Operational Excellence translates into record-high net income of R$1.6 billion and free cash flow of R$3.3 billion

***São Paulo, August 12, 2020** – Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for the second quarter of 2020 (2Q20). Except where stated otherwise, the following operating and financial information is presented in nominal Brazilian real, in accordance with International Financial Reporting Standards (IFRS), and should be read together with the income statement and notes to the financial statements for the period ended June 30, 2020 filed at the Securities and Exchange Commission of Brazil (CVM).*

To improve comparisons, the results herein are identified as "proforma," i.e., including 100% of the results of Quickfood, Várzea Grande and Iowa Premium in 2Q19.

Results described as "Continuing Operations" consider on a proforma basis the results of Quickfood as of January 2019, the results of Várzea Grande as of April 2019, and the results of Iowa as of June 2019.

HIGHLIGHTS

- **North America**

The North America Operation delivered its best quarterly performance ever, with new records for net revenue, EBITDA and EBITDA margin. Net revenue was US$2,678 million and Adj. EBITDA was US$635 million, with margin of 23.7%

- **South America**

The South America Operation also delivered its better quarter ever, with Adj. EBITDA margin of 13.9%, net revenue of R$4,402 million and Adj. EBITDA of R$613 million.

- **Liability Management Actions**

In the quarter, the Bridge Loan of US$500 million was lengthened to a three-year Term Loan. In July, Marfrig also issued R$250 million in CRAs with a cost of CDI + 2.2% p.a.

- **Partnerships and Innovations**

The partnership between Marfrig and Archer-Daniels-Midland Company "ADM" advanced to the creation of **PlantPlus Foods**, a joint venture that will combine the innovation capacity, operational excellence and global scale of both companies to produce and sell plant-based products through the retail and food service channels in the South America and North America markets.

- **Sustainable Commitment**

Marfrig launched the **Marfrig Verde+ Plan**, whose purpose is to ensure that 100% of the production chain is sustainable and free of deforestation over the next ten years.

- **Social responsibility and assistance for small clients**

Marfrig will invest about R$50 million to lengthen the due dates of invoices and to increase, by up to three times, credit limits for purchases by partner clients.

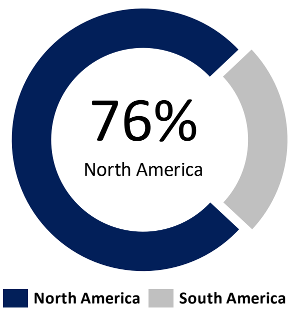
Marfrig

MARFRIG IN NUMBERS

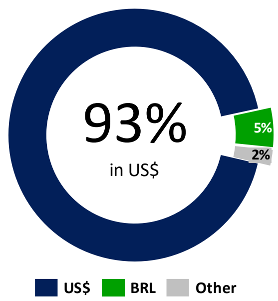
	2Q20	2Q19	Δ %	1Q20	Δ %
Consolidated					
Net Revenue	18.881	12.241	54%	13.502	40%
Gross profit	**4.561**	**1.519**	**200%**	**1.676**	**172%**
Gross Margin	**24,2%**	**12,4%**	**1175 bps**	**12,4%**	**1174 bps**
SG&A	-851	-717	19%	-757	12%
Adjusted Ebitda	**4.068**	**1.111**	**266%**	**1.223**	**233%**
Adjusted Ebitda Margin	**21,5%**	**9,1%**	**1247 bps**	**9,1%**	**1249 bps**
Financial Results	-774	-404	92%	-1.183	-35%
Result before taxes	2807	347	709%	-319	-981%
Total Net Profit	**1594**	**87**	1743%	**-137**	-1264%
North America (in US$)					
Net Revenue	$ 2.678	$ 2.246	19%	$ 2.185	23%
Demostic	$ 2.437	$ 1.957	25%	$ 1.898	28%
Exports	$ 241	$ 290	-17%	$ 287	-16%
Adjusted Ebtida	**$ 635**	**$ 235**	170%	**$ 175**	**263%**
Adjusted Ebitda Margin	**23,7%**	**10,5%**	**1325 bps**	**8,0%**	**1569 bps**
South America					
Net Revenue	4.402	3.448	28%	3.766	17%
Demostic	1.389	1.652	-16%	1.544	-10%
Exports	3.013	1.795	68%	2.222	36%
Adjusted Ebtida	**613**	**216**	184%	**464**	32%
Adjusted Ebitda Margin	**13,9%**	**6,3%**	**765 bps**	**12,3%**	**159 bps**
Dados Financeiros					
Net Debt (in US $)	$ 3.174	$ 2.639		$ 3.729	
Indebtedness (in US $)	1,79 x	2,69 x		2,84 x	
Average Cost of Debt (% .a.a)	6,13%	6,73%	-61 bps	5,81%	32 bps
Average Debt Term (years)	4,35	4,49	-3%	4,04	8%

Net Revenue

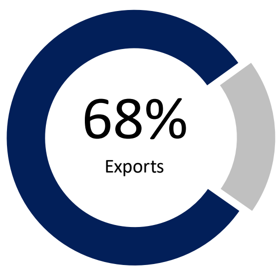
Revenue by Business



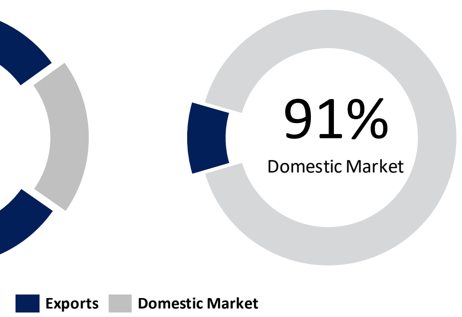
Revenue by Currency



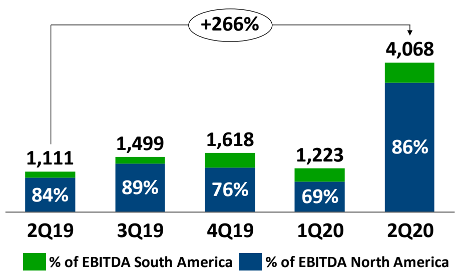
South America



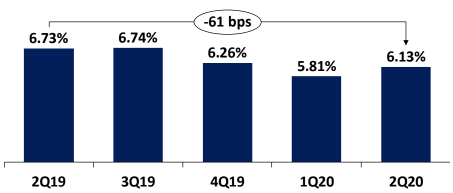
North America



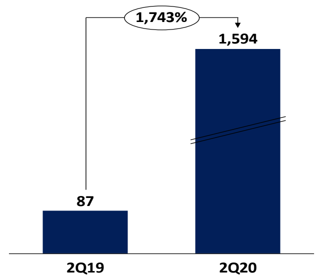
EBITDA^AdJ



Average Cost of Debt (%p.a.)



Net Profit



MARFRIG & INDUSTRY SCENARIO

Transmission of the coronavirus reached its highest rate during the second quarter, and the number of new cases surged in the Americas, leading to a series of measures to restrict the movement of people and the operations of commercial establishments, which drove the migration of foodservice sales to large supermarket and distribution chains.

Another factor observed during the quarter was the partial recovery of the Chinese economy, which continues to improve, with the residential market and investments in infrastructure sustaining commodity prices.

The protein industry suffered different effects, with, from the supply perspective, a decline in primary processing volume due to the temporary stoppages of certain plants and the high level of employee absenteeism, especially in the United States. Meanwhile, demand remained strong, given the increase in household consumption, higher sales volume to supermarkets and large chains and a gradual recovery in Chinese imports.

In the **United States**, cattle processing volume in 2Q20 was 5.6 million head (USDA), down 14% and 17% from 1Q20 and 2Q19, respectively, due to the direct impact of the coronavirus and the high level of absenteeism at plants.

In **Brazil**, the Ministry of Agriculture reported national slaughter volume in 2Q20 of 5.4 million head, representing declines of 10% from the same quarter of 2019 and of 2% from 1Q20. The cattle cost (CEPEA – São Paulo base) stood at R$204, up 31% from 2Q19, and, despite the lower cattle processing, the higher volume of exports sustained cattle prices at high levels.

In **Uruguay**, data from Inac showed a decline of 17% (485k head in 2Q20 vs. 583k in 2Q19) in total slaughter volume compared to 2Q19. However, in relation to 1Q20, cattle processing volume increased 5%, reflecting the high demand from international market, especially from Asia, and in particular China, as well as from the United States.

In **Argentina**, according to the Argentine Beef Institute (IPCVA), primary processing grew 5% from 2Q19 and 8% from 1Q20, in contrast to the trend in Brazil, since the cattle cost in USD was lower than in the previous year, which, combined with the strong export market, supported the industry's performance.

The geographic diversity of Marfrig's operations located in South America and North America has proven a major strategic advantage.

Marfrig ensures, with responsibility and solidarity and committed to the health and safety of its employees, the continuity of its supply to domestic and international clients through the uninterrupted operation of its plants combined with a differentiated commercial strategy and solid partnerships.

MARFRIG

PRODUCTION

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

Beef processing: with total primary processing capacity of approximately 29,000 head/day, the Company has been expanding its footprint in the North American market and reinforcing its exports to key geographies. The location of its beef protein production base follows:

Country	Beef Primary Processing Units	Effective Processing Capacity (head/day)
North America Operation	**3**	**13,100**
USA	3	13,100
South America Operation	**17**	**17,100**
Brazil	11	12,100
Uruguay	4	3,700
Argentina	2	1,200
TOTAL	**20**	**29,100**

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

Country	Processing Units	Beef Patty Production Capacity (ton/year)	Other Processed Product Production Capacity (ton/year)	Total capacity of Processed Products (ton/year)
North America Operation	**5**	**100,000**	**104,000**	**204,000**
USA	5	100,000	104,000	204,000
South America Operation	**7**	**122,000**	**105,000**	**227,000**
Brazil	3	77,000	66,000	135,000
Uruguay	1	6,000	6,000	12,000
Argentina	3	39,000	33,000	72,000
TOTAL	**12**	**222,000**	**209,000**	**431,000**

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

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

NORTH AMERICA OPERATION

The fourth-largest beef processor *and* ***one of the industry's most efficient companies in the United States****, the Operation has three primary processing plants with* ***capacity of approximately 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 internally through retail, wholesale and food service channels as well as exported to various markets. National Beef is the* ***leading U.S. exporter*** *of chilled beef, with a focus on the* ***Asian market****. The operation also has annual production capacity of* ***100,000 tons of beef patties****, markets complementary products and other processed products, has* ***tannery and logistics operations and sells products online*** *directly to consumers.*

NORTH AMERICA OPERATION	2Q20	2Q19	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	451	484	(34)	-7,0%
Domestic	380	415	(35)	-8,4%
Exports	71	70	1	1,3%
US $ Million			**US$**	**%**
Net Revenue	2.678	2.246	431	19,2%
Domestic	2.437	1.957	480	24,5%
Exports	241	290	(49)	-16,8%
COGS	(1.991)	(1.958)	(33)	1,7%
Gross profit	687	288	399	138,4%
Gross Margin (%)	25,6%	12,8%	-	1282 bps
Adj. EBITDA	635	235	400	170,3%
Adj. EBITDA Margin (%)	23,7%	10,5%	-	133 bps

SALES REVENUE & VOLUME

The North America Operation posted net revenue of US$2.678 million, an increase of 19,2% compared to 2Q19. The increased revenue is primarily due to higher average selling prices for beef products. These effects were offset, in part, by lower production volumes at our two Kansas beef processing plants. Unprecedented employee absenteeism related to the coronavirus pandemic resulted in the temporary closure of our Iowa plant for two weeks in April and a significant reduction in throughput at both of our Kansas plants during late April and May.

In Brazilian real, net revenue was R$14,479 million.

GROSS INCOME & GROSS MARGIN

The North American Operation posted record-high results for the quarter.

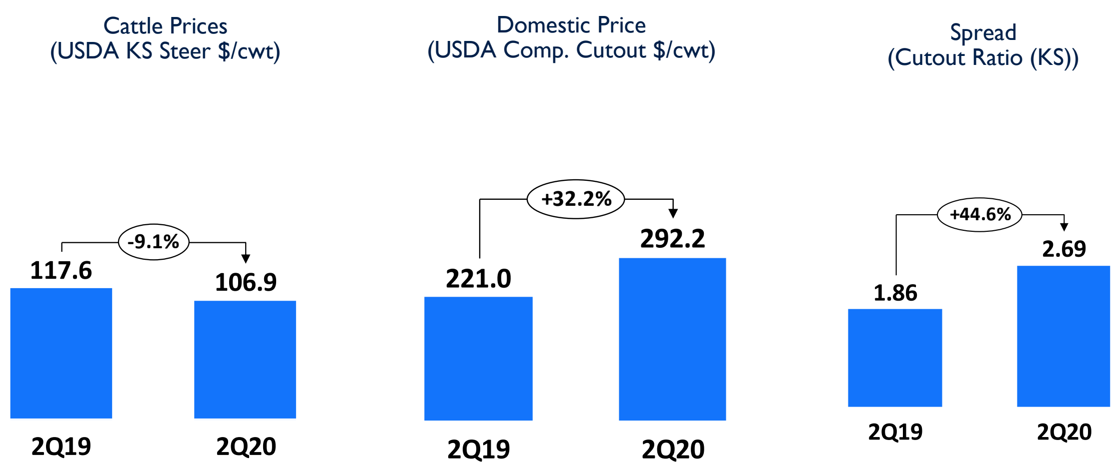
Gross income in 2Q20 was US$687 million, advancing 138.4% on the prior-year quarter.

The USDA Comprehensive Cutout value averaged US$292.24/cwt, up 32.2% versus 2Q19, while the USDA Drop value was down 16.8% to US$7.14/cwt. USDA reported fed cattle prices averaged US$106.92/cwt[1] in the quarter, down 9.1% versus Q219.

Higher average values for beef products combined with lower cattle prices resulted in increased per unit beef processing margins and led to an increase in overall profitability despite lower production volume.

Gross margin stood at 25.6%, in 2Q20, expanding from 12.8% in 2Q19.

In Brazilian real, gross income was R$ 3,759 million.



Adj. EBITDA & MARGIN

Adj. EBITDA was US$635 million, setting a new record for the operation, with Adj. EBITDA margin of 23.7%.

In Brazilian real, Adj. EBITDA was R$3,480 million.

[1] [1] “USDA KS Steer”: cattle price reference in the U.S. state of Kansas.

[1] A “hundredweight,” or Cwt, is a weight-measuring unit used in certain commodity contracts. In North America, a hundredweight equals 100 pounds.

SOUTH AMERICA OPERATION

One of the region's leading beef patty producers, with primary processing capacity of approximately 17,000 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 12,100 head/day and the annual production capacity of 77,000 tons of beef patties****. With brands renowned for their quality, such as Bassi and Montana, the Company focuses on the retail and foodservice channels in the domestic market, with its clients including top restaurants and steakhouses.* ***In Uruguay, it is the industry's largest company*** *and stands out for producing and selling* ***organic beef and other niche products ("with higher value-added"). In Argentina,*** *in addition to having two primary processing plants and being one of the country's leading exporters, 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, which supplies the largest consumer markets abroad.*

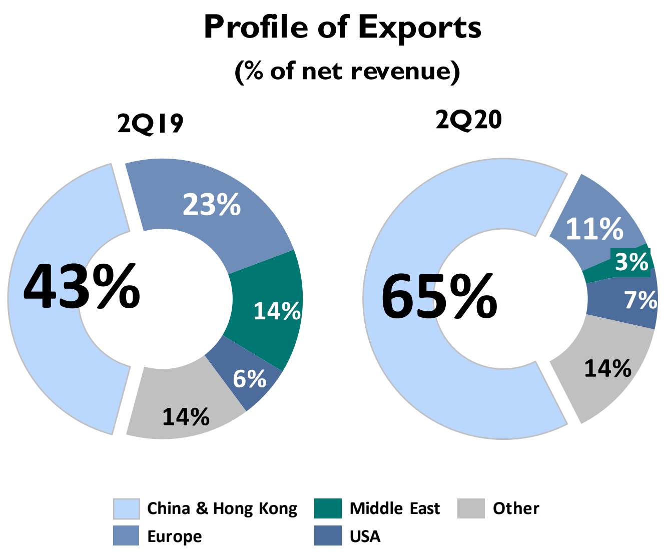
SOUTH AMERICA OPERATION	2Q20	2Q19	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	339	348	(9)	-2,6%
Domestic	209	238	(29)	-12,1%
Exports	130	110	20	17,8%
R$ million			**R$**	**%**
Net Revenue	4.402	3.448	954	27,7%
Domestic	1.389	1.652	(264)	-16,0%
Exports	3.013	1.795	1.218	67,8%
COGS	(3.600)	(3.052)	(548)	17,9%
Gross profit	802	395	407	102,9%
Gross Margin (%)	18,2%	11,5%	-	675 bps
Adj. EBITDA	613	216	397	183,5%
Adj. EBITDA Margin (%)	13,9%	6,3%	-	77 bps

SALES REVENUE & VOLUME

Net revenue from the South American Operation came to R$4,402 million in 2Q20, advancing 27.7% on 2Q19, with this performance explained by: (i) the 17.8% growth in export volume; (iii) the 42.5% increase in the average export price; and (iii) the 37.5% Brazilian real depreciation against the U.S. dollar (R$5.39 in 2Q20 vs. R$3.92 in 2Q19).

In the second quarter, exports represented **68%** of the operation's revenue, up from 59% in 1Q20 and 52% in 2Q19. Approximately **65% of the total export revenue** of the South American Operation came from **shipments to China and Hong Kong**, which **grew 81%** on the prior-year period, reflecting Marfrig's better positioning in the region to meet the growing demand from Asia. In Uruguay, Marfrig operation's second largest exporter, the highlight was the growth in shipments to NAFTA countries, mainly in the organic segment, which posted growth of 33% year over year to represent 13% of export volume.

The good export performance offset the adverse effects from the pandemic in the domestic markets in the countries where we operate.



GROSS INCOME & GROSS MARGIN

In 2Q20, gross income from the South America Operation was R$802 million, advancing 102.9% from 2Q19. This continued excellent performance is explained by: (i) the **result from exports**, reflecting the higher number of authorizations to China and the sales strategy that optimized the mix of destination countries, which supported increases in both sales volume and average price; (ii) the 30% growth in the sales volume of further processed products; and (iii) the structural improvements in the operation and the **reductions in costs and expenses and dilution of fixed costs** resulting from the efforts under the operational **improvement & efficiency program** launched in 2019.

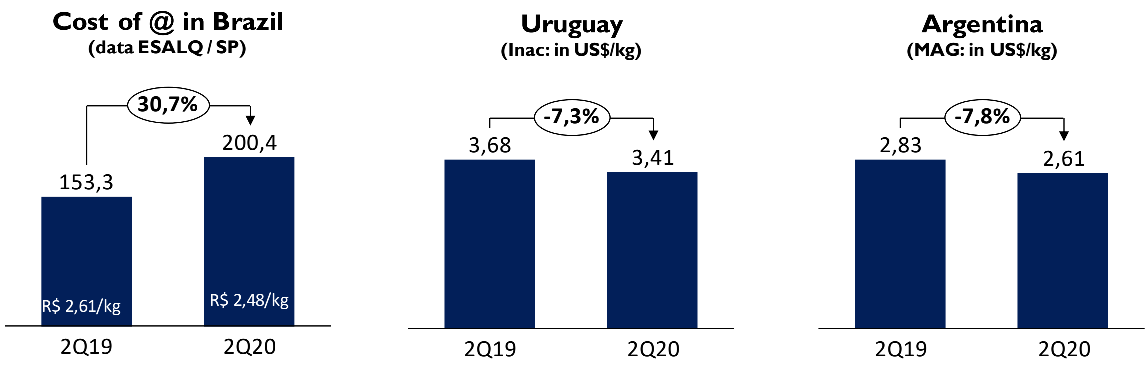
This quarter, the highlights were:

- Performance gains in hindquarter and forequarter yields
- Reduction in the cost of packaging per tonne
- Improvements in the primary processing indicator and in deboning in terms of kg/man hour
- Reduction in fixed costs in BRL per head processed

These trends offset the 18.0% increase in COGS in 2Q20, resulting from the higher cattle prices in Brazil (31%), in contrast to the price drops in Uruguay (-7%) and Argentina (-8%).

Gross margin in the quarter was 18.2%, expanding from 11.5% in 2Q19.

Cattle Price by Region



Brazil	Uruguay	Argentina
Cattle cost pressured by stronger demand for exports and by USD appreciation.	The depreciation in emerging economy currencies against the U.S. dollar reduced the cattle price by 7% compared to the price in USD.	Argentina remains one of the world's lowest-cost cattle producers in U.S. dollar.

Adj. EBITDA & MARGIN

In 2Q20, Adj. EBITDA from the South American Operation was R$613 million, with EBITDA Margin of 13.9%, setting a **new record for the operation**.

CONSOLIDATED RESULTS

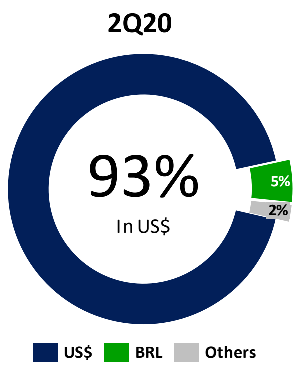
CONSOLIDATED RESULTS	2Q20	2Q19	Chg.	
Tons (thousand)			tons	%
Total Volume	790	833	(43)	-5,2%
Domestic	589	653	(63)	-9,7%
Exports	200	180	20	11,4%
R$ Million			R$	%
Net Revenue	18.881	12.241	6.640	54,2%
Domestic	14.569	9.312	5.257	56,5%
Exports	4.311	2.929	1.383	47,2%
COGS	(14.320)	(10.722)	(3.598)	33,6%
Gross profit	4.561	1.519	3.042	200,2%
Gross Margin (%)	24,2%	12,4%	-	1175 bps
SG&A	(851)	(717)	(134)	18,7%
(+) Depreciation & Amortization	358	308	50	-
Adj. EBITDA	4.068	1.111	2.958	266,3%
Adj. EBITDA Margin (%)	21,5%	9,1%	-	125 bps

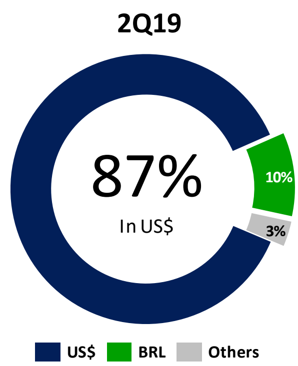
CONSOLIDATED NET REVENUE

In 2Q20, Marfrig's consolidated net revenue was R$18,881 million, advancing 54.2% from 2Q19. Revenue growth in the period is explained by the better prices practiced, mainly in the domestic market in the North American Operation, and by the higher export volumes and prices in the South America Operation.

In 2Q20, net revenue in U.S. dollar represented **93%** of total revenue, mainly due to the sum of "natural" revenue generation from North America and the exports from South America. Meanwhile, only 5% of the Company's revenue was generated in Brazilian real.

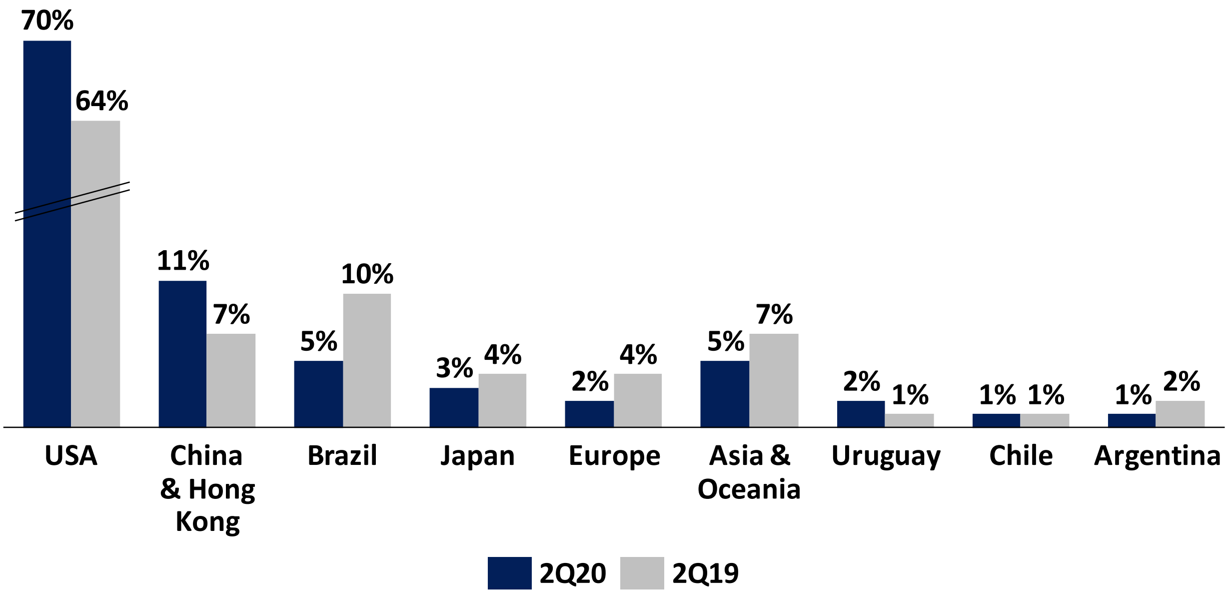
Revenue by Currency (%)





Consumer Markets (% of Consolidated Net Revenue)

Marfrig has a sales mix distributed across the world's main consumer markets. In 2Q20, the United States accounted for 70% of our consolidated sales, while sales to China reached 11% and sales in Brazil's domestic market fell to 5%.



COST OF GOODS SOLD (COGS)

In 2Q20, Marfrig's cost of goods sold was R$14,320 million, up 33.5% on the prior-year period, explained by the higher cattle cost in Brazil and by the effects from the Brazilian real depreciation on the translation of costs in U.S. dollar of the North American Operation.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

Selling, general & administrative (SG&A) expenses amounted to R$851 million. SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 4.5%, down from 5.9% in 2Q19.

Selling expenses were R$611 million, or 3.2% of net revenue, 90 bps lower than in 2Q19. The growth in export volumes from the South American Operation was offset by the reduction in total sales, mainly in the domestic markets of both operations.

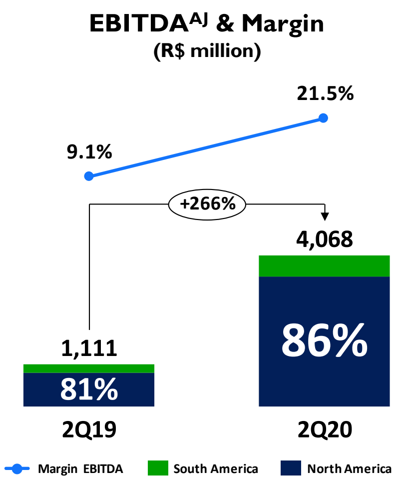
General and Administrative expenses were R$240 million, or 1.3% of net revenue, down 50 bps from 2Q19. The improvement, as already mentioned, was mainly due to the savings generated by the program to cut costs and control expenses.

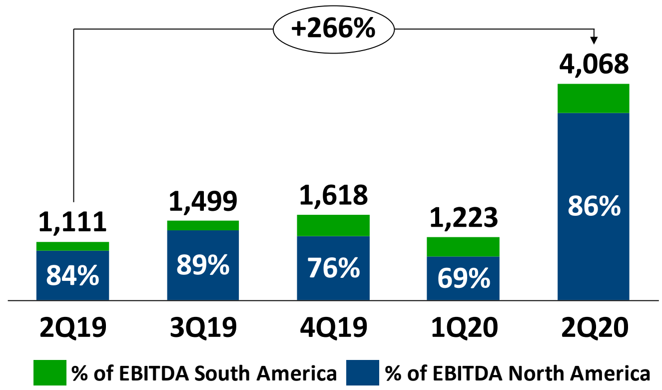
Adj. EBITDA and Margin

Marfrig posted Adj. EBITDA of R$4,068 million in 2Q20, representing growth of 266% compared to 2Q19. Adj. EBITDA margin was 21.5%, expanding 1,247 bps from 2Q19 and representing the Company's best result ever.

In the second quarter, **86%** of Adj. EBITDA came from the North American Operation, up from 81% in 2Q19, mainly due to the excellent performance of the Operation and the translation of the result into Brazilian real in a scenario of U.S. dollar appreciation.

The record-high performance in 2Q20 is explained by: (i) the higher average sales price in the domestic market of the North American Operation; and (ii) the increases in the average sales price and sales volume of exports, especially to China; (iii) the operating efficiency gains and cost reductions achieved in the South America Operation; and (iv) the higher local currency depreciation in the South America Operation.



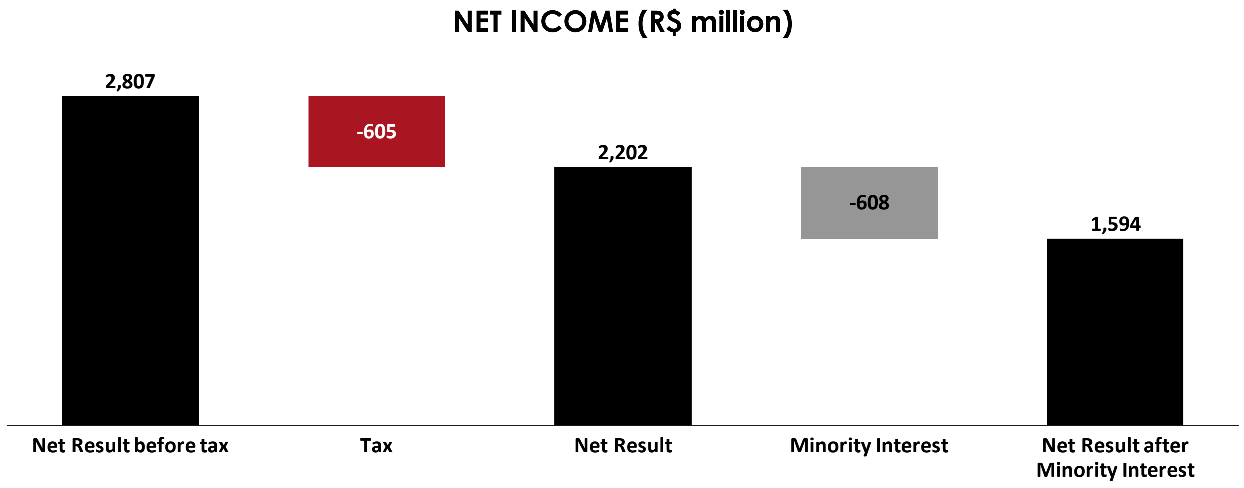


FINANCIAL RESULT (R$ million)

FINANCIAL RESULT	2Q20	1Q20	Chg. R$	Chg. %
Net Interest Provisioned	(496)	(248)	(248)	100%
Other Financial Revenues and Expenses	64	(60)	123	-207%
RECURRING FINANCIAL RESULT	**(433)**	**(308)**	**(125)**	**41%**
Non-recurring expenses	(28)	(244)	216	-89%
FINANCIAL RESULT BEFORE EXCHANGE VAR.	**(460)**	**(551)**	**91**	**-17%**
Exchange Variation	(314)	(632)	318	-50%
NET FINANCIAL RESULT	**(774)**	**(1.183)**	**409**	**-35%**

Note: the effects from currency translation on liabilities contracted by subsidiaries abroad, whose functional currency differs from that of the parent company, are recorded under shareholders' equity.

The net financial result in 2Q20, excluding exchange variation and non-recurring expenses, was an expense of R$433 million, improving R$125 million from 1Q20, mainly due to the higher average exchange rate in the period.



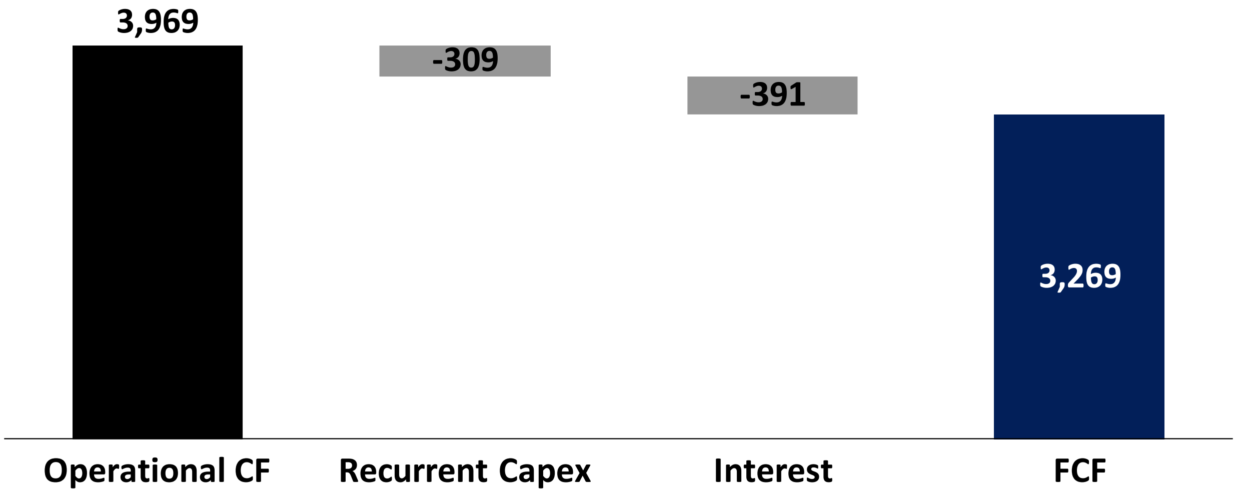
In 2Q20, net income from continuing operations was R$1.6 billion, representing a new record for the Company.

The strong performance was due to the Company's commitment to and focus on operational excellence combined with an increasingly optimized capital structure to support structural profitability going forward.

CAPEX & INVESTMENTS

Recurring capex came to R$309 million in 2Q20, 65% of which was allocated to maintenance and improvements. In maintenance expenses, the highlight were the investments in regular maintenance and in the water treatment and reuse plant in Liberal, Kansas, in the North America Operation. The remaining balance was allocated to organic growth projects, especially to improving technology at the plant in Liberal, Kansas, which will support greater agility in cuts and in consumer-ready products and to expanding the deboning and patty areas at the Várzea Grande Unit. The projects are aligned with the Company's strategy to optimize its operational footprint, which maximizes the potential of its most efficient units while shuttering less efficient plants.

CASH FLOW (R$ million)

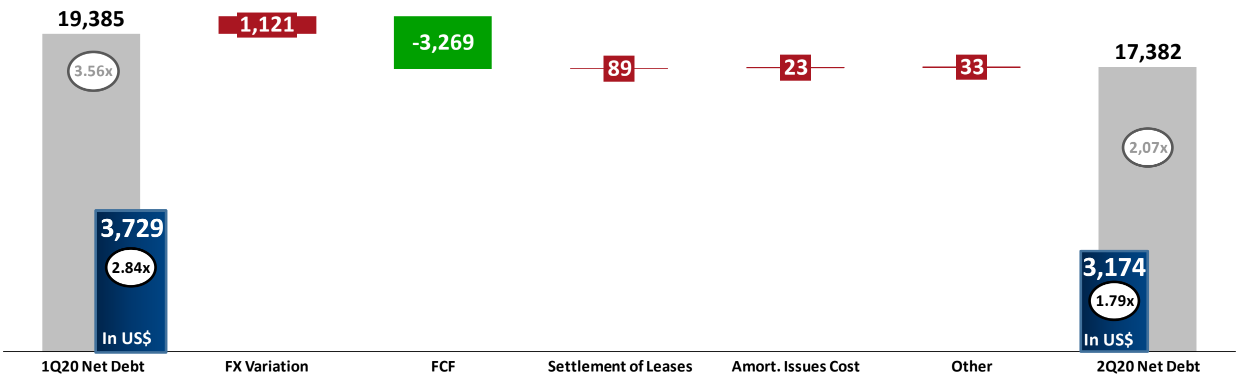


In 2Q20, the focused efforts to surmount the adversities in the period translated into an excellent operating result of cash flow from operations of R$4.0 billion.

From the perspective of working capital, the better inventory management partially offset the increases in: (i) trade receivables, given the higher sales prices in North America and the higher exports in South America; and (ii) trade payables, due to the higher cattle price.

Free cash flow registered a record high of R$3,269 million.

NET DEBT (in R$ million and US$ million)



Because a large portion of Marfrig's debt is denominated in U.S. dollar (debt denominated in USD or currencies other than the BRL ended the quarter at roughly 96.0% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

Net debt ended 2Q20 at US$3,174 million, decreasing US$555 million or 15% from 1Q20. The reduction is explained by the strong cash generation in the period.

Also in the quarter, around US$9.4 million (R$54 million) was paid in dividends to third parties.

In Brazilian real, net debt stood at R$17,382 million in 2Q20, down 10%, which also reflects the noncash effect from exchange variation of R$1,121 million.

Financial leverage, calculated by the ratio of net debt (last 12 months) to proforma Adj. EBITDA LTM (last 12 months), was **1.79x in U.S. dollar**, decreasing 1.10x from 1Q20. In Brazilian real, the leverage ratio was 2.07x, marking lowest level ever.

Net Debt / EBITDA^Adj LTM In USD	Net Debt / EBITDA^Adj LTM In BRL	Avg. Cost (% p.a.)	Avg. Term (years)
1.79x	2,07x	6.13%	4.35

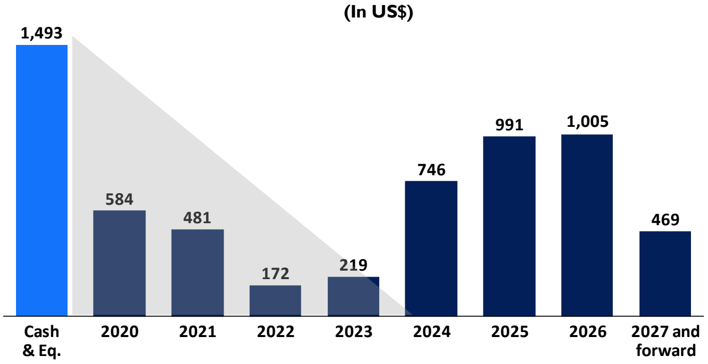
Note: the calculation of the leverage ratio for the purpose of complying with the financial covenants of bank and capital market funding transactions, which establish a limit of 4.75x, includes provisions that allow for excluding exchange-variation effects. Accordingly, the ratio for this purpose ended 2Q20 at 1.24x (for more information, see Note 17.3 to the financial statements).

DEBT PROFILE

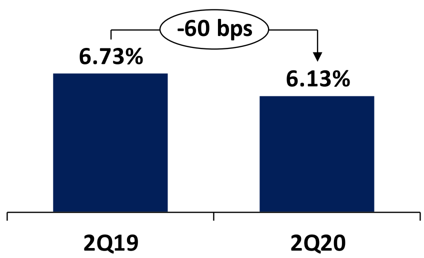
This quarter, we concluded the execution of a Term Loan with an international syndicate of 15 banks with maturity in 36 months and remuneration of Libor plus up to 4.00% per annum. This transaction replaced the Bridge Loan in the same amount, of US$500 million. After the transaction, the average debt term lengthened to 4.3 years, with long-term liabilities representing 82% of total debt.

The Company's cash position covers debt service for the next 36 months.

Cash Position and Debt Schedule
(In US$)



Average Cost of Debt
(% a.a.)



The average debt cost ended the quarter at 6.13%, down 60 bps from 2Q19. The downward trend in the Company's debt cost is one of the main indicators of the success of the ongoing efforts to reduce financial expenses and increase profitability.

SUSTAINABLE COMMITMENT

Marfrig will have a deforestation-free production chain in ten years

- Company will invest R$500 million in sustainability actions by 2030;
- Key objective is to produce while conserving Brazilian biomes, especially Amazonia;
- Designed in partnership with the IDH, the program envisages sustainable cattle production, full traceability and inclusion of producers.

Marfrig announced the Marfrig Verde+ Plan, whose purpose is to ensure that 100% of the production chain is sustainable and free of deforestation over the next ten years. The plan, conceived in partnership with the public-private Dutch institute IDH – The Sustainable Trade Initiative, was presented to investors, clients, cattle producers and environmentalists in Brazil and abroad.

Based on the PRODUCTION-CONSERVATION-INCLUSION approach, the plan envisages a closer connection with the supply chain that goes beyond business relationships to include improving its sustainability and mitigating deforestation risks.

Many of the actions will be simultaneous and interconnected, and involve networking, partnerships with associations representing cattle producers, civil society organizations and academia, as well as working jointly with the Prosecution Office. Society can monitor the pace of achievement of targets through transparent platforms.

By 2022, Marfrig will have adapted all its systems to control the chain and mitigate risks. Later this year, the Company will launch the Map for Mitigating Indirect Supplier Risks, which is a tool that will crosscheck various maps of native vegetation with other maps of cattle production. This will enable Marfrig to identify areas of higher or lower risk of suppression of biodiversity. Also by the end of 2020, the satellite-based geomonitoring system currently used for Amazonia will be adapted to monitor the Cerrado biome as well.

Between 2022 and 2025, Marfrig will lead the program to reintegrate banned producers, enabling them to once again comply with its sustainability criteria. The Company also will roll out a technical support network program, as well as the intensification and restoration of biodiversity through improved pastures, genetic enhancement and animal nutrition. The support for the pilot initiative led by IDH, the Sustainable Calf Program in the state of Mato Grosso, is part of the effort to build these technical support models. In addition, jointly with financial institutions, Marfrig and IDH are coordinating the construction of credit facilities that meet the needs of cattle producers.

100% TRACEABILITY OF CHAIN IN AMAZONIA

By 2025, the goal is to achieve full traceability of Marfrig's supply chain in Amazonia. Over the next ten years, the company plans to replicate the program in the Cerrado and other biomes to achieve zero deforestation by 2030.

To help the program gain scale and momentum, Marfrig also will interact with other links in the production chain, such as producers, government, industry peers, civil society, clients, investors and banks.

COVID-19

The health and safety of everyone who works at the Company's sites, with continuous monitoring of conditions at units and following to the letter the protocols established by the World Health Organization and by the local authorities of the countries where it operates, continue to be Marfrig's first priority and focus.

We remain committed to keeping our units operational and to ensuring the supply of essential products to the majority of consumers.

In the South America Operation:

During the second quarter, the Company announced the program to test all its 18,000 employees across Brazil. The goal is to identify employees who had contact with the novel coronavirus that causes COVID-19 and, based on the data collected, to adopt additional preventive measures at its production units.

In this way, Marfrig further increases the efficiency of the preventive measures that it has taken since the onset of the crisis. The Várzea Grande Unit in Mato Grosso, which has 3,000 employees, was the first to be tested under this program.

The testing of Marfrig employees working at the other 11 units in Brazil will follow a timetable established by the company. The testing of all the Company's employees in Brazil was formalized via a consent decree entered into between Marfrig and Brazil's Federal Labor Prosecution Office.

Marfrig, jointly with two food majors – ADM and Burger King® – have announced the donation of over half a million plant-based burgers to projects run by non-governmental organizations that assist people in socially vulnerable situations as well as health professionals. The products were delivered to the NGO Rio da Paz, the São Paulo Food Bank and SESC Mesa Brasil in São Paulo and Rio de Janeiro, which will be responsible for distribution to ensure that the food reaches those who most need it.

Also under the program, the Company donated in May 26,500 hand sanitizer bottles to 27 institutions (hospitals and social organizations) in the 13 cities in which it operates in Brazil.

In the North America Operation

In the North America Operation, the Covid-19 Task Force was created in response to the most serious phase of the pandemic. The purpose of the task force is to formulate strategies in coordination and to implement the measures issued by the health authorities, such as the CDC, OSHA and other regulatory agencies. The Executive Safety

& Health Officer was elected to head up the committee and several coordinators were appointed at each of the plants.

Financial incentives were maintained or expanded. During the second quarter, we created a bonus for full-time employees who worked a full week, which consisted of US$500 for each week worked.

Currently, we are focusing on supporting the communities where we live and work, as well as the local companies that provide the goods and services necessary for our employees and their families. More than US$1.7 million was donated to assist local partners and communities.

Education - We know that teachers and students are facing major changes due to COVID-19, which led us to donate funds to support key infrastructure needs of educational institutions, from notebooks for students, expanded internet access, support for additional sanitation supplies and reinforcement of school emergency funds.

Food, public services and basic needs – We donated funds and products, provided gift cards to pay for meals at restaurants, and supported public utility bills for small companies in local communities.

Health care - Hospitals, health professionals, first responders and public health experts have played vital roles in keeping our communities safe. To support their mission against COVID-19, we provided tools and equipment with disinfectant solutions for ambulances and fire trucks, commercial washers and driers for sanitizing uniforms at emergency units, and meals for local county sheriff departments, police departments, fire departments, hospitals and other health facilities.

Elderly and children - We are focusing on these populations with special needs and the organizations that protect them. Our donation to a local nursery enabled the acquisition of iPads for each resident so that they can maintain contact with their families during this period of long social distancing. We also supported veteran homes, community action centers, senior citizen homes, social assistance programs, boy's and girl's clubs, daycare centers and shelters for women and men.

Marfrig is working resiliently and carefully to perform its essential function, which is supplying quality beef to everyone. Our priority is to safeguard the health of our employees. We are sparing no effort or resource to ensure a healthy and safe workplace so that all activities can be maintained.

Marfrig is one of the world's leading producers of animal protein of the highest quality and with the most rigorous standards of safety and sustainability. **From the countryside of Kansas to the inland regions of Uruguay, Chile and Argentina and various Brazilian cities, Marfrig now works with one important mission: to feed the world of people who cannot leave their home and to feed the other world of people who must venture from home to work; because we know that** [those who feed the world can never stop.]

UPCOMING EVENTS

Earnings Conference Call

Date: August 13, 2020

9 a.m. (Brasília)

Dial in Brazil: + 55 (11) 3181-8565
Or +55(11) 4210-1803

Dial in (Other countries) +1(412) 717-9627 / +1(844) 204-8942

Code: Marfrig

Live audio webcast with slide presentation.
Replay available for download: www.marfrig.com.br/ri

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ri@marfrig.com.br

DISCLAIMER

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

No representation or warranty, either expressed or implied, is made regarding the accuracy or scope of the information herein. Neither the Company nor any of its affiliated companies, consultants or representatives undertake any liability for losses or damages arising from any of the information presented or contained in this presentation. The information contained in this presentation is up to date as of June 30, 2020, and, unless stated otherwise, is subject to change without prior notice. Neither the Corporation nor any of its affiliated companies, consultants or representatives have signed any commitment to update such information after the date hereof. This presentation should not be construed as a legal, tax or investment recommendation or any other type of advice.

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

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

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

APPENDIX LIST

APPENDIX I
Proforma Income Statement
(R$ million)

	2Q20 (a)		2Q19 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**18.881**	**100,0%**	**12.241**	**100,0%**	**6.639**	**54,2%**
COGS	(14.320)	-75,8%	(10.722)	-87,6%	(3.598)	33,6%
Gross Profit	**4.561**	**24,2%**	**1.519**	**12,4%**	**3.042**	**200,2%**
SG&A	**(851)**	**-4,5%**	**(717)**	**-5,9%**	**(134)**	**18,7%**
Commercial	(611)	-3,2%	(502)	-4,1%	(109)	21,6%
Administratives	(240)	-1,3%	(215)	-1,8%	(25)	11,8%
Adj. EBITDA	**4.068**	**21,5%**	**1.111**	**9,1%**	**2.958**	**266,3%**
Others revenues/expenses	(130)	-0,7%	(27)	-0,2%	(103)	387,6%
EBITDA	**3.938**	**20,9%**	**1.084**	**8,9%**	**2.854**	**263,3%**
P&L - US$ x BRL	**R$ 5,39**		**R$ 3,92**		**1,47**	**37,5%**
BS - US$ x BRL	**R$ 5,48**		**R$ 3,83**		**1,64**	**42,9%**

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APPENDIX II

Income Statement and EBITDA Reconciliation*[2]

(R$ million)

	2Q20 (a)		2Q19 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**18.881**	**100,0%**	**11.719**	**100,0%**	**7.162**	**61,1%**
COGS	(14.320)	-75,8%	(10.239)	-87,4%	(4.081)	39,9%
Gross Profit	**4.561**	**24,2%**	**1.481**	**12,6%**	**3.080**	**208,1%**
SG&A	**(851)**	**-4,5%**	**(704)**	**-6,0%**	**(146)**	**20,8%**
Commercial	(611)	-3,2%	(496)	-4,2%	(114)	23,0%
Administratives	(240)	-1,3%	(208)	-1,8%	(32)	15,5%
Adj. EBITDA	**4.068**	**21,5%**	**1.082**	**9,2%**	**2.986**	**275,9%**
Others revenues/expenses	(130)	-0,7%	(26)	-0,2%	(104)	406,9%
EBITDA	**3.938**	**20,9%**	**1.057**	**9,0%**	**2.882**	**272,7%**
Equity Account	(0)	0,0%	0	0,0%	(0)	-
D&A	(358)	-1,9%	(306)	-2,6%	(52)	17,0%
EBIT	**3.580**	**19,0%**	**751**	**6,4%**	**2.830**	**377,0%**
Financial Results	**(774)**	**-4,1%**	**(404)**	**-3,4%**	**(370)**	**91,7%**
Financial revenues/expenses	**(460)**	**-2,4%**	**(389)**	**-3,3%**	**(71)**	**18,2%**
Exchange rate variation	**(314)**	**-1,7%**	**(15)**	**-0,1%**	**(299)**	**2055,5%**
EBT	**2.807**	**14,9%**	**347**	**3,0%**	**2.460**	**709,0%**
Taxes	**(605)**	**-3,2%**	**53**	**0,5%**	**(658)**	**-1233,1%**
Continued Operation - Net Profit	**2.202**	**11,7%**	**400**	**3,4%**	**1.801**	**450,0%**
Discontinued Operation - Net Profit	**-**	**0,0%**	**-**	**0,0%**	**-**	**-**
Total Net Profit	**2.202**	**11,7%**	**400**	**3,4%**	**1.801**	**450,0%**
Minority Stake	**(608)**	**-3,2%**	**(314)**	**-2,7%**	**(294)**	**93,7%**
Continued Operation - Net Profit	**1.594**	**8,4%**	**87**	**0,7%**	**1.507**	**1742,7%**
Discontinued Operation - Net Profit	**-**	**0,0%**	**-**	**0,0%**	**-**	**-**
Total Net Profit	**1.594**	**8,4%**	**87**	**0,7%**	**1.507**	**1742,7%**
P&L - US$ x BRL	**R$ 5,39**		**R$ 3,92**		**-R$ 3,92**	
BS - US$ x BRL	**R$ 5,48**		**R$ 3,83**		**-R$ 3,83**	

[2] EBITDA reconciliation prepared according to CVM Instruction 527

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	2Q20	2Q19
Net Profit / Loss	**1.594**	**110**
(+) Provision for income and social contribution	605	(53)
(+) Non-controlling Interest	608	314
(+) Net Exchange Variation	314	15
(+) Net Financial Charges	460	391
(+) Depreciation & Amortization	358	308
EBITDA	**3.938**	**1.084**
(+) Other Operacional Revenues/Expenses	130	27
Adj. EBITDA	**4.068**	**1.111**

APPENDIX III
Cash Flow
(R$ million)

Continued Free Cash Flow	2Q20	1Q20
Net Income/Loss	1.594	(137)
(+/-) Non cash items	1.645	1.334
(+/-) Account Receivable	(402)	(25)
(+/-) Inventories	333	(289)
(+/-) Suppliers	(125)	(921)
(+/-) Others	924	(932)
(=) Operational Cash Flow	3.969	(970)
(-) Total Capex and Investments	(309)	(190)
(-) Interest expenses	(391)	(294)
Cash Flow Before Third Party Dividends	**3.269**	**(1.454)**

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APPENDIX IV

Income Statement by Operation (Continued Operation)

(R$ thousand)

2Q20	North America		South America		Corporate	
	R$	%NOR	R$	%NOR	R$	%NOR
Net Revenues	**14.479**	**100,0%**	**4.402**	**100,0%**	**-**	**100,0%**
COGS	(10.719)	-74,0%	(3.600)	-81,8%	(1)	0,0%
Gross Profit	**3.759**	**26,0%**	**802**	**18,2%**	**(1)**	**0,0%**
SG&A	**(459)**	**-3,2%**	**(281)**	**-6,4%**	**(110)**	**0,0%**
Adj. EBITDA	**3.480**	**24,0%**	**613**	**13,9%**	**(25)**	**0,0%**

2Q19	North America		South America		Corporate	
Net Revenues	**8.794**	**100,0%**	**3.448**	**100,0%**	**-**	**100,0%**
COGS	(7.669)	-87,2%	(3.052)	-88,5%	(1)	0,0%
Gross Profit	**1.125**	**12,8%**	**395**	**11,5%**	**(1)**	**0,0%**
SG&A	**(347)**	**-3,9%**	**(286)**	**-8,3%**	**(84)**	**0,0%**
Adj. EBITDA	**917**	**10,4%**	**216**	**6,3%**	**(22)**	**0,0%**

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APPENDIX V
Balance Sheet
(R$ thousand)

ASSETS	2Q20	4Q19
CURRENT ASSETS		
Cash and Marketable Securities	8.174.043	8.410.113
Trade accounts receivable	2.846.428	2.020.516
Inventories of goods and merchandise	2.921.294	2.383.486
Biological assets	53.598	29.139
Recoverable taxes	694.780	1.176.530
Prepaid expenses	86.655	61.823
Notes receivable	33.276	82.318
Advances to suppliers	108.646	110.044
Other receivables	465.065	146.135
	15.383.785	**14.420.104**
NON CURRENT ASSETS		
Court deposits	71.970	62.055
Notes receivable	4.850	0
Deferred income and social contribution taxes	1.912.314	1.413.253
Recoverable taxes	2.490.565	2.321.233
Other receivables	316.888	134.537
	4.796.587	**3.931.078**
Investments	63.954	45.694
Property, plant and equipment	7.810.445	6.441.055
Intangible assets	8.716.479	6.734.090
	16.590.878	**13.220.839**
TOTAL ASSETS	**36.771.250**	**31.572.021**

LIABILITIES	1Q20	4Q19
CURRENT LIABILITIES		
Trade accounts payable	2.513.509	2.670.322
Supply chain finance	14.317	176.881
Accrued payroll and related charges	1.264.461	757.699
Taxes payable	807.910	407.817
Loans and financing	4.605.652	4.594.444
Notes payable	144.702	108.483
Lease payable	172.570	131.093
Advances from customers	1.284.937	1.322.910
Other payables	417.413	445.399
	11.225.471	**10.615.048**
NON CURRENT LIABILITIES		
Loans and financing	20.950.673	17.121.836
Taxes payable	316.509	768.129
Deferred income and social contribution taxes	194.587	136.275
Provisions for contingencies	426.997	361.884
Lease payable	485.712	392.740
Notes payable	336.090	233.094
Other	224.107	166.674
	22.934.675	**19.180.632**
CONTROLLING SHAREHOLDER´S EQUITY		
Share Capital	8.204.391	8.204.391
Capital reserve	(1.991.197)	(1.271.370)
Profit reserves	51.824	51.824
Other comprehensive income	(4.349.367)	(3.271.650)
Accumulated losses	(1.548.402)	(3.094.630)
Controlling Shareholder's Equity	**367.249**	**618.565**
Non-controlling interest	2.243.855	1.157.776
Total Controlling Shareholder's Equity	**2.611.104**	**1.776.341**
TOTAL LIABILITIES	**36.771.250**	**31.572.021**

Marfrig Global Foods S.A.

Separate and Consolidated Interim
Financial Statements (ITR)

On June 30, 2020

CONTENTS

DRAFT Conselho 20.02.2019

Other information

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

Report on the review of interim financial information

Grant Thornton Auditores Independentes

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

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

Introduction

We have reviewed the accompanying individual and consolidated interim accounting information of Marfrig Global Foods S.A. ("the Company"), comprised in the Quarterly Information Form for the quarter ended June 30, 2020, comprising the balance sheet as of June 30, 2020 and the respective statements of income and comprehensive income for the periods of three and six months then ended, and the changes in shareholders' equity and cash flows for the period of six months then ended, including the footnotes.

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

Review scope

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

Conclusion on the individual and the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the interim financial information referred to above has not been prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of interim financial information, and presented in accordance with the standards issued by the Brazilian Securities Exchange Commission.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added for the period of six months ended June 30, 2020, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. This statements were submitted to the same review procedures in conjunction with the review of the Company's interim financial information in the order to conclude they are reconciliated to the interim financial information and to the accounting records, as applicable, and whether the structure and content are in accordance with the criteria established by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 12, 2020

Jefferson Coelho Diniz
Assurance Partner

Grant Thornton Auditores Independentes

MARFRIG GLOBAL FOODS S.A.

Balance Sheet - Assets
As of June 30, 2020 and December 31, 2019

(In thousands of Brazilian reais - R$)

	Note	Parent		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current Assets					
Cash and cash equivalents	4	48.994	244.698	2.817.374	1.774.902
Marketable securities	5	730.300	1.556.280	5.356.669	6.635.211
Trade accounts receivable - domestic	6	307.090	55.705	2.200.917	1.442.725
Trade accounts receivable - foreign	6	1.458.025	835.092	645.511	577.791
Inventories of goods and merchandise	7	559.226	681.792	2.921.294	2.383.486
Biological assets		-	-	53.598	29.139
Recoverable taxes	8	530.334	1.009.845	694.780	1.176.530
Prepaid expenses		13.424	15.461	86.655	61.823
Notes receivable	9	379.471	355.250	33.276	82.318
Advances to suppliers		43.364	71.493	108.646	110.044
Other receivables		184.588	8.637	465.065	146.135
		4.254.816	**4.834.253**	**15.383.785**	**14.420.104**
Non-Current Assets					
Court deposits		66.021	56.135	71.970	62.055
Notes receivable	9	10.001.175	7.335.451	4.850	-
Deferred income and social contribution taxes	10	1.307.426	940.957	1.912.314	1.413.253
Recoverable taxes	8	2.431.992	2.286.791	2.490.565	2.321.233
Other receivables		5.746	7.134	316.888	134.537
		13.812.360	**10.626.468**	**4.796.587**	**3.931.078**
Investments	11	8.271.164	4.558.779	63.954	45.694
Property, plant and equipment	12	3.119.973	3.064.696	7.810.445	6.441.055
Intangible assets	13	307.133	318.894	8.716.479	6.734.090
		11.698.270	**7.942.369**	**16.590.878**	**13.220.839**
		25.510.630	**18.568.837**	**21.387.465**	**17.151.917**
Total Assets		**29.765.446**	**23.403.090**	**36.771.250**	**31.572.021**

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

MARFRIG GLOBAL FOODS S.A.

Balance Sheet - Liabilities and Equity
As of June 30, 2020 and December 31, 2019

(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current liabilities					
Trade accounts payable	14	739.456	1.088.611	2.513.509	2.670.322
Supply chain financing	15	14.317	176.881	14.317	176.881
Accrued payroll and related charges		138.829	111.019	1.264.461	757.699
Taxes payable	16	46.185	165.591	807.910	407.817
Loans, financing and debentures	17	3.856.769	2.076.246	4.605.652	4.594.444
Notes payable	20	141.794	104.584	144.702	108.483
Lease payable	19	15.131	20.112	172.570	131.093
Advances from customers	18	1.121.340	1.205.578	1.284.937	1.322.910
Other payables		52.343	92.999	417.413	445.399
		6.126.164	**5.041.621**	**11.225.471**	**10.615.048**
Non-current liabilities					
Loans, financing and debentures	17	604.754	699.012	20.950.673	17.121.836
Taxes payable	16	170.926	709.113	316.509	768.129
Deferred income and social contribution taxes	10	-	-	194.587	136.275
Provisions for contingencies	21	328.714	291.343	426.997	361.884
Lease payable	19	56.864	81.780	485.712	392.740
Notes payable	20	22.110.775	15.961.656	336.090	233.094
Other payables		-	-	224.107	166.674
		23.272.033	**17.742.904**	**22.934.675**	**19.180.632**
Equity					
Share Capital	22.1	8.204.391	8.204.391	8.204.391	8.204.391
Capital reserves, granted options and treasury shares	22.2	(1.991.197)	(1.271.370)	(1.991.197)	(1.271.370)
Profit reserves	22.3	51.824	51.824	51.824	51.824
Other comprehensive income	22.4	(4.349.367)	(3.271.650)	(4.349.367)	(3.271.650)
Accumulated losses		(1.548.402)	(3.094.630)	(1.548.402)	(3.094.630)
Controlling shareholders' equity		**367.249**	**618.565**	**367.249**	**618.565**
Non-controlling interest		-	-	2.243.855	1.157.776
Total equity		**367.249**	**618.565**	**2.611.104**	**1.776.341**
Total liabilities and shareholders' equity		**29.765.446**	**23.403.090**	**36.771.250**	**31.572.021**

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

MARFRIG GLOBAL FOODS S.A.

Statement of income
Years ended June 30, 2020 and 2019

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

		Parent				Consolidated			
	Note	2nd Quarter 2020	YTD 2020	2nd Quarter 2019	YTD 2019	2nd Quarter 2020	YTD 2020	2nd Quarter 2019	YTD 2019
Net sales revenue	23	2.988.263	5.741.733	2.212.991	4.140.325	18.880.653	32.382.262	11.719.125	21.798.810
Cost of products and goods sold	24	(2.369.591)	(4.664.798)	(2.026.384)	(3.812.917)	(14.319.687)	(26.145.189)	(10.238.548)	(19.390.758)
Gross profit		**618.672**	**1.076.935**	**186.607**	**327.408**	**4.560.966**	**6.237.073**	**1.480.577**	**2.408.052**
Operating income (expenses)		1.544.222	1.655.838	146.109	186.459	(980.474)	(1.792.150)	(729.919)	(1.295.130)
Selling expenses	24	(129.398)	(266.424)	(150.244)	(316.185)	(610.605)	(1.155.444)	(496.358)	(963.323)
General and administrative expenses	24	(24.175)	(49.422)	(54.678)	(105.181)	(240.154)	(452.460)	(207.974)	(383.755)
Equity in earnings (losses) of subsidiaries	11	1.787.722	2.108.896	376.754	671.954	-	-	-	-
Other operating income (expenses)		(89.927)	(137.212)	(25.723)	(64.129)	(129.715)	(184.246)	(25.587)	51.948
Net income (loss) before net financial income (losses)		**2.162.894**	**2.732.773**	**332.716**	**513.867**	**3.580.492**	**4.444.923**	**750.658**	**1.112.922**
Financial income (expenses)	25	(656.835)	(1.642.225)	(421.923)	(781.722)	(773.861)	(1.956.883)	(403.742)	(784.010)
Financial income		726.508	1.369.891	156.934	504.412	723.568	1.410.632	354.534	834.895
Financial expenses		(1.383.343)	(3.012.116)	(578.857)	(1.286.134)	(1.497.429)	(3.367.515)	(758.276)	(1.618.905)
Net income (loss) before taxes		**1.506.059**	**1.090.548**	**(89.207)**	**(267.855)**	**2.806.631**	**2.488.040**	**346.916**	**328.912**
Income and Social Contribution taxes		**87.888**	**366.469**	**175.709**	**358.679**	**(604.892)**	**(318.572)**	**53.381**	**213.460**
Current and deferred income tax	28	66.587	271.426	130.017	262.945	(626.685)	(414.104)	7.569	117.636
Current and deferred social contribution	28	21.301	95.043	45.692	95.734	21.793	95.532	45.812	95.824
Net income (loss) for the period before interest		**1.593.947**	**1.457.017**	**86.502**	**90.824**	**2.201.739**	**2.169.468**	**400.297**	**542.372**
Attributable to:									
Controlling interest		1.593.947	1.457.017	86.502	90.824	1.593.947	1.457.017	86.502	90.824
Non-controlling interest		-	-	-	-	607.792	712.451	313.795	451.548
		1.593.947	**1.457.017**	**86.502**	**90.824**	**2.201.739**	**2.169.468**	**400.297**	**542.372**
Basic and diluted earnings per share - Common	26	**2,2755**	**2,0799**	**0,1397**	**0,1467**	**2,2755**	**2,0799**	**0,1397**	**0,1467**

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

MARFRIG GLOBAL FOODS S.A.

Statement of changes in shareholders' equity
Years ended June 30, 2020 and 2019

(In thousands of Brazilian reais - R$)

	Share Capital	Capital reserves, options granted and treasury shares	Profit reserves	Other comprehensive income	Accumulated losses	Total	Total non-controlling interest	Total shareholders' equity
At December 31, 2018	**7.319.467**	**155.824**	**51.824**	**(3.535.777)**	**(3.317.874)**	**673.464**	**3.338.093**	**4.011.557**
Cumulative translation adjustment and asset valuation adjustment	-	-	-	72.409	3.390	75.799	(420.698)	(344.899)
Acquisition of treasury shares	-	2.330	-	-	-	2.330	-	2.330
Goodwill stock option	-	(2.083)	-	-	-	(2.083)	-	(2.083)
Net income for the period	-	-	-	-	90.824	90.824	451.548	542.372
At June 30, 2019	**7.319.467**	**156.071**	**51.824**	**(3.463.368)**	**(3.223.660)**	**840.334**	**3.368.943**	**4.209.277**

	Share Capital	Capital reserves, options granted and treasury shares	Profit reserves	Other comprehensive income	Accumulated losses	Total	Total non-controlling interest	Total shareholders' equity
At December 31, 2019	**8.204.391**	**(1.271.370)**	**51.824**	**(3.271.650)**	**(3.094.630)**	**618.565**	**1.157.776**	**1.776.341**
Cumulative translation adjustment and asset valuation adjustment	-	(684.191)	-	(1.077.717)	89.211	(1.672.697)	373.628	(1.299.069)
Acquisition of treasury shares	-	(32.860)	-	-	-	(32.860)	-	(32.860)
Goodwill stock option	-	(2.776)	-	-	-	(2.776)	-	(2.776)
Net income for the period	-	-	-	-	1.457.017	1.457.017	712.451	2.169.468
At June 30, 2020	**8.204.391**	**(1.991.197)**	**51.824**	**(4.349.367)**	**(1.548.402)**	**367.249**	**2.243.855**	**2.611.104**

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

MARFRIG GLOBAL FOODS S.A.

Statement of cash flows
Years ended June 30, 2020 and 2019

(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Net income (loss) for the period from continuing operations		1.457.017	90.824	1.457.017	90.824
Non-cash items		**(1.256.540)**	**(836.489)**	**2.979.038**	**1.168.723**
Depreciation and amortization		139.481	179.069	661.890	592.650
Non-controlling interest		-	-	712.451	451.548
Provision for contingencies		37.371	-	54.945	(13.982)
Deferred taxes and tax liabilities		(366.469)	(358.679)	(435.813)	(325.142)
Equity in earnings (losses) of subsidiaries		(2.108.896)	(671.954)	-	-
Exchange variation on financing		948.731	(67.460)	945.240	(72.469)
Exchange variation on other assets and liabilities		(50.064)	62.839	448	61.410
Interest expenses on financial debt		28.029	18.526	684.940	523.662
Interest expenses on financial lease		2.329	5.303	11.617	11.457
Interest expenses on debentures		-	5.368	-	-
Cost with issue of financial operations		1.800	2.390	212.577	155.789
Leasing adjustment to present value		(436)	74	(434)	68
Estimated non-realization of inventories		(13.358)	(13.140)	(13.995)	(14.189)
Estimated losses with doubtful accounts		7.208	346	9.688	1.942
Estimated losses with non-realization of recoverable taxes		72.204	-	71.846	-
Other non-cash effects		45.530	829	63.638	(204.021)
Equity changes		**(1.711.781)**	**374.171**	**(1.437.836)**	**(1.095.077)**
Trade accounts receivable		(888.194)	107.742	(427.188)	(154.925)
Current inventory and biological assets		135.925	(105.537)	44.270	(431.295)
Court deposits		(9.886)	(4.149)	(9.908)	(4.103)
Accrued payroll and related charges		27.810	25.137	397.040	(230.881)
Trade payables and supplier chain financing		(478.585)	14.947	(1.046.680)	18.021
Current and deferred taxes		(395.488)	(103.636)	228.034	(83.128)
Notes receivable and payable		112.656	596.340	(126.125)	(392)
Other assets and liabilities		(216.019)	(156.673)	(497.279)	(208.374)
Cash flow (used in) provided by operating activities		**(1.511.304)**	**(371.494)**	**2.998.219**	**164.470**
Investing activities					
Investimentos		-	-	-	(14)
Acquisition of subsidiary, net of cash		-	-	-	(428.216)
Investments in fixed and non-current biological assets		(223.186)	(310.427)	(497.020)	(505.829)
Investments in intangible assets		(1.765)	(3.894)	(1.915)	(4.191)
Cash flow used in investing activities		**(224.951)**	**(314.321)**	**(498.935)**	**(938.250)**
Financing activities					
Interest settled debentures / Bonds		-	(45.665)	(875.778)	(491.377)
Debentures / Bonds		-	(570.000)	(1.941.126)	-
Loans and financing		707.706	1.135.659	(1.596.665)	1.323.896
Loans granted		2.829.078	2.344.812	4.007.030	8.120.530
Loans settled		(2.121.372)	(1.209.153)	(5.603.695)	(6.796.634)
Lease payable		(35.311)	(15.580)	(152.932)	(4.046)
Lease granted		-	1.745	-	32.916
Lease settled		(35.311)	(17.325)	(152.932)	(36.962)
Treasury shares		(32.860)	2.330	(32.860)	2.330
Acquisition of non-conrolling interest		(32.989)	-	(4.073)	(15.971)
Dividends received		-	746.181	-	-
Dividends (subsidiaries) paid to non-controlling shareholders		-	-	(53.576)	(588.609)
Cash flow (used in) provided by financing activities	34	**606.546**	**1.252.925**	**(4.657.010)**	**226.223**
Exchange variation on cash and equivalents		108.025	(7.680)	1.921.656	(156.972)
Discontinued operations net of cash		-	-	-	(49.364)
Cash flow in the period		**(1.021.684)**	**559.430**	**(236.070)**	**(753.893)**
Cash and cash equivalents					
Balance at end of period		779.294	2.336.616	8.174.043	6.437.813
Balance at start of period		1.800.978	1.777.186	8.410.113	7.191.706
Change in the period		**(1.021.684)**	**559.430**	**(236.070)**	**(753.893)**

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

MARFRIG GLOBAL FOODS S.A.

Statement of added value
Years ended June 30, 2020 and 2019

(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	YTD 2020	YTD 2019	YTD 2020	YTD 2019
Revenue	**6.128.267**	**4.445.293**	**32.883.528**	**22.308.241**
Sales of goods and services	6.131.374	4.444.252	32.879.497	22.207.781
Other revenues	4.098	1.388	18.559	102.148
Expected losses with doubtful accounts	(7.205)	(347)	(14.528)	(1.688)
Inputs purchased from other firms (including taxes - ICMS, IPI, PIS and Cofins)	**4.936.338**	**3.786.614**	**24.557.201**	**18.465.073**
Cost of goods sold and services rendered	3.938.130	3.097.198	21.480.632	15.517.778
Material, energy, outsourced services and other	998.208	689.416	3.076.569	2.947.295
Gross value added	**1.191.929**	**658.679**	**8.326.327**	**3.843.168**
Depreciation and amortization	139.481	179.069	661.890	592.650
Net value created by company	**1.052.448**	**479.610**	**7.664.437**	**3.250.518**
Value added received through transfer	**3.478.787**	**1.117.216**	**1.410.632**	**775.744**
Equity in earnings (losses) of subsidiaries	2.108.896	671.954	-	-
Financial income and exchange rate gains	1.369.891	504.412	1.410.632	834.895
Other	-	(59.150)	-	(59.151)
Total value added to be distributed	**4.531.235**	**1.596.826**	**9.075.069**	**4.026.262**
Value added distribution	**4.531.235**	**1.596.826**	**9.075.069**	**4.026.262**
Employees	**358.920**	**352.504**	**3.002.993**	**1.762.685**
Direct compensation	275.010	275.707	2.911.943	1.679.510
Benefits	65.883	59.299	71.678	64.368
FGTS (severance pay fund)	18.027	17.498	19.372	18.807
Taxes payable	**(304.446)**	**(140.698)**	**442.457**	**22.384**
Federal	(407.533)	(281.564)	279.555	(156.120)
State	100.405	138.793	160.190	176.393
Municipal	2.682	2.073	2.712	2.111
Value distributed to providers of capital	**3.019.744**	**1.294.196**	**3.460.151**	**1.698.821**
Interest	3.012.116	1.286.134	3.367.515	1.618.905
Rentals	7.628	8.062	92.636	74.465
Other	-	-	-	5.451
Value distributed to shareholders	**1.457.017**	**90.824**	**2.169.468**	**542.372**
Net loss from operations in the period	1.457.017	90.824	1.457.017	90.824
Non-controlling interest			712.451	451.548

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

MARFRIG GLOBAL FOODS S.A.

Statement of comprehensive income
Years ended June 30, 2020 and 2019

(In thousands of Brazilian reais - R$)

	Parent				Consolidated			
	2nd Quarter 2020	YTD 2020	2nd Quarter 2019	YTD 2019	2nd Quarter 2020	YTD 2020	2nd Quarter 2019	YTD 2019
Net income (loss) in the year	1.593.947	1.457.017	86.502	90.824	2.201.739	2.169.468	400.297	542.372
Exchange variation on net investments and balance sheet translation	(425.864)	(1.077.717)	34.851	72.409	(425.864)	(704.089)	34.851	(348.289)
Operations to hedge against exchange variation	278.891	-	-	-	278.891	-	-	-
Total comprehensive income in the period	(146.973)	(1.077.717)	34.851	72.409	(146.973)	(704.089)	34.851	(348.289)
Total comprehensive income (loss)	**1.446.974**	**379.300**	**121.353**	**163.233**	**2.054.766**	**1.465.379**	**435.148**	**194.083**
Attributable to:								
Controlling interest	1.446.974	379.300	121.353	163.233	1.446.974	379.300	121.353	163.233
Non-controlling interest	-	-	-	-	607.792	1.086.079	313.795	30.850

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

1. Operations

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

The Corporation is a publicly held corporation with its shares listed on the Novo Mercado listing segment of the Brazilian Stock Exchange B3 S.A. – Brasil, Bolsa, Balcão ("B3") under the stock symbol MRFG3.

Because it is listed on the Novo Mercado special corporate governance segment of B3, the Corporation is subject to arbitration under the Market Arbitration Chamber, pursuant to the arbitration clause in its by-laws.

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

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

The Management of the Corporation approved the issue of these separate and consolidated interim financial statements on August 12, 2020, and warrants that, based on its judgment, all material information is substantiated and corresponds to that used in its management activities.

2.1. Statement of compliance

Consolidated interim financial statements

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

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

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

Parent company interim financial statements

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

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

2.2. Basis of presentation

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

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

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

2.3. Foreign currency translation

Functional and reporting currency

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

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

Transactions and balances

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

Group companies

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

i. Asset and liability balances are translated using the exchange rate in effect at the date of the consolidated interim financial statements;

ii. Statement of operation accounts are translated using the monthly average exchange rate; and

iii. All differences arising from the foreign currency translation are recognized in shareholders' equity and in consolidated comprehensive income (loss) under "Cumulative translation adjustments."

3. Summary of significant accounting practices

3.1. Significant accounting practices

The interim financial statements were prepared in accordance with NBC TG 21/R3 (CVM Resolution 673/11) – Interim financial statements, which sets forth the minimum interim accounting information to be reported and the principles of recognition and measurement for complete or condensed interim financial statements. Thus, the quarterly information presented here was prepared based on the accounting policies and estimate calculation methods used while preparing the annual financial statements for the fiscal year ended December 31, 2019. There has been no change in said policies and estimate calculation methods.

As allowed by NBC TG 21/R3 (CVM Resolution 673/11), and based on the recommendations contained in Official Letter CVM/SNC/SEP/No. 003/2011, management chose to not report once again the details presented in Note 3. "Summary of significant accounting practices", in order to avoid repeating the information already disclosed in its latest annual financial statements. As a result, users must read these quarterly financial statements together with the annual financial statements for the fiscal year ended December 31, 2018, to have a better understanding.

3.2. Comments on COVID-19

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic, which led government authorities in various jurisdictions to impose quarantines or other restrictions to contain the spread of the virus, leading many companies to suspend or pare back their activities. However, the food industry is part of the supply chain of essential goods, along with the hospital, personal care and home care industries, which remained in operation.

The Company continues to evaluate constantly the impact of COVID-19 on its business and operations. To date, we know that situation is extremely challenging and, as the pandemic's effects reach regions where the Corporation operates, we are working actively to mitigate them. The main impacts on the Company's business as at June 30, 2020 are summarized below:

a) Operations

In the first half of 2020, the Company's operations were not adversely affected by the pandemic, as reflected in its record margins registered in the period.

The geographies where Marfrig has operations were more affected by the end of the first quarter. However, the Company did not register operating losses given the market dynamics in both regions. One the one hand, sales in domestic markets for the food service channel decreased in the closing weeks of March, but, on the other hand, sales increased significantly in the retail channel as people started to stock food to stay at home for a longer time.

Regarding exports, which is a significant matter for the South America operations, the Company's outlined a strategy, in December 2019, anticipating the slowdown of the Chinese market due to the year-end holidays, which proved to be more advantageous than expected given the outbreak of the pandemic that affected exports to China. Marfrig reduced the concentration of sales to the Chinese market in the first couple of months of the year and directed them to other regions, such as the Middle East and Europe, thereby attenuating the impact from China's shutdown.

With regard to the sourcing of cattle, at the end of the first quarter, we observed a reduction in price in the North America operations, while prices remained stable in the South America operations.

Given the essential nature of its operations to the communities where it is present, governments have been taking the measures necessary to ensure the continuity of production.

b) Exchange Variation

The depreciation in the Brazilian real against the U.S. dollar caused a positive impact on revenue for the first half of 2020, since approximately 93% of the Company's revenue is in dollar. Regarding the effects from exchange variation on the financial result, we inform that they do not affect the Company's cash, since it is mostly pegged to long-term loan operations denominated in foreign currency to be realized in future periods.

c) Social Aspects

Marfrig's operations are indispensable for the food safety of the communities where the Company is located and of the homes of consumers in approximately 100 countries. For this reason, the Company undertook a commitment to keep its units functioning during the crisis caused by the pandemic to ensure the supply of products necessary to most consumers, all with the utmost sense of responsibility, putting the health and safety of its employees first and monitoring constantly the conditions at our units.

The main social actions conducted by the Company during this period, which amounted to R$25.7 million, are described below:

In South America:

- ✓ Donation of R$7.5 million to the Ministry of Health of Brazil for purchasing coronavirus tests;
- ✓ Donation of R$1 million for medical care for vulnerable communities in Amazonia;
- ✓ Distribution of hand sanitizer free of cost to employees, social organizations and hospitals located in the cities in which the Company has operations;
- ✓ Donation of 48,000 cans of meat to complement emergency staple food baskets distributed by the Ministry of Social Development of Uruguay;
- ✓ Donation in Brazil of 2.5 kg of meat to each employee once a week, reinforcing the meals of our employees and their families in the first half of 2020;
- ✓ #TMJMarfrig Program, focusing on supporting 5,000 micro and small businesses in the food service segment, which includes bars, restaurants, cafeterias, bakeries and steakhouses across Brazil;
- ✓ Investment of approximately R$50 million to lengthen the payment terms of invoices and to increase, up to three times, the credit limit for purchases by partner clients.

In North America:

- ✓ In Ohio, we contribute to the local Food Bank by donating US$123,000 in chilled beef;
- ✓ All employees who are paid per hour are receiving a US$2 raise per hour in their base-salary;
- ✓ Donation of meat kits to all employees and contractors at all operational units.

d) Outlook

During the second quarter, the period that felt the greatest impact from COVID-19, Marfrig's operations remained resilient and with positive operating results. The Company observed that its markets are returning to normal due to the reduction in restrictive measures imposed by governments. The Company will continue to monitor the effects of the pandemic in the coming months to determine the relevant impacts on the accounting information when they are substantially known and measurable.

3.3. New standards and interpretations

The Company describes the key points of revision of the new standards issued by the Federal Accounting Council, effective for the fiscal year started in 2020, as presented below:

CVM Resolution 854

On April 24, 2020, the Securities and Exchange Commission of Brazil ("CVM") issued CVM Resolution 854, which mandated publicly held companies to revise the standards NBC TG 38/R3, NBC TG 40/R2 and NBC TG 48, issued by the Federal Accounting Council (CFC), applicable to fiscal years started on or after January 1, 2020. The amendments to NBC TG 38/R3, NBC TG 40/R2 and NBC TG 48 establish changes involving:

- Uncertainty arising from the reform of the reference interest rate; and
- Application of specific requirements involving hedge accounting.

The changes to the technical pronouncements, envisaged by CVM Resolution 854, were assessed and taken into account by the Company as from January 1, 2020, without any effects on the financial information herein.

3.4. Consolidated interim financial statements

The consolidated interim financial statements include the accounts of the Corporation and its subsidiaries, as per the table showing the equity interests of the Corporation in note 11.1 – Direct investments of the parent company.

Summary of the equity interests held by the Corporation by business segment include in the consolidated interim financial statements as of June 30, 2020:

(In thousands of Brazilian reais, except where otherwise indicated)

Equity interests

Parent Company	Core Activity
Marfrig Global Foods S.A	Processing and marketing of product (formed by cattle slaughter facilities in operation, which are also used in beef processing, for lamb primary processing, for producing home and personal care products, and for producing animal feed, located in the States of São Paulo, Mato Grosso, Mato Grosso do Sul, Pará, Rondônia, Goiás and Rio Grande do Sul, in addition to Distribution Centers in the States of São Paulo, Rio de Janeiro, Pernanbuco and Paraná, which are also used for beef procesing).

Subsidiaries	Core Activity
Masplen Ltd	Holding company
Pampeano Alimentos S.A	Producer of canned meat and other processed products
Marfrig Overseas Ltd	Specific Purpose Entity - SPEs
Marfrig Comercializadora de Energia Ltda	Energy trading and associated services
Marfrig Argentina S.A.	Processing and marketing of products
Frigorífico Tacuarembó S.A	Processing and marketing of products
Inaler S.A	Processing and marketing of products
Marfrig Chile S.A	Processing and marketing of products
Frigorífico Patagônia S.A	Processing and marketing of products
Abilun S.A	Holding company
Dicasold	Marketing and distribution of food products
Prestcott International S.A	Holding company
Cledinor S.A	Processing and marketing of products: beef and lamb
Establecimientos Colonia S.A	Processing and marketing of products
Weston Importers Ltd	Trading company
Marb Bondco PLC	Holding company whose purpose is to raise funds
Marfrig Peru S.A.C.	Marketing of products
Marfrig Holdings (Europe) B.V	Holding company whose purpose is to raise funds
Marfrig Beef (UK) Ltd.	Holding company
Marfrig Beef International Ltd.	Holding company
Marfrig NBM Holdings Ltd.	Holding company
MFG Holdings SAU	Holding company
Quickfood S.A.	Processing and marketing of products
NBM US Holdings, Inc.	Holding company whose purpose is to raise funds
National Beef Packing Company, LLC	Processing and marketing of products
MF Foods USA LLC.	Marketing of products
Iowa Premium, LLC	Processing and marketing of products
National Beef Ohio, LLC	Processing and marketing of products

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

4. Cash and cash equivalents

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

	Parent		Consolidated	
	6/30/2020	**12/31/2019**	**6/30/2020**	**12/31/2019**
Cash and banks	32,266	162,265	2,101,877	1,347,462
Cash equivalents	16,728	82,433	715,497	427,440
	48,994	**244,698**	**2,817,374**	**1,774,902**

(In thousands of Brazilian reais, except where otherwise indicated)

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and banks:				
Brazilian real	16,250	115,317	18,137	117,556
US dollar	32,022	128,921	2,642,182	1,514,174
Other	722	460	157,055	143,172
	48,994	**244,698**	**2,817,374**	**1,774,902**

5. Marketable Securities

The Corporation’s financial investments by type are as follows:

	PMPV [1]	Currency	Average interest rate p.a.%	Parent 6/30/2020	Parent 12/31/2019
Bank deposit certificates - CDB [2]	-	BRL	2.06%	629,248	329,930
Repurchase and reverse repurchase agreements	-	BRL	1.07%	69,999	822,610
Fixed income bond	-	BRL	3.24%	14,141	12,961
Time Deposit [2]	-	USD	-	-	371,197
FIDC [2]	0.09	BRL	5.73%	16,912	19,582
Total				730,300	1,556,280
Total current				**730,300**	**1,556,280**

	PMPV [1]	Currency	Average interest rate p.a.%	Consolidated 6/30/2020	Consolidated 12/31/2019
Bank deposit certificates - CDB [2]	-	BRL	2.06%	629,247	329,931
Repurchase and reverse repurchase agreements	-	BRL	1.07%	69,999	822,610
Time Deposit [2]	2.68	USD	2.54%	4,626,081	5,449,811
FIDC [2]	0.09	BRL	5.73%	16,912	19,582
Fixed income bonds	-	BRL	3.22%	14,430	13,277
Total				5,356,669	6,635,211
Total current				**5,356,669**	**6,635,211**

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

There were no changes in the types of financial investments held by the Corporation for the period ended June 30, 2020.

(In thousands of Brazilian reais, except where otherwise indicated)

6. Trade accounts receivable – domestic and foreign customers

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Trade accounts receivable - domestic	307,090	55,705	2,200,917	1,442,725
Trade accounts receivable - foreign	1,458,025	835,092	645,511	577,791
	1,765,115	**890,797**	**2,846,428**	**2,020,516**
Amounts not yet due	1,734,092	868,068	2,026,345	1,336,185
Amounts overdue				
From 1 to 30 days	23,466	17,595	681,493	631,204
From 31 to 60 days	1,562	1,977	85,972	25,390
From 61 to 90 days	5,995	3,157	52,618	27,737
More than 90 days	38,216	31,008	61,782	47,255
(-) Expected losses with doubtful accounts	(38,216)	(31,008)	(61,782)	(47,255)
	1,765,115	**890,797**	**2,846,428**	**2,020,516**

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

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

Changes in expected loss with doubtful accounts are as follows:

	Parent	Consolidated
Balance on December 31, 2019	**(31,008)**	**(47,255)**
Estimate accrued	(7,208)	(9,688)
Translation gains (losses)	-	(4,839)
Balance on June 30, 2020	**(38,216)**	**(61,782)**

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 sale of products on credit in the domestic market, in the amount of R$160 million (principal), of which R$16 million consists of subordinated mezzanine shares. On June 30, 2020, the amount of bills traded with the fund MRFG was R$46,543.

The program to sell non-recourse receivables with a prime financial institution in Europe, structured by Company's indirect subsidiary Weston Importers Ltd., was settled in the period ended June 30, 2020.

7. Inventories of products and merchandise

In the period ended June 30, 2020 and fiscal year ended December 31, 2019, inventories of finished products were carried at average purchase and/or production cost, as explained below:

(In thousands of Brazilian reais, except where otherwise indicated)

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Finished products	481,344	614,649	2,284,569	1,885,431
Raw materials	5,104	8,248	258,573	213,676
Packaging and storeroom supplies	80,065	79,540	386,865	306,621
(-) Expected losses	(7,287)	(20,645)	(8,713)	(22,242)
	559,226	**681,792**	**2,921,294**	**2,383,486**

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

	Parent	Consolidated
Balance on December 31, 2019	(20,645)	(22,242)
Reversal of estimates	13,358	13,995
Translation gains (losses)	-	(466)
Balance on June 30, 2020	**(7,287)**	**(8,713)**

8. Recoverable taxes

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
ICMS (State VAT)	517,115	418,479	525,792	423,978
PIS and Cofins (taxes on sales) credits	1,571,432	1,935,806	1,649,923	2,011,654
IRPF / IRPJ and CSLL (taxes on income) recoverable	948,885	945,303	979,640	977,153
Other	16,173	16,123	137,614	120,259
(-) Expected losses from non-realization	(91,279)	(19,075)	(107,624)	(35,281)
	2,962,326	3,296,636	3,185,345	3,497,763
Current assets	**530,334**	**1,009,845**	**694,780**	**1,176,530**
Non-current assets	**2,431,992**	**2,286,791**	**2,490,565**	**2,321,233**

8.1. ICMS (State VAT)

The balance of recoverable ICMS derives from credits taken for ICMS paid on the acquisition of raw, packaging and other materials and inputs, in amounts higher than the debts generated from domestic sales, since foreign market sales are free from this tax. The Corporation has been seeking ways to optimize these balances by offsetting debits under a non-cumulative regime for the domestic market, or through transfers to third parties.

8.2. PIS and COFINS taxes

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

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

(In thousands of Brazilian reais, except where otherwise indicated)

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

8.3. IRRF / IRPJ and CSLL recoverable

Refers to the amounts of withholding of income tax at source on services rendered to related companies located abroad and financial investments, prepayments of income and social contribution taxes, calculated based on estimation, suspense account balance sheet and taxation based on annual taxable income and Income Tax paid abroad on net income made available in Brazil. These are payable via the offsetting of income and social contribution taxes calculated on profit for future periods and have no time limit.

8.4. Expected losses from non-realization of tax credits

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

In the period ended June 30, 2020, the changes in this item were as follows:

	Parent	Consolidated
Balance at December 31, 2019	(19,075)	(35,281)
Addition	(72,204)	(72,248)
Write-off	-	402
Translation gains (losses)	-	(497)
Balance at June 30, 2020	**(91,279)**	**(107,624)**

9. Notes receivable

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Related-party transactions [(a)]	10,366,712	7,672,441	16,932	60,461
Market transactions receivable [(b)]	-	14,355	6,264	17,166
Other notes receivable	13,934	3,905	14,930	4,691
Total	10,380,646	7,690,701	38,126	82,318
Current assets	**379,471**	**355,250**	**33,276**	**82,318**
Non-current assets	**10,001,175**	**7,335,451**	**4,850**	**-**

(a) The amount presented at the Parent Company refers mostly to balances resulting from loan transactions with its subsidiaries, as described in note 31 Related parties;

(b) In the note 27, we break down financial instrument operations practiced by the Corporation. The Corporation and its subsidiaries are subject to market risks related to foreign exchange variations, interest rates fluctuations and commodities prices variations. These represent the amount of mark-t-market adjustment of derivatives receivable.

(In thousands of Brazilian reais, except where otherwise indicated)

10. Deferred income and social contribution taxes

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Income tax	947,573	671,237	1,540,457	1,132,018
Social contribution tax	359,853	269,720	371,857	281,235
Deferred tax assets	**1,307,426**	**940,957**	**1,912,314**	**1,413,253**
Income tax	-	-	(194,587)	(136,275)
Deferred tax liabilities	-	-	(194,587)	(136,275)
Total deferred taxes	**1,307,426**	**940,957**	**1,717,727**	**1,276,978**

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 from previous years are limited to 30% and are booked to the extent that it is probably that the future taxable income will be available for use when the effective payment is made and/or said additions/exclusions of temporary differences are realized, when these will become deductible/taxable for the calculation of the taxable income, based on the assumptions and conditions established in the Corporation's business model.

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

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

Note that the projections were based on the assumptions for net income and historical data on the Corporation's profitability, adjusted by the most recent material information, taking into account the diverse economic scenarios of each market where the Corporation operates, due to its global and diversified presence in the Americas (approximately 93.2% of revenue came from international units, and most of them are located in economically stable countries).

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

In 2018, the Corporation successfully carried out two relevant strategic transactions: the acquisition of a controlling interest in National Beef and the conclusion of the sale of Keystone Foods, bringing its capital structure and financial indicators to levels within its long-term targets and becoming a reference in the industry. And, as part of an ongoing action, in 2019, the Corporation conducted additional strategic movements, such as the acquisitions of Quickfood (Argentina), of Iowa Premium Beef (USA) and of an additional interest in National Beef (USA), in which the Corporation now holds a controlling interest of 82% and, lastly, the primary offering of shares in the amount of R$900.9 million, reinforcing the direction towards becoming a simpler business focused on the beef industry, with a better footprint of operations that complement each other, capturing the financial benefits of a capital structure better suited to its business model.

(In thousands of Brazilian reais, except where otherwise indicated)

Based on the above, note that expected realization of "Deferred Tax Assets," based on a technical feasibility study as per CVM Instruction 371 of June 27, 2002 is as follows:

Year	Parent	Consolidated
2020	159,034	253,501
2021	174,227	269,450
2022	201,724	298,315
2023	202,870	295,872
2024	569,571	795,176
	1,307,426	**1,912,314**

The following table presents the reconciliation of deferred taxes in the period ended June 30, 2020:

	Parent		Consolidated	
ASSETS	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Income tax losses	2,541,530	1,529,473	2,911,200	1,768,722
Social contribution tax loss carryforwards	928,817	564,704	949,987	581,584
Temporary differences	111,612	169,575	297,519	401,289
Total assets	**3,581,959**	**2,263,752**	**4,158,706**	**2,751,595**
LIABILITIES				
Temporary differences	(2,274,533)	(1,322,795)	(2,440,979)	(1,474,617)
Total liabilities	**(2,274,533)**	**(1,322,795)**	**(2,440,979)**	**(1,474,617)**
Deferred tax assets, net	**1,307,426**	**940,957**	**1,717,727**	**1,276,978**

(In thousands of Brazilian reais, except where otherwise indicated)

11. Investments

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Interest in subsidiaries	7,475,993	3,980,728	-	-
Goodwill derived from business combinations	795,161	578,041	-	-
Other investments	10	10	63,954	45,694
	8,271,164	**4,558,779**	**63,954**	**45,694**

11.1 Direct investments by the parent company

Investments in Subsidiaries on June 30, 2020:

Subsidiaries	Shares / Units of interest	% Interest	Country	Share Capital	Equity	Net income (loss)	Equity according to % interest[1]	Total assets	Total liabilities	Interest from non-controlling shareholders	Net revenue	Interest - net income (loss)	Goodwill
Marfrig Chile S.A.	9,950	99.50	Chile	77,714	227,991	4,769	226,851	413,331	185,333	7	237,917	4,745	-
Inaler S.A.	66,247,320	100.00	Uruguay	40,890	17,418	685	17,418	230,417	212,999	-	351,982	685	120,889
Frigorífico Tacuarembó S.A.	163,448,688	99.95	Uruguay	35,009	178,509	10,345	178,420	604,914	426,405	-	621,950	10,340	180,630
Masplen Ltd	5,050	100.00	Jersey	20,215	(55,683)	(3,353)	(55,683)	461,748	517,431	-	249,095	(3,353)	53,724
Prestcott International S.A.	79,638,916	100.00	Uruguay	16,001	84,884	(14,375)	84,884	463,222	378,338	-	302,730	(14,375)	69,313
Estab. Colonia S.A.	80,647,477	100.00	Uruguay	176,608	32,627	5,421	32,627	505,977	473,350	-	416,336	5,421	370,605
Marfrig Overseas Ltd	1	100.00	Cayman Islands	-	(1,287,203)	(35,105)	(1,287,203)	4,946,628	6,233,831	-	-	(35,105)	-
Marfrig Argentina S.A.	1,249,300,248	99.95	Argentina	97,247	(131,064)	18,577	(130,998)	409,349	540,416	(3)	368,127	18,568	-
Marfrig Com. de Energia Ltda	149,985	100.00	Brazil	-	(2,537)	(602)	(2,537)	18,093	20,630	-	29,933	(602)	-
Marfrig Peru S.A.C.	4,988	99.76	Peru	8	(832)	(22)	(830)	129	961	-	-	(22)	-
Marfrig Beef (UK) Limited	2,001	100.00	United Kingdom	1,553,038	2,373,969	626,072	2,373,969	17,255,816	14,881,847	-	4,371,505	626,072	-
Marfrig Beef International Limited	2,001	100.00	United Kingdom	779,380	1,419,688	1,604,750	1,419,688	21,046,545	17,147,647	2,479,210	24,278,864	1,604,750	-
Abilun S.A.	400,000	100.00	Uruguay	52	(3,649)	703	(3,649)	42,018	48,012	(2,345)	72,783	703	-
MFG Holdings SAU	100,000	100.00	Argentina	-	79,926	(675)	79,926	867,707	749,794	37,987	613,832	(675)	-
QuickFood S.A.	57,900,314	10.00	Argentina	343,435	323,629	(4,787)	32,363	760,214	436,585	-	613,832	(479)	-

(In thousands of Brazilian reais, except where otherwise indicated)

The changes in investments as of June 30, 2020 are shown below:

	12/31/2019	Acquisition (1)	Other comprehensive income (loss)	Equity in earnings (losses) of subsidiaries	6/30/2020(2)
Marfrig Chile S.A.	173,750	-	48,086	4,318	226,154
Inaler S.A.	13,100	-	3,616	702	17,418
Frigorifico Tacuarembó S.A.	123,720	-	43,808	10,453	177,981
Masplen Ltd	(62,830)	-	(194)	(11,994)	(75,018)
Prestcott International S.A.	75,609	-	23,622	(14,368)	84,863
Estab. Colonia S.A.	21,058	-	6,029	5,207	32,294
Marfrig Overseas Ltd	(915,715)	-	(336,383)	(35,105)	(1,287,203)
Marfrig Argentina S.A.	(96,157)	-	(53,687)	18,729	(131,115)
Marfrig Com. de Energia Ltda	(1,935)	-	-	(602)	(2,537)
Marfrig Holdings (Europe) BV	3,449,807	-	1,175,052	(98,664)	4,526,195
Marfrig Peru S.A.C.	(606)	-	(202)	(22)	(830)
Marfrig Beef (UK) Limited	1,277,601	-	470,288	626,076	2,373,965
Marfrig Beef International Limited	(148,234)	-	(36,827)	1,604,750	1,419,689
Abilun S.A.	(3,141)	-	(1,212)	703	(3,650)
MFG Holdings SAU	74,701	-	5,900	(801)	79,800
QuickFood S.A.	-	32,989	5,484	(486)	37,987
Total	**3,980,728**	**32,989**	**1,353,380**	**2,108,896**	**7,475,993**

(1) The Company carries out a restructuring in May 2020, with the acquisition, from its direct subsidiary MFG SAU, of 10% interest in its indirect subsidiary Quickfood S.A, and the transaction was carried out at accounting values.

(2) The balance corresponds to the Corporation's interest in its subsidiaries, adjusted by any unrealized profits at the time of consolidation.

(In thousands of Brazilian reais, except where otherwise indicated)

12. 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. With the adoption of NBC TG 6/R3, assets related to leases are now recognized as right-of-use assets under property, plant and equipment. Therefore, the following tables present separately:

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

Parent							
	Property, plant and equipment				Right-of-use		
Description	Land, Constructions and Buildings	Machinery, equipment, furniture and fixtures	Construction in progress	Other	Plants	Other	Total
Avg. annual depreciation rates	3.50%	16.18%	-	13.60%	22.99%	20.00%	
Acquisition cost	2,950,225	926,191	43,700	384,552	117,020	7,979	4,429,667
Accumulated depreciation	(678,760)	(535,613)	-	(123,662)	(20,802)	(6,134)	(1,364,971)
Net balance on 12/31/2019	2,271,465	390,578	43,700	260,890	96,218	1,845	3,064,696
Additions	7,876	60,461	148,902	5,947	-	3,580	226,766
Write-offs	-	(365)	(238)	(23,228)	(21,703)	-	(45,534)
Transfers	120,110	476	(126,769)	6,183	-	-	-
Depreciation in the period	(55,629)	(36,985)	-	(23,394)	(9,615)	(332)	(125,955)
Net balance on 6/30/2020	2,343,822	414,165	65,595	226,398	64,900	5,093	3,119,973
Acquisition cost	3,078,213	986,720	65,595	371,889	95,316	11,559	4,609,292
Accumulated depreciation	(734,391)	(572,555)	-	(145,491)	(30,416)	(6,466)	(1,489,319)
Net balance at the end of the period	2,343,822	414,165	65,595	226,398	64,900	5,093	3,119,973

Changes in property, plant and equipment (Consolidated):

Consolidated								
	Property, plant and equipment				Right-of-use			
Description	Land, Constructions and Buildings	Machinery, equipment, furniture and fixtures	Construction in progress	Other	Plants	Machinery and equipment	Other	Total
Avg. annual depreciation rates	3.51%	12.26%	-	11.12%	14.83%	13.16%	7.85%	
Acquisition cost	4,717,596	3,775,670	412,071	609,542	172,334	403,730	10,445	10,101,388
Accumulated depreciation	(1,177,886)	(2,138,440)	-	(219,438)	(31,788)	(84,672)	(8,109)	(3,660,333)
Net balance on 12/31/2019	3,539,710	1,637,230	412,071	390,104	140,546	319,058	2,336	6,441,055
Additions	9,708	64,886	415,424	7,002	1,282	6,972	120,267	625,541
Write-offs	(3,022)	(831)	(238)	(23,177)	(23,398)	(2,610)	(123)	(53,399)
Transfers	124,111	61,081	(199,539)	14,347	-	-	-	-
Translation gains (losses)	425,725	451,851	134,926	25,256	15,128	108,351	6,398	1,167,635
Depreciation in the period	(90,896)	(168,277)	-	(34,789)	(15,408)	(60,165)	(852)	(370,387)
Net balance on 6/30/2020	4,005,336	2,045,940	762,644	378,743	118,150	371,606	128,026	7,810,445
Acquisition cost	5,339,997	4,895,843	762,644	667,292	170,434	549,472	137,536	12,523,218
Accumulated depreciation	(1,334,661)	(2,849,903)	-	(288,549)	(52,284)	(177,866)	(9,510)	(4,712,773)
Net balance at the end of the period	4,005,336	2,045,940	762,644	378,743	118,150	371,606	128,026	7,810,445

(In thousands of Brazilian reais, except where otherwise indicated)

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

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

During the period ended June 30, 2020, the book values of the Corporation's assets were not greater than the amounts which could be obtained by use or sale.

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

	Parent/Consolidated	
	6/30/2020	
Description	Temporarily idle property, plant and equipment	Property, plant and equipment fully depreciated and still in operation
Land, constructions and buildings	143,024	230
Machinery, equipment , furniture and fixtures	32,004	47,337
Other property, plant and equipment	51,129	29,621
	226,157	**77,188**

13. Intangible assets

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

		Parent		Consolidated	
	Amortization rate	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Goodwill	-	-	-	1,857,437	1,361,554
Trademark and patents	4.92%	22,883	22,883	1,668,516	1,279,876
Software and licenses	16.15%	26,776	28,952	33,435	34,092
Client relationship	7.63%	-	-	2,454,223	1,908,723
Right of use	5.50%	39,110	40,566	39,110	40,566
Sales channels	5.50%	218,364	226,493	218,364	226,493
Supplier relationship	6.67%	-	-	2,434,190	1,871,758
Other intangible assets	32.30%	-	-	11,204	11,028
		307,133	**318,894**	**8,716,479**	**6,734,090**

In the period ended June 30, 2020, there were no significant changes. As a result, the Management chose not to present once again the details in this Note to avoid repetitions of previously reported information. Therefore, users must read this quarterly information together with Note 13 to the financial statements for the fiscal year ended December 31, 2019.

(In thousands of Brazilian reais, except where otherwise indicated)

13.1 Changes in intangible assets

Changes in the intangible assets accounts for the period ended June 30, 2020 are as follows:

Parent Company

	Balance on December 31, 2019	Acquisition / Write-off	Amortization	Balance on June 30, 2020
Sales channels	226,493	-	(8,129)	218,364
Rights of use	40,566	-	(1,456)	39,110
Software and licenses	28,952	1,765	(3,941)	26,776
Trademarks and patents	22,883	-	-	22,883
Total	**318,894**	**1,765**	**(13,526)**	**307,133**

Consolidated

	Balance on December 31, 2019	Acquisition/ Write-off	Translation gains (losses)	Amortization	Balance on June 30, 2020
Goodwill	1,361,554	-	495,883	-	1,857,437
Sales channel	226,493	-	-	(8,129)	218,364
Rights of use	40,566	-	-	(1,456)	39,110
Software and Licenses	34,092	1,891	2,024	(4,572)	33,435
Trademarks and patents	1,279,876	-	439,905	(51,265)	1,668,516
Client relationship	1,908,723	-	670,461	(124,961)	2,454,223
Supplier relationship	1,871,758	-	660,216	(97,784)	2,434,190
Other intangible assets	11,028	-	3,512	(3,336)	11,204
Total	**6,734,090**	**1,891**	**2,272,001**	**(291,503)**	**8,716,479**

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 accounting statements.

14. Trade payables

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Third parties	597,120	1,023,616	2,376,268	2,613,772
Related parties (1)	142,336	64,995	137,241	56,550
	739,456	**1,088,611**	**2,513,509**	**2,670,322**

(1) Most of trade and other accounts payable include balances from transactions with its Subsidiaries and other related parties, as described in Note 31 – Related parties.

(In thousands of Brazilian reais, except where otherwise indicated)

15. Supply chain finance

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Supply chain finance	14,317	176,881	14,317	176,881
	14,317	**176,881**	**14,317**	**176,881**

The Corporation entered into structured supply chain financing operations to extend raw material purchase terms with certain suppliers, considering the conditions practiced in the market. Adopting a new approach, the Company reduced the volume of these operations in the second quarter of 2020.

16. Taxes payable

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Income and social contribution taxes payable	56,269	55,564	927,222	326,034
Special tax debt installment plans	151,547	806,563	152,514	807,555
Other taxes, fees and contributions payable	9,295	12,577	44,683	42,357
	217,111	**874,704**	**1,124,419**	**1,175,946**
Current liabilities	46,185	165,591	807,910	407,817
Non-current liabilities	170,926	709,113	316,509	768,129

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

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

Accordingly, in November and December 2019, amounts related to the reimbursement claims analyzed and approved by the Federal Revenue Service of Brazil were offset, in the amount of R$84 million, with cash payments amounting to R$32 million, and the offset of R$614 million, in the first quarter of 2020, corresponds to the continuity of the offsets established in the Procedural Legal Transaction (NJP).

Changes in special installment payment plans are as follows:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Opening balance	806,563	917,919	807,555	919,059
(+) Adhesion to the installment payment program	-	57,738	-	57,738
(+) Inflation adjustment interest	8,821	37,393	8,830	37,437
(-) Debt recalculation	-	(47,153)	-	(47,246)
(-) Payments made	(49,399)	(159,334)	(49,433)	(159,433)
(-) Offseting with tax credits	(614,438)	-	(614,438)	-
Debt balance	151,547	806,563	152,514	807,555
Current liabilities	36,890	153,015	36,992	153,061
Non-current liabilities	114,657	653,548	115,522	654,494

(In thousands of Brazilian reais, except where otherwise indicated)

17. Loans, financing and debentures

Parent

Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2020	12/31/2019
Local currency					
FINAME/FINEP	TJLP + Fixed Rate	5.50%	0.55	7	13
NCE/Working Capital	Fixed Rate + %CDI	3.95%	2.18	764,985	618,476
Non-convertible debentures	104% CDI	2.88%	2.70	247,100	247,751
Total local currency		**3.69%**		**1,012,092**	**866,240**
Foreign currency:					
NCE/Prepayment (US$) / ACC (US$)	Fixed Rate+ FX	4.81%	0.49	3,449,431	1,909,018
Total foreign currency		**4.81%**		**3,449,431**	**1,909,018**
Total loans, financing and debentures		**4.56%**		**4,461,523**	**2,775,258**
Current liabilities				3,856,769	2,076,246
Non-current liabilities				604,754	699,012

Consolidated

Credit facility	Charges (% p.a.)	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2020	12/31/2019
Local currency					
FINAME/FINEP	TJLP + Fixed Rate	5.50%	0.55	7	1,001
NCE/Working capital	Fixed Rate+%CDI	3.95%	2.18	764,985	618,476
Non-convertible debentures	104% CDI	2.88%	2.70	247,100	247,751
Total local currency		**3.69%**		**1,012,092**	**867,228**
Foreign currency					
Prepayment/NCE / ACC (US$)	Fixed Rate + FX	4.81%	0.49	3,504,191	1,909,018
Bonds (US$)	Fixed Rate + FX	6.89%	5.49	17,986,814	15,039,625
Bank loan (US$)	Post-Fixed Rate + FX	3.94%	2.74	3,053,228	2,267,132
Revolving credit facility	Post-Fixed Rate + FX	-	-	-	1,633,277
Total foreign currency		**6.23%**		**24,544,233**	**20,849,052**
Total loans and financing		**6.13%**		**25,556,325**	**21,716,280**
Current liabilities				4,605,652	4,594,444
Non-current liabilities				20,950,673	17,121,836

(In thousands of Brazilian reais, except where otherwise indicated)

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

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
2020	2,174,454	2,076,246	3,195,476	4,594,444
2021	1,835,095	248,666	2,632,340	259,549
2022	225,784	227,413	944,535	1,851,941
2023	226,190	222,933	1,198,788	1,917,393
2024	-	-	4,086,667	3,002,949
2025 to 2029	-	-	13,498,519	10,090,004
Total	**4,461,523**	**2,775,258**	**25,556,325**	**21,716,280**

There were no changes in the types of loan and financing of the Corporation for the period ended June 30, 2020.

The main type of loans and financings contracted by the Corporation is described as follows:

17.1. *Senior Notes* - BONDS

The main capital raising operation – Senior Notes – BONDS - from previous fiscal years, are described in Note 17 to the Financial Statements for the year ended December 31, 2019, with the transactions in the period ended June 30, 2020 are described below:

On January 17, 2020, the Company concluded the early settlement, using own funds, of the senior notes with remuneration of 8.00% per year and maturity in 2023, issued on June 8, 2016 by Marfrig Holdings (Europe) B.V., with aggregate principal of US$446 million ("Senior Notes 2023"). The Senior Notes 2023 were the Corporation's debt instruments with the highest cost, and their early settlement is aligned with the strategy to reduce financial cost and improve capital allocation, reinforcing its commitment to financial discipline.

Moreover, of the funds raised in the thirteenth operation, referred to as Sustainable Transition Bonds, in the amount of US$500 million and allocated to the purchase of cattle in the Amazon Biome, the equivalent of R$1,804 million (US$380 million) was used as of June 30, 2020.

17.2. Guarantees for loans and financing

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Balance of financing	4,461,523	2,775,258	25,556,325	21,716,280
Guarantees:				
Surety	765,507	787,810	894,087	833,924
Leased asset	7	13	7	13
Export document	-	-	131,923	70,637
Facilities	-	-	642	1,692,513
Marketable securities	-	-	34,278	20,039
Mortgage	-	-	82,301	91,451
No guarantees	3,696,009	1,987,435	24,413,087	19,007,703

(In thousands of Brazilian reais, except where otherwise indicated)

17.3. Covenants

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

Due to the contractual provisions (carve-out) that allow the exclusion of foreign exchange variation effects from the calculation of leverage ratio (net debt/EBITDA LTM), the Corporation clarifies that based on this methodology, the current leverage ratio (net debt/EBITDA LTM) stood at 1.24.

The leverage ratio is calculated as follows:

	6/30/2020
Consolidated gross debt	25,556,325
(-) Consolidated cash and cash equivalents	8,174,043
Consolidated net debt	17,382,282
EBITDA in the period ended June 30, 2020*	8,408,076
EBITDA ratio	2.07
Consolidated net debt	17,382,282
(-) Effect from exchange variation (carve-out)	6,916,715
Consolidated adjusted net debt	10,465,567
Leverage ratio	1.24

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

The Corporation did not identify any breach of its covenants as of June 30, 2020 and December 31, 2019.

18. Advances from clients

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Advances from clients	1,121,340	1,205,578	1,284,937	1,322,910
	1,121,340	**1,205,578**	**1,284,937**	**1,322,910**
Current	1,121,340	1,205,578	1,284,937	1,322,910

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

(In thousands of Brazilian reais, except where otherwise indicated)

19. 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 6/R3 (CVM Resolution 787/17).

The following table presents the breakdown of lease payables:

	Parent			
Lease	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2020	12/31/2019
Plants, facilities and buildings	7.00%	5.4	79,643	123,131
Software license	13.24%	0.2	255	1,553
Other	6.38%	0.9	5,039	1,528
Interest to incur			(12,942)	(24,320)
Total			**71,995**	**101,892**
Current liabilities			15,131	20,112
Non-current liabilities			56,864	81,780

	Consolidated			
Lease	Weighted average interest rate (p.a.)	Weighted average maturity (years)	6/30/2020	12/31/2019
Plants, facilities and buildings	5.73%	5.1	145,770	176,623
Software license	13.24%	0.2	255	1,553
Machinery and equipment	3.79%	3.7	482,106	407,122
Other	3.35%	6.6	103,193	2,916
Interest to incur			(73,042)	(64,381)
Total			**658,282**	**523,833**
Current liabilities			172,570	131,093
Non-current liabilities			485,712	392,740

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 payables:

	12/31/2019	Acquisitions	Financial expense	Payments	Write-offs	Translation gains (losses)	6/30/2020
Parent	**101,892**	3,522	1,892	(13,608)	(21,703)	-	**71,995**
Consolidated	**523,833**	127,859	11,169	(131,231)	(21,703)	148,355	**658,282**

The following table presents the maturity schedule of lease agreements:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Up to 1 year	15,131	20,112	172,570	131,093
From 1 to 5 years	40,696	70,577	401,289	367,751
More than 5 years	16,168	11,203	84,423	24,989
Total	**71,995**	**101,892**	**658,282**	**523,833**

(In thousands of Brazilian reais, except where otherwise indicated)

19.1. Potential right to PIS and COFINS

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

	Nominal	Adjusted at present value
Lease consideration	79,643	67,259
Potential PIS/COFINS (9.25%)	7,367	6,221

19.2. Inflationary effects

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

Right-of-use assets		
	Parent	Consolidated
Real flow	6/30/2020	6/30/2020
Right of use	79,940	694,207
Depreciation	(9,947)	(76,425)
	69,993	**617,782**
	Parent	Consolidated
Inflation-adjusted flow	6/30/2020	6/30/2020
Right of use	80,624	701,839
Depreciation	(10,032)	(77,262)
	70,592	**624,577**

Lease liabilities		
	Parent	Consolidated
Real flow	6/30/2020	6/30/2020
Lease liabilities	73,887	669,451
Financial expenses	(1,892)	(11,169)
	71,995	**658,282**
	Parent	Consolidated
Inflation-adjusted flow	6/30/2020	6/30/2020
Lease liabilities	74,520	676,820
Financial expenses	(1,908)	(11,290)
	72,611	**665,530**

19.3. Effects from COVID-19 on lease agreements

On July 7, 2020, the Securities and Exchange Commission of Brazil ("CVM") issued Resolution 859, approving the Document of Technical Pronouncement Revision 16/2020, which sets requirements to facilitate for tenants the accounting of any concessions made in agreements as a result of the COVID-19 pandemic, such as waiver, suspension or even temporary reductions of payments. The Company Management analyzed the requirements of CVM Resolution 859 and concluded they do not produce any effects on this interim individual and consolidated financial statements.

(In thousands of Brazilian reais, except where otherwise indicated)

20. Notes payable

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Notes payable for investments in Brazil (a)	275,480	308,210	275,480	308,210
Market transactions payable (b)	169,354	13,266	172,262	17,165
Related parties (c)	21,774,685	15,728,562	-	-
Other	33,050	16,202	33,050	16,202
	22,252,569	**16,066,240**	**480,792**	**341,577**
Current liabilities	141,794	104,584	144,702	108,483
Non-current liabilities	22,110,775	15,961,656	336,090	233,094

(a) The amount refers primarily to the balance of the acquisition of all shares in Mercomar Empreendimentos e Participações Ltda., acquired in May 2015, with final maturity scheduled for March 2024;

(b) In note 27, we break down financial instrument operations practiced by the Corporation. The Corporation and its subsidiaries are subject to market risks related to foreign exchange variations, interest rates fluctuations and commodities price variations. These represent the amount of mark-t-market adjustment of derivatives payable.

(c) The amount refers to loans with subsidiaries. A breakdown of the balance can be found in Note 31 Related-party transactions.

21. Provisions for contingencies

21.1. Provisions

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

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Labor and social security	76,117	48,142	129,318	82,353
Tax	176,510	167,674	212,306	197,511
Civil	76,087	75,527	85,373	82,020
	328,714	291,343	426,997	361,884

The following table shows the changes in provisions in the period ended June 30, 2020:

	Parent				Consolidated			
	Labor and social security	Tax	Civil	Total	Labor and social security	Tax	Civil	Total
Balance on December 31, 2019	**48,142**	**167,674**	**75,527**	**291,343**	**82,353**	**197,511**	**82,020**	**361,884**
Addition to provision	27,975	8,836	560	37,371	42,634	10,093	2,270	54,997
Reversal of provision	-	-	-	-	(52)	-	-	(52)
Payments	-	-	-	-	(1,384)	-	-	(1,384)
Translation gains (losses)	-	-	-	-	5,767	4,702	1,083	11,552
Balance on June 30, 2020	**76,117**	**176,510**	**76,087**	**328,714**	**129,318**	**212,306**	**85,373**	**426,997**

(In thousands of Brazilian reais, except where otherwise indicated)

21.1.1. Labor and social security

As at June 30, 2020, the Corporation and its subsidiaries are parties to various labor claims. Based on the Corporation's and its subsidiaries' payment history, a provision of R$129,318 was set up. In the opinion of the Management and legal counsel, this provision is sufficient to face probable losses. Most of the labor claims filed against the Corporation and its subsidiaries refer to matters usually questioned in this industry, such as dismissal for just cause, preparation time, breaks for personnel who work in refrigerated environments, commuting time and ergonomic risk, among others. The Management of the Corporation believes no individual labor claim is relevant.

21.1.2. Tax

Based on the opinion of its legal advisors, the Corporation revised its estimate for unmaterialized tax risks in view of certain processes and legal discussions involving the Administrative Council of Tax Appeals (CARF), in addition to decisions on matters under dispute. Management reassessed the reserve in the total amount of R$212,306, with the main discussions including the exclusion of ICMS tax from the calculation base of PIS/COFINS, disallowance compensation of estimated IR/CS, income tax and social contribution lack of addition of profits abroad, GILRAT and ICMS proof of exports. The Corporation believes that it its entitled to the potential impacts in the event that such risks materialize.

21.1.3. Civil

Based on the opinion of legal advisors, the Management recognized on June 30, 2020 a provision for the number of shares considered to be of probable risk, totaling R$85,373. The civil suits of the Corporation and its subsidiaries involve disputes typically related to business agreements and indemnities. The provisioned amount is substantially composed of the early termination of the agreement for sponsorship of the Brazilian National Football Teams entered into with the Brazilian Football Confederation (CBF) and reflects the adjustment of the existing risk for inflation.

21.2. Contingent liabilities

Contingent liabilities, which are not recorded in the books of account, according to prevailing legislation, are shown below:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Labor and social security	76,116	83,903	82,443	90,615
Tax	1,285,854	1,178,190	1,288,871	1,179,548
Civil	6,697	4,622	6,784	4,709
	1,368,667	**1,266,715**	**1,378,098**	**1,274,872**

21.2.1. Labor and social security

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

21.2.2. Tax

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

a) Federal Taxes and Contributions

As at June 30, 2020, the Corporation was a party to administrative proceedings and court claims filed by the Federal Government at the total historical value of R$539,562, claiming:

(i) No increase in taxable income and IRPJ/CSLL base for profits earned abroad in calendar year 2009, disallowance of goodwill amortization and non-subjection to tax of interest from loan agreements in force with subsidiaries abroad, in the historical amount of R$83,911.

(ii) Disallowance of amounts deducted from the calculation base of corporate income and social contribution taxes for the years 2007, 2008 and 2011 in the historical amount of R$37,450;

(iii) The Corporation and its subsidiaries have federal tax debits, whose collection suits are individually immaterial, totaling R$418,202.

b) State VAT – ICMS

On June 30, 2020, the Corporation had administrative proceedings, and court claims in the historical amount of R$748,979, claiming the following:

(i) The most significant proceedings regarding ICMS were filed by the Finance Department of the State of São Paulo claiming amounts related to deemed credit taken on transfer invoices of goods sent by the branches located in the states of Mato Grosso do Sul, Mato Grosso and Goiás to the branches in the State of São Paulo, that is, a "Tax War”. The assessed amounts correspond to the difference between the amount separately identified in the goods receiving documents at the distribution center and that paid to the State of origin. The total historical amount claimed in these proceedings is R$549,543;

(ii) 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$69,932;

(iii) The Corporation and its subsidiary Pampeano are parties to administrative proceedings and legal suits, whose collection suits are individually immaterial, totaling R$129,504.

c) Taxes on Services of Any Nature (ISSQN)

On June 30, 2020, the Corporation is involved in three lawsuits (two in the administrative level and the other in legal court) which claim the collection of local government taxes in the historical amount of R$330.

21.2.3. Civil

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

21.2.4. Additional information

Sale of the Keystone business
The Corporation is disputing the price adjustment and negotiation practices adopted by the buyer in the agreement for the sale of the business unit Keystone Foods in civil lawsuits with the U.S. courts.

National Beef business
In 3Q19, three lawsuits were filed against the Corporation and its subsidiary National Beef claiming that, since January 2015, National Beef, in conjunction with other companies, has been conducting practices to control the cattle price. In all lawsuits, the court rendered decisions excluding the Corporation from the action.

22. Shareholders' equity

22.1. Share capital

Subscribed and paid-in share capital as at June 30, 2020 and December 31, 2019 totals R$8,204,391 and is represented by 711,369,913 common shares without par value. On June 30, 2019, 327,759,471 shares, or 46.07% of the capital was held by the controlling shareholder: Marcos Antonio Molina dos Santos, Marcia Aparecida Pascoal Marçal dos Santos and MMS Participações Ltda. (company controlled by Marcos and Marcia, each holding a 50% ownership interest). The free float was 383,610,442 shares, or 53.93%, of which 14,887,383 shares are held in treasury, and 208,881 shares are held by its Board of Directors and Executive Board.

22.2. Capital reserves, options granted and treasury shares

On June 30, 2020, the balances of the capital reserves, options granted and treasury shares were broken down as follows:

22.2.1.Capital reserves

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 interests of the parent company in subsidiaries that do not result in the gain or loss of control, as well as Goodwill on capital transactions. On June 30, 2020, the capital reserves amounted to R$1,865,810.

On November 29, 2019, the Corporation, through its subsidiary, NBM US Holdings, Inc, increased its interest in the capital stock of its subsidiary National Beef, with the transfer to NBM and to the other non-controlling shareholders of 31.17% of the voting and total capital of National Beef, with this representing the total amount of shares held by the shareholder Jefferies Financial Group Inc., which withdrew from the company.

NBM's interest increased from the current 51% to 81.73%, with the interests of the remaining shareholders as follows: BPI 2.44%, USPB 15.07% and Tim Klein 0.76% of the voting and total shareholders capital of National Beef.

(In thousands of Brazilian reais, except where otherwise indicated)

The amount of consideration transferred was R$3,255 million and the goodwill paid in the transaction was R$2,327 million. This goodwill, adjusted to June 30, 2020, amounted to R$3,018 million and was recognized in the capital reserve group, which had a negative impact on the Corporation's shareholders' equity. The transaction, as well as its respective negative effects on the shareholders' equity of the Company, were registered in accordance with ITG 09 (R1) – Individual Financial Statements, Separate Statements, Consolidated Statements and Adoption of the Equity Method of Accounting.

22.2.2. Treasury shares

On June 30, 2020, Corporation held fourteen million, eight hundred eighty-seven thousand, three hundred, eighty-three (14,887,383) common shares in treasury, which were booked at the amount of R$113,697, which corresponds to an average cost of seven reais and sixty-four centavos (R$7.64) per share.

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

Held in Treasury		
	Number of shares	Value (R$ '000)
Balance as at December 31, 2019	10,372,329	80,837
(+) Acquisition - Repurchase program	6,114,000	45,103
(-) Disposal - Stock options	(1,598,946)	(12,243)
Balance as at June 30, 2020	**14,887,383**	**113,697**

Share buyback program

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

On September 14, 2018, the Corporation's Board of Directors approved the use of the available capital reserve to acquire shares. The buyback program includes the acquisition of up to 12,000,000 registered, book-entry common shares without par value, limited to three percent (3%) of the Corporation's free-float shares. The maximum period for effecting the purchase transactions is eighteen (18) months, starting on September 14, 2018 and ending on March 13, 2020.

On March 16, 2020, the Corporation's Board of Directors approved the use of the available capital and profit reserve to acquire shares. The buyback program includes the acquisition of up to 5,910,145 registered, book-entry common shares without par value, limited to ten percent (10%) of the Corporation's free-float shares. The maximum period for effecting the purchase transactions is eighteen (18) months, starting on March 16, 2020 and ending on September 16, 2021.

22.3. Income reserves

On June 30, 2020, the balance of the profit reserves was broken down as follows:

22.3.1. Legal reserve

It is 5% (five per cent) of the Corporation's net income, as defined in its by-laws and current legislation.

On June 30, 2020, the Corporation did not recognize a legal reserve, as the Company used the profit for the period to offset accumulated losses. Accordingly, the balance as of June 30, 2020 remained at R$44,476, the same as at December 31, 2019.

(In thousands of Brazilian reais, except where otherwise indicated)

22.3.2. Retained earnings

At June 30, 2020 and December 31, 2019, the Company did not propose any retention of earnings, since the net profit for the period was fully allocated to offset accumulated losses. Accordingly, the balance as of June 30, 2020 remained at R$7,348, the same as at December 31, 2019.

22.4. Other comprehensive income

This account recognizes, before being recorded in the statement of operations for the period, translation gains (losses) resulting from the translation of interim financial statements of subsidiaries abroad, whose functional currency differs from that of the Corporation, the corresponding entries of increases or decreases in the amount attributed to asset and liability items arising from their adjustment to market price on investments in subsidiaries directly and indirectly held by the Corporation. Such accumulated effect will be transferred to the statement of operations for the period as gain or loss only upon the disposal or write-off of the investment. This account also recognized the effects from the adoption of deemed cost and the result of derivative financial instruments designated for hedge accounting not yet realized.

22.5. Shareholder compensation

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

23. Net sales revenue

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenue from sales of products				
Domestic sales	2,511,966	2,711,774	24,996,203	16,949,428
Foreign sales	3,619,408	1,732,478	7,883,289	5,258,353
	6,131,374	**4,444,252**	**32,879,492**	**22,207,781**
Deductions from gross sales				
Taxes on sales	(142,868)	(171,061)	(180,360)	(182,177)
Returns and discounts	(246,773)	(132,866)	(316,870)	(226,794)
	(389,641)	**(303,927)**	**(497,230)**	**(408,971)**
Net sales	**5,741,733**	**4,140,325**	**32,382,262**	**21,798,810**

(In thousands of Brazilian reais, except where otherwise indicated)

24. Costs and expenses by nature

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

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Cost of sales				
Inventory costs	4,219,287	3,324,085	22,857,579	17,326,571
Depreciation and amortization	122,471	161,355	481,230	445,134
Employee salaries and benefits	323,040	327,477	2,806,380	1,619,053
	4,664,798	**3,812,917**	**26,145,189**	**19,390,758**
Administrative expenses				
Depreciation and amortization	16,703	17,495	176,359	141,584
Employee salaries and benefits	29,144	43,882	176,625	143,858
Other	3,575	43,804	99,476	98,313
	49,422	**105,181**	**452,460**	**383,755**
Selling expenses				
Depreciation and amortization	307	219	4,301	5,932
Employee salaries and benefits	26,879	27,738	81,057	78,132
Freight	164,255	196,122	862,847	693,739
Other	74,983	92,106	207,239	185,520
	266,424	**316,185**	**1,155,444**	**963,323**

25. Net financial result

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

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Interest received, earnings from marketable securities	14,776	32,013	52,841	85,440
Interest, debentures and lease with financial institutions	(196,285)	(256,148)	(889,601)	(798,734)
Inflation adjustments, bank expenses, amortiz. cost on debt and	(562,049)	(562,207)	(174,434)	(81,775)
Translation gains and losses	(898,667)	4,620	(945,689)	11,059
Total	**(1,642,225)**	**(781,722)**	**(1,956,883)**	**(784,010)**
Financial income	1,369,891	504,412	1,410,632	834,895
Financial expenses	(3,012,116)	(1,286,134)	(3,367,515)	(1,618,905)
Total	**(1,642,225)**	**(781,722)**	**(1,956,883)**	**(784,010)**

26. Earnings (loss) per share

The following table shows the calculation of earnings per share for the fiscal periods ended June 30, 2020 and 2019 (in thousands, unless otherwise stated):

	6/30/2020	6/30/2019
Profit attributable to shareholders from the Corporation	1,457,017	90,824
Weighted average number of shares in the period (units)	711,369,913	621,279,822
Weighted average number of shares held in treasury (units)	(10,836,203)	(1,986,585)
Weighted average number of outstanding common shares (units)	700,533,710	619,293,237
Basic and Diluted Earnings (in R$)	2.0799	0.1467
Earnings or losses attributable to shareholders of the Corporation	2.0799	0.1467

27. Financial instruments - risk management

27.1. Overview

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

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

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

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

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

27.2. Credit risk management

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

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

(In thousands of Brazilian reais, except where otherwise indicated)

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

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

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

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

Values subject to credit risk:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and cash equivalents	48,994	244,698	2,817,374	1,774,902
Marketable securities	730,300	1,556,280	5,356,669	6,635,211
Receivables from Brazilian clients	307,090	55,705	2,200,917	1,442,725
Receivables from foreign clients	1,458,025	835,092	645,511	577,791
Other receivables	190,334	15,771	781,953	280,672
Total	**2,734,743**	**2,707,546**	**11,802,424**	**10,711,301**

27.3. Liquidity risk management

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

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

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

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Short-term cash, cash equivalents and marketable securities	779,294	1,800,978	8,174,043	8,410,113
Short-term loans and financings	3,856,769	2,076,246	4,605,652	4,594,444
Modified liquidity ratio	**0.20**	**0.87**	**1.77**	**1.83**

27.4. Market risk management

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

(In thousands of Brazilian reais, except where otherwise indicated)

27.4.1. Interest rate risk

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

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

The interest rate exposure risk of the Corporation and its subsidiaries as of June 30, 2020 and December 31, 2019 is as follows:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Exposure to CDI rate:				
ECNs / Working capital	1,012,085	866,227	1,012,085	866,227
(-) CDB-DI	(629,248)	(329,930)	(629,247)	(329,931)
Subtotal	**382,837**	**536,297**	**382,838**	**536,296**
Exposure to LIBOR rate:				
Revolving Credit Facility (US$)	-	-	3,053,228	3,900,409
Subtotal	**-**	**-**	**3,053,228**	**3,900,409**
Exposure to TJLP rate:				
FINAME/FINEP	7	13	7	1,001
Subtotal	**7**	**13**	**7**	**1,001**
Total	**382,844**	**536,310**	**3,436,073**	**4,437,706**

The Corporation entered into non-speculative swap contracts to minimize the effects of exchange rates fluctuations on the settlement of its loans and financing, as follows:

Consolidated							
						6/30/2020	12/31/2019
Instrument	Register	Asset	Receivable	Notional (USD)	Notional (USD)	MTM	MTM
Interest Rate Swap	OTC	R$	USD	74,808	409,650	(169,271)	(962)
				74,808	**409,650**	**(169,271)**	**(962)**

27.4.2. Commodity price risk

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

(In thousands of Brazilian reais, except where otherwise indicated)

The derivative financial instruments used to hedge against commodity price risks on June 30, 2020, which are not designated for hedge accounting, are as follows:

Consolidated							
Instrument	Hedge object	Register	Receivable	Payable	Notional (USD)	Notional (R$)	MTM (R$)
Futures	Fed cattle	BM&F	R$	R$	(1,343)	(7,352)	(84)
Futures	Fed cattle	CME	USD	USD	54,630	299,153	1,656
					53,287	**291,801**	**1,572**

27.4.3. Exchange rate risk

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

Given that approximately 93.7% of the Corporation's revenues are denominated in currencies other than the Brazilian real, the Corporation has a natural *hedge* against the maturities of future obligations in foreign currency.

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

Assets and liabilities in foreign currency are presented as follows:

Parent			
Description	**6/30/2020**	**12/31/2019**	**Effects of translation gains (losses) 2020**
Operating			
Trade accounts receivable	1,458,025	835,092	226,187
Imports payable	(10,857)	(41,042)	(143,613)
Subtotal	**1,447,168**	**794,050**	**82,574**
Financial			
Loans and financing	(3,449,431)	(1,909,018)	(948,731)
Notes payable and receivable	360,119	329,433	(140,535)
Balance of banks and marketable securities (*)	32,744	500,579	108,025
Subtotal	**(3,056,568)**	**(1,079,006)**	**(981,241)**
Total	**(1,609,400)**	**(284,956)**	**(898,667)**
Translation gains			1,091,385
Translation losses			(1,990,052)
Translation gains (losses), net			(898,667)

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

(In thousands of Brazilian reais, except where otherwise indicated)

Consolidated			
Description	**6/30/2020**	**12/31/2019**	**Effect of translation gain (losses) 2020**
Operating			
Trade accounts receivable	645,511	577,791	203,726
Imports payable	(174,886)	(166,027)	(132,444)
Other	(105,616)	(35,254)	14,597
Subtotal	**365,009**	**376,510**	**85,879**
Financial			
Loans and financing	(24,544,233)	(20,849,052)	(944,100)
Notes payable and receivable	290,343	335,275	(195,310)
Balance of banks and marketable securities (*)	131,571	587,914	107,842
Subtotal	**(24,122,319)**	**(19,925,863)**	**(1,031,568)**
Total	**(23,757,310)**	**(19,549,353)**	**(945,689)**
Translation gains			1,236,279
Translation losses			(2,181,968)
Translation gains (losses), net			(945,689)

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

Over the course of 2020, 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, the results of which are accounted for under the items "Exchange Rate Gains" and "Exchange Rate Losses".

Consolidated							
Instrument	**Hedge object**	**Register**	**Receivable**	**Payable**	**Notional (USD)**	**Notional (R$)**	**MTM (R$)**
Operations not designated for Hedge Accounting							
NDF	FX rate	OTC	USD	GBP	10,958	60,004	1,239
NDF	FX rate	OTC	USD	EUR	5,308	29,066	(440)
NDF	FX rate	OTC	USD	AUD	619	3,389	(205)
NDF	FX rate	OTC	USD	CLP	5,016	27,468	1,107
					21,901	**119,927**	**1,701**

The Company did not designate any operations for hedge accounting in the period ended June 30, 2020. The Company did not designate any operations for hedge accounting in the quarter ended June 30, 2020. In the quarter ended March 31, 2020, operations designated for hedge accounting were fully settled and are described on Note 27.4.3 to the interim financial statements for the period ended March 31, 2020.

27.5. Sensitivity Analysis

The Management considers that the most relevant risks that could affect the Corporation's results are the volatility of exchange rates, interest rates and commodity prices.

To provide information about the behavior of market risks that the Corporation and its subsidiaries were exposed to as at June 30, 2020, three scenarios are considered one of 10% appreciation and two more scenarios with deterioration of 25% and 50% of the risk variable taken into account, denominated as Scenario I, Scenario II and Scenario III, respectively.

The following scenarios are in accordance with CVM Instruction 475 of December 17, 2008 and present the possible impacts from derivative financial instruments, considering appreciation and depreciation scenarios of the risk factors listed. The amounts presented correspond to the impact of the Mark to Market (MTM) value of the derivative financial instruments contracted for hedge purposes.

The information used in preparing these analyses was detailed in the items above. Future results to be measured could differ significantly from the estimated values if actual conditions differ from the assumptions adopted. Positive values indicate gains and negative ones indicate losses. The following table, in thousands of Brazilian reais, presents the sensitivity scenarios:

Consolidated

Parity - US$ x EUR		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of US$	(440)	(3,755)	7,844	16,130
Parity - US$ x GBP		Current	Scenario I	Scenario II	Scenario III
Instrumento	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of US$	1,239	(6,060)	19,486	37,732
Parity - US$ x AUD		Current	Scenario I	Scenario II	Scenario III
Instrumento	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of US$	(205)	(459)	431	1,067
Parity - US$ x CLP		Current	Scenario I	Scenario II	Scenario III
Instrumento	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Depreciation of US$	1,107	2,760	(6,900)	(13,800)
Parity - USDA Price - Cattle - US$		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
Future	Increase in fed cattle price	(84)	(732)	1,829	3,658
Future	Decrease in fed cattle price	1,656	32,241	(68,946)	(141,222)
		1,572	31,509	(67,117)	(137,564)
Parity - 5% + USD x 127% CDI		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
SWAP	Depreciation of US$	(169,271)	(168,445)	(171,372)	(173,531)

27.6. Financial instruments by category

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

Parent

Financial assets			Fair value through			
	Amortized cost		Profit or loss		Other comprehensive income (loss)	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash and cash equivalents	48,994	244,698	-	-	-	-
Marketable securities	730,300	1,556,280	-	-	-	-
Trade accounts receivable	1,765,115	890,797	-	-	-	-
Notes receivable - derivatives	-	-	-	2,379	-	11,976
Related parties	10,366,712	7,672,441	-	-	-	-
Total financial assets	**12,911,121**	**10,364,216**	**-**	**2,379**	**-**	**11,976**

Financial liabilities			Fair value through			
	Amortized cost		Profit or loss		Other comprehensive income (loss)	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Trade accounts payable and supply chain finance	753,773	1,265,492	-	-	-	-
Loans, financing and debentures	4,461,523	2,775,258	-	-	-	-
Finance lease	71,995	101,892	-	-	-	-
Notes payable - derivatives	-	-	169,354	4,157	-	9,109
Notes payable - investments Brazil	275,480	308,210	-	-	-	-
Related parties	21,774,685	15,728,562	-	-	-	-
Total financial liabilities	**27,337,456**	**20,179,414**	**169,354**	**4,157**	**-**	**9,109**

(In thousands of Brazilian reais, except where otherwise indicated)

Consolidated

Financial assets						
			Fair value through			
	Amortized cost		**Profit or loss**		**Other comprehensive income (loss)**	
	6/30/2020	**12/31/2019**	**6/30/2020**	**12/31/2019**	**6/30/2020**	**12/31/2019**
Cash and cash equivalents	2,817,374	1,774,902	-	-	-	-
Marketable securities	5,356,669	6,635,211	-	-	-	-
Trade accounts receivable	2,846,428	2,020,516	-	-	-	-
Notes receivable - derivatives	-	-	6,264	5,190	-	11,976
Related parties	16,932	60,461	-	-	-	-
Total financial assets	**11,037,403**	**10,491,090**	**6,264**	**5,190**	**-**	**11,976**

Financial liabilities						
			Fair value through			
	Amortized cost		**Profit or loss**		**Other comprehensive income (loss)**	
	6/30/2020	**12/31/2019**	**6/30/2020**	**12/31/2019**	**6/30/2020**	**12/31/2019**
Trade accounts payable and supply chain finance	2,527,826	2,847,203	-	-	-	-
Loans, financing and debentures	25,556,325	21,716,280	-	-	-	-
Finance lease	658,282	523,833	-	-	-	-
Notes payable - derivatives	-	-	172,262	8,056	-	9,109
Notes payable - investments Brazil	275,480	308,210	-	-	-	-
Total financial liabilities	**29,017,913**	**25,395,526**	**172,262**	**8,056**	**-**	**9,109**

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

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

	Parent		**Consolidated**	
	6/30/2020	**12/31/2019**	**6/30/2020**	**12/31/2019**
Notes receivable - derivatives (note 9)	-	14,355	6,264	17,166
Notes payable - derivatives (note 20)	(169,354)	(13,266)	(172,262)	(17,165)
Total, net	**(169,354)**	**1,089**	**(165,998)**	**1**

27.7. Fair value of financial instruments

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

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

- **Level 1:** Prices quoted in (non-adjusted) active market for identical assets and liabilities;
- **Level 2:** Other available information, except those of Level 1, where quoted prices relate to similar assets and liabilities, whether directly, by obtaining prices in active markets, or indirectly, such as evaluation techniques using active market data.

(In thousands of Brazilian reais, except where otherwise indicated)

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

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

	Parent		Consolidated	
	Level 1	Level 2	Level 1	Level 2
Current assets				
Marketable securities	-	730,300	-	5,356,669
Notes receivable - derivatives	-	-	6,264	-
Non-current liabilities				
Notes payable - derivatives	(169,354)	-	(170,000)	(2,262)
Total	**(169,354)**	**730,300**	**(163,736)**	**5,354,407**

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

28. Income and social contribution taxes

Income and Social Contribution Taxes were calculated according to prevailing legislation and Federal Law 12,973/2014.

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

Below are the calculation and reconciliation of income and social contribution taxes in the income statements for the period:

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Net income (loss) before taxes	**1,090,548**	**(267,855)**	**2,488,040**	**328,912**
Non-controlling interest on profit or loss before taxes	-	-	(712,451)	(453,991)
Net income (loss) before taxes - adjusted	**1,090,548**	**(267,855)**	**1,775,589**	**(125,079)**
Income and social contribution taxes - Nominal rate (34%)	(370,786)	91,071	(603,699)	42,527
Adjustments to determine the effective tax rate:				
Taxation on profit of companies abroad	-	36,198	-	132,821
Effect from differences in tax rate of companies abroad			191,007	(22,952)
Equity income (loss)	717,026	228,464	-	-
Tax incentives	19,598		50,595	
Other additions/exclusions	631	2,946	43,526	61,064
Total	**366,469**	**358,679**	**(318,572)**	**213,460**
Total current taxes	-	-	(596,606)	(108,925)
Total deferred taxes	366,469	358,679	278,034	322,385
	366,469	**358,679**	**(318,572)**	**213,460**
Effective tax rate (*)	-34%	134%	18%	171%

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

(In thousands of Brazilian reais, except where otherwise indicated)

29. Segment reporting

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

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

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

Furthermore, to better evaluate and analyze the operating performance of its two main operating segments, the Corporation presents a new structure formed by a corporate headquarter and non-operating entities, referred to as *Corporate*. This new structure is in conformity with NBC TG 22/R2 (CVM Resolution 582/09) – Reporting by segment.

	Net Revenue		Operating Income		Non-current assets	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	31/12/2019
North America	24,214,665	15,364,058	3,973,209	1,113,662	8,055,855	5,375,561
South America	8,167,597	6,434,752	744,406	164,317	9,432,280	8,331,682
Corporate	-	-	(272,692)	(165,057)	3,899,330	3,444,674
Total	**32,382,262**	**21,798,810**	**4,444,923**	**1,112,922**	**21,387,465**	**17,151,917**

30. Insurance coverage

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

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

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

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

(In thousands of Brazilian reais, except where otherwise indicated)

	Parent		Consolidated	
Description	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Buildings and meatpacking plants	3,138,848	3,138,848	8,247,160	7,458,982
Inventories	446,039	446,039	1,035,305	975,872
Third-party warehouse	215,553	215,553	266,803	253,327
Vehicles	12,970	13,128	41,647	27,571
Transportation of goods	81,931	60,307	3,789,263	1,708,646
Officers' guarantees	25,000	25,000	68,806	49,184
Civil liability	300,700	201,535	832,236	919,160
Aircraft	547,600	201,535	1,095,200	604,605
Other	495,925	339,624	666,753	384,917
	5,264,566	4,641,569	16,043,173	12,382,264

31. Related-party transactions

31.1. Related parties to the Parent Company

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

	Parent							
	Outstanding Balance				Recognized as profit or loss			
	Amounts receivable		Amounts payable		Income		Expenses	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Prestcott International S.A.	632	-	582	1,768	-	-	3,793	1,492
Establecimientos Colonia S.A.	3,454	8,064	632	2,031	10,229	5,833	2,808	6,587
Frigorífico Tacuarembó S.A.	1,911	1,150	1,720	1,349	1,839	2,157	6,257	7,072
Inaler S.A.	511	-	267	1,018	-	-	2,246	3,125
Marfrig Argentina S.A	412,608	309,562	960	3,060	-	-	841	5,678
Marfrig Chile S.A.	25,186	24,716	861	-	115,930	176,567	5,174	4,795
Marfrig Holdings (Europe) BV	7,282,859	5,242,175	14,169,687	10,272,787	-	-	-	-
Marfrig Overseas Ltd.	875,850	623,336	135,008	132,714	-	-	-	-
MFG Comercializadora de Energia Ltda	20,514	443	-	-	-	-	28,761	21,981
Masplen Ltd	410,483	423,214	4	62	142,962	103,698	-	400
Marfrig Beef UK Limited	2,482,868	1,526,086	7,469,961	5,323,369	3,271,880	1,166,178	-	-
Marfrig Beef International Limited	55,628	25,013	-	-	-	-	144	-
MFG Holdings SAU	248,495	272,447	97	35	20,922	16,108	-	-
Controlling shareholders	-	1	868	1,198	8	10	-	-
Key management personnel	-	3	146	69	54	55	1,344	1,695
Other related parties	19,243	60,465	137,096	55,297	13	20	96,128	67,054
	11,840,242	8,516,675	21,917,889	15,794,757	3,563,837	1,470,626	147,496	119,879

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. For loan transactions with subsidiaries abroad, the loan rate is 3% plus 6-month LIBOR (London Interbank Offered Rate).

(In thousands of Brazilian reais, except where otherwise indicated)

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

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

31.2. Consolidated related parties

	Consolidated							
	Outstanding balance				Recognized as profit or loss			
	Accounts receivable		Accounts payable		Income		Expenses	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Controlling shareholders	-	1	868	1,198	8	10	-	-
Key management personnel	-	3	146	1,253	66	58	1,344	1,695
Other related parties	19,243	60,465	137,096	55,297	13	20	96,128	67,054
	19,243	**60,469**	**138,110**	**57,748**	**87**	**88**	**97,472**	**68,749**

31.3. Controlling shareholders

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

31.4. Other related parties

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

31.5. Joint Ventures

The indirect subsidiary Beef Holdings Limited has 1 joint venture, which is recognized through the equity method of accounting.

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

	% Interest	Country	Total assets	Total liabilities	Loss in the period
COFCO-Keystone Supply Chain	45.00%	China	165,211	165,561	(1)
Total			165,211	165,561	(1)

31.6. Statutory audit committee

The Statutory Audit Committee of the Company was formed at the Meeting of the Board of Directors of the Company held on November 29, 2019. The compensation of the Audit Committee provided in the Bylaws is paid monthly, without any variable compensation

32. Management compensation

The compensation policy establishes the criteria and responsibilities and defines the compensation for managers of the Marfrig Group, in the short or long term (bonus and stock option).

The purpose of this policy is to encourage the Company's executives to grow and develop to reach their full potential, in line with the business objectives, and to recognize their performance through the payment of an Incentive (short and long term).

The Compensation, Corporate Governance and Human Resources Committee is the body that supports the Board of Directors in its assessment of manager compensation. The committee is formed exclusively by members of the Board of Directors of the Company, one of whom is the Committee Coordinator.

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

32.1. Board of Directors

The compensation of the Board of Directors is composed of a fixed component and a variable component.

Fixed compensation – An annual amount is set for each director and paid monthly.

Variable compensation – Consists of a short-term bonus or stock options.

The composition of the directors' compensation is based on a market survey of major companies in the food industry, which is used to formulate the base compensation to be validated by the Compensation, Corporate Governance and Human Resources Committee of Marfrig Global Foods.

32.2. Statutory Officers

The compensation of the Statutory Officers is composed of a fixed component and a variable component.

Fixed compensation – An annual amount is set for each statutory officer and paid monthly.

Variable Compensation – Composed of short-term (bonus) and long-term (stock option) compensation. The targets established by the Company to assess the Managers generally consist of economic and individual targets. 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 Instruction 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, 2020.

(In thousands of Brazilian reais, except where otherwise indicated)

Gains in the Stock Option Plan are associated with the appreciation of the stock price in the market, i.e., the value that the officer and the executive board as a whole add to the Company through their work will be reflected in gains in this kind of compensation, while keeping their interests aligned with those of the Company over the long term.

The Exercise Price of the stock option compensation under the "Specific Programs" is based on the share price in the latest 20 trading sessions prior to the first business day of March of each year and a grant price with a 50% discount from the grants of 2010.

The exercise in each annual vesting period is subject to the following criteria:

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

The compensation of the officers is based on a market survey of major companies in the food industry, which is used to formulate measurement criteria based on the importance of the position in the organization. The macro policies are approved by the Compensation, Corporate Governance and Human Resources Committee.

32.3. Audit Board

The Audit Board of the Company was formed on the occasion of the Annual Shareholders Meeting held on April 30, 2020. In the restatement of the bylaws carried out by intermediation of the Extraordinary Shareholders Meeting on March 11, 2011, the Audit Board became a standing body with permanent functioning.

The compensation of the Audit Board is set annually and paid monthly, with no variable compensation.

32.4. Consolidated compensation

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

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

	6/30/2020	6/30/2019
Consolidated Management compensation	48,320	12,908
Total	**48,320**	**12,908**

(In thousands of Brazilian reais, except where otherwise indicated)

32.6 Stock option plan

In the period ended June 30, 2020, a total of 905,322 shares were transferred to the Management of the Corporation under the stock option plans. The changes in options exercised throughout the year are shown in the tables below:

Total options exercised by month

	Number of shares exercised	Average Market Price[1] (R$ per share)
January/20	-	11.29
February/20	-	12.00
March/20	204,751	9.08
Abril/20	21,776	10.01
Maio/20	367,816	13.19
Junho/20	310,979	12.86
Options exercised - 2020	905,322	

[1] Average monthly quote disclosed by B3 S.A. - Brasil, Bolsa e Balcão, related to Marfrig's common shares, traded under ticker MRFG3.

Consolidated Changes	2020	2019
(Options)		
Opening balance	**3,653,287**	**3,081,827**
Options granted	-	1,882,773
Options exercised	(905,322)	(959,246)
Options canceled and expired	-	(352,067)
Closing balance	**2,747,965**	**3,653,287**

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 0.39% of all shares at June 30, 2020, as detailed in the table below:

Percentage of Dilution

	ESP X LP 15-16 Plan	ESP XI LP 16-17 Plan	ESP XII LP 17-18 Plan	ESP XIII LP 18-19 Plan	Total
Granting date	7/11/2016	12/20/2017	9/25/2018	8/14/2019	
Unexercised agreements	102,083	138,813	1,044,807	1,462,262	**2,747,965**
Treasury stock					**(14,887,383)**
Total shares except treasury stock					**696,482,530**
Percentage of dilution	**0.01%**	**0.02%**	**0.15%**	**0.21%**	**0.39%**

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

Effects from the exercise of options (R$ '000)	2020	2019
Amount received from sale of shares - Exercised options	2,776.5	2,846.9
(-) Cost of treasury shares disposed of	(6,946.1)	(5,547.8)
Effect on disposal of shares	**(4,169.6)**	**(2,700.9)**

Due to the exercise of stock options, the Corporation incurred costs with the sale of treasury shares of R$6,946.1. At June 30, 2020, the book value of treasury shares was recorded under the Corporation's shareholders' equity in the amount of R$113,697 (R$80,837 at December 31, 2019).

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:** 66.99%. Volatility is measured taking into consideration the daily prices of the Corporation's shares traded on the Brazilian stock exchange (B3) under the ticker MRFG3, from January 1, 2020 to June 30, 2020;

- **Risk-free interest rate:** 4.94% p.a. The Corporation uses as risk-free interest rate the Long-Term Interest Rate (TJLP) annualized on calculation date and available on the federal revenue service website: receitafederal-idg.receita.fazenda.gov.br/orientacao/tributaria/pagamentos-e-parcelamentos/taxa-de-juros-de-longo-prazo-tjlp.

The fair value of options as of June 30, 2020 ranged between a minimum of R$9.25 and a maximum of R$10.23 per share for SPECIAL plans.

(In thousands of Brazilian reais, except where otherwise indicated)

Changes to the stock option programs are presented below:

Plans	Granting Date	Performance (vesting) period	Option expiration date	Options granted	Vested options	Options exercised in the period	Options cancelled / expired in the period	Options exercised / cancelled in prior periods	Unexercised agreements	Option exercise price
Options Exercised/Canceled in Previous Periods				**12,833,129**	**8,922,718**			**7,868,529**	**3,653,287**	
ESP X LP 15-16	11/7/2016	3/3/2020	9/2/2020	306,219	306,219	132,423	0	71,713	102,083	R$ 3.0281
ESP XI LP 16-17	12/20/2017	3/3/2020	9/2/2020	126,517	126,517	69,653	0	22,210	34,654	R$ 3.3592
ESP XI LP 16-17	12/20/2017	3/3/2021	9/2/2021	126,337	7,368	0	0	22,178	104,159	R$ 3.3592
ESP XII LP 17-18	9/25/2018	3/3/2020	9/2/2020	504,385	504,385	352,452	0	38,581	113,352	R$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2021	9/2/2021	504,385	0	0	0	38,581	465,804	R$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2022	9/2/2022	504,189	0	0	0	38,538	465,651	R$ 3.1789
ESP XIII LP 18-19	8/14/2019	3/3/2020	9/2/2020	470,753	470,753	350,794	0	17,437	102,522	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2021	9/2/2021	470,753	0	0	0	17,437	453,316	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2022	9/2/2022	470,753	0	0	0	17,437	453,316	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2023	9/2/2023	470,514	0	0	0	17,406	453,108	R$ 2.9110
Total on	**6/30/2020**			**12,833,129**	**10,293,566**	**905,322**	**0**	**9,179,842**	**2,747,965**	

Plans	Granting Date	Market value of unvested options at the end of the period (R$ '000)	Market value of outstanding vested options at the end of the period (R$ '000)	Effects in the result of the period in case of recognition (R$ '000)
ESP X LP 15-16	11/7/2016	978.1	978.1	470.5
		978.1	**978.1**	**470.5**
ESP XI LP 16-17	12/20/2017	320.6	320.6	148.2
ESP XI LP 16-17	12/20/2017	975.8	0.0	445.6
		1,296.4	**320.6**	**593.8**
ESP XII LP 17-18	9/25/2018	1,069.0	1,069.0	505.4
ESP XII LP 17-18	9/25/2018	4,444.1	0.0	2,076.7
ESP XII LP 17-18	9/25/2018	4,552.4	0.0	2,076.0
		10,065.5	**1,069.0**	**4,658.1**
ESP XIII LP 18-19	8/14/2019	994.4	994.4	484.5
ESP XIII LP 18-19	8/14/2019	4,441.3	0.0	2,142.5
ESP XIII LP 18-19	8/14/2019	4,532.8	0.0	2,142.5
ESP XIII LP 18-19	8/14/2019	4,639.3	0.0	2,141.5
		14,607.8	**994.4**	**6,911.0**
Total on	**6/30/2020**	**26,947.8**	**3,362.1**	**12,633.5**

(In thousands of Brazilian reais, except where otherwise indicated)

32.7. Direct Granting of Shares

During the period ended June 30, 2020, 693,624 shares were transferred to the managers of the Company. The changes are shown in the following table:

Total shares granted by month	Number of shares granted
January/20	-
February/20	-
March/20	-
Abril/20	693,624
Maio/20	-
Junho/20	-
Shares granted - 2020	693,624

The stock price was calculated at R$9.98 per share (weighted average price of the 20 trading sessions prior to April 30, 2020).

33. Additional information of the cash flow statements

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

	Parent					
	Balance on		Non-cash change			Balance on
Description	12/31/2019	Cash flow	New agreements	Exchange rate fluctuation	Other [1]	6/30/2020
Loans, financing and debentures	2,775,258	707,706	-	948,731	29,828	4,461,523
Lease payable	101,892	(35,311)	3,522	-	1,892	71,995
Capital reserves, options granted and treasury shares	(1,271,370)	(32,860)	-	(684,191)	(2,776)	(1,991,197)
	1,605,780	**639,535**	**3,522**	**264,540**	**28,944**	**2,542,321**

	Consolidated					
	Balance on					Balance on
Description	12/31/2019	Cash flow	New agreements	Exchange rate fluctuation	Other [1]	6/30/2020
Non-controlling interest	1,157,776	(57,649)	-	431,277	712,451	2,243,855
Loans, financing and debentures	21,716,280	(4,413,569)	-	7,388,638	864,976	25,556,325
Lease payable	523,833	(152,932)	127,856	148,342	11,183	658,282
Capital reserves, options granted and treasury shares	(1,271,370)	(32,860)	-	(684,191)	(2,776)	(1,991,197)
	22,126,519	**(4,657,010)**	**127,856**	**7,284,066**	**1,585,834**	**26,467,265**

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

34. Events after the reporting period

Social and environmental manifest and plan

On July 22, 2020, the Company disclosed its Declaration and Plan to mitigate adverse social and environmental impacts, to contribute to social and economic development and to protect and recover biodiversity in the regions where it operates.

The Plan is presented in the form of a timeline until 2030, with many actions taking place simultaneously and interconnected. This initiative is based on work in network and partnerships with the private sector, civil society organizations, academia and others, on a transparent platform for society to monitor the pace at which the targets are achieved.

The Company reaffirms that it is attentive to the transformations occurring in society, with growing calls for innovative forms of production and consumption. As such, it understands that the 2009 commitment must be reinforced and improved through a robust and effective action plan.

Issue of non-convertible debentures

On July 15, 2020, the Company announced the issue of two hundred and fifty thousand (250,000) non-convertible, unsecured debentures, issued in a single series by the Company, with unit face value of one thousand reais (R$1,000.00), in the aggregate amount of two hundred and fifty million reais (R$250,000,000), issued for private placement and with final maturity in July 2022 and remuneration of 2.20% + 100% CDI per annum, with this being the seventh (7th) Issue of Debentures of the Company.

The Debentures were subscribed to and paid for by RB Capital Companhia de Securitização with funds from a public distribution offer of certificates of agribusiness receivables (“CRA”), from the single series of the 11th issue, whose closing was announced yesterday. The CRAs are backed by agribusiness receivable rights represented by the Issue.

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Statement of Executive Officers on the Financial Statements

Statement of Executive Officers on the Financial Statements

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed to the financial statements related to the second quarter of 2020 fiscal year.

Sao Paulo, August 12, 2020.

Executive Officers:

Miguel de Souza Gularte Chief Executive Officer	**Tang David** Chief Administrative and Financial and IR
Heraldo Geres Chief Legal Officer	**Rodrigo Marçal Filho** Executive Officer

Statement of Executive Officers on the Independent Auditors Report

Statement of Executive Officers on the Independent Auditors Report

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed with the opinions expressed in the Independent Auditors Report on the financial statements related to the second quarter of 2020 fiscal year.

Sao Paulo, August 12, 2020.

Executive Officers:

Miguel de Souza Gularte Chief Executive Officer	**Tang David** Chief Administrative and Financial and IR
Heraldo Geres Chief Legal Officer	**Rodrigo Marçal Filho** Executive Officer