Marfrig reports record-high quarterly results and positive net income for fourth straight quarter

***São Paulo, November 11, 2019 –** Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for the third quarter of 2019 (3Q19). 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 September 30, 2019 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 3Q18.

Results described as "Continuing Operation" consider only the results of National Beef as of its acquisition as of June 2018, the results of the Ohio beef patty business as of the sale of Keystone, i.e., as of December 2018, 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 its approval, in June 2019.

HIGHLIGHTS

- **Financial**
  - Consolidated Net Revenue of R$12.7 billion in 3Q19, growing 3.6% from 3Q18 and setting a new record for the Company;
  - All-time high Adjusted EBITDA ("Adj. EBITDA") of R$1.5 billion, with margin of 11.8%, increasing 28.6% and 230 bps from 3Q18;
  - Operating Cash Flow of R$1.3 billion and Free Cash Flow[1] of R$844 million, setting yet another record in the quarter;
  - Net income of R$100.4 million, compared to the net loss of R$126.3 million in the same quarter of 2018.

The results in the first nine months of 2019 and the positive trend expected for the fourth quarter reinforce our confidence in meeting the guidance for the year.

- **Plant-based products**

In August, in partnership with the U.S.-based Archer Daniels Midland Company (ADM), one of the world's leading agricultural producers and food ingredient suppliers, Marfrig launched production and sales of plant-based products in Brazil. In an associated development, the fast food chain Burger King announced the launch in Brazil of its new Rebel Whopper burger made using Marfrig's plant-based burger.

- **Sustainability**

In July, Marfrig issued Sustainable Transition Bonds in a pioneering move in the local market, becoming the first Brazilian company to issue these kinds of bonds in the country. Moreover, this was the first 10-year bond issued by the Company and was placed with its lowest interest coupon ever.

1 Cash Flow before M&A and payment of dividends to third parties

In September, the Company and the Sustainable Trade Initiative (IDH) signed a letter of intent for the development of long-term rural development program for the beef production chain in the Brazilian states of Mato Grosso, Pará and Rondônia. The goal is to promote the supply of sustainably based raw materials as from the production of calves until the final product.

The program will focus on three works fronts with strategic public and private partners over the next 12 months with the goal of attracting investors: the development of a network of partners to provide technical support to cattle producers (current and future suppliers, both direct and indirect); financial mechanisms to help cattle producers implement best industry practices; tracking system to complement the current system with a focus on land-impact indicators and on the production of high-quality calves.

- **New authorizations:**

On September 9, the Ministry of Agriculture, Livestock and Supply ("MAPA") notified the Company of new authorizations for its plants to export beef to the People's Republic of China.

Marfrig had two (2) more plants authorized: Tangará da Serra and Várzea Grande, both in the state of Mato Grosso.

As a result, Marfrig remains the leader in South America as the company with the most plants authorized to export beef to China, with 11 plants authorized to export to the country, with 5 in Brazil, 4 in Uruguay and 2 in Argentina.

SUMMARY

MACROECONOMIC SCENARIO

In the **United States**, the unemployment rate ended September at 3.5% (source: U.S. Bureau of Labor Statistics), the lowest rate since 1969. Factors such as household income and purchasing power above the pre-crisis levels of 2009, the good performance is a consequence of " pro domestic growth" policy adopted by the government that has reflected in the country's economy, which posted GDP growth in 2Q19 (third revision) of 2% on an annualized basis. GDP growth for the whole of 2019 is projected at 2.35%, according to the IMF, demonstrating that the country remains the key growth driver among major developed economies.

In **Brazil,** GDP grew by 0.4% in 2Q19, which, albeit modest, was above expectations and halted the downward revisions in growth forecasts for 2019. In its latest report (Oct. 21), the IMF projected GDP growth for the year of 0.88%, which is line with the consensus forecast of economists surveyed by the Central Bank in its latest *Market Readout*. The forecast is 0.01% higher than in the last reading and the first upward revision after 6 downward revisions.

Despite the favorable revision for Brazil, the IMF cut its growth forecast for **South America** as a whole in its latest report, projecting growth of just 0.2% for 2019.

INDUSTRY SCENARIO

In the **United States**, the volume of cattle processed in 3Q19, which came to 6.6 million head (USDA), grew 0.7% on the same period of 2018, demonstrating the high supply of animals and the strong scenario for beef protein, which continues to expand rapidly even with the incident that shutdown the Tyson plant in Holcomb, Kansas (around 5% of the country's total primary processing capacity). According to the USDA, per-capita beef consumption in the country grew by 1.3% from 2013 to 2018. For 2019, the agency's forecast for consumption growth is 2.8%, to 58.8 pounds per capita, from 57.2 pounds in 2018.

In **Brazil**, the Ministry of Agriculture reported that the 3Q19 primary processing volume of 6.3 million head was 2% lower than in the same period of 2018, a period that was influenced by the cattle processing postponed in 2Q18 due to the truck drivers' strike, thereby distorting the comparison. Using 2Q19 for comparison, volume in the quarter rose 7.3%, which is directly related to the growth in export volumes driven by the new global scenario for proteins and the trade situation involving China. Export growth also affected prices in the domestic market by reducing the difference between protein prices, making beef more competitive in relation to other proteins.

In **Uruguay**, data from Inac showed a decline of 9.8% (503,000 head in 3Q19 vs. 558,000 in 3Q18) in total primary processing compared to 3Q18. The country is facing a shortage of fed cattle due to exports of live cattle in prior quarters and intense competition for cattle for the export market.

In **Argentina**, primary processing stood at 3.7 million in 3Q19, according to the Chamber of Commerce and Industry for Meat and Derivatives (Ciccra), a 9.3% increase from the same period of 2018 and the industry's best result since 2009. This growth was driven by

China's strong demand for beef, which was supported utilization rates and even the reopening of primary processing plants in the region.

African Swine Fever – New global protein scenario

African Swine Fever is a disease that does not affect human beings, but is lethal to pigs. The first outbreaks were confirmed by the Chinese government in mid-August 2018. In an alarming escalation and without effective vaccines, today the official estimate by China's Ministry of Agriculture is that the disease has caused a 40% reduction in the country's pork herd on the prior year.

Pig farming is extremely relevant in the country, since pork is the main meat consumed. In 2018, China accounted for 50% of global pork production and for 50% of global pork consumption.

According to the USDA, a total of 55.4 million tons of carcass-weight equivalent (CWE) were consumed in 2018. With dwindling parent and breeding stocks, the agency has projected a 12% drop in consumption for 2019 and another 22% decline for 2020.

Given the scarcity of pigs and as a measure to control prices, the Chinese government imposed rationing, with pork consumption limited to 900 grams per day/per person.

According to the Food and Agriculture Organization of the United Nations (FAO), the situation has created a 10% shortfall in world protein supply. This disruption generates two instantaneous effects: first, the migration of consumption to other proteins, and, second, higher imports to meet China's protein needs.

On the migration to beef protein, also according to the USDA, China's internal consumption of beef in 2018 was 7.9 million tons of CWE. Consumption growth is projected at 16.7% (9.2 million tons of CWE) for 2019 and another 3% for 2020. In a projection prepared by market experts[2], each additional kilogram of beef protein consumed per capita generates consumption of over 1.2 million tons, or approximately 80% of the total volume exported by Brazil in 2018.

With regard to higher imports to supply domestic needs, China is seeking alternatives, especially in the South American market. In September, more than 25 new plants were authorized in Brazil alone, 17 of which for cattle primary processing.

Chinese customs data show that Brazil and Argentina account for more than 40% of all volume of beef exported to China and, with the new authorizations, this percentage should rise even higher by year-end. In the case of Brazil, China combined with Hong Kong accounted for 42% of volume total exports in 3Q19.

[2] HSBC – swine fever report published in September 2019.

MARFRIG SCENARIO

A highlight in the quarter was the **progress made in product innovation and client relations.** We launched the production of plant-based burgers in partnership with ADM and with sales initially to Burger King, demonstrating Marfrig's industry leadership and alignment with consumer demands.

The Company also plans to launch a new line of plant-based products by year-end. The development is based on Marfrig's belief that consumers should have the power to choose between animal and plant-based products.

Also aligned with its **strategic focus on higher-value products and sustainability pillar**, Marfrig is one of the leaders in South America and Uruguay's leading exporter of USDA certified organic meat, a product highly valued in leading consumer markets. Marfrig also is planning for this year the launch of a line of carbon neutral beef.

The **footprint of the South America Operation** and the new authorizations of the Tangará da Serra and Várzea Grande units, both in the Brazilian state of Mato Grosso, put Marfrig in a privileged and leadership position to **meet the growing Chinese demand**.

In the quarter, approximately 60% Argentina's total export revenue and 64% of Uruguay's came from China. In the case of Brazil, which is awaiting the new authorizations to take effect, approximately 44% of its export revenue came from China.

Meanwhile, the **North America Operation** continues to post **successive quarters of record-high results**. The demand for beef protein and the ample supply of cattle further reinforce the excellent moment that Marfrig is enjoying in the region.

In this scenario, **Marfrig's delivered record-high consolidated results in 3Q19**, reinforcing our positive outlook for 2019 and for **meeting our guidance** for the year.

Consolidated net revenue was R$12.7 billion, advancing 3.6% on 3Q18 and setting a new record for the Company.

Gross income grew 16.2% on prior-year period to R$1.9 billion, with gross margin expanding 160 bps to 14.9%.

Consolidated Adj. EBITDA also set a new record, of R$1.5 billion, advancing 28.6% on the same quarter last year, with Adj. EBITDA margin of 11.8%.

Financial leverage measured by the ratio of Net Debt/Adj. EBITDA in U.S. dollar in the last 12 months stood at 2.43x, down 0.26x from the prior quarter.

MARFRIG

PRODUCTION

Marfrig has total primary processing capacity of approximately 33,000 head/day, as follows:

COUNTRY	Beef Primary Processing Units	Effective Processing Capacity (head/day)
USA	3	13,100
BRAZIL	14	14,800
URUGUAY	4	3,700
ARGENTINA	2	1,200
Total	**23**	**32,800**

Marfrig also is one of the world's leading beef patty producers, with a production platform in all countries where it has primary processing units. The Company has 12 further processed food units producing beef patties, canned beef, kibbeh, meatballs, sauces and other products, in line with its strategy to focus on higher-value products.

COUNTRY	Further Processing Units	Beef Patty Production Capacity (kton/year)
USA	5	106 kton
BRAZIL	3	69 kton
URUGUAY	1	18 kton
ARGENTINA	3	39 kton
Total	**12**	**232 kton**

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

In Chile, Marfrig is the country's leading beef importer and distributor.

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

OPERATIONS:

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 13,100 head/day, which corresponds to over 3.3 million head/year, or roughly 14% of U.S. primary processing capacity. Its products are sold domestically in the retail, wholesale and food service channels, as well as exported to various markets. Marfrig is the **leading** U.S. exporter of chilled beef, with a focus on the **Japanese and South Korean markets**. The operation also has annual production capacity of **106,000 tons of beef patties**, markets complementary products and subproducts, has **tannery and logistics operations and sells products online** directly to consumers.

REVENUE AND VOLUME

NORTH AMERICA OPERATION	3Q19	3Q18	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	488	481	7	1.5%
Domestic	412	413	(1)	-0.2%
Exports	76	68	8	11.5%
US $ Million			**US$**	**%**
Net Revenue	2,249	2,118	131	6.2%
Domestic	1,959	1,813	145	8.0%
Exports	290	305	(15)	-4.8%
COGS	(1,874)	(1,818)	(57)	3.1%
Gross profit	375	300	74	24.7%
Gross Margin (%)	16.7%	14.2%		- 250 bps

Net revenue from the North American Operation was US$2,249 billion in 3Q19, growing 6.2% on 3Q18. This revenue growth is explained by the 8.3% increase in the average price practiced in the domestic market (US$4,754 in 3Q19 vs. US$4,391 in 3Q18), driven by the solid and consistent growth in U.S. beef demand and leveraged by the shortfall created from the reduction in supply due to the incident at a competitor.

In Brazilian real, net revenue was R$8.950 billion.

GROSS INCOME & GROSS MARGIN

Gross income from the North America Operation in the quarter was US$374.7 million, increasing 25% from US$300.5 million in 3Q18. The cutout ratio[3] (average beef price divided by average cattle cost) stood at 2.03, compared to 1.85 in 3Q18, with the better performance explained by the higher beef prices in the domestic market and by the lower cattle costs, due to the shutdown of the Tyson unit that increased the supply of fed cattle.

Gross margin in the quarter was 16.7%, up from 14.2% in 3Q18.

In Brazilian real, gross income was R$1,496.7 million.

[3] Source: USDA - USDA KS Steer $ cwt / USDA Comp Cutout $ cwt

SOUTH AMERICA OPERATION

One of the region's leading beef producers and exporters, with primary processing capacity of approximately 20,000 head/day, Marfrig is recognized for the quality of its products in both the local and international markets. Marfrig is one of the region's largest exporters and has **the most plants (11) in South America authorized to export to China**. In Brazil, Marfrig is the second largest beef processor**, with primary processing capacity of 14,800 head/day and the capacity to produce 69,000 tons of beef patties per year.** With brands renowned for their quality, such as **Bassi and Montana**, the Company focuses on retail and foodservice channels for the local market, with the best restaurants and steakhouses as customers.

In Uruguay, it is the industry's largest company and the only one to produce and sell **organic beef**, especially for export. **In Argentina,** in addition to having two primary processing plants, the Company is the **leading producer and seller of beef patties** 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.

On September 9, the Ministry of Agriculture, Livestock and Supply ("MAPA") notified the Company of new authorizations for its plants to export beef to the People's Republic of China.

Marfrig had two (2) more plants authorized: Tangará da Serra and Várzea Grande, both in the Brazilian state of Mato Grosso.

As a result, Marfrig, remains the South American company with the most plants authorized to export beef to China, with 11 plants authorized to export to that country, with 5 in Brazil, 4 in Uruguay and 2 in Argentina.

In the quarter, approximately 51% of the export revenue from South America Operation came from China, with the country accounting for 60% of Argentina's total export revenue and 64% of Uruguay's. In the case of Brazil, which is awaiting the new authorizations to take effect, approximately 44% of its export revenue came from China.

SALES REVENUE & VOLUME

SOUTH AMERICA OPERATION	3Q19 (a)	3Q18 (b)	2Q19 (c)	(a/b) Chg.		(a/c) Chg.	
Tons (thousand)				Tons	%	Tons	%
Total Volume	378	414	348	(36)	-8.8%	30	8.6%
Domestic	263	287	238	(24)	-8.4%	25	10.4%
Exports	115	128	110	(12)	-9.6%	5	4.7%
R$ million				R$	%	R$	%
Net Revenue	3,795	3,890	3,448	(95)	-2.4%	347	10.1%
Domestic	1,778	1,782	1,652	(3)	-0.2%	126	7.6%
Exports	2,016	2,108	1,795	(91)	-4.3%	221	12.3%
COGS	(3,390)	(3,449)	(3,052)	59	-1.7%	(338)	11.1%
Gross profit	404	441	395	(36)	-8.2%	9	2.3%
Gross Margin (%)	10.7%	11.3%	11.5%		- 60 bps		- 80 bps

Net revenue from the South America Operation came to R$3,795 billion in 3Q19, down 2.4% from 3Q18, basically due to the lower sales volume (378,000 tons in 3Q19 vs 414,000 tons in 3Q18), which is explained by: (i) the strong performance in 3Q18, which was inflated by sales postponed due to the truck drivers' strike in 2Q18; (ii) the lower primary processing volume caused by the adjustment and optimization of the production footprint in Brazil; and (ii) the lower supply of fed cattle in Uruguay. These effects partially offset by the higher average sales prices in the domestic and export markets.

GROSS INCOME & GROSS MARGIN

In 3Q19, gross income from the South America operation was R$404 million, down 8.2% from 3Q18, due to the lower sales volume detailed above.

Gross margin stood at 10.7% in 3Q19, down 60 bps from 3Q18, which also is explained by the lower sales volume.

CONSOLIDATED RESULTS

CONSOLIDATED RESULTS	3Q19	3Q18	Chg.	
Tons (thousand)			tons	%
Total Volume	866	896	(29)	-3.3%
Domestic	675	700	(25)	-3.6%
Exports	192	196	(4)	-2.3%
R$ Million			R$	%
Net Revenue	12,744	12,302	443	3.6%
COGS	(10,844)	(10,667)	(177)	1.7%
Gross profit	1,900	1,635	265	16.2%
Gross Margin - (%)	14.9%	13.3%		162 bps
SG&A	(698)	(649)	(49)	7.5%
Commercial expenses	(533)	(539)	5	-1.0%
Administratives expenses	(164)	(110)	(54)	49.2%
(+) Depreciation & Amortization	(297)	(180)	(117)	64.7%
Adj. EBITDA	1,499	1,166	333	28.6%
Adj. EBITDA Margin - %	11.8%	9.5%		230 bps

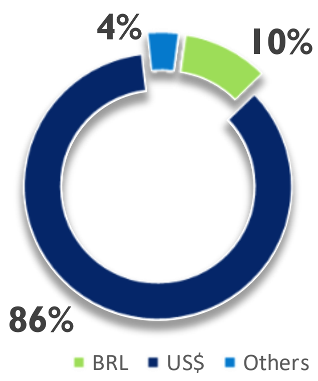
** Depreciation and amortization expenses allocated to Cost of Goods Sold (COGS) stood at R$222 million in 3Q19 and R$168 million in 3Q18 (pro forma basis). Meanwhile, depreciation and amortization expenses allocated to Selling, General and Administrative (SG&A) expenses stood at R$75 million in 3Q19 and R$12 million in 3Q18 (pro forma basis). The higher expenses with depreciation and amortization are mainly explained by the recognition of the opening balance sheet of National Beef as of 4Q18 and by the adoption of IFRS 16. For more details on the breakdown of costs and expenses, see Note 23 to the Quarterly Information (ITR) for 3Q19.*

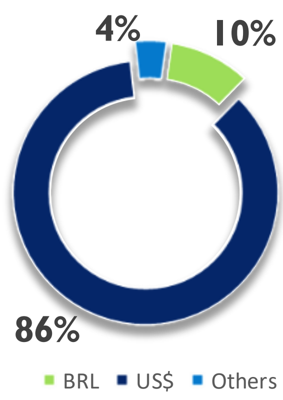
CONSOLIDATED NET REVENUE

Marfrig's consolidated net revenue in 3Q19 was R$12.7 billion, advancing 3.6% on 3Q18, basically explained by the higher revenue from the North American Operation and the higher prices in the domestic and export markets in South American Operation, which offsett the 3% decline in total sales volume, as explained above, the exceptional sales volume in 3Q18 was impacted by the sales postponed in the second quarter due to the truck drivers' strike.

In 3T19, net revenue denominated in foreign currency was stable at 90% of total revenue.

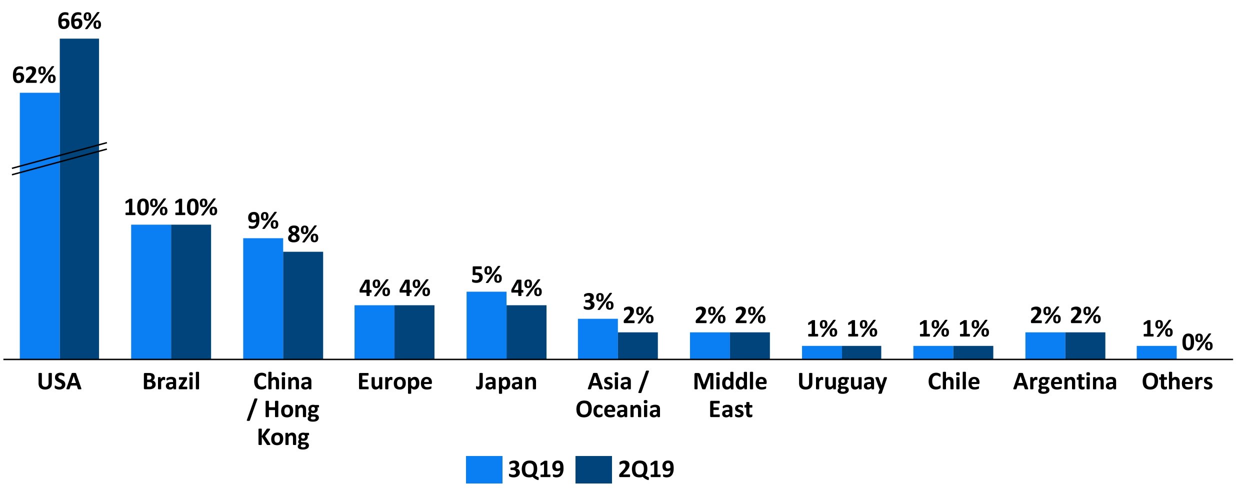
Revenue by Currency (%)





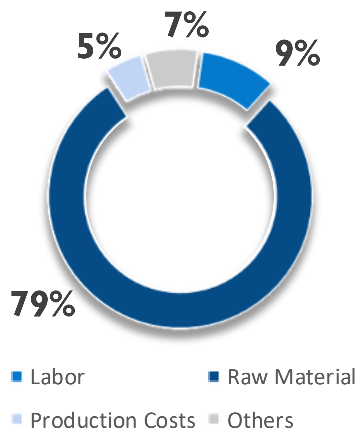
Consumer Markets (% of Consolidated Net Revenue)

Sales were highly concentrated in excellent and promising markets. The United States accounted for 62% of our sales and Brazil for around 10%, followed by China, Japan and Europe follow, which accounted for 9%, 5% and 4%, respectively.



COST OF GOODS SOLD ("COGS")

Marfrig's cost of goods sold in 3Q19 was R$10,844 million, up 1.7% from the same period last year, explained by the higher cattle cost, mainly in Brazil and Uruguay, which was partially offset by the lower primary processing volume.



In the United States, the USDA KS Steer[4] price reference averaged US$106/cwt[5], down 4.0% from 3Q18, explained by the higher cattle supply in the period.

In Brazil, the ESALQ São Paulo price reference for fed cattle averaged R$155.3/arroba (US$2.48/kg) in 3Q19, up 6.8% from the same period of 2018, mainly due to the stronger export demand.

In Uruguay, the INAC price reference increased 15.2% compared to 3Q18, with an average price of US$4.07 (INAC data). Growing and strong demand for exports, mainly to China, and the exports of live cattle in prior quarters decreased the supply of fed cattle and heavily pressured cattle costs in the quarter.

In Argentina, the cattle price reference stood at US$2.58/kg (MAG data – Argentina), down 1.9% compared to the same period of 2018, which means that Argentina continues to have one of the world's lowest cattle costs.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

Selling, general & administrative (SG&A) expenses amounted to R$698 million. SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 5.5%, compared to 5.3% in 3Q18.

Selling expenses came to R$533 million, corresponding to 4.2% of Net Revenue and in line with the prior-year period. In nominal terms, the amount is 1% lower than in 3Q18, explained by the lower sales volume in the period.

General and Administrative Expenses were R$164 million. Excluding the impact from the R$62.4 million in amortization from the recognition of the opening balance sheet of National Beef (as of 4Q18), G&A expenses were R$102 million, compared to R$110 million in 3Q18, corresponding to 0.80% of net revenue, compared to 0.90% in 3Q18, demonstrating the Company's focus on cost control.

Adjusted EBITDA

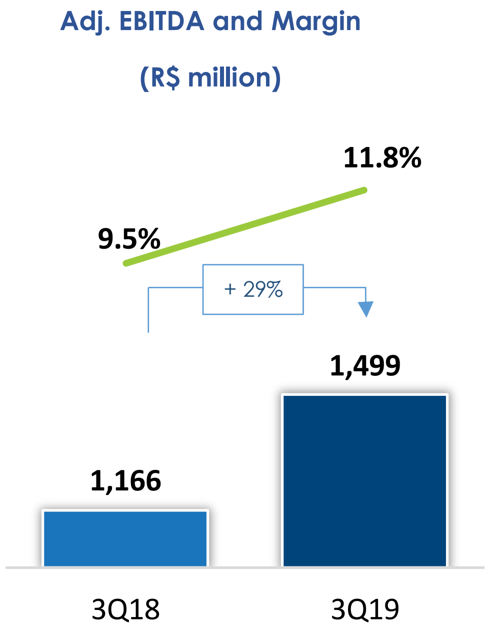
Adj. EBITDA margin was 11.8%, expanding 230 bps from 3Q18.

Adj. EBITDA came to R$1,498.8 million, representing a new record for the Company and growth of 28.6% compared to 3Q18. This performance is explained by: (i) the better spreads in the North American Operation, with higher sales prices and lower cattle costs; (ii) the better prices in the domestic market of the South American operation; (iii) the

[4] "USDA KS Steer": cattle price reference in the U.S. state of Kansas.

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

better export mix, with more products exported to China; and (iv) the turnaround in the Argentina operation, with a return to profitability and operating efficiency gains.



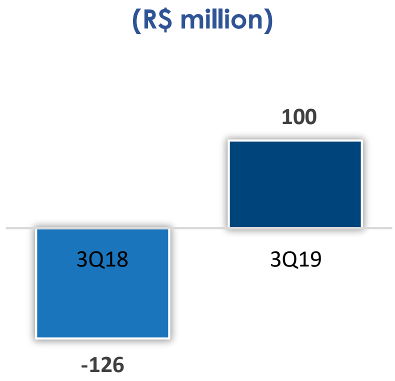
FINANCIAL RESULT

FINANCIAL RESULT	3Q19	2Q19	Chg.	
			R$	%
Net Interest Provisioned	(254)	(242)	(12)	5%
Other Financial Revenues and Expenses	(170)	(147)	(22)	15%
FINANCIAL RESULT EX-EXCHANGE VAR.	**(423)**	**(389)**	**(34)**	**9%**
Exchange Variation	(242)	(15)	(227)	1561%
NET FINANCIAL RESULT	**(665)**	**(404)**	**(262)**	**65%**

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 3Q19 was an expense of R$665 million. Excluding the effects from exchange variation on debt, the financial result was R$423 million, up 8.8% from 2Q19, which is explained by higher expenses with interest pegged to foreign currency, by the costs with the issuance of Sustainable Transition Bonds.

NET INCOME (Continuing Operations)

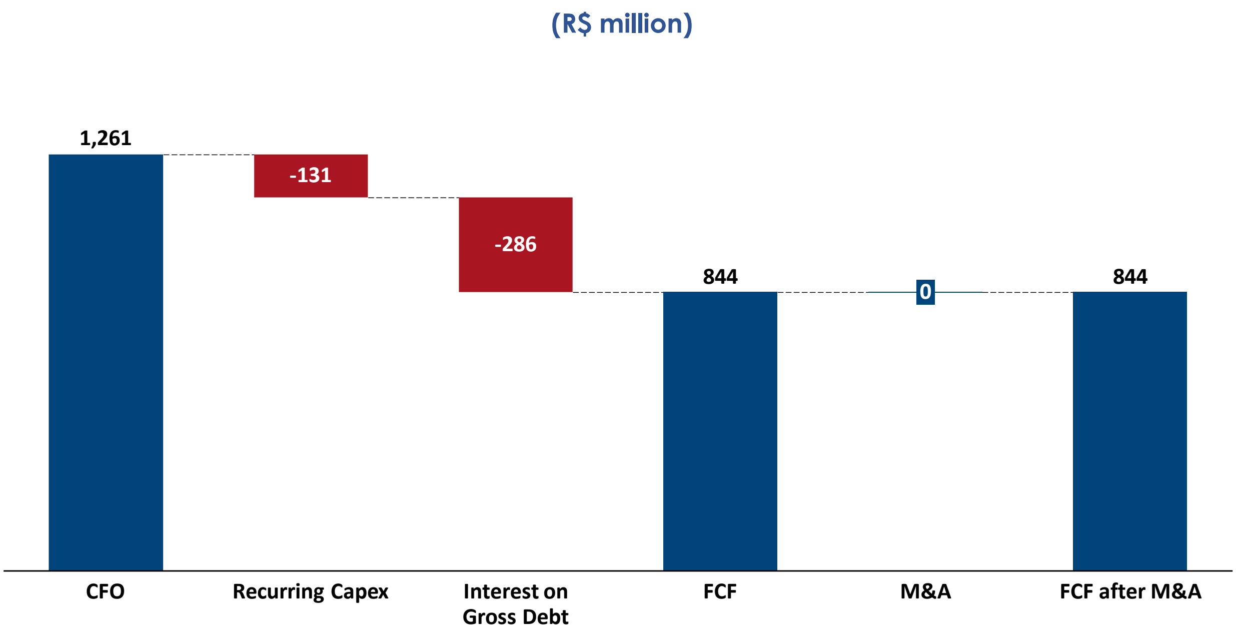


In 3Q19, Marfrig reported positive net income for the fourth straight quarter. Net income in the quarter was R$100.4 million, compared to the net loss of R$126.3 million in 3Q18, demonstrating the turnaround in profitability of the operations, with margin expansion, control of expenses and better management of financial costs.

CAPEX & INVESTMENTS

Recurring capex amounted to R$131 million in 3Q19, which was allocated to maintaining assets and to operational improvements. In the year to date, disbursement related to recurring capex were R$492 million, increase 5.9% from the investments made in the same period of 2018 (R$465 million).

CASH FLOW



Marfrig's operating cash flow (OCF) came to R$1,261 million.

In 3Q19, recurring capex was R$131 million.

Debt interest expenses in the quarter were R$286 million, impacted by the additional costs with the issue carried out in August.

As a result, free cash flow was R$844 million, advancing 10% from the free cash flow of R$408 million in 2Q19.

The cash flow was used to distribute dividends to third parties and to deleverage.

In this quarter, dividends paid to third parties by National Beef amounted to US$79.2 million (R$314.7 million).

DEBT

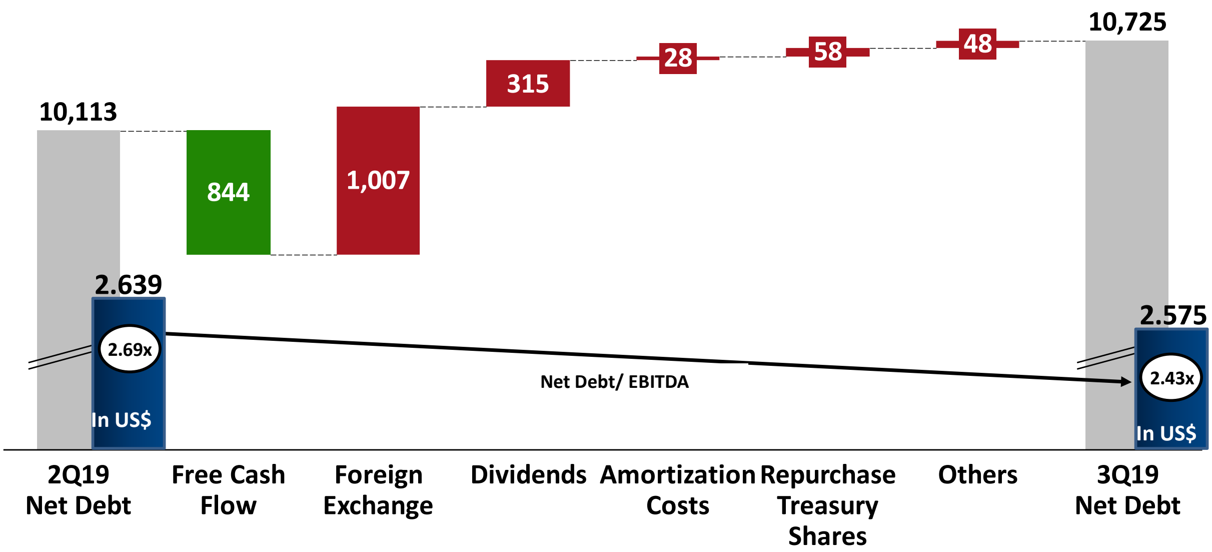
Because a large portion of Marfrig's debt is denominated in U.S. dollar (debt denominated in USD or currencies other than the BRL ended the quarter at roughly 98.7% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

At June 30, 2019, the balance of gross debt stood at US$4,582 million and the balance of cash and marketable securities stood at US$2,007 million.

Marfrig's net debt stood at US$2,575, down 2% from the prior quarter, mainly explained by the generation of free cash flow.

In Brazilian real, net debt stood at R$10,725 million.

Changes in Net Debt
(R$ million)



Financial leverage, calculated by the ratio of net debt to proforma Adj. EBITDA LTM (last 12 months), was 2.43x in U.S. dollars, down 0.26x in relation to 2Q19. In Brazilian real, the leverage ratio was 2.59x.

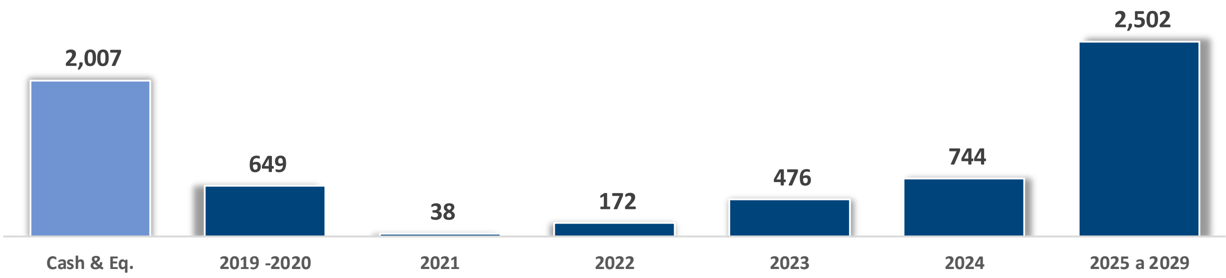
Net Debt / LTM Adj. EBITDA in USD	Net Debt / LTM Adj. EBITDA in BRL	Avg. Cost (% p.a.)	Avg. Term (years)
2.43x	2.59x	6.74%	5.07

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 3Q19 at 1.08x (for more information, see Note 17.3 to the financial statements).

In July, the Company carried out a funding operation in the amount of US$500 million. The Sustainable Transition Bonds due in 2029 with coupon of 6.625% p.a. represents the first 10-year bond issued by the Company and obtained its lowest interest coupon ever.

Debt Maturity Schedule

(US$ million)



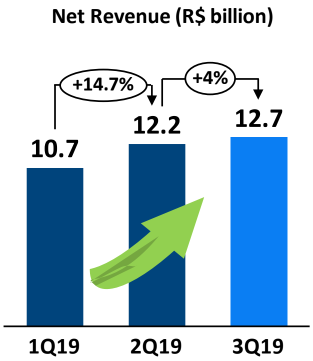
GUIDANCE

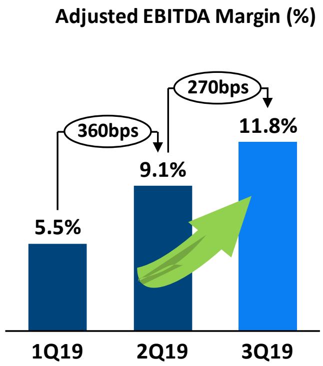
In view of the results for the year to September 2019 and the positive trend expected for the coming quarter, we reaffirm our guidance[2] given in the first quarter:

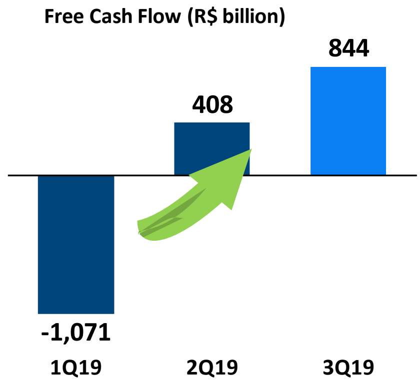
GUIDANCE 2019	Range	
	from	to:
Consolidated Net Revenue	R$ 47 billion	R$ 49 billion
Adj. EBITDA Margin	8.7%	9.5%
Free Cash Flow[1]	R$ 1 billion	R$ 1.5 billion

(1) Does not include M&A and payment of dividends to third parties
(2) The guidance is based on an exchange rate of R$3.90/US$1.00.

Actual results:







SUSTAINABILITY:

On the sustainability front, which is a strategic pillar of the Company, we highlight that in September, the Company and the Sustainable Trade Initiative (IDH) signed a letter of intent for the development of long-term rural development program for the beef production chain in the Brazilian states of Mato Grosso, Pará and Rondônia. The goal is to promote the supply of sustainably based raw materials as from the production of calves.

The program will focus on three works fronts with strategic public and private partners over the next 12 months with the goal of attracting investors: the development of a network of partners to provide technical support to cattle producers (current and future suppliers, both direct and indirect); financial mechanisms to help cattle producers implement best industry practices; tracking system to complement the current system with a focus on land-impact indicators and on the production of high-quality calves.

Follow the sustainability pillar, Marfrig should launch this year the first brand of Carbon Neutral Meat in partnership with the Brazilian Agricultural Research Corporation (Embrapa). The concept is to integrate the forest with livestock by neutralizing the emission of methane emitted by animals.

CLOSING REMARKS

Marfrig's strategy will continue to be guided by the generation of sustainable value, based on five pillars, for which we highlight key achievements:

- **Financial Solidity:**
  - 4th straight quarter of profitability;
  - Robust cash flow generation and record in the quarter;
  - Reduce leverage.

- **Operational Excellence:**
  - Optimization of sales teams across operations;
  - Turnaround of Argentina assets – Quickfood;
  - Restructuring of the Várzea Grande Complex, with expansion in primary processing capacity and higher utilization of the processed foods plant.

- **Products and Clients:**
  - Launch of the plant-based burger line; Supply agreement with Burger King.
- **Sustainability:**
  - Commitment to HDIs;
  - Brazil's first issue of sustainable bonds;
  - Partnership with Embrapa.
- **Corporate Governance:**
  - Creation of Sustainability Committee;
  - Revision and approval of new corporate governance policies. Following the approval of the new Compliance policies by the Board of Directors in May 2019, the Company's Employee training cycle began. The training sessions are made available to employees with administrative functions through a web platform and applied on-site to employees assigned to the operation. Training is in progress and has already been completed by 75% (seventy-five percent) of employees in administrative functions and 40% (forty percent) of employees in operational functions.

Marfrig is optimistic on the outlook for the next quarter and will continue to make its best efforts to deliver the targets set for 2019.

UPCOMING EVENTS

Earnings Conference Call

Date: November 12, 2019

Portuguese	English
2 p.m. (Brasília)	**2 p.m. (Brasília)**
Dial in Brazil: + 55 (11) 3181-8565 Or +55(11) 4210-1803	Dial in other countries: + 1 (412) 717-9627 Or +1 (844) 204-8942
Code: Marfrig	Code: Marfrig

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

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+ 55 (11) 3792-8907
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 Corporation 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 September 30, 2019, 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)

	3Q19 (a)		3Q18 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**12,744**	**100.0%**	**12,302**	**100.0%**	**443**	**3.6%**
COGS	(10,844)	-85.1%	(10,667)	-86.7%	(177)	1.7%
Gross Profit	**1,900**	**14.9%**	**1,635**	**13.3%**	**265**	**16.2%**
SG&A	**(698)**	**-5.5%**	**(649)**	**-5.3%**	**(49)**	**7.5%**
Commercial	(533)	-4.2%	(539)	-4.4%	5	-1.0%
Administratives	(164)	-1.3%	(110)	-0.9%	(54)	49.2%
Adj. EBITDA	**1,499**	**11.8%**	**1,166**	**9.5%**	**333**	**28.6%**
Others revenues/expenses	(29)	-0.2%	(27)	-0.2%	(2)	8.0%
EBITDA	**1,470**	**11.5%**	**1,139**	**9.3%**	**331**	**29.0%**
P&L - US$ x BRL	**R$ 3.92**		**R$ 3.61**		**0.31**	**8.7%**
BS - US$ x BRL	**R$ 3.83**		**R$ 3.86**		**-0.02**	**-0.6%**

APPENDIX II

Income Statement and EBITDA Reconciliation | Continuing Operation

(R$ million)

	3Q19 (a)		3Q18 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**12,744**	**100.0%**	**11,089**	**100.0%**	**1,655**	**14.9%**
COGS	(10,844)	-85.1%	(9,573)	-86.3%	(1,271)	13.3%
Gross Profit	**1,900**	**14.9%**	**1,516**	**13.7%**	**384**	**25.3%**
SG&A	**(698)**	**-5.5%**	**(608)**	**-5.5%**	**(90)**	**14.7%**
Commercial	(533)	-4.2%	(519)	-4.7%	(14)	2.8%
Administratives	(164)	-1.3%	(89)	-0.8%	(75)	83.9%
Adj. EBITDA	**1,499**	**11.8%**	**1,080**	**9.7%**	**419**	**38.7%**
Others revenues/expenses	(29)	-0.2%	(26)	-0.2%	(3)	13.1%
EBITDA	**1,470**	**11.5%**	**1,055**	**9.5%**	**415**	**39.4%**
Equity Account	0	0.0%	-	0.0%	0	-
D&A	(297)	-2.3%	(173)	-1.6%	(124)	71.6%
EBIT	**1,173**	**9.2%**	**882**	**8.0%**	**291**	**33.0%**
Financial Results	**(665)**	**-5.2%**	**(714)**	**-6.4%**	**48**	**-6.8%**
Financial revenues/expenses	**(423)**	**-3.3%**	**(572)**	**-5.2%**	**149**	**-26.0%**
Exchange rate variation	**(242)**	**-1.9%**	**(141)**	**-1.3%**	**(101)**	**71.3%**
EBT	**508**	**4.0%**	**168**	**1.5%**	**340**	**202.1%**
Taxes	**133**	**1.0%**	**86**	**0.8%**	**47**	**54.8%**
Continued Operation - Net Profit	**641**	**5.0%**	**254**	**2.3%**	**387**	**152.2%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**46**	**0.4%**	**(46)**	**-100.0%**
Total Net Profit	**641**	**5.0%**	**300**	**2.7%**	**341**	**113.7%**
Minority Stake	**(541)**	**-4.2%**	**(380)**	**-3.4%**	**(160)**	**42.1%**
Continued Operation - Net Profit	**100**	**0.8%**	**(126)**	**-1.1%**	**227**	**-179.5%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**46**	**0.4%**	**(46)**	**-100.0%**
Total Net Profit	**100**	**0.8%**	**(80)**	**-0.7%**	**181**	**-224.8%**
P&L - US$ x BRL	**R$ 3.97**		**R$ 3.96**		**-R$ 3.92**	
BS - US$ x BRL	**R$ 4.16**		**R$ 4.00**		**-R$ 3.83**	

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	3Q19	3Q18
Net Profit / Loss	**100**	**(126)**
(+) Provision for income and social contribution	(133)	(86)
(+) Non-controlling Interest	541	380
(+) Net Exchange Variation	242	141
(+) Net Financial Charges	423	572
(+) Depreciation & Amortization	297	173
(+) Equity Income	(0)	-
EBITDA	**1,470**	**1,055**
(+) Other Operacional Revenues/Expenses	29	26
Adj. EBITDA	**1,499**	**1,080**

APPENDIX III

Cash Flow | Continuing Operation

(R$ million)

Continued Free Cash Flow	3Q19	2Q19
Net Income/Loss	100	87
(+/-) Non cash items	1,222	758
(+/-) Account Receivable	(74)	(225)
(+/-) Inventories	(68)	(39)
(+/-) Suppliers	(45)	193
(+/-) Others	125	102
(=) Operational Cash Flow	1,261	876
(-) Total Capex and Investments	(131)	(497)
(-) Interest expenses	(286)	(277)
Cash Flow Before Third Party Dividends	**844**	**103**

APPENDIX IV

Balance Sheet

(R$ '000)

ASSETS	3Q19	4Q18
CURRENT ASSETS		
Cash and Marketable Securities	8,359,589	7,191,706
Trade accounts receivable	1,670,060	1,243,840
Inventories of goods and merchandise	2,548,353	1,822,280
Biological assets	20,877	16,570
Recoverable taxes	1,599,243	1,144,888
Prepaid expenses	45,506	53,833
Notes receivable	9,623	118,307
Advances to suppliers	101,775	58,628
Other receivables	166,262	112,905
	14,521,288	**11,762,957**
NON CURRENT ASSETS		
Court deposits	62,352	47,526
Notes receivable	40	220
Deferred income and social contribution taxes	1,638,526	999,844
Recoverable taxes	1,436,149	1,780,342
Other receivables	149,965	82,567
	3,287,032	**2,910,499**
Investments	47,210	42,545
Property, plant and equipment	6,491,935	5,231,216
Intangible assets	7,066,645	6,557,055
	13,605,790	**11,830,816**
TOTAL ASSETS	**31,414,110**	**26,504,272**

LIABILITIES	3Q19	4Q18
CURRENT LIABILITIES		
Trade accounts payable	2,254,027	2,148,983
Supply chain finance	173,056	182,635
Accrued payroll and related charges	635,612	564,391
Taxes payable	365,999	345,438
Loans and financing	2,698,589	3,665,455
Notes payable	160,673	185,522
Lease payable	133,713	3,209
Advances from customers	1,262,260	1,093,168
Other payables	425,342	457,589
	8,109,271	**8,646,390**
NON CURRENT LIABILITIES		
Loans and financing	16,386,170	11,567,895
Taxes payable	781,440	833,591
Deferred income and social contribution taxes	241,181	118,911
Provisions for contingencies	370,530	301,667
Lease payable	436,054	2,102
Notes payable	247,425	301,945
Advances from customers	416,440	387,480
Other	173,077	332,734
	19,052,317	**13,846,325**
CONTROLLING SHAREHOLDER´S EQUITY		
Share Capital	7,427,677	7,427,677
Capital reserve	-10,408	47,614
Profit reserves	51,824	51,824
Other comprehensive income	-3,998,846	-3,535,777
Accumulated losses	-3,122,186	-3,317,874
Controlling Shareholder's Equity	**348,061**	**673,464**
Non-controlling interest	3,904,461	3,338,093
Total Controlling Shareholder's Equity	**4,252,522**	**4,011,557**
TOTAL LIABILITIES	**31,414,110**	**26,504,272**

Marfrig Global Foods S.A.

Separate and Consolidated Interim Financial Statements (ITR)

On September 30, 2019

CONTENTS

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 quarterly information

Grant Thornton Auditores Independentes

Av. Eng. Luís 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 (QIF) for the quarter ended September 30, 2019, comprising the balance sheet as of September 30, 2019 and the respective statements of income and comprehensive income for the periods of three and nine months then ended, and the changes in shareholders' equity and cash flows for the period of nine months then ended, including the footnotes.

Management is responsible for the preparation of the individual interim financial information in accordance with the CPC 21 (R1) – Interim Financial Information and the consolidated interim financial information in accordance with CPC 21 (R1) and the 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 Securities Commission, applicable to the preparation of Quarterly Information (QIF). Our responsibility is to express a conclusion on this interim accounting 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 the 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 interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information (QIF), and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (QIF), and presented in accordance with the standards issued by the Brazilian Securities 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 none-months ended September 30, 2019, 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 on the CPC 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, November 11, 2019

Jefferson Coelho Diniz
Assurance Partner

Grant Thornton Auditores Independentes

MARFRIG GLOBAL FOODS S.A.

Balance Sheet - Assets
As of September 30, 2019 and December 31, 2018

(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current Assets					
Cash and cash equivalents	4	158,864	157,799	1,495,152	2,459,202
Marketable securities	5	1,380,005	1,619,387	6,864,437	4,732,504
Trade accounts receivable - domestic	6	21,011	41,090	1,417,439	1,068,553
Trade accounts receivable - foreign	6	457,181	353,059	252,621	175,287
Inventories of goods and merchandise	7	657,992	494,907	2,548,353	1,822,280
Biological assets		-	-	20,877	16,570
Recoverable taxes	8	1,400,783	963,809	1,599,243	1,144,888
Prepaid expenses		8,043	3,907	45,506	53,833
Notes receivable	9	309,055	226,438	9,623	118,307
Advances to suppliers		66,212	38,592	101,775	58,628
Other receivables		37,028	26,700	166,262	112,905
		4,496,174	**3,925,688**	**14,521,288**	**11,762,957**
Non-Current Assets					
Court deposits		56,275	41,473	62,352	47,526
Notes receivable	9	729,776	460,176	40	220
Deferred income and social contribution taxes	10	1,364,936	778,212	1,638,526	999,844
Recoverable taxes	8	1,406,906	1,752,685	1,436,149	1,780,342
Other receivables		8,676	9,149	149,965	82,567
		3,566,569	**3,041,695**	**3,287,032**	**2,910,499**
Investments	11	12,475,471	11,292,664	47,210	42,545
Property, plant and equipment	12	3,117,852	2,871,484	6,491,935	5,231,216
Intangible assets	13	325,250	344,300	7,066,645	6,557,055
		15,918,573	**14,508,448**	**13,605,790**	**11,830,816**
		19,485,142	**17,550,143**	**16,892,822**	**14,741,315**
Total Assets		**23,981,316**	**21,475,831**	**31,414,110**	**26,504,272**

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 September 30, 2019 and December 31, 2018

(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current liabilities					
Trade accounts payable	14	868,234	936,578	2,254,027	2,148,983
Supply chain financing	15	173,056	182,635	173,056	182,635
Accrued payroll and related charges		145,408	106,734	635,612	564,391
Taxes payable	16	225,062	238,230	365,999	345,438
Loans, financing and debentures	17	2,307,701	1,973,511	2,698,589	3,665,455
Notes payable	19	159,760	183,205	160,673	185,522
Lease payable	18	24,706	2,545	133,713	3,209
Advances from customers		994,965	829,722	1,262,260	1,093,168
Other payables		45,257	91,347	425,342	457,589
		4,944,149	**4,544,507**	**8,109,271**	**8,646,390**
Non-current liabilities					
Loans, financing and debentures	17	393,392	226,304	16,386,170	11,567,895
Taxes payable	16	764,664	832,406	781,440	833,591
Deferred income and social contribution taxes	10	-	-	241,181	118,911
Provisions for contingencies	20	293,593	293,593	370,530	301,667
Lease payable	18	108,808	1,578	436,054	2,102
Notes payable	19	17,128,649	14,903,979	247,425	301,945
Advances from clients		-	-	416,440	387,480
Other payables		-	-	173,077	332,734
		18,689,106	**16,257,860**	**19,052,317**	**13,846,325**
Equity					
Share Capital	21.1	7,427,677	7,427,677	7,427,677	7,427,677
Capital reserves, granted options and treasury shares		(10,408)	47,614	(10,408)	47,614
Profit reserves		51,824	51,824	51,824	51,824
Other comprehensive income	21.3	(3,998,846)	(3,535,777)	(3,998,846)	(3,535,777)
Accumulated losses		(3,122,186)	(3,317,874)	(3,122,186)	(3,317,874)
Controlling shareholders' equity		**348,061**	**673,464**	**348,061**	**673,464**
Non-controlling interest		-	-	3,904,461	3,338,093
Total equity		**348,061**	**673,464**	**4,252,522**	**4,011,557**
Total liabilities and shareholders' equity		**23,981,316**	**21,475,831**	**31,414,110**	**26,504,272**

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

MARFRIG GLOBAL FOODS S.A.

Statement of income
Periods ended September 30, 2019 and 2018

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

		Parent				Consolidated			
	Note	3rd Quarter 2019	YTD 2019	3rd Quarter 2018	YTD 2018	3rd Quarter 2019	YTD 2019	3rd Quarter 2018	YTD 2018
Net sales revenue	22	2,556,862	6,697,187	2,707,732	7,075,199	12,744,372	34,543,182	11,088,910	19,267,393
Cost of products and goods sold	23	(2,319,441)	(6,132,358)	(2,410,060)	(6,305,796)	(10,844,446)	(30,235,204)	(9,573,210)	(16,623,835)
Gross profit		**237,421**	**564,829**	**297,672**	**769,403**	**1,899,926**	**4,307,978**	**1,515,700**	**2,643,558**
Operating income (expenses)		288,250	474,709	(26,537)	(1,031,321)	(726,727)	(2,021,857)	(633,892)	(1,953,161)
Selling expenses	23	(156,293)	(472,478)	(190,699)	(497,405)	(533,414)	(1,496,737)	(518,950)	(969,704)
General and administrative expenses	23	(6,137)	(111,318)	20,838	(128,473)	(164,466)	(548,221)	(89,427)	(283,902)
Equity in earnings (losses) of subsidiaries	11	484,347	1,156,301	158,907	258,961	-	-	-	-
Other operating income (expenses)		(33,667)	(97,796)	(15,583)	(664,404)	(28,847)	23,101	(25,515)	(699,555)
Net income (loss) before net financial income (loses)		**525,671**	**1,039,538**	**271,135**	**(261,918)**	**1,173,199**	**2,286,121**	**881,808**	**690,397**
Financial income (expenses)	24	(653,358)	(1,435,080)	(573,582)	(1,400,515)	(665,363)	(1,449,373)	(713,687)	(1,702,198)
Financial income		33,410	83,326	44,649	86,706	112,301	299,062	102,239	277,028
Exchange gain		295,688	750,184	328,640	799,357	576,959	1,225,093	471,435	1,132,898
Financial expenses		(453,251)	(1,289,509)	(516,669)	(1,373,818)	(535,643)	(1,517,473)	(674,672)	(1,711,539)
Exchange Loss		(529,205)	(979,081)	(430,202)	(912,760)	(818,980)	(1,456,055)	(612,689)	(1,400,585)
Net income (loss) before taxes		**(127,687)**	**(395,542)**	**(302,447)**	**(1,662,433)**	**507,836**	**836,748**	**168,121**	**(1,011,801)**
Income and Social Contribution taxes		**228,045**	**586,724**	**176,168**	**706,520**	**133,158**	**346,618**	**86,019**	**584,432**
Current and deferred income tax	27	168,379	431,324	128,900	518,263	72,000	189,636	34,449	394,305
Current and deferred social contribution	27	59,666	155,400	47,268	188,257	61,158	156,982	51,570	190,127
Net income (loss) for the period from continuing operations		**100,358**	**191,182**	**(126,279)**	**(955,913)**	**640,994**	**1,183,366**	**254,140**	**(427,369)**
Net income (loss) for the period from discontinued operations	30	-	-	45,840	135,120	-	-	59,456	157,432
Net income (loss) for the period before interest		**100,358**	**191,182**	**(80,439)**	**(820,793)**	**640,994**	**1,183,366**	**313,596**	**(269,937)**
Attributable to:									
Controlling interest – continuing operations		100,358	191,182	(126,279)	(955,913)	100,358	191,182	(126,279)	(955,913)
Controlling interest – discontinued operations		-	-	45,840	135,120	-	-	45,840	135,120
Controlling interest - Total		**100,358**	**191,182**	**(80,439)**	**(820,793)**	**100,358**	**191,182**	**(80,439)**	**(820,793)**
Non-controlling interest - continuing operations		-	-	-	-	540,636	992,184	380,419	528,544
Non-controlling interest - discontinued operations		-	-	-	-	-	-	13,616	22,312
Total non-controlling interest		**-**	**-**	**-**	**-**	**540,636**	**992,184**	**394,035**	**550,856**
		100,358	**191,182**	**(80,439)**	**(820,793)**	**640,994**	**1,183,366**	**313,596**	**(269,937)**
Basic and diluted losses per common share - continuing operations	25	0.1620	0.3087	(0.2130)	(1.6130)	0.1620	0.3087	(0.2130)	(1.6130)
Basic and diluted earnings (losses) per share - common - discontinued operations	25	-	-	0.0773	0.2280	-	-	0.0773	0.2280
Basic and diluted (losses) earnings per share - Common - Total	25	**0.1620**	**0.3087**	**(0.1357)**	**(1.3850)**	**0.1620**	**0.3087**	**(0.1357)**	**(1.3850)**

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
Periods ended September 30, 2019 and 2018

(In thousands of Brazilian reais - R$)

	Share Capital	Capital reserves, granted options and treasury shares	Profit reserves	Other comprehensive income	Retained earnings/ (Accumulated losses)	Total	Total non-controlling interest	Total shareholders' equity
At December 31, 2017	**7,427,677**	**59,552**	**51,824**	**(425,222)**	**(4,721,299)**	**2,392,532**	**242,178**	**2,634,710**
Cumulative translation adjustment and asset valuation adjustment	-	-	-	(1,366,734)	6,135	(1,360,599)	974,685	(385,914)
Acquisition of treasury shares	-	(3,896)	-	-	-	(3,896)	-	(3,896)
Reclassification to held for sale	-	-	-	-	-	-	277,973	277,973
Goodwill stock option	-	(2,047)	-	-	-	(2,047)	-	(2,047)
Net income (loss) for the period	-	-	-	-	(820,793)	(820,793)	550,856	(269,937)
At September 30, 2018	**7,427,677**	**53,609**	**51,824**	**(1,791,956)**	**(5,535,957)**	**205,197**	**2,045,692**	**2,250,889**

	Share Capital	Capital reserves, granted options and treasury shares	Profit reserves	Other comprehensive income	Retained earnings/ (Accumulated losses)	Total	Total non-controlling interest	Total shareholders' equity
At December 31, 2018	**7,427,677**	**47,614**	**51,824**	**(3,535,777)**	**(3,317,874)**	**673,464**	**3,338,093**	**4,011,557**
Cumulative translation adjustment and asset valuation adjustment	-	-	-	(375,536)	4,506	(371,030)	(425,816)	(796,846)
Operations to hedge against exchange variation	-	-	-	(87,533)	-	(87,533)	-	(87,533)
Acquisition of treasury shares	-	(55,265)	-	-	-	(55,265)	-	(55,265)
Goodwill stock option	-	(2,757)	-	-	-	(2,757)	-	(2,757)
Net income for the period	-	-	-	-	191,182	191,182	992,184	1,183,366
At September 30, 2019	**7,427,677**	**(10,408)**	**51,824**	**(3,998,846)**	**(3,122,186)**	**348,061**	**3,904,461**	**4,252,522**

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

MARFRIG GLOBAL FOODS S.A.

Statement of cash flows
Periods ended September 30, 2019 and 2018

(In thousands of Brazilian reais - R$)

	Note	Parent YTD 2019	Parent YTD 2018	Consolidated YTD 2019	Consolidated YTD 2018
Net income (loss) for the period from continuing operations		191,182	(955,913)	191,182	(955,913)
Non-cash items		**(1,210,752)**	**115,694**	**2,391,072**	**2,138,061**
Depreciation and amortization		249,058	182,596	889,387	333,527
Non-controlling interest		-	-	992,184	528,544
Provision for contingencies		-	-	(14,039)	1,411
Deferred taxes and tax liabilities		(586,724)	(108,776)	(534,728)	(29,235)
Equity in earnings (losses) of subsidiaries		(1,156,301)	(258,961)	-	-
Exchange variation on financing		152,827	118,703	153,633	124,494
Exchange variation on other assets and liabilities		76,071	(5,299)	92,914	143,194
Interest expenses on financial debt		31,193	21,714	809,499	793,995
Interest expenses on financial lease		7,874	581	17,502	581
Interest expenses on debentures		5,368	64,611	-	-
Cost with issue of financial operations		4,114	2,167	184,043	141,481
Leasing adjustment to present value		120	328	116	328
Estimated non-realization of inventories		(17,699)	9,000	(18,592)	9,318
Estimated losses with doubtful accounts		1,561	(3,304)	4,237	(3,557)
Estimated losses with non-realization of recoverable taxes		-	88,722	172	88,722
Other non-cash effects		21,786	3,612	(185,256)	5,258
Equity changes		**121,088**	**1,144,558**	**(1,156,944)**	**(563,077)**
Trade accounts receivable		(54,373)	(37,128)	(229,416)	164,188
Current inventory and biological assets		(145,386)	(140,770)	(499,137)	(230,793)
Court deposits		(14,801)	18,190	(14,878)	18,831
Accrued payroll and related charges		38,674	81,307	(49,405)	197,326
Trade payables and supplier chain financing		(90,126)	(251,966)	(26,840)	(372,975)
Current and deferred taxes		(168,592)	(215,487)	(145,490)	(194,394)
Notes receivable and payable		618,533	1,852,760	(65,005)	(60,235)
Other assets and liabilities		(62,841)	(162,348)	(126,773)	(85,025)
Cash flow (used in) provided by operating activities		**(898,482)**	**304,339**	**1,425,310**	**619,071**
Investing activities					
Investments		(49,904)	-	(13)	-
Acquisition of subsidiary, net of cash		-	-	(428,216)	(3,658,909)
Investments in fixed and non-current biological assets		(347,734)	(305,436)	(635,692)	(457,680)
Investments in intangible assets		(4,643)	(6,745)	(5,015)	(6,906)
Cash flow used in investing activities		**(402,281)**	**(312,181)**	**(1,068,936)**	**(4,123,495)**
Financing activities					
Interest settled debentures / Bonds		(45,665)	(86,308)	(826,840)	(583,191)
Debentures / Bonds		(570,000)	-	-	-
Loans and financing		923,441	312,636	2,425,319	4,963,631
Loans granted		3,727,630	1,478,045	12,092,387	9,283,260
Loans settled		(2,804,189)	(1,165,409)	(9,667,068)	(4,319,629)
Lease payable		(24,388)	(1,599)	(45,774)	(2,054)
Lease granted		1,745	1,579	33,071	1,721
Lease settled		(26,133)	(3,178)	(78,845)	(3,775)
Treasury shares		(55,264)	(3,896)	(55,264)	(3,896)
Acquisition of non-conrolling interest		-	-	(15,971)	-
Dividends received		792,572	15,121	-	-
Dividends (subsidiaries) paid to non-controlling shareholders		-	-	(903,294)	(307,781)
Cash flow provided by financing activities	33	**1,020,696**	**235,954**	**578,176**	**4,066,709**
Exchange variation on cash and equivalents		41,750	52,729	282,697	870,477
Discontinued operations net of cash	30	-	55,829	(49,364)	(200,980)
Cash flow in the period		**(238,317)**	**336,670**	**1,167,883**	**1,231,782**
Cash and cash equivalents					
Balance at end of period		1,538,869	1,623,755	8,359,589	5,634,135
Balance at start of period		1,777,186	1,287,085	7,191,706	4,402,353
Change in the period		**(238,317)**	**336,670**	**1,167,883**	**1,231,782**

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

MARFRIG GLOBAL FOODS S.A.

Statement of added value
Periods ended September 30, 2019 and 2018

(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	YTD 2019	**YTD 2018**	**YTD 2019**	**YTD 2018**
Revenue	7,150,494	7,593,940	35,278,081	19,770,865
Sales of goods and services	7,156,175	7,577,107	35,159,715	19,755,333
Other revenues	(4,120)	13,529	120,287	11,893
Losses with doubtful accounts	(1,561)	3,304	(1,921)	3,639
Inputs purchased from other firms (including taxes - ICMS, IPI, PIS and Cofins)	6,029,591	6,942,874	28,681,624	16,641,036
Cost of goods sold and services rendered	4,984,523	4,970,152	24,042,121	13,588,108
Material, energy, outsourced services and other	1,045,068	1,972,722	4,639,503	3,052,928
Gross value added	1,120,903	651,066	6,596,457	3,129,829
Depreciation and amortization	249,058	182,596	889,387	333,527
Net value created by company	**871,845**	**468,470**	**5,707,070**	**2,796,302**
Value added received through transfer	**1,896,135**	**1,280,143**	**1,430,479**	**3,104,512**
Equity in earnings (losses) of subsidiaries	1,156,301	258,961	-	-
Financial income and exchange rate gains	833,510	886,063	1,524,155	1,409,926
Other	(93,676)	135,119	(93,676)	1,694,586
Total value added to be distributed	**2,767,980**	**1,748,613**	**7,137,549**	**5,900,814**
Value added distribution	**2,767,980**	**1,748,613**	**7,137,549**	**5,900,814**
Employees	**538,664**	**559,913**	**2,858,825**	**1,636,723**
Direct compensation	419,443	453,440	2,729,571	1,521,649
Benefits	91,029	79,608	98,663	86,195
FGTS (severance pay fund)	28,192	26,865	30,591	28,879
Taxes payable	**(242,936)**	**(308,926)**	**49,477**	**(203,454)**
Federal	(468,275)	(558,212)	(237,154)	(441,627)
State	222,427	245,925	283,676	234,771
Municipal	2,912	3,361	2,955	3,402
Value distributed to providers of capital	**2,281,070**	**2,318,419**	**3,045,881**	**4,737,482**
Interest	2,268,590	2,286,578	2,973,528	3,112,124
Rentals	12,480	31,841	113,991	75,296
Other	-	-	(41,638)	1,550,062
Value distributed to shareholders	**191,182**	**(820,793)**	**1,183,366**	**(269,937)**
Net loss from operations in the year	191,182	(820,793)	191,182	(820,793)
Non-controlling interest			992,184	550,856

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

MARFRIG GLOBAL FOODS S.A.

Statement of comprehensive income
Periods ended September 30, 2019 and 2018

(In thousands of Brazilian reais - R$)

	Parent				Consolidated			
	3rd Quarter 2019	YTD 2019	3rd Quarter 2018	YTD 2018	3rd Quarter 2019	YTD 2019	3rd Quarter 2018	YTD 2018
Net income (loss) in the year	100,358	191,182	(80,439)	(820,793)	640,994	1,183,366	313,596	(269,937)
Exchange variation on net investments and balance sheet translation	(451,335)	(375,536)	(351,916)	(1,366,734)	(451,335)	(375,536)	(351,916)	(1,366,734)
Operations to hedge against exchange variation	(87,533)	(87,533)	-	-	(87,533)	(87,533)	-	-
	(538,868)	(463,069)	(351,916)	(1,366,734)	(538,868)	(463,069)	(351,916)	(1,366,734)
Total comprehensive income (loss) for the year	**(438,510)**	**(271,887)**	**(432,355)**	**(2,187,527)**	**102,126**	**720,297**	**(38,320)**	**(1,636,671)**
Attributable to:								
Controlling interest – continuing operations	(438,510)	(271,887)	(478,195)	(2,322,647)	(438,510)	(271,887)	(478,195)	(2,322,647)
Controlling interest – discontinued operations	-	-	45,840	135,120	-	-	45,840	135,120
Controlling interest - Total	**(438,510)**	**(271,887)**	**(432,355)**	**(2,187,527)**	**(438,510)**	**(271,887)**	**(432,355)**	**(2,187,527)**
Non-controlling interest - continuing operations	-	-	-	-	540,636	992,184	380,419	528,544
Non-controlling interest - discontinued operations	-	-	-	-	-	-	13,616	22,312
Total non-controlling interest	**-**	**-**	**-**	**-**	**540,636**	**992,184**	**394,035**	**550,856**

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 proteins (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); 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 November 11, 2019, 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 quarterly 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, 2018. 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. New standards and interpretations

New standards and amendments of standards issued by the Federal Accounting Board effective as of fiscal year 2019. The Corporation describes the main points of review required by the new standards as follows:

NBC TG 06/R3 (IFRS 16) – Leases

As of January 1, 2019, the Corporation adopted NBC TG 06/R3 (IFRS 16) - Leases using the modified retrospective approach. This approach does not impact the Company's equity on the date of initial adoption, as the amount of right-of-use assets equals the amount of lease liabilities adjusted to present value. Furthermore, it allows the Corporation to apply the practical expedient for defining the lease contract in the transition, i.e. the Corporation opted to adopt the standard for contracts that previously were identified as leases in accordance with NBC TG 06/R2. Therefore, the Corporation will not apply the standard to contracts that previously were identified as contracts that contain lease agreements under NBC TG 06/R2.

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

The impact from initial adoption on the separate and consolidated accounting statements for right-of-use assets and lease liabilities was, respectively, R$145,784 and R$458,859. In the profit or loss for the period, the net impact was positive at R$5,267 and R$12,884, respectively, on the Parent Company and Consolidated statements. Shareholders' equity was not impacted upon initial adoption as the Corporation opted for the simplified retrospective approach model.

As of January 1, 2019, the previous balance recorded under leased property, plant and equipment (financial lease) was reclassified to right-of-use assets and the corresponding lease liabilities were incorporated under lease payables, as described in Notes 12 and 18.

ITG 22 (CVM Resolution 804/2018) – Uncertainty over income tax treatments

ITG 22 clarifies how to apply the requirements for recognition and measurement of NBC TG 32/R4 (IAS 12) – Income taxes, when there is uncertainty over income tax treatments. The Corporation must recognize and measure its current or deferred assets or liabilities by applying the requirements under NBC TG 32/R4 based on taxable income (tax loss), tax loss carryforwards, unused tax losses, unused tax credits and tax rates by applying such Interpretation. The interpretation was approved on December 21, 2018 and came into force on January 1, 2019.

The Management of the Corporation believes that there were no impacts stemming from the interpretation, as all procedures adopted for calculation and payment of income taxes are supported by the applicable legislation and precedents in administrative proceedings and courts of law.

3.3. 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 September 30, 2019:

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, Para, Rondônia, Goiás and Rio Grande do Sul, in addition to Distribution Centers in the States of São Paulo, Rio de Janeiro e Paraná, which are also used for beef processing).

Subsidiaries	Core Activity
Masplen Ltd	Holding company
Pampeano Alimentos S.A.	Producer of canned meat and other processed products
Marfrig Overseas Ltd	Specific Purpose Entity - SPEs
Marfrig Comercializadora de Energia Ltda	Energy trading and associated services
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
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 obtain funding
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
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
Ohio Beef USA 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

The Corporation adopts the policy of presenting the following items within the cash and cash equivalents group:

- Cash on hand;
- Demand deposits.

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash and banks	90,792	128,007	1,260,768	973,391
Cash equivalents	68,072	29,792	234,384	1,485,811
	158,864	**157,799**	**1,495,152**	**2,459,202**

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash and banks:				
Brazilian real	77,537	45,985	79,753	48,448
US dollar	80,872	110,721	1,320,057	2,364,495
Other	455	1,093	95,342	46,259
	158,864	**157,799**	**1,495,152**	**2,459,202**

5. Marketable Securities

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Marketable securities	1,380,005	1,619,387	6,864,437	4,732,504
	1,380,005	**1,619,387**	**6,864,437**	**4,732,504**

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

				Parent	
	PMPV [1]	Currency	Average interest rate p.a.%	9/30/2019	12/31/2018
Bank deposit certificates - CDB [2]	-	BRL	5.23%	707,896	878,236
Repurchase and reverse repurchase agreements	-	BRL	-	-	88,108
Fixed income bond	-	BRL	5.37%	13,656	12,914
Time Deposit [2]	0.33	USD	3.00%	639,280	622,277
FIDC [2]	0.76	BRL	9.09%	19,173	17,852
Total				1,380,005	1,619,387
Total current				**1,380,005**	**1,619,387**

				Consolidated	
	PMPV [1]	Currency	Average interest rate p.a.%	9/30/2019	12/31/2018
Bank deposit certificates - CDB [2]	-	BRL	5.23%	707,896	878,236
Repurchase and reverse repurchase agreements	-	BRL	-	-	88,108
Time Deposit [2]	1.52	USD	2.51%	6,123,380	3,735,394
FIDC [2]	0.76	BRL	9.09%	19,173	17,852
Fixed income bonds	-	BRL	5.36%	13,988	12,914
Total				6,864,437	4,732,504
Total current				**6,864,437**	**4,732,504**

(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.

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

The Corporation maintains the following types of financial investments:

5.1. Bank Certificate of Deposit (CDB)

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

5.2. Repurchase and reverse repurchase agreements

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

5.3. Time Deposit

Fixed-rate investments issued by financial institutions on international markets.

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

These are shares of an investment fund that invests in receivables rights.

5.5. Fixed Income Bonds

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

6. Trade accounts receivable – domestic and foreign customers

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Trade accounts receivable - domestic	21,011	41,090	1,417,439	1,068,553
Trade accounts receivable - foreign	457,181	353,059	252,621	175,287
	478,192	**394,149**	**1,670,060**	**1,243,840**
Amounts not yet due	458,005	358,233	1,196,322	738,028
Amounts overdue				
From 1 to 30 days	17,570	10,742	424,093	424,898
From 31 to 60 days	851	527	28,314	36,033
From 61 to 90 days	1,766	24,647	21,331	44,881
More than 90 days	23,895	22,334	40,003	38,082
(-) Expected losses with doubtful accounts	(23,895)	(22,334)	(40,003)	(38,082)
	478,192	**394,149**	**1,670,060**	**1,243,840**

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 thousands of Brazilian reais, except where otherwise indicated)

Changes in expected losses for credit risks are as follows:

	Parent	Consolidated
Balance on December 31, 2018	**(22,334)**	**(38,082)**
Estimate accrued	(1,561)	(4,237)
Exchange rate variation	-	2,316
Balance on September 30, 2019	**(23,895)**	**(40,003)**

A receivables-backed investment fund (Fundo de Investimento de Direitos Creditórios - FIDC) was created in June 2014 to sell a portion of the receivables from the installment sale in the domestic market, up to the limit of R$160 million (principal), of which R$16 million consists of mezzanine subordinated shares. On September 30, 2019, there was R$137,481 of bills traded with the fund MRFG.

In March 2017, the Corporation's wholly-owned subsidiary Weston Importers Ltd. structured a program to sell non-recourse receivables with a prime financial institution in Europe. The program's main objective is to convert into cash the term sales involving exports originated by the South America Operation. The securitization program may sell, on a rotating basis, up to US$100 million over a contractual period of 3 years. Under the program, the Corporation receives up to 100% of the total balance of eligible receivables sold, in accordance with the program's rules and limited to the contractual capacity. As of September 30, 2019, US$100 million (R$416.4 million) had been negotiated under the program.

7. Inventories of products and merchandise

In the period ended September 30, 2019 and fiscal year ended December 31, 2018, inventories of finished products were carried at average purchase and/or production cost, as explained below:

	Parent		Consolidated	
	9/30/2019	**12/31/2018**	**9/30/2019**	**12/31/2018**
Finished products	598,404	457,011	2,067,937	1,454,071
Raw materials	-	-	195,352	166,250
Packaging and storeroom supplies	65,893	61,900	296,032	227,780
(-) Expected losses	(6,305)	(24,004)	(10,968)	(25,821)
	657,992	**494,907**	**2,548,353**	**1,822,280**

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

	Parent	Consolidated
Balance on December 31, 2018	(24,004)	(25,821)
Reversal of estimates	17,699	18,592
Translation gains (losses)	-	(969)
Acquisition through business combination	-	(2,770)
Balance on September 30, 2019	**(6,305)**	**(10,968)**

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

8. Recoverable taxes

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
ICMS (State VAT)	414,269	406,929	421,606	439,415
PIS and Cofins (taxes on sales) credits	2,003,509	3,398,488	2,080,511	3,473,509
IRPF / IRPJ and CSLL (taxes on income) recoverable	392,877	386,870	436,040	420,219
Other	16,109	16,078	123,636	85,652
(-) Expected losses from non-realization	(19,075)	(1,491,871)	(26,401)	(1,493,565)
	2,807,689	**2,716,494**	**3,035,392**	**2,925,230**
Current assets	**1,400,783**	**963,809**	**1,599,243**	**1,144,888**
Non-current assets	**1,406,906**	**1,752,685**	**1,436,149**	**1,780,342**

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, this line item consists of noncumulative PIS and COFINS credits on the acquisition of raw, packaging, and other materials used in goods sold in foreign markets. With the change in legislation 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. The Corporation also continues to seek new ways to monetize its credits with the applicable agencies, including the possibility of settling other tax obligations.

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, payable via offsetting of income and social contribution taxes calculated on profit for future periods, as well as offsetting of other federal taxes owed and managed by the Federal Revenue Service of Brazil (SRF).

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 thousands of Brazilian reais, except where otherwise indicated)

In the period ended September 30, 2019, the changes in this item were as follows:

	Parent	Consolidated
Balance at December 31, 2018	(1,491,871)	(1,493,565)
Addition	-	(172)
Write-off	1,472,796	1,472,796
Translation gains (losses)	-	2,102
Acquisition through business combination	-	(7,562)
Balance at September 30, 2019	**(19,075)**	**(26,401)**

To reflect Management's more optimistic expectations for the use of tax credits, in the third quarter of 2019, the Corporation off-set the amounts provisioned for the balances of PIS and COFINS taxes recoverable.

9. Notes receivable

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Related-party transactions [a]	1,033,338	671,864	-	-
Market transactions receivable [b]	855	-	4,266	102,975
Other notes receivable	4,638	14,750	5,397	15,552
Total	1,038,831	686,614	9,663	118,527
Current assets	**309,055**	**226,438**	**9,623**	**118,307**
Non-current assets	**729,776**	**460,176**	**40**	**220**

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

(b) In the note 26, 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.

10. Deferred Income and Social Contribution Taxes

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Income tax	987,805	556,481	1,251,094	769,461
Social contribution tax	377,131	221,731	387,432	230,383
Deferred tax assets	**1,364,936**	**778,212**	**1,638,526**	**999,844**
Income tax	-	-	(241,181)	(118,911)
Deferred tax liabilities	-	-	(241,181)	(118,911)
Total deferred taxes	**1,364,936**	**778,212**	**1,397,345**	**880,933**

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.

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

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, 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 88.1% 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. As of 2019, the new strategic drivers became creating a simpler business focused on beef, improving the footprint of its operations and the synergies among them and capturing the financial benefits of a capital structure that is better aligned with its business model.

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
2019	63,433	106,301
2020	124,995	169,037
2021	161,663	207,154
2022	173,349	215,178
2023	841,496	940,856
	1,364,936	**1,638,526**

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

The following table presents the reconciliation of deferred taxes in the period ended September 30, 2019:

	Parent		Consolidated	
ASSETS	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Income tax losses	1,952,993	1,241,957	2,243,780	1,464,872
Social contribution tax loss carryforwards	717,068	460,971	733,604	475,874
Temporary differences	164,095	135,817	167,150	131,892
Total assets	**2,834,156**	**1,838,745**	**3,144,534**	**2,072,638**
LIABILITIES				
Temporary differences	(1,469,220)	(1,060,533)	(1,747,189)	(1,191,705)
Total liabilities	**(1,469,220)**	**(1,060,533)**	**(1,747,189)**	**(1,191,705)**
Deferred tax assets, net	1,364,936	778,212	1,397,345	880,933

11. Investments

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Interest in subsidiaries	11,877,335	10,738,033	-	-
Goodwill derived from business combinations	598,126	554,621	-	-
Other investments	10	10	47,210	42,545
	12,475,471	**11,292,664**	**47,210**	**42,545**

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

11.1 Direct investments by the parent company

Investments in Subsidiaries on September 30, 2019:

	Marfrig Chile S.A.	Inaler S.A.	Frigorífico Tacuarembó S.A.	Masplen Ltd	Prestcott International S.A.	Estab. Colonia S.A.	Marfrig Overseas Ltd	Marfrig Argentina S.A.	Marfrig Com. de Energia Ltda	Marfrig Holdings (Europe) BV	Marfrig Peru S.A.C.	Marfrig Beef (UK) Limited	Marfrig Beef International Limited	Abilun S.A.	MFG SAU	Total
1) Interest																
Shares / Units of interest	9,950	66,247,320	163,442,679	5,050	79,638,916	80,647,477	1	1,220,225,248	149,985	426,842	4,988	2,001	2,001	400,000	100,000	
% Interest	99.50	100.00	99.95	100.00	100.00	100.00	100.00	99.95	100.00	100.00	99.76	100.00	100.00	100.00	100.00	
Country	Chile	Uruguai	Uruguai	Ilha Jersey	Uruguai	Uruguai	Ilhas Cayman	Argentina	Brasil	Holanda	Peru	Reino Unido	Reino Unido	Uruguai	Argentina	
2) Information																
Share Capital	66,115	31,096	26,623	15,373	12,169	134,307	-	88,270	-	1,940,257	6	1,181,057	592,705	45	-	
Equity	182,508	15,379	123,027	(43,230)	79,987	27,393	(890,596)	(128,838)	(2,124)	3,544,834	(628)	3,764,231	5,167,076	(1,910)	52,130	
Net income (loss)	10,344	(11,194)	13,270	(12,141)	(6,738)	(814)	(155,650)	100,579	723	(1,097)	(14)	564,105	484,058	(248)	168,772	
Equity according to % interest [1]	181,595	15,379	122,965	(43,230)	79,987	27,393	(890,596)	(128,773)	(2,124)	3,544,834	(626)	3,764,231	5,167,076	(1,910)	52,130	
Total assets	348,188	82,530	351,685	379,514	419,293	313,327	3,995,523	271,358	11,548	13,709,493	102	18,322,144	20,251,124	45,376	665,540	
Total liabilities	165,675	67,151	228,658	422,744	339,306	285,934	4,886,119	400,198	13,673	10,164,659	730	14,557,913	11,071,411	50,811	609,264	
Interest from non-controlling shareholders	6	-	-	-	-	-	-	(2)	-	-	-	-	4,012,637	(3,526)	4,146	
Net Revenue	531,154	319,834	808,080	334,911	393,412	610,169	-	453,315	42,690	-	-	3,842,493	24,390,975	102,809	846,944	
Interest - net income (loss) [1]	10,292	(11,194)	13,264	(12,141)	(6,738)	(814)	(155,650)	100,528	723	(1,097)	(14)	564,105	484,058	(248)	168,772	
Goodwill	-	90,379	135,345	40,240	52,159	280,003	-	-	-	-	-	-	-	-	-	
3) Changes																
Opening balance at 12/31/2018	**164,998**	**2,083**	**147,242**	**(43,561)**	**81,405**	**3,278**	**(673,455)**	**(144,672)**	**(2,847)**	**3,299,951**	**(569)**	**2,179,486**	**5,725,870**	**(1,176)**	**-**	**10,738,033**
Dividends	-	-	(49,904)	-	-	-	-	-	-	-	-	(197,738)	(548,443)	-	-	(796,085)
Equity in earnings (losses) of subsidiaries	9,939	(11,194)	13,588	(9,472)	(6,738)	(904)	(155,650)	100,636	723	(1,097)	(14)	564,087	484,058	(248)	168,587	1,156,301
Capital reduction/increase	-	24,952	-	-	-	24,952	-	-	-	-	-	-	-	-	-	49,904
Other comprehensive income	6,297	(462)	11,804	(33)	5,319	(232)	(61,491)	(84,799)	-	245,980	(43)	1,218,377	(494,408)	(485)	(116,642)	729,182
Closing balance at 9/30/2019	**181,234**	**15,379**	**122,730**	**(53,066)**	**79,986**	**27,094**	**(890,596)**	**(128,835)**	**(2,124)**	**3,544,834**	**(626)**	**3,764,212**	**5,167,077**	**(1,909)**	**51,945**	**11,877,335**

[1] 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)

11.2 Business Combination

11.2.1 Quickfood S.A.

On January 3, 2019, the Corporation, through its subsidiary MFG Holding S.A.U, entered into an agreement with BRF S.A. ("BRF"), whereby it acquired 532,041,681 shares representing 91.89% of the total and voting capital of Quickfood S.A. ("Quickfood"), a company headquartered in Argentina.

Quickfood has been traded on the Buenos Aires Stock Exchange since 2002 under the ticker "PATY" and is Argentina's leading producer of beef products The company operates 3 plants in San Jorge, Baradero and Arroyo Seco, with primary processing capacity of 620 head/day and further processing capacity of around 6,000 tons/month of beef patties, hot dogs, cold cuts and frozen vegetables.

For the Corporation, a leading global beef producer, the transaction strengthens its portfolio of value-added products and is aligned with its strategic growth plan. The transaction also includes potential synergies and economies of scale with Marfrig's operations in the country.

As a result of acquisition of Quickfood, the Corporation carried out a public tender offer for shares representing 8.11% of the capital of Quickfood traded on the Buenos Aires Stock Exchange (BCBA), in accordance with governing law. The offer was concluded on May 8, 2019, which changed the interest held from 91.89% to 98.5%.

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

	R$
Current assets	302,181
Property, plant and equipment	263,920
Intangible assets	101,464
Other non-current assets	49,992
Current liabilities	(374,704)
Non-current liabilities	(46,654)
Total identified assets, net of fair value	**296,199**
Non-controlling interest	(24,024)
Bargain purchase	(89,382)
Total consideration transfered	**182,793**

The acquisition costs of R$990 were recognized in the statement of income as administrative expenses.

11.2.1 Iowa Premium, LLC

On June 10, 2019, the Corporation, through its subsidiary NBM US Holdings, LLC, jointly with Jefferies Financial Group, Inc (through its subsidiary JIAC LLC), U.S. Premium Beef, LLC, TMK Holdings, LLC and NBPCo Holdings, LLC, entered into an agreement with Sysco Holdings, LLC ("Sysco"), for the acquisition of 100.00% of the voting and total capital of Iowa Premium, LLC ("Iowa"), which subsequently was paid in as capital in National Beef Packing Company, LLC ("National Beef").

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

Iowa Premium is a U.S.-based company with primary processing capacity of 1,100 head/day and net revenue of US$644 million in 2018. It operates exclusively with superior-quality animals (Black Angus) and specializes in USDA Choice and Prime grade beef.

The transaction is fully aligned with the strategy of National Beef, expanding its capacity to serve markets seeking high quality beef, and represents an opportunity to capture synergies and economies of scale in its operation. It also demonstrates the strength of the long-term partnership among Marfrig, Jefferies, USPB, TMK and NBPCo, as well as the commitment of all shareholders to National Beef.

Furthermore, as a result of the transaction, a supply agreement was signed with Sysco for five years.

The Company measured preliminarily the assets acquired and the liabilities assumed at their historical fair value, as follows:

	R$
Current assets	175,166
Property, plant and equipment	188,367
Intangible assets	228,518
Other non-current assets	563
Current liabilities	(61,926)
Total identified assets, net of fair value	**530,688**
Goodwill paid for expected future profitability	63,883
Total consideration transferred	**594,571**
Consideration transferred by the Company's subsidiary	303,231
Consideration transferred by other non-controlling shareholders	291,340

The acquisition costs, in an amount equivalent to R$312,734, were recognized in the income state as administrative expenses.

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 IFRS 16, assets related to leases are now recognized as right-of-use assets under property, plant and equipment. Therefore, the following tables present separately:

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

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	**3.96%**	**13.66%**	**-**	**15.85%**	**18.00%**	**20.00%**	
Acquisition cost	2,957,893	818,370	36,208	322,831	-	-	4,135,302
Accumulated depreciation	(646,688)	(470,882)	-	(146,248)	-	-	(1,263,818)
Net balance on 12/31/2018	**2,311,205**	**347,488**	**36,208**	**176,583**	**-**	**-**	**2,871,484**
Additions	316,275	133,239	122,188	25,100	145,784	1,592	744,178
Write-offs	(233,500)	(23,411)	(3,290)	(12,244)	-	-	(272,445)
Transfers	(42,859)	1,619	(108,969)	149,319	-	890	-
Depreciation in the period	(99,954)	(68,918)	-	(37,336)	(18,683)	(474)	(225,365)
Net balance on 9/30/2019	**2,251,167**	**390,017**	**46,137**	**301,422**	**127,101**	**2,008**	**3,117,852**
Acquisition cost	2,911,398	911,054	46,137	450,777	145,784	7,980	4,473,130
Accumulated depreciation	(660,231)	(521,037)	-	(149,355)	(18,683)	(5,972)	(1,355,278)
Net balance at the end of the period	**2,251,167**	**390,017**	**46,137**	**301,422**	**127,101**	**2,008**	**3,117,852**

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	**3.82%**	**11.69%**	**-**	**13.78%**	**14.43%**	**12.73%**	**22.69%**	
Acquisition cost	4,385,446	3,005,049	291,699	479,111	-	-	-	8,161,305
Accumulated depreciation	(1,047,721)	(1,658,012)	-	(224,356)	-	-	-	(2,930,089)
Net balance on 12/31/2018	**3,337,725**	**1,347,037**	**291,699**	**254,755**	**-**	**-**	**-**	**5,231,216**
Additions	328,652	145,135	382,999	27,827	197,978	359,389	2,437	1,444,417
Acquisition through business combination	198,670	211,583	12,182	25,646	1,723	-	2,483	452,287
Write-offs	(233,575)	(27,575)	(3,290)	(12,396)	(620)	-	(998)	(278,454)
Transfers	12,140	202,278	(374,361)	159,053	-	(87)	977	-
Reclassification	-	(199)	-	-	-	-	-	(199)
Translation gains (losses)	41,447	57,500	33,046	27,917	3,614	22,865	(215)	186,174
Depreciation in the period	(139,744)	(269,809)	-	(49,215)	(27,150)	(55,578)	(2,010)	(543,506)
Net balance on 9/30/2019	**3,545,315**	**1,665,950**	**342,275**	**433,587**	**175,545**	**326,589**	**2,674**	**6,491,935**
Acquisition cost	4,704,164	3,776,210	342,275	676,786	202,995	388,996	10,623	10,102,049
Accumulated depreciation	(1,158,849)	(2,110,260)	-	(243,199)	(27,450)	(62,407)	(7,949)	(3,610,114)
Net balance at the end of the period	**3,545,315**	**1,665,950**	**342,275**	**433,587**	**175,545**	**326,589**	**2,674**	**6,491,935**

In the first half of 2019, the Corporation entered into an agreement with BRF S.A. for the acquisition of the Várzea Grande asset complex in the state of Mato Grosso. It also entered into an asset swap agreement with Minerva Foods, acquiring the processing plant that is part of the Várzea Grande Complex. In consideration, the Corporation granted Minerva Foods the Paratininga plant, which also is located in the state of Mato Grosso.

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.

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

During the period ended September 30, 2019, 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	
	9/30/2019	
Description	Temporarily idle property, plant and equipment	Property, plant and equipment fully depreciated and still in operation
Land, constructions and buildings	143,024	513
Machinery, equipment , furniture and fixtures	31,997	169,101
Other property, plant and equipment	51,129	33,007
	226,150	202,621

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	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Goodwill	-	-	-	1,407,906	1,247,908
Trademark and patents	4.91%	22,883	22,883	1,339,943	1,115,363
Software and licenses	17.83%	30,516	35,189	35,019	39,983
Client relationship	7.64%	-	-	2,024,857	1,924,704
Right of use	5.50%	41,294	43,478	41,294	43,478
Sales channels	5.50%	230,557	242,750	230,557	242,750
Supplier relationship	6.67%	-	-	1,975,190	1,942,869
Other intangible assets	31.07%	-	-	11,879	-
		325,250	344,300	7,066,645	6,557,055

In the period ended September 30, 2019, 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 15 to the financial statements for the fiscal year ended December 31, 2018.

13.1 Changes in intangible assets

Changes in the intangible assets accounts for the period ended September 30, 2019 are as follows:

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

Parent Company

	Balance on December 31, 2018	Acquisition / Write-off	Amortization	Balance on September 30, 2019
Sales channels	242,750	-	(12,193)	230,557
Rights of use	43,478	-	(2,184)	41,294
Software and licenses	35,189	4,643	(9,316)	30,516
Trademarks and patents	22,883	-	-	22,883
Total	**344,300**	**4,643**	**(23,693)**	**325,250**

Consolidated

	Balance on December 31, 2018	Acquisition/ Write-off	Exchange variation	Acquisition through business combination	Reclassification	Amortization	Balance on September 30, 2019
Goodwill	1,247,908	-	99,496	88,671	(28,169)	-	1,407,906
Sales channel	242,750	-	-	-	-	(12,193)	230,557
Rights of use	43,478	-	-	-	-	(2,184)	41,294
Software and Licenses	39,983	4,951	305	-	-	(10,220)	35,019
Trademarks and patents	1,115,362	8	83,370	188,470	14,324	(61,591)	1,339,943
Client relationship	1,924,704	-	141,744	101,294	2,030	(144,915)	2,024,857
Supplier relationship	1,942,870	-	137,990	-	9,108	(114,778)	1,975,190
Other intangible assets	-	-	(3,551)	15,430	-	-	11,879
Total	**6,557,055**	**4,959**	**459,354**	**393,865**	**(2,707)**	**(345,881)**	**7,066,645**

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	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Third parties	856,005	884,731	2,251,398	2,112,618
Related parties [1]	12,229	51,847	2,629	36,365
	868,234	**936,578**	**2,254,027**	**2,148,983**

(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.

15. Supply chain finance

	Parent		Consolidated	
	6/30/19	12/31/18	6/30/19	12/31/18
Supply chain finance	173,056	182,635	173,056	182,635
	173,056	**182,635**	**173,056**	**182,635**

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

The Corporation entered into structured supply chain financing operations to extend raw material purchase terms with certain suppliers. The balance of these operations on September 30, 2019 was R$173.1 million at an average rate of 0.80% p.m. On December 31, 2018, these operations amounted to R$182.6 million at an average rate of 0.76% p.m.

16. Taxes payable

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Income and social contribution taxes payable	55,178	54,274	182,013	139,531
Special tax debt installment plans	839,186	917,919	840,287	919,059
Other taxes, fees and contributions payable	95,362	98,443	125,139	120,439
	989,726	**1,070,636**	**1,147,439**	**1,179,029**
Current liabilities	225,062	238,230	365,999	345,438
Non-current liabilities	764,664	832,406	781,440	833,591

Special Tax Debt Installment Payment Plan – Laws 11,941/09, 12,865/2013, 12,996/2014, PRT MP 766/2017, PERT Law 13,496/2017, amended by MP 807/2017 and TA 120 of the state of Mato Grosso do Sul

On June 30, 2017, the Corporation signed a term for spontaneous submission of debits offset using credits under homologation with the State of Mato Grosso do Sul in TA 120, in the amount of R$85,991, to be paid in 48 monthly installments.

On September 29, 2017 and November 14, 2017, based on Law 13,496/2017, as amended by Decree 807 of October 31, 2017, which governs the payment in installments of liabilities owed to the Federal Revenue Service (SRF), the Office of the General Counsel for the National Treasury (PGFN) and the National Social Security Institute (INSS), the Corporation adhered to the Special Tax Amnesty Program ("PERT") for its federal tax liabilities in litigation with the aforementioned authorities. This led to the adherence to the program in an amount of R$1,259.7 million, of which R$550.0 million by migrating liabilities registered in Refis COPA/PRT and R$710.0 million related to liabilities due from January 2014 to April 2017. Of the total consolidated in the program, 20% (equivalent to R$251.9 million) was paid by December 2017, with a reduction in the outstanding liabilities due to discounts applied under PERT in the amount of R$318.2 million and the use of income tax losses and social contribution tax loss carryforwards in the amount of R$200.0 million, with the remaining outstanding liabilities of R$489.6 million to be paid in 145 installments of R$3.4 million, starting January 2018.

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

Changes in special installment payment plans are as follows:

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Opening balance	917,919	1,023,418	919,059	1,024,603
(+) Adhesion to the installment payment program	-	5,252	-	5,252
(-) Inflation adjustment interest	17,449	44,742	17,484	44,792
(-) Payments made / tax credits	(96,182)	(155,493)	(96,256)	(155,588)
Debt balance	839,186	917,919	840,287	919,059
Current liabilities	129,700	139,787	129,779	139,865
Non-current liabilities	709,486	778,132	710,508	779,194

17. Loans, financing and debentures

Parent					
Credit facility	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**9/30/19**	**12/31/18**
Local currency					
FINAME/FINEP	TJLP + Fixed Rate	5.50%	1.30	16	25
NCE/Working Capital	Fixed Rate + %CDI	7.18%	1.54	199,766	203,496
Non-convertible debentures	104% CDI	5.64%	4.06	244,102	610,292
Total local currency		**6.33%**		**443,884**	**813,813**
Foreign currency:					
NCE/Prepayment (US$) / ACC (US$)	Fixed Rate+ FX	5.79%	0.50	2,257,209	1,386,002
Total foreign currency		**5.79%**		**2,257,209**	**1,386,002**
Total loans, financing and debentures		**5.88%**		**2,701,093**	**2,199,815**
Current liabilities				2,307,701	1,973,511
Non-current liabilities				393,392	226,304

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

Consolidated					
Credit facility	**Charges (% p.a.)**	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**9/30/19**	**12/31/18**
Local currency					
FINAME/FINEP	TJLP + Fixed Rate	4.01%	0.39	2,486	6,942
NCE/Working capital	Fixed Rate+%CDI	7.18%	1.54	199,766	203,496
Non-convertible debentures	104% CDI	5.64%	4.06	244,102	-
Total local currency		**6.32%**		**446,354**	**210,438**
Foreign currency					
Prepayment/NCE / ACC (US$)	Fixed Rate + FX	5.79%	0.50	2,257,210	1,386,003
Bonds (US$)	Fixed Rate + FX	7.01%	5.95	15,471,264	12,829,328
Bank loan (US$)	Fixed Rate + FX	7.38%	1.50	208,139	291,757
Revolving credit facility	Fixed Rate + Libor	3.91%	2.69	701,792	515,824
Total foreign currency		**6.75%**		**18,638,405**	**15,022,912**
Total loans, financing and debentures		**6.74%**		**19,084,759**	**15,233,350**
Current liabilities				2,698,589	3,665,455
Non-current liabilities				16,386,170	11,567,895

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
2019	314,918	1,973,511	546,525	3,665,463
2020	1,992,783	176,443	2,155,233	201,361
2021	148,278	49,861	160,228	178,344
2022	-	-	718,114	650,475
2023	245,114	-	1,983,625	3,815,450
2024	-	-	3,099,942	2,838,455
2025 to 2029	-	-	10,421,092	3,883,802
Total	**2,701,093**	**2,199,815**	**19,084,759**	**15,233,350**

There were no changes in the types of loan and financing of the Corporation for the period ended September 30, 2019.

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 20 to the Financial Statements for the year ended December 31, 2018, with the transactions in the period ended September 30, 2019 are described below:

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

In September 2019, the Corporation prepaid the remaining balance of the 5th Issue placed on September 20, 2013 by Marfrig Holdings (Europe) B.V. with aggregate principal of US$21.5 million and interest of US$1.2 million, amounting to US$22.7 million.

The 13th operation, referred to as the Sustainable Transition Bonds and concluded in July 2019, involved the issue by NBM US Holdings, Inc. of US$500 million in Senior Notes with interest coupon of 6.625% p.a. and semiannual interest payments, with the principal due in 10 years (August 2029), which was assigned foreign-currency credit-risk ratings of 'BB-' by Standard & Poor's ("S&P") and 'BB-' by Fitch Ratings. This operation was guaranteed by Marfrig Global Foods S.A., Marb Bondco PLC, Marfrig Overseas Limited and Marfrig Holdings (Europe) B.V. The proceeds will be invested in the sourcing of cattle from the Amazon biome, specifically from the states of Mato Grosso, Pará and Rondônia, that meet specific criteria for controlling deforestation, the non-use of indigenous lands and the eradication of forced and child labor through increased control of cattle traceability, drawing on the innovations developed by the Corporation. As of September 30, 2019, the equivalent of R$280 million (US$ 67 million) of the resources had been used, and the remainder will be used based on the criteria described above, which is currently invested awaiting its due utilization.

In May 2019, the Company repurchased around US$5.6 million, or 20.43% of the outstanding Notes of the 5th Issue and the principal of approximately US$553.7 million, or 55.37%, of the outstanding Notes of the 7th Issue, the latter fully settled in June 2019.

The 12th operation, which was concluded in May 2019, involved the issue by NBM US Holdings, Inc. of US$1 billion in Senior Notes, with interest coupon of 7.000% p.a. and semiannual interest payments, with the principal due in 7 years (May 2026), which was assigned foreign-currency credit-risk ratings of 'BB-' by Standard & Poor's ("S&P") and 'BB-' by Fitch Ratings. This operation was guaranteed by Marfrig Global Foods S.A., Marb Bondco PLC, Marfrig Overseas Limited and Marfrig Holdings (Europe) B.V. and the proceeds were allocated to reducing the debt cost and lengthen the debt maturity profile.

17.2. Guarantees for loans and financing:

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Balance of financing	2,701,093	2,199,815	19,084,759	15,233,350
Guarantees:				
Bank guarantee	-	155,870	-	155,870
Surety	459,223	440,051	465,700	475,320
Leased asset	16	25	16	25
Export document	-	-	73,385	65,943
Facilities	-	-	785,116	707,314
Marketable securities	-	-	31,132	3,490
Mortgage	-	-	47,114	5,972
No guarantees	2,241,854	1,603,869	17,682,296	13,819,416

(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 1.04.

The leverage ratio is calculated as follows:

	9/30/2019
Consolidated gross debt	19,084,759
(-) Consolidated cash and cash equivalents	8,359,589
Consolidated net debt	10,725,170
EBITDA in the period ended June 30, 2019*	7,530,054
EBITDA ratio	1.42
Consolidated net debt	10,725,170
(-) Effect from exchange variation (carve-out)	2,610,624
Consolidated adjusted net debt	8,114,546
Leverage ratio	1.08

*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 September 30, 2019 and December 31, 2018.

18. Lease payable

With the adoption of IFRS 16 as of January 1, 2019, the Company now also recognizes the liabilities arising from leases, previously recorded as operating leases. Measurement of lease liabilities is composed of the present value of installments and costs associated with the lease agreement.

The following table presents the breakdown of lease payables:

	Parent			
Lease	Weighted average interest rate (p.a.)	Weighted average maturity (years)	9/30/19	12/31/18
Plants, facilities and buildings	7.00%	6.2	161,725	-
Software license	13.25%	1.2	2,210	3,984
Other	12.69%	1.2	1,831	1,362
Interest to incur			(32,252)	(1,223)
Total			**133,514**	**4,123**
Current liabilities			24,706	2,545
Non-current liabilities			108,808	1,578

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

	Consolidated			
Lease	**Weighted average interest rate (p.a.)**	**Weighted average maturity (years)**	**9/30/19**	**12/31/18**
Plants, facilities and buildings	6.35%	5.6	212,630	-
Software license	13.25%	0.9	2,210	3,984
Other	3.96%	4.2	387,200	2,550
Interest to incur			(32,273)	(1,223)
Total			**569,767**	**5,311**
Current liabilities			133,713	3,209
Non-current liabilities			436,054	2,102

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:

	12/31/2018	Initial adoption	Acquisitions	Financial expense	Payments	Translation gains (losses)	**9/30/2019**
Parent	**4,123**	145,784	1,745	7,994	(26,132)	-	**133,514**
Consolidated	**5,311**	458,859	136,348	17,618	(78,845)	30,476	**569,767**

The following table presents the maturity schedule of lease agreements:

	Parent		**Consolidated**	
	9/30/2019	**12/31/2018**	**9/30/2019**	**12/31/2018**
Up to 1 year	24,706	2,545	133,713	3,208
From 1 to 5 years	101,342	1,578	420,713	2,103
More than 5 years	7,466	-	15,341	-
Total	**133,514**	**4,123**	**569,767**	**5,311**

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

19. Notes payable

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Notes payable for investments in Brazil (a)	326,182	378,744	326,182	378,743
Market transactions payable (b)	73,334	98,906	74,247	101,224
Related parties (c)	16,881,224	14,602,034	-	-
Other	7,669	7,500	7,669	7,500
	17,288,409	**15,087,184**	**408,098**	**487,467**
Current liabilities	159,760	183,205	160,673	185,522
Non-current liabilities	17,128,649	14,903,979	247,425	301,945

(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 26, 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.

20. Provisions for contingencies

20.1 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	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Labor and social security	50,345	50,345	85,523	58,358
Tax	169,021	169,021	204,319	169,021
Civil	74,227	74,227	80,688	74,288
	293,593	293,593	370,530	301,667

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

The following table shows the changes in provisions in the period ended September 30, 2019:

	Parent				Consolidated			
	Labor and social security	Tax	Civil	Total	Labor and social security	Tax	Civil	Total
Balance on December 31, 2018	50,345	169,021	74,227	293,593	58,358	169,021	74,288	301,667
Addition do provision	-	-	-	-	23,855	1,926	4,661	30,442
Realization of provision	-	-	-	-	(38,908)	(5,573)	-	(44,481)
Reclassification	-	-	-	-	-	25,742	-	25,742
Translation gains (losses)	-	-	-	-	(12,750)	(7,299)	(1,982)	(22,031)
Acquisition through business combination	-	-	-	-	54,968	20,502	3,721	79,191
Balance on September 30, 2019	50,345	169,021	74,227	293,593	85,523	204,319	80,688	370,530

20.1.1 Labor and social security

As at September 30, 2019, 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$85,523 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.

20.1.2 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$204,319, 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.

20.1.3 Civil

Based on the opinion of legal advisors, the Management recognized on September 30, 2019 a provision for the number of shares considered to be of probable risk, totaling R$80,688. 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.

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

20.2 Contingent liabilities

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Labor and social security	89,853	134,826	97,029	137,957
Tax	1,037,800	1,099,723	1,038,461	1,102,005
Civil	3,718	2,294	3,750	2,294
	1,131,371	**1,236,843**	**1,139,240**	**1,242,256**

20.2.1 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.

20.2.2 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 September 30, 2019, the Corporation was a party to administrative proceedings and court claims filed by the Federal Government at the total historical value of R$338,854, 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$83,910. Administrative defenses were submitted.

(ii) Disallowance of amounts deducted from the calculation base of 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$217,494.

b) State VAT – ICMS

On September 30, 2019, the Corporation had administrative proceedings, and court claims in the historical amount of R$698,953, 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$548,965;

(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$68,099;

(iii) The Corporation and its subsidiary Pampeano are parties to administrative proceedings and legal suits, whose collection suits are individually immaterial, totaling R$81,889.

c) Taxes on Services of Any Nature (ISSQN)

On September 30, 2019, the Corporation had tax deficiency notice issued by the municipality of Mineiros in Goiás claiming the payment of ISSQN related to the alleged retention and nonpayment of the respective tax credit levied on the provision of services received, in the historical amount of R$654.

20.2.3 Civil

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

20.2.4 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 and filed a civil lawsuit with the U.S. courts against the acquirer.

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 a decision excluding the Corporation from the action.

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

21. Shareholders' equity

21.1 Share capital

Subscribed and paid-in share capital as at September 30, 2019 and December 31, 2018 totals R$7,427,677 and is represented by 621,279,822 common shares without par value. On the same date, 235,230,151 shares, or 37.86% 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). On the same date, the free float was 386,049,701 shares representing 62.14% of the Share Capital of the Corporation (of these, 209,648,427 shares are held by BNDES Participações S.A.), 9,100,460 shares are held in treasury, and 286,137 shares are held by its Board of Directors and Executive Board.

21.2 Income reserves

21.2.1 Legal reserve

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

On September 30, 2019, the Corporation did not recognize legal reserve given that the profit for the period was fully offset by the net loss. Accordingly, the balance as of September 30, 2019 remained at R$44,476, the same as at December 31, 2018.

21.2.2 Treasury shares

On September 30, 2019, Corporation held nine million, one hundred thousand and four hundred sixty (9,100,460) common shares in treasury, which were booked at the amount of R$66,909, which corresponds to an average cost of seven reais and thirty-five centavos (R$7.35) 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, 2018	**2,138,475**	**11,644**
(+) Acquisition - Repurchase program	7,892,100	60,595
(-) Disposal - Stock options	(930,115)	(5,330)
Balance as at September 30, 2019	**9,100,460**	**66,909**

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 outstanding shares. The maximum period for effecting the purchase transactions is eighteen (18) months, starting on September 14, 2018 and ending on March 13, 2020.

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

21.3 Other comprehensive income

This account recognizes, before being recorded in the statement of operations, 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 year as gain or loss only upon the disposal or write-off of the investment. This account also recognized the effects from the adoption of deemed cost and currency differences in the translation of transactions abroad and the result of derivative financial instruments designated for hedge accounting not yet realized.

21.4 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.

22. Net sales revenue

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Revenue from sales of products				
Domestic sales	4,167,876	4,006,259	26,708,878	13,078,452
Foreign sales	2,988,300	3,570,848	8,450,837	6,676,881
	7,156,176	**7,577,107**	**35,159,715**	**19,755,333**
Deductions from gross sales				
Taxes on sales	(271,280)	(215,718)	(296,782)	(196,584)
Returns and discounts	(187,709)	(286,190)	(319,751)	(291,356)
	(458,989)	**(501,908)**	**(616,533)**	**(487,940)**
Net sales	**6,697,187**	**7,075,199**	**34,543,182**	**19,267,393**

23. Costs and expenses by nature

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

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

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Cost of sales				
Inventory costs	5,412,586	5,636,202	26,923,721	14,819,029
Depreciation and amortization	222,845	155,764	667,584	304,668
Employee salaries and benefits	496,927	513,830	2,643,899	1,500,138
	6,132,358	**6,305,796**	**30,235,204**	**16,623,835**
Administrative expenses				
Depreciation and amortization	25,850	26,534	213,140	27,904
Employee salaries and benefits	13,061	42,292	206,657	158,239
Other	72,407	59,647	128,424	97,759
	111,318	**128,473**	**548,221**	**283,902**
Selling expenses				
Depreciation and amortization	363	298	8,663	955
Employee salaries and benefits	42,194	37,742	114,957	67,408
Freight	296,963	266,468	1,081,254	281,419
Other	132,958	192,897	291,863	619,922
	472,478	**497,405**	**1,496,737**	**969,704**

24. Net financial result

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

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Financial income				
Market transactions	13,117	44,396	14,460	195,478
Interest received, earnings from marketable securities	69,768	39,460	138,210	75,564
Translation adjustments, discounts, interests and other	441	2,850	146,392	5,986
Total financial income	83,326	86,706	299,062	277,028
Exchange rate gains	**750,184**	**799,357**	**1,225,093**	**1,132,898**
Financial expense				
Interest, debentures and lease with financial institutions	(757,976)	(683,717)	(857,683)	(796,737)
Market transactions	-	(160,236)	(12,265)	(206,570)
Bank expenses, amortiz. cost on debt, commissions, financial discounts, other	(531,533)	(529,865)	(647,525)	(708,232)
Total financial expense	(1,289,509)	(1,373,818)	(1,517,473)	(1,711,539)
Exchange rate losses	**(979,081)**	**(912,760)**	**(1,456,055)**	**(1,400,585)**
Net financial result	(1,435,080)	(1,400,515)	(1,449,373)	(1,702,198)

25. Earnings (loss) per share

The following table shows the calculation of earnings (loss) per share for the fiscal periods ended September 30, 2019 and 2018 (in thousands, unless otherwise stated):

	9/30/2019	9/30/2018
Profit (loss) attributable to shareholders from continuing operations	191,182	(955,913)
Profit (loss) attributable to shareholders from discontinued operations	-	135,120
Profit (loss) attributable to shareholders from the Corporation	191,182	(820,793)
Weighted average number of shares in the period (units)	621,279,822	593,035,591
Weighted average number of shares held in treasury (units)	(1,953,963)	(418,226)
Weighted average number of outstanding common shares (units)	619,325,859	592,617,365
Basic and Diluted Earnings (Losses) (in R$) from continuing operations	0.3087	(1.6130)
Basic and Diluted Earnings (Losses) (in R$) from discontinued operations	-	0.2280
Earnings or losses attributable to shareholders of the Corporation	0.3087	(1.3850)

26. Financial instruments - risk management

26.1. 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.

26.2. Credit risk management

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

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

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

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

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

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

Values subject to credit risk:

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash and cash equivalents	158,864	157,799	1,495,152	2,459,202
Marketable securities	1,380,005	1,619,387	6,864,437	4,732,504
Receivables from Brazilian clients	21,037	41,090	1,417,466	1,068,553
Receivables from foreign clients	457,181	353,059	252,621	175,287
Other receivables	45,705	35,849	316,227	195,472
Total	**2,062,792**	**2,207,184**	**10,345,903**	**8,631,018**

26.3. 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	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Short-term cash, cash equivalents and marketable securities	1,538,869	1,777,186	8,359,589	7,191,706
Short-term loans and financings	2,307,701	1,973,511	2,698,589	3,665,455
Modified liquidity ratio	**0.67**	**0.90**	**3.10**	**1.96**

26.4. 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.

26.4.1 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 Corporation currently does not have financial instruments pegged to derivatives related to interest rates, as its debt is substantially pegged to fixed interest rates.

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

26.4.2 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.

The derivative financial instruments used to hedge against commodity price risks on September 30, 2019, 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$	(28,760)	(119,766)	(463)
Futures	Fed cattle	CME	USD	USD	(183)	(763)	(54)
					(28,943)	**(120,529)**	**(517)**

26.4.3 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 89.5% 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.

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

Assets and liabilities in foreign currency are presented as follows:

Parent			
Exposure			
Description	9/30/2019	12/31/2018	Effects of translation gains (losses) 2019
Operating			
Trade accounts receivable	457,181	353,059	(119,633)
Imports payable	(43,724)	(40,307)	1,038
Subtotal	413,457	312,752	(118,595)
Financial			
Loans and financing	(2,257,209)	(1,386,002)	(152,827)
Notes payable and receivable	295,794	204,643	775
Balance of banks and marketable securities (*)	720,607	734,090	41,750
Subtotal	(1,240,808)	(447,269)	(110,302)
Total	(827,351)	(134,517)	(228,897)
Translation gains			750,184
Translation losses			(979,081)
Translation gains (losses), net			(228,897)

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

Consolidated			
Description	9/30/2019	12/31/2018	Effects of translation gains (losses) 2019
Operating			
Trade accounts receivable	252,621	123,427	(109,450)
Imports payable	(228,627)	(129,144)	884
Other	(21,598)	(53,082)	28,212
Subtotal	2,396	(58,799)	(80,354)
Financial			
Loans and financing	(18,638,405)	(15,022,912)	(153,633)
Notes payable and receivable	302,071	196,852	(45,051)
Balance of banks and marketable securities (*)	944,502	1,430,217	48,076
Subtotal	(17,391,832)	(13,395,843)	(150,608)
Total	(17,389,436)	(13,454,642)	(230,962)
Translation gains			1,225,093
Translation losses			(1,456,055)
Translation gains (losses), net			(230,962)

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

Over the course of 2019, the Corporation contracted Non-Deliverable Forwards (NDFs), 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" for operations not designated for hedge accounting and under the item "Other comprehensive income" for operations designated for hedge accounting.

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

				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	2,520	10,494	237
NDF	FX rate	OTC	USD	EUR	2,387	9,940	171
NDF	FX rate	OTC	USD	CLP	8,660	36,064	2,144
					13,567	**56,498**	**2,552**
Operations designated for Hedge Accounting*							
NDF	FX rate	OTC	BRL	USD	389,762	1,623,124	(87,533)
					389,762	**1,623,124**	**(87,533)**
					403,329	**1,679,622**	**(84,981)**

* The impacts from operations designated for hedge accounting are described on note nº 26.5

26.5 Hedge Accounting

Marfrig adopts Hedge Accounting policies to protect its export revenues against potential impacts from exchange variations. The Corporation may carry out operations for up to 100% of the net flow of highly probable export revenue. The contracting of each instrument considers the best opportunities in the market and is based on the Corporation's strategic guidelines approved for each period. Furthermore, the Management is responsible for approving the contracting of such instruments.

Financial instruments designated as accounting hedges were classified as cash flow hedges. Accordingly, variations in the fair value of derivatives designated as accounting hedges that refer exclusively to the portion effectively hedged are recognized directly under shareholders' equity in the item "other comprehensive income." The amounts booked under other comprehensive income are immediately transferred to the income statement when the hedged item affects profit or loss. In the event of the ineffectiveness of the hedging relationship, this portion will be recognized directly in the profit or loss upon its occurrence.

The Corporation documents, at the start of the operation, the relationships between the hedge instruments and the underlying hedged items (highly probable forecast transactions), as well as the risk management objectives. The Corporation also documents the assessments of the effectiveness of the designated hedging relationships on a continuous basis.

The efficacy of the operations is measured periodically in a reliable way and documented over the duration of the contract through qualitative assessment of the critical terms of the hedging instrument and the hedged item, since they are corresponding. Note that the value of the hedging instrument and the value of the hedged item generally move in opposite directions since they are exposed to the same risk and, as such, an economic relationship exists between the hedged item and the hedging instrument.

The operations designated as hedge accounting on September 30, 2019 can be found in Note 26.4.3.

In the period ended September 30, 2019, the Corporation did not identify ineffective portions in the hedging relationship for operations designated as hedge accounting.

26.6 Sensitivity Analysis

The Management considers that the most relevant risks that could affect the Corporation's results are the volatility of exchange rates and of commodity prices. Today, fluctuations in interest rates do not affect significantly the Corporation's results, since its debt is remunerated at fixed rates.

To provide information about the behavior of market risks that the Corporation and its subsidiaries were exposed to as at September 30, 2019, 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 - USD x EUR		Current	Scenario I	Scenario II	Scenario III
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of USD	171	(2,132)	5,990	11,619
Parity - USD x GBP		**Current**	**Scenario I**	**Scenario II**	**Scenario III**
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of USD	237	(1,335)	4,548	8,751
Parity - CLP x USD		**Current**	**Scenario I**	**Scenario II**	**Scenario III**
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Depreciation of USD	2,144	3,595	(8,986)	(17,973)
Parity - BRL x USD		**Current**	**Scenario I**	**Scenario II**	**Scenario III**
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
NDF	Appreciation of USD	(87,533)	(234,402)	333,948	739,912
Parity - USDA Price - Cattle - BRL/USD		**Current**	**Scenario I**	**Scenario II**	**Scenario III**
Instrument	Risk	Scenario	Increase of 10%	Decrease of 25%	Decrease of 50%
Futures	Increase in fed cattle price	(463)	(12,486)	29,594	59,651
Futures	Increase in fed cattle price	(54)	(399)	567	1,258
		(517)	(12,885)	30,161	60,909

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

26.7 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)**	
	9/30/2019	**12/31/2018**	**9/30/2019**	**12/31/2018**	**9/30/2019**	**12/31/2018**
Cash and cash equivalents	158,864	157,799	-	-	-	-
Marketable securities	1,380,005	1,619,387	-	-	-	-
Trade accounts receivable	478,192	394,149	-	-	-	-
Notes receivable - derivatives	-	-	-	-	855	-
Related parties	1,033,338	671,864	-	-	-	-
Total financial assets	**3,050,399**	**2,843,199**	**-**	**-**	**855**	**-**

Financial liabilities			**Fair value through**			
	Amortized cost		**Profit or loss**		**Other comprehensive income (loss)**	
	9/30/2019	**12/31/2018**	**9/30/2019**	**12/31/2018**	**9/30/2019**	**12/31/2018**
Trade accounts payable and supply chain finance	1,041,290	1,119,213	-	-	-	-
Loans, financing and debentures	2,701,093	2,199,815	-	-	-	-
Finance lease	133,514	4,123	-	-	-	-
Notes payable - derivatives	-	-	463	98,906	72,871	-
Notes payable - investments Brazil	326,182	378,744	-	-	-	-
Related parties	16,881,224	14,602,034	-	-	-	-
Total financial liabilities	**21,083,303**	**18,303,929**	**463**	**98,906**	**72,871**	**-**

Consolidated

Financial assets			**Fair value through**			
	Amortized cost		**Profit or loss**		**Other comprehensive income (loss)**	
	09/30/2019	**12/31/2018**	**09/30/2019**	**12/31/2018**	**09/30/2019**	**12/31/2018**
Cash and cash equivalents	1,495,152	2,459,202		-	-	-
Marketable securities	6,864,437	4,732,504	-	-	-	-
Trade accounts receivable	1,670,060	1,243,840	-	-	-	-
Notes receivable - derivatives	-	-	3,411	102,975	855	-
Total financial assets	**10,029,649**	**8,435,546**	**3,411**	**102,975**	**855**	**-**

Financial liabilities			**Fair value through**			
	Amortized cost		**Profit or loss**		**Other comprehensive income (loss)**	
	09/30/2019	**12/31/2018**	**09/30/2019**	**12/31/2018**	**09/30/2019**	**12/31/2018**
Trade accounts payable and supply chain finance	2,427,083	2,331,618	-	-	-	-
Loans, financing and debentures	19,084,759	15,233,350	-	-	-	-
Finance lease	569,767	5,311	-	-	-	-
Notes payable - derivatives	-	-	1,376	101,224	72,871	-
Notes payable - investments Brazil	326,182	378,743	-	-	-	-
Total financial liabilities	**22,407,791**	**17,949,022**	**1,376**	**101,224**	**72,871**	**-**

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:

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Notes receivable - derivatives (note 9)	855	-	4,266	102,975
Notes payable - derivatives (note 19)	(73,334)	(98,906)	(74,247)	(101,224)
Total, net	**(72,479)**	**(98,906)**	**(69,981)**	**1,751**

In the period ended September 30, 2019, the consolidated net financial gain was R$13,117 million at the parent company and R$2,195 million at the consolidated, of which R$13,117 and R$14,460 corresponded to income at the Parent Company and Consolidated, respectively, and R$12,265 million to expenses in the Consolidated.

26.8 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 IFRS 7, the Corporation and its subsidiaries classify the measurement of fair value according to hierarchical levels which reflect the importance of indices used in such measurement, as follows:

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

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

	Parent		Consolidated	
	Level 1	Level 2	Level 1	Level 2
Current assets				
Marketable securities	-	1,380,005	-	6,864,437
Notes receivable - derivatives	855	-	3,858	408
Non-current liabilities				
Notes payable - derivatives	(73,334)	-	(74,247)	-
Total	**(72,479)**	**1,380,005**	**(70,389)**	**6,864,845**

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

27. Income and social contribution taxes

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

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

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	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Net income (loss) before taxes	**(395,543)**	**(1,662,432)**	**836,748**	**(1,011,801)**
Non-controlling interest on profit or loss before taxes	-	-	(992,184)	(528,544)
Net loss before taxes - adjusted	**(395,543)**	**(1,662,432)**	**(155,436)**	**(1,540,345)**
Income and social contribution taxes - Nominal rate (34%)	134,484	565,227	52,848	523,717
Adjustments to determine the effective tax rate:				
Taxation on profit of companies abroad	53,045	54,994	217,187	98,310
Effect from differences in tax rate of companies abroad	-	-	7,073	-
Deferred taxes not recognized in the period	-	-	31,406	(18,275)
Equity income (loss)	393,142	88,047	-	-
Other additions/exclusions	6,053	(1,748)	38,104	(19,320)
Total	**586,724**	**706,520**	**346,618**	**584,432**
Total current taxes	-	-	(188,127)	(40,379)
Total deferred taxes	586,724	706,520	534,745	624,811
	586,724	**706,520**	**346,618**	**584,432**
Effective tax rate (*)	148%	42%	223%	38%

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

28. 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 23 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 – Reporting by segment.

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

	Net Revenue		Operating Income		Non-current assets	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018	9/30/2019	12/31/2018
North America	24,313,816	9,683,620	2,267,113	1,097,699	7,238,861	3,778,174
South America	10,229,366	9,583,773	249,611	(292,541)	7,974,473	7,092,646
Corporate	-	-	(230,603)	(114,761)	1,679,488	3,870,495
Total	34,543,182	19,267,393	2,286,121	690,397	16,892,822	14,741,315

29. 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:

	Parent		Consolidated	
Description	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Buildings and meatpacking plants	2,898,972	2,898,972	6,189,634	5,970,861
Inventories	446,972	446,972	990,420	956,777
Third-party warehouse	212,553	212,553	258,720	258,424
Vehicles	20,592	22,005	37,227	37,739
Transportation of goods	124,932	68,032	205,759	148,065
Officers' guarantees	25,000	193,740	50,017	217,003
Civil liability	208,220	25,500	854,917	640,578
Aircraft	212,276	224,006	628,716	611,486
Other	331,593	329,481	335,569	332,033
	4,481,110	4,421,261	9,550,979	9,172,966

30. Result from discontinued operations

▪ Divestment of the Keystone Foods business

On March 29, 2018, the Board of Directors decided to dispose of the assets of the Keystone Foods business unit and authorized the Corporation's management to make all efforts to comply with the decision.

On November 30, 2018, the Corporation concluded the transaction for sale of the Keystone Foods business to Tyson Foods, Inc. ("Tyson"). The transaction was worth R$2.4 billion, although the amount effectively received, as of the reporting date, by Marfrig, after contractual adjustments, such as the exclusion of Keystone Food's net debt, was US$1.4 billion, as follows:

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

	R$ '000
Sales price	9,088,080
(-) Sales price adjustment (*)	(5,007,802)
(-) Expenses with legal counsels and independent consultants	(57,681)
(=) Adjusted sales price	4,022,597
(+) Write-off of assets and other comprehensive income	1,197,409
(=) Income (loss) from the sale before taxes	**5,220,006**
(-) Income and social contribution taxes	(1,774,802)
(=) Profit (loss) from the operation	**3,445,204**

(*) Adjustment to sales price are materially due to the exclusion of the net debt of the traded companies, non-controlling interest, working capital and others, in accordance with the sale agreement.

Gains and losses in the current year related to the divested business were recorded under "Net income (loss) in the year from discontinued operations," and the gains and losses in the comparison year were reclassified pursuant to NBC TG 31/R4 (CVM Resolution 598/09) – Non-current assets held for sale and discontinued operations.

- **Discontinued operations**

As described in transactions for divestment of the Keystone Foods business, the result from discontinued operations and cash flow for the periods ended September 30, 2019 and 2018 are summarized as follows:

Result from discontinued operations

	Consolidated	
	9/30/2019	9/30/2018
Net Revenue	-	7,679,557
Cost of Goods Sold	-	(7,101,305)
Gross Profit	-	578,252
Operating and financial income (expenses)	-	(325,939)
Net operating income (loss)	-	252,313
Income and social contribution taxes	-	(94,881)
Net income from discontinued operations	-	**157,432**
Non-controlling interest	-	(22,312)
Net income (loss) from discontinued operations	-	**135,120**

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

Cash flow from discontinued operations

	Consolidated	
	9/30/2019	9/30/2018
Net income (loss) for the year	-	135,120
Non-cash items	-	290,568
From changes in equity	(49,364)	(40,842)
Used in investing activities	-	(394,674)
Used in financing activities	-	362,711
Exchange variation on cash and equivalents	-	47,380
Casn flow from discontinued operations	(49,364)	400,263
Cash from operations		(601,243)
Cash flow from discontinued operations, net of cash	**(49,364)**	**(200,980)**

31. Related-party transactions with the Parent Company

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	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Prestcott International S.A.	604	1,211	1,609	6,648	-	-	5,274	6,235
Establecimientos Colonia S.A.	8,269	6,824	1,934	2,329	18,906	40,896	10,418	6,502
Frigorífico Tacuarembó S.A.	25,061	3,338	24,299	35,139	5,584	9,536	11,440	10,892
Inaler S.A.	950	1,001	766	3,204	-	-	4,585	7,948
Marfrig Argentina S.A	319,341	258,765	2,070	3,657	-	-	9,439	6,149
Marfrig Chile S.A.	67,258	31,435	-	71	297,919	308,567	5,529	2,086
Marfrig Holdings (Europe) BV	107	100	10,599,051	9,480,517	-	-	-	-
Marfrig Overseas Ltd.	16	15	571,318	721,723	-	-	-	-
MFG Comercializadora de Energia Ltda	402	12,070	-	-	-	-	35,086	27,716
Masplen Ltd	395,556	398,278	6	47	169,003	129,003	587	-
Marfrig Beef UK Limited	332,592	313,428	5,397,637	4,364,655	2,127,438	2,491,783	-	-
Marfrig Beef International Limited	60,694	6,849	292,126	-	49	4,130	-	-
MFG Holdings SAU	283,294	-	516	-	28,506	-	-	-
Controlling shareholders	-	5	6,409	-	19	23	-	-
Key management personnel	-	4	386	-	89	20	537	678
Other related parties	6	3	1,735	35,891	35	23	149,006	181,737
	1,494,150	1,033,326	16,899,862	14,653,881	2,647,548	2,983,981	231,901	249,943

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	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Controlling shareholders	-	5	6,409	-	19	23	-	-
Key management personnel	-	3	894	429	93	25	537	678
Other related parties	6	3	1,735	35,936	35	23	149,006	181,737
	6	11	9,038	36,365	147	71	149,543	182,415

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.

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

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) – Investments in associates, subsidiaries and joint ventures.

	% Interest	Country	Total assets	Total liabilities	Net income (loss) in the period
COFCO-Keystone Supply Chain	45.00%	China	124,203	124,445	(1)
Total			124,203	124,445	(1)

32. Management compensation

As permitted under NBC TG 21/R3 (CVM Resolution 673/11) and based on the recommendations in Official Letter CVM/SNC/SEP/Nº 003/2011, the Management chose not to present once again the details in its Notes of Management Compensation and sub-items (Board of Directors, Statutory Officers, Audit Board, Stock Option Plan) so as to prevent the repetition of information already reported in the financial statements for the fiscal year ended December 31, 2018, to provide a better understanding to users.

32.1 Consolidated compensation

Management and Board members compensation 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 (there of whom are alternate members) and five 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:

	9/30/2019	9/30/2018
Consolidated Management compensation	20,313	23,939
Total	**20,313**	**23,939**

32.2 Stock option plan

In the period ended September 30, 2019, a total of 930,115 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:

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

Total options exercised by month

	Number of shares exercised	Average Market Price[1] (R$ per share)
January/19	114	5.77
February/19	-	5.80
March/19	98,210	5.87
April/19	155,318	6.82
May/19	290,010	6.81
June/19	154,963	6.57
Julho/19	82,926	6.59
Agosto/19	37,678	7.69
Setembro/19	110,896	9.79
Options exercised - 2019	930,115	

[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	2019	2018
(Options)		
Opening balance	**3,081,827**	**2,009,227**
Options granted	1,882,773	2,017,344
Options exercised	(930,115)	(791,664)
Options canceled and expired	(169,384)	(153,080)
Closing balance	**3,865,101**	**3,081,827**

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 0.63% of all shares at September 30, 2019, as detailed in the table below:

Percentage of Dilution

	Plano ESP IX LP 14-15	Plano ESP X LP 15-16	Plano ESP XI LP 16-17	Plano ESP XII LP 17-18	Plano ESP XIII LP 18-19	Total
Granting date	24/06/2015	07/11/2016	20/12/2017	25/09/2018	14/08/2019	
Unexercised agreements	4,793	249,346	226,563	1,501,626	1,882,773	**3,865,101**
Treasury stock						**(9,100,460)**
Total shares except treasury stock						**612,179,362**
Percentage of dilution	**0.00%**	**0.04%**	**0.04%**	**0.25%**	**0.31%**	**0.63%**

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

The Corporation recognized expenses relating to granting of plans in effect for the period ended September 30, 2019, as detailed in the table below:

Effects from the exercise of options (R$ '000)	**2019**	**2018**
Amount received from sale of shares - Exercised options	2,758.6	2,068.5
(-) Cost of treasury shares disposed of	(5,330.7)	(4,741.3)
Effect on disposal of shares	**(2,572.1)**	**(2,672.8)**

Due to the exercise of stock options, the Corporation incurred costs with the sale of treasury shares of R$5,331. At September 30, 2019, the book value of treasury shares was recorded under the Corporation's shareholders' equity in the amount of R$66,908 (R$11,644 at December 31, 2018).

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:** 41.96%. 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 April 1, 2019 to September 30, 2019;

- **Risk-free interest rate:** 5.95% 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 September 30, 2019 ranged between a minimum of R$2.76 and a maximum of R$3.90 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 and/or expired in the period	Options exercised and/or cancelled in prior periods	Unexercised agreements	Option exercise price
Options Exercised/Canceled in Previous Periods				**10,950,356**	**7,660,247**			**6,923,785**	**3,081,827**	
ESP IX LP 14-15	6/24/2015	3/3/2019	9/2/2019	395,069	395,069	227,419	46,172	116,685	4,793	R$ 2.3720
ESP X LP 15-16	11/7/2016	3/3/2019	9/2/2019	306,410	306,410	203,847	31,847	63,820	6,896	R$ 3.0281
ESP X LP 15-16	11/7/2016	3/3/2020	9/2/2020	306,219	29,658	0	0	63,769	242,450	R$ 3.0281
ESP XI LP 16-17	12/20/2017	3/3/2018	9/2/2018	126,517	126,517	114	0	126,403	0	R$ 3.3592
ESP XI LP 16-17	12/20/2017	3/3/2019	9/2/2019	126,517	126,517	89,035	18,849	14,982	3,651	R$ 3.3592
ESP XI LP 16-17	12/20/2017	3/3/2020	9/2/2020	126,517	7,368	0	0	14,982	111,535	R$ 3.3592
ESP XI LP 16-17	12/20/2017	3/3/2021	9/2/2021	126,337	7,368	0	0	14,960	111,377	R$ 3.3592
ESP XII LP 17-18	9/25/2018	3/3/2019	9/2/2019	504,385	504,385	409,700	72,516	8,378	13,791	R$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2020	9/2/2020	504,385	0	0	0	8,378	496,007	R$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2021	9/2/2021	504,385	0	0	0	8,378	496,007	R$ 3.1789
ESP XII LP 17-18	9/25/2018	3/3/2022	9/2/2022	504,189	0	0	0	8,368	495,821	R$ 3.1789
ESP XIII LP 18-19	8/14/2019	3/3/2020	9/2/2020	470,753	0	0	0	0	470,753	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2021	9/2/2021	470,753	0	0	0	0	470,753	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2022	9/2/2022	470,753	0	0	0	0	470,753	R$ 2.9110
ESP XIII LP 18-19	8/14/2019	3/3/2023	9/2/2023	470,514	0	0	0	0	470,514	R$ 2.9110
Total on	**9/30/2019**			**12,833,129**	**8,922,718**	**930,115**	**169,384**	**7,868,529**	**3,865,101**	

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 IX LP 14-15	6/24/2015	41.4	41.4	23.9
		41.4	**41.4**	**23.9**
ESP X LP 15-16	11/7/2016	55.1	55.1	29.8
ESP X LP 15-16	11/7/2016	1,955.9	0.0	1,048.4
		2,011.1	**55.1**	**1,078.2**
ESP XI LP 16-17	12/20/2017	n/a	n/a	0.0
ESP XI LP 16-17	12/20/2017	28.0	28.0	14.6
ESP XI LP 16-17	12/20/2017	863.8	0.0	445.4
ESP XI LP 16-17	12/20/2017	884.2	0.0	444.7
		1,776.0	**28.0**	**904.7**
ESP XII LP 17-18	9/25/2018	108.1	108.1	57.6
ESP XII LP 17-18	9/25/2018	3,928.6	0.0	2,070.0
ESP XII LP 17-18	9/25/2018	4,019.1	0.0	2,070.0
ESP XII LP 17-18	9/25/2018	4,109.9	0.0	2,069.2
		12,165.8	**108.1**	**6,266.8**
ESP XIII LP 18-19	8/14/2019	3,851.5	0.0	2,090.7
ESP XIII LP 18-19	8/14/2019	3,929.6	0.0	2,090.7
ESP XIII LP 18-19	8/14/2019	4,007.9	0.0	2,090.7
ESP XIII LP 18-19	8/14/2019	4,083.8	0.0	2,089.7
		15,872.8	**0.0**	**8,361.8**
Total on	**9/30/2019**	**31,867.1**	**232.7**	**16,635.4**

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

33. Additional information of the cash flow statements

In compliance with 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 changes			Balance on
Description	12/31/18	Cash flow	Adoption IFRS 16	Exchange rate fluctuation	Changes in fair value	6/30/19
Loans, financing and debentures	2,199,815	307,776	-	152,826	40,676	2,701,093
Lease payable	4,123	(24,388)	145,784	-	7,995	133,514
Capital reserves, options granted and treasury shares	47,614	(55,264)	-	-	(2,758)	(10,408)
	2,251,552	228,124	145,784	152,826	45,913	2,824,199

	Consolidated						
	Balance on		Non-cash changes				Balance on
Description	12/31/18	Cash flow	Business combination	Adoption IFRS 16	Exchange rate fluctuation	Changes in fair value	9/30/19
Loans, financing and debentures	15,233,350	1,598,479	85,458	-	1,173,930	993,542	19,084,759
Lease payable	5,311	(45,774)	-	458,859	30,476	120,895	569,767
Capital reserves, options granted and treasury shares	47,614	(55,264)	-	-	-	(2,758)	(10,408)
	15,286,275	1,497,441	85,458	458,859	1,204,406	1,111,679	19,644,118

34. Events after the reporting period

On November 8, 2019, the Corporation executed an agreement with the Office of the General Counsel for the National Treasury (PGFN) under which it undertook a commitment to realize credits of Recoverable Taxes (PIS & Cofins) to offset tax liabilities balances (mostly represented by tax amnesty programs). The agreement establishes that the offsets must be carried out gradually and on a timely basis, with the parties having made a concerted effort to conclude this process (through which the Corporation maintains its commitment to tax governance and sustainable cash generation).

*   *   *

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 third quarter of 2019 fiscal year.

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Sao Paulo, November 11, 2019.

Executive Officers:

José Eduardo de Oliveira Miron
Chief Executive Officer

Marco Antonio Spada
Chief Administrative and Financial and IR

Heraldo Geres
Chief Legal Officer

Fabio Taiate Cunha Vasconcellos
Chief Planning and Management Officer

Tang David
Executive 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 third quarter of 2019 fiscal year.

Sao Paulo, November 11, 2019.

Executive Officers:

José Eduardo de Oliveira Miron
Chief Executive Officer

Marco Antonio Spada
Chief Administrative and Financial and IR

Heraldo Geres
Chief Legal Officer

Fabio Taiate Cunha Vasconcellos
Chief Planning and Management Officer

Tang David
Executive Officer

Rodrigo Marçal Filho
Executive Officer