

## MESSAGE FROM MANAGEMENT

To our shareholders,

BRF ended the challenging year of 2020 with consistent value generation, caring for people, reinforcing its culture, evolving brand recognition, also the corporate restructuring announced in June 2018 was successfully concluded. This journey, amid the complex and extraordinary event occurred in 2020, evidenced our strength, our capacity and BRF's joint efforts to execute and deliver the assumed commitments.

Our journey was guided by a strategic planning built in 2018, jointly with our Board of Directors, which defined our priorities: (i) creation of a team and high-performance culture; (ii) operational excellence; (iii) financial discipline; (iv) deployment of an integrated and interdependent management model; and (v) essential commitments concerning Safety, Integrity and Quality.

Thus, BRF emerged from a very critical situation in 2018, with a consolidated net loss of R\$4.5 billion, an Adjusted EBITDA of R\$2.5 billion, a financial leverage of 5.12x, with a very short debt average term of 3.0 years. With joint efforts, discipline and a focus on execution, BRF ends 2020 with a net income of R\$1.4 billion, more than doubling the Adjusted EBITDA, with a leverage of 2.73x and a debt average term of nearly 10 years, thus, minimizing any risk of refinancing and paving the way for a new phase of growth. The indicators below evidence the consistency of our business evolution:

Financial Statement - R\$ Million	2020	2019	2018	2020 x 2019	2020 X 2018
<b>Net Revenues</b>	<b>39,470</b>	<b>33,447</b>	<b>30,188</b>	<b>18.0%</b>	<b>30.7%</b>
<b>Gross Profit</b>	<b>9,471</b>	<b>8,077</b>	<b>4,868</b>	<b>17.3%</b>	<b>94.6%</b>
Gross Margin	24.0%	24.1%	16.1%	(0.2) p.p.	7.9 p.p.
<b>Net (Loss) Income Continued Operations</b>	<b>1,390</b>	<b>1,213</b>	<b>(2,115)</b>	<b>14.6%</b>	<b>n.m.</b>
Net Margin - Continued Op. (%)	3.5%	3.6%	(7.0%)	(0.1) p.p.	n.m.
<b>Net (Loss) Income Total Consolidated</b>	<b>1,390</b>	<b>297</b>	<b>(4,466)</b>	<b>367.3%</b>	<b>n.m.</b>
Net Margin - Total Consolidated (%)	3.5%	0.9%	(14.8%)	2.6 p.p.	n.m.
<b>EBITDA</b>	<b>5,241</b>	<b>5,254</b>	<b>1,541</b>	<b>(0.2%)</b>	<b>240.1%</b>
EBITDA Margin (%)	13.3%	15.7%	5.1%	(2.4) p.p.	8.2 p.p.
<b>Adjusted EBITDA</b>	<b>5,187</b>	<b>5,317</b>	<b>2,462</b>	<b>(2.5%)</b>	<b>110.7%</b>
EBITDA Adjusted Margin (%)	13.1%	15.9%	8.2%	(2.8) p.p.	5.0 p.p.
<b>Leverage (Net Debt/Adj. EBITDA LTM)</b>	<b>2.73X</b>	<b>2.50X</b>	<b>5.12X</b>	<b>9.4%</b>	<b>(46.7%)</b>
ROIC (%)	11.0%	7.5%	(0.7%)	3.5 p.p.	11.7 p.p.
<b>Average Debt Term (Years)</b>	<b>9.9</b>	<b>4.6</b>	<b>3.0</b>	<b>115.2%</b>	<b>230.0%</b>

Success does not exist without a solid and well-grounded culture. We intensively work to deploy a high-performance culture, the BRF Essence: a set of concepts guiding our decisions and actions based on our history, legacy, values, and vision of the future. Our essence has also oriented us during the pandemic through decisiveness and sensibility. We truly care for the people and communities in which we operate as demonstrated through several initiatives executed over previous quarters. Such actions have resulted in higher engagement.

A recent survey involving over 44,000 respondents reached an index of 86%, an evolvement across all categories, highlighting a greater confidence reported in decisions made by senior management that reached 95%. These levels of engagement are comparable to the best companies composing the high-performance global market<sup>1</sup>, above the global market of non-durable consumer goods. We are a benchmarking in terms of quality, transparency, diversity, leadership, career, and development compared to companies of the high-performance global market<sup>1</sup>.

We managed to combine growth and profitability by optimizing our channels, improving the mix of products, practicing intellectual leadership, promoting excellent commercial execution, and through customer support of our iconic brands. We also reinforced one of our most competitive advantages: our brands.

Sadia is the most valuable brand within Brazil's food segment valued at US\$1.8 billion, according to Exame/Brand Finance. Sadia is recognized as the most remembered brand in 2020 and most preferred by consumers. Perdigão

<sup>1</sup> According to Willis Towers Watson methodology

is the fastest-growing food brand over the last few years and conquered the preference of new consumers in 2020. Qualy is the most preferred margarine brand and the most memorable by over 50% of Brazilians, making it an absolute leader in this category. Banvit became the preferred brand among Turkish consumers, with a 54% preference, like Sadia in the Halal market, with a 38% preference.

Innovation also became a relevant issue for the company to boost growth. In 2020, we became increasingly connected to new consumer habits and demands. As a result, BRF rolled out more than 280 new SKUs, 80% with high value-added. We also innovated how we serve our consumers. We launched an online platform, the “Mercato em Casa,” present in Brazil’s main consumer centers and our new chain of brick-and-mortar stores. The “Mercato Sadia” will greatly enhance our expertise and consumer experience. We also set out various partnerships with major e-commerce apps, advanced the Store-In-Store project in order to improve our approach to products and consumers of our brands. We executed our intellectual leadership in digital transformation, which is already present in the company’s daily routine to bolster processes, tools, operations, and to accelerate our business sustainably.

We improved the management of our long, live, and complex supply chain by developing the Operational Excellence System (SEO), already active across all production units. The “SEO Agro” provides managerial tools to bolster the operations of our partners and is present in 100% of our integrations. We significantly advanced the licensing of exporting plants. We always aim to increase the possibilities of performing in markets where we operate, as well as for new territories. We successfully developed the Territorial Intelligence Digital Platform which allows integrated monitoring of the agricultural commodities chain. Aside from transformational actions in health, safety, and the environment, SSMA concerning transportation reached an all-time’s low in the accident index.

Sustainability is present across all the links of our supply chain. We undertake commitments with short, medium, and long-term targets. We have 22 commitments across 9 priority topics for the company, envisaging animal wellness, diversity, communities, water consumption, conscious food consumption, and others. To get more detailed information, please visit <https://www.brf-global.com/sustentabilidade>. Market recognitions in this area fill us with motivation, such as our inclusion for the 14<sup>th</sup> consecutive year in B3’s Corporate Sustainability Index (ISE) and the Efficient Carbon Index (ICO2). The “BRF Essence” includes the ESG aspects that have improved and are increasingly being potentialized in our business.

Above all, although amid the Covid-19 pandemic, we maintained our focus on the future. We are poised for a growth upturn and increased profitability. Our purpose is to offer quality, delicious, and practical food products for millions of people across the globe. On BRF Day that took place in December 2020, we announced our Vision 2030: a proposition to become even more global food company, lead in the segments in which we operate with solid, innovative brands that constantly evolve. We aspire to be a company that respects social and environmental governance, financial commitments, and principles. Our focus is to add value with increasingly practical and tasty products, solid brands, with quality and reliability.

The Vision 2030’s principle is increasingly transforming BRF into a HIGH VALUE-ADDED FOOD company, in line with our “Essence” and ramp up the preference and the strength of our brands. Our ambition by the end of this cycle is to reach R\$100 billion net revenue with an EBITDA margin above 15%. Thus, we defined 5 core priorities for growth: (i) ready-to-eat meals (ii) high value-added pork (iii) meat substitutes (iv) pet food; and (v) international expansion. We will work with these initiatives not forgetting our core and our achievements up to date. We will lead and transform these markets consistently and with the same disciplined execution that brought us here.

It is with a great pride and confidence in the future that, on my behalf and the executive committee, we would like to acknowledge the dedication and efforts of our 95,000+ employees, 15,000+ suppliers, nearly 10,000 partners, and 300,000+ customers. Together, these people help us achieve the objective of BRF’s core principle: to offer quality, tasty, and practical food to people across the globe. Ultimately, we aspire to provide a BETTER LIFE for everyone.

I also want to thank our board of directors and shareholders for their continued support on our journey, the suppliers for their collaborative efforts, the communities in which we operate, and our customers for their loyalty to our products and brands.

**Lorival Nogueira Luz Jr.**  
Global CEO