



JBS S.A.

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

As of June 30, 2022 and 2021



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

Report on review of interim financial information

**Grant Thornton Auditores
Independentes Ltda.**

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

T +55 11 3886-5100

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

Introduction

We have reviewed the individual and consolidated interim financial information of JBS S.A. (“Company”), identified as Company and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended June 30, 2022, which comprises the balance sheet as of June 30, 2022 and the related income statement and statement of comprehensive income for the three and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the interim financial statements referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of the Interim Financial Statements (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

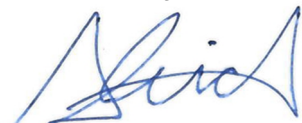
Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added ("DVA") for the six-month period ended June 30, 2022, prepared under the responsibility of the Company's Management, and presented as additional information for IAS 34 purposes.

These statements were subject to review procedures performed together with the review of the interim financial information in order to conclude whether they are reconciled to the interim financial information and accounting records, as applicable, and whether their form and substance are in accordance with the criteria defined in the Technical Pronouncement NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that such statement of value added were not prepared, in all material respects, according to the criteria defined in that standard and consistently in relation to the individual and consolidated interim financial information taken as a whole.

São Paulo, August 11, 2022



Alcides Afonso Louro Neto
Partner

Grant Thornton Auditores Independentes Ltda.

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

	Note	Company		Consolidated	
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	3,349,062	2,654,374	19,330,433	23,239,150
Margin cash	4	15,218	168,808	776,172	1,245,354
Trade accounts receivable	5	3,290,663	4,259,402	20,946,969	19,877,408
Inventories	6	5,223,443	5,108,044	28,732,348	26,542,009
Biological assets	7	–	–	8,331,800	7,420,848
Recoverable taxes	8	1,202,885	1,139,385	3,607,066	3,204,923
Derivative assets		2,629	–	543,451	468,292
Other current assets		188,487	276,306	1,739,070	1,927,978
TOTAL CURRENT ASSETS		13,272,387	13,606,319	84,007,309	83,925,962
NONCURRENT ASSETS					
Recoverable taxes	8	4,910,241	4,982,893	7,940,109	7,890,699
Biological assets	7	–	–	2,327,681	2,245,019
Related party receivables	9	459,598	4,032,213	406,334	417,702
Deferred income taxes	10	–	–	2,649,001	1,730,122
Derivative assets		324,824	218,409	359,104	246,703
Other noncurrent assets		331,954	505,537	931,664	1,186,038
		6,026,617	9,739,052	14,613,893	13,716,283
Investments in subsidiaries, associates and joint venture	11	52,597,960	60,496,030	278,508	243,190
Property, plant and equipment	12	12,539,637	12,268,840	57,332,286	56,916,306
Right of use assets	13	38,084	45,583	7,828,815	7,958,911
Intangible assets	14	32,235	33,439	10,464,224	11,783,916
Goodwill	15	9,085,970	9,085,970	30,760,548	32,564,548
TOTAL NONCURRENT ASSETS		80,320,503	91,668,914	121,278,274	123,183,154
TOTAL ASSETS		93,592,890	105,275,233	205,285,583	207,109,116

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

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

	Note	Company		Consolidated	
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	16	4,111,121	5,277,159	27,085,617	30,217,201
Supply chain finance	16	800,782	709,630	2,559,444	2,687,974
Loans and financing	17	9,408,516	8,739,280	12,711,253	11,914,284
Income taxes	18	–	–	1,296,426	988,897
Other taxes payable	18	287,942	321,853	719,269	744,094
Accrued payroll and social charges	19	1,054,956	997,438	6,601,895	6,963,119
Lease liabilities	13	18,084	22,412	1,555,676	1,625,889
Dividends payable		124	108	172	156
Other financial liabilities		6,889	10,189	35,435	37,187
Provisions	20	–	–	724,080	1,338,422
Derivative liabilities		265,708	285,837	679,790	773,279
Other current liabilities		1,056,339	1,483,956	2,667,001	2,521,736
TOTAL CURRENT LIABILITIES		17,010,461	17,847,862	56,636,058	59,812,238
NONCURRENT LIABILITIES					
Loans and financings	17	8,273,178	7,022,860	84,704,278	80,603,870
Accrued income taxes and other taxes	18	353,887	409,056	559,023	569,596
Accrued payroll and social charges	19	1,863,873	1,909,835	2,339,591	2,930,082
Lease liabilities	13	28,122	30,187	6,672,896	6,718,391
Other financial liabilities		–	–	42,689	54,047
Deferred income taxes	10	3,148,741	3,141,465	6,093,723	6,573,946
Provisions	20	494,245	482,593	1,350,378	1,329,419
Related party payables	9	19,466,371	30,273,357	–	–
Other noncurrent liabilities		38,127	38,726	365,505	720,807
TOTAL NONCURRENT LIABILITIES		33,666,544	43,308,079	102,128,083	99,500,158
EQUITY					
	21				
Share capital - common shares		23,576,206	23,576,206	23,576,206	23,576,206
Capital reserve		(639,223)	(385,856)	(639,223)	(385,856)
Other reserves		39,750	43,957	39,750	43,957
Profit reserves		5,405,861	10,447,755	5,405,861	10,447,755
Accumulated other comprehensive income		5,434,546	10,437,230	5,434,546	10,437,230
Retained earnings		9,098,745	–	9,098,745	–
Attributable to company shareholders		42,915,885	44,119,292	42,915,885	44,119,292
Attributable to non-controlling interest		–	–	3,605,557	3,677,428
TOTAL EQUITY		42,915,885	44,119,292	46,521,442	47,796,720
TOTAL LIABILITIES AND EQUITY		93,592,890	105,275,233	205,285,583	207,109,116

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

JBS S.A.
Statements of income for the six month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2022	2021	2022	2021
NET REVENUE	22	26,590,873	23,182,298	183,057,958	160,878,145
Cost of sales	26	(22,601,417)	(20,501,248)	(150,503,789)	(133,285,400)
GROSS PROFIT		3,989,456	2,681,050	32,554,169	27,592,745
General and administrative expense	26	(1,575,410)	(1,190,566)	(5,949,703)	(7,246,848)
Selling expense	26	(1,681,936)	(1,158,718)	(11,463,575)	(8,559,333)
Other expense		(90,676)	(4,539)	(194,149)	(70,271)
Other income		1,789	48,291	159,159	293,339
OPERATING EXPENSES		(3,346,233)	(2,305,532)	(17,448,268)	(15,583,113)
OPERATING PROFIT		643,223	375,518	15,105,901	12,009,632
Finance income	23	2,334,961	623,852	3,227,582	1,162,281
Finance expense	23	(3,081,864)	(1,171,384)	(5,949,868)	(3,480,965)
		(746,903)	(547,532)	(2,722,286)	(2,318,684)
Share of profit of equity-accounted investees, net of tax	11	9,612,772	7,810,450	36,027	38,880
PROFIT BEFORE TAXES		9,509,092	7,638,436	12,419,642	9,729,828
Current income taxes	10	(407,278)	(1,190,408)	(3,578,681)	(3,150,607)
Deferred income taxes	10	(7,276)	(20,045)	881,932	(215,487)
		(414,554)	(1,210,453)	(2,696,749)	(3,366,094)
NET INCOME		9,094,538	6,427,983	9,722,893	6,363,734
ATTRIBUTABLE TO:					
Company shareholders		9,094,538	6,427,983	9,094,538	6,427,983
Non-controlling interest		—	—	628,355	(64,249)
		9,094,538	6,427,983	9,722,893	6,363,734
Basic and diluted earnings per share - common shares (R\$)	24	4.07	2.59	4.07	2.59

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

JBS S.A.
Statements of income for the three month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2022	2021	2022	2021
NET REVENUE	22	13,048,530	12,213,092	92,191,385	85,626,927
Cost of sales	26	(10,906,480)	(10,666,276)	(76,002,857)	(69,145,961)
GROSS PROFIT		2,142,050	1,546,816	16,188,528	16,480,966
General and administrative expense	26	(737,099)	(630,204)	(2,773,563)	(4,747,269)
Selling expense	26	(845,210)	(612,478)	(5,709,406)	(4,478,740)
Other expense		(2,754)	(1,670)	(74,427)	(29,738)
Other income		743	4,197	66,744	156,151
OPERATING EXPENSES		(1,584,320)	(1,240,155)	(8,490,652)	(9,099,596)
OPERATING PROFIT		557,730	306,661	7,697,876	7,381,370
Finance income	23	88,874	287,668	313,137	828,909
Finance expense	23	(1,408,628)	(642,229)	(2,825,350)	(1,974,857)
		(1,319,754)	(354,561)	(2,512,213)	(1,145,948)
Share of profit of equity-accounted investees, net of tax		4,751,082	5,074,591	20,866	12,169
PROFIT BEFORE TAXES		3,989,058	5,026,691	5,206,529	6,247,591
Current income taxes	10	(28,636)	(664,131)	(1,630,077)	(1,990,904)
Deferred income taxes	10	(8,157)	19,902	707,623	(48,532)
		(36,793)	(644,229)	(922,454)	(2,039,436)
NET INCOME		3,952,265	4,382,462	4,284,075	4,208,155
ATTRIBUTABLE TO:					
Company shareholders		3,952,265	4,382,462	3,952,265	4,382,462
Non-controlling interest		—	—	331,810	(174,307)
		3,952,265	4,382,462	4,284,075	4,208,155
Basic and diluted earnings per share - common shares (R\$)	24	1.78	1.75	1.78	1.75

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

JBS S.A.
Statements of comprehensive income for the six month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Reference	Company		Consolidated	
		2022	2021	2022	2021
Net income	IS	9,094,538	6,427,983	9,722,893	6,363,734
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustments	SCSE	(5,467,072)	(1,540,943)	(5,866,600)	(1,613,484)
Net exchange differences from translation of foreign operations taken to equity	SCSE	713,711	667,650	713,711	667,650
Valuation adjustments to equity in subsidiaries	SCSE	57,627	226,073	70,456	259,397
Gain (loss) on cash flow hedge	SCSE	(306,950)	–	(306,950)	–
Total other comprehensive loss		(5,002,684)	(647,220)	(5,389,383)	(686,437)
Comprehensive income		4,091,854	5,780,763	4,333,510	5,677,297
Total comprehensive income attributable to:					
Company shareholders	SCSE	4,091,854	5,780,763	4,091,854	5,780,763
Non-controlling interest	SCSE	–	–	241,656	(103,466)
		4,091,854	5,780,763	4,333,510	5,677,297

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

JBS S.A.
Statement of comprehensive income for the three month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Reference	Company		Consolidated	
		2022	2021	2022	2021
Net income	IS	3,952,265	4,382,462	4,284,075	4,208,155
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation adjustments		583,107	(4,232,346)	801,472	(4,661,869)
Exchange rate variation on net investment		(1,591,573)	2,320,886	(1,591,573)	2,320,886
Gain (loss) on cash flow hedge		62,405	108,678	67,725	113,247
Valuation adjustments to equity in subsidiaries		158,157	–	158,157	–
Total other comprehensive loss		(787,904)	(1,802,782)	(564,219)	(2,227,736)
Comprehensive income		3,164,361	2,579,680	3,719,856	1,980,419
Total comprehensive income attributable to:					
Company shareholders		3,164,361	2,579,680	3,164,361	2,579,680
Non-controlling interest		–	–	555,495	(599,261)
		3,164,361	2,579,680	3,719,856	1,980,419

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



JBS S.A.

Statements of changes in equity for the six month period ended at June 30, 2022 and 2021

In thousands of Brazilian Reais - R\$

	Note	Capital reserves				Profit reserves				Other comprehensive income		Retained earnings	Total	Non-controlling interest	Total equity
		Share capital	Premium on issue of shares	Capital transaction ⁽¹⁾	Stock options	Other reserves	Treasury shares	Legal	Investments statutory	Dividends	VAE	ATA			
DECEMBER 31, 2020		23,576,206	211,879	(679,054)	32,262	49,430	(303,565)	1,003,965	4,743,294	1,419,037	(29,269)	10,095,137	40,119,322	3,424,867	43,544,189
Net income		—	—	—	—	—	—	—	—	—	—	6,427,983	6,427,983	(64,249)	6,363,734
Net exchange differences from translation of foreign operations taken to equity ⁽⁴⁾		—	—	—	—	—	—	—	—	—	—	667,650	667,650	—	667,650
Foreign currency translation adjustments ⁽²⁾		—	—	—	—	—	—	—	—	—	—	(1,540,943)	(1,540,943)	(72,541)	(1,613,484)
Valuation adjustments to equity in subsidiaries ⁽³⁾		—	—	—	—	—	—	—	—	—	226,073	—	226,073	33,324	259,397
Total comprehensive income		—	—	—	—	—	—	—	—	—	226,073	(873,293)	6,427,983	(103,466)	5,677,297
Purchase of treasury shares		—	—	—	—	—	(3,847,080)	—	—	—	—	—	(3,847,080)	—	(3,847,080)
Sales of treasury shares		—	—	—	—	—	1,260,731	—	(19,480)	—	—	—	1,241,251	—	1,241,251
Cancellation of treasury shares		—	—	—	—	—	2,879,309	—	(2,879,309)	—	—	—	—	—	—
Share-based compensation		—	—	22,982	—	—	—	—	—	—	—	—	22,982	5,682	28,664
Treasury shares used in stock option plan		—	—	—	(1,798)	—	4,523	—	(2,725)	—	—	—	—	—	—
Realization of other reserves		—	—	—	—	(2,548)	—	—	—	—	—	2,548	—	—	—
Additional dividends distributed		—	—	—	—	—	—	—	—	(1,419,037)	—	—	(1,419,037)	—	(1,419,037)
Distribution of interim dividends		—	—	—	—	—	—	—	—	2,510,938	—	—	(2,510,938)	—	—
White Stripe dividend to non-controlling interest		—	—	—	—	—	—	—	—	—	—	—	—	(13,683)	(13,683)
Others		—	—	—	—	—	—	—	—	—	—	—	—	1,014	1,014
JUNE 30, 2021		23,576,206	211,879	(656,072)	30,464	46,882	(6,082)	1,003,965	1,841,780	2,510,938	196,804	9,221,844	41,898,201	3,314,414	45,212,615
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		—	—	—	—	—	—	—	—	—	—	9,094,538	9,094,538	628,355	9,722,893
Foreign currency translation adjustments ⁽²⁾	11	—	—	—	—	—	—	—	—	—	—	(5,467,072)	(5,467,072)	(399,528)	(5,866,600)
Net exchange differences from translation of foreign operations taken to equity ⁽⁴⁾		—	—	—	—	—	—	—	—	—	—	713,711	713,711	—	713,711
Valuation adjustments to equity in subsidiaries ⁽³⁾		—	—	—	—	—	—	—	—	—	57,627	—	57,627	12,829	70,456
Gain (loss) on cash flow hedge ⁽⁵⁾	27 c3.1	—	—	—	—	—	—	—	—	—	(306,950)	—	(306,950)	—	(306,950)
Total comprehensive income		—	—	—	—	—	—	—	—	—	(249,323)	(4,753,361)	9,094,538	241,656	4,333,510
Purchase of treasury shares	21 b1	—	—	—	—	—	(3,648,028)	—	—	—	—	—	(3,648,028)	—	(3,648,028)
Sales of treasury shares	21 b1	—	—	—	—	—	834,181	—	(9,931)	—	—	—	824,250	—	824,250
Cancellation of treasury shares	21 b1	—	—	—	—	—	5,851,685	—	(5,851,685)	—	—	—	—	—	—
Share-based compensation		—	—	19,471	—	—	—	—	—	—	—	—	19,471	4,612	24,083
Realization of other reserves		—	—	—	—	(4,207)	—	—	—	—	—	4,207	—	—	—
PPC share repurchase		—	—	(272,838)	—	—	—	—	—	—	—	—	(272,838)	(309,621)	(582,459)
Distribution of interim dividends	21 b2	—	—	—	—	—	—	—	(2,218,116)	—	—	—	(2,218,116)	—	(2,218,116)
Dividends to non-controlling interest		—	—	—	—	—	—	—	—	—	—	—	—	(9,592)	(9,592)
Others		—	—	—	—	—	—	—	—	—	—	—	—	1,074	1,074
JUNE 30, 2022		23,576,206	211,879	(881,566)	30,464	39,750	—	2,028,293	3,377,568	—	85,323	5,349,223	42,915,885	3,605,557	46,521,442

⁽¹⁾ Refers to changes in the equity of investees arising from PPC's share repurchase and share-based compensation.

⁽²⁾ Accumulated translation adjustments and exchange variation in subsidiaries

⁽³⁾ Valuation adjustments to equity arising from derivative financial instruments and defined benefit plans in the indirect subsidiary JBS USA.

⁽⁴⁾ Refers to the capitalization of exchange variation of intercompany balances between JBS S.A. and its 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 condensed financial statements.



JBS S.A.
Statements of cash flows for the six month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Company		Consolidated	
	2022	2021	2022	2021
Cash flows from operating activities				
Net income	9,094,538	6,427,983	9,722,893	6,363,734
Adjustments for:				
Depreciation and amortization	394,603	350,965	4,789,968	4,239,572
Allowance for doubtful accounts	24,987	18,872	41,222	33,233
Share of profit of equity-accounted investees	(9,612,772)	(7,810,450)	(36,027)	(38,880)
(Gain) loss on assets sales	3,383	(6,395)	4,721	(35,369)
Tax expense	414,554	1,210,453	2,696,749	3,366,094
Finance expense (income), net	746,903	547,532	2,722,286	2,381,684
Share-based compensation	—	—	24,083	28,664
Provisions	18,370	64,719	88,434	115,280
Net realizable value inventory adjustments	(1,103)	32	27,944	16,684
DOJ and Antitrust agreements	—	—	327,325	2,381,260
Fair value (market to market) of biological assets	—	—	152,912	185,407
Extemporaneous tax credits impacts	—	(34,421)	—	(109,583)
	1,083,463	769,290	20,562,510	18,864,780
Changes in assets and liabilities:				
Trade accounts receivable	940,251	60,260	(1,975,224)	(3,039,741)
Inventories	(114,296)	(2,120,324)	(3,019,095)	(5,371,016)
Recoverable taxes	(1,030,558)	(211,448)	(1,768,241)	(220,662)
Other current and noncurrent assets	264,684	(181,388)	590,285	(312,238)
Biological assets	—	—	(2,612,465)	(2,903,678)
Trade accounts payable and supply chain finance	(1,236,296)	(324,689)	(2,507,092)	1,443,239
Taxes payments in installments	(194,726)	(173,069)	(195,952)	(173,069)
Other current and noncurrent liabilities	131,511	350,492	(532,691)	97,823
DOJ and Antitrust agreements payment	—	—	(873,107)	(1,358,780)
Income taxes paid	—	—	(3,196,129)	(1,867,675)
	(1,239,430)	(2,600,166)	(16,089,711)	(13,705,797)
Cash provided by (used in) operating activities	(155,967)	(1,830,876)	4,472,799	5,158,983
Interest paid	(517,369)	(226,856)	(2,384,177)	(1,860,384)
Interest received	42,492	23,611	272,755	87,909
	(630,844)	(2,034,121)	2,361,377	3,386,508
Net cash of interest provided by (used in) operating activities				
Cash flow from investing activities				
Purchases of property, plant and equipment	(636,924)	(620,255)	(4,817,066)	(3,691,040)
(Purchases) Proceeds of intangible assets	(3,888)	(3,213)	61,600	(24,140)
Proceeds from sale of property, plant and equipment	19,091	43,287	50,020	173,433
Additional investments in joint-ventures and subsidiaries	—	(752)	(10,811)	(6,167)
Acquisitions, net of cash acquired	—	—	(739,057)	(2,071,772)
Dividends received	6,000	12,500	6,000	12,500
Related party transactions	6,195,246	3,378,402	1,301	—
	5,579,525	2,809,969	(5,448,013)	(5,607,186)
Cash flow from financing activities				
Proceeds from loans and financings	5,134,977	8,571,107	28,081,190	25,925,000
Payments of loans and financings	(3,355,186)	(2,080,415)	(19,877,009)	(18,597,064)
Derivatives instruments received/settled	(1,024,954)	(45,232)	(1,126,416)	(270,125)
Margin cash	153,590	(48,984)	427,317	(1,281,133)
Dividends paid	(2,218,126)	(2,511,103)	(2,218,126)	(2,511,103)
Dividends paid to non-controlling interest	—	—	(9,592)	(14,691)
PPC share repurchase	—	—	(582,459)	—
Purchase of treasury shares	(3,648,028)	(3,847,080)	(3,648,028)	(3,847,080)
Sales of treasury shares	824,250	1,241,251	824,250	1,241,251
Payments of leases	(15,607)	(14,924)	(1,103,797)	(854,007)
	(4,149,084)	1,264,620	767,330	(208,952)
Cash provided by (used in) financing activities				
Effect of exchange rate changes on cash and cash equivalents	(104,909)	(142,887)	(1,589,411)	(409,513)
Net change in cash and cash equivalents	694,688	1,897,581	(3,908,717)	(2,839,143)
Cash and cash equivalents beginning of period	2,654,374	3,351,911	23,239,150	19,679,743
Cash and cash equivalents at the end of period	3,349,062	5,249,492	19,330,433	16,840,600

Non-cash transactions:

	Company		Consolidated	
	2022	2021	2022	2021
New lease contracts	7,021	2,974	1,326,294	796,838
Flora tax credit assignment agreement	10,942	–	10,942	–
Hedge accounting - Deferred tax	–	–	22,227	–
Hedge accounting - Transference from OCI to inventories	–	–	182,505	–
Hedge accounting - MTM derivatives recognized under OCI	–	–	427,785	–
Capitalised interests	(31,770)	(20,567)	(102,013)	(87,414)
Tax debit compensation	(620,832)	–	(1,151,583)	–
Increase/decrease in share capital subsidiaries through assumption of debt	(11,449,479)	–	–	–
Cancellation of treasury shares	(5,851,685)	–	(5,851,685)	–
Reclassification of negative investments	–	2,148	–	–
Treasury shares used in stock option plan	–	1,798	–	1,798

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

JBS S.A.
Economic value added the six month period ended at June 30, 2022 and 2021
In thousands of Brazilian Reais - R\$

	Company		Consolidated	
	2022	2021	2022	2021
Revenue				
Sales of goods and services	26,997,451	23,744,469	184,763,947	162,601,666
Other income (expense)	(398)	7,326	18,697	72,969
Allowance for doubtful accounts	(24,987)	(18,872)	(41,222)	(33,233)
	<u>26,972,066</u>	<u>23,732,923</u>	<u>184,741,422</u>	<u>162,641,402</u>
Goods				
Cost of services and goods sold	(21,109,131)	(19,266,373)	(108,603,335)	(96,626,007)
Materials, energy, services from third parties and others	(3,232,112)	(2,237,676)	(33,049,313)	(29,093,292)
	<u>(24,341,243)</u>	<u>(21,504,049)</u>	<u>(141,652,648)</u>	<u>(125,719,299)</u>
Gross added value	<u>2,630,823</u>	<u>2,228,874</u>	<u>43,088,774</u>	<u>36,922,103</u>
Depreciation and Amortization	<u>(394,603)</u>	<u>(350,965)</u>	<u>(4,789,968)</u>	<u>(4,239,572)</u>
Net added value generated	<u>2,236,220</u>	<u>1,877,909</u>	<u>38,298,806</u>	<u>32,682,531</u>
Net added value by transfer				
Share of profit of equity-accounted investees, net of tax	9,612,772	7,810,450	36,027	38,880
Financial income	2,334,961	623,852	3,227,582	1,162,281
Others	14,702	(709)	84,470	69,947
	<u>11,962,435</u>	<u>8,433,593</u>	<u>3,348,079</u>	<u>1,271,108</u>
NET ADDED VALUE TOTAL TO DISTRIBUTION	<u>14,198,655</u>	<u>10,311,502</u>	<u>41,646,885</u>	<u>33,953,639</u>
DISTRIBUTION OF ADDED VALUE				
Labor				
Salaries	1,300,300	1,043,510	17,474,619	15,418,046
Benefits	187,838	163,793	3,407,158	3,186,256
FGTS (Brazilian Labor Social Charge)	79,439	73,229	212,732	186,250
	<u>1,567,577</u>	<u>1,280,532</u>	<u>21,094,509</u>	<u>18,790,552</u>
Taxes and contribution				
Federal	194,249	927,618	3,047,902	3,447,816
State	277,777	480,012	999,917	1,194,627
Municipal	11,240	9,335	12,017	10,162
	<u>483,266</u>	<u>1,416,965</u>	<u>4,059,836</u>	<u>4,652,605</u>
Capital Remuneration from third parties				
Interests and exchange variation	2,987,582	1,142,997	5,083,424	3,104,190
Rents	24,603	23,507	360,200	301,914
Others	41,089	19,518	1,326,023	740,644
	<u>3,053,274</u>	<u>1,186,022</u>	<u>6,769,647</u>	<u>4,146,748</u>
Owned capital remuneration				
Net income attributable to company shareholders	9,094,538	6,427,983	9,094,538	6,427,983
Non-controlling interest	—	—	628,355	(64,249)
	<u>9,094,538</u>	<u>6,427,983</u>	<u>9,722,893</u>	<u>6,363,734</u>
ADDED VALUE TOTAL DISTRIBUTED	<u>14,198,655</u>	<u>10,311,502</u>	<u>41,646,885</u>	<u>33,953,639</u>

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

JBS S.A.

Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

1 Operating activities

JBS S.A. ("JBS" or the "Company"), is a company listed on the "Novo Mercado" (B3 - Bolsa de Valores, Mercadorias & Futuros) under the ticker symbol "JBSS3". JBS also trades its American Depository Receipts over-the-counter under the symbol "JBASAY".

The Company along with its subsidiaries ("Company" or "Consolidated") is the world's largest company in processing animal protein as measured by total revenue.

The issuance of these individual and consolidated financial statements was approved by the Board of Directors on August 11, 2022.

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

a. Main operating events that occurred during the period:

a1. Socio-Environmental programs:

In connection with the Company's global strategy, a global governance structure for sustainability and related themes was created. In Brazil, there is a Corporate Sustainability Department, and each business has its own board division to guide the themes. Discussions of strategic and global issues are handled by the Socio-Environmental Responsibility Committee, that is responsible for advising the Board of Directors. The committee is coordinated by the Chairman of the Board. Likewise, in JBS USA, the leadership figure is represented by the Director of Corporate Affairs and Sustainability ("CSO"), who coordinates the work of regional sustainability departments and reports directly to the Executive Director. The governance structure also includes an Independent Advisory Board, which advises the team. These structures promote engagement around the commitment to sustainable performance, establish guidelines, policies and activities related to the matter, and act as the Company's communication interface with its stakeholders.

The Company is part of several projects that promote initiatives in the most diverse themes and locations in the national territory.

In the social area, since 2020, the Company continues with the program "Fazer o Bem Faz Bem", which benefited 300 municipalities in 26 Brazilian states and the Federal District, impacting million of people, focusing on the struggle against the Covid-19 pandemic. The program carried out the construction of permanent hospitals and donations of several items such as food, hygiene and cleaning products, PPE's and others. In Brazil, up to this date, the donations reach a total amount of R\$368,517 (R\$11,657 at June 30, 2022). Abroad, by the end of 2021, JBS USA, with Pilgrim's Pride Corporation ("PPC"), already invested more than, approximately, US\$760 million (R\$3.98 billion at June 30, 2022), through the Hometown Strong program, in initiatives to support its employees and communities where they are present in the United States, in line with its continuous efforts in sustainability and social responsibility. The initiatives to combat the new Coronavirus proliferation remain the same given the various investments made by the Company in order to protect its employees, including training, air purification in the ventilation systems, among others. The Company reiterates that it will maintain its efforts to continuously meet the demand for food in the world. At this moment, there were no significant impacts in the Company's operation and no significant effects were identified that could affect the recoverability of the assets, or change the measurement of expected losses in these statements.

In the environmental area, the Company has a global commitment named Net Zero 2040 ("Net Zero") which consists in net zero greenhouse gas emissions, reducing its direct and indirect emissions and offsetting all residual emissions. The Company elaborated an agenda, which is still being developed, supported by goals based on science. All goals targets were established based on the Science-Based Targets initiative (SBTi). As part of the agenda created, the Company launched "No Carbon" a business specialized in leasing 100% electric trucks; it launched the "Campo Forte Fertilizantes", its own production of special organic, organomineral fertilizers; creation of Green Offices (offering free legal and environmental advice to assist to cattle producers in the environmental regularization of their properties), facilitating access to rural credit for producers in their supply chain by indicating Banco do Brasil and Bradesco (Brazilian financial institutions); formation of a partnership between the Company and the Sustainable Development Initiative (SDI) for the sustainable production of calves in Brazil; the acquisition of part of the energy produced by the Photovoltaic Plant (PVP) belonging to Âmbor Energia, an energy solutions company which belong to the J&F group, through Seara Alimentos and Swift for their operations.

In addition, the Company launched the "Abrace o Pantanal" project, which is one of the world's largest projects for environmental preservation through rapid detection and better firefighting through early fire detection, rapid response from strongly equipped forestry brigades and the generation of analytical, operational and community impact data. The project's initiatives extend over a territory of 2.5 million hectares of native areas of the Pantanal, which is a natural region containing the world's largest tropical wetland area, located mostly in Brazil. The Pantanal area one of the most important biomes in the world.

Furthermore, the Company expanded its operations with a new biodiesel plant in the city of Mafra, Santa Catarina, Brazil. With an investment of R\$180,000, the new plant added 369 million liters per year to its production base. With the new plant operating, the Company's total biodiesel production capacity has leapt from 350 million to around 720 million liters a year, accounting for just over 10% of the volume of 6.76 billion liters of biofuel produced in 2021, in Brazil. To produce biodiesel in Mafra, the Company will use as raw materials recycled cooking oil and soybean oil originating from grain crushing to produce meal that feeds poultry and pigs.

And, the Company was once again chosen to be part of B3's Carbon Efficient Index (ICO2) portfolio. This is yet another acknowledgment of the Company's efforts and sustainable practices, since the publicly traded companies participating in the index are those committed to the best management practices for greenhouse gas emissions.

a2. Analysis of the impacts from Russia and Ukraine conflict:

In reference to the conflict between Russia and Ukraine, the Company continues to monitor the evolution and development and its potential impacts on its operations. The Company does not have a manufacturing operation in these countries, and its monitoring the economic effects in the sector and on its operations as a result of this conflict, until the date of approval of these financial statements, no significant impacts have been measured.

a3. Relevant events in the quarter:

a3.1 On April 15, 2022, the Company concluded the issuance of private debentures in the amount of R\$1.2 billion, in three series maturing in 5 and 15 years, intended for the formation of Agribusiness Credit Rights that will constitute a guarantee for the Public Offering of Certificates of Agribusiness receivables.

a3.2 On May 9, 2022, the Company through its indirect subsidiary JBS Global Luxembourg S.à.r.l, concluded the acquisition of 51% of BioTech Foods, SL ("BioTech") shares. BioTech Foods is one of the leaders in the development of biotechnology for the production of cultivated protein. The acquisition marks the company's entry into the cultivated protein market, which consists of the production of food from animal cells.

a3.3 On May 11, 2022, the Company cancelled 26,685,500 common shares held in treasury at this date. Also, a new Share Buyback Program was approved which the Company may acquire up to 10% of the outstanding shares. The buyback program expiration date is in 18 months starting from May 11th, 2022.

a3.4 On May 11, 2022, the Company submitted and received approval at the Board of Directors meeting, a proposal to distribute interim dividends referring to the net income arising from the year ended at December 31, 2021, in the amount of R\$2.22 billion which was distributed at May 24, 2022. The shareholder base was May 16, 2022.

a3.5 On June 2, 2022, the rating agency Standard & Poor's (S&P) upgraded JBS S.A. credit rating from BB+ to BBB- (investment grade), with a stable outlook.

a3.6 On June 6, 2022, the Company indirect subsidiaries JBS USA Lux. S.A, JBS USA Finance, Inc. and JBS USA Food Company issued seniors notes in the amount of US\$500 million (R\$2.62 billion at June 30, 2022), at 5.13% per year, due 2028 ("JBS Lux 5.13% Notes 2028"), US\$1.25 billion (R\$6.55 billion at June 30, 2022), at 5.75% per year, due 2033 ("JBS Lux 5.75% Notes 2033"), and US\$750 million (R\$3.93 billion at June 30, 2022), at 6.50% per year, due 2052 ("JBS Lux 6.50% Notes 2052"). The Company used the net proceeds to complete the payment of the JBS Lux 6.75% Notes 2028 and JBS Lux 6.50% Notes 2029.

b. Subsequent events:

b1. On July 22, 2022, the Company has announced that Wesley Batista Filho, President of Operations - Latin America, Oceania and Plant-Based, will assume the role of Global President of Operations, from November 1, 2022. The President of Operations - North of America, André Nogueira, will resign on the same date and will assume an advisory position until the end of 2022, when he will join JBS USA's advisory board.

b2. On July 28, 2022, the Company has announced the advance payment of US\$500 million (R\$2.62 billion at June 30, 2022) of the Term loan JBS Lux 2026, which is in line with the Company's liability management strategy.

b3. On August 2, 2022, the indirect subsidiary JBS USA Lux S.A announced the exchange offers for the senior notes in the amount of US\$1 billion (R\$5.24 billion at June 30, 2022), at 2.50% per year, due 2027 ("JBS Lux 2.50% Notes 2027"), and US\$1 billion (R\$5.24 billion at June 30, 2022), at 3.63% per year, due 2032 ("JBS Lux 3.63% Notes 2032") for new notes to be issued by indirect subsidiaries JBS USA Lux S.A., JBS USA Food Company and JBS USA Finance, with the same financial conditions. Also, JBS USA Lux S.A. has sent consent requests to holders of certain senior notes for compliance with certain restrictive provisions and terms (in addition to other terms and conditions) set forth by the indentures that rule each of the Notes.

JBS S.A.

Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

b4. From July 1, 2022 until the approval of these financial statements, the Company's indirect subsidiary Pilgrim's Pride Corporation ("PPC") repurchased 239,083 shares in the amount of US\$7.2 million (R\$37.4 at June 30, 2022). In this way, the indirect subsidiary JBS USA, increased the shareholding at PPC to 81,7% of capital stock.

2 Basis of preparation and presentation of financial statements

The condensed financial statements (individual and consolidated) were prepared in accordance with IAS 34/CPC 21 (R1) - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") and the Brazilian Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis - "CPC"). The information disclosed in these financial statements do not meet all the disclosure requirements for the presentation of full annual financial statements and thus should be read in conjunction with the consolidated financial statements for the year ended in December 31, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil issued by CPC and approved by the Brazilian Securities Commission ("CVM"). Therefore these condensed financial statements as of June 30, 2022 are not disclosed fully when compared to the financial statements for the year ended December 31, 2021, approved by the Board of Directors on March 21, 2022.

a. Functional and representation currency

The functional currency of a company is the local currency within the primary economic environment in which it operates. These condensed individual and consolidated financial statements are presented in Brazilian Reais (R\$), which is the Company's reporting and functional currency. All financial information is presented in thousands of Reais and the disclosure of other amounts in currencies other than Reais when necessary, except when otherwise indicated.

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

b1. IAS 39/CPC 38, IFRS 7/CPC 40 (R2) and IFRS 9/CPC 48 - Reference interest rate reform - Phase 2

As of January 1, 2021, entered into force, the change due to the reform of the reference interest rate, related to the forecast to discontinue the use of the London Interbank Offered Rate (LIBOR) as a reference interest rate after 2021. New contracts are negotiated at the Overnight Guaranteed Financing Rate ("SOFR"), and the current contracts remain indexed to LIBOR until the settlement date, without conversion impacts.

b2. IAS 37/CPC 25 - Provisions, Contingent Liabilities and Contingent Assets

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

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

c1. IAS 8/CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors

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

c2. IAS 12/CPC 32 - Income Taxes

As of January 1, 2023, the changes are aimed at limit the scope of the exemption from recognition of deferred tax assets and deferred tax liabilities, so that it no longer applies to transactions that, among other things, on initial recognition, give rise to equal taxable and deductible temporary differences. So, a deferred tax asset and a deferred tax liabilities should be recognized for temporary differences generated at time of the initial recognition of a lease or a liability provision for dismantling and removal of leased equipments. The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

There are no other standards, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.

3 Business Combination

The business combinations acquisitions are present below, for materiality purposes, business combinations are considered significant when the total of assets exceeds R\$100,000, occurred during the current year. Acquisitions are paid with cash and cash equivalents, except where otherwise indicated.

Acquired company	Acquiror	(%) of voting interests acquired	Background and rationale for acquisition	Goodwill deductible for tax	Acquisition date	Acquisition price	Goodwill
BioTech Foods, S.L ("Biotech")	JBS Global Luxembourg S.à r.l.	51%	Located in Spain, it develops technology from animal cells and is one of the leaders in the development of biotechnology for the production of cultivated protein. The technology has potential not only for the production of beef protein, but also for chicken, pork and fish.	No	05.09.22	189,259	90,874
Grupo King's ("King's")	Rigamonti Salumificio SpA	100%	Operates in Italy and in the United States and is the market leader in the production of Prosciutto di San Daniele D.O.P. (raw ham) and is an important player in the production of Prosciutto di Parma D.O.P. (raw ham). King's acquisition makes the Company one of the leaders in Italian 'salumeria'.	No	02.04.22	492,492	116,394
Rivalea Holdings Pty Ltd ("Rivalea")	Primo Foods Pty. Ltd.	100%	Operates in Australia and is the market leader in hog breeding and processing, with an extensive product line in various categories and vertically integrated. Rivalea's acquisition increases the volumes of value added products and opens new sales opportunities.	-	01.04.22	648,171	-
Sunnyvalley Smoked Meats, Inc. ("Sunnyvalley")	Plumrose USA, Inc.	100%	Operates in the United States and produces a variety of quality smoked bacon, ham and turkey products to sale at retail and wholesale customers. Expands the Company's presence in the value-added and branded product categories.	No ⁽¹⁾	12.01.21	527,749	101,739
Pilgrim's Food Masters ("PFM")	Pilgrim's Pride Corporation	100%	Operates in the United Kingdom and strengthens PPC's position as one of the leading food companies in Europe, creating one of the largest integrated platforms in the world, with a branded portfolio of value-added products.	No ⁽¹⁾	09.24.21	5,123,344	1,888,163

⁽¹⁾ In the United States of America, goodwill arising from stock acquisitions are not tax deductible.

JBS S.A.

Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

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

FAIR VALUE	Acquisitions				
	2022			2021	
	Biotech	King's	Rivalea	Sunnyvalley	PFM
Cash and cash equivalents	189,672	184,000	173,887	8,042	604
Trade accounts receivable	–	175,694	82,759	57,779	39,468
Inventories	–	226,162	156,498	35,629	322,396
Biological assets	–	–	255,590	–	–
Deferred income taxes assets	3,756	–	70,264	–	–
Property, plant and equipment	6,483	249,832	379,411	175,136	1,320,406
Right of use assets	–	–	81,141	–	78,261
Intangible assets	206	113,675	–	269,319	2,218,144
Other assets	4,885	58,162	35,612	1,561	11,017
ASSETS	205,002	1,007,525	1,235,162	547,466	3,990,296
Trade accounts payable	1,798	342,492	142,958	36,893	26,832
Loans and financing	4,673	36,132	231,253	–	–
Accrued income taxes, other taxes, payroll and social charges	214	48,258	–	–	–
Lease liabilities	–	–	81,141	–	101,494
Current and deferred income taxes	1,160	264	46,126	78,936	612,836
Related part transactions	–	174,174	–	–	–
Other liabilities	4,245	30,108	85,513	5,627	13,953
LIABILITIES	12,090	631,428	586,991	121,456	755,115
Net assets and liabilities	192,912	376,097	648,171	426,010	3,235,181
Proportionate ownership acquired	98,385	376,097	648,171	426,010	3,235,181
Acquisition price	189,259	492,492	648,171	527,749	5,123,344
Goodwill	90,874	116,395	–	101,739	1,888,163

The non-material acquisitions are demonstrated below:

Business	Acquirer	Acquisition date	% of voting interests acquired	Acquisition price	Goodwill	Goodwill deductible for tax
Randall Parker	Pilgrim's Pride Corporation	November/2021	100%	72,526	8,329	No
Bait Almakoolat Food Industries LLC (BMF)	Seara Alimentos	Mai/2021	100%	43,876	13,037	Yes

4 Cash and cash equivalents

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Cash on hand and at banks	1,567,870	2,371,119	9,216,780	17,287,352
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic)	1,781,192	283,255	10,113,653	5,951,798
	3,349,062	2,654,374	19,330,433	23,239,150

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Margin cash ⁽¹⁾	–	–	420,954	451,784
Treasury bills ⁽²⁾	15,218	168,808	355,218	793,570
Margin cash total	15,218	168,808	776,172	1,245,354

⁽¹⁾ Margin kept as collateral at the bank when hiring exchange traded futures contracts. The cash is redeemable when the contracts are settled, therefore they are not considered as cash and cash equivalents.

⁽²⁾ Treasury bills bound to the Consumer Price Index ("CPI"). The bills guarantee protection against inflation (deflation as well) when carried out up to its maturity.

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5 Trade accounts receivable

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Receivables not due yet				
Domestic	1,152,425	916,333	8,697,079	10,925,146
Foreign	1,722,198	2,877,587	6,184,856	6,138,726
Subtotal	2,874,623	3,793,920	14,881,935	17,063,872
Overdue receivables:				
From 1 to 30 days	276,744	313,547	4,739,392	2,109,894
From 31 to 60 days	44,203	82,983	531,986	391,861
From 61 to 90 days	13,519	48,028	318,608	140,951
Above 90 days	345,043	294,152	951,458	655,633
Allowance for credit losses	(254,487)	(262,431)	(447,494)	(459,378)
Adjustment to present value	(8,982)	(10,797)	(28,916)	(25,425)
Subtotal	416,040	465,482	6,065,034	2,813,536
	3,290,663	4,259,402	20,946,969	19,877,408

Changes in allowance for credit losses:

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Balance at the beginning of the period	(262,431)	(233,708)	(459,378)	(413,856)
Acquired in business combinations	–	–	–	(107)
Additions	(24,987)	(35,539)	(41,222)	(65,460)
Write-offs (Reversals)	20,112	25,779	27,237	45,121
Exchange rate variation	12,819	(18,963)	25,869	(25,076)
Balance at the end of the period	(254,487)	(262,431)	(447,494)	(459,378)

During the second quarter of 2022, the increase in all aging list lines was due to logistic problems which caused a slow pace in the ports, specially in the foreign market, that impacted in a general delay in the delivery of goods. The goods withdraw at the ports is subject to the settlement of open invoices, thus, there is no addition in the allowance for credit losses.

6 Inventories

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021 ^(*)
Finished products	3,775,239	3,801,574	18,420,521	16,323,968
Work-in-process	552,620	683,679	2,811,884	2,609,666
Raw materials	540,601	279,817	4,071,751	4,057,909
Supplies	354,983	342,974	3,428,192	3,550,466
	5,223,443	5,108,044	28,732,348	26,542,009

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

The changes in the net realizable value inventory adjustments accrual, which its offset is recognized in these financial statements as "Cost of sales", are presented below:

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Balance at the beginning of the period	(6,742)	(6,746)	(248,637)	(182,409)
Additions	(680)	(937)	(213,375)	(234,876)
Write-offs	1,783	941	185,431	176,021
Exchange rate variation	–	–	2,400	(7,373)
Balance at the end of the period	(5,639)	(6,742)	(274,181)	(248,637)

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7 Biological assets

Changes in biological assets:

	Consolidated			
	Current		Noncurrent	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Balance at the beginning of the period	7,420,848	5,115,720	2,245,019	1,778,565
Acquired in business combination ⁽¹⁾	183,617	952,738	71,973	80,836
Increase by reproduction (born) and cost to reach maturity	29,401,033	54,243,224	1,823,340	3,198,452
Reduction for slaughter, sale or consumption	(28,951,060)	(56,177,174)	(127,221)	(285,443)
Increase by purchase	1,267,256	2,287,634	415,743	865,509
Decrease by death	(658,782)	(180,346)	(31,863)	(52,435)
Changes fair value	(153,007)	(175,014)	95	398
Transfer between current and noncurrent	707,753	1,138,400	(707,753)	(1,138,400)
Exchange rate variation	(885,858)	215,666	(131,409)	98,307
Amortization	—	—	(1,230,243)	(2,300,770)
Balance at the end of the period	8,331,800	7,420,848	2,327,681	2,245,019

⁽¹⁾ Refers to Rivealea's acquisition in the first quarter of 2022, as described in footnote 3 - Business Combination.

8 Recoverable taxes

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Value-added tax on sales and services - (ICMS/IVA/VAT/GST)	1,910,506	1,573,970	4,816,016	4,370,426
Social contribution on billings - PIS and COFINS	1,485,110	1,422,265	2,559,647	2,507,232
Withholding income tax - IRRF/IRPJ	2,629,103	3,032,564	3,931,088	3,963,352
Excise tax - IPI	33,812	40,063	151,528	165,950
Reintegra	31,010	29,832	48,883	47,069
Other	23,585	23,584	40,013	41,593
	6,113,126	6,122,278	11,547,175	11,095,622
Breakdown				
Current	1,202,885	1,139,385	3,607,066	3,204,923
Noncurrent	4,910,241	4,982,893	7,940,109	7,890,699
	6,113,126	6,122,278	11,547,175	11,095,622

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 prices and conditions established between the parties. 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:

	Currency	Costs transfer (administrative and funding)	Company		Statement of financial position accounts		Financial income (expense)	
			June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	2022	2021
Related party receivables			459,598	4,032,213				
Related party payables			(19,466,371)	(30,273,357)				
			(19,006,773)	(26,241,144)				
Direct subsidiaries								
JBS Finance Luxembourg S.à.r.l ⁽¹⁾	US\$	2.52% to 3.64% p.y.	—	(11,079,225)		(74,322)		(7,632)
Brazservice Ltda.	R\$	CDI + 4% p.y.	33,734	43,959		2,607		516
Enersea Ltda.	R\$	CDI + 4% p.y.	9,207	8,881		626		1
JBS Embalagens Metálicas Ltda	R\$	CDI + 4% p.y.	5	23		1		—
JBS Confinamento Ltda.	R\$	CDI + 4% p.y.	(3,381)	447,083		9,632		5,066
JBS Investments Luxembourg S.à.r.l. ⁽¹⁾	US\$	2.52% to 3.64% p.y.	(9,916,484)	17,615		(77,699)		—
JBS Investments II GMBH	US\$	—	—	—		—		(409,817)
Indirect subsidiaries								
JBS Leather Paraguay Srl	GUA	7.00% p.y.	10,318	10,687		236		265
Seara Alimentos Ltda.	R\$	CDI + 4% p.y.	(3,992,805)	3,086,263		(63,876)		41,229
JBS Luxembourg S.à.r.l ⁽²⁾	US\$	1.83% to 7.3% p.y.	(5,553,701)	(19,194,132)		(183,943)		—
Other related parties								
J&F Oklahoma Holdings, Inc. ⁽³⁾	US\$	3.4% ^(*)	396,183	417,702		(7,412)		8,772
Flora Produtos de Higiene e Limpeza S.A. ⁽⁴⁾	R\$	Selic	10,151	—		358		—
Total			(19,006,773)	(26,241,144)		(393,792)		(361,600)

^(*) Rate for the contract period.

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Related party receivable

J&F Oklahoma Holdings Inc ⁽³⁾

Flora Produtos de Higiene e Limpeza S.A. ⁽⁴⁾

Consolidated	
June 30, 2022	December 31, 2021
396,183	417,702
10,151	—
406,334	417,702

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

⁽¹⁾ On March 30, 2022, the Company's direct subsidiary JBS Finance Luxembourg S.à.r.l. transferred the prepayment export (PPE) balance receivable with the Company to the direct subsidiary JBS Investments Luxembourg S.à.r.l.

⁽²⁾ On December 2021, the subsidiary JBS Investments II GmbH transferred the prepayment export (PPE), receivable balance after its incorporation to the indirect subsidiary JBS Luxembourg S.a.r.l.

⁽³⁾ On December 2019, the Company undertook the credits previously held by its indirect subsidiary Moyer Distribution with J&F Oklahoma Holdings Inc. arising from a credit line granted due to the cattle purchase operation in the USA.

⁽⁴⁾ The Receita Federal do Brasil (Brazilian Internal Revenue Service) ("RFB") compensated tax credits with certain debts, which among these debts (listed by the RFB), were included debts of 2007 from Flora Higiene e Produtos S.A. (related party). If the Company did not agree with the compensation, its credits would be withheld until Flora settled its tax debts. Therefore, the Company entered in a tax credit assignment agreement with Flora, which must be settled until 2023 and updated by the Selic rate, having the same payment flow as an tax payment in installments.

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.

COMPANY	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services provided	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	2022	2021	2022	2021
Direct subsidiaries								
JBS Confinamento Ltda.	2,324	1,552	77,145	174,284	558,436	694,669	6,726	10,911
Brazservice Ltda.	5,681	14,929	10,157	10,596	66,174	43,123	65,708	94,050
Conceria Priante Srl	9,635	10,223	109	—	—	—	20,680	14,199
Enersea Ltda.	—	—	—	—	—	80,534	—	54,921
JBS Toledo N.V.	22,345	62,240	—	—	—	—	150,393	139,754
Indirect subsidiaries								
Seara Alimentos Ltda.	266,972	181,310	48,114	47,522	100,386	92,330	1,385,389	855,950
JBS Global UK Limited	93,445	71,831	—	—	—	—	173,701	153,011
JBS Aves Ltda.	7,175	6,033	20,606	20,911	3,564	4,356	71,555	23,629
Weddel Limited	4,539	18,381	—	—	—	—	18,205	25,001
Sampco, LLC	118,570	167,687	—	3	—	—	408,963	480,200
Meat Snacks Partners do Brasil Ltda.	36,802	15,939	—	44	—	5	330,626	368,599
JBS Asia Limited	—	—	44,635	25,584	40,978	11,204	—	—
JBS Leather Asia Limited	93,189	130,275	—	—	—	—	132,262	145,079
JBS USA Holding Lux S.à.r.l.	2,284	431,135	—	—	—	518	457,276	153,893
Seara Comércio de Alimentos Ltda.	1,144	2,111	1,666	1,690	9,502	8,447	6,454	13,807
JBS Australia Pty. Ltd.	9,327	15,647	—	—	—	—	107,587	115,866
Other related parties								
JBj Agropecuária Ltda.	4,650	2,063	29,992	2,562	523,159	405,493	13,286	8,095
J&F Floresta Agropecuária Ltda.	1,945	6	836	59	13,416	21,569	1,966	231
Flora Produtos de Higiene e Limpeza S.A.	68,330	34,460	—	699	4,504	3	158,448	135,730
Eldorado Brasil Celulose S.A.	351	182	14	—	191	104	4,834	7,403
Banco Original S.A.	8	—	—	—	—	—	37	9
Prima Foods S.A.	—	826	4,611	5,065	55,459	1,017	6,755	5,318
	748,716	1,166,830	237,885	289,019	1,375,769	1,363,372	3,520,851	2,805,656

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 June 30, 2022, the unpaid balance of transferred receivables was R\$966,827 (R\$751,912 at December 31, 2021) in the Company, and R\$2,123,107 (R\$1,834,625 at December 31, 2021) in the Consolidated, respectively. For the six month period ended at June 30, 2022, the Company incurred financial costs related to this operation in the amount of R\$74,402 (R\$30,991 at June 30, 2021) in the Company, and R\$169,886 (R\$77,549 at June 30, 2021) in the Consolidated, respectively, recognized in these financial statements as financial expenses.

At June 30, 2022, the Company and a few of its subsidiaries hold investments with Banco Original, in the amount of R\$474,707 (R\$497,314 at December 31, 2021) in the Company and R\$1,797,592 (R\$1,913,998 at December 31, 2021) in the Consolidated, recognized as cash and cash equivalents, respectively. The short term investments, CDB and similar investments have earnings similar to CDI (Certificado de Depósito Interbancário), according to both maturity and amount established at the start date of the investment, following market practices. For the six month period ended at June 30, 2022, the Company earned interest from these investments in the amount of R\$3,261 (R\$733 at December 31, 2021) in the Company, and R\$7,504 (R\$1,687 at December 31, 2021) in the Consolidated, respectively, recognized in these financial statements as financial income.

The Company enters into purchase agreements for livestock with certain suppliers, including the related party JBj Agropecuária Ltda., ensuring a fixed price when purchasing cattle, without a cash impact in the Company until the maturity date of these commitments. At June 30, 2022 the balance of this transaction was R\$281,515 (R\$167,700 at December 31, 2021). This transaction in these financial statements as trade accounts payable, as disclosed in the footnote 16.

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 six month period ended at June 30, 2022 the Company made donations in the amount of R\$118,039 (R\$25,945 at June 30, 2021) recognized in these financial statements as general and administrative expenses.

In addition, the Company is associated to the JBS Fund For the Amazon, a non-profit association whose objective is to promote and finance initiatives and projects which help develop the Amazon Biome. During the six month period ended at June 30, 2022, the Company donated the amount of R\$3,000 (R\$7,000 at June 30, 2021), recorded under the caption general and administrative expenses.

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

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PicPay salary advance - Employees from the Company can opt to receive a salary advance every day 15 of each month. This advance will be deducted from the employee's salary when the total payroll is paid at month end, without financial charges on the amount advanced.

No allowance for credit losses or bad debts relating to related-party transactions were recorded during the six month period ended at June 30, 2022 and 2021.

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 six month period ended at June 30, 2022 and 2021 is the following:

	2022	2021
Salaries and wages	17,770	14,795
Variable cash compensation	98,000	56,891
	115,770	71,686

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

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Deferred income taxes assets	-	-	2,649,001	1,730,122
Deferred income taxes liabilities	(3,148,741)	(3,141,465)	(6,093,723)	(6,573,946)
	(3,148,741)	(3,141,465)	(3,444,722)	(4,843,824)

a. Composition of deferred tax income and social contribution

	Company		
	December 31, 2021	Income statement	June 30, 2022
Allowance for credit losses	91,840	(3,218)	88,622
Provisions	164,082	3,962	168,044
Adjustment to present value - Trade accounts receivable	3,671	(617)	3,054
Right of use assets	3,622	(860)	2,762
Other temporary differences assets	(15,828)	55,295	39,467
Goodwill amortization	(3,277,762)	-	(3,277,762)
Adjustment to present value - Trade accounts payable	2,694	(793)	1,901
Hedge operations ⁽²⁾	16,236	(38,463)	(22,227)
Trade accounts payable accrual	134,382	(23,326)	111,055
Realization of other reserves	(260,867)	1,857	(259,010)
Other temporary differences liabilities	(3,535)	(1,113)	(4,647)
Deferred taxes, net	(3,141,465)	(7,276)	(3,148,741)

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	Consolidated				
	December 31, 2021	Income statement	Exchange variation	Other adjustments ⁽¹⁾	June 30, 2022
Tax losses and negative basis of social contribution	2,407,989	450,032	(33,952)	–	2,824,069
Allowance for credit losses	126,809	(4,624)	(401)	–	121,784
Provisions	544,132	16,286	–	–	560,418
Adjustment to present value - Trade accounts receivable	45,564	(1,356)	–	–	44,208
Tax credits - Foreign subsidiaries	74,993	(3,266)	(4,432)	(139)	67,156
Biological assets - Foreign subsidiaries	43,612	(10,916)	(2,991)	–	29,705
Labor accidents - Foreign subsidiaries accruals	218,775	(33,255)	(14,618)	–	170,902
Pension plan - Foreign subsidiaries	120,970	36,146	(8,457)	(21,958)	126,701
Trade accounts payable accrual	1,434,391	(135,965)	(79,746)	–	1,218,680
Non-deductible interests - Foreign subsidiaries	32,889	134,982	(1,358)	–	166,513
Right of use assets	33,884	12,281	288	–	46,453
Other temporary differences assets	351,452	27,099	(11,445)	114	367,220
Goodwill amortization	(3,937,854)	(14,986)	24,303	–	(3,928,537)
Adjustment to present value - Trade accounts payable	(33,568)	(7,239)	–	–	(40,807)
Business combinations	(2,565,296)	123,929	155,643	19,914	(2,265,810)
Customer returns accruals - Foreign subsidiaries	(186,478)	19,231	12,054	–	(155,193)
Inventories - Foreign subsidiaries	131,675	147,351	(4,445)	–	274,581
Hedge and hedge accounting operations ⁽²⁾	(150,686)	9,764	1,014	157,330	17,422
Realization of other reserves	(592,204)	8,384	–	–	(583,820)
Depreciation and amortization	(2,748,785)	190,853	177,216	–	(2,380,716)
Other temporary differences liabilities	(196,088)	(82,799)	154,271	(1,035)	(125,651)
Deferred taxes, net	(4,843,824)	881,932	362,944	154,226	(3,444,722)

⁽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 Rivealea 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:

	Company		Consolidated	
	Six month period ended June 30,		Six month period ended June 30,	
	2022	2021	2022	2021
Profit before income taxes (PBT)	9,509,092	7,638,436	12,419,642	9,729,828
Nominal rate	(34)%	(34)%	(34)%	(34)%
Expected tax expense	(3,233,091)	(2,597,068)	(4,222,678)	(3,308,142)
Adjustments to reconcile tax expense:				
Share of profit of equity-accounted investees	3,268,342	2,655,553	12,249	13,219
Investments grants ⁽³⁾	280,945	262,950	483,854	418,549
International rate differences	–	–	1,183,786	1,080,496
Net income arising from foreign subsidiaries ⁽⁴⁾	(642,188)	(1,465,592)	(642,188)	(1,179,802)
Transfer pricing adjustment	(9,312)	–	(9,312)	–
Unrecognized tax benefits ⁽⁵⁾	–	–	234,387	(284,161)
Withholding tax expense - Foreign subsidiaries	–	–	(13,313)	–
Non-taxable interest - Foreign subsidiaries	–	–	227,859	90,874
"Fazer o Bem Faz Bem" program and JBS Found For The Amazon	(544)	(13,495)	(544)	(13,495)
SELIC interests on tax credits ⁽⁶⁾	3,490	–	2,262	–
Other permanent differences	(82,196)	(52,801)	46,889	(183,632)
Current and deferred income tax (expense) benefit	(414,554)	(1,210,453)	(2,696,749)	(3,366,094)
Current income tax expense	(407,278)	(1,190,408)	(3,578,681)	(3,150,607)
Deferred income tax income (expense)	(7,276)	(20,045)	881,932	(215,487)
% IT/PBT	(4.36)%	(15.85)%	(21.71)%	(34.60)%

	Company		Consolidated	
	Six month period ended June 30,		Six month period ended June 30,	
	2022	2021	2022	2021
Adjustments to reconcile tax rate ⁽⁷⁾				
Current and deferred income tax (expense) benefit	(414,554)	(1,210,453)	(2,696,749)	(3,366,094)
Goodwill amortization - Deferred	–	–	14,986	34,370
Unrecognized tax benefits	–	–	(234,387)	246,824
Withholding tax expense - Foreign subsidiaries	–	–	13,313	–
Income tax on realization of other reserves	(1,857)	(1,313)	(8,384)	(7,417)
Current and deferred income tax (expense) - ADJUSTED	(416,411)	(1,211,766)	(2,911,221)	(3,092,317)
Effective income tax rate	(4.38)%	(15.86)%	(23.44)%	(31.78)%

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	Company		Consolidated	
	Three month period ended June 30,		Three month period ended June 30,	
	2022	2021	2022	2021
Profit before income taxes (PBT)	3,989,058	5,026,691	5,206,529	6,247,591
Nominal rate	(34)%	(34)%	(34)%	(34)%
Expected tax expense	(1,356,280)	(1,709,075)	(1,770,220)	(2,124,181)
Adjustments to reconcile tax expense:				
Share of profit of equity-accounted investees	1,615,368	1,725,361	7,094	4,137
Investments grants ⁽³⁾	145,692	135,505	252,923	216,752
International rate differences	–	–	522,237	410,350
Net income arising from foreign subsidiaries ⁽⁴⁾	(263,547)	(758,292)	(263,547)	(741,640)
Transfer pricing adjustment	(1,446)	–	(1,446)	–
Unrecognized tax benefits ⁽⁵⁾	–	–	342,355	327,465
Withholding tax expense - Foreign subsidiaries	–	–	(13,313)	–
Non-taxable interest - Foreign subsidiaries	–	–	121,305	12,418
"Fazer o Bem Faz Bem" program and JBS Found For The Amazon	(21)	(13,495)	(21)	(13,495)
SELIC interests on tax credits ⁽⁶⁾	1,787	–	(4,204)	–
Other permanent differences	(178,346)	(24,233)	(115,617)	(131,242)
Current and deferred income tax (expense) benefit	(36,793)	(644,229)	(922,454)	(2,039,436)
Current income tax expense	(28,636)	(664,131)	(1,630,077)	(1,990,904)
Deferred income tax income (expense)	(8,157)	19,902	707,623	(48,532)
	(36,793)	(644,229)	(922,454)	(2,039,436)
% IT/PBT	(0.92)%	(12.82)%	(17.72)%	(32.64)%

	Company		Consolidated	
	Three month period ended June 30,		Three month period ended June 30,	
	2022	2021	2022	2021
Adjustments to reconcile tax rate ⁽⁷⁾				
Current and deferred income tax (expense) benefit	(36,793)	(644,229)	(922,454)	(2,039,436)
Goodwill amortization - Deferred	–	–	–	19,869
Unrecognized tax benefits	–	–	(342,355)	(331,372)
Income tax on realization of other reserves	(927)	(696)	(4,258)	(3,742)
Current and deferred income tax (expense) benefit - ADJUSTED	(37,720)	(644,925)	(1,269,067)	(2,354,681)
Effective income tax rate	(0.95)%	(12.83)%	(24.37)%	(37.69)%

⁽³⁾ The Company and its subsidiaries recognize investments grants given by State governments which are mainly presumed and/or granted ICMS (Value-added tax on sales and services) credits which are granted as a encouragement to implement or expand economic enterprises. In other jurisdictions, the Company recognizes investments grants related to energy and training. When the income tax expense reduces and reflects the deductibility of these incentives, all conditions related to the government grants were in compliance in the six month period ended at June 30, 2022.

⁽⁴⁾ The impacts from IFRIC 23 - Uncertainty over Income Tax Treatments are classified under the caption "Net income arising from foreign subsidiaries".

⁽⁵⁾ The indirect subsidiary Seara Alimentos recognized unrecognized tax benefits due to the expected generation of future taxable profits that can be used to offset such losses. This amount was recognized in accordance to the policy of analyzing future profitability and the reduction of financial expenses in the period.

⁽⁶⁾ Recognition of the effects of the non-levy of income taxes on the amounts related to the adjustment by the SELIC rate on unduly taxes paid, due to STF's (Federal Court of Justice) judgment, at September 23, 2021.

⁽⁷⁾ The Company believes that due to the origin and non-recurrence of specific events certain items should be excluded from the effective tax rate disclosure such as: i) deferred tax effects on goodwill amortization; ii) unrecognized tax benefits from the current year; iii) withholding income tax arising from foreign subsidiaries, and iv) income tax on realization of the other reserves since it is not related to the net operating income from the period.

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11 Investments in subsidiaries, associates and joint venture

Changes in the Company's investments:

	December 31, 2021	Addition (disposal)	Exchange rate variation	Equity		June 30, 2022
				Changes in the equity of investees	Proportionate share of income (loss)	
JBS Embalagens Metálicas Ltda. ⁽¹⁾	80,852	25	–	–	(50)	80,827
JBS Confinamento Ltda. ⁽¹⁾	5,029	460,601	–	–	(44,076)	421,554
Conceria Priante Srl	151,113	–	(19,897)	–	(1,676)	129,540
JBS Leather International B.V. ⁽²⁾	806,120	(85,601)	(58,632)	1,523	(300)	663,110
Brazservice Ltda.	45,376	–	–	–	634	46,010
Meat Snacks Partners do Brasil Ltda. ⁽³⁾	169,050	(6,000)	–	–	34,552	197,602
Enersea Ltda.	(7,193)	–	–	–	(1,034)	(8,227)
JBS Asset Management Corporation	114,814	–	(6,885)	–	3,567	111,496
JBS Investments Luxembourg S.à.r.l. ⁽⁴⁾	58,900,478	(11,910,105)	(4,045,393)	(1,808,507)	9,615,371	50,751,844
Swift Foods B.V.	109	–	(4)	–	(46)	59
JBS Toledo N.V.	211,470	–	(29,340)	–	5,774	187,904
JBS Chile Limitada	18,431	–	(2,609)	–	52	15,874
JBS Finance Luxembourg S.à.r.l.	381	–	(18)	–	4	367
Total	60,496,030	(11,541,080)	(4,162,778)	(1,806,984)	9,612,772	52,597,960

⁽¹⁾ The Company increased capital in the direct subsidiaries JBS Embalagens Metálicas and JBS Confinamento, through partial settlement of intercompany loans.

⁽²⁾ The Company recognized an impairment provision in intangible assets in one of its subsidiaries, with operations in South America.

⁽³⁾ The indirect subsidiary Meat Snacks Partners do Brasil distributed dividends to the Company.

⁽⁴⁾ The direct subsidiary JBS Investments Luxembourg reduced capital, through partial settlement of intercompany loans.

Changes in the Consolidated's investments:

	December 31, 2021	Addition	Dividends distribution	Equity		June 30, 2022
				Changes in the equity of investees	Proportionate share of income	
Meat Snacks Partners ⁽³⁾	169,050	–	(6,000)	–	34,552	197,602
JBS Ontario	74,140	–	–	(4,581)	1,475	71,034
Birla Societă Agricola ⁽⁵⁾	–	10,811	–	(939)	–	9,872
Total	243,190	10,811	(6,000)	(5,520)	36,027	278,508

⁽⁵⁾ The indirect subsidiary Rigamonti Salumificio acquired the King's group, as described in the footnote 3, also acquiring 20% of the shares in the associated Birla Societă Agricola ("Birla"). Birla operations are pork raising and fattening for the King's group in Europe.

12 Property, plant and equipment

Changes in property, plant and equipment:

Company	December 31, 2021	Additions net of transferences ⁽¹⁾	Disposals	Depreciation expense	June 30, 2022
Buildings	3,746,613	18,888	(286)	(105,439)	3,659,776
Land	1,748,561	637	–	–	1,749,198
Machinery and equipment	3,131,222	169,629	(2,021)	(170,890)	3,127,940
Facilities	1,680,385	79,356	(245)	(51,194)	1,708,302
Computer equipment	35,229	10,003	(145)	(7,387)	37,700
Vehicles (land and air)	442,619	46,683	(19,711)	(34,853)	434,738
Construction in progress	1,419,799	339,753	–	–	1,759,552
Other	64,412	3,745	(66)	(5,660)	62,431
	12,268,840	668,694	(22,474)	(375,423)	12,539,637

Consolidated	December 31, 2021	Acquired in business combinations ⁽²⁾	Additions net of transferences ⁽¹⁾	Business combination adjustments ⁽³⁾	Disposals	Depreciation expense	Exchange rate variation	June 30, 2022
Buildings	19,502,310	267,885	715,698	23	(2,862)	(599,850)	(959,581)	18,923,623
Land	5,291,972	125,139	48,248	–	(595)	–	(229,634)	5,235,130
Machinery and equipment	20,191,401	187,489	1,583,453	367	(7,050)	(1,422,025)	(1,133,464)	19,400,171
Facilities	2,717,858	4,257	209,123	–	(294)	(85,202)	654	2,846,396
Computer equipment	680,011	3,686	73,393	–	(20,531)	(106,033)	(48,586)	581,940
Vehicles (land and air)	715,171	8,698	73,978	57	(20,709)	(74,253)	(17,982)	684,960
Construction in progress	6,805,741	18,469	2,090,035	–	–	–	(261,156)	8,653,089
Other	1,011,842	20,103	125,151	61	(2,700)	(81,360)	(66,120)	1,006,977
	56,916,306	635,726	4,919,079	508	(54,741)	(2,368,723)	(2,715,869)	57,332,286

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

⁽²⁾ Refers to the 2022's first semester acquisitions, King's and Rivalea during the first quarter, and Biotech during the second quarter, as described in the Footnotes 3 - Business Combination.

⁽³⁾ Refers to the business combination adjustment in the BMF's ("Bait Almakoolat Food") acquisition at December 31, 2021. Due to its immateriality, the adjustments were made at the first semester of 2022 changes.

Annually, the Company tests the recoverability of its assets that were identified as having any indicator of impairment using the concept of value in use through discounted cash flow models. The tests for recoverability of assets are applied at the end of each fiscal year on December 31, follow by indications of impairment during the course of the year. For the six month period ended at June 30, 2022 in the Company and subsidiaries, there were no indicates of impairment.

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13 Leases

13.1 Right of use asset

Changes in the right of use assets:

Company	December 31, 2021	Additions ⁽¹⁾	Terminated contracts	Amortization	June 30, 2022
Buildings	18,789	598	–	(6,287)	13,100
Computer equipment	18,531	–	–	(3,903)	14,628
Machinery and equipment	4,146	5,550	(322)	(1,666)	7,708
Operating plants	3,365	852	–	(1,952)	2,265
Land	437	–	–	(195)	242
Vehicles (land)	222	–	–	(82)	140
Furniture and appliances	93	–	(76)	(16)	1
	<u>45,583</u>	<u>7,000</u>	<u>(398)</u>	<u>(14,101)</u>	<u>38,084</u>

Consolidated	December 31, 2021	Acquired in business combinations ⁽²⁾	Additions ⁽¹⁾	Terminated contracts	Amortization	Exchange rate variation	June 30, 2022
Growing facilities	3,406,396	53,608	672,546	(49,608)	(320,947)	(131,854)	3,630,141
Buildings	2,162,882	1,062	348,312	(3,056)	(192,440)	(175,074)	2,141,686
Computer equipment	67,004	–	–	–	(8,633)	(489)	57,882
Machinery and equipment	748,637	(3,401)	84,051	(10,769)	(162,189)	(51,197)	605,132
Operating plants	113,605	–	9,409	(21,618)	(10,820)	(3,637)	86,939
Land	365,027	12,603	327	(71)	(6,850)	(34,615)	336,421
Vehicles (land, air and sea)	1,095,266	17,269	195,354	(41,378)	(205,475)	(90,424)	970,612
Furniture and appliances	94	–	–	(75)	(16)	(1)	2
	<u>7,958,911</u>	<u>81,141</u>	<u>1,309,999</u>	<u>(126,575)</u>	<u>(907,370)</u>	<u>(487,291)</u>	<u>7,828,815</u>

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

⁽²⁾ Refers to the Rivaletta acquisition, during the first quarter of 2022, as described in the Footnotes 3 - Business Combination.

13.2 Lease liabilities

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Lease liability	54,346	63,006	10,121,646	10,129,125
Present value adjustment	(8,140)	(10,407)	(1,893,074)	(1,784,845)
	<u>46,206</u>	<u>52,599</u>	<u>8,228,572</u>	<u>8,344,280</u>
Breakdown:				
Current liabilities	18,084	22,412	1,555,676	1,625,889
Noncurrent liabilities	28,122	30,187	6,672,896	6,718,391
	<u>46,206</u>	<u>52,599</u>	<u>8,228,572</u>	<u>8,344,280</u>

Changes in the lease liabilities:

Company	December 31, 2021	Additions	Interest accrual	Payments	Terminated contracts	June 30, 2022
Lease liabilities	52,599	7,021	2,371	(15,607)	(178)	46,206

Consolidated	December 31, 2021	Acquired in business combinations ⁽²⁾	Additions	Interest accrual	Payments	Terminated contracts	Exchange rate variation	June 30, 2022
Lease liabilities	8,344,280	81,141	1,326,294	209,424	(1,103,797)	(131,064)	(497,706)	8,228,572

The noncurrent portion of the lease liabilities schedule is as follows:

	June 30, 2022	
	Company	Consolidated
2023	6,307	1,189,026
2024	13,094	1,046,901
2025	8,213	824,421
2026	1,228	663,576
2027	734	525,684
Maturities thereafter 2027	3,292	3,870,350
Present value adjustment	(4,746)	(1,447,062)
	<u>28,122</u>	<u>6,672,896</u>

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14 Intangible assets

Changes in intangible assets:

Company	December 31, 2021	Additions	Disposals	Amortization expenses	June 30, 2022
Amortizing:					
Trademarks	15,448	–	–	(2,481)	12,967
Softwares	17,991	3,888	(13)	(2,598)	19,268
	33,439	3,888	(13)	(5,079)	32,235

Consolidated	December 31, 2021	Acquired in business combination ⁽¹⁾	Additions	Business combination adjustments ⁽²⁾	Disposals	Amortization expenses	Exchange rate variation	June 30, 2022
Amortizing:								
Trademarks	1,871,992	113,814	–	–	(6)	(58,182)	(221,676)	1,705,942
Softwares	92,689	–	22,667	–	(279)	(10,964)	(869)	103,244
Customer relationships	3,602,262	–	–	5,420	–	(203,797)	(333,447)	3,070,438
Supplier contract	183,974	–	–	–	–	(9,640)	(5,082)	169,252
Others	5,583	–	–	–	–	(1,049)	(175)	4,359
Non-amortizing:								
Trademarks	5,962,710	67	1,334	4,103	–	–	(617,232)	5,350,982
Water rights	64,706	–	–	–	(6)	–	(4,693)	60,007
	11,783,916	113,881	24,001	9,523	(291)	(283,632)	(1,183,174)	10,464,224

⁽¹⁾ Refers to the 2022's first semester acquisitions, King's in the first quarter, and Biotech during the second quarter, as described in the Footnotes 3 - Business Combination.

⁽²⁾ Refers to the business combination adjustment in the BMF's ("Bait Almakoolat Food") acquisition at December 31, 2021. Due its immateriality, the adjustments were made at the first semester of 2022 changes.

Impairment test:

Annually, the Company tests the recoverability of its assets using the concept of value in use through cash flow models and at the six month period ended at June 30, 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.

Changes in goodwill:

	Consolidated	
	June 30, 2022	December 31, 2021
Balance at the beginning of the period	32,564,548	28,885,608
Acquired in business combination ⁽¹⁾	207,269	2,690,393
Business combination adjustments ⁽²⁾	28,546	1,827
Write-off for recoverability ⁽³⁾	(85,601)	–
Exchange rate variation	(1,954,214)	986,720
Balance at the end of the period	30,760,548	32,564,548

⁽¹⁾ Refers to the King's acquisition, during the first quarter of 2022, as described in the Footnotes 3 - Business Combination.

⁽²⁾ Refers to the business combination adjustment in the acquisitions during the years ended in December 31, 2021, Randall Parker, BMF, Sunnyvale and Pilgrim's Food Masters. Due the immateriality, the adjustments were made to the movement in the first quarter of 2022.

⁽³⁾ Refers to the impairment provision that the Company recognized in intangible assets in one of its subsidiaries, with operations in South America.

	Consolidated	
CGU Groups	June 30, 2022	December 31, 2021
Brazil Beef	9,069,926	9,069,926
Seara	3,714,117	3,709,233
Moy Park	3,918,296	4,612,311
USA Pork	3,637,968	3,875,847
Australia Meat	1,500,540	1,664,540
Australia Smallgoods	1,658,764	1,840,449
Vivera	648,181	740,499
Pilgrim's Food Masters (PFM)	1,698,861	1,892,839
Others CGUs without significant goodwill	4,913,895	5,158,904
Total	30,760,548	32,564,548

CGU groups containing goodwill are tested for impairment annually and for the year ended December 31, 2021 there were no events or circumstances that indicate that the recoverable amount may be less than the carrying amount and no expense was recorded. For the six month period ended at June 30, 2022 with exception of the provision recognized as described in item 3 above, there were no indications of impairment.

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16 Trade accounts payable

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021 ^(*)
Domestic:				
Commodities	2,505,906	3,719,867	7,285,767	9,283,105
Materials and services	1,079,213	1,130,352	18,351,170	19,536,239
Finished products	275,471	226,827	214,270	171,439
Adjustment to present value	(13,575)	(10,920)	(84,651)	(73,919)
	<u>3,847,015</u>	<u>5,066,126</u>	<u>25,766,556</u>	<u>28,916,864</u>
Foreign:				
Commodities	–	–	14,185	182,894
Materials and services	264,026	210,981	1,289,508	1,103,529
Finished products	80	52	15,368	13,914
	<u>264,106</u>	<u>211,033</u>	<u>1,319,061</u>	<u>1,300,337</u>
	<u>4,111,121</u>	<u>5,277,159</u>	<u>27,085,617</u>	<u>30,217,201</u>
Supply chain finance - domestic	800,782	709,630	2,500,436	2,633,206
Supply chain finance - foreign	–	–	59,008	54,768
	<u>800,782</u>	<u>709,630</u>	<u>2,559,444</u>	<u>2,687,974</u>
Total	<u>4,911,903</u>	<u>5,986,789</u>	<u>29,645,061</u>	<u>32,905,175</u>

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

17 Loans and financings

Type	Company				Current ^(*)		Noncurrent	
	Average annual interest rate	Currency	Index on variable rate loans	Payment terms / noncurrent debt				
					June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Foreign currency								
ACC - Advances on exchange contracts	3.27%	USD	–	2023 - 25	5,306,653	5,681,086	530,527	1,124,259
Prepayment	3.25%	USD	Libor and SOFR	2023 - 24	983,678	669	1,281,955	306,928
FINIMP	4.89%	USD and EUR	Libor and Euribor	2024 - 25	600,029	398,672	22,323	44,890
Working capital - American Dollar	5.11%	USD	Libor	2030	1,768	1,853	15,568	17,513
Export credit facility	–	–	–	–	–	427,540	–	–
					<u>6,892,128</u>	<u>6,509,820</u>	<u>1,850,373</u>	<u>1,493,590</u>
Local currency								
Export credit facility	11.82%	BRL	CDI	2023 - 24	1,546,482	1,653,400	195,004	304,682
CRA - Agribusiness Credit Receivable Certificates	6.30%	BRL	CDI and IPCA	2023 - 37	797,386	455,722	6,189,726	5,029,888
Working capital - Brazilian Reais	7.77%	BRL	TJLP	2023	85,598	552	20,254	137,760
CDC - Direct credit to consumers	6.57%	BRL	–	2023 - 24	76,989	109,222	3,908	38,196
FINAME	5.28%	BRL	–	2023 - 25	5,297	5,930	4,389	6,960
FINEP	9.00%	BRL	–	2025	4,636	4,634	9,524	11,784
					<u>2,516,388</u>	<u>2,229,460</u>	<u>6,422,805</u>	<u>5,529,270</u>
					<u>9,408,516</u>	<u>8,739,280</u>	<u>8,273,178</u>	<u>7,022,860</u>

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Type	Consolidated							
	Average annual interest rate	Currency	Indexer	Payment terms / noncurrent debt	Current (*)		Noncurrent	
					June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Foreign currency								
ACC - Advances on exchange contracts	3.26%	USD	–	2023 - 25	5,358,789	5,736,093	530,527	1,124,259
Prepayment	2.87%	USD	Libor	2023 - 24	2,018,326	818,234	2,410,042	1,909,535
FINIMP	4.89%	USD and EUR	Libor and Euribor	2024 - 25	600,029	401,071	22,323	44,890
Working capital - American Dollar	3.52%	USD	Libor	2030	15,344	1,853	15,568	17,513
White Stripe credit facility	3.40%	USD and CAD	–	*	12,760	18,332	–	–
Scott credit facilities	4.97%	USD	–	*	6,951	–	–	7,651
Export credit facility	–	–	–	–	–	427,540	–	–
					8,012,199	7,403,123	2,978,460	3,103,848
Local currency								
FINAME	3.58%	BRL	–	2023 - 25	15,693	5,930	4,389	6,960
FINEP	9.00%	BRL	–	2025	4,636	4,634	9,524	11,784
Prepayment	2.75%	GBP	SOFR	*	48,595	–	–	–
JBS Lux 2.50% Notes 2027	2.50%	USD	–	2027	77,478	15,114	5,145,574	5,471,002
JBS Lux 5.75% Notes 2028	5.75%	USD	–	2,028	–	108,295	–	4,154,385
JBS Lux 6.75% Notes 2028	6.75%	USD	–	2028	681	124,306	718,847	4,984,921
JBS Lux 5.13% Notes 2028	5.13%	USD	–	2028	1,865	–	2,574,911	–
JBS Lux 6.50% Notes 2029	6.50%	USD	–	2029	1,655	101,565	1,833,986	7,815,714
JBS Lux 3.00% Notes 2029	3.00%	USD	–	2029	37,975	–	3,056,372	–
JBS Lux 5.50% Notes 2030	5.50%	USD	–	2030	162,053	172,650	6,494,925	6,915,881
JBS Lux 3.75% Notes 2031	3.75%	USD	–	2031	7,092	7,556	2,595,156	2,766,014
JBS Lux 3.00% Notes 2032	3.00%	USD	–	2032	18,333	12,093	5,121,951	5,455,469
JBS Lux 3.63% Notes 2032	3.63%	USD	–	2032	84,919	112,385	5,153,049	5,485,833
JBS Lux 5.75% Notes 2033	5.75%	USD	–	2033	5,228	–	6,396,602	–
JBS Lux 4.38% Notes 2052	4.38%	USD	–	2052	83,069	–	4,653,276	–
JBS Lux 6.50% Notes 2052	6.50%	USD	–	2052	3,546	–	3,843,706	–
PPC 5.88% Notes 2027	5.88%	USD	–	2027	63,212	67,345	4,406,089	4,689,557
PPC 4.25% Notes 2031	4.25%	USD	–	2031	44,523	47,434	5,149,885	5,483,528
PPC 3.50% Notes 2032	3.50%	USD	–	2032	53,166	56,157	4,668,901	4,973,945
Term loan JBS Lux 2026	3.25%	USD	Libor	2026	119,830	123,502	9,491,495	10,153,296
PPC - Term loan	2.09%	USD	Libor	2023	136,937	144,753	3,447,834	2,666,419
Working capital - Brazilian Reais	7.77%	BRL	TJLP	2023	85,598	552	20,254	137,760
Working capital - Euros	0.55%	EUR	Euribor	2023	63,303	43,668	3,104	3,569
Working capital - Pounds	1.50%	GBP	–	*	3,645	–	–	–
Export credit facility	9.33%	BRL	CDI	2023 - 24	1,965,706	2,076,285	314,504	823,772
CDC - Direct credit to consumers	6.57%	BRL	–	2023 - 24	76,989	109,329	3,908	38,196
Rural - Credit note	1.56%	BRL	CDI	*	61,636	60,959	–	–
Rural - Credit note - Pre fixed	5.50%	BRL	–	*	544,235	582,549	–	–
CRA - Agribusiness Credit Receivable Certificates	6.30%	BRL	CDI and IPCA	2023 - 37	797,386	455,721	6,189,726	5,029,891
Scott credit facilities	5.25%	AUD, EUR and USD	–	2023	69,985	42,568	157	335
Beardstown Pace credit facility	3.49%	USD	–	2035 - 50	4,353	2,349	127,666	126,856
Rivalea credit facility	1.61%	AUD	–	2024	–	–	43,439	–
JBS Australia feedlot agreement	7.00%	AUD	–	2023	2,226	–	181,874	201,774
Other	0.92%	Others	Others	2024 - 31	53,506	33,462	74,714	103,161
					4,699,054	4,511,161	81,725,818	77,500,022
					12,711,253	11,914,284	84,704,278	80,603,870

(*) Balances classified as current which have their maturities up to the next twelve months following the closing period of these financial statements.

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, LIBOR, EURIBOR and SOFR among others.

The availability under JBS USA revolving credit facilities was US\$2.21 billion (R\$11.6 billion at June 30, 2022) and US\$2.18 billion (R\$12.2 billion at December 31, 2021).

The noncurrent portion of the principal payment schedule of loans and financing is as follows:

Maturity	June 30, 2022	
	Company	Consolidated
2023	367,795	922,146
2024	1,962,577	3,056,567
2025	275,139	554,143
2026	2,009	12,372,309
2027	453,355	10,084,127
Maturities thereafter 2027	5,212,303	57,714,986
	8,273,178	84,704,278

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17.1 Guarantees and contractual restrictions ("covenants")

The Company was in compliance with all of its debt covenant restrictions at June 30, 2022 and until the date that these financial statements were approved.

18 Accrued income taxes and other taxes

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Taxes payable in installments	476,379	534,512	531,080	578,688
PIS / COFINS tax payable	92,903	86,035	167,150	151,799
ICMS / VAT / GST tax payable	47,230	68,157	153,646	163,157
Withholding income taxes	22,838	39,291	24,893	41,568
Others	2,479	2,914	401,523	378,478
Subtotal	641,829	730,909	1,278,292	1,313,690
Income taxes	–	–	1,296,426	988,897
Total	641,829	730,909	2,574,718	2,302,587
Breakdown:				
Current liabilities	287,942	321,853	2,015,695	1,732,991
Noncurrent liabilities	353,887	409,056	559,023	569,596
	641,829	730,909	2,574,718	2,302,587

19 Accrued payroll and social charges

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Taxes payable in installments	2,232,694	2,254,814	2,282,736	2,308,503
Bonus and vacation along with related social charges	346,960	248,653	3,977,674	4,767,693
Salaries and related social charges	324,703	391,159	2,447,876	2,517,580
Others	14,472	12,647	233,200	299,425
	2,918,829	2,907,273	8,941,486	9,893,201
Breakdown:				
Current liabilities	1,054,956	997,438	6,601,895	6,963,119
Noncurrent liabilities	1,863,873	1,909,835	2,339,591	2,930,082
	2,918,829	2,907,273	8,941,486	9,893,201

20 Provisions

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	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Labor	248,986	252,496	529,763	538,804
Civil	63,740	55,658	962,142	1,568,873
Tax and Social Security	181,519	174,439	582,553	560,164
Total	494,245	482,593	2,074,458	2,667,841
Breakdown:				
Current liabilities	–	–	724,080	1,338,422
Noncurrent liabilities	494,245	482,593	1,350,378	1,329,419
	494,245	482,593	2,074,458	2,667,841

Changes in provisions

	Company			
	December 31, 2021	Additions, disposals and changes in prognosis	Payments	June 30, 2022
Labor	252,496	47,066	(60,238)	248,986
Civil	55,658	5,222	(3,215)	63,740
Tax and social security	174,439	(33,918)	(1,753)	181,519
Total	482,593	18,370	(65,206)	494,245

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	Consolidated					June 30, 2022
	December 31, 2021	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	
Labor	538,804	115,491	(147,571)	23,100	(61)	529,763
Civil	1,568,873	338,180	(891,036)	14,686	(68,561)	962,142
Tax and social security	560,164	(37,912)	(1,787)	62,170	(82)	582,553
Total	2,667,841	415,759	(1,040,394)	99,956	(68,704)	2,074,458

In the subsidiary JBS USA:

- a. **Civil:** Refers to several class action lawsuits, alleging violations of federal and state antitrust, unfair competition, unfair enrichment, deceptive trade practice, and consumer protection laws on sales of beef, pork and chicken. At June 30, 2022 the indirect subsidiary JBS USA recognized an accrual in the amount of US\$65.44 million (R\$327,230 at June 30, 2022), in the quarter US\$48.5 million (R\$238,568 at June 30, 2022). Also at June 30, 2022, were paid US\$167 million (R\$873,107 at June 30, 2022), in the quarter US\$3.36 million (R\$16,514 at June 30, 2022), remaining the accrued amount of US\$138.24 million (equivalent to R\$724 at June 30, 2022).

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

21 Equity

- a. **Share capital:** Share capital on June 30, 2022 was R\$23,576,206, represented by 2,218,116,370 common shares, having no nominal value.

	June 30, 2022		December 31, 2021	
	Quantity	R\$ thousand	Quantity	R\$ thousand
Initial balance	2,373,866,570	23,576,206	2,623,373,646	23,576,206
Cancellation of treasury shares ⁽¹⁾	(155,750,200)	—	(249,507,076)	—
Final balance	2,218,116,370	23,576,206	2,373,866,570	23,576,206

⁽¹⁾ During March and May of 2022, the Company cancelled of 155,750,200 shares held in treasury.

- b. **Profit reserve:**

b1. Treasury shares:

Treasury share activity were as follows:

	June 30, 2022		December 31, 2021	
	Quantity	R\$ thousand	Quantity	R\$ thousand
Balance at the beginning of the period	80,062,600	3,037,838	12,848,500	303,565
Purchase of treasury shares	97,687,600	3,648,028	396,907,500	10,604,975
Disposal of treasury shares	(22,000,000)	(834,181)	(80,000,000)	(3,980)
Treasury shares used in stock option plan	—	—	(186,324)	(4,523)
Cancellation of treasury shares	(155,750,200)	(5,851,685)	(249,507,076)	(7,862,199)
Balance at the end of the period	—	—	80,062,600	3,037,838

During the second quarter of 2022, the Company disposal 22,000,000 of treasury shares, in the amount of R\$834 million, which were repurchased in the quarter.

b2. Dividends:

On May 11, 22 the Company approved the proposal to distribute interim dividends referring to the net income arising from the year ended at December 31, 2021, in the amount of R\$2.22 billion, that corresponds to R\$1.00 per common share. The interim dividends were distributed at May 24, 2022.

22 Net revenue

	Company				Consolidated			
	Six month period ended June 30,		Three month period ended June 30,		Six month period ended at June 30, 2022		Three month period ended June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
GROSS REVENUE								
Sales of products								
Domestic sales	15,926,341	14,547,162	8,068,240	7,385,012	141,214,216	124,553,607	71,134,514	65,774,717
Export sales	12,214,098	9,841,936	5,768,962	5,427,918	47,674,158	41,217,735	24,055,933	22,364,148
	28,140,439	24,389,098	13,837,202	12,812,930	188,888,374	165,771,342	95,190,447	88,138,865
SALES DEDUCTION								
Returns and discounts	(1,142,988)	(644,629)	(608,712)	(315,669)	(4,124,427)	(3,169,676)	(2,126,641)	(1,620,763)
Sales taxes	(406,578)	(562,171)	(179,960)	(284,169)	(1,705,989)	(1,723,521)	(872,421)	(891,175)
	(1,549,566)	(1,206,800)	(788,672)	(599,838)	(5,830,416)	(4,893,197)	(2,999,062)	(2,511,938)
NET REVENUE	26,590,873	23,182,298	13,048,530	12,213,092	183,057,958	160,878,145	92,191,385	85,626,927

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23 Financial income (expense)

	Company				Consolidated			
	Six month period ended June 30,		Three month period ended June 30,		Six month period ended June 30,		Three month period ended June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Exchange rate variation	1,632,869	396,333	(490,842)	183,026	2,148,978	527,249	(502,956)	629,097
Derivative transactions, net	(895,781)	(173,279)	(52,160)	(122,496)	(1,251,956)	(494,409)	(41,736)	(639,926)
Interest expense ⁽¹⁾	(1,591,211)	(957,462)	(819,515)	(495,104)	(3,289,583)	(2,342,356)	(1,709,352)	(1,154,609)
Interest income ⁽²⁾	211,250	227,519	88,874	104,642	575,648	387,667	313,137	199,812
Taxes, contribution, fees and others ⁽³⁾	(104,030)	(40,643)	(46,111)	(24,629)	(905,373)	(396,835)	(571,306)	(180,322)
	<u>(746,903)</u>	<u>(547,532)</u>	<u>(1,319,754)</u>	<u>(354,561)</u>	<u>(2,722,286)</u>	<u>(2,318,684)</u>	<u>(2,512,213)</u>	<u>(1,145,948)</u>
Financial income	2,334,961	623,852	88,874	287,668	3,227,582	1,162,281	313,137	828,909
Financial expense	<u>(3,081,864)</u>	<u>(1,171,384)</u>	<u>(1,408,628)</u>	<u>(642,229)</u>	<u>(5,949,868)</u>	<u>(3,480,965)</u>	<u>(2,825,350)</u>	<u>(1,974,857)</u>
	<u>(746,903)</u>	<u>(547,532)</u>	<u>(1,319,754)</u>	<u>(354,561)</u>	<u>(2,722,286)</u>	<u>(2,318,684)</u>	<u>(2,512,213)</u>	<u>(1,145,948)</u>

⁽¹⁾ For the six month period ended at June 30, 2022 and 2021, the amounts of R\$745,997 and R\$324,786, respectively, in the Company and R\$2,249,703 and R\$1,841,311, in the Consolidated. These balances refer to interest expenses from loans and financings expenses..

⁽²⁾ For the six month period ended at June 30, 2022 and 2021, the amounts of R\$21,148 and R\$8,956, respectively, in the Company and R\$162,294 and R\$32,625, 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 six month period ended at June 30, 2022 and 2021, includes the issue premium, in the Consolidated, of the JBS Lux 5.75% Notes 2028 and JBS Lux 6.75% Notes 2028 in the amount of US\$132 million (R\$665,518 at June 30, 2022) and US\$57 million (R\$308,000 at June 30, 2021), respectively.

24 Earnings per share

Basic and diluted: There were no changes in the basic earnings per share calculation assumptions since the disclosed financial statements from December 31, 2021.

	Six month period ended June 30,		Three month period ended June 30,	
	2022	2021	2022	2021
Net income attributable to shareholders	9,094,538	6,427,983	3,952,265	4,382,462
Weighted average common shares outstanding	2,254,345	2,535,454	2,229,977	2,535,454
Weighted average - treasury shares	(21,967)	(55,586)	(7,863)	(37,019)
Weighted average - common shares outstanding (basic)	<u>2,232,378</u>	<u>2,479,868</u>	<u>2,222,114</u>	<u>2,498,435</u>
Basic and diluted earnings per share - (R\$)	4.07	2.59	1.78	1.75

25 Operating segments and geographic reporting

The Company's Management established the operating segments based on the reports that are used to make strategic decisions. Starting from 2022, the Company changed its management structure, and the information per segment started to be elaborated considering the following segments: Brazil, Seara, Beef North America, Chicken PPC, Pork USA, Australia and Others.

Brazil: this segment includes all the operating activities from Company and its national subsidiaries, mainly represented by slaughter facilities, cold storage and meat processing, fat, feed and production of beef by-products such as leather, collagen and others products produced in Brazil, and biodiesel.

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.

Beef North America: this segment includes all JBS USA operations, including Canada, referring to cattle processing: slaughter, cold storage, processing and other by-products; fertilizers, pet food. In addition, Viverra plant-based businesses in the Netherlands are included in this segment.

Pork USA: this segment includes JBS USA's pork operations, related to slaughter, cold storage, processing and commercialization of food products.

Chicken PPC: this segment includes PPC's operations and its subsidiaries, mainly represented by chicken processing and commercialization of food products and prepared foods in the United States of America, Mexico, United Kingdom and France.

Australia: this segment includes Australia's and New Zealand's operations, mainly represented by sales of fresh further processed and value-added beef, pork, lamb and fish products: slaughter, cold storage, processing and other by-products, in addition to cattle fattening services.

Due to the volume's substantial percentage of the operating segments describe above, the other segments and activities in which the Company operates that do not have a major relevance. Those segments are classified as "Others". Furthermore, the eliminations between the companies of the group are presented separately.

The accounting policies of the reportable segments are the same as described in the annual financial statements. The Company evaluates its performance per segment, which according to its accounting policies, include net revenue, net operating income (loss) and depreciation.

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

The segment profitability reviewed by the Executive Officers is operating income (loss), which does not include finance income (expense), share of profit or loss of equity accounted investees, or income taxes. The Company manages its loans and financing and income taxes at the corporate level and not by segment.

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The information by consolidated operational segment are as follows:

	Net revenue		Operating income (loss) ⁽²⁾		Depreciation and amortization	
	Six month period ended June 30,		Six month period ended June 30,		Six month period ended June 30,	
	2022	2021 (*)	2022	2021 (*)	2022	2021 (*)
Segments						
Brazil	28,437,409	24,269,979	776,102	285,436	465,331	390,308
Seara	20,167,842	16,779,924	1,362,807	1,184,873	758,783	556,420
Beef North America	56,160,157	52,298,707	6,616,752	8,880,251	542,921	480,137
Pork USA	20,336,302	19,516,067	1,417,660	1,458,448	494,910	421,735
Chicken PPC	44,948,338	37,143,961	4,681,917	2,325,837	2,161,309	2,107,712
Australia	15,657,318	12,895,769	851,113	193,643	306,356	231,913
Others	2,155,571	1,783,844	(47,258)	15,774	64,927	55,919
Intercompany elimination	(4,804,979)	(3,810,106)	(900)	(907)	(4,569)	(4,572)
Total	183,057,958	160,878,145	15,658,193	14,343,355	4,789,968	4,239,572

	Net revenue		Operating income (loss) ⁽²⁾		Depreciation and amortization	
	Three month period ended June 30,		Three month period ended June 30,		Three month period ended June 30,	
	2022	2021 (*)	2022	2021 (*)	2022	2021 (*)
Segments						
Brazil	14,108,111	12,736,715	568,592	242,976	234,632	196,434
Seara	10,680,119	8,937,741	1,123,314	517,259	382,117	291,455
Beef North America	27,170,126	28,476,278	2,801,472	6,483,938	249,612	237,640
Pork USA	10,388,946	10,728,154	429,922	646,518	249,920	207,343
Chicken PPC	22,775,002	19,246,050	2,584,825	1,450,951	1,050,867	1,066,372
Australia	8,239,175	6,723,362	558,713	205,092	153,557	131,068
Others	1,160,236	932,965	(56,938)	2,338	35,496	29,522
Intercompany elimination	(2,330,330)	(2,154,338)	(453)	(453)	(2,286)	(2,286)
Total	92,191,385	85,626,927	8,009,447	9,548,619	2,353,915	2,157,548

	June 30, 2022	December 31, 2021 (*)
Total assets		
Brazil	43,068,121	46,108,376
Seara	46,986,733	44,768,860
Beef North America	28,104,061	28,139,760
Pork USA	17,490,371	17,405,345
Chicken PPC	49,723,879	50,730,118
Australia	18,861,960	19,505,784
Others	93,898,758	76,174,701
Intercompany elimination	(92,848,300)	(75,723,828)
Total	205,285,583	207,109,116

Below is net revenue, operating income (loss) and depreciation and amortization based on geographic location, presented for supplemental information.

Geographic reporting

	Net revenue		Operating income (loss) ⁽²⁾		Depreciation and amortization	
	Six month period ended June 30,		Six month period ended June 30,		Six month period ended June 30,	
	2022	2021 (*)	2022	2021 (*)	2022	2021 (*)
North and Central America	109,080,711	98,302,464	12,761,717	12,454,451	2,672,861	2,559,940
South America	47,302,495	40,220,737	2,141,080	1,470,149	1,228,262	956,416
Australia	15,657,318	12,895,769	851,113	193,643	306,983	231,913
Europe	13,811,987	10,309,438	(77,184)	194,497	567,936	476,190
Others	509,693	871,739	(18,533)	31,645	13,926	19,685
Intercompany elimination	(3,304,246)	(1,722,002)	—	(1,030)	—	(4,572)
Total	183,057,958	160,878,145	15,658,193	14,343,355	4,789,968	4,239,572

	Net revenue		Operating income (loss) ⁽²⁾		Depreciation and amortization	
	Three month period ended June 30,		Three month period ended June 30,		Three month period ended June 30,	
	2022	2021 (*)	2022	2021 (*)	2022	2021 (*)
North and Central America	54,207,596	52,968,277	5,763,749	8,452,168	1,308,057	1,284,642
South America	24,051,948	21,174,650	1,694,934	752,199	618,834	492,741
Australia	8,239,175	6,723,362	558,713	205,092	154,184	131,068
Europe	6,936,235	5,631,555	13,177	131,843	266,994	240,869
Others	241,396	142,117	(21,126)	7,857	5,846	10,514
Intercompany elimination	(1,484,965)	(1,013,034)	—	(540)	—	(2,286)
Total	92,191,385	85,626,927	8,009,447	9,548,619	2,353,915	2,157,548



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Total assets by geographic area:

	June 30, 2022	December 31, 2021 (*)
Total assets		
North and Central America ⁽¹⁾	151,975,705	134,825,166
South America	86,137,245	88,049,693
Australia	18,861,960	19,505,784
Europe	24,040,454	23,627,692
Others	11,192,347	13,243,463
Intercompany elimination	(86,922,128)	(72,142,682)
Total	205,285,583	207,109,116

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

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

(2) The operating income is reconciled with the consolidated net income, as follow:

	Operating income			
	Six month period ended June 30,		Three month period ended June 30,	
	2022	2021 (*)	2022	2021 (*)
Net income	9,722,893	6,363,734	4,284,075	4,208,155
Income tax and social contribution - current and deferred	2,696,749	3,366,094	922,454	2,039,436
Finance (income) expense, net	2,722,286	2,318,684	2,512,213	1,145,948
Share of profit of equity-accounted investees, net of tax	(36,027)	(38,880)	(20,866)	(12,169)
Operating profit	15,105,901	12,009,632	7,697,876	7,381,370
DOJ and Antitrust agreements ⁽³⁾	327,322	2,381,260	238,570	2,188,890
Donations and social programs	92,469	35,137	39,210	7,972
Extemporaneous tax credit impacts	-	(109,583)	-	(55,593)
JBS Fund For The Amazon	3,000	7,000	-	6,500
Other operating expense/income ⁽⁴⁾	129,501	19,909	33,791	19,480
Net operating profit	15,658,193	14,343,355	8,009,447	9,548,619

(3) Refers to the agreements entered by JBS USA and its subsidiaries.

(4) Refers to several adjustments basically abroad, such as third party advisory expenses related to restructuring projects, effects of the impairment with intangibles assets, marketing of social programs, among others.

26 Expenses by nature

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

	Company				Consolidated			
	Six month period ended June 30,		Three month period ended June 30,		Six month period ended June 30,		Three month period ended June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Cost of sales								
Cost of inventories, raw materials and production inputs	(21,511,411)	(19,504,172)	(10,341,474)	(10,159,896)	(129,041,497)	(113,859,374)	(65,416,792)	(59,405,990)
Salaries and benefits	(877,139)	(817,461)	(459,012)	(416,717)	(17,340,351)	(15,761,286)	(8,552,142)	(7,876,187)
Depreciation and amortization	(212,867)	(179,615)	(105,994)	(89,663)	(4,121,941)	(3,664,740)	(2,033,923)	(1,863,784)
	(22,601,417)	(20,501,248)	(10,906,480)	(10,666,276)	(150,503,789)	(133,285,400)	(76,002,857)	(69,145,961)
General and administrative								
Salaries and benefits	(852,558)	(619,181)	(398,450)	(323,607)	(3,431,066)	(2,810,823)	(1,578,404)	(1,442,762)
Fees, services held and general expenses	(480,812)	(394,363)	(228,843)	(225,402)	(1,580,144)	(1,590,094)	(670,689)	(890,473)
Depreciation and amortization	(146,571)	(135,385)	(70,596)	(67,223)	(515,702)	(422,534)	(246,690)	(210,672)
Antitrust agreements	-	-	-	-	(327,322)	(2,381,260)	(238,570)	(2,188,890)
Donations and social programs	(92,469)	(35,137)	(39,210)	(7,972)	(92,469)	(35,137)	(39,210)	(7,972)
JBS Fund For The Amazon	(3,000)	(6,500)	-	(6,000)	(3,000)	(7,000)	-	(6,500)
	(1,575,410)	(1,190,566)	(737,099)	(630,204)	(5,949,703)	(7,246,848)	(2,773,563)	(4,747,269)
Selling								
Freights and selling expenses	(1,385,531)	(917,534)	(676,283)	(479,096)	(9,738,022)	(7,185,958)	(4,805,986)	(3,745,824)
Allowance for credit losses	(24,987)	(18,872)	(11,765)	(9,521)	(41,222)	(33,233)	(16,949)	(18,933)
Salaries and benefits	(115,140)	(89,269)	(65,637)	(44,660)	(568,583)	(433,598)	(302,780)	(227,783)
Depreciation and amortization	(35,165)	(35,965)	(20,870)	(18,894)	(152,325)	(152,298)	(73,302)	(83,092)
Advertising and marketing	(64,550)	(33,962)	(37,535)	(22,744)	(788,630)	(605,825)	(410,611)	(322,732)
Commissions	(56,563)	(63,116)	(33,120)	(37,563)	(174,793)	(148,421)	(99,778)	(80,376)
	(1,681,936)	(1,158,718)	(845,210)	(612,478)	(11,463,575)	(8,559,333)	(5,709,406)	(4,478,740)

As of June 30, 2022, other income (expenses) includes gain (losses) of sale of assets in the Company and in the Consolidated, among others.

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
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27 Risk management and financial instruments

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

	Notes	Company		Consolidated	
		June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Assets					
Fair value through profit or loss					
Financial investments	4	1,718,778	143,670	9,907,222	5,812,213
National treasury bills	4	77,632	308,393	561,649	933,155
Derivative assets		327,453	218,409	813,697	714,995
Biological assets	7	—	—	3,322,205	3,180,995
Fair value through other comprehensive income					
Derivative assets		—	—	88,858	—
Loans and receivables at amortized cost					
Cash at banks	4	1,567,870	2,371,119	9,216,780	17,287,352
Margin cash	4	—	—	420,954	451,784
Trade accounts receivable	5	3,290,663	4,259,402	20,946,969	19,877,408
Related party receivables	9	459,598	4,032,213	406,334	417,702
Total		7,441,994	11,333,206	45,684,668	48,675,604
Liabilities					
Liabilities at amortized cost					
Loans and financing	17	(17,681,694)	(15,762,140)	(97,415,531)	(92,518,154)
Trade accounts payable and supply chain finance	16	(4,911,903)	(5,986,789)	(29,645,061)	(32,905,175)
Related party payables	9	(5,642,908)	(11,079,225)	—	—
Other financial liabilities		(6,889)	(10,189)	(78,124)	(91,234)
Fair value through profit or loss					
Derivative liabilities		(265,708)	(285,837)	(666,169)	(773,279)
Fair value through other comprehensive income					
Derivative liabilities		—	—	(13,621)	—
Total		(28,509,102)	(33,124,180)	(127,818,506)	(126,287,842)

Fair value through profit or loss: (i) CDBs are updated at the effective rate but have a really short-term and are negotiated with financial institutions. Their recognition is similar to fair value; (ii) national treasury bill are recognized according to market value.

Amortized cost: (i) 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.

Fair value through other comprehensive income: the impacts of derivatives designated as hedge accounting instruments are recorded in equity.

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

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

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

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

	Company					
	June 30, 2022			December 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	–	1,718,778	1,718,778	–	143,669	143,669
National treasury bills	77,632	–	77,632	308,394	–	308,394
Derivative assets	–	327,453	327,453	–	218,409	218,409
Financial liabilities						
Derivative liabilities	–	265,708	265,708	–	285,837	285,837
	Consolidated					
	June 30, 2022			December 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial investments	–	9,907,222	9,907,222	–	5,812,212	5,812,212
National treasury bills	561,649	–	561,649	933,156	–	933,156
Derivative assets	–	902,555	902,555	–	714,995	714,995
Biological assets	–	3,322,205	3,322,205	–	2,973,033	2,973,033
Financial liabilities						
Loans and financing	–	62,458,025	62,458,025	–	59,021,149	59,021,149
Derivative liabilities	–	679,790	679,790	–	773,279	773,279

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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 June 30, 2022 and December 31, 2021, considering there is an active market for these financial instruments. The book value of the remaining fixed-rate loans approximates fair value since the interest rate market, the Company's credit quality, and other market factors have not significantly changed since entering into the loans. The book value of variable-rate loans and financings approximates fair value given the interest rates adjust for changes in market conditions and the quality of the Company's credit rating has not substantially changed. For all other financial assets and liabilities, book value approximates fair value due to the short duration of the instruments. The following details the estimated fair value of loans and financings:

Description	Consolidated					
	June 30, 2022			December 31, 2021		
	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
JBS Lux 2.50% Notes 2027	5,237,999	87.87	4,602,682	5,521,738	99.39	5,488,055
JBS Lux 5.75% Notes 2028	—	—	—	4,185,375	104.49	4,373,299
JBS Lux 6.75% Notes 2028	727,883	104.29	759,088	5,022,450	108.25	5,436,803
JBS Lux 5.13% Notes 2028	2,618,999	98.00	2,566,619	—	—	—
JBS Lux 3.00% Notes 2029	3,142,799	85.50	2,687,093	—	—	—
JBS Lux 6.50% Notes 2029	1,847,599	104.75	1,935,360	7,812,701	109.75	8,574,439
JBS Lux 5.50% Notes 2030	6,547,499	95.88	6,277,414	6,975,625	108.66	7,579,505
JBS Lux 3.75% Notes 2031	2,618,999	84.02	2,200,510	2,790,250	101.80	2,840,475
JBS Lux 3.00% Notes 2032	5,237,999	78.00	4,085,639	5,580,500	99.88	5,573,915
JBS Lux 3.63% Notes 2032	5,237,999	82.13	4,301,707	5,519,840	101.32	5,592,702
JBS Lux 5.75% Notes 2033	6,547,499	95.73	6,268,120	—	—	—
JBS Lux 4.38% Notes 2052	4,714,199	71.96	3,392,432	—	—	—
JBS Lux 6.50% Notes 2052	3,928,499	96.00	3,771,359	—	—	—
Notes 5.88% PPC 2027	4,452,299	97.10	4,323,182	4,743,425	105.91	5,023,525
Notes 4.25% PPC 2031	5,237,999	86.43	4,527,412	5,580,500	105.51	5,888,209
Notes 3.50% PPC 2032	4,714,199	81.00	3,818,501	5,022,450	101.68	5,106,828
	62,812,469		55,517,118	58,754,854		61,477,755

Risk management:

The Company during the regular course of its operations is exposed to a variety of financial risks that include the effects of changes in market prices, (including foreign exchange, interest rate risk and commodity price risk), credit risk and liquidity risk. Such risks are fully disclosed in the financials statements at December 31, 2021. There were no changes in the nature of these risks in the current period.

a. Interest rate risk

The Company understands that the quantitative data referring to the risk of exposure to the Company's interest rates on June 30, 2022 and December 31, 2021, shown below, are in accordance with the Financial and Commodity Risk Management Policy and are representative of the exposure incurred during the period.

	Company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Net exposure to the CDI rate:				
CDB-DI (Bank certificates of deposit)	1,718,778	143,670	6,209,635	5,416,483
Credit note - export	(839,320)	(1,055,709)	(1,378,044)	(1,997,684)
Related party transactions	(3,953,240)	3,586,210	—	—
CRA - Agribusiness Credit Receivable Certificates	(61,193)	(34,452)	(61,193)	(34,452)
Rural - Credit note	—	—	(61,636)	(60,959)
Rural - Credit note - Pre fixed	—	—	(10,396)	—
Margin cash	—	—	351,968	276,252
Subtotal	(3,134,975)	2,639,719	5,050,334	3,599,640
Derivatives (Swap)	(3,876,350)	(3,709,102)	(3,456,232)	(2,880,833)
Total	(7,011,325)	(1,069,383)	1,594,102	718,807
Liabilities exposure to the LIBOR rate:				
Term loan JBS Lux 2026	—	—	(9,611,325)	(10,276,798)
PPC - Term loan	—	—	(3,584,771)	(2,811,171)
Prepayment	(17,336)	—	(1,916,397)	(2,420,172)
FINIMP	(248,296)	(310,605)	(248,296)	(310,605)
Working Capital - American dollars	—	(19,366)	—	(19,366)
Others	—	—	—	(391)
Subtotal	(265,632)	(329,971)	(15,360,789)	(15,838,503)
Derivatives (Swap)	—	—	7,261,707	10,348,414
Total	(265,632)	(329,971)	(8,099,082)	(5,490,089)
Net exposure to the IPCA rate:				
CRA - Agribusiness Credit Receivable Certificates	(6,858,902)	(5,451,159)	(6,858,902)	(5,451,159)
Treasury bills	62,414	139,586	206,430	139,586
Margin cash	15,218	168,808	141,199	289,516
Subtotal	(6,781,270)	(5,142,765)	(6,511,273)	(5,022,057)
Derivatives (Swap)	4,448,553	3,763,522	4,448,553	3,763,522
Total	(2,332,717)	(1,379,243)	(2,062,720)	(1,258,535)
Liabilities exposure to the SOFR rate:				
Prepayment	(527,991)	—	(840,260)	—
Total	(527,991)	—	(840,260)	—
Net exposure to the CPI rate:				
Margin cash	—	—	214,019	227,802
Total	—	—	214,019	227,802

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Sensitivity analysis:

Contracts exposure	Risk	Current scenario	Scenario (I) VaR 99% I.C. 1 day			Scenario (II) Interest rate variation - 25%			Scenario (III) Interest rate variation - 50%		
			Rate	Effect on income		Rate	Effect on income		Rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated
CDI	Increase	13.15%	13.24%	(10,157)	(2,129)	16.44%	(357,987)	(75,040)	19.73%	(715,865)	(150,058)
Libor	Increase	3.61%	3.62%	(11)	(329)	4.52%	(2,400)	(72,943)	5.42%	(4,798)	(145,851)
IPCA	Increase	11.89%	11.92%	(641)	(567)	14.86%	(69,352)	(61,325)	17.84%	(138,680)	(122,629)
CPI	Decrease	8.60%	8.58%	–	(41)	6.45%	–	(4,601)	4.30%	–	(9,203)
SOFR	Increase	1.50%	1.50%	(12)	(19)	1.88%	(1,980)	(3,151)	2.25%	(3,960)	(6,302)
				(10,821)	(3,085)		(431,719)	(217,060)		(863,303)	(434,043)

			Company							
			June 30, 2022				December 31, 2021			
Instrument	Risk factor	Maturity	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	PRE USD	2022	–	–	–	–	431,850	429,078	(458,544)	(29,466)
	IPCA	2024	537,534	644,566	(505,037)	139,529	537,534	623,743	(522,002)	101,741
	IPCA	2027	387,000	423,820	(418,866)	4,954	387,000	414,279	(419,802)	(5,523)
	IPCA	2028	442,000	490,506	(490,196)	310	442,000	481,443	(490,512)	(9,068)
	IPCA	2030	1,400,000	1,573,048	(1,609,528)	(36,480)	1,400,000	1,553,349	(1,621,874)	(68,525)
	IPCA	2031	1,130,000	1,213,207	(1,249,995)	(36,788)	630,000	690,707	(718,370)	(27,663)
	IPCA	2036	100,000	103,406	(107,765)	(4,359)	–	–	–	–
			3,996,534	4,448,553	(4,381,387)	67,166	3,828,384	4,192,599	(4,231,104)	(38,504)

			Consolidated							
			June 30, 2022				December 31, 2021			
Instrument	Risk factor	Maturity	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	PRÉ USD	2022	–	–	–	–	431,850	429,078	(458,544)	(29,466)
	LIBOR	2024	–	–	–	–	2,301,956	2,303,670	(2,304,217)	(547)
	CDI	2023	400,000	420,118	(391,977)	28,141	800,000	828,269	(795,802)	32,467
	LIBOR	2023	5,237,999	5,376,659	(5,251,089)	125,570	5,580,500	5,625,334	(5,602,934)	22,400
	LIBOR	2024	3,026,400	1,885,048	(1,819,340)	65,708	3,224,289	2,419,410	(2,405,586)	13,824
	IPCA	2024	537,534	644,566	(505,037)	139,529	537,534	623,743	(522,002)	101,741
	IPCA	2027	387,000	423,820	(418,866)	4,954	387,000	414,279	(419,802)	(5,523)
	IPCA	2028	442,000	490,506	(490,196)	310	442,000	481,443	(490,512)	(9,068)
	IPCA	2030	1,400,000	1,573,048	(1,609,528)	(36,480)	1,400,000	1,553,349	(1,621,874)	(68,525)
	IPCA	2031	1,130,000	1,213,207	(1,249,995)	(36,788)	630,000	690,707	(718,370)	(27,663)
	IPCA	2036	100,000	103,406	(107,765)	(4,359)	–	–	–	–
			12,660,933	12,130,378	(11,843,793)	286,585	15,735,129	15,369,282	(15,339,643)	29,640

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b. Exchange rate risk:

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

	Company					
	USD		EUR		GBP	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
OPERATING						
Cash and cash equivalents	1,400,833	2,239,377	155,237	89,317	16,043	19,555
Trade accounts receivable	1,952,383	2,509,942	109,874	280,361	51,325	70,158
Sales orders	2,784,417	3,760,704	392,305	51,628	18,261	73,845
Trade accounts payable	(214,757)	(156,661)	(32,422)	(34,364)	–	(109)
Operating subtotal	5,922,876	8,353,362	624,994	386,942	85,629	163,449
FINANCIAL						
Loans and financing	(8,708,910)	(7,961,049)	(33,591)	(42,361)	–	–
Financial subtotal	(8,708,910)	(7,961,049)	(33,591)	(42,361)	–	–
Operating financial subtotal	(2,786,034)	392,313	591,403	344,581	85,629	163,449
Related parties transaction, net	(1,646,722)	(10,643,909)	–	–	–	–
Total exposure	(4,432,756)	(10,251,596)	591,403	344,581	85,629	163,449
DERIVATIVES						
Future contracts	786	412,646	–	–	–	–
Non Deliverable Forwards (NDF's)	–	1,116,100	–	–	–	–
Swap	–	429,078	–	–	–	–
Total derivatives	786	1,957,824	–	–	–	–
NET EXPOSURE IN R\$	(4,431,970)	(8,293,772)	591,403	344,581	85,629	163,449
Net debt in foreign subsidiaries	(67,260,194)	(48,894,979)	–	–	–	–

	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
OPERATING										
Cash and cash equivalents	4,914,027	8,926,659	345,456	327,045	38,143	178,753	973,985	1,018,335	115	268
Trade accounts receivable	6,051,944	5,624,652	665,191	757,240	96,575	368,040	566,741	594,625	320	6,485
Sales orders	4,639,335	4,008,456	475,041	120,774	18,261	73,845	–	–	–	–
Trade accounts payable	(1,865,240)	(1,601,754)	(454,205)	(402,598)	(5,568)	(2,263)	(1,317,022)	(1,383,188)	(79)	(15,443)
Provisions	–	(40,159)	–	–	–	–	–	–	–	–
Purchase orders	(448,683)	(334,615)	(95,951)	(299,587)	–	–	–	–	–	–
Operating subtotal	13,291,383	16,583,239	935,532	502,874	147,411	618,375	223,704	229,772	356	(8,690)
FINANCIAL										
Margin cash	68,986	165,855	–	–	–	–	–	–	–	–
Advances to customers	(2,205,100)	(2,808,487)	(5,987)	(32,648)	(593)	–	–	–	–	–
Loans and financing	(10,940,679)	(10,460,179)	(33,591)	(44,760)	–	–	–	–	–	–
Financial subtotal	(13,076,793)	(13,102,811)	(39,578)	(77,408)	(593)	–	–	–	–	–
Operating financial subtotal	214,590	3,480,428	895,954	425,466	146,818	618,375	223,704	229,772	356	(8,690)
Related party transactions, net	(686,036)	(11,292,257)	1,386,027	1,444,362	–	–	–	–	2,823,318	2,378,956
Total exposure	(471,446)	(7,811,829)	2,281,981	1,869,828	146,818	618,375	223,704	229,772	2,823,674	2,370,266
DERIVATIVES										
Future contracts	(609,716)	1,909,106	–	–	–	–	–	–	–	–
Deliverable Forwards (DF's)	(2,272,171)	(1,008,129)	437,142	785,321	(32,219)	(50,029)	(1,343,494)	(1,215,299)	(18,569)	(36,597)
Non Deliverable Forwards (NDF's)	2,080,170	3,645,065	(54,957)	(202,410)	(113,413)	(157,197)	–	–	–	–
Swap	65,708	442,902	–	–	–	–	–	–	–	–
Total derivatives	(736,049)	4,988,944	382,185	582,911	(145,632)	(207,226)	(1,343,494)	(1,215,299)	(18,569)	(36,597)
NET EXPOSURE IN R\$	(1,207,495)	(2,822,885)	2,664,166	2,452,739	1,186	411,149	(1,119,790)	(985,527)	2,805,105	2,333,669
Net debt in foreign subsidiaries	(67,260,194)	(48,894,979)	–	–	–	–	–	–	–	–

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

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day			Scenario (ii) Interest rate variation - 25%			Scenario (iii) Interest rate variation - 50%		
			Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated
Operating	Appreciation	5.2380	5.3664	145,234	325,915	6.5475	1,480,719	3,322,846	7.8570	2,961,438	6,645,691
Financial	Depreciation	5.2380	5.3664	(411,099)	(518,203)	6.5475	(4,191,324)	(5,283,295)	7.8570	(8,382,649)	(10,566,590)
Related parties	Depreciation	5.2380	5.3664	(40,379)	(16,822)	6.5475	(411,681)	(171,509)	7.8570	(823,361)	(343,018)
Derivatives	Depreciation	5.2380	5.3664	19	(18,049)	6.5475	196	(184,012)	7.8570	393	(368,024)
				<u>(306,225)</u>	<u>(227,159)</u>		<u>(3,122,090)</u>	<u>(2,315,970)</u>		<u>(6,244,179)</u>	<u>(4,631,941)</u>

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
Net debt in foreign subsidiaries	Depreciation	5.2380	5.3664	(1,649,274)	6.5475	(16,815,049)	7.8570	(33,630,097)
				(1,649,274)		(16,815,049)		(33,630,097)

The Company 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 Reais in the consolidation, impacting the equity as investments exchange variation, affecting the Company's consolidated debt, and consequently the leverage indicators.

Instrument	Risk factor	Nature	Company					
			June 30, 2022			December 31, 2021		
			Quantity	Notional (R\$)	Fair value	Quantity	Notional (R\$)	Fair value
Future Contract	American dollar	Long	3	786	(173)	1,479	412,646	(15,756)

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2022			December 31, 2021		
			Quantity	Notional (R\$)	Fair value	Quantity	Notional (R\$)	Fair value
Future Contract	American dollar	Short	2,331	(609,716)	(19,194)	-	-	-
Future Contract	American dollar	Long	3	786	(173)	6,842	1,909,106	(51,188)

Instrument	Risk factor	Nature	Company					
			June 30, 2022			December 31, 2021		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Non Deliverable Forwards	American dollar	-	-	-	-	200,000	1,116,100	(12,976)

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2022			December 31, 2021		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	American dollar	Short	(433,786)	(2,272,171)	3,515	(180,652)	(1,008,129)	33,399
Non Deliverable Forwards	American dollar	Long	397,123	2,080,130	105,165	653,179	3,645,065	(43,726)

b1.2 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%		
Exposure of R\$	Risk	Closing exchange rate	Exchange rate	Effect on income		Exchange rate	Effect on income		Exchange rate	Effect on income	
				Company	Consolidated		Company	Consolidated		Company	Consolidated
Operating	Appreciation	5.4842	5.3500	(15,294)	(22,893)	4.1132	(156,248)	(233,883)	2.7421	(312,497)	(467,766)
Financial	Depreciation	5.4842	5.3500	822	968	4.1132	8,398	9,895	2.7421	16,796	19,789
Related party	Appreciation	5.4842	5.3500	–	(33,916)	4.1132	–	(346,507)	2.7421	–	(693,013)
Derivatives	Appreciation	5.4842	5.3500	–	(9,352)	4.1132	–	(95,546)	2.7421	–	(191,093)
				<u>(14,472)</u>	<u>(65,193)</u>		<u>(147,850)</u>	<u>(666,041)</u>		<u>(295,701)</u>	<u>(1,332,083)</u>
						Consolidated					
						June 30, 2022			December 31, 2021		
Instrument			Risk factor	Nature	Notional (EUR)	Notional (R\$)	Fair value	Notional (EUR)	Notional (R\$)	Fair value	
Deliverable Forwards			Euro	Long	79,709	437,142	(2,074)	124,240	785,321	(15,570)	
Non Deliverable Forwards			Euro	Short	(10,021)	(54,957)	786	(32,022)	(202,410)	2,288	

JBS S.A.

Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

b1.3 GBP - British Pound (amounts in thousands of R\$):

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
				Company Consolidated		Company Consolidated		Company Consolidated
Operating	Appreciation	6.3726	6.2228	(2,012) (3,464)	4.7795	(21,407) (36,853)	3.1863	(42,815) (73,706)
Financial	Depreciation	6.3726	6.2228	– 14	4.7795	– 148	3.1863	– 297
Derivatives	Depreciation	6.3726	6.2228	– 3,422	4.7795	– 36,408	3.1863	– 72,816
				<u>(2,012) (28)</u>		<u>(21,407) (297)</u>		<u>(42,815) (593)</u>
Consolidated								
			June 30, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R\$)	Fair value	Notional (GBP)	Notional (R\$)	Fair value
Deliverable Forwards	British pound	Short	(5,056)	(32,219)	299	(6,649)	(50,029)	(301)
Non Deliverable Forwards	British pound	Short	(17,797)	(113,413)	1,692	(20,892)	(157,197)	(5,011)

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

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
				Consolidated		Consolidated		Consolidated
Operating	Appreciation	0.2604	0.2660	4,828	0.3255	55,926	0.3906	111,852
Derivatives	Appreciation	0.2604	0.2660	(28,996)	0.3255	(335,874)	0.3906	(671,747)
				<u>(24,168)</u>		<u>(279,948)</u>		<u>(559,895)</u>
Consolidated								
			June 30, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Notional (MXN)	Notional (R\$)	Fair value	Notional (MXN)	Notional (R\$)	Fair value
Deliverable Forwards	Mexican peso	Short	(5,159,349)	(1,343,494)	14,813	(4,451,645)	(1,215,299)	(19,615)

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

Exposure of R\$	Risk	Closing exchange rate	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Interest rate variation - 25%		Scenario (iii) Interest rate variation - 50%	
			Exchange rate	Effect on income	Exchange rate	Effect on income	Exchange rate	Effect on income
				Consolidated		Consolidated		Consolidated
Operating	Appreciation	3.6179	3.5383	(8)	2.7134	(89)	1.8090	(178)
Related Party	Appreciation	3.6179	3.5383	(62,087)	2.7134	(705,826)	1.8090	(1,411,659)
Derivatives	Depreciation	3.6179	3.5383	408	2.7134	4,642	1.8090	9,284
				<u>(61,687)</u>		<u>(701,273)</u>		<u>(1,402,553)</u>
Consolidated								
			June 30, 2022			December 31, 2021		
Instrument	Risk factor	Nature	Notional (AUD)	Notional (R\$)	Fair value	Notional (AUD)	Notional (R\$)	Fair value
Deliverable Forwards	Australian dollar	Short	(5,132)	(18,569)	37	(9,048)	(36,597)	363

c. Commodity price risk

The Company operates globally across (the entire livestock protein chain and related business) and during the regular course of its operations brings is exposed to price fluctuations in fed cattle, live cattle, lean hogs, corn, soybeans, and energy, especially in the 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 its subsidiaries and proposing strategies to the Risk Management Committee, in order to mitigate such exposures.

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

EXPOSURE in Commodities (Cattle)	Company	
	June 30, 2022	December 31, 2021
Firm contracts of cattle purchase	72,069	78,133
Subtotal	72,069	78,133
DERIVATIVES		
Future contracts	(43,860)	(74,461)
Non Deliverable Forwards	52,025	–
Subtotal	8,165	(74,461)
NET EXPOSURE	80,234	3,672

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

Sensitivity analysis:

Exposure	Risk	Closing price	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) @ Variation - 25%		Scenario (ii) @ Variation - 50%	
			Price	Effect on income	Price	Effect on income	Price	Effect on income
				Company		Company		Company
Operating	Cattle arroba depreciation	320.25	305.91	(3,226)	240.18	(18,017)	160.12	(36,035)
Derivatives	Cattle arroba depreciation	320.25	305.91	(365)	240.18	(2,041)	160.12	(4,082)
				<u>(3,591)</u>		<u>(20,058)</u>		<u>(40,117)</u>

Derivatives financial instruments breakdown:

Instrument	Risk factor	Nature	Company					
			June 30, 2022			December 31, 2021		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Short	408	(43,860)	(6,635)	663	(74,461)	(192)

Instrument	Risk factor	Nature	Company					
			June 30, 2022			December 31, 2021		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Non Deliverable Forwards	Commodities (Cattle)	Long	-	52,025	2,629	-	-	-

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

EXPOSURE in Commodities (Grain)	Seara Alimentos	
	June 30, 2022	December 31, 2021
OPERATING		
Purchase orders	1,674,412	1,934,054
Subtotal	1,674,412	1,934,054
DERIVATIVES		
Future contracts	(238,380)	(96,085)
Brazil Cash basis	-	19,765
Non Deliverable Forwards	(190,440)	(1,129,356)
Subtotal	(428,820)	(1,205,676)
NET EXPOSURE	1,245,592	728,378

Sensitivity analysis:

Exposure	Risk	Price	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
			Price	Effect on income	Price	Effect on income	Price	Effect on income
				Seara Alimentos		Seara Alimentos		Seara Alimentos
Operating	Depreciation	(1.65)%		(27,578)	(25.00)%	(418,603)	(50.00)%	(837,206)
Derivatives	Appreciation	(1.65)%		7,063	(25.00)%	107,205	(50.00)%	214,410
				<u>(20,515)</u>		<u>(311,398)</u>		<u>(622,796)</u>

Derivatives financial instruments breakdown:

Instrument	Risk factor	Nature	Seara Alimentos					
			June 30, 2022			December 31, 2021		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	Commodities (Grains)	Short	12,016	(238,380)	(18,231)	1,577	(96,085)	(59,565)
Brazil Cash basis	Commodities (Grains)	Long	-	-	-	215,000	19,765	(1,918)
Non Deliverable Forwards	Commodities (Grains)	Short	5,000	(190,440)	4,610	-	-	-

c3. Hedge accounting of Seara Alimentos:

Seara Alimentos, in its operation, which includes the entire pork and poultry protein chain, needs large volumes of corn and soybean meal (major components of the production cost). Since the prices of these commodities are volatile and can be directly influenced by weather conditions, internal and external agricultural policies, exchange rates, market supply and demand, among other variables, Seara Alimentos started to designate derivative financial instruments to protect its cash flow to price volatility and exchange variation linked to its commodity contracts, adopting cash flow hedge accounting starting July 1, 2021.

Below is shown the fair value by type of derivative contracted to hedge risks linked to commodities in the cash flow hedge modality, with maturities in 2022 and 2023.

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

The derivative financial instruments designated at the June 30, 2022, as hedge accounting, according to the cash flow method, to protect the operating results in relation to the price of commodities are:

Hedge accounting - Derivative instruments	Risk factor	Quantity	Notional	Fair value
Future contracts	Commodities	12,016	(238,380)	(18,231)
Non Deliverable Forwards	Commodities	5,000	(190,440)	4,610
Future contracts	American Dollar	2,331	(610,502)	(19,021)
Non Deliverable Forwards	American Dollar	7,300	1,911,870	107,779
				75,137

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

c3.1. Hedge accounting:

In the cash flow hedge modality, changes in the fair value of hedging instruments are recorded in specific accounts under Other Comprehensive Income in Equity until the contracts are settled. When the derivative is settled in the financial modality, the mark-to-market (fair value) is recognized under financial income (expense) When the settlement of the derivative takes place in the physical modality, where the purchased grains are actually received, the fair value is recognized under inventory and will follow the production flow until recognition in cost of sales.

In the fair value hedge modality, changes in the fair value of the hedging instruments are recognized under financial income (expense).

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

Income statement:

Cost of sales before hedge accounting adoption

Derivatives operating income (loss)

Currency

Commodities

Cost of sales with hedge accounting

Financial income (expense), net excluding derivatives

Derivatives financial income (expense), net

Currency

Commodities

Interests

Financial income (expense), net

Seara Alimentos	
June 30, 2022	December 31, 2021
(17,593,847)	(30,717,038)
152,410	(117,111)
31,114	(60,442)
121,296	(56,669)
(17,441,437)	(30,834,149)
(69,464)	(1,209,904)
(260,653)	(192,478)
(316,112)	(176,919)
1,438	(75,052)
54,021	59,493
(330,117)	(1,402,382)

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

Statements of other comprehensive income (expense):

Financial instruments designated as hedge accounting:

Currency

Commodities

Gain (loss) on cash flow hedge

Other comprehensive income

Deferred income tax on hedge accounting

Total of other comprehensive income (expense)

Seara Alimentos	
June 30, 2022	December 31, 2021
(30,093)	90,442
(224,889)	122,467
(254,982)	212,909
(254,982)	212,909
(51,968)	(72,389)
(306,950)	140,520

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

Balance sheet:

Derivative (liabilities)/assets

Financial instruments designated as hedge accounting:

Currency

Commodities

Derivative (liabilities)/assets

Financial instruments not designated as hedge accounting:

Commodities

Interests

Other comprehensive income (expense)

Currency

Commodities

Inventories

Currency

Commodities

Seara Alimentos	
June 30, 2022	December 31, 2021
75,137	(65,877)
88,758	(63,743)
(13,621)	(2,134)
93,849	44,373
—	(1,918)
93,849	46,291
(254,982)	212,909
(30,093)	90,442
(224,889)	122,467
63,717	(91,876)
18,209	(47,418)
45,508	(44,458)

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

Open balance sheet position of derivative assets and liabilities:

	Seara Alimentos	
	June 30, 2022	December 31, 2021
Assets:		
Designated as hedge accounting	88,758	1,611
Currency	88,758	1,611
Not designated as hedge accounting	93,849	46,291
Interests	93,849	46,291
Current assets	148,328	19,608
Noncurrent assets	34,279	28,294
(Liabilities):		
Designated as hedge accounting	13,621	67,488
Commodities	13,621	2,134
Currency	-	65,354
Not designated as hedge accounting	-	1,918
Commodities	-	1,918
Current liabilities	13,621	69,406

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

EXPOSURE in Commodities	JBS USA	
	June 30, 2022	December 31, 2021
OPERATIONAL		
Firm contracts of cattle purchase	14,460,408	15,085,588
Subtotal	14,460,408	15,085,588
DERIVATIVES		
Deliverable Forwards	1,513,771	(2,919,550)
Subtotal	1,513,771	(2,919,550)
NET EXPOSURE	15,974,179	12,166,038

Sensitivity analysis:

Exposure	Risk	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (iii) Price variation - 50%	
		Price	Effect on income	Price	Effect on income	Price	Effect on income
			JBS USA		JBS USA		JBS USA
Operating	Depreciation	(2.74)%	(395,492)	(25.00)%	(3,615,102)	(50.00)%	(7,230,204)
Derivatives	Depreciation	(2.74)%	(41,402)	(25.00)%	(378,443)	(50.00)%	(756,886)
			(436,894)		(3,993,545)		(7,987,090)

Derivatives financial instruments breakdown:

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2022			December 31, 2021		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	Commodities (Cattle)	Short	288,998	1,513,771	(165,563)	-	-	-
Deliverable Forwards	Commodities (Cattle)	Long	-	-	-	(523,170)	(2,919,550)	(224,565)

d. Liquidity risk

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

	Company									
	June 30, 2022					December 31, 2021				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	4,911,903	-	-	-	4,911,903	5,986,789	-	-	-	5,986,789
Loans and financing	9,408,516	2,599,382	73,440	5,600,356	17,681,694	8,739,280	2,501,682	12,672	4,508,506	15,762,140
Estimated interest on loans and financing ⁽¹⁾	1,333,842	2,105,706	1,925,403	4,140,189	9,505,140	1,094,329	1,558,281	1,373,714	2,891,231	6,917,555
Derivatives financing liabilities (assets)	265,708	-	-	-	265,708	285,837	-	-	-	285,837
Other financial liabilities	6,889	-	-	-	6,889	10,189	-	-	-	10,189

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

	Consolidated									
	June 30, 2022					December 31, 2021				
	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 3 years	Between 4 and 5 years	More than 5 years	Total
Trade accounts payable	29,645,061	—	—	—	29,645,061	32,905,175	—	—	—	32,905,175
Loans and financing	12,711,253	4,387,225	17,352,415	62,964,639	97,415,532	11,914,284	5,207,529	12,357,523	63,038,818	92,518,154
Estimated interest on loans and financing ⁽¹⁾	4,973,820	9,542,863	9,324,941	24,686,706	48,528,330	3,933,558	7,004,031	6,588,390	10,148,817	27,674,796
Derivatives financing liabilities (assets)	679,790	—	—	—	679,790	773,279	—	—	—	773,279
Other financial liabilities	35,435	42,421	268	—	78,124	37,187	53,963	84	—	91,234

⁽¹⁾ Includes interest on all loans and financing outstanding. Payments are estimated for variable rate debt based on effective interest rates at June 30, 2022 and December 31, 2021. Payments in foreign currencies are estimated using the June 30, 2022 and 2021 exchange rates.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at June 30, 2022 is R\$15,218 (R\$168,808 at December 31, 2021). This guarantee is superior to the need presented for these operations.

The indirect subsidiary JBS USA and its subsidiaries, has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at June 30, 2022 is R\$471,865 (R\$513,730 at December 31, 2021). This guarantee is larger than its collateral.

Also, the direct subsidiary Seara Alimentos has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at June 30, 2022 is R\$289,089 (R\$562,816 in 31 de dezembro de 2021). This guarantee is larger than its collateral.

The Company and its subsidiaries have no guarantees received from third parties deemed relevant.

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Notes to the condensed financial statements for the six month period ended at June 30, 2022 and 2021
(Expressed in thousands of Brazilian reais)

28 Approval of the financial statements

The issuance of these individual and consolidated condensed financial statements was approved by the Board of Directors on August 11, 2022.

BOARD OF DIRECTORS

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

STATUTORY AUDIT COMMITTEE REPORT

The Statutory Audit Committee reviewed the individual and consolidated condensed financial statements for the six month period ended at June 30, 2022, at August 11, 2022. Based on the procedures performed, also considering Grant Thornton Auditores Independentes Ltda. review report, as well as the information and clarifications received during the period, the Committee recommends that these documents are in a position to be considered by the Board of Directors.

STATUTORY AUDIT COMMITTEE

Chairman:	Carlos Hamilton Vasconcelos Araújo
Committee Member:	Paulo Sérgio Cruz Dortas Matos
Committee Member:	Orlando Octávio de Freitas Júnior
Committee Member:	Gelson Luiz Merisio

FISCAL COUNCIL REPORT

The Fiscal Council, in the use of its legal and statutory attributions, examined and discussed with the Administration the earnings release and the Company's individual and consolidated condensed financial statements for the six month period ended at June 30, 2022, at August 11, 2022, 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.' review report on the individual and consolidated condensed financial statements, without reservations, issued on this date, the Fiscal Council was not aware of any additional fact that would lead us to believe that the aforementioned financial statements do not reflect in all material respects the information contained therein and that are in a position to be disclosed by the Company.

FISCAL COUNCIL

Chairman:	Adrian Lima da Hora
Council Member:	Demetrius Nichele Macei
Council Member:	José Paulo da Silva Filho
Council Member:	Roberto Lamb

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

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

- (i) They reviewed, discussed and agreed with the independent auditors report on the individual and consolidated condensed financial statements for the six month period ended at June 30, 2022, and
- (ii) They reviewed, discussed and agreed with the condensed financial statements for the six month period ended at June 30, 2022.

STATUTORY BOARD

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

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