JBS S.A.

Consolidated Financial Statements

As of December 31, 2023, 2022 and 2021

Consolidated statements of financial position
In thousands of United States dollar - US$

	Note	December 31, 2023	December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**4,569,517**	2,526,431
Margin cash	3	**132,461**	130,209
Trade accounts receivable	4	**3,390,856**	3,878,125
Inventories	5	**5,101,230**	5,393,582
Biological assets	6	**1,712,153**	1,861,106
Recoverable taxes	7	**919,120**	1,021,701
Derivative assets		**87,795**	84,890
Other current assets		**323,194**	319,678
TOTAL CURRENT ASSETS		**16,236,326**	**15,215,722**
NON-CURRENT ASSETS			
Recoverable taxes	7	**1,744,275**	1,756,630
Biological assets	6	**531,477**	501,958
Related party receivables	8	**118,554**	182,268
Deferred income taxes	9	**774,861**	605,880
Derivative assets		**81,940**	23,615
Other non-current assets		**319,226**	214,293
		3,570,333	**3,284,644**
Investments in equity-accounted investees		**56,601**	56,507
Property, plant and equipment	10	**12,918,249**	11,915,363
Right of use assets	11	**1,705,710**	1,605,093
Intangible assets	12	**1,985,595**	1,979,491
Goodwill	13	**6,105,020**	5,828,691
TOTAL NON-CURRENT ASSETS		**26,341,508**	**24,669,789**
TOTAL ASSETS		**42,577,834**	**39,885,511**

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

Consolidated statements of financial position
In thousands of United States dollar - US$

	Note	December 31, 2023	December 31, 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	14	**5,257,053**	5,943,139
Supply chain finance	14	**948,066**	588,592
Loans and financing	15	**891,570**	1,577,047
Income taxes	16	**83,247**	91,070
Other taxes payable	16	**144,002**	139,088
Payroll and social charges	17	**1,297,181**	1,198,063
Lease liabilities	11	**352,627**	342,747
Dividends payable		**400**	35
Provisions for legal proceedings	19	**197,440**	174,240
Derivative liabilities		**144,251**	107,238
Other current liabilities		**581,123**	410,491
TOTAL CURRENT LIABILITIES		**9,896,960**	**10,571,750**
NON-CURRENT LIABILITIES			
Loans and financings	15	**19,107,567**	16,123,101
Income and other taxes payable	16	**94,368**	116,151
Payroll and social charges	17	**490,503**	455,942
Lease liabilities	11	**1,488,600**	1,379,086
Deferred income taxes	9	**1,360,257**	1,363,072
Provisions for legal proceedings	19	**315,953**	253,250
Other non-current liabilities		**115,840**	77,013
TOTAL NON-CURRENT LIABILITIES		**22,973,088**	**19,767,615**
EQUITY	20		
Share capital - common shares		**13,177,841**	13,177,841
Capital reserve		**(186,009)**	(193,118)
Other reserves		**(36,413)**	(35,177)
Profit reserves		**3,623,632**	4,299,711
Accumulated other comprehensive loss		**(7,554,007)**	(8,349,081)
Attributable to company shareholders		**9,025,044**	**8,900,176**
Attributable to non-controlling interest		**682,742**	645,970
TOTAL EQUITY		**9,707,786**	**9,546,146**
TOTAL LIABILITIES AND EQUITY		**42,577,834**	**39,885,511**

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

Consolidated statements of income for the years ended December 31, 2023, 2022 and 2021
In thousands of United States dollar - US$ (except for earnings per share)

	Note	2023	2022	2021
NET REVENUE	21	**72,918,123**	72,613,910	65,042,706
Cost of sales	26	**(64,950,972)**	(61,070,237)	(52,753,839)
GROSS PROFIT		**7,967,151**	**11,543,673**	**12,288,867**
Selling expenses	26	**(4,594,334)**	(4,681,689)	(3,551,755)
General and administrative expenses	26	**(2,315,074)**	(2,290,031)	(2,821,182)
Other income		**148,625**	311,057	100,745
Other expenses		**(122,228)**	(99,619)	(32,606)
NET OPERATING EXPENSES		**(6,883,011)**	**(6,760,282)**	**(6,304,798)**
OPERATING PROFIT		**1,084,140**	**4,783,391**	**5,984,069**
Finance income	22	**584,216**	808,612	430,707
Finance expense	22	**(1,937,621)**	(2,050,310)	(1,369,186)
NET FINANCE EXPENSE		**(1,353,405)**	**(1,241,698)**	**(938,479)**
Share of profit of equity-accounted investees, net of tax		**9,537**	11,800	17,178
PROFIT (LOSS) BEFORE TAXES		**(259,728)**	**3,553,493**	**5,062,768**
Current income taxes	9	**(69,460)**	(515,264)	(1,402,643)
Deferred income taxes	9	**197,453**	105,308	158,513
TOTAL INCOME TAXES		**127,993**	**(409,956)**	**(1,244,130)**
NET INCOME (LOSS)		**(131,735)**	**3,143,537**	**3,818,638**
ATTRIBUTABLE TO:				
Company shareholders		**(198,869)**	2,997,488	3,811,442
Non-controlling interest		**67,134**	146,049	7,196
		(131,735)	**3,143,537**	**3,818,638**
Basic and diluted earnings (loss) per share - common shares (US$)	23	**(0.09)**	**1.34**	**1.54**

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

In thousands of United States dollar - US$ (except for earnings per share)

	Note	2023	2022	2021
Net income (loss)	**25**	**(131,735)**	**3,143,537**	**3,818,638**
Other comprehensive income				
Items that are or may be subsequently reclassified to statement of income:				
Gain (loss) on net investment in foreign operations	**20 e.1**	**179,612**	137,499	(230,817)
Gain (loss) on foreign currency translation adjustments		**560,954**	(660,075)	(431,038)
Gain (loss) on cash flow hedge	**27**	**6,873**	(48,526)	38,153
Deferred income tax on gain (loss) on cash flow hedge		**(1,744)**	16,499	(12,972)
Valuation adjustments to equity in subsidiaries		**(13,143)**	(6,360)	12,380
Items that will not be reclassified to statement of income:				
Gains associated with pension and other postretirement benefit obligations		**11,181**	13,405	41,623
Income tax on gain associated with pension and other postretirement benefit obligations		**(2,837)**	(3,364)	(7,313)
Total other comprehensive income (loss)		**740,896**	**(550,922)**	**(589,984)**
Comprehensive Income		**609,161**	**2,592,615**	**3,228,654**
Total comprehensive income attributable to:				
Company shareholders		**567,326**	2,506,090	3,227,716
Non-controlling interest		**41,835**	86,525	938
		609,161	**2,592,615**	**3,228,654**

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

Consolidated statements of changes in equity for the years ended December 31, 2023, 2022 and 2021
In thousands of United States dollar - US$

			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	Additional dividends	Tax-incentive reserve	VAE	FCTA	Retained earnings (loss)	Total	Non-controlling interest	Total equity
BALANCE ON January 1, 2021		**13,177,841**	**36,321**	**(163,716)**	**10,467**	**(32,766)**	**(107,550)**	**271,919**	**1,760,862**	**273,065**	**–**	**27,094**	**(7,534,775)**	**–**	**7,718,762**	**660,438**	**8,379,200**
Net income		–	–	–	–	–	–	–	–	–	–	–	–	3,811,442	**3,811,442**	7,196	**3,818,638**
Loss on net investment in foreign operations [4]		–	–	–	–	–	–	–	–	–	–	–	(230,817)	–	**(230,817)**	–	**(230,817)**
Foreign currency translation adjustments		–	–	–	–	–	–	–	–	(18,780)	–	–	(258,996)	(140,344)	**(418,120)**	(12,918)	**(431,038)**
Gain on cash flow hedge, net of tax		–	–	–	–	–	–	–	–	–	–	25,181	–	–	**25,181**	–	**25,181**
Valuation adjustments to equity in subsidiaries		–	–	–	–	–	–	–	–	–		12,465	–	–	**12,465**	(85)	**12,380**
Gain associated with pension and other postretirement benefit obligations, net of tax		–	–	–	–	–	–	–	–	–	–	27,565	–	–	**27,565**	6,745	**34,310**
Total comprehensive income (loss)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,780)**	**–**	**65,211**	**(489,813)**	**3,671,098**	**3,227,716**	**938**	**3,228,654**
Purchase of treasury shares	20 d1	–	–	–	–	–	(1,922,142)	–	–	–	–	–	–	–	**(1,922,142)**	–	**(1,922,142)**
Sale of treasury shares	20 d1	–	–	–	–	–	713	–	(713)	–	–	–	–	–	**–**	–	**–**
Cancellation of treasury shares	20 d1	–	–	–	–	–	1,408,870	–	(1,408,870)	–	–	–	–	–	**–**	–	**–**
Share-based compensation		–	–	9,518	–	–	–	–	–	–	–	–	(80)	–	**9,438**	2,333	**11,771**
Treasury shares used in stock option plan		–	–	–	(322)	–	811	–	(488)	–	–	–	–	–	**1**	–	**1**
Realization of other reserves	20 c	–	–	–	–	(981)	–	–	–	–	–	–	–	981	**–**	–	**–**
Constitution legal reserve	20 d3	–	–	–	–	–	–	183,555	–	–	–	–	–	(183,555)	**–**	–	**–**
Constitution of investments statutory reserve	20 d4	–	–	–	–	–	–	–	2,613,191	–	–	–	–	(2,613,191)	**–**	–	**–**
Additional dividends to be distributed		–	–	–	–	–	–	–	–	(254,285)	–	–	–	–	**(254,285)**	–	**(254,285)**
Dividends distributed		–	–	–	–	–	–	–	–	–	–	–	–	(875,335)	**(875,335)**	(5,357)	**(880,692)**
Dividends reversal		–	–	–	–	–	–	–	–	–	–	–	–	2	**2**	–	**2**
Others		–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	2,443	**2,443**
BALANCE ON DECEMBER 31, 2021		**13,177,841**	**36,321**	**(154,198)**	**10,145**	**(33,747)**	**(619,298)**	**455,474**	**2,963,982**	**–**	**–**	**92,305**	**(8,024,668)**	**–**	**7,904,157**	**660,795**	**8,564,952**

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

Consolidated statements of changes in equity for the years ended December 31, 2023, 2022, and 2021
In thousands of United States dollar - US$

	Note	Share capital	Capital reserves: Premium on issue of shares	Capital reserves: Capital transaction (1)	Capital reserves: Stock options	Other reserves	Profit reserves: Treasury shares	Profit reserves: Legal	Profit reserves: Investments statutory	Profit reserves: Tax-incentive reserve	Other comprehensive income: VAE	Other comprehensive income: FCTA	Retained earnings (loss)	Total	Non-controlling interest	Total equity
BALANCE ON JANUARY 1, 2022		**13,177,841**	**36,321**	**(154,198)**	**10,145**	**(33,747)**	**(619,298)**	**455,474**	**2,963,982**	**–**	**92,305**	**(8,024,668)**	**–**	**7,904,157**	**660,795**	**8,564,952**
Net income		–	–	–	–	–	–	–	–	–	–	–	2,997,488	**2,997,488**	146,049	**3,143,537**
Loss on foreign currency translation adjustments [4]		–	–	–	–	–	47,776	–	(110,117)	–	–	(523,602)	(12,339)	**(598,282)**	(61,793)	**(660,075)**
Gain on net investment in foreign operations [2]		–	–	–	–	–	–	–	–	–	–	137,499	–	**137,499**	–	**137,499**
Loss on cash flow hedge [5]		–	–	–	–	–	–	–	–	–	(32,027)	–	–	**(32,027)**	–	**(32,027)**
Valuation adjustments to equity in subsidiaries[3]		–	–	–	–	–	–	–	–	–	(6,514)	–	–	**(6,514)**	154	**(6,360)**
Loss associated with pension and other postretirement benefit obligations		–	–	–	–	–	–	–	–	–	7,926	–	–	**7,926**	2,115	**10,041**
Total comprehensive income (loss)		**–**	**–**	**–**	**–**	**–**	**47,776**	**–**	**(110,117)**	**–**	**(30,615)**	**(386,103)**	**2,985,149**	**2,506,090**	**86,525**	**2,592,615**
Purchase of treasury shares[1]	20 d1	–	–	–	–	–	(719,393)	–	–	–	–	–	–	**(719,393)**	–	**(719,393)**
Sale of treasury shares	20 d1	–	–	–	–	–	169,408	–	(1,903)	–	–	–	–	**167,505**	–	**167,505**
Cancellation of treasury shares	20 d1	–	–	–	–	–	1,121,507	–	(1,121,507)	–	–	–	–	**–**	–	**–**
Share-based compensation	24	–	–	6,219	–	–	–	–	–	–	–	–	–	**6,219**	1,396	**7,615**
Realization of other reserves	20 c	–	–	–	–	(1,430)	–	–	–	–	–	–	1,430	**–**	–	**—**
Proposed interim dividends		–	–	–	–	–	–	–	–	–	–	–	(450,767)	**(450,767)**	–	**(450,767)**
Distribution of proposed interim dividends	18	–	–	–	–	–	–	–	–	–	–	–	(422,033)	**(422,033)**	–	**(422,033)**
Prescribed dividends		–	–	–	–	–	–	–	–	–	–	–	3	**3**	–	**3**
Constitution legal reserve	20 d3	–	–	–	–	–	–	148,129	–	–	–	–	(148,129)	**–**	–	–
Constitution of investments statutory reserve	20 d4	–	–	–	–	–	–	–	1,694,844	–	–	–	(1,694,844)	**–**	–	–
Purchase of Pilgrim's Pride Corporation treasury shares repurchase		–	–	(91,605)	–	–	–	–	–	–	–	–	–	**(91,605)**	(98,139)	**(189,744)**
Dividends to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	**–**	(5,002)	**(5,002)**
Acquisitions of non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	**–**	3,034	**3,034**
Constitution of tax-incentive reserve	20 d5	–	–	–	–	–	–	–	(496,545)	767,354	–	–	(270,809)	**–**	–	**–**
Others		–	–	–	–	–	–	–	–	–	–	–	–	**–**	(2,639)	**(2,639)**
BALANCE ON DECEMBER 31, 2022		**13,177,841**	**36,321**	**(239,584)**	**10,145**	**(35,177)**	**–**	**603,603**	**2,928,754**	**767,354**	**61,690**	**(8,410,771)**	**–**	**8,900,176**	**645,970**	**9,546,146**
BALANCE ON JANUARY 1, 2023		**13,177,841**	**36,321**	**(239,584)**	**10,145**	**(35,177)**	**–**	**603,603**	**2,928,754**	**767,354**	**61,690**	**(8,410,771)**	**–**	**8,900,176**	**645,970**	**9,546,146**
Net income (loss)		–	–	–	–	–	–	–	–	–	–	–	(198,869)	**(198,869)**	67,134	**(131,735)**
Gains on foreign currency translation adjustments[4]		–	–	–	–	–	–	–	–	–	–	618,297	(30,467)	**587,830**	(26,876)	**560,954**
Gain on net investment in foreign operations [2]		–	–	–	–	–	–	–	–	–	–	179,612	–	**179,612**	–	**179,612**
Loss on cash flow hedge, net of tax [5]		–	–	–	–	–	–	–	–	–	5,129	–	–	**5,129**	–	**5,129**
Valuation adjustments to equity in subsidiaries [3]		–	–	–	–	–	–	–	–	–	(13,143)	–	–	**(13,143)**	–	**(13,143)**
Gain associated with pension and other postretirement benefit obligations, net of tax		–	–	–	–	–	–	–	–	–	6,767	–	–	**6,767**	1,577	**8,344**
Total comprehensive income (loss)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,247)**	**797,909**	**(229,336)**	**567,326**	**41,835**	**609,161**
Share-based compensation	24	–	–	7,109	–	–	–	–	–	–	–	(1,588)	–	**5,521**	1,392	**6,913**
Realization of other reserves	20 c	–	–	–	–	(1,236)	–	–	–	–	–	–	1,236	**–**	–	**–**
Distribution of interim dividends		–	–	–	–	–	–	–	–	–	–	–	(447,979)	**(447,979)**	–	**(447,979)**
Constitution of investments statutory reserve	20 d4	–	–	–	–	–	–	–	(696,226)	–	–	–	696,226	**–**	–	**–**
Dividends to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	**–**	(6,318)	**(6,318)**
Constitution of tax-incentive reserve	20 d5	–	–	–	–	–	–	–	–	20,147	–	–	(20,147)	**–**	–	**–**
Others		–	–	–	–	–	–	–	–	–	–	–	–	**–**	(137)	**(137)**
BALANCE ON DECEMBER 31, 2023		**13,177,841**	**36,321**	**(232,475)**	**10,145**	**(36,413)**	**–**	**603,603**	**2,232,528**	**787,501**	**60,443**	**(7,614,450)**	**–**	**9,025,044**	**682,742**	**9,707,786**

[1] Refers to the purchase of PPC treasury shares and share-based payment expenses incurred from subsidiaries.
[2] Foreign Currency Translation Adjustments (FCTA) and exchange variation in subsidiaries
[3] Valuation Adjustments to Equity (VAE) arising from derivative financial instruments.

(4) Refers to the net investment on foreign operations of intercompany balances between JBS S.A. and its indirect subsidiaries JBS Luxembourg S.à.r.l. and JBS Investments Luxembourg S.à.r.l.. Thus, since the balances are an extension of that entity's investment, they are considered as equity instruments.
(5) Refers to the hedge accounting in the indirect subsidiary Seara Alimentos.
The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021
In thousands of United States dollar - US$

	Note	2023	2022	2021
Cash flows from operating activities				
Net income (loss)		**(131,735)**	**3,143,537**	**3,818,638**
Adjustments for:				
Depreciation and amortization	**6. 10. 11. 12**	**2,149,066**	1,907,921	1,673,216
Expected credit losses	**4**	**9,906**	9,230	12,189
Share of profit of equity-accounted investees		**(9,537)**	(11,800)	(17,178)
Gain on sales of assets		**(14,033)**	(18,816)	(5,072)
Tax expense	**9**	**(127,993)**	409,956	1,244,130
Net finance expense	**22**	**1,353,405**	1,241,698	938,479
Share-based compensation		**6,913**	7,615	11,771
Provisions for legal proceedings	**18**	**106,117**	43,773	46,553
Impairment of goodwill and property, plant and equipment	**10 and 13**	**30,250**	19,846	–
Net realizable value inventory adjustments	**5**	**(6,100)**	13,164	10,277
DOJ (Department of Justice) and antitrust agreements	**19**	**102,500**	101,447	792,625
Fair value adjustment of biological assets	**6**	**85,015**	(36,107)	35,384
Leniency agreement		**–**	(103,346)	–
Gain from bargain purchase		**–**	(46,897)	–
Extemporaneous tax credit		**–**	–	(18,932)
		3,553,774	**6,681,221**	**8,542,080**
Changes in assets and liabilities:				
Trade accounts receivable		**624,752**	(269,553)	(803,102)
Inventories		**480,524**	(458,223)	(1,456,441)
Recoverable taxes		**137,678**	(708,996)	(9,187)
Other current and non-current assets		**(40,938)**	151,246	(217,207)
Biological assets		**(529,365)**	(864,782)	(723,765)
Trade accounts payable and supply chain finance		**(787,017)**	253,184	1,199,047
Taxes paid in installments		**(48,091)**	(78,029)	(64,152)
Other current and non-current liabilities		**249,454**	(124,872)	105,685
DOJ and Antitrust agreements payment		**(90,300)**	(167,046)	(762,937)
Income taxes paid		**(70,918)**	(1,039,421)	(1,124,099)
Changes in operating assets and liabilities		**(74,221)**	**(3,306,492)**	**(3,856,158)**
Cash provided by operating activities		**3,479,553**	**3,374,729**	**4,685,922**
Interest paid		**(1,288,172)**	(930,882)	(729,103)
Interest received		**187,393**	136,697	41,807
Net cash flows provided by operating activities		**2,378,774**	**2,580,544**	**3,998,626**
Cash flows from investing activities				
Purchases of property, plant and equipment		**(1,502,137)**	(2,172,596)	(1,780,527)
Purchases of intangible assets	**12**	**(8,983)**	(8,386)	(9,811)
Proceeds from sale of property, plant and equipment		**71,980**	48,765	43,585
Additional investments in equity-accounted investees		**–**	(2,066)	(1,127)
Acquisitions, net of cash acquired		**(3,529)**	(378,853)	(1,754,453)
Dividends received		**12,593**	2,669	5,752
Related party transactions		**1,039**	760	–
Others		**20,625**	(25,857)	(19,829)
Cash used in investing activities		**(1,408,412)**	**(2,535,564)**	**(3,516,410)**
Cash flows from financing activities				
Proceeds from loans and financing		**9,035,710**	8,011,638	9,981,038
Payments of loans and financing		**(7,091,698)**	(7,473,186)	(6,272,522)
Derivative instruments received (settled)		**(12,745)**	(261,739)	29,742
Margin cash		**(26,602)**	109,732	(136,045)
Dividends paid		**(447,979)**	(872,802)	(1,379,618)
Dividends paid to non-controlling interest		**(5,859)**	(5,002)	(5,357)
Purchase of PPC treasury shares		**–**	(189,744)	–
Purchase of treasury shares		**–**	(719,393)	(1,922,142)
Sales of treasury shares		**–**	167,505	–
Payments of leasing contracts		**(428,745)**	(434,488)	(359,893)
Others		**–** 0	–	339
Cash provided (used in) by financing activities		**1,022,082**	**(1,667,479)**	**(64,458)**
Effect of exchange rate changes on cash and cash equivalents		**50,642**	**(15,419)**	**(40,378)**
Net change in cash and cash equivalents		**2,043,086**	(1,637,918)	377,380
Cash and cash equivalents beginning of period		**2,526,431**	4,164,349	3,786,969
Cash and cash equivalents at the end of period		**4,569,517**	**2,526,431**	**4,164,349**

In thousands of United States dollar - US$

Non-cash transactions:	**Note**	**2023**	**2022**	**2021**
Non-cash additions to right of use assets and lease liabilities	**11.2**	483,698	483,201	634,868
Capitalized interest	**10**	68,164	(70,788)	(36,998)
Dividends Prescribed and payable	**18**	696	—	—
Cancellation of treasury shares	**20**	—	(1,121,507)	(1,408,870)

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

(Expressed in thousands of United States dollar)

1 Background information

1.1 Reporting entity

JBS S.A ("JBS" or the "Group"), is a corporation with its headquarters office in Brazil, at Avenue Marginal Direita do Tietê, nº. 500, Vila Jaguara, in the City of São Paulo, and is controlled by J&F Investimentos S.A. Consolidated financial statements comprise the Group and its subsidiaries (collectively, the 'Group') as of December 31, 2023 and 2022 and for each of the years in the three-year period ended December 31, 2023, that were authorized by the Board of Directors on March 26, 2024. The Group has its shares publicly traded and listed on the "Novo Mercado" segment of the Sao Paulo Stock Exchange (B3 - *Brasil, Bolsa Balcão)* 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 Group operates in the processing of animal protein, such as beef, pork, lamb and chicken, and operates in the production of convenience foods and other products. In addition, it sells leather, hygiene and cleaning products, collagen, metal packaging, biodiesel, among others. The Group has a broad portfolio of brands including Seara, Doriana, Pilgrim's, Moy Park, Primo, Adaptable Meals, Ozo, Friboi, Maturatta and Swift.

These financial statements include the Group's operations in Brazil as well as the activities of its subsidiaries. Below is a summary of the Group'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, 2023.

Main activities Group:

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 soybeans, tallow, palm oil, caustic soda, stearin; transportation services; dog biscuits; electric power production, cogeneration and commercialization.	67	Brazil
	- Distribution centers and harbors.	14	

Main activities in Brazil:

Description	Activities	Units	Country	Participation	December 31, 2023	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.	47	Brazil	Indirect	100%	100%	100%
	- Distribution centers, transportation services and harbors.	24					
	- Direct sales to customers of beef and by-products in stores named "Mercado da Carne".	248					
Meat Snacks Partners do Brasil Ltda (Meat Snacks)	- Beef Jerky production.	2		Indirect	50%	50%	50%
JBS Confinamento Ltda. (JBS Confinamento)	- Cattle fattening services.	10		Direct	100%	100%	100%
Brazservice Wet Leather S.A (Brazservice)	- Wet blue leather production, processing and commercialization.	1		Direct	100%	100%	100%

(Expressed in thousands of United States dollar)

Main activities outside of Brazil:

Description	Activities	Units	Country	Participation	December 31, 2023	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; - Transportation services.	56	Australia, Canada, France, Mexico, New Zealand, Netherlands, United Kingdom and United States of America.	Indirect	100%	100%	100%
	- Pork processing: raising, slaughtering, industrializing and commercialization of by-products derived from processing operations.	61					
	- 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%	100%
JBS Toledo NV (Toledo)	-Trading operations for the European market; cooked frozen meat commercialization; logistic operations; warehousing.	1	Belgium	Direct	100%	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%	100%
Conceria Priante (Priante)	- Semi-finished and finished leather production.	1	Italy	Direct	100%	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%	100%
Seara Holding Europe B.V. (Seara Holding)	- Animal protein products trading, industrializing and commercialization of by-products derived from processing operations.	14	China, Netherlands, Saudi Arabia, South Africa, United Arab Emirates, United Kingdom and Singapore.	Indirect	100%	100%	100%

2 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by International Accounting Standards Board (IASB).

2.1 Functional and presentation currency

The financial statements of each subsidiary included in the consolidation are prepared using the functional currency of the main economic environment it operates.

These consolidated financial statements are presented in U.S dollar (US$), the Group selected the US$ as its presentation currency to facilitate a more direct comparison to other competitors.

2.2 Foreign currencies

Transactions in foreign currencies other than an entity's functional currency are initially measured in the functional currency of the entity using the exchange rate effective at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate at the reporting date. 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 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 ultimate parent's functional currency (R$) have been translated to R$ and then these financial statements have been translated from the parent´s functional currency (R$) into the Group’s presentation currency (US$). 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; and
- **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.

2.4 Basis of consolidation

The Group consolidates all entities it controls. The Group controls an entity when the Group 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 power over the entity. Subsidiaries are consolidated from the date that the control is obtained by to the Group. Consolidation is discontinued from the date that control ceases.

Investments in equity-accounted investees are recognized using the equity method. An associate is an entity over which the Group has significant influence but does not exercise effective control. Joint ventures are all entities over which the Group shares control with one or more parties.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group. Intercompany transactions, balances, income and expenses transactions between group companies are eliminated in consolidation.

Non-controlling interests represent the portion of consolidated subsidiaries not owned by the Group and is presented in the consolidated financial statements as a part of shareholder's equity. The net income (loss) attributable to non-controlling interests is presented in the statement of income.

When the Group acquires or disposes of non-controlling interest of an entity that it already controls, any gains or losses arising from the difference between the amount paid or received and the carrying amount of the non-controlling interest on a per share basis is recognized in shareholder's equity under the caption "Capital transactions".

2.5 New standards, amendments and interpretations

Standards, amendments and interpretations recently issued and adopted by the Group

IAS 1 - Presentation of Financial Statements

As of January 1, 2023, sets out the requirements to defer settlement of a liability and whether the Group 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 Group is following the discussions and so far has not identified significant impacts as a result of this change.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors Correction

Starting on January 1, 2023, the changes provide clarification on the distinction between changes in accounting estimates and changes in accounting policies and error corrections, ensuring the correct application of the standard. The Group did not identify significant impacts resulting from this change.

IAS 12 - Income Taxes

Starting on January 1, 2023, the changes aim to limit the scope of the Initial Recognition Exemption ("IRE") so that the IRE is no longer applicable to transactions that give rise to equal and offsetting temporary differences. Therefore, a deferred tax asset and a deferred tax liability should be recognized for temporary differences arising at the initial recognition of a lease or a provision for dismantling and removing leased equipment. The Group did not identify significant impacts resulting from this change.

As of May 23, 2023, the changes to the International Tax Reform - Pillar Two Model Rules aim to address tax issues related to the creation of a global system of minimum taxation for multinational companies, as disclosed in note 10 - Income tax and social contribution.

IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

Starting on January 1, 2023, the changes require the disclosure of "material" accounting policies instead of "significant" accounting policies. The changes also provide guidance on applying materiality to the disclosure of accounting policies, helping entities to provide useful information about specific accounting policies that users need to understand other information in the financial statements. The Group did not identify significant impacts resulting from this change.

b. New accounting standards or amendments not yet effective

IAS 1 and IFRS 7 - Supplier Financing Arrangements ("Risk Drawn")

Starting on January 1, 2024, the changes aim to increase transparency and comparability of financial information in supplier financing arrangements, which involve financing suppliers through a financial institution. Companies will be required to disclose the terms and conditions of transactions with suppliers, the exposure to risk drawn in the cash flow statement, and the factors affecting liquidity risk related to these operations. The Group is monitoring the changes and will adjust the disclosure in the explanatory notes according to the standard's requirements.

IAS 21 02 - Effect of changes in exchange rates and translation of financial statements

Starting from January 1, 2025, this amendment establishes accounting requirements for situations where a functional currency cannot be converted into other currencies. In such cases, the Company must use the most recent observable exchange rate to translate the results and financial position of foreign operations into its presentation currency. The entity should also disclose this exchange rate, the date it was observed, and the reasons why the currency is non-exchangeable. The Group is monitoring discussions, and so far, no impacts have been identified due to this change.

From January 1, 2023, changes in relation to contractual covenants impact the classification of liabilities between current and non-current, taking into account the existence of covenants after the balance sheet date. The classification of an obligation as current or non-current depends on the company's right to renegotiate this obligation for at least twelve months, as provided for in the contract. If the Group breaches a long-term loan covenant, by the balance sheet date or before the end of the reporting period, making the liability due and payable to the creditor, even if the creditor has agreed not to require prepayment after the date of the balance sheet, the liability must be classified as current. The Group did not identify any impacts resulting from this change.

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.

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

• Net revenue – transfer of control (note 21);
• Share-based compensation (note 24);
• Deferred and current income taxes – uncertain tax treatments (note 9)

Assumptions and estimation 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:

• Fair value measurement for biological assets (note 6);
• Recognition and recoverability of deferred income taxes assets (note 9);
• Impairment of financial assets (note 4);
• Key assumptions underlying the impairment test of property, plant and equipment, intangible assets and goodwill (note 10, 12 and 13);
• Key assumptions about the likelihood and magnitude of an outflow of resources related to the provision for legal proceedings (note 19);
• Derivative financial instruments and hedge accounting (note 27).

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

(Expressed in thousands of United States dollar)

3 Cash and cash equivalents and margin cash

Cash and Cash Equivalents

The Group 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. They comprise cash on hand, bank balances, and highly liquid investments with an original maturity of three months or less, readily convertible into a known amount of cash, and subject to an insignificant risk of change in fair value. The carrying amount of these assets approximates their fair values.

Margin Cash

The Group is required to maintain cash balances with a broker as collateral for exchange-traded futures contracts. These balances are classified as restricted cash as they are not available for use by the Group to fund daily operations. The balance of restricted cash also includes investments in Treasury Bills, as required by the broker, to offset the obligation to return cash collateral. The bills hedge inflation (or deflation) risk when held to maturity. The cash is redeemable when the contracts are settled, therefore they are not considered as cash and cash equivalents.

Cash and cash equivalents	**December 31, 2023**	**December 31, 2022**
Cash on hand and at banks	**1,830,814**	1,144,741
CDB (bank certificates of deposit) and National Treasury Bills (*Tesouro Selic*) [1]	**2,738,703**	1,381,690
	4,569,517	**2,526,431**
Margin cash		
Margin cash (Restricted cash)	**18,191**	59,088
Investments in Treasury Bills	**114,270**	71,121
	132,461	**130,209**

[1] CDBs are held at 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.

The availability of revolving credit facilities for JBS USA was US$2.9 billion as of December 31, 2023 (US$2.8 billion as of December 31, 2022). In Brazil, the availability of revolving credit facilities was US$450,000 as of December 31, 2023 (US$450,000 as of December 31, 2022).

4 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:

	December 31, 2023	**December 31, 2022**
Current receivables		
Domestic sales	**1,920,310**	2,137,350
Foreign sales	**852,566**	969,442
Subtotal	**2,772,876**	**3,106,792**
Overdue receivables:		
From 1 to 30 days	**397,753**	482,104
From 31 to 60 days	**93,175**	113,266
From 61 to 90 days	**29,490**	66,493
Above 90 days	**188,300**	199,084
Expected credit losses	**(84,913)**	(82,636)
Present value adjustment [1]	**(5,825)**	(6,978)
Subtotal	**617,980**	**771,333**
Trade accounts receivable, net	**3,390,856**	**3,878,125**

[1] The Group 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, 2023 were, mostly in Brazil, 1.2%, and 1.3% at December 31, 2022). Realization of the present value adjustment is recognized as deduction item to sales revenue.

The Group carry out credit assignment transactions with financial institutions, which these institutions acquire credits held against certain third-party customers in the domestic and foreign markets. The assignment transactions are negotiated with a permanent transfer of the risks and benefits to the financial institutions - described within note 8 related party transactions.

(Expressed in thousands of United States dollar)

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 Group does not have any customer that represents more than 10% of its trade receivables or revenues.

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

Changes in expected credit losses:

	December 31, 2023	December 31, 2022	December 31, 2021
Balance at the beginning of the period	**(82,636)**	**(82,318)**	**(79,638)**
Additions	**(9,906)**	(9,230)	(12,289)
Write-offs/Reversals	**9,580**	10,351	8,541
Exchange rate variation	**(1,951)**	(1,439)	968
Balance at the end of the period	**(84,913)**	**(82,636)**	**(82,418)**

5 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 6 - Biological assets.

	December 31, 2023	December 31, 2022
Finished products	**3,096,459**	3,296,410
Work in process	**586,036**	523,293
Raw materials	**759,035**	932,317
Supplies	**659,700**	641,562
	5,101,230	**5,393,582**

Changes in the realizable value of inventories is recognized in the financial statement of income as "Cost of sales" and is presented below:

	December 31, 2023	December 31, 2022	December 31, 2021
Balance at the beginning of the period	**(59,525)**	**(44,555)**	**(35,101)**
Additions	**(54,945)**	(57,803)	(43,066)
Write-off	**61,045**	44,639	32,789
Exchange rate variation	**(3,637)**	(1,806)	823
Balance at the end of the period	**(57,062)**	**(59,525)**	**(44,555)**

6 Biological assets

The Group'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 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.

Forests refer to eucalyptus plantations used as sanitary barriers. When these trees reach maturity, their wood is utilized in the production process. To assess the value of these forests, the Group employed the discounted cash flow methodology. This approach is applied because there is no active market that provides sufficient comparables for using the comparative method with market data.

<u>**Chicken and eggs:**</u>

Current (consumable) - are 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. Eggs are kept in hatcheries from 21 to 25 days.

Non-current (bearer assets) - are 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.

<u>**Cattle:**</u>

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

Non-current (bearer assets) - are 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.

(Expressed in thousands of United States dollar)

Hogs:

Current (consumable) - are 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) - are 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 approximately 1kg that are destined 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. Amortization of breed stock fish is included under the caption “Cost of goods sold” in the statement of income.

Current biological assets (consumable):	**December 31, 2023**		**December 31, 2022**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Chicken and eggs	**685,465**	**560,414**	737,911	615,040
Cattle	**62,556**	**19**	59,356	60
Hogs	**776,125**	**8,516**	859,905	7,922
Lamb	**126**	**1**	737	6
Fish (biomass - kg)	**187,881**	**21,678**	203,197	25,256
Total current	**1,712,153**		**1,861,106**	

Non-current biological assets (bearer assets):	**December 31, 2023**		**December 31, 2022**	
	Amount	**Quantity (thousands)**	**Amount**	**Quantity (thousands)**
Mature chickens (breeding stage)	**211,021**	**23,745**	173,416	24,598
Immature chickens (in development) and eggs	**182,741**	**16,867**	182,498	21,241
Cattle	**2,534**	**1**	1,759	1
Hogs	**116,160**	**670**	128,634	716
Mature fish (biomass - kg)	**2,343**	**84**	2,110	93
Immature fish (biomass - kg) and eggs	**14,140**	**514**	11,570	382
Eucalyptus forests (hectares)	**2,538**	**2,232**	1,971	**2,232**
Total non-current	**531,477**		**501,958**	
Total of biological assets:	**2,243,630**		**2,363,064**	

Changes in biological assets:	**Current**			**Non-current**		
	December 31, 2023	**December 31, 2022**	**December 31, 2021**	**December 31, 2023**	**December 31, 2022**	**December 31, 2021**
Balance at the beginning of the period	**1,861,106**	**1,327,675**	**984,417**	**501,958**	**402,297**	**342,249**
Business combination (1)	**(24,542)**	171,362	162,064	–	38,020	12,311
Increase by reproduction (born) and cost to reach maturity	**12,889,376**	12,225,934	10,069,305	**836,047**	790,192	592,871
Reduction for slaughter, sale or consumption	**(13,522,290)**	(12,545,787)	(10,428,491)	**(66,503)**	(82,344)	(52,846)
Purchases	**397,946**	536,267	431,500	**180,727**	164,921	162,930
Decrease by death	**(168,073)**	(81,952)	(33,141)	**(17,865)**	(14,886)	(9,707)
Fair value adjustments	**(85,715)**	36,102	(35,455)	**700**	4	71
Reclassification from non-current to current	**307,195**	292,149	211,186	**(307,195)**	(292,149)	(211,186)
Exchange rate variation	**57,150**	(100,644)	(33,710)	**12,426**	602	(7,900)
Amortization	–	–	–	**(608,818)**	(504,699)	(426,496)
Balance at the end of the period	**1,712,153**	**1,861,106**	**1,327,675**	**531,477**	**501,958**	**402,297**

(1) Refers to the business combination adjustment of the acquisition of TriOak acquired for the year ended 2022 financial year.

(Expressed in thousands of United States dollar)

7 Recoverable taxes

Recoverable taxes as of December 31, 2023 and December 31, 2022 was comprised of the following:

	December 31, 2023	December 31, 2022
Value-added tax on sales and services – ICMS / IVA / VAT / GST	**919,634**	1,006,814
Social contribution on billings - PIS and COFINS	**502,397**	527,607
Withholding income tax - IRRF / IRPJ	**1,196,502**	1,199,323
Excise tax – IPI	**22,004**	24,478
Reintegra	**8,905**	9,551
Other	**13,953**	10,558
	2,663,395	**2,778,331**
Current	**919,120**	1,021,701
Non-current	**1,744,275**	1,756,630
	2,663,395	**2,778,331**

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 Group 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 Group 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, 2023 the amount of US$ 886,130 (US$ 730,069 as of December 31, 2022) 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.

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8 Related party transactions

The main balances and transactions between related parties are presented and described below. Amounts charged include borrowing costs, interest and management fees, when applicable. Information on the Group's structure is provided in Note 1.1 - Reporting entity. The J&F Investimentos S.A.is the ultimate controller party of the Group

Related party receivables

	December 31, 2023	December 31, 2022
J&F Oklahoma Holdings Inc - Associate	–	76,665
J&F Investimentos S.A. [1]	**117,930**	104,101
Flora Produtos de Higiene e Limpeza S.A. - Associate	**624**	1,502
	118,554	**182,268**

[1] It refers to the agreement entered into between JBS S.A. and J&F Investimentos S.A. and some former executives of the Group, which represents the definitive settlement of the dispute subject to Arbitration CAM n° 186/21, whereby J&F undertook to pay the total updated amount of US$ 117,930, to be paid in accordance with the terms and conditions specified in the agreement.

[2] The J&F Investimentos S.A. is the ultimate controller of the related companies.

Other financial transactions in the Group

The Group entered into an assignment agreement with Banco Original S.A, direct subsidiary of the parent Group J&F, pursuant to which Banco Original S.A. acquires trade accounts receivables of certain or our customers in Brazil and abroad. The assignments are at the face value of the receivable less the discount applied by Banco Original through a transfer without recourse to JBS S.A. of all of the associated risks and benefits of such trade accounts receivables. For the year ended December 31, 2023, the Group incurred in a loss from the sale of the receivables of US$97,325 (US$72,635 and US$35,610 for the years ended December 31, 2022 and 2021 respectively), recognized as financial expenses.

As of December 31, 2023, the Group held investments with Banco Original, of US$781,523 (US$358,352 as of December 31, 2022), recognized as cash and cash equivalents. The cash investments and cash equivalents have similar rates of return as CDIs (Certificado de Depósito Interbancário). For the year ended December 31, 2023, the Group earned interest from these investments of US$26,205 (US$1,448 and US$1,083 for the years ended December 31, 2022 and 2021, respectively), recognized as financial income.

The Group is the sponsor of Institute J&F, a youth-directed business school, whose goal is to educate future leaders by offering free, high-quality education. During the for the year ended December 31, 2023, the Group made donations of US$22,535 (US$34,625 and US$4,475 for the year ended December 31, 2022 and 2021, respectively), recognized as general and administrative expenses.

JBJ Agropecuária Ltda., or JBJ, a related party, supplies cattle to JBS S.A.'s slaughterhouses. Transactions with JBJ are recurrent and conducted in the normal course of JBS S.A.'s business, in accordance with its needs and JBJ's capacity to deliver cattle. JBJ shared transportation services from the Group. The value of the transactions varies in accordance with the number of animals processed and pursuant to market conditions. As of December 31, 2023, the total amounts of accounts receivable and accounts payable were US$878 (US$558 as of December 31, 2022) and US$401 (US$ 42 as of December 31, 2022), respectively. For the year ended December 31, 2023, the total net revenue to JBJ was US$5,039 (US$12,844 and US$2,555 for the years ended December 31, 2022 and 2021, respectively) and the total amount of purchases made by JBJ from the Group for the year ended December 31, 2023, was US$349,543 (US$658,638 and US$99,976 for the years ended December 31, 2022 and 2021, respectively).

Flora Produtos de Higiene e Limpeza S.A., or Flora, is controlled by J&F. Flora purchases products (beef tallow, palm oil, babassu oil and cans) from JBS S.A. and manufactures soaps. As of December 31, 2023, the total amounts from accounts receivable were US$6,927 (US$6,585 as of December 31, 2022). For the year ended December 31, 2023, the total net revenue to Flora was US$65,397 (US$159,095 and US$43,777 for the years ended December 31, 2022 and 2021, respectively) and for the year ended December 31, 2023 no purchases were made by Flora (US$2,631 and US$83 for the years ended December 31, 2022 and 2021, respectively).

(Expressed in thousands of United States dollar)

The Group has commitments to purchase cattle for future delivery signed with certain suppliers, including the related party JBJ, guaranteeing the acquisition of cattle for a fixed price, or to be fixed, with no cash effect on the Group until the cattle are delivered. Based on these future delivery contracts. As of December 31, 2023, the Company has these commitments agreements in the amount of US$61,926 (US$85,478 as of December 31, 2022).

No expense for doubtful accounts or bad debts relating to related-party transactions were recorded during the for the year ended December 31, 2023.

Remuneration of key management

The Group's key management is comprised of its executive officers and members of the Board of Directors. The aggregate amount of compensation received by the Company's key management for the year ended December 31, 2023, 2022 and 2021 was:

	2023	2022	2021
Salaries and wages	**8,179**	7,678	6,191
Variable cash compensation	**18,658**	18,727	10,395
Share-based payments	**7,217**	6,863	10,275
	34,054	**33,268**	**26,861**

The Chief Executive Officer, the Administrative and Control Officer, the Chief Financial Officer and the Executive Officer are employed under the Brazilian employment contract regime referred to as CLT (Consolidation of Labor Laws), which sets legal prerogatives for employee benefits.

Except for those described above, the Board of Directors members are not party to any employment contract or any other contracts for additional employee benefits such as post-employment benefits, other long-term benefits or termination benefits that do not conform to Brazilian Labor Law.

9 Income taxes

Current taxes

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 Management 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.

The results obtained from foreign subsidiaries are subject to taxation by the countries where they are based, according to applicable rates and legislation (profits taxed by-foreign jurisdictions included in the reconciliation of income tax and social contribution expense). The Group analyzes the results of each subsidiary for the application of its income tax legislation, in order to respect the treaties signed by Brazil and avoid double taxation.

Management analyzed relevant tax decisions of higher courts and whether they conflict in any way with the positions adopted by the Group. Regarding the known uncertain tax positions, management reviewed the corresponding legal opinions and jurisprudence and recognized an accrual for such matters. Periodically, the Group assesses the tax positions assumed in which there are uncertainties about the adopted tax treatment and, if needed and applicable, recognizes a provision.

Deferred taxes

Deferred income tax is recognized using the asset and liability method, for temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be utilized. Such reductions are reversed when the probability of future taxable profits improves.

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.

Foreign subsidiaries' income before taxes, except for the foreign exchange, is taxed in Brazil at the statutory nominal rate of 34%. Income tax paid by a foreign subsidiary can be deducted up to the amount of tax payable in Brazil in relation to the foreign income.

The Group's tax calculations relate to uncertainties due to judgment used to calculate tax liabilities in the application of complex and evolving tax regulations across the tax jurisdictions where it operates. Additionally, judgment is required to determine the appropriate tax treatment for certain significant transactions and restructurings in the Group. The Group analysis of unrecognized deferred tax assets contains uncertainties based on judgment used to apply the more likely than not recognition and measurement thresholds.

Changes in tax laws and rates might impact recorded deferred tax assets and liabilities in the future. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities or a change in the effective tax rate in a given financial statement period could be materially impacted. An unfavorable tax settlement would require an outflow of the Group´s cash and generally result in an increase in the effective tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in the effective tax rate in the period of resolution.

	December 31, 2023	December 31, 2022
Deferred income taxes assets	**774,861**	605,880
Deferred income taxes liabilities	**(1,360,257)**	(1,363,072)
	(585,396)	**(757,192)**

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 Group.

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 Group believes that it is probable that these deferred tax credits will be realized.

(Expressed in thousands of United States dollar)

a. Composition of deferred tax income and social contribution

a.1 The current balance of benefits related to the tax effects of accumulated tax losses and negative social contribution bases unrecognized by subsidiaries as of December 31, 2023, was US$786,180 (US$616,136 as of December 31, 2022). These amounts originate from companies that do not have a history of profitability or sufficient future profit projections to support their recognition..

	Balance at January 1, 2023	Statement of income	Exchange variation	Other Adjustments [(1)]	Balance at December 31, 2023
Tax losses and negative basis of social contribution	**649,164**	154,719	36,289	–	**840,172**
Expected credit losses on trade accounts receivable	**31,572**	4,869	1,645	–	**38,086**
Provisions for contingencies	**94,153**	(19,037)	3,724	–	**78,840**
Present value adjustment	**11,326**	(4,401)	723	–	**7,648**
Tax credits	**13,196**	10,480	(19)	28	**23,685**
Labor accident accruals	**6,139**	1,788	–	–	**7,927**
Pension plan	**10,485**	3,700	(17)	(2,212)	**11,956**
Trade accounts payable accrual	**284,235**	(12,388)	5,665	–	**277,512**
Non-deductible interest	**76,563**	135,394	1	–	**211,958**
Right of use assets	**22,583**	1,848	986	–	**25,417**
Other temporary differences - assets	**141,120**	(16,514)	(6,167)	5,955	**124,394**
Goodwill amortization	**(785,958)**	(11,163)	(54,719)	–	**(851,840)**
Present value adjustment - Trade accounts payable	**(8,105)**	2,595	(554)	–	**(6,064)**
Business combinations	**(441,428)**	(16)	(2,806)	–	**(444,250)**
Inventory valuation	**(109,703)**	(97,383)	1	–	**(207,085)**
Hedge operations	**8,209**	(32,815)	(85)	(673)	**(25,364)**
Realization of other reserves	**(110,379)**	3,223	(8,484)	–	**(115,640)**
Accelerated depreciation and amortization	**(586,839)**	72,554	–	–	**(514,285)**
Other temporary differences - liabilities	**(63,525)**	–	(4,938)	–	**(68,463)**
Deferred taxes, net	**(757,192)**	**197,453**	**(28,755)**	**3,098**	**(585,396)**

	Balance at January 1, 2022	Statement of income	Exchange variation	Other Adjustments [(1)]	Balance at December 31, 2022
Tax losses and negative basis of social contribution	**431,501**	200,298	16,863	502	**649,164**
Expected credit losses on trade accounts receivable	**26,259**	3,903	1,410	–	**31,572**
Provisions for contingencies	**97,506**	(9,963)	6,610	–	**94,153**
Present value adjustment	**8,165**	2,625	536	–	**11,326**
Tax credits	**13,438**	(225)	36	(53)	**13,196**
Rules for Animal Farming - Foreign Subsidiaries	**7,815**	–	(7,815)	–	**–**
Labor accident accruals	**39,203**	(33,065)	1	–	**6,139**
Pension plan	**21,677**	(5,487)	17	(5,722)	**10,485**
Trade accounts payable accrual	**257,023**	17,101	10,111	–	**284,235**
Non-deductible interest	**5,894**	70,669	–	–	**76,563**
Right of use assets	**6,072**	16,077	434	–	**22,583**
Other Active Temporary Differences	**53,439**	85,724	1,702	255	**141,120**
Goodwill amortization	**(705,645)**	(36,002)	(44,311)	–	**(785,958)**
Present value adjustment - Trade accounts payable	**(6,015)**	(1,716)	(374)	–	**(8,105)**
Business combinations	**(473,415)**	43,905	(5,335)	(6,583)	**(441,428)**
Inventory valuation	**23,596**	(133,299)	–	–	**(109,703)**
Customer returns accruals - Foreign subsidiaries	**(33,416)**	33,416	–	–	**–**
Hedge operations	**(27,002)**	20,698	620	13,893	**8,209**
Realization of other reserves	**(106,120)**	3,156	(7,415)	–	**(110,379)**
Accelerated depreciation and amortization	**(492,570)**	(93,828)	(441)	–	**(586,839)**
Other temporary differences - liabilities	**(29,128)**	(78,679)	45,755	(1,473)	**(63,525)**
Deferred taxes, net	**(881,723)**	**105,308**	**18,404**	**819**	**(757,192)**

(Expressed in thousands of United States dollar)

	Balance at January 1, 2021	Statement of income	Exchange variation	Other Adjustments (1)	Balance at December 31, 2021
Tax losses and negative basis of social contribution	361,006	90,950	(20,455)	–	431,501
Expected credit losses on trade accounts receivable	21,418	6,424	(1,583)	–	26,259
Provisions for contingencies	96,790	7,555	(6,839)	–	97,506
Present value adjustment	5,680	2,529	(44)	–	8,165
Tax credits	9,817	3,603	–	18	13,438
Biological assets	11,511	(3,695)	(1)	–	7,815
Labor accident accruals	40,262	(1,058)	(1)	–	39,203
Pension plan	33,686	(2,673)	(12)	(9,324)	21,677
Trade accounts payable accrual	181,471	75,552	–	–	257,023
Share-based payments	253	(246)	(7)	–	–
Non-deductible interest	481	5,411	2	–	5,894
Right of use assets	7,809	(1,391)	(346)	–	6,072
Other temporary differences - assets	98,252	(40,107)	(4,706)	–	53,439
Goodwill amortization	(697,073)	(52,388)	43,816	–	(705,645)
Present value adjustment - Trade accounts payable	304	(6,497)	178	–	(6,015)
Business combinations	(323,680)	18,301	9,158	(177,194)	(473,415)
Customer return accruals	(32,679)	(737)	–	–	(33,416)
Inventory valuation	(97,093)	120,673	–	16	23,596
Hedge operations (3)	279	(16,565)	3,895	(14,611)	(27,002)
Realization of other reserves	(116,908)	2,846	7,942	–	(106,120)
Accelerated depreciation and amortization	(417,396)	(75,196)	22	–	(492,570)
Other temporary differences - liabilities	(68,697)	25,222	14,522	(175)	(29,128)
Deferred taxes, net	**(884,507)**	**158,513**	**45,541**	**(201,270)**	**(881,723)**

(1) Changes in the deferred tax assets and liabilities that do not directly impact the statement of income. These adjustments refer mainly to: the direct subsidiary Brazservice Ltda. incorporated into the Group; deferred taxes on cash flow hedge transactions recognized in other comprehensive income, carried out by the subsidiary Seara Alimentos; and, gains associated with pension and other postretirement benefit obligations in the United States of America; 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 27 - Risk management and financial instruments.

b. Reconciliation of income tax and social contribution expense:

	2023	2022	2021
Accounting result before taxation	**(259,728)**	3,553,493	5,062,768
Brazilian statutory corporate tax rate	**(34)%**	(34)%	(34)%
Expected tax benefit (expense)	**88,308**	(1,208,188)	(1,721,341)
Adjustments to reconcile taxable income tax expense (benefit):			
Share of profit of equity-accounted investees	**3,243**	4,013	5,840
Non-taxable tax benefits (1)	**461,726**	447,843	165,051
Difference of tax rates on taxable income from foreign subsidiaries	**(16,299)**	317,989	509,139
Transfer pricing adjustments	**(12,265)**	(34,145)	(5,782)
Profits taxed by-foreign jurisdictions (3)	**(203,986)**	(266,049)	(241,922)
Deferred income tax not recognized	**(372,932)**	94,238	(155,877)
Withholding tax expense	–	(172)	–
Non-taxable interest - Foreign subsidiaries	**140,284**	129,703	108,072
Donations and social programs expenses (4)	**(7,524)**	(114)	(2,572)
SELIC interest on tax credits (2)	**6,521**	5,127	51,650
Double Jurisdiction Taxation	–	35,138	
Other permanent differences	**40,917**	64,661	43,612
Current and deferred income tax benefit (expense)	**127,993**	**(409,956)**	**(1,244,130)**
Current income tax	**(69,460)**	(515,264)	(1,402,643)
Deferred income tax	**197,453**	105,308	158,513
	127,993	**(409,956)**	**(1,244,130)**
Effective income tax rate	**49.28 %**	**(11.54)%**	**(24.57)%**

(1) The Group and its subsidiaries recognize grants given by Brazilian state governments as a presumed credit, partial and full reduction of the ICMS calculation base of certain goods in its production chain, in accordance with the regulations of each state. The amounts appropriated from these tax incentives as revenue in the statement of income are excluded from the calculation of taxes on income, when the requirements set forth in current legislation are achieved. During the for the year ended December 31, 2023, the Group recorded the amount of government subsidies in the amount of US$1,400,450 (US$1,316,255 for the year ended December 31, 2022), of which US$582,488 of presumed credit (US$548,901 for the year ended December 31, 2022) and US$817,962 of reduction and exemption from ICMS, (US$767,354 for the year ended December 31, 2022) excluded from its calculation basis for income tax and social contribution. The exclusion of this tax benefit from the income tax and social contribution calculation base on net income reflected a tax gain for the year ended December 31, 2023 of US$198,433 referring to the presumed credit (US$186,658 for the year ended December 31, 2022) and US$278,639 of exemption and base reduction (US$258,538 for the year ended December 31, 2022).

(2) Recognition of the income tax exemption on interest income on tax credits, due to a ruling of the STF (Federal Court of Justice), on September 23, 2021.

(Expressed in thousands of United States dollar)

(3) According to Law No. 12,973/14, the income from foreign subsidiaries must be taxed at the Brazilian statutory tax rate of 34%, and the income tax paid abroad by these subsidiaries may be used to compensate income taxes to be paid in Brazil. The results obtained from foreign subsidiaries are subject to taxation by the countries where they are based, according to applicable rates and legislation (profits taxed by-foreign jurisdictions included in the reconciliation of income tax and social contribution expense). The Group analyzes the results of each subsidiary for the application of its income tax legislation, in order to respect the treaties signed by Brazil and avoid double taxation.

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

Global Minimum Tax: The Organization for Economic Cooperation and Development - OECD is an international organization made up of 38 member countries that work on establishing international standards seeking solutions to a series of social, economic, and environmental challenges, from improving economic performance, creating jobs to promoting solid education and combating international tax avoidance.

Regarding the fight against tax avoidance, the BEPS (Base Erosion Profit Shifting) project was created in 2013, which is an initiative of the G20 (Group of twenty countries with the largest economies) together with the OECD, aimed at implementing 15 measures to combat tax avoidance, improve the coherence of international tax rules, and ensure a more transparent tax environment on the international stage and to avoid the abuse of tax norms that result in erosion of the tax base, mainly through profit shifting to destinations with more favorable taxation or no taxation.

Pillar II is part of one of OECD's most recent initiatives, known as BEPS 2.0, is intended to address tax issues related to changes in business models in a globalized environment. The goal of Pillar II is to create a global minimum taxation system for multinational companies with an annual global turnover exceeding (EUR) 750 million, aiming to implement a balance in the global income tax collection of these companies, which may consist of additional taxation for economic groups. In short, this additional taxation aims to ensure the payment of a minimum effective global rate of 15%, per jurisdiction, where the multinational group operates.

Starting in 2024, Pillar II rules come into effect in various countries, impacting Brazilian multinationals and their subsidiaries groups operating in these jurisdictions. During the initial three years, transition rules (Safe Harbor) simplify the calculations of the effective rate per jurisdiction, enabling adaptation to the affected multinational groups.

Although the implementation of Pillar II offers uncertainties in the Brazilian legal system, the Group and its subsidiaries are monitoring the potential impacts that this new rule may bring to the Group.

During 2023, the Group conducted Safe Harbor analysis using 2022 financial data for the 27 jurisdictions where the Group operates. The results of this preliminary analysis indicate that some countries within the Group may be subject to the additional payment of income tax under the rules of Pillar II. However, the percentage of additional payment cannot be accurately estimated as of the time the issuance of these Financial Statements, particularly due to the fact that the impact of Pillar 2 will be based on 2024 results, which cannot yet be known.

Additionally, due to uncertainties of measurement and impacts, the Group decided to apply the exception of recognition and disclosure of information on deferred tax assets and liabilities related to income taxes of Pillar II until more definitive information is available.

10 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 Group 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 Group 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 Group 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.

Annually, the Group tests the recoverability of its assets that were identified as having any indicator of impairment using the concept of value in use through discounted cash flow models). The tests for recoverability of assets are applied at the end of each fiscal year on December 31, follow by indications of impairment during the year. For the year ended December 31, 2023 the Group recognized impairment in property, plant and equipment in the amount of US$23,491, related to the indirect subsidiary Planterra Foods Company, located at United States, due the closing of its operations

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 Group'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 regulatory authorities. When these assets are completed and placed in service, they are transferred to property, plant and equipment and depreciation commences.

As of December 31, 2023 the Group had into several purchase commitments for machinery and equipment, vehicles and construction in progress in the amount of US$388,325 (US$643,962 as of December 31, 2022).

				Net amount	
	Useful life	**Cost**	**Accumulated depreciation**	**December 31, 2023**	**December 31, 2022**
Buildings	**5 to 60 years**	6,480,294	(2,175,149)	**4,305,145**	3,779,963
Land	–	1,209,739	–	**1,209,739**	1,056,590
Machinery and equipment	**3 to 30 years**	9,539,760	(5,229,170)	**4,310,590**	3,832,826
Facilities	**10 to 30 years**	1,176,199	(412,163)	**764,036**	575,290
Computer equipment	**2 to 15 years**	453,965	(287,674)	**166,291**	116,263
Vehicles (land and air)	**3 to 35 years**	438,490	(165,827)	**272,663**	214,898
Construction in progress	–	1,636,719	–	**1,636,719**	2,124,483
Others	**2 to 25 years**	602,590	(349,524)	**253,066**	215,050
		21,537,756	**(8,619,507)**	**12,918,249**	**11,915,363**

(Expressed in thousands of United States dollar)

Changes in property, plant and equipment:

	Balance at January 1, 2023	Adjustment in business combination [3]	Additions net of transfers [1]	Disposals	Depreciation	Exchange rate variation	Balance at December 31, 2023
Buildings	3,779,963	4	680,142	(32,725)	(263,669)	141,430	**4,305,145**
Land	1,056,590	–	118,254	(14,345)	–	49,240	**1,209,739**
Machinery and equipment	3,832,826	10,180	989,430	(37,382)	(610,850)	126,386	**4,310,590**
Facilities	575,290	–	184,128	(2,783)	(44,024)	51,425	**764,036**
Computer equipment	116,263	–	90,951	(710)	(44,804)	4,591	**166,291**
Vehicles (land and air)	214,898	–	99,659	(8,736)	(43,559)	10,401	**272,663**
Construction in progress	2,124,483	–	(558,747)	(4,046)	–	75,029	**1,636,719**
Other	215,050	(15)	77,369	(9,105)	(36,973)	6,740	**253,066**
	11,915,363	**10,169**	**1,681,186**	**(109,832)**	**(1,043,879)**	**465,242**	**12,918,249**

	Balance at January 1, 2022	Acquired in business combination [2]	Additions net of transfers [1]	Disposals	Business combination adjustment [4]	Depreciation	Exchange rate variation	Balance at December 31, 2022
Buildings	3,500,837	120,213	360,757	(3,900)	5	(235,102)	37,154	**3,779,964**
Land	944,922	81,496	25,770	(5,316)	–	–	9,718	**1,056,590**
Machinery and equipment	3,569,854	90,861	738,953	(6,308)	75	(569,888)	9,279	**3,832,826**
Facilities	487,028	854	86,100	(92)	–	(32,225)	33,625	**575,290**
Computer equipment	121,960	705	39,875	(4,299)	–	(41,298)	(679)	**116,264**
Vehicles (land and air)	180,960	12,306	61,945	(7,497)	12	(34,571)	1,743	**214,898**
Construction in progress	1,218,888	4,990	892,255	(980)	–	–	9,330	**2,124,483**
Other	183,840	6,198	61,123	(1,557)	12	(34,968)	400	**215,048**
	10,208,289	**317,623**	**2,266,778**	**(29,949)**	**104**	**(948,052)**	**100,570**	**11,915,363**

	Balance at January 1, 2021	Acquired in business combination	Additions net of transfers	Disposals	Depreciation	Exchange rate variation	Balance at December 31, 2021
Buildings	3,298,443	137,443	398,731	(13,789)	(204,340)	(115,651)	**3,500,837**
Land	933,072	24,883	29,937	(3,788)	–	(39,182)	**944,922**
Machinery and equipment	3,222,626	269,328	690,187	(10,364)	(506,569)	(95,354)	**3,569,854**
Facilities	448,944	–	97,708	(538)	(27,058)	(32,028)	**487,028**
Computer equipment	99,987	3,348	60,764	(253)	(40,633)	(1,253)	**121,960**
Vehicles (land and air)	122,597	53,032	46,105	(8,455)	(26,366)	(5,953)	**180,960**
Construction in progress	792,178	19,939	442,425	–	–	(35,654)	**1,218,888**
Other	159,742	4,461	51,668	(1,323)	(28,429)	(2,279)	**183,840**
	9,077,589	**512,434**	**1,817,525**	**(38,510)**	**(833,395)**	**(327,354)**	**10,208,289**

[1] Additions for each category includes transfers from construction in progress during the period.
[2] Refers to the acquisitions completed during the first half of 2022, such as King's and Rivalea during the first quarter and, BioTech, during the second quarter.
[3] Refers to the business combination adjustment of the acquisition of TriOak acquired for the year ended 2022 financial year.
[4] Refers to the business combination adjustments of the acquisition of King's and Rivalea acquired during the 2022 fiscal year and International Food Company Seara LLC acquired during the 2021 fiscal year.

For the year ended December 31, 2023, the amount of capitalized interest added to construction in progress and included in additions was US$68,164 (US$70,788 and US$36,998 for the years ended December 31, 2022 and 2021, respectively).For the year ended December 31, 2023, the capitalization rate used was 8.41% p.a., in Brazil and 4.40% p.a. in the United States (7.05% p.a., in Brazil and 3.70% p.a. in the United States; and 4.21% p.a., in Brazil and 3.88% p.a. in the United States for the year ended December 31, 2022 and 2021, respectively)

11 Leases

The Group 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 Group 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 prohibition generates relevant distortions in the information to be provided, given the current reality of long-term interest rates in 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 Group 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 measuring lease liabilities was 5.85% as of December 31, 2023 (7.30% and 7.86% as of December 31, 2022 and 2021 respectively).

(Expressed in thousands of United States dollar)

11.1 Right of use asset

	range of lease terms	Cost	Accumulated amortization	Net amount December 31, 2023	Net amount December 31, 2022
Growing facilities	1 to 13 years	1,276,977	(471,607)	**805,370**	823,989
Buildings	2 to 30 years	786,789	(254,685)	**532,104**	426,996
Vehicles (land)	1 to 20 years	437,146	(213,426)	**223,720**	201,655
Machinery and equipment	1 to 10 years	263,218	(173,117)	**90,101**	104,890
Operating plants	1 to 11 years	36,386	(16,691)	**19,695**	18,706
Land	1 to 30 years	39,121	(19,935)	**19,186**	19,641
Computer equipment	1 to 5 years	27,743	(12,209)	**15,534**	9,216
		2,867,380	**(1,161,670)**	**1,705,710**	**1,605,093**

Changes in the right of use asset:

	Balance at January 1, 2023	Acquired in business combination (2)	Additions	Terminated contracts	Amortization	Exchange rate variation	Balance at December 31, 2023
Growing facilities	823,989	(10,552)	146,905	(16,458)	(167,078)	28,564	805,370
Buildings	426,996	–	190,185	(26,573)	(83,876)	25,372	532,104
Vehicles (land)	201,655	–	94,448	(884)	(72,532)	1,033	223,720
Machinery and equipment	104,890	–	33,933	(1,120)	(51,140)	3,538	90,101
Operating plants	18,706	–	6,061	(138)	(6,317)	1,383	19,695
Land	19,641	–	1,438	(24)	(2,604)	735	19,186
Computer equipment	9,216	–	10,728	4	(5,225)	811	15,534
	1,605,093	**(10,552)**	**483,698**	**(45,193)**	**(388,772)**	**61,436**	**1,705,710**

	Balance at January 1, 2022	Acquired in business combination (1)	Adjustment in business combination (2)	Additions	Terminated contracts	Amortization	Exchange rate variation	Balance at December 31, 2022
Growing facilities	610,411	143,298	–	224,140	(39,393)	(130,460)	15,993	**823,989**
Buildings	396,209	63	–	127,081	(4,310)	(63,189)	(28,858)	**426,996**
Vehicles (land, air and sea)	220,607	585	–	84,994	(8,486)	(88,730)	(7,315)	**201,655**
Machinery and equipment	124,304	1,743	–	37,953	(4,349)	(54,279)	(482)	**104,890**
Operating plants	20,358	–	–	6,269	(4,396)	(4,492)	967	**18,706**
Land	19,698	824	48	2,761	(14)	(2,754)	(922)	**19,641**
Computer equipment	12,007	–	–	3	(52)	(3,482)	740	**9,216**
Furniture and appliances	15	–	–	–	(14)	(3)	2	–
	1,403,609	**146,513**	**48**	**483,201**	**(61,014)**	**(347,389)**	**(19,875)**	**1,605,093**

	Balance at January 1, 2021	Acquired in business combination	Additions	Terminated contracts	Amortization	Exchange rate variation	Balance at December 31, 2021
Growing facilities	489,766	–	323,387	(94,040)	(99,139)	(9,563)	**610,411**
Buildings	304,791	43,273	135,572	(11,002)	(59,402)	(17,023)	**396,209**
Vehicles (land, air and sea)	152,437	74,399	82,392	(7,895)	(78,514)	(2,212)	**220,607**
Machinery and equipment	124,034	390	59,438	(2,376)	(55,944)	(1,238)	**124,304**
Operating plants	21,169	899	4,359	(797)	(3,655)	(1,617)	**20,358**
Land	15,840	5,066	324	(16)	(1,812)	296	**19,698**
Computer equipment	5,091	–	21,910	(9)	(7,369)	(7,616)	**12,007**
Furniture and appliances	22	–	4	–	(8)	(3)	**15**
	1,113,150	**124,027**	**627,386**	**(116,135)**	**(305,843)**	**(38,976)**	**1,403,609**

(1) Refers to Rivalea's, which was acquired during the first quarter of 2022.
(2) Refers to the business combination adjustment of the acquisition of TriOak acquired during the 2022 financial year.

(Expressed in thousands of United States dollar)

11.2 Lease liabilities

	December 31, 2023	December 31, 2022
Undiscounted lease payments	**2,262,433**	2,089,765
Present value adjustment	**(421,206)**	(367,932)
	1,841,227	**1,721,833**
Breakdown:		
Current liabilities	**352,627**	342,747
Non-current liabilities	**1,488,600**	1,379,086
	1,841,227	**1,721,833**

Changes in the lease liability:

	Balance at January 1, 2023	Business Combination Adjustment	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	Balance at December 31, 2023
Lease liability	1,721,833	(10,401)	421,921	73,463	(354,947)	(7,456)	(3,186)	**1,841,227**

	Balance at January 1, 2022	Acquired in business combination [1]	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	Balance at December 31, 2022
Lease liability	1,506,043	146,446	489,251	82,403	(434,488)	(61,302)	(6,520)	**1,721,833**

	Balance at January 1, 2021	Acquired in business combination	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	Balance at December 31, 2021
Lease liability	1,174,686	147,645	634,868	64,593	(359,893)	(116,329)	(39,527)	**1,506,043**

[1] Refers to Rivalea's, which was acquired during the first quarter of 2022.
The non-current portion of the lease liability schedule is as follows:

	December 31, 2023
2025	**293,444**
2026	**244,944**
2027	**197,328**
2028	**150,367**
2029	**73,535**
Maturities after 2029	**884,405**
Total Future Minimum Lease Payments	**1,844,023**
Less: Imputed Interest	**(355,423)**
Present Value of Lease Liabilities	**1,488,600**

12 Intangible assets

Intangible assets are measured at acquisition cost and subsequently reduced by accumulated amortization and impairment losses, when applicable. Intangible assets are recognized when there is evidence of generating future economic benefits, considering their economic and technological viability, mainly consisting of brands and patents, customer base, exploitation rights, supplier supply contracts, software, and others.

Intangible assets with defined useful lives are amortized using the straight-line method or a method that reflects the economic benefit of the intangible asset. Amortized intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount is not recoverable. The residual value of intangible items is immediately written down to their recoverable amount when the residual balance exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell an asset and its value in use.

The carrying amount of intangible assets with indefinite useful lives, relating to brands and patents and rights to exploit water use, is tested for recoverable amount annually or when events or changes in circumstances indicate impairment loss in the recoverable amount of these assets. If there is an impairment loss, it is recognized against the carrying amount of the asset.

The Group considers that certain brands and patents have an indefinite useful life due to their historical performance and the Group's expected use. The acquired brands do not have legal or contractual limits linked to their use and are not dependent on the useful life of any asset or group of assets that have existed independently for a considerable time before the acquisitions. These brands are not related to sectors subject to technological obsolescence or other forms of value deterioration.

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:

(Expressed in thousands of United States dollar)

	Useful life	Net amount December 31, 2023	Net amount December 31, 2022
Trademarks	Undefined	**1,092,793**	1,050,106
Trademarks	2 to 20 years	**341,183**	315,912
Software	2 to 15 years	**24,941**	21,079
Water rights	Undefined	**11,391**	11,347
Customer relationships	3 to 20 years	**486,166**	549,705
Supplier contract	7 to 17 years old	**28,077**	30,509
Other	2 to 17 years	**1,044**	833
		1,985,595	**1,979,491**

Changes in intangible assets:

	Balance at January 1, 2023	Additions	Disposals	Amortization	Exchange rate variation	Balance at December 31, 2023
Amortizing:						
Trademarks	315,912	35,496	–	(24,166)	13,941	**341,183**
Software	21,079	7,527	(12)	(5,121)	1,468	**24,941**
Customer relationships	549,705	2,370	(2,434)	(74,213)	10,738	**486,166**
Supplier contracts	30,509	–	–	(3,822)	1,390	**28,077**
Others	833	501	(28)	(275)	13	**1,044**
Non-amortizing:						
Trademarks	1,050,106	367	–	–	42,320	**1,092,793**
Water rights	11,347	–	–	–	44	**11,391**
	1,979,491	**46,261**	**(2,474)**	**(107,597)**	**69,914**	**1,985,595**

	Balance at January 1, 2022	Acquired in business combination	Additions	Disposals	Amortization	Exchange rate variation	Balance at December 31, 2022
Amortizing:							
Trademarks	335,452	21,138	6	–	(22,230)	(18,454)	**315,912**
Software	16,609	57	8,081	–	(4,503)	835	**21,079**
Customer relationships	645,509	2,804	–	1,099	(76,529)	(23,178)	**549,705**
Supplier contracts	32,967	–	–	–	(3,773)	1,315	**30,509**
Others	1,001	556	38	–	(746)	(16)	**833**
Non-amortizing:							
Trademarks	1,107,993	3,793	331	834	–	(62,845)	**1,050,106**
Water rights	11,595	–	–	–	–	(248)	**11,347**
	2,151,126	**28,348**	**8,456**	**1,933**	**(107,781)**	**(102,591)**	**1,979,491**

	Balance at January 1, 2021	Acquired in business combination	Additions	Disposals	Amortization	Exchange rate variation	Balance at December 31, 2021
Amortizing:							
Trademarks	73,241	286,576	–	–	(19,258)	(5,107)	**335,452**
Software	13,961	6	6,160	(19)	(4,212)	713	**16,609**
Customer relationships	499,757	251,262	–	–	(79,830)	(25,680)	**645,509**
Supplier contracts	35,933	–	2,077	–	(3,646)	(1,397)	**32,967**
Others	833	724	–	–	(536)	(20)	**1,001**
Non-amortizing:							
Trademarks	868,615	261,637	1,574	–	–	(23,833)	**1,107,993**
Water rights	11,775	–	–	–	–	(180)	**11,595**
	1,504,115	**800,205**	**9,811**	**(19)**	**(107,482)**	**(55,504)**	**2,151,126**

13 Goodwill

Changes in goodwill:

	December 31, 2023	December 31, 2022	December 31, 2021
Balance at the beginning of the period	5,828,691	5,835,418	5,558,462
Acquired in business combination	–	18,725	510,397
Business combinations adjustment [1]	**11,842**	5,955	–
Disposal	–	(16,358)	–
Exchange rate variation	**264,487**	(15,049)	(233,441)
Balance at the end of the period	6,105,020	5,828,691	5,835,418

[1] Refers to the business combination adjustment in TriOak.

(Expressed in thousands of United States dollar)

Goodwill represents the positive difference between consideration paid to purchase a business and the net fair value of identifiable assets and liabilities of the acquired entity. Goodwill is recognized as an asset and included in "Goodwill" in the Statement of Financial Position. Goodwill is related to an expectation of future earnings of the acquired subsidiary after assets and liabilities are combined with the Group and cost savings resulting from synergies expected to be achieved upon the integration of the acquired business.

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.

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

At December 31, 2023, and 2022, the Group tested the recoverability of each CGU group containing goodwill using the concept of value in use through discounted cash flow models based on the balances at December 30, 2023 and 2022. 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.

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

CGUs	**December 31, 2023**	**December 31, 2022**
Brazil Beef	**1,873,448**	1,738,300
Seara	**766,970**	711,821
Moy Park	**777,583**	735,403
USA Pork	**694,534**	694,534
Australia Meat	**280,915**	277,116
Australia Smallgoods	**310,598**	306,405
Pilgrim's Food Masters (PFM)	**336,683**	320,667
Others CGUs without significant goodwill (1)	**1,064,289**	1,044,445
Total	**6,105,020**	**5,828,691**

(1) They comprise about 21 Cash Generating Units (CGUs) that, due to their lower values, were allocated to the 'other' category as shown

For the year ended December 31,2023 and 2022 there were no indicators of impairment of goodwill within any CGU.

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.

	2023	**2022**
Discount rate (pre tax)	**13.5 %**	13.2 %
Terminal value growth rate	**3.5 %**	4.3 %
Estimated growth rate (average for the next 5 years)	**7.2 %**	6.6 %

- 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 estimates 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 for operations to continue in perpetuity.

For the years ended December 31, 2023, and 2022, 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:

	2023	**2022**
Discount rate (pre tax)	**15.8 %**	15.2 %
Terminal value growth rate	**3.3 %**	3.3 %
Estimated growth rate (average for the next 5 years)	**13.2 %**	13.3 %

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 for operations to continue in perpetuity.

For the years ended December 31, 2023, and 2022, estimated value in use exceeded the carrying amount of the CGU group.

iii - Moy Park

(Expressed in thousands of United States dollar)

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

	2023	2022
Discount rate (pre tax)	**14 %**	10.2 %
Terminal value growth rate	**2.0 %**	1.0 %
Estimated growth rate (average for the next 5 years)	**7.4 %**	6.4 %

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 for operations to continue in perpetuity.

For the years ended December 31, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**9.8 %**	10.7 %
Terminal value growth rate	**2.5 %**	0.5 %
Estimated growth rate (average for the next 5 years)	**2.8 %**	0.8 %

- 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 for operations to continue in perpetuity.

For the years ended December 31, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**9.1 %**	9.3 %
Terminal value growth rate	**2.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**2.3 %**	2.7 %

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 for operations to continue in perpetuity.

For the years ended December 31, 2023 and 2022, estimated value in-use exceeded the carrying amount of the CGU group.

ustralia Smallgoods

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

	2023	2022
count rate (pre tax)	**9.0 %**	9.4 %
minal value growth rate	**2.0 %**	2.0 %
imated growth rate (average for the next 5 years)	**8.9 %**	6.9 %

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

- 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 for operations to continue in perpetuity.

For the years ended December 31, 2023 and 2022, estimated value in-use exceeded the carrying amount of the CGU group.

(Expressed in thousands of United States dollar)

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

Pilgrim's Food Masters

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

	2023	2022
count rate (pre tax)	**13.0 %**	10.2 %
minal value growth rate	**2.7 %**	3.0 %
imated growth rate (average for the next 5 years)	**6.3 %**	6.9 %

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

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 for operations to continue in perpetuity.

For the years ended December 31, 2023 and 2022, estimated value in-use exceeded the carrying amount of the CGU group.

14 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:

	December 31, 2023	December 31, 2022
Domestic:		
Commodities	**1,761,470**	1,833,012
Materials and services	**3,123,140**	3,881,686
Finished products	**38,061**	13,773
Present value adjustment	**(19,642)**	(15,078)
	4,903,029	**5,713,393**
Foreign:		
Commodities	**31,354**	36,602
Materials and services	**320,691**	192,280
Finished products	**1,979**	864
	354,024	**229,746**
Total trade accounts payable	**5,257,053**	**5,943,139**
Supply chain finance [(1)]		
Domestic	**940,344**	574,280
Foreign	**7,722**	14,312
Total supply chain finance	**948,066**	**588,592**
Total	**6,205,119**	**6,531,731**

[(1)] The Group and its indirect subsidiary Seara Alimentos carry out transactions with financial institutions that allow the suppliers to anticipate their receivables in the domestic market. These transactions do not extend payment terms beyond the normal terms with other suppliers. 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 Group has commitments to purchase cattle for future delivery signed with certain suppliers, in which the Group guarantees the acquisition of cattle for a fixed price, or to be fixed, with no cash effect on the Group until the cattle are delivered. Based on these future delivery contracts, JBJ has already advanced this operation with the banks under the supply chain finance method. As of December 31, 2023, the amount of this transaction was US$61,926 (US$86,593 at December 31, 2022), this operation is recognized as supply chain finance.

(Expressed in thousands of United States dollar)

15 Loans and financing

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 Group's 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.

Registration of bonds with the Securities Exchange Commission (SEC): On July 24, 2023, the Group registered new notes under the Securities Act with the Securities and Exchange Commission (SEC) in order to exchange the 11 series of debt securities ("Bonds"). As a result of the registration of the bonds, the Group is obligated to disclose information in the United States of America and, therefore, is subject to disclosure requirements provided by the SEC and other regulations and standards related to securities in the United States of America, as well as compliance obligations of the Sarbanes-Oxley Act ("SOX").

Type	Average annual interest rate	Currency	Index	Payment terms / non-current debt	Current		Non-current	
					December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Foreign currency								
ACC - Advances on exchange contracts	8.40%	USD	–	2024	52,158	416,772	–	51,056
Prepayment	7.38%	USD	SOFR	2024 - 27	5,531	397,508	174,346	378,479
FINIMP – Import Financing	6.48%	USD and EUR	Euribor	2024 - 25	31,291	100,641	647	3,041
White Stripe credit facility	8.45%	USD and CAD	–	–	2,892	3,020	–	–
Working capital - Dollar	8.97%	USD	SOFR	2024 - 30	362	1,735	2,553	2,841
CRA - Agribusiness Credit Receivable Certificates	4.92%	USD	–	2028	442	93	38,464	12,757
Scott credit facilities	2.20%	USD	–	2025	–	–	1,815	1,794
					92,676	919,769	217,825	449,968
Local currency								
FINAME (1)	5.98%	BRL	–	2024 - 25	478	885	6	441
FINEP (2)	–	BRL	–		–	890	–	1,395
Prepayment	8.22%	GBP and USD	BoE, SOFR	2024 - 25	54,906	9,543	60,000	–
Notes 2.50% JBS Lux 2027	2.50%	USD	–	2027	11,542	11,181	986,220	982,084
Notes 5.13% JBS Lux 2028	5.13%	USD	–	2028	19,219	23,703	886,398	883,767
Notes 6.5% JBS Lux 2029	6.50%	USD	–	2029	1,084	1,000	77,885	77,869
Notes 3.00% JBS Lux 2029	3.00%	USD	–	2029	7,458	7,200	586,210	583,499
Notes 5.50% JBS Lux 2030	5.50%	USD	–	2030	31,910	30,747	1,239,931	1,238,251
Notes 3.75% JBS Lux 2031	3.75%	USD	–	2031	1,563	1,302	495,338	494,748
Notes 3.00% JBS Lux 2032	3.00%	USD	–	2032	3,833	3,417	980,341	977,988
Notes 3.63% JBS Fin 2032	3.63%	USD	–	2032	16,729	16,212	984,472	982,586
Notes 5.75% JBS Lux 2033	5.75%	USD	–	2033	29,469	60,575	2,001,095	1,997,613
Notes 6.75% JBS Lux 2034	6.75%	USD	–	2034	30,900	–	1,576,065	–
Notes 4.38% JBS Lux 2052	4.38%	USD	–	2052	16,309	15,750	887,237	886,786
Notes 6.50% JBS Lux 2052	6.50%	USD	–	2052	8,396	6,997	1,527,284	1,526,735
Notes 7.25% JBS Lux 2053	7.25%	USD	–	2053	18,669	–	883,214	–
Notes 5.88% PPC 2027	5.88%	USD	–	2027	–	11,930	–	842,009
Notes 4.25% PPC 2031	4.25%	USD	–	2031	8,972	8,382	984,404	982,248
Notes 3.50% PPC 2032	3.50%	USD	–	2032	10,500	10,063	891,184	890,113
Notes 6.25% PPC 2033	6.25%	USD	–	2033	43,924	–	984,018	–
Notes 6.88% PPC 2034	6.88%	USD	–	2034	7,639	–	484,577	–
PPC Credit Line - Term loan	–	–	–	–	–	26,728	–	452,188
Working capital - Reais	17.45%	BRL	TJLP	2024 - 28	5,081	16,415	16,331	647
Working capital - Euros	3.10%	EUR	Euribor	2024 -28	17,249	11,665	10,186	1,903
Export credit note	14.20%	BRL	CDI	2024 - 30	2,913	145,116	214,735	294,891
CDC - Direct Consumer Credit	15.97%	BRL	–	2024 - 28	21,296	7,723	9,020	90
Livestock financing - Pre	10.73%	BRL	–	2024	242,928	35,460	–	–
CRA - Agribusiness Receivables Certificate	10.38%	BRL	CDI and IPCA	2024 - 37	149,060	163,492	2,013,297	1,460,108
Credit line - Scott	7.69%	USD and EUR	–	2050	20,087	13,448	529	40
Credit line - Beardstown Pace	3.65%	USD	–	2050	6,689	7,425	64,700	62,969
JBS Australia Confinement Agreement	2.76%	AUD	–	2028	993	258	34,053	33,592
Others	4.68%	Several	Several	2031	9,098	9,771	11,012	18,573
Total					798,894	657,278	18,889,742	15,673,133
					891,570	1,577,047	19,107,567	16,123,101

(Expressed in thousands of United States dollar)

(1) FINAME - Government Agency for Machinery and Equipment Financing
(2) FINEP - Research and projects financing

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, IPCA, TJLP (the Brazilian government's long-term interest rate), and EURIBOR (Euro Interbank Offered Rate), among others.

The availability of revolving credit facilities for JBS USA was US$2.9 billion as of December 31, 2023 (US$2.8 billion as of December 31, 2022). In Brazil, the availability of revolving credit facilities was US$450,000 as of December 31, 2023 (US$450,000 as of December 31, 2022).

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

Maturity	December 31, 2023	December 31, 2022
2024	—	649,358
2025	**171,228**	165,687
2026	**18,998**	484,706
2027	**1,193,540**	1,911,633
2028	**1,102,778**	1,006,157
2029	**34,417**	—
Maturities after 2029	**16,586,606**	11,905,560
	19,107,567	16,123,101

15.1 Guarantees and contractual restrictions ("covenants")
The Group was in compliance with all of its debt covenant restrictions at December 31, 2023 .

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
JBS USA Revolving Credit Facility	**Issuer:** -JBS USA Holding Lux S.à.r.l.; -JBS USA Food Company; -JBS Australia Pty. Ltd.; -JBS Food Canada ULC . **Guarantors:** -JBS S.A.; -JBS Global Luxembourg S.à.r.l.; -JBS Global Meat Holdings Pty. Limited.	Usual and customary for investment grade facilities of this type and subject to customary exceptions, but limited to: (i) incurrence of "priority debt", (ii) liens; (iii) fundamental changes, (iv) sale lease-backs, (v) sales of all or substantially all of the assets of the Borrowers and their subsidiaries, (vi) changes in line of business and (vii) changes in 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.	The facility contains customary events of default. (1)
Notes 2.50% JBS Lux 2027 **Notes 3.63% JBS Lux 2032**	**Issuer:** -JBS USA Holding Lux S.à.r.l.; -JBS USA Food Company (JBS USA); -JBS Luxembourg Company S.à **Guarantor:** -JBS S.A.; -JBS Global Luxembourg S.àr.l (JBS Global Lux); -JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	On September 12, 2022, the Group 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 Group (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 Group. The new exchanged notes contain restrictive covenants applicable to the Group 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)

(Expressed in thousands of United States dollar)

Notes 3,00% JBS Lux 2029	**Issuer:** -JBS USA Holding Lux S.à.r.l ; -JBS USA Food Company; (JBS USA) -JBS Luxembourg Company S.à.r.l. **Guarantor:** -JBS S.A. (JBS S.A.); JBS Global Luxembourg S.à r.l (JBS Global Lux); JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	On August 15, 2022, the Group 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.	'The covenants contains customary events of default (1).
Notes 6,50% JBS Lux 2029			
Notes 5,50% JBS Lux 2030			
Notes 3.75% JBS Lux 2031			
Notes 3,00% JBS Lux 2032			
Notas 4,38% JBS Lux 2052			

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
Notes 5,13% JBS Lux 2028	**Issuer:** JBS USA Holding Lux S.A. (JBS Lux); JBS USA Food Company (JBS USA); JBS Luxembourg Company S.à.r.l . **Guarantor:** JBS S.A. (JBS S.A.); JBS Global Luxembourg S.à r.l (JBS Global Lux); JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	These notes contain restrictive covenants applicable to the Group 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 5,75% JBS Lux 2033			
Notes 6,75% JBS Lux 2034			
Notes 4,38% JBS Lux 2052			
Notes 7,25% JBS Lux 2052			
Notes 6,50% JBS Lux 2052			
Notes 4,25% PPC 2031	**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	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 Group. 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.	
Notes 3,50% PPC 2032			

(Expressed in thousands of United States dollar)

Notes 6,25% PPC 2033 **Notes 6,88% PPC 2034**	**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	These notes were issued in investment-grade format and contain customary investment-grade clauses related to limitations on encumbrances, sale and lease transactions, change of control, and customary merger and consolidation clauses. These limitations are subject to certain exceptions, which may be relevant.	
PPC Revolving Credit Facility	**Borrowers:** -Pilgrim's Pride Corporation; -To-Ricos Ltd. -To-Ricos Distribution, LTD.	On October 4, 2023, PPC and certain of its subsidiaries entered into an unsecured Revolving Credit Agreement with CoBank, ACB as administrative agent and other involved lenders that replaced the 2021 U.S. Credit Facility. The credit agreement increased its availability under the revolving loan commitment from US$800.0 million to US$850.0 million, in addition to changes to clauses and the extension of the maturity date from August 2026 to October 2028. The RCF also requires compliance with a minimum interest coverage ratio of 3.50:1.00 (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 U.S. assets. From and after the collateral cure date the financial maintenance covenant shall no longer be in effect, availability under the RCF shall be limited to collateral coverage, may be subject to a minimum fixed charge coverage ratio if utilization is above 80% and there shall be limitation 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.	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 Group; - incur certain additional indebtedness; - declare certain dividends, share premiums, or repurchases of equity.	The facility also contains customary events of default. (1)
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 Group; - 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 Group; - 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 Group; - 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 Group; - 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 Group´s ability to realize new investments and be a guarantor for third party loans, change the general nature of the core business of the Group 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 **5° issuance of debentures CRA** **6° issuance of debentures CRA** **7° issuance of debentures CRA**	**Borrowers:** JBS S.A	Customary covenants that may limit the Group´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)
8° issuance of debentures CRA **9° issuance of debentures CRA** **10° issuance of debentures CRA**	**Borrowers:** JBS S.A	Standard contractual restrictions that may limit the Group's ability, among other things, to: -create liens; -sell or transfer to third parties all or substantially all assets; -carry out spin-offs, mergers or incorporations of the Group and/or its Subsidiaries by third parties; -pay dividends if the issuer is in default with respect to any of its pecuniary obligations under the indenture	The facility contains customary events of default. (1)

(1) Customary events of default include 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.

On December 2023, JBS Holding Lux merged with its wholly-owned direct subsidiary, JBS USA Lux S.A ("JBS Lux"), with JBS Holding Lux as the surviving entity. As a result, all obligations of JBS Lux are now obligations of JBS Holding Lux - including the BMO revolving credit facility, in which JBS Holding Lux became a borrower, and all senior unsecured notes, in which JBS Holding Lux became a issuer.

On December 2023 JBS USA Finance Inc ("JBS USA Finance") was dissolved and consequently is no longer a borrower under the BMO revolving credit facility. At the beginning of 2024 JBS USA Finance was replaced by JBS Luxembourg Company Sarl ("JBS Luxembourg"), formerly JBS Luxembourg Sarl, in all JBS's senior unsecured notes.

JBS standard issuers and guarantors

- Senior unsecured notes co-issuers: JBS Holding Lux, JBS Luxembourg and JBS USA
- Standard Guarantors to the senior unsecured notes and the revolving credit facility: JBS S.A., JBS Global Luxembourg S.à r.l. ("JBS Global Lux"), JBS Global Meat.

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

15.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

(Expressed in thousands of United States dollar)

	Note	Balance at January 1, 2023	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at December 31, 2023
Loans and financing	15	**(17,700,148)**	(907,975)	(1,322,258)	(68,756)	**(19,999,137)**
Lease liability	11	**(1,721,833)**	354,947	(70,277)	(404,064)	**(1,841,227)**
Derivative liabilities	27	**1,267**	12,745	(8,639)	(61,829)	**(56,456)**
Margin cash	3	**130,209**	(26,602)	28,854	—	**132,461**
Profit reserves		**(4,264,534)**	(447,979)	—	1,125,294	**(3,587,219)**
Non-controlling interest		**(645,970)**	(6,318)	—	(30,454)	**(682,742)**
Total		**(24,201,009)**	**(1,021,182)**	**(1,372,320)**	**560,191**	**(26,034,320)**

	Note	Balance at January 1, 2022	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at December 31, 2022
Loans and financing	15	**(16,578,829)**	187,123	(1,141,271)	(167,171)	**(17,700,148)**
Lease liability	11	**(1,506,043)**	434,488	(75,883)	(574,395)	**(1,721,833)**
Derivative liabilities	27	**(10,444)**	261,739	(250,028)	—	**1,267**
Margin cash	3	**223,162**	(109,732)	16,779	—	**130,209**
Treasure shares		**619,298**	551,888	—	(1,171,186)	—
Profit reserves		**(3,385,709)**	872,802	—	(1,751,627)	**(4,264,534)**
Non-controlling interest		**(660,796)**	103,141	—	(88,315)	**(645,970)**
Total		**(21,299,361)**	**2,301,449**	**(1,450,403)**	**(3,752,694)**	**(24,201,009)**

	Note	Balance at January 1, 2021	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at December 31, 2021
Loans and financing	15	**(12,682,415)**	(3,064,966)	(670,660)	(160,788)	**(16,578,829)**
Lease liability	11	**(1,174,686)**	359,893	(25,066)	(666,184)	**(1,506,043)**
Derivative liabilities	27	**(5,027)**	(29,742)	19,080	5,245	**(10,444)**
Margin cash	3	—	136,045	87,117	—	**223,162**
Treasure shares		**107,550**	1,922,142	—	(1,410,394)	**619,298**
Profit reserves		**(2,273,080)**	905,378	—	(2,018,007)	**(3,385,709)**
Non-controlling interest		**(660,438)**	5,357	—	(5,715)	**(660,796)**
Total		**(16,688,096)**	**234,107**	**(589,529)**	**(4,255,843)**	**(21,299,361)**

(1) The values presented as non-cash transactions refer to lease liabilities, allocation of net profit, and provisions.

16 Income and other taxes payable

Income and other taxes payable are comprised of the following:

	December 31, 2023	December 31, 2022
Taxes payable in installments	67,980	89,930
PIS / COFINS tax payable	32,835	30,218
ICMS / VAT / GST tax payable	35,335	28,081
Withholding income taxes	10,527	8,585
Others	91,693	98,425
Subtotal	238,370	255,239
Income taxes payable	83,247	91,070
Total	321,617	346,309
Breakdown:		
Current liabilities	227,249	230,158
Non-current liabilities	94,368	116,151
	337,244	346,309

Decree 8,426/2015 - PIS/COFINS over financial income: In July 2015, the Group filed an injunction to suspend the enforceability of PIS and COFINS expenses related to 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 non- cumulative 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 Group has not yet been amended.

Although the Federal Supreme Court recognized the constitutionality of the PIS and COFINS rates established by Decree 8,426/15, the Group maintains the benefit obtained through the Writ of Mandamus until the sentence is amended. This scenario reflects the complexity and dynamics of the Brazilian tax system, where judicial decisions can significantly impact companies' tax burden.

As of December 31, 2023 the Group has recognized under the caption "Income taxes and other taxes payable" the amount of US$28,498 (US$29,478 as of December 31, 2022) regarding PIS/COFINS related to financial income.

(Expressed in thousands of United States dollar)

17 Payroll and social charges

Payroll and social charges are comprised of the following:

	December 31, 2023	December 31, 2022
Social charges in installments	**489,520**	431,054
Bonus and vacation along with related social charges	**736,138**	735,770
Salaries and related social charges	**503,400**	436,364
Others	**58,626**	50,817
	1,787,684	**1,654,005**
Breakdown:		
Current liabilities	**1,297,181**	1,198,063
Non-current liabilities	**490,503**	455,942
	1,787,684	**1,654,005**

Labor taxes payable in installments: In December 2022, the Supreme Federal Court (STF), in a favorable decision regarding Direct Action of Unconstitutionality (ADI No. 4,395), declared the subrogation of the collection of social security contributions related to the Rural Worker Assistance Fund (FUNRURAL) from slaughterhouses, consumer companies, consignees, or production-acquiring cooperatives unconstitutional. As of December 31, 2023, the Group and its subsidiaries have recorded a provision of US$353,000 (US$328,000 as of December 31, 2022) under the heading "Social Charges Installments" related to FUNRURAL installments. Since 2018 to date, the Group and its subsidiaries settled the FUNRURAL payments installment in the total amount of US$252,000 in cash or through compensation of federal taxes recoverable.

The Group is still awaiting approval of the judgment minutes that will proclaim the result, as well as any effects modulation by the STF, which will define the period for which the decision will take effect.

18 Dividends payable

The Group's bylaws requires the payment of dividends equal to at least 25% of the annual net income attributable to company shareholders, after the allocation of 5% for the legal reserve. The Group 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.

	December 31, 2023	December 31, 2022
Declared dividends on 2019 - Residual	—	2
Declared dividends on 2020 - Residual	**5**	7
Declared dividends on 2021 - Residual	**12**	18
Declared dividends on 2022 - Residual	**8**	8
Declared dividends on 2023 - Residual	**373**	—
Subtotal	**398**	**35**

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 Group from fully paying the dividends declared. The Group sends notification to such shareholders to update their payment information so the amount can be paid. The reversal of dividends is absorbed under the caption "Profit reserves" due to the non-distribution after three years.

On June 19, 2023, the Group approved the distribution of a proposal for interim dividends referring to the net profit calculated on December 31, 2022, in the total amount of US$458.165, corresponding to US$ 0.21 (twenty-one cents) per common share, using the shareholder base on June 22, 2023. Interim dividends were paid to shareholders on June 29, 2023. The Group ended the year ended December 31, 2023 with an accumulated loss, therefore, there are no mandatory distributions of minimum dividends.
The distributed dividends per share were:

	2023	2022
Dividends to be distributed	**458,165**	872,800
Number of outstanding shares of share capital– ordinary shares	**2,218,116,370**	2,218,116,370
Dividends per share	**0.21**	0.39

19 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 Group 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 made.

The Group is party to several lawsuits arising in the ordinary course of business for which provisions are recognized for these deemed probable based on estimated costs determined by management as follow:

	December 31, 2023	December 31, 2022
Labor	**108,004**	99,270
Civil	**270,989**	222,800
Tax and Social Security	**134,400**	105,420
Total	**513,393**	**427,490**

(Expressed in thousands of United States dollar)

Breakdown:

	December 31, 2023	December 31, 2022
Current liabilities	**197,440**	174,240
Non-current liabilities	**315,953**	253,250
	513,393	**427,490**

Changes in provisions:

	Balance at January 1, 2023	Additions, reversals and changes in estimates	Payments	Indexation	Exchange rate variation	Balance at December 31, 2023
Labor	**99,270**	60,835	(69,450)	9,654	7,695	**108,004**
Civil	**222,800**	143,009	(114,340)	14,992	4,528	**270,989**
Tax and social security	**105,420**	4,773	(704)	16,227	8,684	**134,400**
Total	**427,490**	**208,617**	**(184,494)**	**40,873**	**20,907**	**513,393**

	Balance at January 1, 2022	Additions, reversals and changes in estimates	Payments	Indexation	Exchange rate variation	Balance at December 31, 2022
Labor	**96,551**	47,771	(61,399)	9,622	6,725	**99,270**
Civil	**281,135**	106,831	(172,299)	4,329	2,804	**222,800**
Tax and social security	**100,379**	(9,383)	(3,018)	10,540	6,902	**105,420**
Total	**478,065**	**145,219**	**(236,716)**	**24,491**	**16,431**	**427,490**

	Balance at January 1, 2021	Additions, reversals and changes in estimates	Payments	Indexation	Exchange rate variation	Balance at December 31, 2021
Labor	**128,050**	62,926	(91,134)	4,974	(8,265)	**96,551**
Civil	**265,955**	760,767	(729,084)	6,150	(22,653)	**281,135**
Tax and social security	**88,084**	15,485	(2,304)	4,139	(5,025)	**100,379**
Total	**482,089**	**839,178**	**(822,522)**	**15,263**	**(35,943)**	**478,065**

Brazil

Corporate Lawsuits

Profits earned by foreign subsidiaries

Starting from 2016, the Brazilian tax authorities issued some assessments to JBS S.A. from charges related to profits earned abroad., which allegedly should be included in the income tax calculation basis, disallowance of amounts 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 a fine plus interest. JBS S.A. clarifies that the most significant amount relates to the collection of profits abroad refers to the items that have been required by the inspection for the purpose of consolidating the results abroad of its direct or indirect investees, being certain that JBS S.A. disagrees with the criteria being applied by the inspection. JBS S.A. filed administrative objections that are awaiting judgment. Management understands that, considering historical values related to the dates of the assessments, for US$144,575, there are remote chances of loss and for the amount of US$2.3 billion there are possible chances of loss.

Decision on matters 881 and 885 by the Federal Supreme Court:

As of February 8, 2023, the Brazilian Supreme Court (Supremo Tribunal Federal - STF) has assessed the matters 881 – Extraordinary Resources nº 949.297 and 885 – Extraordinary Resources nº 955.227 and unanimously ruled that a previous final decision favorable to companies regarding taxes paid on a continuous basis will lose its effect in case the STF subsequently decides otherwise. The Group also evaluated with the assistance of its legal advisors the matters of this decision, which covers social contribution (CSLL) and informs that it regularly collects the contribution. The Group 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 Group and which have an unfavorable decision in the STF. Therefore, no provision was recognized.

United States

JBS USA Food Company

Litigation

Between June 28, 2018 and July 23, 2018, a series of purported class action lawsuits were filed against Group, 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*, Case No. 0:18-cv-01776 ("Pork Antitrust Litigation"). The Group has entered into agreements to settle all claims made by the three certified classes, for an aggregate total of US$57,3 million, each of which has received final approval from the Minnesota Court. The Group continues to defend itself against the direct-action plaintiffs as well as parties that have opted out of the class settlements (collectively, the "Pork Opt Outs"). The Group will seek reasonable settlements where they are available. To date, Group has recognized US$80,7 million to cover negotiated settlements with various Pork Opt Outs. Group recognized these settlement expenses within selling, general and administrative expenses in the Consolidated Statement of Income.

Between April 23, 2019 and June 18, 2020, 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 in Minnesota Court, each alleging, among other things, violations of the Sherman Antitrust Act, which were coordinated in the Minnesota Court for pre-trial purposes and styled as *In re Cattle and Beef Antitrust Litigation*, Case No. 0:20-cv-1319 ("Beef Antitrust Litigation"). Between February 18, 2022 and March 24, 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. The Group has settled with two of the purported classes in the Beef Antitrust Litigation, for an aggregate total of US$77,0 million, each of which has received final approval from the Minnesota Court. Group and its affiliates continue to defend against the remaining classes, direct-action plaintiffs as well as parties that have opted out of the class settlements (collectively, the "Beef Opt Outs"). The Group will seek reasonable settlements where they are available. To date, Group has accrued US$21,4 million to cover negotiated settlements with various Beef Opt Outs. Group recognized these settlement expenses within selling, general and administrative expenses in the Consolidated Statement of Income.

On November 11, 2022, a purported class action lawsuit was filed against Group 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 January 1, 2014 to the present. Group agreed to settle all claims made by the purported class for

US$55,0 million, though the agreement is still subject to approval by the Colorado Court.The Group reached a settlement to resolve the claims for a total amount of US$55,0 million. In March 2024, the settlement was finalized and approved by the Colorado Court.

U.S. State Matters

On June 29, 2021 and October 25, 2021, the Attorneys General of New Mexico and Alaska, respectively, filed complaints against Group based on allegations similar to those asserted in the Pork Antitrust Litigation. Group has answered both of the complaints and continues to litigate.

US Federal Matters

On December 23, 2020 and October 29, 2021, Group received civil investigative demands ("CIDs") from the U.S. Department of Justice ("DOJ") related to the fed cattle and beef packing industry. The Group cooperated with the DOJ in producing documents and information pursuant to the CIDs. The Attorneys General for multiple states participated in the investigation and coordinated with the DOJ.

Tax Claims and Proceedings

During 2017, the Australian Tax Office ("ATO") opened a review of JBS Australia Pty. Ltd. 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. No expenses has been recorded for the amounts considered in the assessment at this time.

PPC

U.S. Litigation

Between September 2, 2016 and October 13, 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*, Case No. 1:16-cv-08637 ("Broiler Antitrust Litigation"). The complaints seek, among other relief, treble damages for an alleged conspiracy among defendants to reduce output and increase prices of broiler chickens from the period of January 2008 to the present. PPC has entered into agreements to settle all claims made by the three certified classes, for an aggregate total of US$195,5 million, each of which has received final approval from the Illinois Court. PPC continues to defend itself against the direct-action plaintiffs as well as parties that have opted out of the class settlements (collectively, the "Broiler Opt Outs"). PPC will seek reasonable settlements where they are available. To date, Group has recognized an expense of US$537,4 million to cover settlements with various Broiler Opt Outs. The Group recognizes these settlement expenses within selling, general and administrative expense in the Consolidated Statements of Income.

Between August 30, 2019 and October 16, 2019, a series of purported class action lawsuits were filed in the U.S. District Court for the District of Maryland ("Maryland Court") against PPC and a number of other chicken producers, as well as Webber, Meng, Sahl & Company and Agri Stats, styled as *Jien, et al. v. Perdue Farms, Inc., et al.,* No. 19-cv-02521. The plaintiffs allege that the defendants conspired to fix and depress the compensation paid to Poultry Workers Class in violation of the Sherman Antitrust Act. PPC entered into an agreement to settle all claims made by the consolidated purported class for US$29,0 million, though the agreement is still subject to final approval by the Maryland Court. The Group recognizes these settlement expenses within selling, general and administrative expense in the Consolidated Statements of Income.

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, which 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 Group, therefore continues to litigate against the putative class plaintiffs.

On October 20, 2016, Patrick Hogan, acting on behalf of himself and a putative class of certain PPC stockholders, filed a class action complaint in the U.S. District Court for the District of Colorado ("Colorado Court") against PPC and its named executive officers styled as *Hogan v. Pilgrim's Pride Corporation, et al.*, No. 16-CV-02611 ("Hogan Litigation"). The complaint alleges, among other things, that PPC's Securities and Exchange Commission filings contained statements that were rendered materially false and misleading. The Group continues to litigate against the putative class plaintiffs.

U.S. State Matters

From February 21, 2017 through May 4, 2021, the Attorneys General for multiple U.S. states have issued civil investigative demands ("CIDs"). The CIDs request, among other things, data and information related to the acquisition and processing of broiler chickens and the sale of chicken products. The Group is cooperating with the Attorneys General in these states in producing documents pursuant to the CIDs.

On September 1, 2020, February 22, 2021, and October 28, 2021, the Attorneys General in New Mexico (State of New Mexico v. Koch Foods, et al., D-101-CV-2020-01891), Alaska (State of Alaska v. Agri Stats, Inc., et al., 3AN-21-04632), and Washington (State of Washington v. Tyson Foods Inc., et al., 21-2-14174-5), respectively, filed complaints against PPC and others based on allegations similar to those asserted in the Broiler Antitrust Litigation. The Group will seek reasonable settlements where they are available. To date, the group has recognized an expense of US$11 million to cover settlements with these states. The Group recognizes these settlement expenses in selling, general and administrative expense in the Consolidated Statements of Income.

U.S. Federal Matters

On February 9, 2022, PPC learned that the DOJ opened a civil investigation into human resources antitrust matters, and on October 6, 2022, PPC learned that the DOJ opened a civil investigation into grower contracts and payment practices and on October 2, 2023, received a CID requesting information from PPC. The Group is cooperating with the DOJ in its investigations and CID. The DOJ has informed Group that it is likely to file a civil complaint pursuant to at least one of these investigations.

Mexico Tax Claims and Proceedings

During 2014 and 2015, the Mexican Tax Administration Service ("SAT") opened a review of PPC Mexico with regard to tax years 2009 and 2010. In both instances, the SAT claims that controlled company status did not exist for certain subsidiaries because PPC Mexico did not own 50% of the shares in voting rights of Incubadora Hidalgo, S. de R.L de C.V. and Comercializadora de Carnes de México S. de R.L de C.V. (both in 2009) and Pilgrim's Pride, S. de R.L. de C.V. (in 2010). PPC Mexico appealed the opinion, and on January 31, 2023, the appeal as to tax year 2009 was dismissed by the Mexico Supreme Court. Accordingly, PPC paid US$25,9 million for tax year 2009. The opinion for tax year 2010 is still under appeal. The group has recorded a tax provision of US$17,2 million in connection therewith.

On May 12, 2022, the SAT issued 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. Following the acquisition, PPC re-domiciled Provemex Holdings, LLC from the U.S. to Mexico. The tax authorities claim 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 filed a petition to nullify these assessments, which is still pending. Amounts under appeal are approximately US$287,1 million for each of the two tax assessments. No loss has been recorded for these amounts at this time.

Other proceedings with possible outcome

As of December 31, 2023, the Group has other ongoing proceedings in the amount of US$3.14 billion (US$2.91 billion as of December 31, 2022) which refer to civil, tax and labor proceedings whose loss potential, with the assistance of its legal advisors, is possible, for which management has not recognized a provision.

(Expressed in thousands of United States dollar)

20 Equity

a. Share capital: Share capital on December 31, 2023 and December 31, 2022 was US$13,177,841, represented by 2,218,116,370 common shares, having no nominal value and there were no changes in the year ended at December 31, 2023.

	December 31, 2023		December 31, 2022		December 31, 2021	
	Quantity	US$ thousand	Quantity	US$ thousand	Quantity	US$ thousand
Initial balance	**2,218,116,370**	**13,177,841**	2,373,866,570	13,177,841	2,623,373,646	13,177,841
Cancellation of treasury shares	–	–	(155,750,200)	–	(249,507,076)	
Final balance	**2,218,116,370**	**13,177,841**	**2,218,116,370**	**13,177,841**	**2,373,866,570**	**13,177,841**

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.

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.

c. Profit reserve:

d1. Treasury shares:

Treasury share activity were as follows:

	December 31, 2022		December 31, 2021	
	Quantity	US$ thousand	Quantity	US$ thousand
Balance at the beginning of the period	**80,062,600**	**619,298**	**12,848,500**	**107,550**
Purchase of treasury shares	97,687,600	719,393	396,907,500	1,922,142
Disposal of treasury shares	(22,000,000)	(169,408)	(80,000,000)	(713)
Treasury shares used in stock option plan [(1)]	–	–	(186,324)	–
Cancellation of treasury shares	(155,750,200)	(1,121,507)	(249,507,076)	(811)
Exchange variation	–	(47,776)	–	(1,408,870)
Balance at the end of the period	**–**	**–**	**80,062,600**	**619,298**

[(1)] Refers to treasury shares for stock options exercised effectively.

For the year ended at 31, December, 2023 there were no treasury shares transactions**.**

d2. Dividends: On June 19, 2023, the Group approved the distribution of proposed interim dividends related to the net profit as of December 31, 2022, in the total amount of US$458,165, corresponding to US$0.21 per ordinary share, using the shareholder base as of June 22, 2023. The interim dividends were paid to shareholders on June 29, 2023. The Group closed the year ended December 31, 2023, with an accumulated loss; therefore, there is no requirement to distribute minimum dividends.

d3. Legal reserve: In accordance with the Brazilian Corporate Law and the Group'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, absorb losses and 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 Group presents net income in a higher amount of the reclassification amount.

During the year ended on December 31, 2023, the Group and its subsidiaries recorded government subsidies in the amount of US$820,028, from this amount, US$20,147 million from the indirect subsidiary Seara was constituted on tax incentives because the Group reported a profit in the fiscal year 2023. The difference of US$799,881 million will be recognized in the tax incentive reserve account as the accumulated loss is absorbed by future profits, and this amount will reduce the value of dividends in subsequent periods.

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. Net investment of foreign operations: The Group has certain intercompany loans balances with a foreign subsidiary which will not be settled through cash but with equity transactions, such as capital increase or reduction. Therefore, these balances are an extension of the subsidiary's investment, thus they are considered as net investment on foreign operations. The exchange variation is recognized in other comprehensive income and reclassified from equity to profit or loss on disposal of net investment, during the period.

f. Non-controlling interest: Material non-controlling interest as of December 31, 2023 consisted of the 17.5% (17.3% as of December 31, 2022), of PPC common stock not owned by JBS USA. JBS USA's voting rights in PPC are limited to 82.5% as of December 31, 2023 (82.7% as of December 31, 2022) of the total. The profit allocated to the PPC non-controlling interest was US$67,153, US$147,429 and US$6.9 million for the years ended December 31, 2023, 2022 and 2021, respectively. The accumulated non-controlling interest in PPC was US$728,551 as of December 31, 2023 (US$639,664 as of December 31, 2022). For the year ended December 31, 2023, purchase of treasury stock by PPC was nil (US$89,216 for the year ended December 31, 2022). Below are the PPC total net sales, net income, cash provided by operations, total assets and total liabilities for the years indicated.

	2023	2022	2021
Net Revenue	**17,362,217**	17,468,377	14,777,458
Net Income	**322,317**	746,538	31
Net cash provided by operating activities	**677,877**	669,863	326,459
Total assets	**9,810,361**	9,255,769	8,913,205
Total liabilities	**6,465,784**	6,402,493	6,324,271

(Expressed in thousands of United States dollar)

21 Net revenue

The vast majority of the Group'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 Group 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 Group.

The Group 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 Group's facility, in which case control transfers to the customer at that point and the Group recognizes revenue. The Group'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.

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 Group may 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 Group receives payments from customers based on terms established with the customer. Payments are typically due within 25 days of delivery for domestic accounts and 39 days for international accounts.

The Group 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 23.

The Group also disaggregated its revenues between Brazil, Seara, Beef North America, Pork USA, Chicken Pilgrim's Pride, Australia and Others to align with our segment presentation in Note 23.

Revenue by significant category are as follows:

	2023	2022	2021
Domestic sales	**54,501,282**	53,478,460	48,118,921
Export sales	**18,416,841**	19,135,450	16,923,785
NET REVENUE	**72,918,123**	**72,613,910**	**65,042,706**

Contract balances

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

The following table provides information about trade accounts receivable and contract liabilities from contracts with customers:

	Note	2023	2022
Trade accounts receivable	4	**3,390,856**	3,878,125
Contract liabilities		**(324,598)**	(215,479)
Total customer contract revenue		**3,066,258**	3,662,646

22 Net finance expense

Net finance expense includes (i) interest payable on lease liabilities and 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 27—Risk management and financial instruments, (iii) interest receivable on funds invested which is recognized in profit or loss as it accrues using effective interest method; and (iv) gains and losses associated with transactions denominated in foreign currencies.

	2023	2022	2021
Gains / (losses) from exchange rate variation	57,525	415,570	(595)
Fair value adjustments on derivatives	82,928	(343,573)	46,716
Interest expense [1]	(1,732,928)	(1,342,486)	(975,164)
Interest income [2]	326,442	268,418	144,326
Bank fees and others	(87,372)	(239,627)	(153,762)
	(1,353,405)	**(1,241,698)**	**(938,479)**
Finance income	584,216	808,612	430,707
Finance expense	(1,937,621)	(2,050,310)	(1,369,186)
	(1,353,405)	**(1,241,698)**	**(938,479)**

[1] For the year ended December 31, 2023, 2022 and 2021 the amount of US$1,183,852, US$909,942 and US$786,388 , respectively, refers to interest expenses from loans and financings.
[2] For the year ended December 31, 2023,2022 and 2021 the amount of US$117,866, US$110,677 and US$61,024 , respectively, refers to interest income from present value adjustments. In addition, for the year ended December 31, 2023, the amount of US$105,839 (US$68,478 and US$24,156 for the year ended December 31, 2022 and 2021respectively), refers to interest income from short-term investments.

23 Earnings (loss) 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.

	2023	2022	2021
Net income attributable to Company shareholders	**(198,869)**	**2,997,488**	**3,811,442**
Weighted average common shares	**2,218,116**	2,254,345	2,516,008
Weighted average - treasury shares	–	(23,933)	(36,817)
Weighted average - common shares outstanding	**2,218,116**	**2,230,412**	**2,479,191**
Basic and diluted earnings (loss) per share - (US$)	**(0.09)**	**1.34**	**1.54**

24 Share-based compensation

PPC - Share Based Compensation Plan

PPC operates an employee performance-based compensation plan, which provides for the granting of share-based awards to directors and other employees of PPC, members of the Board of Directors and any consultants. The awards granted consist of "incentive stock options," which are nonqualified stock options (NSO), appreciation shares, restricted stock awards ("RSAs") and restricted stock units ("RSUs").

Share-based awards are converted into shares of PPC common stock shortly after the award is granted. The cost of remuneration to be recognized in the case of granting shares is determined by multiplying the number of awards granted by the closing price of a common share of PPC on the award grant date. Share-based awards (phantom shares) are converted into cash shortly after the award is granted. The cost of compensation to be recognized in the case of cash payment is determined by first multiplying the number of awards granted by the closing price of a share of PPC common stock on the award grant date. However, the same is adjusted on each subsequent date (i.e., expiration date, vesting date or period end date) by multiplying the number of awards granted by the closing price of a share of PPC common stock on that date. The President of the PPC establishes the criteria for granting options and selecting employees. The number of grantable shares authorized by the plan is limited to 2% of PPC's share capital.

For the year ended December 31, 2023, the expenses recognized related to compensation plans with payment in shares and cash were US$5,728 and US$1,888, respectively (US$5,729 and US$1,341 respectively for the year ended December 31, 2022).

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

	December 31, 2023		December 31, 2022	
Equity-based compensation, paid in shares	**Number**	**Price**	**Number**	**Price**
Initial balance	**993**	**22.00**	**554**	**20.4**
Grants	324	23.67	405	23.88
Exercised	(378)	22.25	(266)	23.25
Shares reissued	(28)	24.99	300	23.52
Ending balance	**911**	**22.4**	**993**	**22**

	December 31, 2023		December 31, 2022	
Equity-based compensation, cash-settled	**Number**	**Price**	**Number**	**Price**
Initial balance	**377**	**23.8**	**574**	**27.55**
Grants	158	24.21	269	22.09
Exercised	(196)	25.27	(139)	27.55
Cancelled	(97)	22.81	(327)	24
Ending balance	**242**	**27.66**	**377**	**23.80**

(Expressed in thousands of United States dollar)

There were no changes to premiums in the years ended December 31, 2023 and 2022.

The total fair values of equity awards and equity-based awards were US$9,300 on December 31,2023 (US$7,500 on December 31,2022) and US$5,000 (US$5,600 on December 31,2022), respectively. As of December 31, 2023, the total unrecognized compensation cost related to all unexercised share-based awards was US$9,000 (US$10,161 on December 31,2022), whose cost must be recognized over a weighted average period of 1.93 years (2.17 years on December 31,2022). As of December 31, 2023, the total unrecognized compensation cost related to all unexercised cash-based share-based awards was US$4,100 (US$2,674 on December 31, 2022), the cost of which must be recognized over a weighted average period of 1.73 years (1,60 years on December 31, 2022).

Historically, PPC has issued new shares, rather than treasury shares, for the share-based award.

The expected life of stock options is based on historical data and current expectations that are not necessarily indicative of exercises that may occur in the future. Expected volatility reflects the premise that historical volatility is indicative of future trends, which may not be the case.

25 Operating segments

The Group'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, Pilgrim's Pride, Australia and Others. The segment operating profit or loss is evaluated by the CODM, based on Adjusted EBITDA.

Adjusted EBITDA consists of all the items of profit and loss that compose the Group's profit before taxes, applying the same accounting policies as described in these consolidated financial statements, except for the following adjustments as further described below: exclusion of share of profit of equity accounted investees, net of tax; exclusion of financial income and financial expenses, exclusion of depreciation and amortization expenses; exclusion of expenses with antitrust agreements described in note 19; exclusion of donations and social programs expenses; exclusion of impairment of assets; exclusion of restructuring and exclusion of certain other operating income (expense), net.; and exclusion J&F Leniency expenses refund .

Brazil: this segment includes all the operating activities of the Group, 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, including the recently acquired TriOak business. 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.

Pilgrim's Pride: 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 United States of America, 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. In addition, these products are breaded or non-breaded and either pre-marinated or non-marinated. The segment also generates revenue from the sale of prepared pork products through PPL, a subsidiary acquired by PPC in October 2019. The segment includes PPC's PFM subsidiary, acquired in September 2021, and generates revenues from branded and 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). This segment also sells 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). This segment also operates lamb, pork, and fish, processing facilities in Australia and New Zealand including Huon and Rivalea businesses. 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 Group manages its loans and financing and income taxes at the corporate level and not by segment.

The information by operating segment are as follows:

2023	Brazil	Seara	Beef North America	Pork USA	Pilgrim's Pride	Australia	Others	Total reportable segments	Elimination (*)	Total
Net revenue	**11,141,171**	**8,272,546**	**23,303,052**	**7,713,828**	**17,347,956**	**6,209,012**	**893,459**	**74,881,024**	**(1,962,901)**	**72,918,123**
Adjusted EBITDA(1)	**469,250**	**364,494**	**114,236**	**526,949**	**1,536,039**	**454,707**	**(5,207)**	**3,460,468**	**(2,583)**	**3,457,885**

2022	Brazil	Seara	Beef North America	Pork USA	Pilgrim's Pride	Australia	Others	Total reportable segments	Elimination (*)	Total
Net revenue	11,414,350	8,324,233	22,069,092	8,153,051	17,455,092	6,323,297	842,036	**74,581,151**	(1,967,241)	**72,613,910**
Adjusted EBITDA(1)	468,933	896,744	2,081,676	756,284	2,084,557	443,880	(7,887)	**6,724,187**	(2,182)	**6,722,005**

(Expressed in thousands of United States dollar)

	2021									
	Brazil	Seara	Beef North America	Pork USA	Pilgrim's Pride	Australia	Others	Total reportable segments	Elimination (*)	Total
Net revenue	9,989,966	6,773,847	21,443,400	7,626,244	14,765,111	5,344,942	712,984	**66,656,494**	(1,613,788)	**65,042,706**
Adjusted EBITDA[1]	431,868	714,668	4,511,948	786,007	1,691,656	327,573	24,729	**8,488,449**	(2,033)	**8,486,416**

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

	2023	2022	2021
Operating profit	**1,084,140**	4,783,391	5,984,069
Depreciation and amortization	**2,149,066**	1,907,923	1,673,216
Antitrust agreements [1]	**102,500**	101,447	792,700
Donations and social programs[2]	**18,166**	23,942	27,311
J&F Leniency expenses refund [3]	–	(93,786)	–
Impairment of assets [4]	**26,268**	17,396	–
Restructuring[5]	**53,275**	–	–
Other operating income (expense), net [6]	**24,470**	(18,308)	9,120
Elimination	**2,583**	2,182	2,033
Total Adjusted EBITDA for operating segments	**3,460,468**	6,724,187	8,488,449

[1] Refers to the Agreements entered by JBS USA and its subsidiaries as described in Note 19 – Provisions for legal proceedings.
[2] Refers to the donations, as described in Note 26 – Expenses by nature.
[3] Refers to the amount that J&F agreed to pay to JBS in connection with the settlement agreement between the parties to Arbitration Proceeding No. 186/21, net of PIS/COFINS social contribution tax.
[4] Refers to the impairment of assets related to Planterra's plant closure during the year ended at 2023..
[5] Refers to the project implementation of multiple restructuring initiatives mainly in the indirect subsidiary Pilgrim's Pride Corporation (PPC).
[6] Refers to various adjustments, mainly abroad, such as expenses related to acquisitions, insurance indemnities, among others.

Below is net revenue and total assets based on geography, presented for supplemental information.

	2023							
	North and Central America [2]	South America	Australia	Europe	Others	Total	Intercompany elimination [1]	Total
Net revenue	**43,121,198**	**18,160,466**	**5,771,385**	**5,979,750**	**264,904**	**73,297,703**	(379,579)	**72,918,124**
Total assets	**17,525,543**	**17,674,813**	**5,771,385**	**5,896,287**	**2,088,347**	**48,956,375**	(6,378,541)	**42,577,834**

	2022							
	North and Central America [2]	South America	Australia	Europe	Others	Total	Intercompany elimination [1]	Total
Net revenue	42,934,979	19,022,041	6,373,122	5,588,847	189,715	**74,108,704**	(1,494,794)	**72,613,910**
Total assets	28,967,943	16,883,845	3,611,682	5,036,017	2,158,279	**56,657,766**	(16,772,255)	**39,885,511**

	2021							
	North and Central America [2]	South America	Australia	Europe	Others	Total	Intercompany elimination [1]	Total
Net revenue	43,834,755	16,763,813	5,344,942	597,098	115,886	**66,656,494**	(1,613,788)	**65,042,706**
Total assets	23,641,965	15,778,101	3,520,751	5,042,651	2,082,577	**50,066,045**	(12,927,637	**50,066,045**

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

(Expressed in thousands of United States dollar)

26 Expenses by nature

The Group's policy is to present expenses by function in the statement of income. Expenses by nature are disclosed below:

	2023	2022	2021
Cost of sales			
Cost of inventories, raw materials and production inputs	**(55,435,841)**	(52,469,159)	(45,129,164)
Salaries and benefits	**(7,641,355)**	(6,951,628)	(6,178,825)
Depreciation and amortization	**(1,873,776)**	(1,649,450)	(1,445,850)
	(64,950,972)	**(61,070,237)**	**(52,753,839)**
Selling			
Freight and selling expenses	**(3,848,089)**	(3,970,687)	(2,994,516)
Salaries and benefits	**(302,395)**	(242,342)	(179,489)
Depreciation and amortization	**(63,990)**	(62,188)	(57,037)
Advertising and marketing	**(313,736)**	(337,873)	(250,319)
Net impairment losses	**(7,748)**	(2,477)	(10,277)
Commissions	**(58,376)**	(66,122)	(60,117)
	(4,594,334)	**(4,681,689)**	**(3,551,755)**
General and administrative			
Salaries and benefits	**(1,247,927)**	(1,297,972)	(1,117,757)
Fees, services purchased and general expenses	**(735,386)**	(670,385)	(712,694)
Depreciation and amortization	**(211,095)**	(196,288)	(170,793)
DOJ - department of justice and Antitrust agreements	**(102,500)**	(101,446)	(792,625)
Donations and social programs [1]	**(18,166)**	(22,891)	(18,278)
JBS Fund For The Amazon	–	(1,049)	(9,035)
	(2,315,074)	**(2,290,031)**	**(2,821,182)**

[1] Refers to donations made to Instituto J&F regarding improvements on school's building, the social program "Fazer o Bem Faz Bem" created by the Group to support actions for social transformation where the Group is present and donations to the JBS Fund For The Amazon.

For the year ended December 31, 2023, the Group incurred expenses with internal research and development, in the amount of US$5,135 (US$8,311 and US$21,023 for the year ended December 31,2022 and 2021).

For the year ended December 31, 2023 and 2022, other income (expenses) includes gain (losses) of sale of assets, insurance recovery, asset impairment expenses, restructuring expenses, among others.

(Expressed in thousands of United States dollar)

27 Risk management and financial instruments

Financial instruments:
The Group 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 Group's business model for managing them:

1. 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 Group classifies mainly "CDBs and treasury bills" and "Derivative financial instruments".

2. Amortized cost: Represent financial assets and liabilities which Group'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 due to changes in the expected credit losses. In this category the Group classifies mainly "Trade accounts receivable", "Cash and cash equivalents", "Trade accounts payable" and "Loans and financing".

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 Group or the counterparty.

The Group uses the measurement principles described in Note 2.6 – Significant accounting judgements and estimates at each statement of financial position date for each classification type of financial assets and liabilities.

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

	Note	December 31, 2023	December 31, 2022
Assets			
Fair value through profit or loss [1]			
Financial investments	3	**2,642,258**	1,343,149
National treasury bills	3	**210,716**	109,662
Derivative assets		**169,736**	108,505
Amortized cost [2]			
Cash at banks	3	**1,830,814**	1,144,741
Margin cash	3	**18,191**	59,088
Trade accounts receivable	4	**3,390,856**	3,878,125
Related party receivables	8	**118,554**	182,268
Total		**8,381,125**	**6,825,538**
Liabilities			
Amortized cost			
Loans and financing	15	**(19,999,137)**	(17,700,148)
Trade accounts payable and supply chain finance	14	**(6,205,119)**	(6,531,731)
Lease		**(1,841,227)**	(1,721,833)
Other financial liabilities		**(104,043)**	(11,876)
Fair value through profit or loss			
Derivative liabilities		**(144,251)**	(107,238)
Total		**(28,293,777)**	**(26,072,826)**

[1] CDBs are updated at the contractual rate but have a short-term and the counterparties are financial institutions, and their carrying amount is approximate to fair value; (ii) national treasury bill are measured at fair value.
[2] Loans and receivables are classified as amortized cost; (ii) the trade accounts receivable are short-term and net of expected losses.

Fair value of assets and liabilities through profit or loss: The Group 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 in the short term, equity instruments without an active market and contracts with discretionary characteristics that the fair value cannot 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 Group do not have any financial instruments that utilize significant level 3 inputs.

(Expressed in thousands of United States dollar)

	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	**206,650**	**2,435,608**	**2,642,258**	–	1,343,149	**1,343,149**
National treasury bills	**210,716**	–	**210,716**	109,662	–	**109,662**
Derivative assets	–	**169,736**	**169,736**	–	108,505	**108,505**
Financial liabilities						
Derivative liabilities	–	**144,251**	**144,251**	–	107,238	**107,238**

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, 2023 and December 31, 2022, considering there is an active market for these financial instruments. The book value of the remaining fixed-rate loans approximates fair value since the interest rate market, the Group'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 Group'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 the notes:

	December 31, 2023			December 31, 2022		
Description	Principal	Price (% of the Principal)	Fair value	Principal	Price (% of the Principal)	Fair value
Notes 5.85% PPC 2027	–	–	–	850,000	99.55%	846,175
Notes 2.50% JBS Lux 2027	**1,000,000**	92.10%	**920,960**	1,000,000	86.90%	869,040
Notes 5.13% JBS Lux 2028	**900,000**	99.66%	**896,931**	900,000	95.13%	856,188
Notes 3.00% JBS Lux 2029	**600,000**	88.24%	**529,440**	600,000	84.02%	504,108
Notes 6.5% JBS Lux 2029	**77,973**	99.27%	**77,406**	77,973	98.16%	76,537
Notes 5.5% JBS Lux 2030	**1,250,000**	98.55%	**1,231,875**	1,250,000	95.40%	1,192,475
Notes 3.75% JBS Lux 2031	**500,000**	86.45%	**432,250**	500,000	82.46%	412,280
Notes 4.25% PPC 2031	**1,000,000**	90.27%	**902,650**	1,000,000	86.39%	863,940
Notes 3.00% JBS Lux 2032	**1,000,000**	81.66%	**816,560**	1,000,000	77.61%	776,110
Notes 3.62% JBS Lux 2032	**1,000,000**	85.60%	**856,030**	1,000,000	82.24%	822,410
Notes 3.5% PPC 2032	**900,000**	84.47%	**760,203**	900,000	80.72%	726,498
Notes 5.75% JBS Lux 2033	**2,050,000**	99.35%	**2,036,736**	2,050,000	95.41%	1,955,885
Notes 6.25% PPC 2033	**1,000,000**	102.90%	**1,029,020**	–	–	–
Notes 6.75% JBS Lux 2034	**1,600,000**	105.27%	**1,684,368**	–	–	–
Notes 6.87% PPC 2034	**499,999**	108.05%	**540,230**	–	–	–
Notes 4.37% JBS Lux 2052	**900,000**	74.36%	**669,204**	900,000	–	646,182
Notes 7.25% JBS Lux 2053	**900,000**	109.34%	**984,060**	–	–	–
Notes 6.50% JBS Lux 2052	**1,550,000**	100.71%	**1,560,989**	1,550,000	96.79%	**1,500,276**
	16,727,972		**15,928,912**	**13,577,973**		**12,048,104**

Finance income (expense) by category of financial instrument:

	2023	2022	2021
Fair value through profit or loss	**204,573**	(277,875)	77,969
Amortized cost	**(1,566,845)**	(963,823)	(1,019,327)
Total	**(1,362,272)**	**(1,241,698)**	**(941,358)**

Risk management:

The Group 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 Group 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 Group 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 Group 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, Group 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.

(Expressed in thousands of United States dollar)

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 Group'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 Group may realize from changes in interest rates, which may be caused by economic crisis, changes in sovereign monetary policy, or market movements. The Group primarily has assets and mainly liabilities exposed to variable interest rates like the CDI Interbank Deposit Certificate), IPCA (Extended National Consumer Price Index) and TJLP (Long Term Interest Rate), among others. The Group'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 quantitative data referring to the risk of exposure to the Group's interest rates on December 31, 2023 and December 31, 2022, are in accordance with the Financial and Commodity Risk Management Policy of the Group and are representative of the exposure incurred during the period. The main exposure to financial risks as of December 31, 2023 and December 31, 2022 are shown below:

	December 31, 2023	December 31, 2022
Net exposure to the CDI rate:		
CRA - Agribusiness Credit Receivable Certificates	**(60,676)**	(5,882)
Credit note - export	**(217,648)**	(441,125)
Rural - Credit note - Prefixed	**(1,208)**	(800)
Related party transactions	**624**	1,502
CDB-DI (Bank certificates of deposit)	**943,526**	676,961
Margin cash	**31,566**	74,237
Treasury bills	–	23,774
Subtotal	**696,184**	**328,667**
Derivatives (Swap)	**(1,427,374)**	(1,220,527)
Total	**(731,190)**	**(891,860)**
Liabilities exposure to the LIBOR rate:		
Prepayment	–	(292,209)
FINIMP	–	(2,823)
PPC term loan	–	(478,916)
Working Capital - Dollars	–	(3,190)
Subtotal	–	**(777,138)**
Derivatives (Swap)	–	295,353
Total	–	**(481,785)**
Net exposure to the IPCA rate:		
Treasury bills	**27,716**	14,767
CRA - Agribusiness Credit Receivable Certificates	**(2,101,681)**	(1,609,636)
Margin cash	**51,751**	15,237
Related party transactions	**117,930**	104,100
Subtotal	**(1,904,284)**	**(1,475,532)**
Derivatives (Swap)	**1,423,667**	1,365,001
Total	**(480,617)**	**(110,531)**
Assets exposure to the CPI rate:		
Margin cash	**49,144**	40,469
Total	**49,144**	**40,469**
Liabilities exposure to the SOFR rate:		
Prepayment	**(280,971)**	(161,410)
Prepayment - exchange agreement	**(2,915)**	–
Total	**(283,886)**	**(161,410)**
Liabilities exposure to the TJLP rate:		
Working Capital	**(771)**	(647)
Total	**(771)**	**(647)**

Sensitivity analysis as of December 31, 2023:

			Scenario (I) VaR 99% C.I. 1 day		Scenario (II) Interest rate variation - 25%		Scenario (III) Interest rate variation - 50%	
Contracts exposure	**Risk**	**Current scenario**	**Rate**	**Effect on income**	**Rate**	**Effect on income**	**Rate**	**Effect on income**
CDI	Increase	11.65%	11.70%	(340)	14.56%	(20,839)	17.48%	(41,671)
IPCA	Increase	4.68%	4.69%	(63)	5.85%	(5,496)	7.02%	(10,992)
CPI	Decrease	3.10%	3.09%	(4)	2.33%	(372)	1.55%	(745)
SOFR	Increase	5.38%	5.38%	(11)	6.73%	(3,732)	8.07%	(7,464)
				(418)		**(30,439)**		**(60,872)**

			December 31, 2023				December 31, 2022			
Instrument	Risk factor	Maturity	Notional	Fair value (Asset) - US$	Fair value (Liability) - US$	Fair value	Notional	Fair value (Asset) - US$	Fair value (Liability) - US$	Fair value
Swap	LIBOR	–	–	–	–	–	288,889	295,353	(280,251)	15,102
	CDI	2023	–	–	–	–	76,662	80,523	(77,551)	2,972
	CDI	2024	**181,769**	**189,067**	**(189,571)**	**(504)**	–	–	–	–
	IPCA	–	**111,031**	**142,472**	**(111,625)**	**30,847**	103,021	123,845	(98,448)	25,397
	IPCA	2027	**79,937**	**94,520**	**(85,402)**	**9,118**	74,171	80,302	(80,025)	277
	IPCA	2028	**91,298**	**108,777**	**(100,034)**	**8,743**	84,712	92,333	(93,764)	(1,431)
	IPCA	2030	**289,179**	**350,639**	**(328,591)**	**22,048**	268,317	296,304	(307,264)	(10,960)
	IPCA	2031	**288,874**	**333,981**	**(326,029)**	**7,952**	274,067	283,731	(300,700)	(16,969)
	IPCA	2032	**87,821**	**103,620**	**(105,459)**	**(1,839)**	172,490	177,699	(186,308)	(8,609)
	IPCA	2036	**18,824**	**23,487**	**(24,650)**	**(1,163)**	19,166	19,524	(21,408)	(1,884)
	IPCA	2037	**214,822**	**266,169**	**(267,639)**	**(1,470)**	243,786	291,262	(311,581)	(20,319)
			1,363,555	**1,612,732**	**(1,539,000)**	**73,732**	**1,605,281**	**1,740,876**	**(1,757,300)**	**(16,424)**

a2. Exchange rate risk

Exchange rate risk relates to potentially adverse results that the Group may face from fluctuations in foreign currency exchange rates from economic crisis, sovereign monetary policy alterations, or market movements.

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 entity's. functional currency. The primary exposures to exchange rate risk are in US Dollars (US$), Euro (€), British Pound (£), Mexican Pesos (MXN) and Australian Dollars (AU$).

The carrying amounts of assets and liabilities and other positions exposed to foreign currency risk at December 31, 2023, and 2022 are presented below along with the notional amounts of derivative contracts intended to offset the exposure, in accordance with the Group's Financial and Commodities Risk Management Policy. The exposure is related to Brazilian Real.

	USD		EUR		GBP		MXN		AUD	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
OPERATING										
Cash and cash equivalents	**1,570,813**	737,591	**68,154**	40,184	**20,102**	12,202	**271,503**	122,588	**42**	7
Trade accounts receivable	**579,651**	1,173,723	**147,839**	136,478	**49,743**	51,302	**134,113**	126,037	**241**	86
Sales orders	**916,595**	597,296	**73,564**	41,964	**217,509**	13,379	**–**	–	**–**	–
Trade accounts payable	**(174,781)**	(154,283)	**(74,963)**	(92,271)	**(15,846)**	(18,799)	**(267,433)**	(52,346)	**(320)**	(118)
Purchase orders	**(56,710)**	(61,679)	**(18,012)**	(12,181)	**–**	–	**–**	–	**–**	–
Operating subtotal	**2,835,568**	**2,292,648**	**196,582**	**114,174**	**271,508**	**58,084**	**138,183**	**196,279**	**(37)**	**(25)**
FINANCIAL										
Margin cash	**–**	269	**–**	–	**–**	–	**–**	–	**–**	–
Advances to customers	**(111,368)**	(36,204)	**(12,621)**	(856)	**(511)**	–	**–**	–	**–**	–
Loans and financing	**(306,798)**	(1,362,474)	**(3,218)**	(4,986)	**–**	–	**–**	–	**–**	–
Financial subtotal	**(418,166)**	**(1,398,409)**	**(15,839)**	**(5,842)**	**(511)**	**–**	**–**	**–**	**–**	**–**
Operating financial subtotal	**2,417,402**	**894,239**	**180,743**	**108,332**	**270,997**	**58,084**	**138,183**	**196,279**	**(37)**	**(25)**
Related party transactions, net	**–**	–	**–**	289,556	**–**	–	**–**	–	**–**	–
Total exposure	**2,417,402**	**894,239**	**180,743**	**397,888**	**270,997**	**58,084**	**138,183**	**196,279**	**(37)**	**(25)**
DERIVATIVES										
Future contracts	**(250,788)**	(103,000)	**(137,070)**	(103,490)	**(44,142)**	–	**–**	–	**–**	–
Deliverable Forwards (DF´s)	**(398,024)**	(463,371)	**67,303**	84,013	**(14,369)**	(5,208)	**–**	(291,377)	**2,846**	943
Non-Deliverable Forwards (NDF´s)	**(1,306,760)**	3,029	**5,071**	(11,834)	**(97,124)**	(19,761)	**–**	–	**–**	–
Swap	**–**	15,101	**–**	–	**–**	–	**–**	–	**–**	–
Total derivatives	**(1,955,572)**	**(548,241)**	**(64,696)**	**(31,311)**	**(155,635)**	**(24,969)**	**–**	**(291,377)**	**2,846**	**943**
NET EXPOSURE IN US$	**461,830**	**345,998**	**116,047**	**366,577**	**115,362**	**33,115**	**138,183**	**(95,098)**	**2,809**	**918**
Net debt in foreign subsidiaries (1)	**(14,775,198)**	**(12,816,599)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

(1) The Group includes the net debt of foreign subsidiaries in the disclosure of economic hedging exposure. Although these debts do not generate foreign exchange gains or losses (since they are foreign debts and in the functional currency of each respective country), they are translated to Brazilian Real in the consolidation, impacting the equity as exchange variation of investment, influencing the consolidated debt of the Group, and consequently the leverage indicators.

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

a2.1.1 US Dollar (amounts in thousands of US$):

Exposure of US$	Risk	Current exchange rate	Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Operating	Appreciation	4.8413	4.7621	(45,314)	3.6310	(692,836)	2.4207	(1,385,677)
Financial	Depreciation	4.8413	4.7621	(3,573)	3.6310	(54,636)	2.4207	(109,272)
Derivatives	Depreciation	4.8413	4.7621	31,251	3.6310	477,820	2.4207	955,643

Exposure of US$	Risk	Current exchange rate	Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on equity	Exchange rate	Effect on equity	Exchange rate	Effect on equity
Net debt in foreign subsidiaries	Depreciation	4.8413	4.9205	(241,589)	6.0516	(3,693,815)	7.2620	(7,387,599)

Instrument	Risk factor	Nature	December 31, 2023			December 31, 2022		
			Quantity	Notional (US$)	Fair value	Quantity	Notional (US$)	Fair value
Future Contract	American dollar	Short	**52,199**	**(250,788)**	**(2,078)**	51	490	(872)

Instrument	Risk factor	Nature	December 31, 2023			December 31, 2022		
			Notional (US$)	Notional (US$)	Fair value	Notional (US$)	Notional (US$)	Fair value
Deliverable Forwards	American dollar	Short	**(398,024)**	**(398,024)**	**29,150**	(463,371)	(2,417,731)	67,658
Non-Deliverable Forwards	American dollar	Short	**(1,306,760)**	**(1,306,760)**	**13,975**	3029	15804	(339)

a2.1.2 € - EURO (amounts in thousands of US$):

Exposure of US$	Risk	Current exchange	Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Operating	Appreciation	5.3516	5.2638	(3,153)	4.0137	(48,033)	2.6758	(96,065)
Financial	Depreciation	5.3516	5.2638	254	4.0137	3,870	2.6758	7,740
Derivatives	Appreciation	5.3516	5.2638	1,038	4.0137	15,808	2.6758	31,616

Instrument	Risk factor	Nature	December 31, 2023			December 31, 2022		
			Notional (EUR)	Notional (US$)	Fair value	Notional (EUR)	Notional (US$)	Fair value
Non-Deliverable Forwards	Euro	Long	**(1,157)**	**5,071**	**513**	78,708	85,306	3,443
Deliverable Forwards	Euro	Short	**12,576**	**67,303**	**(1,885)**	(11,087)	(12,016)	9

a2.1.3 £ - British Pound (amounts in thousands of US$):

Exposure of US$	Risk	Current exchange	Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Operating	Appreciation	6.1586	6.0564	(4,405)	4.6190	(66,340)	3.0793	(132,680)
Financial	Depreciation	6.1586	6.0564	8	4.7134	125	3.1423	250
Derivatives	Depreciation	6.1586	6.0564	2,525	4.6190	38,028	3.0793	76,055

Instrument	Risk factor	Nature	December 31, 2023			December 31, 2022		
			Notional (GBP)	Notional (US$)	Fair value	Notional (GBP)	Notional (US$)	Fair value
Deliverable Forwards	British pound	Short	**(2,333)**	**(14,369)**	**202**	(829)	(4,869)	(193)
Non-Deliverable Forwards	British pound	Short	**(15,771)**	**(97,124)**	**(579)**	(3,147)	(18,476)	1,357

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

Exposure of US$	Risk	Current exchange rate	Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Operating	Appreciation	0.2856	0.2815	(1,962)	0.2142	(33,763)	0.1428	(67,527)

Instrument	Risk factor	Nature	December 31, 2023			December 31, 2022		
			Notional (MXN)	Notional (US$)	Fair value	Notional (MXN)	Notional (US$)	Fair value
Deliverable Forwards	Mexican peso	Short	–	–	–	(1,092,527)	(272,434)	(30,362)

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

			Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
Exposure of US$	Risk	Current exchange rate	Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Operating	Depreciation	3.2882	3.2319	1	2.4662	9	1.6441	18
Derivatives	Appreciation	3.2882	3.2319	(48)	2.4662	(695)	1.6441	(1,391)

			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (AUD)	Notional (US$)	Fair value	Notional (AUD)	Notional (US$)	Fair value
Deliverable Forwards	Australian dollar	Long	865	2,846	(1)	266	943	5

b. Commodity price risk

The Group 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 Group 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 Group. In order to maintain future supply of these materials, the Group participates in forward contracts to anticipate purchases with suppliers. To complement these forward purchases, the Group 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 G takes the historical average amount spent on materials as an indication of the operational value to be protected by firm contracts.

b.1 Position balance in commodities (cattle) contracts of JBS S.A.:

Given the nature of its operations, the Group is exposed to volatility in cattle prices, where price fluctuations arise from factors beyond the Group'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 Group 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 Group’s exposure to cattle price fluctuation as of December 31, 2023, are presented below in accordance with the Group’s Financial and Commodities Risk Management Policy and are representative of the exposure at each period end.

Exposure in Commodities (Cattle)	December 31, 2023	December 31, 2022
Firm contracts of cattle purchase	–	2,873
Subtotal	–	**2,873**
DERIVATIVES		
Future contracts	**(101)**	(385)
Subtotal	**(101)**	**(385)**
NET EXPOSURE	**(101)**	**2,488**

Sensitivity analysis as of December 31, 2023:

			Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
Exposure	Risk	Current price (USD per head)	Price	Effect on income	Price	Effect on income	Price	Effect on income
Derivatives	Cattle depreciation	52	55	(5)	65	(25)	78	(49)

Derivatives financial instruments breakdown:

			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Long	**(6)**	**(101)**	–	21	(385)	(19)

b2. 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 Group´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

Management's estimate at the exposure risk to grain's price changes at Seara Alimentos at December 31, 2023, 2022 and January 1, 2023 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 United States dollar)

EXPOSURE in Commodities (Grain)	December 31, 2023	December 31, 2022
OPERATING		
Purchase orders	**114,097**	224,766
Subtotal	**114,097**	**224,766**
DERIVATIVES		
Future contracts	–	(948)
Non-Deliverable Forwards	–	(30,990)
Subtotal	–	**(31,938)**
NET EXPOSURE	**114,097**	**192,828**

Sensitivity analysis as of December 31, 2023:

		Scenario (i) VaR 99% C.I. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
Exposure	Risk	Price (USD per tonne)	Effect on income	Price	Effect on income	Price	Effect on income
Operating	Depreciation	(2.19)%	(2,451)	(25.00)%	(27,878)	(50.00)%	(55,756)

Derivatives financial instruments breakdown:

			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	Commodities (Grains)	Short	–	–	–	520	(948)	(2,448)
Non-Deliverable Forwards	Commodities (Grains)	Short	–	–	–	4,000	(30,990)	684

b3. Hedge accounting of Seara Alimentos:

b3.1. Hedge accounting:

The Group applies hedge accounting for grain purchases by the subsidiary Seara Alimentos, aiming at bringing stability to the 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 statement of financial position 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 Group'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; changes in commodities prices; and changes in the timing of the hedged transactions.

Below are the effects on the statement of income, after the adoption of hedge accounting:

	December 31, 2023	December 31, 2022
Statements of income:		
Cost of sales before hedge accounting adoption	**(7,798,858)**	**(7,303,648)**
Derivatives operating income (loss)	**31,693**	**61,857**
Currency	**1,441**	10,103
Commodities	**30,252**	51,754
Cost of sales with hedge accounting	**(7,767,165)**	**(7,241,791)**
Financial income (expense), net excluding derivatives	**(77,411)**	**(45,390)**
Derivatives financial income (expense), net	**14,405**	**(46,354)**
Currency	**39,968**	(61,277)
Commodities	**(24,357)**	26
Interest	**(1,206)**	14,897
Financial income (expense), net	**(63,006)**	**(91,744)**

(Expressed in thousands of United States dollar)

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

Statements of other comprehensive income (expense):	**December 31, 2023**	**December 31, 2022**
Financial instruments designated as *hedge accounting:*	**(537)**	**(7,800)**
Currency	**39**	(2,622)
Commodities	**(576)**	(5,178)
Gain (loss) on cash flow hedge	**7,882**	**(48,526)**
Deferred income tax on hedge accounting		**16,499**
Total of other comprehensive income (expense)	**7,882**	**(32,027)**

Hedge cash flow movement	**December 31, 2022**	**OCR**	**December 31, 2022**
Hedge accounting operations at the parent company	**(7,992)**	**7,482**	**(8,074)**
(-) IR/CS	**2,717**	**(2,544)**	**2,745**
Impact of Hedge Operations on Subsidiaries	**272**	**(272)**	**274**
	(92)	**92**	**(93)**
Impact of Hedge Operations on Subsidiaries	**(5,095)**	**4,758**	**(5,148)**

Below are the effects on the statement of financial position, after the adoption of hedge accounting:

Statement of financial position:	**December 31, 2023**	**December 31, 2022**
Derivative (liabilities)/assets	–	**(1,765)**
Financial instruments designated as *hedge accounting:*		
Commodities	–	(1,765)
Currency	–	–
Derivative (liabilities)/assets	**4,473**	**18,073**
Financial instruments not designated as *hedge accounting:*		
Exchange	**4,977**	–
Interest	**(504)**	18,073
Other comprehensive income (expense)	**(550)**	**(7,720)**
Currency	**39**	(2,595)
Commodities	**(589)**	(5,125)
Inventories	**6,577**	**6,951**
Currency	**136**	2,298
Commodities	**6,441**	4,653

Open amounts in statement of financial position of derivative assets and liabilities:

	December 31, 2023	**December 31, 2022**
Assets:		
Not designated as hedge accounting	–	**18,074**
Interest	–	18,074
Current assets	**4,977**	**13,267**
Non-current assets	–	**4,807**
(Liabilities):		
Designated as hedge accounting	**750**	**1,764**
Commodities	–	1,764
interest	**750**	–
Current liabilities	–	**1,765**
Not designated as hedge accounting		
Currency	**504**	–
interest	**504**	–

b4. Position balance in commodities derivatives financial instruments of JBS USA:

Exposure in Commodities	**December 31, 2023**	**December 31, 2022**
OPERATIONAL		
Firm contracts of cattle purchase	**3,230,355**	2,514,530
Subtotal	**3,230,355**	**2,514,530**
DERIVATIVES		
Deliverable Forwards	**389,130**	(154,278)
Subtotal	**389,130**	**(154,278)**
NET EXPOSURE	**3,619,485**	**2,360,252**

(Expressed in thousands of United States dollar)

Sensitivity analysis as of December 31, 2023:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (iii) Price variation - 50%	
Exposure	**Risk**	**Price (US$ per head)**	**Effect on income**	**Price**	**Effect on income**	**Price**	**Effect on income**
Operating	Depreciation	(2.25)%	(71,163)	(25.00)%	(789,300)	(50.00)%	(1,578,600)
Derivatives	Appreciation	(2.25)%	(8,572)	(25.00)%	(95,079)	(50.00)%	(190,159)

Derivatives financial instruments breakdown:

			December 31, 2023			December 31, 2022		
Instrument	**Risk factor**	**Nature**	**Notional (US$)**	**Notional (R$)**	**Fair value**	**Notional (US$)**	**Notional (R$)**	**Fair value**
Deliverable Forwards	Commodities (Cattle)	Short	**80,377**	**389,130**	**(1,982)**	(29,568)	(154,278)	(31,182)

c. Credit risk

The Group 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 Group establishes exposure limits set by the Risk Management Committee, based on the risk ratings of specialized international agencies.

The Group considers a financial asset to be in default when:

1. the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
2. the losses are expected based on the client's operational history and credit.

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 were as follows:

	Weighted average loss rate	Gross carrying amount	Expected credit loss
December 31, 2023			
Cash and cash equivalents	–	**4,569,517**	–
Margin cash	–	**132,461**	–
Trade accounts receivable	**2.50%**	**3,390,856**	**(84,913)**
Related party receivables	–	**118,554**	–
	–	**8,211,388**	**(84,913)**

d. Liquidity risk

Liquidity risk arises from the Group's working capital management and obligations to pay interest and principal on its financing, especially debt instruments. Liquidity risk is the risk that the Company may not have available liquidity to meet its financial obligations when they are due.

The Group's key management personnel manage liquidity risk primarily by assessing the Group's overall leverage by monitoring the net debt ratio. This ratio compares the Group's net debt (total loans and financing less the total of cash and cash equivalents) to "Adjusted EBITDA" for the preceding 12 months. The Group's working capital management strategy includes maintaining its leverage at or below its target leverage ratio in order to ensure that the Group can meet its financial obligations while achieving efficiency in its cost of funding.

The leverage ratio is shown below:

	December 31, 2023	December 31, 2022
Leverage indicator (USD)	**4.42x**	2. 26x

(Expressed in thousands of United States dollar)

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

	December 31, 2023					December 31, 2022				
	Less than 1 year	**Between 1 and 3 years**	**Between 4 and 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**Between 1 and 3 years**	**Between 4 and 5 years**	**More than 5 years**	**Total**
Trade accounts payable and supply chain finance	**6,205,119**	**–**	**–**	**–**	**6,205,119**	6,531,731	–	–	–	**6,531,731**
Loans and financing	**891,570**	**171,228**	**1,212,538**	**17,723,802**	**19,999,138**	1,577,047	815,045	2,396,339	12,911,717	**17,700,148**
Estimated interest on loans and financing [1]	**1,362,896**	**1,052,488**	**1,910,116**	**7,390,262**	**11,715,762**	924,346	1,837,495	1,485,208	4,441,125	**8,688,174**
Derivatives liabilities (assets)	**144,251**	**–**	**–**	**–**	**144,251**	107,238	–	–	–	**107,238**
Other liabilities	**21,162**	**20,914**	**–**	**61,967**	**104,043**	6,498	5,327	51	–	**11,876**
Payments of leases	**(2,796)**	**293,444**	**442,272**	**1,108,307**	**1,841,227**	342,747	500,539	313,253	853,253	**2,009,792**
Total	**8,622,202**	**1,538,074**	**3,564,926**	**26,284,338**	**40,009,540**	**9,489,607**	**3,158,406**	**4,194,851**	**18,206,095**	**35,048,959**

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

The Group has future commitment for purchase of grains and cattle whose balances at December 31, 2023 is US$35.6 billion (December 31, 2022 is US$32.9 billion).

The Group has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at December 31, 2023 is US$13,575 (US$15,416 at December 31, 2022). This guarantee exceeds the amount of the 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, 2023 is US$67,335 (US$99,288 at December 31, 2022). This guarantee exceeds the amount of the 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, 2023 is US$51,751 (US$15,505 at December 31, 2022). This guarantee exceeds the amount of the collateral.

As disclosed in Note 15 Loans and financing, the Group has multiple bank loans that contains a loan covenants. A future breach of covenant may require the Group 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 derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the derivative 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.

e. Risks linked to climate change and the sustainability strategy

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

For the year ended December 31, 2023, 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.

28 Subsequent events

On February 28, 2024, the Attorney General of the State of New York filed a civil complaint against our subsidiaries, JBS USA Food Company and JBS USA Food Company Holdings, in the Supreme Court of the State of New York, County of New York, alleging that consumers in New York were misled by statements in which we expressed our goal of reducing greenhouse gas emissions and striving to achieve Net Zero by 2040. The complaint seeks an injunction, disgorgement of profits, civil penalties, attorney's fees and other relief. We believe we will be successful in our defense strategy; an opinion shared by our legal advisors.

Management Report

2023

MESSAGE FROM THE CEO

Gilberto Tomazoni, CEO Global JBS

Year after year, we have emphasized the importance of our global platform. In the face of challenging conditions like those we encountered in 2023, this platform has proven its strength. It has allowed us to continue generating cash and distributing dividends. Despite the persistent negative effects of the cattle cycle in the United States, the operational management measures adopted last year and the improvement in the medium-term outlook enable us to enter 2024 on the path of margin recovery.

Our focus on operational excellence was key to correcting the course of two of our businesses that underperformed in 2023: USA Beef and Seara. We identified issues and took action to adopt management measures based on our culture, with a focus on people and discipline in execution. The results of these measures are already being felt. The outlook at Seara for 2024 is positive, with significant improvement already seen in the first quarter of the year, which is traditionally challenging for the sector. Seara is now well-positioned to reap the rewards of investments in expansion made in recent years.

Our multi-protein and multi-geography strategy puts us in an unmatched position in the global industry. This diversity allows us to capitalize on the cattle cycle upswing in Brazil and Australia, while our American operation faces margin declines due to current market conditions. In Australia, the improved outlook is reflected in a significant increase in margin in the fourth quarter of 2023 compared to the same period last year. In Brazil, where the situation is similar, significant growth in cattle processing volume, increased value-added product sales, the authorization of new plants to supply the Chinese market, as well as improved profitability of exports offer promising prospects for the beef business in the short and long term.

The chicken and pork businesses faced persistent pressure on production costs throughout 2023 but are already benefiting from the normalization of grain prices, as evidenced by the results of Pilgrim's and USA Pork. The recovery of margins in these businesses also reflects a better balance of supply and demand. Pilgrim's margins saw strong growth, rising from 1.5% in the fourth quarter of 2022 to 6.8% in the fourth quarter of 2023. Similarly, USA Pork results jumped from 4.8% to 9% in the same period.

Through our global platform, we operate successfully in all relevant proteins. With results exceeding expectations, our growth in aquaculture reaffirms our belief that we will replicate what we have done previously with chicken, pork and value-added products. In 2024, we will complete a cultivated protein facility in San Sebastián, Spain. We are also building the JBS Biotech Innovation Center in Brazil, which is a Research, Development, and Innovation Biotechnology Center. We are a food company, and our focus is to meet consumer demand for all types of protein.

In 2023, we once again demonstrated our financial strength. The maintenance of our healthy cash generation allowed us to distribute US$ 448 million in dividends for the year, creating value for our shareholders. We reduced our gross debt by US$ 1.6 billion, from the third quarter to the fourth quarter, which is something we plan to continue in 2024. As a result of our financial discipline, we began the Company's deleveraging process at the end of 2023, decreasing the leverage ratio from 4.87x in the third quarter to 4.42x in the fourth quarter.

We remain confident in our long-term strategy: we will continue to reinforce our diversified platform, both geographically and by protein type, investing in strong brands, value-added products, and strategic partnerships with our customers. This set of actions is crucial for increasing margins and reducing volatility. The investments we made in 2023 are significant milestones that support this direction. In Brazil, we opened two new factories in the state of Paraná that will allow Seara to advance its expansion strategy in value-added products. Similarly, we commenced operations at the new Principe Italian meats facility in Columbia, Missouri, and invested in our King's Lynn pork unit in the UK to make it a center of excellence in cold cuts.

JBS has demonstrated resilience and strength over its 70 years. The company's diversified platform, commitment to excellence, innovation, and sustainability, focus on people and culture, and the impending dual listing in Brazil and the United States put the company in a unique position to embark on a new cycle of accelerated growth and shareholder returns.

About JBS & 2023 Highlights

COMPANY PROFILE

JBS S.A. is a food company with more than 70 years of tradition and a global leader in the processing of animal protein. With operations in 25 countries, the Company serves more than 300 thousand clients in approximately 190 countries through a diversified portfolio of products and brands.

Headquartered in Brazil, it has around 270 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.

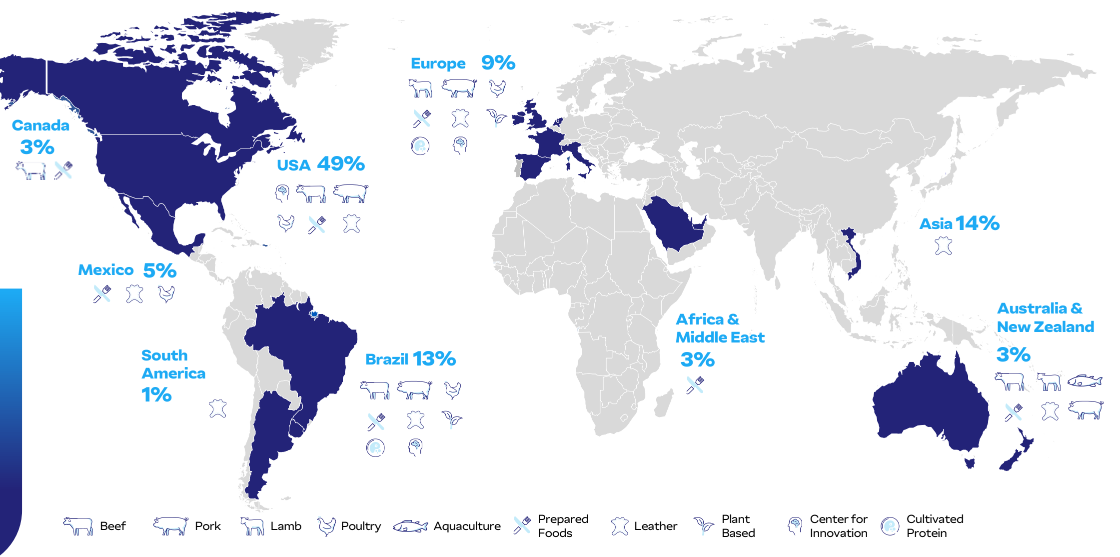
JBS operates through six business units throughout the world, as follows:

- **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 600 production units and sales offices in more than 25 countries

Net Revenues by Product Destination 2023



Net Revenue by Origin

United States	50%
Brazil	27%
Australia	9%
Europe	7%
Canada	4%
Mexico	3%

Fonte: JBS

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

INVESTMENTS AND CORPORATE EVENTS

We continue working to unlock value for JBS, on July 12 we disclosed a Material Fact announcing a proposal to our investors to list our shares in Brazil and the United States. We believe this is another way to generate even more value for all our shareholders, team members and society. The objective of the dual listing is to expand our investment capacity to grow the company and increase the access to institutional and retail investors to shares representing JBS' consolidated operations.

The main purpose of the dual listing strategy is to:

(i) Adapt JBS's corporate structure to the global and diversified profile of the Company's operations;

(ii) Potential unlocking of the value of the Company's shares; and

(iii) Expand investment capacity to strengthen the conditions for growth and competition with global competitors.

The dual listing will make it possible for JBS to:

(i) Further strengthen its corporate governance;

(ii) increase its visibility among the global investor community, thereby increasing the comparability with its main peers;

(iii) Broaden the access to a wider base of investors;

(iv) Increase the flexibility to use equity as a source of funding, paving the way to fundraising through issuing shares and, consequently, reduce the need to incur in debt to support growth; and

(v) Reduce the cost of capital.

The proposal to be submitted to the Company's shareholders is to promote a dual listing in Brazil and in the United States, using JBS N.V., an entity incorporated under the laws of the Netherlands, as a listed entity. At the CVM, JBS N.V. will be registered as a foreign issuer to have Brazilian Depositary Receipts – BDRs Level II listed on B3, representing its Class A Shares (as defined below). At the Securities and Exchange Commission (SEC), JBS N.V. will be registered as a foreign issuer (Foreign Private Issuer – FPI) in order to have its Class A Shares listed on the NYSE ("Dual Listing").

When completed, the transaction will not alter in any respect the current operational and management structure of JBS S.A., in such way that operating assets, employees, financial flows and logistic chains will remain where and how they operate currently.

For more details regarding the Dual Listing access the Material Fact.

On July 20th, the members of JBS' Board of Directors appointed Ms. Kátia Regina de Abreu Gomes, Mr. Cledorvino Belini and Mr. Paulo Bernardo Silva as independent members of the Board of Directors, all of them to serve their term of office until the next Shareholders' Meeting of the Company, in substitution of Ms. Leila Abraham Loria, Ms. Claudia Pimentel Trindade Prates and Mr. Estêvão de Almeida Accioly, all of who resigned on July 19, 2023 their positions as independent members of the Company's Board of Directors.

On July 24th, JBS announced that it obtained the effectiveness of the F-4 registration statement before the United States Securities and Exchange Commission (SEC) regarding the Exchange Offers. As a result of the effectiveness of the registration statement of the F-4, the Company has become a public reporting company in the United States and, accordingly, subject to the information and reporting requirements of the U.S. Securities Exchange Act of 1934, and other United States of America federal securities laws, and the compliance obligations of the SarbanesOxley Act of 2002.

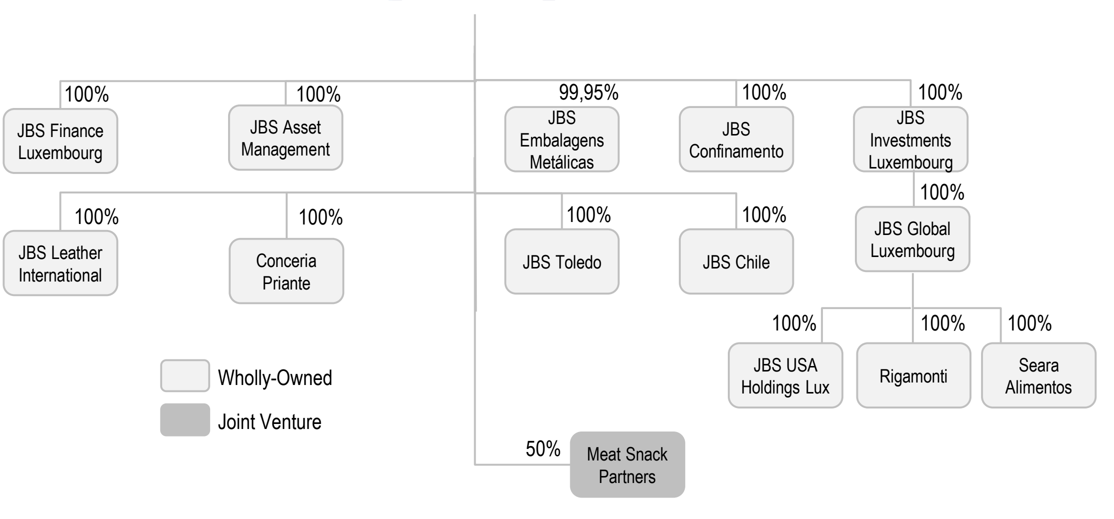
INVESTMENTS AND CORPORATE EVENTS

On September 5th, the subsidiaries, JBS USA Lux S.A., JBS USA Food Company and JBS Luxembourg SARL, priced its senior notes to be offered in the international market, as follows: (i) U.S.$ 1.6 billion with a yield of 6.768% per annum and a coupon of 6.75% per annum, with maturity in 2034; and (ii) U.S.$ 900 million with yield of 7.287% per annum, and coupon of 7.250% per annum, with maturity in 2053.

On October 4th, the Company issued R$1.7 billion in Agribusiness Receivables Certificates (CRA) in 5 series, with maturities in 2028, 2030, 2033 and 2038.

On October 26th, the Company announced the opening of two plants of its subsidiary, Seara Alimentos Ltda., in the industrial complex located in the city of Rolândia, located in the north of the state of Paraná. The industrial complex will allow Seara to advance its expansion strategy into value-added products, particularly in chicken breaded products and hot dog segments. These plants are part of the investment plan announced by JBS in 2019 in the total amount of R$8 billion.

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, Equity and Inclusion Committee.

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 communications 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
Kátia Regina de Abreu Gomes	Independent Member
Alba Pettengill	Independent Member
Gelson Luiz Merisio	Independent Member
Paulo Bernardo Silva	Independent Member
Cledorvino Belini	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 guide its employees and its business everywhere it operates. Since 2017, the Company has maintained a Compliance Officer that leads the issue independently, reporting directly to the Board of Directors.

In the scenario in which we operate, with dynamism, business expansion, and challenges and risks inherent to operations, JBS considers "Always do it right" to be a non-negotiable practice. All employees must act ethically, transparently, honestly, and legally, under the guidelines defined by the JBS Global Ethics and Compliance Officer.

The Compliance Department is led by Michael Koenig, Global Ethics and Compliance Officer, where his mission is to strengthen the Company's strategy in its global operations and harmonize and improve existing regional standards and knowledge. Michael reports directly to the Chairman of the Board of Directors and has a functional structure that comprises six regional compliance heads. Under his leadership, the Global Ethics and Compliance Department is responsible for developing and disseminating processes, policies, channels and programs that promote ethical conduct in all of the Company's operations.

ETHICS AND COMPLIANCE

JBS also has a Global Compliance Executive Committee with the main purpose of building a more uniform and consistent Compliance program across all of the Company's units. Made up of members of the executive officers, and with the participation of senior legal advisors from JBS whenever necessary, the Committee is responsible for promoting continuous improvements in our "Always do it Right" Program, disseminating the culture of Compliance among employees, stakeholders, partners and customers.

After a period of sequential acquisitions, the appointment of both our Global Ethics and Compliance Officer and Global Executive Compliance Committee proved to be vital achievements for strengthening the alignment throughout the company.

The JBS Code of Conduct and Ethics is available in five languages (Portuguese, English, Spanish, Italian, and French) and sets clear behavioral guidelines and standards to ensure appropriate workplace conduct, efficient and safe operations, and the well-being of our team members. The Code has policies for each of the company's major risk areas, including team member safety, food safety, environmental compliance, animal welfare, corporate ethics, workplace conduct, and taxation and finance.

In addition to mandatory yearly Code of Conduct and Ethics training, new team members also receive the Code of Conduct and Ethics during the integration process and are expected to comply with our policies, regardless of their position in the Company. Corrective actions for violating the Code or Company policies include training, verbal and written warnings, suspensions and, if necessary, termination of employment.

In 2023, more than 125 thousand employees were trained in the Code of Conduct and Ethics. Training is available in different methodologies, which are developed according to each audience: executives (including Business CEOs, members of the Board of Directors and advisory committees), administrative positions and operational positions.

In 2023, more than 30 thousand employees (administrative and leadership) underwent training on Anti-Corruption and Conflict of Interest policies. The dissemination of training is carried out through campaigns, which include various pieces of communication, also adapted for each audience.

To disseminate the culture of integrity in Brazil and positively influence the sector, JBS and 17 Agribusiness companies produced the Agribusiness Anti-Corruption Good Practices Guide. A voluntary initiative by the 44 members that make up the Anti-Corruption Collective Action of the UN Global Compact Brazil Network, with the support of the Ministry of Agriculture. The document consolidates fundamental ethical principles, encouraging transparent relationships with public authorities and encouraging the construction of an increasingly honest business environment.

As a result of the continuous improvement of our "Always do it Right" Compliance Program, we have kept our global and local policies active, which must be observed in all regions where the Company operates. They are: Global Compliance Policy, which aims to provide transparency to the guidelines that guide the execution of the JBS Compliance Program, Competition Policy, JBS Ethics Line Policy, Non-Retaliation Policy, Global Anti-Corruption and Anti-Bribery Policy, and Policy for Offering/Receiving Gifts, Presents and Entertainment

The Company also has the JBS Ethics Line, which plays a fundamental role in the development of the Compliance Program, such as in the content of training, communication, review and creation of policies, among others. The JBS Ethics Line is operated by an external and independent company, available 24 hours a day, 7 days a week, in four languages, for reporting suspicions or violations in good faith regarding internal codes, policies, procedures, and legislation. In 2023, the channel received more than 5 thousand reports, all of which were treated and investigated, in accordance with specific internal policies and procedures on the topic. Investigations concluded as valid or partially valid, disciplinary measures and action plans were defined and applied.

HUMAN CAPITAL

With a team of more than 270 thousand employees, JBS stands out as an important employer in rural communities and capitals in several countries, including Canada, Brazil, Mexico, United States, United Kingdom, Australia, New Zealand, among other countries. Therefore, ensuring the opportunity for a better future for all our employees is an essential part of our mission. Each of our units invests in the training, health and safety of our employees, promoting a diverse and inclusive work environment, and supporting the surrounding communities.

The JBS team and its management practices, such as talent attraction, hiring, and retention, are guided by our Company Culture and abide by local laws and standards. Our Human Resources (HR) departments operate regionally with support from our corporate HR team and have formal processes in place to allow for information and best-practice sharing within the company.

Our staff is diverse in terms of ethnicity, culture, religion, language, and country of origin. We are committed to hiring and supporting the development of our professionals regardless of nationality, gender, sexual orientation, gender identity, or age, and we also foster the inclusion of people with disabilities. To incentivize new talent and retain current team members, we revise people management policies and programs annually, and develop key performance indicators for health and safety, turnover, absenteeism, and overtime, to monitor and improve our processes. This allows us to make immediate adjustments if necessary and ensure team member health, safety and working conditions are upheld across all facilities.

Our managers reinforce our culture of respect by being available to team members who want to discuss issues. With as many as 60 languages spoken at a single JBS facility, all company materials are made available in different languages and dialects to ensure that all team members are able to express themselves and understand key messages. This material includes information, such as benefits, safety instructions, and new materials about hiring and continuous training. Furthermore, all facilities provide unlimited access to Language Lines in over 200 languages to create immediate access to clear communication at all our facilities.

We work diligently to accommodate the cultural needs of all of our team members, and we encourage our facilities to evaluate the effectiveness of their accommodations to identify the best approaches to address their unique situations

Occupational health and safety

The health and safety of our team members is paramount. We are committed to providing safe work environments and working conditions for our team members across all JBS facilities.

In practice, we are responsible for the health and safety of our workforce, business partners, suppliers, and other stakeholders. Throughout our operations, we work to build and disseminate a culture that values health and safety, individual accountability, and shared vigilance, and is led by the example of our business and team leaders. We then strive to instill this same responsibility in our team members through development, training and education, with support from our Code of Conduct and Ethics and Global Health and Safety Policy.

HUMAN CAPITAL

Hometown Strong

In 2020, JBS USA, JBS Canada and Pilgrim's U.S. launched Hometown Strong, a US$ 100 million initiative to bring strength and stability to the communities where we live and work. Our facility management teams have been working with local leaders and organizations to determine how the funds can best help meet immediate and longer-term community needs.

Projects include donating books and computers to underserved children, constructing warehouses for food pantries, funding high school agriculture programs, as well as developing land for playgrounds, community gardens and team member housing.

To date, Hometown Strong has invested in over 250 projects, with more initiatives to come.

Better Futures

As part of our Hometown Strong initiative, JBS USA and Pilgrim's U.S. are working to build the largest free college tuition program in rural America: Better Futures. Through this program, our team members and their child dependents have the opportunity to pursue their higher education dreams for associate degrees and trade certificates at community and technical colleges—tuition free.

We recognize and believe in the transformative power of higher education and the opportunities that come from education, coursework and technical skill training.

Better Futures removes a major financial barrier to college attendance and stands to become the largest free college tuition program in rural America. JBS USA and Pilgrim's advisors will also help team members— many from first-generation American families—navigate the application process, which can be a deterrence to people applying to college for the first time.

The Better Futures program provides meaningful investments in the futures of our team members, their families and our communities.

Instituto J&F

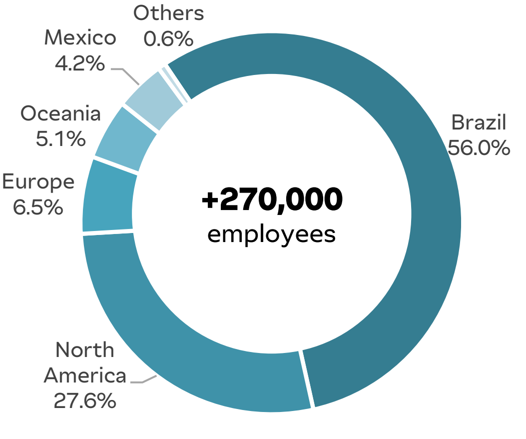
In Brazil, J&F Institute is a business-oriented educational center dedicated to empowering young people with the tools and discipline to integrate family, school, business and community to achieve their dreams while generating prosperity for themselves and society. The J&F Institute believes that successful businesses regard the growth of individuals in their organizations as the driving force behind business growth and success. These are companies that embed education at the core of their strategy and adopt an unwavering commitment to continuous teaching, training, and personal development.

With this mission, J&F has implemented socio-educational projects that directly align with the central strategy of JBS. This collaboration allows the Institute to adopt an educational model based on a commitment to meeting the needs of people, empowering them for success in business and in life.

The J&F Institute model is built on four core pillars that guide all activities: School, Business, Family, and Community. These pillars serve as the foundation for an ongoing personal transformation of students, whereby they advance both through business knowledge and practical learning.

The J&F Institute considers education as the foundation, providing high-quality education from elementary school to higher education. Driven by the philosophy of lifelong learning ("grow and learn for life"), we persist in our efforts to take education to the next level, toward higher education. To date, the J&F Institute has operated under two main strategic pillars: (i) Support for Public Schools (J&F Institute – Community); and (ii) Basic and Professional Education (Germinare BUSINESS, Germinare TECH, Germinare VET and Instituto J&F Família).

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

JBS remained strongly committed to its sustainability goals and its efforts to drive advances in the food and agricultural sector. Food insecurity remains one of the main challenges around the world, and the need to produce more food, while also considering accessibility and combating climate change, is more pressing than ever.

In 2023, JBS was again chosen to be part of B3's Carbon Efficient Index (ICO2) portfolio. This is yet another recognition of the Company's sustainable efforts and practices, as the publicly traded companies participating in the index are those committed to the best practices for managing greenhouse gas emissions.

Another highlight of the year was the expansion of its fleet of 100% electric trucks through No Carbon, totaling 260 trucks. Additionally, the Company initiated (i) the introduction of the use of 100% Biodiesel in its fleet of trucks, produced by JBS Biodiesel; and (ii) in partnership with EZVolt, the expansion to 130 charging points in 10 Brazilian states.

JBS also invested more than R$220 million in biogas capture projects in its operations to generate energy in 14 plants in the United States, Canada and Brazil. These projects reduced external demand for natural gas by 20%, and caused the company to stop emitting 650 thousand tons of greenhouse gases per year. In Australia, JBS is investing in biogas projects in partnership with the company Energy360. The potential is to eliminate the emission of 60 thousand tons of CO2.

Aiming to support livestock farmers in socio-environmental regularization, JBS expanded its Green Offices to 20 units. Since the project began in 2021, it has impacted more than 8 thousand farms, with forest recovery in a total of 2 thousand hectares of degraded areas. As a result, 3.4 million head of cattle were able to return to the formal supply chain.

With the success of the initiative, in November 2023, the Green Offices 2.0 project was launched. With this version 2.0, in addition to offering support to producers, tools will be offered so that producers have access to sustainable practices and techniques for regenerative production and agroforestry systems, in order to increase the profitability of small livestock farmers in a sustainable way.

SUSTAINABILITY

Social Responsability

JBS employs more than 6,000 refugees in Brazil, a number that represents around 5% of its workforce in the country. The programs developed by JBS in more than 100 cities in which it is present throughout Brazil have enabled the permanence and transformation of the lives of several refugees and their families.

Furthermore, JBS announced the creation of JBS Sanitation. The New company will provide food plant sanitation for JBS USA and Pilgrim's units; JBS USA now offers salaries and benefits to its workforce. The focus at JBS Sanitation will be the safety of the food we supply, the safety of the men and women who provide cleaning services and the creation of opportunities for employees.

The JBS Fund for the Amazon presented, at COP28, its TOGETHER program: People + Forests + Livestock. The JBS Fund will allocate R$ 100 million over the next ten years to a traceability program and income promotion for small livestock producer families in the Amazon. According to the company, the idea is also to leverage public and private capital and donations that could encourage around R$900 million in investment for the properties served.

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 principles of valuing life. The Company's operations are benchmarked to best practices and, are in line with the five freedom fundamentals 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 other criteria 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 2023

THE ECONOMIC CONTEXT

According to the 2024 United Nations report on the World Economic Situation and Prospects (published in January, 2024), While rich economies have largely bounced back from the COVID-19 pandemic, developing economies have lost ground, drowning in debt, with more than a third at risk of crisis.

The world economy proved more resilient than expected in 2023 amid significant monetary tightening, political uncertainties worldwide and multiple shocks arising from conflicts and the climate change. For 2024, multiple macroeconomic and geopolitical risks are molding the vision for the future of the year, with further easing of commodity prices and softening aggregate demand, global inflation is expected to continue trending downward in 2024, however, energy and food prices could surge again due to increasing likelihood of climate shocks and escalating conflicts.

Although inflation slowed considerably in 2023, major central banks are signaling their intention to keep interest rates “higher for longer” as the demand-dampening effects of the monetary tightening are yet to materialize in many countries. A period of elevated borrowing costs and tighter credit conditions presents concerns for a global economy that is saddled with debt while also in need of more investment to resuscitate growth.

Economic growth generally outperformed expectations, especially in several large developed and developing economies, however, this apparent resilience masks both short-term risks and structural vulnerabilities. Amid high levels of debt, rising borrowing costs, weak investment and trade, the economy is expected to grow at a subpar pace in2024 and 2025.

In Brazil, according to data published by IBGE (Brazilian Institute of Geography and Statistics) on March 1, 2024, the country’s GDP increased 2.9% in 2023. Activity was greatly boosted by the agriculture sector, mainly due to the gain in agricultural productivity, in which, according to the Systematic Survey of Agricultural Production (LSPA/IBGE), several crops registered significant growth during the year, highlighting soybean and corn, which observed an production increase of 27.1% and 19.0%, respectively.

The 2.9% growth of the economy in 2023, accompanied a 3% growth in Value Added that was driven by increases in agriculture (15.1%), services (2.4%) and industry (1.6%). Industry was the one with the lowest performance, even having positive values such as the extractive industry, that grew 8.7%, it also recorded reductions in the transformation sector, mainly due to the decline in manufacturing and the construction sector.

From the perspective of expenses, household consumption was the main driver of the economy, with a 3.1% increase in the year. Driven by real wages, inflation softening and by government income transfer programs.

Regarding the protein sector, according to the USDA, in 2023, beef production in Brazil grew by 2%, maintaining the country as the second largest beef producer in the world, behind only the United States. Considering data from the Brazilian Foreign Trade Secretariat (SECEX), Brazilian beef exports recorded a reduction of 19.6% in revenue in US dollars, with China, as it remains the main export destination.

In relation to chicken meat, Brazilian production increased by 3%. In exports of fresh chicken meat, Brazil maintained its leadership and, according to SECEX data, showed a 8.6% increase in export volume in 2023, in addition to a 7.2% decrease in prices in dollar/kg.

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

THE ECONOMIC CONTEXT

For 2024, the USDA projects growth of 2.6% in beef production and 2.7% in beef exports from Brazil. Regarding chicken, the USDA estimates growth of 1% in production and 3.2% in exports.

In the US, JBS's main operating region, GDP increased 3.2% in 2023, according to the second estimate released by the Bureau of Economics Analysis report. The increase in GDP in 2023 primarily reflected increases in consumer spending, exports, state and local government spending, nonresidential fixed investment, federal government spending, and residential fixed investment that were partly offset by a decrease in private inventory investment. Imports also increased, however the impact on the GDP was negative.

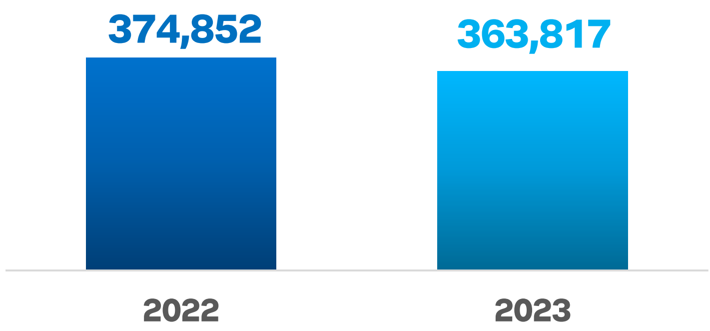
Beef production in the United States decreased by 4.7% year-on-year, while domestic consumption showed a decline of 1.2%, given by inflationary pressure that occurred in the year 2023, along with a reduction of 1.7% in the American cattle herd. Exports fell 15.0% in the year, mainly from Asian countries, such as South Korea, China and Japan that reduced their imports volume by 17.4%, 20.9% and 21.8%, respectively.

In the US, chicken meat recorded increases of 0.5% in production and 1.1% in domestic consumption in 2023, and a reduction of 0.5% in exports.

Finally, pork production in the US declined by 1.1% in 2023, while domestic consumption remained relatively stable. Exports had an increase of 6.7%, driven mainly by countries such as Mexico, Japan and Canada, which increased by, respectively, 12.8%, 6.4% and 32.4%.

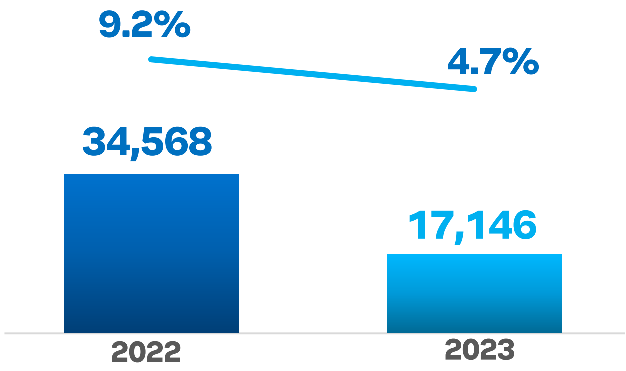
Regarding the projections for the year of 2024, the USDA estimates a reduction in beef production of 3.1% in the US, with reductions both in domestic consumption of 2.3% and in exports of 7.6%. It is worth mentioning that the USDA estimates a positive scenario for Australia in 2024, one of the largest exporters of beef protein, projecting growth of 6.1% in production, in addition to growth of 7.3% and 3.0% in export and domestic consumption, respectively. For chicken meat, the USDA projects for the US an increase in production, domestic consumption and exports of 0.5%, 0.6% and 0.2%, respectively. Finally, USDA estimates for pork meat in the US an increase of 2.4% in production and 2.6% in domestic consumption, and 1.5% in exports.

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

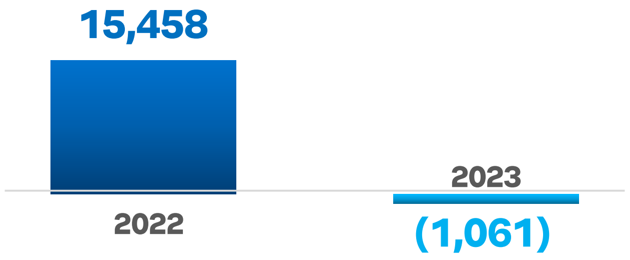


NET REVENUE
R$363.8Bn

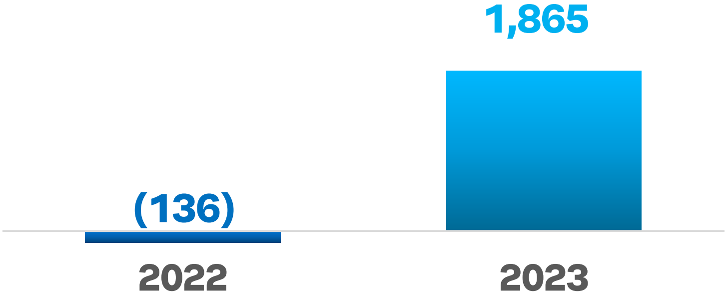
ADJUSTED EBITDA
R$17.1Bn



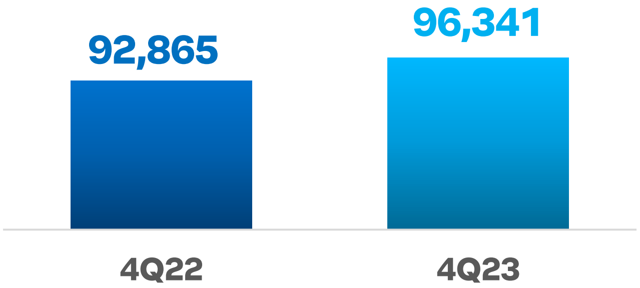
NET RESULTS
(R$1.1Bn)



FREE CASH FLOW
R$1.9Bn

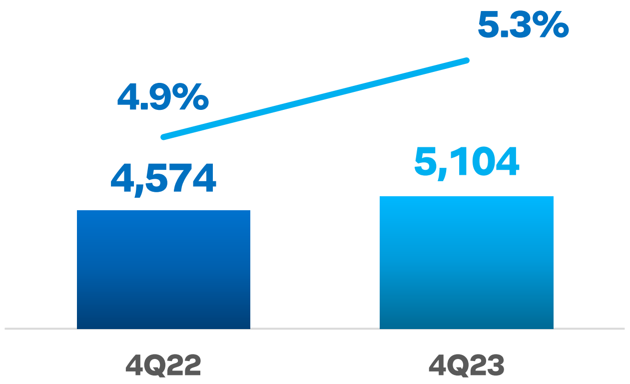


Note: graphs in millions

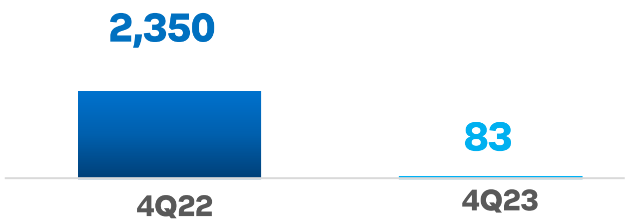


NET REVENUE
R$96.3Bn

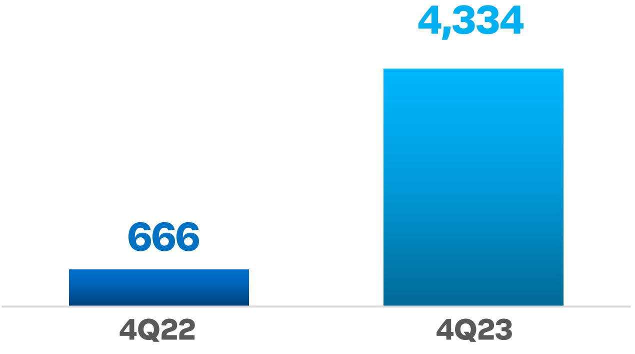
ADJUSTED EBITDA
R$5.1Bn



NET RESULTS
R$82.6Mn



FREE CASH FLOW
R$4.3Bn



Note: graphs in millions.

	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
R$ Million	R$	% NR	R$	% NR	4Q23 vs 3Q23	R$	% NR	4Q23 vs 4Q22	R$	% NR	R$	% NR	2023 vs 2022
Net Revenue	**96,340.7**	***100.0%***	**91,409.5**	***100.0%***	**5.4%**	**92,865.5**	***100.0%***	**3.7%**	**363,816.5**	***100.0%***	**374,851.6**	***100.0%***	**-2.9%**
Cost of Goods Sold	(85,246.0)	*-88.5%*	(80,356.9)	*-87.9%*	6.1%	(82,177.6)	*-88.5%*	3.7%	(324,167.5)	*-89.1%*	(315,373.5)	*-84.1%*	2.8%
Gross Profit	**11,094.8**	***11.5%***	**11,052.6**	***12.1%***	**0.4%**	**10,687.9**	***11.5%***	**3.8%**	**39,649.0**	***10.9%***	**59,478.1**	***15.9%***	**-33.3%**
Selling Expenses	(5,977.2)	*-6.2%*	(5,509.9)	*-6.0%*	8.5%	(6,311.9)	*-6.8%*	-5.3%	(22,941.2)	*-6.3%*	(24,184.5)	*-6.5%*	-5.1%
General and Adm. Expenses	(3,440.0)	*-3.6%*	(2,906.9)	*-3.2%*	18.3%	(2,803.6)	*-3.0%*	22.7%	(11,547.1)	*-3.2%*	(11,829.5)	*-3.2%*	-2.4%
Net Financial Income (expense)	(1,686.9)	*-1.8%*	(1,839.1)	*-2.0%*	-8.3%	(2,133.8)	*-2.3%*	-20.9%	(6,748.0)	*-1.9%*	(6,352.3)	*-1.7%*	6.2%
Equity in earnings of subsidiaries	(1.5)	*0.0%*	19.7	*0.0%*	-	9.7	*0.0%*	-	47.6	*0.0%*	60.5	*0.0%*	-21.3%
Other Income (expense)	98.6	*0.1%*	(25.2)	*0.0%*	-	904.7	*1.0%*	-89.1%	141.5	*0.0%*	1,111.6	*0.3%*	-87.3%
Profit (loss) before taxes	**87.9**	***0.1%***	**791.0**	***0.9%***	**-88.9%**	**353.0**	***0.4%***	**-75.1%**	**(1,398.1)**	***-0.4%***	**18,283.9**	***4.9%***	**-**
Income and social contribution taxes	120.1	*0.1%*	(100.4)	*-0.1%*	-	1,861.4	*2.0%*	-93.6%	668.9	*0.2%*	(2,082.6)	*-0.6%*	-
Minority interest	(125.3)	*-0.1%*	(118.0)	*-0.1%*	6.2%	135.3	*0.1%*	-	(331.8)	*-0.1%*	(743.4)	*-0.2%*	-55.4%
Net Income (Loss)	**82.6**	***0.1%***	**572.7**	***0.6%***	**-85.6%**	**2,349.7**	***2.5%***	**-96.5%**	**(1,061.0)**	***-0.3%***	**15,457.8**	***4.1%***	**-**
Adjusted EBITDA	**5,104.4**	***5.3%***	**5,409.4**	***5.9%***	**-5.6%**	**4,574.5**	***4.9%***	**11.6%**	**17,146.1**	***4.7%***	**34,568.4**	***9.2%***	**-50.4%**
Earnings per Share	**0.04**		**0.26**		**-85.6%**	**1.06**		**-96.5%**	**n.a.**		**6.93**		**-**

NET REVENUE

In 4Q23, JBS recorded a consolidated net revenue of R$96.3 billion, which represents an increase of 4% compared to 4Q22.

During the period, around 76% of JBS' global sales were made in the domestic markets in which the Company operates and 24% through exports.

In 2023, net revenue reached R$363.8 billion (US$72.9 billion).

ADJUSTED EBITDA

In 4Q23, JBS's adjusted EBITDA reached R$5.1 billion, a growth of 12% y/y, while the EBITDA margin reached 5.3%, an increase of 40 basis points compared to the previous year.

In 2023, adjusted EBITDA reached R$17.1 billion (U$3.5 billion), a 50% reduction compared to the previous year, given the oversupply of global protein as well as high prices of grains primarily during the 1H23. From the second half of the year onwards, results improved with a better balance in the supply demand equation for hogs and poultry in North America as well as poultry in Brazil, in addition to a reduction in the price of grains throughout the second semester. For the year, the adjusted EBITDA margin was 4.7%.

R$ Million	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net income for the period (including minority interest)	**207.9**	**690.6**	**-69.9%**	**2,214.4**	**-90.6%**	**(729.1)**	**16,201.3**	**-**
Financial income (expense), net	1,686.9	1,839.1	-8.3%	2,133.8	-20.9%	6,748.0	6,352.3	6.2%
Current and deferred income taxes	(120.1)	100.4	-	(1,861.4)	-93.6%	(668.9)	2,082.6	-
Depreciation and amortization	2,859.5	2,615.6	9.3%	2,625.0	8.9%	10,725.4	9,853.8	8.8%
Equity in subsidiaries	1.5	(19.7)	-	(9.7)	-	(47.6)	(60.5)	-21.3%
(=) EBITDA	**4,635.7**	**5,226.1**	-11.3%	**5,102.1**	-9.1%	**16,027.7**	**34,429.5**	-53.4%
Other income / expenses	71.3	109.8	-35.1%	(219.7)	-	121.5	(240.4)	-
Reestructuring	36.7	8.6	327.1%	147.4	-75.1%	261.0	147.4	77.1%
Asset Impairment	26.9	(4.4)	-	0.0	-	135.2	85.6	57.9%
Net indemnity J&F*	0.0	0.0	-	(492.9)	-	0.0	(492.9)	-
Antitrust Agreements	298.7	51.2	482.9%	24.7	1108.1%	510.2	516.4	-1.2%
Donations and social projects	35.1	18.1	94.3%	12.9	171.8%	90.4	122.9	-26.5%
(=) Adjusted EBITDA	**5,104.4**	**5,409.4**	**-5.6%**	**4,574.5**	**11.6%**	**17,146.1**	**34,568.4**	**-50.4%**

* Value Net of PIS/COFINS

NET FINANCIAL RESULT

In 4Q23, the net debt financial expense was R$1.4 billion, corresponding to US$285 million. In 2023, this amount was R$5.4 billion, equivalent to US$1.1 billion.

R$ Million	4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Exchange rate variation	(226.0)	223.8	-	(117.8)	91.9%	294.6	2,206.6	-86.6%
Fair value adjustments on derivatives	690.7	(278.0)	-	(385.6)	-	411.4	(1,797.4)	-
Interest expense[1]	(2,409.5)	(2,092.8)	15.1%	(1,910.8)	26.1%	(8,647.1)	(6,930.5)	24.8%
Interest income[1]	503.6	378.4	33.1%	344.8	46.1%	1,627.5	1,387.7	17.3%
Taxes, contribution, fees and others	(245.6)	(70.5)	248.3%	(64.3)	282.1%	(434.3)	(1,218.8)	-64.4%
Finance income (expense)	**(1,686.9)**	**(1,839.1)**	**-8.3%**	**(2,133.8)**	**-20.9%**	**(6,748.0)**	**(6,352.3)**	**6.2%**
Interest expenses from loans and financings	(1,627.8)	(1,393.3)	16.8%	(1,315.2)	23.8%	(5,888.3)	(4,696.4)	25.4%
Interest income from investments	218.1	118.4	84.2%	90.9	140.1%	525.6	353.3	48.8%
Net debt financial expense[1]	**(1,409.7)**	**(1,274.9)**	**10.6%**	**(1,224.4)**	**15.1%**	**(5,362.7)**	**(4,343.1)**	**23.5%**

[1]Includes interest expense on loans and financing included under passive interest, and interest on financial investments included under active interest.

NET RESULT

In 4Q23, JBS recorded a net profit of R$82.6 million and a loss of R$1.1 billion for the year.

CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW

In 4Q23 and 2023, cash flow from operating activities was R$8.5 billion and R$17 billion, respectively. Free cash flow, after addition of fixed assets, interest paid and received, and leasing was R$4.3 billion in the quarter and R$1.9 billion in the year. It is important to highlight that, as of 4Q23, JBS began to include leasing expenses in the calculation of free cash flow, aiming to more accurately represent the Company's cash generation and be more in line with the variation in net debt .

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES

In 4Q23 and 2023, the total value of cash flow from JBS' investment activities was R$1.7 billion and R$7 billion, respectively, with the main investment being the addition of fixed assets (CAPEX) in both periods.

INDEBTEDNESS

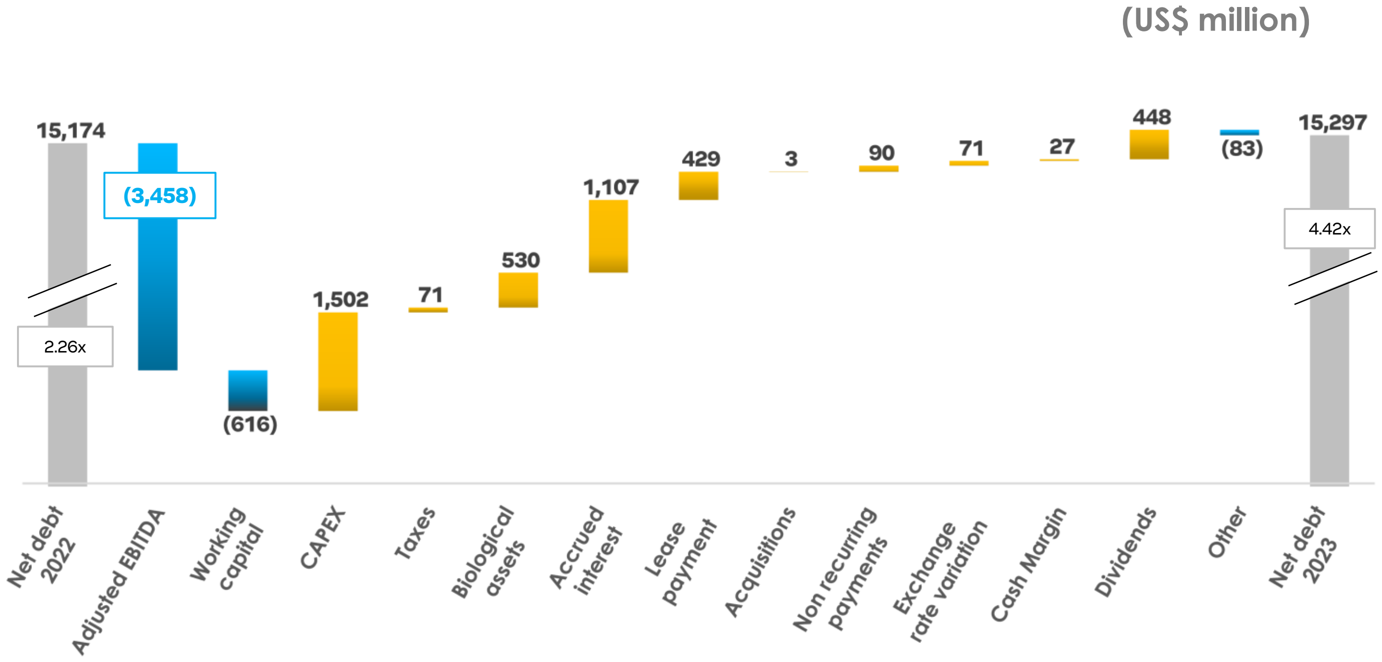
JBS ended the quarter with R$22.8 billion in cash and has US$3.3 billion available in revolving credit lines, without collateral, of which US$2.9 billion is at JBS USA and US$450 million is at JBS Brasil, equivalent to R$16.1 billion, at the closing exchange rate for the period. Thus, the Company's total availability is R$38.9 billion.

At the end of the year, net debt was US$15.3 billion (R$74.1 billion), an increase of approximately US$123 million when compared to the end of 2022. However, JBS ended the quarter with its leverage in reais of 4 .32x and in dollars of 4.42x, a reduction compared to the previous quarter given the operational improvement throughout the quarter.

	R$ Million					US$ Million				
	4Q23	3Q23	Δ%	4Q22	Δ%	4Q23	3Q23	Δ%	4Q22	Δ%
Gross Debt	**96,821.8**	**108,113.7**	**-10.4%**	**92,354.1**	**4.8%**	**19,999.1**	**21,589.9**	**-7.4%**	**17,700.1**	**13.0%**
(+) Short Term Debt	4,316.4	9,239.3	-53.3%	8,228.6	-47.5%	891.6	1,845.1	-51.7%	1,577.0	-43.5%
% of the Gross Debt	4%	9%		9%		4%	9%		9%	
(+) Long Term Debt	92,505.5	98,874.4	-6.4%	84,125.5	10.0%	19,107.6	19,744.9	-3.2%	16,123.1	18.5%
% of the Gross Debt	96%	91%		91%		96%	91%		91%	
(-) Cash and Equivalents	22,763.7	27,725.1	-17.9%	13,182.2	72.7%	4,702.0	5,536.6	-15.1%	2,526.4	86.1%
Net Debt	**74,058.1**	**80,388.6**	**-7.9%**	**79,171.9**	**-6.5%**	**15,297.2**	**16,053.3**	**-4.7%**	**15,173.7**	**0.8%**
Leverage	**4.32x**	**4.84x**		**2.29x**		**4.42x**	**4.87x**		**2.26x**	

NET DEBT BRIDGE

The 2023 Net Debt ended at US$15.3 billion, an increase of US$123 million in the annual comparison. The main impacts that offset the EBITDA of US$3.5 billion were : (i) Capex in the amount of US$1.5 billion; (ii) accrued interest in the amount of US$1.1 billion; (iii) payment of US$448 million in dividends; and (iv) US$429 million from commercial leasing. Additionally, the improvement in working capital of US$616 million was partially offset by the investment in biological assets of US$530 million.

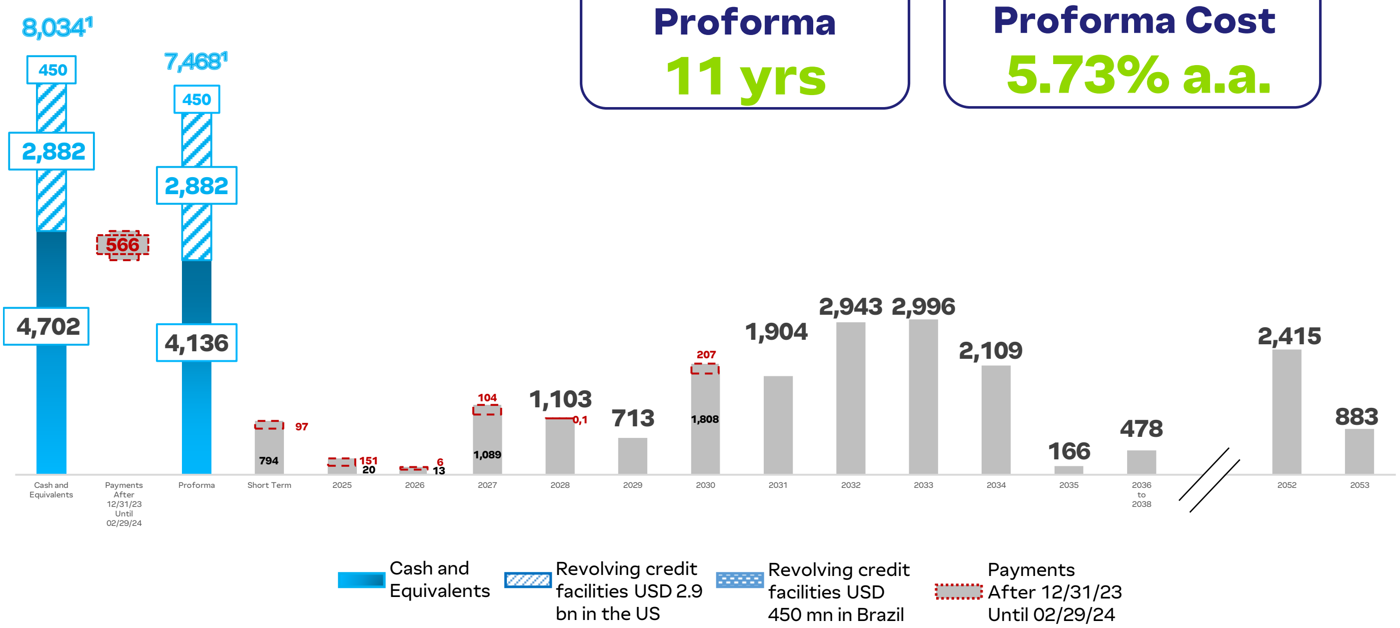


PROFORMA INDEBTEDNESS

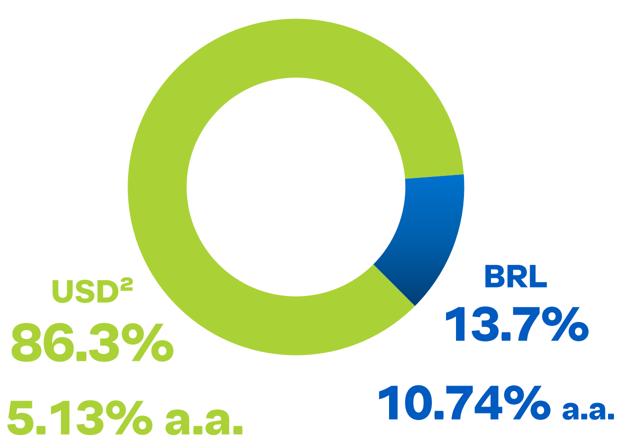
Proforma Debt Amortization Schedule (US$ Million)[1]

Average Term Proforma
11 yrs

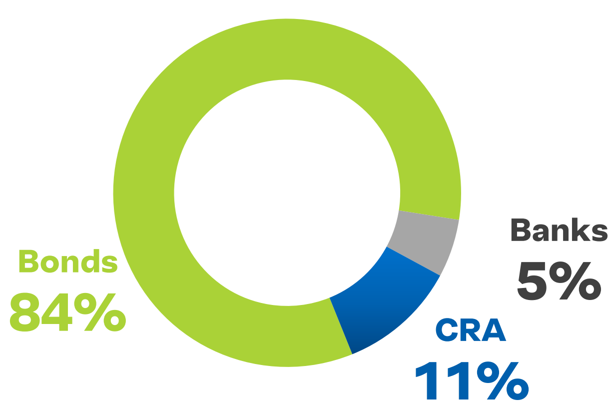
Average Proforma Cost
5.73% a.a.



CURRENCY & COST BREAKDOWN



SOURCE BREAKDOWN



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

BUSINESS UNITS – IFRS US$

Million		4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net Revenue									
Seara	R$	10,452.5	10,207.8	2.4%	11,032.4	-5.3%	41,300.3	42,967.8	-3.9%
JBS Brazil	R$	14,904.9	14,441.1	3.2%	14,271.3	4.4%	55,531.8	58,948.9	-5.8%
JBS Beef North America	R$	31,072.8	29,054.2	6.9%	28,663.2	8.4%	116,254.1	113,979.2	2.0%
JBS Australia	R$	8,570.0	7,687.9	11.5%	8,236.4	4.1%	30,974.3	32,630.1	-5.1%
JBS USA Pork	R$	10,413.5	9,890.5	5.3%	10,595.5	-1.7%	38,494.6	42,086.6	-8.5%
Pilgrim's Pride	R$	22,412.5	21,261.4	5.4%	21,675.4	3.4%	86,609.2	90,064.8	-3.8%
Others	R$	1,244.6	686.7	81.3%	994.1	25.2%	4,473.9	4,340.8	3.1%
Eliminations	R$	-2,730.1	-1,820.1	50.0%	-2,602.8	4.9%	-9,821.6	-10,166.6	-3.4%
Total	**R$**	**96,340.7**	**91,409.5**	**5.4%**	**92,865.5**	**3.7%**	**363,816.5**	**374,851.6**	**-2.9%**
Adjusted EBITDA									
Seara	R$	670.4	566.4	18.4%	703.9	-4.8%	1,803.7	4,605.8	-60.8%
JBS Brazil	R$	874.0	484.4	80.4%	339.9	157.1%	2,330.7	2,407.0	-3.2%
JBS Beef North America	R$	-488.5	502.7	-	1,027.1	-	563.5	10,712.2	-94.7%
JBS Australia	R$	883.9	664.6	33.0%	631.1	40.1%	2,241.3	2,281.9	-1.8%
JBS USA Pork	R$	966.7	1,020.9	-5.3%	1,010.3	-4.3%	2,605.5	3,922.0	-33.6%
Pilgrim's Pride	R$	2,190.6	2,195.0	-0.2%	892.6	145.4%	7,639.9	10,690.9	-28.5%
Others	R$	11.1	-21.7	-	-27.3	-	-25.6	-40.1	-36.1%
Eliminations	R$	-3.8	-3.0	27.8%	-3.0	27.8%	-12.9	-11.2	14.8%
Total	**R$**	**5,104.4**	**5,409.4**	**-5.6%**	**4,574.5**	**11.6%**	**17,146.1**	**34,568.5**	**-50.4%**
Adjusted EBITDA Margin									
Seara	%	6.4%	5.5%	0.9 p.p.	6.4%	0.0 p.p.	4.4%	10.7%	-6.4 p.p.
JBS Brazil	%	5.9%	3.4%	2.5 p.p.	2.4%	3.5 p.p.	4.2%	4.1%	0.1 p.p.
JBS Beef North America	%	-1.6%	1.7%	-3.3 p.p.	3.6%	-5.2 p.p.	0.5%	9.4%	-8.9 p.p.
JBS Australia	%	10.3%	8.6%	1.7 p.p.	7.7%	2.7 p.p.	7.2%	7.0%	0.2 p.p.
JBS USA Pork	%	9.3%	10.3%	-1.0 p.p.	9.5%	-0.3 p.p.	6.8%	9.3%	-2.6 p.p.
Pilgrim's Pride	%	9.8%	10.3%	-0.6 p.p.	4.1%	5.7 p.p.	8.8%	11.9%	-3.0 p.p.
Others	%	0.9%	-3.2%	4.0 p.p.	-2.7%	3.6 p.p.	-0.6%	-0.9%	0.4 p.p.
Total	**%**	**5.3%**	**5.9%**	**-0.6 p.p.**	**4.9%**	**0.4 p.p.**	**4.7%**	**9.2%**	**-4.5 p.p.**

BUSINESS UNITS– USGAAP US$

Million		4Q23	3Q23	Δ%	4Q22	Δ%	2023	2022	Δ%
Net Revenue									
JBS Beef North America	US$	6,272.9	5,953.2	5.4%	5,453.6	15.0%	23,303.0	22,069.1	5.6%
JBS Australia	US$	1,730.1	1,575.2	9.8%	1,567.1	10.4%	6,209.0	6,323.3	-1.8%
JBS USA Pork	US$	2,102.2	2,026.6	3.7%	2,015.9	4.3%	7,713.8	8,153.0	-5.4%
Pilgrim's Pride	US$	4,528.3	4,360.2	3.9%	4,127.4	9.7%	17,362.2	17,468.4	-0.6%
Adjusted EBITDA									
JBS Beef North America	US$	-141.2	93.2	-	112.8	-	12.2	1,932.0	-99.4%
JBS Australia	US$	172.1	103.6	66.2%	78.5	119.3%	423.7	337.1	25.7%
JBS USA Pork	US$	188.3	190.3	-1.0%	96.5	95.1%	472.0	589.6	-19.9%
Pilgrim's Pride	US$	309.5	324.0	-4.5%	62.9	392.4%	1,034.2	1,648.4	-37.3%
Adjusted EBITDA Margin									
JBS Beef North America	%	-2.3%	1.6%	-3.8 p.p.	2.1%	-4.3 p.p.	0.1%	8.8%	-8.7 p.p.
JBS Australia	%	9.9%	6.6%	3.4 p.p.	5.0%	4.9 p.p.	6.8%	5.3%	1.5 p.p.
JBS USA Pork	%	9.0%	9.4%	-0.4 p.p.	4.8%	4.2 p.p.	6.1%	7.2%	-1.1 p.p.
Pilgrim's Pride	%	6.8%	7.4%	-0.6 p.p.	1.5%	5.3 p.p.	6.0%	9.4%	-3.5 p.p.

SEARA

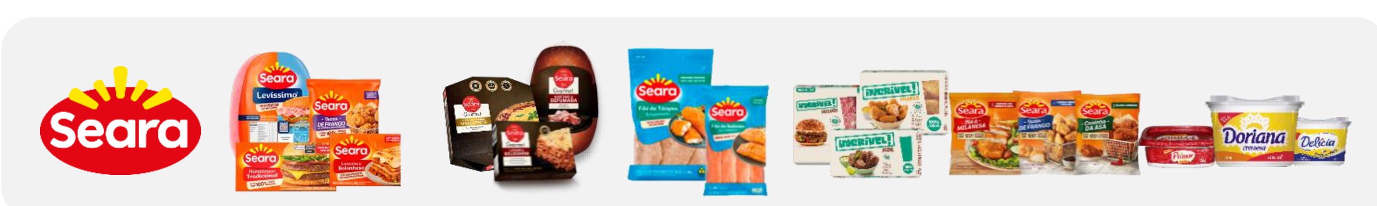
	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
IFRS - R$ Million	**R$**	**% NR**	**R$**	**% NR**	**QoQ**	**R$**	**% NR**	**YoY**	**R$**	**% NR**	**R$**	**% NR**	**YoY**
Net Revenue	**10,452.5**	***100.0%***	**10,207.8**	***100.0%***	**2.4%**	**11,032.4**	***100.0%***	**-5.3%**	**41,300.3**	***100.0%***	**42,967.8**	***100.0%***	**-3.9%**
Cost of Goods Sold	(8,691.9)	-83%	(8,614.1)	-84%	0.9%	(9,261.2)	-84%	-6.1%	(35,265.3)	-85%	(33,957.8)	-79%	3.9%
Gross Profit	1,760.6	17%	1,593.7	16%	10.5%	1,771.2	16%	-0.6%	6,035.0	15%	9,010.0	21%	-33.0%
Adjusted EBITDA	**670.4**	***6.4%***	**566.4**	***5.5%***	**18.4%**	**703.9**	***6.4%***	**-4.8%**	**1,803.7**	***4.4%***	**4,605.8**	***10.7%***	**-60.8%**

In 4Q23, Seara recorded a net revenue of R$10.5 billion, a reduction of 5% compared to 4Q22, and in 2023 net revenue reached R$41.3 billion, a reduction of 4% in the annual comparison. For both the quarter and the full year, the reduction in net revenue was the result of lower average prices, which were partially offset by higher volumes sold.

Sales in the domestic market, which accounted for 52% of the unit's revenue in 4Q23, totaled R$5.5 billion, 6% lower than 4Q22, reflecting lower prices in the period. On the other hand, sales records were broken for Christmas products. The Fiesta brand grew 38% in volume in 2023, more than double the market, which grew 14%. For the year, net revenue was R$20.8 billion, stable in relation to the same period of the previous year. Throughout the year, Seara continued with its strategy of strengthening its brand, reaping good results: 8 out of 10 Brazilian households that purchased the Seara brand also repurchased it in 2023. Furthermore, it is the most present brand in Brazilian homes in the Lasagna, Bacon and Hamburger categories.

In the foreign market, net revenue in dollars reached US$1 billion, representing an increase of 1% compared to 4Q22, driven by a 3% growth in volumes sold. However, throughout the year, net revenue totaled US$4.1 billion (-5% y/y), influenced by the 10% reduction in average prices, as a result of the global excess of poultry, mainly during the first half of the year.

The year 2023 was very challenging. Despite continuous margin improvements quarter over quarter, the result was below expectations. We faced both internal and external challenges, particularly due to the global oversupply of poultry in the first half of the year and high production costs, given the high price of grains, challenges in the farming part of the business, and lower dilution of fixed costs reflecting the ramp-up of new plants. However, we remained focused on the business fundamentals: brands, innovation, commercial execution, and manufacturing efficiency. Although the year started with significant challenges, we managed to end it on a positive trend, leaving us optimistic for a considerably better 2024.



JBS BRASIL

IFRS - R$ Million	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**14,904.9**	***100.0%***	**14,441.1**	***100.0%***	**3.2%**	**14,271.3**	***100.0%***	**4.4%**	**55,531.8**	***100.0%***	**58,948.9**	***100.0%***	**-5.8%**
Cost of Goods Sold	(12,302.9)	-83%	(12,240.6)	-85%	0.5%	(12,346.1)	-87%	-0.4%	(47,000.5)	-85%	(50,087.3)	-85%	-6.2%
Gross Profit	2,602.0	17%	2,200.6	15%	18.2%	1,925.2	13%	35.2%	8,531.3	15%	8,861.6	15%	-3.7%
Adjusted EBITDA	**874.0**	***5.9%***	**484.4**	***3.4%***	**80.4%**	**339.9**	***2.4%***	**157.1%**	**2,330.7**	***4.2%***	**2,407.0**	***4.1%***	**-3.2%**

In 4Q23, JBS Brasil recorded net revenue of R$14.9 billion (+4% y/y), this growth mainly reflects higher volumes sold. For the year, net revenue was R$55.5 billion (-6% y/y), given the reduction in prices in both the domestic and international markets.

In the domestic market, revenue in the fresh beef category grew 12% in 4Q23 and 3% y/y in 2023, both as a result of higher volumes sold in the period. This growth is mainly attributed to the favorable livestock cycle, resulting in greater availability of animals for slaughter. According to the IBGE (Brazilian Institute of Geography and Statistics), total cattle slaughter growth for the year was approximately 14% y/y and for the quarter approximately 20% y/y. Throughout the year, the Company maintained its focus on commercial execution, increasing and improving the level of service with partners in the Friboi+ program, bringing the Friboi and Swift brands closer to consumers and improving the supply of products with greater added value.

In 2023, sales to the foreign market demonstrated higher volatility between quarters. The beginning of the year was marked by a self-embargo on beef exports to China following the confirmation of an atypical case of bovine spongiform encephalopathy (BSE), negatively impacting prices and volumes. With the end of the embargo, the second quarter benefited from the reopening of exports to the Chinese market, in addition to a more favorable international market. With the better beef cycle, as previously mentioned, the second half of the year was marked by lower prices, but with higher sales volume. Therefore, net revenue grew 19% y/y in 4Q23, but fell 9% in yearly comparison.

EBITDA totaled R$874 million, with an EBITDA margin of 5.9% in 4Q23 and R$2.3 billion, with an EBITDA margin of 4.2% in 2023. It is worth mentioning that the profitability of this business unit also benefited from a lower price of purchasing cattle. According to data published by CEPEA-ESALQ, the price of live cattle during the quarter was approximately R$240/arroba (-17% y/y) and for the year R$254/arroba (-20% y/y).

In 2023, in a survey carried out by the Datafolha Institute in thousands of Brazilian homes, the Friboi brand was once again Top of Mind, that is, the most remembered and preferred brand by the Brazilian consumer. Friboi won the meat category for the fourth time and consolidated itself as the absolute leader in this category.

Note: On March 1, 2020, through a corporate restructuring process, Swift stores were transferred to the direct subsidiary Seara Alimentos. Although the Swift stores are part of the corporate structure of Seara Alimentos, for the purposes of analysis and presentation of results, the Company's Management decided to allocate Swift's results to the JBS Brasil operating segment.

JBS BEEF NORTH AMERICA

IFRS - R$ Million	4Q23 R$	4Q23 % NR	3Q23 R$	3Q23 % NR	Δ% QoQ	4Q22 R$	4Q22 % NR	Δ% YoY	2023 R$	2023 % NR	2022 R$	2022 % NR	Δ% YoY
Net Revenue	**31,072.8**	***100.0%***	**29,054.2**	***100.0%***	**6.9%**	**28,663.2**	***100.0%***	**8.4%**	**116,254.1**	***100.0%***	**113,979.2**	***100.0%***	**2.0%**
Cost of Goods Sold	(30,316.8)	-98%	(27,281.3)	-94%	11.1%	(26,120.2)	-91%	16.1%	(110,645.7)	-95%	(97,288.4)	-85%	13.7%
Gross Profit	756.1	2%	1,773.0	6%	-57.4%	2,543.0	9%	-70.3%	5,608.4	5%	16,690.9	15%	-66.4%
Adjusted EBITDA	**(488.5)**	***-1.6%***	**502.7**	***1.7%***	**-**	**1,027.1**	***3.6%***	**-**	**563.5**	***0.5%***	**10,712.2**	***9.4%***	**-94.7%**

USGAAP[1] - US$ Million	4Q23 US$	4Q23 % NR	3Q23 US$	3Q23 % NR	Δ% QoQ	4Q22 US$	4Q22 % NR	Δ% YoY	2023 US$	2023 % NR	2022 US$	2022 % NR	Δ% YoY
Net Revenue	**6,272.9**	***100.0%***	**5,953.2**	***100.0%***	**5.4%**	**5,453.6**	***100.0%***	**15.0%**	**23,303.0**	***100.0%***	**22,069.1**	***100.0%***	**5.6%**
Cost of Goods Sold	(6,369.6)	-102%	(5,796.3)	-97%	9.9%	(5,291.2)	-97%	20.4%	(23,106.6)	-99%	(19,931.3)	-90%	15.9%
Gross Profit	(96.7)	-2%	156.9	3%	-	162.4	3%	-	196.4	1%	2,137.8	10%	-90.8%
Adjusted EBIT	**(189.9)**	***-3.0%***	**49.3**	***0.8%***	**-**	**65.5**	***1.2%***	**-**	**(163.3)**	***-0.7%***	**1,766.2**	***8.0%***	**-**
Adjusted EBITDA	**(141.2)**	***-2.3%***	**93.2**	***1.6%***	**-**	**112.8**	***2.1%***	**-**	**12.2**	***0.1%***	**1,932.0**	***8.8%***	**-99.4%**

In IFRS and Reais, net revenue for 4Q23 was R$31.1 billion, an increase of 8.4% compared to 4Q22, with a negative adjusted EBITDA of R$488.5 million and a negative EBITDA margin of 1.6 %. These results include the impact of the 6% appreciation in the average exchange rate, which went from R$5.26 in 4Q22 to R$4.95 in 4Q23. In 2023, net revenue was R$116.3 billion, an increase of 2% compared to 2022, while adjusted EBITDA was R$563.5 million, with a margin of 0.5%. In 2023, the average exchange rate was R$4.99, an appreciation of 3% in the annual comparison.

In US GAAP and US$, net revenue was US$6.3 billion in 4Q23, an increase of 15% compared to 4Q22 and adjusted EBITDA was negative at US$141.2 million, with a negative margin of 2.3%. In the year, net revenue was US$23.3 billion, an increase of 5.6% compared to 2022 and adjusted EBITDA was US$12.2 million, with a 0.1% margin.

Both for the year and for the quarter, beef margins in North America suffered a relevant impact compared to the previous year, as a result of the cattle cycle in the region, reducing the availability of animals for slaughter and significantly increasing costs. According to data released by the USDA, cattle prices remained at high levels, growing 16% y/y in 4Q23 and 21% y/y in 2023. Therefore, as the price of cattle represents 85% of the cost of goods sold, and growth in costs was higher than the growth in the cutout, profitability came under pressure for the period.

For the year, US beef exports fell 16% y/y, according to the USDA, mainly due to a restricted supply combined with lower Asian demand. The top 3 US destinations continue to be South Korea, China and Japan.

[1]The difference in JBS Beef North America's EBITDA in IFRS and USGAAP, in addition to the exchange rate, is due to the impacts of the adoption of IFRS 16 as of 1Q19 and different inventory accounting criteria: in IFRS, inventories are accounted for at average cost, while in US GAAP they are marked to market. Volume and price calculations do not consider the impact of acquisitions.

JBS AUSTRALIA

IFRS - R$ Million	4Q23 R$	4Q23 % NR	3Q23 R$	3Q23 % NR	Δ% QoQ	4Q22 R$	4Q22 % NR	Δ% YoY	2023 R$	2023 % NR	2022 R$	2022 % NR	Δ% YoY
Net Revenue	**8,570.0**	***100.0%***	**7,687.9**	***100.0%***	**11.5%**	**8,236.4**	***100.0%***	**4.1%**	**30,974.3**	***100.0%***	**32,630.1**	***100.0%***	**-5.1%**
Cost of Goods Sold	(7,029.0)	-82%	(6,561.8)	-85%	7.1%	(7,212.0)	-88%	-2.5%	(26,811.8)	-87%	(28,663.2)	-88%	-6.5%
Gross Profit	1,541.0	18%	1,126.1	15%	36.8%	1,024.4	12%	50.4%	4,162.6	13%	3,966.9	12%	4.9%
Adjusted EBITDA	**883.9**	***10.3%***	**664.6**	***8.6%***	**33.0%**	**631.1**	***7.7%***	**40.1%**	**2,241.3**	***7.2%***	**2,281.9**	***7.0%***	**-1.8%**

USGAAP[1] - US$ Million	4Q23 US$	4Q23 % NR	3Q23 US$	3Q23 % NR	Δ% QoQ	4Q22 US$	4Q22 % NR	Δ% YoY	2023 US$	2023 % NR	2022 US$	2022 % NR	Δ% YoY
Net Revenue	**1,730.1**	***100.0%***	**1,575.2**	***100.0%***	**9.8%**	**1,567.1**	***100.0%***	**10.4%**	**6,209.0**	***100.0%***	**6,323.3**	***100.0%***	**-1.8%**
Cost of Goods Sold	(1,531.5)	-89%	(1,448.6)	-92%	5.7%	(1,480.5)	-94%	3.4%	(5,701.3)	-92%	(5,912.1)	-93%	-3.6%
Gross Profit	198.6	11%	126.6	8%	56.8%	86.6	6%	129.3%	507.7	8%	411.2	7%	23.5%
Adjusted EBIT	**147.8**	***8.5%***	**82.1**	***5.2%***	**80.1%**	**50.0**	***3.2%***	**195.7%**	**332.8**	***5.4%***	**246.3**	***1.1%***	**35.1%**
Adjusted EBITDA	**172.1**	***9.9%***	**103.6**	***6.6%***	**66.2%**	**78.5**	***5.0%***	**119.3%**	**423.7**	***6.8%***	**337.1**	***5.3%***	**25.7%**

Considering the results in IFRS and Reais, net revenue for 4Q23 was R$8.6 billion (+4% y/y) and R$31 billion (-5% y/y) for 2023. Adjusted EBITDA was R$883.9 million for 4Q23, with an EBITDA margin of 10.3%, and for the year it was R$2.2 billion, with an EBITDA margin of 7.2%. These results include the impact of the 6% appreciation in the average exchange rate, which went from R$5.26 in 4Q22 to R$4.95 in 4Q23. In 2023, the average exchange rate was R$4.99, an appreciation of 3% in the annual comparison.

In US GAAP and US$, net revenue was US$1.7 billion (+10% y/y) for 4Q23 and US$6.2 billion (-2% y/y) for 2023. Adjusted EBITDA was US$172.1 million for 4Q23, with an EBITDA margin of 9.9%, and for the year US$423.7 million, with an EBITDA margin of 6.8%. For the quarter, revenue growth was the result of higher volumes sold, reflecting the greater availability of cattle in the market. However, for the year, the growth in volumes sold was not enough to offset the reduction in prices in the domestic and international markets.

The volume of the beef business grew 11% compared to 4Q22, due to the growth in sales in both the domestic and export markets. The improvement in EBITDA margin for both periods is a reflection of lower cattle prices, given the greater availability of animals due to the more favorable cycle. According to MLA (Meat & Livestock Australia), the price of cattle in Australia fell 55% y/y in 4Q22 and 47% y/y in 2023.

In relation to the aquaculture business, the growing profitability in the quarter and year is due to increased operational efficiencies.

Net revenue from the pork business continues to grow as a result of the improvement in prices in the quarter. This year's growth is a reflection of the program to improve herd health and better carcass optimization.

Primo, the prepared foods unit, recorded an increase in average prices in the quarter and year, but this was offset by lower volumes sold, a result of weaker demand in the face of inflationary pressure.

[1]The difference in JBS Australia's EBITDA in IFRS and USGAAP, in addition to the exchange rate, is due to the impacts of the adoption of IFRS 16 from 1Q19 and different accounting criteria for biological assets, in IFRS they are marked to market, while in USGAAP they are at average cost. Volume and price calculations do not consider the impact of acquisitions.

JBS USA PORK

	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
IFRS - R$ Million	**R$**	**% NR**	**R$**	**% NR**	**QoQ**	**R$**	**% NR**	**YoY**	**R$**	**% NR**	**R$**	**% NR**	**YoY**
Net Revenue	**10,413.5**	***100.0%***	**9,890.5**	***100.0%***	**5.3%**	**10,595.5**	***100.0%***	**-1.7%**	**38,494.6**	***100.0%***	**42,086.6**	***100.0%***	**-8.5%**
Cost of Goods Sold	(8,890.0)	-85%	(8,371.4)	-85%	6.2%	(8,890.7)	-84%	0.0%	(33,584.0)	-87%	(35,556.2)	-84%	-5.5%
Gross Profit	1,523.5	15%	1,519.1	15%	0.3%	1,704.8	16%	-10.6%	4,910.6	13%	6,530.4	16%	-24.8%
Adjusted EBITDA	**966.7**	***9.3%***	**1,020.9**	***10.3%***	**-5.3%**	**1,010.3**	***9.5%***	**-4.3%**	**2,605.5**	***6.8%***	**3,922.0**	***9.3%***	**-33.6%**

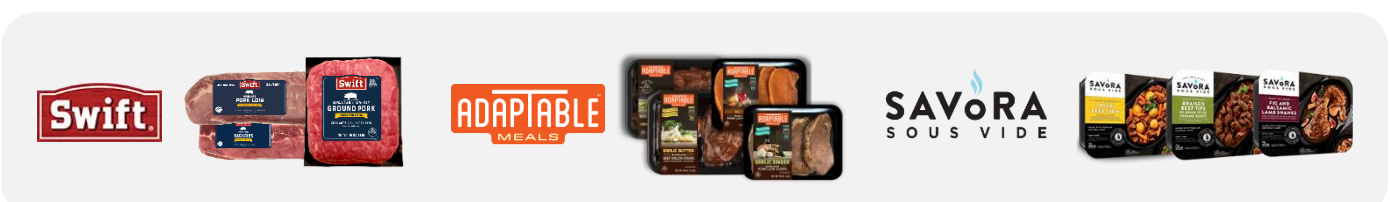
	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
USGAAP[1] - US$ Million	**US$**	**% NR**	**US$**	**% NR**	**QoQ**	**US$**	**% NR**	**YoY**	**US$**	**% NR**	**US$**	**% NR**	**YoY**
Net Revenue	**2,102.2**	***100.0%***	**2,026.6**	***100.0%***	**3.7%**	**2,015.9**	***100.0%***	**4.3%**	**7,713.8**	***100.0%***	**8,153.0**	***100.0%***	**-5.4%**
Cost of Goods Sold	(1,916.4)	-91%	(1,841.0)	-91%	4.1%	(1,915.4)	-95%	0.1%	(7,237.4)	-94%	(7,543.4)	-93%	-4.1%
Gross Profit	185.8	9%	185.6	9%	0.1%	100.5	5%	84.9%	476.4	6%	609.6	7%	-21.9%
Adjusted EBIT	**135.5**	***6.4%***	**152.1**	***7.5%***	**-10.9%**	**63.4**	***3.1%***	**113.7%**	**307.2**	***4.0%***	**462.0**	***2.1%***	**-33.5%**
Adjusted EBITDA	**188.3**	***9.0%***	**190.3**	***9.4%***	**-1.0%**	**96.5**	***4.8%***	**95.1%**	**472.0**	***6.1%***	**589.6**	***7.2%***	**-19.9%**

In IFRS and reais, in 4Q23, net revenue was R$10.4 billion, a drop of 2% compared to 4Q22 and adjusted EBITDA was R$966.7 million, with a margin of 9.3%. These results include the impact of the 6% appreciation in the average exchange rate, which went from R$5.26 in 4Q22 to R$4.95 in 4Q23. In 2023, net revenue was R$38.5 billion, which corresponds to a drop of 9% compared to 2022, while adjusted EBITDA was R$2.6 billion, with a margin of 6.8%. In 2023, the average exchange rate was R$4.99, an appreciation of 3% in the annual comparison.

In USGAAP and US$, net revenue was US$2.1 billion, an increase of 4% compared to 4Q22, due to the 12% increase in volume sold. Adjusted EBITDA totaled US$188.3 million in 4Q23, with a margin of 9%. In 2023, net revenue was US$7.7 billion, a drop of 5% compared to 2022, as a result of the 10% drop in average prices, and adjusted EBITDA was US$472.0 million, with a margin of 6.1%.

The first half of 2023 was marked by an excess supply of animals in the domestic market, putting pressure on prices and profitability. However, throughout the year, a movement towards normalization of supply and demand in the industry was observed. In the international market, USDA data for the year indicates an increase in pork exports by 13%, especially to Mexico, Japan, South Korea and Canada.

In addition to the better balance of supply and demand, the improvement in profitability throughout the year is the result of: (i) lower average grain costs in 2023 (-19% y/y); (ii) reduction in the average pork price in 2023 (-22% y/y); and (iii) continuous efforts aimed at expanding the value-added portfolio, in addition to improving commercial, operational and logistical execution;



[1]The difference in JBS USA Pork's EBITDA in IFRS and USGAAP, in addition to the exchange rate, is due to the impacts of the adoption of IFRS 16 from 1Q19 and different accounting criteria. In IFRS, biological assets are marked to market and inventories are carried at average cost, while in USGAAP, biological assets are held at average cost and inventories are carried at average cost. Volume and price calculations do not consider the impact of acquisitions.

PILGRIM'S PRIDE CORPORATION

	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
IFRS - R$ Million	R$	% NR	R$	% NR	QoQ	R$	% NR	YoY	R$	% NR	R$	% NR	YoY
Net Revenue	**22,412.5**	**100.0%**	**21,261.4**	**100.0%**	**5.4%**	**21,675.4**	**100.0%**	**3.4%**	**86,609.2**	**100.0%**	**90,064.8**	**100.0%**	**-3.8%**
Cost of Goods Sold	(19,623.7)	-88%	(18,505.2)	-87%	6.0%	(20,028.8)	-92%	-2.0%	(76,595.4)	-88%	(76,016.2)	-84%	0.8%
Gross Profit	2,788.8	12%	2,756.1	13%	1.2%	1,646.6	8%	69.4%	10,013.8	12%	14,048.7	16%	-28.7%
Adjusted EBITDA	**2,190.6**	**9.8%**	**2,195.0**	**10.3%**	**-0.2%**	**892.6**	**4.1%**	**145.4%**	**7,639.9**	**8.8%**	**10,690.9**	**11.9%**	**-28.5%**

	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
USGAAP[1] - US$ Million	US$	% NR	US$	% NR	QoQ	US$	% NR	YoY	US$	% NR	US$	% NR	YoY
Net Revenue	**4,528.3**	**100.0%**	**4,360.2**	**100.0%**	**3.9%**	**4,127.4**	**100.0%**	**9.7%**	**17,362.2**	**100.0%**	**17,468.4**	**100.0%**	**-0.6%**
Cost of Goods Sold	(4,207.3)	-93%	(4,014.3)	-92%	4.8%	(4,031.6)	-98%	4.4%	(16,243.8)	-94%	(15,656.6)	-90%	3.8%
Gross Profit	321.0	7%	345.9	8%	-7.2%	95.8	2%	235.2%	1,118.4	6%	1,811.8	10%	-38.3%
Adjusted EBIT	**197.0**	**4.4%**	**219.7**	**5.0%**	**-10.3%**	**(39.3)**	**-1.0%**	**-**	**614.3**	**3.5%**	**1,245.3**	**5.6%**	**-50.7%**
Adjusted EBITDA	**309.5**	**6.8%**	**324.0**	**7.4%**	**-4.5%**	**62.9**	**1.5%**	**392.4%**	**1,034.2**	**6.0%**	**1,648.4**	**9.4%**	**-37.3%**

Considering the results in IFRS and Reais, PPC presented net revenue of R$22.4 billion in 4Q23, an increase of 3% compared to 4Q22, and adjusted EBITDA of R$2.2 billion, with an EBITDA margin of 9.8%. These results include the impact of the 6% appreciation in the average exchange rate, which went from R$5.26 in 4Q22 to R$4.95 in 4Q23. In 2023, net revenue was R$86.6 billion, which corresponds to a drop of 4% compared to 2022, while adjusted EBITDA was R$7.6 billion (-29% y/y), with a margin of 8.8%. In US GAAP and US$, PPC's net revenue in 4Q23 was US$4.5 billion, 10% higher than 4Q22, and adjusted EBITDA was US$309.5 million with a margin of 6.8%. In 2023, net revenue was US$17.4 billion, a slight decrease of 0.6% compared to 2022, and adjusted EBITDA was US$1.0 billion (-37% y/y), with a margin of 6.0%. In 2023, the average exchange rate was R$4.99, an appreciation of 3% in the annual comparison.

The year 2023 was marked by high volatility in the commodities market. At the beginning of the year, poultry prices began at historically low levels due to excess supply and also lower demand resulting from low consumer confidence. However, over the course of the year, prices gradually normalized, but cost inflation remained high. Therefore, despite the challenges faced, the Company remained focused on executing its strategy and managed to grow its results throughout the year.

In the United States, in 2023, the diversified product portfolio demonstrated its resilience in the face of a challenging supply and demand scenario throughout the year. Furthermore, the intense focus on operational excellence, improved service levels with key customers and expansion of the portfolio of value-added and branded products contributed positively to margin growth. Therefore, the PPC in the United States ended 4Q23 with an EBITDA margin of 7.5%, the highest margin of the year.

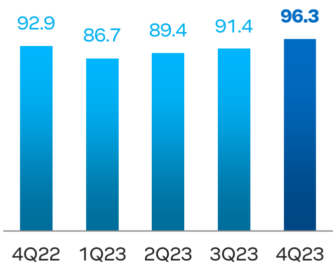
During 2023, in Mexico, Pilgrim's further strengthened its relationships with key customers, expanded its portfolio of branded prepared foods and continued to invest in and improve the live birds operation. Therefore, even with a weaker fourth quarter, although better than the previous year, due to the seasonality of the period and excess supply, the Company presented solid and consistent results for the year.

In Europe, 2023 was marked by a positive trajectory of margin growth, with the fourth quarter being the best result of the year. This result is a reflection of the continuous optimization of the plants, cost recovery efforts, consolidation of back-office activities, increased partnerships with key customers, expansion of the portfolio of branded products and innovation.

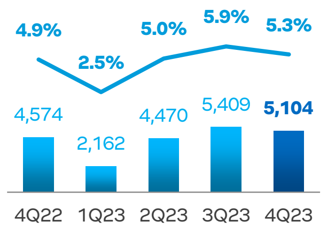
[1]The difference in EBITDA between PPC's IFRS and USGAAP results, in addition to the exchange rate, is due to the impacts of the adoption of IFRS 16 as of 1Q19 and different criteria for accounting for the amortization of parent birds: in IFRS, the amortization of the asset biological, due to its longer term nature, is considered an expense subject to adjustment in EBITDA, while in USGAAP the amortization of biological assets is recorded in the Cost of Product Sold and is not adjusted in EBITDA.

Consolidated (IFRS - R$)

Net Revenue (billions)

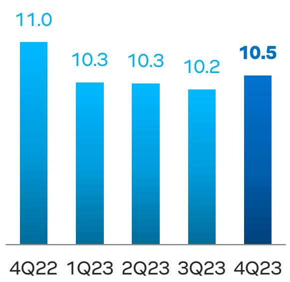


EBITDA (millions) and % EBITDA

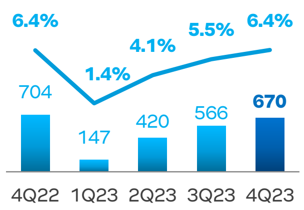


Seara (IFRS - R$)

Net Revenue (billions)

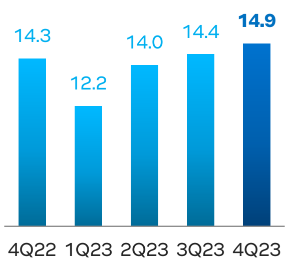


EBITDA (millions) and % EBITDA

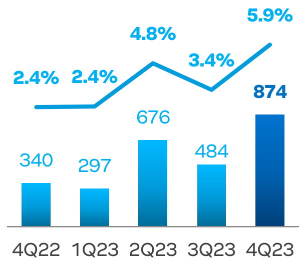


JBS Brasil (IFRS - R$)

Net Revenue (billions)

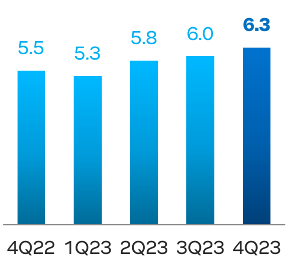


EBITDA (millions) and % EBITDA

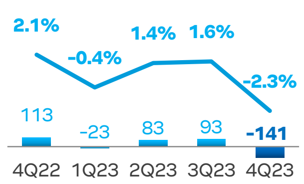


JBS Beef North America (USGAAP - US$)

Net Revenue (billions)

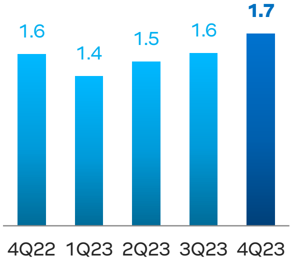


EBITDA (millions) and % EBITDA

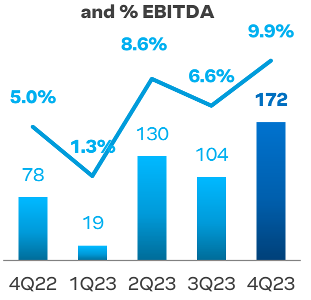


JBS Australia (USGAAP - US$)

Net Revenue (billions)

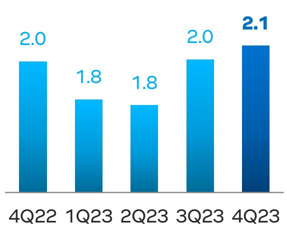


EBITDA (millions) and % EBITDA

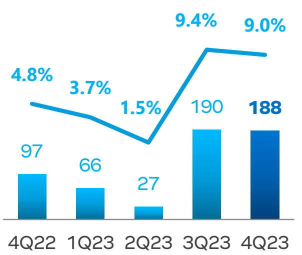


JBS USA Pork (USGAAP - US$)

Net Revenue (billions)

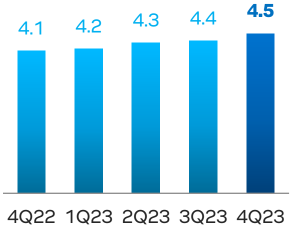


EBITDA (millions) and % EBITDA

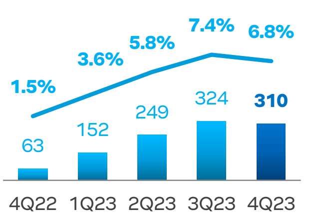


Pilgrim's Pride (USGAAP - US$)

Net Revenue (billions)

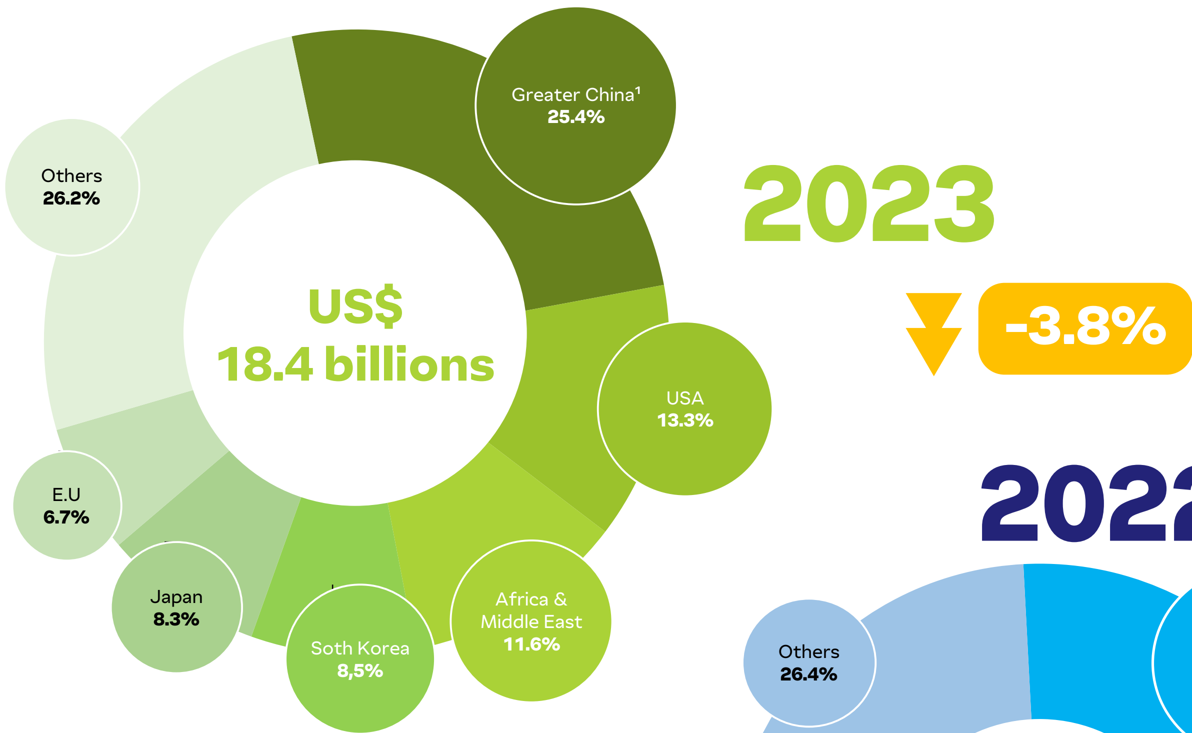


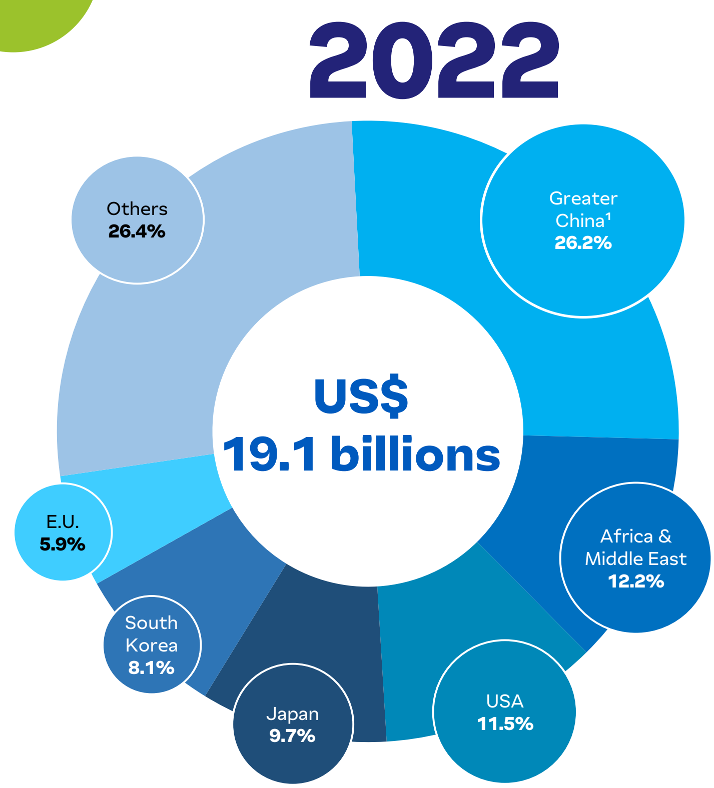
EBITDA (millions) and % EBITDA



ATTACHED TABLES AND GRAPHICS

GRAPHIC 1 | **JBS EXPORTS IN 2023 AND 2022**





Note 1. Considers China and Hong Kong

TABLE 1 | **CAPEX**

	4Q23		3Q23		Δ%	4Q22		Δ%	2023		2022		Δ%
R$ Million	**R$**	**% CAPEX**	**R$**	**% CAPEX**	**QoQ**	**R$**	**% CAPEX**	**YoY**	**R$**	**% CAPEX**	**R$**	**% CAPEX**	**YoY**
Total Capex	**1,990.9**	***100.0%***	**1,832.4**	***100.0%***	**8.6%**	**3,440.8**	***100.0%***	**-42.1%**	**7,492.3**	***100.0%***	**11,226.6**	***100.0%***	**-33.3%**
Expansion	887.5	45%	879.3	48%	0.9%	1,921.9	56%	-53.8%	3,662.3	49%	6,172.4	55%	-40.7%
Maintenance	1,103.3	55%	953.1	52%	15.8%	1,518.9	44%	-27.4%	3,830.0	51%	5,054.2	45%	-24.2%

TABLE 2 | **COGS BREAKDOWN**

4Q23 (%)	Consolidated	JBS Brazil	Seara	JBS Beef North America	JBS Australia	JBS USA Pork	PPC
Raw material (livestock)	74.5%	87.1%	67.9%	85.2%	74.4%	70.2%	51.8%
Processing (including ingredients and packaging)	14.6%	7.6%	20.3%	8.1%	8.0%	14.6%	31.0%
Labor Cost	10.9%	5.3%	11.7%	6.7%	17.7%	15.2%	17.3%

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.

During the 2023 financial year, the Company distributed interim dividends, based on the balance of profit reserves determined in the balance sheet as of December 31, 2022, in the total amount of R$2,218,116,370.00, corresponding to R$1.00 per share ordinary.

Ano de referência	Valor total (R$ milhôes)	Valor por ação (R$)
31/12/2023	2,218.1	1.000000000
31/12/2022	4,436.2	2.000000000
31/12/2021	4,884.8	2.001341180
31/12/2020	2,511.1	1.016679600
31/12/2019	1,441.2	0.540595140
31/12/2018	6.0	0.002245720
31/12/2017	126.9	0.046776254
31/12/2016	89.4	0.032977738
31/12/2015	1,102.0	0.405458881
31/12/2014	483.5	0.167379578
31/12/2013	220.1	0.076745337
31/12/2012	170.7	0.059510000
31/12/2009	61.5	0.024361775
31/12/2008	12.3	0.008795000
31/12/2007	17.5	0.012286000

December 31, 2023 (R$ '000)	
Net income	**(1.060.972)**
Legal reserves – (5%)	N/A
Adjusted base for dividend calculation	**N/A**
Mandatory dividends (25%)	N/A
Declared interim dividends	**2.218.116**

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

KPMG Auditores Independentes Ltda. 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.

Audit-related fees refer to financial statement audit services traditionally performed by an external auditor.

Payments not related to audit processes correspond to, mainly, services provided in relation to compliance to ESG and tax requirements of the Company's international subsidiaries.

Aiming to be in compliance with CVM Instruction 381/2003, JBS S.A. informs that KPMG Auditores Independentes did not provide any other services unrelated to the audit that represented more than 5% of its total payment regarding audit process during 2023.

JBS S.A.

Financial statements and Independent auditors' report

As of December 31, 2023 and 2022

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kpmg.com.br

Independent auditors' report on the individual and consolidated financial statements

To the Shareholders and Board of Directors of JBS S.A.

São Paulo-SP

Opinion

We have audited the individual and consolidated financial statements of JBS S.A. (“the Company”), referred to as parent company and consolidated, respectively, which comprise the statement of financial position as at December 31, 2023 and the statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the individual and consolidated financial position of JBS S.A. as at December 31, 2023, and its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors' 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 included in the Brazilian Accountant's Code of Professional Ethics and in the professional standards issued by the Brazilian 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 basis for our opinion.

Key audit matter

Key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the current period. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion on these individual and consolidated financial statements and, therefore, we do not provide a separate opinion on this matter.

Evaluation of Income Tax	
See note 10 to the individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
On December 31, 2023, the Company recorded R$ 668,938 thousand in income tax and social contribution in its consolidated statement of income. The Company is domiciled in Brazil and conducts business globally, consequently, it is subject to income tax in the several jurisdictions abroad where it maintains operations. The income tax is an estimate based on the Company's understanding of current tax legislation and tax rates and their application to the Company's business. Due to the complexity in evaluating the application of current tax legislation in several jurisdictions abroad where the Company maintains operations, including changes in the respective tax legislation on income tax, we consider this matter as significant for our audit.	Our procedures included, but were not limited to: • Evaluation of the design of certain internal controls related to the Company´s income tax process, including controls over the identification of changes to tax legislation in the jurisdictions in which the Company operates. • Evaluation, with the involvement of our income tax specialists with specialized skills and knowledge in certain jurisdictions abroad where the Company maintains operations, of interpretation and application by the Company of tax legislations, including the impacts on the calculation of income tax arising from changes in those legislations. • Evaluation, with the involvement of our income tax specialists, of certain transactions that could impact the calculation of income tax, including reviewing underlying documentation and assessing the impact on the Company's income tax calculations. • Assessment whether the disclosures in the consolidated financial statements consider all relevant information. Based on the evidence obtained through the procedures summarized above, we considered the amount of income tax, as well as the related disclosures made by the Company, acceptable, in the context of the consolidated financial statements taken as a whole, for the year ended December 31, 2023.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with the criteria determined in the Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, the statements of added value have been fairly prepared, in all material respects, in accordance with the criteria determined by aforementioned Technical Pronouncement, and are consistent with the individual and consolidated financial statements taken as a whole.

Audit of the financial statements from prior year

The individual and consolidated statement of financial position as at December 31, 2022 and the individual and consolidated statements of income, comprehensive income, changes in equity and cash flows and the respective explanatory notes for the year then ended, presented as corresponding amounts in the individual and consolidated financial statements for the current year were previously audited by another independent auditors, who expressed an unmodified opinion on March 21, 2023. The corresponding amounts relating to the individual and consolidated statements of value added (DVA), for the year ended December 31, 2022, were subjected to the same audit procedures by those independent auditors and based on their examination, those auditors issued an unmodified opinion.

Other information accompanying the individual and consolidated financial statements and the auditors' report

Management is responsible for other information that comprises the management report.

Our opinion on the individual and consolidated financial statements does not cover the management report and we do not express any form of assurance conclusion on this 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 that 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 of on the management report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities 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 with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal controls 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities 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 as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– 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 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 the override of internal control, collusion, forgery, omissions, or intentional misrepresentations.

– Obtain an understanding of internal controls 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 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 auditors' 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 audit evidence obtained up to the date of our auditors' 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 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. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about 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 26, 2024

KPMG Auditores Independentes Ltda.

CRC 2SP014428/O-6

Original report in Portuguese signed by

Fabian Junqueira Sousa

Fabian Junqueira Sousa

CRC 1SP235639/O-0

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

	Note	Company		Consolidated	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	**4,458,670**	2,096,334	**22,122,405**	13,182,158
Margin cash	4	**64,754**	80,434	**641,283**	679,391
Trade accounts receivable	5	**2,575,423**	4,380,011	**16,416,149**	20,234,895
Inventories	6	**4,016,197**	4,633,201	**24,696,583**	28,142,094
Biological assets	7	–	–	**8,289,048**	9,710,693
Recoverable taxes	8	**1,537,885**	1,473,985	**4,449,734**	5,330,928
Derivative assets		**42,746**	–	**425,043**	442,929
Other current assets		**314,282**	197,463	**1,564,678**	1,667,982
TOTAL CURRENT ASSETS		**13,009,957**	**12,861,428**	**78,604,923**	**79,391,070**
NON-CURRENT ASSETS					
Recoverable taxes	8	**5,754,089**	6,128,844	**8,444,560**	9,165,569
Biological assets	7	–	–	**2,573,041**	2,619,066
Related party receivables	9	**1,807,878**	1,103,125	**573,955**	951,021
Deferred income taxes	10	–	–	**3,751,335**	3,161,300
Derivative assets		**396,698**	98,134	**396,698**	123,215
Other non-current assets		**568,573**	226,679	**1,545,468**	1,118,115
		8,527,238	**7,556,782**	**17,285,057**	**17,138,286**
Investments in equity-accounted investees, associates and joint venture	11	**41,640,588**	55,399,509	**274,021**	294,837
Property, plant and equipment	12	**13,509,618**	13,027,863	**62,541,120**	62,170,792
Right of use assets	13.1	**135,801**	54,664	**8,257,855**	8,374,892
Intangible assets	14	**204,312**	31,021	**9,612,859**	10,328,389
Goodwill	15	**9,085,970**	9,085,970	**29,556,234**	30,412,362
TOTAL NON-CURRENT ASSETS		**73,103,527**	**85,155,809**	**127,527,146**	**128,719,558**
TOTAL ASSETS		**86,113,484**	**98,017,237**	**206,132,069**	**208,110,628**

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

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

	Note	Company		Consolidated	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	16	**4,468,136**	4,297,855	**25,450,974**	31,009,515
Supply chain finance	16	**1,466,235**	1,263,694	**4,589,870**	3,071,099
Loans and financing	17	**1,297,393**	4,999,929	**4,316,360**	8,228,557
Income taxes	18	**—**	—	**403,022**	475,174
Other taxes payable	18	**238,006**	281,532	**697,157**	725,721
Payroll and social charges	19	**1,208,139**	1,083,670	**6,280,042**	6,251,132
Lease liabilities	13.2	**62,454**	27,675	**1,707,172**	1,788,353
Dividends payable	20	**160**	135	**1,938**	183
Liabilities from anti-trust agreements	21	**—**	—	**955,866**	909,132
Derivative liabilities		**42,513**	278,227	**698,361**	559,536
Other current liabilities		**1,230,467**	954,745	**2,813,379**	2,141,820
TOTAL CURRENT LIABILITIES		**10,013,503**	**13,187,462**	**47,914,141**	**55,160,222**
NON-CURRENT LIABILITIES					
Loans and financings	17	**11,950,708**	10,699,653	**92,505,465**	84,125,504
Income taxes and other taxes	18	**232,324**	313,170	**456,865**	606,041
Payroll and social charges	19	**1,965,664**	1,859,444	**2,374,674**	2,378,970
Lease liabilities	13.2	**88,576**	35,023	**7,206,761**	7,195,655
Deferred income taxes	10	**3,136,770**	2,995,114	**6,585,412**	7,112,102
Provisions for legal proceedings	21	**559,310**	478,185	**1,529,624**	1,321,380
Related party payables	9	**14,459,311**	22,066,929	**—**	—
Other non-current liabilities		**356,179**	38,091	**560,821**	401,823
TOTAL NON-CURRENT LIABILITIES		**32,748,842**	**38,485,609**	**111,219,622**	**103,141,475**
EQUITY	22				
Share capital - common shares		**23,576,206**	23,576,206	**23,576,206**	23,576,206
Capital reserve		**(773,537)**	(807,955)	**(773,537)**	(807,955)
Other reserves		**30,513**	36,497	**30,513**	36,497
Profit reserves		**15,379,953**	18,653,056	**15,379,953**	18,653,056
Accumulated other comprehensive income		**5,138,004**	4,886,362	**5,138,004**	4,886,362
Attributable to company shareholders		**43,351,139**	**46,344,166**	**43,351,139**	**46,344,166**
Attributable to non-controlling interest		**—**	—	**3,647,167**	3,464,765
TOTAL EQUITY		**43,351,139**	**46,344,166**	**46,998,306**	**49,808,931**
TOTAL LIABILITIES AND EQUITY		**86,113,484**	**98,017,237**	**206,132,069**	**208,110,628**

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

Statements of income for the years ended at December 31, 2023 and 2022
In thousands of Brazilian Reais - R$

		Company		Consolidated	
	Note	2023	2022	2023	2022
NET REVENUE	23	**51,434,387**	**54,942,851**	**363,816,537**	**374,851,600**
Cost of sales	28	**(43,403,640)**	(46,542,216)	**(324,167,540)**	(315,373,528)
GROSS PROFIT		**8,030,747**	**8,400,635**	**39,648,997**	**59,478,072**
Selling expenses	28	**(4,052,689)**	(3,932,216)	**(22,941,168)**	(24,184,460)
General and administrative expenses	28	**(2,797,753)**	(3,022,452)	**(11,547,075)**	(11,829,547)
Other expenses		**(22,853)**	(102,754)	**(613,091)**	(517,882)
Other incomes		**28,414**	498,347	**754,631**	1,629,507
NET OPERATING EXPENSES		**(6,844,881)**	**(6,559,075)**	**(34,346,703)**	**(34,902,382)**
OPERATING PROFIT		**1,185,866**	**1,841,560**	**5,302,294**	**24,575,690**
Finance income	24	**1,752,934**	2,665,385	**2,913,998**	4,215,115
Finance expense	24	**(4,382,475)**	(5,394,859)	**(9,661,982)**	(10,567,455)
NET FINANCE EXPENSE		**(2,629,541)**	**(2,729,474)**	**(6,747,984)**	**(6,352,340)**
Share of profit of equity-accounted investees, net of tax	11	**43,708**	15,273,409	**47,607**	60,514
PROFIT (LOSS) BEFORE TAXES		**(1,399,967)**	**14,385,495**	**(1,398,083)**	**18,283,864**
Current income taxes	10	**480,742**	925,990	**(338,457)**	(2,587,065)
Deferred income taxes	10	**(141,747)**	146,351	**1,007,395**	504,455
TOTAL INCOME TAXES		**338,995**	**1,072,341**	**668,938**	**(2,082,610)**
NET INCOME (LOSS)		**(1,060,972)**	**15,457,836**	**(729,145)**	**16,201,254**
ATTRIBUTABLE TO:					
Company shareholders		**(1,060,972)**	15,457,836	**(1,060,972)**	15,457,836
Non-controlling interest		–	–	**331,827**	743,418
		(1,060,972)	**15,457,836**	**(729,145)**	**16,201,254**
Basic and diluted earnings per share - common shares (R$)	25	**(0.48)**	6.93	**(0.48)**	6.93

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

Statements of comprehensive income for the years ended at December 31, 2023 and 2022
In thousands of Brazilian Reais - R$

	Note	Company		Consolidated	
		2023	2022	2022	2021
Net income (loss)		**(1,060,972)**	15,457,836	**(729,145)**	16,201,254
Other comprehensive income (loss)					
Items that are or may be subsequently reclassified to profit or loss:					
Loss on foreign currency translation adjustments		**(611,874)**	(6,108,552)	**(741,988)**	(6,562,633)
Gain on net investment in foreign operations		**869,554**	717,426	**869,554**	717,426
Gain (loss) on cash flow hedge		**37,624**	(253,193)	**37,624**	(253,193)
Deferred income tax on cash flow hedge		**(12,792)**	86,086	**(12,792)**	86,086
Valuation adjustments to equity in subsidiaries		**(63,631)**	(33,989)	**(63,631)**	(33,989)
Items that will not be subsequently reclassified to profit or loss:					
Gain associated with pension and other postretirement benefit obligations		**29,234**	55,491	**35,679**	69,625
Income tax on gain (loss) associated with pension and other postretirement benefit obligations		**3,527**	(14,137)	**4,716**	(17,553)
Total other comprehensive income (loss)		**251,642**	**(5,550,868)**	**129,162**	**(5,994,231)**
Comprehensive income (loss)		**(809,330)**	**9,906,968**	**(599,983)**	**10,207,023**
Total comprehensive income (loss) attributable to:					
Company shareholders		**(809,330)**	9,906,968	**(809,330)**	9,906,968
Non-controlling interest		–	–	**209,347**	300,055
		(809,330)	**9,906,968**	**(599,983)**	**10,207,023**

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

Statements of changes in equity for the years ended at December 31, 2023 and 2022
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	VAE	FCTA	Retained earnings	Total	Non-controlling interest	Total equity
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		–	–	–	–	–	–	–	–	–	–	(6,108,552)	–	**(6,108,552)**	(454,081)	**(6,562,633)**
Net exchange differences from translation of foreign operations taken to equity		–	–	–	–	–	–	–	–	–	–	717,426	–	**717,426**	–	**717,426**
Gain (loss) on cash flow hedge, net of tax		–	–	–	–	–	–	–	–	–	(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**
Others comprehensive results		–	–	–	–	–	–	–	–	–	(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		–	–	–	–	–	(3,648,028)	–	–	–	–	–	–	**(3,648,028)**	–	**(3,648,028)**
Sales of treasury shares		–	–	–	–	–	834,181	–	(9,931)	–	–	–	–	**824,250**	–	**824,250**
Cancellation of treasury shares		–	–	–	–	–	5,851,685	–	(5,851,685)	–	–	–	–	–	–	–
Share-based compensation		–	–	31,839	–	–	–	–	–	–	–	–	–	**31,839**	7,286	**39,125**
Shares repurchased by Pilgrim's Pride Corporation		–	–	(453,938)	–	–	–	–	–	–	–	–	–	**(453,938)**	(512,060)	**(965,998)**
Realization of other reserves		–	–	–	–	(7,460)	–	–	–	–	–	–	7,460	–	–	–
Legal reserve		–	–	–	–	–	–	772,892	–	–	–	–	(772,892)	–	–	–
Investments statutory reserve		–	–	–	–	–	–	–	8,843,185	–	–	–	(8,843,185)	–	–	–
Tax incentive reserve		–	–	–	–	–	–	–	(2,590,821)	4,003,823	–	–	(1,413,002)	–	–	–
Dividends distributed		–	–	–	–	–	–	–	–	–	–	–	(2,218,116)	**(2,218,116)**	–	**(2,218,116)**
Distribution of interim dividends		–	–	–	–	–	–	–	–	–	–	–	(2,218,116)	**(2,218,116)**	–	**(2,218,116)**
Prescribed dividends		–	–	–	–	–	–	–	–	–	–	–	15	**15**	–	**15**
Dividends to non-controlling interest		–	–	–	–	–	–	–	–	–	–	–	–	–	(25,872)	**(25,872)**
Purchase of acquired business		–	–	–	–	–	–	–	–	–	–	–	–	–	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**
Net income		–	–	–	–	–	–	–	–	–	–	–	(1,060,972)	**(1,060,972)**	331,827	**(729,145)**
Exchange variation in subsidiaries	11	–	–	–	–	–	–	–	–	–	–	(611,874)	–	**(611,874)**	(130,114)	**(741,988)**
Exchange rate variation in investment	22 e1	–	–	–	–	–	–	–	–	–	–	869,554	–	**869,554**	–	**869,554**
Gain (loss) on cash flow hedge, net of tax	29a3.2.1	–	–	–	–	–	–	–	–	–	24,832	–	–	**24,832**	–	**24,832**
Gains associated with pension and other postretirement benefit obligations, net of tax		–	–	–	–	–	–	–	–	–	32,761	–	–	**32,761**	7,634	**40,395**
Others comprehensive results		–	–	–	–	–	–	–	–	–	(63,631)	–	–	**(63,631)**	–	**(63,631)**
Total comprehensive income		–	–	–	–	–	–	–	–	–	**(6,038)**	**257,680**	**(1,060,972)**	**(809,330)**	**209,347**	**(599,983)**
Stock option grant plan	26	–	–	34,418	–	–	–	–	–	–	–	–	–	**34,418**	6,737	**41,155**
Carrying out revaluation reserve	22 c	–	–	–	–	(5,984)	–	–	–	–	–	–	**5,984**	–	–	–
Investments statutory reserve	22 d4	–	–	–	–	–	–	–	(3,370,639)	–	–	–	3,370,639	–	–	–
Reserve of tax incentives in subsidiaries	22 d5	–	–	–	–	–	–	–	–	97,536	–	–	(97,536)	–	–	–
Distribution of interim dividends	20	–	–	–	–	–	–	–	–	–	–	–	(2,218,116)	**(2,218,116)**	–	**(2,218,116)**
Prescribed dividends		–	–	–	–	–	–	–	–	–	–	–	1	**1**	–	**1**
Non-controlling dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	(33,015)	**(33,015)**
Others		–	–	–	–	–	–	–	–	–	–	–	–	–	(667)	**(667)**
DECEMBER 31, 2023		23,576,206	211,879	(1,015,880)	30,464	30,513	–	2,801,185	8,477,409	4,101,359	168,866	4,969,138	–	43,351,139	3,647,167	46,998,306

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

Statements of cash flows for the years ended at December 31, 2023 and 2022
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cash flows from operating activities				
Net income (loss)	**(1,060,972)**	**15,457,836**	**(729,145)**	**16,201,254**
Adjustments for:				
Depreciation and amortization	**857,033**	794,403	**10,725,449**	9,853,829
Expected credit losses	**29,708**	43,128	**49,899**	47,217
Share of profit of equity-accounted investees	**(43,708)**	(15,273,409)	**(47,607)**	(60,514)
Result on the sale of fixed assets	**(9,526)**	4,021	**(72,216)**	(98,882)
Income tax and social contribution	**(338,995)**	(1,072,341)	**(668,938)**	2,082,610
Net financial result	**2,629,541**	2,729,474	**6,747,984**	6,352,340
Share-based compensation	–	–	**34,418**	39,125
Provisions	**236,133**	94,118	**527,427**	225,494
Estimated losses for realizable value of inventories	**(28,564)**	51,368	**(29,586)**	68,263
DOJ and Antitrust agreements	–	–	**510,230**	516,354
Gain on bargain purchase	–	–	–	(266,235)
Impairment	–	–	**154,797**	104,308
Indemnity J&F	–	(543,165)	–	(543,165)
Fair value (market to market) of biological assets	–	–	**442,841**	(204,948)
	2,270,650	**2,285,433**	**17,645,553**	**34,317,050**
Changes in assets and liabilities:				
Trade accounts receivable	**1,777,882**	(85,801)	**3,126,268**	(1,297,319)
Inventories	**610,963**	423,475	**2,345,294**	(2,338,806)
Recoverable taxes	**(547,360)**	(1,841,631)	**660,334**	(3,653,738)
Other current and non-current assets	**(23,428)**	361,152	**(189,778)**	742,188
Biological assets	–	–	**(2,645,955)**	(4,442,720)
Trade accounts payable and supply chain finance	**(124,416)**	(932,058)	**(4,118,275)**	1,306,969
Taxes paid in installments	**(240,688)**	(400,986)	**(240,688)**	(402,813)
Other current and non-current liabilities	**1,332,132**	648,594	**1,213,084**	(643,540)
DOJ and Antitrust agreements payment	–	–	**(442,854)**	(873,107)
Income taxes paid	–	–	**(355,000)**	(5,288,096)
Changes in operating assets and liabilities	**2,785,085**	**(1,827,255)**	**(647,570)**	**(16,890,982)**
Cash provided by operating activities	**5,055,735**	**458,178**	**16,997,983**	**17,426,068**
Interest paid	**(1,821,768)**	(1,136,995)	**(6,438,252)**	(4,798,503)
Interest received	**302,357**	106,460	**938,932**	705,949
Net cash flows provided by (used in) operating activities	**3,536,324**	**(572,357)**	**11,498,663**	**13,333,514**
Cash flow from investing activities				
Purchases of property, plant and equipment	**(862,569)**	(1,348,274)	**(7,492,311)**	(11,226,603)
Proceeds from sale of property, plant and equipment	**224,896**	34,097	**359,703**	253,249
(Purchases) Proceeds of intangible assets	**(17,292)**	(7,733)	**(44,719)**	(43,360)
Additional investments in subsidiaries	**(9,934)**	–	–	(10,811)
Acquisitions, net of cash acquired	**680**	–	**(17,156)**	(1,979,276)
Dividends received	**62,500**	14,000	**62,500**	14,000
Related party transactions	**(8,952,846)**	10,119,913	**5,191**	3,905
Other	–	–	**102,511**	(135,946)
Cash provided by (used in) investing activities	**(9,554,565)**	**8,812,003**	**(7,024,281)**	**(13,124,842)**
Cash flow from financing activities				
Proceeds from loans and financings	**14,989,339**	6,945,468	**44,700,803**	40,927,694
Payments of loans and financings	**(17,558,805)**	(7,190,703)	**(35,111,656)**	(38,419,594)
Derivatives instruments settled	**(62,308)**	(1,259,815)	**(58,049)**	(1,342,179)
Margin cash	**15,680**	88,374	**(130,759)**	570,288
Dividends paid	**(2,218,116)**	(4,436,242)	**(2,218,116)**	(4,436,242)
Dividends paid to non-controlling interest	–	–	**(29,565)**	(25,872)
Capital reduction in controlled companies	**13,184,553**	–	–	–
Pilgrim's Pride Corporation share repurchase	–	–	–	(965,998)
Purchase of treasury shares	–	(3,648,028)	–	(3,648,028)
Sales of treasury shares	–	824,250	–	824,250
Payments of leasing contracts	(52,232)	(34,330)	**(2,141,748)**	(2,243,385)
Cash provided by (used in) financing activities	**8,298,111**	**(8,711,026)**	**5,010,910**	**(8,759,066)**
Effect of exchange rate changes on cash and cash equivalents	**82,466**	**(86,660)**	**(545,045)**	**(1,506,598)**
Net change in cash and cash equivalents	**2,362,336**	(558,040)	**8,940,247**	(10,056,992)
Cash and cash equivalents beginning of period	**2,096,334**	2,654,374	**13,182,158**	23,239,150
Cash and cash equivalents at the end of period	**4,458,670**	**2,096,334**	**22,122,405**	**13,182,158**

Non-cash transactions:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Non-cash additions to right of use assets and lease liabilities CPC 6 and IFRS 16	**138,324**	39,881	**2,444,826**	2,526,801
Capitalized interests	**130,127**	(79,855)	**(346,155)**	(369,155)
Capital increase in subsidiaries	**10,063**	–	–	–
Dividends reversal	**1**	15	**(3,449)**	15
Cancellation of treasury shares	–	(5,851,685)	–	(5,851,685)
Decrease in share capital subsidiaries through assumption of debt	–	(13,579,986)	–	–

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

Economic value added the years ended at December 31, 2023 and 2022
In thousands of Brazilian Reais - R$

	Company		Consolidated	
	2023	2022	2023	2022
Revenue				
Sales of goods and services	**52,459,326**	55,738,800	**367,737,057**	378,442,481
Other income (expense)	**38,662**	(1,023)	**280,042**	383,846
Expected credit losses	**(29,708)**	(43,128)	**(49,899)**	(47,217)
	52,468,280	**55,694,649**	**367,967,200**	**378,779,110**
Goods				
Cost of services and goods sold	**(38,919,768)**	(43,110,872)	**(233,378,966)**	(228,038,740)
Materials, energy, services from third parties and others	**(7,260,130)**	(7,031,329)	**(67,754,020)**	(69,067,216)
Loss / Recovery of assets	–	–	**(27,006)**	–
	(46,179,898)	**(50,142,201)**	**(301,159,992)**	**(297,105,956)**
Gross added value	**6,288,382**	**5,552,448**	**66,807,208**	**81,673,154**
Depreciation and Amortization	**(857,033)**	(794,403)	**(10,724,439)**	(9,853,829)
Net added value generated	**5,431,349**	**4,758,045**	**56,082,769**	**71,819,325**
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	**43,708**	15,273,409	**47,607**	60,514
Financial income	**1,752,934**	2,665,385	**2,913,998**	4,215,115
Others	**3,004**	497,429	**(35,608)**	834,111
	1,799,646	**18,436,223**	**2,925,997**	**5,109,740**
NET ADDED VALUE TOTAL TO DISTRIBUTION	**7,230,995**	**23,194,268**	**59,008,766**	**76,929,065**
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	**3,025,499**	2,682,601	**37,020,838**	35,852,511
Benefits	**493,550**	431,794	**7,685,579**	7,034,561
FGTS (Brazilian Labor Social Charge)	**198,868**	168,998	**533,796**	452,039
	3,717,917	**3,283,393** -	**45,240,213**	**43,339,111**
Taxes and contribution				
Federal	**(508,581)**	(1,487,958)	**389,017**	2,847,369
State	**737,338**	540,735	**2,379,326**	2,126,099
Municipal	**24,859**	23,411	**26,325**	25,207
	253,616	**(923,812)**	**2,794,668**	**4,998,675**
Capital Remuneration from third parties				
Interests and exchange variation	**4,156,784**	5,230,745	**9,207,319**	9,366,450
Rents	**43,716**	52,471	**818,041**	733,561
Others	**119,934**	93,635	**1,677,670**	2,290,014
	4,320,434	**5,376,851**	**11,703,030**	**12,390,025**
Owned capital remuneration				
Dividends	–	4,436,233	–	4,436,233
Net income (loss) attributable to company shareholders	**(1,060,972)**	11,021,603	**(1,060,972)**	11,021,603
Non-controlling interest	–	–	**331,827**	743,418
	(1,060,972)	**15,457,836**	**(729,145)**	**16,201,254**
ADDED VALUE TOTAL DISTRIBUTED	**7,230,995**	**23,194,268**	**59,008,766**	**76,929,065**

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 - Brasil, Bolsa e Balcão) 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, 2023 and were authorized by the Board of Directors on March 26, 2024.

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, 2023 and 2022:

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.	67	Brazil
	- Distribution centers and harbors.	14	

Consolidated: Main activities in Brazil

Description	Activities	Units	Country	Participation	December 31, 2023	December 31, 2022
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.	47	Brazil	Indirect	100%	100%
	- Distribution centers, transportation services and harbors.	24				
	'- Direct sales to customers of beef and by-products in stores named "Mercado da Carne".	248				
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, 2023	December 31, 2022
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.	56	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.	61				
	- 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.	14	China, Netherlands, Saudi Arabia, South Africa, United Arab Emirates, United Kingdom and Singapure.	Indirect	100%	100%

Dual listing in Brazil and the United States: On July 12, 2023, the Company announced to the market the dual listing in Brazil and the United States through JBS B.V, a company located in the Netherlands. At the Securities and Exchange Commission (CVM), JBS B.V will be registered as a foreign issuer to list Brazilian Depositary Receipts - Level II BDRs on B3 backed by class A shares. The operation will be submitted for approval to the Extraordinary General Meeting, yet to be called. At the SEC, JBS B.V. will be registered as a foreign issuer (Foreign Private Issuer – FPI) to list its class A shares on the New York Stock Exchange (NYSE), in the United States of America.

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

IAS 1/CPC 26 - Presentation of financial statements

As of January 1, 2023, the changes clarify which liabilities have the right to postpone settlement and whether these rights exist on the closing date of the financial statements and, also, whether the classification between current and non-current would impact the entity to exercise the right of postponement. 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 did not identify significant impacts as a result of this change.

IAS 8/CPC 23 - Accounting Policies, Changes in Estimates and Rectification of Errors

As of January 1, 2023, the changes provide clarification to the distinction between changes in accounting estimates and changes in accounting policies and correction of errors, in order to correctly apply the standard. The Company did not identify significant impacts as a result of this change.

IAS 12/CPC 32 - Taxes on profit

Effective January 1, 2023, the changes seek to limit the scope of the Initial Recognition Exemption ("IRI") so that the IRI will no longer apply to transactions that give rise to equal and compensatory temporary differences. Therefore, a deferred tax asset and a deferred tax liability should be recognized for temporary differences generated at the time of initial recognition of a lease or a liability provision for dismantling and removal of leased equipment. The Company did not identify significant impacts as a result of this change.

As of May 23, 2023, the changes to the International Tax Reform - Pillar Two Model Rules aim to address tax issues related to the creation of a global system of minimum taxation for multinational companies, as disclosed in note 10 - Income tax and social contribution.

IAS 1/CPC 26 and IFRS Practice Statement 2 – Disclosure of accounting policies

From January 1, 2023, the changes require the disclosure of "material" rather than "significant" accounting policies. The changes also provide guidance on applying materiality to the disclosure of accounting policies, helping entities provide useful information about entity-specific accounting policies that users need to understand other information in the financial statements. The Company did not identify significant impacts as a result of this change.

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

IAS 1/CPC 26 and IFRS 7/CPC 40 – Supplier financing agreements ("Risk Withdrawn")

As of January 1, 2024, the changes aim to increase the transparency and comparability of financial information in withdrawn risk operations that consist of financing suppliers through a financial institution. The Companies must inform the terms and conditions of operations with suppliers, the exposure to the risk taken in the balance sheet cash flow and the factors that affect the liquidity risk related to this operation. The Company is monitoring the changes and will adapt the disclosure of the explanatory note in accordance with the standard's requirements.

(Expressed in thousands of Brazilian reais)

IAS 21/CPC 02 – Effect of changes in exchange rates and conversion of financial statements

Effective January 1, 2025, this change establishes the accounting requirements for when a functional currency cannot be converted into other currencies. In this case, the Company must use the most recent observable exchange rate to translate the results and financial position of this foreign operation into its presentation currency. The entity must also disclose this exchange rate, the date it was observed and the reasons why the currency is not exchangeable. The Company is following the discussions and so far has not identified any impacts resulting from this change.

From January 1, 2023, changes in relation to contractual covenants impact the classification of liabilities between current and non-current, taking into account the existence of covenants after the balance sheet date. The classification of an obligation as current or non-current depends on the company's right to renegotiate this obligation for at least twelve months, as provided for in the contract. If the company breaches a contractual long-term borrowing obligation, by the balance sheet date or before the end of the reporting period, making the liability due and payable to the creditor, even if the creditor has agreed not to require prepayment after the balance sheet date, the liability must be classified as current. The Company did not identify any impacts resulting from this change.

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 and realization 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.

The acquisitions accounted for as business combinations are presented bellow. Management considers an acquisitions significant for disclosure when total assets exceeds US$50 million (R$242,1 million at December 31, 2023). Acquisitions are paid with cash and cash equivalents, except where otherwise indicated.

Acquired company	Acquiror	(%) of voting interests acquired	Background and rationale for acquisition	Goodwill deductible for tax [1]	Acquisition date	Acquisition price	Goodwill generated on acquisition
TriOak Foods ("TriOak") [2]	Swift Pork	100%	Operates in several states in the United States, processing pork and selling grains. The indirect subsidiary Swift Pork was the exclusive buyer of TriOak. The acquisition guarantees access to a consistent supply of premium pigs for the Company's operations.	Yes	12.02.22	1,211,909	67,719

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

[2] The allocation of the acquisition price of TriOak was adjusted in the year ended December 31, 2023, with a reduction in biological assets of R$127,014, an increase in fixed assets of R$49,629 , a reduction in the right of use and leasing provision of R$51,501, and a reduction in goodwill of R$64,206.

(Expressed in thousands of Brazilian reais)

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

	Acquisition
	2022
FAIR VALUE	**TriOak**
Cash and cash equivalents	19,509
Trade accounts receivable	32,657
Inventories	81,408
Biological assets	689,969
Property, plant and equipment	653,139
Right of use assets	646,627
Other assets	10,004
ASSETS	**2,133,313**
Trade accounts payable	111,191
Loans and financing	219,747
Income taxes and other taxes, payroll and social charges	11,558
Lease liabilities	646,627
LIABILITIES	**989,123**
Total identifiable net assets fair value	**1,144,190**
Proportionate ownership acquired	1,144,190
Purchase consideration transferred	1,211,909
Goodwill/ (Gain on bargain purchase)	**67,719**

The indirect subsidiary Swift Pork was the exclusive buyer of TriOak, acquired on December 2, 2022, therefore the revenue/profit of the acquired company, after intergroup eliminations, are not considered material for the purposes of presenting net revenue, results for the period and pro forma adjustment.

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.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2021
Cash on hand and at banks	**531,461**	1,820,325	**8,863,520**	5,972,915
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic) (1)	**3,927,209**	276,009	**13,258,885**	7,209,243
Cash and cash equivalents total	**4,458,670**	**2,096,334**	**22,122,405**	**13,182,158**
Margin cash	–	–	**88,068**	308,302
Treasury bills	**64,754**	80,434	**553,215**	371,089
Margin cash total	**64,754**	**80,434**	**641,283**	**679,391**
Total	**4,523,424**	**2,176,768**	**22,763,688**	**13,861,549**

(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.

At December 31, 2023, the availability under Brasil revolving credit facilities was US$450million (R$2.18 billion at December 31, 2023) and US$450 million (R$2.4 billion at December 31, 2022). In the United States the revolving credit facilities at December 31, 2023, was US$2.9 billion (R$14 billion at December 31, 2023) and US$2,8 billion (R$14.35 billion at December 31, 2022).

(Expressed in thousands of Brazilian reais)

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Receivables not due yet				
Domestic	**746,465**	1,414,055	**9,296,795**	11,152,049
Foreign	**1,626,049**	2,315,482	**4,127,529**	5,058,255
Subtotal	**2,372,514**	**3,729,537**	**13,424,324**	**16,210,304**
Overdue receivables:				
From 1 to 30 days	**155,627**	325,741	**1,925,636**	2,515,484
From 31 to 60 days	**50,765**	142,384	**451,089**	590,988
From 61 to 90 days	**6,018**	133,895	**142,768**	346,939
Above 90 days	**233,938**	310,931	**911,619**	1,038,761
Expected credit losses	**(232,988)**	(252,719)	**(411,088)**	(431,170)
Adjustment to present value	**(10,451)**	(9,758)	**(28,199)**	(36,411)
Subtotal	**202,909**	**650,474**	**2,991,825**	**4,024,591**
Trade accounts receivable, net	**2,575,423**	**4,380,011**	**16,416,149**	**20,234,895**

Adjustment to present value: The Company discounts its receivables to present value using interest rates directly related to customer credit profiles. The monthly interest used to calculate the present value of outstanding receivables on December 31, 2023 and 2022 were, mostly in Brazil, 1.2% (1.3% at December 31, 2022). 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.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Balance at the beginning of the period	**(252,719)**	**(262,431)**	**(431,170)**	**(459,378)**
Additions	**(29,708)**	(43,128)	**(49,899)**	(47,217)
Write-offs (Reversals)	**34,052**	46,185	**49,809**	53,607
Exchange rate variation	**15,387**	6,655	**20,172**	21,818
Balance at the end of the period	**(232,988)**	**(252,719)**	**(411,088)**	**(431,170)**

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Finished products	**2,514,584**	2,906,265	**14,990,882**	17,199,677
Work-in-process	**673,840**	529,556	**2,837,178**	2,730,386
Raw materials	**523,377**	963,523	**3,674,716**	4,864,552
Supplies	**304,396**	233,857	**3,193,807**	3,347,479
	4,016,197	**4,633,201**	**24,696,583**	**28,142,094**

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:

(Expressed in thousands of Brazilian reais)

	Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Balance at the beginning of the period	**(58,110)**	**(6,742)**	**(310,581)**	**(248,637)**
Incorporations	**(332)**	—	—	—
Additions	**(25,225)**	(55,743)	**(278,893)**	(296,491)
Write-offs	**53,789**	4,375	**308,479**	228,228
Exchange rate variation	—	—	**4,741**	6,319
Balance at the end of the period	**(29,878)**	**(58,110)**	**(276,254)**	**(310,581)**

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.

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, 2023		December 31, 2022	
	Amount	Quantity (thousands)	Amount	Quantity (thousands)
Chicken and eggs	**3,318,541**	**560,414**	3,850,196	615,040
Cattle	**302,855**	**19**	309,703	17
Hogs	**3,757,454**	**8,516**	4,486,728	7,922
Lamb	**610**	**1**	3,845	6
Fish (biomass - kg)	**909,588**	**21,678**	1,060,221	25,256
Total current	**8,289,048**		**9,710,693**	

(Expressed in thousands of Brazilian reais)

Non-current biological assets (bearer assets):	Consolidated			
	December 31, 2023		December 31, 2022	
	Amount	Quantity (thousands)	Amount	Quantity (thousands)
Mature chickens breeding stage	**1,021,615**	**23,745**	904,834	24,598
Immature chickens in development and eggs	**884,705**	**16,867**	952,216	21,241
Cattle	**12,268**	**1**	9,178	1
Hogs	**562,367**	**670**	671,174	716
Mature fish (kg)	**11,343**	**84**	11,009	93
Immature fish in development (kg) and eggs	**68,456**	**514**	60,369	382
Eucalyptus forests (hectares)	**12,287**	**2,232**	10,286	2,232
Total non-current	**2,573,041**		**2,619,066**	
Total of biological assets:	**10,862,089**		**12,329,759**	

Changes in biological assets:	Consolidated			
	Current		Non-current	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Balance at the beginning of the period	**9,710,693**	**7,409,092**	**2,619,066**	**2,245,019**
Business combination [(1)]	**(127,014)**	905,884	–	207,286
Increase by reproduction born and cost to reach maturity	**64,344,135**	63,094,943	**4,180,754**	4,083,268
Reduction for slaughter, sale or consumption	**(67,522,191)**	(64,819,239)	**(332,334)**	(428,076)
Increase by purchase	**1,995,067**	2,766,366	**901,673**	851,040
Decrease by death	**(831,807)**	(393,961)	**(89,342)**	(77,099)
Changes fair value	**(446,309)**	204,931	**3,468**	17
Transfer between current and non-current	**1,537,427**	1,507,273	**(1,537,427)**	(1,507,273)
Exchange rate variation	**(370,953)**	(964,596)	**(135,622)**	(148,159)
Amortization	–	–	**(3,037,195)**	(2,606,957)
Balance at the end of the period	**8,289,048**	**9,710,693**	**2,573,041**	**2,619,066**

[(1)] Refers to the business combination adjustment of the acquisition of TriOak acquired during the 2022 financial year, as described in explanatory note 3 - Business combinations.

8 Recoverable taxes

Recoverable taxes as of December 31, 2023 and 2022 was comprised of the following:

	Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Value-added tax on sales and services - (ICMS/IVA/VAT/GST)	**1,128,414**	2,040,368	**4,452,222**	5,253,253
Social contribution on billings - PIS and COFINS	**1,751,100**	1,502,722	**2,432,254**	2,752,896
Withholding income tax - IRRF/IRPJ	**4,333,343**	3,981,884	**5,792,623**	6,257,710
Excise tax - IPI	**22,645**	21,748	**106,528**	127,719
Reintegra	**29,904**	32,463	**43,111**	49,832
Other	**26,568**	23,644	**67,556**	55,087
	7,291,974	**7,602,829**	**12,894,294**	**14,496,497**
Breakdown				
Current	**1,537,885**	1,473,985	**4,449,734**	5,330,928
Non-current	**5,754,089**	6,128,844	**8,444,560**	9,165,569
	7,291,974	**7,602,829**	**12,894,294**	**14,496,497**

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, 2023 the amount of R$4,290,022 (R$3,809,280 as of December 31, 2022) 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.

(Expressed in thousands of Brazilian reais)

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

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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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Related party receivables	**1,807,878**	1,103,125	**573,955**	951,021
Related party payables	**(14,459,311)**	(22,066,929)	**—**	—
	(12,651,433)	**(20,963,804)**	**573,955**	**951,021**

	Currency	Costs transfer (administrative and funding)	Statement of financial position accounts: December 31, 2023	Statement of financial position accounts: December 31, 2022	Financial income (expense): 2023	Financial income (expense): 2022
Direct subsidiaries						
JBS Finance Luxembourg S.à.r.l	US$	2,52% a 3,64% a.a.	—	—	—	(74,322)
Brazservice Ltda. (1)	R$	CDI + 4% a.a.	—	32,502	**1,546**	5,582
Enersea Ltda. (1)	R$	CDI + 4% a.a.	—	80	**4**	762
JBS Embalagens Metálicas Ltda	R$	CDI + 4% a.a.	**54**	14	**5**	1
JBS Confinamento Ltda.	R$	CDI + 4% a.a.	**(3,784)**	109,696	**14,713**	17,355
JBS Investments Luxembourg S.à.r.l.	US$	2,52% a 3,64% a.a.	**(8,057,016)**	(10,047,675)	**(237,830)**	(233,736)
Indirect subsidiaries						
Seara Holding Ltda. (2)	R$	-	**(6,398,511)**	—	—	—
JBS Leather Paraguay Srl	GUA	7% a.a.	**9,642**	9,812	**375**	481
Seara Alimentos Ltda. (2)	R$	CDI + 4% a.a.	**1,224,227**	(8,521,864)	**(653,805)**	(597,379)
JBS Luxembourg S.à.r.l	US$	1,83% a 7,30% a.a.	—	(3,497,390)	**(74,948)**	(236,601)
Other related parties						
J&F Investimentos S.A. (3)	R$	IPCA	**570,936**	543,165	**14,620**	—
J&F Oklahoma Holdings, Inc.	R$	3.4% (*)	—	400,017	**6,962**	(3,578)
Flora Produtos de Higiene e Limpeza S.A.	R$	Selic	**3,019**	7,839	—	494
Total			**(12,651,433)**	**(20,963,804)**	**(928,358)**	**(1,120,941)**

(*) Rate for the contract term.

(1) The direct subsidiaries Brazservice Ltda and Enersea Ltda were incorporated by the Parent Company for corporate simplification purposes.
(2) Refers to the transfer of the current account of the indirect controlling company Seara Alimentos Ltda. to its controlling company Seara Holding Ltda.
(3) Refers to the agreement signed between JBS S.A. and J&F Investimentos S.A. and some former executives of the Company, which represents the definitive extinction of the dispute subject to Arbitral CAM process no. 186/21, by which J&F committed to with payment in the updated total amount of R$570,935, to be paid according to the terms and conditions specified in the agreement.

Operations in direct and indirect subsidiaries refer to remittances for working capital that will be and/or have been settled with a capital increase/reduction, distribution of dividends, or cash.

Related party receivable

	Consolidated	
	December 31, 2023	December 31, 2022
J&F Investimentos S.A.	**570,936**	543,165
J&F Oklahoma Holdings, Inc. (1)	—	400,017
Flora Produtos de Higiene e Limpeza S.A. (1)	**3,019**	7,839
	573,955	**951,021**

(1) J&F Investimentos S.A is the ultimate controller of the related companies.

(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, 2023	December 31, 2022	December 31, 2023	December 31, 2022	2023	2022	2023	2022
Direct subsidiaries								
JBS Confinamento Ltda.	**2,138**	2,300	**28,021**	119,563	**646,327**	1,255,584	**12,412**	15,108
Brazservice Ltda.	–	2,977	–	14,283	**39,163**	118,172	**16,717**	107,333
Conceria Priante Srl	**20,443**	15,479	–	–	–	–	**33,579**	38,928
JBS Chile Limitada	**20,820**	–	**318**	–	**8,045**	–	**115,709**	–
JBS Toledo N.V.	**11,096**	8,577	–	–	–	–	**296,408**	332,485
Indirect subsidiaries								
Seara Alimentos Ltda.	**228,076**	215,066	**52,593**	58,663	**226,657**	294,037	**2,514,070**	2,778,655
JBS Global UK Limited	**105,667**	138,313	–	–	–	–	**475,859**	408,103
JBS Aves Ltda.	**5,658**	5,523	**20,900**	20,757	**3,858**	5,919	**131,718**	136,520
Weddel Limited	**5,497**	22,402	–	–	–	–	**67,822**	77,967
Sampco, LLC	**96,505**	108,359	–	–	–	–	**794,851**	959,321
Meat Snacks Partners do Brasil Ltda.	**16,255**	3,547	–	128	–	–	**361,483**	445,483
JBS Asia Limited	–	–	**266,286**	82,036	**221,117**	120,517	–	–
JBS Leather Asia Limited	**69,532**	70,780	–	–	**7**	–	**328,648**	242,559
JBS USA Holding Lux S.à.r.l.	**260,857**	520,893	–	715	**1,454**	–	**944,384**	1,065,280
Seara Comércio de Alimentos Ltda.	**2,197**	4,349	**3,859**	1,680	**30,242**	20,059	**18,891**	15,904
JBS Australia Pty Ltd.	**3,096**	9,298	–	678	**1,909**	691	**187,974**	292,889
Other related parties								
Agropecuária Santa Luzia Ltda.	**59**	1,772	**122**	44	–	28,058	–	7,241
JBJ Agropecuária Ltda.	**4,252**	2,912	**1,941**	40,357	**1,716,976**	1,619,097	**24,782**	26,994
Flora Produtos de Higiene e Limpeza S.A	**33,536**	34,359	**2**	–	**13**	4,505	**321,027**	334,348
Eldorado Brasil Celulose S.A	**246**	314	–	6	**59**	287	**2,941**	8,596
Prima Foods S.A.	**506**	315	**2,047**	4,012	**63,465**	101,963	**3,148**	14,612
Banco Original S.A	**34**	5	–	9	–	–	**97**	81
Agropecuária Nelore Parana Ltda	–	–	**3,870**	9,149	**144,882**	172,150	**2,434**	454
	886,470	**1,167,540**	**379,959**	**352,080**	**3,104,174**	**3,741,039**	**6,654,954**	**7,308,861**

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, 2023, the unpaid balance of transferred receivables was R$2,664,506 (R$969,151 at December 31, 2022) in the Company, and R$5,158,611 (R$2,133,083 at December 31, 2022) in the Consolidated, respectively. For the years ended at December 31, 2023, the Company incurred financial costs related to this operation in the amount of R$225,979 (R$165,304 at December 31, 2022) in the Company, and R$478,112 (R$375,142 at December 31, 2022) in the Consolidated, respectively, recognized in these financial statements as financial expenses.

At December 31, 2023, the Company and a few of its subsidiaries hold investments with Banco Original, in the amount of R$1,482,874 (R$477,103 at December 31, 2022) in the Company and R$3,783,589 (R$1,869,825 at December 31, 2022) in the Consolidated, recognized as cash and cash equivalents, respectively. The short term investments, CDB and similar investments have earnings similar to CDI (Certificado de Depósito Interbancário), according to both maturity and amount established at the start date of the investment, following market practices. For the years ended at December 31, 2023, the Company earned interest from these investments in the amount of R$40.943 (R$7,478 at December 31, 2022) in the Company, and R$129.265 (R$17,159 at December 31, 2022) in the Consolidated, respectively, recognized in these financial statements as financial income.

The Company enters into purchase agreements for livestock with certain suppliers, including the related party JBJ Agropecuária Ltda., ensuring a fixed price when purchasing cattle, without a cash impact in the Company until the maturity date of these commitments. Based on this contract of future delivery, JBJ has already made anticipation with the banks of this operation in the supply chain finance modality. At December 31, 2023 the balance of this transaction was R$299,800 (R$446,000 at December 31, 2022).

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

The Company sponsor´s Institute Germinare, a youth-directed business school, whose mission is to educate future leaders by offering free, high-quality education. During the years ended at December 31, 2023 the Company made donations in the amount of R$111,049 (R$178,831 at December 31, 2022) recognized in these financial statements as general and administrative expenses.

The Company is a member of the JBS Pela Amazônia Fund, a non-profit association whose objective is to promote and finance initiatives and projects aimed at the sustainable development of the Amazon Biome. During the year ended December 31, 2023, there were no donations (R$5,500 at December 31, 2022), recorded under the caption general and administrative expenses.

The Company holds competitions to contract or renew its insurance. In this process, it includes Original Corporate Corretora de Seguros Ltda. on the panel, an insurance broker who is a related party. All contracts are made at market value, if they are completed.

In the years ended December 31, 2023 and 2022, no expected losses with doubtful debts were recorded, nor were any bad debt expenses related to transactions with related parties recognized.

(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, 2023 and 2022 is the following:

	2023	2022
Salaries and wages	**41,517**	39,702
Variable cash compensation	**96,876**	98,000
Share-based payments	**37,932**	**35,446**
	176,325	**173,148**

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Deferred income taxes assets	—	—	**3,751,335**	3,161,300
Deferred income taxes liabilities	**(3,136,770)**	(2,995,114)	**(6,585,412)**	(7,112,102)
	(3,136,770)	**(2,995,114)**	**(2,834,077)**	**(3,950,802)**

a. Deferred income tax and social contribution

a1. Unrecognized tax benefit

The current balance of benefits related to the tax effects of accumulated tax losses and negative social contribution bases not recognized by subsidiaries on December 31, 2023 was R$3,806,133 (R$3,214,811 on December 31, 2022). These values come from companies that do not have profitability histories or future profit projections sufficient to support their record.

(Expressed in thousands of Brazilian reais)

a2. Composition of deferred tax income and social contribution

	Company			
	December 31, 2022	Income statement	Other adjustments [1]	December 31, 2023
Tax losses and negative basis of social contribution	—	28,991	—	**28,991**
Expected credit losses on trade accounts receivable	88,021	(6,851)	—	**81,170**
Provisions for contingencies	162,583	27,583	—	**190,166**
Present value adjustment - Trade accounts receivable	3,318	235	—	**3,553**
Right of use assets	2,732	2,446	—	**5,178**
Goodwill amortization	(3,277,762)	—	—	**(3,277,762)**
Present value adjustment - Trade accounts payable	2,090	(7,075)	—	**(4,985)**
Hedge operations [2]	61,197	(195,356)	—	**(134,159)**
Accrued liabilities	184,190	(21,363)	—	**162,827**
Realization of other reserves	(257,332)	3,080	—	**(254,252)**
Other temporary differences	35,849	26,563	91	**62,503**
Deferred taxes, net	**(2,995,114)**	**(141,747)**	**91**	**(3,136,770)**

	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**
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**
Accrued liabilities	134,382	49,808	**184,190**
Realization of other reserves	(260,867)	3,535	**(257,332)**
Other temporary differences	(19,363)	55,212	**35,849**
Deferred taxes, net	**(3,141,465)**	**146,351**	**(2,995,114)**

	Consolidated				
	December 31, 2022	Income statement	Exchange variation	Other adjustments [1]	December 31, 2023
Tax losses and negative basis of social contribution	3,387,144	799,728	(119,345)	—	**4,067,527**
Expected credit losses on trade accounts receivable	164,732	23,618	(3,966)	—	**184,384**
Provisions for contingencies	716,633	(96,868)	(12,702)	—	**607,063**
Present value adjustment - Trade accounts receivable	59,095	(22,071)	—	—	**37,024**
Tax credits - Foreign subsidiaries	68,855	51,706	(6,040)	145	**114,666**
Labor accidents accruals	32,032	8,945	(2,600)	—	**38,377**
Pension plan	54,708	18,602	(4,408)	(11,020)	**57,882**
Accrued liabilities	1,257,677	(68,236)	(71,302)	2	**1,118,141**
Non-deductible interests	399,481	669,248	(42,575)	—	**1,026,154**
Right of use assets	117,832	10,713	(5,492)	—	**123,053**
Goodwill amortization	(4,100,891)	(55,961)	32,845	—	**(4,124,007)**
Present value adjustment - Trade accounts payable	(42,292)	12,933	—	—	**(29,359)**
Business combination	(2,303,239)	(915)	153,406	—	**(2,150,748)**
Inventory valuation	(572,398)	(489,952)	59,790	—	**(1,002,560)**
Hedge and hedge accounting operations [2]	42,831	(162,715)	—	(2,912)	**(122,796)**
Realization of other reserves	(575,927)	16,079	—	—	**(559,848)**
Accelerated depreciation and amortization	(3,061,949)	370,471	201,669	—	**(2,489,809)**
Other temporary differences	404,874	(77,930)	(86,014)	29,849	**270,779**
Deferred taxes, net	**(3,950,802)**	**1,007,395**	**93,266**	**16,064**	**(2,834,077)**

Notes to the condensed financial statements for the years ended at December 31, 2023 and 2022
(Expressed in thousands of Brazilian reais)

	Consolidated				
	December 31, 2021	Income statement	Exchange variation	Other adjustments	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 on trade accounts receivable	146,544	20,059	(1,871)	–	**164,732**
Provisions for contingencies	544,132	172,501	–	–	**716,633**
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 accruals	218,775	(172,451)	(14,292)	–	**32,032**
Pension plan	120,970	(28,822)	(8,339)	(29,101)	**54,708**
Accrued liabilities	1,478,003	(132,043)	(88,283)	–	**1,257,677**
Non-deductible interests	32,889	370,290	(3,698)	–	**399,481**
Right of use assets	33,884	84,106	(158)	–	**117,832**
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 combination	(2,641,925)	225,085	164,819	(51,218)	**(2,303,239)**
Customer returns accruals - Foreign subsidiaries	(186,478)	174,938	11,540	–	–
Inventory valuation	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)	16,277	–	–	**(575,927)**
Accelerated depreciation and amortization	(2,748,785)	(504,898)	191,734	–	**(3,061,949)**
Other temporary differences	135,629	34,659	240,862	(6,276)	**404,874**
Deferred taxes, net	**(4,920,453)**	**504,455**	**471,859**	**(6,663)**	**(3,950,802)**

[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.

a2. Expectation of realization of deferred IR/CS on tax losses and negative basis

Deferred tax assets arising from tax losses and temporary differences will be realized as future taxable profits become available, against which these deferred tax assets can be used. The period for settlement or realization of such differences is imprecise and is linked to several factors that are not under the Company's control.

When estimating the realization of active deferred tax credits, constituted on tax losses and negative social contribution basis, the Company considers its budget and strategic plan, adjusted based on estimates of the main tax additions and exclusions. Based on this estimate, the Company believes that it is likely that these deferred tax credits will be realized.

b. Reconciliation of income tax and social contribution expense:

	Company		Consolidated	
	2023	2022	2023	2022
Accounting result before taxation	**(1,399,967)**	14,385,495	**(1,398,083)**	18,283,864
Nominal rate	**-34 %**	-34 %	**-34 %**	-34 %
Expected tax expense	**475,989**	(4,891,068)	**475,348**	(6,216,514)
Adjustments to reconcile tax expense:				
Share of profit of equity-accounted investees	**14,861**	5,192,959	**16,186**	20,574
Investments grants [3]	**997,128**	1,928,646	**2,309,571**	2,335,224
International rate differences	–	–	**(83,939)**	1,632,197
Net income arising from foreign subsidiaries [4]	**(1,013,138)**	(1,378,928)	**(1,023,544)**	(1,378,928)
Transfer pricing adjustment	**(60,277)**	(39,042)	**(61,059)**	(179,324)
Unrecognized tax benefits	–	–	**(1,862,376)**	472,790
Interest not taxed	–	–	**700,336**	672,699
J&F leniency expenses refund [5]	–	184,676	–	184,676
	(37,757)	(597)	**(37,757)**	(597)
Donations and social programs [3]	**10,444**	13,171	**32,405**	27,188
Other permanent differences	**(48,255)**	62,524	**203,767**	347,405
Current and deferred income tax (expense) benefit	**338,995**	**1,072,341**	**668,938**	**(2,082,610)**
Current income tax expense	**480,742**	925,990	**(338,457)**	(2,587,065)
Deferred income tax income (expense)	**(141,747)**	146,351	**1,007,395**	504,455
	338,995	**1,072,341**	**668,938**	**(2,082,610)**
% IT/PBT	**24.21 %**	**7.45 %**	**47.85 %**	**(11.39)%**

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

The Company understands that, due to the origin and non-recurrence of certain events, for the purposes of predictability of the effective rate, possible effects of deferred taxes on the amortization of goodwill may be disregarded; unrecognized deferred taxes; income tax and social contribution on realization of the revaluation reserve and investment subsidy from previous years. Therefore, the adjusted effective rate, excluding the previously mentioned effects, in the years ending December 31, 2023 and 2022 would be 23.99% and -5.45% in the Parent Company and 155.18% and -23.16% in the Consolidated.

(3) The Company and its subsidiaries have subsidies granted by state governments, as presumed credit, partial and full reduction of the ICMS calculation basis for certain goods in its production chain, in accordance with the regulations of each State. The appropriate values of these tax incentives as income in the result are excluded in the calculation of taxes on profit, when the requirements set out in current legislation are met. During 2023, the Company and its subsidiaries recorded the amount of government subsidies in the amount of R$6.79 billion, of which R$2.82 billion were presumed credit and R$3.97 billion were ICMS reduction and exemption, excluded from basis for calculating income tax and social contribution.

The exclusion of this tax benefit from the income tax and social contribution calculation base on net profit reflected a tax gain in 2023 of R$960,675 referring to the presumed credit and R$1.34 billion in exemption and base reduction .

On June 12, 2023, the ruling on Special Appeals No. 1,945,110 and 1,987,158 (Repetitive Topic 1182) was published, discussing the requirement for IRPJ and CSLL on amounts related to ICMS tax incentives, distinct from those granted in the form of presumed credits. The ruling in reference stated that the taxes in question are not due, as long as the requirements of article 30 of Law No. 12,973/14 are observed, and it is certain that the Company recorded the profit reserve referred to in article 195-A of Law No. 6,404/76. On August 31, 2023, Provisional Measure No. 1185/23 was published, which changed the investment subsidy regime for tax purposes and revoked article 30 of Law No. 12,973/14, which was converted into Law on December 29 2023 through Law No. 14,789, the effects of which will be observed for the year 2024.

(4) In accordance with Law No. 12,973/14, the results of subsidiaries abroad must be taxed at a nominal rate of 34%, and the tax paid abroad by these subsidiaries may be credited in Brazil. The results obtained from subsidiaries abroad are subject to taxation by the countries where they are headquartered, in accordance with the applicable rates and legislation (profits taxed by foreign jurisdictions included in the reconciliation of income tax and social contribution expenses). The Company analyzes the results of each subsidiary for the application of its income tax legislation, in order to respect the treaties signed by Brazil and avoid double taxation.

(5) Refers to the indemnity J&F as described in the footnote 9 - Related party transactions.

(6) Refers to donations made by the Company, as described in explanatory note 28 - Expenses by nature.

Global Minimum Tax: The Organization for Economic Co-operation and Development (OECD) is an international organization made up of 38 member countries that work to create international standards and seek solutions to a range of social, economic and environmental challenges. These solutions range from improving economic performance and creating jobs to promoting solid education and combating international tax evasion.

With regard to the fight against tax evasion, the BEPS (Base Erosion and Profit Shifting) project was created in 2013. This initiative is a collaboration between the G20 (group of twenty countries with the largest economies) and the OECD. The objective of the BEPS project is to implement 15 measures to combat tax evasion, improve the coherence of international tax rules and ensure a more transparent tax environment on the international stage. The project aims to prevent the abuse of tax rules that result in the erosion of the tax base, mainly through the transfer of profits to destinations with more favorable taxation or no taxation.

Pillar II is part of one of the OECD's most recent initiatives, known as BEPS 2.0. It aims to address tax issues related to changes in business models in a globalized environment. The objective of Pillar II is to create a global system of minimum taxation for multinational companies with an annual global turnover of more than EUR 750 million. This additional taxation aims to balance the global income tax collection of these companies and guarantee the payment of a minimum effective global rate of 15%, per jurisdiction, where the multinational group operates.

From 2024 onwards, Pillar II rules will come into force in several countries, impacting several multinationals operating in these countries. During the first three years, there will be some transition rules (Safe Harbor) with the aim of simplifying the calculations of the effective rate by jurisdiction, allowing adaptation to the affected multinational groups.

Although the implementation of Pillar II presents uncertainties in the Brazilian legal system, the Company and its subsidiaries are monitoring the potential impacts that this new rule may bring to the Group.

For the 2022 calendar year, during 2023, the Company performed a Safe Harbor analysis using 2022 financial data for the jurisdictions where the Company operates. The results of this preliminary analysis indicate that some countries within the Group may be subject to additional income tax payments in accordance with Pillar II rules. However, the estimated additional payment percentage cannot be precisely calculated until the release of these Financial Statements, especially due to the fact that the impact of Pillar II will be based on 2024 results, which cannot yet be known.

Furthermore, in December 2023, the CVM (Securities Commission) published Resolution No. 197, which introduced changes to CPC 32 and IAS 12 “Profit Taxes”. In accordance with this Resolution, due to measurement uncertainties and impacts, the Company decided to apply the exception for recognition and disclosure of information on deferred tax assets and liabilities related to Pillar II income tax, until we have more definitive information available.

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.

(Expressed in thousands of Brazilian reais)

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, 2023:

	Participation	Total assets	Share capital	Equity + Goodwill	Net revenue	Net income (loss)
i. In subsidiaries:						
JBS Embalagens Metálicas Ltda.	99.95%	84,860	203,269	80,679	–	(138)
JBS Confinamento Ltda.	100%	543,719	866,121	346,365	786,148	(92,564)
Conceria Priante Srl	100%	180,001	14,984	93,959	111,439	(21,991)
JBS Leather International B.V.	100%	755,547	100,029	550,351	703,467	(14,615)
Brazservice Ltda.	100%	–	–	–	38,983	(636)
Enersea Ltda.	100%	–	–	–	16	6
JBS Asset Management Corporation	100%	94,816	104,227	94,604	2,350	(9,161)
JBS Investments Luxembourg S.à.r.l.	100%	174,704,834	366	40,061,058	317,107,825	121,735
JBS B.V. (5)	100%	–	–	–	–	(235)
JBS Toledo N.V.	100%	223,867	19,049	202,936	608,827	14,806
JBS Chile Limitada	100%	77,893	25	21,935	332,060	4,726
JBS Finance Luxembourg S.à.r.l.	100%	4,669	726	310	–	(67)
ii. In joint ventures:						
Meat Snack Partners do Brasil Ltda.	50%	499,372	23,762	376,862	1,021,502	83,685
iii. In affiliates:						
JBS Ontario	100%	204,792	5	77,430	683,956	7,315
Birla Societá Agricola Srl	20%	–	13,379	40,805	–	(7,738)

Changes in the Company's investments:

	December 31, 2022	Addition (disposal)	Exchange rate variation	Equity: Changes in the equity of investees (1)	Equity: Proportionate share of income (loss)	December 31, 2023
JBS Embalagens Metálicas Ltda.	80,777	–	–	–	(138)	**80,639**
JBS Confinamento Ltda. (2)	377,409	61,520	–	–	(92,564)	**346,365**
Conceria Priante Srl	120,500	–	(4,550)	–	(21,991)	**93,959**
JBS Leather International B.V. (3)	635,828	19,707	(44,150)	(46,419)	(14,615)	**550,351**
Brazservice Ltda.	43,940	(43,304)	–	–	(636)	–
Meat Snacks Partners do Brasil Ltda. (4)	209,092	(62,500)	1,874	(1,877)	41,842	**188,431**
Enersea Ltda.(2)	350	(356)	–	–	6	–
JBS Asset Management Corporation	111,742	–	(7,977)	–	(9,161)	**94,604**
JBS Investments Luxembourg S.à.r.l. (2)	53,603,571	(13,194,616)	(3,965,443)	3,495,811	121,735	**40,061,058**
JBS B.V. (5)	(27)	264	(1)	(1)	(235)	–
JBS Toledo N.V.	195,970	–	(7,840)	–	14,806	**202,936**
JBS Chile Limitada	19,953	–	(2,744)	–	4,726	**21,935**
JBS Finance Luxembourg S.à.r.l.	404	–	(27)	–	(67)	**310**
Total	**55,399,509**	**(13,219,285)**	**(4,030,858)**	**3,447,514**	**43,708**	**41,640,588**

(*) Holding company that consolidates the operations of the subsidiaries Seara and JBS USA.

(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 the capital in its direct subsidiaries JBS Confinamento Ltda. and JBS Leather International, through partial settlement of a current account.
(3) The direct subsidiaries Brazservice Ltda. and Enersea Ltda. were incorporated by the Parent Company for corporate simplification purposes.
(4) The indirect Meat Snacks Partners do Brasil Ltda. distributed profits across the Company.
(5) The Company controls the capital in the direct subsidiary JBS Investments Lux, and envy cash for JBS S.A.

Changes in the Consolidated's investments:

	December 31, 2022	Addition	Profit distribution	Equity: Changes in the equity of investees	Equity: Proportionate share of income	December 31, 2023
Meat Snacks Partners (4)	209,092	–	(62,500)	(3)	41,842	**188,431**
JBS Foods Ontario Inc.	75,720	–	–	(5,606)	7,316	**77,430**
Birla Societá Agricola (6)	10,025	–	–	(314)	(1,551)	**8,160**
Total	**294,837**	–	**(62,500)**	**(5,923)**	**47,607**	**274,021**

(Expressed in thousands of Brazilian reais)

Changes in the Controller's investments:

				Equivalência patrimonial		
	Saldo em 12.31.21	Adição (Baixa)	Variação cambial	No patrimônio líquido	No resultado do período	Saldo em 12.31.22
JBS Embalagens Metálicas Ltda.	80,852	25	–	–	(100)	**80,777**
JBS Confinamento Ltda.	5,029	460,601	–	–	(88,221)	**377,409**
Conceria Priante Srl	151,113	–	(18,307)	–	(12,306)	**120,500**
JBS Leather International B.V.	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.	169,050	(14,000)	–	–	54,042	**209,092**
Enersea Ltda.	(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.	58,900,478	(14,049,185)	(4,226,976)	(2,351,587)	15,330,841	**53,603,571**
JBS B.V.	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**

Changes in the Consolidated's investments:

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

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 recognized. 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, 2023 the Company recognized impairment for the Property, plant and equipment, in the amount of R$113,726 (R$18.707 at December 31, 2022), related to the indirect subsidiary JBS USA.

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, 2023, the Company entered into several purchase commitments for property, plant and equipment in the amount of R$80,340(R$147.376 at 31 December, 2022), in the Company and R$1.88 billion (R$ 3,36 billion in 31 December, 2022) in the Consolidated.

(Expressed in thousands of Brazilian reais)

Company	Useful life	Cost	Accumulated depreciation	Net amount December 31, 2023	Net amount December 31, 2022
Buildings	**5 to 40 years**	5,485,294	(1,697,999)	**3,787,295**	3,580,188
Land	–	2,278,266	–	**2,278,266**	1,749,340
Machinery and equipment	**3 to 30 years**	7,539,411	(4,403,271)	**3,136,140**	3,066,247
Facilities	**10 years**	3,083,705	(1,156,950)	**1,926,755**	1,797,795
Computer equipment	**2 to 5 years**	343,583	(268,490)	**75,093**	41,814
Vehicles (land and air)	**5 to 35 years**	1,020,249	(312,551)	**707,698**	515,344
Construction in progress	–	1,528,857	–	**1,528,857**	2,214,667
Others	**2 to 15 years**	199,705	(130,191)	**69,514**	62,468
		21,479,070	**(7,969,452)**	**13,509,618**	**13,027,863**

Consolidated	Useful life	Cost	Accumulated depreciation	Net amount December 31, 2023	Net amount December 31, 2022
Buildings	**5 to 60 years**	31,373,046	(10,530,548)	**20,842,498**	19,722,715
Land	–	5,856,709	–	**5,856,709**	5,512,969
Machinery and equipment	**3 to 30 years**	46,184,841	(25,315,981)	**20,868,860**	19,998,538
Facilities	**10 to 30 years**	5,694,331	(1,995,406)	**3,698,925**	3,001,689
Computer equipment	**2 to 15 years**	2,197,781	(1,392,714)	**805,067**	606,623
Vehicles (land and air)	**3 to 35 years**	2,122,860	(802,819)	**1,320,041**	1,121,272
Construction in progress	–	7,923,847	–	**7,923,847**	11,084,915
Others	**2 to 25 years**	2,917,325	(1,692,152)	**1,225,173**	1,122,071
		104,270,740	**(41,729,620)**	**62,541,120**	**62,170,792**

Changes in property, plant and equipment:

Company	December 31, 2022	Additions net of transferences [(1)]	Incorporates [(2)]	Disposals	Depreciation expense	December 31, 2023
Buildings	3,580,188	540,100	14,402	(105,304)	(242,091)	3,787,295
Land	1,749,340	564,375	276	(35,725)	–	2,278,266
Machinery and equipment	3,066,247	416,950	14,181	(51,809)	(309,429)	3,136,140
Facilities	1,797,795	239,814	7,852	(6,205)	(112,501)	1,926,755
Computer equipment	41,814	50,808	178	(1,087)	(16,620)	75,093
Vehicles (land and air)	515,344	321,637	371	(35,861)	(93,793)	707,698
Construction in progress	2,214,667	(685,810)	–	–	–	1,528,857
Other	62,468	21,065	642	(1,697)	(12,964)	69,514
	13,027,863	**1,468,939**	**37,902**	**(237,688)**	**(787,398)**	**13,509,618**

Company	December 31, 2021	Additions net of transferences	Disposals	Depreciation	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**

Consolidated	December 31, 2022	Additions net of transferences [(1)]	Business combination adjustments [(3)]	Disposals	Depreciation expense	Exchange rate variation	December 31, 2023
Buildings	19,722,714	3,418,759	21	(161,506)	(1,315,974)	(821,516)	**20,842,498**
Land	5,512,969	583,120	–	(71,057)	–	(168,323)	**5,856,709**
Machinery and equipment	19,998,538	4,965,205	49,681	(188,389)	(3,049,080)	(907,095)	**20,868,860**
Facilities	3,001,689	936,195	–	(13,743)	(219,632)	(5,584)	**3,698,925**
Computer equipment	606,623	451,037	–	(3,581)	(223,288)	(25,724)	**805,067**
Vehicles (land and air)	1,121,272	500,778	–	(43,652)	(217,255)	(41,102)	**1,320,041**
Construction in progress	11,084,915	(2,854,594)	–	(19,883)	–	(286,591)	**7,923,847**
Other	1,122,072	383,245	(73)	(47,147)	(184,528)	(48,396)	**1,225,173**
	62,170,792	**8,383,745**	**49,629**	**(548,958)**	**(5,209,757)**	**(2,304,331)**	**62,541,120**

(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2021	Acquired in business combinations	Additions net of transferences	Business combination adjustments	Disposals	Depreciation	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**

[1] Additions for each category includes transfer from construction in progress during the period.
[2] Refers to incorporation of a direct subsidiary Brazservice Ltda, during the first quarte at 2023.
[3] Refers to business combination adjustment in TriOak, acquired during the year ended at December 22, as described in the footnote 3 - Business Combination.

For the year ended December 31, 2023, the amount of capitalized interest added to construction in progress and included in additions in the Company was R$130,127 (R$79,855 at December 31, 2022) and in the Consolidated R$346,155 (R$369,155 at December 31, 2022). The capitalization rate used at December 31, 2023 was 8,41% p.y., in Brazil and 4,40% p.y. in the United States (5,90% p.y., in Brazil and 3,70%% p.y. in the United States at December 31, 2022)

(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 rates in 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 6.68% (8.25% at December 31, 2022) in the Company, and 5.85% (7.30% at December 31, 2022) in the Consolidated, in accordance with the term of each lease agreement and the economic policy of each subsidiary's domicile.

13.1 Right of use asset

				Net amount	
Company	**Average lease term**	**Cost**	**Accumulated amortization**	**December 31, 2023**	**December 31, 2022**
Buildings	3 to 20 years	49,975	(27,342)	**22,633**	30,041
Computer equipment	1 to 3 years	82,527	(31,287)	**51,240**	10,728
Machinery and equipment	1 to 4 years	60,677	(22,721)	**37,956**	12,747
Operating plants	1 to 4 years	27,164	(15,165)	**11,999**	623
Land	1 to 4 years	1,609	(1,104)	**505**	253
Vehicles (land)	1 year	13,361	(1,893)	**11,468**	272
		–	–	–	–
		235,313	**(99,512)**	**135,801**	**54,664**

				Net amount	
Consolidated	**Average lease term**	**Cost**	**Accumulated amortization**	**December 31, 2023**	**December 31, 2022**
Growing facilities	1 to 13 years	6,182,222	(2,283,192)	**3,899,030**	4,299,324
Buildings	2 to 30 years	3,809,084	(1,232,991)	**2,576,093**	2,227,940
Computer equipment	1 to 5 years	134,310	(59,107)	**75,203**	48,089
Machinery and equipment	1 to 10 years	1,274,315	(838,111)	**436,204**	547,282
Operating plants	1 to 11 years	176,154	(80,806)	**95,348**	97,601
Land	1 to 30 years	189,395	(96,513)	**92,882**	102,478
Vehicles (land, air and sea)	1 to 20 years	2,116,354	(1,033,259)	**1,083,095**	1,052,178
		–	–	–	–
		13,881,834	**(5,623,979)**	**8,257,855**	**8,374,892**

Changes in the right of use assets:

Company	**December 31, 2022**	**Additions [1]**	**Terminated contracts**	**Amortization**	**December 31, 2023**
Buildings	30,041	12,358	(3,557)	(16,209)	**22,633**
Computer equipment	10,728	53,587	–	(13,075)	**51,240**
Machinery and equipment	12,747	41,686	275	(16,752)	**37,956**
Operating plants	623	16,958	–	(5,582)	**11,999**
Land	253	793	–	(541)	**505**
Vehicles (land)	272	12,896	(54)	(1,646)	**11,468**
Furniture and appliances	–	–	–	–	–
	54,664	**138,278**	**(3,336)**	**(53,805)**	**135,801**

Company	**December 31, 2021**	**Additions**	**Terminated contracts**	**Amortization**	**December 31, 2022**
Buildings	18,789	24,587	–	(13,335)	**30,041**
Computer equipment	18,531	–	–	(7,803)	**10,728**
Operating plants	4,146	13,927	(352)	(4,974)	**12,747**
Machinery and equipment	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**

(Expressed in thousands of Brazilian reais)

Consolidated	December 31, 2022	Additions [1]	Business combinations adjustments [3]	Terminated contracts	Amortization	Exchange rate variation	December 31, 2023
Growing facilities	4,299,324	731,620	(51,501)	(83,196)	(834,205)	(163,012)	**3,899,030**
Buildings	2,227,940	950,069	–	(131,832)	(418,286)	(51,798)	**2,576,093**
Computer equipment	48,089	53,144	–	–	(26,027)	(3)	**75,203**
Machinery and equipment	547,282	168,949	–	(5,565)	(255,494)	(18,968)	**436,204**
Operating plants	97,601	30,754	–	(686)	(31,534)	(787)	**95,348**
Land	102,478	7,103	–	(117)	(13,000)	(3,582)	**92,882**
Vehicles (land, air and sea)	1,052,178	469,394	–	(4,579)	(362,638)	(71,260)	**1,083,095**
Furniture and appliances	–	–	–	–	–	–	–
	8,374,892	**2,411,033**	**(51,501)**	**(225,975)**	**(1,941,184)**	**(309,410)**	**8,257,855**

Consolidated	December 31, 2021	Acquired in business combinations	Additions	Business combinations adjustments	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**
and sea)	67,004	–	–	–	(257)	(17,982)	(676)	**48,089**
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**
equipment	1,231,095	3,196	441,334	–	(41,851)	(459,164)	(122,432)	**1,052,178**
appliances	94	–	–	–	(76)	(18)	–	–
	7,832,842	**768,920**	**2,495,388**	**253**	**(313,045)**	**(1,792,750)**	**(616,716)**	**8,374,892**

[1] Additions for each category includes PIS and COFINS to be paid.
[2] Refers to the TriOak business combination adjustment, the most relevant, acquired during the year ended in 2022, as described in the footnote 3 - Business Combination.

13.2 Lease liabilities

	Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Lease liability	**168,452**	71,666	**10,953,118**	10,903,766
Present value adjustment	**(17,422)**	(8,968)	**(2,039,185)**	(1,919,758)
	151,030	**62,698**	**8,913,933**	**8,984,008**
Breakdown:				
Current liabilities	**62,454**	27,675	**1,707,172**	1,788,353
Non-current liabilities	**88,576**	35,023	**7,206,761**	7,195,655
	151,030	**62,698**	**8,913,933**	**8,984,008**

Changes in the lease liabilities:

Company	December 31, 2022	Additions	Interest accrual	Payments	Terminated contracts	December 31, 2023
Lease liabilities	62,698	138,324	6,646	(52,232)	(4,406)	**151,030**

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

Consolidated	December 31, 2022	Acquired in business combinations	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	December 31, 2023
Lease liabilities	8,984,008	(51,501)	2,444,826	495,138	(2,384,894)	(238,717)	(334,927)	**8,913,933**

(Expressed in thousands of Brazilian reais)

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

The amounts recognized as lease expense are shown below:

	Company		Consolidated	
	31.12.23	**31.12.22**	**31.12.23**	**31.12.22**
Variable lease payments	**10,514**	5,468	**2,537,828**	2,577,122
Short term lease liability	**24,510**	28,962	**733,593**	635,972
Non-material lease liability	**7,172**	7,709	**21,712**	20,026
	42,196	**42,139**	**3,293,133**	**3,233,120**

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

	December 31, 2023	
	Company	**Consolidated**
2025	**41,810**	**1,420,650**
2026	**22,467**	**1,185,846**
2027	**16,129**	**955,326**
2028	**14,070**	**727,973**
2029	**464**	**657,798**
Maturities thereafter 2029	**3,054**	**3,979,877**
Total Future Minimum Lease Payments	**97,994**	**8,927,470**
Present value adjustment	**(9,418)**	**(1,720,709)**
	88,576	**7,206,761**

(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, 2023	December 31, 2022	Useful life	December 31, 2023	December 31, 2022
Trademarks	Indefinite	—	—	Indefinite	5,290,539	5,479,137
Trademarks	5 years	171,628	10,487	2 to 20 years	1,651,771	1,648,336
Software	5 years	30,448	20,534	2 to 15 years	120,746	109,985
Water rights	—	—	—	Indefinite	55,147	59,205
Customer relationships	—	—	—	3 to 20 years	2,353,676	2,868,194
Supplier contract	—	—	—	7 to 17 years	135,931	159,187
Other	Indefinite	2,236	—	2 to 17 years	5,049	4,345
		204,312	31,021		9,612,859	10,328,389

(Expressed in thousands of Brazilian reais)

Changes in intangible assets:

Company	December 31, 2022	Additions	Disposals	Amortization expenses	December 31, 2023
Amortizing:					
Trademarks	10,487	171,829	–	(10,688)	**171,628**
Softwares	20,534	15,360	(304)	(5,142)	**30,448**
	–	2,236	–	–	**2,236**
	31,021	**189,425**	**(304)**	**(15,830)**	**204,312**

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

Consolidated	December 31, 2021	Additions	Disposals	Amortization expenses	Exchange rate variation	December 31, 2023
Amortizing:						
Trademarks	1,648,336	175,794	–	(120,624)	(51,735)	**1,651,771**
Softwares	109,985	37,558	(636)	(25,551)	(610)	**120,746**
Customer relationships	2,868,194	11,566	(11,884)	(370,675)	(143,525)	**2,353,676**
Supplier contract	159,187	–	–	(19,086)	(4,170)	**135,931**
Others	4,345	2,486	(146)	(1,377)	(259)	**5,049**
Non-amortizing:						
Trademarks	5,479,137	1,810	–	–	(190,408)	**5,290,539**
Water rights	59,205	–	–	–	(4,058)	**55,147**
	10,328,389	**229,214**	**(12,666)**	**(537,313)**	**(394,765)**	**9,612,859**

Consolidated	December 31, 2021	Acquired in business combination	Additions	Acquired in business combinations	Disposals	Amortization	Exchange rate variation	December 31, 2022
Amortizing:								
Trademark	1,871,992	110,374	28	–	(12)	(114,717)	(219,329)	**1,648,336**
Software	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**

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, 2023 and 2022, 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.

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

(Expressed in thousands of Brazilian reais)

	Useful life	December 31, 2023	December 31, 2022
Goodwill	**Indefinite**	**29,556,234**	30,412,362

Changes in goodwill:	**Consolidated**	
	December 31, 2023	**December 31, 2022**
Balance at the beginning of the period	**30,412,362**	**32,564,548**
Acquired in business combination	–	95,628
Business combination adjustments [1]	64,206	30,877
Write-off for recoverability	–	(85,601)
Exchange rate variation	(920,334)	(2,193,090)
Balance at the end of the period	**29,556,234**	**30,412,362**

[1] Refers to business combination adjustments from the acquisition of TriOak acquired during the 2022 financial year, as described in explanatory note 3 - Business combinations. During 2022, refers to the business combination adjustment of the acquisitions made in fiscal 2021, Randall Parker, International Food Company Seara LLC., Sunnyvaley and Pilgrim's Food Masters and BMF ("Bait Almakoolat Food").

Impairment test of goodwill

At December 31, 2023 and 2022, 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 2022. 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, 2023**	**December 31, 2022**
Brazil Beef	**9,069,926**	9,069,926
Seara	**3,713,132**	3,714,070
Moy Park	**3,764,512**	3,837,113
USA Pork	**3,362,447**	3,623,871
Australia Meat	**1,359,994**	1,445,908
Australia Smallgoods	**1,503,698**	1,598,730
Pilgrim's Food Masters (PFM)	**1,629,983**	1,673,144
Others CGUs without significant goodwill [1]	**5,152,542**	5,449,600
Total	**29,556,234**	**30,412,362**

For the years ended at December 31, 2023 and 2022 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.

	2023	2022
Discount rate (pre tax)	**13.5 %**	13.2 %
Terminal value growth rate	**3.5 %**	4.3 %
Estimated growth rate (average for the next 5 years)	**7.2 %**	6.6 %

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, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**15.8 %**	15.2 %
Terminal value growth rate	**3.3 %**	3.3 %
Estimated growth rate (average for the next 5 years)	**13.2 %**	13.3 %

(Expressed in thousands of Brazilian reais)

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, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**14.0 %**	10.2 %
Terminal value growth rate	**2.0 %**	1.0 %
Estimated growth rate (average for the next 5 years)	**7.4 %**	6.4 %

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, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**9.8 %**	10.7 %
Terminal value growth rate	**2.5 %**	0.5 %
Estimated growth rate (average for the next 5 years)	**2.8 %**	0.8 %

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, 2023 and 2022, 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:

	2023	2022
Discount rate (pre tax)	**9.1 %**	9.3 %
Terminal value growth rate	**2.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**2.3 %**	2.7 %

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, 2023 and 2022, 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.

	2023	2022
Discount rate (pre tax)	**9.0 %**	9.4 %
Terminal value growth rate	**2.0 %**	2.0 %
Estimated growth rate (average for the next 5 years)	**8.9 %**	6.9 %

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

- 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.

(Expressed in thousands of Brazilian reais)

For the years ended December 31, 2023 and 2022, estimated value in-use exceeded the carrying amount of the CGU group.

vii. Pilgrim's Food Masters

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

	2023	2022
Discount rate (pre tax)	**13.0 %**	10.2 %
Terminal value growth rate	**2.7 %**	3.0 %
Estimated growth rate (average for the next 5 years)	**6.3 %**	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 years ended December 31, 2023 and 2022, the estimated value in use exceeded the carrying value of this UGC group.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Domestic:				
Commodities	**2,613,599**	2,657,465	**8,527,807**	9,564,105
Materials and services	**1,103,675**	1,163,927	**15,120,057**	20,253,472
Finished products	**251,126**	229,817	**184,266**	71,860
Adjustment to present value	**(36,772)**	(15,601)	**(95,094)**	(78,670)
	3,931,628	**4,035,608**	**23,737,036**	**29,810,767**
Foreign:				
Commodities	**55,948**	75,910	**151,795**	190,976
Materials and services	**480,235**	183,605	**1,552,561**	1,003,257
Finished products	**325**	2,732	**9,582**	4,515
	536,508	**262,247**	**1,713,938**	**1,198,748**
Total suppliers	**4,468,136**	**4,297,855**	**25,450,974**	**31,009,515**
Supply chain finance (1)				
Domestic	**1,466,235**	1,263,694	**4,552,484**	2,996,425
Foreign	–	–	**37,386**	74,674
	1,466,235	**1,263,694**	**4,589,870**	**3,071,099**
Total	**5,934,371**	**5,561,549**	**30,040,844**	**34,080,614**

(*) 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 has commitments to purchase cattle for future delivery signed with certain suppliers, including the related party JBJ, guaranteeing the acquisition of cattle at a fixed price, or to be fixed, without there being a cash effect on the Company until the delivery of the cattle and maturity. of the operation. Based on this future delivery contract, these suppliers already make advance payments to the banks for this operation in the risk-drawn modality. On December 31, 2023, the amount of this transaction was R$358,139 (R$451,800 on December 31, 2022), this operation is recorded from its origin as Suppliers risk drawn.

(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.

Debt Registration with the Securities Exchange Commission (SEC): On July 24, 2023, the Company registered with the United States Securities and Exchange Commission ("SEC") relating to exchange offers for 11 series of debt securities ("Bonds"). As a result of the declaration of effectiveness, the Company becomes obliged to disclose information in the United States of America and, therefore, is subject to the information disclosure requirements provided for by the SEC and other regulations and standards relating to securities in the United States of America and compliance obligations under the Sarbanes-Oxley Act ("SOX").

	Company							
					Current		Non-current	
Type	Average annual interest rate	Currency	Index on variable rate loans	Payment terms	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Foreign currency								
ACC [1]	**8.40%**	**USD**	–	**2024**	**252,514**	2,174,591	–	266,395
Prepayment	**7.38%**	**USD**	**SOFR**	**2024 - 27**	**26,776**	1,034,831	**844,059**	1,225,211
FINIMP [2]	**6.48%**	**USD and EUR**	**Euribor**	**2025**	**151,490**	525,112	**3,131**	15,867
Working capital - American Dollar	**8.97%**	**USD**	**SOFR**	**2024 - 30**	**1,751**	1,821	**12,359**	14,824
CRA [3]	**4.92%**	**USD**	–	**2028**	**2,139**	484	**186,218**	66,564
					434,670	**3,736,839**	**1,045,767**	**1,588,861**
Local currency								
Export credit facility	**14.20%**		**CDI**	**2024 - 30**	**11,066**	274,829	**1,035,206**	1,478,966
CRA [3]	**10.38%**	**BRL**	**CDI e IPCA**	**2024 - 37**	**721,645**	853,054	**9,746,977**	7,618,405
Working capital - Brazilian Reais	**17.45%**	–	**CDI e TJLP**	**2023 - 28**	**24,597**	85,648	**79,061**	3,378
CDC [5]	**15.97%**	**BRL**	–	**2024 - 28**	**103,101**	40,298	**43,670**	467
FINAME [4]	**5.98%**	**BRL**	–	**2024 - 25**	**2,314**	4,618	**27**	2,299
FINEP [6]	**9.00%**	**BRL**	–	–	–	4,643	–	7,277
					862,723	**1,263,090**	**10,904,941**	**9,110,792**
					1,297,393	**4,999,929**	**11,950,708**	**10,699,653**

(Expressed in thousands of Brazilian reais)

	Consolidated							
					Current		Non-current	
Type	Average annual interest rate	Currency	Indexer	Payment terms	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Foreign currency								
ACC [(1)]	8.40%	USD	–	2024	252,514	2,174,591	–	266,395
Prepayment	7.38%	USD	SOFR	2024 - 27	26,776	2,074,077	844,059	1,974,791
FINIMP [(2)]	6.48%	USD e EUR	Euribor	2024 - 25	151,490	525,112	3,131	15,867
White Stripe credit facility	8.45%	USD e CAD	–	–	14,001	15,757	–	–
Working capital - American Dollar	8.97%	USD	SOFR	2024 - 30	1,751	9,055	12,359	14,824
CRA [(3)]	4.92%	USD	–	2028	2,139	484	186,218	66,564
Scott credit facilities	2.20%	USD	–	2025	–	–	8,787	9,361
Export credit facility		USD	–		–	–	–	–
					448,671	4,799,076	1,054,554	2,347,802
Local currency								
FINAME [(4)]	5.98%	BRL	–	2024 - 25	2,314	4,618	27	2,299
FINEP [(6)]	–	BRL	–		–	4,643	–	7,277
Prepayment	8.22%	GBP, USD	BoE, SOFR	2024 - 25	265,814	49,792	290,478	–
JBS Lux 2.50% Notes 2027	2.50%	USD	–	2027	55,878	58,339	4,774,587	5,124,220
JBS Lux 5.13% Notes 2028	5.13%	USD	–	2028	93,045	123,675	4,291,318	4,611,232
JBS Lux 6.50% Notes 2029	6.50%	USD	–	2029	5,248	5,218	377,065	406,297
JBS Lux 3.00% Notes 2029	3.00%	USD	–	2029	36,106	37,567	2,838,018	3,044,523
JBS Lux 5.50% Notes 2030	5.50%	USD	–	2030	154,486	160,429	6,002,878	6,460,823
JBS Lux 3.75% Notes 2031	3.75%	USD	–	2031	7,567	6,793	2,398,080	2,581,447
JBS Lux 3.00% Notes 2032	3.00%	USD	–	2032	18,557	17,829	4,746,125	5,102,849
JBS Lux 3.63% Notes 2032	3.63%	USD	–	2032	80,990	84,589	4,766,124	5,126,840
JBS Lux 5.75% Notes 2033	5.75%	USD	–	2033	142,668	316,062	9,687,901	10,422,947
JBS Lux 6.75% Notes 2034	6.75%	USD	–	2034	149,596	–	7,630,203	–
JBS Lux 4.38% Notes 2052	4.38%	USD	–	2052	78,957	82,179	4,295,380	4,626,984
JBS Lux 6.50% Notes 2052	6.50%	USD	–	2052	40,648	36,508	7,394,040	7,966,046
JBS Lux 7,25% Notes 2053	7.25%	USD	–	2053	90,382	–	4,275,904	–
PPC 5.88% Notes 2027	5.88%	USD	–	2027	–	62,247	–	4,393,351
PPC 4.25% Notes 2031	4.25%	USD	–	2031	43,436	43,735	4,765,795	5,125,076
PPC 3.50% Notes 2032	3.50%	USD	–	2032	50,834	52,506	4,314,489	4,644,343
PPC 6.25% Notes 2033	6.25%	USD	–	2033	212,649	–	4,763,926	–
PPC 6.88% Notes 2034	6.88%	USD	–	2034	36,983	–	2,345,983	–
PPC - Term loan	–	–	–		–	139,459	–	2,359,382
Working capital - Brazilian Reais	17.45%	BRL	CDI e TJLP	2024 - 28	24,597	85,648	79,061	3,378
Working capital - Euros	3.10%	EUR	Euribor	2024 - 28	83,507	60,867	49,314	9,929
Export credit facility	14.20%	BRL	CDI	2024 - 30	14,103	757,171	1,039,597	1,538,653
CDC [(5)]	15.97%	BRL	–	2024 - 28	103,101	40,298	43,670	467
Rural - Credit note - Pre fixed	10.73%	BRL	–	2024	1,176,088	185,020	–	–
CRA [(3)]	10.38%	BRL	CDI e IPCA	2024 - 37	721,645	853,054	9,746,977	7,618,405
Scott credit facilities	7.69%	USD, EUR	–	2025	97,247	70,168	2,561	209
Beardstown Pace credit facility	3.65%	USD	–	2050	32,383	38,741	313,232	328,553
JBS Australia feedlot agreement	2.76%	AUD	–	2028	4,807	1,346	164,861	175,273
Local line of credit	2.30%	EUR	Euribor	2023	–	10,772	–	–
Other	4.68%	Others	Others	2031	44,053	40,208	53,317	96,899
					3,867,689	3,429,481	91,450,911	81,777,702
					4,316,360	8,228,557	92,505,465	84,125,504

[(1)] Advances on Exchange Contracts.
[(2)] Financing for Imports.
[(3)] Agribusiness Credit Receivable Certificates.
[(4)] Financing for Acquisition of Industrial Machinery and Equipment.
[(5)] Financing for Studies and Projects.
[(6)] Direct Credit to Consumers.

Average annual interest rate: Refers to the weighted average nominal interest cost on the base date. Loans and financing are fixed at a fixed rate or indexed to rates: CDI, Euribor, SOFR, IPCA, TJLP, among others.

On December 31, 2023, the availability under Brasil revolving credit facilities was US$450 million (equivalent to R$2.18 billion) and US$450 million (equivalent to R$2,4 billion) on December 31, 2022 . In the United States the revolving credit facilities on December 31, 2023, was US$2.9 billion (equivalent to R$14 billion) and US$2.8 billion (R$$14.35 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:

Maturity	December 31, 2023		December 31, 2022	
	Company	Consolidated	Company	Consolidated
2024	—	2,331,959	—	3,388,155
2025	434,060	660,181	828,968	864,506
2026	29,187	391,802	91,974	2,529,051
2027	991,389	457,728	5,778,285	9,974,327
2028	870,390	422,178	5,338,878	5,249,823
2029	162,746	—	166,623	—
Maturities thereafter 2029	9,462,936	6,435,805	80,300,737	62,119,642
	11,950,708	10,699,653	92,505,465	84,125,504

17.1 Guarantees and contractual restrictions ("covenants")

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
JBS USA Revolving Credit Facility	**Issuer:** -JBS USA Holding Lux S.à.r.l.; -JBS USA Food Company; -JBS Australia Pty. Ltd.; -JBS Food Canada ULC **Guarantors:** -JBS S.A.; -JBS Global Luxembourg S.à.r.l.; -JBS Global Meat Holdings Pty. Limited.	Usual and customary for investment grade facilities of this type and subject to customary exceptions, but limited to: (i) incurrence of "priority debt", (ii) liens; (iii) fundamental changes, (iv) sale lease-backs, (v) sales of all or substantially all of the assets of the Borrowers and their subsidiaries, (vi) changes in line of business and (vii) changes in 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.	The facility contains customary events of default. (1)
Notes 2.50% JBS Lux 2027 **Notes 3.63% JBS Lux 2032**	**Issuer:** -JBS USA Holding Lux S.à.r.l.; -JBS USA Food Company (JBS USA); -JBS Luxembourg Company S.à **Guarantor:** -JBS S.A.; -JBS Global Luxembourg S.àr.l (JBS Global Lux); -JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	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.	The covenants contains customary events of default.(1)
Notes 3,00% JBS Lux 2029 **Notes 6,50% JBS Lux 2029** **Notes 5,50% JBS Lux 2030** **Notes 3.75% JBS Lux 2031** **Notes 3,00% JBS Lux 2032** **Notas 4,38% JBS Lux 2052**	**Issuer:** -JBS USA Holding Lux S.à.r.l ; -JBS USA Food Company; (JBS USA) -JBS Luxembourg Company S.à.r.l. **Guarantor:** -JBS S.A. (JBS S.A.); JBS Global Luxembourg S.à r.l (JBS Global Lux); JBS Global Meat Holdings Pty. Limited (JBS Global Meat).	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.	'The covenants contains customary events of default (1).

(Expressed in thousands of Brazilian reais)

Type	Issuer and guarantors	Covenants / Guarantees	Events of default
Notes 5,13% JBS Lux 2028	**Issuer:** JBS USA Holding Lux S.A. (JBS Lux); JBS USA Food Company (JBS USA); JBS Luxembourg Company S.à.r.l . **Guarantor:** JBS S.A. (JBS S.A.); JBS Global Luxembourg S.à r.l (JBS Global Lux); 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 5,75% JBS Lux 2033			
Notes 6,75% JBS Lux 2034			
Notes 4,38% JBS Lux 2052			
Notes 7,25% JBS Lux 2052			
Notes 6,50% JBS Lux 2052			
Notes 4,25% PPC 2031	**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	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.	
Notes 3,50% PPC 2032			
Notes 6,25% PPC 2033	**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	These notes were issued in investment-grade format and contain customary investment-grade clauses related to limitations on encumbrances, sale and lease transactions, change of control, and customary merger and consolidation clauses. These limitations are subject to certain exceptions, which may be relevant.	
Notes 6,88% PPC 2034			

PPC Revolving Credit Facility	**Borrowers:** -Pilgrim's Pride Corporation; -To-Ricos Ltd. -To-Ricos Distribution, LTD.	On October 4, 2023, PPC and certain of its subsidiaries entered into an unsecured Revolving Credit Agreement with CoBank, ACB as administrative agent and other involved lenders that replaced the 2021 U.S. Credit Facility. The credit agreement increased its availability under the revolving loan commitment from US$800.0 million to US$850.0 million, in addition to changes to clauses and the extension of the maturity date from August 2026 to October 2028. The RCF also requires compliance with a minimum interest coverage ratio of 3.50:1.00 (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 U.S. assets. From and after the collateral cure date the financial maintenance covenant shall no longer be in effect, availability under the RCF shall be limited to collateral coverage, may be subject to a minimum fixed charge coverage ratio if utilization is above 80% and there shall be limitation 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.	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)
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)

(Expressed in thousands of Brazilian reais)

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	**Borrowers:** JBS S.A	Standard contractual restrictions that may limit the Group's ability, among other things, to: -create liens; -sell or transfer to third parties all or substantially all assets; -carry out spin-offs, mergers or incorporations of the Group and/or its Subsidiaries by third parties; -pay dividends if the issuer is in default with respect to any of its pecuniary obligations under the indenture	The facility contains customary events of default. (1)
9° issuance of debentures CRA			
10° 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, 2023 and until the date that these financial statements were approved.

On December 2023, JBS Holding Lux merged with its wholly-owned direct subsidiary, JBS USA Lux S.A ("JBS Lux"), with JBS Holding Lux as the surviving entity. As a result, all obligations of JBS Lux are now obligations of JBS Holding Lux - including the BMO revolving credit facility, in which JBS Holding Lux became a borrower, and all senior unsecured notes, in which JBS Holding Lux became a issuer.

On December 2023 JBS USA Finance Inc ("JBS USA Finance") was dissolved and consequently is no longer a borrower under the BMO revolving credit facility. At the beginning of 2024 JBS USA Finance was replaced by JBS Luxembourg Company Sarl ("JBS Luxembourg"), formerly JBS Luxembourg Sarl, in all JBS's senior unsecured notes.

The Company declares that it was in compliance with all contractual financial restrictions as of December 31, 2023 and until the date of approval of these financial statements.

(Expressed in thousands of Brazilian reais)

17.2 Financing activities

Company	Note	Balance at January 1, 2023	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at December 31, 2023
Loans and financing	17	**(15,699,582)**	3,752,651	(1,171,044)	(130,126)	**(13,248,101)**
Lease liability	13.2	**(62,698)**	52,232	(6,646)	(133,918)	**(151,030)**
Derivative liabilities		**(180,093)**	62,308	514,715	1	**396,931**
Margin cash	4	**80,434**	(15,680)	–	–	**64,754**
Profit reserves		**(18,689,553)**	2,218,118	–	1,060,969	**(15,410,466)**
Total		**(34,551,492)**	**6,069,629**	**(662,975)**	**796,926**	**(28,347,912)**

Consolidated	Note	Balance at January 1, 2023	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at December 31, 2023
Loans and financing	17	**(92,354,061)**	(4,407,128)	284,374	(345,010)	**(96,821,825)**
Lease liability	13.2	**(8,984,008)**	2,384,894	(160,211)	(2,154,608)	**(8,913,933)**
Derivative liabilities		**6,608**	58,050	367,060	(308,338)	**123,380**
Margin cash	4	**679,391**	130,759	(168,867)	–	**641,283**
Profit reserves		**(18,689,553)**	2,218,118	–	1,060,969	**(15,410,466)**
Non-controlling interest		**(3,464,765)**	33,015	–	(215,417)	**(3,647,167)**
Total		**(122,806,388)**	**417,708**	**322,356**	**(1,962,404)**	**(124,028,728)**

Company	Note	Balance at January 1, 2021	Cash flows	(Financial) Revenue	Non-cash transactions	Balance at December 31, 2022
Loans and financing	17	**(15,762,140)**	971,280.9015	(828,868)	(79,855)	**(15,699,582)**
Lease liability	13.2	**(52,599)**	34,330	(4,863)	(39,566)	**(62,698)**
Derivative liabilities		**(67,428)**	1,259,815	(1,372,478)	(2)	**(180,093)**
Margin cash	4	**168,808**	(88,374)	–	–	**80,434**
Actions in Treasury		**3,037,837**	2,823,778	–	(5,861,615)	–
Profit reserves		**(13,529,553)**	4,436,232	–	(9,596,232)	**(18,689,553)**
Total		**(26,205,075)**	**9,437,062**	**(2,206,209)**	**(15,577,270)**	**(34,551,492)**

Consolidated	Note	Balance at January 1, 2021	Cash flows	(Financial) Revenue	Non-cash transactions (1)	Balance at January 1, 2021
Loans and financing	17	**(92,518,154)**	1,239,318	(208,273)	(866,952)	**(92,354,061)**
Lease liability	13.2	**(8,404,474)**	2,453,073	158,563	(3,191,169)	**(8,984,007)**
Derivative liabilities		**(58,285)**	1,342,179	(1,283,307)	6,021	**6,608**
Margin cash	4	**1,245,354**	(570,288)	4,325	–	**679,391**
Actions in Treasury		**3,037,837**	2,823,778	–	(5,861,615)	
Profit reserves		**(13,529,553)**	4,436,242	–	(9,596,242)	**(18,689,553)**
Non-controlling interest		**(3,677,428)**	537,932	–	(325,269)	**(3,464,765)**
Total		**(113,904,703)**	**12,262,234**	**(1,328,692)**	**(19,835,226)**	**(122,806,387)**

(Expressed in thousands of Brazilian reais)

18 Other taxes payable

Income and other taxes payable are comprised of the following:

	Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Taxes payable in installments	**288,891**	421,221	**329,110**	469,228
PIS / COFINS tax payable	**74,531**	87,732	**158,964**	157,670
ICMS / VAT / GST tax payable	**52,630**	40,592	**171,067**	146,518
Withholding income taxes	**48,137**	42,399	**50,966**	44,796
Others	**6,141**	2,758	**443,915**	513,550
Subtotal	**470,330**	**594,702**	**1,154,022**	**1,331,762**
Income taxes	–	–	**403,022**	475,174
Total	**470,330**	**594,702**	**1,557,044**	**1,806,936**
Breakdown:				
Current liabilities	**238,006**	281,532	**1,100,179**	1,200,895
Non-current liabilities	**232,324**	313,170	**456,865**	606,041
	470,330	**594,702**	**1,557,044**	**1,806,936**

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, 2023 the Company has recognized under the caption “Income taxes and other taxes payable” the amount of R$74,531 (R$87,732 at December 31, 2022) in the Company and R$147,745 (R$153,927 at December 31, 2022) in the Consolidated, regarding to PIS/COFINS over financial income.

19 Payroll and social charges

Payroll and social charges are comprised of the following:

	Company		Consolidated	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Taxes payable in installments	**2,344,071**	2,214,052	**2,369,913**	2,249,109
Bonus and vacation along with related social charges	**335,059**	272,304	**3,563,866**	3,839,027
Salaries and related social charges	**478,270**	445,929	**2,437,111**	2,276,815
Others	**16,403**	10,829	**283,826**	265,151
	3,173,803	**2,943,114**	**8,654,716**	**8,630,102**
Breakdown:				
Current liabilities	**1,208,139**	1,083,670	**6,280,042**	6,251,132
Non-current liabilities	**1,965,664**	1,859,444	**2,374,674**	2,378,970
	3,173,803	**2,943,114**	**8,654,716**	**8,630,102**

Taxes payable in installments: In December 2022, the Federal Supreme Court (STF), in a decision in favor of the Direct Action of Unconstitutionality (ADI nº 4,395) declared unconstitutional the subrogation of the collection of social security contributions referring to the Rural Workers Assistance Fund (FUNRURAL) to meatpacking plants , consumer companies, consignees or cooperatives purchasing production. As of December 31, 2023, the Company and its subsidiaries have recorded under the heading "Instalments of social charges" a provision in the amount of R$1.69 billion (R$1.68 billion as of December 31, 2022), in the Parent Company and R$1.71 billion (R$1.71 billion on December 31, 2022), in Consolidated, relating to FUNRURAL installments. On December 31, 2023, the Company and its subsidiaries settled installments in cash and offset it against the recoverable tax balance in the total amount of R$1.17 billion (R$1.02 billion on December 31, 2022), in the Parent Company and R$1.22 billion (R$1.03 billion on December 31, 2022), in Consolidated. The Company continues to await the approval of the trial minutes that will proclaim the result, as well as possible modulation of effects by the STF, which will define the period for which the decision will take effect.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Declared dividends on 2019 - Residual	–	2	–	8
Declared dividends on 2020 - Residual	**29**	29	**29**	39
Declared dividends on 2021 - Residual	**61**	61	**61**	93
Declared dividends on 2022 - Residual	**42**	43	**42**	43
Declared dividends on 2023 - Residual	**28**	–	**1,806**	–
Subtotal	**160**	**135**	**1,938**	**183**

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.

(Expressed in thousands of Brazilian reais)

On June 19, 2023, the Company approved the distribution of proposed interim dividends referring to the net profit calculated on December 31, 2022, in the total amount of R$2.22 billion, corresponding to R$1.00 (one real) per common share, using the shareholder base of June 22, 2023. Interim dividends were paid to shareholders on June 29, 2023. The Company ended the year ended December 31, 2023 with an accumulated loss, therefore, it is not configured the mandatory distribution of minimum dividends.

The distributed dividends per share were:

	2023	2022
Dividends to be distributed	2,218,116	4,436,232
Number of outstanding shares of share capital– ordinary shares	2,218,116,370	2,218,116,370
Dividends per share	1.00	2.00

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.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Labor	**252,703**	252,392	**522,881**	517,958
Civil	**128,135**	77,765	**1,311,937**	1,162,505
Tax and Social Security	**178,472**	148,028	**650,672**	550,049
Total	**559,310**	**478,185**	**2,485,490**	**2,230,512**

	Company		Consolidated	
Breakdown:	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Current liabilities	—	—	**955,866**	909,132
Non-current liabilities	**559,310**	478,185	**1,529,624**	1,321,380
	559,310	**478,185**	**2,485,490**	**2,230,512**

Changes in provisions

	Company				
	December 31, 2022	Additions, disposals and changes in prognosis	Payments	Monetary correction	December 31, 2023
Labor	252,392	137,754	(159,407)	21,964	**252,703**
Civil	77,765	92,591	(72,201)	29,980	**128,135**
Tax and social security	148,028	5,788	(14)	24,670	**178,472**
Total	**478,185**	**236,133**	**(231,622)**	**76,614**	**559,310**

	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**

	Consolidated					
	December 31, 2022	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	December 31, 2023
Labor	517,958	302,616	(345,907)	48,376	(162)	**522,881**
Civil	1,162,505	711,953	(562,228)	74,841	(75,134)	**1,311,937**
Tax and social security	550,049	23,088	(3,495)	81,269	(239)	**650,672**
Total	**2,230,512**	**1,037,657**	**(911,630)**	**204,486**	**(75,535)**	**2,485,490**

(Expressed in thousands of Brazilian reais)

	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**

In the Company:

a. Tax and Social Security Proceedings

a1. Profits earned by foreign subsidiaries: Between the calendar years 2006 and 2018, the Company suffered fines arising from charges relating to taxation on profits earned abroad that were supposed to be included in the IRPJ and CSLL calculation basis, also covering disallowances of guides paid by investees abroad, under the argument that they could not have been used for the purposes of offsetting IRPJ and CSLL owed in Brazil. These charges also involve the imposition of an official fine, an isolated fine and interest. The Company clarifies that a large part of the IRPJ and CSLL collection on profits originating abroad refers to profits originating from investees located in jurisdictions with which Brazil maintains treaties to avoid double taxation. Furthermore, a relevant part of the charge covers the discussion regarding formal requirements required by the inspectorate for the purpose of consolidating the results abroad of its direct or indirect investees, given that the Company disagrees with the criteria applied by the inspectorate and presented a defense. For almost all of the debts, the Company is defending itself at the administrative level and is awaiting judgment. Management understands that considering the values updated until December 31, 2023, for approximately R$699,933, there are remote chances of loss and, for the approximate value of R$11.3 billion, there are possible chances of loss. Therefore, no provision was 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, 2023, the Company was party to another 835 tax and social security processes (1,093 processes as of December 31, 2022), involving the total amount under discussion of R$16.5 billion (R$22.4 billion as of December 31, 2023). December 2022), in which the contingencies individually are not relevant in their context. We highlight that those considered at risk of probable loss are duly provisioned, totaling R$178,472 (R$148,028 as of December 31, 2022). The majority of the claims concern issues involving taxes such as ICMS, PIS, COFINS and CSLL.

b. Labor Proceedings

As of December 31, 2023, the Company was party to 6,386 legal actions (5,926 actions as of December 31, 2022) of a labor nature, involving a total amount under discussion of R$ 1.1 installment (1.2 fraction as of December 31 2022). Based on the risk assessment carried out by legal consultants, the Company set up provisions in the amount of R$ 252,703 (R$ 252,392 as of December 31, 2022), relating to such processes to face possible adverse results in the processes to which it is a party. , including social security taxes owed by the employee and the Company. The actions are, for the most part, motivated by former employees of the Company's factories and the main requests concern working hours, unhealthy conditions and the alleged occurrence of work accidents and occupational diseases. Among the labor actions, mobile actions are underway by the Public Ministry of Labor with topics related to the sector.

c. Civil Proceedings

As of December 31, 2023, the Company was party to 2,371 lawsuits (2,375 shares as of December 31, 2022) of civil and administrative nature, involving the total amount under discussion of R$3.08 billion (R$3.39 billion in 31 December 2022). In the assessment of Management and its legal advisors, the expected loss is R$128,135 (R$77,765 on December 31, 2022) and the amount is provisioned.

d. Other proceedings with possible outcome

On December 31, 2023, the Company had shares, the materialization of which, in the assessment of legal advisors, is possible, of labor, tax and civil natures, for which there is no provision constituted in the amount of R$11.5 billion (R$9.99 billion on December 31, 2022) which correspond mainly to civil and tax actions, and in the Consolidated, in the amount of R$17.8 billion (15.2 billion on December 31, 2022). The Company's Management understands that it is not necessary to set up a provision for possible losses.

In subsidiary Seara Alimentos:

a. Labor Proceedings

As of December 31, 2023, Seara Alimentos subsidiaries were party to 13,302 labor proceedings (11,940 labor proceedings at December 31, 2022) labor proceedings, involving the total amount of 1,77 billion ((R$1,66 billion at December 31, 2022). Based on the opinion of the Company's legal counsel, an accrual has been made in the amount of R$269,866 (R$265,134 at December 31, 2022) 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, 2023, Seara Alimentos subsidiaries were party to 4,119 civil and administrative proceedings (3615 civil an administrative proceedings at December 31, 2022), involving the total amount of R$1.1 billion (R$936,779 at December 31, 2022). Based on the opinion of the Company's legal counsel, an accrual has been made in the amount of R$227,709 (R$175,497 at December 31, 2022) 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 con - product quality.

c. Tax and social security proceedings

As of December 31, 2023, Seara Alimentos and its subsidiaries are party to 836 (838 tax and social security proceedings at December 31, 2022), involving the total amount of R$7.54 billion (R$R$6.39 billion at December 31, 2022). Proceedings with a probable loss risk have contingencies, in the amount of R$465,452 (R$395,268 at December 31, 2022).

d. Other proceedings with possible outcome

As of December 31, 2023, Seara Alimentos and its subsidiaries had other ongoing proceedings in the amount of R$6.3billion (R$5,2, billion at December 31, 2022) 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. Antitrust Pig

During the year ending 2018, a series of class action lawsuits were filed against the indirect subsidiary JBS USA, Agri Stats, Inc., and several other pork producers in Minnesota, USA, on behalf of direct and indirect buyers of pigs. Plaintiffs allege violations of federal and state antitrust and consumer protection laws, unfair competition, unjust enrichment, and deceptive trade practices, which were consolidated into a single proceeding. JBS USA signed agreements to settle the allegations of three classes of plaintiffs in the lawsuit in the total amount of US$57.3 million (equivalent to R$277,406 as of December 31, 2023). JBS USA continues to seek resolution of the allegations of the other authors, as well as other counterparties that chose not to adhere to the agreements. JBS USA will seek to enter into reasonable agreements on the matter, whenever possible. JBS USA recognized US$80.7 million (equivalent to R$390,693) relating to agreements negotiated with counterparties that did not adhere to the initial agreements. The amount was recognized in profit or loss as general and administrative expenses.

During fiscal 2021, the attorneys general of the states of New Mexico and Alaska in the USA filed complaints against the indirect subsidiary JBS USA with allegations similar to those described in the pork antitrust lawsuits. JBS USA responded to these complaints and continues to monitor the progress of the process.

a2. Bovine Antitrust:

During the year ended 2019 and 2020, a series of class action lawsuits were filed in the state of Minnesota, USA, against the Company and its indirect subsidiaries JBS USA, Swift Beef Company, JBS Packerland, Inc., as well as other food processors. beef, in which the plaintiffs allege violations of the antitrust law known as the Sherman Antitrust Act. During fiscal 2022, two class action lawsuits were filed in Canada against indirect subsidiaries JBS USA, Swift Beef Company, JBS Packerland, Inc., JBS Food Canada ULC and a number of other beef processors, alleging violations similar to those noted above. JBS USA entered into an agreement with two of the classes of authors for a total amount of US$77.0 million (equivalent to R$372,780 on December 31, 2023). JBS USA and its affiliates continue to seek resolution of the allegations of the other authors, as well as other counterparties that chose not to adhere to the agreements. JBS USA will seek to enter into reasonable agreements on the matter, whenever possible. Until the date of approval of these financial statements, JBS USA recognized US$21.4 million (equivalent to R$103,604 on December 31, 2023) relating to agreements negotiated with counterparties that did not adhere to the initial agreements. The amount was recognized in profit or loss as general and administrative expenses.

In 2022, a class action lawsuit was filed against the indirect subsidiary JBS USA and several other meatpacking companies, in Colorado, USA. The plaintiffs allege purposeful fixing and reduction of wages paid to workers at pork and beef processing plants, violating antitrust laws. JBS USA entered into an agreement to settle the allegations in the total amount of US$55.0 million (equivalent to R$266,272 as of December 31, 2023). In March 2024, the agreement was signed and approved by the Colorado Court. The amount was recognized in profit or loss as general and administrative expenses.

During fiscal 2020 and 2021, JBS USA received civil investigation demands from the United States Department of Justice (“DOJ”) related to the cattle industry. JBS USA cooperated with the DOJ to respond to the investigations. The attorneys general of several American states participated in the investigation in coordination with the DOJ.

a3. Chicken Antitrust:

During fiscal 2016, a series of federal class actions were filed against indirect subsidiary PPC and other defendants by and on behalf of direct and indirect purchasers of broiler chickens alleging violations of federal antitrust laws and unfair competition laws, unjust enrichment, unusual commercial practices, and consumer protection laws in the sale of chicken meat ("Broiler Antitrust Litigation"). The complaints seek, among other measures, compensation for an alleged conspiracy between the defendants to reduce production and increase the prices of broiler chickens from January 2008 to the present date of these financial statements. PPC entered into agreements to resolve all complaints made in the total amount of US$195.5 million (equivalent to R$946,474 on December 31, 2023). PPC continues to negotiate with counterparties that have not chosen to join collective agreements. PPC will seek reasonable agreements where available. PPC recognized the total amount of US$537.4 million (equivalent to R$2.6 billion on December 31, 2023) to cover the agreements signed. The amount was recognized in profit or loss as administrative and general expenses when the agreements were signed.

During fiscal 2016, a series of class action lawsuits were filed in the U.S. District Court for the District of Maryland (“Court of Maryland”) against PPC and several other chicken producers. The plaintiffs allege purposeful fixing and reduction of wages paid to poultry workers in violation of antitrust law. PPC entered into an agreement to settle all claims made for a total amount of US$29.0 million (equivalent to R$140,398 as of December 31, 2023). The settlement is subject to final approval by the Maryland Court. The amount was recognized in profit or loss as administrative and general expenses when the agreement was signed.

On January 27, 2017, a class action lawsuit on behalf of broiler chicken farmers was filed against PPC and other chicken producers, alleging, among other things, violations of laws dealing with unfair competition and lowering the price paid to producers . PPC continues to contest this action. No provisions were recorded as of December 31, 2023.

From February 21, 2017, through May 4, 2021, the attorneys general of several U.S. states issued civil investigative demands (“CIDs”). The investigation is related to data and information on the acquisition and processing of broiler chickens, and the marketing of chicken-derived products. PPC is cooperating with the attorneys general of these states in producing documents required by this investigation.

Between fiscal 2020 and 2021, the attorneys general of New Mexico, Alaska, and Washington brought actions against PPC based on allegations similar to those asserted in Broiler Antitrust Litigation. The PPC recognized a provision in the amount of US$11 million (equivalent to R$53,254 on December 31, 2023) to cover agreements with these states. The amount was recognized in profit or loss as administrative and general expenses.

On February 9, 2022, PPC was informed that the DOJ opened a civil investigation related to human resources antitrust. Furthermore, on October 6, 2022, PPC was also informed that the DOJ opened a civil case investigating contracts with poultry producers and payment practices to them. On October 2, 2023, the civil investigation process was initiated, of which PPC is cooperating with the DOJ to respond to the investigations.

b. Tax claims and proceedings

During the 2017 financial year, the Australian Tax Office (Australian Tax Office - “ATO”) began a review of the documents delivered by JBS Australia relating to the tax years 2015 to 2017. The review of the 2015 tax year has already been finalized and the decision was the payment of an immaterial amount of tax. For fiscal years 2016 and 2017, the review is ongoing and no loss provisions have been recorded.

During the 2014 and 2015 fiscal years, the Mexican Federal Revenue Service (Tax Administration Service - "SAT") initiated a review process for the 2009 and 2010 fiscal years in the indirect PPC Mexico. The lawsuit alleged that controlled company status did not exist for certain subsidiaries because PPC México did not own 50% of the voting shares of Incubadora Hidalgo, S. de R.L de C.V. and Comercializadora de Carnes do México S. de R.L de C.V. (both in 2009), and Pilgrim's Pride, S. de R.L. de C.V. (in 2010). PPC Mexico appealed the opinion and, on January 31, 2023, the appeal for fiscal year 2009 was rejected by the Supreme Court of Mexico. Thus, PPC paid US$25.9 million (equivalent to R$125,390 on December 31, 2023) for fiscal year 2009. The opinion for fiscal year 2010 is still under review. PPC México recorded a provision of US$17.2 million (equivalent to R$83,270 on December 31, 2023).

On May 12, 2022, the Mexican Federal Revenue Service (Tax Administration Service - "SAT") issued tax assessment notices against Pilgrim's Pride, S. de R.L. de C.V. and Provemex Holdings, LLC in connection with PPC's acquisition of Tyson México . Following the acquisition, PPC returned home to Provemex Holdings, LLC from the US to Mexico. Tax authorities alleged that Provemex Holdings, LLC was a Mexican entity at the time of the acquisition and, as a result, was required to pay taxes on the sale. The Mexican deliberations of the PPC evaluated a petition to annul these assessments, which is still under evaluation. The amounts under appeal are approximately US$287.1 million (equivalent to R$1.4 billion as of December 31, 2023) for each of the two tax assessments. No loss allowance has been recorded at this time for these amounts.

c. Other civil proceedings

On October 20, 2016, Patrick Hogan and certain PPC shareholders filed a class action lawsuit against PPC and its executive officers (“Hogan Litigation”). Plaintiffs allege that documents filed by PPC with the U.S. Securities and Exchange Commission ("SEC") contained misleading statements due to a lack of disclosure of information. PPC continues to contest this action. No provisions were recorded as of December 31, 2023.

(Expressed in thousands of Brazilian reais)

22 Equity

a. Share capital: Share capital on December 31, 2023 and 2022 was R$23,576,206, represented at December 31, 2023 by 2,218,116,370 (2,218,116,370 at December 31, 2022) 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, 2023		December 31, 2022	
	Quantity	**R$ thousand**	**Quantity**	**R$ thousand**
Initial balance	**2,218,116,370**	**23,576,206**	2,373,866,570	23,576,206
Cancellation of treasury shares	–	–	(155,750,200)	–
Final balance	**2,218,116,370**	**23,576,206**	**2,218,116,370**	**23,576,206**

b. 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.

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, 2023		December 31, 2022	
	Quantity	**R$ thousand**	**Quantity**	**R$ thousand**
Balance at the beginning of the period	–	–	**80,062,600**	**3,037,838**
Purchase of treasury shares	–	–	97,687,600	3,648,028
Disposal of treasury shares	–	–	(22,000,000)	(834,181)
Cancellation of treasury shares	–	–	(155,750,200)	(5,851,685)
Balance at the end of the period	–	–	–	–

d2. Dividends: On June 19, 2023, the Company approved the distribution of proposed interim dividends referring to the net profit calculated on December 31, 2022, in the total amount of R$2.22 billion, corresponding to R$1.00 (one real) per common share, using the shareholder base of June 22, 2023. Interim dividends were paid to shareholders on June 29, 2023. The Company ended the year ended December 31, 2023 with an accumulated loss, therefore, it is not configured the mandatory distribution of minimum dividends.

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: Constituted on the basis of the remaining balance of net profit after the allocations for the constitution of the legal reserve and distribution of dividends, which will have the purpose of financing the investment in operational assets, absorption of losses, and repurchase of own shares (to remain in treasury or cancel) 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.

During the year ended December 31, 2023, the Company and its subsidiaries recorded the amount of government subsidies in the amount of R$3.97 billion. Of this amount, R$97,536 from the indirect subsidiary Seara, was constituted on tax incentives due to the Company having recorded a profit in the 2023 fiscal year, the difference of R$2.99 billion will be recognized in the tax incentive reserve account to the extent that the accumulated loss is absorbed by future profits, and that such amount will reduce the value of dividends in subsequent periods.

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: The balance representing non-controlling interests refers to the interest in common shares, of 17.5% on December 31, 2023 (17.3% on December 31, 2022), of PPC not held by JBS USA. JBS USA's voting rights in Pilgrim's Pride Corporation (PPC) are limited to 82.5% of the total as of December 31, 2023 (82.7% as of December 31, 2022). PPC is one of the largest chicken producing companies in the world, with operations in the United States, France, Mexico, Puerto Rico and the United Kingdom. The profit attributed to non-controlling interests of PPC was US$67.1 million (equivalent to R$328,865 on December 31, 2023) and US$147.4 million (equivalent to R$772,886 on December 31, 2022), respectively. PPC's accumulated non-controlling interest was US$728.6 million (equivalent to R$3.53 billion on December 31, 2023) and US$639.6 million (equivalent to R$3.34 billion on December 31, 2023) 2022). Below are PPC's total net sales, net income, cash generated from operations, total assets and total liabilities for the periods indicated

(Expressed in thousands of Brazilian reais)

	2023	2022
NET REVENUE	**85,027,030**	91,576,775
NET INCOME	**1,574,827**	3,910,487
Net cash provided by operating activities	**3,319,730**	3,511,711

	December 31, 2023	December 31, 2022
Total assets	**47,494,901**	48,293,826
Total liabilities	**31,012,322**	33,406,288

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	
	2023	2022	2023	2022
GROSS REVENUE				
Sales of products				
Domestic sales	**31,300,727**	32,059,168	**284,652,376**	287,967,513
Export sales	**22,916,932**	25,774,988	**91,803,102**	98,797,322
	54,217,659	**57,834,156**	**376,455,478**	**386,764,835**
SALES DEDUCTION				
Returns and discounts	**(1,758,333)**	(2,095,356)	**(8,718,421)**	(8,287,129)
Sales taxes	**(1,024,939)**	(795,949)	**(3,920,520)**	(3,626,106)
	(2,783,272)	**(2,891,305)**	**(12,638,941)**	**(11,913,235)**
NET REVENUE	**51,434,387**	**54,942,851**	**363,816,537**	**374,851,600**

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	2023	2022	2023	2022
Trade accounts receivable	5	**2,575,423**	4,380,011	**16,416,149**	20,234,895
Contract liabilities		**(652,228)**	(449,744)	**(1,571,478)**	(1,124,306)
Total accounts receivable net of advance		**1,923,195**	**3,930,267**	**14,844,671**	**19,110,589**

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, 2023 and 2022 are as follows:

	Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Exchange rate variation	**232,871**	1,630,075	**294,593**	2,206,643
Derivative transactions, net	**514,715**	(1,372,479)	**411,361**	(1,797,444)
Interest expense [(1)]	**(3,760,867)**	(3,246,367)	**(8,647,104)**	(6,930,469)
Interest income [(2)]	**608,440**	443,926	**1,627,501**	1,387,720
Taxes, contribution, fees and others [(3)]	**(224,700)**	(184,629)	**(434,335)**	(1,218,790)
	(2,629,541)	**(2,729,474)**	**(6,747,984)**	**(6,352,340)**
Financial income	**1,752,934**	2,665,385	**2,913,998**	4,215,115
Financial expense	**(4,382,475)**	(5,394,859)	**(9,661,982)**	(10,567,455)
	(2,629,541)	**(2,729,474)**	**(6,747,984)**	**(6,352,340)**

[(1)] For the years ended at December 31, 2023 and 2022, the amounts of R$1,702,470 and R$1,233,139, respectively, in the Company and R$5,888,325 and R$4,696,402, 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, 2023 and 2022, the amounts of R$239,555 and R$65,029, respectively, in the Company and R$525,603 and R$353,284, 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, 2023 and 2022, includes the issue premium, in the Consolidated, of the JBS Lux 5.13% 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$20,7 million (R$101,344 at December 31, 2023) and US$167,8 million (R$875,280 at December 31, 2022), 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.

	2023	2022
Net income attributable to shareholders	**(1,060,972)**	**15,457,836**
Weighted average common shares outstanding	**2,218,116,370**	2,254,344,774
Weighted average - treasury shares	–	(23,932,565)
Weighted average - common shares outstanding (basic)	**2,218,116,370**	**2,230,412,209**
Basic and diluted earnings per share - (R$)	**(0.48)**	**6.93**

26 Share-based compensation

JBS and Seara - Share-based variable compensation plan

In the variable remuneration plan, the Company's directors and executive officers are rewarded with remuneration based on the pricing of the Company's shares and paid on a deferred basis, 1/3 per year, for three years.

These plans consist of cash compensation, since there is no effective negotiation of the Company's shares and there is no issuance and/or transfer of shares to settle the plan. The determination of the unit value equivalent to the number of shares to be used in the calculation basis is defined with reference to the monthly salary of the eligible participant, a multiple salary and the average of the closing prices of the Company's common shares traded on B3 over the last 30 trading sessions. prior to the release of the annual results.

The amount of R$11.838 in December 31, 2023 (R$12.400 in December 31, 2022) was recognized under the caption “General and administrative expenses” in the income statement.

(Expressed in thousands of Brazilian reais)

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.

In December 31, 2023, the expenses recognized in stock-based and cash-based compensation plans were R$28.522 (R$29,589 at December 31, 2022) and R$9,352 (R$6,926 at December 31, 2022).

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

	December 31, 2023		December 31, 2022	
Equity-based RSU, payments in cash:	**Quantity**	**Price**	**Quantity**	**Price**
Outstanding at beginning of year	**993**	**114.79**	**554**	**110.06**
Granted	324	117.25	405	123.33
Vested	(378)	110.21	(266)	120.08
Forfeited reinstated	(28)	123.79	300	121.47
Outstanding at end of the year	**911**	**110.96**	**993**	**114.79**

	December 31, 2023		December 31, 2022	
Equity-based RSU, payments in shares:	**Quantity**	**Price**	**Quantity**	**Price**
Outstanding at beginning of year	**377**	**124.18**	**574**	**148.63**
Granted	158	119.92	269	114.09
Vested	(196)	125.17	(139)	142.29
Forfeited	(97)	112.99	(327)	127.62
Outstanding at end of the year	**242**	**137.01**	**377**	**124.18**

There were no cancellations or modifications to the awards in 2023 or 2022.

The total fair values of equity-based awards and liability-based awards vested during the year ended December 31, 2023 were R$45,024 (R$39,133 at December 31, 2022) and R$24,207 (R$31,251 at December 31, 2022), respectively. On December 31, 2023 the total unrecognized compensation cost related to all nonvested equity-based awards was R$43.572 (R$53.015 at December 31, 2022), which cost is expected to be recognized over a weighted average period of 1.93 years (2.17 years as of December 31, 2022). On December 31, 2023, the total unrecognized compensation cost related to all nonvested equity-based awards paid in cash was R$19,849 (R$13,951 at December 31, 2022) which cost is expected to be recognized over a weighted average period of 1,73 years (1,60 years as of December 31, 2022).

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).

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.

(Expressed in thousands of Brazilian reais)

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:

2023	Brazil	Seara	Beef North America	Pork USA	Chicken PPC	Australia	Others	Total reportable segments	Elimination [1]	Total
Net revenue	**55,531,836**	**41,300,262**	**116,254,130**	**38,494,563**	**86,609,179**	**30,974,314**	**4,473,893**	**373,638,177**	(9,821,640)	**363,816,537**
Adjusted EBITDA [2]	**2,330,653**	**1,803,676**	**563,537**	**2,605,546**	**7,639,896**	**2,241,315**	**(25,640)**	**17,158,983**	(12,885)	**17,146,098**

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**

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

	2023	2022
Operating profit	5,302,294	24,575,690
Depreciation and amortization	10,725,449	9,853,829
DOJ and Antitrust agreements [1]	510,230	516,354
Donations and social programs [2]	90,365	117,398
J&F Leniency expenses refund - net of PIS/ COFINS	–	(492,922)
JBS Fund For The Amazon	–	5,500
Asset impairment [3]	135,206	85,601
Restructuring [4]	261,006	–
Other operating income (expense), net [5]	121,548	(93,022)
Total EBITDA - without elimination	**17,146,098**	**34,568,428**
Elimination	12,885	11,269
Total Adjusted EBITDA for operating segments	**17,158,983**	**34,579,697**

[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 Arbitration process agreement that J&F agreed to pay to JBS, net of taxes.
[4] Mainly refers to the impairment of assets of the Planterra business unit, which had its activities closed during the 2023 financial year.
[5] Refers to the project to implement multiple restructuring initiatives mainly at the indirect subsidiary Pilgrim's Pride Corporation (PPC).
(6) Refers to various adjustments, basically abroad, such as expenses with acquisitions, marketing with social programs, insurance compensation, among others.

Net revenue and total assets are presented below, separated by geographic area, for additional information only.

Geographic reporting

2023	North and Central America [2]	South America	Australia	Europe	Others	Total reportable segments	Elimination [1]	Total
Net revenue	**215,154,865**	**90,563,994**	**28,814,097**	**29,852,345**	**1,320,875**	**365,706,176**	(1,889,639)	**363,816,537**
Total assets	**84,846,413**	**85,569,078**	**27,941,006**	**28,545,693**	**10,110,309**	**237,012,499**	(30,880,430)	**206,132,069**

(Expressed in thousands of Brazilian reais)

	2022							
	North and Central America	South America	Australia	Europe	Others	Total reportable segments	Elimination	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**

(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	
	2023	2022	2023	2022
Cost of sales				
Cost of inventories, raw materials and production inputs	**(40,271,915)**	(44,074,367)	**(276,675,975)**	(270,949,960)
Salaries and benefits	**(2,634,409)**	(2,031,846)	**(38,139,921)**	(35,904,513)
Depreciation and amortization	**(497,316)**	(436,003)	**(9,351,644)**	(8,519,055)
	(43,403,640)	**(46,542,216)**	**(324,167,540)**	**(315,373,528)**
Selling				
Freights and selling expenses	**(3,219,679)**	(3,205,014)	**(19,218,137)**	(20,513,888)
Salaries and benefits	**(456,478)**	(317,100)	**(1,508,744)**	(1,251,493)
Depreciation and amortization	**(85,286)**	(90,795)	**(319,753)**	(321,398)
Advertising and marketing	**(183,223)**	(164,576)	**(1,566,842)**	(1,745,639)
Commissions	**(100,741)**	(139,630)	**(290,572)**	(340,277)
Net impairment losses on financial assets	**(7,282)**	(15,101)	**(37,120)**	(11,765)
	(4,052,689)	**(3,932,216)**	**(22,941,168)**	**(24,184,460)**
General and administrative				
Salaries and benefits	**(1,332,195)**	(1,531,120)	**(6,225,177)**	(6,704,271)
Fees, services held and general expenses	**(1,100,759)**	(1,100,829)	**(3,668,261)**	(3,472,648)
Depreciation and amortization	**(274,434)**	(267,605)	**(1,053,042)**	(1,013,376)
Antitrust agreements	–	–	**(510,230)**	(516,354)
Donations and social programs (1)	**(90,365)**	(117,398)	**(90,365)**	(117,398)
JBS Fund For The Amazon	–	(5,500)	–	(5,500)
	(2,797,753)	**(3,022,452)**	**(11,547,075)**	**(11,829,547)**

(1) This refers to donations made to the J&F Institute to renovate the school's facilities; to the social program "Doing good is good" created by the Company, with the aim of supporting actions for social transformation where the Company is present and donations to the JBS Fund For The Amazon.

As of December 31, 2023 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$4,449 (R$1,425 at December 31, 2022), in the Company and R$36,114 (R$42,922 at December 31, 2022), 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".
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 2.6 – Significant accounting judgements and estimates at each statement of financial position date for each classification type of financial assets and liabilities.

(Expressed in thousands of Brazilian reais)

Instrumentos financeiros:

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

	Notes	Company		Consolidated	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Assets					
Fair value through profit or loss (1)					
Financial investments	4	**3,594,468**	151,963	**12,791,962**	7,008,149
National treasury bills	4	**397,495**	204,480	**1,020,138**	572,183
Derivative assets		**439,444**	98,134	**821,741**	566,144
Loans and receivables at amortized cost (2)					
Cash at banks	4	**531,461**	1,820,325	**8,863,520**	5,972,915
Margin cash	4	**–**	–	**88,068**	308,302
Trade accounts receivable	5	**2,575,423**	4,380,011	**16,416,149**	20,234,895
Related party receivables	9	**1,807,877**	1,103,125	**573,955**	951,021
Total		**9,346,168**	**7,758,038**	**40,575,533**	**35,613,609**
Liabilities					
Liabilities at amortized cost					
Loans and financing	17	**(13,248,101)**	(15,699,582)	**(96,821,825)**	(92,354,061)
Trade accounts payable and supply chain finance	16	**(5,934,371)**	(5,561,549)	**(30,040,844)**	(34,080,614)
Related party payables	9	**(6,402,295)**	(10,182,741)	**–**	–
Lease liabilities	13	**(151,030)**	(62,698)	**(8,913,933)**	(8,984,008)
Other financial liabilities (3)		**(473,930)**	(5,180)	**(503,702)**	(61,964)
Fair value through profit or loss					
Derivative liabilities		**(42,513)**	(278,227)	**(698,361)**	(559,536)
Total		**(26,252,240)**	**(31,789,977)**	**(136,978,665)**	**(136,040,183)**

(1) CDBs are updated at the effective rate but have a really short-term and negotiated with financial institutions, and their recognition is similar to fair value; (ii) national treasury bill is recognized according to market value.
(2) Loans and receivables are classified as amortized cost, but without any change in their nature or business model; (ii) the accounts receivable are short-term and net from expected losses.
(3) The balances are 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, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	**1,000,451**	**2,594,019**	**3,594,468**	–	151,963	**151,963**
National treasury bills	**397,493**	–	**397,495**	204,480	–	**204,480**
Derivative assets	–	**439,444**	**439,444**	–	98,134	**98,134**
Financial liabilities						
Derivative liabilities	–	**42,513**	**42,513**	–	278,227	**278,227**

	Consolidated					
	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	**1,000,451**	**11,791,511**	**12,791,962**	–	7,008,149	**7,008,149**
National treasury bills	**1,020,138**	–	**1,020,138**	572,183	–	**572,183**
Derivative assets	–	**821,741**	**821,741**	–	566,144	**566,144**
Financial liabilities						
Derivative liabilities	–	**698,361**	**698,361**	–	559,536	**559,536**

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

	Consolidated					
	December 31, 2023			December 31, 2022		
Description	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
Notes 2,50% JBS Lux 2027	**4,841,300**	**92.10 %**	**4,458,643**	5,217,701	86.90 %	4,534,182
Notes 5,13% JBS Lux 2028	**4,357,170**	**99.66 %**	**4,342,312**	4,695,931	95.13 %	4,467,239
Notes 3,00% JBS Lux 2029	**2,904,780**	**88.24 %**	**2,563,178**	3,130,620	84.02 %	2,630,347
Notes 6,5% JBS Lux 2029	**377,491**	**99.27 %**	**374,746**	406,840	98.16 %	399,354
Notes 5,5% JBS Lux 2030	**6,051,625**	**98.55 %**	**5,963,876**	6,522,126	95.40 %	6,222,108
Notes 3,75% JBS Lux 2031	**2,420,650**	**86.45 %**	**2,092,652**	2,608,850	82.46 %	2,151,258
Notes 3,00% JBS Lux 2032	**4,841,300**	**81.66 %**	**3,953,212**	5,217,701	77.61 %	4,049,458
Notes 3,625% JBS Lux 2032	**4,841,300**	**85.60 %**	**4,144,298**	5,217,701	82.24 %	4,291,037
Notes 5,75% JBS Lux 2033	**9,924,665**	**99.35 %**	**9,860,452**	10,696,287	95.41 %	10,205,327
Notes 6,75% JBS Lux 2034	**7,746,080**	**105.27 %**	**8,154,530**	–	–	–
Notes 4,375% JBS Lux 2052	**4,357,170**	**74.36 %**	**3,239,817**	4,695,931	71.80 %	3,371,678
Notes 6,50% JBS Lux 2052	**7,504,015**	**100.71 %**	**7,557,218**	8,087,436	96.79 %	7,827,829
Notes 7.25% JBS Lux 2053	**4,357,170**	**109.34 %**	**4,764,129**	–	–	–
Notes 5,875% PPC 2027	–	–	–	4,435,046	99.55 %	4,415,088
Notes 4,25% PPC 2031	**4,841,300**	**90.27 %**	**4,369,999**	5,217,701	86.39 %	4,507,572
Notes 3,5% PPC 2032	**4,357,170**	**84.47 %**	**3,680,371**	4,695,931	80.72 %	3,790,556
Notes 6,25% PPC 2033	**4,841,300**	**102.90 %**	**4,981,794**	–	–	–
Notes 6,875% PPC 2034	**2,420,646**	**108.05 %**	**2,615,416**	–	–	–
	80,985,132		**77,116,643**	**70,845,802**		**62,863,033**

Finance income (expense) by category of financial instrument:

	Company		Consolidated	
	2023	2022	2023	2022
Fair value through profit or loss	**836,663**	(1,284,691)	**1,013,345**	(1,421,568)
Amortized cost	**(3,466,204)**	(1,444,783)	**(7,761,329)**	(4,930,772)
Total	**(2,629,541)**	**(2,729,474)**	**(6,747,984)**	**(6,352,340)**

(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, 2023 and 2022, are in accordance with the Financial and Commodity Risk Management Policy and are representative of the exposure incurred during the period. For informational purposes and in accordance with our Financial and Commodities Risk Management Policy, the notional amounts of assets and liabilities exposed to floating interest rates are presented below:

	Company		Consolidated	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Net exposure to the CDI rate:				
CDB-DI (Bank certificates of deposit)	**75,631**	151,963	**4,567,894**	3,532,181
Treasury bill	**—**	124,046	**—**	124,046
Margin cash	**64,754**	80,444	**152,822**	387,344
Related party transactions	**1,223,516**	(8,371,733)	**3,019**	7,839
Credit note - export	**(1,046,272)**	(1,753,795)	**(1,053,700)**	(2,301,658)
CRA - Agribusiness Credit Receivable Certificates	**(293,753)**	(30,692)	**(293,753)**	(30,692)
Rural - Credit note	**—**	—	**(5,847)**	(4,176)
Rural - Credit note - Pre fixed	**—**	—	**—**	—
Subtotal	**23,876**	**(9,799,767)**	**3,370,435**	**1,714,884**
Derivatives (Swap)	**(5,992,578)**	(6,788,487)	**(6,910,347)**	(6,368,342)
Total	**(5,968,702)**	**(16,588,254)**	**(3,539,912)**	**(4,653,458)**
Liabilities exposure to the LIBOR rate:				
PPC - Term loan	**—**	—	**—**	(2,498,841)
Prepayment	**—**	—	**—**	(1,524,660)
FINIMP	**—**	(14,729)	**—**	(14,729)
Term loan JBS Lux 2026	**—**	—	**—**	—
Working Capital - American dollars	**—**	(16,645)	**—**	(16,645)
Others	**—**	—	**—**	—
Subtotal	**—**	**(31,374)**	**—**	**(4,054,875)**
Derivatives (Swap)	**—**	—	**—**	1,541,061
Total	**—**	**(31,374)**	**—**	**(2,513,814)**
Net exposure to the IPCA rate:				
Margin cash	**—**	—	**250,540**	79,500
CRA - Agribusiness Credit Receivable Certificates	**(10,174,868)**	(8,398,599)	**(10,174,868)**	(8,398,599)
Related party transactions	**570,935**	543,165	**570,935**	543,165
Treasury bills	**—**	—	**134,183**	77,049
Subtotal	**(9,603,933)**	**(7,855,434)**	**(9,219,210)**	**(7,698,885)**
Derivatives (Swap)	**6,892,396**	7,122,166	**6,892,396**	7,122,166

(Expressed in thousands of Brazilian reais)

Total	**(2,711,537)**	(733,268)	**(2,326,814)**	(576,719)
Exposure of liabilities to TJLP:				
Working capital - Reais	**(3,734)**	(3,378)	**(3,734)**	(3,378)
Total	**(3,734)**	(3,378)	**(3,734)**	(3,378)
Liabilities exposure to the SOFR rate:				
Prepayment	**(870,835)**	(528,230)	**(1,360,264)**	(842,188)
Working Capital - USD	**(14,110)**	—	**(14,110)**	—
Total	**(884,945)**	(528,230)	**(1,374,374)**	(842,188)
Net exposure to the CPI rate:				
Margin cash			**237,921**	211,155
Total			**237,921**	211,155

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	11.65%	11.70%	(2,838)	(1,685)	14.56%	(173,868)	(103,226)	17.48%	(347,677)	(206,417)
IPCA	Increase	4.68%	4.69%	(366)	(314)	5.85%	(31,725)	(27,224)	7.02%	(63,450)	(54,447)
TJLP	Increase	6.55%	6.55%	—	—	8.19%	(61)	(61)	9.83%	(122)	(122)
CPI	Reduction	3.10%	3.09%	—	(21)	2.33%	—	(1,844)	1.55%	—	(3,688)
SOFR	Increase	5.38%	5.38%	(34)	(53)	6.73%	(11,903)	(18,485)	8.07%	(23,805)	(36,971)
				(3,238)	**(2,073)**		**(217,557)**	**(150,840)**		**(435,054)**	**(301,645)**

			Company							
			December 31, 2023				December 31, 2022			
Instrument	**Risk factor**	**Maturity**	**Notional**	**Fair value (Asset) - R$**	**Fair value (Liability) - R$**	**Fair value**	**Notional**	**Fair value (Asset) - R$**	**Fair value (Liability) - R$**	**Fair value**
Swap	IPCA	2024	**537,534**	**689,751**	**(540,408)**	**149,343**	537,534	646,186	(513,673)	132,513
	IPCA	2027	**387,000**	**457,602**	**(413,456)**	**44,146**	387,000	418,991	(417,549)	1,442
	IPCA	2028	**442,000**	**526,622**	**(484,293)**	**42,330**	442,000	481,768	(489,234)	(7,466)
	IPCA	2030	**1,400,000**	**1,697,548**	**(1,590,808)**	**106,740**	1,400,000	1,546,027	(1,603,211)	(57,184)
	IPCA	2031	**1,398,524**	**1,616,904**	**(1,578,406)**	**38,498**	1,430,000	1,480,425	(1,568,962)	(88,537)
	IPCA	2032	**425,166**	**501,657**	**(510,557)**	**(8,900)**	900,000	927,182	(972,097)	(44,915)
	IPCA	2036	**91,135**	**113,710**	**(119,336)**	**(5,625)**	100,000	101,869	(111,699)	(9,830)
	IPCA	2037	**1,040,017**	**1,288,602**	**(1,295,723)**	**(7,120)**	1,272,000	1,519,718	(1,625,735)	(106,017)
			5,721,376	**6,892,396**	**(6,532,987)**	**359,412**	**6,468,534**	**7,122,166**	**(7,302,160)**	**(179,994)**

			Consolidated							
			December 31, 2023				December 31, 2022			
Instrument	**Risk factor**	**Maturity**	**Notional**	**Fair value (Asset) - R$**	**Fair value (Liability) - R$**	**Fair value**	**Notional**	**Fair value (Asset) - R$**	**Fair value (Liability) - R$**	**Fair value**
Swap	CDI	2023	—	—	—	—	400,000	420,145	(404,637)	15,508
	CDI	2024	**880,000**	**915,329**	**(917,770)**	**(2,441)**	—	—	—	—
	LIBOR	2024	—	—	—	—	1,507,335	1,541,061	(1,462,267)	78,794
	IPCA	2024	**537,534**	**689,751**	**(540,408)**	**149,343**	537,534	646,186	(513,673)	132,513
	IPCA	2027	**387,000**	**457,602**	**(413,456)**	**44,146**	387,000	418,991	(417,549)	1,442
	IPCA	2028	**442,000**	**526,622**	**(484,293)**	**42,330**	442,000	481,768	(489,234)	(7,466)
	IPCA	2030	**1,400,000**	**1,697,548**	**(1,590,808)**	**106,740**	1,400,000	1,546,027	(1,603,211)	(57,184)
	IPCA	2031	**1,398,524**	**1,616,904**	**(1,578,406)**	**38,498**	1,430,000	1,480,425	(1,568,962)	(88,537)
	IPCA	2032	**425,166**	**501,657**	**(510,557)**	**(8,900)**	900,000	927,182	(972,097)	(44,915)
	IPCA	2036	**91,135**	**113,710**	**(119,336)**	**(5,625)**	100,000	101,869	(111,699)	(9,830)
	IPCA	2037	**1,040,017**	**1,288,602**	**(1,295,723)**	**(7,120)**	1,272,000	1,519,718	(1,625,735)	(106,017)
			6,601,376	**7,807,725**	**(7,450,757)**	**356,971**	**8,375,869**	**9,083,372**	**(9,169,064)**	**(85,692)**

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, 2023 and 2022 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	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
OPERATING						
Cash and cash equivalents	**2,767,180**	1,646,583	**161,775**	150,768	**16,901**	1,045
Trade accounts receivable	**1,530,322**	2,797,281	**237,649**	255,159	**38,864**	57,115
Sales orders	**2,345,443**	1,691,501	**257,417**	170,821	**81,782**	69,810
Trade accounts payable	**(246,588)**	(217,330)	**(27,667)**	(28,843)	**(237)**	0
Operating subtotal	**6,396,357**	**5,918,035**	**629,174**	**547,905**	**137,310**	**127,970**
FINANCIAL						
Advances to customers	**(512,091)**	—	**(52,330)**	—	—	—
Loans and financing	**(1,464,859)**	(5,299,683)	**(15,579)**	(26,017)	—	—
Financial subtotal	**(1,976,950)**	**(5,299,683)**	**(67,909)**	**(26,017)**	—	—
Operating financial subtotal	**4,419,407**	**618,352**	**561,265**	**521,888**	**137,310**	**127,970**
Related parties transaction, net		**(1,660,877)**				
Total exposure	**4,419,407**	**(1,042,525)**	**561,265**	**521,888**	**137,310**	**127,970**
DERIVATIVES						
Future contracts	**697,909**	**2,557**	**(481,644)**	(539,980)	**(152,117)**	—
Non Deliverable Forwards (NDF´s)	**(3,582,562)**	—	—	—	—	—
Total derivatives	**(2,884,653)**	**2,557**	**(481,644)**	**(539,980)**	**(152,117)**	—
NET EXPOSURE IN R$	**1,534,754**	**(1,039,968)**	**79,621**	**(18,092)**	**(14,807)**	**127,970**
Net debt in foreign subsidiaries	**(71,531,166)**	(66,873,170)	—	—	—	—

	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
OPERATING										
Cash and cash equivalents	**7,604,779**	3,848,527	**329,956**	209,670	**97,319**	63,667	**1,314,427**	639,627	**203**	37
Trade accounts receivable	**2,806,266**	6,124,137	**715,733**	712,099	**240,823**	267,677	**649,281**	657,623	**1,167**	449
Sales orders	**4,437,512**	3,116,512	**356,147**	218,958	**1,053,024**	69,810	–	–	–	–
Trade accounts payable	**(846,168)**	(805,002)	**(362,919)**	(481,445)	**(76,715)**	(98,088)	**(1,294,723)**	(273,126)	**(1,549)**	(616)
Provisions	–	–	–	–	–	–	–	–	–	–
Purchase orders	**(274,549)**	(321,825)	**(87,203)**	(63,557)	–	–	–	–	–	–
Operating subtotal	**13,727,840**	**11,962,349**	**951,714**	**595,725**	**1,314,451**	**303,066**	**668,985**	**1,024,124**	**(179)**	**(130)**
FINANCIAL										
Margin cash	—	1,402	–	–	–	–	–	–	–	–
Advances to customers	**(539,165)**	(188,904)	**(61,100)**	(4,468)	(2,474)	–	–	–	–	–
Loans and financing	**(1,485,299)**	(7,108,978)	**(15,579)**	(26,017)	–	–	–	–	–	–
Financial subtotal	**(2,024,464)**	**(7,296,480)**	**(76,679)**	**(30,485)**	**(2,474)**	–	–	–	–	–
Operating financial subtotal	**11,703,376**	**4,665,869**	**875,035**	**565,240**	**1,311,977**	**303,066**	**668,985**	**1,024,124**	**(179)**	**(130)**
Related party transactions, net				1,510,817						
Total exposure	**11,703,376**	**4,665,869**	**875,035**	**2,076,057**	**1,311,977**	**303,066**	**668,985**	**1,024,124**	**(179)**	**(130)**
DERIVATIVES										
Future contracts	**(1,214,139)**	2,557	**(663,598)**	(539,980)	**(213,703)**	–	–	–	–	–
Deliverable Forwards (DF´s)	**(1,926,954)**	(2,417,731)	**325,834**	438,355	**(69,565)**	(27,174)	–	(1,520,318)	**13,778**	4,920
Non Deliverable Forwards (NDF´s)	**(6,326,417)**	15,804	**24,550**	(61,746)	**(470,206)**	(103,107)	–	–	–	–
Swap	–	78,793	–	–	–	–	–	–	–	–
Total derivatives	**(9,467,510)**	**(2,320,577)**	**(313,214)**	**(163,371)**	**(753,474)**	**(130,281)**	–	**(1,520,318)**	**13,778**	**4,920**
NET EXPOSURE IN R$	**2,235,866**	**2,345,292**	**561,821**	**1,912,686**	**558,503**	**172,785**	**668,985**	**(496,194)**	**13,599**	**4,790**
Net debt in foreign subsidiaries	**(71,531,166**	(66,873,170	–	–	–	–	–	–	–	–

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	4.8413	4.7621	(104,587)	(224,464)	3.6310	(1,599,083)	(3,431,946)	2.4207	(3,198,178)	(6,863,920)
Financial	Depreciation	4.8413	4.7621	32,325	(17,701)	3.6310	494,236	(270,637)	2.4207	988,475	(541,276)
Derivatives	Depreciation	4.8413	4.7621	47,167	154,803	3.6310	721,160	2,366,868	2.4207	1,442,327	4,733,755
				(25,095)	**(87,362)**		**(383,687)**	**(1,335,715)**		**(767,376)**	**(2,671,441)**

			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	4.8413	4.9205	(1,169,605)	6.0516	(17,882,865)	7.2620	(35,765,583)
				(1,169,605)		**(17,882,865)**		**(35,765,583)**

			Company					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	American dollar	Short	**13,958**	**697,909**	**(467)**	51	2,557	(4,506)

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	American dollar	Short	**52,199**	**(1,214,139)**	**(10,061)**	51	2,557	(4,506)

			Company					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	(USD)	Notional (R$)	Fair value	(USD)	(R$)	Fair value
Non Deliverable Forwards	American dollar	Short	**(740,000)**	**(3,582,562)**	**35,174**	–	–	–

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Deliverable Forwards	American dollar	Short	**(398,024)**	**(1,926,954)**	**141,124**	(463,371)	(2,417,731)	67,658
Non Deliverable Forwards	American dollar	Short	**(1,306,760)**	**(6,326,417)**	**67,656**	3,029	15,804	(339)

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	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	5.3516	5.2638	(10,325)	(15,618)	4.0137	(157,294)	(237,929)	2.6758	(314,587)	(475,857)
Financial	Depreciation	5.3516	5.2638	1,114	1,258	4.0137	16,977	19,170	2.6758	33,954	38,339
Derivatives	Depreciation	5.3516	5.2638	7,904	5,140	4.0137	120,411	78,304	2.6758	240,822	156,607
				(1,307)	**(9,220)**		**(19,906)**	**(140,455)**		**(39,811)**	**(280,911)**

			Company					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional (R$)	Fair value	Quantity	Notional (R$)	Fair value
Future Contract	Euro	Short	**(9,000)**	**(481,644)**	**1,805**	9,700	(539,980)	(2,872)

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R$)	Fair value	Notional (EUR)	Notional (R$)	Fair value
Future Contract	Euro	Long	**(5,600)**	**(663,598)**	**2,486**	_	_	_
Deliverable Forwards	Euro	Short	**60,885**	**325,834**	**(9,126)**	78,708	438,355	17,965
Non Deliverable Forwards	Euro	Short	**4,587**	**24,550**	**(3,157)**	(11,087)	(61,746)	47

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	6.1586	6.0564	(2,279)	(21,819)	4.6190	(34,328)	(328,613)	3.0793	(68,655)	(657,225)
Derivatives	Depreciation	6.1586	6.0564	2,525	12,507	4.6190	38,029	188,369	3.0793	76,059	376,737
				246	(9,271)		3,701	(139,625)		7,404	(279,251)

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R$)	Fair value	Notional (GBP)	Notional (R$)	Fair value
Future Contract	British pound	-	**(2,470)**	**(152,117)**	**761**	_	_	_

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R$)	Fair value	Notional (GBP)	Notional (R$)	Fair value
Future Contract	British pound	-	**(1,470)**	**(213,703)**	**1,069**	_	_	_

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R$)	Fair value	Notional (GBP)	Notional (R$)	Fair value
Deliverable Forwards	British pound	Long	**(11,296)**	**(69,565)**	**978**	(4,328)	(27,174)	(193)
Non Deliverable Forwards	British pound	Long	**(76,350)**	**(470,206)**	**315**	(16,422)	(103,107)	1,357

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	0.2856	0.2815	(9,721)	0.2142	(167,246)	0.1428	(334,493)
				(9,721)		(167,246)		(334,493)

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (MXN)	Notional (R$)	Fair value	Notional (MXN)	Notional (R$)	Fair value
Deliverable Forwards	Mexican peso		_	_	_	(5,700,480)	(1,520,318)	(30,362)

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	3.2882	3.2319	3	2.4662	45	1.6441	90
Derivatives	Appreciation	3.2882	3.2319	(236)	2.4662	(3,445)	1.6441	(6,889)
				(233)		(3,400)		(6,799)

(Expressed in thousands of Brazilian reais)

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (AUD)	Notional (R$)	Fair value	Notional (AUD)	Notional (R$)	Fair value
Deliverable Forwards	Australian dollar	Long	**4,190**	**13,778**	**(5)**	—	—	—
Deliverable Forwards	Australian dollar	Short	—	—	—	1,388	4,920	5

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, 2023 and 2022 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, 2023	December 31, 2022
Firm contracts of cattle purchase	—	14,988
Subtotal	—	**14,988**
DERIVATIVES		
Future contracts	**(491)**	(2,007)
Non Deliverable Forwards	—	—
Subtotal	**(491)**	**(2,007)**
NET EXPOSURE	**(491)**	**12,981**

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
Derivatives	Cattle arroba depreciation	252.30	264.48	(24)	315.38	(123)	378.45	(245)
				(24)		**(123)**		**(245)**

Derivatives financial instruments breakdown:

			Company					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Short	**(6)**	**(491)**	**1**	21	(2,007)	(99)

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, 2023 and 2022 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, 2023**	**December 31, 2022**
OPERATING		
Purchase orders	**552,376**	1,172,761
Subtotal	**552,376**	**1,172,761**
DERIVATIVES		
Future contracts	–	(4,947)
Non Deliverable Forwards	–	(161,694)
Subtotal	–	**(166,641)**
NET EXPOSURE	**552,376**	**1,006,120**

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	(2.20)%	(12,141)	(25.00)%	(138,094)	(50.00)%	(276,188)
			(12,141)		**(138,094)**		**(276,188)**

Derivatives financial instruments breakdown:

			Seara Alimentos					
			December 31, 2023			December 31, 2022		
Instrument	**Risk factor**	**Nature**	**Quantity**	**Notional**	**Fair value**	**Quantity**	**Notional**	**Fair value**
Future contracts	Commodities (Grains)	Short	–	–	–	520	(4,947)	(12,773.912)
Non Deliverable Forwards	Commodities (Grains)	Short	–	–	–	4,000	(161,694)	3,571

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, 2023, as hedge accounting, according to the cash flow method, to protect the operating results in relation to the price of commodities are:

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, 2023**	**December 31, 2022**
Cost of sales before hedge accounting adoption	**(38,631,456)**	**(37,721,539)**
Derivatives operating income (loss)	**156,991**	**319,475**
Currency	7,140	52,180
Commodities	149,851	267,295
Cost of sales with hedge accounting	**(38,474,465)**	**(37,402,064)**
Financial income (expense), net excluding derivatives	**(383,453)**	**(234,426)**
Derivatives financial income (expense), net	**71,350**	**(239,408)**
Currency	197,979	(316,482)
Commodities	(120,653)	133
Interests	(5,976)	76,941
Financial income (expense), net	**(312,103)**	**(473,834)**

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

(Expressed in thousands of Brazilian reais)

	Seara Alimentos	
	December 31, 2023	December 31, 2022
Statements of other comprehensive income (expense):		
Financial instruments designated as *hedge accounting:*	**(2,660)**	**(40,284)**
Currency	191	(13,541)
Commodities	(2,851)	(26,743)
Other comprehensive income	**39,041**	**(253,193)**

Cash Flow Hedge Movement	December 31, 2022	OCI	09.30.23
Hedge accounting operations at Company Seara	(41,701)	39,041	(2,660)
Deferred income tax on hedge accounting	14,179	(13,274)	905
Reflection of Hedge Operations of Subsidiaries	1,417	(1,417)	–
Deferred income tax on hedge accounting	(482)	482	–
Total of other comprehensive income (expense)	(26,587)	24,832	(1,755)

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

	Seara Alimentos	
	December 31, 2023	December 31, 2022
Balance sheet:		
Derivative (liabilities)/assets	–	**(9,203)**
Financial instruments designated as *hedge accounting:*		
Currency	–	(9,203)
Commodities		
Derivative (liabilities)/assets	**21,656**	**94,302**
Financial instruments not designated as *hedge accounting:*		
Currency		–
Commodities	24,097	–
Interests	(2,441)	94,302
Other comprehensive income (expense)	**(2,660)**	**(40,284)**
Currency	191	(13,541)
Commodities	(2,851)	(26,743)
Inventories	**31,845**	**36,269**
Currency	660	11,991
Commodities	31,185	24,278

Open balance sheet position of derivative assets and liabilities:

	Seara Alimentos	
	December 31, 2023	December 31, 2022
Assets:		
Not designated as hedge accounting	–	**94,302**
Currency	24,097	–
Interests	–	94,302
Current assets	**24,097**	**94,302**
Non-current assets	–	**25,081**
(Liabilities):		
Designated as hedge accounting	–	**9,203**
Commodities		9,203
Currency	–	
Not designated as *hedge accounting*	**2,441**	–
Currency	**2,441**	–
Current liabilities	**2,441**	**9,203**

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

The JBS USA exposure to cattle price fluctuation as of December 31, 2023 and 2022 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)

EXPOSURE in Commodities	JBS USA December 31, 2023	JBS USA December 31, 2022
OPERATIONAL		
Firm contracts of cattle purchase	**15,639,117**	13,120,065
Subtotal	**15,639,117**	**13,120,065**
DERIVATIVES		
Deliverable Forwards	**1,883,895**	(804,976)
Subtotal	**1,883,895**	**(804,976)**
NET EXPOSURE	**17,523,012**	**12,315,089**

Sensitivity analysis:

		Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (iii) Price variation - 50%	
			Effect on income		Effect on income		Effect on income
Exposure	Risk	Price	JBS USA	Price	JBS USA	Price	JBS USA
Operating	Depreciation	(2.25)%	(352,506)	(25.00)%	(3,909,779)	(50.00)%	(7,819,558)
Derivatives	Depreciation	(2.25)%	(42,463)	(25.00)%	(470,974)	(50.00)%	(941,947)
			(394,969)		**(4,380,753)**		**(8,761,505)**

Derivatives financial instruments breakdown:

			Consolidated					
			December 31, 2023			December 31, 2022		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R$)	Fair value	Notional (USD)	Notional (R$)	Fair value
Deliverable Forwards	Commodities (Cattle)	Short	**389,130**	**1,883,895**	**(9,595)**	(154,278)	(804,976)	(162,698)

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, 2023			December 31, 2022		
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Cash and cash equivalents	–	**4,458,670**	–	–	2,096,334	–
Margin cash	–	**64,754**	–	–	80,434	–
Trade accounts receivable	**(9.05)%**	**2,575,423**	**(232,988)**	(5.77)%	4,380,011	(252,719)
Related party receivables	–	**1,807,878**	–	–	1,103,125	–
		8,906,725	**(232,988)**		**7,659,904**	**(252,719)**

	Consolidated					
	December 31, 2023			December 31, 2022		
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Cash and cash equivalents	–	**22,122,405**	–	–	13,182,158	–
Margin cash	–	**641,283**	–	–	679,391	–
Trade accounts receivable	**(2.50)%**	**16,416,149**	**(411,088)**	(2.13)%	20,235,112	(431,170)
Related party receivables	–	**573,955**	–	–	951,021	–
		39,753,792	**(411,088)**		**35,047,682**	**(431,170)**

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, 2023	December 31, 2022
Leverage indicator (R$) (*)	**4.32 x**	2.29 x
Leverage indicator (USD) (*)	**4.42 x**	2.26 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, 2023					December 31, 2022				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	**5,934,371**	–	–	–	**5,934,371**	5,561,549	–	–	–	**5,561,549**
Loans and financing	**1,297,393**	**434,060**	**1,020,575**	**10,496,073**	**13,248,101**	4,999,929	2,992,141	849,530	6,857,983	**15,699,583**
Estimated interest on loans and financing [1]	–	–	–	–	–	1,217,565	1,984,740	1,671,359	3,710,473	**8,584,137**
Derivatives financing liabilities (assets)	**42,513**	–	–	–	**42,513**	278,227	–	–	–	**278,227**
Lease liabilities	**53,037**	**41,810**	**38,596**	**17,587**	**151,030**	27,675	**33,141**	**2,247**	4,160	**67,223**
Other financial liabilities	**72,680**	**101,250**	–	**300,000**	**473,930**	5,180	–	–	–	**5,180**

	Consolidated									
	December 31, 2023					December 31, 2022				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	**30,040,844**	–	–	–	**30,040,844**	34,080,614	–	–	–	34,080,614
Loans and financing	**4,316,360**	**828,968**	**5,870,259**	**85,806,238**	**96,821,825**	8,228,557	4,252,661	12,503,378	67,369,465	92,354,061
Estimated interest on loans and financing [1]	**6,598,186**	**5,095,409**	**9,247,444**	**35,778,473**	**56,719,512**	4,822,959	9,587,500	7,749,370	23,172,460	45,332,289
Derivatives financing liabilities (assets)	**698,361**	–	–	–	**698,361**	559,536	–	–	–	559,536
Lease liabilities	**(13,537)**	**1,420,650**	**2,141,172**	**5,365,648**	**8,913,933**	1,788,353	2,611,660	1,634,458	4,452,019	10,486,490
Other financial liabilities	**102,452**	**101,250**	–	**300,000**	**503,702**	33,903	27,793	268	–	61,964

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

The Company has future commitment for purchase of grains and cattle whose balances at December 31, 2023 in the amount of R$442,817 (R$451,296 at December 31, 2022), in the Company and R$172.4(R$170,5 at December 31, 2022), in the Consolidated.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at December 31, 2023 is R$64,754 (R$80,434 at December 31, 2022). This guarantee is larger than its collateral.

The indirect subsidiary JBS USA and its subsidiaries, has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at December 31, 2023 is R$325,989 (R$518,055 at December 31, 2022). This guarantee is larger than its collateral.

Also, the direct subsidiary Seara Alimentos has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at December 31, 2023 is R$250,540 (R$80,902 in 31 de dezembro de 2022). This guarantee is larger than its collateral.

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

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

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, 2023, 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.

30 Subsequent events

On February 28, 2024, the Attorney General of the State of New York filed a civil complaint against our subsidiaries, JBS USA Food Company and JBS USA Food Company Holdings, in the Supreme Court of the State of New York, County of New York, alleging that consumers in New York were misled by statements in which we expressed our goal of reducing greenhouse gas emissions and striving to achieve Net Zero by 2040. The complaint seeks an injunction, disgorgement of profits, civil penalties, attorney's fees and other relief. We believe we have substantial defenses to this action, and we intend to vigorously defend this matter.

(Expressed in thousands of Brazilian reais)

31 Approval of the financial statements

The issuance of these individual and consolidated financial statements was approved by the Board of Directors on March 26, 2024.

BOARD OF DIRECTORS

Chairman:	Jeremiah Alphonsus O'Callaghan
Vice-Chairman:	José Batista Sobrinho
Independent Board Member:	Alba Pettengill
Independent Board Member:	Gelson Luiz Merisio
Independent Board Member:	Cledorvino Belini
Independent Board Member:	Francisco Turra
Independent Board Member:	Carlos Hamilton Vasconcelos Araújo
Independent Board Member:	Kátia Regina de Abreu Gomes
Independent Board Member:	Paulo Bernardo Silva

STATUTORY AUDIT COMMITTEE REPORT

The Statutory Audit Committee reviewed the individual and consolidated financial statements for the years ended at December 31, 2023, at March 26, 2024. 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:	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, 2023, at March 26, 2024, 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:	Orlando Octávio de Freitas Júnior
Council Member:	Patrícia da Silva Barros

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

The Company's Officers declare at March 26, 2024, 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, 2023, and

(ii) They reviewed, discussed and agreed with the financial statements for the years ended at December 31, 2023.

STATUTORY BOARD

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

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

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