



JBS S.A.

**Condensed interim financial statements and the report on
review of the interim financial information**

As of March 31, 2023 and 2022



Index	Page
Independent auditor's review report	3
Statement of financial position - Assets	5
Statement of financial position - Liabilities and Equity	6
Statements of income for the three month period ended at March 31, 2023 and 2022	7
Statements of comprehensive income for the three month period ended at March 31, 2023 and 2022	8
Statements of changes in equity for the three month period ended at March 31, 2023 and 2022	9
Statements of cash flows for the three month period ended at March 31, 2023 and 2022	10
Statements of economic value added for the three month period ended at March 31, 2023 and 2022	11
Note 1 - Operating activities	12
Note 2 - Basis of preparation and presentation of financial statements	12
Note 3 - Business combinations	12
Note 4 - Cash and cash equivalents and margin cash	13
Note 5 - Trade accounts receivable	14
Note 6 - Inventories	14
Note 7 - Biological assets	15
Note 8 - Recoverable taxes	15
Note 9 - Related party transactions	16
Note 10 - Income taxes	18
Note 11 - Investments in subsidiaries, associates and joint venture	20
Note 12 - Property, plant and equipment	20
Note 13 - Leases	21
Note 14 - Intangible assets	22
Note 15 - Goodwill	23
Note 16 - Trade accounts payable	23
Note 17 - Loans and financing	24
Note 18 - Other taxes payable	26
Note 19 - Payroll and social charges	26
Note 20 - Provisions	26
Note 21 - Equity	27
Note 22 - Net revenue	28
Note 23 - Financial income (expense), net	28
Note 24 - Earnings (loss) per share	28
Note 25 - Operating segments and geographic reporting	29
Note 26 - Expenses by nature	30
Note 27 - Risk management and financial instruments	30
Note 28 - Subsequent events	39
Note 29 - Approval of the financial statements	40

KPMG Auditores Independentes Ltda.
Rua Verbo Divino, 1400 - Parte, Chácara Santo Antônio
CEP 04719-911, São Paulo - SP
Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil
Telefone 55 (11) 3940-1500
kpmg.com.br

Independent auditors' report on the individual and consolidated interim financial information

To the Management, Board of Directors and Shareholders of
JBS S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of JBS S.A. ("the Company") contained in the Quarterly Information Form - ITR for the quarter ended March 31, 2023, which comprises the statement of financial position as of March 31, 2023 and the respective statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – *Demonstração Intermediária* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in accordance with standards issued by the *Comissão de Valores Mobiliários - CVM*, applicable to the preparation of Quarterly Information Form - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International standards on review engagements of interim financial information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information Form – ITR referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information Form - ITR, and presented in accordance with the standards issued by the *Comissão de Valores Mobiliários – CVM*.

Other matters**Statements of Value Added**

The interim financial information mentioned above includes Statements of Value Added, individual and consolidated, for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures together with the review of the Quarterly Information, with the objective of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the criteria defined in this Pronouncement and consistent with the individual and consolidated interim financial information taken as a whole.

Audit of the corresponding balances related to the prior year and review of the corresponding balances to the first quarter of the prior year

The corresponding balances related to the individual and consolidated balance sheets as of December 31, 2022 were audited by other independent auditors, who issued an unqualified opinion dated March 21, 2023, and the individual and consolidated interim statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2022 were reviewed by other independent auditors who issued an unqualified review report dated May 11, 2022. The corresponding balances related to the individual and consolidated statements of value added for the three-month period ended March 31, 2022 were submitted to the same review procedures by those independent auditors and, based on their review, those independent auditors reported that they were not aware of any fact that would lead them to believe that the statement of value added was not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

São Paulo, May 10, 2023

KPMG Auditores Independentes Ltda
CRC 2SP014428/O-6

Original report in Portuguese signed by
Fabian Junqueira Sousa
Accountant CRC 1SP235639/O-0

JBS S.A.
Statements of financial position
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	2,122,043	2,096,334	8,964,674	13,182,158
Margin cash	4	31,658	80,434	403,569	679,391
Trade accounts receivable	5	3,092,896	4,380,011	18,825,577	20,234,895
Inventories	6	4,464,411	4,633,201	28,218,688	28,142,094
Biological assets	7	–	–	8,872,341	9,710,693
Recoverable taxes	8	1,625,649	1,473,985	5,383,877	5,330,928
Derivative assets		3,394	–	249,875	442,929
Other current assets		255,414	197,463	1,698,692	1,667,982
TOTAL CURRENT ASSETS		11,595,465	12,861,428	72,617,293	79,391,070
NON-CURRENT ASSETS					
Recoverable taxes	8	5,879,893	6,128,844	8,812,067	9,165,569
Biological assets	7	–	–	2,665,315	2,619,066
Related party receivables	9	1,108,104	1,103,125	964,871	951,021
Deferred income taxes	10	–	–	3,481,002	3,161,300
Derivative assets		167,852	98,134	167,852	123,215
Other non-current assets		228,033	226,679	1,135,096	1,118,115
		7,383,882	7,556,782	17,226,203	17,138,286
Investments in equity-accounted investees, associates and joint venture	11	54,545,951	55,399,509	299,690	294,837
Property, plant and equipment	12	13,037,662	13,027,863	61,670,027	62,170,792
Right of use assets	13.1	70,029	54,664	8,263,142	8,374,892
Intangible assets	14	32,328	31,021	10,025,250	10,328,389
Goodwill	15	9,085,970	9,085,970	30,109,963	30,412,362
TOTAL NON-CURRENT ASSETS		84,155,822	85,155,809	127,594,275	128,719,558
TOTAL ASSETS		95,751,287	98,017,237	200,211,568	208,110,628

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.
**Statements of financial position
In thousands of Brazilian Reais - R\$**

	Note	Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	16	3,263,721	4,297,855	25,196,642	31,009,515
Supply chain finance	16	1,353,936	1,263,694	3,930,320	3,071,099
Loans and financing	17	7,231,028	4,999,929	10,034,455	8,228,557
Income taxes	18	–	–	103,444	475,174
Other taxes payable	18	264,500	281,532	680,517	725,721
Payroll and social charges	19	958,292	1,083,670	5,472,002	6,251,132
Lease liabilities	13.2	36,270	27,675	1,707,475	1,788,353
Dividends payable		135	135	1,917	183
Provisions for legal proceedings	20	–	–	954,810	909,132
Derivative liabilities		301,601	278,227	611,994	559,536
Other current liabilities		1,028,532	954,745	2,312,323	2,141,820
TOTAL CURRENT LIABILITIES		14,438,015	13,187,462	51,005,899	55,160,222
NON-CURRENT LIABILITIES					
Loans and financings	17	11,390,754	10,699,653	82,676,349	84,125,504
Income and other taxes payable	18	270,924	313,170	561,091	606,041
Payroll and social charges	19	1,860,834	1,859,444	2,332,392	2,378,970
Lease liabilities	13.2	42,787	35,023	7,167,077	7,195,655
Deferred income taxes	10	3,005,531	2,995,114	6,614,256	7,112,102
Provisions for legal proceedings	20	517,647	478,185	1,399,738	1,321,380
Related party payables	9	19,544,396	22,066,929	–	–
Other non-current liabilities		37,847	38,091	386,799	401,823
TOTAL NON-CURRENT LIABILITIES		36,670,720	38,485,609	101,137,702	103,141,475
EQUITY					
Share capital - common shares	21	23,576,206	23,576,206	23,576,206	23,576,206
Capital reserve		(801,712)	(807,955)	(801,712)	(807,955)
Other reserves		34,966	36,497	34,966	36,497
Profit reserves		18,653,056	18,653,056	18,653,056	18,653,056
Accumulated other comprehensive income		4,631,108	4,886,362	4,631,108	4,886,362
Accumulated losses		(1,451,072)	–	(1,451,072)	–
Attributable to company shareholders		44,642,552	46,344,166	44,642,552	46,344,166
Attributable to non-controlling interest		–	–	3,425,415	3,464,765
TOTAL EQUITY		44,642,552	46,344,166	48,067,967	49,808,931
TOTAL LIABILITIES AND EQUITY		95,751,287	98,017,237	200,211,568	208,110,628

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.
Statements of income for the three month period ended at March 31, 2023 and 2022
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2023	2022	2023	2022
NET REVENUE	22	11,212,439	13,542,343	86,683,729	90,866,573
Cost of sales	26	(9,754,480)	(11,694,937)	(79,069,560)	(74,500,932)
GROSS PROFIT		1,457,959	1,847,406	7,614,169	16,365,641
General and administrative expenses	26	(545,950)	(838,311)	(2,670,822)	(3,176,140)
Selling expenses	26	(868,956)	(836,726)	(5,775,307)	(5,754,169)
Other expenses		(3,300)	(87,922)	(202,938)	(119,722)
Other incomes		5,160	1,046	425,696	92,415
NET OPERATING EXPENSES		(1,413,046)	(1,761,913)	(8,223,371)	(8,957,616)
OPERATING PROFIT (LOSS)		44,913	85,493	(609,202)	7,408,025
Finance income	23	293,042	2,246,087	631,472	2,914,445
Finance expense	23	(1,148,182)	(1,673,236)	(2,185,571)	(3,124,518)
FINANCE INCOME (EXPENSE)		(855,140)	572,851	(1,554,099)	(210,073)
Share of profit of equity-accounted investees, net of tax	11	(676,261)	4,861,690	14,418	15,161
PROFIT (LOSS) BEFORE TAXES		(1,486,488)	5,520,034	(2,148,883)	7,213,113
Current income taxes	10	44,302	(378,642)	(34,840)	(1,948,604)
Deferred income taxes	10	(10,417)	881	754,222	174,309
TOTAL INCOME TAXES		33,885	(377,761)	719,382	(1,774,295)
NET INCOME (LOSS)		(1,452,603)	5,142,273	(1,429,501)	5,438,818
ATTRIBUTABLE TO:					
Company shareholders		(1,452,603)	5,142,273	(1,452,603)	5,142,273
Non-controlling interest		–	–	23,102	296,545
		(1,452,603)	5,142,273	(1,429,501)	5,438,818
Basic and diluted earnings (losses) per share - common shares (R\$)	24	(0.65)	2.29	(0.65)	2.29

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.

Statements of comprehensive income for the three month period ended at March 31, 2023 and 2022
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2023	2022	2022	2021
Net income (loss)		(1,452,603)	5,142,273	(1,429,501)	5,438,818
Other comprehensive income					
Items that are or may be subsequently reclassified to statement of income:					
Loss on foreign currency translation adjustments		(604,437)	(6,050,179)	(659,590)	(6,668,072)
Gain on net investment in foreign operations		317,938	2,305,284	317,938	2,305,284
Gain (losses) on cash flow hedge	27 c3.1	6,241	(704,708)	6,241	(704,708)
Deferred income tax on cash flow hedge	27 c3.1	(2,122)	239,601	(2,122)	239,601
Valuation adjustments to equity in subsidiaries		10,482	(32,288)	10,482	(32,288)
Items that will not be subsequently reclassified to statement of income:					
Gain (losses) associated with pension and other postretirement benefit obligations		19,485	38,055	23,620	48,118
Tax on gain associated with pension and other postretirement benefit obligations		(2,841)	(10,545)	(3,438)	(13,099)
Total other comprehensive loss		(255,254)	(4,214,780)	(306,869)	(4,825,164)
Comprehensive income (loss)		(1,707,857)	927,493	(1,736,370)	613,654
Total comprehensive income (loss) attributable to:					
Company shareholders		(1,707,857)	927,493	(1,707,857)	927,493
Non-controlling interest		—	—	(28,513)	(313,839)
		(1,707,857)	927,493	(1,736,370)	613,654

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.
Statements of changes in equity for the three month period ended at March 31, 2023 and 2022
In thousands of Brazilian Reais - R\$

	Note	Capital reserves					Profit reserves					Other comprehensive income		Retained (loss) earnings	Total	Non-controlling interest	Total equity
		Share capital	Premium on issue of shares	Capital transaction	Stock options	Other reserves	Treasury shares	Legal	Investments statutory	Dividends	Tax incentive	VAE	FCTA				
BALANCE ON DECEMBER 31, 2021		23,576,206	211,879	(628,199)	30,464	43,957	(3,037,838)	2,028,293	11,457,300	—	—	334,646	10,102,584	—	44,119,292	3,677,428	47,796,720
Net income		—	—	—	—	—	—	—	—	—	—	—	—	5,142,273	5,142,273	296,545	5,438,818
Foreign currency translation adjustments		—	—	—	—	—	—	—	—	—	—	—	(6,050,179)	—	(6,050,179)	(617,893)	(6,668,072)
Gain on net investment in foreign operations		—	—	—	—	—	—	—	—	—	—	—	2,305,284	—	2,305,284	—	2,305,284
Gain (losses) on cash flow hedge, net of tax		—	—	—	—	—	—	—	—	—	—	(465,107)	—	—	(465,107)	—	(465,107)
Valuation adjustments to equity in subsidiaries		—	—	—	—	—	—	—	—	—	—	27,510	—	—	27,510	7,509	35,019
Gain (losses) associated with pension and other postretirement benefit obligations, net of tax		—	—	—	—	—	—	—	—	—	—	(32,288)	—	—	(32,288)	—	(32,288)
Total comprehensive income		—	—	—	—	—	—	—	—	—	—	(469,885)	(3,744,895)	5,142,273	927,493	(313,839)	613,654
Purchase of treasury shares		—	—	—	—	—	(1,811,101)	—	—	—	—	—	—	—	(1,811,101)	—	(1,811,101)
Cancellation of treasury shares		—	—	—	—	—	4,848,939	—	(4,848,939)	—	—	—	—	—	—	—	—
Share-based compensation		—	—	9,467	—	—	—	—	—	—	—	—	—	—	9,467	2,334	11,801
Realization of other reserves		—	—	—	—	(1,807)	—	—	—	—	—	—	—	1,807	—	—	—
Distribution of interim dividends		—	—	—	—	—	—	—	(2,218,116)	2,218,116	—	—	—	—	—	—	—
Shares repurchased by Pilgrim's Pride Corporation		—	—	(59,060)	—	—	—	—	—	—	—	—	—	—	(59,060)	(80,018)	(139,078)
Dividend to non-controlling		—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,736)	(3,736)
Others		—	—	—	—	—	—	—	—	—	—	—	—	—	—	649	649
MARCH 31, 2022		23,576,206	211,879	(677,792)	30,464	42,150	—	2,028,293	4,390,245	2,218,116	—	(135,239)	6,357,689	5,144,080	43,186,091	3,282,818	46,468,909
DECEMBER 31, 2022		23,576,206	211,879	(1,050,298)	30,464	36,497	—	2,801,185	11,848,048	—	4,003,823	174,904	4,711,458	—	46,344,166	3,464,765	49,808,931
Net income (loss)		—	—	—	—	—	—	—	—	—	—	—	—	(1,452,603)	(1,452,603)	23,102	(1,429,501)
Foreign currency translation adjustments		—	—	—	—	—	—	—	—	—	—	—	(604,437)	—	(604,437)	(55,153)	(659,590)
Gain on net investment in foreign operations		—	—	—	—	—	—	—	—	—	—	—	317,938	—	317,938	—	317,938
Gain (Loss) on cash flow hedge, net of tax	27 c3.1	—	—	—	—	—	—	—	—	—	—	4,119	—	—	4,119	—	4,119
Gain (losses) associated with pension and other postretirement benefit obligations, net of tax		—	—	—	—	—	—	—	—	—	—	16,644	—	—	16,644	3,538	20,182
Valuation adjustments to equity in subsidiaries		—	—	—	—	—	—	—	—	—	—	10,482	—	—	10,482	—	10,482
Total comprehensive income		—	—	—	—	—	—	—	—	—	—	31,245	(286,499)	(1,452,603)	(1,707,857)	(28,513)	(1,736,370)
Share-based compensation		—	—	6,243	—	—	—	—	—	—	—	—	—	—	6,243	1,299	7,542
Realization of other reserves		—	—	—	—	(1,531)	—	—	—	—	—	—	—	1,531	—	—	—
Dividend to non-controlling		—	—	—	—	—	—	—	—	—	—	—	—	—	—	(12,120)	(12,120)
Others		—	—	—	—	—	—	—	—	—	—	—	—	—	—	(16)	(16)
MARCH 31, 2023		23,576,206	211,879	(1,044,055)	30,464	34,966	—	2,801,185	11,848,048	—	4,003,823	206,149	4,424,959	(1,451,072)	44,642,552	3,425,415	48,067,967

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.
Statements of cash flows for the three month period ended at March 31, 2023 and 2022
In thousands of Brazilian Reais - R\$

	Notes	Company		Consolidated	
		2023	2022	2023	2022
Cash flows from operating activities					
Net income (loss)		(1,452,603)	5,142,273	(1,429,501)	5,438,818
Adjustments for:					
Depreciation and amortization	7, 12, 13 e 14	207,601	197,143	2,592,830	2,436,053
Expected credit losses	5	21,290	13,222	23,280	24,273
Share of profit of equity-accounted investees	11	676,261	(4,861,690)	(14,418)	(15,161)
(Gain) Loss on sales of assets		2,281	1,680	(55,509)	4,512
Tax expense	10	(33,885)	377,761	(719,382)	1,774,295
Net finance income/expense	23	855,140	(572,851)	1,554,099	210,073
Share-based compensation		–	–	7,542	11,801
Provisions for legal proceedings	20	51,243	(4,385)	107,999	23,533
Net realizable value inventory adjustments	6	(12,301)	(974)	(10,204)	14,742
Antitrust agreements		–	–	71,166	88,752
Impairment of goodwill and property, plant and equipment	12	–	–	107,513	85,601
Fair value adjustment for biological assets	7	–	–	452,924	(75,167)
		315,027	292,179	2,688,339	10,022,125
Changes in assets and liabilities:					
Trade accounts receivable		1,246,042	422,667	1,041,155	(241,739)
Inventories		181,091	283,041	(591,851)	(2,156,886)
Recoverable taxes		(161,651)	(471,979)	(390,074)	(773,581)
Other current and non-current assets		(58,003)	171,278	194,375	(190,562)
Biological assets		–	–	(695,332)	(1,204,254)
Trade accounts payable and supply chain finance		(1,044,947)	(1,646,305)	(4,764,504)	(3,022,675)
Taxes paid in installments		(65,625)	(96,270)	(65,625)	(96,866)
Other current and non-current liabilities		176,941	451,575	(404,561)	(352,143)
Antitrust agreements payment		–	–	–	(856,588)
Income taxes paid		–	–	(54,627)	(696,880)
Changes in operating assets and liabilities		273,848	(885,993)	(5,731,044)	(9,592,174)
Cash provided by (used in) operating activities					
		588,875	(593,814)	(3,042,705)	429,951
Interest paid		(292,314)	(232,200)	(1,641,781)	(1,093,156)
Interest received		52,419	21,213	285,294	100,800
Net cash flows provided by (used in) operating activities		348,980	(804,801)	(4,399,192)	(562,405)
Cash flow from investing activities					
Purchases of property, plant and equipment	12	(182,041)	(286,760)	(1,718,250)	(2,188,027)
Proceeds from sale of property, plant and equipment	12	7,480	4,742	72,367	6,772
Purchases of intangible assets	14	(3,953)	(2,224)	(10,416)	(8,716)
Additional investments in equity-accounted investees	11	(397,152)	6,445,820	–	(10,811)
Acquisitions, net of cash acquired	3	–	–	4,617	(720,025)
Dividends received		7,500	6,000	7,500	6,000
Related party transactions		(2,674,150)	(2,768,595)	1,300	–
Other		–	–	8,306	–
Cash provided by (used in) investing activities		(3,242,316)	3,398,983	(1,634,576)	(2,914,807)
Cash flow from financing activities					
Proceeds from loans and financings		4,327,501	1,992,893	5,127,504	11,690,068
Payments of loans and financings		(1,396,417)	(1,959,835)	(2,571,611)	(8,081,374)
Derivatives instruments received/settled		12,620	(683,434)	89,851	(678,428)
Margin cash		48,776	158,427	38,220	357,040
Dividends paid		–	(10)	–	(10)
Dividends paid to non-controlling interest		–	–	(12,120)	(3,736)
Purchase of PPC treasury shares		–	–	–	(139,078)
Purchase of treasury shares	21.b1	–	(1,811,101)	–	(1,811,101)
Payments of leasing contracts	13.2	(9,995)	(7,435)	(550,471)	(559,066)
Cash provided by (used in) financing activities		2,982,485	(2,310,495)	2,121,373	774,315
Effect of exchange rate changes on cash and cash equivalents					
		(63,440)	(451,036)	(305,089)	(3,254,497)
Net change in cash and cash equivalents		25,709	(167,349)	(4,217,484)	(5,957,394)
Cash and cash equivalents beginning of period		2,096,334	2,654,374	13,182,158	23,239,150
Cash and cash equivalents at the end of period		2,122,043	2,487,025	8,964,674	17,281,756

Non-cash transactions:

	Notes	Company		Consolidated	
		2023	2022	2023	2022
Non-cash additions to right of use assets and lease liabilities	13.2	24,807	1,064	568,202	729,103
Capitalized interests	12	33,046	(14,429)	(118,688)	(64,833)
Increase/decrease in share capital subsidiaries through assumption of debt		–	(460,626)	–	–
Cancellation of treasury shares	21.b1	–	(4,848,937)	–	(4,848,937)
Transfer of fixed asset		–	–	24,493	–

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.
Statements of economic value added the three month period ended at March 31, 2023 and 2022
In thousands of Brazilian Reais - R\$

	Company		Consolidated	
	2023	2022	2023	2022
Revenue				
Sales of goods and services	11,439,545	13,768,961	87,557,037	91,700,141
Other income (expense)	5,671	(420)	203,088	2,047
Expected credit losses	(21,290)	(13,222)	(23,280)	(24,273)
	<u>11,423,926</u>	<u>13,755,319</u>	<u>87,736,845</u>	<u>91,677,915</u>
Goods				
Cost of services and goods sold	(8,749,481)	(11,015,743)	(56,503,774)	(53,404,841)
Materials, energy, services from third parties and others	(1,565,311)	(1,653,637)	(17,005,872)	(16,687,621)
	<u>(10,314,792)</u>	<u>(12,669,380)</u>	<u>(73,509,646)</u>	<u>(70,092,462)</u>
Gross added value	<u>1,109,134</u>	<u>1,085,939</u>	<u>14,227,199</u>	<u>21,585,453</u>
Depreciation and Amortization	<u>(207,601)</u>	<u>(197,143)</u>	<u>(2,592,830)</u>	<u>(2,436,053)</u>
Net added value generated	<u>901,533</u>	<u>888,796</u>	<u>11,634,369</u>	<u>19,149,400</u>
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	(676,261)	4,861,690	14,418	15,161
Financial income	293,042	2,246,087	631,472	2,914,445
Others	(1,285)	4,879	3,299	66,791
	<u>(384,504)</u>	<u>7,112,656</u>	<u>649,189</u>	<u>2,996,397</u>
NET ADDED VALUE TOTAL TO DISTRIBUTION	<u>517,029</u>	<u>8,001,452</u>	<u>12,283,558</u>	<u>22,145,797</u>
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	608,185	667,412	9,009,222	8,882,221
Benefits	104,233	85,990	1,853,645	1,809,900
FGTS (Brazilian Labor Social Charge)	43,682	38,278	121,264	102,926
	<u>756,100</u>	<u>791,680</u>	<u>10,984,131</u>	<u>10,795,047</u>
Taxes and contribution				
Federal	(50,875)	271,358	(397,970)	1,904,316
State	103,321	137,244	382,441	493,092
Municipal	6,268	6,569	6,633	9,690
	<u>58,714</u>	<u>415,171</u>	<u>(8,896)</u>	<u>2,407,098</u>
Capital Remuneration from third parties				
Interests and exchange variation	1,119,360	1,620,182	2,128,103	2,814,173
Rents	10,903	12,234	214,030	184,299
Others	24,555	19,912	395,691	506,362
	<u>1,154,818</u>	<u>1,652,328</u>	<u>2,737,824</u>	<u>3,504,834</u>
Owned capital remuneration				
Dividends	–	2,218,116	–	2,218,116
Net income (loss) attributable to company shareholders	(1,452,603)	2,924,157	(1,452,603)	2,924,157
Non-controlling interest	–	–	23,102	296,545
	<u>(1,452,603)</u>	<u>5,142,273</u>	<u>(1,429,501)</u>	<u>5,438,818</u>
ADDED VALUE TOTAL DISTRIBUTED	<u>517,029</u>	<u>8,001,452</u>	<u>12,283,558</u>	<u>22,145,797</u>

The accompanying notes are an integral part of these condensed interim financial statements.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

1 Background Information

JBS S.A. ("JBS" or the "Company"), is a corporation with its headquarters office in Brazil, in the City of São Paulo, and is controlled by J&F Investimentos S.A. The Company has its shares publicly traded and listed on the "Novo Mercado" segment of the Sao Paulo Stock Exchange (B3 - Bolsa de Valores, Mercadorias & Futuros) under the ticker symbol "JBSS3". In addition, American Depository Receipts related to shares issued by JBS are also publicly traded in the United States of America under the symbol "JBSSAY". The consolidated financial statements comprise the Company and its subsidiaries (collectively, the "Company") for the period ended March 31, 2023 and were authorized by the Board of Directors on May 10, 2023.

The financial statements presented herein include the Company's individual operations in Brazil as well as the activities of its subsidiaries in Brazil and abroad.

2 Basis of preparation and presentation of financial statements

The financial statements were prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Statements, approved by the Brazilian Accounting and equivalent to International Accounting Standard "IAS" 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Therefore, these interim financial statements as of March 31, 2023 were not completely presented due to redundancy in relation to what is presented in the individual and consolidated annual financial statements (December 31, 2022) prepared in accordance with the accounting practices adopted in Brazil (BRGAAP) and with International Financial Reporting Standards (IFRS), approved by the Board of Directors on March 21, 2023. The parent company's individual financial statements are identified as "Company" and the consolidated financial statements are identified as "Consolidated".

2.1 Functional and representation currency

These condensed interim financial statements are presented in Brazilian reais (R\$), which is the Company's presentation and functional currency. All financial information is presented in thousands of reais, except when indicated otherwise.

2.2 New standards, amendments and interpretations

a. Standards, amendments and interpretations recently issued and adopted by the Company

Accounting Policies, Changes in Accounting Estimates and Errors: Amendments to IAS 8/CPC 23

As of January 1, 2023, the amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, changes in accounting estimates and correction of errors, to assist in correctly applying the guidance. The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: Amendments to IAS 12/CPC 32

As of January 1, 2023, the amendments narrow the scope of the initial recognition exemption (IRE) so that it no longer applies to transactions that, among other things, on initial recognition, give rise to equal taxable and deductible temporary differences. As a result, a deferred tax asset and a deferred tax liability should be recognized for temporary differences arising on initial recognition of a lease and decommissioning provision. The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

a. New standards, amendments and interpretations that are not yet effective

Presentation of Financial Statements: Amendments to IAS 1/CPC 26

As of January 1, 2023, sets out the requirements to defer settlement of a liability and whether the Company has reached these requirements at the end of the reporting period and, also, whether the classification between current and non-current would impact the entity's ability to exercise the postponement right.. The amendments also clarify that a derivative embedded in a convertible liability does not affect the classification of the liability if the derivative itself is an equity instrument. The Company is following the discussions and so far has not identified significant impacts as a result of this change.

3 Business Combination

The acquisitions in business combinations are presented below. The Company considers the acquisitions significant for disclosure when the total of assets exceeds US\$50 millions (R\$254,020 millions at March 31, 2023). Acquisitions are paid with cash and cash equivalents, except where otherwise indicated.

Acquired company	Acquiror	(%) of voting interests acquired	Background and rationale for acquisition	Goodwill deductible for tax ⁽¹⁾	Acquisition date	Acquisition price	Goodwill/(Gain on bargain purchase)
TriOak Foods ("TriOak") ⁽²⁾	Swift Pork	100%	Operates in the United States, in the hog processing and commercialization of grains with operations in multiple states. Swift Pork was the exclusive purchaser of TriOak's hogs. The acquisition ensures access to a consistent supply of premium hogs for the Company's pork processing facilities.	Yes	12.02.22	1,211,909	107,724
Grupo King's ("King's")	Rigamonti Salumificio SpA	100%	Operates in Italy and in the United States and hold a significant place in the production of Prosciutto di San Daniele D.O.P. (raw ham) and is an important player in the production of Prosciutto di Parma D.O.P. (raw ham) King's acquisition makes the Company one of the leaders in Italian 'salumeria'.	N/A	02.04.22	492,492	N/A
Rivalea Holdings Pty Ltd ("Rivalea")	Primo Foods Pty. Ltd.	100%	Operates in Australia and is the market leader in hog breeding and processing, with an extensive product line in various categories and vertically integrated. Rivalea's acquisition increases the volumes of value added products and opens new sales opportunities.	N/A	01.04.22	648,171	(266,235)

⁽¹⁾ The conditions for the goodwill tax deductibility follows the legislation of each country, considering that the country of domicile of the acquirer does not coincide with the country of domicile of the acquiree.

⁽²⁾ The allocation of TriOak's acquisition price was adjusted during the first quarter of 2023, with a reduction in biological assets of R\$117,390 and an increase in goodwill in the amount of R\$104,212.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

The assets acquired and liabilities assumed in the business combinations were measured at fair value as presented below:

	Acquisitions		
	2022		
FAIR VALUE	TriOak ⁽¹⁾	King's	Rivalea
Cash and cash equivalents	19,509	184,000	173,887
Trade accounts receivable	32,657	175,694	82,759
Inventories	81,408	226,162	156,498
Biological assets	699,593	–	296,186
Deferred income taxes assets	–	–	94,034
Property, plant and equipment	603,510	395,717	641,478
Right of use assets	698,128	–	70,792
Intangible assets	–	128,414	19,864
Other assets	10,004	58,162	35,612
ASSETS	2,144,809	1,168,149	1,571,110
Trade accounts payable	111,191	342,492	143,276
Loans and financing	219,747	36,132	232,660
Accrued income taxes, other taxes, payroll and social charges	11,558	48,781	65,643
Lease liabilities	698,128	–	70,792
Current and deferred income taxes	–	44,504	107,239
Related part transactions	–	174,174	–
Other liabilities	–	29,574	19,870
LIABILITIES	1,040,624	675,657	639,480
Noncontrolling Interest ⁽²⁾	–	–	17,224
Total identifiable net assets fair value	1,104,185	492,492	914,406
Proportionate ownership acquired	1,104,185	492,492	914,406
Purchase consideration transferred	1,211,909	492,492	648,171
Goodwill/ (Bargain purchase)	107,724	–	(266,235)

⁽¹⁾ The final price of the transaction had not been determined as of the date of these financial statements. Therefore, the allocation of these business combinations is being reported with provisional values, determined on the transaction closing date, for the assets acquired and liabilities assumed and, consequently, the goodwill generated by the expectation of future income.

⁽²⁾ Refers to the 20% of the shares recognized as non-controlling, which the acquired Rivalea holds in the associated Diamond Valley Pork Pty Ltd.

There were no material acquisitions for the first quarter of 2023. The non-material acquisitions for the year ended at 2022 are demonstrated below:

Business	Acquirer	Acquisition date	% of voting interests acquired	Acquisition price	Goodwill	Goodwill deductible for tax
Avetec Indústria e Comércio de Alimentos	Seara Alimentos Ltda.	September/2022	100%	9,078	1,241	Yes
BioTech	JBS Global Luxembourg S.à.r.l.	May/2022	51%	189,259	90,874	No

4 Cash and cash equivalents and margin cash

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Cash on hand and at banks	1,842,866	1,820,325	5,328,034	5,972,915
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic) ⁽¹⁾	279,177	276,009	3,636,640	7,209,243
Cash and cash equivalents total	2,122,043	2,096,334	8,964,674	13,182,158

⁽¹⁾ CDBs are held at high quality financial institutions and earn interest based on floating rates and are pegged to the Brazilian overnight interbank lending rate (Certificado de Depósito Interbancário - CDI). Tesouro Selic are bonds purchased from financial institutions having conditions and characteristics that are similar to CDB's.

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Margin cash	–	–	149,894	308,302
Investments in Treasury bills	31,658	80,434	253,675	371,089
	31,658	80,434	403,569	679,391

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

5 Trade accounts receivable

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Current receivables				
Domestic sales	990,219	1,414,055	11,001,623	11,152,049
Foreign sales	1,714,232	2,315,482	4,496,903	5,058,255
Subtotal	2,704,451	3,729,537	15,498,526	16,210,304
Overdue receivables:				
From 1 to 30 days	300,982	325,741	2,145,047	2,515,484
From 31 to 60 days	26,341	142,384	382,233	590,988
From 61 to 90 days	19,745	133,895	178,214	346,939
Above 90 days	287,103	310,931	1,061,038	1,038,761
Expected credit losses	(236,896)	(252,719)	(408,456)	(431,170)
Present value adjustment	(8,830)	(9,758)	(31,025)	(36,411)
Subtotal	388,445	650,474	3,327,051	4,024,591
Trade accounts receivable, net	3,092,896	4,380,011	18,825,577	20,234,895

Adjustment to present value: The Company discounts its receivables to present value using interest rates directly related to customer credit profiles. The monthly interest used to calculate the present value of outstanding receivables on March 31, 2023 were, mostly in Brazil, 1.3% per transaction (1.3% per transaction at December 31, 2022). Realization of the present value adjustment is recognized as an offsetting item to sales revenue.

Changes in expected credit losses:

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Initial balance	(252,719)	(262,431)	(431,170)	(459,378)
Additions	(21,290)	(43,128)	(23,280)	(47,217)
Write-offs	45,548	46,185	52,625	53,607
Exchange rate variation	(8,435)	6,655	(6,631)	21,818
Closing balance	(236,896)	(252,719)	(408,456)	(431,170)

6 Inventories

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Finished products	2,780,093	2,906,265	17,293,711	17,199,677
Work in process	514,437	529,556	3,022,900	2,730,386
Raw materials	945,573	963,523	4,700,179	4,864,552
Supplies	224,308	233,857	3,201,898	3,347,479
	4,464,411	4,633,201	28,218,688	28,142,094

The change in estimated losses for realizable value of inventories is recognized in the financial statements as "Cost of sales" and is presented below:

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Initial balance	(58,110)	(6,742)	(310,581)	(248,637)
Additions	(35,092)	(55,743)	(149,988)	(296,491)
Write-offs	47,393	4,375	160,192	228,228
Exchange rate variation	—	—	2,753	6,319
Closing balance	(45,809)	(58,110)	(297,624)	(310,581)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

7 Biological assets

Changes in biological assets:	Consolidated			
	Current		Non-current	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Initial balance	9,710,693	7,409,092	2,619,066	2,245,019
Acquired in business combinations	-	905,884	-	207,286
Business combination adjustments ⁽¹⁾	(117,390)	-	-	-
Increase by reproduction (born) and cost to reach maturity	16,067,644	63,094,943	1,131,566	4,083,268
Reduction for slaughter, sale or consumption	(17,080,022)	(64,819,239)	(92,296)	(428,076)
Purchase	658,953	2,766,366	213,852	851,040
Decrease by death	(178,972)	(393,961)	(25,393)	(77,099)
Fair value adjustments	(452,924)	204,931	-	17
Reclassification from non-current to current	416,048	1,507,273	(416,048)	(1,507,273)
Exchange rate variation	(151,689)	(964,596)	(50,826)	(148,159)
Changes in fair value (including amortization of breeders)	-	-	(714,606)	(2,606,957)
Closing balance	8,872,341	9,710,693	2,665,315	2,619,066

⁽¹⁾ Refers to the business combination adjustments for TriOak acquired during the year ended at 2022.

8 Recoverable taxes

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Value-added tax on sales and services - ICMS/IVA/VAT/GST	1,959,176	2,040,368	5,502,790	5,253,253
Social contribution on billings - PIS and COFINS	1,584,121	1,502,722	2,606,835	2,752,896
Withholding income tax - IRRF/IRPJ	3,880,323	3,981,884	5,845,911	6,257,710
Excise tax - IPI	22,094	21,748	120,957	127,719
Reintegra	32,159	32,463	49,297	49,832
Other	27,669	23,644	70,154	55,087
	7,505,542	7,602,829	14,195,944	14,496,497
Current	1,625,649	1,473,985	5,383,877	5,330,928
Non-current	5,879,893	6,128,844	8,812,067	9,165,569
	7,505,542	7,602,829	14,195,944	14,496,497

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

9 Related parties transactions

The main balances of assets and liabilities, as well as the transactions resulting in income (loss) for any period, arise from transactions between related parties or at under market conditions and prices. Transference of costs includes borrowing costs, interest and rate differences, when applicable. The following table includes balances and the net effect on income of intercompany financing transactions between the Company and its subsidiaries:

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Related party receivables	1,108,104	1,103,125	964,871	951,021
Related party payables	(19,544,396)	(22,066,929)	-	-
	(18,436,292)	(20,963,804)	964,871	951,021

	Currency	Costs transfer (administrative and funding)	Statement of financial position accounts		Financial income (expense)	
			March 31, 2023	December 31, 2022	2023	2022
Direct subsidiaries						
JBS Finance Luxembourg S.à.r.l	US\$	2.52% to 3.64% p.y.	-	-	-	(75,137)
Brazservice Ltda.	R\$	CDI + 4% p.y.	25,670	32,502	1,383	1,408
Enersea Ltda.	R\$	CDI + 4% p.y.	83	80	3	281
JBS Embalagens Metálicas Ltda	R\$	CDI + 4% p.y.	18	14	1	-
JBS Confinamento Ltda.	R\$	CDI + 4% p.y.	107,548	109,696	5,747	9,403
JBS Investments Luxembourg S.à.r.l	US\$	2.52% to 3.64% p.y.	(8,237,235)	(10,047,675)	(70,971)	-
Indirect subsidiaries						
JBS Leather Paraguay Srl	GUA	7.00% p.y.	9,914	9,812	114	117
Seara Alimentos Ltda.	R\$	CDI + 4% p.y.	(7,877,613)	(8,521,864)	(379,039)	7,138
JBS Luxembourg S.à.r.l	US\$	1.83% to 7.3% p.y.	(3,429,548)	(3,497,390)	(24,409)	(159,621)
Other related parties						
J&F Participações S.A.	R\$	IPCA	556,316	543,165	13,151	-
J&F Oklahoma Holdings, Inc.	R\$	3.4% ^(*)	401,893	400,017	1,876	(9,309)
Flora Produtos de Higiene e Limpeza S.A.	R\$	Selic	6,662	7,839	122	337
Total			(18,436,292)	(20,963,804)	(452,022)	(225,383)

^(*) Rate for the contract term.

Related party receivable

	Consolidated	
	March 31, 2023	December 31, 2022
J&F Participações S.A.	556,316	543,165
J&F Oklahoma Holdings, Inc.	401,893	400,017
Flora Produtos de Higiene e Limpeza S.A.	6,662	7,839
	964,871	951,021

The transactions above refer to working capital funding. Settlement in the future shall be through a capital contribution, reduction and/or dividends distribution.

The disclosure of significant intercompany commercial transactions is in accordance with the criteria established by Management, by disclosing individually, balances which are equal or higher than 2% of the total of each transaction (sale of products, purchases, accounts receivable and accounts payable). Additionally, transactions which are below the described criteria will be disclosed if relevant. This analysis is performed for each related party. If any related party has not met this criteria in the past but if in the current period they do, the comparative balance will be disclosed.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

COMPANY	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services provided	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	2023	2022	2023	2022
Direct subsidiaries								
JBS Confinamento Ltda.	3,041	2,300	43,353	119,563	185,809	241,221	3,913	3,324
Brazservice Ltda.	1,406	2,977	18,521	14,283	30,034	44,380	13,527	40,200
Conceria Priante Srl	5,715	15,479	-	-	-	-	2,485	-
JBS Toledo N.V.	33,553	8,577	-	-	-	-	92,235	77,675
Indirect subsidiaries								
Seara Alimentos Ltda.	179,608	215,066	50,812	58,663	55,292	45,339	598,591	634,917
JBS Global UK Limited	113,062	138,313	-	-	-	-	138,645	71,213
JBS Aves Ltda.	6,227	5,523	20,805	20,757	897	2,278	35,213	35,335
Weddel Limited	16,629	22,402	-	-	-	-	21,395	10,742
Sampco, LLC	112,260	108,359	-	-	-	-	222,206	183,815
Meat Snacks Partners do Brasil Ltda.	33,636	3,547	-	128	-	-	100,011	195,635
JBS Asia Limited	-	-	68,472	82,036	43,833	11,919	-	-
JBS Leather Asia Limited	72,066	70,780	-	-	-	-	77,800	68,936
JBS USA Holding Lux S.à.r.l.	389,060	520,893	-	715	20	-	436,125	451,835
Seara Comércio de Alimentos Ltda.	1,271	4,349	1,451	1,680	4,811	5,061	8,559	3,334
JBS Australia Pty.Ltd.	5,945	9,298	-	678	-	-	39,123	42,542
Other related parties								
Agropecuária Santa Luzia Ltda.	1,732	1,772	972	134	2,204	3,616	3,054	1
JBj Agropecuária Ltda.	1,323	2,912	544,455	486,357	436,048	216,583	3,943	4,423
Flora Produtos de Higiene e Limpeza S.A	49,956	34,359	-	-	-	2	73,638	54,136
Eldorado Brasil Celulose S.A.	254	314	-	6	23	71	1,257	2,120
Banco Original S.A	11	5	-	9	-	-	25	17
Prima Foods S.A.	-	315	2,934	4,012	19,094	27,673	1,809	3,608
	1,026,755	1,167,540	751,775	789,021	778,065	598,143	1,873,554	1,883,808

Other financial transactions in the Company

The Company and a few of its subsidiaries entered into an agreement in which Banco Original (Related party) acquires trade accounts receivables held against certain of the Company's customers in the domestic and foreign markets. The assignments are measured at market value through a permanent transfer of the risks and benefits to Banco Original of all trade accounts receivable. At March 31, 2023, the unpaid balance of transferred receivables was R\$1,002,791 (R\$969,151 at December 31, 2022) in the Company, and R\$2,197,112 (R\$2,133,083 at December 31, 2022) in the Consolidated, respectively. For the three month period ended at March 31, 2023, the Company incurred financial costs related to this operation in the amount of R\$45,516 (R\$33,145 at March 31, 2022) in the Company, and R\$100,999 (R\$77,939 at March 31, 2022) in the Consolidated, respectively, recognized in these financial statements as financial expenses.

At March 31, 2023, the Company and a few of its subsidiaries hold investments with Banco Original, in the amount of R\$470,126 (R\$477,103 at December 31, 2022) in the Company and R\$1,805,344 (R\$1,869,825 at December 31, 2022) in the Consolidated, recognized as cash and cash equivalents, respectively. The short term investments, CDB and similar investments have earnings similar to CDI (Certificado de Depósito Interbancário), according to both maturity and amount established at the start date of the investment, following market practices. For the three month period ended at March 31, 2023, the Company earned interest from these investments in the amount of R\$2,213 (R\$1,463 at March 31, 2022) in the Company, and R\$5,101 (R\$3,367 at March 31, 2022) in the Consolidated, respectively, recognized in these financial statements as financial income.

The Company enters into purchase agreements for livestock with certain suppliers, including the related party JBj Agropecuária Ltda., ensuring a fixed price when purchasing cattle, without a cash impact in the Company until the maturity date of these commitments. Based on this contract of future delivery, JBj has already made anticipation with the banks of this operation in the supply chain finance modality. At March 31, 2023 the balance of this transaction was R\$461,000 (R\$446,000 at December 31, 2022).

The Company purchases residues generated from cattle slaughter for rendering operations with Prima Foods S.A. (formerly called Mata Boi Alimentos S.A.).

The Company sponsor's Institute Germinare, a youth-directed business school, whose mission is to educate future leaders by offering free, high-quality education. During the three month period ended at March 31, 2023 the Company made donations in the amount of R\$13,785 (R\$71,319 at March 31, 2022) recognized in these financial statements as general and administrative expenses.

The Company includes the related party Original Corporate Corretora de Seguros Ltda. on the bid for insurance renewal. If hired, the contracts are carried out at market value.

PicPay salary advance - Employees from the Company can opt to receive a salary advance every day 15 of each month. This advance will be deducted from the employee's salary when the total payroll is paid at month end. The PicPay pay for the Company a tax of R\$1.48 cents for each beneficiary who adhere to the salary advance. At March 31, 2023, the total amount of the operation were R\$45 (R\$28 on March 31, 2022).

No expected credit losses or bad debts relating to related-party transactions were recorded during the three month period ended at March 31, 2023 and 2022.

Remuneration of key management

The Company's key management is comprised of its Executive Officers. The aggregate amount of compensation received by the Company's key management during the three month period ended at March 31, 2023 and 2022 is the following:

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

	2023	2022
Salaries and wages	10,156	8,937
Variable cash compensation	96,000	98,000
	106,156	106,937

The Chief Executive Officer, the Administrative and Control Officer, the Chief Financial Officer and the Executive Officers are parties to the Brazilian employment contract regime referred to as CLT (which is the Consolidation of Labor Laws), which follows all the legal prerogatives of payments and benefits.

Except for those described above, the Board of Directors members are not party to any employment contract or any other contracts for additional business benefits such as post-employment benefits or other long-term benefits, termination of work that does not conform to those requested by the CLT (Brazilian Labor Law).

10 Income taxes

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Deferred income taxes assets	-	-	3,481,002	3,161,300
Deferred income taxes liabilities	(3,005,531)	(2,995,114)	(6,614,256)	(7,112,102)
	(3,005,531)	(2,995,114)	(3,133,254)	(3,950,802)

a. Composition of deferred tax income and social contribution

	Company		
	December 31, 2022	Income statement	March 31, 2023
Tax losses and negative basis of social contribution	-	87,473	87,473
Expected credit losses on trade accounts receivable	88,021	(5,522)	82,499
Provisions for contingencies	162,583	13,417	176,000
Present value adjustment - Trade accounts receivable	3,318	(315)	3,003
Right of use assets	2,732	338	3,070
Goodwill amortization	(3,277,762)	-	(3,277,762)
Present value adjustment - Trade accounts payable	2,090	(2,061)	29
Hedge operations ⁽²⁾	61,197	(15,950)	45,247
Accrued liabilities	184,190	(84,668)	99,522
Realization of other reserves	(257,332)	789	(256,543)
Other temporary differences	35,849	(3,918)	31,931
Deferred taxes, net	(2,995,114)	(10,417)	(3,005,531)

	Consolidated				
	December 31, 2022	Income statement	Exchange variation	Other adjustments ⁽¹⁾	March 31, 2023
Tax losses and negative basis of social contribution	3,387,144	822,043	(44,653)	-	4,164,534
Expected credit losses on trade accounts receivable	164,732	(10,339)	(1,181)	-	153,212
Provisions for contingencies	716,633	(47,552)	(5,344)	-	663,737
Present value adjustment	59,095	(8,662)	-	-	50,433
Tax credits	68,855	(5,114)	(1,698)	37	62,080
Labor accidents accruals	32,032	2,088	(889)	-	33,231
Pension plan	54,708	5,298	(1,556)	(3,001)	55,449
Accrued liabilities	1,257,677	(101,724)	(27,098)	-	1,128,855
Non-deductible interests	399,481	38,977	(11,369)	-	427,089
Right of use assets	117,832	44,439	(2,463)	-	159,808
Goodwill amortization	(4,100,891)	(14,496)	11,599	-	(4,103,788)
Present value adjustment - Trade accounts payable	(42,292)	3,393	-	-	(38,899)
Business combinations	(2,303,239)	(4,009)	55,395	-	(2,251,853)
Inventory valuation	(572,398)	(263,567)	20,859	-	(815,106)
Hedge and hedge accounting operations ⁽²⁾	42,831	15,862	-	5,563	64,256
Realization of other reserves	(575,927)	3,873	-	-	(572,054)
Accelerated depreciation and amortization	(3,061,949)	265,648	74,730	-	(2,721,571)
Other temporary differences	404,874	8,064	(15,823)	10,218	407,333
Deferred taxes, net	(3,950,802)	754,222	50,509	12,817	(3,133,254)

⁽¹⁾ Changes in the deferred tax balance sheet accounts that do not directly impact profit & loss accounts, are shown in a specific column in the footnotes. These changes refer mainly to deferred taxes on cash flow hedge operations recognized in equity, carried out by the subsidiary Seara Alimentos and other adjustments related to differences in accounting practices in the countries in which the Company's subsidiaries are located.

⁽²⁾ The hedge and hedge accounting operations are demonstrated in footnote 27 - Risk management and financial instruments.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

b. Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	2023	2022	2023	2022
Profit (loss) before income taxes (PBT)	(1,486,488)	5,520,034	(2,148,883)	7,213,113
Brazilian statutory corporate tax rate	(34)%	(34)%	(34)%	(34)%
Expected tax credit (expense)	505,406	(1,876,812)	730,620	(2,452,458)
Adjustments to reconcile taxable income:				
Share of profit of equity-accounted investees	(229,929)	1,652,975	4,902	5,155
Investments grants ⁽¹⁾	224,989	135,252	692,487	230,931
International rate differences	-	-	(92,877)	661,606
Net income arising from foreign subsidiaries ⁽²⁾	(438,025)	(247,519)	(438,025)	(247,519)
Transfer pricing adjustment	(7,650)	(7,866)	(7,650)	(7,866)
Unrecognized tax benefits	-	(1,237)	(392,450)	(111,661)
Non-taxable interest - Foreign subsidiaries	-	-	173,639	106,554
Donations and social programs	(12,070)	(523)	(12,070)	(523)
SELIC interests on tax credits	950	1,703	5,247	6,466
Other permanent differences	(9,786)	(33,734)	55,559	35,020
Current and deferred income tax expense	33,885	(377,761)	719,382	(1,774,295)
Current income tax	44,302	(378,642)	(34,840)	(1,948,604)
Deferred income tax	(10,417)	881	754,222	174,309
	33,885	(377,761)	719,382	(1,774,295)
% IT/PBT	2.28 %	(6.84)%	33.48 %	(24.60)%

Additional information: analysis of the variation of the effective tax rate:

The Company believes that due to the origin and non-recurrence of specific events certain items should not be excluded from the effective tax rate disclosure such as: i) deferred tax effects on goodwill amortization; ii) recognition of deferred tax from current year; iii) unrecognized tax benefits; iv) income tax on realization of the other reserves (since it is not relate to the net operating income); and v) effects of investments grants from priors years.

	Company		Consolidated	
	2023	2022	2023	2022
Adjustments to reconcile taxable income				
Current and deferred income tax (expense) benefit	33,885	(377,761)	719,382	(1,774,295)
Goodwill amortization - Deferred	-	-	14,496	14,986
Prior years loss carryforwards - deferred	-	-	-	34,318
Unrecognized tax benefits	-	1,237	392,450	111,661
Income tax on realization of other reserves	(789)	(930)	(3,873)	(4,126)
Investments grants - prior years	-	-	(206,965)	-
Current and deferred income tax (expense) benefit - ADJUSTED	33,096	(377,454)	915,490	(1,617,456)
Effective income tax rate	2.23 %	(6.84)%	42.60 %	(22.42)%

⁽¹⁾ The Company and its subsidiaries recognize investments grants given by State governments which are mainly presumed and/or granted ICMS (Value-added tax on sales and services) credits which are granted as a encouragement to implement or expand economic enterprises. In other jurisdictions, the Company recognizes investments grants related to energy and training. When the income tax expense reduces and reflects the deductibility of these incentives, all conditions related to the government grants were in compliance. The investments grants are recognized under the caption "Sales deductions - Sales taxes" in the Statements of income

⁽²⁾ According to the Brazilian law 12,973/14, the results of subsidiaries abroad must be taxed at the nominal rate of 34%, and the tax paid abroad by these subsidiaries may be credited in Brazil.

⁽³⁾ Refers to the donations, as described in Note 26 – Expenses by nature.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

11 Investments in equity-accounted investees, associates and joint venture

Changes in the Company's investments:

	Equity					March 31, 2023
	December 31, 2022	Addition (disposal)	Exchange rate variation	Changes in the equity of investees ⁽¹⁾	Proportionate share of income (loss)	
JBS Embalagens Metálicas Ltda.	80,777	-	-	-	(39)	80,738
JBS Confinamento Ltda.	377,409	-	-	-	(26,127)	351,282
Conceria Priante Srl	120,500	-	(929)	-	(5,008)	114,563
JBS Leather International B.V.	635,828	-	(16,503)	2,070	(12,469)	608,926
Brazservice Ltda.	43,940	-	-	-	(460)	43,480
Meat Snacks Partners do Brasil Ltda. ⁽²⁾	209,092	(7,500)	(2)	-	16,029	217,619
Enersea Ltda.	350	-	-	-	6	356
JBS Asset Management Corporation	111,742	-	(2,961)	-	918	109,699
JBS Investments Luxembourg S.à.r.l. ⁽³⁾	53,603,571	397,152	(1,429,391)	881,451	(656,537)	52,796,246
JBS B.V.	(27)	-	3	-	(88)	(112)
JBS Toledo N.V.	195,970	-	(1,624)	-	4,757	199,103
JBS Chile Limitada	19,953	-	947	-	2,776	23,676
JBS Finance Luxembourg S.à.r.l.	404	-	(10)	-	(19)	375
Total	55,399,509	389,652	(1,450,470)	883,521	(676,261)	54,545,951

⁽¹⁾ Refers to changes in the equity of investees arising from subsidiaries, of the functional currency (dollar) of the direct subsidiary JBS Investments Luxembourg S.à.r.l. (JBS Investments Lux) to the functional currency of its subsidiaries, such as Australian dollar, Canadian dollar, pound sterling, euro, Mexican peso, among others.

⁽²⁾ The indirect subsidiary Meat Snacks Partners do Brasil distributed profits to the Company.

⁽³⁾ The Company increased capital in the direct subsidiary JBS Investments Lux, through partial settlement of intercompany loans.

Changes in the Consolidated's investments:

	Participation	Equity				March 31, 2023
		December 31, 2022	Profit distribution	Changes in the equity of investees	Proportionate share of income	
Meat Snacks Partners do Brasil Ltda. ⁽²⁾	50%	209,092	(7,500)	(2)	16,029	217,619
JBS Foods Ontario, Inc.	100%	75,720	-	(2,004)	184	73,900
Birla Societá Agricola Srl	20%	10,025	-	(59)	(1,795)	8,171
Total		294,837	(7,500)	(2,065)	14,418	299,690

12 Property, plant and equipment

Changes in property, plant and equipment:

Company	December 31, 2022	Additions net of transferences ⁽¹⁾	Disposals	Depreciation expense	March 31, 2023
Buildings	3,580,188	22,884	-	(61,899)	3,541,173
Land	1,749,340	4,179	(81)	-	1,753,438
Machinery and equipment	3,066,247	91,158	(1,149)	(77,810)	3,078,446
Facilities	1,797,795	114,557	(3)	(28,410)	1,883,939
Computer equipment	41,814	2,369	(79)	(3,935)	40,169
Vehicles (land and air)	515,344	101,661	(8,391)	(20,469)	588,145
Construction in progress	2,214,667	(124,509)	-	-	2,090,158
Other	62,468	2,788	(58)	(3,004)	62,194
Total	13,027,863	215,087	(9,761)	(195,527)	13,037,662

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2022	Additions net of transferences ⁽¹⁾	Disposals	Depreciation expense	Exchange rate variation	March 31, 2023
Buildings	19,722,714	1,362,023	(7,223)	(318,404)	(321,054)	20,438,056
Land	5,512,969	4,242	(160)	-	(72,315)	5,444,736
Machinery and equipment	19,998,538	1,796,168	(84,330)	(745,539)	(357,652)	20,607,185
Facilities	3,001,689	570,658	(29)	(52,327)	(192)	3,519,799
Computer equipment	606,623	43,874	(1,640)	(47,848)	(9,449)	591,560
Vehicles (land and air)	1,121,272	168,675	(10,876)	(50,510)	(19,254)	1,209,307
Construction in progress	11,084,915	(2,150,976)	-	-	(131,836)	8,802,103
Other	1,122,072	42,274	(44,606)	(44,774)	(17,685)	1,057,281
	62,170,792	1,836,938	(148,864)	(1,259,402)	(929,437)	61,670,027

⁽¹⁾ Additions for each category includes transfer from construction in progress during the period.

For three month period ended at March 31, 2023, the amount of capitalized interest added to construction in progress and included in additions in the Company was R\$33,046 (R\$79,855 at December 31, 2022) and in the Consolidated R\$118,688 (R\$369,155 at December 31, 2022). The capitalization rate used at March 31, 2023 was 7.50% p.y., in Brazil and 1.84% p.y. in the United States (7.05% p.y., in Brazil and 3.70% a.a% p.y. in the United States at December 31, 2022)

Annually, the Company tests the recoverability of its assets that were identified as having any indicator of impairment using the concept of value in use through discounted cash flow models). The tests for recoverability of assets are applied at the end of each fiscal year on December 31, follow by indications of impairment during the course of the year. For three month period ended at March 31, 2023 the Company recognized impairment in fixed assets in the amount of US\$20 millions(R\$101,608 million at March 31, 2023), related to the indirect subsidiary Planterra Foods Company, located at United States, due the closing of its operations.

13 Leases

The Company uses the optional exemption to not recognize a right of use asset and lease liability for short term (less than 12 months) and low value leases. The average discount rate used for the present value's calculation of the lease provision of the identified assets and, consequently, for the monthly accrual of financial interest were 6.60% (8.25% at December 31, 2022) in the Company, and R\$8.10% (7.30% at December 31, 2022) in the Consolidated, in accordance with the term of each lease agreement and the economic policy of each subsidiary's domicile.

13.1 Right of use asset

Changes in the right of use assets:

Company	December 31, 2022	Additions ⁽¹⁾	Amortization	March 31, 2023
Buildings	30,041	444	(3,819)	26,666
Computer equipment	10,728	-	(1,952)	8,776
Machinery and equipment	12,747	5,921	(2,309)	16,359
Operating plants	623	16,958	(1,101)	16,480
Land	253	575	(148)	680
Vehicles (land)	272	895	(99)	1,068
	54,664	24,793	(9,428)	70,029

Consolidated	December 31, 2022	Additions ⁽¹⁾	Terminated contracts	Amortization	Exchange rate variation	March 31, 2023
Growing facilities	4,299,324	160,344	(37,872)	(204,651)	(62,275)	4,154,870
Buildings	2,227,940	264,357	(6,769)	(95,381)	(35,621)	2,354,526
Computer equipment	48,089	-	(284)	(5,174)	(1)	42,630
Machinery and equipment	547,282	30,993	(400)	(67,552)	(9,847)	500,476
Operating plants	97,601	18,023	-	(7,864)	(152)	107,608
Land	102,478	862	-	(3,214)	(2,925)	97,201
Vehicles (land, air and sea)	1,052,178	86,133	(4,208)	(99,417)	(28,855)	1,005,831
	8,374,892	560,712	(49,533)	(483,253)	(139,676)	8,263,142

⁽¹⁾ Additions for each category includes PIS and COFINS to be paid.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

13.2 Lease liabilities

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Undiscounted lease payments	88,964	71,666	10,873,257	10,903,766
Present value adjustment	(9,907)	(8,968)	(1,998,705)	(1,919,758)
	<u>79,057</u>	<u>62,698</u>	<u>8,874,552</u>	<u>8,984,008</u>
Breakdown:				
Current liabilities	36,270	27,675	1,707,475	1,788,353
Non-current liabilities	42,787	35,023	7,167,077	7,195,655
	<u>79,057</u>	<u>62,698</u>	<u>8,874,552</u>	<u>8,984,008</u>

Changes in the lease liabilities:

Company		December 31, 2022	Additions	Interest accrual	Payments		March 31, 2023
Lease liabilities		62,698	24,807	1,547	(9,995)		79,057
Consolidated	December 31, 2022	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	March 31, 2023
Lease liabilities	8,984,008	568,202	118,833	(606,640)	(43,768)	(146,083)	8,874,552

The amounts recognized as lease expense are shown below:

	31.03.23	
	Company	Consolidated
Variable lease payments	2,404	681,281
Short term lease liability	4,945	191,708
Non-material lease liability	1,604	6,821
	<u>8,953</u>	<u>879,810</u>

The non-current portion of the lease liabilities schedule is as follows:

	March 31, 2023	
	Company	Consolidated
2024	21,519	1,320,060
2025	17,588	1,147,670
2026	3,434	881,956
2027	900	713,910
2028	489	586,060
Maturities thereafter 2028	3,663	4,082,256
Total Future Minimum Lease Payments	47,593	8,731,912
Less: Imputed Interest	(4,806)	(1,564,835)
Present Value of Lease Liabilities	<u>42,787</u>	<u>7,167,077</u>

14 Intangible assets

Changes in intangible assets:

Company	December 31, 2022	Additions	Amortization expenses	March 31, 2023
Amortizing:				
Trademarks	10,487	–	(1,240)	9,247
Softwares	20,534	3,953	(1,406)	23,081
	<u>31,021</u>	<u>3,953</u>	<u>(2,646)</u>	<u>32,328</u>

Consolidated	December 31, 2022	Additions	Disposals	Amortization expenses	Exchange rate variation	March 31, 2023
Amortizing:						
Trademarks	1,648,336	–	–	(28,911)	(96,953)	1,522,472
Softwares	109,985	10,618	(292)	(6,182)	(253)	113,876
Customer relationships	2,868,194	–	–	(95,239)	(57,161)	2,715,794
Supplier contract	159,187	–	–	(4,886)	(1,584)	152,717
Others	4,345	128	(146)	(351)	(98)	3,878
Non-amortizing:						
Trademarks	5,479,137	108	–	–	(20,196)	5,459,049
Water rights	59,205	–	–	–	(1,741)	57,464
	<u>10,328,389</u>	<u>10,854</u>	<u>(438)</u>	<u>(135,569)</u>	<u>(177,986)</u>	<u>10,025,250</u>

Impairment test:

Annually, the Company tests the recoverability of its assets using the concept of value in use through cash flow models and at the three month period ended at March 31, 2023, there were no indications of impairment.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

15 Goodwill

In the Company, goodwill is recognized under the caption "Investments in subsidiaries, associate and joint venture" because for the investor it is part of its investment in the subsidiary's acquisition; and as goodwill, in the Consolidated because it refers to expectation of future earnings from the acquired subsidiary, which assets and liabilities are consolidated with the Company's. Therefore, in the Company there is only goodwill from incorporations in the amount of R\$9,085,970 and in the Consolidated all goodwill are recognized as intangible. For tax purposes, all the goodwill recorded in the Company was fully amortized in the year ended December 31, 2021.

Changes in goodwill:

	Consolidated	
	March 31, 2023	December 31, 2022
Initial balance	30,412,362	32,564,548
Acquired in business combination	–	95,628
Business combination adjustments ⁽¹⁾	104,212	30,877
Write-off for recoverability	–	(85,601)
Exchange rate variation	(406,611)	(2,193,090)
Closing balance	30,109,963	30,412,362

⁽¹⁾ Refers to the 2023 acquisitions, TriOak during the year ended at 2022. Due its immateriality, the adjustments were made at the first quarter of 2023.

CGU Groups	Consolidated	
	March 31, 2023	December 31, 2022
Brazil Beef	9,069,926	9,069,926
Seara	3,713,728	3,714,070
Moy Park	3,792,630	3,837,113
USA Pork	3,528,510	3,623,871
Australia Meat	1,392,477	1,445,908
Australia Smallgoods	1,539,620	1,598,730
Vivera	640,984	649,682
Pilgrim's Food Masters (PFM)	1,652,070	1,673,144
Others CGUs without significant goodwill ⁽¹⁾	4,780,018	4,799,918
Total	30,109,963	30,412,362

For the three month period ended at March 31, 2023 and 2022 there were no indications that goodwill within any CGU group was impaired.

16 Trade accounts payable

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Domestic:				
Commodities	1,825,846	2,657,465	6,966,317	9,564,105
Materials and services	959,184	1,163,927	17,307,032	20,253,472
Finished products	236,327	229,817	86,360	71,860
Present value adjustment	(17,721)	(15,601)	(77,787)	(78,670)
	3,003,636	4,035,608	24,281,922	29,810,767
Foreign:				
Commodities	65,618	75,910	83,733	190,976
Materials and services	194,467	183,605	824,265	1,003,257
Finished products	–	2,732	6,722	4,515
	260,085	262,247	914,720	1,198,748
Total trade accounts payable	3,263,721	4,297,855	25,196,642	31,009,515
Supply chain finance ⁽¹⁾				
Domestic	1,353,936	1,263,694	3,887,733	2,996,425
Foreign	–	–	42,587	74,674
Total supply chain finance	1,353,936	1,263,694	3,930,320	3,071,099
Total	4,617,657	5,561,549	29,126,962	34,080,614

⁽¹⁾ The Company and its indirect subsidiary Seara Alimentos carry out transactions with financial institutions that allow the suppliers to anticipate their receivables in the domestic market. It should be emphasized, operationally and commercially, there are no identifiable changes to the conditions applied in the negotiations with suppliers such as price or flexibility on payment terms. In addition, this operation did not bring any other cost to the Group and all financial costs of the operation are the responsibility of the suppliers.

The Company enters into purchase agreements for livestock with certain suppliers, including the related party JBJ Agropecuária Ltda. ("JBJ"), ensuring a fixed price, or to fix, when purchasing cattle, without a cash impact in the Company until the receiving the cattle or maturity date of these commitments. Based on this future commitment contract, JBJ has already advanced this operation with the banks under the supply chain finance modality. At March 31, 2023 the balance of this transaction was R\$530,103 (R\$451,800 at December 31, 2022).

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

17 Loans and financings

Type	Company							
	Average annual interest rate	Currency	Index on variable rate loans	Payment terms	Current		Non-current	
					March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Foreign currency								
ACC ⁽¹⁾	6.57%	USD	SOFR	2023 - 24	3,893,346	2,174,591	254,020	266,395
Prepayment	4.79%	USD	SOFR	2023 - 27	1,023,283	1,034,831	2,003,955	1,225,211
FINIMP ⁽²⁾	5.00%	USD and EUR	Libor and Euribor	2023 - 25	458,870	525,112	12,522	15,867
Credit note - export	6.61%	USD	–	2023	380,179	–	–	–
Working capital - American Dollar	8.28%	USD	Libor	2030	1,789	1,821	14,053	14,824
CRA ⁽³⁾	3.53%	USD	–	2027	3,054	484	64,813	66,564
					5,760,521	3,736,839	2,349,363	1,588,861
Local currency								
Credit note - export	15.80%	BRL	CDI	2023 - 28	215,217	274,829	1,346,922	1,478,966
CRA ⁽³⁾	6.53%	BRL	CDI and IPCA	2023 - 37	1,101,080	853,054	7,629,778	7,618,405
Working capital - Brazilian Reais	7.79%	BRL	TJLP	2023 - 28	87,159	85,648	3,488	3,378
CDC ⁽⁵⁾	14.42%	BRL	–	2023 - 28	58,335	40,298	53,525	467
FINAME ⁽⁴⁾	5.59%	BRL	–	2023 - 25	4,075	4,618	1,530	2,299
FINEP ⁽⁶⁾	9.00%	BRL	–	2025	4,641	4,643	6,148	7,277
					1,470,507	1,263,090	9,041,391	9,110,792
					7,231,028	4,999,929	11,390,754	10,699,653

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Type	Consolidated							
	Average annual interest rate	Currency	Indexer	Payment terms	Current		Non-current	
					March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Foreign currency								
ACC ⁽¹⁾	6.57%	USD	SOFR	2023 - 24	3,893,346	2,174,591	254,020	266,395
Prepayment	5.43%	USD	Libor and SOFR	2023 - 27	2,014,085	2,074,077	2,368,148	1,974,791
FINIMP ⁽²⁾	5.00%	USD e EUR	Euribor	2023 - 25	458,870	525,112	12,522	15,867
White Stripe credit facility	7.67%	USD e CAD	-	2023	7,123	15,757	-	-
Working capital - American Dollar	7.37%	USD	Libor	2030	4,250	9,055	14,053	14,824
CRA ⁽³⁾	3.53%	USD	-	2027	3,054	484	64,813	66,564
Scott credit facilities	4.97%	USD	-	2024	-	-	9,053	9,361
Credit note - export	6.61%	USD	-	2023	380,179	-	-	-
					6,760,907	4,799,076	2,722,609	2,347,802
Local currency								
FINAME ⁽⁴⁾	5.59%	BRL	-	2023 - 25	4,075	4,618	1,530	2,299
FINEP ⁽⁶⁾	9.00%	BRL	-	2025	4,641	4,643	6,148	7,277
Prepayment	7.09%	GBP	SOFR	2023	41,815	49,792	-	-
Notes 2.50% JBS Lux 2027	2.50%	USD	-	2027	25,402	58,339	4,994,526	5,124,220
Notes 5.13% JBS Lux 2028	5.12%	USD	-	2028	36,452	123,675	4,491,399	4,611,232
Notes 6.50% JBS Lux 2029	6.50%	USD	-	2029	11,588	5,218	395,626	406,297
Notes 3.00% JBS Lux 2029	3.00%	USD	-	2029	13,971	37,567	2,967,756	3,044,523
Notes 5.50% JBS Lux 2030	5.50%	USD	-	2030	69,855	160,429	6,292,903	6,460,823
Notes 3.75% JBS Lux 2031	3.75%	USD	-	2031	30,696	6,793	2,514,254	2,581,447
Notes 3.00% JBS Lux 2032	3.00%	USD	-	2032	55,884	17,829	4,971,501	5,102,849
Notes 3.63% JBS Lux 2032	3.63%	USD	-	2032	36,833	84,589	4,994,277	5,126,840
Notes 5.75% JBS Lux 2033	5.75%	USD	-	2033	459,121	316,062	10,146,453	10,422,947
Notes 4.38% JBS Lux 2052	4.37%	USD	-	2052	30,564	82,179	4,505,781	4,626,984
Notes 6.50% JBS Lux 2052	6.50%	USD	-	2052	164,930	36,508	7,756,963	7,966,046
Notes 5.88% PPC 2027	5.88%	USD	-	2027	124,739	62,247	4,279,830	4,393,351
Notes 4.25% PPC 2031	4.25%	USD	-	2031	97,163	43,735	4,992,900	5,125,076
Notes 3.50% PPC 2032	3.50%	USD	-	2032	11,558	52,506	4,523,461	4,644,343
PPC term loan	6.31%	USD	Libor	2026	137,420	139,459	2,266,041	2,359,382
Working capital - Brazilian Reais	7.79%	BRL	TJLP	2023 - 28	87,159	85,648	3,488	3,378
Working capital - Euros	3.11%	EUR	Euribor	2023 - 24	86,823	71,639	9,792	9,929
Working capital - Pounds	1.50%	GPB	-	2023	18,168	-	-	-
Export credit facility	15.77%	BRL	CDI	2023 - 28	278,728	757,171	1,406,703	1,538,653
CDC ⁽⁵⁾	14.42%	BRL	-	2023 - 28	58,335	40,298	53,525	467
Rural - Credit note	15.81%	BRL	CDI	2024	6,688	4,176	3,333	5,834
Rural - Credit note - Pre fixed	11.00%	BRL	-	2023	180,561	185,020	-	-
CRA ⁽³⁾	6.53%	BRL	CDI and IPCA	2023 - 37	1,101,082	853,054	7,629,778	7,618,405
Scott credit facilities	5.14%	AUD, EUR and USD	-	2023 - 24	22,659	70,168	183	209
Beardstown Pace credit	3.50%	USD	-	2035 - 50	37,829	38,741	311,586	328,553
JBS Australia feedlot	7.00%	AUD	-	2023 - 24	2,677	1,346	168,796	175,273
Other	3.36%	Diversos	Diversos	2024 - 31	36,132	36,032	265,207	91,065
					3,273,548	3,429,481	79,953,740	81,777,702
					10,034,455	8,228,557	82,676,349	84,125,504

⁽¹⁾ Advances on Exchange Contracts.

⁽²⁾ Financing for Imports.

⁽³⁾ Agribusiness Credit Receivable Certificates.

⁽⁴⁾ Financing for Acquisition of Industrial Machinery and Equipment.

⁽⁵⁾ Direct Credit to Consumers.

⁽⁶⁾ Financing for Studies and Projects.

Average annual interest rate: Refers to the weighted average nominal cost of interest at the reporting date. The loans and financings are fixed by a fixed rate or indexed to rates: CDI, LIBOR, Euribor, SOFR, IPCA, TJLP, among others.

At March 31, 2023 the availability under Brasil revolving credit facilities was US\$450 million (R\$2.3 billion) and US\$450 million (R\$2.4 billion at December 31, 2022). In the United States the revolving credit facilities at March 31, 2023 was US\$2.8 million (R\$14.2 billion at March 31, 2023) and US\$2.8 billions (R\$14.4 billion) at December 31, 2022.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

The non-current portion of the principal payment schedule of loans and financing is as follows:

Maturity	March 31, 2023	
	Company	Consolidated
2024	2,090,412	2,737,669
2025	856,051	1,054,038
2026	760,928	2,991,050
2027	825,130	10,101,827
2028	422,492	5,122,997
Maturities thereafter 2028	6,435,741	60,668,768
	11,390,754	82,676,349

17.1 Guarantees and contractual restrictions ("covenants")

The Company was in compliance with all of its debt covenant restrictions at March 31, 2023 and until the date that these financial statements were approved.

18 Other taxes payable

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Taxes payable in installments	335,354	421,221	381,187	469,228
PIS / COFINS tax payable	74,516	87,732	149,493	157,670
ICMS / VAT / GST tax payable	51,024	40,592	158,455	146,518
Withholding income taxes	70,737	42,399	73,036	44,796
Others	3,793	2,758	479,437	513,550
Subtotal	535,424	594,702	1,241,608	1,331,762
Income taxes payable	-	-	103,444	475,174
Total	535,424	594,702	1,345,052	1,806,936
Breakdown:				
Current liabilities	264,500	281,532	783,961	1,200,895
Non-current liabilities	270,924	313,170	561,091	606,041
	535,424	594,702	1,345,052	1,806,936

19 Payroll and social charges

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Social charges in installments	2,227,480	2,214,052	2,260,859	2,249,109
Bonus and vacation along with related social charges	319,768	272,304	3,146,270	3,839,027
Salaries and related social charges	259,630	445,929	2,124,097	2,276,815
Others	12,248	10,829	273,168	265,151
	2,819,126	2,943,114	7,804,394	8,630,102
Breakdown:				
Current liabilities	958,292	1,083,670	5,472,002	6,251,132
Non-current liabilities	1,860,834	1,859,444	2,332,392	2,378,970
	2,819,126	2,943,114	7,804,394	8,630,102

Taxes payable in installments: In December 2022, the Federal Supreme Court (STF) in a decision favorable to the Direct Action of Unconstitutionality (ADI No. 4,395), declared that was unconstitutional the subrogation of the collection of social security contributions referring to the Assistance Fund for Rural Workers (FUNRURAL) to slaughterhouses, consumer companies, consignees or cooperatives purchasing production. The Company is also waiting for the approval of the minute of judgment and the decision by the STF that will define the period for which the decision will take effect. On March 31, 2023 the Company and its subsidiaries has recognized under Taxes payable in installments the amount of R\$1.69 billion, in the Company and R\$1.71 billion, in the Consolidated related to the FUNRURAL. For the three month period ended at March 31, 2023, the Company and its subsidiaries paid installments in cash and offset with the balance of recoverable taxes the amount of R\$1.05, in the Company and R\$1.07 in the Consolidated.

20 Provisions for legal proceedings

The Company is part of several lawsuits arising in the ordinary course of business for which provisions are recognized based on estimated costs determined by management as follows:

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Labor	257,368	252,392	520,920	517,958
Civil	99,022	77,765	1,245,093	1,162,505
Tax and Social Security	161,257	148,028	588,535	550,049
Total	517,647	478,185	2,354,548	2,230,512

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Breakdown:	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Current liabilities	–	–	954,810	909,132
Non-current liabilities	517,647	478,185	1,399,738	1,321,380
	517,647	478,185	2,354,548	2,230,512

Changes in provisions

	Company				
	December 31, 2022	Additions, disposals and changes in prognosis	Payments	Monetary correction	March 31, 2023
Labor	252,392	29,537	(33,080)	8,519	257,368
Civil	77,765	16,345	(3,378)	8,290	99,022
Tax and social security	148,028	5,361	–	7,868	161,257
Total	478,185	51,243	(36,458)	24,677	517,647

	Consolidated					
	December 31, 2022	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	March 31, 2023
Labor	517,958	57,217	(70,361)	16,137	(31)	520,920
Civil	1,162,505	109,832	(22,454)	20,699	(25,489)	1,245,093
Tax and social security	550,049	12,116	(463)	26,887	(54)	588,535
Total	2,230,512	179,165	(93,278)	63,723	(25,574)	2,354,548

In the subsidiary JBS USA:

a. **Civil Proceedings:** Refers to several class action lawsuits, alleging violations of federal and state antitrust, unfair competition, unfair enrichment, deceptive trade practice, and consumer protection laws on sales of beef, pork and chicken. For the three month period ended at March 31, 2023 the indirect subsidiary JBS USA recognized an accrual in the amount of US\$13.7 million (R\$69,601 at March 31, 2023) and no payment was made in the quarter. At March 31, 2023, the remaining accrual is US\$187.9 million (R\$976,273 at March 31, 2023).

The Company, together with its legal department and hired external offices, continues to monitor the developments of the antitrust proceedings and understand that the accounting provisions measured and known up to the date of approval of these financial statements are sufficient for risk coverage.

21 Equity

a. **Share capital:** Share capital on March 31, 2023 and December 31, 2022 was R\$23,576,206, represented by 2,218,116,370 common shares, having no nominal value.

	March 31, 2023		December 31, 2022	
	Quantity	R\$ thousand	Quantity	R\$ thousand
Initial balance	2,218,116,370	23,576,206	2,373,866,570	23,576,206
Cancellation of treasury shares	–	–	(155,750,200)	–
Final balance	2,218,116,370	23,576,206	2,218,116,370	23,576,206

b. Profit reserve:

b1. **Treasury shares:** Treasury shares include own shares acquired by the Company. On March 31, 2023, the Company had no balance in treasury shares.

c. **Other comprehensive income:** Composed by gain on cash flow hedge, Gains (losses) associated with pension and other postretirement benefit obligations, valuation adjustments to equity in subsidiaries, loss on net investment in foreign operations and gain on foreign currency translation adjustments. In the financial statement which includes the foreign entity, such exchange variations must be recognized, initially, in other comprehensive income in a specific equity account, and must be transferred from equity to the income statement when the net investment is written off.

c1. **Net investment in foreign operations:** The Company has certain intercompany loans balances with the subsidiaries JBS Luxembourg S.à.r.l and JBS Investments Luxembourg S.à.r.l which will not be settled through cash but with equity transactions, through capital reduction. Therefore, the Company understands that these balances are an extension of the subsidiary's investment, thus they are considered as net investment on foreign operations. The exchange variation is reclassified from income statement to equity, during the period.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

22 Net revenue

	Company		Consolidated	
	2023	2022	2023	2022
GROSS REVENUE				
Sales of products and services				
Domestic sales	7,167,445	7,858,101	69,430,842	70,079,702
Export sales	4,713,589	6,445,136	20,220,041	23,618,225
	<u>11,881,034</u>	<u>14,303,237</u>	<u>89,650,883</u>	<u>93,697,927</u>
SALES DEDUCTION				
Returns and discounts	(441,489)	(534,276)	(2,093,846)	(1,997,786)
Sales taxes	(227,106)	(226,618)	(873,308)	(833,568)
	<u>(668,595)</u>	<u>(760,894)</u>	<u>(2,967,154)</u>	<u>(2,831,354)</u>
NET REVENUE	<u>11,212,439</u>	<u>13,542,343</u>	<u>86,683,729</u>	<u>90,866,573</u>

22.1 Customer contract balances

Contract balances

Customer contract liabilities relate to payments received in advance of satisfying the performance obligation under the contract. Moreover, a contract liability is recognized when the Company has an obligation to transfer products to a customer from whom the consideration has already been received. The recognition of the contractual liability occurs at the time when the consideration is received and settled. The Company recognizes revenue upon fulfilling the related performance obligation. Contract liabilities are presented as advances from customers in the balance sheet.

	Note	Company		Consolidated	
		2023	2022	2023	2022
Trade accounts receivable	5	3,092,896	4,380,011	18,825,577	20,234,895
Contract liabilities		660,123	982,639	1,472,425	1,124,306

23 Financial income (expense)

	Company		Consolidated	
	2023	2022	2023	2022
Exchange rate variation	101,143	2,123,711	280,188	2,651,934
Fair value adjustments on derivatives	62,357	(843,621)	(76,505)	(1,210,220)
Interest expense ⁽¹⁾	(1,114,769)	(771,696)	(2,052,626)	(1,580,231)
Interest income ⁽²⁾	129,542	122,376	351,284	262,511
Bank fees and others	(33,413)	(57,919)	(56,440)	(334,067)
	<u>(855,140)</u>	<u>572,851</u>	<u>(1,554,099)</u>	<u>(210,073)</u>
Financial income	293,042	2,246,087	631,472	2,914,445
Financial expense	(1,148,182)	(1,673,236)	(2,185,571)	(3,124,518)
	<u>(855,140)</u>	<u>572,851</u>	<u>(1,554,099)</u>	<u>(210,073)</u>

⁽¹⁾ For the three month period ended at March 31, 2023 and 2022, the amounts of R\$432,527 and R\$303,353, respectively, in the Company and R\$1,457,887 and R\$1,074,325, in the Consolidated refers to interest expenses from loans and financings expenses recognized under the caption "Interest expense".

⁽²⁾ For the three month period ended at March 31, 2023 and 2022, the amounts of R\$30,668 and R\$10,917, respectively, in the Company and R\$90,718 and R\$71,354, respectively, in the Consolidated refers to interest income from short investments recognized under the caption "Interest income".

24 Earnings (loss) per share

Basic and diluted: There were no changes in the basic earnings (loss) per share calculation assumptions since the disclosed financial statements from December 31, 2022.

	2023	2022
Net income attributable to Company shareholders	<u>(1,452,603)</u>	<u>5,142,273</u>
Weighted average common shares outstanding	2,218,116,370	2,271,690,349
Weighted average - treasury shares	-	(21,966,881)
Weighted average - common shares outstanding	<u>2,218,116,370</u>	<u>2,249,723,468</u>
Basic and diluted earnings (loss) per share - (R\$)	(0.65)	2.29

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

25 Operating segments and information by geographic area

The information by consolidated operational segments is as follows:

Product type report:

2023										
	Brazil	Seara	Beef North America	Pork USA	Pilgrim's Pride	Australia	Others	Total reportable segments	Elimination ⁽¹⁾	Total
Net revenue	12,199,593	10,329,562	27,356,840	9,392,635	21,620,618	7,244,949	1,270,387	89,414,584	(2,730,855)	86,683,729
Adjusted EBITDA ⁽²⁾	296,573	146,954	115,840	231,680	1,395,792	(17,662)	(3,811)	2,165,366	(3,011)	2,162,355

2022										
	Brazil	Seara	Beef North America	Pork USA	Pilgrim's Pride	Australia	Others	Total reportable segments	Elimination ⁽¹⁾	Total
Net revenue	14,329,298	9,487,723	28,990,027	9,947,356	22,173,337	7,418,142	995,335	93,341,218	(2,474,645)	90,866,573
Adjusted EBITDA ⁽²⁾	438,209	616,159	4,108,591	1,232,727	3,207,533	445,199	39,114	10,087,532	(2,733)	10,084,799

⁽¹⁾ Includes intercompany and intersegment transactions.

⁽²⁾ The Adjusted EBITDA is reconciled with the consolidated operating profit, as follows below:

	2023	2022
Operating profit (loss)	(609,202)	7,408,025
Depreciation and amortization	2,592,830	2,436,053
Antitrust agreements ⁽¹⁾	71,166	88,752
Donations and social programs ⁽²⁾	14,186	56,259
Other operating income (expense), net ⁽³⁾	93,375	95,710
Elimination	3,011	2,733
Total Adjusted EBITDA for operating segments	2,165,366	10,087,532

⁽¹⁾ Refers to the agreements entered by JBS USA and its subsidiaries as described in Note 20 – Provisions for legal proceedings.

⁽²⁾ Refers to the donations, as described in Note 26 – Expenses by nature.

⁽³⁾ Refers to several adjustments basically in JBS USA's jurisdiction such as third-party advisory expenses related to restructuring projects and acquisitions, marketing of social programs, insurance claims, among others.

For additional information, the net revenue and total assets are present below segregated by geographic area.

Geographic reporting

2023								
	North and Central America ⁽²⁾	South America	Australia	Europe	Others	Total reportable segments	Intercompany elimination ⁽¹⁾	Total
Net revenue	51,257,679	20,755,122	7,244,949	7,427,316	315,798	87,000,864	(317,135)	86,683,729
Total assets	144,767,074	86,887,543	18,067,294	26,206,593	9,439,126	285,367,630	(85,156,062)	200,211,568

2022								
	North and Central America ⁽²⁾	South America	Australia	Europe	Others	Total reportable segments	Intercompany elimination ⁽¹⁾	Total
Net revenue	54,873,115	23,250,546	7,418,142	6,875,752	268,300	92,685,855	(1,819,282)	90,866,573
Total assets	151,146,037	88,094,837	18,844,673	26,276,425	11,261,253	295,623,225	(87,512,597)	208,110,628

⁽¹⁾ Includes intercompany and intersegment transactions.

⁽²⁾ Including the holdings located in Europe that are part of the North American operation.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

26 Expenses by nature

The Company's policy is to present expenses by function on the consolidated statement of income (loss). Expenses by nature are disclosed below:

	Company		Consolidated	
	2023	2022	2023	2022
Cost of sales				
Cost of inventories, raw materials and production inputs	(9,065,236)	(11,169,937)	(67,512,613)	(63,624,705)
Salaries and benefits	(574,356)	(418,127)	(9,297,514)	(8,788,209)
Depreciation and amortization	(114,888)	(106,873)	(2,259,433)	(2,088,018)
	<u>(9,754,480)</u>	<u>(11,694,937)</u>	<u>(79,069,560)</u>	<u>(74,500,932)</u>
General and administrative				
Salaries and benefits	(226,876)	(454,108)	(1,459,234)	(1,852,662)
Fees, services held and general expenses	(240,143)	(251,969)	(879,239)	(909,455)
Depreciation and amortization	(64,745)	(75,975)	(246,997)	(269,012)
DOJ and Antitrust agreements	-	-	(71,166)	(88,752)
Donations and social programs ⁽¹⁾	(14,186)	(53,259)	(14,186)	(53,259)
JBS Fund For The Amazon	-	(3,000)	-	(3,000)
	<u>(545,950)</u>	<u>(838,311)</u>	<u>(2,670,822)</u>	<u>(3,176,140)</u>
Selling				
Freights and selling expenses	(710,151)	(709,248)	(4,905,105)	(4,932,036)
Salaries and benefits	(107,662)	(49,503)	(359,951)	(265,803)
Depreciation and amortization	(27,968)	(14,295)	(86,400)	(79,023)
Advertising and marketing	(38,187)	(27,015)	(396,113)	(378,019)
Commissions	(7,800)	(23,443)	(55,641)	(75,015)
Net impairment losses on financial	22,812	(13,222)	27,903	(24,273)
	<u>(868,956)</u>	<u>(836,726)</u>	<u>(5,775,307)</u>	<u>(5,754,169)</u>

⁽¹⁾ Refers to donations made to Instituto Germinare regarding improvements on school's building, the social program "Fazer o Bem Faz Bem" created by the company to support actions for social transformation where the Company is present and donations to the JBS Fund For The Amazon.

As of March 31, 2023 in the Company and Consolidated, other income (expenses) includes gain (losses) of sale of assets, insurance claim, third-party consulting expenses related to corporate restructuring, among others.

The Company incurred expenses with internal research and development, in the amount of R\$1,426 (R\$398 at March 31, 2022), in the Company and R\$42,922 (R\$59,113 at March 31, 2022), in the Consolidated.

27 Risk management and financial instruments

Financial instruments are recognized in the consolidated financial statements as follows:

	Notes	Company		Consolidated	
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Assets					
Fair value through profit or loss ⁽¹⁾					
Financial investments	4	155,732	151,963	3,377,033	7,008,149
National treasury bills	4	155,103	204,480	513,282	572,183
Derivative assets		171,246	98,134	417,727	566,144
Loans and receivables at amortized cost ⁽²⁾					
Cash at banks	4	1,842,866	1,820,325	5,328,034	5,972,915
Margin cash	4	–	–	149,894	308,302
Trade accounts receivable	5	3,092,896	4,380,011	18,825,577	20,234,895
Related party receivables	9	1,108,104	1,103,125	964,871	951,021
Total		6,525,947	7,758,038	29,576,418	35,613,609
Liabilities					
Amortized cost					
Loans and financing	17	(18,621,782)	(15,699,582)	(92,710,804)	(92,354,061)
Trade accounts payable and supply chain finance	16	(4,617,657)	(5,561,549)	(29,126,962)	(34,080,614)
Related party payables	9	(7,737,633)	(10,182,741)	–	–
Lease liabilities	13	(79,057)	(62,698)	(8,874,552)	(8,984,008)
Other financial liabilities ⁽³⁾		(5,180)	(5,180)	(55,714)	(61,964)
Fair value through profit or loss					
Derivative liabilities		(301,601)	(278,227)	(611,994)	(559,536)
Total		(31,362,910)	(31,789,977)	(131,380,026)	(136,040,183)

⁽¹⁾ CDBs are updated at the effective rate but have a really short-term and negotiated with financial institutions, and their recognition is similar to fair value; (ii) national treasury bill is recognized according to market value.

⁽²⁾ Loans and receivables are classified as amortized cost, but without any change in their nature or business model; (ii) the accounts receivable are short-term and net from expected losses.

⁽³⁾ The balances are related to commitments with third parties for investment.

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Fair value of assets and liabilities through profit or loss: The Company and its subsidiaries determine fair value measurements in accordance with the hierarchical levels that reflect the significance of the inputs used in the measurement, with the exception of those maturing at short term, equity instruments without an active market and contracts with discretionary characteristics that the fair value can not be measured reliably, according to the following levels:

Level 1 - Quoted prices in active markets (unadjusted) for identical assets or liabilities;

Level 2 - Inputs other than Level 1, in which prices are quoted for similar assets and liabilities, either directly by obtaining prices in active markets or indirectly through valuation techniques that use data from active markets;

Level 3 - Inputs used for fair value calculations which are not derived from an active market. The Company and its subsidiaries do not have any financial instruments that utilize level 3 inputs.

	Company					
	March 31, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	-	155,732	155,732	-	151,963	151,963
National treasury bills	155,103	-	155,103	204,480	-	204,480
Derivative assets	-	171,246	171,246	-	98,134	98,134
Financial liabilities						
Derivative liabilities	-	301,601	301,601	-	278,227	278,227

	Consolidated					
	March 31, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	-	3,377,033	3,377,033	-	7,008,149	7,008,149
National treasury bills	513,282	-	513,282	572,183	-	572,183
Derivative assets	-	417,727	417,727	-	566,144	566,144
Financial liabilities						
Derivative liabilities	-	611,994	611,994	-	559,536	559,536

Fair value of assets and liabilities carried at amortized cost: The fair value of the Notes under Rule 144-A and Regulation S, are estimated using the closing sale price of these securities informed by a financial newswire on March 31, 2023 and December 31, 2022, considering there is an active market for these financial instruments. The book value of the remaining fixed-rate loans approximates fair value since the interest rate market, the Company's credit quality, and other market factors have not significantly changed since entering into the loans. The book value of variable-rate loans and financings approximates fair value given the interest rates adjust for changes in market conditions and the quality of the Company's credit rating has not substantially changed. For all other financial assets and liabilities, book value approximates fair value due to the short duration of the instruments. The following details the estimated fair value of loans and financings:

Description	Consolidated					
	March 31, 2023			December 31, 2022		
	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
Notes 2.50% JBS Lux 2027	5,080,400	88.62	4,502,250	5,217,701	86.90	4,534,182
Notes 5.13% JBS Lux 2028	4,572,360	96.55	4,414,614	4,695,931	95.13	4,467,239
Notes 6.50% JBS Lux 2029	396,134	102.55	406,235	406,840	98.16	399,354
Notes 3.00% JBS Lux 2029	3,048,240	85.43	2,604,111	3,130,620	84.02	2,630,347
Notes 5.50% JBS Lux 2030	6,350,500	95.32	6,053,297	6,522,126	95.40	6,222,108
Notes 3.75% JBS Lux 2031	2,540,200	82.78	2,102,778	2,608,850	82.46	2,151,258
Notes 3.00% JBS Lux 2032	5,080,400	78.48	3,987,098	5,217,701	77.61	4,049,458
Notes 3.63% JBS Lux 2032	5,080,400	82.07	4,169,484	5,217,701	82.24	4,291,037
Notes 5.75% JBS Lux 2033	10,414,820	95.27	9,922,199	10,696,287	95.41	10,205,327
Notes 4.38% JBS Lux 2052	4,572,360	71.56	3,271,981	4,695,931	71.80	3,371,678
Notes 6.50% JBS Lux 2052	7,874,620	95.40	7,512,387	8,087,436	96.79	7,827,829
Notes 5.88% PPC 2027	4,318,340	99.19	4,283,361	4,435,046	99.55	4,415,088
Notes 4.25% PPC 2031	5,080,400	83.57	4,245,690	5,217,701	86.39	4,507,572
Notes 3.50% PPC 2032	4,572,360	79.53	3,636,398	4,695,931	80.72	3,790,556
	68,981,534		61,111,883	70,845,802		62,863,033

Risk management:

The Company during the regular course of its operations is exposed to a variety of financial risks that include the effects of changes in market prices, (including foreign exchange, interest rate risk and commodity price risk), credit risk and liquidity risk. Such risks are fully disclosed in the financials statements at December 31, 2022. There were no changes in the nature of these risks in the current period. Below are the risks and operations to which the Company is exposed and a sensitivity analysis for each type of risk, consisting in the presentation of the effects in the finance income (expense), net, when subjected to possible changes, of 25% to 50%, in the relevant variables for each risk. For each probable scenario, the Company utilizes the Value at Risk Methodology (VaR), for the confidence interval (C.I.) of 99% and a horizon of one day.

a. Interest rate risk

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

The Company understands that the quantitative data referring to the Company's interest rate exposure risk on March 31, 2023 and December 31, 2022, are in accordance with the Financial and Commodity Risk Management Policy and are representative of the exposure incurred during the period. For informational purposes and in accordance with our Financial and Commodities Risk Management Policy, the notional amounts of assets and liabilities exposed to floating interest rates are presented below:

	Company		Consolidated	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Net exposure to the CDI rate:				
CDB-DI (Bank certificates of deposit)	155,732	151,963	2,734,561	3,532,181
Treasury bills	75,327	124,046	75,327	124,046
Margin cash	31,658	80,444	169,870	387,344
Related party transactions	(7,737,632)	(8,371,733)	6,662	7,839
Credit note - export	(1,562,139)	(1,753,795)	(1,685,431)	(2,301,658)
CRA - Agribusiness Credit Receivable Certificates	(31,842)	(30,692)	(31,842)	(30,692)
Rural - Credit note	-	-	(10,021)	(4,176)
Subtotal	(9,068,896)	(9,799,767)	1,259,126	1,714,884
Derivatives (Swap)	(7,474,288)	(6,788,487)	(7,474,288)	(6,368,342)
Total	(16,543,184)	(16,588,254)	(6,215,162)	(4,653,458)
Liabilities exposure to the LIBOR rate:				
PPC term loan	-	-	(2,403,461)	(2,498,841)
Prepayment	-	-	(1,093,494)	(1,524,660)
FINIMP	-	(14,729)	-	(14,729)
Credit Facility PPC	-	-	(165,240)	-
Working Capital - American dollars	(15,842)	(16,645)	(15,842)	(16,645)
Subtotal	(15,842)	(31,374)	(3,678,037)	(4,054,875)
Derivatives (Swap)	-	-	-	1,541,061
Total	(15,842)	(31,374)	(3,678,037)	(2,513,814)
Net exposure to the IPCA rate:				
Margin cash	-	-	79,777	79,500
CRA - Agribusiness Credit Receivable Certificates	(8,657,236)	(8,398,599)	(8,657,236)	(8,398,599)
Related party transactions	556,316	543,165	556,316	543,165
Treasury bills	-	-	136,161	77,049
Subtotal	(8,100,920)	(7,855,434)	(7,884,982)	(7,698,885)
Derivatives (Swap)	7,490,627	7,122,166	7,490,627	7,122,166
Total	(610,293)	(733,268)	(394,355)	(576,719)
Liabilities exposure to the SOFR rate:				
Prepayment	(522,907)	(528,230)	(826,223)	(842,188)
Total	(522,907)	(528,230)	(826,223)	(842,188)
Assets exposure to the CPI rate:				
Margin cash	-	-	142,241	211,155
Total	-	-	142,241	211,155

Sensitivity analysis:

Contracts exposure	Risk	Current scenario	Scenario (I) VaR 99% I.C. 1 day			Scenario (II) Interest rate variation - 25%			Scenario (III) Interest rate variation - 50%		
			Rate	Effect on income		Rate	Effect on income		Rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated
CDI	Increase	13.65%	13.75%	(15,731)	(5,783)	17.06%	(564,619)	(207,573)	20.48%	(1,129,072)	(415,086)
Libor	Increase	5.31%	5.32%	(2)	(379)	6.63%	(210)	(48,797)	7.96%	(420)	(97,568)
IPCA	Increase	5.60%	5.62%	(145)	(94)	7.00%	(8,544)	(5,521)	8.40%	(17,088)	(11,042)
SOFR	Increase	4.87%	4.88%	(96)	(133)	6.09%	(9,485)	(13,179)	7.31%	(18,962)	(26,348)
CPI	Decrease	6.00%	5.99%	-	(17)	4.50%	-	(2,134)	3.00%	-	(4,267)
				(15,974)	(6,406)		(582,922)	(277,268)		(1,165,671)	(554,440)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

			Company							
			March 31, 2023				December 31, 2022			
Instrument	Risk factor	Maturity	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	PRÉ USD	2023	393,750	384,089	(400,825)	(16,736)	-	-	-	-
	IPCA	2024	537,534	673,737	(533,508)	140,229	537,534	646,186	(513,673)	132,513
	IPCA	2027	387,000	440,164	(431,297)	8,867	387,000	418,991	(417,549)	1,442
	IPCA	2028	422,000	506,539	(505,408)	1,131	442,000	481,768	(489,234)	(7,466)
	IPCA	2030	1,400,000	1,615,383	(1,656,633)	(41,250)	1,400,000	1,546,027	(1,603,211)	(57,184)
	IPCA	2031	1,530,000	1,643,844	(1,719,057)	(75,213)	1,430,000	1,480,425	(1,568,962)	(88,537)
	IPCA	2032	900,000	954,458	(991,354)	(36,896)	900,000	927,182	(972,097)	(44,915)
	IPCA	2036	100,000	105,335	(115,329)	(9,994)	100,000	101,869	(111,699)	(9,830)
	IPCA	2037	1,272,000	1,551,167	(1,654,385)	(103,218)	1,272,000	1,519,718	(1,625,735)	(106,017)
			6,942,284	7,874,716	(8,007,796)	(133,080)	6,468,534	7,122,166	(7,302,160)	(179,994)
			Consolidated							
			March 31, 2023				December 31, 2022			
Instrument	Risk factor	Maturity	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	CDI	2023	-	-	-	-	400,000	420,145	(404,637)	15,508
	LIBOR	2024	-	-	-	-	1,507,335	1,541,061	(1,462,267)	78,794
	PRÉ USD	2022	393,750	384,089	(400,825)	(16,736)	-	-	-	-
	IPCA	2024	537,534	673,737	(533,508)	140,229	537,534	646,186	(513,673)	132,513
	IPCA	2027	387,000	440,164	(431,297)	8,867	387,000	418,991	(417,549)	1,442
	IPCA	2028	422,000	506,539	(505,408)	1,131	442,000	481,768	(489,234)	(7,466)
	IPCA	2030	1,400,000	1,615,383	(1,656,633)	(41,250)	1,400,000	1,546,027	(1,603,211)	(57,184)
	IPCA	2031	1,530,000	1,643,844	(1,719,057)	(75,213)	1,430,000	1,480,425	(1,568,962)	(88,537)
	IPCA	2032	900,000	954,458	(991,354)	(36,896)	900,000	927,182	(972,097)	(44,915)
	IPCA	2036	100,000	105,335	(115,329)	(9,994)	100,000	101,869	(111,699)	(9,830)
	IPCA	2037	1,272,000	1,551,167	(1,654,385)	(103,218)	1,272,000	1,519,718	(1,625,735)	(106,017)
			6,942,284	7,874,716	(8,007,796)	(133,080)	8,375,869	9,083,372	(9,169,064)	(85,692)

b. Exchange rate risk:

Below are presented the risks related to the most significant exchange rates fluctuation given the relevance of these currencies in the Company's operations and the stress analysis scenarios and VaR to measure the total exposure as well as the cash flow risk with B3 and the Chicago Mercantile Exchange. In the Consolidated, the Company discloses these exposures considering the fluctuations of a exchange rate in particular towards the functional currency of each subsidiary.

	Company					
	USD		EUR		GBP	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
OPERATING						
Cash and cash equivalents	1,790,277	1,646,583	52,411	150,768	9,041	1,045
Trade accounts receivable	1,862,608	2,797,281	145,295	255,159	57,647	57,115
Sales orders	3,427,828	1,691,501	147,657	170,821	37,895	69,810
Trade accounts payable	(196,023)	(217,330)	(35,661)	(28,843)	(9)	-
Operating subtotal	6,884,690	5,918,035	309,702	547,905	104,574	127,970
FINANCIAL						
Loans and financing	(8,085,901)	(5,299,683)	(23,982)	(26,017)	-	-
Financial subtotal	(8,085,901)	(5,299,683)	(23,982)	(26,017)	-	-
Operating financial subtotal	(1,201,211)	618,352	285,720	521,888	104,574	127,970
Related parties transaction, net	-	(1,660,877)	-	-	-	-
Total exposure	(1,201,211)	(1,042,525)	285,720	521,888	104,574	127,970
DERIVATIVES						
Future contracts	85,297	2,557	(359,638)	(539,980)	-	-
Swap	384,089	-	-	-	-	-
Total derivatives	469,386	2,557	(359,638)	(539,980)	-	-
NET EXPOSURE IN R\$	(731,825)	(1,039,968)	(73,918)	(18,092)	104,574	127,970
Net debt in foreign subsidiaries ⁽¹⁾	(70,120,692)	(66,873,170)	-	-	-	-

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
OPERATING										
Cash and cash equivalents	3,922,622	3,848,527	214,911	209,670	44,576	63,667	499,591	639,627	122	268
Trade accounts receivable	4,847,879	6,124,137	656,213	712,099	178,542	267,677	614,093	657,623	1,677	6,485
Sales orders	4,981,635	3,116,512	186,768	218,958	37,895	69,810	-	-	-	-
Trade accounts payable	(703,121)	(805,002)	(564,471)	(481,445)	(91,375)	(98,088)	(306,287)	(273,126)	(2,286)	(15,443)
Purchase orders	(266,471)	(321,825)	(62,349)	(63,557)	-	-	-	-	-	-
Operating subtotal	12,782,544	11,962,349	431,072	595,725	169,638	303,066	807,397	1,024,124	(487)	(8,690)
FINANCIAL										
Margin cash	11,681	1,402	-	-	-	-	-	-	-	-
Advances to customers	(93,785)	(188,904)	(1,577)	(4,468)	-	-	-	-	-	-
Loans and financing	(9,454,562)	(7,108,978)	(23,982)	(26,017)	-	-	-	-	-	-
Financial subtotal	(9,536,666)	(7,296,480)	(25,559)	(30,485)	-	-	-	-	-	-
Operating financial subtotal	3,245,878	4,665,869	405,513	565,240	169,638	303,066	807,397	1,024,124	(487)	(8,690)
Related party transactions, net	4,815,665	-	1,526,269	1,510,817	-	-	-	-	-	2,378,956
Total exposure	8,061,543	4,665,869	1,931,782	2,076,057	169,638	303,066	807,397	1,024,124	(487)	2,370,266
DERIVATIVES										
Future contracts	186,905	2,557	(359,638)	(539,980)	-	-	-	-	-	-
Deliverable Forwards (DF's)	(2,556,640)	(2,417,731)	277,476	438,355	(30,691)	(27,174)	(1,550,985)	(1,520,318)	17,024	(36,597)
Non-Deliverable Forwards (NDF's)	(52,912)	15,804	(60,624)	(61,746)	(76,445)	(103,107)	-	-	-	-
Swap	384,089	78,793	-	-	-	-	-	-	-	-
Total derivatives	(2,038,558)	(2,320,577)	(142,786)	(163,371)	(107,136)	(130,281)	(1,550,985)	(1,520,318)	17,024	(36,597)
NET EXPOSURE IN R\$	6,022,985	2,345,292	1,788,996	1,912,686	62,502	172,785	(743,588)	(496,194)	16,537	2,333,669
Net debt in foreign subsidiaries ⁽¹⁾	(70,120,692)	(66,873,170)	-	-	-	-	-	-	-	-

⁽¹⁾ For currency hedging purposes, the Company includes in its exposure the net debt of foreign subsidiaries. Although these debts do not generate currency exposure in the Company's results (since they are abroad, and in the functional currency of each country), these debts in the consolidation are affected by the exchange rate, impacting shareholders' equity as exchange variation on investment, influencing the consolidated debt of the Company, and consequently the leverage indicators.

b1. Sensitivity analysis and derivative financial instruments breakdown:
b1.1 USD - American dollars (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%				Scenario (iii) Interest rate variation - 50%			
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated		Company	Consolidated
Operating	Appreciation	5.0804	4.9516	(174,529)	(324,042)	3.8103	(1,721,173)	(3,195,636)	2.5402	(3,442,345)	(6,391,272)			
Financial	Depreciation	5.0804	4.9516	204,981	241,758	3.8103	2,021,475	2,384,167	2.5402	4,042,950	4,768,333			
Related parties	Appreciation	5.0804	4.9516	-	(122,079)	3.8103	-	(1,203,916)	2.5402	-	(2,407,833)			
Derivatives	Depreciation	5.0804	4.9516	(11,899)	51,678	3.8103	(117,346)	509,640	2.5402	(234,693)	1,019,279			
				18,553	(152,685)		182,956	(1,505,745)		365,912	(3,011,493)			

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%				Scenario (iii) Interest rate variation - 50%			
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated		Company	Consolidated
Net debt in foreign subsidiaries	Depreciation	5.0804	5.2092		(1,777,585)	6.3505		(17,530,173)	7.6206		(35,060,346)			

Instrument	Risk factor	Nature	Company/ Consolidated					
			March 31, 2023			December 31, 2022		
			Quantity	Notional (R\$)	Fair value	Quantity	Notional (R\$)	Fair value
Future Contract	American dollar	Long	1,706	85,297	1,762	51	2,557	(4,506)

Instrument	Risk factor	Nature	Consolidated					
			March 31, 2023			December 31, 2022		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	American dollar	Short	(503,236)	(2,556,640)	(43,158)	(463,371)	(2,417,731)	67,658
Non-Deliverable Forwards	American dollar	Short	(10,415)	(52,912)	828	3,029	15,804	(339)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

b1.2 EUR - EURO (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate
				Company	Consolidated		Company	Consolidated		Company	Consolidated	
Operating	Appreciation	5.5244	5.3667	(8,842)	(12,307)	4.1433	(77,426)	(107,768)	2.7622	(154,851)	(215,536)	
Financial	Depreciation	5.5244	5.3667	685	730	4.1433	5,995	6,390	2.7622	11,991	12,779	
Related party	Appreciation	5.5244	5.3667	-	(43,575)	4.1433	-	(381,567)	2.7622	-	(763,134)	
Derivatives	Depreciation	5.5244	5.3667	10,268	4,077	4.1433	89,910	35,697	2.7622	179,819	71,393	
				2,111	(51,075)		18,479	(447,248)		36,959	(894,498)	

Instrument	Risk factor	Nature	Company					
			March 31, 2023			December 31, 2022		
			Quantity	Notional (R\$)	Fair value	Quantity	Notional (R\$)	Fair value
Future Contract	Euro	Short	6,510	(359,638)	1,632	9,700	(539,980)	(2,872)

Instrument	Risk factor	Nature	Consolidated					
			March 31, 2023			December 31, 2022		
			Notional (EUR)	Notional (R\$)	Fair value	Notional (EUR)	Notional (R\$)	Fair value
Deliverable Forwards	Euro	Long	50,227	277,476	12,681	78,708	438,355	17,965
Non-Deliverable Forwards	Euro	Short	(10,974)	(60,624)	417	(11,087)	(61,746)	47

GBP - British Pound (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate
				Company	Consolidated		Company	Consolidated		Company	Consolidated	
Operating	Appreciation	6.2845	6.0918	(3,207)	(5,203)	4.7134	(26,144)	(42,409)	3.1423	(52,287)	(84,819)	
Derivatives	Depreciation	6.2845	6.0918	-	3,286	4.7134	-	26,784	3.1423	-	53,568	
				(3,207)	(1,917)		(26,144)	(15,625)		(52,287)	(31,251)	

Instrument	Risk factor	Nature	Consolidated					
			March 31, 2023			December 31, 2022		
			Notional (GBP)	Notional (R\$)	Fair value	Notional (GBP)	Notional (R\$)	Fair value
Deliverable Forwards	British pound	Short	(4,884)	(30,691)	(1,265)	(4,328)	(27,174)	(193)
Non-Deliverable Forwards	British pound	Short	(12,164)	(76,445)	(442)	(16,422)	(103,107)	1,357

b1.4 MXN - Mexican Peso (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate
				Company	Consolidated		Company	Consolidated		Company	Consolidated	
Operating	Appreciation	0.2819	0.2886		19,218	0.3524		201,864	0.4229		403,699	
Derivatives	Depreciation	0.2819	0.2886		(36,918)	0.3524		(387,774)	0.4229		(775,493)	
					(17,700)			(185,910)			(371,794)	

Instrument	Risk factor	Nature	Consolidated					
			March 31, 2023			December 31, 2022		
			Notional (MXN)	Notional (R\$)	Fair value	Notional (MXN)	Notional (R\$)	Fair value
Deliverable Forwards	Mexican peso	Short	(5,501,898)	(1,550,985)	25,590	(5,700,480)	(1,520,318)	(30,362)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

b1.5 AUD - Australian Dollar (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
				Consolidated		Consolidated		Consolidated
Operating	Depreciation	3.4059	3.3158	13	2.5544	122	1.7030	244
Derivatives	Appreciation	3.4059	3.3158	(450)	2.5544	(4,256)	1.7030	(8,512)
				<u>(437)</u>		<u>(4,134)</u>		<u>(8,268)</u>
Consolidated								
			March 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (AUD)	Notional (R\$)	Fair value	Notional (AUD)	Notional (R\$)	Fair value
Deliverable Forwards	Australian dollar	Long	4,999	17,024	(107)	1,388	4,920	5

c. Commodity price risk

The Company operates globally (the entire livestock protein chain and related business) and during the regular course of its operations is exposed to price fluctuations in feeder cattle, live cattle, lean hogs, corn, soybeans, and energy, especially in the North American, Australian and Brazilian markets. Commodity markets are characterized by volatility arising from external factors including climate, supply levels, transportation costs, agricultural policies and storage costs, among others. The Risk Management Department is responsible for mapping the exposures to commodity prices of the Company and proposing strategies to the Risk Management Committee, in order to mitigate such exposures.

c1. Position balance in commodities (cattle) contracts of the Company:

EXPOSURE in Commodities (Cattle)	Company	
	March 31, 2023	December 31, 2022
Firm contracts of cattle purchase	-	14,988
Subtotal	-	14,988
DERIVATIVES		
Future contracts	19,323	(2,007)
Subtotal	19,323	(2,007)
NET EXPOSURE	19,323	12,981

Sensitivity analysis:

Exposure	Risk	Closing price	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
			Price	Effect on income	Price	Effect on income	Price	Effect on income
				Company		Company		Company
Derivatives	Cattle arroba depreciation	295.95	278.66	(1,129)	221.97	(4,831)	147.98	(9,661)
				<u>(1,129)</u>		<u>(4,831)</u>		<u>(9,661)</u>

Derivatives financial instruments breakdown:

Instrument	Risk factor	Nature	Company					
			March 31, 2023			December 31, 2022		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Long	203	19,323	(629)	21	(2,007)	(99)

c2. Position balance in commodities (grain) derivatives financial instruments of Seara Alimentos:

EXPOSURE in Commodities (Grain)	Seara Alimentos	
	March 31, 2023	December 31, 2022
OPERATING		
Purchase orders	1,303,401	1,172,761
Subtotal	1,303,401	1,172,761
DERIVATIVES		
Future contracts	(27,287)	(4,947)
Non-Deliverable Forwards	-	(161,694)
Subtotal	(27,287)	(166,641)
NET EXPOSURE	1,276,114	1,006,120

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Sensitivity analysis:

Exposure	Risk	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
		Effect on income		Effect on income		Effect on income	
		Price	Seara Alimentos	Price	Seara Alimentos	Price	Seara Alimentos
Operating	Depreciation	(1.18)%	(15,315)	(25.00)%	(325,850)	(50.00)%	(651,701)
Derivatives	Apreciation	(1.18)%	321	(25.00)%	6,822	(50.00)%	13,644
			(14,994)		(319,028)		(638,057)

Derivatives financial instruments breakdown:

Instrument	Risk factor	Nature	Seara Alimentos					
			March 31, 2023			December 31, 2022		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	Commodities (Grains)	Short	761	(27,287)	(35,885)	520	(4,947)	(12,773.912)
Non-Deliverable Forwards	Commodities (Grains)	Short	-	-	-	4,000	(161,694)	3,571

c3. Hedge accounting of Seara Alimentos:

From the third quarter of 2021, the indirect subsidiary Seara Alimentos reviewed its hedge policies and started to apply hedge accounting in grain operations, aiming at bringing stability to the subsidiary's results. The designation of these instruments is based on the guidelines outlined in the Financial and Commodity Risk Management Policy defined by the Risk Management Committee and approved by the Board of Directors.

Financial instruments designated for hedge accounting were classified as cash flow hedge. The effective amount of the instrument's gain or loss is recognized under "Other comprehensive income (expense)" and the ineffective amount under "Financial income (expense), net", and the accumulated gains and losses are reclassified to profit and loss or to the balance sheet when the object is recognized, adjusting the item in which the hedged object was recorded.

In these hedge relationships, the main sources of ineffectiveness are the effect of the counterparties and the Company's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and changes in the timing of the hedged transactions.

The derivative financial instruments designated at the March 31, 2023, as hedge accounting, according to the cash flow method, to protect the operating results in relation to the price of commodities are:

Hedge accounting - Derivative instruments	Risk factor	Quantity	Notional	Fair value
Future contracts	Commodities	761	(27,287)	(35,964)
Non-Deliverable Forwards	Commodities	400	101,608	(43)
				(36,007)

Seara Alimentos also designates derivatives to hedge the fair value of debt instruments with floating interest rates through swaps of fixed interest rates, measured in accordance with fair value hedge accounting.

c3.1. Hedge accounting:

Below is shown the effects on income for the period, on other comprehensive income and on the balance sheet of derivative financial instruments contracted for hedging exchange rates, commodity prices and interest rates (cash flow and fair value hedges):

Income statement:	Seara Alimentos	
	March 31, 2023	December 31, 2022
Cost of sales before hedge accounting adoption	(10,006,730)	(8,341,109)
Derivatives operating income (loss)	63,044	(113,132)
Currency	52,609	(36,769)
Commodities	10,435	(76,363)
Cost of sales with hedge accounting	(9,943,686)	(8,454,241)
Financial income (expense), net excluding derivatives	156,413	(159,858)
Derivatives financial income (expense), net	(39,560)	(297,051)
Currency		(335,024)
Commodities	(36,024)	4,391
Interests	(3,536)	33,582
Financial income (expense), net	116,853	(456,909)

Below are the effects on other comprehensive income (expense), after the adoption of hedge accounting:

Statements of other comprehensive income (expense):	Seara Alimentos	
	March 31, 2023	December 31, 2022
Financial instruments designated as hedge accounting:		
Currency	(866)	(159,838)
Commodities	(33,177)	(331,961)
Gain (loss) on cash flow hedge	(34,043)	(491,799)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

Other comprehensive income	6,241	(704,708)
Deferred income tax on hedge accounting	(2,122)	86,086
Total of other comprehensive income (expense)	4,119	(167,107)

Below are the effects on the balance sheet, after the adoption of hedge accounting:

		Seara Alimentos	
		March 31, 2023	December 31, 2022
Balance sheet:			
Derivative (liabilities)/assets			
Financial instruments designated as hedge accounting:			
Commodities		(36,007)	(9,203)
Financial instruments not designated as hedge accounting:			
Other comprehensive income (expense)		(34,043)	(40,284)
Currency		(866)	(13,541)
Commodities		(33,177)	(26,743)
Inventories		14,987	36,269
Currency		578	11,991

Open balance sheet position of derivative assets and liabilities:

		Seara Alimentos	
		March 31, 2023	December 31, 2022
Assets:			
Current assets			
Non-current assets			
(Liabilities):			
Designated as hedge accounting		36,007	9,203
Commodities		36,007	9,203
Currency		-	-
Current liabilities		36,007	9,203

c4. Position balance in commodities derivatives financial instruments of JBS USA:

		JBS USA	
		March 31, 2023	December 31, 2022
EXPOSURE in Commodities			
OPERATIONAL			
Firm contracts of cattle purchase		11,973,542	13,120,065
Subtotal		11,973,542	13,120,065
DERIVATIVES			
Deliverable Forwards		1,078,477	(804,976)
Subtotal		1,078,477	(804,976)
NET EXPOSURE		13,052,019	12,315,089

Sensitivity analysis:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (iii) Price variation - 50%	
		Effect on income		Effect on income		Effect on income	
Exposure	Risk	Price	JBS USA	Price	JBS USA	Price	JBS USA
Operating	Depreciation	(2.28)%	(272,757)	(25.00)%	(2,993,386)	(50.00)%	(5,986,771)
Derivatives	Depreciation	(2.28)%	(24,568)	(25.00)%	(269,619)	(50.00)%	(539,239)
			(297,325)		(3,263,005)		(6,526,010)

Derivatives financial instruments breakdown:

			Consolidated					
			March 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	Commodities (Cattle)	Long	212,282	1,078,477	(25,260)	-	-	-
Deliverable Forwards	Commodities (Cattle)	Short	-	-	-	(154,278)	(804,976)	(162,698)

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

d. Liquidity risk

The table below shows the contractual obligation amounts from financial liabilities of the Company according to their maturities:

	Company									
	March 31, 2023					December 31, 2022				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable and supply chain finance	4,617,657	–	–	–	4,617,657	5,561,549	–	–	–	5,561,549
Loans and financing	7,231,028	2,946,463	1,586,057	6,858,234	18,621,782	4,999,929	2,992,141	849,530	6,857,983	15,699,583
Estimated interest on loans and financing ⁽¹⁾	1,283,405	1,664,452	1,547,464	3,353,491	7,848,812	1,217,565	1,984,740	1,671,359	3,710,473	8,584,137
Derivatives liabilities	301,601	–	–	–	301,601	278,227	–	–	–	278,227
Payments of leases	36,270	39,107	4,334	4,152	83,863	27,675	33,141	2,247	4,160	67,223
Other financial liabilities	5,180	–	–	–	5,180	5,180	–	–	–	5,180

	Consolidated									
	March 31, 2023					December 31, 2022				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable and supply chain finance	29,126,962	–	–	–	29,126,962	34,080,614	–	–	–	34,080,614
Loans and financing	10,034,455	3,791,707	13,092,877	65,791,765	92,710,804	8,228,557	4,252,661	12,503,378	67,369,465	92,354,061
Estimated interest on loans and financing ⁽¹⁾	6,117,177	8,835,624	7,378,132	21,690,661	44,021,594	4,822,959	9,587,500	7,749,370	23,172,460	45,332,289
Derivatives liabilities	611,994	–	–	–	611,994	559,536	–	–	–	559,536
Payments of leases	1,707,475	2,467,729	1,595,866	4,668,117	10,439,187	1,788,353	2,611,660	1,634,458	4,452,019	10,486,490
Other financial liabilities	34,299	21,148	268	–	55,715	33,903	27,793	268	–	61,964

⁽¹⁾ Includes interest on all loans and financing outstanding. Payments are estimated for variable rate debt based on effective interest rates at March 31, 2023 and December 31, 2022. Payments in foreign currencies are estimated using the March 31, 2023 and 2021 exchange rates.

The Company has future commitment for purchase of grains and cattle whose balances at March 31, 2023 in the amount of R\$530,103 (R\$451,296 at December 31, 2022), in the Company and R\$163.6 billion (R\$170.5 billion at December 31, 2022), in the Consolidated.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at March 31, 2023 is R\$31,658 (R\$80,434 at December 31, 2022). This guarantee is larger than its collateral.

The indirect subsidiary JBS USA and its subsidiaries, has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at March 31, 2023 is R\$280,453 (R\$518,055 at December 31, 2022). This guarantee is larger than its collateral.

Also, the direct subsidiary Seara Alimentos has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at March 31, 2023 is R\$91,458.18317 (R\$80,902 in 31 de dezembro de 2022). This guarantee is larger than its collateral.

As disclosed in Note 17 – Loans and financings, the Company has a bank loan that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

The interest payments on variable interest rate loans and bond issues in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

28 Subsequent events

- On April 4, 2023, PPC completed a sale of US\$1.0 billion (equivalent of R\$5.08 billions) aggregate principal amount of its 6.25% senior notes due 2033 ("6.25% Notes 2033"). PPC used the net proceeds to repay existing debt.
- The Company and its subsidiaries have subsidies granted by the state governments, by way of presumed credit, partial and full reduction of the ICMS (Value-added tax on sales and services) calculation basis of certain goods in its production chain, in accordance with the regulations of each State. The appropriate amounts of these tax incentives as revenue in the result, are excluded in the calculation of taxes on profit, when the requirements provided for in the current legislation are met. During the quarter ended March 2023, the Company and its subsidiaries recorded the amount of government subsidies in the amount of R\$2.03 billion, of which R\$694,156 was presumed credit and R\$1.34 billion was ICMS reduction and exemption, excluded from its income tax and social contribution calculation basis, see note 10.

The exclusion of this tax benefit from the basis of calculation of income tax and social contribution on net income reflected a tax gain for the quarter ended March 31, 2023 of R\$236,013 related to presumed credit and R\$456,474 of exemption and base reduction.

On April 26, 2023, the STJ (Superior Court of Justice) reported the finalization of the judgment of the Special Appeals Resp. 1,945,110 and 1,987,158 (Repetitive Theme 1182), in which the requirement of IRPJ and CSLL on amounts related to ICMS tax incentives, distinct from those granted in the form of presumed credits, is discussed. Considering, however, that the decision of the STJ has not yet been made available, and the effectiveness of the decision itself is suspended by determination of the STF (Federal Supreme Court), the Company informs that it monitors and will evaluate the possible impacts as soon as the definitive outcome of the case occurs.

* * * * *

JBS S.A.

Notes to the condensed financial statements for the three month period ended at March 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

29 Approval of the financial statements

The issuance of these individual and condensed interim financial statements was approved by the Board of Directors on May 10, 2023.

BOARD OF DIRECTORS

Chairman:	Jeremiah Alphonsus O'Callaghan
Vice-Chairman:	José Batista Sobrinho
Independent Board Member:	Alba Pettengill
Independent Board Member:	Gelson Luiz Merisio
Independent Board Member:	Leila Abraham Loria
Independent Board Member:	Francisco Turra
Independent Board Member:	Carlos Hamilton Vasconcelos Araújo
Independent Board Member:	Estêvão de Almeida Accioly
Independent Board Member:	Claudia Pimentel Trindade Prates

STATUTORY AUDIT COMMITTEE REPORT

The Statutory Audit Committee reviewed the individual and consolidated condensed interim financial statements for the three month period ended at March 31, 2023, at May 10, 2023. Based on the procedures performed, also considering KPMG Auditores Independentes Ltda. review report, as well as the information and clarifications received during the period, the Committee recommends that these documents are in a position to be considered by the Board of Directors.

STATUTORY AUDIT COMMITTEE

Chairman:	Carlos Hamilton Vasconcelos Araújo
Committee Member:	Paulo Sérgio Cruz Dortas Matos
Committee Member:	Gelson Luiz Merisio

FISCAL COUNCIL REPORT

The Fiscal Council, in the use of its legal and statutory attributions, examined and discussed with the Administration the earnings release and the Company's individual and consolidated condensed interim financial statements including the proposal for the earning allocation for the three month period ended at March 31, 2023, at May 10, 2023, and validated these financial condensed interim financial statements approved by the Company's Board of Directors on this date.

Based on our review, the information and clarifications received during this period and considering KPMG Auditores Independentes Ltda. audit report on the individual and consolidated financial statements, without reservations, issued on this date, the Fiscal Council was not aware of any additional fact that would lead us to believe that the aforementioned financial statements do not reflect in all material respects the information contained therein and that are in a position to be disclosed by the Company.

FISCAL COUNCIL

Chairman:	Adrian Lima da Hora
Council Member:	Demetrius Nichele Macei
Council Member:	José Paulo da Silva Filho
Council Member:	Orlando Octávio de Freitas Júnior
Council Member:	Patrícia da Silva Barros

STATEMENT OF OFFICERS ON THE FINANCIAL STATEMENTS AND ON THE INDEPENDENT AUDITORS REPORT

The Company's Officers declare at May 10, 2023, for the purposes of Article 25, paragraph 1, item V and VI of CVM Instruction No. 480 of December 7, 2009, that:

- (i) They reviewed, discussed and agreed with the independent auditors report on the individual and consolidated condensed interim financial statements for the three month period ended at March 31, 2023, and
- (ii) They reviewed, discussed and agreed with the condensed interim financial statements for the three month period ended at March 31, 2023.

STATUTORY BOARD

Global Chief Executive Officer:	Gilberto Tomazoni
Administrative and Control Officer:	Eliseo Santiago Perez Fernandez
Chief Financial Officer:	Guilherme Perboyre Cavalcanti
Officer:	Jeremiah Alphonsus O'Callaghan
Global Chief Operating Officer:	Wesley Mendonça Batista Filho

Accountant:	Agnaldo dos Santos Moreira Jr. (CRC SP: 244207/O-4)
--------------------	---

* * * * *