration transferred is less than the fair value of the net assets acquired, the difference should be recognized as a gain in the statement of income (gain on bargain purchase).

On April 1, 2022, the Company obtained the control of BRF, as mentioned in note 13.2.6 - Business combination.

3.3. Discontinued operations

- a) In the second quarter of 2022, subsidiary BRF and some of its subsidiaries signed a term with Tyson International Holding Co. and Tyson Foods, Inc., in connection with the disposal of operations of subsidiary BRF in Europe and Thailand, executed on June 3, 2019. This term provides for the settlement of certain disputes referring to losses incurred by the disposed entities and terminates the license for use of certain trademarks of subsidiary BRF by Tyson. Additionally, tax contingencies related to periods prior to the disposal were terminated. The settlement of these matters generated the payment of the amount equivalent to R\$ 16,408 (US\$ 3,164) by subsidiary BRF. The expense arising from this transaction is recorded under "Loss for the year from discontinued operations".
- b) During 2022, the managerial analyses and economic feasibility studies on the administrative and operational activities of subsidiary Marfrig Peru S.A.C were completed. After assessments of the analyses and approvals of the Executive Board of the parent company, the operations of Marfrig Peru S.A.C were discontinued. The impact on the Company's income was R\$ 890, recorded under "Other operating income (expenses)", which is not material to the Company's individual and consolidated financial statements.

3.4. Employee benefit plans

Subsidiary BRF sponsors supplementary defined benefit and defined contribution pension plans, as well as other post-employment benefits for which annually actuarial studies are prepared by independent professionals and revised by Management. The cost of the defined benefits is established individually for each plan, based on the projected unit credit method.

Remeasurements, which comprise the actuarial gains and losses, the effect of the asset ceiling and the return on plan assets are recognized immediately in the balance sheet with a balancing entry in Other comprehensive income in the year in which they occur, except for the Seniority Bonus, which is recognized in the statement of income for the year. Remeasurements recognized in other comprehensive income are not reclassified.

Subsidiary BRF recognizes the net defined benefit asset when:

- it controls the resources and has the ability to use the surplus to generate future benefits;
- the control results from past events; and
- future economic benefits are available to the Company as a reduction of future contributions or as a cash refund, either directly to the sponsor or indirectly to another deficit fund. The effect of the asset ceiling (unrecoverable surplus) is the present value of these future benefits.

Past service cost is recognized in the statement of income for the year on the following dates, whichever occurs first:

- when the plan amendment or curtailment occurs; and
- when the subsidiary recognizes the related restructuring costs.

Cost of services and net interest on the defined benefit liability or asset are recognized in the categories of expenses related to the function performed by the beneficiary and in the financial result, respectively.

3.5. Hedge accounting

Cash flow hedge: the effective portion of the gain or loss of the hedging instrument is recognized under Other comprehensive income, and the ineffective portion under financial result. Cumulative gains and losses are reclassified to the statement of income or to the balance sheet when the hedged item is recognized, adjusting the line item in which the hedged item was recorded.

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When an instrument is designated as cash flow hedge, the changes in the fair value of the future element of foreign currency forwards and of the timing element of the options are recognized under Other comprehensive income. Upon settlement of the instrument, these hedge costs are reclassified to the statement of income, together with the instrument's intrinsic value.

A hedging relationship is discontinued prospectively when it no longer meets the criteria for qualifying as hedge accounting. Upon discontinuation of a cash flow hedge relationship where the hedged future cash flows are still expected to occur, the cumulative amount remains under Other comprehensive income until the cash flows occur and the respective amount is reclassified to the statement of income.

Fair value hedge: the effective portion of the gain or loss of the hedging instrument is recognized in the statement of income or in the balance sheet, adjusting the line item in which the hedged item is or will be recognized. The hedged item, when designated in this relationship, is also measured at fair value.

Hedge of net investment in foreign operation: the effective result of the instrument's exchange rate variation is recorded under Other comprehensive income, in the same line item in which the gains (losses) on the translation of the hedged investments are recognized. Upon disposal of the hedged investments, the accumulated amount is reclassified to the statement of income for the year.

The existing liabilities indexed to the benchmark interest rates (Libor) include contractual provisions that provide for replacement for similar rates. No material impact to the Company is expected in the event these interest rates cease to exist or are replaced.

3.6. Comments on COVID-19

In 2021, the Company carried out various social actions, which are described in the financial statements for the year ended December 31, 2021.

The main investments made and social actions conducted by the Company in the year ended December 31, 2022, which amounted to R\$ 53.5 million, are described below:

- Provided its employees with tests and other prevention materials, such as hand sanitizer, masks and work clothing, which amounted to R\$ 34.2 million;
- Hired new employees and granted remunerated leave for persons in high-risk groups and those infected with the virus, which amounted to R\$ 12.9 million;
- Donated food to supplement the emergency food boxes distributed by the Ministry of Social Development, which amounted to R\$ 2.8 million.
- Adjustment of units, installation of ramps for improved sanitation and disinfection at entrances and exits of trucks, ventilation and washing systems at factory entrances, amounting to R\$ 3.6 million.

To protect its operational employees, the Company opted to suspend partially the activities of certain plants during the year ended December 31, 2022 in a way that avoided interruptions of over one week at each plant. The Company estimated the costs related to these shutdowns at approximately R\$ 26.6 million.

Due to the relaxation of the restrictive measures adopted by the government and the progress of the vaccination campaigns, the activities that were most affected by the disease started to gradually return to normality. The Company operates in a segment considered essential, therefore, it does not expect negative impacts on its operations arising from COVID-19.

3.7. Considerations on the Ukraine-Russia conflict

The Company does not have significant operations with Ukraine and Russia, which are in conflict. Accordingly, the Company does not present impacts on its activities (operational, economic or financial) in such countries.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

3.8. New standards and interpretations

The Federal Accounting Council, through plenary approval, amended the Brazilian Accounting Standard, NBC 13, on April 7, 2022, which modifies the following standards: NBC TG 26 (R5), NBC TG 40 (R3) and NBC TG 21 (R4), as described below:

NBC TG 26 (R5) – Presentation of Financial Statements

Includes the definition of “accounting policies” in the complete set of financial statements, as follows: “(e) notes, comprising material accounting policy information and other explanatory information”.

NBC TG 40 (R3) – Financial Instruments

Amends item 21 of the standard, which includes information on the obligation to disclose material accounting policy.

NBC TG 21 (R4) – Interim Financial Reporting

Includes in the definition of the complete set of financial statements, information on material accounting policy and other explanatory information.

NBC TG 32 (R4) – Income Taxes

Determines that entities recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences and exemplifies that such a situation is common in lease transactions and decommissioning and restoration obligations.

The Company shall apply these revised standards for annual periods beginning on January 1, 2023.

3.9. Consolidated financial statements

The consolidated financial statements include the accounts of the Company and its subsidiaries, as per the table showing the equity interests of the Company in note 13.1 – Direct investments of the parent company.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

The table below presents the direct and indirect equity interests included in the individual and consolidated financial statements as of December 31, 2022:

EQUITY INTEREST

PARENT	CORE ACTIVITY
Marfrig Global Foods S.A.	Processing of products (formed by cattle slaughter facilities in operation, which are also used in beef processing, and for the manufacture of animal nutrition products) and sale of animal-based (beef, pork, lamb, fish and poultry) and plant-based proteins. Located in the States of São Paulo, Mato Grosso, Mato Grosso do Sul, Rondônia, Goiás and Rio Grande do Sul, in addition to Distribution Centers in the States of São Paulo, Rio de Janeiro and Rio Grande do Sul, which are also used for beef processing.
SUBSIDIARIES	CORE ACTIVITY
Maspfen Ltd	Holding company
Pampeano Alimentos S.A.	Producer of canned meat and other processed products
Marfrig Overseas Ltd.	Specific purpose entity - SPE
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 Paraguay S.A.	Holding company
MFG Holdings SAU	Holding company
Quickfood S.A.	Processing and marketing of products
Marfrig Argentina S.A.	Processing and marketing of products
Estancias del Sur S.A.	Processing and marketing of products
Campo Del Tesoro S.A.	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
MARB Bondco PLC	Holding company whose purpose is to raise funds
MBC Bondco Limited	Holding company whose purpose is to raise funds
Marfrig China Limited Liability Company	Holding company whose purpose is to raise funds
Marfrig Beef International Ltd.	Holding company
MFG US Holdings Limited	Holding company
Marfrig NBM Holdings Ltd.	Holding company
Marfrig US Holdings	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) Ltd.	Joint venture
NBM US Holdings, Inc.	Holding company whose purpose is to raise funds
MF Foods USA LLC.	Marketing of products
Plant Plus Foods, LLC	Joint venture
Plant Plus Foods Brasil Ltda.	Joint venture
Plant Plus Foods Canada Ltda.	Joint venture
Sol Cuisine, Ltd.	Joint venture
VG Hilarys EatWell, LCC	Joint venture
National Beef Packing Company, LLC	Processing and marketing of products
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

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

EQUITY INTEREST - CONTINUED

SUBSIDIARIES	CORE ACTIVITY
BRF S.A.	Processing and marketing of products
BRF GmbH	Holding company
BRF Foods GmbH	Processing, import and sale of products
Al Khan Foodstuff LLC ("AKF")	Import, sale and distribution of products
TBQ Foods GmbH	Holding company
Banvit Bandirma Vitaminli	Import, processing and sale of products
Banvit Enerji ve Elektrik Üretim Ltd. Sti.	Energy generation and trading
Nutrinvestments BV	Holding company
Banvit ME FZE	Provision of marketing and logistics services
BRF Foods LLC	Import, processing and sale of products
BRF Global Company Nigeria Ltd.	Provision of marketing and logistics services
BRF Global Company South Africa Proprietary Ltd.	Provision of administrative, marketing and logistics services
BRF Global Company Nigeria Ltd.	Provision of marketing and logistics services
BRF Global GmbH	Holding and trading
BRF Foods LLC	Import, processing and sale of products
BRF Japan KK	Provision of marketing and logistics services, import, export, processing and sale of products
BRF Korea LLC	Provision of marketing and logistics services
BRF Shanghai Management Consulting Co. Ltd.	Provision of consulting and marketing services
BRF Shanghai Trading Co. Ltd.	Import, export and sale of products
BRF Singapore Foods PTE Ltd.	Provision of administrative, marketing and logistics services
Eclipse Holding Cöoperatief U.A.	Holding company
Buenos Aires Fortune S.A.	Holding company
Eclipse Latam Holdings	Holding company
Buenos Aires Fortune S.A.	Holding company
Perdigão Europe Ltda.	Import and export of products and provision of administrative services
ProudFood Ltda.	Import and sale of products
Sadia Chile S.A.	Import, export and sale of products
Wellax Food Logistics C.P.A.S.U. Ltda.	Import and sale of products and provision of administrative services
One Foods Holdings Ltd.	Holding company
Al-Wafi Food Products Factory LLC	Import, export, processing and sale of products
Badi Ltd.	Holding company
Al-Wafi Al-Takamol International for Foods Products	Import and sale of products
Joody Al Sharqiya Food Production Factory LLC	Import and sale of products
BRF Kuwait Food Management Company WLL	Import, sale and distribution of products
One Foods Malaysia SDN. BHD.	Provision of marketing and logistics services
Federal Foods LLC	Import, sale and distribution of products
Federal Foods Qatar	Import, sale and distribution of products
BRF Hong Kong LLC	Import, sale and distribution of products
Eclipse Holding Cöoperatief U.A.	Holding company
Establecimiento Levino Zaccardi y Cia. S.A.	Processing and sale of milk derivatives
BRF Energia S.A.	Energy trading
BRF Pet S.A.	Processing, sale and distribution of animal feed and nutrition products
Hercosul Alimentos Ltda.	Production and sale of animal feed
Hercosul Distribuição Ltda.	Import, export, wholesale and retail of animal feed
Hercosul International S.R.L.	Production, export, import and sale of animal feed and nutrition products
Hercosul Soluções em Transportes Ltda.	Road freight
Mogiana Alimentos S.A.	Production, distribution and sale of pet food products
Affinity Petcare Brasil Participações Ltda.	Holding company
Gewinner Participações Ltda.	Processing, sale and distribution of animal feed and nutrition products
Paraguassu Participações S.A.	Holding company
Hercosul International S.R.L.	Production, export, import and sale of animal feed and nutrition products
Potengi Holdings S.A.	Holding company
PR-SAD Administração de bem próprio S.A.	Asset management
ProudFood Ltda.	Import and sale of products
PSA Laboratório Veterinário Ltda.	Veterinary services
BRF Investimentos Ltda.	Processing and marketing of products
Sadia Alimentos S.A.	Holding company
Sadia Chile S.A.	Import, export and sale of products
Sadia Uruguay S.A.	Import and sale of products
Sadia Alimentos S.A.	Holding company
Vip S.A. Empreendimentos e Participações Imobiliárias	Real estate activity
Establecimiento Levino Zaccardi y Cia. S.A.	Processing and sale of milk derivatives
PSA Laboratório Veterinário Ltda.	Veterinary services
BRF Investimentos Ltda.	Processing and marketing of products

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The financial statements of foreign subsidiaries were originally prepared in their local currency, according to the law of each country where the companies are located, and were converted to the accounting practices issued by the International Accounting Standards Board (IASB) using their related functional currencies. These financial statements were subsequently translated into Brazilian Reais, using the exchange rate prevailing at the balance sheet date.

3.10. Reclassification of derivative financial instruments in the balance sheet and statement of cash flows for the year ended December 31, 2021

The Company's Management reclassified derivative financial instruments for the year ended December 31, 2021 for comparison purposes, due to the materiality of the amounts presented in 2022, previously recorded as notes receivable and notes payable. These reclassifications did not change the other elements of these individual and consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

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

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and banks	1,176,341	52,512	4,194,071	1,400,664
Cash equivalents	542,988	34,837	2,209,717	358,818
	1,719,329	87,349	6,403,788	1,759,482

Cash and cash equivalents	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Brazilian real	32,561	22,953	193,568	25,065
US dollar	1,686,201	63,733	5,248,541	1,586,727
Euro	567	663	101,281	1,822
Turkish Lira	-	-	83,339	-
Saudi Riyal	-	-	307,440	-
Other	-	-	469,619	145,868
	1,719,329	87,349	6,403,788	1,759,482

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

5. FINANCIAL INVESTMENTS AND MARKETABLE SECURITIES

The table below shows the financial investments and marketable and securities by type:

	PMPV ^(a)	Currency	Average interest rate p.a. %	Parent	
				12/31/2022	12/31/2021
Financial investments:					
Bank deposit certificate - CDB	-	BRL	13.91%	583,618	16,129
Repurchase and reverse repurchase agreements	-	BRL	10.88%	1,340,631	290,910
Fixed income bond	-	BRL	14.57%	123	1,122
Brazilian prize-draw investment bonds	1.01	BRL	-	1,763	1,513
FIDC	1.56	BRL	17.63%	31,206	29,751
Debentures	-	BRL	-	-	12,636
Total				1,957,341	352,061
Marketable securities					
B3 securities	-	BRL	-	-	4,311,713
Total				-	4,311,713
Current assets				1,957,341	352,061
Non-current assets				-	4,311,713

^(a) Weighted average maturity in years

	PMPV ^(a)	Currency	Average interest rate p.a. %	Consolidated	
				12/31/2022	12/31/2021
Financial investments:					
Bank deposit certificate - CDB	0.18	BRL	13.33%	4,337,820	16,129
Repurchase and reverse repurchase agreements	0.02	BRL	10.91%	1,450,595	302,944
Fixed income bond	-	BRL	14.57%	123	1,122
Brazilian prize-draw investment bonds	1.01	BRL	-	1,763	1,513
FIDC	1.40	BRL	11.78%	46,711	29,751
Debentures	-	BRL	-	-	12,636
Time deposit	-	Turkish Lira	14.79%	22,686	-
Time deposit	0.01	USD	2.64%	9,876,266	6,276,683
Time deposit	0.53	South Korean Won	1.95%	84	-
Time deposit	0.07	Paraguayan Guarani	2.05%	3,639	-
Total				15,739,687	6,640,778
Marketable securities					
B3 securities	-	BRL	-	20	4,311,713
LTF - Financial Treasury Bill	1.79	BRL	12.25%	364,543	-
ADRs securities	1.08	USD	-	11,752	1,786,308
Foreign credit note	2.47	AOA	6.73%	379,145	-
Total				755,460	6,098,021
Current assets				16,088,745	6,640,778
Non-current assets				406,402	6,098,021

^(a) Weighted average maturity in years.

MARFRIG GLOBAL FOODS S.A.

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(In thousands of Brazilian reais - R\$, except where otherwise indicated)

The Company's financial investments by type are as follows:

5.1. Bank Certificate of Deposit (CDB)

Bank certificates of deposit are investments made at financial institutions at variable rates and yield on average 96% to 100% of the variation in the Interbank Deposit Rate (CDI).

5.2. Repurchase and reverse repurchase agreements

Transactions based on outstanding daily cash denominated in Brazilian real that bear interest pegged to the Interbank Deposit Rate (CDI). This operation has immediate liquidity, since it can be early redeemed without yield loss.

5.3. Fixed income bonds

These are investments in fixed income securities issued by top tier financial institutions at fixed rates.

5.4. Brazilian prize-draw investment bonds

Brazilian prize-draw investment bonds are programmed investments, normally offered by financial institutions, during a pre-established period.

5.5. FIDC – Fundos de Investimentos em Direitos Creditórios (Receivables Backed Investment Funds)

These are shares of an investment fund that invests in receivables rights. The average term presented in the FIDC transaction is not linked to the immediate realization of the investment, which can be made by the Company without any financial burden.

5.6. Debentures

Debentures are fixed income investments and debt securities issued by companies for purpose of fundraising.

5.7. B3 securities

They are ownership (share) or credit (obligation) securities issued by a public body or private entity with standardized characteristics and rights. Represented by shares of Embratel Participações S.A. acquired by subsidiary BRF.

5.8. Time deposit

Fixed-rate investments issued by financial institutions on international markets. Transactions have daily liquidity and can be redeemed at any time. Said maturity is the maturity of the operation.

5.9. LFT - Financial Treasury Bill

These are fixed-income government securities, with yields pegged to the Brazilian basic interest rate Selic.

5.10. ADRs securities

ADRs (American Depositary Receipts) are securities offered by foreign companies on the US stock exchange and traded in US dollars. Represented by shares of Aleph Farms, Ltd. acquired by subsidiary BRF.

5.11. Foreign credit note

These are private or government securities acquired outside the Company's country of origin. Represented by private securities and Angolan Government securities, which are presented net of expected credit losses in the amount of R\$ 15,231.

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5.12. Acquisition of shares in BRF

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

Operation	Number of shares	Equity interest	Market value 12/31/2021	Purchase cost	Loss	Balance conversion adjustment	Reclassification to investments	Marketable securities 04/01/2022
B3	231,869,955	21.42%	4,311,713	664,780	(666,031)	-	(4,310,462)	-
ADRs	128,263,625	11.85%	1,786,308	1,142,127	(129,061)	(386,855)	(2,412,519)	-
Total	360,133,580	33.27%	6,098,021	1,806,907	(795,092)	(386,855)	(6,722,981)	-

On January 28, 2022, the Company obtained approval of the Board of Directors to subscribe up to the limit of its ownership interest in BRF's share capital, equivalent to 33.20% of BRF's share offering. BRF issued 270,000,000 shares, for a total offering of R\$ 5,400,000, the price of each share was set at R\$ 20.00. The Company's cash disbursement was R\$ 1,803,976, equivalent to 90,198,777 shares.

On March 10, 2022, the Company acquired 200,000 shares, with a cash disbursement of R\$ 2,931, at an average price of R\$ 14.66 per share. With this new acquisition, the Company now holds 33.27% of BRF's share offering.

On April 1, 2022, the Company obtained the control of BRF through significant influence and shareholding control, as established in NBC TG 15 (R4) - Business Combinations. Consequently, BRF became a subsidiary of the Company, the records of the business combination are presented in note 13.2.6.

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Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

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6. TRADE ACCOUNTS RECEIVABLE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Trade accounts receivable – domestic	122,245	449,347	3,326,660	2,679,813
Trade accounts receivable – foreign	1,868,141	2,264,460	3,405,775	1,161,561
	1,990,386	2,713,807	6,732,435	3,841,374
Amounts not yet due	1,915,654	2,692,239	5,557,492	2,856,416
Amounts overdue:				
From 1 to 30 days	68,705	20,490	892,529	830,769
From 31 to 60 days	464	355	134,393	63,506
From 61 to 90 days	5,563	723	132,855	90,683
More than 90 days	40,507	38,820	700,948	57,030
(-) Present value adjustment	-	-	(24,819)	-
(-) Expected losses on doubtful accounts	(40,507)	(38,820)	(660,963)	(57,030)
	1,990,386	2,713,807	6,732,435	3,841,374
Current assets	1,990,386	2,713,807	6,727,128	3,841,374
Non-current assets	-	-	5,307	-

The expected loss on doubtful accounts was set up in an amount deemed sufficient by Management to cover any losses on the realization of its receivables, based on the individual and historical analysis of outstanding receivables, which approximate those of receivables overdue for more than 90 days.

Changes in expected losses on doubtful accounts are as follows:

	Parent	Consolidated
As at December 31, 2021	(38,820)	(57,030)
Estimate accrued, net	(1,687)	(11,175)
Write-offs	-	5,739
Translation gains (losses)	-	(38,533)
Addition through business combination	-	(559,964)
As at December 31, 2022	(40,507)	(660,963)

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). At December 31, 2022, invoices negotiated with the fund MRFG amounted to R\$ 151,932.

Subsidiary BRF conducts credit assignments with no right of recourse with Fundo de Investimento em Direitos Creditórios Clientes BRF (“FIDC BRF”), which exclusively operates in acquiring credit rights arising from commercial operations carried out with customers in Brazil. At December 31, 2022, FIDC BRF had an outstanding balance of R\$ 947,488 related to such credit rights, which were written off from the Company's balance sheet at the time of assignment.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

7. INVENTORIES

In the years ended December 31, 2022 and 2021, inventories of finished products were carried at average purchase and/or production cost, as explained below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Finished products	850,922	779,440	8,185,925	3,507,763
Work in progress	-	-	550,095	-
Raw materials	12,259	7,236	2,612,965	385,859
Packaging and storeroom supplies	104,057	90,909	1,871,208	492,913
(-) Present value adjustment	-	-	(205,313)	-
(-) Expected losses	(9,800)	(29,783)	(162,795)	(35,253)
	957,438	847,802	12,852,085	4,351,282

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

	Parent	Consolidated
Balance at December 31, 2021	(29,783)	(35,253)
Estimate accrued, net	19,983	55,401
Translation gains (losses)	-	1,422
Addition through business combination	-	(184,365)
Balance at December 31, 2022	(9,800)	(162,795)

During 2022, the Company's Management evaluated the expected losses on inventories, and found sufficient the amounts of R\$ 9,800 and R\$ 162,795 for the parent company and consolidated, respectively.

8. BIOLOGICAL ASSETS

In the years ended December 31, 2022 and 2021, biological assets comprise cattle, poultry, pigs and forestry, as detailed below:

	Consolidated	
	12/31/2022	12/31/2021
Biological assets - cattle	49,081	64,162
Biological assets - poultry	1,274,950	-
Biological assets - pigs	1,876,602	-
Biological assets - current	3,200,633	64,162
Biological assets - poultry	688,100	-
Biological assets - pigs	613,871	-
Biological assets - forestry	347,162	-
Biological assets - non-current	1,649,133	-
Total	4,849,766	64,162

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

8.1. Changes in biological assets (current)

				Consolidated
	Cattle	Poultry	Pigs	Total
Balance at December 31, 2021	64,162	-	-	64,162
Increase due to acquisitions	117,664	13,452,292	8,156,989	21,726,945
Transfers to inventories	(107,011)	(15,959,370)	(8,310,109)	(24,376,490)
Animal feeding expenses	53,566	-	-	53,566
Decrease due to sales	(80,171)	-	-	(80,171)
Net increase due to births (deaths)	(850)	-	-	(850)
Changes in fair value less costs to sell	24,466	2,710,150	187,064	2,921,680
Addition through business combination	-	1,088,252	1,842,658	2,930,910
Translation gains (losses)	-	(16,374)	-	(16,374)
Gains or losses on conversion	(22,745)	-	-	(22,745)
Balance at December 31, 2022	49,081	1,274,950	1,876,602	3,200,633

8.2. Changes in biological assets (non-current)

				Consolidated
	Poultry	Pigs	Forestry	Total
Balance at December 31, 2021	-	-	-	-
Increase due to acquisitions	123,736	386,795	38,409	548,940
Changes in fair value less costs to sell	611,775	(102,256)	-	509,519
Depreciation / Depletion	(655,716)	(229,354)	(51,934)	(937,004)
Addition through business combination	576,263	558,686	324,152	1,459,101
Gain or loss on fair value adjustment of biological assets	-	-	33,839	33,839
Reclassification ^(a)	-	-	2,696	2,696
Translation gains (losses)	32,042	-	-	32,042
Balance at December 31, 2022	688,100	613,871	347,162	1,649,133

^(a) Amounts reclassified from right-of-use assets.

At December 31, 2022, subsidiary BRF has forestry areas pledged as collateral for financing, tax and civil contingencies, in the amount of R\$ 59,388.

9. RECOVERABLE TAXES

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
ICMS (State VAT)	651,595	605,014	2,895,628	624,666
IPI (Excise Tax)	3,005	2,396	1,019,763	3,002
INSS (National Social Security Institute)	-	-	366,236	-
PIS and COFINS (taxes on sales) credits	1,789,864	1,696,578	4,473,021	1,784,540
IRRF, IRPJ and CSLL (taxes on income) recoverable	3,042,815	2,529,441	3,506,583	2,619,550
Other	7,010	8,865	199,609	129,452
(-) Expected losses on non-realization	(99,525)	(91,279)	(276,667)	(112,279)
	5,394,764	4,751,015	12,184,173	5,048,931
Current assets	1,663,007	1,664,310	3,261,989	1,937,212
Non-current assets	3,731,757	3,086,705	8,922,184	3,111,719

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9.1. State VAT - ICMS

The credit 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 its sales, since the Company's main credit generating operations are sales to the foreign market, and they are exempt from this tax. The Company has been seeking ways to optimize these balances, when authorized by the State tax authorities, through the sales of ICMS to third parties or for the payment of suppliers of inputs and property, plant and equipment.

9.2. IPI

The amount of R\$ 1,019,763 related to IPI credit substantially refers to credits held by subsidiary BRF, these credits arise from successful outcomes in lawsuits, particularly the premium credit.

9.3. INSS

INSS recoverable refers to differences in social security contributions discussed in court on paid maternity leave, work accident risk, vacation bonus, labor agreements, paid sick leave, and notice of termination.

9.4. PIS and COFINS taxes

Pursuant to Laws 10,637/02, 10,833/03, 10,865/04, 10,925/04, 11,033/04, 12,058/09 and 12,350/10, the Company has noncumulative PIS and COFINS credits on the acquisition of raw, packaging and other materials used in goods sold in domestic and foreign 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 Company started settling its social security liabilities using such credits, successfully using its PIS and COFINS tax credits generated since then.

Furthermore, the Company 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.

9.5. IRRF, IRPJ and CSLL recoverable

Refers to withholding of income tax at source on services, 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 years and have no time limit.

9.6. Expected losses on non-realization of tax credits

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

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In the year ended December 31, 2022, the changes in this line item were as follows:

	Parent	Consolidated
Balance at December 31, 2021	(91,279)	(112,279)
Addition	(8,246)	(31,401)
Write-off	-	6,895
Transfers ^(a)	-	10,056
Translation gains (losses)	-	4,127
Addition through business combination	-	(154,065)
Balance at December 31, 2022	(99,525)	(276,667)

^(a) The amounts are transferred from Recoverable taxes to Other current assets and Other non-current assets upon sale of credits to third parties.

10. NOTES RECEIVABLE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Related-party transactions ^(a)	7,803,680	16,606,384	31,841	31,531
Sale of poultry farm	-	-	33,660	-
Sale of properties	-	-	6,123	-
Other notes receivable	2,384	3,229	1,045	3,283
	7,806,064	16,609,613	72,669	34,814
Current assets	486,618	416,044	60,977	34,814
Non-current assets	7,319,446	16,193,569	11,692	-

^(a) The amount presented in the Parent Company refers mostly to balances resulting from loan transactions with its subsidiaries, as described in note 36 Related parties.

11. RESTRICTED CASH

On September 1, 2022, R\$ 60,000 was deposited in an escrow account (restricted cash) after the first anniversary of the acquisition of the Mogiana Group, as a guarantee for any indemnities established in the acquisition agreement of the companies Paraguassu Participações S.A. ("Paraguassu") and Affinity Petcare Brasil Participações Ltda. ("Affinity"), both holding 100% of the share capital of Mogiana Alimentos S.A. (together they form the "Mogiana Group").

At December 31, 2022, subsidiary BRF has restricted cash in the total amount of R\$ 89,717 related to the company acquisition agreement. The amount will remain restricted up to the conclusion of the ongoing lawsuit referring to social security debts. After a sentence is rendered, the amount will be released for use and/or payment of the lawsuit.

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12. DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income tax	-	197,781	2,314,863	788,276
Social contribution tax	-	77,058	697,108	96,772
Deferred tax assets	-	274,839	3,011,971	885,048
Income tax	(217,134)	-	(7,946,513)	(117,279)
Social contribution tax	(72,312)	-	(2,773,146)	-
Deferred tax liabilities	(289,446)	-	(10,719,659)	(117,279)
Total deferred taxes	(289,446)	274,839	(7,707,688)	767,769

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 probable that 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 Company'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 Company'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 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 Company's profitability, adjusted by the most recent material information, taking into account the diverse economic scenarios of each market where the Company operates, due to its global and diversified presence in the Americas.

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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	Consolidated
2023	326,763
2024	88,068
2025	181,420
2026	260,645
2027	340,552
2028 to 2032	1,814,523
	3,011,971

The following table presents the breakdown of deferred taxes:

Assets				
Income tax losses	709,864	1,014,447	3,822,949	1,327,924
Social contribution tax loss carryforwards	256,546	366,197	1,292,317	387,232
Temporary differences	118,244	130,766	1,437,134	477,089
Total assets	1,084,654	1,511,410	6,552,400	2,192,245
Liabilities				
Temporary differences	(1,374,100)	(1,236,571)	(14,260,088)	(1,424,476)
Total liabilities	(1,374,100)	(1,236,571)	(14,260,088)	(1,424,476)
Deferred taxes, net	(289,446)	274,839	(7,707,688)	767,769

13. INVESTMENTS

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interest in subsidiaries and associates	22,408,593	10,306,870	-	-
Goodwill derived from business combinations	756,358	810,859	-	-
Other investments	16,042	10	701,933	242,199
	23,180,993	11,117,739	701,933	242,199

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13.1 Direct investments by the parent

Information on investments in subsidiaries at December 31, 2022 is shown below:

	Shares/Units of interest	% interest	Country	Share capital	Equity	Net income (loss) - continuing operation	Net income (loss) - discontinued operation	Equity according to % interest	Total assets	Total liabilities	Non-controlling interest	Net revenue	Interest - net income (loss)	Interest - net income (loss) - discontinued operation	Goodwill
Marfrig Chile S.A.	9,950	99.50	Chile	70,755	204,543	50,433	-	203,520	425,629	221,076	10	670,618	50,181	-	-
Inaler S.A.	66,247,320	100.00	Uruguay	48,417	66,186	10,816	-	66,186	307,835	241,649	-	1,146,251	10,816	-	114,881
Frigorífico Tacuarembó S.A.	163,448,688	99.96	Uruguay	33,357	105,078	77,592	-	105,033	856,564	751,486	-	2,087,640	77,559	-	171,712
Masplen Ltd	5,050	100.00	Jersey Island	19,261	(106,018)	(42,150)	-	(106,018)	(104,732)	1,286	-	-	(42,150)	-	51,069
Prestcott International S.A.	79,638,916	100.00	Uruguay	15,247	95,862	34,134	-	95,862	506,997	411,135	-	1,139,627	34,134	-	65,934
Estab. Colonia S.A.	80,647,477	100.00	Uruguay	181,076	190,690	62,295	-	190,690	594,522	403,832	-	1,499,370	62,295	-	352,761
Marfrig Overseas Ltd.	1	100.00	Cayman Islands	-	(713,153)	845,338	-	(713,153)	7,347,390	8,060,543	-	-	845,338	-	-
Marfrig Argentina S.A.	583,314,315	10.00	Argentina	172,857	(19,966)	(164,721)	-	(1,997)	414,263	434,229	-	1,273,366	(131,006)	-	-
Marfrig Com. de Energia Ltda.	149,985	99.99	Brazil	3,650	(132)	(1,068)	-	(132)	9,919	10,051	-	55,492	(1,068)	-	-
Marfrig Holdings (Europe) B.V	426,842	100.00	Netherlands	2,431,005	3,908,890	123,425	-	3,908,890	9,390,996	5,482,106	-	-	123,425	-	-
Marfrig Peru S.A.C.	-	99.76	Peru	-	-	2	-	-	-	-	-	-	2	-	-
Marfrig Beef (UK) Limited	2,001	100.00	United Kingdom	2,143,031	3,987,347	945,264	-	3,987,347	4,041,692	54,345	-	-	945,264	-	-
Marfrig Beef International Ltd.	2,001	100.00	United Kingdom	1,015,805	5,266,043	2,006,122	-	5,266,043	10,303,709	5,037,666	-	-	2,006,122	-	-
Abilun S.A.	400,000	100.00	Uruguay	52	(2,617)	706	-	(2,617)	56,408	59,025	-	188,222	706	-	-
MFG Holdings SAU	40,000,000	100.00	Argentina	1,181	88,039	(60,631)	-	88,039	1,390,151	1,267,422	34,690	143,510	(60,631)	-	-
Quickfood S.A.	57,900,314	10.00	Argentina	130,664	311,863	(48,141)	-	31,186	970,650	658,787	-	2,548,694	(4,814)	-	-
Marfrig Paraguay S.A.	4,950,000	99.00	Paraguay	214	29	(59)	-	29	252	223	-	-	(58)	-	-
Campo Del Tesoro	39,351	10.00	Argentina	-	(4,233)	12,247	-	(423)	(2,839)	1,394	-	380,385	7,784	-	-
BRF S.A.	360,133,580	33.27	Brazil	13,053,418	27,960,151	(3,655,034)	(16,408)	9,302,343	89,231,952	60,662,241	609,560	41,763,785	(1,216,030)	(5,459)	-

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The changes in investments at December 31, 2022 are shown as follows:

	12/31/2021	Acquisition / disposal	Dividends	Capital increase	Other comprehensive income	Equity in earnings (losses) of subsidiaries	Equity in earnings (losses) of subsidiaries (discontinued operation)	Acquisition / (disposal) under common control ^(a)	12/31/2022 ^(b)
Marfrig Chile S.A.	193,710	-	(13,611)	-	(27,094)	50,370	-	-	203,375
Inaler S.A.	119,301	-	(53,672)	-	(10,259)	10,815	-	-	66,185
Frigorífico Tacuarembó S.A.	258,713	-	(212,904)	-	(18,849)	77,447	-	-	104,407
Masplen Ltd	(74,499)	-	-	-	59	(46,323)	-	-	(120,763)
Prestcott International S.A.	111,373	-	(42,661)	-	(6,999)	33,267	-	-	94,980
Estab. Colonia S.A.	135,070	-	-	-	(8,757)	62,968	-	-	189,281
Marfrig Overseas Ltd.	(1,622,668)	-	-	-	64,178	845,338	-	-	(713,152)
Marfrig Argentina S.A.	78,046	-	-	30,257	31,431	(130,845)	-	(10,885)	(1,996)
Marfrig Comercializadora de Energia Ltda.	(2,714)	-	-	3,650	-	(1,068)	-	-	(132)
Marfrig Holdings (Europe) B.V	4,047,204	-	-	-	(261,738)	123,425	-	-	3,908,891
Marfrig Peru S.A.C. ^(c)	(920)	890	-	-	28	2	-	-	-
Marfrig Beef (UK) Limited	3,400,731	-	(174,346)	-	(184,316)	945,275	-	-	3,987,344
Marfrig Beef International Ltd.	3,517,270	-	-	-	(257,349)	2,006,122	-	-	5,266,043
Abilun S.A.	(3,706)	-	-	-	382	706	-	-	(2,618)
MFG Holdings SAU	90,555	-	-	-	16,836	(60,771)	-	41,156	87,776
Quickfood S.A.	35,427	-	-	-	1,414	(4,056)	-	-	32,785
Marfrig Paraguay S.A.	(140)	-	-	230	(3)	(58)	-	-	29
Campo Del Tesoro	24,117	-	-	-	2,270	7,784	-	(30,271)	3,900
BRF S.A.	-	10,603,930	-	-	(80,095)	(1,216,118)	(5,459)	-	9,302,258
Total	10,306,870	10,604,820	(497,194)	34,137	(738,861)	2,704,280	(5,459)	-	22,408,593

^(a) Amounts related to the corporate restructuring in Argentina, for more details see Note 13.2.5. MFG Holdings SAU.

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

^(c) Company discontinued, see Note 3.3. Discontinued operations.

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13.2 DIRECT INVESTMENTS

13.2.1 QUIQ

On January 26, 2022, in continuation of the announcement made in December 2020, the Company informed its shareholders and the market in general about the investment in the Brazilian company Quiq, a digital platform that simplifies the management of online orders for restaurants, connecting the various delivery applications directly to the POS (Point of Sale) systems. Quiq is a joint venture led by technology hub 4all and nine other partners from leading food-service chains.

The investment totaled approximately R\$ 12 million and is in line with the Company's growth strategy, always attentive to constant market innovations and the complementarity of our activities.

13.2.2 MFG COMERCIALIZADORA DE ENERGIA LTDA.

On June 30, 2022, the Parent Company decided to increase its capital from R\$150, which had not yet been paid in, to R\$ 3,650, a total increase of R\$ 3,500, through the issue of 3,500,000 shares, with par value of R\$ 1.00 each, fully subscribed and paid-in by the shareholder on that date.

13.2.3 MARFRIG PARAGUAY S.A.

On June 30, 2022, the Parent Company decided to increase its capital from ¢ 5 million (R\$4) to ¢ 305 million (R\$234), a total increase of ¢ 300 million (R\$230), through the issue of 300 million shares, with par value of ¢ 1.00 each, fully subscribed and paid-in by the shareholder on that date.

13.2.4 MARFRIG BEEF (UK)

On December 21, 2022, Marfrig Beef (UK) sold 1.5% of the shares it held in Marfrig NBM Holding to Marfrig Beef International, at book value.

13.2.5 MFG HOLDINGS SAU

At the extraordinary meeting on December 26, 2022, the shareholders decided to restructure some entities, as follows:

- a) Transfer of the 90% interest of the parent company Marfrig Global Foods S.A. in subsidiary Marfrig Argentina S.A. to MFG Holdings SAU. As a result, the Parent Company now holds a 10% stake in Marfrig Argentina S.A., while MFG Holdings SAU, which previously did not hold any stake, now holds the 90% acquired.
- b) Transfer of 85% of the shares of Campo Del Tesoro, which previously belonged to the parent Marfrig Global Foods S.A., to MFG Holdings SAU. After this transaction, the Parent Company now holds 10% of the shares of Campo Del Tesoro, while MFG Holdings SAU, which held 5% of the shares, now holds 90%.

13.2.6 BUSINESS COMBINATION

Acquisition of BRF

On April 1, 2022, after election and inauguration of the ticket appointed by the Company to the Board of Directors of subsidiary BRF, the Company began to exercise significant influence and, consequently, control over the operations of subsidiary BRF.

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The ticket comprises the new Board of Directors of subsidiary BRF, whose members are the following: (i) Marcos Antonio Molina dos Santos (Board of Directors Chairman); (ii) Sergio Agapito Rial (Board of Directors Vice Chairman); (iii) Marcia Aparecida Pascoal Marçal dos Santos; (iv) Augusto Marques da Cruz Filho; (v) Deborah Stern Vieitas; (vi) Flávia Maria Bittencourt; (vii) Pedro de Camargo Neto; (viii) Altamir Batista Mateus da Silva; (ix) Eduardo Augusto Rocha Pocetti and (x) Aldo Luiz Mendes, whose biographies are disclosed on BRF's IR website (<https://ri.brf-global.com/governanca-corporativa/diretoria-conselhos-e-comites/>).

The elected ticket undertakes the responsibilities and attributions of the Board of Directors, which consist of electing the Executive Board, establishing Management compensation, authorizing the creation and dissolution of companies, appointing and removing the independent auditors, and approving policies and approval limits, as well as other matters that impact the administration of the business.

The Company measured the assets acquired and the liabilities assumed at fair value on the acquisition date, as follows:

	Business combination
Current assets	27,267,301
Inventories of products and merchandise	9,726,813
Other current assets	17,540,488
Non-current assets	63,074,255
Property, plant and equipment	36,858,755
Intangible assets	13,591,483
Other non-current assets	12,624,017
Current liabilities	19,252,447
Loans	2,690,346
Other current liabilities	16,562,101
Non-current liabilities	39,216,762
Loans	19,053,026
Provision for contingencies	5,800,075
Deferred taxes	11,337,636
Other non-current liabilities	3,026,025
Total identified assets, net of fair value^(a)	31,872,347
Controlling interest	10,603,930
Non-controlling interests	(21,268,417)
Total consideration transferred^(N° 5.1)	(6,722,981)
Bargain purchase	3,880,949

^(a) Under NBC TG 15/R4, the measurement period cannot exceed one year, therefore, immaterial fair value adjustments may still occur within the twelve-month period ended March 31, 2023.

Non-controlling interests were measured based on the proportional share of assets and liabilities recognized in the acquired company, pursuant to NBC TG 15/R4 (CVM Resolution 665/11).

The gain on bargain purchase of R\$ 3,880,949 was recorded in the statement of income at the time of the business combination as Other operating income (expenses). The gain on bargain purchase mainly arises from the fair value of assets acquired and liabilities assumed, of which property, plant and equipment and intangible assets are the most significant items according to the Purchase Price Allocation (PPA).

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13.3 INDIRECT INVESTMENTS

13.3.1 SOL CUISINE LTD.

On January 19, 2022, the Company announced to its shareholders and the market that PlantPlus Foods LLC ("PlantPlus Foods") concluded the acquisition of Sol Cuisine Ltd. ("Sol Cuisine"), a company listed on the Toronto Stock Exchange – TMX – under the ticker VEG.

Sol Cuisine is a producer that has shown rapid growth in the vegetable protein segment, with its own brand and private label, with presence in the main categories of dishes and snacks. The company's products are offered through an omni-channel distribution platform established in Canada, the United States of America and Mexico.

13.3.2 TAKEOFF TECHNOLOGIES

In continuation of the announcement made in December 2020, on January 26, 2022 the Company informed its shareholders and the market in general about the investment in the North American company Takeoff Technologies, through its subsidiary NBM US Holdings Inc. Founded in mid-2016 by José Vicente Aguerrevere and Max Pedró, Takeoff already has more than 250 employees who work on the creation and automated solutions for the service and management of food inventories for supermarket chains and small businesses, thus optimizing management and maximizing profitability through automation and data-based solutions for meeting the growing demand of e-commerce

The investment totaled approximately US\$ 5 million and is in line with the Company's growth strategy, always attentive to constant market innovations and the complementarity of our activities.

On May 2, 2022, the Company made a capital increase of US\$ 2 million, through the issue of 2,000,000 shares, with par value of US\$ 1.00 each, fully subscribed and paid-in by the shareholder on that date.

13.3.3 PLANTPLUS FOODS BRASIL LTDA.

On April 6, 2021, PlantPlus Foods Brasil Ltda. was established, headquartered in the city of São Paulo; PlantPlus Foods, LLC, Marfrig Global Foods S.A. and ADM Investments Limited hold 99%, 0.7% and 0.3% interest in the company, respectively.

The company has share capital, fully subscribed and paid-in in local currency of R\$ 4,609,292.93 divided into 4,609,292 shares, with par value of R\$ 1.00 each.

PlantPlus Foods Brasil Ltda. will be responsible for the operation of sustainable and plant-based products, using the facilities in Várzea Grande, state of Mato Grosso.

13.3.4 PLANTPLUS FOODS, LLC.

On April 4, 2022, Management decided to make a capital increase in PlantPlus Food, LLC, in the amount of US\$ 101.5 million, to which subsidiary NBM US Holdings Inc. made a contribution of US\$ 71.0 million, equivalent to 70% of the approved capital.

On May 5, 2022, Management decided to make a new capital increase in PlantPlus Food, LLC, in the amount of US\$ 4.0 million, to which subsidiary NBM US Holdings Inc. made a contribution of US\$ 2.8 million, equivalent to 70% of the approved capital.

On July 11, 2022, Management decided to make a new capital increase in PlantPlus Food, LLC, in the amount of US\$ 3.0 million, to which subsidiary NBM US Holdings Inc. made a contribution of US\$ 2.1 million, equivalent to 70% of the approved capital.

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On November 10, 2022, Management decided to make a new capital increase in PlantPlus Food, LLC, in the amount of US\$ 2.0 million, to which subsidiary NBM US Holdings Inc. made a contribution of US\$ 1.4 million, equivalent to 70% of the approved capital.

13.3.5 BRF PET

On July 31, 2022, BRF Pet merged the holding companies Affinity Petcare Brasil Participações Ltda., Gewinner Participações Ltda. and Paraguassu Participações S.A., which held interests in the operating companies Hercosul Alimentos Ltda., Hercosul Soluções em Transportes Ltda., Hercosul Distribuidora Ltda. and Mogiana Alimentos S.A. Therefore, as of that date, BRF Pet holds all the shares of these companies.

13.3.6 BRF GMBH

On September 28, 2022, BRF GmbH started holding directly the entire share capital of BRF Foods GmbH, with tax and accounting effects retroactive to January 1, 2022.

13.3.7 POTENGI HOLDINGS S.A.

On August 16, 2021, subsidiary BRF entered into an investment agreement for the establishment of an entity in partnership with a subsidiary of AES Brasil Energia S.A. for the construction of a wind farm in Complexo Eólico Cajuína, Rio Grande do Norte, with an installed capacity of 160MWm (average Megawatt), generating 80MWm to be sold to the Company under a 15-year energy purchase and sale agreement. Operations at the wind farm are scheduled to begin in 2024.

The partnership was closed on March 14, 2022, with the total subscription of the shares of Potengi Holdings S.A. and partial payment by subsidiary BRF in the amount of R\$ 60,060. As of that date, subsidiary BRF holds 50% of the share capital and 24% of the economic rights of Potengi Holdings S.A., an associate. In 2022, subsidiary BRF paid in additional capital already subscribed in the amount of R\$ 32,031.

13.3.8 BEEF HOLDINGS

On December 20, 2022, the Company decided to carry out a corporate restructuring and sold 1% of its interest in NBM US to Marfrig NBM Holding for USD 37 million (market value). On December 21, 2022, Beef Holdings subdivided its 2 shares of USD 1.00 each into 200 shares of USD 0.01 each.

13.3.9 MARFRIG NBM HOLDINGS

On December 21, 2022, Marfrig NBM Holding distributed 73.5% and 26.5% of the shares it held of Beef Holdings to Marfrig Beef International and Marfrig Beef (UK), respectively. The distribution was carried out at the book value.

13.3.10 MARFRIG US HOLDINGS

Marfrig US Holdings was established on December 8, 2022, from the transfer by Marfrig NBM Holding of 100% of the shares it held in NBM US Holdings.

13.3.11 MFG US HOLDINGS

MFG US Holdings was established on December 16, 2022, with Marfrig Beef International as its sole shareholder. On December 28, Marfrig Beef UK and Marfrig Beef International transferred 100% of the shares they held in Marfrig NBM Holdings to MFG US Holdings, which started to have the two companies in its ownership structure.

13.3.12 MARFRIG ARGENTINA S.A.

On August 30, 2022, the Parent Company decided to increase its capital from ARS 5,014 million (R\$ 184,062) to ARS 5,839 million (R\$ 214,319), a total increase of ARS 825 million (R\$ 30,257), through the issue of 825 million shares, with par value of ARS 1.00 each, fully subscribed and paid-in by the shareholder on that date.

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13.3.13 AGREEMENT WITH THE PUBLIC INVESTMENT FUND

On October 24, 2022, BRF GmbH, a wholly-owned subsidiary of BRF, entered into a shareholders' agreement ("Agreement") with Halal Products Development Company ("HPDC"), a wholly-owned subsidiary of the Public Investment Fund ("PIF"), for the development of the Halal industry in Saudi Arabia through innovation and growth in the Halal segment. The transaction is still subject to obtaining approvals from the regulatory authorities and the managing bodies of the parties.

The Agreement provides for the creation of a company in Saudi Arabia held up to 70% by BRF and up to 30% by HPDC. The entity will operate in the complete chain of chicken production in Saudi Arabia and will promote the sale of fresh, frozen and processed products. The entity will have a combined investment of R\$ 2,608,850 (US\$ 500,000), of which (i) R\$ 652,212 (US\$ 125,000) will be contributed by BRF GmbH and by HPDC upon the establishment of the company; and (ii) the remaining amount will be timely contributed according to the investment plan to be established by the parties. The agreement also provides for the creation of a Halal Business Headquarters, a Halal Food Innovation Center and a Center of Excellence in Saudi Arabia.

14. INVESTMENT PROPERTY

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

	Parent and Consolidated		
	Land	Constructions and buildings	Total
Tannery in Promissão	4,044	2,945	6,989
Tannery in Bataguassú	-	44,837	44,837
Plant in Capão do Leão	3,655	40,161	43,816
Plant in Mato Leitão	2,381	13,306	15,687
Net balance at 12/31/2022	10,080	101,249	111,329

Changes in investment properties:

	Parent and Consolidated		
	12/31/2021	Change in fair value	12/31/2022
Tannery in Promissão	6,199	790	6,989
Tannery in Bataguassú	43,656	1,181	44,837
Plant in Capão do Leão	39,978	3,838	43,816
Plant in Mato Leitão	15,090	597	15,687
Net balance	104,923	6,406	111,329

The fair values are based on market values and reflect the estimated amount at which the property could be negotiated on the appraisal date in an arm's length transaction. The Company reassess its fair value on an annual basis.

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15. 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					
Property, plant and equipment					
Description	Land, constructions and buildings	Machinery, equipment, furniture and fixtures	Construction in progress	Other	Total
Average annual depreciation rates	3.74%	14.39%	-	12.09%	
Acquisition cost	4,014,641	1,239,645	128,027	431,885	5,814,198
Accumulated depreciation	(958,298)	(686,216)	-	(241,278)	(1,885,792)
Net balance at 12/31/2021	3,056,343	553,429	128,027	190,607	3,928,406
Additions	13,276	107,066	729,885	7,570	857,797
Write-offs	(1,525)	(349)	(5)	(18,887)	(20,766)
Transfers	586,893	59,391	(653,800)	7,516	-
Reclassification ^(a)	-	-	(471)	375	(96)
Depreciation in the year	(245,217)	(87,985)	-	(51,804)	(385,006)
Net balance at 12/31/2022	3,409,770	631,552	203,636	135,377	4,380,335
Acquisition cost	4,586,376	1,405,624	203,636	428,433	6,624,069
Accumulated depreciation	(1,176,606)	(774,072)	-	(293,056)	(2,243,734)
Net balance at the end of the year	3,409,770	631,552	203,636	135,377	4,380,335

^(a) Amounts reclassified between right-of-use assets and intangible assets.

Consolidated					
Property, plant and equipment					
Description	Land, constructions and buildings	Machinery, equipment, furniture and fixtures	Construction in progress	Other	Total
Average annual depreciation rates	2.13%	2.85%	-	9.65%	
Acquisition cost	6,622,574	5,660,671	1,217,133	993,940	14,494,318
Accumulated depreciation	(1,672,620)	(3,253,310)	-	(435,820)	(5,361,750)
Net balance at 12/31/2021	4,949,954	2,407,361	1,217,133	558,120	9,132,568
Additions	22,216	147,904	3,062,018	13,419	3,245,557
Addition through business combination	16,091,108	19,683,195	1,042,597	41,855	36,858,755
Write-offs	(31,874)	(187,977)	(2,058)	(19,322)	(241,231)
Transfers	1,057,614	1,217,576	(2,321,887)	46,697	-
Reclassification ^(a)	182	931	(5,310)	401	(3,796)
Translation gains (losses)	64,778	107,179	(59,716)	(26,931)	85,310
Depreciation in the year	(760,229)	(2,186,028)	-	(100,246)	(3,046,503)
Net balance at 12/31/2022	21,393,749	21,190,141	2,932,777	513,993	46,030,660
Acquisition cost	26,909,965	31,032,281	2,932,777	1,047,057	61,922,080
Accumulated depreciation	(5,516,216)	(9,842,140)	-	(533,064)	(15,891,420)
Net balance at the end of the year	21,393,749	21,190,141	2,932,777	513,993	46,030,660

^(a) Amounts reclassified between right-of-use assets and intangible assets.

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Pursuant to NBC TG 01/R4 (CVM Resolution 639/10) – Impairment of assets, an asset is tested for impairment on an annual basis. The recoverable amount of the asset 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 Company's business units, which are discounted to present value to identify the degree of recoverability of the asset.

During the year ended December 31, 2022, the carrying amounts of the Company's assets were not greater than the amounts which could be obtained by use or sale.

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

			Parent
			12/31/2022
Description	Temporarily idle property, plant and equipment	Property, plant and equipment fully depreciated and still in operation	
Land, constructions and buildings	89,304	277	
Machinery, equipment, furniture and fixtures	8,185	64,532	
Other	293	45,226	
	97,782	110,035	
			Consolidated
			12/31/2022
Description	Temporarily idle property, plant and equipment	Property, plant and equipment fully depreciated and still in operation	
Land, constructions and buildings	145,627	606,878	
Machinery, equipment, furniture and fixtures	114,783	1,224,480	
Other	293	78,547	
	260,703	1,909,905	

16. 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 NBC TG 06/R3, assets related to leases are now recognized as right-of-use assets under property, plant and equipment.

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Changes in right-of-use assets:

Description	Parent		
	Right-of-use assets		
	Plants	Other	Total
Average annual depreciation rates	7.00%	20.00%	
Acquisition cost	203,099	4,363	207,462
Accumulated depreciation	(54,473)	(1,474)	(55,947)
Net balance at 12/31/2021	148,626	2,889	151,515
Reclassification ^(a)	-	(375)	(375)
Depreciation in the year	(15,948)	(753)	(16,701)
Net balance at 12/31/2022	132,678	1,761	134,439
Acquisition cost	203,099	3,988	207,087
Accumulated depreciation	(70,421)	(2,227)	(72,648)
Net balance at the end of the year	132,678	1,761	134,439

^(a) Amounts reclassified from property, plant and equipment.

Description	Consolidated			
	Right-of-use assets			
	Plants	Machinery and equipment	Other	Total
Average annual depreciation rates	5.41%	13.86%	20.91%	
Acquisition cost	299,884	668,337	139,545	1,107,766
Accumulated depreciation	(97,756)	(333,096)	(16,947)	(447,799)
Net balance at 12/31/2021	202,128	335,241	122,598	659,967
Additions	741,550	145,912	246,302	1,133,764
Addition through business combination	1,983,367	32,164	145,931	2,161,462
Write-offs	(12,759)	(1,511)	(951)	(15,221)
Transfers	65	(3,905)	3,840	-
Reclassification ^(a)	(2,696)	(17)	(386)	(3,099)
Translation gains (losses)	24,430	(22,485)	(2,815)	(870)
Depreciation in the year	(431,434)	(139,617)	(148,419)	(719,470)
Net balance at 12/31/2022	2,504,651	345,782	366,100	3,216,533
Acquisition cost	4,420,190	742,853	733,434	5,896,477
Accumulated depreciation	(1,915,539)	(397,071)	(367,334)	(2,679,944)
Net balance at the end of the year	2,504,651	345,782	366,100	3,216,533

^(a) Amounts reclassified between property, plant and equipment and biological assets (non-current).

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17. INTANGIBLE ASSETS

The Company has intangible assets, composed of non-current assets, presented pursuant to NBC TG 04/R4 (CVM Resolution 644/10) – Intangible assets.

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Goodwill	-	-	1,786,570	1,892,630
Sales channels	177,722	193,979	177,722	193,978
Software and licenses	16,170	20,922	289,782	29,856
Trademarks and patents	54,715	57,626	12,582,866	1,582,361
Customer relationship	-	-	2,441,554	2,078,228
Supplier relationship	-	-	3,036,737	2,148,217
Non-compete agreements	-	-	19,927	-
Other intangible assets	-	-	77,266	5,876
Total	248,607	272,527	20,412,424	7,931,146

Goodwill from the acquisition of businesses by September 30, 2008 (last acquisition previous to transition date as of January 1, 2009, referring to complete adoption of the International Financial Reporting Standards (IFRS)) was calculated based on the accounting standards prior to NBC TG 15/R4 (CVM Resolution 665/11) - Business combination. According to "IFRS Optional Exemptions," the Company decided to adopt IFRS in all business acquisitions as from September 30, 2008. These goodwill amounts were based on expected future profitability, and supported by valuation reports from experts.

The trademarks acquired from third parties, prior to December 31, 2009, were measured at the paid amount, while trademarks and list of customers acquired as part of business combination after September 30, 2008 were calculated at fair value pursuant to NBC TG 15/R4 (CVM Resolution 665/11) – Business combination, for more details on the business combinations and the respective values derived from each one, see the Company's previous financial statements.

According to NBC TG 01/R4 (CVM Resolution 639/10) – Impairment of assets, the impairment test of goodwill and intangible assets with indefinite useful lives is conducted annually, and other intangible assets with finite useful lives are tested whenever there is evidence of non-realization. Intangible assets represented by patents and a list of customers are amortized at their respective useful lives, if applicable.

Certain intangible assets of the Company have indefinite useful lives, according to the experts' valuation, and are annually tested for impairment.

The recoverability analysis comprises projecting the profitability and future cash of the Company's business units, which are discounted to present value to identify the degree of recoverability of the asset.

Discounted cash flows to assess asset impairment were prepared for a period of at most 5 years, strictly in line with the applicable accounting standard. These cash flows are in line with the Company's strategic plan and growth projections based on past information updated by material facts for the Company. The calculation of the discount rates of these cash flows adopted the WACC method and were duly discussed and validated with the Company's management.

During the year ended December 31, 2022, the carrying amounts of the Company's assets were not greater than the amounts which could be obtained by use or sale.

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17.1 Changes in intangible assets

Changes in intangible assets for the year ended December 31, 2022 are follows:

							Parent
	Average amortization rate	Balance at December 31, 2021	Acquisition	Reclassification(a)	Amortization	Balance at December 31, 2022	
Sales channels	5.50%	193,979	-	-	(16,257)	177,722	
Software and licenses	10.13%	20,922	18	471	(5,241)	16,170	
Trademarks and patents	3.20%	57,626	-	-	(2,911)	54,715	
Total		272,527	18	471	(24,409)	248,607	

(a) Amounts reclassified from property, plant and equipment.

									Consolidated
	Average amortization rate	Balance at December 31, 2021	Acquisition	Translation gains (losses)	Addition through business combination	Reclassification(a)	Transfers	Amortization	Balance at December 31, 2022
Goodwill	-	1,892,630	2,673	(108,733)	-	-	-	-	1,786,570
Sales channels	5.50%	193,978	-	-	-	-	-	(16,256)	177,722
Software and licenses	48.15%	29,856	3,495	12,051	202,830	6,205	179,157	(143,812)	289,782
Trademarks and patents	1.75%	1,582,361	-	(67,878)	11,182,483	-	-	(114,100)	12,582,866
Customer relationship	7.36%	2,078,228	-	(117,986)	800,000	-	-	(318,688)	2,441,554
Supplier relationship	6.67%	2,148,217	-	(141,695)	1,300,000	-	-	(269,785)	3,036,737
Non-compete agreements	58.78%	-	10,693	7,140	2,722	-	5,875	(6,503)	19,927
Other intangible assets	0.04%	5,876	162,309	(7,330)	103,449	(2,006)	(185,032)	-	77,266
Total		7,931,146	179,170	(424,431)	13,591,484	4,199	-	(869,144)	20,412,424

(a) 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.

18. TRADE ACCOUNTS PAYABLE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Third parties	1,881,232	847,672	17,597,562	3,533,908
Related parties (a)	36,784	301,781	23,000	292,806
(-) Present value adjustment	-	-	(181,558)	-
	1,918,016	1,149,453	17,439,004	3,826,714
Current liabilities	1,918,016	1,149,453	17,431,545	3,826,714
Non-current liabilities	-	-	7,459	-

(a) Trade accounts payable with related parties are detailed in Note 36 - Related parties.

Of the balance of trade accounts payable at December 31, 2022, R\$ 4,373,134 refer to supplier chain financing operations in which there were no changes in payment conditions and in price negotiations with suppliers.

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19. TRADE ACCOUNTS PAYABLE - SUPPLIER CHAIN FINANCING

	Consolidated
	12/31/2022
Trade accounts payable - supplier chain financing	
Domestic market	1,268,269
Foreign market	153,437
(-) Present value adjustment	(28,569)
	1,393,137

Subsidiary BRF has partnerships with several financial institutions that enable suppliers to advance their receivables. Suppliers are free to choose whether or not to advance receivables and the institution with which to carry out the operation, allowing them to manage their cash flow needs in a way that best suits them. This flexibility allows the Company to strengthen its commercial relationships with the suppliers network, possibly obtaining benefits such as preferential supply in cases of restricted supply, better price conditions and/or more flexible payment terms, among others, without consideration under other commercial conditions. In this line item, we present transactions in which there were changes in payment conditions and in price negotiations with suppliers.

20. ACCRUED PAYROLL AND RELATED CHARGES

In the years ended December 31, 2022 and 2021, the balances of payroll and related taxes and social benefits were evaluated, as shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Salaries and payroll charges	137,171	116,195	1,148,494	432,020
Bonuses	11,015	8,000	837,441	1,930,997
Employee benefits	-	-	521,312	-
Other	-	-	16,023	11,492
	148,186	124,195	2,523,270	2,374,509
Current liabilities	148,186	124,195	2,066,326	2,374,509
Non-current liabilities	-	-	456,944	-

20.1. Bonuses

The payment of bonuses is conditioned to the fulfillment of the Company's performance metrics and to individual employee performance. In addition, in order for the bonus to be paid, the company's financial performance must reach the EBITDA defined by Management.

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20.2. Employee benefits

20.2.1. Supplementary retirement plan

Subsidiary BRF sponsors supplementary pension plans for its employees and officers.

These plans are managed by subsidiary BRF's subsidiary, BRF Previdência, a closed supplementary pension entity, non-economic and not-for-profit, which through its decision-making board is responsible for establishing the objectives and pension policies, as well as establishing fundamental guidelines and norms of organization, operation and administration. The decision-making board is formed by representatives of the sponsor and participants, in the proportion of 2/3 and 1/3, respectively.

20.2.1.1. Defined benefit plans

Actuarial valuations of plans managed by BRF Previdência are carried out annually by independent specialists and reviewed by Management, in accordance with current rules.

In the event of a deficit in the plans, it must be resolved by the sponsor, participants and beneficiaries, in the proportion of their contributions.

The economic benefit presented as an asset considers only the part of the surplus that is actually recoverable. The form of recovery of the plan surplus is through reductions in future contributions.

The defined benefit plans are:

Plan II – Variable contribution – closed for enrollment

It is a variable contribution plan structured in the defined contribution modality during the mathematical provisions accumulation period with the option of transforming the applicable account balance into a monthly lifetime income (defined benefit) on the date the benefit is granted. The main actuarial risks are: (i) survival longer than expected in the mortality tables and (ii) real return on assets below the real discount rate.

FAF Plan - closed for enrollment

The FAF Plan (Fundação Atílio Francisco Xavier Fontana) aims to supplement the benefit paid by the INSS (National Social Security Institute). The benefit is calculated based on the participant's income and the amounts vary according to the type of retirement, length of service and other criteria defined in the plan. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected, (iii) salary growth above expectations, (iv) real return on assets below the real discount rate, (v) changes in the pension rules, and (vi) real family composition of retirees different from the established assumption.

20.2.1.2. Defined contribution plans

The defined contribution plan is:

Plan III - open for enrollment

It is a defined contribution plan in which contributions are known and the value of the benefit will depend directly on the amount of contributions made by participants and sponsors, the contribution time and the proceeds obtained from the investment of the contributions.

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If the participants of Plans II and III terminate their employment relationship with the sponsor, the unused balance of the sponsor's contributions in the payment of benefits will form a surplus fund that can be used to offset the sponsor's future contributions.

At December 31, 2022, there are no liabilities recorded for these plans since they are in a surplus position. The cost of services provided recognized in the statement of income for the year against Other comprehensive income was R\$ 18,765.

20.2.1.3. Actuarial assumptions and demographic data

The main assumptions and demographic data used in the preparation of actuarial calculations are presented below:

	Consolidated	
	FAF	Plan II
	12/31/2022	12/31/2022
Actuarial assumptions		
Economic assumptions		
Discount rate	9.75%	9.73%
Inflation rate	3.50%	3.50%
Salary growth rate	4.60%	N/A
Demographic assumptions		
Mortality table	Base AT-2000, by gender	Base AT-2000, by gender
Disability mortality table	CSO-58	CSO-58
Demographic data		
Number of active participants	5,669	-
Number of beneficiary participants	7,884	51

20.2.1.4. Composition of the plans' investment portfolios

The composition of the plans' investment portfolios is presented below:

	Consolidated			
	FAF		Plan II	
	12/31/2022		12/31/2022	
Composition of the fund portfolio				
Fixed income	2,385,591	66.2%	19,969	87.8%
Variable income	421,622	11.7%	1,115	4.9%
Properties	342,343	9.5%	23	0.1%
Structured	454,055	12.6%	1,638	7.2%
Abroad	-	-	-	-
Transactions with participants	-	-	-	-
	3,603,611	100%	22,745	100%
% nominal return on assets	8.50%	-	8.30%	-

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20.2.1.5. Forecast of payments and average duration of obligations

The following amounts represent the expected benefit payments for future years, as well as the average duration of the plan obligations:

	Consolidated	
	FAF	Plan II
2023	227,705	1,869
2024	226,703	1,853
2025	226,168	1,835
2026	225,999	1,814
2027	226,916	1,789
2028 to 2032	1,147,585	8,437
Weighted average duration - in years	10.95	8.90

20.2.1.6. Sensitivity analyses of the defined benefit plan - FAF

The quantitative sensitivity analysis in relation to the significant assumptions of the defined benefit plan - FAF at 12/31/22 is shown below:

Significant assumptions	Assumption used	Variation (+ 1%)		Variation (- 1%)	
		Rate	PVO ^(a)	Rate	PVO ^(a)
Benefit plan - FAF					
Discount rate	9.75%	10.75%	3,475,721	8.75%	2,826,339
Salary growth ^(b)	1.06%	2.06%	3,179,369	0.06%	3,072,449

^(a) Present value of the obligation.

^(b) Real rate.

20.2.2. Description and characteristics of the benefits and associated risks

The human resources policy of subsidiary BRF includes offering the following post-employment benefits and other employee benefits, with amounts calculated based on the actuarial cost method and recognized in the financial statements:

	Consolidated
	12/31/2022
Healthcare plan	119,729
FGTS severance pay	60,657
Seniority bonus	112,225
Retirement bonus	45,670
Life insurance	8,871
Defined benefit	174,160
	521,312

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20.2.2.1. Healthcare plan

Subsidiary BRF offers a healthcare plan benefit with a fixed contribution to retired employees, pursuant to Law 9.656/98.

Accordingly, retired employees who have contributed with the healthcare plan as a result of an employment relationship of, at least, 10 years, are entitled to remain as beneficiaries of the plan under the same coverage conditions the employee had while working for the Company. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected and (iii) higher than expected growth in medical costs.

20.2.2.2. FGTS fine upon retirement

As decided by the Regional Labor Court on April 20, 2007, INSS retirement has no effect on the labor agreement established between the Company and its employees. However, if an employee is retired before the INSS and the labor agreement is terminated, subsidiary BRF may, in certain cases, enter into a mutual agreement granting a benefit equivalent to a 20% fine on the FGTS balance. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected and (iii) higher than expected growth in salaries.

20.2.2.3. Seniority bonus

Subsidiary BRF's policy is to reward its active employees who reach 10 years of service and, from that date on, offer an additional compensation every 5 years. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected and (iii) higher than expected growth in salaries.

20.2.2.4. Retirement bonus

Upon retirement, employees who have worked for subsidiary BRF for more than 8 years are entitled to a supplementary compensation, in addition to their legal benefits. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected and (iii) higher than expected growth in salaries.

20.2.2.5. Life insurance

Subsidiary BRF offers additional life insurance for additional 2 or 3 years to retired employees who have terminated their employment contracts, as long as they have opted for life insurance during their employment period. The main actuarial risks are: (i) survival longer than expected in the mortality tables, (ii) turnover lower than expected and (iii) higher than expected growth in salaries.

20.2.2.6. Defined benefit

Subsidiary BRF has recorded liabilities related to defined benefit for certain subsidiaries located in Turkey, Saudi Arabia, Qatar, United Arab Emirates, Oman and Kuwait, referring to payments in the event of termination if specific conditions are met, which vary according to the laws of each country. The main actuarial risks are: (i) lower than expected turnover and (ii) higher than expected salary growth.

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20.2.2.7. Changes in actuarial obligations of benefits

Changes in actuarial obligations related to other benefits, prepared based on an actuarial report and reviewed by management, are presented below:

	Healthcare plan	FGTS fine	Seniority bonus	Consolidated Other (a)
Breakdown of actuarial liabilities				
Present value of actuarial obligations	119,729	60,657	112,225	228,700
Recognized net liability	119,729	60,657	112,225	228,700
Changes in present value of obligations				
Interest on actuarial obligation	14,448	3,053	5,998	12,937
Current service cost	678	2,480	5,221	17,319
Benefits paid directly by the Company	(8,811)	(11,482)	(14,542)	(25,641)
Addition through business combination	197,702	54,899	100,473	187,203
Actuarial (gains) losses - experience	(55,928)	13,589	17,357	15,764
Actuarial (gains) losses - demographic assumptions	(12,325)	2,237	1,935	1,623
Actuarial (gains) losses - economic assumptions	(16,035)	(4,119)	(4,217)	19,775
Actuarial (gains) losses - translation gains (losses)	-	-	-	(280)
Amount of obligations at the end of the year	119,729	60,657	112,225	228,700
Changes in the fair value of assets				
Benefits paid directly by the Company	8,811	11,482	14,542	26,633
Sponsor's contributions	(8,811)	(11,482)	(14,542)	(26,633)
Fair value of assets at the end of year	-	-	-	-
Changes in comprehensive income				
Addition through business combination	(34,720)	6,636	-	(84,050)
Actuarial (gains) losses	84,288	(11,707)	-	(37,162)
Translation gains (losses)	-	-	-	37,204
Comprehensive income at the end of the year	49,568	(5,071)	-	(84,008)
Cost recognized in the statement of income				
Interest on actuarial obligations	(14,448)	(3,053)	(5,998)	(12,937)
Current service cost	(678)	(2,480)	(5,221)	(22,804)
Immediate recognition of losses	-	-	(15,075)	-
Cost recognized in the statement of income	(15,126)	(5,533)	(26,294)	(35,741)
Cost estimate for the following year				
Current service cost	508	2,669	5,707	(22,804)
Interest on actuarial obligations	11,434	5,052	10,104	(15,388)
Estimated amount for the following year	11,942	7,721	15,811	(38,192)

(a) Considers the sum of the benefits Retirement bonus, Life insurance and Defined benefit granted in certain subsidiaries of subsidiary BRF.

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20.2.2.8. Actuarial assumptions and demographic data

The main assumptions and demographic data used in the preparation of actuarial calculations are summarized below:

	Consolidated		
	Healthcare plan	FGTS fine	Other (a)
	12/31/2022	12/31/2022	12/31/2022
Actuarial assumptions			
Economic assumptions			
Discount rate	9.73%	9.66%	8.71%
Inflation rate	3.50%	3.50%	4.88%
Medical inflation	6.60%	N/A	N/A
Salary growth rate	N/A	3.50%	4.88%
FGTS balance growth	N/A	3.70%	N/A
Demographic assumptions			
Mortality table	basic AT-2000	basic AT-2000	-
Disability table	N/A	“Álvaro Vindas” smoothed by 30%	-
Turnover table - BRF history	2022	2022	-
Demographic data			
Number of active participants	13,776	91,490	-
Number of beneficiary participants	1,610	-	-

^(a) Includes benefits of retirement bonus and life insurance.

20.2.2.9. Forecast of payments and average duration of obligations

The following amounts represent expected benefit payments for future years (10 years) from the obligation of benefits granted, as well as their average duration:

	Healthcare plan	FGTS fine	Seniority bonus	Other (a)	Total
2023	4,650	16,723	15,254	27,740	64,367
2024	5,157	4,552	16,485	17,807	44,001
2025	5,687	4,933	14,363	18,858	43,841
2026	6,282	5,666	13,658	19,145	44,751
2027	6,919	5,992	12,324	20,237	45,472
2028 to 2032	44,451	37,766	62,940	131,600	276,757
Weighted average duration - in years	17.16	5.68	5.27	9.28	8.35

^(a) Considers the sum of the benefits Retirement bonus, Life insurance and Defined benefit granted in certain subsidiaries of subsidiary BRF.

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20.2.2.10. Sensitivity analysis of post-employment benefits

Subsidiary BRF performed quantitative sensitivity analyses in relation to the significant assumptions for the following benefits at December 31, 2022, as shown below:

Significant assumptions	Assumption used	(+ Variation		(-) Variation	
		Rate (%)	PVO (1)	Rate (%)	PVO (a)
Healthcare plan					
Discount rate	9.74%	10.74%	102,879	8.74%	141,159
Medical inflation	6.60%	7.60%	141,105	5.60%	102,687
FGTS fine					
Discount rate	9.66%	10.66%	57,668	8.66%	64,023
Salary increase	3.50%	4.50%	54,466	2.50%	53,345
Turnover	Background	+3%	44,883	-3%	66,993

(a) Present value of obligation.

21. TAXES PAYABLE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
State VAT (ICMS)	-	-	274,156	-
Income and social contribution taxes payable	57,870	57,487	545,028	1,191,834
Special tax debt installment plans	10,822	101,812	121,373	101,812
Other taxes, fees and contributions payable	15,830	16,838	150,363	90,538
	84,522	176,137	1,090,920	1,384,184
Current liabilities	23,128	34,868	673,199	950,421
Non-current liabilities	61,394	141,269	417,721	433,763

Changes in special installment payment plans are as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	101,812	128,472	101,812	129,380
(+) Adhesion to the installment payment program	-	1,092	-	1,092
(+) Inflation adjustment interest	7,849	16,416	15,813	16,423
(-) Payments / offsets made	(98,839)	(44,168)	(110,296)	(45,083)
Addition through business combination	-	-	114,044	-
Debt balance	10,822	101,812	121,373	101,812

During the year ended December 31, 2022, the Company offset the installment payment pursuant to the addendum executed in the Procedural Legal Transaction - NJP (SEI 19839.108398/2019-15), signed on May 18, 2022, in which the Federal Revenue Service authorized the use of inspected tax credits adjusted according to Selic.

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22. LOANS, FINANCING AND DEBENTURES

					Parent	
Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	12/31/2022	12/31/2021	
Domestic currency:						
NCE/Working Capital	CDI	15.26%	0.23	670,128	503,596	
CPR/CCB	CDI	15.47%	2.41	6,079,882	3,908,698	
CRA	CDI	15.08%	6.15	5,184,835	1,701,325	
Total domestic currency		15.29%		11,934,845	6,113,619	
Foreign currency:						
NCE/Prepayment (US\$) / ACC (US\$)	Libor + Fixed Rate + SOFR	5.03%	1.27	4,927,762	4,630,558	
Bank Loan (US\$)	Fixed Rate+FX	4.71%	2.26	353,862	122,939	
Bank Loan (EUR)	Floating Rate+FX	-	-	-	1,234,623	
Total foreign currency		5.01%		5,281,624	5,988,120	
Total loans, financing and debentures		12.14%		17,216,469	12,101,739	
Current liabilities				6,598,771	5,627,138	
Non-current liabilities				10,617,698	6,474,601	

					Consolidated	
Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	12/31/2022	12/31/2021	
Domestic currency:						
NCE/Working Capital	CDI / Fixed	10.08%	4.15	4,692,869	503,596	
CPR/CCB	CDI	15.47%	2.41	6,079,882	3,908,698	
CRA	CDI / IPCA	14.55%	5.31	6,184,481	1,701,325	
Tax incentives	Fixed	2.40%	-	5,286	-	
Debentures	CDI / IPCA	11.94%	8.57	5,768,475	-	
Total domestic currency		13.21%		22,730,993	6,113,619	
Foreign currency:						
NCE/Prepayment (US\$) / ACC (US\$)	Fixed rate / Floating rate / Libor / FX+ Sofr	6.26%	1.22	5,218,815	4,692,841	
Bonds (US\$)	Fixed Rate + FX / Fixed	5.20%	8.44	24,788,824	16,138,569	
Bank Loan (US\$)	Fixed Rate / Libor / FX + SOFR	6.20%	2.16	6,263,450	2,146,146	
Bank Loan (EUR)	Floating Rate+FX	-	-	-	1,234,623	
Revolving credit facility	Libor	5.75%	3.87	1,656,705	-	
Working capital	Fixed	16.83%	0.70	514,004	-	
Total foreign currency		5.69%		38,441,798	24,212,179	
Total loans and financing		8.48%		61,172,791	30,325,798	
Current liabilities				12,813,280	6,842,294	
Non-current liabilities				48,359,511	23,483,504	

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

Description	12/31/2021	Acquisitions	Addition through business combination	Loan costs	Payments	Interest	Capitalized interest	Translation gains (losses)	Balance sheet conversion adjustment	12/31/2022
Parent	12,101,739	13,252,026	-	25,560	(9,005,727)	1,348,698	-	(505,827)	-	17,216,469
Consolidated	30,325,798	58,299,638	21,743,371	250,966	(52,923,220)	3,470,725	67,415	998,751	(1,060,653)	61,172,791

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The additions and payments presented in the table above include working capital operations. Loans, financing and debentures fall due as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
2022	-	5,627,138	-	6,842,294
2023	6,598,771	1,415,153	12,813,280	1,879,917
2024	2,529,040	3,008,430	6,694,216	3,686,239
2025	1,833,686	-	5,788,310	15,120
2026	1,082,720	-	10,303,766	5,047,246
2027	1,325,138	692,725	3,619,778	733,213
2028 onwards	3,847,114	1,358,293	21,953,441	12,121,769
Total	17,216,469	12,101,739	61,172,791	30,325,798

22.1. Credit note

In 2022, new financing facilities were contracted through financial instruments such as Bank Credit Note (CCB) and Rural Product Notes (CPR), with maturities ranging from 1 to 5 years, in line with the strategy of extending the average term of the debt.

22.2. Non-convertible debentures - CRA

On January 20, 2022, the Board of Directors authorized the 9th issuance of simple, unsecured, non-convertible debentures, in 3 series, for private placement. The total amount of this issuance is R\$ 1,500,000 and 1,500,000 debentures were issued with unit face value of R\$ 1,000.00 each. The debentures were not registered for distribution in the primary market, trading in the secondary market, electronic custody or settlement in any organized market.

The Company's Board of Directors also authorized the 10th issuance of simple, unsecured, non-convertible debentures, in a single series, for public distribution with restricted placement efforts. The total amount of this issuance is R\$ 500,000 and 500,000 debentures were issued with a unit face value of R\$ 1,000.00 each.

On November 10, 2022, the Board of Directors authorized the 11th issuance of simple, unsecured, non-convertible debentures, in 2 series, for public placement. The total amount of this issuance is R\$ 750,000 and 750,000 debentures were issued with unit face value of R\$ 1,000.00 each.

On November 17, 2022, the Board of Directors authorized the 12th issuance of simple, unsecured, non-convertible debentures, in 2 series, for private placement. The total amount of this issuance is R\$ 1,000,000 and 1,000,000 debentures were issued with unit face value of R\$ 1,000.00 each.

22.3. Debentures

On July 13, 2022, within the scope of the private placement, 1,700,000 debentures were subscribed by the securitization company, in subsidiary BRF, with a unit face value of R\$ 1,000.00, in 2 series, totaling the amount of R\$ 1,700,000. The first series comprises 710,000 debentures, with maturity on July 13, 2027, and indexed to the DI. The second series comprises 990,000 debentures, with maturity on July 13, 2032, and indexed to the IPCA.

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22.4. Bonds (US\$)

In the 3rd quarter of 2022, subsidiary BRF made repurchases of the following issues of senior notes: 4.875% senior notes due in 2030 and 5.75% senior notes due in 2050. A payment of R\$ 950,924 was made for the repurchase of these liabilities, amount that includes principal, interest, premium and taxes of R\$ 12,142 and is net of financial income of R\$ 275,917 referring to the discount on the repurchase. This repurchase generated financial expenses of R\$ 12,830 related to financial taxes and R\$ 23,941 related to the write-off of issuance costs.

22.5. Bank loan (US\$)

On May 9, 2022, NBM US Holdings Inc. entered into a Bank Loan ("Term Loan") with a syndicate of 20 banks, with a term of 5 years and remuneration at Secured Overnight Financing Rate (SOFR) plus a rate of up to 2.5% per year. This transaction replaced another Bank Loan ("Bridge Loan") in the same amount of US\$ 800 million, contracted in March 2022.

22.6. Revolving Credit Facility

In order to maintain a prudential and sustainable short-term liquidity position and in line with the adoption of measures to extend the average term and reduce the cost of its debts, on December 27, 2019, subsidiary BRF contracted with Banco do Brasil a revolving credit facility in the amount of up to R\$ 1,500,000, maturing in three years, which had its renewal approved by the Board of Directors on October 21, 2022, under the same conditions, for an additional period of 2 years. On October 28, 2020, the subsidiary also contracted with Banco do Brasil an additional revolving credit facility, up to the limit of R\$ 1,500,000, for a period of three years. These credit facilities may be fully or partially disbursed at the discretion of the subsidiary, when necessary. At December 31, 2022, the credit facilities were available, but unused.

22.7. Guarantees for loans, financing and debentures

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balance of financing	17,216,469	12,101,739	61,172,791	30,325,798
Guarantees:				
Promissory note	262,071	-	262,071	-
Bank surety	-	-	196,675	22,504
Surety	162,770	663,392	805,738	818,315
Export document	-	-	-	176,242
Facilities	-	-	1,667,140	-
Marketable securities	-	-	11,814	12,889
Mortgage	-	-	-	84,300
Letter of credit	474,894	-	474,894	-
Tax incentives	-	-	5,286	-
Corporate guarantee	-	-	521,219	-
<i>No guarantees</i>	16,316,734	11,438,347	57,227,954	29,211,548

22.8. Covenants

The Company is party to some loan and financing contracts that contain clauses requiring the maintenance of specific limits of consolidated debt, through covenants.

Due to the contractual provisions (carve-out) that allow the exclusion of foreign exchange variation effects from the calculation of leverage ratio (net debt/Adj. EBITDA LTM), the Company clarifies that based on this methodology, the current leverage ratio (net debt/Adj. EBITDA) stood at 2.64x.

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The leverage ratio is calculated as follows:

	12/31/2022
Consolidated gross debt	61,172,791
(-) Consolidated cash and cash equivalents	22,492,533
Consolidated net debt	<u>38,680,258</u>
Adj. EBITDA in the year ended December 31, 2022	12,748,276
Adj. EBITDA ratio	<u>3.03</u>
Consolidated net debt	38,680,258
(-) Effect from exchange variation (carve-out)	4,974,840
Consolidated adjusted net debt	<u>33,705,418</u>
Leverage ratio	<u>2.64</u>

The Company did not identify any breach of its covenants at December 31, 2022.

23. ADVANCES FROM CUSTOMERS

At December 31, 2022, advances from customers in the parent company amounted to R\$ 2,540,988 (R\$ 1,508,946 at December 31, 2021) and in the consolidated this balance was R\$ 2,405,785 (R\$ 1,994,756 at December 31, 2021). Advances from customers refer to amounts received in advance from customers in accordance with the Company's credit policies, the average period for repayment of these advances is 3 months.

24. LEASE PAYABLE

The Company measures its lease liabilities at the present value of installments and costs associated with the lease agreement, as provided for in NBC TG 06/R3 (CVM Resolution 787/17).

The following table presents the breakdown of lease payable:

Lease	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Parent	
			12/31/2022	12/31/2021
Plants, facilities and buildings	7.00%	5.8	128,507	164,109
Other	5.10%	2.4	2,117	3,017
Interest to incur	-	-	(15,307)	(17,514)
Total			<u>115,317</u>	<u>149,612</u>
Current liabilities			20,118	9,348
Non-current liabilities			95,199	140,264

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Lease	Weighted average interest rate (p.a.)	Weighted average maturity (years)	Consolidated	
			12/31/2022	12/31/2021
Plants, facilities and buildings	7.27%	3.6	2,915,003	221,517
Software license	15.53%	0.8	1,603	-
Machinery and equipment	3.84%	3.6	357,829	355,687
Other	5.21%	2.4	351,651	93,293
Interest to incur	-	-	(22,988)	(28,035)
Total			3,603,098	642,462
Current liabilities			819,547	161,032
Non-current liabilities			2,783,551	481,430

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

The following table presents the changes in lease payable:

Description	12/31/2021	Acquisitions	Addition through business combination	Financial expenses	Payments	Translation gains (losses)	Balance sheet conversion adjustment	Adjustment to present value	12/31/2022
Parent	149,612	-	-	2,271	(36,501)	-	-	(65)	115,317
Consolidated	642,462	1,133,764	2,470,744	86,593	(708,888)	(83)	(21,432)	(62)	3,603,098

The following table presents the maturity schedule of lease agreements:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Up to 1 year	20,118	9,348	819,547	161,032
From 1 to 5 years	45,590	58,120	1,882,270	324,053
More than 5 years	49,609	82,144	901,281	157,377
Total	115,317	149,612	3,603,098	642,462

24.1. Potential right to PIS and COFINS

The Company holds the potential right to recoverable PIS and COFINS taxes embedded in the consideration of certain leases for industrial plants, buildings, machinery and equipment 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	Parent		Consolidated	
	Nominal	Adjustment to present value	Nominal	Adjustment to present value
Lease consideration	128,507	113,889	458,960	421,650
Potential PIS / COFINS (9.25%)	11,887	10,535	42,454	39,003

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24.2. Inflationary effects

The Company adopted as accounting policy the requirements of NBC TG 06/R3 (CVM Resolution 787/17) to measure and remeasure its right of use, based on discounted cash flow without considering inflation.

Management evaluated the impacts of using nominal flows and concluded that they do not present relevant distortions in the information presented. To ensure the faithful representation of the information with regard to the requirements of NBC TG 06/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 financial statements to determine the inflation-adjusted flows. The Company used the Broad Consumer Price Index - IPCA (5.79% p.a.) to adjust the balance for inflation.

	Right-of-use assets		Lease liabilities	
	Parent	Consolidated	Parent	Consolidated
	12/31/2022	12/31/2022	12/31/2022	12/31/2022
Real flow				
Right-of-use assets	151,140	3,936,003	117,588	3,689,691
Depreciation	(16,701)	(719,470)	(2,271)	(86,593)
	Parent	Consolidated	Parent	Consolidated
	12/31/2022	12/31/2022	12/31/2022	12/31/2022
Inflation-adjusted flow				
Right-of-use assets	153,283	3,954,362	119,254	3,706,663
Depreciation	(16,938)	(722,718)	(2,303)	(86,986)

25. NOTES PAYABLE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Notes payable for investments in Brazil ^(a)	88,567	159,318	334,538	159,318
Related parties ^(b)	20,395,963	27,628,538	-	-
Leniency Agreement with CGU and AGU ^(c)	-	-	585,577	-
Other	14,546	20,547	14,546	20,547
	20,499,076	27,808,403	934,661	179,865
Current liabilities	77,939	78,877	816,905	78,062
Non-current liabilities	20,421,137	27,729,526	117,756	101,803

(a) The amount refers primarily to the acquisition of all shares in Mercomar Empreendimentos e Participações Ltda., acquired by the Company in May 2015, with final maturity scheduled for March 2024, and to the acquisition of all shares in Mogiana Alimentos S.A. (acquired by subsidiary BRF in February 2022, with maturity in 6 years).

(b) The amount refers to loans with subsidiaries. A breakdown of the balance can be found in Note 36 Related-party transactions.

(c) The amount presented refers to one of the commitments assumed in the Leniency Agreement entered into by subsidiary BRF. In note 26.3 we describe the details of this agreement.

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26. PROVISION FOR CONTINGENCIES

26.1. Provisions

The Company and its subsidiaries are involved in several labor, tax and civil proceedings, in the ordinary course of business, for which provisions based on legal advisors' estimates have been set up.

The principal information about these proceedings is presented below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Labor and social security	48,581	48,860	709,014	100,952
Tax	50,386	45,595	4,784,011	64,171
Civil	110,924	82,949	1,234,012	115,686
	209,891	177,404	6,727,037	280,809

The following table shows the changes in provisions in the year ended December 31, 2022:

	Parent				Consolidated			
	Labor and social security	Tax	Civil	Total	Labor and social security	Tax	Civil	Total
December 31, 2021	48,860	45,595	82,949	177,404	100,952	64,171	115,686	280,809
Addition to provision	43,891	5,212	32,889	81,992	482,484	108,589	141,837	732,910
Reversal of provision	(601)	-	(905)	(1,506)	(292,934)	(114,347)	(81,724)	(489,005)
Payments	(43,569)	(421)	(4,009)	(47,999)	(299,502)	(29,201)	(41,795)	(370,498)
Translation gains (losses)	-	-	-	-	(27,977)	(6,342)	(15,033)	(49,352)
Addition through business combination ^(a)	-	-	-	-	745,991	4,761,141	1,115,041	6,622,173
December 31, 2022	48,581	50,386	110,924	209,891	709,014	4,784,011	1,234,012	6,727,037

(a) Addition through business combination

Amounts arising from the business combination with BRF, part of the contingent liabilities was also recorded in this amount according to the fair value measurement on the acquisition date. Contingent liabilities at April 1, 2022 are represented by R\$ 98,117 for labor and social security claims, R\$ 4,218,291 for tax claims, and R\$ 754,487 for civil claims.

26.1.1. Labor and social security

At December 31, 2022, the Company and its subsidiaries are parties to various labor claims. Based on the Company's and its subsidiaries' payment history, a provision of R\$ 709,014 was recognized. In the opinion of Management and legal advisors, this provision is sufficient to cover probable losses. Most of the labor claims filed against the Company and its subsidiaries refer to matters usually questioned in this industry, such as dismissal with cause, preparation time, breaks for personnel who work in refrigerated environments, work accidents, commuting time and ergonomic hazard, among others.

The Company's Management believes no individual labor claim is relevant.

26.1.2. Tax

Based on the opinion of its legal advisors, the Company 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.

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The Company and its subsidiaries reassessed their provisions in the total amount of R\$ 4,784,011, with the main discussions including the exclusion of ICMS tax from the base of PIS and COFINS, disallowances of ICMS arising from the use of ICMS credits on materials for use and consumption, presumed ICMS credit, ICMS tax substitution, ICMS rate differential on seasoned products, disallowance of PIS and COFINS credits on inputs, disallowance of estimated IRPJ/CSLL offset, lack of addition of profits abroad in the calculation of tax and contribution on income, GILRAT and ICMS.

Other tax contingencies: The Company has other provisions for claims related to the payment of social security contributions, INCRA, FUNRURAL, SESI/SENAI/SEBRAE, debts included in REFIS with deposit awaiting consolidation and conversion into payment, debts arising from divergence of accessory obligations, disallowance of presumed IPI credit, Import Tax, IOF, Finsocial and others.

The Company, supported by its legal advisors, considered sufficient the amounts recorded in provision for potential impacts in the event that such risks materialize.

26.1.3. Civil

At December 31, 2022, based on the opinion of legal advisors, Management recognized a provision for lawsuits considered to be of probable risk, totaling R\$ 1,234,012. The civil lawsuits of the Company and its subsidiaries typically involve disputes related to commercial agreements, indemnity claims, breach of contract claims, regulatory, environmental and real estate issues, consumer relations, among other matters. The accrued 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.

26.2. Contingent liabilities

Contingent liabilities, whose likelihood of loss for the Company was defined by its legal advisors as possible and, therefore, are not recognized in the financial statements according to NBC TG 25/R2, are shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Labor and social security	70,042	71,266	238,526	72,644
Tax	1,157,006	874,981	10,113,931	912,086
Civil	10,469	10,884	1,137,540	11,056
	1,237,517	957,131	11,489,997	995,786

26.2.1. Labor and social security

The labor and social security lawsuits in which the Company 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, work accidents, commuting time, ergonomic hazards and others, totaling an amount of possible losses of R\$ 238,526.

26.2.2. Tax

The main tax matters discussed at court that in the opinion of Management and legal advisors are rated as possible losses for the Company and its subsidiaries is presented below, in the amount of R\$ 10,113,931.

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Federal Taxes and Contributions

At December 31, 2022, the Company was a party to administrative proceedings and court claims filed by the Federal Government in the total historical amount of R\$ 1,067,695 claiming:

- a) 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;
- b) Disallowance of PIS/COFINS credits for calendar year 2014 used for the offset of taxes in the historical amount of R\$ 324,379;
- c) Disallowance of PIS/COFINS credits of inspection for the 2015/2019 period used for the offset of taxes in the historical amount of R\$ 160,719;
- d) 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;
- e) Isolated penalty applied on credit not approved in reimbursement/offset request, in the historical amount of R\$ 126,271; and
- f) The Company and its subsidiaries have federal tax debits, whose collection suits are individually immaterial, totaling R\$ 350,492.

State VAT - ICMS

At December 31, 2022, the Company was a party to administrative proceedings and court claims in the total historical amount of R\$ 126,012, claiming the following:

- a) 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\$ 101,356; and
- b) The Company and its subsidiaries are parties to administrative proceedings and legal suits, whose collection suits are individually immaterial, totaling R\$ 24,656.

Taxes on Services of Any Nature (ISSQN)

At December 31, 2022, the Company is involved in one lawsuit which claims the collection of local government taxes in the historical amount of R\$ 138.

Contingent tax liabilities arising from the business combination with BRF

As of April 1, 2022, the Company will present the contingent tax liabilities of its subsidiary BRF, due to the materiality of these liabilities, we present below the main proceedings that total the amount of R\$ 8,920,086:

- a) **PIS and COFINS:** Disallowance of PIS and COFINS credits resulting from the non-cumulative system due to divergence regarding the concept of disallowed inputs and use in the production process, as well as the requirement for taxation of revenues related to presumed ICMS credits, differences related to the tax classification of seasoned meats, Decree-Laws 2,445/88 and 2,449/88 (half-yearly), extemporaneous credits and others;
- b) **State VAT - ICMS:** Disallowance by the States of destination of the goods, of the ICMS credit arising from tax incentives granted by the States of origin unilaterally, without approval of an agreement by the National Council of Fiscal Policy ("CONFAZ"), the so-called "tax war"; non-proof of export; infraction notices from the State of Rio de Janeiro for the period from 2014 to 2018, due to alleged non-compliance with the Term of Agreement (TARE) that provided for a tax benefit; Public Civil Action in Rio de Janeiro regarding the use of tax benefit; and ICMS tax assessment notice in Goiás referring to the exclusion of the credit reversal from the PROTEGE calculation basis; among other lawsuits; The reductions in contingencies related to the tax war are due to the recognition of credits by the States, according to LC 160 and ICMS Agreement 190;
- c) **IRPJ and CSLL:** Refund and offsetting of IRPJ and CSLL tax losses, including as a result of the recognition of a court decision related to Plano Verão and tax assessment notices demanding IRPJ and CSLL related to offsetting of tax losses above the limit of 30% upon the merger of companies;

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- d) **Profits earned abroad:** Subsidiary BRF was assessed by the Brazilian Federal Revenue Service for alleged failure to pay Income Tax and Social Contribution on profits earned by its subsidiaries abroad. The defenses are supported by the fact that the subsidiaries abroad are exclusively subject to full taxation in the countries in which they are headquartered as a result of treaties to avoid double taxation;
- e) **IPI:** Non-approval of offsets of presumed IPI credits arising from the acquisition of non-taxed products and intermediate materials;
- f) **Social security contributions:** Collection of social security contributions on payroll, profit sharing, GILRAT for financing special retirement, SAT/RAT, as well as other amounts of various natures; and
- g) **Other contingencies:** Requirement of a fine of 50% of the amount of non-approved PIS/COFINS and IRPJ offsets pending final judgment of the offset processes, proof of drawback, taxes on services and others of various natures, fees, IPTU, import tax and IOF.

26.2.3. Civil

The civil lawsuits of the Company and its subsidiaries typically involve litigations related to business agreements and others refer mainly to disputes arising from allegations of contractual breach and non-compliance with legal obligations of various natures, such as disputes arising from contracts in general, disputes relating to intellectual property, regulatory, environmental and real estate issues, consumer relations, among other topics, totaling possible losses of R\$ 1,137,540.

26.3. Additional information

Sale of Keystone business

The Company was 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 US 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.

In March 2022, the arbitration referring to the sale of Keystone to Tyson was completed with a final and binding decision negating almost all of Tyson's claims, and the Company was required to pay approximately US\$ 69,793 million (R\$ 327,917 million). The amount was paid on April 1, 2022, while the Company, duly supported by its legal advisors, had already recorded a provision for this lawsuit. Consequently, there was no impact on the results in this period. The buyer also filed an action discussing, among other things, the repurchase of McKey Korea LLC (Korean company owned by Keystone) by the Company. Such proceeding is in the evidentiary stage and testimony of witnesses.

National Beef business

Five class actions and eighteen individual plaintiff actions were filed in the United States, and two class actions in Canada, alleging that the Company and/or its subsidiary, National Beef, with other companies in the industry, colluded to control cattle and meat prices. In all the actions, the court issued decisions that excluded the Company as a defendant and maintained National Beef. National Beef was also notified of a civil investigation by the US Department of Justice and approximately thirty state attorneys regarding the purchase of fed cattle and sale of beef. National Beef is cooperating with the investigations by providing all the requested information.

Investigations involving subsidiary BRF

Subsidiary BRF was the subject of two investigations conducted by Brazilian government agencies, referred to as "Operação Carne Fraca" in 2017 and "Operação Trapaga" in 2018. The Audit and Integrity Committee of subsidiary BRF conducted independent investigations together with the Independent Investigation Committee, comprised of external members and external legal advisors in Brazil and abroad, regarding the allegations involving the employees and former employees of subsidiary BRF. In 2021, the Division of Enforcement of the Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") issued official letters communicating the end of investigations on subsidiary BRF, with no sanctions or penalties imposed on the Company.

As developments of the independent investigations, on December 28, 2022, subsidiary BRF signed a Leniency Agreement with the Office of the Federal Controller General (CGU) and the Attorney General Office (AGU) addressing matters related to the operations conducted by Brazilian government entities.

Through the Leniency Agreement, subsidiary BRF assumed the following commitments: (a) remedy the identified practices and adopt preventive measures to prevent such practices from occurring again; (b) pay the total amount of R\$ 583,977, subject to the terms mentioned below; and (c) continuously improve its integrity program with the support and monitoring of the CGU. This amount was recorded in Other operating income (expenses), against Notes payable.

As a result of the Leniency Agreement, the signatory authorities will dismiss the administrative proceedings against subsidiary BRF and assume the commitment of not filing judicial proceedings against it, involving the conducts addressed in the agreement.

The aforementioned amount will be paid by subsidiary BRF to the Federal Government in 5 annual installments, beginning on June 30, 2023, which may be paid as follows: (i) offset of the balance of credits arising from tax losses in the calculation of Corporate Income Tax and Social Contribution on Net Income (CSLL) up to the limit of 70% of such amount; (ii) offset against tax credits held by subsidiary BRF with the Federal Government; (iii) offset against credits arising from securities issued to cover court-ordered debts held by subsidiary BRF with the Federal Government; or (iv) in cash. Subsidiary BRF shall offer guarantees to the Federal Government, through a bank guarantee, deposit in a restricted account, security or performance bond, in an amount equivalent to one installment of the amount due.

In addition to the amount above, the other impacts observed as a result of these investigations in the amount of R\$ 4,797 refer to expenses with lawyers, advisory services and consultants.

Since the phase of negotiation of the Leniency Agreement until the complete fulfillment of the obligations, subsidiary BRF assumed the commitment to put forth its best efforts to collaborate with the public authorities involved, maintaining its public commitment to continuing its process of continuous improvement of its corporate governance and compliance practices.

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27. EQUITY

At December 31, 2022 and 2021, equity was broken down as follows:

	Note	12/31/2022	12/31/2021
Share capital	27.1	8,204,391	8,204,391
Capital reserves and treasury shares	27.2	(2,434,260)	(2,467,506)
Legal reserve	27.3	484,848	276,492
Tax incentive reserve	27.4	517,726	431,064
Earnings reserve	27.5	4,443,963	1,671,852
Dividend	27.6	-	383,150
Other comprehensive income	27.7	(5,646,808)	(4,582,523)
		5,569,860	3,916,920

27.1. Share capital

Subscribed and paid-in share capital at December 31, 2022 totals R\$ 8,204,391 and is represented by 660,000,000 common shares without par value. At December 31, 2021, share capital totaled R\$ 8,204,391, represented by 691,369,913 common shares without par value. At December 31, 2022, 350,480,340 shares, or 53.10% of the Company's capital was held by the controlling shareholders: Marcos Antonio Molina dos Santos, Marcia Aparecida Pascoal Marçal dos Santos and MMS Participações Ltda. (company controlled by Marcos and Marcia, each with a 50% ownership interest), the free float was 309,519,660 shares or 46.90%, of which 310,192 shares or 0.05% of the Company's capital were held in treasury, and 1,227,359 shares or 0.19% are held by its Board of Directors (BD), Audit Board (AB) and Executive Board (EB).

Common shares	Share capital	
	Balance at December 31, 2022	Balance at December 31, 2021
Controlling shareholders	350,480,340	343,369,340
Total controlling shareholders	350,480,340	343,369,340
Treasury shares	310,192	27,394,645
Shares held by BD, AB and EB	1,227,359	880,252
Other outstanding shares	307,982,109	319,725,676
Total free float	309,519,660	348,000,573
Number of shares	660,000,000	691,369,913
Total share capital (R\$ '000)	8,204,391	8,204,391

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27.2. Capital reserves and treasury shares

At December 31, 2022, the balances of the capital reserves and treasury shares were broken down as follows:

Capital reserves and treasury shares	Balance at December 31, 2021	Translation gains (losses)	Acquisition/ (disposal)	Balance at December 31, 2022
Capital reserve				
Goodwill on capital transactions - National Beef	(1,786,413)	114,601	-	(1,671,812)
Goodwill on capital transactions - Tacuarembó	(158)	-	-	(158)
Goodwill on stock option	(14,860)	-	(2,586)	(17,446)
Common shares	184,800	-	-	184,800
	(1,616,631)	114,601	(2,586)	(1,504,616)
Treasury shares				
Treasury shares	(850,875)	-	(78,769)	(929,644)
	(850,875)	-	(78,769)	(929,644)
	(2,467,506)	114,601	(81,355)	(2,434,260)

Capital reserve

The capital reserves reflect the contributions made by shareholders that are directly related to the formation or increase of the capital stock, the changes in the relative interest of the parent company 'in subsidiaries that do not result in the obtainment or loss of control, as well as goodwill on capital transactions. At December 31, 2022, the balance of the capital reserves is R\$ 1,504,616.

Treasury shares

At December 31, 2022, the Company held 310,192 common shares in treasury, which were booked at the amount of R\$ 6,578, which corresponds to the average cost of R\$ 21.21 per share.

At December 31, 2022, treasury shares amounted to R\$ 929,644, of which R\$ 923,066 refers to treasury shares canceled.

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

Held in treasury	Number of shares	Amount (R\$ '000)
Balance at December 31, 2021	27,394,645	593,193
(+) Acquisition - Repurchase program	5,866,600	112,467
(-) Cancellation of treasury shares	(31,369,913)	(665,384)
(-) Disposal - Stock options	(1,581,140)	(33,698)
Balance at December 31, 2022	310,192	6,578

Repurchase program

Shares repurchased were held in treasury for exercise of stock options by the beneficiaries of the Company's Stock Option Plan and/or subsequent cancellation or sale.

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On March 9, 2021, the Company's Board of Directors approved the use of the available capital and profit reserve to acquire shares. The repurchase 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 Company'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.

On August 10, 2021, the Company's Board of Directors approved the use of the capital reserves, earnings reserve and resources available based on the financial information for the 2nd quarter of 2021, for the acquisition, in a single operation or in a series of operations, of up to 26,342,240 Company's registered, book-entry common shares without par value.

On August 11, 2022, the Board of Directors approved a new Repurchase Plan for up to 31,000,000 registered, book-entry common shares without par value. The maximum period for effecting the purchase transactions is eighteen (18) months, starting on August 11, 2022 and ending on February 10, 2024.

Cancellation of treasury shares

On August 10, 2021, the Company's Board of Directors approved the cancellation of 20,000,000 common shares, without par value, issued by the Company and held in its treasury on that date, without a reduction in the share capital.

On August 11, 2022, the Company's Board of Directors approved the cancellation of 31,369,913 common shares, without par value, issued by the Company and held in its treasury on that date, without a reduction in the share capital. With the approval of share cancellation, the Company's share capital comprises 660,000,000 registered, book-entry common shares without par value. Thus, Article 5 of the Company's Bylaws, which deals with the Company's share capital, should be adjusted at the General Shareholders Meeting to be timely convened. On August 22, 2022, the Company canceled the treasury shares as decided by Management.

27.3. Legal reserve

It is 5% (five percent) of the Company's net income, as defined in its bylaws and current legislation. The balance of the legal reserve at December 31, 2022 and 2021 was R\$ 484,848 and R\$ 276,492, respectively.

27.4. Tax incentive reserve

The Company benefits from state governments subsidies related to ICMS (State VAT) as follows: Program for Industrial and Commercial Development of the State of Mato Grosso ("PRODEIC"), State Program for Development, Coordination and Quality of the Agribusiness System of Cattle, Sheep and Buffalo ("Agregar-RS Carnes"); Program for Regional Development of the State Council ("CONDER-RO"), such incentives are directly associated to the investment in manufacturing facilities, job generation, economic and social development, and to the harmonious and integrated growth of industrial operations.

The balance of the tax incentive reserve at December 31, 2022 and 2021 was R\$ 517,726 and R\$ 431,064, respectively.

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Subsidiary BRF benefits from state governments subsidies related to ICMS (State VAT) as follows: Program for Industrial and Commercial Development of the State of Mato Grosso (“PRODEIC”), Program for Development of the State of Pernambuco (“PRODEPE”) and Goiás Industrialization Participation and Promotion Fund (“FOMENTAR”). These tax incentives are directly linked to the operation of production units, job creation and social and economic development.

In the year ended December 31, 2022, investment grant totaled R\$337,980, which were recorded in the statement of income under net sales revenue, cost of products and goods sold and other operating income (expenses), in accordance with the nature of each grant.

27.5. Earnings reserve

The balance of the earnings reserve at December 31, 2022 and 2021 was R\$ 4,443,963 and R\$ 1,671,852, respectively.

27.6. Dividend

The Company distributed dividend of R\$ 2,171,650 for 2021, the approvals that total the amount of this distribution were as follows: (I) at a meeting of the Board of Directors held on April 8, 2021, in the amount of R\$958,389; (II) at a meeting of the Board of Directors held on December 16, 2021, in the amount of R\$830,111; and (III) at the Annual General Meeting held on April 8, 2022, in the amount of R\$383,150.

For 2022, the Company distributed dividend of R\$ 1,100,000, the approvals that total the amount of this distribution were as follows: (I) at a meeting of the Board of Directors held on August 11, 2022, in the amount of R\$500,000; and (II) at a meeting of the Board of Directors held on December 15, 2022, in the amount of R\$600,000.

According to its bylaws, the Company is allowed to prepare balance sheets for six months or shorter periods. Observing the conditions established 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.

27.7. Other comprehensive income

This account recognizes, before being recorded in the statement of income for the year, translation gains (losses) resulting from the translation of financial statements of subsidiaries abroad, whose functional currency differs from that of the Company, 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 Company, gains or losses on net investment hedge, actuarial gains or losses on pension plans and post-employment benefits, share-based payment and treasury shares in subsidiaries.

Such accumulated effect will be transferred to the statement of income for the year 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 foreign exchange differences on the translation of loan operations.

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At December 31, 2022, the balance of other comprehensive income was broken down as follows:

Other comprehensive income	Balance at December 31, 2021	Effect from exchange variation	Recognition / Realization	Balance at December 31, 2022
Exchange variation on net investments and balance sheet conversion	3,411,284	(574,785)	-	2,836,499
Exchange variation on loan	(9,042,153)	(178,856)	-	(9,221,009)
Exchange variation on goodwill	996,653	(205,192)	-	791,461
Deemed cost	51,693	-	(1,302)	50,391
Losses on net investment hedge	-	-	(117,543)	(117,543)
Actuarial gains on pension plans and post-employment benefits	-	-	13,817	13,817
Share-based payment in subsidiary BRF	-	-	(6,266)	(6,266)
Treasury shares in subsidiary BRF	-	-	5,842	5,842
	(4,582,523)	(958,833)	(105,452)	(5,646,808)

27.8. Shareholder compensation

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

28. NET SALES REVENUE

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenue from sales of products				
Domestic sales	7,394,940	7,464,035	93,579,393	66,023,849
Foreign sales	12,107,763	7,934,291	45,445,560	20,566,267
	19,502,703	15,398,326	139,024,953	86,590,116
Deductions from gross sales				
Taxes on sales	(525,919)	(507,782)	(4,610,713)	(582,776)
Returns and discounts	(1,182,923)	(456,428)	(3,782,543)	(618,872)
	(1,708,842)	(964,210)	(8,393,256)	(1,201,648)
Net sales revenue	17,793,861	14,434,116	130,631,697	85,388,468

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29. COST AND EXPENSES BY NATURE

The Company has chosen to present the statement of income by function and presents below expenses by nature:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cost of products and goods sold				
Inventory costs	(13,896,177)	(12,680,935)	(98,264,246)	(59,972,808)
Depreciation and amortization	(390,601)	(319,812)	(4,686,502)	(1,161,445)
Employee salaries and benefits	(784,853)	(656,421)	(9,928,634)	(7,053,610)
	(15,071,631)	(13,657,168)	(112,879,382)	(68,187,863)
Selling expenses				
Depreciation and amortization	(1,902)	(1,327)	(333,734)	(10,037)
Employee salaries and benefits	(62,811)	(50,699)	(1,479,469)	(167,666)
Freight	(598,500)	(360,476)	(5,265,549)	(2,245,036)
Export expenses	(210,985)	(186,088)	(819,623)	(301,302)
Marketing	(42,024)	(41,786)	(829,825)	(162,713)
Other	(50,858)	(51,871)	(767,006)	(235,002)
	(967,080)	(692,247)	(9,495,206)	(3,121,756)
General and administrative expenses				
Depreciation and amortization	(33,613)	(34,307)	(551,885)	(391,790)
Employee salaries and benefits	(77,732)	(89,429)	(611,929)	(448,030)
Third-party services	(89,156)	(59,442)	(352,574)	(112,677)
Other	(21,559)	(3,056)	(126,539)	(145,492)
	(222,060)	(186,234)	(1,642,927)	(1,097,989)

30. NET FINANCIAL RESULT

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

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interest received, earnings from marketable securities	59,198	37,075	979,313	158,144
Interest, debentures and lease with financial institutions	(1,383,284)	(573,640)	(4,180,929)	(1,743,890)
Inflation adjustments, bank expenses, amortiz. cost on debt and other	(565,382)	(434,909)	(297,584)	46,137
Loss from securities	(1,494,449)	(836,562)	(795,309)	(1,059,364)
Translation gains and losses	(330,462)	(909,225)	(2,582,206)	(1,109,741)
Total	(3,714,379)	(2,717,261)	(6,876,715)	(3,708,714)
Financial income	4,006,888	3,093,146	11,629,217	3,906,867
Financial expenses	(7,721,267)	(5,810,407)	(18,505,932)	(7,615,581)
Total	(3,714,379)	(2,717,261)	(6,876,715)	(3,708,714)

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31. EARNINGS PER SHARE

The following table shows the calculation of basic and diluted earnings per share for the years ended December 31, 2022 and 2021 (in thousands, unless otherwise stated):

	12/31/2022	12/31/2021
Income attributable to shareholders	4,171,286	4,341,997
Income attributable to shareholders from discontinued operations	(5,459)	-
Income attributable to shareholders from the Company	4,165,827	4,341,997
Weighted average number of shares in the year (units)	660,000,000	691,369,913
Weighted average number of shares held in treasury (units)	(9,314,753)	(14,983,556)
Weighted average number of outstanding common shares (units)	650,685,247	676,386,357
Basic earnings (in R\$) from continuing operations	6.4106	6.4194
Basic loss (in R\$) from discontinued operations	(0.0084)	-
Basic earnings attributable to shareholders from the Company	6.4022	6.4194
	12/31/2022	12/31/2021
Income attributable to shareholders	4,171,286	4,341,997
Income attributable to shareholders from discontinued operations	(5,459)	-
Income attributable to shareholders from the Company	4,165,827	4,341,997
Weighted average number of shares in the year (units)	660,000,000	691,369,913
Weighted average number of shares held in treasury (units)	(9,314,753)	(14,983,556)
Number of potential shares	468,263	1,366,311
Weighted average number of outstanding common shares (units)	651,153,510	676,386,357
Diluted earnings (in R\$) from continuing operations	6.4060	6.4065
Diluted loss (in R\$) from discontinued operations	(0.0084)	-
Diluted earnings attributable to shareholders from the Company	6.3976	6.4065

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1. Overview

In their activities the Company and its subsidiaries are subject to market risks related to exchange rate gains (losses), variable income, interest rate and commodities price fluctuations. In order to minimize these risks, the Company 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 Company'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 Company 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.

The Company 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 Company does not enter into leveraged transactions with derivatives or similar instruments.

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

Assets and liabilities presented in the balance sheet relating to derivative transactions, which are intended for equity hedge, are shown below:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Derivative financial instruments - receivable	66,651	17,867	205,245	25,658
Derivative financial instruments - payable	(178,628)	(156,072)	(447,612)	(156,135)
Total, net	(111,977)	(138,205)	(242,367)	(130,477)

32.2. Financial instruments by category

The Company's financial assets and liabilities are classified as below:

Financial assets	Parent			
	Amortized cost		Fair value through Profit or Loss	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	1,719,329	87,349	-	-
Financial investments and marketable securities	1,957,341	4,663,774	-	-
Trade accounts receivable	1,990,386	2,713,807	-	-
Derivative financial instruments	-	-	66,651	17,867
Notes receivable - related parties	7,803,680	16,606,384	-	-
Total financial assets	13,470,736	24,071,314	66,651	17,867
Financial liabilities	Parent			
	Amortized cost		Fair value through Profit or Loss	
	12/31/2022	31/12/21	12/31/2022	31/12/21
Trade accounts payable and supplier chain financing	1,918,016	1,149,453	-	-
Loans, financing and debentures	17,216,469	12,101,739	-	-
Leases payable	115,317	149,612	-	-
Derivative financial instruments	-	-	178,628	156,072
Notes payable - investments Brazil	88,567	159,318	-	-
Notes payable - Related parties	20,395,963	27,628,538	-	-
Total financial liabilities	39,734,332	41,188,660	178,628	156,072

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Financial assets	Consolidated			
	Amortized cost		Fair value through Profit or Loss	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	6,403,788	1,759,482	-	-
Financial investments and marketable securities	16,495,147	12,738,799	-	-
Trade accounts receivable	6,732,435	3,841,374	-	-
Derivative financial instruments ^(a)	-	-	205,245	25,658
Notes receivable - related parties	31,841	31,531	-	-
Total financial assets	29,663,211	18,371,186	205,245	25,658
Financial liabilities	Consolidated			
	Amortized cost		Fair value through Profit or Loss	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Trade accounts payable and supplier chain financing	18,832,141	3,826,714	-	-
Loans, financing and debentures	61,172,791	30,325,798	-	-
Leases payable	3,603,098	642,462	-	-
Derivative financial instruments ^(a)	-	-	447,612	156,135
Notes payable - investments Brazil	334,538	159,318	-	-
Total financial liabilities	83,942,568	34,954,292	447,612	156,135

^(a) All derivatives are classified as at fair value through profit or loss. However, those designated as hedge accounting instruments also have their effects on Equity or Inventories.

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.

32.3. Fair value of financial instruments

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

According to NBC TG 40/R3 (CVM Resolution 684/12), the Company 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 valuation techniques using active market data.

Level 3: Indices used for the calculation do not derive from an active market. The Company and its subsidiaries do not have instruments at this measurement level.

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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 and non-current assets				
Financial investments and marketable securities	-	1,957,341	-	16,495,147
Derivative financial instruments	-	66,651	-	205,245
Current and non-current liabilities				
Derivative financial instruments	(178,628)	-	(178,628)	(268,984)
Total	(178,628)	2,023,992	(178,628)	16,431,408

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

32.4. Credit risk management

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

The Company and its subsidiaries limit their exposure by analyzing credit and managing customer's portfolio, seeking to minimize the economic exposure to a certain customer 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; and
- 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 Company 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.

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Values subject to credit risk:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	1,719,329	87,349	6,403,788	1,759,482
Financial investments and marketable securities	1,957,341	4,663,774	16,495,147	12,738,799
Trade accounts receivable	1,990,386	2,713,807	6,732,435	3,841,374
Other receivables	40,994	40,323	826,187	643,057
Total	5,708,050	7,505,253	30,457,557	18,982,712

32.5. Liquidity risk management

Liquidity risk arises from the Company'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 Company and its subsidiaries will find to settle their falling due payables.

The Company and its subsidiaries manage their capital based on parameters to optimize the capital 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 the available funds (cash, cash equivalents, financial investments and marketable securities) and current indebtedness (short term).

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Available funds	3,676,670	439,410	22,492,533	8,400,260
Short-term loans and financing	6,598,771	5,627,138	12,813,280	6,842,294
Modified liquidity ratio	0.56	0.08	1.76	1.23

32.6. Market risk management

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

32.7. Interest rate risk

Interest rate risk refers to the Company'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 Company's assets and liabilities indexed to the TJLP (Long-Term Interest Rate), LIBOR (London Interbank Offered Rate), SOFR (Secured Overnight Financing Rate) or CDI (interbank deposit rate).

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

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The interest rate exposure risk of the Company and its subsidiaries at December 31, 2022 and 2021 is as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Exposure to CDI rate:				
NCE/Working Capital	670,128	503,596	4,692,869	503,596
CPR/CCB	6,079,882	3,908,698	6,079,882	3,908,698
CRA	5,184,835	1,701,325	6,184,481	1,701,325
Debentures	-	-	5,768,475	-
(-) CDB-DI (R\$)	(583,618)	(16,129)	(4,337,820)	(16,129)
Subtotal	11,351,227	6,097,490	18,387,887	6,097,490
Exposure to LIBOR and SOFR rates:				
NCE/ACC/Prepayment (US\$)	1,482,250	-	1,615,137	-
Revolving Credit Facility (US\$)	-	-	1,656,705	-
Bank loan (US\$)	161,330	-	3,999,692	2,146,146
Subtotal	1,643,580	-	7,271,534	2,146,146
Total	12,994,807	6,097,490	25,659,421	8,243,636

Derivative financial instruments to hedge against interest rate exposures at December 31, 2022 are presented in the table below:

Fair value hedge - Derivative instruments	Hedged item	Assets	Liabilities	Notional	Consolidated	
					12/31/2022	MtM R\$
Interest swap	Debenture - 1 st issuance - 3 rd series - IPCA + 5.50% p.a.	IPCA + 5.50% p.a.	CDI + 0.29% p.a.	400,000	BRL	8,183
Interest swap	Debenture - 2 nd issuance - 1 st series - IPCA + 5.30% p.a.	IPCA + 5.30% p.a.	CDI + 2.16% p.a.	705,000	BRL	(7,864)
Interest swap	Debenture - 2 nd issuance - 2 nd series - IPCA + 5.60% p.a.	IPCA + 5.60% p.a.	CDI + 2.29% p.a.	1,495,000	BRL	(66,888)
Interest swap	Debenture - 3 rd issuance - single series - IPCA + 4.78% p.a.	IPCA + 4.78% p.a.	CDI + 0.12% p.a.	1,000,000	BRL	(8,296)
Interest swap	Debenture - 1 st issuance - 1 st series - IPCA + 6.83% p.a.	IPCA + 6.83% p.a.	109.32% of CDI	990,000	BRL	(37,620)
Exchange and interest swap	BRF SA BRFSBZ 3.95	FX + 3.95% p.a.	98.77% of CDI	234,033	USD	(31,935)
Exchange and interest swap	BRF SA BRFSBZ 4 3/4	VC + 4.75% p.a.	104.48% of CDI	295,363	USD	(52,698)
Interest rate swap	Bank Loan (US\$)	SOFR	Fixed	100,000	USD	2,444
Interest rate swap	CRA	IPCA	CDI	3,266,830	BRL	(114,718)

32.8. Commodity price risk

Cattle commodities

In its activities, the Company purchases cattle commodity, which is the largest individual component of the beef segment production cost 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 cattle commodity prices, the Company 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 cattle commodity price risk at December 31, 2022, which are not designated for hedge accounting, are shown below:

Instrument	Hedged item	Register	Consolidated		
			Notional US\$	Notional R\$	12/31/2022 MtM R\$
Futures	Fed cattle	B3	(18,227)	(95,105)	(64)
Futures	Fed cattle	CME	-	-	7
			(18,227)	(95,105)	(57)

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Corn and soybean meal, grain and oil commodities

The prices of corn and soybean meal, grain and oil are exposed to price risks arising from future purchases. This risk is managed through physical inventories, order balances at a fixed price and through derivative financial instruments.

Limits are established to protect the purchase flow of corn and soybean meal, grain and soybean oil, in order to reduce the impact of an increase in the price of these raw materials, and include the possible use of derivative instruments or management of inventories.

Subsidiary BRF purchases commodities at prices to be fixed in the futures and spot markets and, to protect such exposure, contracts derivative instruments in an active position (purchase) to fix such prices in advance.

Derivative financial instruments designated as cash flow hedge accounting to protect against exposure to the price risk of corn and soybean meal, grain and oil commodities to be fixed at December 31, 2022, are shown in the table below:

							Consolidated
							12/31/2022
Cash flow hedge - Derivative instruments	Hedged item	Index	Maturity	Quantity	Price rate ^(a)	MtM R\$	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean meal - price to be fixed	Soybean meal - CBOT	1 st quarter 2023	32,999 ton	441.42	13,379	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean meal - price to be fixed	Soybean meal - CBOT	2 nd quarter 2023	20,000 ton	435.41	7,566	
<i>Collar - purchase</i>	Purchases of soybean meal - price to be fixed	Soybean meal - CBOT	1 st quarter 2023	35,999 ton	478.95	3,647	
<i>Collar - purchase</i>	Purchases of soybean meal - price to be fixed	Soybean meal - CBOT	2 nd quarter 2023	33,992 ton	495.63	1,172	
<i>Collar - purchase</i>	Purchases of corn - price to be fixed	Corn - CBOT	1 st quarter 2023	113,077 ton	256.32	3,643	
<i>Collar - purchase</i>	Purchases of corn - price to be fixed	Corn - CBOT	2 nd quarter 2023	67,986 ton	261.09	1,458	
<i>Corn futures - purchase</i>	Purchases of corn - price to be fixed	Corn - B3	1 st quarter 2023	18,009 ton	1,514.07	83	
<i>Corn futures - purchase</i>	Purchases of corn - price to be fixed	Corn - B3	2 nd quarter 2023	2,700 ton	1,550.00	2	
<i>Collar - purchase</i>	Purchases of corn - price to be fixed	Corn - B3	1 st quarter 2023	79,326 ton	1,674.15	(414)	
<i>Collar - purchase</i>	Purchases of corn - price to be fixed	Corn - B3	2 nd quarter 2023	94,635 ton	1,650.76	229	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	1 st quarter 2023	3,000 ton	1,353.20	928	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	2 nd quarter 2023	5,000 ton	1,336.53	1,800	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	3 rd quarter 2023	5,997 ton	1,328.23	1,428	
<i>Non-deliverable forward - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	4 th quarter 2023	501 ton	1,360.69	-	
<i>Collar - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	2 nd quarter 2023	8,001 ton	1,410.96	(1,451)	
<i>Collar - purchase</i>	Purchases of soybean oil - price to be fixed	Soybean oil - CBOT	3 rd quarter 2023	2,000 ton	1,410.85	(253)	
523,222						33,217	

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

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In certain situations, subsidiary BRF makes future purchases of commodities at fixed prices and, to protect such exposure, contracts derivative instruments in a passive position (sale) to maintain the prices of such purchases at market. Derivative financial instruments designated as fair value hedge accounting to hedge exposure to commodity fixed price risk at December 31, 2022 are shown in the table below:

							Consolidated
							12/31/2022
Fair value hedge - Derivative instruments	Hedged item	Index	Maturity	Quantity	Price rate ^(a)	MtM R\$	
Non-deliverable forward - sale	Purchases of corn - fixed price	Corn - CBOT	2 nd quarter 2023	80,660 ton	255.31	(3,849)	
Non-deliverable forward - sale	Purchases of corn - fixed price	Corn - CBOT	3 rd quarter 2023	106,019 ton	244.26	(1,376)	
Non-deliverable forward - sale	Purchases of corn - fixed price	Corn - CBOT	4 th quarter 2023	6,658 ton	247.27	226	
Non-deliverable forward - sale	Purchases of corn - fixed price	Corn - CBOT	1 st quarter 2024	17,999 ton	245.66	209	
Non-deliverable forward - sale	Purchases of corn - fixed price	Corn - CBOT	2 nd quarter 2024	3,999 ton	246.88	45	
Corn futures - sale	Purchases of corn - fixed price	Corn - B3	2 nd quarter 2023	594 ton	1,583.55	-	
Corn futures - sale	Purchases of corn - fixed price	Corn - B3	3 rd quarter 2023	212,922 ton	1,474.01	(1,618)	
Corn futures - sale	Purchases of corn - fixed price	Corn - B3	4 th quarter 2023	9,990 ton	1,520.03	(94)	
438,841						(6,457)	

^(a) Base price for each commodity in USD/ton, except for Corn – B3 denominated in R\$/ton.

32.9. Exchange rate risk

Balance sheet exposure

Exchange rate risk consists of the risk of foreign exchange fluctuations leading the Company and its subsidiaries to incur losses and causing a reduction in the amounts of assets or an increase in the amounts of liabilities.

The Company also has a sound financial policy, maintaining a high level of cash balance and short-term investments with solid financial institutions.

Assets and liabilities in foreign currency are presented as follows:

Description			Parent
	12/31/2022	12/31/2021	Effects on result Translation gains (losses) 2022
Operating			
Trade accounts receivable	1,868,141	2,264,460	(239,522)
Imports payable	(17,766)	(68,734)	18,930
Dividends receivable	-	1,555,464	(246,585)
Subtotal	1,850,375	3,751,190	(467,177)
Financial			
Loans and financing	(5,281,624)	(5,988,120)	505,827
Notes payable and receivable	39,400	35,529	(358,631)
Balance of banks and marketable securities ^(a)	1,686,768	64,396	(10,481)
Subtotal	(3,555,456)	(5,888,195)	136,715
Total	(1,705,081)	(2,137,005)	(330,462)
Translation gains			2,579,596
Translation losses			(2,910,058)
Translation gains (losses), net			(330,462)

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

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Description	12/31/2022	12/31/2021	Consolidated
			Effects on result Translation gains (losses) 2022
Operating			
Trade accounts receivable	3,405,775	1,161,561	422,282
Imports payable	2,914,448	(230,507)	(416,989)
Dividends receivable	-	1,555,464	(246,585)
Other	1,000,819	(68,853)	(578,739)
Subtotal	7,321,042	2,417,665	(820,031)
Financial			
Loans and financing	(38,441,798)	(24,212,179)	(998,748)
Notes payable and receivable	7,187	57,499	(894,645)
Balance of banks and marketable securities ^(a)	2,785,781	271,786	131,218
Subtotal	(35,648,830)	(23,882,894)	(1,762,175)
Total	(28,327,788)	(21,465,229)	(2,582,206)
Translation gains			7,615,932
Translation losses			(10,198,138)
Translation gains (losses), net			(2,582,206)

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

The Company 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:

Instrument	Hedged item	Register	Assets	Liabilities	Notional	Consolidated
						12/31/2022
						MtM R\$
Operations not designated for Hedge Accounting						
NDF	FX rate	OTC	USD	GBP	27,800	(4,746)
NDF	FX rate	OTC	USD	EUR	3,759	(1,485)
NDF	FX rate	OTC	USD	AUD	214	(7)
NDF	FX rate	OTC	USD	CLP	6,160	(583)
NDF	FX rate	OTC	EUR	BRL	88,000	(2,059)
Futures - B3	FX rate	OTC	USD	BRL	90,000	3,939
NDF	FX rate	OTC	USD	TRY	40,000	(4,192)
						(9,133)

Operating income exposure

The objective of managing operating income exposure is to protect revenues and costs indexed to foreign currencies. Subsidiary BRF has internal models for the measurement and monitoring of these risks and contracts hedging instruments, designating the relationships as cash flow hedge accounting.

Subsidiary BRF has more revenues denominated in foreign currency than expenses and, therefore, contracts derivative financial instruments to reduce such exposure. Derivative financial instruments designated as cash flow and fair value hedge accounting to protect the exchange rate exposure of operating income.

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At December 31, 2022, the cash flow hedge amounts (derivative instruments) are shown in the table below:

							Consolidated	
							12/31/2022	
Cash flow hedge - Derivative instruments	Hedged item	Assets	Liabilities	Maturity	Notional	Exercise rate	MTM (R\$)	
NDF	Exports in USD	BRL	USD	1 st quarter 2023	USD	268,000	5.3950	27,249
NDF	Exports in USD	BRL	USD	2 nd quarter 2023	USD	25,000	5.5406	3,337
NDF	Exports in USD	BRL	USD	4 th quarter 2023	USD	3,000	5.5740	(53)
Collar	Exports in USD	BRL	USD	1 st quarter 2023	USD	130,000	5.3785	2,437
Collar	Exports in USD	BRL	USD	2 nd quarter 2023	USD	50,000	5.5296	2,929
Collar	Exports in USD	BRL	USD	3 rd quarter 2023	USD	15,000	5.6892	1,273
Collar	Exports in USD	BRL	USD	4 th quarter 2023	USD	5,000	5.7500	503
							37,675	

At December 31, 2022, the fair value hedge amounts (derivative instruments) are shown in the table below:

							Consolidated	
							12/31/2022	
Fair value hedge - Derivative instruments	Hedged item	Assets	Liabilities	Maturity	Notional	Exercise rate	MTM (R\$)	
NDF	Costs in USD	BRL	USD	2 nd quarter 2023	USD	18,372	5.8861	7,435
NDF	Costs in USD	BRL	USD	3 rd quarter 2023	USD	11,984	5.6260	1,069
NDF	Costs in USD	BRL	USD	4 th quarter 2023	USD	1,646	5.5859	(40)
NDF	Costs in USD	BRL	USD	1 st quarter 2024	USD	4,422	5.8015	428
NDF	Costs in USD	BRL	USD	2 nd quarter 2024	USD	987	5.8548	84
							8,976	

Hedging instruments in financial information

On December 16, 2021, the cash flow hedge relationships presented below were discontinued, as the hedging instruments were non-derivative financial instruments (loans) and no longer met the Company's strategy and objectives.

							Consolidated
							12/31/2022
Cash flow hedge - Non- derivative instruments	Hedged item	Liabilities	Maturity	Notional	Exercise rate (a)	Balance (b)	
Bond BRF SA BRFSBZ 3.95	Exports in USD	USD	2 nd quarter 2023	USD	150,000	5.6963	(548,639)
							(548,639)

(a) Average rate of discontinuations.

(b) Accumulated balance of the effective portion of exchange rate variations of designated loans.

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The above amount corresponds to subsidiary BRF and will be maintained in Other Comprehensive Income until its maturity month, according to the previous designation and effectiveness of the relationship. In the year ended December 31, 2022, the Bond BRF SA BRFSBZ 5 7/8 loan, designated as an export hedging instrument, was settled and the amount of R\$(444,954) previously accumulated in Other Comprehensive Income was reclassified to income for the year under the line item of Net Revenue.

Investment exposure

Subsidiary BRF has both investments (net assets) and loans (financial liabilities) denominated in foreign currency. To balance the accounting effects, certain non-derivative financial liabilities are designated as instruments to hedge the exchange rate exposure generated by such investments.

At December 31, 2022, non-derivative financial instruments designated as hedge accounting for net investment are presented in the table below:

							Consolidated
							12/31/2022
Net investment hedge - non-derivative instruments	Hedged item (investment)	Liabilities	Maturity	Notional	Rate	MTM R\$ ^(a)	
Bond - BRF SA BRFSBZ 4.35	Federal Foods LLC	USD	3 rd quarter 2026	USD ^(b) 75,673	3.7649	(110,672)	
Bond - BRF SA BRFSBZ 4.35	BRF Kuwait Food Management Company WLL	USD	3 rd quarter 2026	USD ^(b) 108,757	3.7649	(140,614)	
Bond - BRF SA BRFSBZ 4.35	Al Khan Foodstuff LLC	USD	3 rd quarter 2026	USD ^(b) 65,570	3.7649	(94,776)	
Bond - BRF SA BRFSBZ 4.35	BRF Foods GmbH	USD	3 rd quarter 2026	USD ^(c) 90,000	5.1629	(4,932)	
Bond - BRF SA BRFSBZ 4.35	Al-Wafi Al-Takamol International for Foods Products	USD	3 rd quarter 2026	USD ^(c) 40,000	5.1629	(2,306)	
						(353,300)	

(a) Corresponds to the effective portion of hedge results accumulated in line item Other comprehensive income.

(b) Designated on August 1, 2019

(c) Designated on November 1, 2022

32.10. Sensitivity analysis

The financial instruments, including derivatives, may undergo changes in fair value as a result of the fluctuation of exchange rates, interest rates, price indexes and other variables.

The analyses of the sensitivity of derivative and non-derivative financial instruments to these variables are presented below:

Selection of risks

At December 31, 2022, the main risks that may affect the value of the Company's financial instruments are:

- Exchange rate US\$/R\$; US\$/GBP, US\$/EUR and US\$/AUD;
- Exchange rate R\$/TRY, R\$/KRW, R\$/PYG, R\$/AOA, R\$/CLP;
- Floating interest rate LIBOR and SOFR;
- Inflation rate IPCA; and
- Interest rate CDI.

For purposes of the analysis of sensitivity to risks, the Company presents the exposures to currencies as if they were independent, that is, they do not reflect in the exposure to exchange rate the risks of changes in other exchange rates that could be indirectly influenced by it.

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Selection of scenarios

The probable scenario of the US dollar-real exchange rate, other emerging currencies and the CDI interest rate considered the scenarios used for the Company's budget plan for 2023.

The estimate for the end of 2023 for the US dollar is R\$5.20, while the Selic is expected to end the period at 13.75% p.a., the Selic rate is used as a reference for the CDI sensitivity analyses.

For LIBOR/SOFR interest rates, the projection of LIBOR of 5.15% and SOFR of 4.65% were used, consistent with the market curves for 2023.

For the projection of IPCA, the probable scenario of 5.31% considered the Focus report released by the Central Bank of Brazil ("BACEN") on December 30, 2022.

In the sensitivity analysis, variations of 25% and 50% (increased) were estimated for each variable for the reasonably possible and possible scenarios, respectively.

The sensitivity values in the table below are for changes in the value of financial instruments under each scenario:

Consolidated				
Exchange rate - US dollar x real				
Instrument	Scenario Exposed amounts	Probable Scenario	Scenario	Possible Scenario
			Reasonably possible 25%	50%
Time deposit	9,876,266	(33,503)	2,427,187	4,887,878
NCE/Prepayment (US\$) / ACC (US\$)	(5,085,927)	17,312	(1,003,336)	(1,683,768)
Bonds (US\$)	(24,788,824)	84,377	(4,890,263)	(8,206,690)
Bank loan (US\$)	(6,263,450)	21,320	(1,235,634)	(2,073,603)
Revolving credit facility	(1,656,705)	5,639	(326,830)	(548,476)
Exchange rate - other currencies				
Instrument	Scenario Exposed amounts	Probable Scenario	Reasonably Possible Scenario	Possible Scenario
			25%	50%
Time deposit - Turkish lira	22,686	(77)	5,575	11,228
Time deposit - Won	84	(0)	21	42
Time deposit - Guarani	3,639	(12)	894	1,801
External credit note - Kwanza	379,145	(1,286)	93,179	187,643
NDF CLP X USD	(583)	(109)	(8,035)	(16,071)
Libor / Sofr rate				
Instrument	Scenario Exposed amounts	Probable Scenario	Reasonably Possible Scenario	Possible Scenario
			25%	50%
Bank loan (US\$) - Sofr	(5,589,937)	264,470	(906,411)	(1,686,999)
Bank loan (US\$) - LIBOR	(210,500)	13,488	(31,309)	(61,174)
Revolving credit facility - LIBOR	(1,656,705)	106,158	(246,415)	(481,463)
SWAP SOFR X Fixed rate	521,770	-	6,066	12,131
Interest rate - CDI				
Instrument	Scenario Exposed amounts	Probable Scenario	Reasonably Possible Scenario	Possible Scenario
			25%	50%
Bank Deposit Certificates - CDB	773,783	-	26,405	52,811
Repurchase and reverse repurchase agreements	1,206,621	-	41,176	82,352
Fixed-income securities	123	-	4	8
Capitalization securities	1,763	-	60	120
FIDC	31,206	-	1,065	2,130
NCE/Working capital	(670,128)	-	(22,868)	(45,736)
CPR/CCB	-	-	(207,476)	(414,952)
CRA	(568,051)	-	(19,385)	(38,770)
SWAP IPCA X CDI	3,266,830	-	(111,481)	(222,961)
Interest rate - IPCA				
Instrument	Scenario Exposed amounts	Probable Scenario	Reasonably Possible Scenario	Possible Scenario
			25%	50%
CRA	(4,616,784)	(245,151)	(306,439)	(367,727)

The interest rate fluctuations do not significantly affect the result of the subsidiary BRF, since the BRF Management opted to maintain fixed rates for a considerable part of its debts, therefore, the financial instruments pegged to the fixed rate of the subsidiary BRF are not being presented. in the sensitivity table above.

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Cattle commodities

The table below shows the sensitivity analysis for the price of cattle commodities. The Company considered scenario I as appreciation of 10% and scenarios II and III as deterioration of 25% and 50% for cattle commodity price volatility, using as reference the closing price at December 31, 2022.

Parity - USDA Price - Cattle - R\$/US\$		Consolidated			
Instrument	Risk	Scenario Current	Scenario I	Scenario II	Scenario III
Futures	Increase in fed cattle price	(64)	(9,510)	23,776	47,552
Futures	Increase in fed cattle price	7	7	7	7
		(57)	(9,503)	23,783	47,559

Corn and soybean meal, grain and oil commodities

The amounts presented below represent the possible impacts (incremental results) of the hedging financial instruments and their respective hedged positions, considering scenarios of appreciation (+10%, +25% and +50%) and deterioration (-10%, -25 % and -50%) of the risk factors listed.

The information used in the preparation of these analyses is based on the position on December 31, 2022. The estimated amounts may differ significantly in relation to the numbers and results to be recorded by the Company. Positive values indicate gains and negative values indicate losses.

Operating Result - Exchange		Consolidated					
	Base (a)	Scenario					
		- 50%	- 25%	- 10%	+ 10%	+ 25%	+ 50%
USD	5.2177	2.6089	3.9133	4.6959	5.7395	6.5221	7.8266
Cost of products sold		(97,601)	(48,801)	(19,520)	19,520	48,801	97,601
NDF		97,601	48,801	19,520	(19,520)	(48,801)	(97,601)
Net effect		-	-	-	-	-	-
Soybean meal - CBOT	514	257	385	462	565	642	771
Cost of products sold		31,589	15,795	6,318	(6,318)	(15,795)	(31,589)
Collar		(13,454)	(4,519)	(576)	1,860	7,243	16,214
NDF		(13,648)	(6,824)	(2,730)	2,730	6,824	13,648
Net effect		4,487	4,452	3,012	(1,728)	(1,728)	(1,727)
Corn - CBOT	260	130	195	234	285	324	389
Cost of products sold		(4,447)	(2,223)	(889)	889	2,223	4,447
Collar		(142,169)	(62,790)	(15,926)	10,338	57,544	136,924
NDF		27,258	13,629	5,452	(5,452)	(13,629)	(27,258)
Net effect		(119,358)	(51,384)	(11,363)	5,775	46,138	114,113
Corn - B3	1,517	759	1,138	1,366	1,669	1,897	2,276
Cost of products sold		(21,876)	(10,938)	(4,375)	4,375	10,938	21,876
Collar		(122,349)	(55,057)	(14,682)	7,402	47,444	114,736
Futures		151,686	75,843	30,337	(30,337)	(75,843)	(151,686)
Net effect		7,461	9,848	11,280	(18,560)	(17,461)	(15,074)

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

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33. INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes were calculated according to prevailing legislation and Federal Law 12,973/14.

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 statement of income for the year ended December 31, 2022:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net income before taxes	4,239,763	4,015,037	2,778,239	8,902,429
Income and social contribution taxes - Nominal rate (34%)	(1,441,519)	(1,365,113)	(944,601)	(3,026,826)
Adjustments to determine the effective tax rate:				
Taxation on profit of companies abroad	(1,448,948)	(3,474,448)	(1,455,853)	(3,474,448)
Credit of tax paid abroad	878,149	2,585,856	899,210	2,585,856
Effect from differences in tax rate of companies abroad	-	-	1,118,208	1,507,599
Tax losses and social contribution carryforwards from prior years	986,739	(64,201)	1,051,339	(56,381)
Tax incentive	29,465	37,120	136,971	73,187
Equity income (loss)	919,455	2,417,436	(21,956)	(6,957)
Other additions / exclusions	8,183	190,310	(782,173)	141,920
Total	(68,476)	326,960	1,144	(2,256,050)
Total current taxes	495,808	1,089,181	(433,213)	(1,563,524)
Total deferred taxes	(564,284)	(762,221)	434,357	(692,526)
	(68,476)	326,960	1,144	(2,256,050)
Effective tax rate ^(a)	2%	-8%	0%	25%

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

34. SEGMENT REPORTING

The Company 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.

The Company 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.

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The Company defined its segments according to the business activities from which it can earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, and for which there is individual financial information available. Therefore, the segments managed by the Company are: "Beef - North America", "Beef - South America", "Poultry, Pork and Processed Products – BRF" and "Corporate", as presented below:

	Net revenue		Operating income		Non-current assets	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Beef - North America	61,373,456	62,844,982	6,054,047	13,035,706	6,873,062	7,989,870
Beef - South America	27,631,734	22,543,486	5,468,528	118,885	11,283,288	14,612,268
Poultry, Pork and Processed Products – BRF	41,626,507	-	390,700	-	31,350,102	-
Corporate	-	-	(2,258,321)	(543,448)	35,999,793	5,886,815
Total	130,631,697	85,388,468	9,654,954	12,611,143	85,506,245	28,488,953

35. INSURANCE COVERAGE

The Company'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 Company 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 Company's independent auditors.

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

Description	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Buildings and meatpacking facilities	2,791,541	2,543,987	12,418,840	6,966,681
Inventories	620,156	533,825	1,815,133	1,471,922
Third-party warehouse	181,552	304,254	256,393	360,126
Vehicles	12,800	12,442	35,183	31,519
Transportation of goods	82,263	87,982	4,372,278	1,282,110
Directors' guarantees	260,885	279,025	610,619	357,207
Civil liability	30,000	30,000	907,849	686,058
Aircraft	292,736	310,300	816,204	868,350
Other	279,671	728,533	314,958	747,280
	4,551,604	4,830,348	21,547,457	12,771,253

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36. RELATED-PARTY TRANSACTIONS

36.1. Related parties to the Parent Company

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

	Parent													
	Trade accounts receivable		Trade accounts payable		Notes receivable		Outstanding balance		Advances to suppliers		Advances from customers		Dividends receivable	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	Notes payable	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	
Masplen Ltd	-	-	-	-	1,114	865	-	-	-	-	-	-	-	
Pampeano Alimentos S.A.	21,788	40,616	3	5	936,667	733,807	-	-	-	-	-	-	-	
Marfrig Comercializadora de Energia Ltda.	-	-	-	-	9,764	7,287	3,650	-	150	-	-	-	-	
Marfrig Overseas Ltd.	-	-	-	-	1,987,280	6,205,173	-	1,731,105	-	-	-	-	-	
Marfrig Argentina S.A.	-	-	-	-	-	198,788	-	-	-	-	-	-	-	
Marfrig Chile S.A.	-	630	-	-	113	24	-	-	-	60,532	-	-	49,441	
Frigorífico Tacuarembó S.A.	21	-	1,198	4,431	-	16	-	-	-	-	-	-	-	
Inaler S.A.	-	-	-	-	-	-	-	134	-	-	-	-	-	
Prestcott International S.A.	-	-	3,732	657	-	-	-	510	-	-	-	-	-	
Establecimientos Colonia S.A.	234	77	-	2,904	-	-	-	234	-	-	-	-	-	
Marfrig Holdings (Europe) B.V.	-	-	-	-	1,544,477	6,372,299	9,131,415	14,312,141	-	-	-	-	-	
MF Foods	957	-	-	-	-	-	-	-	-	-	-	-	-	
Weston	1,741,512	1,983,560	-	-	1,281,886	1,331,853	11,254,945	11,578,329	-	-	427,225	-	-	
Marfrig Beef International Ltd.	-	-	-	-	1,450,805	1,509,695	-	-	-	-	-	-	-	
Marfrig Beef (UK) Limited	-	-	-	-	-	-	318	325	-	-	-	-	-	
Marb	-	-	-	-	2,316	2,478	5,635	5,760	-	-	-	-	-	
Marfrig NBM Global Holdings	-	-	-	-	114	117	-	-	-	-	-	-	-	
NBM US Holdings, Inc.	-	-	-	-	178,940	-	-	-	-	-	-	-	-	
National Beef	-	2,188	-	-	-	-	-	-	-	-	-	-	-	
Beef Holdings Limited	-	-	-	-	11,143	11,148	-	-	-	-	-	-	-	
MFG Holdings SAU	4,117	483	-	1,413	372,678	207,008	-	-	-	-	-	-	-	
Campo Del Tesoro S.A.	-	-	-	-	-	214	-	-	-	-	-	-	-	
Marfrig Paraguay S.A.	-	-	-	-	215	147	-	-	-	-	-	-	-	
BRF S.A.	26,234	-	11,169	-	-	-	-	-	-	-	29	-	-	
PlantPlus Foods LLC	5,698	130	-	-	9,236	8,533	-	-	-	-	-	-	-	
Controlling shareholders (a)	-	-	-	-	-	-	15,438	15,438	-	-	-	-	-	
Key management personnel	12	13	846	-	-	-	-	-	-	-	-	-	-	
Other related parties	98	1	19,836	292,371	16,932	16,932	-	-	491,378	64,904	-	-	-	
	1,800,671	2,027,698	36,784	301,781	7,803,680	16,606,384	20,411,401	27,643,976	491,378	65,054	487,786	-	49,441	

(a) The amounts presented as controlling shareholders are recorded under the line item "Other payables".

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	Parent									
	Sales		Expenses		Recognized as profit or loss				Administrative expenses	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	Financial income		Financial expenses		12/31/2022	12/31/2021
Masplen Ltd	-	-	-	-	27	12	-	-	-	-
Pampeano Alimentos S.A	431,271	507,614	384	776	18,049	10,204	-	-	66,769	55,032
Marfrig Comercializadora de Energia Ltda.	-	-	-	24,113	218	476	-	-	2,171	1,781
Marfrig Overseas Ltd.	-	-	-	-	63,525	326,363	4,699	8,270	-	-
Marfrig Argentina S.A.	-	-	20,681	2,912	-	7,057	-	-	882	-
Marfrig Peru S.A.C.	-	-	-	-	-	-	-	-	-	557
Marfrig Chile S.A.	185,078	282,142	-	-	-	-	-	-	621	550
Frigorífico Tacuarembó S.A.	-	-	33,920	22,564	-	-	-	-	1,574	1,057
Inaler S.A.	-	-	2,513	1,566	-	-	-	-	851	438
Prestcott International S.A.	-	-	22,751	5,793	-	-	-	-	697	77
Establecimientos Colonia S.A.	6,094	2,456	13,330	2,959	-	-	-	-	1,025	485
Marfrig Holdings (Europe) B.V.	-	-	-	-	157,229	49,437	386,450	501,314	-	-
MF Foods	3,391	1,323	-	-	-	-	-	-	-	-
Weston	11,531,865	6,414,261	-	-	36,320	32,419	425,047	399,490	-	-
Marfrig Beef International Ltd.	-	-	-	-	38,936	118,549	-	-	-	-
Marfrig Beef (UK) Limited	-	-	-	-	-	-	14	9	-	-
Marb	-	-	-	-	-	-	250	110	-	-
Marfrig NBM Global Holdings	-	-	-	-	5	3	-	-	-	-
NBM US Holdings, Inc.	-	-	-	-	21	-	-	-	54,006	39,409
National Beef	1,492	17,445	-	-	-	-	-	-	-	-
Beef Holdings Limited	-	-	-	-	1	-	-	-	-	-
MFG Holdings SAU	6,856	35,772	-	-	13,452	7,398	-	-	1,899	1,271
Quickfood S.A.	-	-	2,345	6,448	-	-	-	-	-	-
Campo Del Tesoro S.A.	-	-	-	3,892	-	-	-	-	317	208
BRF S.A.	291,902	-	46,729	-	-	-	-	-	-	-
PlantPlus Foods LLC	9,197	130	-	-	-	-	-	-	-	-
Controlling shareholders	23	28	-	-	-	-	-	17,065	-	-
Key management personnel	162	121	7,377	2,426	-	-	-	-	-	-
Other related parties	131	77	1,060,817	1,004,656	-	-	-	-	-	-
	12,467,462	7,261,369	1,210,847	1,078,105	327,783	551,918	816,460	926,258	130,812	100,865

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 on 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 the consolidated financial statements, given that they are eliminated in consolidation.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

36.2. Consolidated related parties

	Outstanding balance										Recognized as profit or loss				Consolidated	
	Trade accounts receivable		Trade accounts payable		Notes receivable		Notes payable		Advances to suppliers		Income	Expenses		Financial expenses		
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021		
Controlling shareholders «	-	-	-	-	-	-	15,438	15,438	-	-	23	28	-	-	-	17,065
Key management personnel	12	13	3,163	435	-	-	-	-	-	-	178	145	7,377	2,426	-	-
Other related parties	100	2	19,838	292,371	16,932	16,932	-	-	491,378	64,904	337	77	1,060,817	1,004,656	-	-
PlantPlus Foods LLC	5,698	130	-	-	14,909	14,599	-	-	-	-	9,197	130	-	-	-	-
	5,810	145	23,001	292,806	31,841	31,531	15,438	15,438	491,378	64,904	9,735	380	1,068,194	1,007,082	-	17,065

(a) The amounts presented as controlling shareholders are recorded under the line item "Other payables".

36.3. Controlling shareholders

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

36.4. 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 as "other related parties". Most of transactions refer primarily to sale of animals for slaughter. These transactions are carried out on an arm's length basis, in accordance with internal guidelines formally established by the Company that are periodically verified by the Company management to attest their compliance with market conditions.

36.5. Joint ventures

Direct subsidiary BRF and 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 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 year
COFCO-Keystone Supply Chain	45%	China	156,176	156,178	(1)
Plant Plus Foods LLC, Inc.	70%	USA	773,379	867,165	(93,787)
Potengi Holdings S.A.	24%	Brazil	394,021	389,539	4,482
Total			1,323,576	1,412,882	(89,306)

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

37. MANAGEMENT COMPENSATION

The compensation policy is designed to establish the criteria, responsibilities and directions for the short- or long-term compensation program of Marfrig Group's Management (Bonus and Stock Option). The purpose of this policy is to motivate the Company's executive officers to grow and develop to achieve maximum performance, in line with the business objectives, through a short- and long-term reward payout.

The Compensation, Corporate Governance and Human Resources Committee is the advisory body to the Board of Directors in assessing management compensation. The committee is composed solely of members of the Company's Board of Directors and one of them is the Committee Coordinator.

The parameters used to determine management compensation are based on market practices.

37.1. Board of Directors

The compensation of the Board of Directors is set annually for each director and paid monthly, with no variable compensation. The board members' compensation is determined through market research with the major companies in the industry whereby a compensation base is defined and submitted to the Company's Compensation, Corporate Governance and Human Resources Committee for validation.

37.2. Officers appointed as per Bylaws

The Board of Executive Officers' compensation consists of a fixed and a variable portion.

Fixed portion

An annual amount is set for each member and paid on a monthly basis.

Variable portion

Consists of short-term (bonus) and long-term (stock option) compensation. In general, the goals set by the Company for Management evaluation refer to economic objectives and individual goals. As part of the compensation payment, the Company may determine that up to 70% of its Managers' variable compensation be paid by directly granting treasury shares, with the calculation of the share price, in accordance with Article 4, Sole Paragraph of CVM 567, based on the average share price in the last 20 trading sessions prior to the payment date of the variable compensation, which occurred on April 30, 2022.

The gain on the Stock Option Plan is tied to the appreciation of the market price of the share, i.e. the value added to the Company by the performance of the individual and the Management as a whole will reflect on the gain on the stock option plan, maintaining at the same time its interests in line with the Company's interests in the long term.

The exercise price of the stock options related to share-based compensation under "Specific Programs" is the average of the last 20 trading sessions prior to the first business day of March of each year and the grant price with a 50% discount starting with the grants in 2010.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

The vesting period follows these criteria:

- 25% after 12 months of the grant;
- 25% after 24 months of the grant;
- 25% after 36 months of the grant;
- 25% after 48 months of the grant.

The officers' compensation is determined through market research with the major companies in the industry whereby measurement criteria are established according to the significance of the position within the organization. The macro policies are approved by the Compensation, Corporate Governance and Human Resources Committee.

37.3. Audit Board

The Company's Audit Board was set up after approval at the Annual General Meeting held on April 30, 2010. In the by-laws amended by the Special Shareholders' Meeting held on March 11, 2011, the Audit Board became a permanent body. The Audit Board's compensation is fixed on an annual basis and paid on a monthly basis. There is no variable portion.

37.4. Consolidated compensation

The compensation of Management and Board members is made up of the compensation of five 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 Company's bylaws.

The added value of the compensation received by the Company'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 and the Executive Board of the Company, one of whom acts as Coordinator of the Committee.

Description	12/31/2022	12/31/2021
Consolidated management compensation	45,659	47,319
Total	45,659	47,319

37.5. STOCK OPTION PLAN

In the year ended December 31, 2022, a total of 818,316 shares were transferred to the Company's Management under the stock option plans.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

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 ^(a) (R\$ per share)
March/22	265,846	21.17
April/22	191,810	20.19
May/22	228,542	15.56
June/22	4,458	14.03
July/22	9,523	13.00
August/22	91,565	14.02
September/22	22,166	11.70
October/22	4,406	9.03
Options exercised in 2022	818,316	-

^(a) Average monthly price disclosed by B3 of Marfrig's common shares, under the ticker MRFG3.

Consolidated changes	2022	2021
(Options)		
Opening balance	1,366,311	2,470,732
Options exercised	(818,316)	(967,937)
Options canceled and expired	(79,732)	(136,484)
Closing balance	468,263	1,366,311

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 0.07% of all shares at December 31, 2022, as detailed in the table below:

Percentage of Dilution	ESP XIII LP 18-19 Plan	ESP XIV LP 19-20 Plan	Total
	Granting date	14/08/2019	
Outstanding agreements	407,638	60,625	468,263
Treasury shares	-	-	310,192
Total shares except treasury stock	-	-	659,689,808
Percentage of dilution	0.06%	0.01%	0.07%

The Company recognized expenses relating to granting of plans in effect for the years ended December 31, 2022 and 2021, as detailed in the table below:

Effects from the exercise of options (R\$ '000)	2022	2021
Amount received from disposal of shares - Exercised options	2,399	2,884
(-) Cost of treasury shares disposed of	(17,518)	(10,148)
Effect on disposal of shares	(15,119)	(7,264)

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

Due to the exercise of stock options, the Company incurred costs with the sale of treasury shares of R\$ 17,518. At December 31, 2022, the book value of treasury shares was recorded under the Company's equity in the amount of R\$ 6,578 (R\$ 593,193 at December 31, 2021).

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: 48.13%. Volatility is measured taking into consideration the daily prices of the Company's shares traded on the Brazilian stock exchange (B3) under the ticker MRFG3, from July 1, 2022 to December 31, 2022;

Risk-free interest rate: 7.20% p.a. The Company uses as risk-free interest rate the Long-Term Interest Rate (TLP) annualized on calculation date and available on the federal revenue service website: receita.federal.gov.br/orientacao/tributaria/pagamentos-e-parcelamentos/taxa-de-juros-de-longo-prazo-tjlp.

The fair value of options as of December 31, 2022 ranged between a minimum of R\$ 2.61 and a maximum of R\$ 5.82 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 canceled and/or expired in the period	Options exercised and/or canceled in prior periods	Unexercised agreements	Option exercise price
Options Exercised/Canceled in Previous Periods				12,954,382	11,417,987	-	-	11,588,071	1,366,311	-
ESP XII LP 17-18	9/25/2018	3/3/2022	9/2/2022	504,189	504,189	391,379	31,751	81,059	-	R\$ 3.1789
ESP XIII LP 18-19	8/14/2019	3/3/2022	9/2/2022	470,753	470,753	396,623	28,819	44,549	762	R\$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2023	9/2/2023	470,514	-	-	19,162	44,476	406,876	R\$ 2.9110
ESP XIV LP 19-20	11/11/2020	3/3/2022	9/3/2022	30,314	30,314	30,314	-	-	-	R\$ 6.1857
ESP XIV LP 19-20	11/11/2020	3/3/2023	9/2/2023	30,314	-	-	-	-	30,314	R\$ 6.1857
ESP XIV LP 19-20	11/11/2020	3/3/2024	9/2/2024	30,311	-	-	-	-	30,311	R\$ 6.1857
Total at	12/31/2022			12,954,382	12,423,243	818,316	79,732	11,588,071	468,263	

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 XIII LP 18-19	8/14/2019	4	4	14
ESP XIII LP 18-19	8/14/2019	2,370	-	7,446
		2,374	4	7,460
ESP XIV LP 19-20	11/11/2020	79	-	455
ESP XIV LP 19-20	11/11/2020	104	-	455
		183	-	910
Total at	12/31/2022	2,557	4	8,370

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

37.6. Direct granting of shares

During the year ended December 31, 2022, 762,824 shares were transferred to the Company's Management.

Period	Total shares granted by month	
	Number of shares granted	
May - 22	762,824	
Shares granted - 2022	762,824	

38. ADDITIONAL INFORMATION OF THE CASH FLOW STATEMENTS

In compliance with items 43 and 44(a) of NBC TG 03/R3 (CVM Resolution 641/10) - Statement of Cash Flows, the following table presents the changes in liabilities from financing activities arising from cash and non-cash flows:

Description	Balance at 12/31/2021	Cash flow	Non-cash change			Balance at 12/31/2022
			Addition of subsidiary	Exchange rate fluctuation	Other (a)	
Loans, financing and debentures	12,101,739	4,246,299	-	(505,827)	1,374,258	17,216,469
Lease payable	149,612	(36,501)	-	-	2,206	115,317
Capital reserves and treasury shares	(2,467,506)	(78,769)	-	114,601	(2,586)	(2,434,260)
Financial investments and marketable securities	4,663,774	4,375,324	(6,722,981)	(358,776)	-	1,957,341
	14,447,619	8,506,353	(6,722,981)	(750,002)	1,373,878	16,854,867

(a) The amounts presented under other for loans, financing, debentures and leases payable refer to interest expenses incurred, cost with issue of financial operations and adjustment to present value of lease, in the year.

Description	Balance at 12/31/2021	Cash flow	Non-cash change					Balance at 12/31/2022
			Business combinations	Addition of subsidiary	New contracts	Exchange rate fluctuation	Other (a)	
Non-controlling interest	1,654,803	(2,769,703)	21,268,417	-	-	2,337,977	(1,611,745)	20,879,749
Loans, financing and debentures	30,325,798	5,376,418	21,743,371	-	-	(61,902)	3,789,106	61,172,791
Lease payable	642,462	(708,888)	2,470,744	-	1,133,764	(21,515)	86,531	3,603,098
Capital reserves and treasury shares	(2,467,506)	(78,769)	-	-	-	114,601	(2,586)	(2,434,260)
Financial investments and marketable securities	12,738,799	5,736,667	5,380,868	(6,722,981)	-	(638,206)	-	16,495,147
	42,894,356	7,555,725	50,863,400	(6,722,981)	1,133,764	1,730,955	2,261,306	99,716,525

(a) The amounts presented under other for loans, financing, debentures and leases payable refer to interest expenses incurred, cost of issuing financial operations and adjustment to present value of lease, in the year and for non-controlling interest refers to the amount attributed to the income or loss for the year.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

39. EVENTS AFTER THE REPORTING PERIOD

Corporate reorganization in Argentina

On January 1, 2023, the Company decided to start a corporate reorganization for the Group companies Quickfood S.A., Marfrig Argentina S.A. and Campo Del Tesoro S.A., all located in Argentina. The reorganization involves the merger of Marfrig Argentina S.A. and Campo Del Tesoro S.A. into Quickfood S.A.

The merged companies will be dissolved without liquidation, with the transfer of all rights and obligations to the merging company.

Repurchase program

In January 2023, the Company repurchased 6,245,400 shares in the amount of R\$ 52,631 referring to the Repurchase plan approved on August 11, 2022, at a meeting of the Board of Directors (Note n° 27.2. Capital reserves and treasury shares).

Turkey earthquake

On February 6, 2023, a massive earthquake hit Turkey and Syria. Banvit, a subsidiary of BRF in Turkey, does not have units in locations near those affected by the earthquake and has not suffered impacts on its operations.

Decision on cases 881 and 885 by the Federal Supreme Court

On February 8, 2023, the Federal Supreme Court ("STF") unanimously decided that a final decision favorable to companies regarding taxes paid on a continuous basis will lose its effect if the STF subsequently decides otherwise. The Company assessed the matter judged in this decision, which covers Social Contribution on Net Income, and informs that it has regularly paid the contribution.

The Company also evaluated other taxes that fit the definition contained in the decision rendered and there are no cases with a final and unappealable decision in favor of the Company and which have an unfavorable decision in the STF. Therefore, no impact was observed on this Company's Financial Statement.

BSE Case, China Exports Suspension

On February 23, 2023, the Company informs its shareholders and the market in general that the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA), notified the World Organization for Animal Health (OIE) of a possible atypical case of Bovine Spongiform Encephalopathy (BSE) in an approximately 9-year-old animal located in the State of Pará.

This case resulted in a temporary Brazilian self-suspension for issuing sanitary certifications for exports to China. According to MAPA, this suspension is based on a bilateral inspection protocol between the two countries.

During this self-suspension period, the supply from Marfrig's 7 Brazilian plants will be redirected to the 6 Marfrig's plants certified to China, located in Uruguay and Argentina. Our geographic diversified platform and the flexibility of our multichannel sales will allow Marfrig to meet our customers' demands.

In the last 12 reported months, Marfrig's Brazilian exports to the Chinese market accounted for 6.4% of consolidated net revenue.

MARFRIG GLOBAL FOODS S.A.

Notes to the individual (Parent Company) and consolidated financial statements

Years ended December 31, 2022 and 2021

(In thousands of Brazilian reais - R\$, except where otherwise indicated)

It is worth mentioning that the recent certifications received will contribute to the diversification of Marfrig's export destinations from Brazil.

The Company believes that the BSE situation is within normal parameters involving health issues and expects that exports will resume shortly.

Biomass Project

On February 28, 2023, the Company in compliance with the provisions of Law 6,404 dated December 15, 1976, as amended ("Corporate Law"), of the Resolution of the Brazilian Securities Commission ("CVM") No. 80 dated as of March 29th, 2022 and CVM Resolution No. 44 dated August 23rd, 2021, in line with corporate governance best practices, and in addition to the information disclosed through the Notice to the Market dated November 14th, 2022, hereby informs its shareholders and the market in general the investment, by the Company, together with Suzano, Rabobank and Vale, in Biomass – Serviços Ambientais, Restauração e Carbono S.A. ("Biomass"), in the amount of R\$ 20,000,000.00 (twenty-million reais) each, under the terms of the respective investment agreements, in view of the fulfillment of all conditions precedent and performance of the closing acts provided for in the respective agreements.

The Biomass will operate in the activities of restoration, conservation and preservation of forests in Brazil.

The Company informs that the entrance of Itaú and Santander as shareholders of Biomass is subject to authorization by the Central Bank of Brazil.

Lastly, the Company reiterates its commitment to keep shareholders and the market in general informed about any matter of interest to its shareholders and the market.

Prospecting for the sale of the pet food operation

On February 28, 2023, the subsidiary BRF announced that it has engaged Banco Santander to be its financial advisor for the sale of its pet food operation, developed by its investees BRF Pet S.A., Hercosul Soluções em Transportes Ltda., Hercosul Distribuição Ltda. and Hercosul International S.R.L. ("Transaction").

The Transaction will be carried out through a competitive process, and this process is in its initial stage.

* * *

MARFRIG GLOBAL FOODS S.A.
CORPORATE TAXPAYER'S AUDIT 03.853.896/0001-40
NIRE 35.300.341.031
Joint-Stock Corporation

OPINION OF THE FISCAL COUNCIL

The Fiscal Council has examined the Financial Statements and corresponding Explanatory Notes, the Annual Management Report, and the Independent Auditors' Report referring to the fiscal year ended December 31, 2022. The Fiscal Council, throughout the fiscal year, has monitored the Company's reporting activities through interviews and requests for clarifications on the understanding of relevant accounting, equity and management questions, in sessions held with representatives of the Company's Management, regarding: a) reports to shareholders; b) quarterly statements with the participation of the Independent Auditors; c) the Fixed Assets, Intangible Assets and Deferred Tax Assets Impairment Test; d) the Purchase Price Allocation - PPA and technical memorial that supported the consolidation of BRF S. A. in the Company's balance sheet as of 2Q22, in accordance with Technical Pronouncements CPC 15 (R1) - Business Combination and CPC 36 (R3) - Consolidated Statements; e) the maturity of the Company's information security and possible cybernetics threats; f) Internal Audit activities and plan; g) the stock buyback program and cancellation of shares; and h) dividend distribution.

CONCLUSION: Based on these works and evidences, and considering the understandings applied and the the Opinion without reservations issued by Grant Thornton Independent Auditors, the fiscal council members unanimously opine that the Financial Statements and corresponding Explanatory Notes and the Annual Management Report, relative to the fiscal year ended on December 31, 2022, are adequately presented and in conditions for being examined by the Company's shareholders when the Annual Shareholders' Meeting is held.

São Paulo, March 01, 2023.

Axel Erhard Brod
Fiscal Council Member

José Luiz de Souza Gurgel
Fiscal Council Member

Ricardo Florence dos Santos
Fiscal Council Member

**SUMMARY ANNUAL REPORT ON THE ACTIVITIES OF THE
STATUTORY AUDIT COMMITTEE
FINANCIAL YEAR 2022
MARFRIG GLOBAL FOODS S.A.**

1) General Information

The Statutory Audit Committee of Marfrig Global Foods was established in 2019 in accordance with the Brazilian Securities Exchange regulation.

The Statutory Audit Committee is a statutory advisory and instruction board, directly linked to the Board of Directors, on a permanent basis, governed by the applicable law and regulation, and by the provisions of Marfrig Global Foods S.A.'s Bylaws and Internal Regulations.

During 2022, the Committee held 7 meetings with the attendance of the Company executives, internal auditors and representatives of Grant Thornton Auditores Independentes to allow the understanding of processes, internal controls, risks, as well as to issue its recommendations to the Board of Directors and to the Company's Management.

2) Performed Activities

The following are the main themes and activities performed by the Statutory Audit Committee:

- Evaluation of annual financial statements and quarterly reports, always with the presence of independent auditors;
- Monitoring of the planning on the work of the independent auditors and internal auditors for the financial year 2022;
- Follow-up and monitoring, together with the Company's Management, of the work in the areas of Internal Audit and Internal Controls and evaluation of the internal audit reports that were prepared;
- Supervision of the external auditors' activities to assess the independence, quality and adequacy of the services provided to the needs of the Company;
- Evaluation with the Independent Auditors of the possible impacts of Coronavirus pandemic on the financial statements;
- Analysis and discussion with the Company's Management on the Internal Controls Letter prepared by Grant Thornton Auditores Independentes and

the respective internal areas action plans for the correction or improvement of points;

- Follow-up of the work in the preparation area of the Company's financial statements;
- Evaluation of the adequacy of transactions with related parties carried out by the company and respective proofs;
- Discussions with the Company's Risk Management area and understanding of the Market Risk Management Policy;
- Opinion for approval by the Board of Directors of the annual financial statements.

The members of the Committee reported that there were no situations in which there was a significant divergence between the company's management, the independent auditors and this Committee regarding the company's financial statements.

São Paulo, March 01, 2023

Antonio dos Santos Maciel Neto
Committee Coordinator

José Mauro Depes Lorga
Committee Member

Lúcio Abrahão Monteiro Barros
Committee Member

MARFRIG GLOBAL FOODS S.A.

CNPJ/ME 03.853.896/0001-40

NIRE 35.300.341.031

Publicly-held Company

STATUTORY AUDIT COMMITTEE'S OPINION

The Statutory Audit Committee analyzed the Financial Statements and corresponding Notes, the Management's Annual Report, and the Independent Auditors' Report for the fiscal year ended December 31, 2022. Under the Resolution of the Securities and Exchange Commission No. 80 of March 29, 2022, the main activities performed by the Committee in the fiscal year 2022 are described in the Summary Annual Report of Activities presented together with these financial statements. Based on these documents and evidence, and in accordance with the understandings maintained, the Committee members assess that the Financial Statements and corresponding Notes and the Management's Annual Report for the fiscal year ended December 31, 2022, are properly presented and able to be analyzed by the Company's shareholders at the Ordinary General Meeting.

São Paulo, March 01, 2023

Antonio dos Santos Maciel Neto
Coordinator

José Mauro Depes Lorga
Committee Member

Lúcio Abrahão Monteiro Bastos
Committee Member

Statement of Executive Officers on the Financial Statements

Statement of Executive Officers on the Financial Statements

In compliance with the provisions of CVM Resolution 80, the Board of Executive Officers declares that it has discussed, reviewed and agreed to the financial statements related to the fiscal year ended December 31, 2022.

Sao Paulo, March 01, 2023.

Executive Officers:

Rui Mendonça Júnior
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 Resolution 80, 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 fiscal year ended December 31, 2022.

Sao Paulo, march 01, 2023.

Executive Officers:

Rui Mendonça Júnior
Chief Executive Officer

Tang David
Chief Administrative and Financial and IR

Heraldo Geres
Chief Legal Officer

Rodrigo Marçal Filho
Executive Officer