Marfrig

Another quarter of record-high operating results, reinforcement of capital structure and all time low debt cost

São Paulo, May 18, 2020 – *Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRTTY) announces today its results for the first quarter of 2020 (1Q20). 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 March 31, 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 1Q19.

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

HIGHLIGHTS

- **North America, a record-breaking first quarter**

The North America operation delivered its best first quarter ever, with record-high net revenue, EBITDA and EBITDA margin: Net Revenue of US$2,185 million and Adj. EBITDA of US$175 million with margin of 8.0%

- **South America delivers record EBITDA margin**

The South America operation delivered its best quarter ever, with record-high Adj. EBITDA margin of 12.3%, Net Revenue at R$3,765 million and Adj. EBITDA of R$464 million, supported by an efficient commercial strategy and the savings generated by the actions to capture operating efficiency gains ongoing since 2019.

- **Record reduction in financial expenses**

In January, the Company prepaid, using own funds, US$446 million in Senior Notes due in 2023 with interest of 8.0% p.a. It also settled R$938 million in working capital operations that were pressuring the financial result, significantly reduced cattle purchases on credit and reduced federal tax liabilities by R$616 million.

- **Record-low borrowing cost**

In 1Q20, the average borrowing cost reached a historical low of 5.81% p.a., down 113 bps or 16.3% from 1Q19 and a new record for the Company.

- **Transformation of management structure: simpler, focused and agile**

The Company changed its management structure by dissolving the holding company and ensuring that the CEOs of the North America and South America operations now report directly to their respective Boards of Directors. With the change, Marfrig's organizational structure evolves to a model with greater focus and agility for managing the business and executing the strategies established by the Board of Directors.

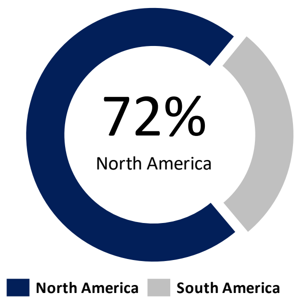
MARFRIG IN NUMBERS

(continued operations)

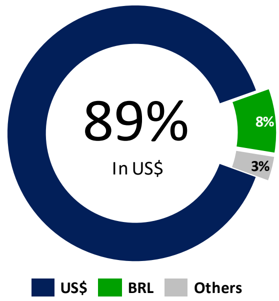
	1Q20	1Q19	Δ %	4Q19	Δ %
Consolidated					
Net Revenue	13,502	10,668	27%	14,218	-5%
Gross profit	**1,676**	**952**	**76%**	**2,076**	**-19%**
Gross Margin	**12.4%**	**8.9%**	**349 bps**	**14.6%**	**-219 bps**
SG&A	-757	-657	15%	-766	-1%
Adjusted Ebitda	**1,223**	**584**	**109%**	**1,618**	**-24%**
Adjusted Ebitda Margin	**9.1%**	**5.5%**	**358 bps**	**11.4%**	**-232 bps**
Financial Results	-1,183	-380	211%	-610	94%
Result before taxes	-32	151	-121%	399	-108%
Total Net Profit	**32**	**4**	643%	**27**	19%
North America (in US$)					
Net Revenue	$ 2,185	$ 2,034	7%	$ 2,339	-7%
Demostic	$ 1,898	$ 1,759	8%	$ 2,055	-8%
Exports	$ 287	$ 275	5%	$ 284	1%
Adjusted Ebtida	**$ 175**	**$ 131**	33%	**$ 290**	**-40%**
Adjusted Ebitda Margin	**8.0%**	**6.5%**	**156 bps**	**12.4%**	**-439 bps**
South America					
Net Revenue	3,766	2,987	-21%	4,581	-18%
Demostic	1,544	1,637	6%	1,855	-17%
Exports	2,222	1,350	-39%	2,726	-18%
Adjusted Ebtida	**464**	**104**	-78%	**458**	1%
Adjusted Ebitda Margin	**12.3%**	**3.5%**	**884 bps**	**10.0%**	**233 bps**
Dados Financeiros					
Net Debt (in US $)	$ 3,729	$ 2,487		$ 3,301	
Indebtedness (in US $)	2.84 x	2.71 x		2.74 x	
Average Cost of Debt (% .a.a)	5.81%	6.94%	-113 bps	6.26%	-45 bps
Average Debt Term (years)	4.04	3.65	11%	4.42	-9%

Net Revenue

Revenue by business

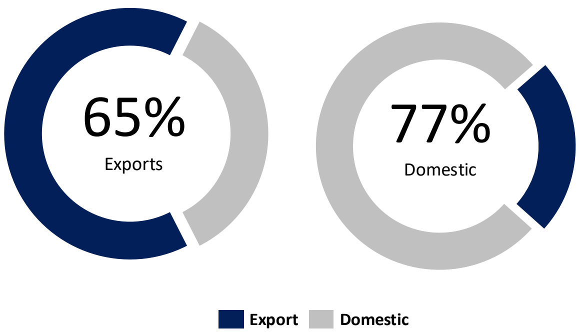


Revenue by Currency

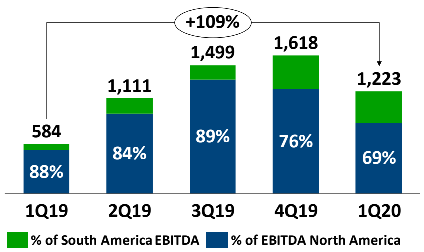


South America Revenue

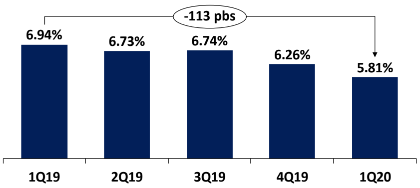
North America Revenue



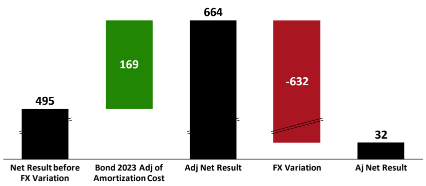
Adjusted EBITDA



Average Cost of Debt (% a.a.)



Adjusted Net Result



MARFRIG & INDUSTRY SCENARIO

COVID-19 has created challenges and raised uncertainties in the global macroeconomic scenario, which has forced institutions and banks to revise their economic projections for the world's main countries given the profound impact on the industrial sector as a whole.

The protein industry began to suffer the impacts caused by the pandemic at the end of March, when it reached the Americas, although many exporters already have felt impacts on their sales to China since the start of the quarter.

In the **United States**, cattle processing volume in 1Q20 came to 6.5 million head (USDA), up 5.1% from the same period of 2019 and very much in line with the volume processed in 4Q19. The first-quarter numbers do not yet reflect the impact from the coronavirus, since the more restrictive measures, such as the lockdowns and closures of foodservice chains, began towards the end of the period.

In **Brazil**, the Ministry of Agriculture reported national primary processing volume in 1Q20 of 5.4 million head, 10% lower than in the same period of 2019. The demand generated by the higher export volume was insufficient to offset the lower sales volume in the domestic market and the increase of nearly 30% in cattle cost (base CEPEA – São Paulo), which reduced the industry's productivity.

In **Uruguay**, data from Inac point to a decline of 25.5% (462k head in 1Q20 vs. 619k in 1Q19) in total primary processing compared to 1Q19. The country also suffered from a higher cattle cost and weaker sales due to lower exports to China caused by the impacts of COVID-19 on the Asian country.

In **Argentina**, according to the Argentine Beef Institute (IPCVA), primary processing grew 3.1% from 1Q19, in contrast to the trend in Brazil and Uruguay, 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.

In this challenging context, the geographic diversity of Marfrig's operations located in North America and South America has proven a major strategic advantage.

Marfrig ensures, with responsibility and solidarity, 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 31,000 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	**18**	**18,100**
Brazil	12	13,200
Uruguay	4	3,700
Argentina	2	1,200
TOTAL	**21**	**31,200**

In March, the Company decided to shut down its Tucumã Unit, in Pará state. The unit was operating with primary processing capacity of 500 head/day. Simultaneously, **we expanded production capacity at the Várzea Grande Unit** to improve the operating efficiency of our plants. The shutdown is aligned with Marfrig's portfolio management and asset optimization strategy.

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 Products 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.

Plant-based products: the production of plant-based products is currently concentrated in Brazil at the Várzea Grande plant. Marfrig is the country's first company to make these products on a commercial scale for the food service industry.

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	1Q20	1Q19	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	502	420	82	19.5%
Domestic	419	355	64	18.1%
Exports	83	65	18	26.9%
US $ Million			**US$**	**%**
Net Revenue	2,185	2,034	152	7.5%
Domestic	1,898	1,759	139	7.9%
Exports	287	275	13	4.6%
COGS	(1,956)	(1,856)	(100)	5.4%
Gross profit	229	178	52	29.1%
Gross Margin (%)	10.5%	8.7%	-	180 bps
Adj. EBITDA	175	131	44	33.4%
Adj. EBITDA Margin (%)	8.0%	6.5%	-	160 bps

SALES REVENUE & VOLUME

The North American Operation posted net revenue of US$2,185 billion, 7.5% higher than in 1Q19. Revenue growth was driven primarily by: (i) the higher supply of fed cattle supporting processing volume growth and yield gains at plants; (ii) the continued strong demand for beef protein in the domestic market; and (iii) the growth in sales volumes of case-ready and ready-to-eat products directly to consumers.

In Brazilian real, net revenue was R$9,736 million.

GROSS INCOME & GROSS MARGIN

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

Gross income in 1Q20 was US$229 million, advancing 29.1% on the prior-year quarter.

The price reference for cattle purchases (USDA KS Steer[1]) stood at US$119/cwt[2], down 5.2% from 1Q19, while the price reference for beef sales (USDA Comprehensive) was

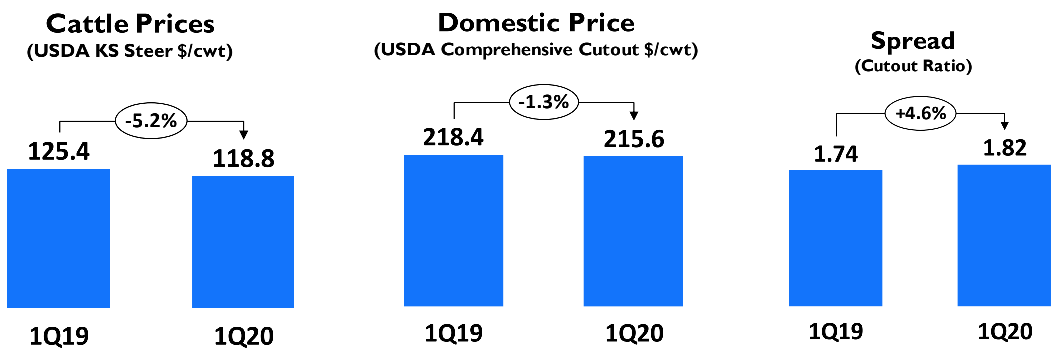
[1] "USDA KS Steer": cattle price reference in the U.S. state of Kansas.
[2] A "hundredweight," or Cwt, is a weight-measuring unit used in certain commodity contracts. In North America, a hundredweight equals 100 pounds.

US$215.55/cwt, down 1.3%, and credits from subproducts, such as leather and other, declined 1.7%.

Because cattle prices fell more than beef sales prices, the cutout ratio (average beef price divided by average cattle cost) stood at 1.82 in 1Q20, up from 1.74 in 1Q19, contributing to the higher profitability of the operation.

Gross margin stood at 10.5%, in 1Q20, expanding from 8.7% in 1Q19.

In Brazilian real, gross income was R$1,412 million.



Adj. EBITDA & MARGIN

Adj. EBITDA was US$175 million, setting a record for first quarters, with Adj. EBITDA margin of 8.0%.

In Brazilian real, Adj. EBITDA was R$816.4 million.

SOUTH AMERICA OPERATION

*One of the region's leading beef patty producers, with primary processing capacity of approximately 18,000 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 12,700 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.*

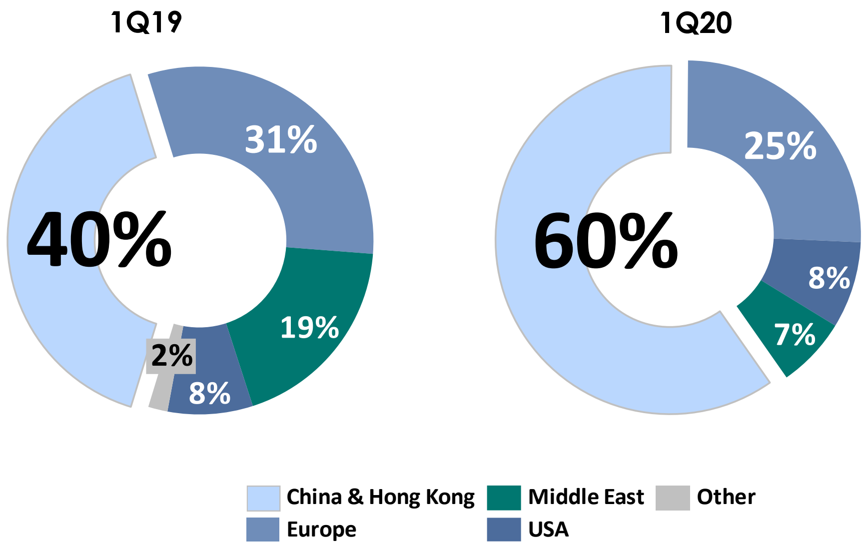
SOUTH AMERICA OPERATION	1Q20	1Q19	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	340	333	7	2.1%
Domestic	229	245	(16)	-6.5%
Exports	111	88	23	26.2%
R$ million			**R$**	**%**
Net Revenue	3,766	2,987	779	26.1%
Domestic	1,544	1,637	(93)	-5.7%
Exports	2,222	1,350	871	64.5%
COGS	(3,145)	(2,707)	(438)	16.2%
Gross profit	621	280	341	121.6%
Gross Margin (%)	16.5%	9.4%	-	710 bps
Adj. EBITDA	464	104	360	345.2%
Adj. EBITDA Margin (%)	12.3%	3.5%	-	880 bps

SALES REVENUE & VOLUME

Net revenue from the South American Operation came to R$3,766 million in 1Q20, up 26.1% from 1Q19, mainly explained by: (i) the 64.5% higher export volume; (ii) the 30.4% higher average export price; (iii) 87% increase in processed food revenue; and (iv) the 18.2% depreciation in the Brazilian real against the U.S. dollar (R$4.46 in 1Q20 vs. R$3.77 in 1Q19).

In the quarter, approximately **60% of the total export revenue** of the South American Operation came from **shipments to China and Hong Kong**, which **grew by 106%** on the prior-year period, reflecting Marfrig's better positioning in the region to meet the growing demand from Asia. In 1Q20, exports represented 60% of the operation's revenue, up from 45% in 1Q19.

Profile of Exports



GROSS INCOME & GROSS MARGIN

In 1Q20, gross income from the South America Operation was R$621 million, advancing 121.6% from 1Q19. The excellent performance is explained by: (i) the **better result from exports**, reflecting the higher number of authorizations to China and the good sales strategy adopted in late 2019, which successfully balanced the mix of destination countries to support increases in both volume and average price; (ii) **increased in processed food results**; and (iii) the **cutting of costs and expenses and the reduction in fixed costs from economies of scale due to operational improvement & efficiency program** launched in 2019 which, among others, included the following initiatives:

(a.) a review of the operational footprint, with the shutting down of less efficient plants;

(b.) the expansion in primary processing capacity at Várzea Grande;

(c.) the reduction in labor expenses from more efficient processes;

(d.) the reduction in the employee turnover rate;

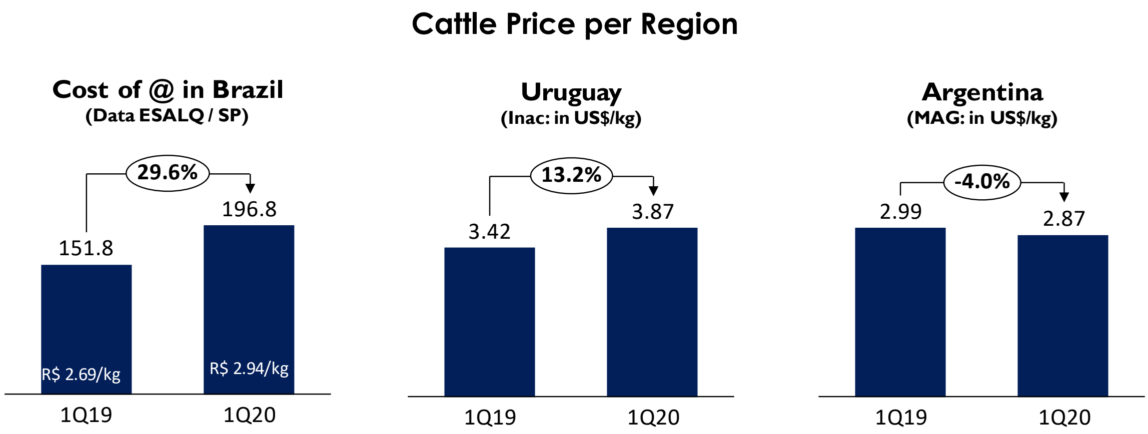
(e.) the improvement of production yields through better practices;

(f.) the improvements in production mix and raw material usage; and

(g.) the higher volume of value-added producers for certified cuts.

These trends offset the 16.2% increase in COGS in 1Q20, resulting from the higher primary processing volume and the higher cattle prices in Brazil (30%) and in Uruguay (13%), in contrast to the price drop in Argentina (-4%).

Gross margin in the quarter was 16.5%, up from 9.4% in 1Q19.



Brazil	Uruguay	Argentina
Cattle cost pressured by stronger demand for exports and by USD appreciation .	Cattle costs pressured by export growth, especially to China.	Argentina remains one of the world's lowest-cost cattle producers in U.S. dollar.

Adj. EBITDA & MARGIN

In 1Q20, Adj. EBITDA from the South American Operation was R$464 million, with EBITDA Margin of 12.3%, **setting a new record for the operation.**

CONSOLIDATED RESULTS

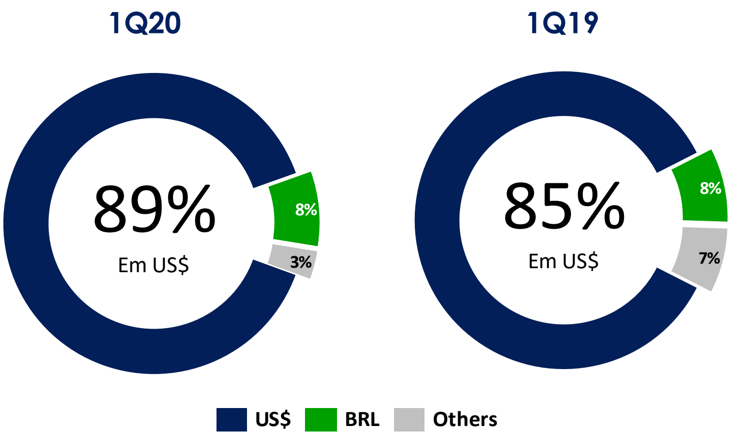
CONSOLIDATED RESULTS	1Q20	1Q19	Chg.	
Tons (thousand)			tons	%
Total Volume	842	754	89	11.8%
Domestic	649	600	48	8.1%
Exports	194	153	41	26.5%
R$ Million			R$	%
Net Revenue	13,502	10,668	2,833	26.6%
Domestic	10,001	8,280	1,722	20.8%
Exports	3,500	2,389	1,112	46.5%
COGS	(11,826)	(9,716)	(2,109)	21.7%
Gross profit	1,676	952	724	76.1%
Gross Margin (%)	12.4%	8.9%		349 bps
SG&A	(757)	(657)	(100)	15.2%
(+) Depreciation & Amortization	(304)	(290)	(14)	4.9%
Adj. EBITDA	1,223	584	639	109.3%
Adj. EBITDA Margin (%)	9.1%	5.5%	-	360 bps

CONSOLIDATED NET REVENUE

In 1Q20, Marfrig's consolidated net revenue was R$13,502 million, advancing 26.6% from 1Q19. Revenue growth is explained by the 46.5% growth in export revenue (mainly on the 64.5% higher export revenue from the South American Operation) and the continued excellent performance of the North American Operation, which posted revenue growth of 7.5% in U.S. dollar or 26.7% in Brazilian real.

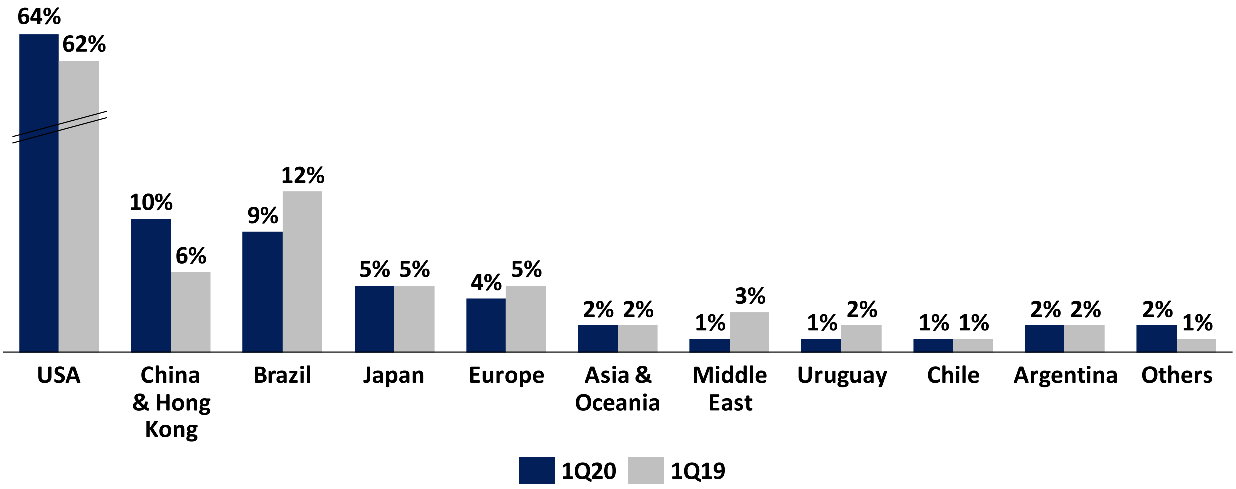
In 1Q20, net revenue denominated in foreign currency represented 89% of total revenue, which is a significant factor resulting from the combination of "natural" revenue generation in North America with the exports from South America. From the opposite viewpoint, just 8% of the Company's revenue was generated 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 1Q20, the United States accounted for 64% of our consolidated sales, while sales to China reached 10% and sales in Brazil's domestic market fell to 9%.



COST OF GOODS SOLD ("COGS")

Marfrig's cost of goods sold in 1Q20 was R$11,826 million, up 21.7% from the prior-year period, explained by the higher sales volume in both operations and by the higher cattle cost, as explained above.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

Selling, general & administrative (SG&A) expenses amounted to R$757 million. SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 5.6%, down from 6.16% in 1Q19.

Selling expenses were R$549 million, or 4.0% of net revenue, 40 bps lower than in 1Q19. Even with its higher sales volume and especially the 46.5% growth in export volume, the Company was able to reduce its selling expenses, reflecting the actions to optimize logistics.

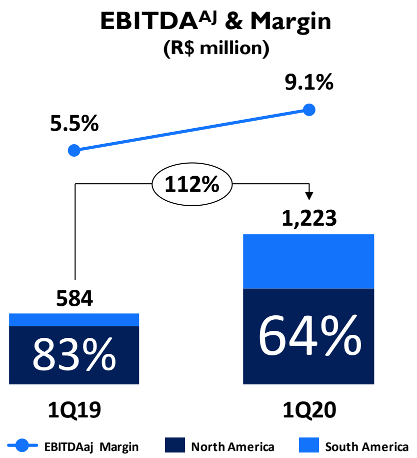
General and Administrative expenses were R$212 million, or 5.6% of net revenue, down 80 bps from 1Q19.

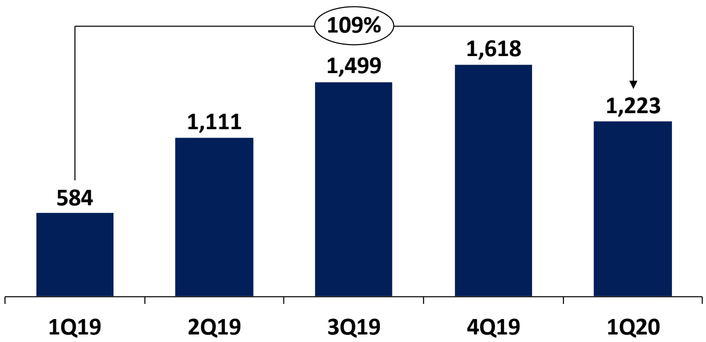
Adj. EBITDA and Margin

Marfrig posted Adj. EBITDA of R$1,223 million in 1Q20, representing growth of 109% compared to 1Q19, while Adj. EBITDA margin stood at 9.1%, expanding 360 bps.

In the quarter, 64% of Adj. EBITDA came from the North America operation, down from 1Q19, given the higher result from the South America operation. In all, approximately 90% of consolidated Adj. EBITDA in the period was generated in U.S. dollar.

This excellent performance in 1Q20 is explained by: (i) the higher sales volume in the North American Operation, mainly to the domestic market, given the solid and continued growth in beef protein demand in the United States; (ii) the higher average price and growth in export volume, 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	1Q20	4Q19	Chg.	
			R$	%
Net Interest Provisioned	(248)	(283)	35	-12%
Other Financial Revenues and Expenses	(60)	(160)	100	-63%
RECURRING FINANCIAL RESULT	**(308)**	**(443)**	**135**	**-31%**
Non-recurring expenses	(244)	-	(244)	
FINANCIAL RESULT BEFORE EXCHANGE VAR.	**(551)**	**(443)**	**(108)**	**24%**
Exchange Variation	(632)	(167)	(465)	278%
NET FINANCIAL RESULT	**(1,183)**	**(610)**	**(573)**	**94%**

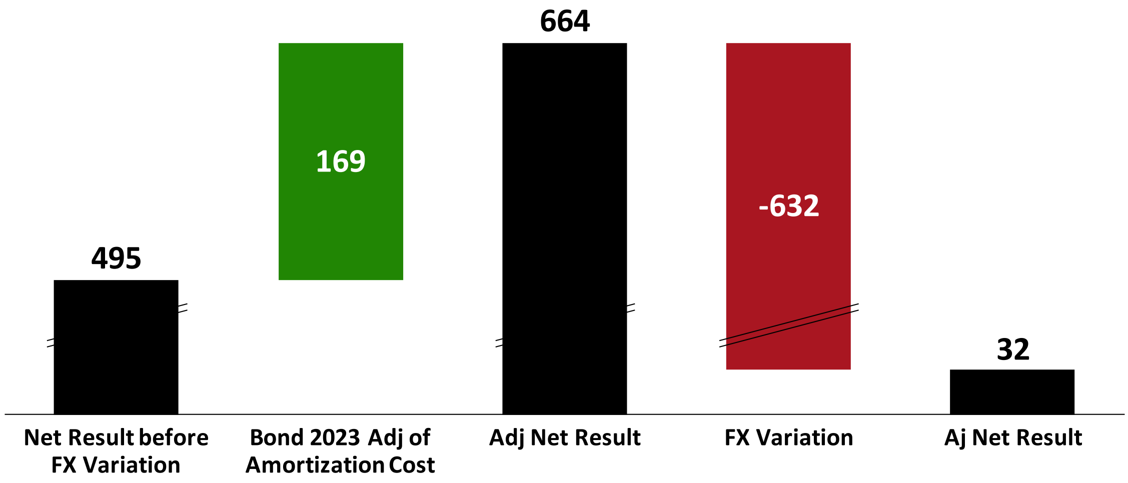
Note: the effects from currency translation on liabilities contracted by subsidiaries abroad, whose functional currency differs from that of the parent company, are recorded under shareholders' equity.

The net financial result in 1Q20, excluding exchange variation and non-recurring expenses, came to R$308 million, down R$135 million from 4Q19. The highlight of first quarter is the positive results of the Company's strategy to reduce its financial costs and to boost its profitability.

In 1Q20, the line "Other Expenses and Financial Income" declined by R$100 million from 4Q19, mainly due to the effort to sell working capital operations launched in 4Q19 and intensified in 1Q20. In addition, we trimmed R$614 million in installments under federal tax liabilities, which also impacted this line in terms of inflation adjustment.

The non-recurring expenses of R$244 million incurred in 1Q20 stem from the prepayment, on January 17, 2020, of US$446 million in Senior Notes due in 2023. Of this amount, R$169 million was non-cash being the write-off of amortized issue costs.

NET INCOME (R$ million)



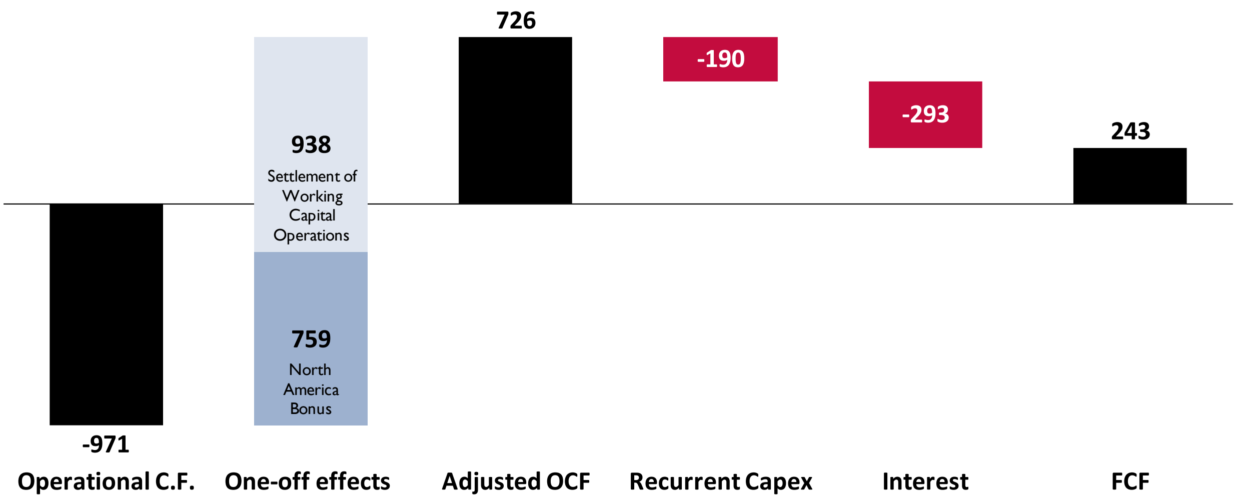
In 1Q20, net income from continuing operations was significantly affected by the exchange variation expense of R$632 million, but was positive R$32 million after adjusted for the non-recurring expense of R$169 million from the non-cash write-off of the accumulated amortized costs of the issue of Senior Notes due in 2023, which were repurchased in January.

CAPEX & INVESTMENTS

Recurring capex amounted to R$190 million in 1Q20, 65% of which was allocated to maintenance and improvements. In maintenance expenses, the highlight was the investment made in regular maintenance and in the water treatment and reuse plant in Liberal, Kansas, in the North America operation. The remaining 35% was allocated to organic growth projects, especially 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 potential at its most efficient units while shuttering less efficient plants.

Recurring capex in the last 12 months was R$829 million, with 73% allocated to maintenance projects and the remaining balance allocated to growth projects.

CASH FLOW (R$ million)

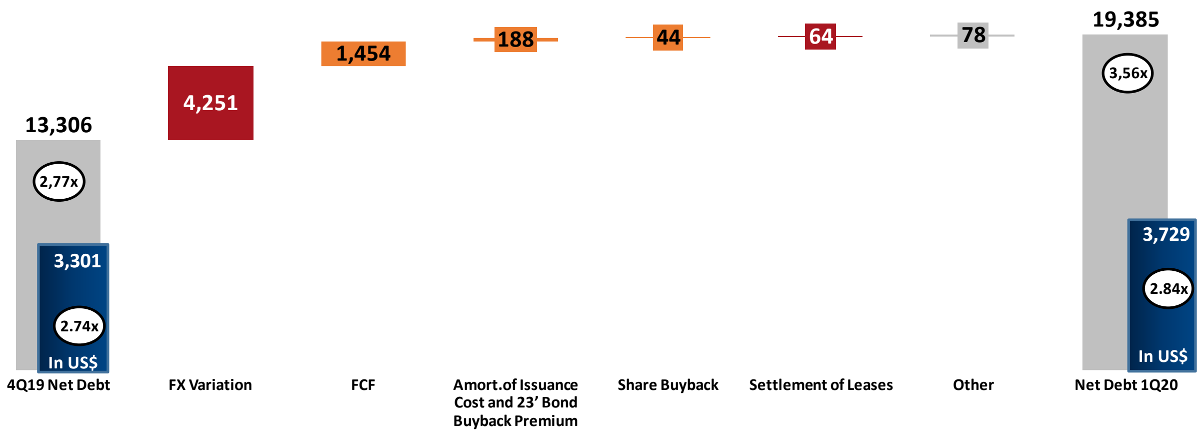


Taking advantage of the stronger operational result and more efficient working capital management in 1Q20, we made progress in our plan to settle working capital operations that were pressuring the financial result.

This quarter, we settled R$938 in working capital operations, which represented a significant mark in the execution of our liability management strategy, as determined by our Board of Directors. The move resulted in structural savings of R$100 million in the line "Other Financial Revenue and Expenses" line compared to 4Q19.

Recurring free cash flow was positive R$243 million after eliminating the one-off effects from the settlement of working capital operations and from the payment of a R$759 million bonus in the North America operation.

NET DEBT (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 1Q20 at US$3,729 million, increasing 13% (US$428 million) from 4Q19, mainly due to: (i) the impacts on free cash flow from eliminating the working capital operations, the payment of taxes and the bonus paid in the North America operation; and (iii) the noncash effect from the write-off of the amortization expenses of the Senior Notes due in 2023, which were prepaid in January 2020.

In Brazilian real, net debt stood at R$19,358 million, which reflects, in addition to the factors described above, the noncash exchange variation effect of R$4,251 million.

Financial leverage, calculated by the ratio of net debt (last 12 months) to proforma Adj. EBITDA LTM (last 12 months), was 2.84x in U.S. dollar, increasing 0.14x from 4Q19. In Brazilian real, the leverage ratio was 3.56x.

Net Debt / LTM Adj. EBITDA in USD	Net Debt / LTM Adj. EBITDA in BRL	Avg. Cost (% p.a.)	Avg. Term (years)
2.84x	3.56x	5.81%	4.04

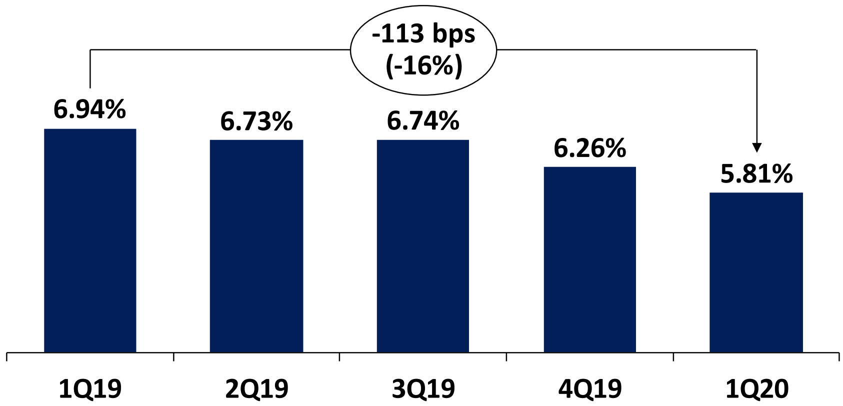
Note: the calculation of the leverage ratio for the purpose of complying with the financial covenants of bank and capital market funding transactions, which establish a limit of 4.75x, includes provisions that allow for excluding exchange-variation effects. Accordingly, the ratio for this purpose ended 1Q20 at 2.21x (for more information, see Note 17.3 to the financial statements).

AVERAGE DEBT COST

This quarter we reached another important mark in our liability management strategy, with the average borrowing cost falling to 5.81% p.a., 49 bps and 113 bps (16%) lower than in 4Q19 and 1Q19, respectively.

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.

Average Debt Cost (per year)



COVID-19

Beef processing operations are indispensable to the food security of Brazilians, Argentines, Chileans, Uruguayans, Americans and of millions of people in over 100 countries around the world. As such, Marfrig has undertaken a **commitment to keep its units operating** during the crisis and to guarantee the supply of an essential product for most consumers. This was done with the utmost responsibility and put first the health and safety of all those who work at the Company, 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.

In April, the Board of Directors approved a plan for combatting or mitigating the effects arising from the pandemic. Marfrig promptly implemented a series of measures.

The main social actions carried out by the Company during the period, which amounted to approximately R$20 million, are described below:

In the **South America operation**, the Promissão Unit in São Paulo state is producing approximately 10 tons/month of alcohol gel. The first lot was shipped to units in Brazil, with the following lots allocated to 18,000 employees in Brazil and donated to charitable organizations and hospitals located in the cities where Marfrig operates.

The amount of R$7.5 million was donated to the Ministry of Health, which is enough for purchasing 100,000 rapid tests to diagnose COVID-19.

The donation of 48,000 cans of beef to supplement the emergency staple food baskets distributed by Uruguay's Ministry of Social Development.

In recognition of the efforts of the employees who work every day to ensure the production of beef to feed the population, Marfrig started giving 2.5 kg of beef to each of its 18,000 employees in Brazil.

In the **North America operation**, we invited and hosted the heads of the Centers for Disease Control and Prevention (CDC) and state and local health authorities to visit our facilities, hold meetings with members of our team and review our safety procedures.

We donated a number of meals, hospital-standard masks and cleaning and sanitizing products to hospitals and nurses' associations in the regions where the Company operates.

In Ohio, we donated US$123,000 in chilled beef to the local food bank.

Stainless steel partitions were installed in plants between workstations and on the production floor to improve safety and facilitate daily sanitizing procedures.

We expanded the number of cafeteria areas for employees, allowing them to spread out during their breaks or meals.

Emergency payment: all employees who earn an hourly wage will receive an increase of US$2 per hour in their base wages from March 16 to May 10, 2020 (may be extended). A meat kit also is being donated weekly to all employees and contractors at all of the operation's units.

With the utmost concern for protecting the health of our employees, the Company's HR department adopted preventive measures to contain the spread of infection, such as: i) preventive quarantine of employees with chronic diseases or over 60 years old and pregnant women; ii) suspension and quarantine for employees with any symptom indicating possible infection with COVID-19; iii) temperature measurement and triage for assessing signs of possible infection of employees at entry points to all the Company's industrial and administrative units; iv) reinforced disinfection of buses, tables and doorknobs; v) expansion of alcohol hand sanitizer gel dispensers at all facilities; vi) sanitizing of work uniforms and equipment; vii) provision of PPEs to employees in the health, cleaning, laundry, reception and gatehouse and cafeteria areas; viii) prohibition of all domestic and international visits to production units; ix) adoption of a shift rotation system and of working from home; and x) conducting educational campaigns to raise employee awareness.

Marfrig is working resiliently and carefully to perform its essential function, which is supplying quality beef to everyone. Our priority is to ensure and 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 under the most rigorous standards of safety and sustainability. **From the countryside of Kansas to the inland regions of Uruguay, Chile and Argentina and in 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 feeding the world cannot stop.**

UPCOMING EVENTS

Earnings Conference Call

Date: May 19, 2020

10:00 a.m. (Brasília)

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

Code: Marfrig

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

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APPENDIX LIST

Marfrig

APPENDIX I

Proforma Income Statement

(R$ million)

	1Q20 (a)		1Q19 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**13,502**	**100.0%**	**10,668**	**100.0%**	**2,833**	**26.6%**
COGS	(11,826)	-87.6%	(9,716)	-91.1%	(2,109)	21.7%
Gross Profit	**1,676**	**12.4%**	**952**	**8.9%**	**724**	**76.1%**
SG&A	**(757)**	**-5.6%**	**(657)**	**-6.2%**	**(100)**	**15.2%**
Commercial	(545)	-4.0%	(473)	-4.4%	(72)	15.2%
Administratives	(212)	-1.6%	(184)	-1.7%	(28)	15.1%
Adj. EBITDA	**1,223**	**9.1%**	**584**	**5.5%**	**639**	**109.3%**
Others revenues/expenses	(55)	-0.4%	77	0.7%	(132)	-170.4%
EBITDA	**1,168**	**8.7%**	**662**	**6.2%**	**507**	**76.6%**
P&L - US$ x BRL	**R$ 4.46**		**R$ 3.77**		**0.69**	**18.2%**
BS - US$ x BRL	**R$ 5.20**		**R$ 3.90**		**1.30**	**33.4%**

APPENDIX II

Income Statement and EBITDA Reconciliation | Continuing Operation

(R$ million)

	1Q20 (a)		1Q19 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**13,502**	**100.0%**	**10,080**	**100.0%**	**3,422**	**33.9%**
COGS	(11,826)	-87.6%	(9,152)	-90.8%	(2,673)	29.2%
Gross Profit	**1,676**	**12.4%**	**927**	**9.2%**	**749**	**80.7%**
SG&A	**(757)**	**-5.6%**	**(643)**	**-6.4%**	**(114)**	**17.8%**
Commercial	(545)	-4.0%	(467)	-4.6%	(78)	16.7%
Administratives	(212)	-1.6%	(176)	-1.7%	(37)	20.8%
Adj. EBITDA	**1,223**	**9.1%**	**571**	**5.7%**	**651**	**114.0%**
Others revenues/expenses	(55)	-0.4%	78	0.8%	(132)	-170.3%
EBITDA	**1,168**	**8.7%**	**649**	**6.4%**	**519**	**80.0%**
Equity Account	0	0.0%	(0)	0.0%	0	-
D&A	(304)	-2.3%	(287)	-2.8%	(17)	6.0%
EBIT	**864**	**6.4%**	**362**	**3.6%**	**502**	**138.6%**
Financial Results	**(1,183)**	**-8.8%**	**(380)**	**-3.8%**	**(803)**	**211.1%**
Financial revenues/expenses	**(551)**	**-4.1%**	**(406)**	**-4.0%**	**(145)**	**35.8%**
Exchange rate variation	**(632)**	**-4.7%**	**26**	**0.3%**	**(657)**	**-2564.6%**
EBT	**(319)**	**-2.4%**	**(18)**	**-0.2%**	**(301)**	**1669.5%**
Taxes	**286**	**2.1%**	**160**	**1.6%**	**126**	**78.9%**
Continued Operation - Net Profit	**(32)**	**-0.2%**	**142**	**1.4%**	**(174)**	**-122.7%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**-**	**0.0%**	**-**	**-**
Total Net Profit	**(32)**	**-0.2%**	**142**	**1.4%**	**(174)**	**-122.7%**
Minority Stake	**(105)**	**-0.8%**	**(138)**	**-1.4%**	**33**	**-24.0%**
Continued Operation - Net Profit	**(137)**	**-1.0%**	**4**	**0.0%**	**(141)**	**-3268.6%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**-**	**0.0%**	**-**	**-**
Total Net Profit	**(137)**	**-1.0%**	**4**	**0.0%**	**(141)**	**-3268.6%**
P&L - US$ x BRL	**R$ 4.46**		**R$ 3.77**		**-R$ 3.92**	
BS - US$ x BRL	**R$ 5.20**		**R$ 3.90**		**-R$ 3.83**	

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	1Q20	4Q19
Net Profit / Loss	**(137)**	**27**
(+) Provision for income and social contribution	(286)	117
(+) Non-controlling Interest	105	372
(+) Net Exchange Variation	632	167
(+) Net Financial Charges	551	443
(+) Depreciation & Amortization	304	308
EBITDA	**1,168**	**1,434**
(+) Other Operacional Revenues/Expenses	55	184
Adj. EBITDA	**1,223**	**1,618**

APPENDIX III

Cash Flow | Continuing Operation

(R$ million)

Continued Free Cash Flow	1Q20	4Q19
Net Income/Loss	(137)	27
(+/-) Non cash items	1,334	1,769
(+/-) Account Receivable	(25)	(906)
(+/-) Inventories	(289)	81
(+/-) Suppliers	(921)	518
(+/-) Others	(932)	(314)
(=) Operational Cash Flow	(970)	1,175
(-) Total Capex and Investments	(190)	(322)
(-) Interest expenses	(294)	(301)
Cash Flow Before Third Party Dividends	**(1,454)**	**552**

APPENDIX IV
Consolidated Income Statement by Operation
(R$ ‘000)

1Q20	North America		South America		Corporate	
	R$	%NOR	R$	%NOR	R$	%NOR
Net Revenues	**9,736**	**100.0%**	**3,766**	**100.0%**	**-**	**100.0%**
COGS	(8,680)	-89.2%	(3,145)	-83.5%	(0)	0.0%
Gross Profit	**1,055**	**10.8%**	**621**	**16.5%**	**(0)**	**0.0%**
SG&A	**(390)**	**-4.0%**	**(242)**	**-6.4%**	**(125)**	**0.0%**
Adj. EBITDA	**812**	**8.3%**	**464**	**12.3%**	**(54)**	**0.0%**

1Q19	North America		South America		Corporate	
Net Revenues	**7,681**	**100.0%**	**2,987**	**100.0%**	**-**	**100.0%**
COGS	(7,008)	-91.2%	(2,707)	-90.6%	(1)	0.0%
Gross Profit	**673**	**8.8%**	**280**	**9.4%**	**(1)**	**0.0%**
SG&A	**(301)**	**-3.9%**	**(280)**	**-9.4%**	**(77)**	**0.0%**
Adj. EBITDA	**498**	**6.5%**	**104**	**3.5%**	**(18)**	**0.0%**

APPENDIX V

Balance Sheet

(R$ '000)

ASSETS	1Q20	4Q19
CURRENT ASSETS		
Cash and Marketable Securities	7,574,176	8,410,113
Trade accounts receivable	2,453,249	2,020,516
Inventories of goods and merchandise	2,929,287	2,383,486
Biological assets	41,421	29,139
Recoverable taxes	546,108	1,176,530
Prepaid expenses	93,726	61,823
Notes receivable	28,664	82,318
Advances to suppliers	121,171	110,044
Other receivables	368,779	146,135
	14,156,581	**14,420,104**
NON CURRENT ASSETS		
Court deposits	66,373	62,055
Notes receivable	0	0
Deferred income and social contribution taxes	1,876,120	1,413,253
Recoverable taxes	2,549,074	2,321,233
Other receivables	358,607	134,537
	4,850,174	**3,931,078**
Investments	60,715	42,545
Property, plant and equipment	7,371,324	5,231,216
Intangible assets	8,444,251	6,557,055
	15,876,290	**11,830,816**
TOTAL ASSETS	**34,883,045**	**31,572,021**

LIABILITIES	1Q20	4Q19
CURRENT LIABILITIES		
Trade accounts payable	2,688,561	2,670,322
Supply chain finance	38,575	176,881
Accrued payroll and related charges	423,809	757,699
Taxes payable	247,408	407,817
Loans and financing	6,718,393	4,594,444
Notes payable	315,979	108,483
Lease payable	159,838	131,093
Advances from customers	1,304,128	1,322,910
Other payables	372,759	445,399
	12,269,450	**10,615,048**
NON CURRENT LIABILITIES		
Loans and financing	20,241,092	17,121,836
Taxes payable	256,336	768,129
Deferred income and social contribution taxes	189,537	136,275
Provisions for contingencies	395,733	361,884
Lease payable	427,780	392,740
Notes payable	316,251	233,094
Advances from customers	213,879	166,674
Other	213,879	166,674
	22,040,608	**19,180,632**
CONTROLLING SHAREHOLDER´S EQUITY		
Share Capital	8,204,391	8,204,391
Capital reserve	(1,852,617)	(1,271,370)
Profit reserves	51,824	51,824
Other comprehensive income	(4,202,394)	(3,271,650)
Accumulated losses	(3,231,220)	(3,094,630)
Controlling Shareholder's Equity	**(1,030,016)**	**618,565**
Non-controlling interest	1,603,003	1,157,776
Total Controlling Shareholder's Equity	**572,987**	**1,776,341**
TOTAL LIABILITIES	**34,883,045**	**31,572,021**