Management Report 2022

MESSAGE FROM THE CEO

Our 2022 financial results demonstrate the importance of responsible financial management and JBS' ability to anticipate the natural cycles of our industry. Despite the current challenging global economic scenario and the normalization of margins in the US beef market, we enter 2023 with a comfortable cash position, stabilized debt, and no significant short-term debt maturities, which allows us to navigate with resilience and positions us well to prepare for future market opportunities.

We observe that the challenging market conditions that impacted our performance in the fourth quarter of 2022 continue into the first quarter of 2023, which is traditionally a weaker period for the global protein industry. In addition to margin compression in US beef, high inflation in important markets is weakening consumption, causing an imbalance between supply and demand. At the same time, we are facing persistent pressure on production costs.

Despite the short-term scenario, we have confidence in the medium and long-term results based on our geographical and protein diversification strategy, which has historically delivered superior outcomes. Our globally diversified and multi-protein platform, which is unparalleled in the global protein industry, was built to mitigate the impacts of natural cycles on our business and maintain a healthy cash generation, allowing the company to reinvest in its growth, continue innovating, and deliver returns to shareholders.

The company maintained healthy financial indicators, with a leverage ratio at 2.26 in US dollars. With recent liability management moves, we increased the average debt term from 8.1 years to 10 years and fixed most of our financial expenses at a low cost. At the end of 2022, our liquidity was around US$ 5.7 billion, divided between a cash balance of US$ 2.5 billion and revolving credit lines of US$ 3.2 billion, which ensures flexibility and efficiency in the utilization of these resources. The strength of our balance sheet is reflected in attainment of Full Investment Grade status across the three main rating agencies – S&P, Moody's and Fitch.

Our financial strength has allowed us to continue creating value for our shareholders. We distributed R$ 4.4 billion in dividends in 2022, and considering the buyback of R$ 2.8 billion in shares last year, we provided a shareholder return of 15%. The return on invested capital (ROIC) was 18%.

We continue to invest in expanding our business, committed to our strategy of building strong brands and adding value. In the past two years, we have expanded the diversification of our operations with the acquisition of seven companies, enabling our entry into the salmon market (Huon in Australia) and cultivated proteins (Biotech Foods), expansion in plant-based foods in Europe (Vivera), entry into the Australian pork business (Rivalea), and strengthening our position with high-value products in the European and American markets (Sunnyvalley, Pilgrim's Food Masters and King's Group), totaling US$ 2.2 billion in asset purchases.

In 2023, we will take this strategy a step further with the completion of important investments in prepared foods in Brazil and the United States, including the start of operations of the first two breading lines and the first hot dog line at the new Seara facility in the state of Paraná, and the new Principe Italian meats facility in Missouri. In February of this year, we also resumed operations at our lamb processing plant in Australia.

This illustrates our consistent growth and that we have a lot of value to capture from these investments, with ample potential to strengthen our cash generation. We remain focused on continuous improvement of our product mix to meet the needs of our customers and consumers.

Our priority is cash generation – with an absolute focus on our operations, cost management, productivity improvement, optimization of our mix, opportunities in market irregularities and prices. We focus on what we can control to become increasingly competitive and differentiate ourselves in the markets where we operate.

Our global multi-protein platform, our competitive operational cost structure, the strength and agility of our experienced global team, and our robust financial condition give us the confidence and certainty that JBS will continue on its growth path, generating value for our stakeholders, expanding our businesses, and fulfilling our purpose of feeding the world with the best.

About JBS & 2022 Highlights

COMPANY PROFILE

JBS S.A. is a food company with more than 60 years of tradition and a global leader in the processing of animal protein. With operations in 20 countries, the Company serves more than 330 thousand clients in approximately 190 countries through a diversified portfolio of products and brands.

Headquartered in Brazil, it has around 260 thousand employees – in production platforms and commercial offices around the world. The structure includes prepared foods, beef, pork, lamb, fish, poultry and leather processing facilities, in addition to cattle and sheep feedlots.

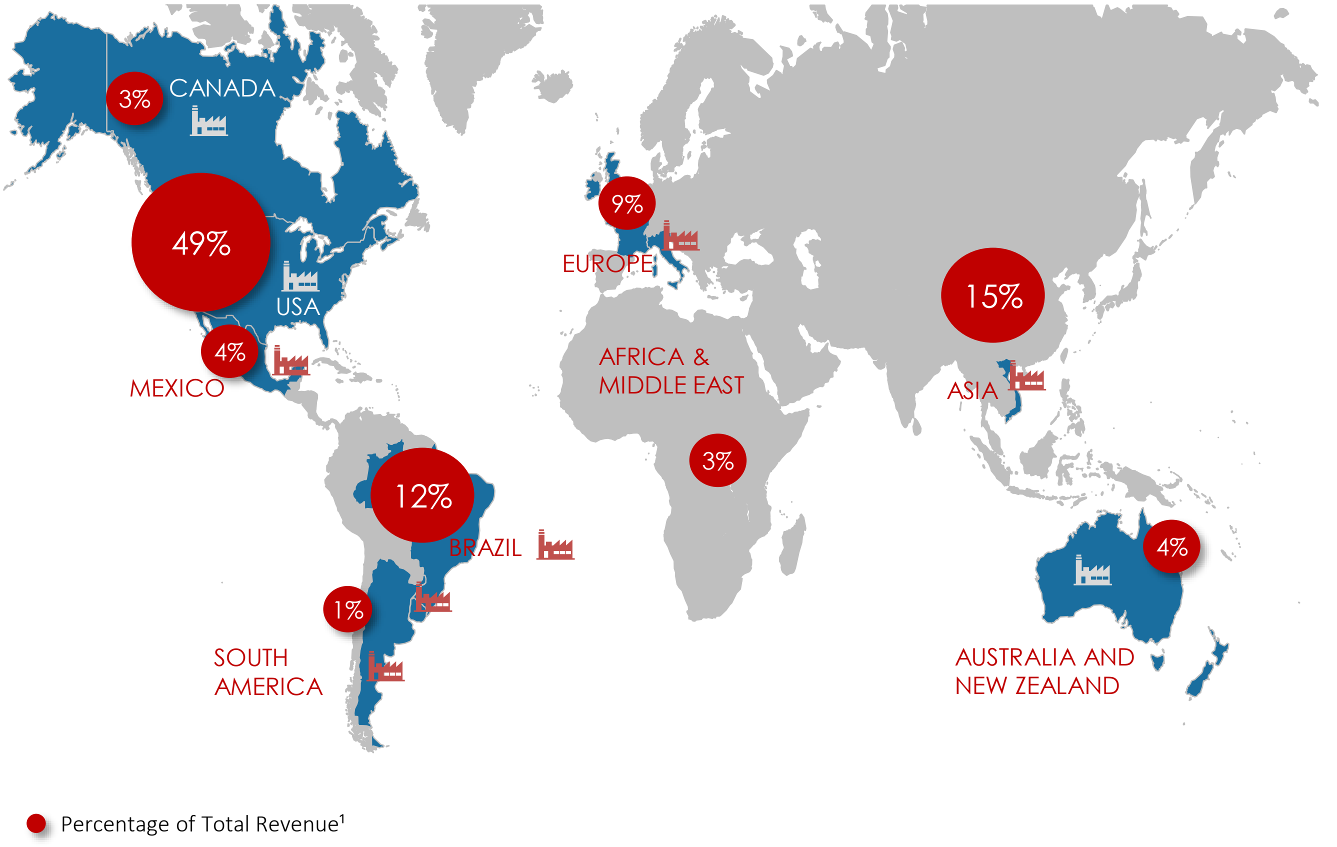
In addition to the food sector, the Company also operates in segments related to the value chain, such as leather, personal care and cleaning products, collagen, metal packaging, casings, biodiesel, transportation, waste management and recycling.

JBS operates through six business units throughout the world, as follows:

- **JBS Brasil:** beef and leather production in Brazil; and New Businesses operations in Brazil.
- **Seara:** poultry and pork processing and production of prepared foods in Brazil.
- **JBS Beef North America:** beef processing and prepared foods in the United States and Canada.
- **Australia:** production of beef, lamb, pork, fish and prepared foods, with operations in Australia and New Zealand.
- **JBS USA Pork:** pork processing and prepared foods in the United States.
- **Pilgrim's Pride:** poultry and pork processing and prepared foods in the United States, Europe, Mexico and Puerto Rico.

GLOBAL PRODUCTION AND SALES PLATFORM

More than 500 production units and sales offices in more than 20 countries



Note 1. Revenue by region considers domestic sales and imports.

INVESTMENTS AND CORPORATE EVENTS

On January 4, the Company completed the acquisition of Rivalea, the leader in hog breeding and processing in Australia. With the acquisition, JBS became the leader of pork processing in the country. The value of the investment was US$112 million.

On January 19, the Company's subsidiaries JBS USA Lux S.A., JBS USA Finance, Inc, and JBS USA Food Company, priced: (i) US$600 million in Senior Notes with a coupon of 3.00% p.a., with maturity in 2029; and (ii) US$900 million in Senior Notes with a coupon 4.375% p.a., maturing in 2052.

On February 7, JBS completed the acquisition of King's Group, one of the market leaders in the production of Italian charcuterie, which has operations in Italy and the United States. The operation strengthens the Company's position in the production and distribution of Italian meat specialties, placing the Company among the leaders in the production of Italian salumeria. The investment was US$92.5 million.

On April 15, the Company issued R$1.2 billion in Agribusiness Receivables Certificates (CRA) in 3 series, with maturities in 2027, 2032 and 2037.

On May 5, JBS acquired the control of BioTech Foods, one of the global leaders in the development of biotechnology for the production of cultivated protein. The company operates a pilot plant in the city of San Sebastián, Spain, and expects to reach commercial production by mid-2024, with the construction of a new manufacturing unit. Investment in the new facility is estimated at US$41 million.

On June 6, the Company's subsidiaries JBS USA Lux S.A., JBS USA Finance, Inc, and JBS USA Food Company, priced: (i) US$500 million in Senior Notes with a coupon of 5.125% p.a., with maturity in 2028; (ii) US$1.250 billion in Senior Notes with a coupon of 5.750% p.a., with maturity in 2033; and (ii) US$750 million in Senior Notes with a coupon 6.50% p.a., maturing in 2052.

On September 12, the Company's subsidiaries JBS USA Lux S.A., JBS USA Finance, Inc, and JBS USA Food Company, reopened and priced: (i) US$400 million in Senior Notes with a coupon of 5.125% p.a., with maturity in 2028; (ii) US$800 million in Senior Notes with a coupon of 5.750% p.a., with maturity in 2033; and (ii) US$800 million in Senior Notes with a coupon 6.50% p.a., maturing in 2052.

On September 15, the Company issued R$1.6 billion in Agribusiness Receivables Certificates (CRA) in 3 series, with maturities in 2027, 2032 and 2037.

On December 2, the Company announced an agreement to acquire assets from TriOak Foods, a USA Midwest-based pork producer. In acquiring TriOak Foods, JBS USA PORK ensures access to a consistent supply of pork, strengthening its ability to provide high-quality pork products to American consumers.

On December 22,2022, the Company disclosed a Material Fact announcing the signing of an agreement to end the Arbitration Procedure CAM No. 186/2021, in which J&F Investimentos S.A. undertook to pay the Company the amount of R$543,2 million.

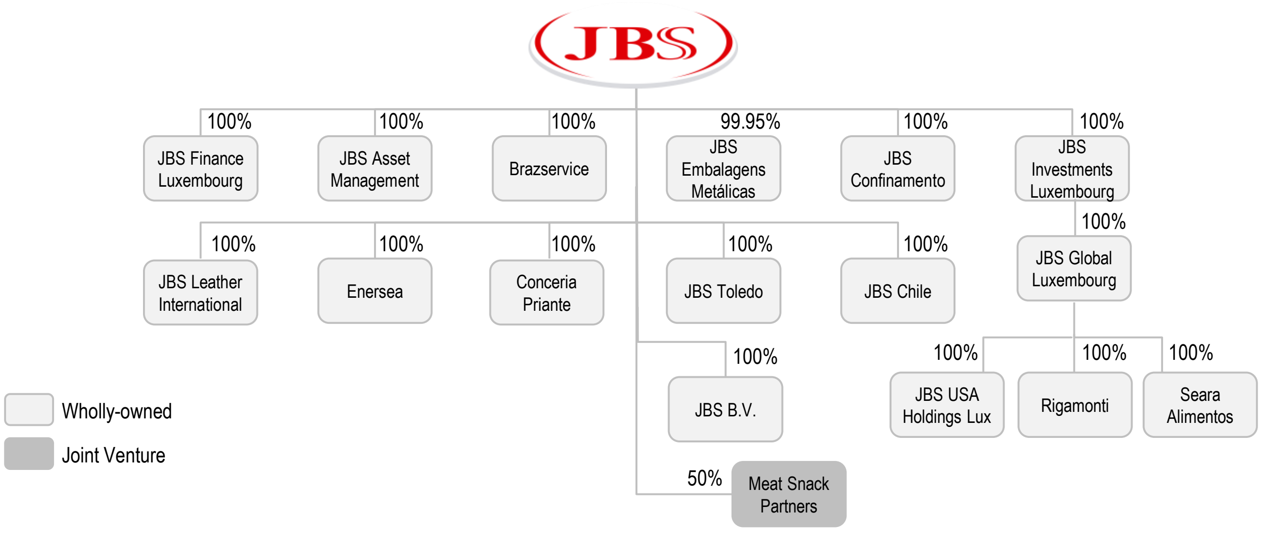
An Independent Ad Hoc Committee was formed, composed of five independent members of the Board of Directors, which analyzed the facts relating to the arbitration and negotiated the agreement over the course of 6 months, ultimately recommending its unanimous approval.

INVESTMENTS AND CORPORATE EVENTS

The transaction involved mutual settlement of indemnities arising from the facts narrated in the Collaboration Agreements entered into by the Company's controllers and former managers with the Federal Public Prosecutor's Office, and ended all claims made in the procedure, including requests related to the merger of Bertin S.A. by the Company, the subject Blessed Holdings, as well as counterclaims made against the Company in a much higher amount, and was ratified by the competent Arbitration Court.

It should be noted that the Independent Ad Hoc Committee was duly assisted by external lawyers hired independently in all phases of its activities, including the analysis and negotiation of the agreement. The agreement was also unanimously approved by the Board of Directors on December 16, 2022.

INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES



CORPORATE GOVERNANCE

To enhance the governance structure and ensure transparency in all its relationships, JBS continuously promotes the improvement of its corporate practices, creating an environment of trust with its shareholders, investors and other stakeholders.

The governance structure of JBS comprises: the Board of Directors, the Global Compliance Department, a permanently established Audit Board, and the following committees advising the Board of Directors on specific strategic subjects: Socio- Environmental Responsibility Committee; the Statutory Audit Committee; the Financial and Risk Management Committee; the Governance, Compensation and Nomination Committee; the Related Parties Committee; and the Diversity and Inclusion Committee.

The the Global Compliance Committee was created in 2022 with its primary purpose to help create a more uniform and consistent compliance program across all JBS entities, including Pilgrim's. The Committee is tasked with overseeing continued improvements and enhancements to the compliance program and promoting a company-wide culture of compliance for its employees, stakeholders, business associates and customers

The Board of Directors is the Company's highest governance body. At the end of 2022 it had nine members, of which seven were independent – that is to say the majority of its members are independent.

The Members of the Board of Directors, elected at an Annual General Shareholder´s Meeting for a unified two-year term, are responsible for, among other issues, defining business policies and guidelines as well as economic, social and environmental commitments.

The positions of Chairman of the Board of Directors and the Chief Executive Officer of the Company are not held by the same person. Compensation of the CEO and other JBS leaders are performance-based, encouraging sustainable medium and long-term growth at JBS while incentivizing efforts to reach short-term targets. Surveys are used to periodically compare compensation packages with the general market practices and make sure compensation is aligned with JBS and shareholders interests.

The company has only common shares, granting equal rights to all shareholders, who also have tag-along rights in the event of changes in JBS' control. In the United States, JBS equity is also traded as Level 1 ADRs (American Depositary Receipts) on the OTCQX over-the-counter market. The Investor Relations area is responsible for communication with shareholders and potential investors; this department has a website (https://ri.jbs.com.br/en/) and releases the Company's results through conference calls and events attended by capital market agents and specialist media outlets.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Jeremiah O'Callaghan	Member
José Batista Sobrinho	Member
Francisco Turra	Independent Member
Carlos Hamilton Vasconcelos Araújo	Independent Member
Cledorvino Belini	Independent Member
Leila Abraham Loria	Independent Member
Alba Pettengill	Independent Member
Márcio Guedes Pereira Júnior	Independent Member
Gelson Luiz Merisio	Independent Member

EXECUTIVE OFFICERS

Gilberto Tomazoni	Chief Executive Officer
Jeremiah O'Callaghan	Director without a specific designation
Eliseo Santiago Perez Fernandez	Director of Administration and Control
Guilherme Perboyre Cavalcanti	Chief Financial and Investor Relations Officer
Wesley Mendonça Batista Filho	Global President of Operations

ETHICS AND COMPLIANCE

At JBS, Ethics and Compliance points the direction to the team members and businesses everywhere it operates. Since 2017, the Company maintains a global department that leads the subject independently, reporting directly to the Board of Directors.

Continuously, and with emphasis on the year of 2022, important initiatives were defined to improve our Compliance Program "Always Do the Right Thing“ (*Faça Sempre o Certo*), reinforcing the commitment of top management to continuous improvement and effectiveness of the implemented processes.

The Compliance governance structure was reinforced with the creation and installation of the Global Compliance Committee, formed by the Chairman of the Board of Directors, the Chief Compliance Officer of JBS S.A., the Chief Compliance Officer of JBS USA and Pilgrim's, the Chief Compliance Officer of the J&F Group and the Chief Legal and Compliance Officer of JBS USA.

In addition, Michael Koenig has been named the Company's Chief Ethics and Compliance Officer.

The JBS Code of Conduct and Ethics is a global document and consolidates all the guidelines related to integrity and good corporate governance practices. The document, which is available in Portuguese, English, Italian, French and Spanish, guides employees to act in accordance with the Company's principles and values, indicating the acceptable conduct and behavior required by JBS.

In addition, the Business Partner Code of Conduct reinforces our commitment to the Value Chain to conduct business ethically, with integrity highlighting what we expect from our partners.

In 2022, more than 130 thousand employees were trained on the Code of Conduct and Ethics. The training is available in different methodologies, which are developed according to each audience: executives (including Business Presidents, members of the Board of Directors and advisory committees), administrative positions and operational positions.

Throughout the year, the company continued to disseminate and constantly evolve the Compliance program in all spheres of the business.

Also in 2022, more than 30,000 employees (administrative and leadership) realized anti-corruption and moral harassment, sexual harassment, and diversity and inclusion training. The dissemination of the training is carried out by means of campaigns, which include several pieces of communication, also adapted for each audience.

Aiming to disseminate a culture of integrity in Brazil and positively influence the sector, JBS and 17 agribusiness companies produced the Guide to Good Anti-Corruption Practices in Agribusiness. A voluntary initiative of the 44 members that make up the Collective Anti-Corruption Action of the ONU Global Compact Network Brazil, with the support of the Ministry of Agriculture. The document consolidates fundamental ethical principles, stimulating transparent relations with public authorities and encouraging the construction of a business environment with increasing integrity.

Also in November 2022, JBS contributed to the initiative of the Compliance and Integrity Committee, a group of members of the Brazil-Canada Chamber of Commerce, by sponsoring and participating in the book "Compliance: Fundamentals and Sectoral Applications“. Marcelo Proença, Director of Compliance at JBS, contributed to the book with his article on Training and Communication.

ETHICS AND COMPLIANCE

To continue its growing pace of evolution, JBS updated its due diligence software, which is its own tool, customized for the Company's needs, and allows for an automated and complete reputational analysis of its business partners, an activity developed by a dedicated team and a specific policy on the topic. Over the year 2022, more than 6,307 reputational analyses were carried out.

Throughout the year, the Company's Compliance Risk Assessment was also updated every two years, defining action plans with those responsible for mitigating the risks identified.

As a result of the continuous improvement of our Compliance Program "Always Do the Right Thing" (*Faça Sempre o Certo*) new global policies have been published, which must be observed in all regions where the Company operates. They are as follows: Global Compliance Policy, which aims to provide transparency to the guidelines that guide the execution of the JBS Compliance Program, Competition Policy and Non-Retaliation Policy. The Global Anti-corruption and Anti-bribery Policy, as well as the Policy on Gifts, Gifts, Entertainment and Hospitality, were also revised in 2022.

In addition, the company carried out a review of compliance controls, such as control of payments to risky third parties, individuals, donations, sponsorships, among others.

The Company also has the JBS Ethics Line, operated by an external and independent company, is available 24 hours a day, 7 days a week, in four languages, to report suspected violations or violations, in good faith, of the Codes, internal policies and procedures and legislation. In the year 2022, the channel received more than 3,444 reports, all of which were treated and investigated, in accordance with specific internal policies and procedures on the subject. Investigations were concluded as having merit, disciplinary measures and action plans were defined and implemented.

The Ethics Line, given its evolution, solidity and dissemination, plays a fundamental role in the development of the Compliance Program, such as training content, communication, review and creation of policies, among others.

HUMAN CAPITAL

One of the fundamental components of JBS' mission is to ensure a better future for its team members. This necessarily requires investing in their qualification, training, healthcare, and safety. It also requires that we offer them a diverse and inclusive work environment. In addition, we must invest in the socioeconomic development of the communities where we are present.

JBS stands out as a major employer in a number of countries such as Brazil (where it is the largest employer), Canada, the US, UK, Mexico, Europe and Australia. As ours is a labor-intense industry, we have a global employee management policy based on adherence to the organization's culture and its business mission. We are committed to hire and drive the development of our professionals regardless of nationality, gender, sexual orientation, gender identity, or age, and also foster the inclusion of people with disabilities.

As a global company, our staff is diverse in terms of ethnicity, culture, religion, language, and country of origin. In Europe, for example, 89% of the team is made up of immigrants. In Brazil, our staff includes immigrants from numerous countries such as Senegal, Haiti, and Venezuela, as well as indigenous peoples. Another place where there is a multiplicity of cultures in the US, where JBS employees speak 60 different languages and dialects. To ensure that all team members are able to express themselves and understand the key messages, all company materials are available in different languages and dialects. This material includes information for team members such as benefits, safety instructions, and new materials about hiring and continuous training. Furthermore, all facilities provide unlimited access to Language Lines, available in over 200 languages to create immediate access to clear communication at all our facilities.

JBS USA joined the U.S. Immigration and Customs Enforcement (ICE) Mutual Agreement between Government and Employers (Image) program in 2012. The Image program promotes voluntary compliance with the work authorization provisions of the Immigration and Nationality Act, and helps prevent the hiring or continued employment of individuals who are not authorized to work in the country.

To reinforce its position, in 2020 JBS and other consumer goods companies signed the Public Commitment for Racial Equity, whose goal is to reinforce measures to fight structural racism.

Last years were particularly challenging, given the demands imposed by the Covid-10 pandemic to preserve employee health and support the communities where they live. JBS focused on adjusting its operations, understanding the needs of each country and investing where it was urgent and necessary to save lives.

In addition to focusing on talent attraction, local projects value personal development. In Brazil, the In-House Talents program is the driver of this policy, as is the JBS Without Frontiers Program, which takes Brazilian professional deboners to Canada. The goal is to create an attractive work environment to cultivate and maintain talents. For this, among other policies, the Company also periodically reviews its compensation and benefits policy.

Human Resources, health and safety management made progress in trainings and delivered effective results. We also created our severity index, a global safety indicator.

In line with best practices, JBS is committed to hiring and promoting professionals regardless of color, race, ethnicity, nationality, social origin, age, marital status, religious beliefs, disability, gender, sexual orientation, or gender expression or identity.

In line with its Diversity and Inclusion Policy published in 2021, the Company promotes gender and race equality in leadership positions. The guidelines for this policy are based on three key pillars: Diversity and Inclusion, Equal Opportunities, and Respect for Diversity.

HUMAN CAPITAL

The goal is to have an increasingly inclusive environment that embraces differences, with measures to ensure and promote equal access to permanence and opportunities to all employees across all areas and positions, as well as continuous awareness of the impact of these measures. We also created the Diversity and Inclusion Committee in 2021, designed to implement and manage diversity and inclusion programs.

JBS has also subscribed to MOVER - Movement for Racial Equity [Movimento pela Equidade Racial]. This initiative combines companies in different industries around the public commitment to work to reduce racial inequality in Brazil. MOVER plans to create 10,000 leadership positions for Blacks in the coming years, and opportunities for 3 million people by 2030, via a series of practical actions.

Better Futures

JBS USA and Pilgrim's created the largest free university program in rural America - Better Futures, part of Hometown Strong. In this program, team members and their dependent children have a chance to get a university diploma or professional certificate at technical and community colleges.

Hometown Strong

In the US, JBS has strengthened the Hometown Strong program that supports the communities where it is located with financial donations, scholarships, and support for building homes, among other activities.

Germinare Business School

This NGO in São Paulo was created by JBS in 2009 to train business leaders with quality education.

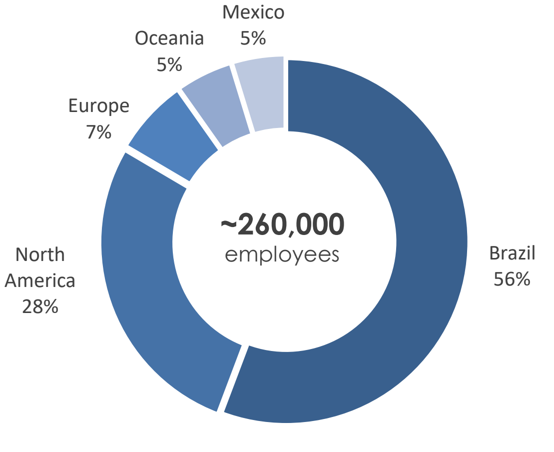
To reach new levels of excellence, Germinare provide the means for students to develop their personal and intellectual skills, and handle professional and group challenges. In this way students learn about business management in practice with projects, internships, and experiences at companies and industries to enable a more well-rounded education.

This organization provides free, high-quality education to students from the 6th grade to the end of high school. The school complements the traditional curriculum with entrepreneurial activities and the training of business managers with technology classes that focus on programming language. At the end of secondary school combined with professional training, students receive a technical degree in Business Administration. Admissions are open for any student who meets the requirements.

Occupational health and safety

The safety of our employees is non-negotiable. Measures to contain the Covid-19 pandemic remained a priority in the workplace. In 2020 we created global medical partnerships to assess and monitor the safety protocols for our administrative, operating, and commercial units, working with Hospital Einstein and infectiologists in Brazil. In the US we retained epidemiologists, in a partnership with Colorado State University (CSU) and the University of Nebraska.

TEAM MEMBERS BY REGION



SUSTAINABILITY

With the eyes on the future, JBS keeps sustainability at the center of its strategy, and as a result the Company has taken even larger steps forward to generate value for all stakeholders – shareholders, clients, employees, consumers and the general public.

Among the Company's global sustainability priorities are: environmental management, social responsibility, inclusion and diversity, and animal well-being.

Environmental Management

In 2021, JBS announced a significant and pioneering commitment in the industry – to become Net Zero by 2040. JBS was the first global company in the protein sector to commit to achieve net zero greenhouse gas emissions, and is developing an action plan, sustained by science-based targets, consistent with the criteria established by the Science-Based Targets initiative (SBTi). Throughout 2022, the maturation of this culture as a business philosophy at JBS also consolidated the concept of circular economy, giving rise to new businesses.

Accordingly, JBS launched No Carbon, a company specialized in leasing electric trucks.

Another important step was the start of JBS production of organic, organomineral and special fertilizers, marking the entry of JBS Novos Negócios in this new segment. Located in the countryside of São Paulo, Campo Forte Fertilizantes will have the capacity to manufacture 150,000 tons per year using biological waste derived from operations in the region as raw material. In addition, JBS inaugurated its second biodiesel plant located in Mafra (SC), with capacity to produce 370 million liters per year, which doubled the Company's total production.

JBS entered the health and nutraceuticals market with the launch of Genu-in, a Company specializing in collagen and gelatin peptides. The new factory, the most modern in the sector, uses by-products from the cattle value chain in its production and the facility will have the capacity to produce 6 thousand tons per year of collagen peptides and 6 thousand tons per year of gelatin, as well as serve customers in different countries.

In 2022, JBS moved forward with zero deforestation targets. In partnership with the Tropical Forest Alliance, JBS is leading Brazilian cattle sector efforts to drive the elimination of deforestation and the protection of native vegetation across all Brazilian biomes by 2030 in line with a 1.5°C Roadmap.

The Company advanced in the CDP's global sustainability ranking. The largest and most respected global platform for corporate sustainability information raised JBS's score to A- in Climate Change 2022, placing JBS with a score higher than the industry average.

SUSTAINABILITY

During the year, JBS was once more chosen to be part of B3's Carbon Efficient Index (ICO2) portfolio. This is yet another recognition of the Company's efforts of sustainable practices, since the publicly traded companies participating in the index are those committed to the best practices in managing greenhouse gas emissions.

JBS and IDH - Initiative for Sustainable Trade, expanded a partnership for the traceability of sustainable calf production in Brazil. The goal is to record 1 million animals by 2025, ensuring traceability from the breeding farms.

Finally, Jason Weller has joined the Company as Global Director of Sustainability. Prior to joining JBS, Jason served as President of Truterra's Sustainability Business. Prior to that, he served as the head of the USDA's Natural Resources Conservation Service, served on the U.S. House Appropriations Subcommittee on Agriculture, the U.S. House Budget Committee, and in the Office of White House Management and Budget.

Social Responsability

In 2022, JBS USA announced that it had reached a milestone investment of US$100 million for the company's initiative Hometown Strong, one of the largest incentive programs in rural America. As part of this program, JBS USA and Pilgrim's built the largest free college tuition program in North America, called Better Futures. Employees and their children have the opportunity to pursue a higher education.

The JBS Fund for the Amazon selected 7 new projects focused on science and technology. The seven initiatives aim to promote the bioeconomy and preserve the Amazon, involving traditional and indigenous communities. In all, R$60 million has already been committed to 12 projects supported by the Fund in two years of operation.

Animal Well-Being

The commitment to ensure animal welfare is among the priorities of JBS's global agenda, respecting the demands of customers, consumers and society and the precepts of valuing life. The Company's operations are benchmarked to best practices and, are in line with the five fundamental freedoms of animals, as defined by the Farm Animal Welfare Council (FAWC).

The Company creates partnerships with producers around the world to ensure they abide by this agenda, while also maintaining specialized species-specific teams that adopt constantly revised techniques and encourage producers to provide the animals with the best treatment.

The production plants are frequently audited by domestic and international customers, who check criteria on sanitation, quality, Animal Welfare, traceability, nutrition, among others in their checking process.

In addition, JBS has an Animal Welfare Committee, responsible for establishing guidelines that improve the Animal Welfare Policies adopted, consisting of representatives from the corporate areas of Sustainability, Quality, Agriculture and Industry,among other members.

Financial Performance 2022

THE ECONOMIC CONTEXT

According to the 2023 United Nations report on the World Economic Situation and Prospects (published in January, 2023), the world economy faced a series of severe and mutually reinforcing shocks in 2022. While the COVID-19 pandemic receded in many regions, the war in Ukraine unleashed a new crisis, disrupting food and energy markets, and escalating food insecurity and malnutrition in many developing countries. Surging inflation across the world reduced real income, triggering a global cost-of-living crisis, particularly for the most vulnerable groups.

These shocks and the monetary policy responses to inflation have put the world economy on a slippery slope. High inflation has prompted aggressive monetary tightening in many developed and developing countries. Rapid interest rate hikes by major developed country central banks have triggered capital outflows and currency depreciations in developing countries, increasing balance-of-payment pressures. Financing conditions have tightened sharply amid high levels of debt and rising debt servicing costs, increasing fiscal consolidation pressure and sovereign default risks. Rising interest rates and diminishing purchasing power have eroded consumer confidence and investor sentiment, further weakening the near-term growth prospects of the world economy.

In Brazil, according to data published by IBGE (Brazilian Institute of Geography and Statistics) on March 2, 2023, the country's GDP increased 2.9% in 2022. Activity was greatly boosted by the services sector, the mainstay of the Brazilian economy, which accelerated mainly in the first half of the year. Fiscal stimuli given to the economy boosted the numbers, along with the "reopening effect", in which the return to bars, restaurants, beauty salons, tourism and other activities caused a significant increase in consumption. In the second half, however, the two phenomena lost strength and caused a gradual slowdown in the economy.

The 2.9% growth of the economy in 2022 was driven by increases in services (4.2%) and industry (1.6%). On the other hand, agriculture had a drop of 1.7%, where soy, the main product of the Brazilian crop, with an estimated drop in production of 11.4%, was the one that most pulled the result of Agriculture down in the year, being impacted by adverse weather effects.

From the perspective of demand, household consumption was the main driver of the economy, up 4.3% in the year. This was another number leveraged by the reopening effect, after the release of activities impacted by the Covid-19 pandemic.

Regarding the protein sector, according to the USDA, in 2022, beef production in Brazil grew by 6.2%, maintaining the country as the second largest beef producer in the world, behind only to the United States. Considering data from the Brazilian Foreign Trade Secretariat (SECEX), Brazilian beef exports recorded a strong increase of 48.4% in revenue in US dollars, with China standing out, remaining as the main destination.

In relation to chicken meat, Brazilian production decreased by 1.7%. In exports of fresh chicken meat, Brazil maintained its leadership and, according to SECEX data, showed a 4.0% increase in export volume in 2022, in addition to a 22.2% increase in prices in dollar/kg.

For 2023, the USDA projects growth of 2.0% in beef production and 3.5% in beef exports from Brazil. Regarding to chicken, the USDA estimates growth of 3.5% in production and 2.6% in exports.

*Fonte: JBS, IBGE, BEA, ONU, SECEX, USDA.

THE ECONOMIC CONTEXT

In the US, JBS's main operating region, real GDP increased 2.1% in 2022, according to the second estimate released in the Bureau of Economics Analysis report. The increase in real GDP in 2022 primarily reflected increases in consumer spending, exports, private inventory investment, and nonresidential fixed investment that were partly offset by decreases in residential fixed investment and federal government spending. Imports increased.

Beef production in the United States grew by 1.3% year-on-year, while domestic consumption grew slightly by 0.8%, supported by the economic recovery, given the slowdown of the Covid-19 pandemic, which still had with challenging moments, given the variations of the virus, such as Omicron. Exports grew by 2.9% in the year, driven by the growing global demand for beef, mainly from Asian countries, where China has been gaining contrast year after year, rising from 16% of total exports in 2021 to 18% in 2022, and consolidating itself as the 3rd main destination for beef exports from the United States.

In the US, chicken meat recorded increases of 3.0% in production and 3.2% in domestic consumption in 2022, and a reduction of 1.2% in exports.

Finally, pork production in the US declined by 2.5% in 2022, while domestic consumption remained relatively stable. Exports had a sharp drop of 9.9%, reflecting the rebuilding of the Chinese hog herd, and thus, importing less american pork meat in the year 2022, when compared to the year 2021.

Regarding the projections for the year 2023, the USDA estimates a reduction in beef production (-6.5%) in the US, with reductions both in domestic consumption (-4.6%) and in exports (-12.4%). It is worth mentioning that the USDA estimates a positive scenario for Australia in 2023, one of the largest exporters of beef protein, projecting growth of 16.6% in production, in addition to growth of 21.0% and 7.0% in export and domestic consumption, respectively. For chicken meat, the USDA projects for the US an increase in production, domestic consumption and exports of 1.3%, 1.9% and 0.4%, respectively. Finally, USDA estimates for pork meat in the US an increase of 1.8% in production and 0.8% in domestic consumption, while exports will remain stable.

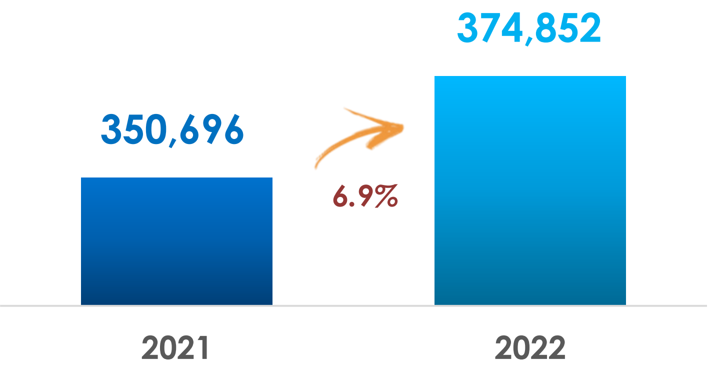
*Fonte: JBS, IBGE, BEA, ONU, SECEX, USDA.

2022 CONSOLIDATED HIGHLIGHTS

NET REVENUE

R$374.9Bn

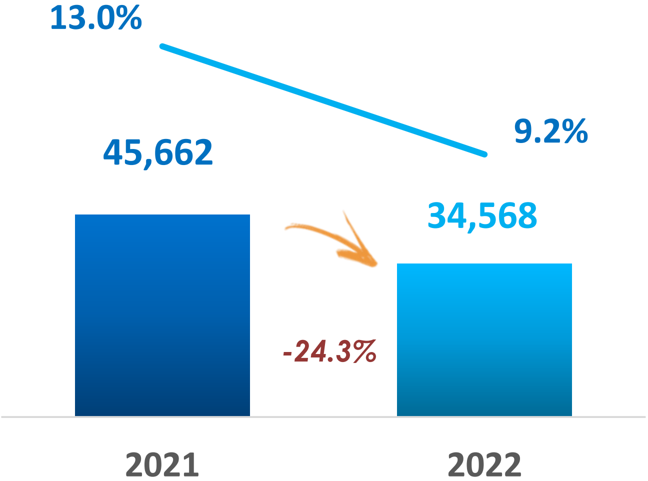
A 6.9% increase compared with 2021



ADJUSTED EBITDA

R$34.6Bn

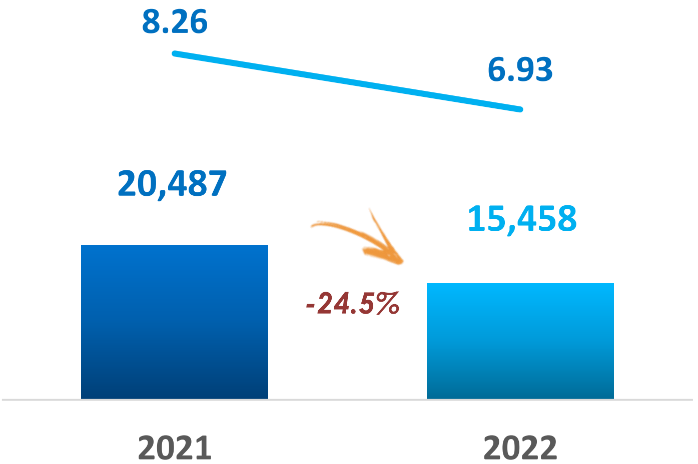
EBITDA margin in 2022 was 9.2%



NET INCOME

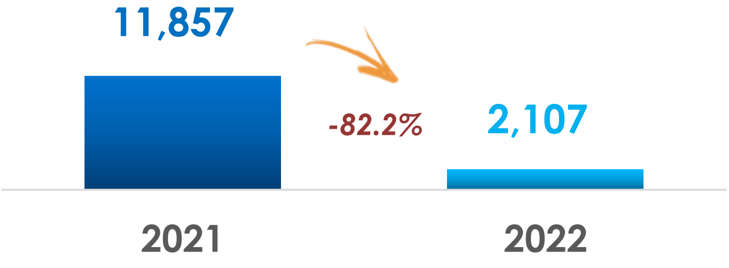
R$15.5Bn

EPS of R$6.93



FREE CASH FLOW

R$2.1Bn

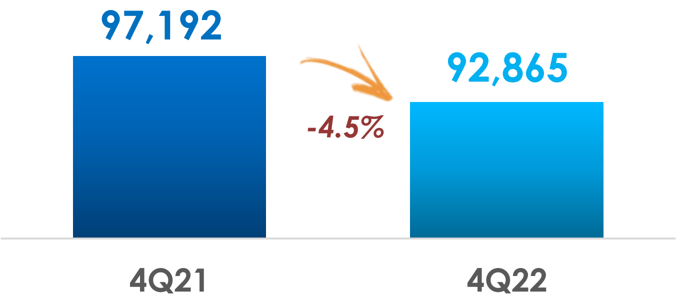


Note: graphs in millions

4Q22 CONSOLIDATED HIGHLIGHTS

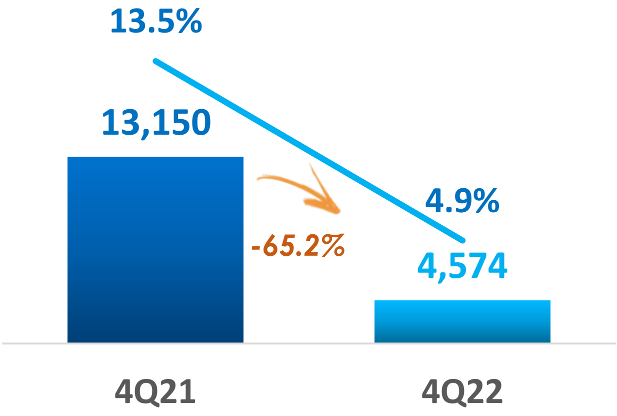
NET REVENUE

R$92.9Bn



ADJUSTED EBITDA

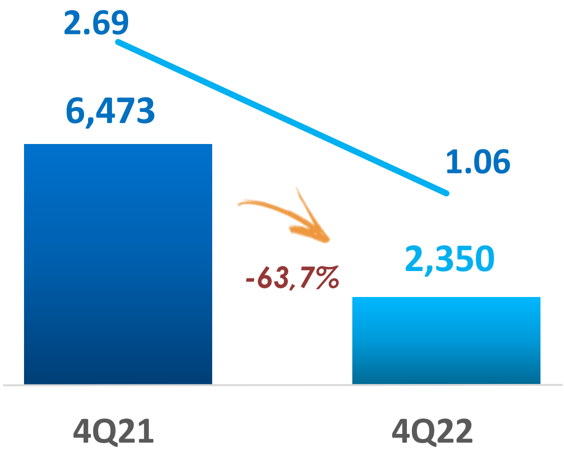
R$4.6Bn



NET INCOME

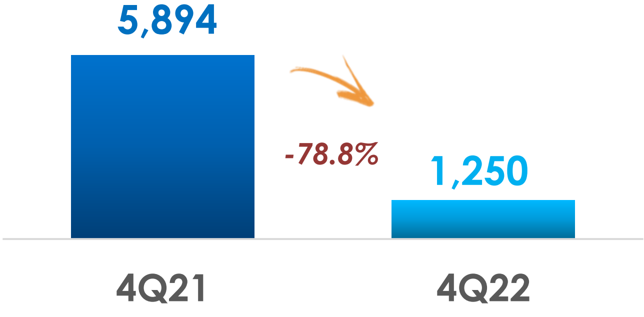
R$2.3Bn

EPS of R$1.06



FREE CASH FLOW

R$1.2Bn

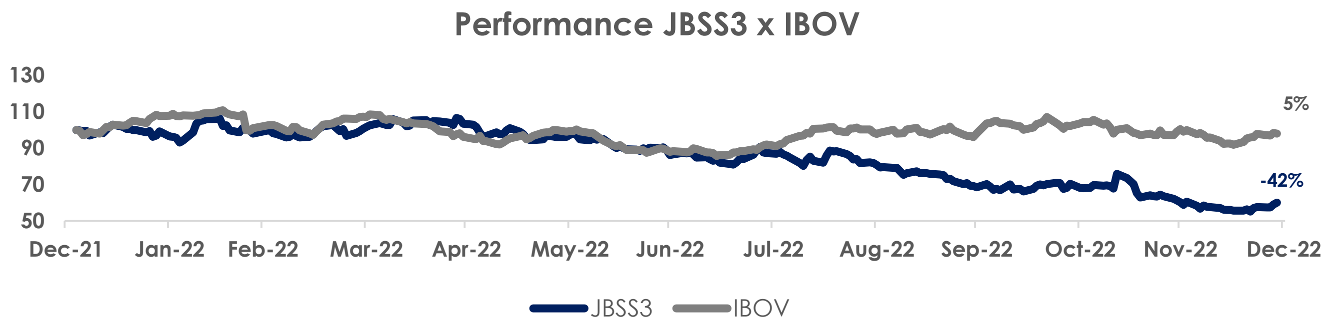


Note: graphs in millions

2022 CONSOLIDATED HIGHLIGHTS

SHARE PERFORMANCE

JBS shares decreased 42% in 2022. In the same period, the IBOV appreciated 5%.

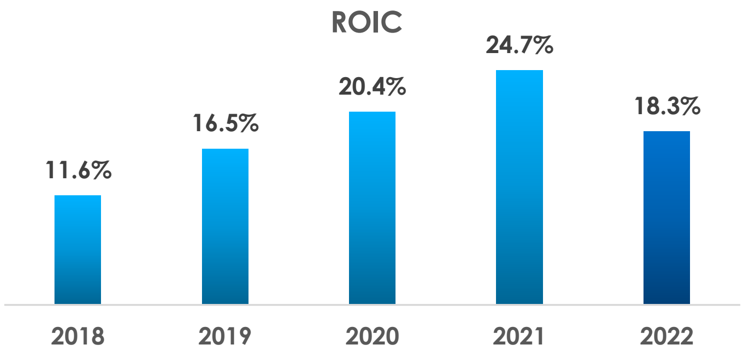


SHAREHOLDER RETURN

The accumulated net income in 2022 reached R$15.5 billion. In the period, considering both minimum dividends and interim dividends, R$4.4 billion was distributed, which implies a dividend yield of 9.1%.

If we consider the R$2.8 billion of share buybacks in 2022, Shareholder Return (Dividend Yield + Buybacks), would equal 15% in 2022.

The return on equity (ROE) was 32% in 2022 and the return on invested capital (ROIC) was 18% in the same period.



ACQUISITIONS

On January 4, the Company completed the acquisition of Rivalea, the leader in hog breeding and processing in Australia. With the acquisition, JBS became the leader of pork processing in the country. The value of the investment was US$112 million.

On February 7, JBS completed the acquisition of King's Group, one of the market leaders in the production of Italian charcuterie, with operations in Italy and the United States. The operation strengthens the Company's position in the production and distribution of Italian meat specialties, placing the Company among the leaders in the production of Italian salumeria. The investment was US$92.5 million.

On May 5, JBS acquired the control of BioTech Foods, one of the global leaders in the development of biotechnology for the production of cultivated protein. The company operates a pilot plant in the city of San Sebastián, Spain, and expects to reach commercial production by mid-2024, with the construction of a new manufacturing unit. Investment in the new facility is estimated at US$41 million.

On December 2, the Company announced an agreement to acquire assets from TriOak Foods, a USA Midwest-based pork producer and grain marketer. In acquiring TriOak Foods, JBS USA ensures access to a consistent supply of pork, strengthening its ability to provide high-quality pork products to American consumers.

4Q22 & 2022 CONSOLIDATED RESULTS

Consolidated Results

	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
R$ Million	R$	% NR	R$	% NR	4Q22 vs 3Q22	R$	% NR	4Q22 vs 4Q21	R$	% NR	R$	% NR	2022 vs 2021
Net Revenue	**92,865.5**	***100.0%***	**98,928.2**	***100.0%***	**-6.1%**	**97,192.1**	***100.0%***	**-4.5%**	**374,851.6**	***100.0%***	**350,695.6**	***100.0%***	**6.9%**
Cost of Goods Sold	(82,177.6)	*-88.5%*	(82,692.1)	*-83.6%*	-0.6%	(77,870.7)	*-80.1%*	5.5%	(315,373.5)	*-84.1%*	(284,510.6)	*-81.1%*	10.8%
Gross Profit	**10,687.9**	***11.5%***	**16,236.0**	***16.4%***	**-34.2%**	**19,321.4**	***19.9%***	**-44.7%**	**59,478.1**	***15.9%***	**66,185.0**	***18.9%***	**-10.1%**
Selling Expenses	(6,311.9)	*-6.8%*	(6,408.9)	*-6.5%*	-1.5%	(5,635.3)	*-5.8%*	12.0%	(24,184.5)	*-6.5%*	(19,167.3)	*-5.5%*	26.2%
General and Adm. Expenses	(2,803.6)	*-3.0%*	(3,076.3)	*-3.1%*	-8.9%	(4,467.3)	*-4.6%*	-37.2%	(11,829.5)	*-3.2%*	(15,205.9)	*-4.3%*	-22.2%
Net Financial Income (expense)	(2,133.8)	*-2.3%*	(1,496.3)	*-1.5%*	42.6%	(1,652.3)	*-1.7%*	29.1%	(6,352.3)	*-1.7%*	(5,078.7)	*-1.4%*	25.1%
Equity in earnings of subsidiaries	9.7	*0.0%*	14.8	*0.0%*	-34.6%	21.0	*0.0%*	-53.9%	60.5	*0.0%*	92.5	*0.0%*	-34.6%
Other Income (expense)	904.7	*1.0%*	241.9	*0.2%*	274.0%	57.2	*0.1%*	1482.2%	1,111.6	*0.3%*	365.8	*0.1%*	203.9%
Profit (loss) before taxes	**353.0**	***0.4%***	**5,511.2**	***5.6%***	**-93.6%**	**7,644.7**	***7.9%***	**-95.4%**	**18,283.9**	***4.9%***	**27,191.5**	***7.8%***	**-32.8%**
Income and social contribution taxes	1,861.4	*2.0%*	(1,247.3)	*-1.3%*	-	(1,128.7)	*-1.2%*	-	(2,082.6)	*-0.6%*	(6,661.8)	*-1.9%*	-68.7%
Minority interest	135.3	*0.1%*	(250.3)	*-0.3%*	-	(43.0)	*0.0%*	-	(743.4)	*-0.2%*	(43.1)	*0.0%*	1625.2%
Net Income (Loss)	**2,349.7**	***2.5%***	**4,013.6**	***4.1%***	**-41.5%**	**6,473.0**	***6.7%***	**-63.7%**	**15,457.8**	***4.1%***	**20,486.6**	***5.8%***	**-24.5%**
Adjusted EBITDA	**4,574.5**	***4.9%***	**9,545.8**	***9.6%***	**-52.1%**	**13,150.2**	***13.5%***	**-65.2%**	**34,568.4**	***9.2%***	**45,662.2**	***13.0%***	**-24.3%**
Earnings per Share	**1.06**		**1.81**		**-41.4%**	**2.69**		**-60.6%**	**6.93**		**8.26**		**-16.1%**

NET REVENUE

In 4Q22, JBS recorded consolidated net revenue of R$92.9 billion, which represents a decrease of 4.5% in relation to 4Q21. The highlight was Seara, which grew 9% in the annual comparison. In the period, approximately 76% of JBS global sales were in the domestic markets where the Company operates and 24% were through exports.

In 2022, net revenue reached a record of R$374.9 billion (US$72.6 billion), of which 74% were sales in the domestic markets and 26% were through exports.

ADJUSTED EBITDA

In 4Q22, JBS adjusted EBITDA was R$4.6 billion, which represents a decrease of 65.2% on top of a very strong comparative base disclosed in the 4Q21, given the normalization of JBS Beef North America results and a more challenging scenario in Pilgrim's Pride due to a global oversupply of chicken. The adjusted EBITDA margin was 4.9% for the quarter.

In 2022, adjusted EBITDA reached R$34.6 billion (US$6.7 billion), with EBITDA Margin of 9.2%.

R$ Million	4Q22	3Q22	Δ%	4Q21	Δ%	2022	2021	Δ%
Net income for the period (including minority interest)	**2,214.4**	**4,263.9**	**-48.1%**	**6,516.0**	**-66.0%**	**16,201.3**	**20,529.7**	**-21.1%**
Financial income (expense), net	2,133.8	1,496.3	42.6%	1,652.3	29.1%	6,352.3	5,078.7	25.1%
Current and deferred income taxes	(1,861.4)	1,247.3	-	1,128.7	-	2,082.6	6,661.8	-68.7%
Depreciation and amortization	2,625.0	2,438.8	7.6%	2,503.7	4.8%	9,853.8	9,027.8	9.2%
Equity in subsidiaries	(9.7)	(14.8)	-34.6%	(21.0)	-53.9%	(60.5)	(92.5)	-34.6%
(=) EBITDA	**5,102.1**	**9,431.6**	-45.9%	**11,779.6**	-56.7%	**34,429.5**	**41,205.4**	-16.4%
Other income / expenses	(72.3)	(64.6)	12.0%	92.9	-	(7.4)	152.3	-
Net indemnity J&F*	(492.9)	-	-	-	-	(492.9)	-	-
Extemporaneous tax credits	-	-	-	2.3	-	-	(101.1)	-
Antitrust Agreements	24.7	164.3	-85.0%	1,170.1	-97.9%	516.4	4,254.7	-87.9%
Fund for the Amazon	-	2.5	-	41.5	-	5.5	50.0	-89.0%
Donations and social projects	12.9	12.0	7.3%	63.8	-79.8%	117.4	100.9	16.3%
(=) Adjusted EBITDA	**4,574.5**	**9,545.8**	**-52.1%**	**13,150.2**	**-65.2%**	**34,568.4**	**45,662.2**	**-24.3%**

* Value Net of PIS/COFINS

4Q22 & 2022 CONSOLIDATED RESULTS

NET FINANCIAL RESULTS

In 4Q22, net debt financial expenses were R$1.2 billion, which corresponds to US$233 million. In 2022, net debt financial expenses were R$4.3 billion, which corresponds to US$841 million.

R$ Million	4Q22	3Q22	Δ%	4Q21	Δ%	2022	2021	Δ%
Exchange rate variation	(117.8)	175.5	-	(157.7)	-25.3%	2,206.6	(9.8)	-
Fair value adjustments on derivatives	(385.6)	(159.9)	141.2%	184.6	-	(1,797.4)	254.5	-
Interest expense[1]	(1,910.8)	(1,730.1)	10.4%	(1,547.0)	23.5%	(6,930.5)	(5,264.6)	31.6%
Interest income[1]	344.8	467.3	-26.2%	236.5	45.8%	1,387.7	780.5	77.8%
Taxes, contribution, fees and others	(64.3)	(249.1)	-74.2%	(368.7)	-82.6%	(1,218.8)	(839.3)	45.2%
Finance income (expense)	**(2,133.8)**	**(1,496.3)**	42.6%	**(1,652.3)**	29.1%	**(6,352.3)**	**(5,078.7)**	25.1%
Interest expenses from loans and financings	(1,315.2)	(1,131.5)	16.2%	(1,193.5)	10.2%	(4,696.4)	(4,076.5)	15.2%
Interest income from investments	90.9	100.1	-9.3%	71.1	27.7%	353.3	128.9	174.1%
Net debt financial expense[1]	**(1,224.4)**	**(1,031.4)**	18.7%	**(1,122.4)**	9.1%	**(4,343.1)**	**(3,947.6)**	10.0%

[1]Includes the interest expenses from loans and financings which are included in the interest expense and interest income lines.

NET INCOME

In 4Q22, JBS posted a net income of R$2.3 billion, which represents an earnings per share of R$1.06. **In 2022, net income was R$15.5 billion, which represents an earnings per share of R$6.93.**

CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW

In 4Q22 and 2022, the cash flow from operating activities was R$5.8 billion and R$17.4 billion, respectively. Free cash flow, after investments and net interest, totaled R$1.2 billion for the 4Q22 and R$2.1 billion in 2022.

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES

In 4Q22, the total cash used in investment activities was R$4.7 billion. Purchase of Property, Plants and Equipment (PP&E) totaled R$3.4 billion in the quarter and the acquisition of subsidiaries, net of cash obtained from acquisitions, totaled R$1.2 billion. In 2022, the cash flow from investments was R$13.1 billion, of which PP&E totaled 11.2 billion and acquisition of subsidiaries, net of cash, totaled R$2 billion.

INDEBTEDNESS

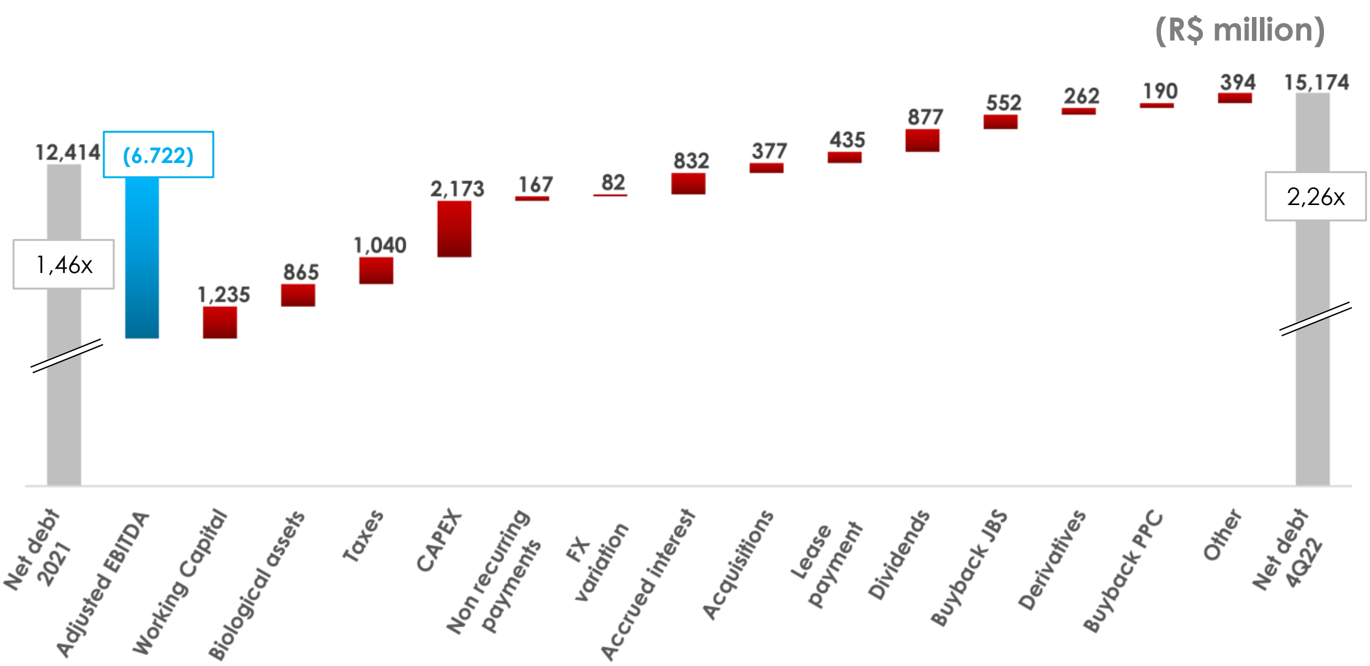
JBS ended the year with R$13.2 billion in cash and US$3.2 billion available in unsecured revolving credit facility lines, of which US$2.8 billion at JBS USA and US$450 million at JBS Brasil, equivalent to R$16.7 billion at the closing FX rate of 2022. Therefore this means JBS has a total liquidity position of R$30 billion.

At the end of the year, net debt was US$15.2 billion and R$79.2 billion. Thus, JBS ended the year with leverage of 2.29x in reais and 2.26x in dollars.

	R$ Million					US$ Million				
	4Q22	3Q22	Δ%	4Q21	Δ%	4Q22	3Q22	Δ%	4Q21	Δ%
Gross Debt	**92,354.1**	**94,927.7**	**-2.7%**	**92,518.2**	**-0.2%**	**17,700.1**	**17,557.8**	**0.8%**	**16,578.8**	**6.8%**
(+) Short Term Debt	8,228.6	10,889.6	-24.4%	11,914.3	-30.9%	1,577.0	2,014.1	-21.7%	2,135.0	-26.1%
% of the Gross Debt	8.9%	11.5%		12.9%		8.9%	11.5%		12.9%	
(+) Long Term Debt	84,125.5	84,038.2	0.1%	80,603.9	4.4%	16,123.1	15,543.6	3.7%	14,443.8	11.6%
% of the Gross Debt	91.1%	88.5%		87.1%		91.1%	88.5%		87.1%	
(-) Cash and Equivalents	13,182.2	16,665.1	-20.9%	23,239.2	-43.3%	2,526.4	3,082.4	-18.0%	4,164.3	-39.3%
Net Debt	**79,171.9**	**78,262.6**	**1.2%**	**69,279.0**	**14.3%**	**15,173.7**	**14,475.4**	**4.8%**	**12,414.5**	**22.2%**
Leverage[1]	**2.29x**	**1.81x**		**1.52x**		**2.26x**	**1.76x**		**1.46x**	

[1]Leverage considers Adjusted EBITDA.

NET DEBT BRIDGE



Year end 2022 Net Debt was US$15.2 billion, an increase of US$2.8 billion in the annual comparison, mainly explained by: (i) Capex in the amount of US$2.2 billion; (ii) US$1.4 billion of dividend distributions and share buybacks and (iii) consumption of Working Capital in the amount of US$1.2 billion.

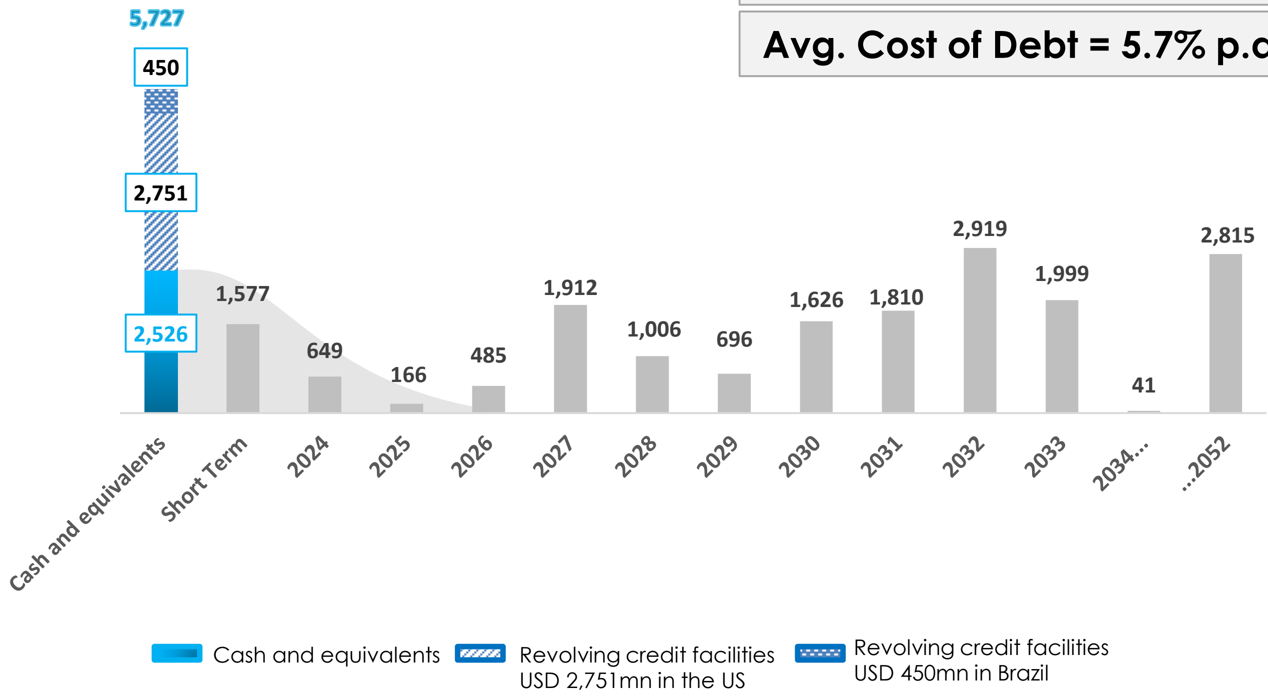
4Q22 & 2022 CONSOLIDATED RESULTS

INDEBTEDNESS (Cont.)

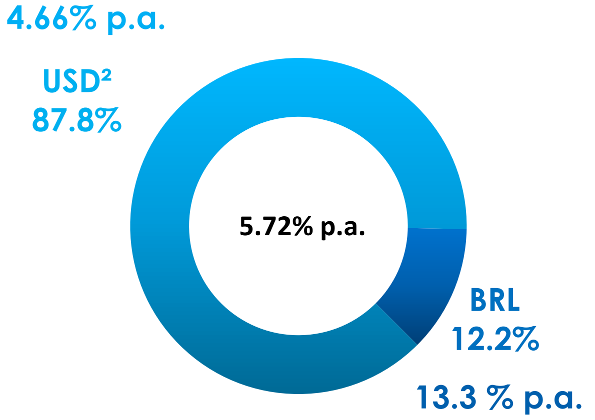
Debt Maturity Schedule (US$ Mn)[1]

Avg. Maturity = 9.9 years

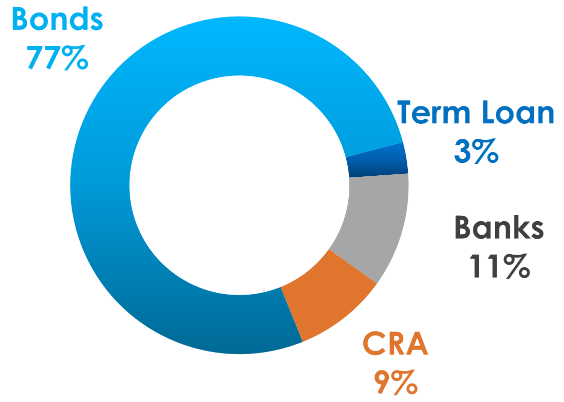
Avg. Cost of Debt = 5.7% p.a.



CURRENCY & COST BREAKDOWN



SOURCE BREAKDOWN



[1] Includes funds available in cash and revolving guaranteed credit lines from JBS USA.
[2] Includes debts in other currencies, such as Euros and Canadian Dollars.

4Q22 & 2022 BUSINESS UNITS

BUSINESS UNITS – IFRS R$

Million		4Q22	3Q22	Δ%	4Q21	Δ%	2022	2021	Δ%
Net Revenue									
Seara	R$	11,032.4	11,767.6	-6.2%	10,121.4	9.0%	42,967.8	36,523.5	17.6%
JBS Brazil	R$	14,271.3	16,240.2	-12.1%	14,072.9	1.4%	58,948.9	53,803.3	9.6%
JBS Beef North America	R$	28,663.2	29,155.8	-1.7%	32,676.6	-12.3%	113,979.2	115,617.2	-1.4%
JBS Australia	R$	8,236.4	8,736.4	-5.7%	8,649.1	-4.8%	32,630.1	28,856.2	13.1%
JBS USA Pork	R$	10,595.5	11,154.8	-5.0%	10,624.4	-0.3%	42,086.6	41,077.1	2.5%
Pilgrim's Pride	R$	21,675.4	23,441.1	-7.5%	22,530.5	-3.8%	90,064.8	79,673.6	13.0%
Others	R$	994.1	1,191.2	-16.5%	1,109.6	-10.4%	4,340.8	3,848.1	12.8%
Eliminations	R$	-2,602.8	-2,758.9	-5.7%	-2,592.3	0.4%	-10,166.6	-8,703.6	16.8%
Total	**R$**	**92,865.5**	**98,928.2**	**-6.1%**	**97,192.1**	**-4.5%**	**374,851.6**	**350,695.6**	**6.9%**
Adjusted EBITDA									
Seara	R$	703.9	1,780.3	-60.5%	1,135.0	-38.0%	4,605.8	3,860.5	19.3%
JBS Brazil	R$	339.9	825.7	-58.8%	696.7	-51.2%	2,407.0	2,318.6	3.8%
JBS Beef North America	R$	1,027.1	2,525.4	-59.3%	7,105.7	-85.5%	10,712.2	24,245.2	-55.8%
JBS Australia	R$	631.1	493.4	27.9%	691.6	-8.8%	2,281.9	1,764.9	29.3%
JBS USA Pork	R$	1,010.3	999.2	1.1%	1,177.4	-14.2%	3,922.0	4,241.1	-7.5%
Pilgrim's Pride	R$	892.6	2,955.1	-69.8%	2,314.3	-61.4%	10,690.9	9,109.3	17.4%
Others	R$	-27.3	-30.5	-10.5%	32.2	-	-40.1	133.5	-
Eliminations	R$	-3.0	-2.7	10.0%	-2.7	9.9%	-11.3	-11.0	3.3%
Total	**R$**	**4,574.5**	**9,545.8**	**-52.1%**	**13,150.2**	**-65.2%**	**34,568.4**	**45,662.2**	**-24.3%**
Adjusted EBITDA Margin									
Seara	%	6.4%	15.1%	-8.7 p.p.	11.2%	-4.8 p.p.	10.7%	10.6%	0.1 p.p.
JBS Brazil	%	2.4%	5.1%	-2.7 p.p.	5.0%	-2.6 p.p.	4.1%	4.3%	-0.2 p.p.
JBS Beef North America	%	3.6%	8.7%	-5.1 p.p.	21.7%	-18.2 p.p.	9.4%	21.0%	-11.6 p.p.
JBS Australia	%	7.7%	5.6%	2.0 p.p.	8.0%	-0.3 p.p.	7.0%	6.1%	0.9 p.p.
JBS USA Pork	%	9.5%	9.0%	0.6 p.p.	11.1%	-1.5 p.p.	9.3%	10.3%	-1.0 p.p.
Pilgrim's Pride	%	4.1%	12.6%	-8.5 p.p.	10.3%	-6.2 p.p.	11.9%	11.4%	0.4 p.p.
Others	%	-2.7%	-2.6%	-0.2 p.p.	2.9%	-5.6 p.p.	-0.9%	3.5%	-4.4 p.p.
Total	**%**	**4.9%**	**9.6%**	**-4.7 p.p.**	**13.5%**	**-8.6 p.p.**	**9.2%**	**13.0%**	**-3.8 p.p.**

BUSINESS UNITS – USGAAP US$

Million		4Q22	3Q22	Δ%	4Q21	Δ%	2022	2021	Δ%
Net Revenue									
JBS Beef North America	US$	5,453.6	5,554.1	-1.8%	5,853.2	-6.8%	22,069.1	21,443.5	2.9%
JBS Australia	US$	1,567.1	1,664.3	-5.8%	1,549.3	1.2%	6,323.3	5,344.9	18.3%
JBS USA Pork	US$	2,015.9	2,125.0	-5.1%	1,903.0	5.9%	8,153.0	7,626.2	6.9%
Pilgrim's Pride	US$	4,127.4	4,469.0	-7.6%	4,038.8	2.2%	17,468.4	14,777.5	18.2%
Adjusted EBITDA									
JBS Beef North America	US$	112.8	403.1	-72.0%	1,240.1	-90.9%	1,932.0	4,600.4	-58.0%
JBS Australia	US$	78.5	59.4	32.1%	104.4	-24.8%	337.1	287.1	17.4%
JBS USA Pork	US$	96.5	92.7	4.1%	229.8	-58.0%	589.6	765.8	-23.0%
Pilgrim's Pride	US$	62.9	460.5	-86.4%	316.7	-80.2%	1,648.4	1,289.0	27.9%
Adjusted EBITDA Margin									
JBS Beef North America	%	2.1%	7.3%	-5.2 p.p.	21.2%	-19.1 p.p.	8.8%	21.5%	-12.7 p.p.
JBS Australia	%	5.0%	3.6%	1.4 p.p.	6.7%	-1.7 p.p.	5.3%	5.4%	0.0 p.p.
JBS USA Pork	%	4.8%	4.4%	0.4 p.p.	12.1%	-7.3 p.p.	7.2%	10.0%	-2.8 p.p.
Pilgrim's Pride	%	1.5%	10.3%	-8.8 p.p.	7.8%	-6.3 p.p.	9.4%	8.7%	0.7 p.p.

4Q22 & 2022 BUSINESS UNITS

SEARA

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**11,032.4**	***100.0%***	**11,767.6**	***100.0%***	**-6.2%**	**10,121.4**	***100.0%***	**9.0%**	**42,967.8**	***100.0%***	**36,523.5**	***100.0%***	**17.6%**
Cost of Goods Sold	(9,261.2)	*-83.9%*	(8,784.6)	*-74.7%*	5.4%	(7,905.7)	*-78.1%*	17.1%	(33,957.8)	*-79.0%*	(29,037.5)	*-79.5%*	16.9%
Gross Profit	1,771.2	*16.1%*	2,983.0	*25.3%*	-40.6%	2,215.8	*21.9%*	-20.1%	9,010.0	*21.0%*	7,486.0	*20.5%*	20.4%
Adjusted EBITDA	**703.9**	**6.4%**	**1,780.3**	**15.1%**	**-60.5%**	**1,135.0**	**11.2%**	**-38.0%**	**4,605.8**	**10.7%**	**3,860.5**	**10.6%**	**19.3%**

In 4Q22, Seara posted net revenue of R$11 billion, 9% higher than 4Q21, as a result of an increase of 6.8% in prices and 2% in volumes. In 2022, Seara posted net revenue of R$43.0 billion, 17.6% higher than in 2021, due to an increase in the average price of 15.1% and 2.2% in volumes.

Sales in the domestic market, which accounted for 53% of the unit's revenue in the 4Q22, totaled R$5.8 billion, 9.4% higher than 4Q21. The prepared food category maintained the growth trend and recorded a 6% increase in net revenue due to higher average prices. For the year, net revenue was R$20.8 billion (+13.3% y/y). As for the prepared food category, it recorded a 14.5% increase in average prices, maintaining volumes stable compared to the previous year.

During 2022, Seara continued to invest in the fundamentals of the business, i.e., consistently making investments in innovation, quality, expansion of capacity and its brand. As a result, according to Kantar, Seara achieved record results in terms of brand preference and penetration in 90.7% of Brazilian households, while repeat purchases continued to grow, making it the fastest growing brand in Brazil. The margarine segment gained 3.5 p.p. of market share. Additionally, the Delícia margarine brand gained market penetration for the second consecutive year, reaching 54.7% of Brazilian households and consolidating itself as one of the leaders in the category.

In the export market, net revenue in dollars were US$993 million, which represents an increase of 15.4% compared to 4Q21, thanks to a growth of 5.4% in the average price and 9.4% in volumes. In the year, net revenue was US$4.3 billion (+27.4% y/y), as a result of an increase of 18.2% y/y in average prices and 7.8% y/y in volumes. It is worth mentioning that 2022 was marked by a year of extreme volatility in the international market, as a result of the global increase in the supply of chicken, avian flu in various regions of the world and the conflict between Russia and Ukraine.

In 4Q22, the scenario for production costs, especially for feed, remained challenging, a trend observed throughout the year. According to ESALQ data, the average cost of corn dropped by around 3%, reaching R$85/bag, but soybean meal rose by 19.1% to R$2,800/ton. For the year, corn fell 4% compared to 2021, while soybean meal grew by 9% for the same period. The cost increase has been partially offset by the pass-through of prices, combined with a better mix of markets, channels and products, in addition to the focus of the Company's management on operational efficiency. As a result, adjusted EBITDA reached R$704 million, with a margin of 6.4% in 4Q22, and for the year Seara delivered an adjusted EBITDA of R$4.6 billion and a margin of 10.7%.

[1] 4Q21 and 2021 includes the consolidation of Bunge's margarine business, which acquisition was concluded in November 2020.
[2] Excluding the margarine business

4Q22 & 2022 BUSINESS UNITS

JBS BRAZIL

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**14,271.3**	***100.0%***	**16,240.2**	***100.0%***	**-12.1%**	**14,072.9**	***100.0%***	**1.4%**	**58,948.9**	***100.0%***	**53,803.3**	***100.0%***	**9.6%**
Cost of Goods Sold	(12,346.1)	*-86.5%*	(13,550.5)	*-83.4%*	-8.9%	(11,917.4)	*-84.7%*	3.6%	(50,087.3)	*-85.0%*	(46,518.6)	*-86.5%*	7.7%
Gross Profit	1,925.2	*13.5%*	2,689.6	*16.6%*	-28.4%	2,155.5	*15.3%*	-10.7%	8,861.6	*15.0%*	7,284.7	*13.5%*	21.6%
Adjusted EBITDA	**339.9**	**2.4%**	**825.7**	**5.1%**	**-58.8%**	**696.7**	**5.0%**	**-51.2%**	**2,407.0**	**4.1%**	**2,318.6**	**4.3%**	**3.8%**

In 4Q22, JBS Brasil recorded net revenue of R$14.3 billion (+1.4% y/y) and R$58.9 billion (+9.6% y/y) in 2022, as a result of higher average prices.

In the domestic market, sales in the fresh beef category decreased by 11.4% year-on-year in 4Q22, given a more challenging comparison for the same period last year, since in 2021 China suspended exports of Brazilian beef for approximately 3 and a half months, and the volumes were directed to the domestic market, therefore increasing the baseline. In the year, net revenue grew 3.3% in the fresh beef category, given: (i) the increase of key customers through the loyalty program Friboi+ (Açougue Nota 10); (ii) the growth of the higher added value portfolio; (iii) the increase of the number of customers in the food service channel; and (iv) getting the Friboi and Swift brands closer to the retail and end consumers;

In the export market, net revenue in dollars increased by 7% when compared to 4Q21, mainly due to the 5.9% growth in volume and 1.7% in the average price of fresh beef. In the year, net revenue in dollars rose 13%, mainly due to the 13% increase in the average price. China remained the top destination for both the quarter and the year.

EBITDA totaled R$339.9 million, with an EBITDA margin of 2.4% in 4Q22, the result was pressured by an unbalanced supply and demand scenario in the leather segment, in addition to the deterioration in the Chinese market. For the year, EBITDA totaled R$2.4 billion, with an EBITDA margin of 4.1%. According to data published by CEPEA-ESALQ, the price of live cattle during the quarter was approximately R$290/arroba(-2.1% y/y) and in the year R$318/arroba (+3.9%).

In October 2022, the Friboi brand received an important achievement. In a survey carried out by Instituto Datafolha in thousands of Brazilian homes, the Friboi brand once again received the recognition of being Top of Mind, that is, the most remembered and preferred brand by the Brazilian consumer.

Regarding JBS Novos Negócios ("New Business"), the Company continued to invest in the strategy of adding value, including byproducts. Thus, the Company began its production of organic, organomineral and special fertilizers, marking the entry of Campo Forte Fertilizantes into the segment. Additionally, it also entered the health and nutraceuticals market with the launch of Genu-in, a company specializing in collagen peptides and gelatin. Finally, JBS Biodiesel inaugurated its second plant, in the city of Mafra-SC. With the new operation, the total biodiesel production capacity doubled. In addition to adding value, these investments reinforce JBS' circular economy concept and are in line with the commitment to become Net Zero by 2040.

Note: On March 1, 2020, through a corporate restructuring process, the Swift stores were transferred to the direct subsidiary Seara Alimentos. Despite the fact that the Swift stores are part of Seara Alimentos' corporate structure, for the purposes of analysis and presentation of results, management decided to allocate the Swift stores results to the JBS Brazil operating segment.

4Q22 & 202 BUSINESS UNITS

JBS BEEF NORTH AMERICA

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**28,663.2**	***100.0%***	**29,155.8**	***100.0%***	**-1.7%**	**32,676.6**	***100.0%***	**-12.3%**	**113,979.2**	***100.0%***	**115,617.2**	***100.0%***	**-1.4%**
Cost of Goods Sold	(26,120.2)	*-91.1%*	(25,073.4)	*-86.0%*	4.2%	(24,084.6)	*-73.7%*	8.5%	(97,288.4)	*-85.4%*	(86,056.2)	*-74.4%*	13.1%
Gross Profit	2,543.0	*8.9%*	4,082.4	*14.0%*	-37.7%	8,592.0	*26.3%*	-70.4%	16,690.9	*14.6%*	29,561.0	*25.6%*	-43.5%
Adjusted EBITDA	**1,027.1**	**3.6%**	**2,525.4**	**8.7%**	**-59.3%**	**7,105.7**	**21.7%**	**-85.5%**	**10,712.2**	**9.4%**	**24,245.2**	**21.0%**	**-55.8%**

USGAAP[1] - US$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY	US$	% NR	US$	% NR	YoY
Net Revenue	**5,453.6**	***100.0%***	**5,554.1**	***100.0%***	**-1.8%**	**5,853.2**	***100.0%***	**-6.8%**	**22,069.1**	***100.0%***	**21,443.5**	***100.0%***	**2.9%**
Cost of Goods Sold	(5,291.2)	*-97.0%*	(5,094.9)	*-91.7%*	3.9%	(4,562.4)	*-77.9%*	16.0%	(19,931.3)	*-90.3%*	(16,598.1)	*-77.4%*	20.1%
Gross Profit	162.4	*3.0%*	459.2	*8.3%*	-64.6%	1,290.8	*22.1%*	-87.4%	2,137.8	*9.7%*	4,845.4	*22.6%*	-55.9%
Adjusted EBITDA	**112.8**	**2.1%**	**403.1**	**7.3%**	**-72.0%**	**1,240.1**	**21.2%**	**-90.9%**	**1,932.0**	**8.8%**	**4,600.4**	**21.5%**	**-58.0%**

In IFRS and Reais, net revenue in 4Q22 was R$28.7 billion, a decrease of 12.3% compared to 4Q21, with an adjusted EBITDA of R$1 billion and an EBITDA margin of 3.6%. These results include the impact of the 5.9% appreciation of the average exchange rate (BRL vs. USD), which went from R$5.58 in 4Q21 to R$5.26 in 4Q22. In 2022, net revenue was R$114 billion, a decrease of 1.4% compared to 2021, while adjusted EBITDA was R$10.7 billion, and 9.4% margin. This result includes the impact of the 4.3% appreciation of the average exchange rate (BRL vs USD), which went from R$5.40 in 2021 to R$5.16 in 2022.

In USGAAP and US$, net revenue was US$5.5 billion in 4Q22, a decrease of 6.8% compared to 4Q21 and adjusted EBITDA was US$113 million, with margin of 2.1%. For the year, net revenue was US$22.1 billion, an increase of 2.9% compared to 2021, and the adjusted EBITDA was US$1.9 billion, with a 8.8% margin.

The normalization of margins throughout 2022 is linked to changes in market conditions, as a result of the reduction in the cattle herd and the greater sale of cows throughout the year. Thus, greater availability of cattle was generated in the short term, but this already pointed to a reduction in the number of cattle to come. In this scenario, according to the USDA, live cattle prices remained at higher levels, growing 16% y/y in 4Q22 and 18.1% y/y in 2022, to US$152/cwt and US$144/cwt, respectively. Another consequence of this movement, also according to figures released by the USDA, was that wholesale beef prices dropped 9% y/y in 4Q22 and 6% y/y in 2022.

In 2022, US beef exports continued to grow, as volumes were 3.2% higher and prices +6.4% year-on-year, according to the USDA. Operations at US ports improved significantly throughout the year, promoting a faster pace of shipments. The top 3 destinations for US beef remain South Korea, China and Japan. The Company has managed, with great success, to direct volumes to the export channel, becoming increasingly relevant for results.

Therefore, although 2022 was marked by the beginning of a cycle of greater restriction of animals available for slaughter, JBS continues to focus on improving operational efficiency, increasing the share of higher value-added products in its portfolio, as well as global distribution of products, mainly through our main commercial partners.

grass run farms
100% grass fed beef

ASPEN RIDGE
NATURAL ANGUS BEEF

[1]The difference in JBS USA Beef EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS16 from 1Q19 onwards and different accounting criteria in relation to inventories: in IFRS they are measured through the average cost while in USGAAP they are marked-to-market. Volume and price calculations exclude the impact of acquisitions.

4Q22 & 2022 BUSINESS UNITS

JBS AUSTRALIA

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**8,236.4**	***100.0%***	**8,736.4**	***100.0%***	**-5.7%**	**8,649.1**	***100.0%***	**-4.8%**	**32,630.1**	***100.0%***	**28,856.2**	***100.0%***	**13.1%**
Cost of Goods Sold	(7,212.0)	*-87.6%*	(7,755.0)	*-88.8%*	-7.0%	(7,522.7)	*-87.0%*	-4.1%	(28,663.2)	*-87.8%*	(25,668.4)	*-89.0%*	11.7%
Gross Profit	1,024.4	*12.4%*	981.4	*11.2%*	4.4%	1,126.3	*13.0%*	-9.0%	3,966.9	*12.2%*	3,187.8	*11.0%*	24.4%
Adjusted EBITDA	**631.1**	**7.7%**	**493.4**	**5.6%**	**27.9%**	**691.6**	**8.0%**	**-8.8%**	**2,281.9**	**7.0%**	**1,764.9**	**6.1%**	**29.3%**

USGAAP[1] - US$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY	US$	% NR	US$	% NR	YoY
Net Revenue	**1,567.1**	***100.0%***	**1,664.3**	***100.0%***	**-5.8%**	**1,549.3**	***100.0%***	**1.2%**	**6,323.3**	***100.0%***	**5,344.9**	***100.0%***	**18.3%**
Cost of Goods Sold	(1,480.5)	*-94.5%*	(1,579.0)	*-94.9%*	-6.2%	(1,425.4)	*-92.0%*	3.9%	(5,912.1)	*-93.5%*	(4,981.9)	*-93.2%*	18.7%
Gross Profit	86.6	*5.5%*	85.3	*5.1%*	1.5%	123.9	*8.0%*	-30.1%	411.2	*6.5%*	363.0	*6.8%*	13.3%
Adjusted EBITDA	**78.5**	**5.0%**	**59.4**	**3.6%**	**32.1%**	**104.4**	**6.7%**	**-24.8%**	**337.1**	**5.3%**	**287.1**	**5.4%**	**17.4%**

Considering results in IFRS and Reais, net revenue in 4Q22 was R$8.2 billion (-4.8% y/y) and R$32.6 billion (+13.1% y/y) in 2022. Adjusted EBITDA was R$631.1 million in 4Q22, with an EBITDA margin of 7.7%, and for the year it was R$2.3 billion, with an EBITDA margin of 7%. In USGAAP and US$, net revenue was US$1.6 billion (+1.2% y/y) in 4Q22 and US$6.3 billion (+18.3% y/y) in 2022. Adjusted EBITDA was US$78.5 million in 4Q22, with an EBITDA margin of 5%, and US$337.1 million in the year, with an EBITDA margin of 5.3%.

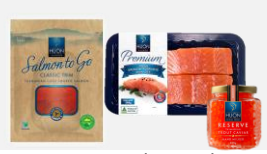
Overall Australia's Sales in the domestic market, which represent 47% of its total revenue in the quarter, were 23% higher than in 4Q21, driven by the additions of Huon and Rivalea, which have a strong focus on the domestic market, and by the recovery of demand in the retail and food service channels. In the export market, net revenue increased by 4% compared to 4Q21, mainly explained by the increase in volumes sold. For the year, top line in dollar grew 18.3% driven by existing businesses which posted a 7.1% YoY increase, and an incremental increase coming from the acquisition of Huon and Rivalea.

The Beef business net revenue was 4% lower compared to 4Q21, given the reduction in average prices due to weaker demand. The EBITDA margin was pressured due to live cattle prices, which remained at a high level for most of the quarter, as a result of the long rainy season, which reduces the availability of cattle for slaughter. During the year, animal costs remained high as a result of herd rebuilding and the long rainy season in cattle-producing regions.

The Aquaculture business continues to grow on the back of higher demand, which resulted in higher average prices.

Net revenue in the pork business grew as a consequence of the herd health improvement program started in 2021 and better optimization of carcasses.

Primo, the prepared foods unit, posted a 7.4% increase in net revenue as a result of a better mix and return to optimal production volumes.




[1]The difference in JBS USA Beef EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS16 from 1Q19 onwards and different accounting criteria in relation to inventories: in IFRS they are measured through the average cost while in USGAAP they are marked-to-market. Volume and price calculations exclude the impact of acquisitions.

4Q22 & 2022 BUSINESS UNITS

JBS USA PORK

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**10,595.5**	***100.0%***	**11,154.8**	***100.0%***	**-5.0%**	**10,624.4**	***100.0%***	**-0.3%**	**42,086.6**	***100.0%***	**41,077.1**	***100.0%***	**2.5%**
Cost of Goods Sold	(8,890.7)	*-83.9%*	(9,529.3)	*-85.4%*	-6.7%	(8,786.1)	*-82.7%*	1.2%	(35,556.2)	*-84.5%*	(34,344.1)	*-83.6%*	3.5%
Gross Profit	1,704.8	*16.1%*	1,625.5	*14.6%*	4.9%	1,838.2	*17.3%*	-7.3%	6,530.4	*15.5%*	6,733.0	*16.4%*	-3.0%
Adjusted EBITDA	**1,010.3**	**9.5%**	**999.2**	**9.0%**	**1.1%**	**1,177.4**	**11.1%**	**-14.2%**	**3,922.0**	**9.3%**	**4,241.1**	**10.3%**	**-7.5%**

USGAAP[1] - US$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY	US$	% NR	US$	% NR	YoY
Net Revenue	**2,015.9**	***100.0%***	**2,125.0**	***100.0%***	**-5.1%**	**1,903.0**	***100.0%***	**5.9%**	**8,153.0**	***100.0%***	**7,626.2**	***100.0%***	**6.9%**
Cost of Goods Sold	(1,915.4)	*-95.0%*	(2,025.5)	*-95.3%*	-5.4%	(1,670.2)	*-87.8%*	14.7%	(7,543.4)	*-92.5%*	(6,810.4)	*-89.3%*	10.8%
Gross Profit	100.5	*5.0%*	99.5	*4.7%*	1.0%	232.8	*12.2%*	-56.8%	609.6	*7.5%*	815.8	*10.7%*	-25.3%
Adjusted EBITDA	**96.5**	**4.8%**	**92.7**	**4.4%**	**4.1%**	**229.8**	**12.1%**	**-58.0%**	**589.6**	**7.2%**	**765.8**	**10.0%**	**-23.0%**

In IFRS and Reais, in 4Q22, net revenue was R$10.6 billion, stable compared to 4Q21 and adjusted EBITDA was R$1 billion, with a margin of 9.5%. These results include the impact of the 5.9% appreciation of the average exchange rate, which went from R$5.58 in 4Q21 to R$5.26 in 4Q22. In 2022, net revenue was R$42.1 billion, which corresponds to an increase of 2.5% compared to 2021, while adjusted EBITDA was R$3.9 billion, with a margin of 9.3%. This result includes the impact of the 4.3% appreciation of the average exchange rate (BRL vs USD), which went from R$5.40 in 2021 to R$5.16 in 2022.

In US GAAP and US$, net revenue was US$2 billion, an increase of 5.9% compared to 4Q21, due to the 6% increase in the average price in the period, with volumes stable. Adjusted EBITDA totaled US$96.5 million in 4Q22, with a margin of 4.8%. In 2022, net revenue was US$8.2 billion, an increase of 6.9% compared to 2021, and adjusted EBITDA was US$589.6 million, with a margin of 7.2%.

In the domestic market, according to USDA, pork production was 2.5% y/y lower in 2022 and -3.7% y/y in 4Q22, as a consequence of the reduced availability of hogs for slaughter. Thus, the results were impacted by the strong increase in cost due to the lower availability of live animals, as well as the increase in the costs of grains, labor and logistics. On the other hand, demand and an improved mix supported prices at high levels.

In the international market, USDA figures show that US pork export volumes were down 10.7% year-on-year in 2022, mainly given lower volumes exported to China, Japan and Canada. However, the drop in exports to these destinations was partially offset by higher volumes exported to Mexico, South Korea and Central American countries.

JBS continues to follow its strategy of expanding its branded, value-added portfolio, working closely with consumers. Thus, the cooked bacon plant, located in Moberly, Missouri, inaugurated in 2Q21, is already operating at full capacity. Sunnyvalley's bacon factory located in California has been delivering results that exceed historical performance. The Company also invested in the plant in Swanton, Vermont, to produce a new category of sous-vide products under the Savora brand. And finally, in January 2023, the Company opened its first Italian specialty meats plant located in Columbia, Missouri.

Swift

ADAPTABLE MEALS

SAVORA SOUS VIDE

[1]The difference in JBS USA Pork EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS16 from 1Q19 onwards and different accounting criteria. In IFRS, the inventories are measured through the average cost while in USGAAP they are marked-to-market and biological assets are marked to market, while in USGAAP they are measured through the average cost. Volume and price calculations exclude the impact of acquisitions.

4Q22 & 2022 BUSINESS UNITS

PILGRIM'S PRIDE CORPORATION

IFRS - R$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**21,675.4**	***100.0%***	**23,441.1**	***100.0%***	**-7.5%**	**22,530.5**	***100.0%***	**-3.8%**	**90,064.8**	***100.0%***	**79,673.6**	***100.0%***	**13.0%**
Cost of Goods Sold	(20,028.8)	*-92.4%*	(19,643.9)	*-83.8%*	2.0%	(19,279.4)	*-85.6%*	3.9%	(76,016.2)	*-84.4%*	(68,244.6)	*-85.7%*	11.4%
Gross Profit	1,646.6	*7.6%*	3,797.2	*16.2%*	-56.6%	3,251.0	*14.4%*	-49.4%	14,048.7	*15.6%*	11,429.0	*14.3%*	22.9%
Adjusted EBITDA	**892.6**	**4.1%**	**2,955.1**	**12.6%**	**-69.8%**	**2,314.3**	**10.3%**	**-61.4%**	**10,690.9**	**11.9%**	**9,109.3**	**11.4%**	**17.4%**

USGAAP[1] - US$ Million	4Q22		3Q22		Δ%	4Q21		Δ%	2022		2021		Δ%
	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY	US$	% NR	US$	% NR	YoY
Net Revenue	**4,127.4**	***100.0%***	**4,469.0**	***100.0%***	**-7.6%**	**4,038.8**	***100.0%***	**2.2%**	**17,468.4**	***100.0%***	**14,777.5**	***100.0%***	**18.2%**
Cost of Goods Sold	(4,031.6)	*-97.7%*	(3,971.7)	*-88.9%*	1.5%	(3,686.3)	*-91.3%*	9.4%	(15,656.6)	*-89.6%*	(13,411.6)	*-90.8%*	16.7%
Gross Profit	95.8	*2.3%*	497.3	*11.1%*	-80.7%	352.5	*8.7%*	-72.8%	1,811.8	*10.4%*	1,365.9	*9.2%*	32.7%
Adjusted EBITDA	**62.9**	**1.5%**	**460.5**	**10.3%**	**-86.4%**	**316.7**	**7.8%**	**-80.2%**	**1,648.4**	**9.4%**	**1,289.0**	**8.7%**	**27.9%**

Considering results in IFRS and Reais, PPC posted net revenue of R$21.7 billion in 4Q22, a 3.8% decrease compared to 4Q21, and adjusted EBITDA of R$893 million, with an EBITDA margin of 4.1%. These results include the impact of the 5.9% appreciation of the average exchange rate, which went from R$5.58 in 4Q21 to R$5.26 in 4Q22. In 2022, net revenue was R$90.1 billion, which corresponds to an increase of 13% compared to 2021, while adjusted EBITDA was R$10.7 billion (+17.4% y/y), with margin of 11.9%. This result includes the impact of the 4.3% appreciation of the average exchange rate (BRL vs USD), which went from R$5.40 in 2021 to R$5.16 in 2022.

In US GAAP and US$, PPC net revenue in 4Q22 was US$4.1 billion, 2.2% higher than in 4Q21, and adjusted EBITDA was US$62.9 million with margin of 1.5%. In 2022, net revenue was US$17.5 billion, an increase of 18.2% compared to 2021, and adjusted EBITDA was US$1.6 billion (+27.9% y/y), with a margin of 9 .4%.

Despite a challenging scenario, on the back of significant inflationary headwinds in the markets in which it operates, and exceptional market volatility, PPC reported record results in terms of net revenue and adjusted EBITDA in 2022. This is the result of better commercial and operational execution, in addition to of the continued investment strategy in a diversified portfolio, value-added and branded offerings.

In the United States, during 4Q22 the Company was able to generate positive results, given the unprecedented decline in the prices of products for the use of raw materials (Big Bird), which was offset by our diversified portfolio and partnerships with key customers. In the year, PPC presented strong results given: (i) the diversified, value-added and branded portfolio; (ii) operational and commercial excellence initiatives; and (iii) the intensification of partnerships with key customers.

In Mexico, after a strong result in the first half, the business faced a challenging second half in the face of an imbalanced supply and demand scenario, increasing pressures from imported chicken and continued challenges in the live chicken operations. However, during 4Q22, market conditions improved sequentially and, coupled with the improvement in service levels with Key Customers and an increase in the prepared food portfolio, the result improved sequentially throughout the quarter.

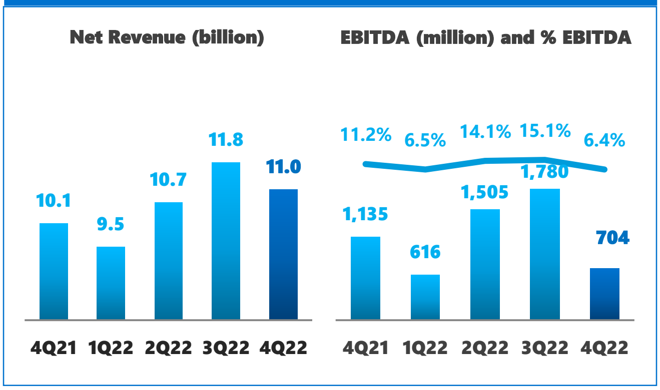
In Europe, several important steps were completed to optimize the manufacturing network and integrated back-office activities. The commercial focus, in partnership with Key Customers, was also essential to mitigate the persistent inflationary scenario. Thus, adjusted EBITDA showed sequential growth throughout the year.

[1]The difference in PPC's EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS 16 from 1Q19 onwards and to different accounting criteria in relation to breeding flock amortization: in IFRS, amortization of the breeding flock, due to its long term nature, is considered as an expense that can be adjusted in EBITDA, while in USGAAP amortization of the breeding flock is accounted as cost of goods sold and not adjustable in EBITDA. In IFRS, the inventories are measured through the average cost while in USGAAP they are marked-to-market and biological assets are marked to market, while in USGAAP they are measured through the average cost.

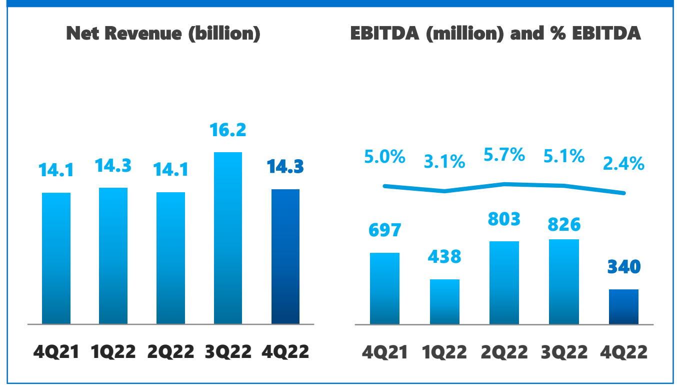
4Q22 BUSINESS UNITS

LOCAL GAAP AND CURRENCY

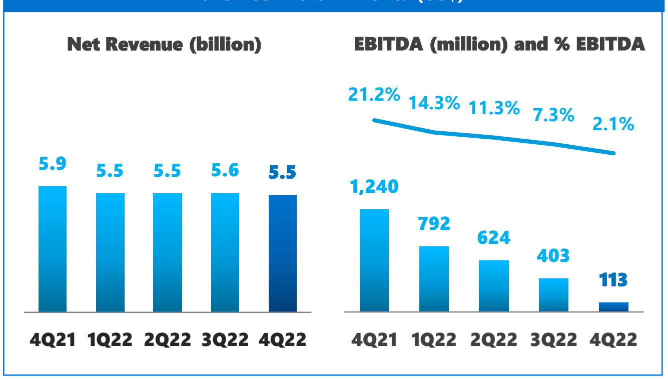
Seara (R$)



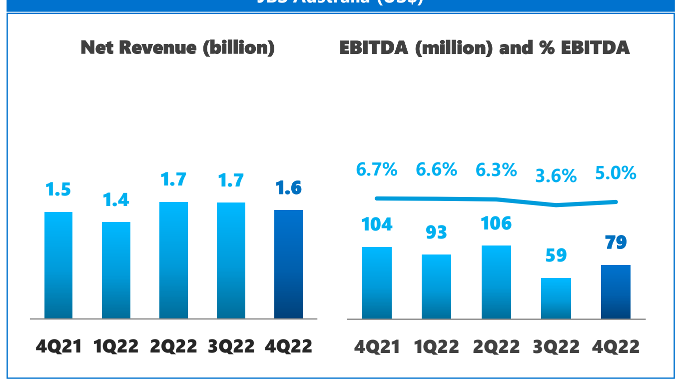
JBS Brasil (R$)



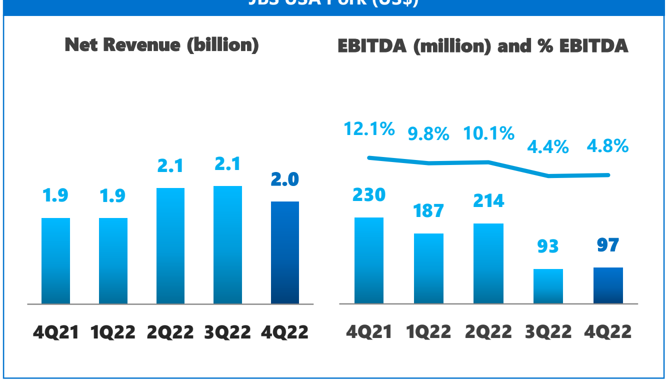
JBS Beef North America (US$)



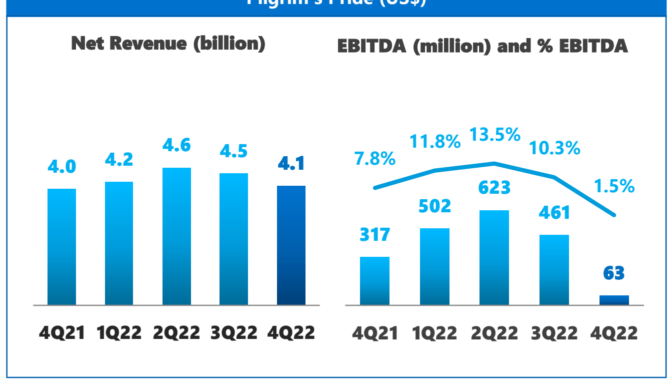
JBS Australia (US$)



JBS USA Pork (US$)

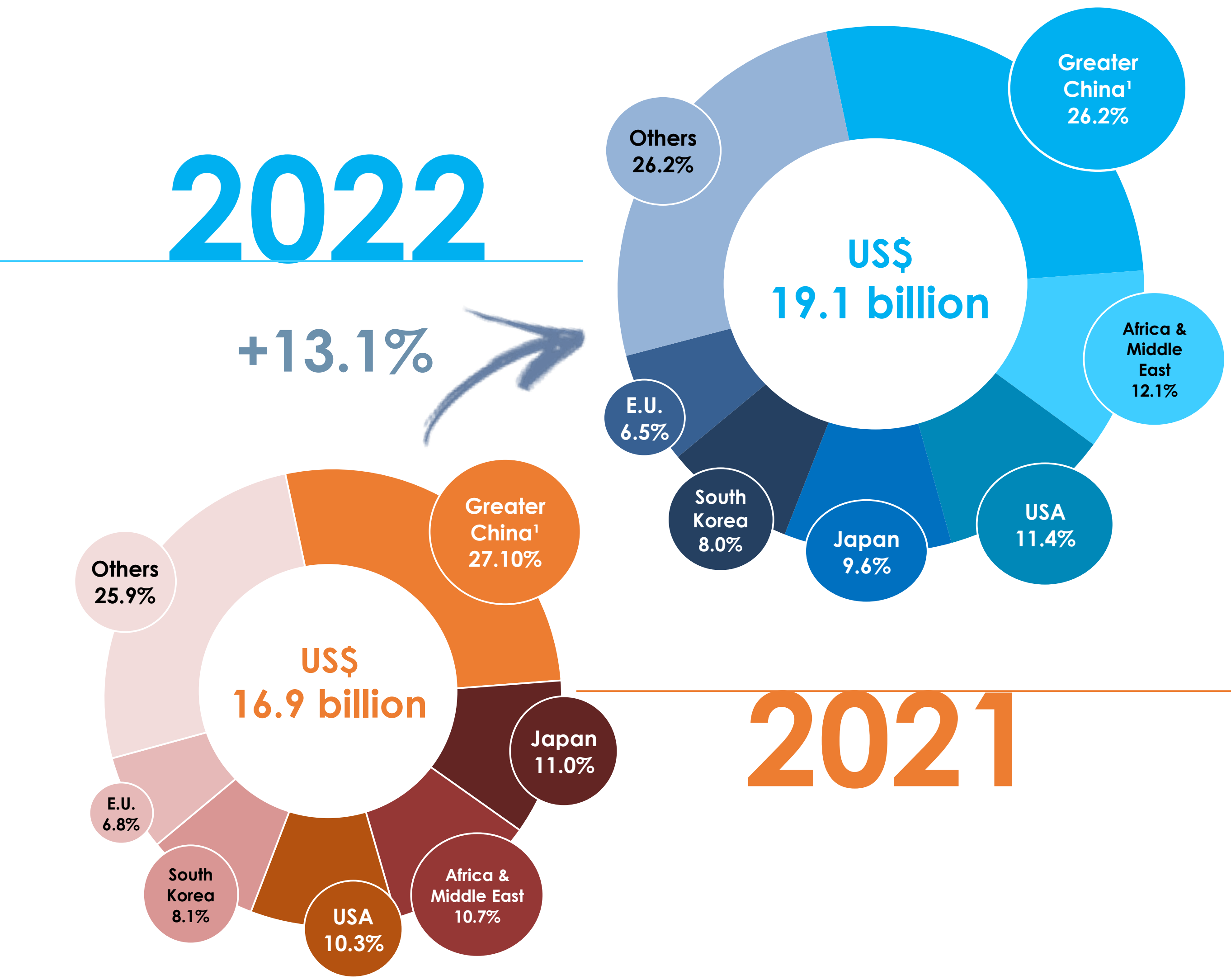


Pilgrim's Pride (US$)



TABLES AND GRAPHS

GRAPH 1 – JBS EXPORTS IN 2022 AND 2021



Note 1. Considering China and Hong Kong

TABLE 1 - CAPEX

R$ Million	4Q22 R$	4Q22 % CAPEX	3Q22 R$	3Q22 % CAPEX	Δ% QoQ	4Q21 R$	4Q21 % CAPEX	Δ% YoY	2022 R$	2022 % CAPEX	2021 R$	2021 % CAPEX	Δ% YoY
Total Capex	**3,440.8**	***100.0%***	**2,968.7**	***100.0%***	**15.9%**	**3,349.2**	***100.0%***	**2.7%**	**11,226.6**	***100.0%***	**9,623.6**	***100.0%***	**16.7%**
Expansion	1,921.9	*55.9%*	1,501.9	*50.6%*	28.0%	1,906.5	*56.9%*	0.8%	6,172.4	*55.0%*	5,349.4	*55.6%*	15.4%
Maintenance	1,518.9	*44.1%*	1,466.8	*49.4%*	3.6%	1,442.8	*43.1%*	5.3%	5,054.2	*45.0%*	4,274.1	*44.4%*	18.3%

TABLE 2 - COGS BREAKDOWN

4Q22 (%)	Consolidated	JBS Brazil	Seara	JBS Beef North America	JBS Australia	JBS USA Pork	PPC
Raw material (livestock)	75.9%	88.1%	71.9%	84.5%	78.2%	75.1%	55.0%
Processing (including ingredients and packaging)	13.9%	7.2%	18.5%	7.5%	10.0%	12.1%	29.3%
Labor Cost	10.3%	4.7%	9.6%	8.1%	11.8%	12.8%	15.7%

DIVIDEND POLICY

DIVIDEND PAYMENT HISTORY

The declaration of annual dividends, including dividends in excess of the minimum mandatory dividend, requires approval at the Annual General Shareholders Meeting by a majority vote of the shareholders of JBS and will depend on various factors.

These factors include operational results, financial conditions, cash requirements and future prospects of the Company among other factors that the board of directors and shareholders of JBS deem relevant.

The minimum mandatory dividend of JBS is 25% of net income as provided for in the Corporations Act and by the Company's bylaws, based upon the non-consolidated financial statements.

There were no dividend payments for 2010 and 2011, since the Company recorded losses for these periods.

Reference year	Total amount (R$ million)	Amount per share(R$)
12/31/2021	4,884.8	2.0013411800
12/31/2020	2,511.1	1.0166796900
12/31/2019	1,441.2	0.5405951400
12/31/2018	6.0	0.0022457200
12/31/2017	126.9	0.0467762540
12/31/2016	89.4	0.0329777380
12/31/2015	1,102.0	0.4054588810
12/31/2014	483.5	0.1673795780
12/31/2013	220.1	0.0767453370
12/31/2012	170.7	0.0595100000
12/31/2009	61.5	0.0243617747

For the business year ended December 31, 2022, the Company distributed interim dividends during the year totaling R$ 4,436.2 million, referring to the net profit recorded in the financial statements of the year, already reaching the minimum mandatory percentage to be distributed.

December 31, 2022 (R$ '000)	
Net income	**15,457,836**
Legal reserves – (5%)	(772,892)
Adjusted base for dividend calculation	**14,684,944**
Mandatory dividends (25%)	3,671,236
Declared interim dividends	**4,436,232**

OTHER RELEVANT INFORMATION

ADHERENCE TO THE ARBITRATION CHAMBER

The Company, its shareholders, directors and members of the Fiscal Council undertake to resolve through arbitration all and any dispute or controversy that may arise between them related to or arising from, especially, the application, validity, effectiveness, interpretation, violation and effects of the provisions contained in the Contract to Participate in the Novo Mercado, the Listing Regulations of the Novo Mercado, the Bylaws, the shareholders' agreement filed at the Company's headquarter under Corporate Law, the regulation issued by the National Monetary Council, the Brazilian Central Bank or the CVM, the regulations of the São Paulo stock exchange, the other rules applicable to the functioning of the capital markets in general, and the Commitment Clauses and Regulations of the Market Arbitration Chamber, such proceedings to be carried out in accordance with the said Market Arbitration Chamber Regulations.

RELATIONSHIP WITH EXTERNAL AUDITORS

Grant Thornton Auditores was hired by JBS S.A. for the provision of external audit services related to audits of financial statements of JBS S.A., individual and consolidated. JBS' policy to hire eventual services not related to external audit from the independent auditor is based on principles that preserve the independency of the auditor, such as: (a) the auditor should not audit its own work, (b) the auditor should not exercise managerial functions in its client and (c) the auditor should not promote the interests of its client.

The auditor's payment refers to professional services related to the audit process of consolidated financial statements, quarterly revisions of the Company's financial statements, corporate audits and some temporary revisions of certain subsidiaries, as per request by the appropriate legislation.

Payments not related to audit process corresponds to, mainly, services provided of compliance with the tax requirements to the Company's subsidiaries outside of Brazil.

Aiming to be in compliance with CVM Instruction 381/2003, JBS S.A. informs that Grant Thornton Auditores did not provide any other services unrelated to the audit that represented more than 5% of its total payment regarding audit process during 2022.

JBS S.A.

Financial statements and Independent auditors' report

As of December 31, 2022 and 2021

Index	Page

Grant Thornton

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

Independent auditor's report on the individual and consolidated financial statements

Grant Thornton Auditores Independentes Ltda.

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

T +55 11 3886-5100

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

Opinion

We have audited the individual and consolidated financial statements of JBS S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2022, and the related statement of income, comprehensive income, changes in equity and cash flows for the year then ended, and the corresponding explanatory notes, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the individual and consolidated financial position of JBS S.A. as of December 31, 2022, and its individual and consolidated financial performance and respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Key audit matters

Key audit matters ("KAM") are those matters that, in our judgment, were of most significance in our audit of the financial statements in the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements taken as a whole and in forming our opinion on such individual and consolidated financial statements, and, therefore, we do not provide a separate opinion on these matters.

Audit of group financial statements - ISA600 (Note No. 11)

Why the matter was determined to be a KAM

Some of the significant subsidiaries in Brazil and abroad are audited by other independent auditors, leading us to consider the risks and related key audit matters in those locations that, in the current year, are primarily represented by Management's monitoring and assessment of ongoing antitrust legal proceedings, corporate restructurings, business combinations and related impairment evaluation on its generated goodwill, as well as tax regulations to which the group is subject globally. This matter was considered to be significant for the purposes of our audit due to the materiality of these subsidiaries' operations for the individual and consolidated financial statements, which involve critical judgments regarding the estimates of assets and liabilities due to its acquisitions, restructurings, and related tax impacts on the Company's consolidated financial statements, and mainly due to the various audit procedures that we are required to perform to reach an acceptable level of quality and competence between our work as group auditor and the work performed by the component auditor.

How the matter was addressed in the audit of the financial statements

Our audit procedures included, among others:

- Review the working papers and, especially, extensive communication with the component auditors of the significant subsidiaries in order to discuss and properly address the requirements of independence, compliance, technical competence, audit risks, approach, scope, timing and extent of the audit work performed;
- We applied the concepts prescribed by and according to NBC TA 600 (R1)/ ISA 600 – Special considerations – Audits of group financial statements, besides performing other procedures, we issued audit instructions with the required analyses and declarations, as well as reviewed the components' working papers and discussed audit procedures performed and results reached, to conclude whether they had been appropriately planned and executed to address the risks of material misstatements and/or necessity of additional audit procedures to obtain necessary assurance;
- We performed additional independent and directed tests on certain significant components of the Company to cover any deficiencies that might significantly impact the financial statements referred to above;
- Regarding the key audit matters identified, we discussed with the components´ auditors and evaluated any impacts on the Company's individual and consolidated financial statements, including as to any effects on the disclosure of the consolidated financial statements;
- We involved our specialists native to the regulatory environment of the respective significant subsidiaries abroad with appropriated skills and knowledge to assess the application of local tax regulations on commercial operations, significant transactions and restructurings in those locations.

Based on the evidence obtained by performing the procedures described above, we consider that the accounting records relating to the accounting information of significant components and their effects on the individual and consolidated financial statements as well as on their respective disclosures are consistent in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's Management and presented as supplemental information for IFRS purposes, have been subject to auditing procedures which were performed together with the audit of the Company's financial statements. In forming our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria defined in said technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Information other than the individual and consolidated financial statements and auditor's report thereon

The Company's Management is responsible for these other information included in the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not, and will not, express any form of assurance conclusion on such report.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with the Company's and its subsidiaries' governance are those responsible for overseeing the financial reporting process.

Auditor’s responsibility for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and its subsidiaries’ internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements for the current year and are, therefore, the key audit matters. We describe these matters in our audit report, unless laws or regulations preclude public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 21, 2023

Grant Thornton Auditores Independentes Ltda.
CRC 2SP-025.583/O-1

Alcides Afonso Louro Neto
Contador CRC 1SP-289.078/O-2

JBS S.A.

Statements of financial position
In thousands of Brazilian Reais - R$

	Note	Company		Consolidated	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	**2,096,334**	2,654,374	**13,182,158**	23,239,150
Margin cash	4	**80,434**	168,808	**679,391**	1,245,354
Trade accounts receivable	5	**4,380,011**	4,259,402	**20,234,895**	19,877,408
Inventories	6	**4,633,201**	5,108,044	**28,142,094**	26,542,009
Biological assets	7	—	—	**9,710,693**	7,409,092
Recoverable taxes	8	**1,473,985**	1,139,385	**5,330,928**	3,204,923
Derivative assets		—	—	**442,929**	468,292
Other current assets		**197,463**	276,306	**1,667,982**	1,927,978
TOTAL CURRENT ASSETS		**12,861,428**	**13,606,319**	**79,391,070**	**83,914,206**
NON-CURRENT ASSETS					
Recoverable taxes	8	**6,128,844**	4,982,893	**9,165,569**	7,890,699
Biological assets	7	—	—	**2,619,066**	2,245,019
Related party receivables	9	**1,103,125**	4,032,213	**951,021**	417,702
Deferred income taxes	10	—	—	**3,161,300**	1,738,222
Derivative assets		**98,134**	218,409	**123,215**	246,703
Other non-current assets		**226,679**	505,537	**1,118,115**	1,186,038
		7,556,782	**9,739,052**	**17,138,286**	**13,724,383**
Investments in equity-accounted investees, associates and joint venture	11	**55,399,509**	60,496,030	**294,837**	243,190
Property, plant and equipment	12	**13,027,863**	12,268,840	**62,170,792**	56,967,356
Right of use assets	13	**54,664**	45,583	**8,374,892**	7,832,842
Intangible assets	14	**31,021**	33,439	**10,328,389**	12,004,359
Goodwill	15	**9,085,970**	9,085,970	**30,412,362**	32,564,548
TOTAL NON-CURRENT ASSETS		**85,155,809**	**91,668,914**	**128,719,558**	**123,336,678**
TOTAL ASSETS		**98,017,237**	**105,275,233**	**208,110,628**	**207,250,884**

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

JBS S.A.

Statements of financial position
In thousands of Brazilian Reais - R$

	Note	Company		Consolidated	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	16	**4,297,855**	5,277,159	**31,009,515**	30,217,201
Supply chain finance	16	**1,263,694**	709,630	**3,071,099**	2,687,974
Loans and financing	17	**4,999,929**	8,739,280	**8,228,557**	11,914,284
Income taxes	18	—	—	**475,174**	988,897
Other taxes payable	18	**281,532**	321,853	**725,721**	744,094
Payroll and social charges	19	**1,083,670**	997,438	**6,251,132**	6,963,119
Lease liabilities	13	**27,675**	22,412	**1,788,353**	1,625,889
Dividends payable	20	**135**	108	**183**	156
Liabilities from anti-trust agreements	21	—	—	**909,132**	1,338,422
Derivative liabilities		**278,227**	285,837	**559,536**	773,279
Other current liabilities		**954,745**	1,494,145	**2,141,820**	2,555,768
TOTAL CURRENT LIABILITIES		**13,187,462**	**17,847,862**	**55,160,222**	**59,809,083**
NON-CURRENT LIABILITIES					
Loans and financings	17	**10,699,653**	7,022,860	**84,125,504**	80,603,870
Income taxes and other taxes	18	**313,170**	409,056	**606,041**	569,596
Payroll and social charges	19	**1,859,444**	1,909,835	**2,378,970**	2,930,082
Lease liabilities	13	**35,023**	30,187	**7,195,655**	6,778,585
Deferred income taxes	10	**2,995,114**	3,141,465	**7,112,102**	6,658,675
Provisions for legal proceedings	21	**478,185**	482,593	**1,321,380**	1,329,419
Related party payables	9	**22,066,929**	30,273,357	—	—
Other non-current liabilities		**38,091**	38,726	**401,823**	774,854
TOTAL NON-CURRENT LIABILITIES		**38,485,609**	**43,308,079**	**103,141,475**	**99,645,081**
EQUITY	22				
Share capital - common shares		**23,576,206**	23,576,206	**23,576,206**	23,576,206
Capital reserve		**(807,955)**	(385,856)	**(807,955)**	(385,856)
Other reserves		**36,497**	43,957	**36,497**	43,957
Profit reserves		**18,653,056**	10,447,755	**18,653,056**	10,447,755
Accumulated other comprehensive income		**4,886,362**	10,437,230	**4,886,362**	10,437,230
Attributable to company shareholders		**46,344,166**	**44,119,292**	**46,344,166**	**44,119,292**
Attributable to non-controlling interest		—	—	**3,464,765**	3,677,428
TOTAL EQUITY		**46,344,166**	**44,119,292**	**49,808,931**	**47,796,720**
TOTAL LIABILITIES AND EQUITY		**98,017,237**	**105,275,233**	**208,110,628**	**207,250,884**

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

JBS S.A.

Statements of income for the years ended at December 31, 2022 and 2021
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Note	2022	2021	2022	2021
NET REVENUE	23	**54,942,851**	**51,444,960**	**374,851,600**	**350,695,561**
Cost of sales	28	**(46,542,216)**	(44,540,466)	**(315,373,528)**	(284,510,576)
GROSS PROFIT		**8,400,635**	**6,904,494**	**59,478,072**	**66,184,985**
General and administrative expenses	28	**(3,022,452)**	(2,700,180)	**(11,829,547)**	(15,205,901)
Selling expenses	28	**(3,932,216)**	(2,739,739)	**(24,184,460)**	(19,167,311)
Other expenses		**(102,754)**	(12,807)	**(517,882)**	(177,160)
Other incomes		**498,347**	52,892	**1,629,507**	542,979
NET OPERATING EXPENSES		**(6,559,075)**	**(5,399,834)**	**(34,902,382)**	**(34,007,393)**
OPERATING PROFIT		**1,841,560**	**1,504,660**	**24,575,690**	**32,177,592**
Finance income	24	**2,665,385**	1,526,393	**4,215,115**	2,304,091
Finance expense	24	**(5,394,859)**	(3,148,669)	**(10,567,455)**	(7,382,742)
NET FINANCE EXPENSE		**(2,729,474)**	**(1,622,276)**	**(6,352,340)**	**(5,078,651)**
Share of profit of equity-accounted investees, net of tax	11	**15,273,409**	21,149,346	**60,514**	92,511
PROFIT BEFORE TAXES		**14,385,495**	**21,031,730**	**18,283,864**	**27,191,452**
Current income taxes	10	**925,990**	(509,537)	**(2,587,065)**	(7,573,118)
Deferred income taxes	10	**146,351**	(35,632)	**504,455**	911,319
TOTAL INCOME TAXES		**1,072,341**	**(545,169)**	**(2,082,610)**	**(6,661,799)**
NET INCOME		**15,457,836**	**20,486,561**	**16,201,254**	**20,529,653**
ATTRIBUTABLE TO:					
Company shareholders		**15,457,836**	20,486,561	**15,457,836**	20,486,561
Non-controlling interest		**–**	–	**743,418**	43,092
		15,457,836	**20,486,561**	**16,201,254**	**20,529,653**
Basic and diluted earnings per share - common shares (R$)	25	**6.93**	8.26	**6.93**	8.26

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

JBS S.A.

Statements of comprehensive income for the years ended at December 31, 2022 and 2021
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Note	2022	2021	2022	2021
Net income		**15,457,836**	20,486,561	**16,201,254**	20,529,653
Other comprehensive income					
Items that are or may be subsequently reclassified to profit or loss:					
Gain (loss) on foreign currency translation adjustments		**(6,108,552)**	1,295,522	**(6,562,633)**	1,485,994
Gain (loss) on net investment in foreign operations	**22 c1**	**717,426**	(1,288,075)	**717,426**	(1,288,075)
Gain (loss) on cash flow hedge	**29 a3.2.3**	**(253,193)**	212,909	**(253,193)**	212,909
Deferred income tax on cash flow hedge	**29 a3.2.3**	**86,086**	(72,389)	**86,086**	(72,389)
Valuation adjustments to equity in subsidiaries		**(33,989)**	69,568	**(33,989)**	69,568
Items that will not be subsequently reclassified to profit or loss:					
Gain associated with pension and other postretirement benefit obligations		**55,491**	194,626	**69,625**	241,765
Income tax on loss associated with pension and other postretirement benefit obligations		**(14,137)**	(40,799)	**(17,553)**	(50,879)
Total other comprehensive income (loss)		**(5,550,868)**	**371,362**	**(5,994,231)**	**598,893**
Comprehensive income		**9,906,968**	**20,857,923**	**10,207,023**	**21,128,546**
Total comprehensive income attributable to:					
Company shareholders		**9,906,968**	20,857,923	**9,906,968**	20,857,923
Non-controlling interest		—	—	**300,055**	270,623
		9,906,968	**20,857,923**	**10,207,023**	**21,128,546**

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

JBS S.A.
Statements of changes in equity for the years ended at December 31, 2022 and 2021
In thousands of Brazilian Reais - R$

			Capital reserves				Profit reserves					Other comprehensive income					
	Note	Share capital	Premium on issue of shares	Capital transaction	Stock options	Other reserves	Treasury shares	Legal	Investments statutory	Tax incentive	Dividends	VAE	FCTA	Retained earnings	Total	Non-controlling interest	Total equity
DECEMBER 31, 2020		23,576,206	211,879	(679,054)	32,262	49,430	(303,565)	1,003,965	4,743,294	–	1,419,037	(29,269)	10,095,137	–	40,119,322	3,424,867	43,544,189
Net income		–	–	–	–	–	–	–	–	–	–	–	–	20,486,561	20,486,561	43,092	20,529,653
Foreign currency translation adjustments		–	–	–	–	–	–	–	–	–	–	–	(1,288,075)	–	(1,288,075)	–	(1,288,075)
Net exchange differences from translation of foreign operations taken to equity		–	–	–	–	–	–	–	–	–	–	–	1,295,522	–	1,295,522	190,472	1,485,994
Gain (loss) on cash flow hedge, net of tax		–	–	–	–	–	–	–	–	–	–	140,520	–	–	140,520	–	140,520
Gains associated with pension and other postretirement benefit obligations, net of tax		–	–	–	–	–	–	–	–	–	–	153,827	–	–	153,827	37,059	190,886
Valuation adjustments to equity in subsidiaries		–	–	–	–	–	–	–	–	–	–	69,568	–	–	69,568	–	69,568
Total comprehensive income		–	–	–	–	–	–	–	–	–	–	363,915	7,447	20,486,561	20,857,923	270,623	21,128,546
Purchase of treasury shares		–	–	–	–	–	(10,604,975)	–	–	–	–	–	–	–	(10,604,975)	–	(10,604,975)
Sales of treasury shares		–	–	–	–	–	3,980	–	(3,980)	–	–	–	–	–	–	–	–
Cancellation of treasury shares		–	–	–	–	–	7,862,199	–	(7,862,199)	–	–	–	–	–	–	–	–
Share-based compensation		–	–	50,855	–	–	–	–	–	–	–	–	–	–	50,855	12,571	63,426
Treasure share used in stock option plan		–	–	–	(1,798)	–	4,523	–	(2,725)	–	–	–	–	–	–	–	–
Realization of other reserves		–	–	–	–	(5,473)	–	–	–	–	–	–	–	5,473	–	–	–
Legal reserve		–	–	–	–	–	–	1,024,328	–	–	–	–	–	(1,024,328)	–	–	–
Investments statutory reserve		–	–	–	–	–	–	–	14,582,910	–	–	–	–	(14,582,910)	–	–	–
Additional dividends distributed		–	–	–	–	–	–	–	–	–	(1,419,037)	–	–	–	(1,419,037)	–	(1,419,037)
Dividends distributed		–	–	–	–	–	–	–	–	–	–	–	–	(4,884,805)	(4,884,805)	(29,431)	(4,914,236)
Dividends reversal		–	–	–	–	–	–	–	–	–	–	–	–	9	9	–	9
Others		–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,202)	(1,202)
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		–	–	–	–	–	–	–	–	–	–	–	–	15,457,836	15,457,836	743,418	16,201,254
Foreign currency translation adjustments	11	–	–	–	–	–	–	–	–	–	–	–	(6,108,552)	–	(6,108,552)	(454,081)	(6,562,633)
Net exchange differences from translation of foreign operations taken to equity	22 e1	–	–	–	–	–	–	–	–	–	–	–	717,426	–	717,426	–	717,426
Gain (loss) on cash flow hedge, net of tax	29 c3.1	–	–	–	–	–	–	–	–	–	–	(167,107)	–	–	(167,107)	–	(167,107)
Gains associated with pension and other postretirement benefit obligations, net of tax		–	–	–	–	–	–	–	–	–	–	41,354	–	–	41,354	10,718	52,072
Valuation adjustments to equity in subsidiaries		–	–	–	–	–	–	–	–	–	–	(33,989)	–	–	(33,989)	–	(33,989)
Total comprehensive income		–	–	–	–	–	–	–	–	–	–	(159,742)	(5,391,126)	15,457,836	9,906,968	300,055	10,207,023
Purchase of treasury shares	22 b1	–	–	–	–	–	(3,648,028)	–	–	–	–	–	–	–	(3,648,028)	–	(3,648,028)
Sales of treasury shares	22 b1	–	–	–	–	–	834,181	–	(9,931)	–	–	–	–	–	824,250	–	824,250
Cancellation of treasury shares	22 b1	–	–	–	–	–	5,851,685	–	(5,851,685)	–	–	–	–	–	–	–	–
Share-based compensation	26	–	–	31,839	–	–	–	–	–	–	–	–	–	–	31,839	7,286	39,125
Pilgrim's Pride Corporation share repurchase	22 f	–	–	(453,938)	–	–	–	–	–	–	–	–	–	–	(453,938)	(512,060)	(965,998)
Realization of other reserves	22 c	–	–	–	–	(7,460)	–	–	–	–	–	–	–	7,460	–	–	–
Legal reserve	22 d3	–	–	–	–	–	–	772,892	–	–	–	–	–	(772,892)	–	–	–
Investments statutory reserve	22 d4	–	–	–	–	–	–	–	8,843,185	–	–	–	–	(8,843,185)	–	–	–
Tax incentive reserve	22 d5	–	–	–	–	–	–	–	(2,590,821)	4,003,823	–	–	–	(1,413,002)	–	–	–
Dividends distributed	20	–	–	–	–	–	–	–	–	–	–	–	–	(2,218,116)	(2,218,116)	–	(2,218,116)
Distribution of interim dividends	20	–	–	–	–	–	–	–	–	–	–	–	–	(2,218,116)	(2,218,116)	–	(2,218,116)
Dividends reversal	20	–	–	–	–	–	–	–	–	–	–	–	–	15	15	–	15
Dividends to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	(25,872)	(25,872)
Purchase of acquired business	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17,224	17,224
Others		–	–	–	–	–	–	–	–	–	–	–	–	–	–	704	704
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

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

JBS S.A.
Statements of cash flows for the years ended at December 31, 2022 and 2021
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2022	2021	2022	2021
Cash flows from operating activities				
Net income	15,457,836	20,486,561	16,201,254	20,529,653
Adjustments for:				
Depreciation and amortization	794,403	718,460	9,853,829	9,027,770
Expected credit losses	43,128	35,539	47,217	65,460
Share of profit of equity-accounted investees	(15,273,409)	(21,149,346)	(60,514)	(92,511)
(Gain) Loss on sales of assets	4,021	17	(98,882)	(26,750)
Tax expense	(1,072,341)	545,169	2,082,610	6,661,799
Finance expense (income), net	2,729,474	1,622,276	6,352,340	5,078,651
Share-based compensation	–	–	39,125	63,426
Provisions	94,118	119,823	225,494	250,183
Estimated losses for realizable value of inventories	51,368	(4)	68,263	58,855
DOJ and Antitrust agreements	–	–	516,354	4,254,697
Gain on bargain purchase	–	–	(266,235)	–
Impairment	–	–	104,308	–
Indemnity J&F	(543,165)	–	(543,165)	–
Fair value (market to market) of biological assets	–	–	(204,948)	174,616
Out-of-period tax credit impacts	–	(34,421)	–	(101,073)
	2,285,433	2,344,074	34,317,050	45,944,776
Changes in assets and liabilities:				
Trade accounts receivable	(85,801)	(908,945)	(1,297,319)	(4,272,233)
Inventories	423,475	(2,148,954)	(2,338,806)	(7,885,888)
Recoverable taxes	(1,841,631)	352,102	(3,653,738)	(24,783)
Other current and non-current assets	361,152	(121,174)	742,188	(1,171,626)
Biological assets	–	–	(4,442,720)	(3,899,421)
Trade accounts payable and supply chain finance	(932,058)	1,316,755	1,306,969	6,550,102
Taxes paid in installments	(400,986)	(345,775)	(402,813)	(345,775)
Other current and non-current liabilities	648,594	(59,182)	(643,540)	537,874
DOJ and Antitrust agreements payment	–	–	(873,107)	(4,149,067)
Income taxes paid	–	–	(5,288,096)	(6,086,477)
Changes in operating assets and liabilities	(1,827,255)	(1,915,173)	(16,890,982)	(20,747,294)
Cash provided by operating activities	458,178	428,901	17,426,068	25,197,482
Interest paid	(1,136,995)	(565,035)	(4,798,503)	(3,944,154)
Interest received	106,460	53,437	705,949	226,981
Net cash flows provided by (used in) operating activities	(572,357)	(82,697)	13,333,514	21,480,309
Cash flow from investing activities				
Purchases of property, plant and equipment	(1,348,274)	(1,395,181)	(11,226,603)	(9,623,572)
Proceeds from sale of property, plant and equipment	34,097	77,522	253,249	234,665
(Purchases) Proceeds of intangible assets	(7,733)	(5,402)	(43,360)	(53,155)
Additional investments in subsidiaries	–	(1,169)	(10,811)	(6,165)
Acquisitions, net of cash acquired	–	–	(1,979,276)	(9,337,447)
Dividends received	14,000	31,000	14,000	31,000
Related party transactions	10,119,913	8,655,540	3,905	–
Other	–	898	(135,946)	(103,691)
Cash provided by (used in) investing activities	8,812,003	7,363,208	(13,124,842)	(18,858,365)
Cash flow from financing activities				
Proceeds from loans and financings	6,945,468	14,788,078	40,927,694	53,781,509
Payments of loans and financings	(7,190,703)	(5,157,165)	(38,419,594)	(34,108,712)
Derivatives instruments received/settled	(1,259,815)	418,609	(1,342,179)	182,461
Margin cash	88,374	(168,808)	570,288	(730,185)
Dividends paid	(4,436,242)	(7,395,932)	(4,436,242)	(7,395,932)
Dividends paid to non-controlling interest	–	–	(25,872)	(29,431)
Pilgrim's Pride Corporation share repurchase	–	–	(965,998)	–
Purchase of treasury shares	(3,648,028)	(10,604,975)	(3,648,028)	(10,604,975)
Sales of treasury shares	824,250	–	824,250	–
Payments of leasing contracts	(34,330)	(30,208)	(2,243,385)	(1,940,995)
Others	–	–	–	1,756
Cash used in financing activities	(8,711,026)	(8,150,401)	(8,759,066)	(844,504)
Effect of exchange rate changes on cash and cash equivalents	(86,660)	172,353	(1,506,598)	1,781,967
Net change in cash and cash equivalents	(558,040)	(697,537)	(10,056,992)	3,559,407
Cash and cash equivalents beginning of period	2,654,374	3,351,911	23,239,150	19,679,743
Cash and cash equivalents at the end of period	2,096,334	2,654,374	13,182,158	23,239,150

Non-cash transactions:

	Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Non-cash additions to right of use assets and lease liabilities	**39,881**	8,228	**2,526,801**	3,437,056
Capitalized interests	**(79,855)**	(43,876)	**(369,155)**	(199,812)
Increase/decrease in share capital subsidiaries through assumption of debt	**(13,579,986)**	—	—	—
Cancellation of treasury shares	**(5,851,685)**	(7,862,199)	**(5,851,685)**	(7,862,199)
Dividends reversal	**15**	9	**15**	9
Treasury shares used in stock option plan	—	1,798	—	1,798

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

JBS S.A.

Economic value added the years ended at December 31, 2022 and 2021
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2022	2021	2022	2021
Revenue				
Sales of goods and services	**55,738,800**	52,594,027	**378,442,481**	354,440,345
Other income (expense)	**(1,023)**	3,765	**383,846**	131,583
Expected credit losses	**(43,128)**	(35,539)	**(47,217)**	(65,460)
	55,694,649	**52,562,253**	**378,779,110**	**354,506,468**
Goods				
Cost of services and goods sold	**(43,110,872)**	(42,024,003)	**(228,038,740)**	(205,060,832)
Materials, energy, services from third parties and others	**(7,031,329)**	(5,069,878)	**(69,067,216)**	(64,107,534)
	(50,142,201)	**(47,093,881)**	**(297,105,956)**	**(269,168,366)**
Gross added value	**5,552,448**	**5,468,372**	**81,673,154**	**85,338,102**
Depreciation and Amortization	**(794,403)**	(718,460)	**(9,853,829)**	(9,027,770)
Net added value generated	**4,758,045**	**4,749,912**	**71,819,325**	**76,310,332**
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	**15,273,409**	21,149,346	**60,514**	92,511
Financial income	**2,665,385**	1,526,393	**4,215,115**	2,304,091
Others	**497,429**	(2,924)	**834,111**	95,207
	18,436,223	**22,672,815**	**5,109,740**	**2,491,809**
NET ADDED VALUE TOTAL TO DISTRIBUTION	**23,194,268**	**27,422,727**	**76,929,065**	**78,802,141**
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	**2,682,601**	2,315,344	**35,852,511**	32,964,924
Benefits	**431,794**	357,390	**7,034,561**	6,558,404
FGTS (Brazilian Labor Social Charge)	**168,998**	152,544	**452,039**	391,300
	3,283,393	**2,825,278**	**43,339,111**	**39,914,628**
Taxes and contribution				
Federal	**(1,487,958)**	24,027	**2,847,369**	6,950,401
State	**540,735**	884,898	**2,126,099**	2,499,163
Municipal	**23,411**	19,621	**25,207**	21,429
	(923,812)	**928,546**	**4,998,675**	**9,470,993**
Capital Remuneration from third parties				
Interests and exchange variation	**5,230,745**	3,071,278	**9,366,450**	6,635,167
Rents	**52,471**	51,661	**733,561**	600,580
Others	**93,635**	59,403	**2,290,014**	1,651,120
	5,376,851	**3,182,342**	**12,390,025**	**8,886,867**
Owned capital remuneration				
Dividends	**4,436,233**	4,884,805	**4,436,233**	4,884,805
Net income attributable to company shareholders	**11,021,603**	15,601,756	**11,021,603**	15,601,756
Non-controlling interest	**—**	—	**743,418**	43,092
	15,457,836	**20,486,561**	**16,201,254**	**20,529,653**
ADDED VALUE TOTAL DISTRIBUTED	**23,194,268**	**27,422,727**	**76,929,065**	**78,802,141**

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

(Expressed in thousands of Brazilian reais)

1 Operating activities

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 "JBSAY". The consolidated financial statements comprise the Company and its subsidiaries (collectively, the 'Company') for the year ended December 31, 2022 and were authorized by the Board of Directors on March 21, 2023.

These financial statements include the Company's operations in Brazil as well as the activities of its subsidiaries. Below is a summary of the Company's main operating activities by entity and geographic location, as well as the ownership percentage of interest in the main subsidiaries as of December 31, 2022 and 2021:

At the Company:

Description	Activities	Units	Country
JBS S.A. (JBS, Company)	- Beef processing: slaughtering, refrigerating, industrializing and production of canned beef by-products. - Leather production, processing and commercialization. - Production and commercialization of steel cans, plastic resin, soap base for production, soap bar, biodiesel, glycerin, olein, oily acid, collagen and wrapper derived from cattle tripe; industrial waste management; purchase and sale of soy beans, tallow, palm oil, caustic soda, stearin; transportation services; dog biscuits; eletric power production, cogeneration and commercialization.	57	Brazil
	- Distribution centers and harbors.	14	

Consolidated: Main activities in Brazil

Description	Activities	Units	Country	Participation	December 31, 2022	December 31, 2021
Seara Alimentos Ltda. (Seara Alimentos)	- Chicken and pork processing: raising, slaughtering and processing of broiler chickens and hogs; production and commercialization of beef and food products; and production of pet food and concentrates.	49	Brazil	Indirect	100%	100%
	- Distribution centers, transportation services and harbors.	25				
	'- Direct sales to customers of beef and by-products in stores named "Mercado da Carne".	247				
Meat Snacks Partners do Brasil Ltda (Meat Snacks)	- Beef Jerky production.	2		Indirect	50%	50%
JBS Confinamento Ltda. (JBS Confinamento)	- Cattle fattening services.	10		Direct	100%	100%
Brazservice Wet Leather S.A (Brazservice)	- Wet blue leather production, processing and commercialization.	1		Direct	100%	100%

Consolidated: Main activities outside of Brazil

Description	Activities	Units	Country	Participation	December 31, 2022	December 31, 2021
JBS USA Holding Lux, S.à.r.l. (JBS USA)	- Beef processing: slaughtering, refrigerating, industrializing and, production of by-products; - Cattle fattening services; - Transportation services.	61	Australia, Canada, France, Mexico, New Zealand, Netherlands, United Kingdom and United States of America.	Indirect	100%	100%
	- Pork processing: raising, slaughtering, industrializing and commercialization of by-products derived from processing operations.	63				
	- Chicken processing: raising, slaughtering and processing of broiler chickens, production and commercialization of by-products derived and prepared meal from processing operations.	157				
	- Fishing processing: raising, slaughtering, industrializing and commercialization of by-products derived from processing operations.	2				
	- Plant based processing: industrializing and commercialization of by-products derived from processing operations.	3				
JBS Global (UK) Ltd. (JBS Global UK)	- Trading fresh and processed beef, pork, lamb, chicken and fish products for the European market.	1	United Kingdom	Indirect	100%	100%
JBS Toledo NV (Toledo)	-Trading operations for the European market; cooked frozen meat commercialization; logistic operations; warehousing.	1	Belgium	Direct	100%	100%
Rigamonti Salumificio SpA (Rigamonti)	'-Production and commercialization of bresaola, Prosciutto di San Daniele D.O.P. (raw ham) and Prosciutto di Parma D.O.P.(raw ham) and pork products: ham, cooked ham, mortadella, among others.	9	Italy and United States of America.	Indirect	100%	100%
Conceria Priante (Priante)	- Semi-finished and finished leather production.	1	Italy	Direct	100%	100%
JBS Leather International (Leather International)	- Wet blue, semi-finished and finished leather production.	7	Argentina, Germany, China, Mexico, Uruguay and Vietnam.	Direct	100%	100%
Seara Holding Europe B.V. (Seara Holding)	- Animal protein products trading, industrializing and commercialization of by-products derived from processing operations.	8	China, Netherlands, Saudi Arabia, South Africa, United Arab Emirates, United Kingdom and Singapure.	Indirect	100%	100%

2 Basis of preparation and presentation of financial statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil (BRGAAP), in compliance with the law of joint stock companies (Lei das sociedades por ações - Leis das SA's), pronouncements, interpretations and orientations issued by the Brazilian Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis) - CPC, requirements of the Brazilian Securities Commission - CVM and with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB). The accounting practices adopted in Brazil require the disclosure of the Economic Value Added (Demonstração do Valor Adicionado - DVA), individual and consolidated, while the IFRS rules do not require its disclosure. As a consequence, due to IFRS rules, DVA is disclosed as supplementary information without any loss to these consolidated financial statements. The Company individual financial statements are identified as "Company" and the consolidated financial statements are identified as "Consolidated" in order to provide an understanding regarding how Management forms its judgments about future events, including the variables and assumptions underlying the estimates and the sensitivity of those judgments to different variables and conditions, below are demonstrated the most significant policies:

2.1 Functional and representation currency

These consolidated 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 Translation of subsidiaries financial statements

The consolidated financial statements of foreign subsidiaries are prepared using each subsidiary's respective functional currency. The results and financial position of all entities with a functional currency different from its immediate parent's functional currency and the Company's presentation currency (R$) are translated into the parent's functional and Company's presentation currency as follows:

i. assets and liabilities are translated at the current rate at the date of each closing period;
ii. income and expenses are translated at the average rate at the date of each closing period;
iii. all exchange rate translation differences are recognized in other comprehensive income (loss), and are
presented in the statement of comprehensive income (loss) as foreign currency translation adjustments; and
iv. foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, under the caption "Finance income" or "Finance expense".

2.3 Individual financial statements

The individual financial statements presents the evaluation of investments in associates, subsidiaries and joint ventures by the equity method. In order to reach the same income statement and equity attributable to the Company shareholders in the individual and consolidated financial statements, the same adjustments of accounting practices upon the adoption of IFRS and CPCs, were done on both financial statements. The carrying value of these investments includes the breakdown of acquisition costs and goodwill.

2.4 Consolidated financial statements and investments in associates and joint ventures

The Company consolidates all majority-owned subsidiaries. The Company controls an entity when the Company is exposed to or has rights to variable returns resulting with its involvement with the entity and has the ability to affect those returns through its ownership over the entity. Subsidiaries are consolidated from the date that the control is obtained by to the Company. Consolidation is discontinued from the date that control ceases.

2.5 New standards, amendments and interpretations

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

Provisions, Contingent Liabilities and Contingent Assets: Amendments to IAS 37/CPC 25

As of January 1, 2022, changes specify what costs the Company must include when assessing whether a contract is onerous. The costs directly related to the fulfillment of the contract must be considered in the cash flow assumptions (Ex: Cost of labor, materials and other expenses related to the operation of the contract). The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become 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 to exercise the postponement right. The amendments also address that only if a derivative embedded in a convertible liability is itself an equity instrument, the terms of a liability would not affect its classification. The Company is following the discussions and so far has not identified significant impacts as a result of this change.

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

In February 2021,, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify about the distinction between changes in accounting estimates and changes accounting policies and correction of errors. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. 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

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 amendments apply for annual reporting periods beginning on or after January 1, 2023 and may be applied early. The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

Insurance Contracts: Amendments to IFRS 17/CPC 50

As of January 1, 2023, a new accounting standard applies to all types of insurance contracts, including recognition, measurement, presentation and disclosure, especially for insurance entities. This standard is not applicable to the Company and its subsidiaries.

2.6 Significant accounting judgements and estimates

The preparation of these consolidated financial statements requires the use of estimates and judgment by management in the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates depending upon the variables, assumptions or conditions used by management.

Judgments: Information about the judgments made in applying the accounting policies that have the most significant effects on the amounts recognized in these consolidated financial statements is included in the following notes:

a. Net revenue – transfer of control (note 23);
b. Share-based compensation (note 26);
c. Deferred and current income taxes – uncertain tax treatments (note 10)

Assumptions and estimates uncertainties: Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

a. Accounting for business combinations – fair value of the assets acquired and liabilities assumed (note 3);
b. Fair value measurement for biological assets (note 7);
c. Recognition of deferred income taxes assets (note 10);
d. Impairment of financial assets (note 5);
e. Key assumptions underlying the impairment test of goodwill, property, plant and equipment and intangible assets (note 15, 12 e 14);
f. Key assumptions about the likelihood and magnitude of an outflow of resources related to the provision for legal proceedings (note 21);
g. Derivative financial instruments and hedge accounting (note 29).

The Company periodically reviews the estimates and assumptions on an ongoing basis. Revisions to estimates are recognized prospectively.

3 Business Combination

The Company applies the acquisition method to account for business combinations with entities which are not under common control. The consideration transferred is measured at fair value which is calculated by the sum of the assets transferred, the liabilities incurred to the former owners of the acquiree and the cash or equity interests issued by the Company. The measurement period should not exceed a year from the acquisition date. Generally, all identifiable assets acquired and liabilities and contingent liabilities that are present obligation assumed in a business combination are measured initially at their fair values as of the acquisition date. The Company recognizes any non-controlling interest in the acquiree on an acquisition, either at fair value or at the noncontrolling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred and reflected within other expenses in the Company's Consolidated Statement of Income.

Goodwill is initially measured as the excess of the sum of i) the consideration transferred; ii) the fair value of any non-controlling interest in the acquiree (when applicable); and iii) the fair value at the acquisition date of any previous equity interest in the acquisition, over the fair value of net assets acquired, as described in the footnote 15 - Goodwill. When the consideration is less than the fair value of the net assets acquired, the gain is recognized directly in the statement of income of the period as "Gain on bargain purchase" and the acquisition-related expenses including transaction and integration costs are expensed as incurred.

Management uses judgment to identify tangible and intangible assets and liabilities, in valuing such assets and liabilities, and in determining their remaining useful lives. The valuation of these assets and liabilities is based on assumptions and criteria, which include in some cases, estimates of future cash flows discounted at the appropriate rates. The use of different assumptions for valuation purposes, including future cash flows or discount rates, may result in differences in the estimates of the value of assets acquired and liabilities assumed.

Assets and liabilities are initially recognized at the best estimate of fair value. Third party valuation firms are usually engaged to assist in valuing the acquired assets and liabilities. When third parties are involved in developing these estimates, Management evaluates the appropriateness of the significant inputs and assumptions used in the valuation estimates, which often involves an interactive process with the appraisers. The qualifications and reputation of the third party appraisers are also evaluated.

The Company assess the reasonableness of the overall fair value measurements through comparison to other acquisitions. The estimates of the fair value of assets and liabilities assumed may be adjusted during the measurement period (which shall not exceed one year from the acquisition date) or additional assets and liabilities are recognized to reflect new information relating to the facts and circumstances existing at the acquisition date which, if known, would have affected the amounts recognized on that date. These adjustments are infrequent and have historically not been material.

(Expressed in thousands of Brazilian reais)

Business combinations are considered significant when the total of assets exceeds R$100,000, occurred during the current year. 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")	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	1,225,088	3,512
BioTech Foods, S.L ("Biotech")	JBS Global Luxembourg S.à r.l.	51%	Located in Spain, it develops techonology from animal cells and is one of the leaders in the development of biotechnology for the production of cultivated protein. The technology has potential not only for the production of beef protein,but also for chicken, pork and fish.	No	05.09.22	189,259	90,874
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)
Sunnyvalley Smoked Meats, Inc. ("Sunnyvalley")	Plumrose USA, Inc.	100%	Operates in the United States and produces a variety of quality smoked bacon, ham and turkey products to sale at retail and wholesale customers. Expands the Company´s presence in the value-added and branded product categories.	No	12.01.21	527,749	99,565
Huon Aquaculture Group Ltd. ("Huon")	JBS Aquaculture Pty Ltd.	100%	Operates in Australia and it´s the second largest salmon aquaculture company with vertically integrated operations situated in Tasmania´s pristine environment spanning across hatcheries, marine farming, harvesting, processing, marketing, sales and distribution. Expand the Company´s presence in Australia and enter into the the salmon business.	N/A	11.17.21	1,658,353	N/A
Pilgrim's Food Masters ("PFM")	Pilgrim's Pride Corporation	100%	Operates in the United Kingdom and strengthens PPC´s position as one of the leading food companies in Europe, creating one of the largest integrated platforms in the world, with a branded portfolio of value-added products.	No	09.24.21	5,123,344	1,888,163
Vivera Topholding B.V ("Vivera")	Planterra Holdings B.V.	100%	Operates in the Netherlands and expand the Company´s presence in the value-added and branded product categories and strengthen global plant-based food platform.	No	06.17.21	2,059,327	708,155

[(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.

(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				2021			
FAIR VALUE	**TriOak [1]**	**Biotech [1]**	**King´s**	**Rivalea**	**Sunnyvalley**	**Huon [5]**	**PFM [2]**	**Vivera [3]**
Cash and cash equivalents	19,509	189,672	184,000	173,887	8,042	69,080	604	56,496
Trade accounts receivable	32,657	–	175,694	82,759	57,779	130,286	39,468	53,566
Inventories	81,408	–	226,162	156,498	35,629	101,138	322,396	59,356
Biological assets	816,984	–	–	296,186	–	1,033,574	–	–
Deferred income taxes assets	–	3,756	–	94,034	–	397,638	–	–
Property, plant and equipment	603,510	6,483	395,717	641,478	175,136	1,095,880	1,320,406	144,352
Right of use assets	698,128	–	–	70,792	–	477,403	78,261	26,632
Intangible assets	–	206	128,414	19,864	269,319	291,920	2,218,144	1,426,898
Other assets	10,004	4,885	58,162	35,612	1,561	60,266	11,017	26,954
ASSETS	**2,262,200**	**205,002**	**1,168,149**	**1,571,110**	**547,466**	**3,657,185**	**3,990,296**	**1,794,254**
Trade accounts payable	111,191	1,798	342,492	143,276	36,893	338,165	26,832	89,069
Loans and financing	219,747	4,673	36,132	232,660	–	663,677	–	–
Income taxes and other taxes, payroll and social charges	11,558	214	48,781	65,643	5,627	56,543	–	–
Lease liabilities	698,128	–	–	70,792	–	622,623	101,494	26,637
Current and deferred income taxes	–	1,160	44,504	107,239	76,762	284,954	612,836	295,346
Related part transactions	–	–	174,174	–	–	–	–	–
Other liabilities	–	4,245	29,574	19,870	–	32,870	13,953	32,030
LIABILITIES	**1,040,624**	**12,090**	**675,657**	**639,480**	**119,282**	**1,998,832**	**755,115**	**443,082**
Noncontrolling Interest [4]	–	94,527	–	17,224				
Total identifiable net assets fair value	**1,221,576**	**98,385**	**492,492**	**914,406**	**428,184**	**1,658,353**	**3,235,181**	**1,351,172**
Proportionate ownership acquired	1,221,576	98,385	492,492	914,406	428,184	1,658,353	3,235,181	1,351,172
Purchase consideration transferred	1,225,088	189,259	492,492	648,171	527,749	1,658,353	5,123,344	2,059,327
Goodwill/ (Gain on bargain purchase)	**3,512**	**90,874**	**–**	**(266,235)**	**99,565**	**–**	**1,888,163**	**708,155**

[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] The acquisition price was paid with the funds raised from the Notes 3,50% PPC 2032, issued by PPC, together with other existing borrowings.
[3] The acquisition price was paid with the funds raised from the Notes 3,75% JBS Lux 2031, issued by JBS USA.
[4] Refers to the 20% of the shares recognized as non-controlling, which the acquired Rivalea holds in the associated Diamond Valley Pork Pty Ltd and the non-controlling interest of 49% in the acquired Biotech.
[5] On November 2022, the allocation of the acquisition price of Huon was completed. Regarding the comparative period of 2021, the amount of $301,513 was recognized, as a surplus in biological assets, property, plant and equipment, lease liabilities and intangible assets and a reduction in right of use assets and deferred income.

Net revenue and net income:

The individual net revenue and net income from the acquisition date through each period end for all business combinations are presented below:

	2022		2021	
Company	**Net revenue**	**Net income (loss)**	**Net revenue**	**Net income (loss)**
BioTech	**6,232**	**(13,211)**	–	–
King´s	**493,960**	**(34,109)**	–	–
Rivalea	**1,445,995**	**223,760**	–	–
Sunnyvalley	–	–	68,333	3,496
Huon	–	–	207,477	(29,430)
PMF	–	–	1,584,007	12,549
Vivera	–	–	278,988	(35,122)

Consolidated pro-forma information:

Net sales and net income for the Company is presented below on a pro-forma basis assuming the acquisitions occurred at the beginning of the year of each acquisition:

	2022(*)	**2021(*)**
Pro-forma net revenue [1]	**374,889,872**	356,973,692
Pro-forma net income [1]	**15,201,387**	20,381,550

[*] The pro forma information was not was not subject to the work of the independent auditors.

[1] Pro forma net revenues and net incomes are presented above, except:

1.1. The indirect subsidiary Swift Pork was the exclusive purchaser of TriOak, acquired in 12.02.22, and in this way the acquiree's revenue/income, after eliminations between groups, are not considered material for pro-forma adjustment purposes.
1.2. The acquired Biotech is a non-operating company, thus, its information is not considering for pro-forma adjustment purposes;
1.3. Due to the acquisition data shown above, the acquired Rivalea has revenue and net income amounts that are not considered material for pro-forma adjustment purposes.

(Expressed in thousands of Brazilian reais)

This pro-forma financial information is presented for informational purposes only and does not purport to represent what the Company's results of operations would have been had it completed the acquisition on the date assumed, nor is it necessarily indicative of the results that may be expected in future periods.

The non-material acquisitions for years ended at December 31, 2022 and 2021 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
Randall Parker	Pilgrim's Pride Corporation	November/2021	100%	72,516	9,830	No
International Food Company Seara LLC	Seara Alimentos Ltda.	May/2021	100%	43,876	13,037	Yes

(1) Formerly named Bait Almakoolat Food Industries LLC.

4 Cash and cash equivalents

Cash and cash equivalents: The Company considers all highly liquid investments with an original maturity of three months or less, readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in fair value to be cash equivalents. The carrying value of these assets approximates their fair values.

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Cash on hand and at banks	**1,820,325**	2,371,119	**5,972,915**	17,287,352
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic) (1)	**276,009**	283,255	**7,209,243**	5,951,798
Cash and cash equivalents total	**2,096,334**	**2,654,374**	**13,182,158**	**23,239,150**

(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.

Margin cash: The Company is required to maintain cash balances with a broker as collateral for exchange-traded futures contracts. These balances are classified as margin cash as they are not available for use by the Company to fund daily operations. The balance of margin cash also include investments in Treasury Bills, linked to the Consumer Price Index - Consumer Price Index ("CPI"), that protect against the risk of inflation (or deflation) when held to maturity. The cash is redeemable when the contracts are settled, therefore they are not considered as cash and cash equivalents.

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Margin cash	—	—	**308,302**	451,784
Treasury bills	**80,434**	168,808	**371,089**	793,570
Margin cash total	**80,434**	**168,808**	**679,391**	**1,245,354**

5 Trade accounts receivable

Trade accounts receivable correspond to amounts owed by customers in the ordinary course of business. If the receivable is due within one year or less the account receivable is classified as a current asset, otherwise the receivable is classified as a non-current asset. Accounts receivables are presented at amortized cost less any impairment. Accounts receivable denominated in currencies other than the entities' functional currency are remeasured using the exchange rate in effect at the end of the reporting period. The age of accounts receivable along with the expected credit losses and present value adjustment are as follows:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Receivables not due yet				
Domestic	**1,414,055**	916,333	**11,152,049**	10,925,146
Foreign	**2,315,482**	2,877,587	**5,058,255**	6,138,726
Subtotal	**3,729,537**	**3,793,920**	**16,210,304**	**17,063,872**
Overdue receivables:				
From 1 to 30 days	**325,741**	313,547	**2,515,484**	2,109,894
From 31 to 60 days	**142,384**	82,983	**590,988**	391,861
From 61 to 90 days	**133,895**	48,028	**346,939**	140,951
Above 90 days	**310,931**	294,152	**1,038,761**	655,633
Expected credit losses	**(252,719)**	(262,431)	**(431,170)**	(459,378)
Adjustment to present value	**(9,758)**	(10,797)	**(36,411)**	(25,425)
Subtotal	**650,474**	**465,482**	**4,024,591**	**2,813,536**
Trade accounts receivable, net	**4,380,011**	**4,259,402**	**20,234,895**	**19,877,408**

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 December 31, 2022 and 2021 were, mostly in Brazil, 1.3% (0.91% at December 31, 2021). Realization of the present value adjustment is recognized as an offsetting item to sales revenue.

Within trade accounts receivable, the diversity of the portfolio significantly reduces overall credit risk. To further mitigate credit risk, parameters have been put in place when credit is provided to customers such as requiring minimum financial ratios, analyzing the operational health of customers, and reviewing references from credit monitoring entities. The Company does not have any customer that represents more than 10% of its trade receivables or revenues.

(Expressed in thousands of Brazilian reais)

Expected credit losses are estimated based on an analysis of the age of the receivable balances and the client's current situation. The resulting bad debt expense and the reversal of this expenses are recognized in the statement of income within "Selling Expenses". The Company writes-off accounts receivables when it becomes apparent, based upon age or customer circumstances, that such amounts will not be collected. Below are the changes in the expected credit losses:

Changes in expected credit losses:	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Balance at the beginning of the period	**(262,431)**	**(233,708)**	**(459,378)**	**(413,856)**
Acquired in business combinations	—	—	—	(107)
Additions	**(43,128)**	(35,539)	**(47,217)**	(65,460)
Write-offs (Reversals)	**46,185**	25,779	**53,607**	45,121
Exchange rate variation	**6,655**	(18,963)	**21,818**	(25,076)
Balance at the end of the period	**(252,719)**	**(262,431)**	**(431,170)**	**(459,378)**

6 Inventories

Inventories are stated at the lower of the average cost of acquisition or production and their net realizable value. In the case of finished products and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity, such as purchased raw materials, livestock purchase costs, livestock grow out costs (primarily feed, livestock grower pay and catch and haul costs), labor, manufacturing and production overheads. Biological assets are reclassified to work in progress inventory at the time of slaughter based on their carrying amounts, which is historical cost as described in accounting policies in Note 7 - Biological assets.

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021 (*)
Finished products	**2,906,265**	3,801,574	**17,199,677**	16,323,968
Work-in-process	**529,556**	683,679	**2,730,386**	2,609,666
Raw materials	**963,523**	279,817	**4,864,552**	4,057,909
Supplies	**233,857**	342,974	**3,347,479**	3,550,466
	4,633,201	**5,108,044**	**28,142,094**	**26,542,009**

(*) In order to allow better comparability, the comparative balances from December 31, 2021 were reclassified between lines.

The changes in the estimated losses for realizable value of inventories accrual, which its offset is recognized in these financial statements as "Cost of sales", are presented below:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Balance at the beginning of the period	**(6,742)**	**(6,746)**	**(248,637)**	**(182,409)**
Additions	**(55,743)**	(937)	**(296,491)**	(234,876)
Write-offs	**4,375**	941	**228,228**	176,021
Exchange rate variation	—	—	**6,319**	(7,373)
Balance at the end of the period	**(58,110)**	**(6,742)**	**(310,581)**	**(248,637)**

7 Biological assets

The Company's live animals consist of chickens, cattle, hogs and fish and are segregated into consumables and bearer assets. The animals classified as consumables are those intended for slaughtering to produce in-natural meat or processed and by-products. Until they reach the appropriate weight for slaughtering, they are classified as immature. The slaughtering and production processes occur in a very short period of time and, as a consequence, only live animals transferred to slaughter are classified as mature. The animals designated as bearer assets (breeder chickens, hogs, fish), are those which are intended to produce other biological assets. Until they reach the age of reproduction they are classified as immature and when they are able to start the reproductive cycle are classified as mature.

Biological assets (live animals) are measured at their fair value, using the cost approach technique to live animals. In determining the fair value of live animals, all losses inherent to the breeding process are already considered. For assets kept for production the cost is amortized over time, considering the reduction already recognized during its life cycle.

The measurement of the fair value of biological assets falls within Level 3 of the measurement hierarchy at fair value accordingly to IFRS 13 due to complex market prices, mathematical models, and subjective assumptions used in the discounted cash flow models. These are assets with unobservable inputs such as weight, price of feed inputs, storage costs, medicines, discount rate, wood age, among others. Fair value for live animals might change due to increase or decrease in feed costs, storage costs and outgrowers costs; for forests, the fair value might change due to increase or decrease in discount rate, price of wood or age.

Chicken and eggs:

Current (consumable) - Refers to broiler chickens that will be slaughtered upon maturity. Broiler chickens remain in development for a period of 30 to 48 days to produce fresh meat and/or commercialized products. The eggs remain in incubation between 21 to 25 days.

Non-current (bearer assets) - Refers to breeder chickens that are set aside for breeding and have an estimated useful life of 68 weeks (476 days). The animals in this category are segregated between mature, when they are in the breeding stage and immature when they are under development. The costs associated to breeder chickens are accumulated up to the production stage (immature) and amortized over their productive lives based on an estimate of their capacity to produce eggs (mature). Amortization of the mature hen is included under the caption "Cost of sales" in the statement of income.

Cattle:

Current (consumable) - Refers to owned cattle in feedlots and grass-fed cattle which remains under development for 90 to 120 days.

(Expressed in thousands of Brazilian reais)

Non-current (bearer assets) - Refers to breeder bulls that are set aside for breeding and have an estimated useful life of 5 years (1,825 days). The costs associated to breeder bulls are accumulated up to the production stage (immature) and amortized over their productive lives based on an estimate of their capacity to produce new assets (cattle). Amortization of mature bulls is included under the caption “Cost of sales” in the statement of income.

Hogs:

Current (consumable) - Refers to hogs that will be slaughtered upon maturity. Hogs remain in development for a period of 170 to 175 days to produce fresh meat and/or industrialized products.

Non-current (bearer assets) - Refers to hogs that are set aside for breeding which have an estimated useful life of 27 months (810 days). The costs associated with breeder hogs are accumulated up to the production stage and amortized over their productive lives based on an estimate of their capacity to produce new assets (hogs). Amortization of breeder hogs is included under the caption “Cost of sales” in the statement of income.

Fish and eggs:

Current (consumable) - Refers to live finfish weighing more than 1kg that are destined for slaughter after the maturation period. Finfish at this stage are measured at fair value less cost to sell.

Non-current (developing stage) - Refers to eggs, juveniles, smolt and live finfish below approximately 1kg. The estimated time period for eggs to develop to fish being placed at sea is approximately 24 months. These biological assets are measured at cost.

Non-current (bearer assets) - Refers to breed stock that are set aside for breeding which have an estimated useful life of 36 months (1,095 days). The costs associated with breed stock fish are accumulated up to the production stage and amortized over their productive lives based on an estimate of their capacity to produce new assets (eggs). Amortization of breed stock fish is included under the caption “Cost of goods sold” in the statement of income.

	Consolidated			
Current biological assets (consumable):	**December 31, 2022**		**December 31, 2021**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Chicken and eggs	**3,850,196**	**615,040**	3,313,591	562,314
Cattle	**309,703**	**60**	308,891	57
Hogs	**4,486,728**	**7,922**	2,805,712	5,939
Lamb	**3,845**	**6**	22,021	22
Fish (biomass - kg)	**1,060,221**	**25,256**	958,877	25,407
Total current	**9,710,693**		**7,409,092**	

	Consolidated			
Non-current biological assets (bearer assets):	**December 31, 2022**		**December 31, 2021**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Mature chickens (breeding stage)	**904,834**	**24,598**	774,549	23,716
Immature chickens (in development) and eggs	**952,216**	**21,241**	895,171	19,322
Cattle	**9,178**	**1**	6,842	–
Hogs	**671,174**	**716**	465,667	561
Mature fish (biomass - kg)	**11,009**	**93**	9,866	101
Immature fish (biomass - kg) and eggs	**60,369**	**382**	82,117	433
Eucalyptus forests (*)	**10,286**	**2,232**	10,807	2,232
Total non-current	**2,619,066**		**2,245,019**	
Total of biological assets:	**12,329,759**		**9,654,111**	

(*) Expressed in hectares.

	Consolidated			
Changes in biological assets:	**Current**		**Non-current**	
	December 31, 2022	**December 31, 2021 (*)**	**December 31, 2022**	**December 31, 2021**
Balance at the beginning of the period	**7,409,092**	**5,115,720**	**2,245,019**	**1,778,565**
Acquired in business combination (1)	**905,884**	940,982	**207,286**	80,836
Increase by reproduction (born) and cost to reach maturity	**63,094,943**	54,243,224	**4,083,268**	3,198,452
Reduction for slaughter, sale or consumption	**(64,819,239)**	(56,177,174)	**(428,076)**	(285,443)
Increase by purchase	**2,766,366**	2,287,634	**851,040**	865,509
Decrease by death	**(393,961)**	(180,346)	**(77,099)**	(52,435)
Changes fair value	**204,931**	(175,014)	**17**	398
Transfer between current and non-current	**1,507,273**	1,138,400	**(1,507,273)**	(1,138,400)
Exchange rate variation	**(964,596)**	215,666	**(148,159)**	98,307
Amortization	–	–	**(2,606,957)**	(2,300,770)
Balance at the end of the period	**9,710,693**	**7,409,092**	**2,619,066**	**2,245,019**

(Expressed in thousands of Brazilian reais)

(*) The Company reviewed and change the balances in December 31, 2021 in the amount of R$11,756 referring to the Huon final goodwill allocation, according to IFRS 3 - Business Combinations, the adjustment is disclosed retrospectively.

(1) Refers to the 2022´s acquisitions, Rivalea during the first quarter and TriOak in the fourth quarter.

8 Recoverable taxes

Recoverable taxes as of December 31, 2022 and 2021 was comprised of the following:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Value-added tax on sales and services - (ICMS/IVA/VAT/GST)	**2,040,368**	1,573,970	**5,253,253**	4,370,426
Social contribution on billings - PIS and COFINS	**1,502,722**	1,422,265	**2,752,896**	2,507,232
Withholding income tax - IRRF/IRPJ	**3,981,884**	3,032,564	**6,257,710**	3,963,352
Excise tax - IPI	**21,748**	40,063	**127,719**	165,950
Reintegra	**32,463**	29,832	**49,832**	47,069
Other	**23,644**	23,584	**55,087**	41,593
	7,602,829	**6,122,278**	**14,496,497**	**11,095,622**
Breakdown				
Current	**1,473,985**	1,139,385	**5,330,928**	3,204,923
Non-current	**6,128,844**	4,982,893	**9,165,569**	7,890,699
	7,602,829	**6,122,278**	**14,496,497**	**11,095,622**

Value-added tax on sales and services (ICMS/ IVA / VAT / GST): Refers to excess credits derived from purchases of raw materials, packaging and other materials over tax charges due on domestic sales, since exports are exempt. Since these credits do not expire, the Company expects to recover the total amount of the tax credit, including Brazilian ICMS credits from other states (based on the difference between the statutory rate of tax and the effective rate for ICMS collection in the state of origin) either through offsetting tax charges on domestic sales or through purchases of fixed assets, packaging, electricity, and other vendors.

Social contribution on billings - PIS and COFINS: Refers value added taxes (non-cumulative PIS and COFINS credits) arising from purchases of raw materials, packaging and other materials used in products sold in markets outside of Brazil. Such credits do not expire and can be offset against other federal taxes, such as income taxes, or used to settle, administrative or judicial proceedings. The Company started to offset the PIS and COFINS credits generated, starting in August 2018 with social security debts.

Withholding income tax - IRRF/IRPJ: Refers mainly to income tax paid from foreign subsidiaries, Brazilian withholding income tax levied on short-term investments and income tax and social contribution prepayments paid by estimate. As of December 31, 2022 the amount of R$3,809,280 (R$2,883,290 as of December 31, 2021) relates to advances of income taxes in foreign jurisdictions, which do not expire.

Excise tax – IPI: Refers to value added taxes incurred upon the production of goods in Brazil. The rates may differ according to the type of product, volume or selling price. These credits do not expire and can be used to pay other federal taxes or reimbursed in cash.

Reintegration of the Special Tax Values - Reintegra: Refers to tax incentives for exports which can be fully or partially reimbursed in cash. Tax credit amounts are calculated by multiplying the statutory rate by gross revenue from the export of certain commercial products. These credits do not expire and can be offset against other federal taxes, such as income taxes, or reimbursed in cash

.

(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 to transactions between related parties or at under market conditions and prices. Transference of costs includes borrowing costs, interest and exchange, when applicable. The following table includes balances and net effect on income of intercompany financing transactions between the Company and its subsidiaries:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Related party receivables	**1,103,125**	4,032,213	**951,021**	417,702
Related party payables	**(22,066,929)**	(30,273,357)	—	—
	(20,963,804)	**(26,241,144)**	**951,021**	**417,702**

	Currency	Costs transfer (administrative and funding)	Statement of financial position accounts December 31, 2022	Statement of financial position accounts December 31, 2021	Financial income (expense) 2022	Financial income (expense) 2021
Direct subsidiaries						
JBS Finance Luxembourg S.à.r.l [(1)]	US$	2.52% to 3.64% p.y.	—	(11,079,225)	**(74,322)**	(123,874)
Brazservice Ltda.	R$	CDI + 4% p.y.	**32,502**	43,959	**5,582**	2,384
Enersea Ltda.	R$	CDI + 4% p.y.	**80**	8,881	**762**	306
JBS Embalagens Metálicas Ltda	R$	CDI + 4% p.y.	**14**	23	**1**	1
JBS Confinamento Ltda.	R$	CDI + 4% p.y.	**109,696**	447,083	**17,355**	23,549
JBS Investments Luxembourg S.à.r.l [(1)]	US$	2.52% to 3.64% p.y.	**(10,047,675)**	17,615	**(233,736)**	(194,896)
JBS Investments II GMBH	US$	5,75% to 7,3% p.y..	—	—	—	(612,648)
Indirect subsidiaries						
JBS Leather Paraguay Srl	GUA	7.00% p.y.	**9,812**	10,687	**481**	532
Seara Alimentos Ltda.	R$	CDI + 4% p.y.	**(8,521,864)**	3,086,263	**(597,379)**	211,054
JBS Luxembourg S.à.r.l	US$	1.83% to 7.3% p.y.	**(3,497,390)**	(19,194,132)	**(236,601)**	(23,688)
Other related parties						
J&F Participações S.A..[(2)]	R$	IPCA	**543,165**	—	—	—
J&F Oklahoma Holdings, Inc.	R$	3.4% [(*)]	**400,017**	417,702	**(3,578)**	17,751
Flora Produtos de Higiene e Limpeza S.A. [(3)]	R$	Selic	**7,839**	—	**494**	—
Total			**(20,963,804)**	**(26,241,144)**	**(1,120,941)**	**(699,529)**

[(*)] Rate for the contract term.

Related party receivable

	Consolidated	
	December 31, 2022	December 31, 2021
J&F Participações S.A. [(2)]	**543,165**	—
J&F Oklahoma Holdings, Inc.	**400,017**	417,702
Flora Produtos de Higiene e Limpeza S.A. [(3)]	**7,839**	—
	951,021	**417,702**

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

[(1)] On March 30, 2022, the Company´s direct subsidiary JBS Finance Luxembourg S.à.r.l. transferred the prepayment export (PPE) balance receivable with the Company to the direct subsidiary JBS Investments Luxembourg S.à.r.l.
[(2)] On December 22, 2022, the Arbitration Court has approved the agreement by JBS S.A. and J&F Investimentos S.A., which concerns the final resolution of the CAM Arbitration Proceeding No. 186/21. In the agreement, J&F agreed to pay to JBS the amount of R$543,165, to be paid under the terms and conditions specified therein. The amount was recognized under the caption "Other income", net of the amount of 50,243 related to Social contribution on billings - PIS and COFINS.
[(3)] The Receita Federal do Brasil (Brazilian Internal Revenue Service) ("RFB") compensated tax credits with certain debts, which among these debts (listed by the RFB), were included debts of 2007 from Flora Higiene e Produtos S.A. (related party). If the Company did not agree with the compensation, its credits would be withheld until Flora settled its tax debts. Therefore, the Company entered in a tax credit assignment agreement with Flora, which must be settled until 2023 and updated by the Selic rate, having the same payment flow as an tax payment in installments.

(Expressed in thousands of Brazilian reais)

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.

	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services provided	
COMPANY	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	2022	2021	2022	2021
Direct subsidiaries								
JBS Confinamento Ltda.	**2,300**	1,552	**119,563**	174,284	**1,255,584**	1,611,187	**15,108**	18,649
Brazservice Ltda.	**2,977**	14,929	**14,283**	10,596	**118,172**	104,122	**107,333**	216,614
Conceria Priante Srl	**15,479**	10,223	–	–	–	–	**38,928**	37,579
Enersea Ltda.	–	–	–	–	–	95,851	–	77,717
JBS Toledo N.V.	**8,577**	62,240	–	–	–	–	**332,485**	299,657
Indirect subsidiaries								
Seara Alimentos Ltda.	**215,066**	181,310	**58,663**	47,522	**294,037**	166,212	**2,778,655**	2,019,083
JBS Global UK Limited	**138,313**	71,831	–	–	–	–	**408,103**	324,525
JBS Aves Ltda.	**5,523**	6,033	**20,757**	20,911	**5,919**	8,917	**136,520**	82,988
Weddel Limited	**22,402**	18,381	–	–	–	–	**77,967**	75,818
Sampco, LLC	**108,359**	167,687	–	3	–	3	**959,321**	1,082,043
Meat Snacks Partners do Brasil Ltda.	**3,547**	15,939	**128**	44	–	49	**445,483**	760,611
JBS Asia Limited	–	–	**82,036**	25,584	**120,517**	31,397	–	–
JBS Leather Asia Limited	**70,780**	130,275	–	–	–	–	**242,559**	323,205
JBS USA Holding Lux S.à.r.l.	**520,893**	431,135	**715**	–	–	518	**1,065,280**	920,738
Seara Comércio de Alimentos Ltda.	**4,349**	2,111	**1,680**	1,690	**20,059**	19,479	**15,904**	23,313
JBS Australia Pty.Ltd.	**9,298**	15,647	**678**	–	**691**	–	**292,889**	195,653
Other related parties								
Agropecuária Santa Luzia Ltda.	**1,772**	6	**134**	59	**32,366**	8,917	**7,241**	359
Flora Produtos de Higiene e Limpeza S.A	**34,359**	34,460	–	699	**4,505**	704	**334,348**	268,756
JBJ Agropecuária Ltda.	**2,912**	2,063	**40,357**	2,562	**1,619,097**	944,872	**26,994**	16,629
Eldorado Brasil Celulose S.A.	**314**	182	**6**	–	**287**	207	**8,596**	11,991
Banco Original S.A	**5**	–	**9**	–	–	–	**81**	50
Prima Foods S.A.	**315**	826	**4,012**	5,065	**101,963**	31,839	**14,612**	10,429
	1,167,540	**1,166,830**	**343,021**	**289,019**	**3,573,197**	**3,024,274**	**7,308,407**	**6,766,407**

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 December 31, 2022, the unpaid balance of transferred receivables was R$969,151 (R$751,912 at December 31, 2021) in the Company, and R$2,133,083 (R$1,834,625 at December 31, 2021) in the Consolidated, respectively. For the years ended at December 31, 2022, the Company incurred financial costs related to this operation in the amount of R$165,304 (R$71,340 at December 31, 2021) in the Company, and R$375,142 (R$192,117 at December 31, 2021) in the Consolidated, respectively, recognized in these financial statements as financial expenses.

At December 31, 2022, the Company and a few of its subsidiaries hold investments with Banco Original, in the amount of R$477,103 (R$497,314 at December 31, 2021) in the Company and R$1,869,825 (R$1,913,998 at December 31, 2021) 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 years ended at December 31, 2022, the Company earned interest from these investments in the amount of R$7,478 (R$2,539 at December 31, 2021) in the Company, and R$17,159 (R$5,844 at December 31, 2021) 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 December 31, 2022 the balance of this transaction was R$446,000 (R$167,700 at December 31, 2021).

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 years ended at December 31, 2022 the Company made donations in the amount of R$178,831 (R$101,233 at December 31, 2021) recognized in these financial statements as general and administrative expenses.

In addition, the Company is associated to the JBS Fund For the Amazon, a non-profit association whose objective is to promote and finance initiatives and projects which help develop the Amazon Biome. During the years ended at December 31, 2022, the Company donated the amount of R$5,500 (R$49,500 at December 31, 2021), recorded under the caption 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$0.68 cents for each beneficiary who adhere to the salary advance. At December 31, 2022, the total amount of the operation were R$145 (R$28 on December 31, 2021).

No expected credit losses or bad debts relating to related-party transactions were recorded during the years ended at December 31, 2022 and 2021.

(Expressed in thousands of Brazilian reais)

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 years ended at December 31, 2022 and 2021 is the following:

	2022	2021
Salaries and wages	**39,702**	33,450
Variable cash compensation	**98,000**	56,891
Share-based payments	**35,446**	**54,896**
	173,148	**145,237**

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 part 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

Current taxes

The Company and the subsidiaries located in Brazil are taxed based on their taxable income. The subsidiaries located outside of Brazil use methods established by the respective local jurisdictions. Income taxes have been calculated and recognized considering the applicable statutory tax rates in effect at the balance sheet date.

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

The current income tax charge is calculated using enacted or substantively enacted tax rates at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. The Company periodically evaluates positions taken in which applicable tax regulation is subject to interpretation and recognizes an accrual, if needed, for probable payments of income tax.

In compliance with the interpretation ICPC 22/IFRIC 23, the Administration analyzed the relevant tax decisions and whether they conflict in any way with the positions adopted by the Company. In relation to uncertain tax positions, the Administration has reviewed the respective legal opinions and jurisprudence and recognized a provision for such matters. Periodically, the Company evaluates the tax positions assumed in which there are uncertainties about the tax treatment adopted and, if necessary and applicable, constitutes a provision.(Net income arising from foreign subsidiaries)

Deferred taxes

Deferred tax assets and liabilities are presented net in the statement of financial position when there is a legally enforceable right to offset current tax assets against liabilities and when they are related to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

In the Company, tax calculations refer to known tax uncertainties due to judgments used to calculate tax liabilities in the application of complex tax regulations complex tax regulations, which are constantly evolving in the tax jurisdictions where the Company operates. Deferred taxes will only be recognized if it is probable that it is probable that in the future there will be a positive tax base against which temporary differences can be utilized and losses offset, based on projections of taxable income taxable results as well as technical feasibility studies, submitted annually to the Company's and its subsidiaries' management bodies, when applicable.

Changes in tax laws and rates may affect deferred tax assets and liabilities recorded in the future. the Administration does not believe that there is a reasonable probability that there will be a material change in the recognized balances, however, at the close of the fiscal year, the calculation may result in a payment that is significantly different from the current estimate of tax liabilities or a change in the effective tax rate in the financial statements due to the complexity of these tax uncertainties. A legal settlement not favorable to the Company would require a cash outflow and could result in an increase in the effective tax rate on assessment; a favorable legal settlement may result in a reduction in the effective tax rate at assessment.

Deferred taxes are recognized on tax loss carryforwards and temporary asset and liability differences on tax basis versus book basis. Deferred taxes are not recognized when arising from active and/or passive adjustments that do not affect the tax bases, with the exception of adjustments of business combination adjustments. Deferred taxes are determined using tax rates (and laws) that are effective or substantively effective at the end of the current period and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax expense on goodwill amortization is recorded only when there is tax amortization of goodwill in the assessment.

Tax losses in Brazil do not expire, but are limited to the use of 30% of taxable income for the year. The utilization of tax losses in other jurisdictions expires between 10 and 20 years.

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Deferred income taxes assets	—	—	**3,161,300**	1,738,222
Deferred income taxes liabilities	**(2,995,114)**	(3,141,465)	**(7,112,102)**	(6,658,675)
	(2,995,114)	**(3,141,465)**	**(3,950,802)**	**(4,920,453)**

a. Deferred income tax and social contribution

a1. Unrecognized tax benefit

The Company's unrecognized tax benefits as of December 31, 2022 were R$1,468,983 (R$2,458,975 at December 31, 2021), respectively. These net operating losses were generated primarily in Brazil and do not expire under Brazilian tax regulations.

(Expressed in thousands of Brazilian reais)

a2. Composition of deferred tax income and social contribution

	Company		
	December 31, 2021	Income statement	December 31, 2022
Expected credit losses on trade accounts receivable	91,840	(3,819)	**88,021**
Provisions for contingencies	164,082	(1,499)	**162,583**
Present value adjustment - Trade accounts receivable	3,671	(353)	**3,318**
Right of use assets	3,622	(890)	**2,732**
Other temporary differences assets	(15,828)	56,386	**40,558**
Goodwill amortization	(3,277,762)	—	**(3,277,762)**
Present value adjustment - Trade accounts payable	2,694	(604)	**2,090**
Hedge operations (2)	16,236	44,961	**61,197**
Trade accounts payable accrual	134,382	49,808	**184,190**
Realization of other reserves	(260,867)	3,535	**(257,332)**
Other temporary differences liabilities	(3,535)	(1,174)	**(4,709)**
Deferred taxes, net	**(3,141,465)**	**146,351**	**(2,995,114)**

	Company		
	December 31, 2020	Income statement	December 31, 2021
Expected credit losses	82,570	9,270	**91,840**
Provisions	177,643	(13,561)	**164,082**
Present value adjustment - Trade accounts receivable	2,832	839	**3,671**
Share-based payment	1,314	(1,314)	—
Right of use assets	1,251	2,371	**3,622**
Other temporary differences assets	88,014	(103,842)	**(15,828)**
Goodwill amortization	(3,196,250)	(81,512)	**(3,277,762)**
Present value adjustment - Trade accounts payable	1,580	1,114	**2,694**
Hedge and Hedge accounting operations	(7,032)	23,268	**16,236**
Trade accounts payable accrual	—	134,382	**134,382**
Realization of other reserves	(263,687)	2,820	**(260,867)**
Other temporary differences liabilities	5,932	(9,467)	**(3,535)**
Deferred taxes, net	**(3,105,833)**	**(35,632)**	**(3,141,465)**

	Consolidated				
	December 31, 2021 (*)	Income statement	Exchange variation	Other adjustments (1)	December 31, 2022
Tax losses and negative basis of social contribution	2,407,989	1,019,925	(43,409)	2,639	**3,387,144**
Expected credit losses	146,544	20,059	(1,871)	—	**164,732**
Provisions for contingencies	544,132	(52,872)	—	—	**491,260**
Present value adjustment - Trade accounts receivable	45,564	13,531	—	—	**59,095**
Tax credits - Foreign subsidiaries	74,993	(1,288)	(4,577)	(273)	**68,855**
Labor accidents - Foreign subsidiaries accruals	218,775	(172,451)	(14,292)	—	**32,032**
Pension plan - Foreign subsidiaries	120,970	(28,822)	(8,339)	(29,101)	**54,708**
Trade accounts payable accrual	1,478,003	93,330	(88,283)	—	**1,483,050**
Non-deductible interests - Foreign subsidiaries	32,889	370,290	(3,698)	—	**399,481**
Right of use assets	33,884	84,106	(158)	—	**117,832**
Other temporary differences assets	298,120	447,658	(10,790)	1,334	**736,322**
Goodwill amortization	(3,937,854)	(189,119)	26,082	—	**(4,100,891)**
Present value adjustment - Trade accounts payable	(33,568)	(8,724)	—	—	**(42,292)**
Business combinations	(2,641,925)	225,085	164,819	(51,218)	**(2,303,239)**
Customer return accruals - Foreign subsidiaries	(186,478)	174,938	11,540	—	—
Inventory valuation - Foreign subsidiaries	131,675	(704,606)	533	—	**(572,398)**
Hedge and hedge accounting operations (2)	(150,686)	115,035	916	77,566	**42,831**
Realization of other reserves	(592,204)	16,278	—	—	**(575,926)**
Accelerated depreciation and amortization	(2,748,785)	(504,898)	191,734	—	**(3,061,949)**
Other temporary differences - liabilities	(162,491)	(413,000)	251,652	(7,610)	**(331,449)**
Deferred taxes, net	**(4,920,453)**	**504,455**	**471,859**	**(6,663)**	**(3,950,802)**

(Expressed in thousands of Brazilian reais)

	Consolidated				
	December 31, 2020	Income statement	Exchange variation	Other adjustments (*)	December 31, 2021
Tax losses and negative basis of social contribution	1,876,040	506,219	25,730	—	**2,407,989**
Expected credit losses	111,303	35,268	(27)	—	**146,544**
Provisions	502,988	41,144	—	—	**544,132**
Present value adjustment - Trade accounts receivable	29,515	16,049	—	—	**45,564**
Tax credits - Foreign subsidiaries	51,017	18,385	5,497	94	**74,993**
Labor accidents accruals - Foreign subsidiaries	209,228	(7,811)	17,358	—	**218,775**
Pension plan - Foreign subsidiaries	175,058	(15,673)	13,639	(52,054)	**120,970**
Trade accounts payable accrual - Foreign subsidiaries	1,002,868	395,680	79,455	—	**1,478,003**
Share-based payment	1,314	(1,314)	—	—	—
Non-deductible interests - Foreign subsidiaries	2,502	30,637	(250)	—	**32,889**
Right of use assets	40,579	(7,947)	1,252	—	**33,884**
Other temporary differences assets	510,584	(221,980)	9,508	8	**298,120**
Goodwill amortization	(3,622,479)	(290,557)	(24,818)	—	**(3,937,854)**
Present value adjustment - Trade accounts payable	1,580	(35,148)	—	—	**(33,568)**
Business combinations	(1,682,069)	135,542	(163,789)	(931,609)	**(2,641,925)**
Customer returns accruals - Foreign subsidiaries	(169,824)	(1,295)	(15,359)	—	**(186,478)**
Inventory valuation - Foreign subsidiaries	(504,563)	667,737	(31,581)	82	**131,675**
Hedge and hedge accounting operations	1,450	(78,494)	1,222	(74,864)	**(150,686)**
Realization of other reserves	(607,537)	15,333	—	—	**(592,204)**
Depreciation and amortization	(2,169,080)	(427,422)	(152,283)	—	**(2,748,785)**
Other temporary differences liabilities	(356,995)	136,966	57,516	22	**(162,491)**
Deferred taxes, net	**(4,596,521)**	**911,319**	**(176,930)**	**(1,058,321)**	**(4,920,453)**

(*) The Company reviewed and change the balances in December 31, 2021 in the amount of R$93,222 referring to the Huon final goodwill allocation, according to IFRS 3 - Business Combinations, the adjustment is disclosed retrospectively.

(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 impacts related to the acquisitions of the King´s group in Italy and Rivalea in Australia.

(2) The hedge and hedge accounting operations are demonstrated in footnote 29 - Risk management and financial instruments.

Realization of deferred income tax and social contribution

Deferred tax assets arising from temporary differences will be realized as they are settled or realized. The period of settlement or realization of such differences is imprecise and is linked to several factors that are not under the control of the Company.

In estimating the realization of deferred tax assets, constituted on tax losses and negative basis of social contribution, the Group considers its adjusted budget and strategic plan, based on estimates of the main tax additions and exclusions. Based on this estimate, the Company believes that it is probable that these deferred tax credits will be realized, as shown below:

	December 31, 2022
	Consolidated
2023	**(173,542)**
2024	**(257,969)**
2025	**(310,890)**
2026	**(444,315)**
2027	**(320,993)**
2028	**(653,266)**
Maturities thereafter 2028	**(1,226,169)**
	(3,387,144)

(Expressed in thousands of Brazilian reais)

b. Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	2022	2021	2022	2021
Profit before income taxes (PBT)	**14,385,495**	21,031,730	**18,283,864**	27,191,452
Nominal rate	**(34)%**	(34)%	**(34)%**	(34)%
Expected tax expense	**(4,891,068)**	(7,150,788)	**(6,216,514)**	(9,245,094)
Adjustments to reconcile tax expense:				
Share of profit of equity-accounted investees	**5,192,959**	7,190,778	**20,574**	31,453
Investments grants [1]	**1,928,646**	562,597	**2,335,224**	889,157
International rate differences	–	–	**1,632,197**	2,739,338
Net income arising from foreign subsidiaries [3]	**(1,378,928)**	(1,219,068)	**(1,378,928)**	(1,314,679)
Transfer pricing adjustment	**(39,042)**	(31,466)	**(179,324)**	(32,281)
Unrecognized tax benefits [2]	–	1,731	**472,790**	(854,598)
J&F leniency expenses refund [4]	–	–	**672,699**	598,432
Non-taxable interest - Foreign subsidiaries	**184,676**	–	**184,676**	–
"Fazer o Bem Faz Bem" program and JBS Found For The Amazon	**(597)**	(13,532)	**(597)**	(13,702)
SELIC interests on tax credits	**13,171**	147,395	**27,188**	288,349
Other permanent differences	**62,524**	(32,816)	**347,405**	251,826
Current and deferred income tax (expense) benefit	**1,072,341**	**(545,169)**	**(2,082,610)**	**(6,661,799)**
Current income tax expense	**925,990**	(509,537)	**(2,587,065)**	(7,573,118)
Deferred income tax income (expense)	**146,351**	(35,632)	**504,455**	911,319
	1,072,341	**(545,169)**	**(2,082,610)**	**(6,661,799)**
% IT/PBT	**7.45 %**	**(2.59)%**	**(11.39)%**	**(24.50)%**

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

	Company		Consolidated	
	2022	2021	2022	2021
Adjustments to reconcile taxable income [4]				
Current and deferred income tax (expense) benefit	**1,072,341**	**(545,169)**	**(2,082,610)**	**(6,661,799)**
Goodwill amortization - Deferred	–	81,512	**189,119**	290,557
Prior years loss carryfowards - deferred	–	–	–	(506,219)
Unrecognized tax benefits	–	(1,731)	**(472,790)**	854,598
Realization of deferred tax from surplus value - Incorporations	–	–	–	3,030
Income tax on realization of other reserves	**(3,535)**	(2,820)	**(16,278)**	(15,333)
Investments grants - prior years	**(880,879)**	–	**(880,879)**	–
J&F leniency expenses refund [4]	**(184,676)**	–	**(184,676)**	–
Reversal IFRIC 23 - Year ended at 2017	**(787,035)**	–	**(787,035)**	–
Current and deferred income tax (expense) benefit - ADJUSTED	**(783,784)**	**(468,208)**	**(4,235,149)**	**(6,035,166)**
Effective income tax rate	**(5.45)%**	**(2.23)%**	**(23.16)%**	**(22.20)%**

[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] The indirect subsidiary Seara Alimentos recognized unrecognized tax benefits due to the expected generation of future taxable profits that can be used to offset such losses. This amount was recognized in accordance to the policy of analyzing future profitability and the reduction of financial expenses in the period.

[3] 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.

[4] Refers to the indemnity J&F as described in the footnote 9 - Related party transactions.

[5] 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) deferred taxes realization in incorporations; v) income tax on realization of the other reserves (since it is not relate to the net operating income); vi) effects of investments grants from priors years; vii) J&F leniency expenses refund; and viii) effects of the reversal of IFRIC 23 for the year ended at 2017.

Global Minimum Tax: In order to address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at a global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organization for Economic Co-operation and Development (OECD) released a draft legislative framework that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Company operates are enacted or substantively enacted, the Group may be subject to the top-up tax. At the date when the interim financial statements were authorized for issue, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax, and therefore the Company is unable to determine the potential impact

(Expressed in thousands of Brazilian reais)

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

The investments in associates and joint ventures are accounted using the equity method. Associates are those companies in which the Company has significant influence, without the power to control the financial and/or operating policy decisions. Joint ventures are those in which control is jointly exercised by the Company and one or more partners.

The financial statements of its subsidiaries are adjusted to follow the accounting policies established by the Company. All transactions, balances and unrealized gains and losses on transactions between group companies have been eliminated.

The non-controlling interest are presented in the consolidated financial statements as an integral part of the equity, as well as the results attributable to them in the income statement.

When the Company acquires more shares or other equity instruments of an entity that it already controls, the gains and losses of this variation of participation are recorded as an increase or decrease in shareholders' equity under the caption "Capital Transaction".

Relevant information for investments in the year ended at December 31, 2022:

	Participation	Total assets	Share capital	Equity + Goodwill	Net revenue	Net income (loss)
i. In subsidiaries:						
JBS Embalagens Metálicas Ltda.	99.95%	84,792	203,269	80,817	–	(100)
JBS Confinamento Ltda.	100%	866,639	804,601	377,409	1,392,561	(88,221)
Conceria Priante Srl	100%	171,511	15,594	120,500	139,038	(12,306)
JBS Leather International B.V.	100%	825,280	107,806	635,828	724,525	(24,744)
Brazservice Ltda.	100%	88,505	173,010	43,940	164,683	(1,436)
Enersea Ltda.	100%	437	9,848	350	969	(1,030)
JBS Asset Management Corporation	100%	113,671	112,330	111,742	15,905	4,251
JBS Investments Luxembourg S.à.r.l.	100%	184,791,792	394	53,603,571	325,446,154	15,330,841
JBS B.V. [5]	100%	67	265	(27)	–	(132)
JBS Toledo N.V.	100%	234,674	19,825	195,970	419,484	9,587
JBS Chile Limitada	100%	45,027	28	19,953	199,320	2,615
JBS Finance Luxembourg S.à.r.l.	100%	5,164	783	404	–	42
ii. In joint ventures:						
Meat Snack Partners do Brasil Ltda.	50%	505,572	23,762	418,184	1,056,569	108,084

Changes in the Company's investments:

	December 31, 2021	Addition (disposal)	Exchange rate variation	Equity: Changes in the equity of investees [1]	Equity: Proportionate share of income (loss)	December 31, 2022
JBS Embalagens Metálicas Ltda. [2]	80,852	25	–	–	(100)	**80,777**
JBS Confinamento Ltda. [2]	5,029	460,601	–	–	(88,221)	**377,409**
Conceria Priante Srl	151,113	–	(18,307)	–	(12,306)	**120,500**
JBS Leather International B.V. [3]	806,120	(85,601)	(61,042)	1,095	(24,744)	**635,828**
Brazservice Ltda.	45,376	–	–	–	(1,436)	**43,940**
Meat Snacks Partners do Brasil Ltda. [4]	169,050	(14,000)	–	–	54,042	**209,092**
Enersea Ltda.[2]	(7,193)	8,573	–	–	(1,030)	**350**
JBS Asset Management Corporation	114,814	–	(7,323)	–	4,251	**111,742**
JBS Investments Luxembourg S.à.r.l. [2]	58,900,478	(14,049,185)	(4,226,976)	(2,351,587)	15,330,841	**53,603,571**
JBS B.V. [5]	109	–	(4)	–	(132)	**(27)**
JBS Toledo N.V.	211,470	–	(25,087)	–	9,587	**195,970**
JBS Chile Limitada	18,431	–	(1,093)	–	2,615	**19,953**
JBS Finance Luxembourg S.à.r.l.	381	–	(19)	–	42	**404**
Total	**60,496,030**	**(13,679,587)**	**(4,339,851)**	**(2,350,492)**	**15,273,409**	**55,399,509**

[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 Company increased/decreased capital in the direct subsidiaries JBS Embalagens Metálicas, JBS Confinamento, Enersea Ltda. and JBS Investments Luxembourg S.à.r.l., through partial settlement of intercompany loans.
[3] The Company recognized an impairment provision in intangible assets in a direct subsidiary of JBS Leather International.
[4] The indirect subsidiary Meat Snacks Partners do Brasil distributed profits to the Company.
[5] Formerly named Swift Foods B.V.

Changes in the Consolidated's investments:

	December 31, 2021	Addition	Profit distribution	Equity: Changes in the equity of investees	Equity: Proportionate share of income	December 31, 2022
Meat Snacks Partners [4]	169,050	–	(14,000)	–	54,042	**209,092**
JBS Foods Ontario Inc.	74,140	–	–	(4,892)	6,472	**75,720**
Birla Societá Agricola [6]	–	10,811	–	(786)	–	**10,025**
Total	**243,190**	**10,811**	**(14,000)**	**(5,678)**	**60,514**	**294,837**

[6] The indirect subsidiary Rigamonti Salumificio acquired the King's group, as described in the footnote 3, also acquiring 20% of the shares in the associated Birla Societá Agricola ("Birla"). Birla operations are pork raising and fattening for the King's group in Europe.

(Expressed in thousands of Brazilian reais)

Changes in the Company's investments at year ended at December 31, 2021:

				Equity		
	December 31, 2020	Addition (disposal)	Exchange rate variation	Changes in the equity of investees	Proportionate share of income (loss)	December 31, 2021
JBS Embalagens Metálicas	79,564	—	—	—	1,288	**80,852**
JBS Confinamento	110,619	—	—	—	(105,590)	**5,029**
Conceria Priante	155,857	—	(1,485)	—	(3,259)	**151,113**
JBS Leather International	715,521	416	53,537	8,653	27,993	**806,120**
Brazservice	48,281	—	—	—	(2,905)	**45,376**
Meat Snacks Partners	113,751	(31,000)	—	—	86,299	**169,050**
Enersea	(354)	—	—	—	(6,839)	**(7,193)**
JBS Asset Management	103,030	—	7,787	—	3,997	**114,814**
JBS Investments II	17,218,374	(18,635,064)	(247,405)	1,055,331	608,764	—
JBS Investments Luxembourg	18,897,423	18,635,064	2,622,322	(1,775,843)	20,521,512	**58,900,478**
JBS B.V.	401	—	12	(2)	(302)	**109**
JBS Toledo	202,721	—	(1,963)	—	10,712	**211,470**
JBS Chile	13,265	—	(2,005)	—	7,171	**18,431**
JBS Finance Luxembourg	—	753	(61)	(816)	505	**381**
Subtotal	**37,658,453**	**(29,831)**	**2,430,739**	**(712,677)**	**21,149,346**	**60,496,030**

Changes in the Consolidated's investments:

				Equity		
	December 31, 2020	Addition	Dividends distribution	Changes in the equity of investees	Proportionate share of income	December 31, 2021
Meat Snacks Partners	113,751	—	(31,000)	—	86,299	**169,050**
JBS Foods Ontario Inc.	57,345	6,165	—	4,418	6,212	**74,140**
Total	**171,096**	**6,165**	**(31,000)**	**4,418**	**92,511**	**243,190**

12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the purchase of the items and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Company and they can be measured reliably. The carrying amount of the replaced items or parts are derecognized. All other repairs and maintenance costs are charged to the statement of income in the period in which they are incurred.

Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. Assets are depreciated to their residual values. Land and construction in progress is not depreciated.

The Company assesses the recoverability of long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. When future undiscounted cash flows of assets are estimated to be insufficient to recover their related carrying value, the Company compares the asset's estimated future cash flows, discounted to present value using a risk-adjusted discount rate, to its current carrying value and records a provision for impairment as appropriate.

The assets' residual values and useful lives are reviewed and adjusted, if needed, at the end of each reporting period and the effect of any change in estimates is accounted for prospectively.

At each reporting date, management assesses whether there is an indication that an asset may be impaired. In that case, the estimated recoverable amount will be measured to determine if the asset is impaired. Assets and liabilities are grouped into CGU's (Cash generating units) for impairment testing purposes. When an asset's or CGU's carrying amount it is higher than its estimated recoverable amount, it is written down immediately to the recoverable amount. The recoverable amount is the higher amount of the estimate of the assets' fair value less cost to sell and value in use. For the year ended December 31, 2022 the Company recognized impairment for the Property, plant and equipment, in the amount of R$18,707, related to the indirect subsidiary JBS USA. For the year ended at December 31, 2021 there were no indicative of impairment.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are recognized within the statement of income.

The Company's construction in progress relates to investments for expansion, modernization and adaptation of plants for the purposes of increasing productivity and obtaining new certifications required by the market. When these assets are completed and placed in service, they are transferred to property, plant and equipment and depreciation commences.

During the year ended at December 31, 2022, the Company entered into several purchase commitments for property, plant and equipment in the amount of R$147,376 in the Company and R$3.36 billion, in the Consolidated.

(Expressed in thousands of Brazilian reais)

				Net amount	
Company	**Useful life**	**Cost**	**Accumulated depreciation**	**December 31, 2022**	**December 31, 2021**
Buildings	**5 to 40 years**	5,218,219	(1,638,031)	**3,580,188**	3,746,613
Land	—	1,749,340	—	**1,749,340**	1,748,561
Machinery and equipment	**3 to 30 years**	7,251,268	(4,185,021)	**3,066,247**	3,131,222
Facilities	**10 years**	2,841,289	(1,043,494)	**1,797,795**	1,680,385
Computer equipment	**2 to 5 years**	311,618	(269,804)	**41,814**	35,229
Vehicles (land and air)	**5 to 35 years**	794,823	(279,479)	**515,344**	442,619
Construction in progress	—	2,214,667	—	**2,214,667**	1,419,799
Others	**2 to 15 years**	182,080	(119,612)	**62,468**	64,412
		20,563,304	**(7,535,441)**	**13,027,863**	**12,268,840**

				Net amount	
Consolidated	**Useful life**	**Cost**	**Accumulated depreciation**	**December 31, 2022**	**December 31, 2021**
Buildings	**5 to 60 years**	29,686,015	(9,963,300)	**19,722,715**	19,536,418
Land	—	5,512,969	—	**5,512,969**	5,273,139
Machinery and equipment	**3 to 30 years**	44,202,275	(24,203,737)	**19,998,538**	19,921,569
Facilities	**10 to 30 years**	4,800,146	(1,798,457)	**3,001,689**	2,717,858
Computer equipment	**2 to 15 years**	1,888,450	(1,281,827)	**606,623**	680,594
Vehicles (land and air)	**3 to 35 years**	1,826,213	(704,941)	**1,121,272**	1,009,846
Construction in progress	—	11,084,915	—	**11,084,915**	6,802,002
Others	**2 to 25 years**	2,790,279	(1,668,208)	**1,122,071**	1,025,930
		101,791,262	**(39,620,470)**	**62,170,792**	**56,967,356**

Changes in property, plant and equipment:

Company	**December 31, 2021**	**Additions net of transferences** [1]	**Disposals**	**Depreciation expense**	**December 31, 2022**
Buildings	3,746,613	53,283	(393)	(219,315)	3,580,188
Land	1,748,561	995	(216)	—	1,749,340
Machinery and equipment	3,131,222	267,253	(2,869)	(329,359)	3,066,247
Facilities	1,680,385	224,013	(263)	(106,340)	1,797,795
Computer equipment	35,229	21,874	(225)	(15,064)	41,814
Vehicles (land and air)	442,619	179,049	(34,026)	(72,298)	515,344
Construction in progress	1,419,799	794,868	—	—	2,214,667
Other	64,412	9,758	(126)	(11,576)	62,468
	12,268,840	**1,551,093**	**(38,118)**	**(753,952)**	**13,027,863**

Company	**December 31, 2020**	**Additions net of transferences** [1]	**Disposals**	**Depreciation**	**December 31, 2021**
Buildings	3,844,629	85,307	(5,926)	(177,397)	**3,746,613**
Land	1,648,149	103,310	(2,898)	—	**1,748,561**
Machinery and equipment	3,168,463	298,366	(24,209)	(311,398)	**3,131,222**
Facilities	1,502,057	270,985	(566)	(92,091)	**1,680,385**
Computer equipment	33,167	17,708	(592)	(15,054)	**35,229**
Vehicles (land and air)	377,136	173,231	(42,246)	(65,502)	**442,619**
Construction in progress	941,882	477,917	—	—	**1,419,799**
Other	61,004	12,233	(1,102)	(7,723)	**64,412**
	11,576,487	**1,439,057**	**(77,539)**	**(669,165)**	**12,268,840**

Consolidated	**December 31, 2021 (*)**	**Acquired in business combinations** [2]	**Additions net of transferences** [1]	**Business combination adjustments** [3]	**Disposals**	**Depreciation expense**	**Exchange rate variation**	**December 31, 2022**
Buildings	19,536,418	633,561	1,861,044	68	(20,389)	(1,214,083)	(1,073,905)	**19,722,714**
Land	5,273,139	423,806	133,401	(80)	(27,878)	—	(289,419)	**5,512,969**
Machinery and equipment	19,921,569	476,647	3,821,093	339	(32,915)	(2,943,965)	(1,244,230)	**19,998,538**
Facilities	2,717,858	4,379	444,915	—	(476)	(166,165)	1,178	**3,001,689**
Computer equipment	680,594	3,686	208,025	(1)	(21,223)	(213,284)	(51,174)	**606,623**
Vehicles (land and air)	1,009,846	64,643	322,705	57	(38,326)	(179,086)	(58,567)	**1,121,272**
Construction in progress	6,802,002	26,144	4,609,549	4	(5,149)	—	(347,635)	**11,084,915**
Other	1,025,930	32,465	317,990	63	(8,011)	(180,856)	(65,509)	**1,122,072**
	56,967,356	**1,665,331**	**11,718,722**	**450**	**(154,367)**	**(4,897,439)**	**(3,129,261)**	**62,170,792**

(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2020	Acquired in business combinations (*)	Additions net of transferences	Business combination adjustments	Disposals	Depreciation	Exchange rate variation	December 31, 2021
Buildings	17,141,017	735,293	2,153,337	(217)	(73,547)	(1,103,573)	684,108	**19,536,418**
Land	4,848,897	134,364	158,114	–	(21,326)	–	153,090	**5,273,139**
Machinery and equipment	16,747,022	1,471,032	3,726,593	237	(55,991)	(2,733,783)	766,459	**19,921,569**
Facilities	2,333,026	–	529,759	–	(2,861)	(145,953)	3,887	**2,717,858**
Computer equipment	519,600	17,573	330,391	(3)	(1,377)	(219,352)	33,762	**680,594**
Vehicles (land and air)	637,099	296,089	246,377	–	(45,722)	(142,277)	18,280	**1,009,846**
Construction in progress	4,116,712	111,097	2,398,556	–	–	–	175,637	**6,802,002**
Other	830,132	24,932	280,257	(2)	(7,091)	(153,384)	51,086	**1,025,930**
	47,173,505	**2,790,380**	**9,823,384**	**15**	**(207,915)**	**(4,498,322)**	**1,886,309**	**56,967,356**

(*) The Company reviewed and change the balances in December 31, 2021 in the amount of R$51,050 referring to the Huon final goodwill allocation, according to IFRS 3 - Business Combinations, the adjustment is disclosed retrospectively.

(1) Additions for each category includes transfer from construction in progress during the period.
(2) Refers to the 2022´s acquisitions, King´s and Rivalea during the first quarter, Biotech during the second quarter and TriOak during the fourth quarter, as described in the footnote 3 - Business Combination.
(3) Refers to the 2022´s business combination adjustment in the King´s and Rivalea, acquired during the year ended at December 22 and the International Food Company Seara LLC acquired during the year ended at December 31, 2021. Due its immateriality, the adjustments were made at the first semester of 2022 changes.

For the year ended December 31, 2022, the amount of capitalized interest added to construction in progress and included in additions in the Company was R$79,855 (R$43,876 at December 31, 2021) and in the Consolidated R$369,155 (R$199,812 at December 31, 2021). The capitalization rate used at December 31, 2022 was 7,05% p.y., in Brazil and 3,70% p.y. in the United States (4,21% p.y., in Brazil and 3,88%% p.y. in the United States at December 31, 2021)

(Expressed in thousands of Brazilian reais)

13 Leases

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost and subsequently, at cost less any accumulated depreciation and impairment and adjusted for certain remeasurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments that were not paid at the start date, discounted at the interest rate implicit in the lease agreement. When the implicit rate cannot be readily determined, the incremental borrowing rate is used as discount rate.

The Company when measuring and remeasuring its lease liabilities and the right of use, used the discounted cash flow technique without considering projected future inflation in the flows to be discounted. Such technique generates significant distortions in the information provided, given the current reality of long-term interest ratesin the Brazilian economic environment.

The nature of the expenses related to these leases is recognized as cost of depreciation of right of use assets. Financial expenses on lease obligations are recognized and demonstrated as interest expense.

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 8.25% (10.75% at December 31, 2021) in the Company, and R$7,30 (7.86% at December 31, 2021) 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

				Net amount	
Company	**Average lease term**	**Cost**	**Accumulated amortization**	**December 31, 2022**	**December 31, 2021**
Buildings	3 to 20 years	43,379	(13,338)	**30,041**	18,789
Computer equipment	1 to 3 years	28,943	(18,215)	**10,728**	18,531
Machinery and equipment	1 to 4 years	18,945	(6,198)	**12,747**	4,146
Operating plants	1 to 4 years	10,205	(9,582)	**623**	3,365
Land	1 to 4 years	817	(564)	**253**	437
Vehicles (land)	1 year	519	(247)	**272**	222
Furniture and appliances	1 to 3 years	–	–	–	93
		102,808	**(48,144)**	**54,664**	**45,583**

				Net amount	
Consolidated	**Average lease term**	**Cost**	**Accumulated amortization**	**December 31, 2022**	**December 31, 2021**
Growing facilities	1 to 13 years	6,172,588	(1,873,264)	**4,299,324**	3,406,396
Buildings	2 to 30 years	3,253,419	(1,025,479)	**2,227,940**	2,211,045
Computer equipment	1 to 5 years	81,178	(33,089)	**48,089**	67,004
Machinery and equipment	1 to 10 years	1,436,228	(888,946)	**547,282**	693,677
Operating plants	1 to 11 years	152,368	(54,767)	**97,601**	113,605
Land	1 to 30 years	198,485	(96,007)	**102,478**	109,926
Vehicles (land, air and sea)	1 to 20 years	2,219,168	(1,166,990)	**1,052,178**	1,231,095
Furniture and appliances	1 to 3 years	–	–	–	94
		13,513,434	**(5,138,542)**	**8,374,892**	**7,832,842**

Changes in the right of use assets:

Company	**December 31, 2021**	**Additions (1)**	**Terminated contracts**	**Amortization**	**December 31, 2022**
Buildings	18,789	24,587	–	(13,335)	**30,041**
Computer equipment	18,531	–	–	(7,803)	**10,728**
Machinery and equipment	4,146	13,927	(352)	(4,974)	**12,747**
Operating plants	3,365	852	–	(3,594)	**623**
Land	437	213	–	(397)	**253**
Vehicles (land)	222	255	(13)	(192)	**272**
Furniture and appliances	93	–	(75)	(18)	–
	45,583	**39,834**	**(440)**	**(30,313)**	**54,664**

Company	**December 31, 2020**	**Additions**	**Terminated contracts**	**Amortization**	**December 31, 2021**
Buildings	31,811	1,545	(2,237)	(12,330)	**18,789**
Computer equipment	26,338	–	–	(7,807)	**18,531**
Operating plants	7,006	–	–	(3,641)	**3,365**
Machinery and equipment	3,207	3,850	(124)	(2,787)	**4,146**
Land	170	604	–	(337)	**437**
Vehicles (land)	135	2,173	(1,670)	(416)	**222**
Furniture and appliances	119	23	–	(49)	**93**
	68,786	**8,195**	**(4,031)**	**(27,367)**	**45,583**

(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2021 (*)	Acquired in business combinations [(2)]	Additions [(1)]	Business combinations adjustments [(3)]	Terminated contracts	Amortization	Exchange rate variation	December 31, 2022
Growing facilities	3,406,396	751,741	1,155,480	–	(204,573)	(673,210)	(136,510)	**4,299,324**
Buildings	2,211,045	1,062	656,716	–	(22,431)	(325,494)	(292,958)	**2,227,940**
Computer equipment	67,004	–	–	–	(257)	(17,982)	(676)	**48,089**
Machinery and equipment	693,677	9,447	195,106	–	(22,168)	(279,475)	(49,305)	**547,282**
Operating plants	113,605	–	32,261	–	(21,618)	(23,212)	(3,435)	**97,601**
Land	109,926	3,474	14,491	253	(71)	(14,195)	(11,400)	**102,478**
Vehicles (land, air and sea)	1,231,095	3,196	441,334	–	(41,851)	(459,164)	(122,432)	**1,052,178**
Furniture and appliances	94	–	–	–	(76)	(18)	–	–
	7,832,842	**768,920**	**2,495,388**	**253**	**(313,045)**	**(1,792,750)**	**(616,716)**	**8,374,892**

Consolidated	December 31, 2020	Acquired in business combinations (*)	Additions	Terminated contracts	Amortization	Exchange rate variation	December 31, 2021
Growing facilities	2,545,166	–	1,812,926	(525,004)	(560,472)	133,780	**3,406,396**
Buildings	1,583,905	237,200	732,651	(60,637)	(320,361)	38,287	**2,211,045**
Vehicles (land, air and sea)	26,457	–	53,281	(47)	(12,678)	(9)	**67,004**
Machinery and equipment	644,569	–	322,242	(12,931)	(301,835)	41,632	**693,677**
Operating plants	110,010	4,760	22,907	(4,359)	(19,734)	21	**113,605**
Land	82,315	28,280	1,766	(85)	(9,780)	7,430	**109,926**
Computer equipment	792,168	415,020	450,631	(43,451)	(423,693)	40,420	**1,231,095**
Furniture and appliances	119	–	23	–	(49)	1	**94**
	5,784,709	**685,260**	**3,396,427**	**(646,514)**	**(1,648,602)**	**261,562**	**7,832,842**

(*) The Company reviewed and change the balances in December 31, 2021 in the amount of R$126,069 referring to the Huon final goodwill allocation, according to IFRS 3 - Business Combinations, the adjustment is disclosed retrospectively.

(1) Additions for each category includes PIS and COFINS to be paid.
(2) Refers to the 2022´s acquisitions, Rivalea acquisition during the first quarter of 2022 and TriOak, the most relevant, during the fourth quarter, as described in the footnote 3 - Business Combination.
(3) Refers to the King's and Rivalea business combination adjustments, acquired during the year ended in 2022.

13.2 Lease liabilities

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Lease liability	**71,666**	63,006	**10,903,766**	10,189,319
Present value adjustment	**(8,968)**	(10,407)	**(1,919,758)**	(1,784,845)
	62,698	**52,599**	**8,984,008**	**8,404,474**
Breakdown:				
Current liabilities	**27,675**	22,412	**1,788,353**	1,625,889
Non-current liabilities	**35,023**	30,187	**7,195,655**	6,778,585
	62,698	**52,599**	**8,984,008**	**8,404,474**

Changes in the lease liabilities:

Company	December 31, 2021	Additions	Interest accrual	Payments	Terminated contracts	December 31, 2022
Lease liabilities	52,599	39,881	4,863	(34,330)	(315)	**62,698**

Company	December 31, 2020	Additions	Interest accrual	Payments	Terminated contracts	December 31, 2021
Lease liability	72,466	8,228	6,401	(30,208)	(4,288)	**52,599**

Consolidated	December 31, 2021 (*)	Acquired in business combinations [(2)]	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	December 31, 2022
Lease liabilities	8,404,474	768,920	2,526,801	425,418	(2,243,385)	(314,239)	(583,981)	**8,984,008**

(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2020	Acquired in business combinations (*)	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	December 31, 2021
Lease liability	6,104,489	815,857	3,437,056	348,273	(1,940,995)	(647,455)	287,249	**8,404,474**

The amounts recognized as lease expense are shown below:

	31.12.22	
	Company	Consolidated
Variable lease payments	5,468	2,577,122
Short term lease liability	28,962	635,972
Non-material lease liability	7,709	20,026
	42,139	3,233,120

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

	December 31, 2022	
	Company	Consolidated
2024	23,258	1,435,304
2025	9,883	1,176,356
2026	1,417	901,122
2027	830	733,335
2028	480	413,350
Maturities thereafter 2028	3,680	4,031,645
Total Future Minimum Lease Payments	39,548	8,691,112
Present value adjustment	(4,525)	(1,495,457)
	35,023	7,195,655

(Expressed in thousands of Brazilian reais)

14 Intangible assets

Intangible assets are carried at acquisition cost, net of accumulated amortization and impairment, if applicable. Intangible assets are recognized when it is expected that the assets will generate future economic benefits, taking into consideration the intangible assets' economic and technological viability. Intangible assets are primarily comprised of trademarks, customer relationships, water and mineral rights, supplier contracts, software and others.

Intangible assets with finite useful lives are amortized over the period of effective use using the straight-line method or a method that reflects the economic benefits of the asset. Intangible assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher amount of an asset's fair value less costs to sell and its value in use.

The carrying value of indefinite-lived intangible assets, which refers to trademarks and water rights, are tested at least annually for impairment or more frequently if events or changes in circumstances indicate that the assets may be impaired. If impairment exists, a loss is recognized to write down the indefinite-lived assets to their recoverable amount.

Management understands that certain trademarks have indefinite lives due to verifiable history, the nature of the assets and expected use of the asset by the Company. These acquired trademarks have no legal, regulatory or contractual limits on their use, do not depend on the useful life of any asset or group of assets as they existed independently for a substantial time prior to the acquisitions, and they are not related to sectors subject to technological obsolescence or other forms of deterioration in value.

Intangible assets acquired in a business combination are recognized at fair value based on valuation methodologies and techniques that often involve the use of a third-party valuation firm's expertise to calculate estimates of discounted cash flows. Intangible assets are composed as follows:

	Company			Consolidated		
		Net amount			Net amount	
	Useful life	December 31, 2022	December 31, 2021	Useful life	December 31, 2022	December 31, 2021
Trademarks	**Indefinite**	–	–	**Indefinite**	**5,479,137**	6,183,153
Trademarks	**Indefinite**	**10,487**	15,448	**2 to 20 years**	**1,648,336**	1,871,992
Software	**Up to 5 years**	**20,534**	17,991	**2 to 15 years**	**109,985**	92,689
Water rights	–	–	–	**Indefinite**	**59,205**	64,706
Customer relationships	–	–	–	**3 to 20 years**	**2,868,194**	3,602,262
Supplier contract	–	–	–	**7 to 17 years**	**159,187**	183,974
Other	–	–	–	**2 to 17 years**	**4,345**	5,583
		31,021	**33,439**		**10,328,389**	**12,004,359**

(Expressed in thousands of Brazilian reais)

Changes in intangible assets:

Company	December 31, 2021	Additions	Disposals	Amortization expenses	December 31, 2022
Amortizing:					
Trademarks	15,448	–	–	(4,961)	**10,487**
Softwares	17,991	7,733	(13)	(5,177)	**20,534**
	33,439	**7,733**	**(13)**	**(10,138)**	**31,021**

Company	December 31, 2020	Additions	Disposals	Amortization	December 31, 2021
Amortizing:					
Trademarks	31,047	–	–	(15,599)	**15,448**
Software	18,935	5,402	(17)	(6,329)	**17,991**
	49,982	**5,402**	**(17)**	**(21,928)**	**33,439**

Consolidated	December 31, 2021 (*)	Acquired in business combination (1)	Additions	Business combination adjustments (2)	Disposals	Amortization expenses	Exchange rate variation	December 31, 2022
Amortizing:								
Trademarks	1,871,992	110,374	28	–	(12)	(114,717)	(219,329)	**1,648,336**
Softwares	92,689	320	41,481	–	(284)	(23,254)	(967)	**109,985**
Customer relationships	3,602,262	14,739	–	5,410	–	(395,347)	(358,870)	**2,868,194**
Supplier contract	183,974	–	–	–	–	(19,478)	(5,309)	**159,187**
Others	5,583	3,120	199	–	–	(3,887)	(670)	**4,345**
Non-amortizing:								
Trademarks	6,183,153	19,931	1,652	3,848	–	–	(729,447)	**5,479,137**
Water rights	64,706	–	–	–	–	–	(5,501)	**59,205**
	12,004,359	**148,484**	**43,360**	**9,258**	**(296)**	**(556,683)**	**(1,320,093)**	**10,328,389**

Consolidated	December 31, 2020	Acquired in business combination (*)	Additions	Disposals	Amortization	Exchange rate variation	December 31, 2021
Amortizing:							
Trademark	380,613	1,514,192	–	–	(103,717)	80,904	**1,871,992**
Software	72,550	33	42,088	(109)	(22,723)	850	**92,689**
Customer relationships	2,597,087	1,248,091	–	–	(431,041)	188,125	**3,602,262**
Supplier contract	186,732	–	11,000	–	(19,700)	5,942	**183,974**
Others	4,328	4,044	–	–	(2,895)	106	**5,583**
Non-amortizing:							
Trademarks	4,513,933	1,439,949	8,787	–	–	220,484	**6,183,153**
Water rights	61,191	–	–	–	–	3,515	**64,706**
	7,816,434	**4,206,309**	**61,875**	**(109)**	**(580,076)**	**499,926**	**12,004,359**

(*) The Company reviewed and change the balances in December 31, 2021 in the amount of R$220,443 referring to the Huon final goodwill allocation, according to IFRS 3 - Business Combinations, the adjustment is disclosed retrospectively.

(1) Refers to the 2022´s acquisitions, King´s in the first quarter, and Biotech during the second quarter, as described in the footnote 3 - Business Combination.
(2) Refers to the King´s and Rivalea´s business combination adjustment, acquired during the year ended in 2022 and International Food Company Seara LLC., acquired during the year ended in 2021. The adjustments were made at the first semester of 2022 changes.

Impairment test:

Annualy, the Company tests the recoverability of its assets using the concept of value in use through cash flow models and at the year ended at December 31, 2022, there were no indications of impairment.

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.

Goodwill is an indefinite lived asset and is required to be tested for impairment annually or whenever there is evidence of a decline in fair value. Assets and liabilities are grouped into CGU's (Cash generating units) for impairment testing purposes. Any impairment loss is recognized immediately in the statement of income and cannot be reversed.

For impairment testing, assets grouped together into the group of assets which generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. CGUs are tested for impairment annually or whenever events and circumstances indicate that the recoverable amount of the CGU is less than its carrying amount. The recoverable amount is the higher of fair value less cost to sell or value in-use. The Company first estimates the value in-use of CGUs and if lower than the carrying amount, the Company will estimate the fair value less cost to sell. During the years ended at December 31, 2022 and 2021, our estimates of the CGU groups' value in-use exceeded their carrying amounts and therefore estimates of fair value less cost to sell were not determined. The Company estimates of value in-use contain uncertainties due to judgments used in assumptions, including revenue growth, costs and expenses, capital expenditures, working capital and discount rates. The assumptions are based on Management's estimates as well as comparable data available for market and economic conditions which generate the cash flows.

(Expressed in thousands of Brazilian reais)

Upon the sale of a business, the goodwill or corresponding portion of goodwill is included in the calculation of profit or loss on disposal.

	Useful life	December 31, 2022	December 31, 2021
Goodwill	**Indefinite**	**30,412,362**	32,564,548

Changes in goodwill:	Consolidated	
	December 31, 2022	December 31, 2021
Balance at the beginning of the period	**32,564,548**	**28,885,608**
Acquired in business combination (1)	95,628	2,690,393
Business combination adjustments (2)	30,877	1,827
Write-off for recoverability (3)	(85,601)	—
Exchange rate variation	(2,193,090)	986,720
Balance at the end of the period	**30,412,362**	**32,564,548**

(1) Refers to the 2022´s acquisitions, Biotech during the second quarter, and TriOak during the fourth quarter, as described in the footnote 3 - Business Combination.
(2) Refers to the business combination adjustment in the acquisitions during the years ended in December 31, 2021, Randall Parker, IFC LLC, Sunnyvaley and Pilgrim's Food Masters. Due the immateriality, the adjustments were made to the movement in the first quarter of 2022.
(3) Refers to the impairment provision that the Company recognized in intangible assets in one of its subsidiaries abroad.

Impairment test of goodwill

At December 31, 2022 and 2021, the Company tested the recoverability of goodwill of each CGU group using the concept of value in use through discounted cash flow models based on the balances at September 30, 2022 and 2021. The determination of the value in use involves using assumptions about cash flows, such as rates of revenue growth, costs and expenses, capital expenditures, working capital requirements and discount rates.

Management projects cash flows for a maximum period of 5 years for the CGU groups of Brazil Beef and USA Pork, to better reflect the long cycle of each group when it refers to the useful life of the animals used in production. The terminal value was assigned based on an expected growth rate of perpetuity for the CGU groups. The weighted average rate of the cost of capital (WACC), used as the discount rate, was estimated on a post-tax basis based on the historical industry performance for to each CGU group and external sources of information regarding market risks.

The impairment testing were assigned to the CGUs groups which were allocated.

For the purposes of impairment testing CGUs have been aggregated into the following groups representing the lowest level within the Company at which the goodwill is monitored for internal management purposes and that have significant goodwill:

	Consolidated	
CGU Groups	December 31, 2022	December 31, 2021
Brazil Beef	**9,069,926**	9,069,926
Seara	**3,714,070**	3,709,233
Moy Park	**3,837,113**	4,612,311
USA Pork	**3,623,871**	3,875,847
Australia Meat	**1,445,908**	1,664,540
Australia Smallgoods	**1,598,730**	1,840,449
Vivera	**649,682**	740,499
Pilgrim's Food Masters (PFM)	**1,673,144**	1,892,839
Others CGUs without significant goodwill (1)	**4,799,918**	5,158,904
Total	**30,412,362**	**32,564,548**

For the years ended at December 31, 2022 and 2021 there were no indications that goodwill within any CGU group was impaired.

i. Brazil Beef

The key assumptions used in the estimation of the value in-use are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from external and internal sources.

	2022	2021
Discount rate (pre tax)	**13.2 %**	12.0 %
Terminal value growth rate	**4.3 %**	4.2 %
Estimated growth rate (average for the next 5 years)	**6.6 %**	6.4 %

Estimated growth rate was projected considering past experiences and forecasts as follows:

- Revenue of this CGU group includes sales from beef operations in Brazil. Revenues growth was projected considering the availability of cattle, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimatives of inflation for the domestic market and exchange rate variation for exports.
- Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of the primary raw materials, especially cattle. In addition, it was considered efficiency improvements related to the integration of acquisitions.
- Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue to be operated for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in-use exceeded the carrying amount of the CGU group.

ii. Seara

The key assumptions used in the estimation of the value in-use are set out below:

(Expressed in thousands of Brazilian reais)

	2022	2021
Discount rate (pre tax)	**15.2 %**	13.2 %
Terminal value growth rate	**3.3 %**	3.1 %
Estimated growth rate (average for the next 5 years)	**13.3 %**	13.4 %

Estimated growth rate was projected considering past experiences and forecasts as follows:

- Revenue includes sales from pork, chicken and other products in Brazil. Revenue growth was projected considering the availability of chicken and pork, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
- Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of primary raw materials. In addition, it was considered efficiency improvements related to the integration of acquisitions.
- Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue to be operated for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in use exceeded the carrying amount of the CGU group.

iii. Moy Park

The key assumptions used in the estimation of the value in-use are set out below:

	2022	2021
Discount rate (pre tax)	**10.2 %**	9.2 %
Terminal value growth rate	**1.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**6.4 %**	9.5 %

Estimated growth rate was projected considering past experiences and forecasts as follows:

- Revenue of this CGU group includes sales from chicken operations in Europe, which consists of Moy Park's operations. Revenue growth was projected considering the availability of chicken, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
- Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of primary raw materials. In addition, it was considered efficiency improvements related to the integration of acquisitions.
- Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue to be operated for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in-use exceeded the carrying amount of the CGU group.

iv. USA Pork

The key assumptions used in the estimation of the value in-use are set out below:

	2022	2021
Discount rate (pre tax)	**10.7 %**	12.1 %
Terminal value growth rate	**0.5 %**	0.5 %
Estimated growth rate (average for the next 5 years)	**0.8 %**	(1.8)%

Estimated growth rate was projected considering past experiences and forecasts as follows:

- Revenue of this CGU group includes sales from pork operations in the U.S. Revenue growth was projected considering the availability pork, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
- Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of primary raw materials.
- Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue to be operated for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in-use exceeded the carrying amount of the CGU group.

v. Australia Meat

The key assumptions used in the estimation of the value in-use are set out below:

	2022	2021
Discount rate (pre tax)	**9.3 %**	9.4 %
Terminal value growth rate	**2.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**2.7 %**	1.9 %

Estimated growth rate was projected considering past experiences and forecasts as follows:

- Revenue of this CGU group includes sales from beef operations in Australia. Revenue growth was projected considering the availability of cattle and pork, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
- Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of the primary raw materials. In addition, we considered efficiency improvements related to the integration of the acquisition.
- Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue operating for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in-use exceeded the carrying amount of the CGU group.

vi. Australia Smallgoods

The key assumptions used in the estimation of the value in-use are set out below.

	2022	2021
Discount rate (pre tax)	**9.4 %**	9.4 %
Terminal value growth rate	**2.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**6.9 %**	9.0 %

Estimated growth rate was projected considering past experiences and forecasts as follows:

(Expressed in thousands of Brazilian reais)

• Revenue of this CGU group includes sales from the Smallgoods operations in Australia, consisting of Primo's operations. Revenue growth was projected considering the availability of cattle and pork, total slaughtering capacity and utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
• Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of the primary raw materials, primarily hogs. In addition, we considered efficiency improvements related to the integration of the acquisition.
• Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue operating for an indefinite period.

For the years ended December 31, 2022 and 2021, estimated value in-use exceeded the carrying amount of the CGU group.

vii. Vivera

The key assumptions used in the estimation of the value in-use are set out below:

	2022	2021
Discount rate (pre tax)	8.7 %	–
Terminal value growth rate	3.5 %	–
Estimated growth rate (average for the next 5 years)	–	–

Revenue of this CGU group includes sales from the Vivera operations in Europe, includes sales from plant-based products to customers. Revenue growth was projected the utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports..
• Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of the primary raw materials, primarily hogs. In addition, we considered efficiency improvements related to the integration of the acquisition.
• Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue operating for an indefinite period.

For the year ended December 31, 2022 the estimated value in-use exceeded the carrying amount of the CGU group. For the year ended December 31, 2021 there was no obligation to carry out the impairment test, due to the acquisition date in June 2021.

viii. Pilgrim's Food Masters

The key assumptions used in the estimation of the value in-use are set out below:

	2022	2021
Discount rate (pre tax)	8.3 %	–
Terminal value growth rate	3.0 %	–
Estimated growth rate (average for the next 5 years)	6.9 %	–

Revenue of this CGU group includes sales from the Pilgrim´s Food Masters operations in United Kingdom, includes sales from frozen entrees to customers. Revenue growth was projected the utilization of facilities related to production, and price increases/decreases based on estimated inflation for the domestic market and exchange rate variation for exports.
• Operating costs and expenses were projected considering the historical performance of the CGU group and prices trends of the primary raw materials, primarily hogs. In addition, we considered efficiency improvements related to the integration of the acquisition.
• Capital expenditures were estimated assuming the maintenance of existing infrastructure in order to continue operating for an indefinite period.

For the year ended December 31, 2022 the estimated value in-use exceeded the carrying amount of the CGU group. For the year ended December 31, 2021 there was no obligation to carry out the impairment test, due to the acquisition date in September 2021.

(Expressed in thousands of Brazilian reais)

16 Trade accounts payable

Trade accounts payable correspond to the amounts owed to suppliers in the ordinary course of business. If the payment period is equivalent to one year or less, the amount is classified as current liabilities, otherwise the corresponding amount is classified as non-current liabilities. Accounts payable are recognized initially at their fair value and are subsequently measured at amortized cost using the effective interest method. Accounts payable by major type of supplier is as follow:

	Company		Consolidated	
	December 31, 2022	December 31, 2021(*)	December 31, 2022	December 31, 2021 (*)
Domestic:				
Commodities	**2,657,465**	3,719,867	**9,564,105**	9,283,105
Materials and services	**1,163,927**	1,130,352	**20,253,472**	19,536,239
Finished products	**229,817**	226,827	**71,860**	171,439
Adjustment to present value	**(15,601)**	(10,920)	**(78,670)**	(73,919)
	4,035,608	**5,066,126**	**29,810,767**	**28,916,864**
Foreign:				
Commodities	**75,910**	74,118	**190,976**	257,012
Materials and services	**183,605**	136,863	**1,003,257**	1,029,411
Finished products	**2,732**	52	**4,515**	13,914
	262,247	**211,033**	**1,198,748**	**1,300,337**
Total suppliers	**4,297,855**	**5,277,159**	**31,009,515**	**30,217,201**
Supply chain finance (1)				
Domestic	**1,263,694**	709,630	**2,996,425**	2,633,206
Foreign	–	–	**74,674**	54,768
	1,263,694	**709,630**	**3,071,099**	**2,687,974**
Total	**5,561,549**	**5,986,789**	**34,080,614**	**32,905,175**

(*) In order to allow better comparability, the comparative balances from December 31, 2021 were reclassified between lines.

(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 December 31, 2022 the balance of this transaction was R$451,800 (R$167,700 at December 31, 2021).

(Expressed in thousands of Brazilian reais)

17 Loans and financings

Loans and financing are initially recognized at fair value upon receipt of the proceeds, net of transaction costs, and subsequently measured at amortized cost. Below is a schedule showing the Company loans and financing instruments by foreign and local currency. Local currency indicates loans denominated in the functional currency of the borrower. All borrowings denominated in currencies other than the presentation currency (Brazilian Reais) are translated to presentation currency each reporting period. Current amounts include accrued but unpaid interest at period-end. Premiums, discounts and transaction costs are amortized to finance expense using the effective interest method.

	Company							
					Current		Non-current	
Type	Average annual interest rate	Currency	Index on variable rate loans	Payment terms	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Foreign currency								
ACC (1)	3.95%	USD	–	2023 - 25	2,174,591	5,681,086	266,395	1,124,259
Prepayment	3.94%	USD	Libor and SOFR	2023 - 24	1,034,831	669	1,225,211	306,928
FINIMP (2)	4.47%	USD and EUR	Libor and Euribor	2024 - 25	525,112	398,672	15,867	44,890
Working capital - American Dollar	7.85%	USD	Libor	2030	1,821	1,853	14,824	17,513
CRA (3)	3.53%	USD	–	2027	484	–	66,564	–
Export credit facility	2.68%	USD		2022	–	427,540	–	–
					3,736,839	6,509,820	1,588,861	1,493,590
Local currency								
Export credit facility	15.83%	BRL	CDI	2023 - 26	274,829	1,653,400	1,478,966	304,682
CRA (3)	6.52%	BRL	CDI and IPCA	2023 - 37	853,054	455,722	7,618,405	5,029,888
Working capital - Brazilian Reais	7.79%	BRL	TJLP	2023 - 28	85,648	552	3,378	137,760
CDC (5)	8.08%	BRL	–	2023 - 24	40,298	109,222	467	38,196
FINAME (4)	5.46%	BRL	–	2023 - 25	4,618	5,930	2,299	6,960
FINEP (6)	9.00%	BRL	–	2025	4,643	4,634	7,277	11,784
					1,263,090	2,229,460	9,110,792	5,529,270
					4,999,929	8,739,280	10,699,653	7,022,860

(Expressed in thousands of Brazilian reais)

	Consolidated							
					Current		Non-current	
Type	Average annual interest rate	Currency	Indexer	Payment terms	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Foreign currency								
ACC [1]	3.95%	USD	–	2023 - 25	2,174,591	5,736,093	266,395	1,124,259
Prepayment	5.00%	USD	Libor e SOFR	2023 - 24	2,074,077	818,234	1,974,791	1,909,535
FINIMP [2]	4.47%	USD e EUR	Libor e Euribor	2024 - 25	525,112	401,071	15,867	44,890
White Stripe credit facility	6.33%	USD e CAD	–	2023	15,757	18,332	–	–
Working capital - American Dollar	5.93%	USD	Libor	2030	9,055	1,853	14,824	17,513
CRA [3]	3.53%	USD	–	2027	484	–	66,564	–
Scott credit facilities	4.97%	USD	–	2024	–	–	9,361	7,651
Export credit facility	2.68%	–	–	2022	–	427,540	–	–
					4,799,076	7,403,123	2,347,802	3,103,848
Local currency								
FINAME [4]	5.46%	BRL	–	2023 - 25	4,618	5,930	2,299	6,960
FINEP [6]	9.00%	BRL	–	2025	4,643	4,634	7,277	11,784
Prepayment	7.09%	GBP	SOFR	2023	49,792	–	–	–
JBS Lux 2.50% Notes 2027	2.50%	USD	–	2027	58,339	15,114	5,124,220	5,471,002
JBS Lux 5.75% Notes 2028	5.75%	USD	–	2028	–	108,295	–	4,154,385
JBS Lux 6.75% Notes 2028	6.75%	USD	–	2028	–	124,306	–	4,984,921
JBS Lux 5.13% Notes 2028	5.13%	USD	–	2028	123,675	–	4,611,232	–
JBS Lux 6.50% Notes 2029	6.50%	USD	–	2029	5,218	101,565	406,297	7,815,714
JBS Lux 3.00% Notes 2029	3.00%	USD	–	2029	37,567	–	3,044,523	–
JBS Lux 5.50% Notes 2030	5.50%	USD	–	2030	160,429	172,650	6,460,823	6,915,881
JBS Lux 3.75% Notes 2031	3.75%	USD	–	2031	6,793	7,556	2,581,447	2,766,014
JBS Lux 3.00% Notes 2032	3.00%	USD	–	2032	17,829	12,093	5,102,849	5,455,469
JBS Lux 3.63% Notes 2032	3.63%	USD	–	2032	84,589	112,385	5,126,840	5,485,833
JBS Lux 5.75% Notes 2033	5.75%	USD	–	2033	316,062	–	10,422,947	–
JBS Lux 4.38% Notes 2052	4.38%	USD	–	2052	82,179	–	4,626,984	–
JBS Lux 6.50% Notes 2052	6.50%	USD	–	2052	36,508	–	7,966,046	–
PPC 5.88% Notes 2027	5.88%	USD	–	2027	62,247	67,345	4,393,351	4,689,557
PPC 4.25% Notes 2031	4.25%	USD	–	2031	43,735	47,434	5,125,076	5,483,528
PPC 3.50% Notes 2032	3.50%	USD	–	2032	52,506	56,157	4,644,343	4,973,945
Term loan JBS Lux 2026	3.25%	USD	Libor	2026	–	123,502	–	10,153,296
PPC - Term loan	4.43%	USD	Libor	2026	139,459	144,753	2,359,382	2,666,419
Working capital - Brazilian Reais	7.79%	BRL	TJLP	2023 - 28	85,648	552	3,378	137,760
Working capital - Euros	2.28%	EUR	Euribor	2023 - 24	60,867	43,668	9,929	3,569
Export credit facility	15.66%	BRL	CDI	2023 - 24	757,171	2,076,285	1,538,653	823,772
CDC [5]	8.08%	BRL	–	2023 - 24	40,298	109,329	467	38,196
Rural - Credit note	15.81%	BRL	CDI	2024	4,176	60,959	5,834	–
Rural - Credit note - Pre fixed	11.00%	BRL	–	2023	185,020	582,549	–	–
CRA [3]	6.52%	BRL	CDI and IPCA	2023 - 37	853,054	455,721	7,618,405	5,029,891
Scott credit facilities	4.00%	AUD, EUR and USD	–	2023-24	70,168	42,568	209	335
Beardstown Pace credit facility	3.50%	USD	–	2035 - 50	38,741	2,349	328,553	126,856
Local credit facility	2.30%	EUR	Euribor	2023	10,772	–	–	–
JBS Australia feedlot agreement	7.00%	AUD	–	2023-24	1,346	–	175,273	201,774
Other	3.68%	Others	Others	2024 - 31	36,032	33,462	91,065	103,161
					3,429,481	4,511,161	81,777,702	77,500,022
					8,228,557	11,914,284	84,125,504	80,603,870

(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.

The availability under JBS USA revolving credit facilities was US$2.8 billion (R$14.4 billion at December 31, 2022) and US$2,18 billion (R$12,2 billion at December 31, 2021). In Brazil, during the year ended at 2022 a revolving credit was acquired in the amount of R$2.4 billion at December 31, 2022.

(Expressed in thousands of Brazilian reais)

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

	December 31, 2022	
Maturity	**Company**	**Consolidated**
2024	2,331,959	3,388,155
2025	660,181	864,506
2026	391,802	2,529,051
2027	457,728	9,974,327
2028	422,178	5,249,823
Maturities thereafter 2028	6,435,805	62,119,642
	10,699,653	**84,125,504**

17.1 Guarantees and contractual restrictions ("covenants")

<table>
<tr><th>Type</th><th>Issuer and guarantors</th><th>Covenants / Guarantees</th><th>Events of default</th></tr>
<tr><td>JBS USA Revolving Credit Facility</td><td>'Issuer:
-JBS USA Lux, S.A.;
-JBS USA Food Company;
-JBS USA Finance, Inc.;
-JBS Australia Pty. Ltd.;
-JBS Food Canada ULC.
Guarantors:
-JBS S.A.;
-JBS USA Holding Lux S.à r.l;
-JBS Global Luxembourg S.à r.l.;
-JBS Holding Luxembourg S.à. r.l;
-JBS Global Meat Holdings Pty. Limited.</td><td>Common and usual covenants since the Company is investment grade and is subject to the usual exceptions, but limited to: (i) occurrence of “priority debt”, such as mortgage, surety, taxes payable; (ii) liens; (iii) fundamental changes to the deeds of the notes, (iv) leasing, (v) sales of all or substantially all of the assets of the Issuers and their subsidiaries, (vi) changes in lines of business and (vii) changes in the fiscal year.

The credit agreement also require compliance with a maximum total debt to capitalization of 55.0% (the “Financial Maintenance Covenant”). The Borrowers may give collateral cure notice to the administrative agent, electing to provide full unconditional guarantee perfected by first priority security interest in substantially all US assets. From and after the collateral cure date the financial maintenance covenant shall no longer be in effect, availability under the Revolving Credit Facility shall be limited to collateral coverage and there shall be limitations on 1) liens, 2) indebtedness, 3) sales and other dispositions of assets, 4) dividends, distributions and other payments in respect of equity interest, 5) investments, acquisitions, loans and advances, and 6) voluntary prepayments, redemptions or repurchases of unsecured subordinated material indebtedness. In each case, clauses 1 to 6 are subject to certain exceptions which can be material.</td><td>The facility contains customary events of default. (1)</td></tr>
<tr><td>Notes 2.50% JBS Lux 2027</td><td rowspan="2">Issuer:
-JBS USA Lux S.A. (JBS Lux);
-JBS USA Food Company (JBS USA);
-JBS USA Finance Inc.
Guarantor:
-JBS S.A.;
-JBS USA Holding Lux S.à. r.l. (JBS Holding Lux);
-JBS Global Luxembourg S.àr.l (JBS Global Lux);
-JBS Holding Luxembourg S.à. r.l.;
-JBS Global Meat Holdings Pty. Limited (JBS Global Meat).</td><td rowspan="2">On September 12, 2022, the Company received offers to exchange 99.14% of the 2.50% senior notes due 2027 and 96.85% of the 3.625% sustainability-linked senior notes due 2032, issued by JBS USA Food Company (originally issued by JBS Finance Luxembourg S.a.r.l.), for new notes issued by JBS USA Lux SA, JBS USA Food Company and JBS USA Finance Inc. and cash consideration.

The new exchanged notes contain proposed amendments that permanently eliminated certain covenants, restrictive provisions, events of default and related provisions for the Company.

The new exchanged notes contain restrictive covenants applicable to the Company and its Significant subsidiaries including limitation on liens, limitation on sale and leaseback transactions, limitation on merger, consolidation and sale of assets. These limitations are subject to certain exceptions, which can be material.</td><td rowspan="2">The covenants contains customary events of default.(1)</td></tr>
<tr><td>Notes 3.63% JBS Lux 2032</td></tr>
<tr><td>Notes 3,00% JBS Lux 2029</td><td rowspan="6">Issuer:
-JBS USA Lux S.A. (JBS Lux);
-JBS USA Food Company; (JBS USA)
-JBS USA Finance Inc.
Guarantor:
-JBS S.A. (JBS S.A.);
JBS USA Holding Lux S.à. r.l. (JBS Holding Lux);
JBS Global Luxembourg S.à r.l (JBS Global Lux);
JBS Holding Luxembourg S.à.r.l.;
JBS Global Meat Holdings Pty. Limited (JBS Global Meat).</td><td rowspan="6">On August 15, 2022, the Company announced expiration of, and receipt of requisite consents in connection with its consent solicitations for each of its 3.00% senior notes due 2029, 6.50% senior notes due 2029, 5.50% senior notes due 2030, 3.75% senior notes due 2031, 3.00% sustainability-linked senior notes due 2032 and 4.38% senior notes due 2052. The proposed amendments conform certain provisions and restrictive covenants in each indenture to the corresponding provisions and restrictive covenants set forth in each indenture dated June 21, 2022, governing the 5.13% senior notes due 2028, the 5.75% senior notes due 2023 and the 6.50% senior notes due 2052.</td><td rowspan="6">'The covenants contains customary events of default (1).</td></tr>
<tr><td>Notes 6,50% JBS Lux 2029</td></tr>
<tr><td>Notes 5,50% JBS Lux 2030</td></tr>
<tr><td>Notes 3.75% JBS Lux 2031</td></tr>
<tr><td>Notes 3,00% JBS Lux 2032</td></tr>
<tr><td>Notas 4,38% JBS Lux 2052</td></tr>
</table>

(Expressed in thousands of Brazilian reais)

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
Notes 5,13% JBS Lux 2028 **Notes 5,75% JBS Lux 2033** **Notes 6,50% JBS Lux 2052**	**'Issuer:** JBS USA Lux S.A. (JBS Lux); JBS USA Food Company (JBS USA); JBS USA Finance Inc. **Guarantor:** JBS S.A. (JBS S.A.); JBS USA Holding Lux S.à. r.l. (JBS Holding Lux); JBS Global Luxembourg S.à r.l (JBS Global Lux); JBS Holding Luxembourg S.à.r.l.; JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	These notes contain restrictive covenants applicable to the Company and its Significant subsidiaries including limitation on liens, limitation on sale and leaseback transactions, limitation on merger, consolidation and sale of assets. These limitations are subject to certain exceptions, which can be material.	'The covenants contains customary events of default.(1)
Notes 5,88% PPC 2027	**'Issuer:** -Pilgrim's Pride Corporation. **Guarantor:** -Pilgrim's Pride Corporation of West Virginia, Inc.; -Gold'N Plump Poultry, LLC; -Gold'N Plump Farms, LLC; JFC LLC	There are covenants that limit PPC's and its restricted subsidiaries' ability to, among other things: - incur additional indebtedness; - create liens on fixed assets, revenues and assets;; - sell or dispose of assets; - declare or pay dividends or make distributions related to securities issued by JBS Lux; - permit restrictions on dividends and other restricted payments to restricted subsidiaries; - prepay or cancel certain indebtedness; - enter into certain transactions with affiliates; - enter into certain sale/leaseback transactions; and - undergo a change of control.	The covenants also contains customary events of default. (1)
Notes 4,25% PPC 2031 **Notes 3,50% PPC 2032**		On September 22, 2022 PPC announced expiration and receipt of requisite consent in its consent solicitation for certain amendments to its Senior Notes due 2031 and 2032. The consent solicitation contained proposed amendments that permanently eliminated certain covenants, restrictive provisions, events of default and related provisions for the Company. After the consent, these notes are subject to restrictive covenants applicable to PPC and its Significant subsidiaries including limitation on liens, limitation on sale and leaseback transactions, limitation on merger, consolidation and sale of assets. These limitations are subject to certain exceptions, which can be material.	
PPC - Term loan **PPC Revolving Credit Facility**	**Borrowers:** -Pilgrim's Pride Corporation; -To-Ricos Ltd. -To-Ricos Distribution, LTD.	- Secured by a first priority lien on i) the accounts receivable and inventories of PPC and its non-Mexico subsidiaries; ii) 100% of the equity interests in PPC's domestic subsidiaries, To-Ricos, Ltd. and To-Ricos Distribution Ltd., and 65% of the equity interests in PPC's direct foreign subsidiaries; iii) substantially all of the personal property and intangibles of the borrowers and guarantors under the U.S. Credit Facility; and iv) substantially all of the real estate and fixed assets of PPC and the guarantors. The facility also contains negative covenants that may limit PPC's ability and certain of its subsidiaries ability to, among other things: - incur certain additional indebtedness; - create certain liens; - pay certain dividends and other restricted payments; - sell or dispose of certain assets; - enter into certain transactions with affiliates; and - consolidate, merge or dissolve substantially all the assets of PPC. Covenants in the facility also require PPC to use the proceeds it receives from certain asset sales and specified debt or equity issuances and upon the occurrence of other events to repay outstanding borrowings under the facility.	The facility also contains customary events of default. (1)
Primo ANZ credit facility	**Borrowers:** - Primo Foods Pty Ltd. **Guarantors:** - Industry Park Pty Ltd; -Primo Foods Pty Ltd; -Australian Consolidated Food Holdings Pty Limited; -Australian Consolidated Food Investments Pty Limited; -Primo Group Holdings Pty Limited; -Primo Meats Pty Ltd; -Hans Continental Smallgoods Pty Ltd; -P& H Investments 1 Pty Ltd; -Hunter Valley Quality Meats Pty Limited; -Seven Point Pork Pty Ltd; -P&H Investments 2 Pty Ltd; -Primo Retail Pty Ltd; -Primo Meats Admin Pty Ltd; -Premier Beehive Holdco Pty Ltd; -Premier Beehive NZ.	Customary covenants that may limit Primo's ability and the ability of certain subsidiaries to, among other things: - sell or dispose of certain assets; - change the general nature of the core business of the company; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. (1)

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
Huon credit facility	**Borrowers:** Huon Aquaculture Group Limited **Guarantors:** -Industry Park Pty Ltd; -Huon Aquaculture Group Limited; -Huon Aquaculture Company Pty Ltd; -Springs Smoked Seafoods Pty Ltd ; -Springfield Hatcheries Pty Ltd; -Huon Ocean Trout Pty Ltd; -Meadow Bank Hatchery Pty Ltd; -Morrison's Seafood Pty Ltd; -Southern Ocean Trout Pty Ltd; -Huon Shellfish Co Pty Ltd; -Spring Smoked Salmon Pty Ltd; -Huon Salmon Pty Ltd; -Huon Smoked Salmon Pty Ltd; -Huon Smoked Seafoods Pty Ltd; -Huon Seafoods Pty Ltd; -Huon Tasmanian Salmon Pty Ltd.	Customary covenants that may limit Huon's ability and the ability of certain subsidiaries to, among other things: - sell or dispose of certain assets; - change the general nature of the core business of the company; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. [1]
Credit facility JBS Australia & Rivalea	**Borrowers:** -JBS Australia Pty Limited; -Rivalea (Australia) Pty Ltd. **Guarantors:** -JBS Australia Pty Limited; -Diamond Valley Pork Pty Ltd; -Oxdale Dairy Enterprise Pty Ltd; -Rivalea (Australia) Pty Ltd Industry Park Pty Ltd.	Customary covenants that may limit JBS Australia´s and Rivalea's ability and the ability of certain subsidiaries to, among other things: - sell or dispose of certain assets; - change the general nature of the core business of the company; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. [1]
Credit facility AMI	**Borrowers:** -Andrews Meat Industries Pty Ltd.	Customary covenants that may limit JBS AMI ability and the ability of certain subsidiaries to, among other things: - sell or dispose of certain assets; - change the general nature of the core business of the company; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. [1]
Credit facility WSF NAB	**Borrowers:** -White Stripe Foods Pty Ltd.	Customary covenants that may limit JBS WSF ability and the ability of certain subsidiaries to, among other things: - sell or dispose of certain assets; - change the general nature of the core business of the company; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. [1]
Credit facility Mexico	**Borrowers:** -Avícola Pilgrim's Pride de Mexico, SA de CV. **Guarantors:** -Comercializadora de Carnes de Mexico, S de RL de CV; -Pilgrim's Pride de S de RL de CV; -Pilgrim's Operaciones Laguna S de RL de CV	Customary covenants that may limit the Company´s ability to realize new investments and be a guarantor for third party loans, change the general nature of the core business of the company or line of business and initiate the liquidation process. These limitations are subject to certain exceptions, which may be material.	The facility also contains customary events of default. [1]
4° issuance of debentures CRA	**Borrowers:** JBS S.A	Customary covenants that may limit the Company´s ability of certain subsidiaries to, among other things: - incur certain additional indebtedness;, if the net debt/EBITDA in R$ exceeds 4.75/1.0; - sell or dispose of certain assets; - consolidate, merge or dissolve substantially all the assets; - declare certain dividends, if the issuer is in default with respect to any of its pecuniary obligations under the terms of the indenture.	The facility also contains customary events of default. [1]
5° issuance of debentures CRA			
6° issuance of debentures CRA			
7° issuance of debentures CRA			
8° issuance of debentures CRA			
9° issuance of debentures CRA			

[1] Customary events of default includes failure to perform or observe terms, covenants or other agreements in the facility, defaults on other indebtedness if the effect is to permit acceleration, failure to make a payment on other indebtedness unless waived or extended within the applicable grace period, entry of unsatisfied judgments or orders against the issuer or its subsidiaries and certain events related to bankruptcy and insolvency matters.

The Company was in compliance with all of its debt covenant restrictions at December 31, 2022 and until the date that these financial statements were approved.

(Expressed in thousands of Brazilian reais)

17.2 Financing activities

		Company							
		Liabilities				Assets		Equity	
	Note	Loans and financings - short and long term	Lease provision	Derivative liabilities	Other liabilities	Derivative assets	Margin cash	Profit reserve: Treasury shares	Dividends
Balance at 12/31/2021		**(15,762,140)**	**(52,599)**	**(285,837)**	**(1,494,253)**	**218,409**	**168,808**	**3,037,837**	**(13,529,553)**
Changes in financing cash flows:									
Proceeds from loans and financings	17	(6,945,468)	–	–	–	–	–	–	–
Payments of loans and financings	17	7,190,703	–	–	–	–	–	–	–
Payments of lease	13	–	34,330	–	–	–	–	–	–
Derivatives instruments received/settled	29	–	–	1,259,815	–	–	–	–	–
Margin cash	4	–	–	–	–	–	(88,374)	–	–
Dividends paid	20	–	–	–	10	–	–	–	4,436,232
Purchase of treasury shares	22	–	–	–	–	–	–	3,648,028	–
Sales of treasury shares	22	–	–	–	–	–	–	(824,250)	
Total of changes in financing cash flows		**245,235**	**34,330**	**1,259,815**	**10**	**–**	**(88,374)**	**2,823,778**	**4,436,232**
Exchange rate variation changes		324,417	–	–	5	–	–	–	–
Other changes:									
Derivatives fair value adjustment	24	–	–	–	–	(1,372,479)	–	–	–
Interest expenses	24	(1,153,285)	(4,863)	–	–	–	–	–	–
Interest paid	24	726,046	–	–	–	–	–	–	–
Capitalised interests	12	(79,855)	–	–	–	–	–	–	–
Changes in operating activities		–	–	–	539,343	–	–	–	–
Net income attrbutable to Company shareholders		–	–	–	–	–	–	–	(15,457,836)
Non-cash transactions		**–**	**(39,566)**	**(1,252,205)**	**15**	**1,252,204**	**–**	**(5,861,615)**	**5,861,604**
Cancellation of treasury shares	22	–	–	–	–	–	–	(5,861,616)	5,861,616
Dividends reversal	20	–	–	–	15	–	–	–	(15)
Non-cash transactions		–	(39,566)	(1,252,205)	–	1,252,204	–	1	3
Total of other liabilities changes		**(507,094)**	**(44,429)**	**(1,252,205)**	**539,358**	**(120,275)**	**–**	**–**	**–**
Total of other equity changes		**–**	**–**	**–**	**–**	**–**	**–**	**(5,861,615)**	**(9,596,232)**
Balance at 31/12/2022		**(15,699,582)**	**(62,698)**	**(278,227)**	**(954,880)**	**98,134**	**80,434**	**–**	**(18,689,553)**

(Expressed in thousands of Brazilian reais)

		Consolidated									
		Liabilities				Assets		Equity			
	Note	Loans and financings - short and long term	Lease provision	Derivatives liabilities	Other liabilities	Derivatives assets	Margin cash	Profit reserve: Treasury shares	Profit reserve and accumulated income: Dividends	Non-controlling interest	Others
Balance at 12/31/2021		**(92,518,154)**	**(8,404,474)**	**(773,279)**	**(2,555,924)**	**714,994**	**1,245,354**	**3,037,837**	**(13,529,553)**	**(3,677,428)**	**384,800**
Changes in financing cash flows:											
Proceeds from loans and financings	17	(40,927,694)	–	–	–	–	–	–	–	–	–
Payments of loans and financings	17	38,419,594	–	–	–	–	–	–	–	–	–
Payments of lease	13	–	2,243,385	–	–	–	–	–	–	–	–
Derivatives instruments received/settled	29	–	–	1,342,179	–	–	–	–	–	–	–
Margin cash	4	–	–	–	–	–	(570,288)	–	–	–	–
Dividends paid	20	–	–	–	10	–	–	–	4,436,232	–	–
Dividends paid to non-controlling interest		–	–	–	–	–	–	–	–	25,872	–
Purchase of treasury shares - PPC	22	–	–	–	–	–	–	–	–	512,060	453,938
Purchase of treasury shares	22	–	–	–	–	–	–	3,648,028	–	–	–
Sales of treasury shares	22	–	–	–	–	–	–	(824,250)	–	–	–
Total of changes in financing cash flows		**(2,508,100)**	**2,243,385**	**1,342,179**	**10**	**–**	**(570,288)**	**2,823,778**	**4,436,232**	**537,932**	**453,938**
Exchange rate variation changes		**4,984,350**	**583,981**	**65,003**	**212,199**	**(63,507)**	**–**	**–**	**–**	**454,081**	**–**
Other changes:											
Derivatives fair value adjustment	24	–	–	(69,862)	–	(1,727,582)	–	–	–	–	–
Interest expenses	24	(5,192,623)	(425,418)	(2,326)	4,011	–	–	–	–	–	–
Interest paid	24	3,747,418	209,688	–	–	–	–	–	–	–	–
Capitalised Interests	12	(369,155)	–	–	–	–	–	–	–	–	–
Changes in operating activities		–	–	152,849	900,829	362,118	4,325	–	–	—	–
Net income attributable to non-controlling interest		–	–	–	–	–	–	–	–	(743,418)	–
Net income attributable to Company shareholders		–	–	–	–	–	–	–	(15,457,836)	–	–
Non-cash transactions		**(497,797)**	**(3,191,170)**	**(1,274,100)**	**(703,128)**	**1,280,121**	**–**	**(5,861,615)**	**5,861,604**	**(35,932)**	(31,839)
Business Combination	3	(497,797)	(768,920)	–	(70,730)	–	–	–	–	(17,224)	–
Cancellation of treasury shares	22	–	–	–	–	–	–	(4,848,937)	5,861,616	–	–
Dividends reversal	20	–	–	–	15	–	–	–	(15)	–	–
Non-cash transactions		–	(2,422,250)	(1,274,100)	(632,413)	1,280,121	–	(1,012,678)	3	(18,708)	(31,839)
Total of other liabilities changes		**(2,312,157)**	**(3,406,900)**	**(1,193,439)**	**201,712**	**(85,343)**	**4,325**	**–**	**–**	**–**	**–**
Total of other equity changes		**–**	**–**	**–**	**–**	**–**	**–**	**(5,861,615)**	**(9,596,232)**	**(779,350)**	**(31,839)**
Balance at 12/31/2022		**(92,354,061)**	**(8,984,008)**	**(559,536)**	**(2,142,003)**	**566,144**	**679,391**	**–**	**(18,689,553)**	**(3,464,765)**	**806,899**

(Expressed in thousands of Brazilian reais)

	Company							
	Liabilities				Assets		Equity	
	Loans and financings - short and long term	Lease provision	Derivative liabilities	Other liabilities	Derivative assets	Margin cash	Profit reserve: Treasury shares	Dividends
Balance at 12/31/2020	**(5,360,134)**	**(72,466)**	**(21,087)**	**(1,656,475)**	**51**	**–**	**303,565**	**(7,215,727)**
Changes in financing cash flows:								
Proceeds from loans and financings	(14,788,078)	–	–	–	–	–	–	–
Payments of loans and financings	5,157,165	–	–	–	–	–	–	–
Payments of lease	–	30,208	–	–	–	–	–	–
Derivatives instruments received/settled	–	–	(418,609)	–	–	–	–	–
Margin cash	–	–	–	–	–	168,808	–	–
Dividends paid	–	–	–	2,511,127	–	–	–	4,884,805
Purchase of treasury shares	–	–	–	–	–	–	10,604,975	–
Total of changes in financing cash flows	**(9,630,913)**	**30,208**	**(418,609)**	**2,511,127**	**–**	**168,808**	**10,604,975**	**4,884,805**
Exchange rate variation changes	(221,197)	–	–	(16,507)	–	–	–	–
Other changes:								
Derivatives fair value adjustment	–	–	–	–	372,217	–	–	–
Interest expenses	(862,220)	(6,401)	–	–	–	–	–	–
Interest paid	356,198	–	–	–	–	–	–	–
Capitalised interests	(43,874)	–	–	–	–	–	–	–
Changes in operating activities	–	–	–	(913,715)	–	–	–	–
Net income attrbutable to Company shareholders	–	–	–	–	–	–	–	(20,486,561)
Non-cash transactions	**–**	**(3,940)**	**153,859**	**(1,418,683)**	**(153,859)**	**–**	**(7,870,703)**	**9,287,930**
Sale of treasury shares	–	–	–	–	–	–	(7,858,219)	7,858,219
Cancellation of treasury shares	–	–	–	–	–	–	(2,879,309)	2,879,309
Dividends reversal	–	–	–	9	–	–	2,875,329	(2,875,338)
Non-cash transactions	–	(3,940)	153,859	(1,418,692)	(153,859)	–	(8,504)	1,425,740
Total of other liabilities changes	**(549,896)**	**(10,341)**	**153,859**	**(2,332,398)**	**218,358**	**–**	**–**	**–**
Total of other equity changes	**–**	**–**	**–**	**–**	**–**	**–**	**(7,870,703)**	**(11,198,631)**
Balance at 31/12/2021	**(15,762,140)**	**(52,599)**	**(285,837)**	**(1,494,253)**	**218,409**	**168,808**	**3,037,837**	**(13,529,553)**

(Expressed in thousands of Brazilian reais)

	Consolidated									
	Liabilities				Assets		Equity			
	Loans and financings - short and long term	Lease provision	Derivatives liabilities	Other liabilities	Derivatives assets	Margin cash	Profit reserve: Treasury shares	Profit reserve and accumulated income: Dividends	Non-controlling interest	Others
Balance at 12/31/2020	**(65,906,706)**	**(6,104,489)**	**(296,744)**	**(3,833,625)**	**228,840**	**–**	**303,565**	**(7,215,727)**	**(3,424,867)**	**434,913**
Changes in financing cash flows:										
Proceeds from loans and financings	(53,781,509)	–	–	–	–	–	–	–	–	–
Payments of loans and financings	34,108,712	–	–	–	–	–	–	–	–	–
Payments of lease	–	1,940,995	–	–	–	–	–	–	–	–
Derivatives instruments received/settled	–	–	(418,609)	–	236,148	–	–	–	–	–
Margin cash	–	–	–	–	–	730,185	–	–	–	–
Dividends paid	–	–	–	2,511,127	–	–	–	4,884,806	–	–
Dividends paid to non-controlling interest	–	–	–	1,008	–	–	–	–	29,431	(1,008)
Purchase of treasury shares	–	–	–	–	–	–	10,604,975	–	–	–
Other changes	–	–	–	–	–	–	–	–	(1,756)	–
Total of changes in financing cash flows	**(19,672,797)**	**1,940,995**	**(418,609)**	**2,512,135**	**236,148**	**730,185**	**10,604,975**	**4,884,806**	**27,675**	**(1,008)**
Exchange rate variation changes	**(5,069,422)**	**(289,008)**	**4,993**	**(422,319)**	**(24,033)**	**75,534**	**–**	**–**	**(184,142)**	**(14,705)**
Other changes:										
Derivatives fair value adjustment	–	–	29,170	–	223,914	1,438	–	–	–	–
Interest expenses	(4,473,740)	266,272	(1,243)	(10,648)	(737)	–	–	–	–	–
Interest paid	3,471,970	(134)	–	4,331	–	–	–	–	–	–
Capitalised Interests	(199,812)	–	–	–	–	–	–	–	–	–
Changes in operating activities	–	–	(283,711)	(860,487)	215,432	438,197	–	–	(27,224)	–
Net income attributable to non-controlling interest	–	–	–	–	–	–	–	–	(43,092)	–
Net income attributable to Company shareholders	–	–	–	–	–	–	–	(20,486,561)	–	–
Non-cash transactions	**(667,647)**	**(4,157,916)**	**192,865**	**54,689**	**(164,570)**	**–**	**(7,870,703)**	**9,287,929**	**(25,778)**	**(34,400)**
Business Combination	(667,647)	(755,780)	–	(13,600)	–	–	–	–	(13,631)	–
Sale of treasury shares	–	–	–	–	–	–	(7,858,219)	7,858,219	–	–
Cancellation of treasury shares	–	–	–	–	–	–	(2,879,309)	(11,703,602)	–	–
Dividends reversal	–	–	–	–	–	–	–	(9,325)	–	–
Non-cash transactions	–	(3,462,330)	192,865	68,289	(164,570)	–	2,866,825	13,142,637	(12,147)	(34,400)
Total of other liabilities changes	**(1,869,229)**	**(3,951,972)**	**(62,919)**	**(812,115)**	**274,039**	**439,635**	**–**	**–**	**–**	**–**
Total of other equity changes	**–**	**–**	**–**	**–**	**–**	**–**	**(7,870,703)**	**(11,198,632)**	**(96,094)**	**(34,400)**
Balance at 12/31/2021	**(92,518,154)**	**(8,404,474)**	**(773,279)**	**(2,555,924)**	**714,994**	**1,245,354**	**3,037,837**	**(13,529,553)**	**(3,677,428)**	**384,800**

18 Other taxes payable

Income and other taxes payable are comprised of the following:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Taxes payable in installments	**421,221**	534,512	**469,228**	578,688
PIS / COFINS tax payable	**87,732**	86,035	**157,670**	151,799
ICMS / VAT / GST tax payable	**40,592**	68,157	**146,518**	163,157
Withholding income taxes	**42,399**	39,291	**44,796**	41,568
Others	**2,758**	2,914	**513,550**	378,478
Subtotal	**594,702**	**730,909**	**1,331,762**	**1,313,690**
Income taxes	–	–	**475,174**	988,897
Total	**594,702**	**730,909**	**1,806,936**	**2,302,587**
Breakdown:				
Current liabilities	**281,532**	321,853	**1,200,895**	1,732,991
Non-current liabilities	**313,170**	409,056	**606,041**	569,596
	594,702	**730,909**	**1,806,936**	**2,302,587**

Decree 8,426/2015 - PIS/COFINS over financial income: In July 2015, the Company filed an injunction to suspend the enforceability of PIS and COFINS debts over financial income. The Decree 8,426/2015 reestablished the levy of PIS and COFINS on financial revenues obtained by companies subject to the PIS and COFINS noncumulative regime, at the rates of 4.65%. In March, 2020, the STF (Federal Supreme Court) judged the Extraordinary Appeal n. 1.043.313/RS (Theme 939 of the General Repercussion and ADIN n. 5277/DF) and recognized the constitutionality of the rates established in Decree 8426/15, however, the sentence obtained by the Company has not yet been amended.

As of December 31, 2022 the Company has recognized under the caption “Income taxes and other taxes payable” the amount of R$87,732 (R$86,035 at December 31, 2021) in the Company and R$153,927 (R$146,127 at December 31, 2021) in the Consolidated, regarding to PIS/COFINS over financial income.

(Expressed in thousands of Brazilian reais)

19 Payroll and social charges

Payroll and social charges are comprised of the following:

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Taxes payable in installments	**2,214,052**	2,254,814	**2,249,109**	2,308,503
Bonus and vacation along with related social charges	**272,304**	248,653	**3,839,027**	4,767,693
Salaries and related social charges	**445,929**	391,159	**2,276,815**	2,517,580
Others	**10,829**	12,647	**265,151**	299,425
	2,943,114	**2,907,273**	**8,630,102**	**9,893,201**
Breakdown:				
Current liabilities	**1,083,670**	997,438	**6,251,132**	6,963,119
Non-current liabilities	**1,859,444**	1,909,835	**2,378,970**	2,930,082
	2,943,114	**2,907,273**	**8,630,102**	**9,893,201**

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 December 31, 2022 the Company and its subsidiaries has recognized under Taxes payable in installments the amount of R$1,68 billion, in the Company and R$1.71 billion, in the Consolidated related to the FUNRURAL. During December 2022, the Company and its subsidiaries paid installments in cash and offset with the balance of recoverable taxes the amount of R$1,02, in the Company and R$1.03 in the Consolidated.

20 Dividends payable

The Company’s bylaws requires the payment of dividends equal to at least 25% of the annual net income attributable to company shareholders. The Company recognizes a liability at year-end for the minimum unpaid yearly dividend amount. Dividends payable are recognized as a liability at December 31 of each year.

	Company		Consolidated	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Declared dividends on 2018 - Residual	–	2	–	2
Declared dividends on 2019 - Residual	**2**	16	**8**	16
Declared dividends on 2020 - Residual	**29**	29	**39**	77
Declared dividends on 2021 - Residual	**61**	61	**93**	61
Declared dividends on 2022 - Residual	**43**		**43**	
Subtotal	**135**	**108**	**183**	**156**

The residual amount of dividends corresponds to the unpaid dividends due to a lack of updated payment information. This pending information related to some minority shareholders precludes the Company from fully paying the dividends declared. The Company sends notification to such shareholders to update their payment information so the amount can be paid. The reversal of dividends are absorbed under the caption "Profit reserves" due to the non-distribution after three years. A liability for unpaid dividends will be maintained during the statutory period and classified as short term, since once the shareholder’s information is updated, the payment will be made.

During the years ended in December 2022 the Company distributed dividends and interim dividends in the amount of R$2,218,116 each, in the total amount of R$4,436,232 referring to the net income for the current year calculated in the financial statements prepared, thus the mandatory minimum percentage of 25 %dividends to be distributed has already been reached.

The distributed dividends per share were:

	2022	2021
Dividends to be distributed	4,436,232	4,884,805
Number of outstanding shares of share capital– ordinary shares	2,218,116,370	2,373,866,570
Dividends per share	2.00	2.06

21 Provisions for legal proceedings

The preparation of these consolidated financial statements requires Management to make estimates and assumptions regarding civil, labor and tax matters which affect the valuation of assets and liabilities at the reporting date, as well as the revenues and expenses during the reported period.. Due to the uncertain nature of Brazilian tax legislation, the assessment of potential tax liabilities requires significant judgment from the Management and the outcome may differ when liabilities are realized.

The Company is subject to lawsuits, investigations and other claims related to employment, environmental, product, taxes and other matters. Management is required to assess the likelihood of any adverse judgments or outcomes, as well as the amount of probable losses, for these matters.

Provisions are recognized when losses are considered probable and the amount can be reliably measured. No provision is recognized if the risk of loss is assessed to be reasonably possible but not probable. Reasonably possible losses are disclosed in the notes to these financial statements. If the risk of loss is assessed as remote, no provision or disclosure is necessary.

(Expressed in thousands of Brazilian reais)

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	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Labor	**252,392**	252,496	**517,958**	538,804
Civil	**77,765**	55,658	**1,162,505**	1,568,873
Tax and Social Security	**148,028**	174,439	**550,049**	560,164
Total	**478,185**	**482,593**	**2,230,512**	**2,667,841**

	Company		Consolidated	
Breakdown:	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Current liabilities	—	—	**909,132**	1,338,422
Non-current liabilities	**478,185**	482,593	**1,321,380**	1,329,419
	478,185	**482,593**	**2,230,512**	**2,667,841**

Changes in provisions

	Company				
	December 31, 2021	Additions, disposals and changes in prognosis	Payments	Monetary correction	December 31, 2022
Labor	252,496	110,884	(132,668)	21,680	**252,392**
Civil	55,658	17,565	(4,722)	9,264	**77,765**
Tax and social security	174,439	(34,331)	(15,158)	23,078	**148,028**
Total	**482,593**	**94,118**	**(152,548)**	**54,022**	**478,185**

	Company				
	December 31, 2020	Additions, disposals and changes in prognosis	Payments	Monetary correction	December 31, 2021
Labor	319,018	90,141	(168,101)	11,438	**252,496**
Civil	46,279	13,838	(16,851)	12,392	**55,658**
Tax and social security	157,183	15,844	(10,787)	12,199	**174,439**
Total	**522,480**	**119,823**	**(195,739)**	**36,029**	**482,593**

	Consolidated					
	December 31, 2021	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	December 31, 2022
Labor	538,804	246,094	(316,525)	49,691	(106)	**517,958**
Civil	1,568,873	543,916	(899,909)	22,161	(72,536)	**1,162,505**
Tax and social security	560,164	(48,162)	(15,848)	53,957	(62)	**550,049**
Total	**2,667,841**	**741,848**	**(1,232,282)**	**125,809**	**(72,704)**	**2,230,512**

	Consolidated					
	12/31/2020 (*)	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	December 31, 2021
Labor	665,439	335,563	(486,812)	26,805	(2,191)	538,804
Civil	1,382,089	4,076,986	(3,994,952)	32,888	71,862	1,568,873
Tax and social security	457,742	92,331	(12,201)	22,475	(183)	560,164
Total	**2,505,270**	**4,504,880**	**(4,493,965)**	**82,168**	**69,488**	**2,667,841**

In the Company:

a. Tax and Social Security Proceedings

a1. Profits earned by foreign subsidiaries: During 2020 and 2021, the Company suffered assessments originating from charges related to profits earned abroad, which supposedly should be included in the income tax calculation basis, disallowance of guides paid by foreign subsidiaries, on the grounds that they could not been used for compensation purposes, as well as for disallowance of goodwill. These charges also involve the imposition of a fine, an isolated fine plus interest. The Company clarifies that the major part related to the collection of profits abroad refers to the formal requirements required by the inspection for the purpose of consolidating the results abroad of its direct or indirect investees, being certain that the Company disagrees with the criteria applied by the inspection The Company filed administrative objections that are awaiting judgment. Management understands that, considering historical values related to the dates of the assessments, for R$1 billion, there are remote chances of loss and for the historical amount of R$6.4 billion there are possible chances of loss, which is the reason why no provision has been made.

a2. Decision on subjects 881 and 885 by the Federal Supreme Court: As of February 8, 2023, the Brazilian Supreme Court (Supremo Tribunal Federal - STF) has unanimously decided that a final decision favorable to companies regarding taxes paid on a continuous basis will lose its effect if the STF subsequently decides otherwise, regarding themes 881 – Extraordinary Resources nº 949.297 and 885 – Extraordinary Resources nº 955.227. The Company also evaluated with its legal advisors the issue judged in this decision, which covers CSLL and informs that it regularly collects the contribution.The Company also evaluated other taxes that fit the definition contained in the decision and there are no cases with a final and unappealable decision in favor of the Company and which have an unfavorable decision in the STF. Therefore, there no accrual was recognized.

a3. Other tax and social security procedures: As of December 31, 2022, the Company was part in additional 1,093 tax and social security proceedings (1,372 proceedings in December 31, 2021), involving total claims of of R$22,4 billion (R$22.2 billion at December 31, 2021) which individually are not material. We highlight that the ones with probable loss risk have a provision of an aggregate amount of R$148,028 (R$174,439 In December 31, 2021). Most of these lawsuits were filed by issues involving Brazilian taxes such as ICMS (Value-added tax on sales and services), PIS/ COFINS (Social contribution on billings) and CSLL (Social Contribution on net income).

b. Labor Proceedings

As of December 31, 2022 JBS was party to 5,926 labor proceedings, (5,631 labor proceedings at December 31, 2021) involving total claims of R$1.2 billion (R$1.4 billion at December 31, 2021). Based on the opinion of the Company's legal counsel, JBS has provisioned an aggregate amount of R$252,392 (R$252,496 at December 31, 2021) for losses arising from these proceedings, which includes payroll taxes. Most of these lawsuits were filed by former employees of the Company seeking overtime payments and payments relating to their exposure to health hazards, commuting time, alleged work accidents and recovery time. Among other labor proceedings, there are ongoing proceedings filed by the Labor Ministry (Ministério do Trabalho) related to labor issues.

c. Civil Proceedings

As of December 31, 2022, the Company was party to 2,375 civil proceedings (1,996 civil proceedings at December 31, 2021) involving total claims of R$3.39 billion (R$3.27 billion at December 31, 2021). In the opinion of the Management and its legal advisors, the expected loss of R$77,765 (R$55,658 at December 31, 2021), has been accrued.

d. Other proceedings with possible outcome

As of December 31, 2022, the Company had other ongoing proceedings in the amount of RR9.99 billion (R$9.60 billion at December 31, 2021) which refer mainly to civil and labor proceedings in the Company, and in the Consolidated in the amount of R$15.2 billion (R$13.76 billion at December 31, 2021) whose loss potential, according to the evaluation of its legal advisors, is possible, but not probable, for which the Company's Management has not set an accrual for possible loss.

e. Other investigative and judicial related procedures

The Company and its subsidiaries are part of several proceedings or relevant repercussions related to the facts described in the Plea bargain agreement celebrated in 2017 as demonstrated below:

e1. Criminal procedures:

In criminal investigations and proceedings, legal entities do not suffer any criminal penalties arising from the events committed by its executives and/or representatives, who are subjected to the law (including deprivation of liberty), in case of any proof of effective participation in illegal facts involving the Company and/or its subsidiaries.

The operations, police inquiries and criminal proceeding Bullish, Carne Fraca, Porteira Aberta I and II and Tendão de Aquiles are procedures protected by judicial secrecy and the Company is not part of these proceedings and actions.

- Lama Asfáltica operation (police inquiry): Investigation based on reports of natural person, in the plea bargain agreement, due to suspicions of improper payments made to get tax incentives in the state of Mato Grosso do Sul. The investigations into the facts related to the Company arose to two criminal actions under the Federal Court and the Electoral Court. Given the existence of the Plea Bargain Agreement, none of the employees were reported, having started to act as prosecution witnesses.

e2. Class actions

The class action n° 1001502-51.2017.4.01.3700 (9ª Vara Cível federal de São Paulo) awaits judgment in first degree. On June 2020, the Superior Court of Justice decides that the Court of the State of Maranhão was the competetent authority to analyze the citizen suit. The class action n° 5007526-48.2017.4.03.6100 (5ª Vara Cível Federal de São Paulo) the appelate court confirmed the ruling from the court dismissing the case in favor of the Company. The class actions n° 5007521-26.2017.4.03.6100 (9ª Vara Cível Federal de São Paulo); and n° 1019930-11.2017.4.01.3400 (14ª Vara Cível Federal do Distrito Federal) had favorable outcomes for the Company therefore they were classified as remote loss. The class action n° 820215-58.2017.8.12.0001 (1ª Vara de Direitos Difusos, Coletivos e Individuais da Comarca de Campo Grande) awaits judgment in first degree.

e3. Corporate lawsuits

- CVM - Administrative Sanction Proceeding 19957.005388/2017-11 (5388/2017): Determines the possible liability the Company and its subsidiary Seara Alimentos, amoung others, to allegedly being a beneficiary of purchases of US dollar derivative contracts using unfair practices, in violation of CVM Instruction No. 8/1979, II, d. The parties presented its defense and requested for the production of evidence, which remains with the process' rapporteur for consideration. At December 2020, the Rapporteur granted a deadline for the parties to present a list of witnesses and to bring documentary evidence to the file. In 2021, the case was reassigned to a different reporting director, thus the parties are still awaiting examination of the petition for specification of evidence (testimonial and expert evidence).

- Arbitration proceedings n° 93/17, 110/18: Such proceedings were initiated by the Company's minority shareholders against the Company´s controlling shareholders, based on corporate requests, about the potential indemnification to be earned in compensation for any losses incurred as a result of the facts reported in the Plea Agreements. In March 2022, Arbitration Proceedings nº 93/17 and 110/18 were suspended by decision of the President of the Superior Court of Justice ("STJ") in analysis of conflict of jurisdiction (as better described below) and have remained so since then. The Company, however, figures in these proceedings only as an interested party. Thus, there is no economic expression that can be accounted for in relation to the shares in question.

- Arbitration procedure 186/21: On October 30, 2020, the Company's minority shareholders, gathered at the General Assembly, deliberated and approved the entry of liability, in the face of former administrators and the company's direct or indirect controller to pursue the compensation, in the form of the form Articles 159 and 246 of the Law of S.A., for the eventual damages suffered as a result of the facts narrated in the collaboration agreements. The arbitration procedure was referred to as on January 27, 2021 ("Arbitration No. 186/21"). After some questions presented by 2 minority shareholders of the Company, in June 2022, the STJ unanimously declared arbitration procedure No. 186/21 as competent to judge the action of liability against controlling shareholders for any damage suffered as a result of the facts narrated in the collaboration agreements. In December 2022, Arbitral Procedure No. 186/21 was closed by celebration, and approval by the Arbitral Tribunal, of a transaction instrument between the parties. The terms of the closure were communicated to the market through a relevant fact released on December 22, 2022. .

The company also reports that there are sanctioned administrative proceedings in the CVM, which deal with facts related to the company, who seek liability of former members and member of their administration for alleged violations of capital market regulation regarding: conflict of interest, Duty of diligence, use and dissemination of information to the market. The company, appears as accused only in a process related to the use and dissemination of information to the market, being only interested in other cases.

In subsidiary Seara Alimentos:

a. Labor Proceedings

As of December 31, 2022, Seara Alimentos subsidiaries were party to 11,940 labor proceedings (12,740 labor proceedings at December 31, 2021) labor proceedings, involving the total amount of R$1.66 billion ((R$1,66 billion at December 31, 2021). Based on the opinion of the Company's legal counsel, an accrual has been made in the amount of R$265,134 (R$286,090 at December 31, 2021) for losses arising from such proceedings, already including payable social charges by the employee and Seara Alimentos. Most of these lawsuits were filed by former employees of Seara Alimentos seeking overtime payments and payments relating to their exposure to health hazards, commuting time, alleged work accidents and recovery time. Among other labor proceedings, there are ongoing proceedings filed by the Labor Ministry (Ministério do Trabalho) related to labor issues.

b. Civil proceedings

As of December 31, 2022, Seara Alimentos subsidiaries were party to 3,615 civil and administrative proceedings (3,347 civil an administrative proceedings at December 31, 2021), involving the total amount of R$936,779 (R$867,578 at December 31, 2021). Based on the opinion of the Company's legal counsel, an accrual has been made in the amount of R$175,497 (R$174,767 at December 31, 2021) for losses arising from such proceedings. Most of these lawsuits are related to indemnity for collective moral damage, moral damage for improper protest, repairing damages for poultry partnership or pigs integration, cancellation of industry or trade mark complaints and consumer contracts - product quality.

c. Tax and social security proceedings

As of December 31, 2022, Seara Alimentos and its subsidiaries are party to 838 (895 tax and social security proceedings at December 31, 2021), involving the total amount of R$6.39 (R$5,33 at December 31, 2021). Proceedings with a probable loss risk have contingencies, in the amount of R$395,268 (R$381,496 at December 31, 2021).

d. Other proceedings with possible outcome

As of December 31, 2022, Seara Alimentos and its subsidiaries had other ongoing proceedings in the amount of R$5.2 billions billion (R$4, billion at December 31, 2021) which refer to labor, civil and tax and social security proceedings, whose loss potential according to the evaluation of its legal advisors is possible but not probable, therefore there is no accrual recognized.

In the subsidiary JBS USA:

a. Civil Proceedings

a1. Pork Antitrust Litigation:

During 2018, a series of purported class action lawsuits were filed against JBS USA, a number of other pork producers, and Agri Stats, Inc. in the U.S. District Court for the District of Minnesota ("Minnesota Court") on behalf of direct and indirect purchasers of pork alleging violations of federal and state antitrust, unfair competition, unjust enrichment, deceptive trade practice, and consumer protection laws, which were consolidated and styled as In re Pork Antitrust Litigation. Certain authors have also instituted direct actions. JBS USA has entered into agreements to settle all claims made by the Pork DPPs, Pork CIIPPs, and Pork Consumers, for an aggregate total of US$57.3 (R$319,763 at December 31, 2022). The Company continues to seek resolution of the other class actions that have not yet been closed, as well as other counterparties that chose not to participate in the agreements.The Company recognized an accrual in the amount of US$72.6 million (R$378,805 at December 31, 2022), which US$21.5 million (R$112.1981 at December 31, 2022) and US$51.1 million (R$285,160 at December 31, 2022) were recognized in the years ended at December 31, 2022 and 2021, respectively, under general and administrative expenses in the income statement.

During 2021, the attorneys general of the states of New Mexico and Alaska in the USA filed complaints against JBS USA with allegations similar to those described above. JBS USA has responded to these allegations and plans to challenge them in the future.

a2. Beef Antitrust Litigation:

During 2019, a series of purported class action lawsuits were filed against JBS USA, Swift Beef Company, JBS Packerland, Inc., JBS S.A., and certain other beef processors that purchase cattle. Subsequent amended complaints were consolidated and filed in the Minnesota Court, alleging violations of the Sherman Antitrust Act, the Packers and Stockyards Act, and the Commodity Exchange Act on behalf of a putative class of persons and entities selling fed cattle and transacting in live cattle futures and options ("Cattle Class"). The Company settle an agreement approved by the Minnesota District Court, to part of the plaintiffs in the amount of US$52.5 million (R$273,929 at December 31, 2022). The Company continues to seek resolution of the other class actions that have not yet been closed, as well as other counterparties that chose not to participate in the agreements. The Company recognized an accrual in the amount of US$45.9 million (R$239,492 at December 31, 2022), under general and administrative expenses in the income statement.

During 2020 and 2021, the Company received civil investigative demands ("CIDs") from the U.S. Department of Justice ("DOJ") related to the fed cattle and beef packing industry. JBS USA is cooperating with the DOJ in producing documents and information pursuant to the CIDs.

On October 19, 2020, the DOJ served a grand jury subpoena on JBS USA, purporting to investigate human resources antitrust matters. JBS USA is cooperating with the DOJ investigation.

On November 11, 2022, a purported class action lawsuit was filed against JBS USA and a number of other meatpackers as well as Webber, Meng, Sahl & Company and Agri Stats, Inc. in the U.S. District Court for the District of Colorado ("Colorado Court"). The plaintiffs allege that the defendants conspired to fix and depress the compensation paid to pork and beef plant workers in violation of the Sherman Act and seek damages from January1, 2014 to the present. JBS USA plans to litigate against the plaintiffs in due course.

During 2022, two purported class action lawsuits were filed in Canada against JBS USA, Swift Beef Company, JBS Packerland, Inc., JBS Food Canada ULC ("JBS Canada"), and a number of other beef processors alleging similar claims to those in the Beef Antitrust Litigation. JBS USA and JBS Canada plan to litigate against the plaintiffs in due course.

a3. Chicken Antitrust Litigation:

During 2016, a series of federal class action lawsuits were filed with the U.S. District Court for the Northern District of Illinois ("Illinois Court") against PPC and other defendants by and on behalf of direct and indirect purchasers of broiler chickens alleging violations of antitrust and unfair competition laws and styled as In re Broiler Chicken Antitrust Litigation. Also, between 2017 and 2021, 82 direct actions were registered by individual entities of direct buyers naming PPC as defendant, claiming, for the most part, the same claims of the collective actions. PPC entered into an agreement to settle part of the claims in the amount of US$195.5 million (R$1.02 billion at December 31, 2022). The PPC continues to seek resolution with the other counterparties that chose not to participate in the agreements. The Company recognized an accrual in the amount of US$514.4 million (R$2.68 billion at December 31, 2022), under general and administrative expenses in the income statement.

(Expressed in thousands of Brazilian reais)

During 2016, Patrick Hogan, acting on behalf of himself and a putative class of certain PPC stockholders, filed a class action against PPC and its named executive officers styled as Hogan ("Hogan Litigation"). The complaint alleges, among other things, that PPC's SEC filings contained statements that were rendered materially false and misleading by PPC's failure to disclose that (i) PPC colluded with several of its industry peers to fix prices in the broiler-chicken market as alleged in the Broilers Litigation, (ii) its conduct constituted a violation of federal antitrust laws, and (iii) PPC's revenues during the class period were the result of illegal conduct. PPC awaits the outcome of its challenges to these actions.

On January 27, 2017, a purported class action on behalf of broiler chicken farmers was brought against PPC and other chicken producers in the U.S. District Court for the Eastern District of Oklahoma (the "Oklahoma Court") alleging, among other things, a conspiracy to reduce competition for grower services and depress the price paid to growers. The complaint was consolidated with several subsequently filed consolidated amended class action complaints and styled as In re Broiler Chicken Grower Litigation, Case No. CIV-17-033. The defendants (including PPC) jointly moved to dismiss the consolidated amended complaint, which the Oklahoma Court denied as to PPC and certain other defendants. PPC, therefore, continues to litigate against the putative class plaintiffs.

In 2017, a series of putative stockholder derivative class actions were brought against all of PPC's directors and two executives, William Lovette and Fabio Sandri. The complaints allege, among other things, that the named defendants breached their fiduciary duties by failing to prevent PPC and its officers from engaging in an antitrust conspiracy as alleged in the Broiler Antitrust Litigation and issuing false and misleading statements as alleged in the Hogan Litigation. The plaintiffs filed a motion for reconsideration, which PPC plans to oppose in due course.

During 2019, four purported class action lawsuits were filed against PPC and a number of other chicken producers. The plaintiffs are a putative class of poultry processing plant production and maintenance workers ("Poultry Workers Class") and allege that the defendants conspired to fix and depress the compensation paid to Poultry Workers Class in violation of the Sherman Antitrust Act. In 2021, PPC entered into an agreement to settle all claims made by the Poultry Workers Class in the amount of US$29 (R$151,311 at December 31, 2022) millions, which the amount of US$9 million (R$46,959 at December 31, 2022) and US$20 million (R$104,354 at December 31, 2021). In February 2022, the plaintiffs filed an amended complaint including additional workers in the class.

Between 2020 and 2021, the attorneys general of the states of New Mexico, Alaska and Washington, filed lawsuits against PPC based on allegations similar to those asserted in the Broiler Antitrust Litigation. PPC has responded to all allegations and is awaiting progress in the process.

Between 2017 and 2021, the attorneys general of several US states issued civil investigative demands, requesting, among other things, data and information related to the purchase and processing of broiler chickens and the marketing of poultry products. PPC is cooperating with the attorneys general in those states to address the investigations.

On February 9, 2022, PPC was informed that the DOJ opened a civil investigation into antitrust human resources matters. Also, on October 6, 2022, PPC was also informed that the DOJ opened a civil investigation proceeding into contracts with poultry producers and payment practices to them. PPC is cooperating with the DOJ in responding to the investigations.

b. Tax and social security proceedings

During 2017, the Australian Tax Office the Australian Tax Office ("ATO") opened a review of JBS Australia for income tax years 2015 through 2017 in connection with a corporate reorganization. On September 30, 2020, the ATO issued a tax assessment for income tax year 2015 for an immaterial amount while it continues to investigate tax years 2016 and 2017. Final ATO review findings could result in a material tax liability, but no loss has been recorded for the amounts considered in the assessment due to the continued review of tax years 2016 and 2017 at this time.

On May 12, 2022, the SAT issued two tax assessments against Pilgrim's Pride, S. de R.L. de C.V. and Provemex Holdings, LLC in connection with PPC's acquisition of Tyson de México. The SAT claims that Provemex Holdings, LLC was a Mexican entity at the time of the acquisition and, as a result, was obligated to pay taxes on the sale. The Mexican subsidiaries of PPC are currently appealing these assessments. Amounts under appeal are approximately $255 million (R$1.33 at December 31, 2022) for each of the two tax assessments. No loss has been recorded for these amounts at this time.

22 Equity

a. Share capital: Share capital on December 31, 2022 and 2021 was R$23,576,206, represented at December 31, 2022 by 2,218,116,370 (2,373,866,570 at December 31, 2021) common shares, having no nominal value. The Company is authorized to increase its capital by an additional 1.375.853.183 common shares. According to statute, the Board of Directors shall determine the number, price, payment term and other conditions of the issuance of shares. The Company may grant options to purchase shares to directors, employees or persons who will provide services, or the directors, employees or person providing the services under its control.

	December 31, 2022		December 31, 2021	
	Quantity	**R$ thousand**	**Quantity**	**R$ thousand**
Initial balance	**2,373,866,570**	**23,576,206**	2,623,373,646	23,576,206
Cancellation of treasury shares [1]	**(155,750,200)**	–	(249,507,076)	–
Final balance	**2,218,116,370**	**23,576,206**	**2,373,866,570**	**23,576,206**

[1] During the year ended December 31, 2022, the Company canceled the total amount of 155,750,200 (249,507,076 at December 31, 2021) common shares held in treasury, approved by the Board of Directors. In addition, a new Share Buyback Program was approved which the Company may acquire up to 10% of its outstanding shares, in compliance with the Brazilian Securities Commission (Comissão de Valores Mobiliários or the "CVM") Instruction 567. The share buyback program is valid for 18 months, starting on May 11, 2022.

(Expressed in thousands of Brazilian reais)

b. Capital reserves:

b1. Premium on issue of shares: refers to the difference between the subscription price that the stockholders pay for the shares and their fair value;

b2. Capital transaction: Includes transactions resulting from equity changes resulting from the repurchase of PPC shares and the compensation plan with shares of subsidiaries.

b3. Share-based compensation: the last plan regarding JBS Stock Option Plan was granted in 2018 and the remaining stock options were exercised during the first quarter of 2021, as presented in Note 26 – Share-based compensation.

c. Other reserves: Refers to revaluations of fixed assets prior to IFRS adoption. Other reserves are transferred to retained earnings in proportion with the realization of revalued assets through depreciation, disposal and retirement.

d. Profit reserve:

d1. Treasury shares:

Treasury share activity were as follows:

	December 31, 2022		December 31, 2021	
	Quantity	R$ thousand	Quantity	R$ thousand
Balance at the beginning of the period	**80,062,600**	**3,037,838**	**12,848,500**	**303,565**
Purchase of treasury shares	**97,687,600**	**3,648,028**	396,907,500	10,604,975
Disposal of treasury shares [1]	**(22,000,000)**	**(834,181)**	(80,000,000)	(3,980)
Treasury shares used in stock option plan [2]	–	–	(186,324)	(4,523)
Cancellation of treasury shares [3]	**(155,750,200)**	**(5,851,685)**	(249,507,076)	(7,862,199)
Balance at the end of the period	–	–	**80,062,600**	**3,037,838**

(1) During the second quarter of 2022, the Company disposal 22,000,000 of treasury shares, in the amount of R$834,000, which were repurchased in the second quarter or in its own quarter.
(2) Refers to treasury shares exercised effectively.
(3) Information regarding treasury shares canceled during the 2022 financial year.

d2. Dividends: On May 24, 22 the Company approved the distribution of dividends referring to the net income from the year ended at December 31, 2021 in the amount of R$2.22 billion, corresponding to R$1,00 per ordinary share. On November 24, 2022, the Company approved the distribution of interim dividends referring to the net income based on the net income for the current fiscal year, calculated in the financial statements for the nine months period ended at September 30, 2022, in the amount of R$2.22 billion, that corresponds to R$1.00 per common share.

d3. Legal reserve: In accordance with the Brazilian Corporate Law and the Company's by-laws, 5% of the net profits must be allocated for each fiscal year to the legal reserve until the aggregate amount of the reserve equals 20% of the share capital.

d4. Investments statutory: Consists of the remaining balance of the net income accumulated over time after the computation of the legal reserve and dividend distribution. The purpose of this reserve is to provide funds for the investment in operating assets and/or repurchase of the own shares (to remain in treasury or cancelation) and this reserve cannot exceed the share capital.

d5. Tax incentive reserve: Arise from investments grants given by State governments such as partial or full reduction of in the calculation basis of certain goods in the production chain, in accordance with the regulations of each State. The amounts related to tax incentive recorded as income in the statements of income, if used to reduce profit taxes, they will be transferred from retained earnings to the tax incentive reserve in the years in which the Company presents net income in a higher amount of the reclassification amount.

e. 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.

e1. Gain (loss) on 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.

f. Non-controlling interest: Material non-controlling interest at December 31, 2022 consisted of the 17.3% (19.8% at December 31, 2021), of PPC common stock not owned by JBS USA. JBS USA's voting rights in PPC are limited to 82.7% at December 31, 2022 (80.2% at December 31, 2021) of the total. PPC is one of the largest chicken producers in the world, with operations in the United States, France, Mexico and Puerto Rico. The profit allocated to the PPC non-controlling interest was US$147.4 millions (R$772,886 at December 31, 2022) and US$6.9 millions (R$37,280 at December 31, 2021), respectively. The accumulated non-controlling interest in PPC was US$639.7 millions (R$3.34 billions at December 31, 2021) and US$650.3 millions (R$3.63 billions at December 31, 2021), respectively. As of December 31, 2022, the non-controlling purchase of treasury stock in PPC was US$89.2 million (R$453,938 at December 31, 2022) and US$69.8 millions (361,464 at December 31, 2021) . Below are the PPC total net sales, net income, cash provided by operations, total assets and total liabilities for the years indicated. Below are the PPC total net sales, net income, cash provided by operations, total assets and total liabilities for the years indicated.

	2022	2021
NET REVENUE	**91,576,775**	79,724,791
NET INCOME	**3,910,487**	167,246
Net cash provided by operating activities	**3,511,711**	1,761,255

	December 31, 2022	December 31, 2021
Total assets	**48,293,826**	49,740,141
Total liabilities	**33,406,288**	35,292,594

(Expressed in thousands of Brazilian reais)

Relevant event - Restructuring Related Activities: During the year ended at 2022, the indirect subsidiary PPC initiated a restructuring initiative to phase out and reduce processing volumes at multiple production facilities throughout the United Kingdom and Europe. Implementation of this initiative is expected to result in total pre-tax charges of approximately US$58 million (R$304,836 at December 31, 2022), and approximately US$53 million(R$278,557 at December 31, 2022) of these charges are estimated to result in cash outlays. These activities were initiated in the fourth quarter of 2022 and are expected to be substantially completed by the end of the second quarter of 2023.

23 Net revenue

The vast majority of the Company's revenue is derived from contracts which are based upon a customer ordering our products. Revenues are recognized when there is a contract with the customer, the transaction price is reliably measurable and when the control over the goods sold is transferred to the customer. The Company accounts for a contract, which may be verbal or written, when it is approved and committed by both parties, the rights of the parties are identified along with payment terms, the contract has commercial substance and collectability is probable. While there may be master agreements, the contract is only established when the customer's order is accepted by the Company.

The Company evaluates the transaction for distinct performance obligations, which are the sale of its products to customers. Each performance obligation is recognized based upon a pattern of recognition that reflects the transfer of control to the customer at a point in time, which is upon destination (customer location or port of destination), which faithfully depicts the transfer of control and recognition of revenue. There are instances of customer pick-up at the Company's facility, in which case control transfers to the customer at that point and the Company recognizes revenue. The Company's performance obligations are typically fulfilled within days to weeks of the acceptance of the order.

The measurability of the transaction price can be impacted by variable consideration i.e. discounts, rebates, incentives and the customer's right to return products. Some or all of the estimated amount of variable consideration is included in the transaction price but only to the extent that it is highly probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This is usually at the point of dispatch or on delivery of the products. This varies from customer to customer according to the terms of sale. However, due to the nature of our business, there is minimal variable consideration.

Allocating the transaction price to a specific performance obligation based upon the relative standalone selling prices includes estimating the standalone selling prices including discounts and variable consideration.

Shipping and handling activities are performed before a customer obtains control of the goods and its obligation is fulfilled upon transfer of the goods to a customer. Shipping and handling costs are recorded within cost of sales. The Company can incur incremental costs to obtain or fulfill a contract such as broker expenses which are not expected to be recovered. The amortization period for such expenses is less than one year; therefore, the costs are expensed as incurred and included in deductions from sales.

The Company disaggregates its revenues by (i) domestic sales, (ii) export sales and (iii) segment information:
(i) Domestic sales refers to internal sales of each geographical location:
(ii) Export sales refers to external sales of each geographical location;
(iii) Segment information as disclosed in Note 27.

The Company also disaggregated its revenues between Brazil, Seara, Beef North America, Pork USA, Chicken USA, Australia and Others to align with our segment presentation in Note 27:

	Company		Consolidated	
	2022	2021	2022	2021
GROSS REVENUE				
Sales of products				
Domestic sales	**32,059,168**	31,398,634	**287,967,513**	270,274,151
Export sales	**25,774,988**	22,786,475	**98,797,322**	91,139,471
	57,834,156	**54,185,109**	**386,764,835**	**361,413,622**
SALES DEDUCTION				
Returns and discounts	**(2,095,356)**	(1,591,082)	**(8,287,129)**	(6,973,277)
Sales taxes	**(795,949)**	(1,149,067)	**(3,626,106)**	(3,744,784)
	(2,891,305)	**(2,740,149)**	**(11,913,235)**	**(10,718,061)**
NET REVENUE	**54,942,851**	**51,444,960**	**374,851,600**	**350,695,561**

23.1 Customer contract balances

Customer contract liabilities are relate to payments received in advance of satisfying the performance obligation under the contract. The Company recognizes revenue in the carry out of the respective performance obligation. Contractual liabilities are presented as advances from customers, under "Other current liabilities" in the balance sheet.

		Company		Consolidated	
	Note	2022	2021	2022	2021
Trade accounts receivable	5	**4,380,011**	4,259,402	**20,234,895**	19,877,408
Contract liabilities		**449,744**	982,639	**1,124,306**	1,172,076

24 Financial income (expense)

Net finance expense includes (i) interest payable on borrowings and direct issue costs; (ii) results from the daily settlements of future contracts used to protect assets and liabilities, as well as the fair value adjustments for derivative instruments that are described within Note 29, (iii) interest receivable on funds invested which is recognized in profit or loss as it accrues using the effective interest method; and (iv) gains and losses associated with transactions denominated in foreign currencies.

Net finance expense consisted of the following for the years ended December 31, 2022 and 2021 are as follows:

	Company		Consolidated	
	2022	2021	2022	2021
Exchange rate variation	**1,630,075**	(179,884)	**2,206,643**	(9,827)
Derivative transactions, net	**(1,372,479)**	372,217	**(1,797,444)**	254,522
Interest expense [1]	**(3,246,367)**	(2,299,629)	**(6,930,469)**	(5,264,596)
Interest income [2]	**443,926**	584,564	**1,387,720**	780,545
Taxes, contribution, fees and others [3]	**(184,629)**	(99,544)	**(1,218,790)**	(839,295)
	(2,729,474)	(1,622,276)	**(6,352,340)**	(5,078,651)
Financial income	**2,665,385**	1,526,393	**4,215,115**	2,304,091
Financial expense	**(5,394,859)**	(3,148,669)	**(10,567,455)**	(7,382,742)
	(2,729,474)	(1,622,276)	**(6,352,340)**	(5,078,651)

[1] For the years ended at December 31, 2022 and 2021, the amounts of R$1,233,139 and R$905,552, respectively, in the Company and R$4,696,402 and R$4,076,458, in the Consolidated. These balances refer to interest expenses from loans and financings expenses recognized under the caption "Interest expense".

[2] For the years ended at December 31, 2022 and 2021, the amounts of R$65,029 and R$24,271, respectively, in the Company and R$353,284 and R$128,903, respectively, in the Consolidated refers to interest income from short investments recognized under the caption "Interest income".

[3] Under the caption "Taxes, contribution, fees and others" in the years ended at December 31, 2022 and 2021, includes the issue premium, in the Consolidated, of the JBS Lux 5.75% Notes 2028, JBS Lux 6.75% Notes 2028, JBS Lux. 6.50% Notes 2029 and Term loan JBS Lux 2026 in the amount of US$167.8 million (R$875,280 at December 31, 2022) and US$57,2 million (R$307,942 at December 31, 2021), respectively.

25 Earnings per share

Basic: Earnings (loss) per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year, excluding common shares purchased and held as treasury shares (shares in thousands).

Diluted: Diluted earnings (loss) per share is calculated by dividing net income (loss) of the period attributable to common shareholders by the weighted average number of common shares outstanding during the year, adjusted for the effects of all potential common shares that are dilutive and adjusted for treasury shares held. Since the first quarter of 2021, there are no shares available in the stock options plan, therefore, the calculation of the diluted and basic earnings per share are the same.

	2022	2021
Net income attributable to shareholders	**15,457,836**	**20,486,561**
Weighted average common shares outstanding	**2,254,344,774**	2,516,007,506
Weighted average - treasury shares	**(23,932,565)**	(36,817,227)
Weighted average - common shares outstanding (basic)	**2,230,412,209**	**2,479,190,279**
Basic and diluted earnings per share - (R$)	**6.93**	**8.26**

26 Share-based compensation

JBS stock option plan

The Company's stock option plan was approved at the Annual and Extraordinary Shareholders' Meeting held on April 30, 2014 ("Plan"), and is managed by the Board of Directors, which has private authority to resolve on the issuance of the object of the Plan, and it is also up to him to take all the necessary and appropriate measures for the interpretation and application of the general rules and principles defined in the Plan.

The Company had until December 31, 2021, an equity-settled stock option plan. The Company grants stock options to employees as an incentive intended to create a sense of ownership and personal involvement with the development and financial success of JBS. Executive officers, directors and general managers were eligible to receive stock options under the plan. The Company's Chairman established the criteria of granting the options and selecting the employees. The vesting period is one to three years, starting from the grant date of each plan. The last plan was granted in 2018 and the remaining stock options were exercised during the first quarter of 2021.

The outstanding options changes and average exercise price per share are demonstrated, as follows:

	31.12.22		31.12.21	
	Quantity of options	Average exercise price per share	Quantity of options	Average exercise price per share
Initial balance	–	–	186,324	$ 23.63
Exercised	–	–	(186,324)	$ 9.62
Cancelled	–	–	–	–
Closing balance	–	–	–	–

JBS long-term variable remuneration

In the JBS long-term variable remuneration, officers and executive officers from the Company are benefited with a remuneration referenced in the pricing of the Company's shares and paid on a deferred basis, at the rate of 1/3 per year, for three years.

(Expressed in thousands of Brazilian reais)

These plans consist of remuneration in cash, since there is no effective negotiation of the shares and there is no issuance and/or transfer of shares to settle the plan. Regarding the Long-Term Variable Remuneration, the determination of the unit value equivalent to the number of shares to be used in the calculation basis of said variable remuneration is defined with reference to the monthly salary of the eligible professional, a salary multiple and the average of the quotations of the closing of the common shares issued by the Company traded on B3 in the last 30 trading days prior to the disclosure of the annual result.

The amount of R$465.757 in December 31, 2022 (R$463,588 in December 31, 2021) was recognized under the caption "General and administrative expenses" in the income statement.

PPC long-term incentive plan

PPC sponsors a performance-based, omnibus long-term incentive plan (the "LTIP") that provides for the grant of a broad range of long-term equity-based and liability-based awards PPC's officers and other employees, members of the Board of Directors and any consultants. Awards that may be granted under the LTIP include "incentive stock options," within the meaning of the Internal Revenue Code, nonqualified stock options, stock appreciation rights, restricted stock awards ("RSAs") and restricted stock units ("RSUs").

Equity-based awards are converted into shares of PPC's common stock shortly after award vesting. Compensation cost to be recognized for an equity-based awards grant is determined by multiplying the number of awards granted by the closing price of a share of PPC's common stock on the award grant date. Liability based awards granted under the LTIP are converted into cash shortly after award vesting. Compensation cost to be recognized for a liability-based awards grant is first determined by multiplying the number of awards granted by the closing price of a share of PPC's common stock on the award grant date. However, the compensation cost to be recognized is adjusted at each subsequent milestone date (i.e., forfeiture date, vesting date or financial reporting date) by multiplying the number of awards granted by the closing price of a share of PPC's common stock on the milestone date. The PPC's Chairman establishes the criteria of granting the options and selecting the employees.

The weighted-average share price at the vesting date for performance stock units and restricted stock units that vested in December 31, 2022 was R$120.89 per unit (R$110.21 per unit as of December 31, 2021).

In December 31, 2022, the expenses recognized in stock-based and cash-based compensation plans were R$29,589 (R$43,387 at December 31, 2021) and R$8,725 (R$31,491 at December 31, 2021).

The following table presents the changes of restricted stock units ("RSUs"):

	December 31, 2022		December 31, 2021	
Equity-based RSU, payments in cash:	**Quantity**	**Price**	**Quantity**	**Price**
Outstanding at beginning of year	**3,092**	**110.06**	**3,035**	**114.95**
Transferred to liability-based awards	–	–	(43)	126.94
Granted	2,092	123.33	4,408	116.42
Vested	(1,374)	120.08	(825)	105.10
Forfeited reinstated	1,549	121.47	(3,701)	126.46
Exchange variation	(178)	–	218	–
Outstanding at end of the year	**5,181**	**114.79**	**3,092**	**110.06**

	December 31, 2022		December 31, 2021	
Equity-based RSU, payments in shares:	**Quantity**	**Price**	**Quantity**	**Price**
Outstanding at beginning of year	**3,203**	**148.63**	**1,388**	**100.56**
Transferred to liability-based awards	–	–	43	126.94
Granted	1,391	114.09	1,931	116.59
Vested	(718)	142.29	(318)	108.44
Forfeited	(1,689)	127.62	–	–
Exchange variation	(220)	–	159	–
Outstanding at end of the year	**1,967**	**124.18**	**3,203**	**148.63**

There were no cancellations or modifications to the awards in 2022 or 2021.

The total fair values of equity-based awards and liability-based awards vested during the year ended December 31, 2022 were R$39,133 (R$16,742 at December 31, 2021) and R$31,251 (R$6,697 at December 31, 2021), respectively. On December 31, 2022 the total unrecognized compensation cost related to all nonvested equity-based awards was R$53,015 (R$83,149 at December 31, 2021), which cost is expected to be recognized over a weighted average period of 2.17 years (2.35 years as of December 31, 2021). On December 31, 2022, the total unrecognized compensation cost related to all nonvested equity-based awards paid in cash was R$13,951 (R$61,944 at December 31, 2021) which cost is expected to be recognized over a weighted average period of 1.60 years (1.90 years as of December 31, 2021).

Historically, PPC has issued new shares, as opposed to treasury shares, to satisfy equity-based award conversions.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

27 Operating segments and geographic reporting

The Company's Management has defined operating segments based on the reports that are used to make strategic decisions, analyzed by the Chief Operating Decision Maker (CODM)—our Chief Executive Officer (CEO), there are seven reportable segments: Brazil, Seara, Beef North America, Pork USA, Chicken PPC, Australia and Others. The segment operating profit or loss is evaluated by the CODM, based on Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization)..

Adjusted EBITDA consists of all the items of profit and loss that compose the Company's profit before taxes, applying the same accounting policies as described in these financial statements, except for the following adjustments as further described below: exclusion of financial income and financial expenses, exclusion of depreciation and amortization expenses; exclusion of share of profit of equity-accounted investees, net of tax; exclusion of expenses with DOJ and antitrust agreements described in note 21; exclusion of donations and social programs expenses; exclusion of extemporaneous tax credits impacts; exclusion of J&F Leniency expenses refund - net of PIS/ COFINS; exclusion of JBS fund for the Amazon and exclusion of certain other income (expenses).

(Expressed in thousands of Brazilian reais)

Brazil: this segment includes all the operating activities from the Company, mainly represented by slaughter facilities, cold storage and meat processing, fat, feed and production of beef by-products such as leather, collagen and other products produced in Brazil. Revenues are generated from the sale of products predominantly to restaurant chains, food processing companies, distributors, supermarket chains, wholesale supermarket and other significant food chains.

Seara: this segment includes all the operating activities of Seara and its subsidiaries, mainly represented by chicken and pork processing, production and commercialization of food products and value-added products. Revenues are generated from the sale of products predominantly to restaurant chains, food processing companies, distributors, supermarket chains, wholesale supermarket and other significant food chains.

Beef North America: this segment includes JBS USA beef processing operations in North America and the plant-based businesses in Europe. Beef also sells by-products to the variety meat, feed processing, fertilizer, automotive and pet food industries and also produces value-added meat products including toppings for pizzas. Finally, Sampco LLC imports processed meats and other foods such as canned fish, fruits and vegetables to the US and Vivera produces and sells plant-based protein products in Europe.

Pork USA: this segment includes JBS USA's pork operations, including Swift Prepared Foods. Revenues are generated from the sale of products predominantly to retailers of fresh pork including trimmed cuts such as loins, roasts, chops, butts, picnics and ribs. Other pork products, including hams, bellies and trimmings, are sold predominantly to further processors who, in turn, manufacture bacon, sausage, and deli and luncheon meats. In addition, revenues are generated from the sale of case ready products. As a complement to our pork processing business, we also conduct business through our hog production operations, including four hog farms and five feed mills, from which, JBS Lux will source live hogs for its pork processing operations.

Chicken PPC: this segment includes PPC's operations, including Moy Park, Tulip and Pilgrim's Consumer Foods as well, mainly represented by chicken processing, production and commercialization of food products and prepared foods in the EUA, Mexico, United Kingdom and France. The fresh chicken products consist of refrigerated (non-frozen) whole or cut-up chicken, either pre-marinated or non-marinated, and pre-packaged chicken in various combinations of freshly refrigerated, whole chickens and chicken parts. The prepared chicken products include portion-controlled breast fillets, tenderloins and strips, delicatessen products, salads, formed nuggets and patties and bone-in chicken parts. These products are sold either refrigerated or frozen and may be fully cooked, partially cooked or raw. The segment also sells prepared pork products through PPL, a subsidiary acquired by PPC in October 2019. The segment includes Pilgrim's Food Masters, subsidiary, acquired in September 2021, and generates revenues from private label meats, meat snacks, food-to-go products, and ethnic chilled and frozen ready meals.

Australia: this segment includes our fresh, frozen, value-added and branded beef, lamb, pork and fish products in Australia and New Zealand. The majority of our beef revenues from our operations in Australia are generated from the sale of fresh beef products (including fresh and frozen chuck cuts, rib cuts, loin cuts, round cuts, thin meats, ground beef, offal and other products). We also sell value-added and branded beef products (including frozen cooked and pre-cooked beef, corned cooked beef, beef cubes and consumer-ready products, such as hamburgers and sausages). We also operate lamb, sheep, pork and fish processing facilities in Australia and New Zealand, including the Rivalea and Huon acquisitions. JBS Australia also generates revenues through their cattle hoteling business. We sell these products in the countries where we operate our facilities, which we classify as domestic sales, and elsewhere, which we classify as export sales.

Others: includes certain operations not directly attributable to the primary segments, such as corporate expenses, international leather operations and other operations in Europe.

There are no revenues arising out of transactions with any single customer that represents 5% or more of the total revenues.

The Company manages its loans and financing and income taxes at the corporate level and not by segment.

The information by consolidated operational segment are as follows:

Product type report:

2022

	Brazil	Seara	Beef North America	Pork USA	Chicken PPC	Australia	Others	Total reportable segments	Elimination [1]	Total
Net revenue	58,948,888	42,967,751	113,979,241	42,086,620	90,064,833	32,630,114	4,340,796	385,018,243	(10,166,643)	374,851,600
Adjusted EBITDA [2]	2,407,017	4,605,767	10,712,187	3,922,011	10,690,926	2,281,911	(40,122)	34,579,697	(11,269)	34,568,428

2021

	Brazil	Seara	Beef North America	Pork USA	Chicken PPC	Australia	Others	Total reportable segments	Elimination [1]	Total
Net revenue	53,803,281	36,523,491	115,617,249	41,077,122	79,673,626	28,856,244	3,848,136	359,399,149	(8,703,588)	350,695,561
Adjusted EBITDA [2]	2,318,456	3,860,650	24,245,220	4,241,119	9,109,290	1,764,925	133,537	45,673,197	(10,960)	45,662,237

[1] Includes intercompany and intersegment transactions.
[2] The Adjusted EBITDA is reconciled with the consolidated operating profit, as follows below:

	2022	2021
Operating profit	**24,575,690**	32,177,592
Depreciation and amortization	**9,853,829**	9,027,770
DOJ and Antitrust agreements [1]	**516,354**	4,254,697
Donations and social programs [2]	**117,398**	100,930
Extemporaneous tax credit impacts [3]	**—**	(101,073)
J&F Leniency expenses refund - net of PIS/ COFINS [4]	**(492,922)**	—
JBS Fund For The Amazon [5]	**5,500**	50,000
Other operating income (expense), net [6]	**(7,421)**	152,321
Elimination	**11,269**	10,960
Total Adjusted EBITDA for operating segments	**34,579,697**	**45,673,197**

[1] Refers to the agreements entered by JBS USA and its subsidiaries as described in Note 21 – Provisions for legal proceedings.
[2] Refers to the donations, as described in Note 28 – Expenses by nature.
[3] Refers to the recognition of PIS/ COFINS tax credits in the ICMS tax base.
[4] Refers to the indemnity of expenses received from the parent company J&F, as described in Note 9 - Related party transactions.
[5] Refers to the donations made by the Company to the JBS Fund For the Amazon, during the current year, as described in Note 9 – Related party transactions.

(Expressed in thousands of Brazilian reais)

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

Geographic reporting

	2022							
	North and Central America (2)	South America	Australia	Europe	Others	Total reportable segments	Elimination (1)	Total
Net revenue	221,656,694	98,206,795	32,891,669	28,862,297	979,182	382,596,637	(7,745,037)	374,851,600
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

	2021							
	North and Central America (2)	South America	Australia	Europe	Others	Total reportable segments	Elimination (1)	Total
Net revenue	212,835,529	88,550,646	28,856,244	24,187,044	625,461	355,054,924	(4,359,363)	350,695,561
Total assets	131,933,987	88,049,693	19,647,552	28,140,515	11,621,814	279,393,561	(72,142,677)	207,250,884

(1) Includes intercompany and intersegment transactions.
(2) Including the holdings located in Europe that are part of the North American operation.

28 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	
	2022	2021	2022	2021
Cost of sales				
Cost of inventories, raw materials and production inputs	(44,074,367)	(42,487,072)	(270,949,960)	(243,353,275)
Salaries and benefits	(2,031,846)	(1,669,251)	(35,904,513)	(33,355,947)
Depreciation and amortization	(436,003)	(384,143)	(8,519,055)	(7,801,354)
	(46,542,216)	(44,540,466)	(315,373,528)	(284,510,576)
General and administrative				
Salaries and benefits	(1,531,120)	(1,482,424)	(6,704,271)	(6,034,326)
Fees, services held and general expenses	(1,100,829)	(799,954)	(3,472,648)	(3,844,309)
Depreciation and amortization	(267,605)	(267,372)	(1,013,376)	(921,639)
Antitrust agreements	–	–	(516,354)	(4,254,697)
Donations and social programs (1)	(117,398)	(100,930)	(117,398)	(100,930)
JBS Fund For The Amazon	(5,500)	(49,500)	(5,500)	(50,000)
	(3,022,452)	(2,700,180)	(11,829,547)	(15,205,901)
Selling				
Freights and selling expenses	(3,205,014)	(2,219,347)	(20,513,888)	(16,182,431)
Salaries and benefits	(317,100)	(183,407)	(1,251,493)	(968,724)
Depreciation and amortization	(90,795)	(66,945)	(321,398)	(304,777)
Advertising and marketing	(164,576)	(116,194)	(1,745,639)	(1,351,886)
Commissions	(139,630)	(129,255)	(340,277)	(324,274)
Net impairment losses on financial assets	(15,101)	(24,591)	(11,765)	(35,219)
	(3,932,216)	(2,739,739)	(24,184,460)	(19,167,311)

(1) Refers to donations made to Instituto Germinare regarding improvements on school's building and the social program "Fazer o Bem Faz Bem" created by the company to help in the fight of the Covid-19 virus.

As of December 31, 2022 in the Company and Consolidated, other income (expenses) includes gain (losses) of sale of assets, effects of intangible impairment accrual, insurance claim, indemnity of expenses received from the parent Company J&F, among others.

The Company incurred expenses with internal research and development, in the amount of R$1,426 (R$398 at December 31, 2021), in the Company and R$42,922 (R$59,113 at December 31, 2021), in the Consolidated.

29 Risk management and financial instruments

The Company and its subsidiaries recognizes financial assets and liabilities at fair value upon initial recognition, except for trade accounts receivable that are measured at the transaction price and subsequently classified at amortized cost or at fair value through profit or loss based on the business model for asset management and the contractual cash flow characteristics of the financial asset. Purchases or sales of financial assets or liabilities are recognized on the trade date.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them:

i. Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated at initial recognition at fair value through profit or loss. In this category the Company classifies mainly "CDBs and treasury bills" and "Derivative financial instruments".
ii. Amortized cost: Represent financial assets and liabilities which Company's business model is to maintain financial assets in order to receive contractual cash flows and that exclusively constitute principal and interest payments on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized when the asset is written off, modified or has a reduction in its recoverable value. In this category the Company classifies mainly "Trade accounts receivable", "Cash and cash equivalents", "Trade accounts payable" and "Loans and financing".

(Expressed in thousands of Brazilian reais)

Financial assets and liabilities are offset and presented net in the balance sheet when there is a legal right to offset the amounts recognized and there is an intention to liquidate them on a net basis or to realize the asset and settle the liability simultaneously. The legal right should not be contingent on future events and should be applicable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

The Company uses the measurement principles described in Note 2, item 2.7 – Significant accounting judgements and estimates at each statement of financial position date for each classification type of financial assets and liabilities.

Instrumentos financeiros:

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

		Company		Consolidated	
	Notes	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Assets					
Fair value through profit or loss (1)					
Financial investments	4	**151,963**	143,670	**7,008,149**	5,812,213
National treasury bills	4	**204,480**	308,393	**572,183**	933,156
Derivative assets		**98,134**	218,409	**566,144**	714,995
Loans and receivables at amortized cost (2)					
Cash at banks	4	**1,820,325**	2,371,119	**5,972,915**	17,287,352
Margin cash	4	–	–	**308,302**	451,784
Trade accounts receivable	5	**4,380,011**	4,259,402	**20,234,895**	19,877,408
Related party receivables	9	**1,103,125**	4,032,213	**951,021**	417,702
Total		**7,758,038**	**11,333,206**	**35,613,609**	**45,494,610**
Liabilities					
Liabilities at amortized cost					
Loans and financing	17	**(15,699,582)**	(15,762,140)	**(92,354,061)**	(92,518,154)
Trade accounts payable and supply chain finance	16	**(5,561,549)**	(5,986,789)	**(34,080,614)**	(32,905,175)
Related party payables	9	**(10,182,741)**	(11,079,225)	–	–
Lease liabilities	13	**(62,698)**	(52,599)	**(8,984,008)**	(8,344,280)
Other financial liabilities (3)		**(5,180)**	(10,189)	**(61,964)**	(91,234)
Fair value through profit or loss					
Derivative liabilities		**(278,227)**	(285,837)	**(559,536)**	(773,279)
Total		**(31,789,977)**	**(33,176,779)**	**(136,040,183)**	**(134,632,122)**

(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 relaed to commitments with third parties for investment.

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.

(Expressed in thousands of Brazilian reais)

	Company					
	December 31, 2022			December 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	–	**151,963**	**151,963**	–	143,669	**143,669**
National treasury bills	**204,480**	–	**204,480**	308,394	–	**308,394**
Derivative assets	–	**98,134**	**98,134**	–	218,409	**218,409**
Financial liabilities						
Derivative liabilities	–	**278,227**	**278,227**	–	285,837	**285,837**

	Consolidated					
	December 31, 2022			December 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	–	**7,008,149**	**7,008,149**	–	5,812,213	**5,812,213**
National treasury bills	**572,183**	–	**572,183**	933,156	–	**933,156**
Derivative assets	–	**566,144**	**566,144**	–	714,995	**714,995**
Financial liabilities						
Derivative liabilities	–	**550,335**	**550,335**	–	773,279	**773,279**

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 December 31, 2022 and December 31, 2021 , 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:

	Consolidated					
	December 31, 2022			December 31, 2021		
Description	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
JBS Lux 2.50% Notes 2027	**5,217,701**	**86.90**	**4,534,182**	5,521,738	99.39	5,488,055
JBS Lux 5.75% Notes 2028	–	–	–	4,185,375	104.49	4,373,299
JBS Lux 6.75% Notes 2028	–	–	–	5,022,450	108.25	5,436,803
JBS Lux 5.13% Notes 2028	**4,695,931**	**95.13**	**4,467,239**	–	–	–
JBS Lux 6.50% Notes 2029	**406,840**	**98.16**	**399,354**	7,812,701	109.75	8,574,439
JBS Lux 3.00% Notes 2029	**3,130,620**	**84.02**	**2,630,347**	–	–	–
JBS Lux 5.50% Notes 2030	**6,522,126**	**95.40**	**6,222,108**	6,975,625	108.66	7,579,505
JBS Lux 3.75% Notes 2031	**2,608,850**	**82.46**	**2,151,258**	2,790,250	101.80	2,840,475
JBS Lux 3.00% Notes 2032	**5,217,701**	**77.61**	**4,049,458**	5,580,500	99.88	5,573,915
JBS Lux 3.63% Notes 2032	**5,217,701**	**82.24**	**4,291,037**	5,519,840	101.32	5,592,702
JBS Lux 5.75% Notes 2033	**10,696,287**	**95.41**	**10,205,327**	–	–	–
JBS Lux 4.38% Notes 2052	**4,695,931**	**71.80**	**3,371,678**	–	–	–
JBS Lux 6.50% Notes 2052	**8,087,436**	**96.79**	**7,827,829**	–	–	–
Notes 5.88% PPC 2027	**4,435,046**	**99.55**	**4,415,088**	4,743,425	105.91	5,023,525
Notes 4.25% PPC 2031	**5,217,701**	**86.39**	**4,507,572**	5,580,500	105.51	5,888,209
Notes 3.50% PPC 2032	**4,695,931**	**80.72**	**3,790,556**	5,022,450	101.68	5,106,828
	70,845,802		**62,863,033**	**58,754,854**		**61,477,755**

Finance income (expense) by category of financial instrument:

	Company		Consolidated	
	2022	2021	2022	2021
Fair value through profit or loss	**(1,284,691)**	465,230	**(1,421,568)**	420,644
Amortized cost	**(1,444,783)**	(2,087,506)	**(4,930,772)**	(5,499,295)
Total	**(2,729,474)**	**(1,622,276)**	**(6,352,340)**	**(5,078,651)**

(Expressed in thousands of Brazilian reais)

Risk management:

The Company and its subsidiaries during the regular course of its operations is exposed to market, credit and liquidity risks. These exposures are managed by the Risk Management Department, following the Financial and Commodities Risk Management Policy defined by the Risk Management Committee and approved by the Board of Directors. The Risk Management Department is responsible for identifying all the risk factors that may cause adverse financial results for the Company and proposing strategies to mitigate those risks. Their proposals are submitted to the Risk Management Committee for submission to the Board of Directors, who supervises the implementation of new solutions, noting limitations of scope and guidelines of the Financial and Commodities Risk Management Policy.

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. Market Risk:

The exposure to market risk is continuously monitored, especially the risks related to foreign exchange, interest rates and commodity prices, which directly affect the value of financial assets and liabilities, future cash flows and net investments in foreign subsidiaries In these cases, Company and its subsidiaries may use financial hedge instruments, including derivatives, with the approval by the Board of Directors.

It is the responsibility of the Risk Management Department to ensure that other areas are within the risk exposure limits set by Management to protect against volatility in price, centralize the exposures and apply the Financial and Commodities Risk Management policy.

The Risk Management Department uses proprietary and third party information systems specially developed to control and manage market risk, applying stress scenario and Value at Risk analysis (VaR) to measure Company's net exposure as well as the cash flow risk with the B3 and the Chicago Mercantile Exchange.

a1. Interest rate risk

Interest rate risk is related to potentially adverse results that Company and its subsidiaries may realize from changes in interest rates, which may be caused by economic crisis, changes in sovereign monetary policy, or market movements. The Company primarily has assets and mainly liabilities exposed to variable interest rates like the CDI (Certificado de Depósito Interbancário - Interbank Deposit Certificate), LIBOR (London Interbank Offer Rate), IPCA (Extended National Consumer Price Index) and SOFR (Secured Overnight Financing Rate), among others. The Company's Financial and Commodities Risk Management Policy does not define the proportion between float and fixed exposures, but the Risk Management Department monitors market conditions and may propose to the Risk Management Committee strategies to rebalance the exposure.

The risk management committee manages and monitors the Company’s transition to alternative rates. The committee evaluates the extent to which contracts reference LIBOR cash flows, whether such contracts will need to be amended as a result of LIBOR reform and how to manage communication about the reform with counterparties. Therefore, the committee provides periodic reports to management of interest rate risk and risks arising from LIBOR reform.

The Company understands that the quantitative data referring to the Company's interest rate exposure risk on December 31, 2022 and 2021, 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	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Net exposure to the CDI rate:				
CDB-DI (Bank certificates of deposit)	**151,963**	143,670	**3,532,181**	5,416,483
Treasury bill	**124,046**	—	**124,046**	—
Margin cash	**80,444**	—	**387,344**	276,252
Related party transactions	**(8,371,733)**	3,586,210	**7,839**	—
Credit note - export	**(1,753,795)**	(1,055,709)	**(2,301,658)**	(1,997,684)
CRA - Agribusiness Credit Receivable Certificates	**(30,692)**	(34,452)	**(30,692)**	(34,452)
Rural - Credit note	—	—	—	(60,959)
Rural - Credit note - Pre fixed	—	—	**(4,176)**	—
Subtotal	**(9,799,767)**	**2,639,719**	**1,714,884**	**3,599,640**
Derivatives (Swap)	**(6,788,487)**	(3,709,102)	**(6,368,342)**	(2,880,833)
Total	**(16,588,254)**	**(1,069,383)**	**(4,653,458)**	**718,807**
Liabilities exposure to the LIBOR rate:				
PPC - Term loan	—	—	**(2,498,841)**	(2,811,171)
Prepayment	—	—	**(1,524,660)**	(2,420,172)
FINIMP	**(14,729)**	(310,605)	**(14,729)**	(310,605)
Term loan JBS Lux 2026	—	—	—	(10,276,798)
Working Capital - American dollars	**(16,645)**	(19,366)	**(16,645)**	(19,366)
Others	—	—	—	(391)
Subtotal	**(31,374)**	**(329,971)**	**(4,054,875)**	**(15,838,503)**
Derivatives (Swap)	—	—	**1,541,061**	10,348,414
Total	**(31,374)**	**(329,971)**	**(2,513,814)**	**(5,490,089)**
Net exposure to the IPCA rate:				
Margin cash	—	168,808	**79,500**	289,516
CRA - Agribusiness Credit Receivable Certificates	**(8,398,599)**	(5,451,159)	**(8,398,599)**	(5,451,159)
Related party transactions	**543,165**	—	**543,165**	—
Treasury bills	—	139,586	**77,049**	139,586
Subtotal	**(7,855,434)**	**(5,142,765)**	**(7,698,885)**	**(5,022,057)**
Derivatives (Swap)	**7,122,166**	3,763,522	**7,122,166**	3,763,522

(Expressed in thousands of Brazilian reais)

Total	**(733,268)**	**(1,379,243)**	**(576,719)**	**(1,258,535)**
Liabilities exposure to the SOFR rate:				
Prepayment	**(528,230)**	–	**(842,188)**	–
Total	**(528,230)**	–	**(842,188)**	–
Net exposure to the CPI rate:				
Margin cash	–	–	**211,155**	227,802
Total	–	–	**211,155**	**227,802**

Sensitivity analysis:

			Scenario (I) VaR 99% I.C. 1 day			Scenario (II) Interest rate variation - 25%			Scenario (III) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Contracts exposure	**Risk**	**Current scenario**	**Rate**	**Company**	**Consolidated**	**Rate**	**Company**	**Consolidated**	**Rate**	**Company**	**Consolidated**
CDI	Increase	13.65%	13.75%	(16,185)	(4,540)	17.06%	(566,157)	(158,823)	20.48%	(1,132,148)	(317,598)
Libor	Increase	5.48%	5.49%	(2)	(199)	6.85%	(430)	(34,461)	8.22%	(860)	(68,900)
IPCA	Increase	5.90%	5.93%	(199)	(156)	7.38%	(10,816)	(8,507)	8.85%	(21,631)	(17,013)
TJLP	Increase	7.20%	7.20%	–	–	9.00%	(61)	(61)	10.80%	(122)	(122)
SOFR	Increase	4.30%	4.31%	(59)	(95)	5.38%	(5,678)	(9,054)	6.45%	(11,357)	(18,107)
CPI	Decrease	7.10%	7.09%	–	(30)	5.33%	–	(3,748)	3.55%	–	(7,496)
				(16,445)	**(5,020)**		**(583,142)**	**(214,654)**		**(1,166,118)**	**(429,236)**

			Company							
			December 31, 2022				December 31, 2021			
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**
	PRÉ USD	2022	–	–	–	–	431,850	429,078	(458,544)	(29,466)
	IPCA	2024	**537,534**	**646,186**	**(513,673)**	**132,513**	537,534	623,743	(522,002)	101,741
	IPCA	2027	**387,000**	**418,991**	**(417,549)**	**1,442**	387,000	414,279	(419,802)	(5,523)
	IPCA	2028	**442,000**	**481,768**	**(489,234)**	**(7,466)**	442,000	481,443	(490,512)	(9,068)
Swap	IPCA	2030	**1,400,000**	**1,546,027**	**(1,603,211)**	**(57,184)**	1,400,000	1,553,349	(1,621,874)	(68,525)
	IPCA	2031	**1,430,000**	**1,480,425**	**(1,568,962)**	**(88,537)**	630,000	690,707	(718,370)	(27,663)
	IPCA	2032	**900,000**	**927,182**	**(972,097)**	**(44,915)**	–	–	–	–
	IPCA	2036	**100,000**	**101,869**	**(111,699)**	**(9,830)**	–	–	–	–
	IPCA	2037	**1,272,000**	**1,519,718**	**(1,625,735)**	**(106,017)**	–	–	–	–
			6,468,534	**7,122,166**	**(7,302,160)**	**(179,994)**	**3,828,384**	**4,192,599**	**(4,231,104)**	**(38,504)**

			Consolidated							
			December 31, 2022				December 31, 2021			
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**
	PRÉ USD	2022	–	–	–	–	431,850	429,078	(458,544)	(29,466)
	LIBOR	2022	–	–	–	–	2,301,956	2,303,670	(2,304,217)	(547)
	LIBOR	2023	–	–	–	–	5,580,500	5,625,334	(5,602,934)	22,400
	CDI	2023	**400,000**	**420,145**	**(404,637)**	**15,508**	800,000	828,269	(795,802)	32,467
	LIBOR	2024	**1,507,335**	**1,541,061**	**(1,462,267)**	**78,794**	3,224,289	2,419,410	(2,405,586)	13,824
	IPCA	2024	**537,534**	**646,186**	**(513,673)**	**132,513**	537,534	623,743	(522,002)	101,741
Swap	IPCA	2027	**387,000**	**418,991**	**(417,549)**	**1,442**	387,000	414,279	(419,802)	(5,523)
	IPCA	2028	**442,000**	**481,768**	**(489,234)**	**(7,466)**	442,000	481,443	(490,512)	(9,068)
	IPCA	2030	**1,400,000**	**1,546,027**	**(1,603,211)**	**(57,184)**	1,400,000	1,553,349	(1,621,874)	(68,525)
	IPCA	2031	**1,430,000**	**1,480,425**	**(1,568,962)**	**(88,537)**	630,000	690,707	(718,370)	(27,663)
	IPCA	2032	**900,000**	**927,182**	**(972,097)**	**(44,915)**	–	–	–	–
	IPCA	2036	**100,000**	**101,869**	**(111,699)**	**(9,830)**	–	–	–	–
	IPCA	2037	**1,272,000**	**1,519,718**	**(1,625,735)**	**(106,017)**	–	–	–	–
			8,375,869	**9,083,372**	**(9,169,064)**	**(85,692)**	**15,735,129**	**15,369,282**	**(15,339,643)**	**29,640**

a2. Exchange rate risk:

Exchange rate risk relates to potentially adverse results that the Company may face from fluctuations in foreign currency exchange rates from economic crisis, sovereign monetary policy alterations, or market movements. The Company has assets and liabilities exposed to foreign exchange rates, however the Company's Financial and Commodities Risk Management Policy states these exposures should not always be netted, since other issues should be considered such as maturities mismatches and market volatility.

The Risk Management Department enters into transaction with derivative instruments previously approved by the Board of Directors to protect financial assets and liabilities and future cash flow from commercial activities and net investments in foreign operations. The Board of Directors has approved the use of future contracts, NDFs (non deliverable forwards), DFs (Deliverable forwards), and swaps that may be applied to hedge loans, investments, cash flows from interest payments, export estimate, acquisition of raw material, and other transactions, whenever they are quoted in currencies different than the Company's functional currency. The primary exposures to exchange rate risk are in US Dollars (US$), Euro (€), British Pound (£), Mexican Pesos (MXN) and Australian Dollars (AU$).

(Expressed in thousands of Brazilian reais)

The carrying amounts of assets and liabilities and other positions exposed to foreign currency risk at December 31, 2022 and 2021 are presented below along with the notional amounts of derivative contracts intended to offset the exposure, in accordance with the Company's Financial and Commodities Risk Management Policy. The exposure is related to Brazilian Reais.

	Company					
	USD		EUR		GBP	
	2022	2021	2022	2021	2022	2021
OPERATING						
Cash and cash equivalents	**1,646,583**	2,239,377	**150,768**	89,317	**1,045**	19,555
Trade accounts receivable	**2,797,281**	2,509,942	**255,159**	280,361	**57,115**	70,158
Sales orders	**1,691,501**	3,760,704	**170,821**	51,628	**69,810**	73,845
Trade accounts payable	**(217,330)**	(156,661)	**(28,843)**	(34,364)	–	(109)
Operating subtotal	**5,918,035**	**8,353,362**	**547,905**	**386,942**	**127,970**	**163,449**
FINANCIAL						
Loans and financing	**(5,299,683)**	(7,961,049)	**(26,017)**	(42,361)	–	–
Financial subtotal	**(5,299,683)**	**(7,961,049)**	**(26,017)**	**(42,361)**	–	–
Operating financial subtotal	**618,352**	**392,313**	**521,888**	**344,581**	**127,970**	**163,449**
Related parties transaction, net	**(1,660,877)**	(10,643,909)	–	–	–	–
Total exposure	**(1,042,525)**	**(10,251,596)**	**521,888**	**344,581**	**127,970**	**163,449**
DERIVATIVES						
Future contracts	**2,557**	412,646	**(539,980)**	–	–	–
Non Deliverable Forwards (NDF´s)	–	1,116,100	–	–	–	–
Swap	–	429,078	–	–	–	–
Total derivatives	**2,557**	**1,957,824**	**(539,980)**	–	–	–
NET EXPOSURE IN R$	**(1,039,968)**	**(8,293,772)**	**(18,092)**	**344,581**	**127,970**	**163,449**
Net debt in foreign subsidiaries	**(66,873,170)**	(48,894,979)	–	–	–	–

	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
OPERATING										
Cash and cash equivalents	**3,848,527**	8,926,659	**209,670**	327,045	**63,667**	178,753	**639,627**	1,018,335	**37**	268
Trade accounts receivable	**6,124,137**	5,624,652	**712,099**	757,240	**267,677**	368,040	**657,623**	594,625	**449**	6,485
Sales orders	**3,116,512**	4,008,456	**218,958**	120,774	**69,810**	73,845	–	–	–	–
Trade accounts payable	**(805,002)**	(1,601,754)	**(481,445)**	(402,598)	**(98,088)**	(2,263)	**(273,126)**	(1,383,188)	**(616)**	(15,443)
Provisions	–	(40,159)	–	–	–	–	–	–	–	–
Purchase orders	**(321,825)**	(334,615)	**(63,557)**	(299,587)	–	–	–	–	–	–
Operating subtotal	**11,962,349**	**16,583,239**	**595,725**	**502,874**	**303,066**	**618,375**	**1,024,124**	**229,772**	**(130)**	**(8,690)**
FINANCIAL										
Margin cash	**1,402**	165,855	–	–	–	–	–	–	–	–
Advances to customers	**(188,904)**	(2,808,487)	**(4,468)**	(32,648)	–	–	–	–	–	–
Loans and financing	**(7,108,978)**	(10,460,179)	**(26,017)**	(44,760)	–	–	–	–	–	–
Financial subtotal	**(7,296,480)**	**(13,102,811)**	**(30,485)**	**(77,408)**	–	–	–	–	–	–
Operating financial subtotal	**4,665,869**	**3,480,428**	**565,240**	**425,466**	**303,066**	**618,375**	**1,024,124**	**229,772**	**(130)**	**(8,690)**
Related party transactions, net	**—**	(11,292,257)	**1,510,817**	1,444,362	–	–	–	–	**—**	2,378,956
Total exposure	**4,665,869**	**(7,811,829)**	**2,076,057**	**1,869,828**	**303,066**	**618,375**	**1,024,124**	**229,772**	**(130)**	**2,370,266**
DERIVATIVES										
Future contracts	**2,557**	1,909,106	**(539,980)**	–	–	–	–	–	–	–
Deliverable Forwards (DF´s)	**(2,417,731)**	(1,008,129)	**438,355**	785,321	**(27,174)**	(50,029)	**(1,520,318)**	(1,215,299)	**4,920**	(36,597)
Non Deliverable Forwards (NDF´s)	**15,804**	3,645,065	**(61,746)**	(202,410)	**(103,107)**	(157,197)	–	–	–	–
Swap	**78,793**	442,902	–	–	–	–	–	–	–	–
Total derivatives	**(2,320,577)**	**4,988,944**	**(163,371)**	**582,911**	**(130,281)**	**(207,226)**	**(1,520,318)**	**(1,215,299)**	**4,920**	**(36,597)**
NET EXPOSURE IN R$	**2,345,292**	**(2,822,885)**	**1,912,686**	**2,452,739**	**172,785**	**411,149**	**(496,194)**	**(985,527)**	**4,790**	**2,333,669**
Net debt in foreign subsidiaries	**(66,873,170)**	(48,894,979)	–	–	–	–	–	–	–	–

a2.1. Sensitivity analysis and derivative financial instruments breakdown:

a2.1.1 USD - American dollars (amounts in thousands of R$):

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Closing exchange rate	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	5.2177	5.3637	165,642	334,818	6.5221	1,479,514	2,990,599	7.8266	2,959,017	5,981,174
Financial	Depreciation	5.2177	5.3637	(383,076)	(354,631)	6.5221	(3,421,633)	(3,167,565)	7.8266	(6,843,241)	(6,335,106)
Related parties	Depreciation	5.2177	5.3637	(46,487)	–	6.5221	(415,221)	–	7.8266	(830,438)	–
Derivatives	Depreciation	5.2177	5.3637	72	(64,951)	6.5221	639	(580,146)	7.8266	1,279	(1,160,288)
				(263,849)	**(84,764)**		**(2,356,701)**	**(757,112)**		**(4,713,383)**	**(1,514,220)**

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
Exposure of R$	Risk	Closing exchange rate	Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Net debt in foreign subsidiaries	Depreciation	5.2177	5.3637	(1,871,736)	6.5221	(16,718,357)	7.8266	(33,436,585)
				(1,871,736)		**(16,718,357)**		**(33,436,585)**

			Company					
			December 31, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	American dollar	Short	**51**	**2,557**	**(4,506)**	1,479	412,646	(15,756)

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	American dollar	Short	**51**	**2,557**	**(4,506)**	6,842	1,909,106	(51,188)

			Company					
			December 31, 2022			December 31, 2021		
Instrument	Risk factor	Nature	(USD)	Notional (R$)	Fair value	(USD)	(R$)	Fair value
Forwards	American dollar	Long	–	–	–	200,000	1,116,100	(12,976)

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Deliverable Forwards	American dollar	Short	**(463,371)**	**(2,417,731)**	**67,658**	(180,652)	(1,008,129)	33,399
Non Deliverable Forwards	American dollar	Long	**3,029**	**15,804**	**(339)**	653,179	3,645,065	(43,726)

a2.1.2 EUR - EURO (amounts in thousands of R$):

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	Risk	Closing exchange rate	Exchange rate	Company	Consolidated	Exchang e rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	5.5694	5.4049	(16,185)	(17,598)	4.1771	(136,976)	(148,931)	2.7847	(273,953)	(297,862)
Financial	Depreciation	5.5694	5.4049	769	901	4.1771	6,504	7,621	2.7847	13,009	15,243
Related party	Appreciation	5.5694	5.4049	–	(44,630)	4.1771	–	(377,704)	2.7847	–	(755,408)
Derivatives	Depreciation	5.5694	5.4049	15,951	4,826	4.1771	134,995	40,843	2.7847	269,990	81,686
				535	**(56,501)**		**4,523**	**(478,171)**		**9,046**	**(956,341)**

			Company					
			December 31, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	Euro	Short	**9,700**	**(539,980)**	**(2,872)**	–	–	–

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Notional (EUR)**	**Notional (R$)**	**Fair value**	**Notional (EUR)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	Euro	Long	**78,708**	**438,355**	**17,965**	124,240	785,321	(15,570)
Non Deliverable Forwards	Euro	Short	**(11,087)**	**(61,746)**	**47**	(32,022)	(202,410)	2,288

a2.1.3 GBP - British Pound (amounts in thousands of R$):

			Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
				Effect on income			Effect on income			Effect on income	
Exposure of R$	**Risk**	**Closing exchange rate**	**Exchange rate**	**Company**	**Consolidated**	**Exchange rate**	**Company**	**Consolidated**	**Exchange rate**	**Company**	**Consolidated**
Operating	Appreciation	6.2785	6.0899	(3,844)	(9,104)	4.7089	(31,992)	(75,766)	3.1393	(63,985)	(151,533)
Derivatives	Depreciation	6.2785	6.0899	–	3,914	4.7089	–	32,570	3.1393	–	65,140
				(3,844)	(5,190)		(31,992)	(43,196)		(63,985)	(86,393)

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Notional (GBP)**	**Notional (R$)**	**Fair value**	**Notional (GBP)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	British pound	Short	**(4,328)**	**(27,174)**	**(193)**	(6,649)	(50,029)	(301)
Non Deliverable Forwards	British pound	Short	**(16,422)**	**(103,107)**	**1,357**	(20,892)	(157,197)	(5,011)

a2.1.4 MXN - Mexican Peso (amounts in thousands of R$):

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure of R$	**Risk**	**Closing exchange rate**	**Exchange rate**	**Consolidated**	**Exchange rate**	**Consolidated**	**Exchange rate**	**Consolidated**
Operating	Appreciation	0.2667	0.2731	24,614	0.3334	256,050	0.4001	512,063
Derivatives	Depreciation	0.2667	0.2731	(36,540)	0.3334	(380,108)	0.4001	(760,159)
				(11,926)		(124,058)		(248,096)

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Notional (MXN)**	**Notional (R$)**	**Fair value**	**Notional (MXN)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	Mexican peso	Short	**(5,700,480)**	**(1,520,318)**	**(30,362)**	(4,451,645)	(1,215,299)	(19,615)

a2.1.5 AUD - Australian Dollar (amounts in thousands of R$):

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure of R$	**Risk**	**Closing exchange rate**	**Exchange rate**	**Consolidated**	**Exchange rate**	**Consolidated**	**Exchange rate**	**Consolidated**
Operating	Depreciation	3.5459	3.4519	3	2.6594	33	1.7730	65
Derivatives	Appreciation	3.5459	3.4519	(130)	2.6594	(1,230)	1.7730	(2,460)
				(127)		(1,197)		(2,395)

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Notional (AUD)**	**Notional (R$)**	**Fair value**	**Notional (AUD)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	Australian dollar	Long	**1,388**	**4,920**	**5**	–	–	–
Deliverable Forwards	Australian dollar	Short	–	–	–	(9,048)	(36,597)	363

(Expressed in thousands of Brazilian reais)

a3. 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.

Biological assets are a very important raw material used by the Company. In order to maintain future supply of these materials, the Company participates in forward contracts to anticipate purchases with suppliers. To complement these forward purchases, the Company use derivative instruments to mitigate each specific exposure, most notably futures contracts, to mitigate the impact of price fluctuations—on inventories and sales contracts. The Company takes the historical average amount spent on materials as an indication of the operational value to be protected by firm contracts.

a3.1. Position balance in commodities (cattle) contracts of the Company:

Given the nature of its operations, the Company is exposed to volatility in cattle prices, where price fluctuations arise from factors beyond the Company's control, such as climate, cattle supply, transportation costs and agricultural policies among others. Forward purchases of cattle can be negotiated at floating (prices marked at the delivery day current price) or fixed prices. The Company may use future contracts traded at the B3 to balance these exposures.

The factors that influence the commodity price risk reduction strategy are the timing of term contracts for cattle purchases considering any negotiated values and terms.

The Company's exposure to cattle price fluctuation as of December 31, 2022 and 2021 are presented below in accordance with the Company's Financial and Commodities Risk Management Policy and are representative of the exposure at each period end.

	Company	
EXPOSURE in Commodities (Cattle)	**December 31, 2022**	**December 31, 2021**
Firm contracts of cattle purchase	**14,988**	78,133
Subtotal	**14,988**	**78,133**
DERIVATIVES		
Future contracts	**(2,007)**	(74,461)
Non Deliverable Forwards	–	–
Subtotal	**(2,007)**	**(74,461)**
NET EXPOSURE	**12,981**	**3,672**

Sensitivity analysis:

			Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
				Effect on income		Effect on income		Effect on income
Exposure	**Risk**	**Closing price**	**Price**	**Company**	**Price**	**Company**	**Price**	**Company**
Operating	Cattle arroba depreciation	286.85	270.09	(876)	215.14	(3,747)	143.43	(7,494)
Derivatives	Cattle arroba depreciation	286.85	270.09	117	215.14	502	143.43	1,004
				(759)		(3,245)		(6,490)

Derivatives financial instruments breakdown:

			Company					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future Contracts	Commodities (Cattle)	Short	**21**	**(2,007)**	**(99)**	663	(74,461)	(192)

a3.2. Position balance in commodities (grain) derivatives financial instruments of Seara Alimentos:

Seara Alimentos is exposed to price volatility of grain, which changes based on factors beyond the management's control, such as climate, the supply volume, transportation costs, agricultural policies and others.

Seara Alimentos, in accordance with its policy of inventory management, started the strategy of managing the risk of grain's price by actively monitoring the Company´s grains needs, including expectations of future consumption, anticipated purchases, combined with future market operations, by hedging with grain futures on B3, CME and Over the Counter (OTC), through Non-Deliverable Forwards (NDFs), in order reduce price volatility.

The internal controls used for coverage and risk management are made through spreadsheets and monitoring of operations performed and calculation of VAR for 1 day, with a confidence interval of 99%.

Management's estimate at the exposure risk to grain's price changes at Seara Alimentos at December 31, 2022 and 2021 are presented below in accordance with the Financial and Commodities Risk Management Policy and are representative of the exposure incurred during the period.

(Expressed in thousands of Brazilian reais)

	Seara Alimentos	
EXPOSURE in Commodities (Grain)	**December 31, 2022**	**December 31, 2021**
OPERATING		
Purchase orders	**1,172,761**	1,934,054
Subtotal	**1,172,761**	**1,934,054**
DERIVATIVES		
Future contracts	**(4,947)**	(96,085)
Brazil Cash basis	—	19,765
Non Deliverable Forwards	**(161,694)**	(1,129,356)
Subtotal	**(166,641)**	**(1,205,676)**
NET EXPOSURE	**1,006,120**	**728,378**

Sensitivity analysis:

		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
Exposure	**Risk**	**Price**	**Seara Alimentos**	**Price**	**Seara Alimentos**	**Price**	**Seara Alimentos**
Operating	Depreciation	(1.48)%	(17,333)	(25.00)%	(293,190)	(50.00)%	(586,381)
Derivatives	Apreciation	(1.48)%	2,463	(25.00)%	41,660	(50.00)%	83,321
			(14,870)		**(251,530)**		**(503,060)**

Derivatives financial instruments breakdown:

			Seara Alimentos					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future contracts	Commodities (Grains)	Short	**520**	**(4,947)**	**(12,774)**	1,577	(96,085)	(59,565)
Brazil Cash basis	Commodities (Grains)	Long	—	—	—	215,000	19,765	(1,918)
Non Deliverable Forwards	Commodities (Grains)	Short	**4,000**	**(161,694)**	**3,571**	28,500	(1,129,356)	57,431

a3.2.1. 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 December 31, 2022, 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	**520**	**(4,947)**	**(12,774)**
Non Deliverable Forwards	Commodities	**4,000**	**(161,694)**	**3,571**
				(9,203)

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.

a3.2.1.1. 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):

	Seara Alimentos	
Income statement:	**December 31, 2022**	**December 31, 2021**
Cost of sales before hedge accounting adoption	**(37,721,539)**	**(30,717,038)**
Derivatives operating income (loss)	**319,475**	**(117,111)**
Currency	52,180	(60,442)
Commodities	267,295	(56,669)
Cost of sales with hedge accounting	**(37,402,064)**	**(30,834,149)**
Financial income (expense), net excluding derivatives	**(234,426)**	**(1,209,904)**
Derivatives financial income (expense), net	**(239,408)**	**(192,478)**
Currency	(316,482)	(176,919)

(Expressed in thousands of Brazilian reais)

Commodities	133	(75,052)
Interests	76,941	59,493
Financial income (expense), net	**(473,834)**	**(1,402,382)**

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

	Seara Alimentos	
	December 31, 2022	**December 31, 2021**
Statements of other comprehensive income (expense):		
Financial instruments designated as *hedge accounting:*		
Currency	(13,541)	90,442
Commodities	(26,743)	122,467
Gain (loss) on cash flow hedge	**(40,284)**	**212,909**
Other comprehensive income	(253,193)	212,909
Deferred income tax on hedge accounting	**86,086**	**(72,389)**
Total of other comprehensive income (expense)	**(167,107)**	**140,520**

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

	Seara Alimentos	
	December 31, 2022	**December 31, 2021**
Balance sheet:		
Derivative (liabilities)/assets	**(9,203)**	**(65,877)**
Financial instruments designated as *hedge accounting:*		
Currency	—	(63,743)
Commodities	(9,203)	(2,134)
Derivative (liabilities)/assets	**94,302**	**44,373**
Financial instruments not designated as *hedge accounting:*		
Commodities	—	(1,918)
Interests	94,302	46,291
Other comprehensive income (expense)	**(40,284)**	**212,909**
Currency	(13,541)	90,442
Commodities	(26,743)	122,467
Inventories	**36,269**	**(91,876)**
Currency	11,991	(47,418)
Commodities	24,278	(44,458)

Open balance sheet position of derivative assets and liabilities:

	Seara Alimentos	
	December 31, 2022	**December 31, 2021**
Assets:		
Not designated as hedge accounting	**94,302**	**46,291**
Interests	94,302	46,291
Current assets	**69,221**	**19,608**
Non-current assets	**25,081**	**28,294**
(Liabilities):		
Designated as hedge accounting	**9,203**	**67,488**
Commodities	9,203	2,134
Currency	—	65,354
Not designated as *hedge accounting*	**—**	**1,918**
Commodities	—	1,918
Current liabilities	**9,203**	**69,406**

a3.3. Position balance in commodities derivatives financial instruments of JBS USA:

The JBS USA exposure to cattle price fluctuation as of December 31, 2022 and 2021 are presented below in accordance with the Company's Financial and Commodities Risk Management Policy and are representative of the exposure at each period end.

(Expressed in thousands of Brazilian reais)

	JBS USA	
EXPOSURE in Commodities	**December 31, 2022**	**December 31, 2021**
OPERATIONAL		
Firm contracts of cattle purchase	**13,120,065**	15,085,588
Subtotal	**13,120,065**	**15,085,588**
DERIVATIVES		
Deliverable Forwards	**(804,976)**	(2,919,550)
Subtotal	**(804,976)**	**(2,919,550)**
NET EXPOSURE	**12,315,089**	**12,166,038**

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	(1.99)%	(261,483)	(25.00)%	(3,280,016)	(50.00)%	(6,560,033)
Derivatives	Depreciation	(1.99)%	16,043	(25.00)%	201,244	(50.00)%	402,488
			(245,440)		(3,078,772)		(6,157,545)

Derivatives financial instruments breakdown:

			Consolidated					
			December 31, 2022			December 31, 2021		
Instrument	**Risk factor**	**Nature**	**Notional (USD)**	**Notional (R$)**	**Fair value**	**Notional (USD)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	Commodities (Cattle)	Short	**(154,278)**	**(804,976)**	**(162,698)**	(523,170)	(2,919,550)	(224,565)

a4. Credit risk

The Company is potentially subject to credit risk related to accounts receivable, financial investments and derivative contracts. For the receivable account the Financial and Commodities Risk Policy significantly understand the diversification of the portfolio contribute significantly to the reduction of credit, but also sets parameters for the credit granting observing the measures, financial and operational, supported by consultations with agencies that also monitor credit. The impairment of these financial assets is carried out based on credit analyses. If the counter party of a financial transaction is a financial institution (financial investments and derivative contracts), the Company establishes exposure limits set by the Risk Management Committee, based on the risk ratings of specialized international agencies.

The Company considers a financial asset to be in default when:
• the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
• the losses are expected based on the client's operational history and credit.

Amounts invested in private bonds (notably bank certificates of deposit) and receivables transactions contracted with banks must comply with the following table limits such that the total volume does not exceed a specified percentage of the equity of the financial institution (% Equity). Additionally, the maturity of the financial investment should be no longer than the maximum horizon.

Category	% Equity	Maximum horizon
AAA	2.00 %	5 years
AA	1.00 %	3 years
A	0.50 %	2 years
BBB	0.25 %	1 year

The information about the exposure to weighted average loss rate, gross carrying amount, impairment losses recognized in profit or loss and credit-impaired on financial assets were as follows:

(Expressed in thousands of Brazilian reais)

	Company					
	December 31, 2022			December 31, 2021		
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Cash and cash equivalents	–	**2,096,334**	–	–	2,654,374	–
Margin cash	–	**80,434**	–	–	168,808	–
Trade accounts receivable	**(5.77)%**	**4,380,011**	**(252,719)**	(6.16)%	4,259,402	(262,431)
Related party receivables	–	**1,103,125**	–	–	4,032,213	–
		7,659,904	**(252,719)**		**11,114,797**	**(262,431)**

	Consolidated					
	December 31, 2022			December 31, 2021		
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Cash and cash equivalents	–	**13,182,158**	–	–	23,239,150	–
Margin cash	–	**679,391**	–	–	1,245,354	–
Trade accounts receivable	**(2.13)%**	**20,235,112**	**(431,170)**	(2.31)%	19,877,408	(459,378)
Related party receivables	–	**951,021**	–	–	417,702	–
		35,047,682	**(431,170)**		**44,779,614**	**(459,378)**

a5. Liquidity risk

Liquidity risk arises from the Company's working capital management and financing costs amortization, specially debt instruments. This is the risk that the Company might have when meeting its financial obligations when they are due.

The Company manages its capital by focusing on liquidity and leverage metrics that enable a return to shareholders over the medium term, consistent with the risks assumed in the transaction.

The Company manages its liquidity risk manly through evaluating its quick ratio, which is computed as cash plus financial investments divided by short-term debt. Liquidity is maintained by managing the overall leverage of the Company to monitoring the ratio of net debt to "EBITDA" at levels considered to be manageable for continuity of operations.

Based on the analysis of these indicators, management of working capital has been defined to include the natural leverage of the Company at levels equal to or less than the leverage ratio that the Company would like to achieve.

The index of liquidity and leverage at the consolidated are shown below:

	Consolidated	
	December 31, 2022	December 31, 2021
Cash and cash equivalents	**13,182,158**	23,239,150
Loans and financings - Current	**(8,228,557)**	(11,914,284)
Quick ratio	**1.60**	1.95
Leverage indicator (R$) (*)	**0.13 x**	1.52 x
Leverage indicator (USD) (*)	**0.13 x**	1.46 x

(*) To calculate the leverage indicator the Company used the reais and dollar correction rates of the last day of the year (closing rate). This criteria is intended to equalize the net debt and EBITDA at the same exchange rate.

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

	Company									
	December 31, 2022					December 31, 2021				
	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	**5,561,549**	–	–	–	**5,561,549**	5,986,789	–	–	–	**5,986,789**
Loans and financing	**4,999,929**	**2,992,141**	**849,530**	**6,857,983**	**15,699,583**	8,739,280	2,501,682	12,672	4,508,506	**15,762,140**
Estimated interest on loans and financing (1)	**1,217,565**	**1,984,740**	**1,671,359**	**3,710,473**	**8,584,137**	1,094,329	1,558,281	1,373,714	2,891,231	**6,917,555**
Derivatives financing liabilities (assets)	**278,227**	–	–	–	**278,227**	285,837	–	–	–	**285,837**
Lease liabilities	**27,675**	**33,141**	**2,247**	**4,160**	**67,223**					
Other financial liabilities	**5,180**	–	–	–	**5,180**	10,189	–	–	–	**10,189**

(Expressed in thousands of Brazilian reais)

	Consolidated									
	December 31, 2022					December 31, 2021				
	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	34,080,614	–	–	–	34,080,614	32,905,175	–	–	–	32,905,175
Loans and financing	8,228,557	4,252,661	12,503,378	67,369,465	92,354,061	11,914,284	5,207,529	12,357,523	63,038,818	92,518,154
Estimated interest on loans and financing (1)	4,822,959	9,587,500	7,749,370	23,172,460	45,332,289	3,933,558	7,004,031	6,588,390	10,148,817	27,674,796
Derivatives financing liabilities (assets)	559,536	–	–	–	559,536	773,279	–	–	–	773,279
Lease liabilities	1,788,353	2,611,660	1,634,458	4,452,019	10,486,490					
Other financial liabilities	33,903	27,793	268	–	61,964	37,187	53,963	84	–	91,234

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

The Company has future commitment for purchase of grains and cattle whose balances at December 31, 2022 in the amount of R$451,296 (R$179,655 at December 31, 2021), in the Company and R$170.5(R$170.3 at December 31, 2021), in the Consolidated.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at December 31, 2022 is R$80,434 (R$168,808 at December 31, 2021). 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 December 31, 2022 is R$518,055 (R$513,730 at December 31, 2021). 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 December 31, 2022 is R$80,902 (R$562,816 in 31 de dezembro de 2021). 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.

The Company has no guarantees received from third parties deemed relevant.

a6. Risks linked to climate change and the sustainability strategy

In view the Company's operations, there is inherent exposure to risks related to climate change. Certain Company assets, which are mainly biological assets that can be measured at fair value, may be impacted by climate change and are considered in the preparation process of these financial statements.

In the year ended December 31, 2022, Management considered as main risk the data and assumptions highlighted below:

(i) possible impacts on the determination of fair value in biological assets due to the effects of climate change, such as temperature rise, scarcity of water resources, may impact some assumptions used in accounting estimates related to the Company's biological assets, as follows:
• losses of biological assets due to heat waves and droughts which occur with greater frequency and intensity;
• reduction in the expected growth of our biological assets due to natural disasters, fires, pandemics or changes in rainfall patterns; and
• interruption in the production chain due to adverse weather events, causing power outages, fuel shortages, disruption of transportation channels, among other things.

(ii) structural changes and their impacts on the business, such as:
• regulatory and legal: regulation and legislation arising from Brazilian and/or international authorities that encourage the transition to a low-carbon economy and/or with greater biodiversity and that increase the risk of litigation and/or commercial restrictions related to the alleged contribution, even if indirect, for the intensification of climate change;
• reputational: related to customers' perceptions and the society in general regarding the positive or negative contribution of an organization to a low carbon economy.

(Expressed in thousands of Brazilian reais)

30 Approval of the financial statements

The issuance of these individual and consolidated financial statements was approved by the Board of Directors on March 21, 2023.

BOARD OF DIRECTORS

Chairman:	Jeremiah Alphonsus O'Callaghan
Vice-Chairman:	José Batista Sobrinho
Independent Board Member:	Alba Pettengill
Independent Board Member:	Márcio Guedes Pereira Júnior
Independent Board Member:	Gelson Luiz Merisio
Independent Board Member:	Leila Abraham Loria
Independent Board Member:	Cledorvino Belini
Independent Board Member:	Francisco Turra
Independent Board Member:	Carlos Hamilton Vasconcelos Araújo

STATUTORY AUDIT COMMITTEE REPORT

The Statutory Audit Committee reviewed the individual and consolidated financial statements for the years ended at December 31, 2022, at March 21, 2023. Based on the procedures performed, also considering Grant Thorton Auditores Independentes Ltda. audit 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:	Orlando Octávio de Freitas Júnior
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 financial statements including the proposal for the earning allocation for the years ended at December 31, 2022, at March 21, 2023, and validated these 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 Grant Thornton 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:	Roberto Lamb

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

The Company's Officers declare 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 financial statements for the years ended at December 31, 2022, and

(ii) They reviewed, discussed and agreed with the fiinancial statements for the years ended at December 31, 2022.

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)

---

* * * * *