



**JBS S.A.**

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

As of September 30, 2020 and 2019



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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

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**Grant Thornton Auditores Independentes**

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To the Shareholders, 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” or “JBS”), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2020, which comprises the balance sheet as of September 30, 2020 and the related income statement and statement of comprehensive loss for the three- and nine-month periods then ended, and statement of changes in equity and statement of cash flows for the nine-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 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 Commission (CVM).

## Other matters

### Statements of value added

The interim financial information referred to above includes the statements of value added (“DVA”) for the nine-month period ended September 30, 2020, 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 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 interim financial statements taken as a whole.

São Paulo, November 11, 2020



Alcides Afonso Louro Neto  
Assurance Partner

Grant Thornton Auditores Independentes

JBS S.A.

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

	Note	Company		Consolidated	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	3,411,909	1,883,135	22,333,106	10,033,967
Trade accounts receivable	6	2,323,786	2,609,254	13,399,489	11,136,622
Inventories	7	3,367,123	2,575,154	18,883,977	13,439,591
Biological assets	8	-	-	4,998,609	3,906,004
Recoverable taxes	9	994,315	933,085	2,837,507	2,351,152
Derivative assets	28	39,111	-	251,779	62,053
Other current assets		159,046	184,622	1,274,286	994,985
<b>TOTAL CURRENT ASSETS</b>		<b>10,295,290</b>	<b>8,185,250</b>	<b>63,978,753</b>	<b>41,924,374</b>
<b>NON-CURRENT ASSETS</b>					
Recoverable taxes	9	4,767,944	4,821,787	6,922,298	7,001,480
Related party receivables	10	469,439	715,527	409,548	275,178
Deferred income taxes	11	-	-	1,552,339	1,506,129
Other non-current assets		671,494	399,187	1,142,793	931,989
		<b>5,908,877</b>	<b>5,936,501</b>	<b>10,026,978</b>	<b>9,714,776</b>
Biological assets	8	-	-	1,817,793	1,382,559
Investments in subsidiaries, associate and joint venture	12	42,853,209	29,455,450	171,415	93,633
Property, plant and equipment	13	11,561,859	11,151,059	47,225,384	38,099,818
Right of use assets	14	73,448	198,671	5,547,824	4,573,523
Intangible assets	15	54,468	76,663	8,118,090	6,052,954
Goodwill	16	9,085,970	9,085,970	29,606,523	24,497,750
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,537,831</b>	<b>55,904,314</b>	<b>102,514,007</b>	<b>84,415,013</b>
<b>TOTAL ASSETS</b>		<b>79,833,121</b>	<b>64,089,564</b>	<b>166,492,760</b>	<b>126,339,387</b>

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	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	17	3,342,659	3,009,662	19,997,741	15,438,843
Supply chain finance	17	404,490	557,031	2,210,332	2,011,463
Loans and financings	18	1,638,489	208,984	4,951,153	2,078,899
Income taxes	19	-	-	496,178	384,594
Accrued income taxes and other taxes	19	305,320	325,754	711,026	559,046
Accrued payroll and social charges	20	818,308	914,539	5,395,659	4,051,824
Lease liabilities	14	20,760	22,421	1,220,514	945,791
Dividends payable		82	1,441,259	121	1,442,581
Other financial liabilities		21,193	22,193	44,996	45,709
Derivative liabilities	28	68,380	22,194	500,100	251,964
Other current liabilities		1,065,224	854,199	2,365,551	1,246,978
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,684,905</b>	<b>7,378,236</b>	<b>37,893,371</b>	<b>28,457,692</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans and financings	18	1,781,913	2,521,966	68,846,716	50,949,144
Accrued income taxes and other taxes	19	685,115	771,489	915,903	977,993
Accrued payroll and social charges	20	2,945,373	3,032,811	4,462,713	3,653,033
Lease liabilities	14	55,091	184,854	4,618,522	3,769,653
Other financial liabilities		6,600	11,550	84,393	104,807
Deferred income taxes	11	1,070,826	2,416,149	4,552,126	4,093,599
Provisions	21	538,926	489,143	1,446,410	1,315,826
Related party payables	10	25,611,797	17,641,379	-	-
Other non-current liabilities		6,596	5,021	691,698	535,591
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>32,702,237</b>	<b>27,074,362</b>	<b>85,618,481</b>	<b>65,399,646</b>
<b>EQUITY</b>					
Share capital - common shares	22	23,576,206	23,576,206	23,576,206	23,576,206
Capital reserve		(436,640)	(233,707)	(436,640)	(233,707)
Other reserves		50,645	54,374	50,645	54,374
Profit reserves		4,384,752	4,614,776	4,384,752	4,614,776
Accumulated other comprehensive income		11,288,334	1,625,317	11,288,334	1,625,317
Retained earnings		582,682	-	582,682	-
<b>Attributable to company shareholders</b>		<b>39,445,979</b>	<b>29,636,966</b>	<b>39,445,979</b>	<b>29,636,966</b>
<b>Attributable to non-controlling interest</b>		<b>-</b>	<b>-</b>	<b>3,534,929</b>	<b>2,845,083</b>
<b>TOTAL EQUITY</b>		<b>39,445,979</b>	<b>29,636,966</b>	<b>42,980,908</b>	<b>32,482,049</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>79,833,121</b>	<b>64,089,564</b>	<b>166,492,760</b>	<b>126,339,387</b>

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

JBS S.A.

Statements of income for the nine month period ended September 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2020	2019	2020	2019
<b>NET REVENUE</b>	23	<b>27,412,943</b>	<b>22,234,749</b>	<b>194,144,808</b>	<b>147,397,093</b>
Cost of sales	27	(22,320,551)	(18,088,612)	(160,544,153)	(124,671,672)
<b>GROSS PROFIT</b>		<b>5,092,392</b>	<b>4,146,137</b>	<b>33,600,655</b>	<b>22,725,421</b>
General and administrative	27	(2,075,291)	(1,799,069)	(7,459,509)	(4,963,866)
Selling	27	(1,607,287)	(1,668,372)	(10,442,507)	(8,369,483)
Other expense		(5,339)	(22,173)	(205,040)	(128,148)
Other income		7,270	8,231	259,006	155,427
<b>OPERATING EXPENSES</b>		<b>(3,680,647)</b>	<b>(3,481,383)</b>	<b>(17,848,050)</b>	<b>(13,306,070)</b>
<b>OPERATING PROFIT</b>		<b>1,411,745</b>	<b>664,754</b>	<b>15,752,605</b>	<b>9,419,351</b>
Finance income	24	369,804	702,260	819,103	1,007,582
Finance expense	24	(6,590,003)	(3,706,256)	(14,205,751)	(6,732,348)
		<b>(6,220,199)</b>	<b>(3,003,996)</b>	<b>(13,386,648)</b>	<b>(5,724,766)</b>
Share of profit of equity-accounted investees, net of tax	12	4,042,084	5,208,580	39,950	26,844
<b>PROFIT (LOSS) BEFORE TAXES</b>	11	<b>(766,370)</b>	<b>2,869,338</b>	<b>2,405,907</b>	<b>3,721,429</b>
Current income taxes	11	-	-	(2,331,380)	(1,649,411)
Deferred income taxes	11	1,345,323	763,604	557,238	1,879,379
		<b>1,345,323</b>	<b>763,604</b>	<b>(1,774,142)</b>	<b>229,968</b>
<b>NET INCOME</b>		<b>578,953</b>	<b>3,632,942</b>	<b>631,765</b>	<b>3,951,397</b>
<b>ATTRIBUTABLE TO:</b>					
Company shareholders				578,953	3,632,942
Non-controlling interest				52,812	318,455
				<b>631,765</b>	<b>3,951,397</b>
<b>Basic earnings per share - common shares (R\$)</b>	25	<b>0.22</b>	1.36	<b>0.22</b>	1.36
<b>Diluted earnings per share - common shares (R\$)</b>	25	<b>0.22</b>	1.36	<b>0.22</b>	1.36

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

JBS S.A.

Statements of income for the three month period ended September 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2020	2019	2020	2019
<b>NET REVENUE</b>	23	<b>11,025,285</b>	<b>8,403,082</b>	<b>70,081,098</b>	<b>52,184,406</b>
Cost of sales	27	<u>(9,250,057)</u>	<u>(6,637,942)</u>	<u>(58,282,752)</u>	<u>(43,232,642)</u>
<b>GROSS PROFIT</b>		<b>1,775,228</b>	<b>1,765,140</b>	<b>11,798,346</b>	<b>8,951,764</b>
General and administrative	27	<u>(932,550)</u>	<u>(610,063)</u>	<u>(3,073,102)</u>	<u>(1,765,457)</u>
Selling	27	<u>(540,751)</u>	<u>(618,582)</u>	<u>(3,709,528)</u>	<u>(2,966,804)</u>
Other expense		<u>(2,514)</u>	<u>(5,660)</u>	<u>(103,965)</u>	<u>(56,416)</u>
Other income		<u>448</u>	<u>1,316</u>	<u>112,969</u>	<u>66,732</u>
<b>OPERATING EXPENSES</b>		<b><u>(1,475,367)</u></b>	<b><u>(1,232,989)</u></b>	<b><u>(6,773,626)</u></b>	<b><u>(4,721,945)</u></b>
<b>OPERATING PROFIT</b>		<b>299,861</b>	<b>532,151</b>	<b>5,024,720</b>	<b>4,229,819</b>
Finance income	24	<u>189,534</u>	<u>283,570</u>	<u>341,465</u>	<u>356,454</u>
Finance expense	24	<u>(1,030,792)</u>	<u>(2,314,408)</u>	<u>(1,411,209)</u>	<u>(4,056,931)</u>
		<u>(841,258)</u>	<u>(2,030,838)</u>	<u>(1,069,744)</u>	<u>(3,700,477)</u>
Share of profit of equity-accounted investees, net of tax	12	<u>3,701,648</u>	<u>1,387,421</u>	<u>21,916</u>	<u>12,443</u>
<b>PROFIT (LOSS) BEFORE TAXES</b>	11	<b><u>3,160,251</u></b>	<b><u>(111,266)</u></b>	<b><u>3,976,892</u></b>	<b><u>541,785</u></b>
Current income taxes	11	<u>-</u>	<u>-</u>	<u>(693,202)</u>	<u>(691,565)</u>
Deferred income taxes	11	<u>(27,519)</u>	<u>467,981</u>	<u>(111,458)</u>	<u>603,795</u>
		<u>(27,519)</u>	<u>467,981</u>	<u>(804,660)</u>	<u>(87,770)</u>
<b>NET INCOME</b>		<b><u>3,132,732</u></b>	<b><u>356,715</u></b>	<b><u>3,172,232</u></b>	<b><u>454,015</u></b>
<b>ATTRIBUTABLE TO:</b>					
Company shareholders				<u>3,132,732</u>	<u>356,715</u>
Non-controlling interest				<u>39,500</u>	<u>97,300</u>
				<u>3,172,232</u>	<u>454,015</u>
<b>Basic earnings per share - common shares (R\$)</b>	25	<b><u>1.17</u></b>	<b><u>0.13</u></b>	<b><u>1.17</u></b>	<b><u>0.13</u></b>
<b>Diluted earnings per share - common shares (R\$)</b>	25	<b><u>1.17</u></b>	<b><u>0.13</u></b>	<b><u>1.17</u></b>	<b><u>0.13</u></b>

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



JBS S.A.

Statements of comprehensive income for the nine month period ended September 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$

	Reference	Company		Consolidated	
		2020	2019	2020	2019
<b>Net income</b>	IS	578,953	3,632,942	631,765	3,951,397
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Foreign currency translation adjustments	SCSE	9,663,017	1,397,653	10,652,801	1,521,238
Gains associated with control loss/sale/disposal of subsidiaries	SCSE	-	(2,941)	-	(2,941)
<b>Total other comprehensive income</b>		<b>9,663,017</b>	<b>1,394,712</b>	<b>10,652,801</b>	<b>1,518,297</b>
<b>Comprehensive income</b>		<b>10,241,970</b>	<b>5,027,654</b>	<b>11,284,566</b>	<b>5,469,694</b>
<b>Total comprehensive income attributable to:</b>					
Company shareholders	SCSE	10,241,970	5,027,654	10,241,970	5,027,654
Non-controlling interest	SCSE	-	-	1,042,596	442,040
		<b>10,241,970</b>	<b>5,027,654</b>	<b>11,284,566</b>	<b>5,469,694</b>

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 September 30, 2020 and 2019**  
**In thousands of Brazilian Reais - R\$**

	Reference	Company		Consolidated	
		2020	2019	2020	2019
<b>Net income</b>	IS	3,132,732	356,715	3,172,232	454,015
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Foreign currency translation adjustments	SCSE	599,309	1,711,098	766,305	1,867,237
Gain associated with control loss/sale/disposal of subsidiaries	SCSE	–	(2,941)	–	(2,941)
<b>Total other comprehensive income</b>		<b>599,309</b>	<b>1,708,157</b>	<b>766,305</b>	<b>1,864,296</b>
<b>Comprehensive income</b>		<b>3,732,041</b>	<b>2,064,872</b>	<b>3,938,537</b>	<b>2,318,311</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Company shareholders	SCSE	3,732,041	2,064,872	3,732,041	2,064,872
Non-controlling interest	SCSE	–	–	206,496	253,439
		<b>3,732,041</b>	<b>2,064,872</b>	<b>3,938,537</b>	<b>2,318,311</b>

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





**JBS S.A.**  
**Statements of changes in equity for the nine month period ended September 30, 2020 and 2019**  
**In thousands of Brazilian Reals - R\$**

Note	Capital reserves				Profit reserves				Other comprehensive income			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	VAE (2)	ATA (3)	Retained earnings			
<b>DECEMBER 31, 2018</b>	23,576,206	211,879	(522,691)	55,113	62,480	(624,139)	470,631	2,022,814	26,410	365,293	—	25,646,996	2,299,213	27,946,209
IFRIC 23 Initial adoption (4)	—	—	—	(1,908,796)	—	—	—	(1,908,796)	—	—	—	(1,908,796)	—	(1,908,796)
<b>JANUARY 1, 2019</b>	23,576,206	211,879	(522,691)	55,113	62,480	(624,139)	470,631	114,018	26,410	365,293	—	23,736,200	2,299,213	26,037,413
Net income	—	—	—	—	—	—	—	—	—	3,632,942	—	3,632,942	318,455	3,951,397
Gain associated with control loss/sale/disposal of subsidiaries	—	—	—	—	—	—	—	—	—	(2,941)	—	(2,941)	—	(2,941)
Comprehensive income	—	—	—	—	—	—	—	—	(35,123)	1,432,776	—	1,397,653	123,565	1,521,238
<b>Total comprehensive income</b>	—	—	—	—	—	—	—	—	(35,123)	1,429,835	—	5,027,654	442,040	5,469,694
Share-based compensation	—	—	22,987	5,754	—	—	—	—	—	—	—	28,741	6,331	35,072
Treasury shares used in stock option plan	—	—	—	(18,470)	—	18,417	—	53	—	—	—	—	—	—
Realization of other reserves	—	—	—	—	(6,831)	—	—	—	—	—	6,831	—	—	—
PPC share repurchase	—	—	—	—	—	—	—	—	—	—	—	—	(11,357)	(11,357)
Scott dividend to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(3,884)	(3,884)
White Stripe dividend to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(540)	(540)
White Stripe acquisition	—	—	—	—	—	—	—	—	—	—	—	—	13,034	13,034
Others	—	—	304	—	—	—	—	—	—	—	—	304	(1,096)	(792)
<b>SEPTEMBER 30, 2019</b>	23,576,206	211,879	(499,400)	42,397	55,649	(605,722)	470,631	114,071	(8,713)	1,798,128	—	28,794,899	2,743,741	31,538,640
<b>DECEMBER 31, 2019</b>	23,576,206	211,879	(490,533)	44,947	54,374	(605,722)	774,049	4,448,449	7,188	1,618,129	—	29,656,966	2,845,083	32,482,049
Net income	—	—	—	—	—	—	—	—	(97,070)	9,760,087	—	9,663,017	989,784	10,652,801
Comprehensive income	—	—	—	—	—	—	—	—	(97,070)	9,760,087	—	9,663,017	1,042,596	11,284,566
<b>Total comprehensive income</b>	—	—	—	—	—	—	—	—	(97,070)	9,760,087	—	10,241,970	1,042,596	11,284,566
Purchase of treasury shares	—	—	—	—	—	(239,568)	—	40	—	—	—	(239,528)	—	(239,528)
Cancellation of treasury shares	—	—	—	—	—	595,889	—	(595,889)	—	—	—	—	—	—
Share-based compensation	—	—	(6,218)	(3,181)	—	—	—	—	—	—	—	(9,399)	(1,328)	(10,727)
Treasury shares used in stock option plan	—	—	—	(9,504)	—	9,872	—	(388)	—	—	—	—	—	—
Realization of other reserves	—	—	—	—	(3,729)	—	—	—	—	—	3,729	—	—	—
PPC share repurchase	—	—	(182,755)	—	—	—	—	—	—	—	—	(182,755)	(351,275)	(534,030)
Scott dividend to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(1,932)	(1,932)
Increase in JBS Embalagens Metalicas' participation	—	—	(1,275)	—	—	—	—	—	—	—	—	(1,275)	—	(1,275)
Others	—	—	(680,781)	32,262	50,645	(239,529)	774,049	3,850,232	(89,882)	11,378,216	—	39,445,979	3,534,929	42,980,908
<b>SEPTEMBER 30, 2020</b>	23,576,206	211,879	(680,781)	32,262	50,645	(239,529)	774,049	3,850,232	(89,882)	11,378,216	—	39,445,979	3,534,929	42,980,908

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

(2) Valuation adjustments to equity.

(3) Accumulated translation adjustments and exchange variation in subsidiaries.

(4) Refers to the impacts from the retrospective adoption of IFRIC 23 - Uncertainty over income tax treatments, as disclosed in December 31, 2019 financial statements in note 3 item j2 - Basis of preparation.

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



**JBS S.A.**  
**Statements of cash flows for the nine month period ended September 30, 2020 and 2019**  
**In thousands of Brazilian Reais - R\$**

	Notes	Company		Consolidated	
		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Net income		578,953	3,632,942	631,765	3,951,397
<b>Adjustments for:</b>					
Depreciation and amortization	8, 13, 14 and 15	480,394	592,891	5,717,932	4,739,645
Allowance for doubtful accounts	6	16,161	19,903	26,465	42,542
Share of profit of equity-accounted investees	12	(4,042,084)	(5,208,580)	(39,950)	(26,844)
(Gain) loss on assets sales		3,412	13,943	(38,409)	(10,658)
Tax expense	11	(1,345,323)	(763,604)	1,774,142	(229,968)
Finance expense (income), net	24	6,220,199	3,003,996	13,386,648	5,724,766
Share-based compensation	22	(3,181)	5,754	(10,727)	35,072
Provisions	21	162,255	201,570	262,047	367,897
Impairment	13	-	-	19,870	4,231
(Gain) loss with the sale of subsidiaries		-	-	-	8,759
Net realizable value inventory adjustments		(5,337)	11,631	(19,524)	(29,797)
SEC and DOJ's agreements		151,546	-	746,200	-
Taxes payments in installments		-	-	10,793	-
Fair value (market to market) of biological assets	8	-	-	89,956	(162,801)
Impacts from the leniency agreement		-	11,787	-	11,787
		<u>2,216,995</u>	<u>1,522,233</u>	<u>22,557,208</u>	<u>14,426,028</u>
<b>Changes in assets and liabilities:</b>					
Trade accounts receivable		1,241,072	1,364,993	2,088,541	1,234,152
Inventories		(884,979)	(774,096)	(1,499,509)	(1,849,692)
Recoverable taxes		(10,720)	6,401	61,112	66,549
Other current and non-current assets		(248,570)	24,181	(241,063)	35,743
Biological assets		-	-	(1,785,333)	(1,253,594)
Trade accounts payable and supply chain finance		78,915	505,151	543,296	1,089,455
Taxes payments in installments		(341,883)	(350,922)	(344,934)	(351,761)
Other current and non-current liabilities		(91,137)	(17,300)	1,197,076	14,694
Income taxes paid		-	-	(2,389,645)	(1,381,932)
		<u>(257,302)</u>	<u>758,408</u>	<u>(2,370,459)</u>	<u>(2,396,386)</u>
<b>Cash provided by operating activities</b>		<u>1,959,693</u>	<u>2,280,641</u>	<u>20,186,749</u>	<u>12,029,642</u>
Interest paid		(367,582)	(1,123,177)	(2,721,484)	(2,920,849)
Interest received		47,099	101,980	238,969	183,442
<b>Net cash of interest provided by operating activities</b>		<u>1,639,210</u>	<u>1,259,444</u>	<u>17,704,234</u>	<u>9,292,235</u>
<b>Cash flow from investing activities</b>					
Purchases of property, plant and equipment	13	(545,936)	(553,894)	(3,666,096)	(2,958,497)
Purchases of intangible assets	15	(10,667)	(11,217)	(27,445)	(13,584)
Proceeds from sale of property, plant and equipment	13	21,387	43,006	217,562	149,943
Additional investments in joint-ventures and subsidiaries		(34,064)	(197,714)	-	-
Acquisitions, net of cash acquired		-	-	(1,365,984)	(222,216)
Dividends received	12	21,000	26,439	21,000	18,000
Related party transactions		1,369,396	11,365,728	(8,064)	450,460
Other		-	(2,941)	49	(2,881)
<b>Cash provided by (used in) investing activities</b>		<u>821,116</u>	<u>10,669,407</u>	<u>(4,828,978)</u>	<u>(2,578,775)</u>
<b>Cash flow from financing activities</b>					
Proceeds from loans and financings		2,838,867	2,983,452	8,813,617	31,968,298
Payments of loans and financings		(2,946,147)	(15,963,241)	(9,880,948)	(38,426,336)
Derivatives instruments received/settled	28	62,676	(14,174)	31,862	(15,114)
Dividends paid		(1,441,177)	(5,983)	(1,441,177)	(5,983)
Dividends paid to non-controlling interest		-	-	(1,932)	(4,424)
PPC share repurchase		-	-	1,972	(6,250)
Proceeds from sale of treasury shares PPC		-	-	(534,030)	(11,357)
Purchase of treasury shares	22	(239,528)	-	(239,528)	-
Payments of leases	14	(19,944)	(33,622)	(1,160,036)	(1,019,985)
Others		-	-	(348)	(22,381)
<b>Cash used in financing activities</b>		<u>(1,745,253)</u>	<u>(13,033,568)</u>	<u>(4,412,520)</u>	<u>(7,537,282)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>					
Net change in cash and cash equivalents		813,701	104,947	3,836,403	(298,425)
Cash and cash equivalents beginning of period		1,528,774	(999,770)	12,299,139	(1,122,247)
Cash and cash equivalents beginning of period		1,883,135	1,764,193	10,033,967	8,935,779
<b>Cash and cash equivalents at the end of period</b>		<u>3,411,909</u>	<u>764,423</u>	<u>22,333,106</u>	<u>7,813,532</u>

**Non-cash transactions:**

	Notes	Company		Consolidated	
		2020	2019	2020	2019
Increase/decrease in share capital in subsidiaries' through assumption of credit	12	(461,253)	(463,202)	-	-
Increase/decrease in share capital in subsidiaries' through PPE	12	503,157	-	-	-
Reclassification of negative investments	12	(88,254)	(174,692)	-	-
Treasury shares used in stock option plan	22	9,504	18,470	9,504	18,470
Mercado da Carne's PP&E transference to Seara	13	195,842	-	-	-
Mercado da Carne's intangible assets transference to Seara	15	16,277	-	-	-
Mercado da Carne's inventory transference to Seara	7	98,347	-	-	-
Mercado da Carne's recoverable taxes transference to Seara	9	2,038	-	-	-
Capitalised interests	13	(28,718)	-	(88,651)	-
New lease contracts	14	52,711	16,748	923,520	505,931
Assets held for sale reclassification		-	-	(10,899)	-
PP&E reclassification to right of use asset		-	-	-	81,306
Intangible disposal due to subsidiaries liquidation		-	-	-	2,170
PP&E disposal due to subsidiaries liquidation		-	-	-	6,589
Donation of PP&E as payment for Seber's acquisition		-	-	-	80,000
Tax assessment payment using tax credits		-	(543,573)	-	(543,573)

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

**JBS S.A.**
**Economic value added the nine month period ended September 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$**

	Company		Consolidated	
	2020	2019	2020	2019
<b>Revenue</b>				
Sales of goods and services	27,994,540	22,705,091	195,968,446	148,848,479
Other income (expense)	1,904	(12,167)	47,614	68,972
Allowance for doubtful accounts	(16,161)	(19,903)	(26,465)	(42,542)
	<b>27,980,283</b>	<b>22,673,021</b>	<b>195,989,595</b>	<b>148,874,909</b>
<b>Goods</b>				
Cost of services and goods sold	(20,403,980)	(15,925,538)	(112,684,718)	(89,722,276)
Materials, energy, services from third parties and others	(3,256,975)	(3,156,811)	(34,107,740)	(24,298,725)
	<b>(23,660,955)</b>	<b>(19,082,349)</b>	<b>(146,792,458)</b>	<b>(114,021,001)</b>
<b>Gross added value</b>	<b>4,319,328</b>	<b>3,590,672</b>	<b>49,197,137</b>	<b>34,853,908</b>
<b>Depreciation and Amortization</b>	<b>(480,394)</b>	<b>(592,891)</b>	<b>(5,717,932)</b>	<b>(4,739,645)</b>
<b>Net added value generated</b>	<b>3,838,934</b>	<b>2,997,781</b>	<b>43,479,205</b>	<b>30,114,263</b>
<b>Net added value by transfer</b>				
Share of profit of equity-accounted investees, net of tax	4,042,084	5,208,580	39,950	26,844
Financial income	369,804	702,260	819,103	1,007,582
Others	(3,521)	(891)	79,056	12,479
	<b>4,408,367</b>	<b>5,909,949</b>	<b>938,109</b>	<b>1,046,905</b>
<b>NET ADDED VALUE TOTAL TO DISTRIBUTION</b>	<b>8,247,301</b>	<b>8,907,730</b>	<b>44,417,314</b>	<b>31,161,168</b>
<b>DISTRIBUTION OF ADDED VALUE</b>				
<b>Labor</b>				
Salaries	1,494,308	1,508,116	21,308,977	15,168,788
Benefits	233,085	203,041	3,640,965	2,927,713
FGTS (Brazilian Labor Social Charge)	105,319	106,247	249,260	227,958
	<b>1,832,712</b>	<b>1,817,404</b>	<b>25,199,202</b>	<b>18,324,459</b>
<b>Taxes and contribution</b>				
Federal	(1,289,131)	(764,935)	2,351,574	245,723
State	503,769	473,125	1,224,334	1,190,937
Municipal	14,357	13,169	15,697	14,126
	<b>(771,005)</b>	<b>(278,641)</b>	<b>3,591,605</b>	<b>1,450,786</b>
<b>Capital Remuneration from third parties</b>				
Interests and exchange variation	6,516,230	3,465,522	13,895,845	6,327,414
Rents	44,610	43,106	375,835	270,739
Others	45,801	227,397	723,062	836,373
	<b>6,606,641</b>	<b>3,736,025</b>	<b>14,994,742</b>	<b>7,434,526</b>
<b>Owned capital remuneration</b>				
Net income attributable to company shareholders	578,953	3,632,942	578,953	3,632,942
Non-controlling interest	-	-	52,812	318,455
	<b>578,953</b>	<b>3,632,942</b>	<b>631,765</b>	<b>3,951,397</b>
<b>ADDED VALUE TOTAL DISTRIBUTED</b>	<b>8,247,301</b>	<b>8,907,730</b>	<b>44,417,314</b>	<b>31,161,168</b>

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

## JBS S.A.

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

### 1 Operating activities

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

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 authorized by the Board of Directors on November 11, 2020.

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

#### a. Main operating events that occurred during the period:

**a1. Analysis of the impacts from Covid-19 pandemic:** The Covid-19 pandemic remains active, although many restrictions were imposed by the Brazilian authorities have been relaxed. The effects of the pandemic on the global economy, as well as the course of the pandemic, are still uncertain despite the various actions to combat the proliferation of the new Coronavirus. Given the profile of our operational and industrial footprint, the Company had flexibility to redirect part of the products that would have served the food service channel (restaurants, hotels, etc.) to the retail channel, noticing as well an increase in online sales channel, both channels have been experiencing increased usage by consumers. Furthermore, as the restrictions are relaxed, JBS is able to meet its demand, which is quite diversified. JBS reiterates that it will maintain its efforts to continuously meet the demand for food in the world. At this moment, there is no way to precisely predict the medium and long-term impacts on the economic scenario and on the Company's operations.

JBS continues with the program "Fazer o Bem Faz Bem", announced on May 11, 2020 and until September 30, 2020, which benefited 280 municipalities in 26 Brazilian states, impacting around 78 million people. The program carried out the construction of 2 permanent hospitals, with 131 beds, and 15 expansion works for hospitals, medical centers and health posts, besides the donation of 88 ambulances, 365 respirators, 1,479 multiparameter monitors, 1,880 ICU beds, 556 thousand basic-needs grocery package, 1 million liters of hygiene and cleaning products and 17 million PPE. In addition, through the program, 40 pulmonary physiotherapists were hired, 33 scientific and technological researches were supported and more than 2 million people were assisted by 80 benefited NGOs. Abroad, JBS USA, with Pilgrim's Pride Corporation ("PPC"), is investing more than US \$ 200 million (equivalent to R \$ 1.128 billion on September 30, 2020) in initiatives to support its employees and communities where is present in the United States, in line with its continued efforts in sustainability and social responsibility.

The initiatives to combat the proliferation of the new Coronavirus remain strict given the various investments made by the Company in order to protect its employees, including greater hygiene and disinfection of offices and plant, health and temperature verification, training, social distance, reduction in the production lines, in the plant air purification in the ventilation systems, among others.

In Brazil and in the world, several economic measures (payments postponement) were enacted due to Covid-19. In the third quarter, the Company has already paid its obligations in full, in addition to part of the extended payments. By the end of the year, the Company intends to substantially settle the extended payments, unless there is a new economic package.

As presented in footnote 28 - Risk management and financial instruments, during the nine month period ended September 30, 2020, the volatility in exchange rates and commodity prices increased, partly due to the uncertainties arising from Covid-19, as well as due to the measures taken by governments and central banks. The Company's Management expects the volatility of exchange rates and commodity prices to continue into 2020, however, it is unable to estimate the duration, extent or impacts of such volatility. The Company can use financial instruments to mitigate such exposures aforementioned.

Finally, considering all subsequent events that occurred up to the issuance date of these financial statements, there were no material impacts identified that might have affected the recoverability of assets or changed the measurement of expected changes in these financial statements.

**a2.** On July 10, 2020, the Company announced that it redeemed, in cash, (i) US\$425 million (R\$2.397 billions at September 30, 2020), which represents 100% of the aggregate outstanding principal amount of the Senior Notes due 2023 ("Notes 2023") issued by JBS Investments GmbH; and (ii) US\$450 million (R\$2.538 billions at September 30, 2020), which represents 50% of the aggregate outstanding principal amount, of the 5.875% Senior Notes due 2024 ("Notes 2024") issued by JBS USA Food Company, JBS USA Lux S.A. and JBS USA Finance, Inc. Also, on September 14, the Company announced its intention to redeem the outstanding balance in an aggregate principal amount plus accrued and unpaid interest up to, but excluding, the redemption date. The premiums paid related to the payment anticipation of Notes 2023 and 2024 are described in footnote

**a3.** On July 16, 2020, the Company's indirect subsidiary JBS USA agreed to re-acquire the Greeley, Colorado lamb processing facility for US\$13.5 million (R\$76,149 at September 30, 2020). The facility was previously sold in 2016 to a third party. JBS USA intends to invest further in the facility and convert it to a value-added beef operation.

**a4.** On August 4, 2020, the Administrative Council for Economic Defense ("CADE") approved without any restriction the acquisition of the margarine and mayonnaise production assets from Bunge Alimentos through its direct subsidiary Seara Alimentos in the amount of R\$700,000, subject to final working capital adjustments. Also, in August, CADE raised inquiries about the operation. Seara is waiting for the transaction's conclusion.

**a5.** On August 10, 2020, the Company's indirect subsidiary Plumrose USA announced plans to build a new Italian meats and charcuterie production facility in the United States. The production facility is expected to cost US\$200 million (R\$1.128 billion at September 30, 2020) and will further expand JBS product offerings of value-added meats.

**a6.** On August 13, 2020, the Company announced the cancellation, approved by the Board of Directors, of all shares held in treasury on this date in the amount of 62,668,389 (sixty two million, six hundred and sixty eight thousand, three hundred and eighty nine) common shares issued by the Company, without par value and not reducing the Company's capital stock. The buyback shares program remains ongoing.

**a7.** On September 23, 2020, the Company announced the program "Together for the Amazon", a series of innovative, long-term initiatives that build on the company's legacy of conservation and sustainable development in the Amazon biome, engaging the segment and proposing meaningful actions that will strengthen the value chain. The fundamental pillars of the Together for the Amazon program are: (i) responsible value chain development; (ii) forest conservation and restoration; (iii) support for local communities in the Amazon region; and (iv) scientific research and technology development. Also, it was announced the creation of the "JBS Fund For The Amazon", finance important projects and actions to stimulate sustainable development in the Amazon Biome. The ambition is for the fund to reach R\$1 billion by 2030. JBS will contribute R\$250.000 over the first 5 years, and as much R\$500.000 by 2030.

#### b. Subsequent events:

**b1.** On October 14, 2020, JBS and its controlling shareholders reached an agreement with the Securities and Exchange Commission ("SEC") related to the conduct for violations of U.S. securities laws which resulted in the Company's indirect subsidiary, Pilgrim's Pride Corporation ("PPC"), failing to maintain accurate books and records and internal accounting controls. The agreement requires the Company to pay a fine of US\$26,867 millions (R\$151,546 at September 30, 2020) to the SEC. These amounts are recognized in the financial statements from the current period under the caption, in the income statement on "General and administrative expenses", and under the caption "Other current liabilities" in liabilities. The Company is required, for a term of 3 years, to review, evaluate and report to the SEC on the effectiveness of the Company's anti-corruption policies, procedures, practices, internal accounting controls, recordkeeping and financing reporting processes for JBS and any issuers of securities in the United States that are under JBS' direct or indirect control.

**b2.** On October 14, 2020, the Company's indirect subsidiary PPC, has entered into a plea agreement with the United States Department of Justice Antitrust Division in respect to its investigation into the sales of broiler chicken products in the United States. In the plea agreement, PPC agreed to a fine of US\$110,524 millions (R\$594,654 at September 30, 2020) for restraint of competition that affected three contracts for the sale of chicken products to one customer in the United States.

## JBS S.A.

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

These amounts are recognized in the financial statements from the current period under the caption, in the income statement on "General and administrative expenses", and under the caption "Other current liabilities" in liabilities.

**b3.** On October 14, 2020, the Company's indirect subsidiary JBS USA Lux redeemed the outstanding balance of the Notes 2024. The amount of US\$8,800 million (R\$47,347 at September 30, 2020) paid as premium for the notes payment anticipation was recognized under the caption "Taxes, contribution, tariff and others".

**b4.** On October 15, 2020, the rating agency Standard & Poor's upgraded JBS's credit rating from BB to BB+, with a stable outlook.

**b5.** On October 21, 2020, the Board of Directors approved the issuance of private debentures by the Company of up to R\$2 billion due in 7 and 10 years, destined to the formation of Agribusiness Credit Rights that will be the basis for the Public Offering of Agribusiness Receivables Certificates. The proceeds from this operation will be used to purchase cattle.

**b6.** Until the date of approval of these financial statements, the Company purchased 32,501,800 treasury shares of approximately R\$727,680 through the buyback shares purchase program ongoing.

**b7.** On October 30, 2020, it was approved in the Extraordinary Shareholders' Meeting the filing of a lawsuit against Wesley Mendonça Batista and Joesley Mendonça Batista, former Company's officers, and the direct and/or indirect controller of the Company, pursuant to articles 159 and 246 of Law No. 6,404 / 76. The Company's Administration will have 90 days to define how it will apply the decision made.

## 2 Plea bargain agreement, Leniency agreement and the impacts in the financial statements

As previously disclosed, in 2017 certain executives and former executives of J&F Investimentos S.A. ("J&F") took over certain obligations in the Plea Bargain Agreement with the District Attorney General's Office ("PGR"). Also in 2017, J&F entered in a Leniency Agreement ("Agreement") with the Federal Public Prosecutor's Office ("MPF") which was approved. In the same year, the Company and its Brazilian subsidiaries adhered the Agreement. Further information is presented in the financial statements from December 31, 2019 on footnote 2 - Plea bargain agreement, Leniency agreement and the impacts in the financial statements.

The Company's compliance program named "Always Do It Right" is still ongoing. Further information is presented in the financial statements from December 31, 2019.

### a. Internal independent investigations:

Conducting an internal investigation related to the facts presented in the plea bargain agreement involving the Company is one of the obligations set in the Agreement. Therefore, J&F hired for the Company and its subsidiaries an independent law firm and forensic specialists, which during the third quarter of 2017, initiated an independent internal investigation. At September 30, 2020, three years after the investigation initiation, review of several documents, meeting the requests of the forensic specialists and in the documents and evidence delivered to the MPF, the Company understands that all the events reported were measured and duly recognized and disclosed in the financial statements of December 31, 2017 and that, based on the current results presented by the independent law firm and also based on the procedures adopted to this date, Management is not aware of new events that have not already been recognized, or disclosed, which have an impact on the Company's current financial statements.

## 3 Basis of preparation

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 does not meet all 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 December 31, 2019, 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 September 30, 2020 are not disclosed fully when compared to the financial statements for the year ended December 31, 2019, approved by the Board of Directors on March 25, 2020.

To avoid duplication of disclosures which are included in the annual financial statements, the following notes were not subject to full filling:

- i. Operating activities
- ii. Business combination
- iii. Biological assets
- iv. Recoverable taxes
- v. Investment in subsidiaries and joint venture
- vi. Property, plant and equipment
- vii. Leases
- viii. Intangible
- ix. Goodwill
- x. Loans and financing
- xi. Dividends payable
- xii. Other financial liabilities
- xiii. Insurance coverage
- xiv. Risk management and financial instruments

### 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 Reals (R\$), which is the Company's reporting and functional currency. All financial information is presented in thousands of Reals and the disclosure of other amounts in currencies other than Reals when necessary, except when otherwise indicated.

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

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.

**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

**4 Business Combination**

In October, 2019, the Company's indirect subsidiary Pilgrim's Pride Corporation ("PPC") acquired 100% of the membership interest of Tulip Ltd. ("Tulip") for a cash purchase of US\$393,288 million (R\$1,631,437 at the transaction date). Tulip a leading pork and prepared foods supplier with operations in the United Kingdom and expands the European prepared foods portfolio of PPC's global sales. The transaction generated a gain on bargain purchase of US\$53,134 (R\$220,412 at the transaction date), which a gain of US\$56,880 million (R\$235,950 million at the transaction date) was recognized during the fourth quarter of 2019; a loss of US\$1,740 million (R\$7,219 at the transaction date) was recognized during the first quarter of 2020 and; a loss of US\$2,006 million (R\$8,319 million at the transaction date) was recognized during the third quarter of 2020.

On April 6, 2020, the Company's indirect subsidiary JBS USA Food Company, acquired case ready facilities and Ledbetter branded retail products from Empire Packing Company, L.P. ("Empire") by the amount paid in cash of approximately US\$250,663 million (R\$1.315 billion at the transaction date), subject to final working capital adjustments. Empire's acquisition expands the presence in the case ready and branded product categories. The goodwill generated from this business combination of US\$47,241 million (R\$247,850 at the transaction date) is partially eligible to be deducted for tax purposes in the United States of America.

Also, there was a review in the indirect subsidiary FAMPAT S.A. and Plan Restaurantes S.A. ("FAMPAT and Plan Pro")'s fair value allocation, acquired during the second quarter of 2020.

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

FAIR VALUE	Acquisitions	
	2020	2019
	Empire	Tulip
Cash and cash equivalents	65,849	28,432
Trade accounts receivable	72,821	607,392
Inventories	28,300	235,684
Biological assets	-	261,432
Property, plant and equipment	501,350	1,302,879
Right of use assets	2,219	23,284
Intangible assets	476,130	167,662
Other assets	1,784	88,050
<b>ASSETS</b>	<b>1,148,453</b>	<b>2,714,815</b>
Trade accounts payable	71,043	668,043
Accrued income taxes, other taxes, payroll and social charges	-	97,553
Lease liabilities	2,219	23,284
Current and deferred income taxes	1,243	69,706
Other liabilities	6,695	4,380
<b>LIABILITIES</b>	<b>81,200</b>	<b>862,966</b>
<b>Net assets and liabilities</b>	<b>1,067,253</b>	<b>1,851,849</b>
Acquisition price	1,315,103	1,631,437
<b>Goodwill/(Gain on bargain purchase)</b>	<b>247,850</b>	<b>(220,412)</b>

**5 Cash and cash equivalents**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Cash on hand and at banks	3,127,464	1,571,702	18,707,649	4,759,656
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic)	284,445	311,433	3,625,457	5,274,311
	<b>3,411,909</b>	<b>1,883,135</b>	<b>22,333,106</b>	<b>10,033,967</b>

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**6 Trade accounts receivable, net**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Current receivables	2,146,769	2,135,343	11,628,124	9,257,146
Overdue receivables:				
From 1 to 30 days	147,680	388,308	1,353,256	1,586,957
From 31 to 60 days	22,125	59,907	163,103	153,964
From 61 to 90 days	2,970	13,306	56,863	32,904
Above 90 days	268,467	223,186	650,007	460,787
Allowance for doubtful accounts	(256,590)	(204,601)	(442,402)	(345,473)
Present value adjustment	(7,635)	(6,195)	(9,462)	(9,663)
	177,017	473,911	1,771,365	1,879,476
	2,323,786	2,609,254	13,399,489	11,136,622

**Changes in allowance for doubtful accounts:**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Initial balance	(204,601)	(204,719)	(345,473)	(316,987)
Acquired in business combination	-	-	-	(2,266)
Additions	(16,161)	6,440	(26,465)	(70,723)
Exchange variation	(59,033)	(25,520)	(105,921)	(2,924)
Write-offs	23,205	19,198	35,457	47,427
Final balance	(256,590)	(204,601)	(442,402)	(345,473)

**7 Inventories**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Finished products	2,706,897	2,000,285	12,394,182	8,816,177
Work in process	206,038	196,259	1,296,696	1,003,454
Raw materials	237,159	204,710	2,352,519	1,597,514
Warehouse spare parts	217,029	173,900	2,840,580	2,022,446
	3,367,123	2,575,154	18,883,977	13,439,591

**8 Biological assets**

	Consolidated	
	Current	Non-current
<b>Balance at December 31, 2019</b>	<b>3,906,004</b>	<b>1,382,559</b>
Increase by reproduction (born) and cost to reach maturity	27,874,592	1,744,235
Reduction for slaughter, sale or consumption	(29,081,174)	(181,325)
Increase by purchase	985,290	627,986
Decrease by death	(150,926)	(33,649)
Fair value adjustments	(89,956)	-
Changes from current to non-current	650,638	(650,638)
Exchange rate variation	904,141	401,199
Amortization	-	(1,472,574)
<b>Balance at September 30, 2020</b>	<b>4,998,609</b>	<b>1,817,793</b>

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**9 Recoverable taxes**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Value-added tax on sales and services - ICMS	1,332,635	1,198,703	3,347,967	2,933,404
Social contribution on billings - PIS and COFINS	2,811,814	1,623,780	4,013,807	2,307,600
Withholding income tax - IRRF/IRPJ	1,496,169	2,807,198	2,062,047	3,761,577
Excise tax - IPI	75,804	77,389	231,683	240,625
Reintegra	29,750	30,911	47,928	60,929
Other	16,087	16,891	56,373	48,497
	<b>5,762,259</b>	<b>5,754,872</b>	<b>9,759,805</b>	<b>9,352,632</b>
Current	994,315	933,085	2,837,507	2,351,152
Non-current	4,767,944	4,821,787	6,922,298	7,001,480
	<b>5,762,259</b>	<b>5,754,872</b>	<b>9,759,805</b>	<b>9,352,632</b>

**10 Related parties transactions**

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

	September 30, 2020	December 31, 2019
Related party receivables	469,439	715,527
Related party payables	(25,611,797)	(17,641,379)
	<b>(25,142,358)</b>	<b>(16,925,852)</b>

COMPANY	Currency	Costs transfer (administrative and funding)	Statement of financial position accounts		Effect on net income	
			September 30, 2020	December 31, 2019	2020	2019
<b>Direct subsidiaries</b>						
JBS Embalagens Metálicas Ltda.	R\$	CDI + 4% a.a.	4	193,202	10,032	18,702
Brazservice Ltda.	R\$	CDI + 4% a.a.	6,189	137,433	7,465	14,360
JBS Confinamento Ltda.	R\$	CDI + 4% a.a.	37,971	66,819	4,099	5,235
JBS Investments Luxembourg S.à.r.l	US\$	-	16,201	6,531	-	-
Enersea Ltda.	R\$	CDI + 4% a.a.	111	982	(19)	(122)
JBS Leather International N.V	US\$	-	-	28,488	-	489
Conceria Priante S.p.a	EUR	5,11 a 8,375% a.a.	-	-	-	5,318
JBS Mendoza Ltda.	US\$	-	-	(15)	-	-
JBS Investments II GmbH <sup>(1)</sup>	US\$	5,75% a 7,3% a.a.	(18,556,199)	(11,887,339)	(534,590)	(218,372)
<b>Indirect subsidiaries</b>						
Seara Alimentos Ltda. <sup>(2)</sup>	R\$	CDI + 4% a.a.	(2,862,409)	(2,764,846)	(211,345)	(175,041)
JBS Leather Paraguay Srl. <sup>(3)</sup>	GUA	7,00% a.a.	9,958	6,894	359	116
JBS USA Holding Lux S.à.r.l	US\$	5,11% a.a.	(4,193,189)	(2,989,179)	(120,533)	(154,352)
JBS Leather Asia Ltd.	US\$	5,11 a 8,375% a.a.	-	-	-	8,648
Zendaleather México S.A de C.V	US\$	2,5% a 5,11% a.a.	-	-	-	3,122
JBS Leather Uruguay S.A.	US\$	-	-	-	-	356
Gideny	US\$	-	-	-	-	119
<b>Other related parties</b>						
J&F Oklahoma Holdings Inc <sup>(4)</sup>	US\$	3,4% a.a.	399,005	275,178	12,490	-
			<b>(25,142,358)</b>	<b>(16,925,852)</b>	<b>(832,042)</b>	<b>(491,422)</b>

**Credit with related parties - Consolidated**

	September 30, 2020	December 31, 2019
J&F Oklahoma Holdings Inc <sup>(4)</sup>	399,005	275,178
JBS Foods Canada <sup>(5)</sup>	10,543	-
	<b>409,548</b>	<b>275,178</b>

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:

<sup>(1)</sup> During the years ended at 2018 and 2019, the Company received funds from the direct subsidiary JBS Investments II GmbH, raised from senior notes in the amount of US\$1.700 billion (R\$9.589 billions at September 30, 2020) and funds from JBS USA Holding Lux of US\$1.520 billion (R\$8,574 billions at September 30, 2020).

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<sup>(2)</sup> In August 2020, the Company transferred its direct participation in the subsidiary Seara Alimentos, as described in the footnote 12 - Investments in subsidiaries, associate and joint venture.

<sup>(3)</sup> In August 2020, the intercompany loan currency changed from American dollars to guaranis.

<sup>(4)</sup> In December 2019, the Company undertook the credits previously held by its indirect subsidiary Moyer Distribution with J&F Oklahoma arising from a credit line granted due to the cattle purchase operation in the USA.

<sup>(5)</sup> Refers to the intercompany loan with the associate JBS Ontario, as described in footnote 12 - Investments in subsidiaries, associate and joint venture.

The disclosure of significant related parties commercial transactions is in accordance with the criteria established by the Management of presenting individually transaction balances equal or higher than 2% of the total of these transactions (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 meet this criteria in the past and 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	2020	2019	2020	2019
<b>Direct subsidiaries</b>								
JBS Confinamento	1,823	976	63,005	41,779	575,451	184,154	10,992	5,551
Brazservice	13,059	5,947	2,630	1,401	19,476	18,793	75,000	87,165
Conceria Priante	5,617	1,959	-	-	-	-	9,396	87,549
Enersea	-	-	-	-	100,041	99,662	69,784	71,680
<b>Indirect subsidiaries</b>								
Seara Alimentos <sup>(2)</sup>	104,003	21,184	53,873	54,611	184,961	58,073	777,140	507,053
JBS Global UK	68,668	52,377	-	-	-	-	203,526	169,776
Toledo	44,107	38,442	-	-	8	41	269,622	189,949
JBS Aves	1,161	1,385	20,605	21,049	3,503	2,934	11,275	12,503
Weddel	12,382	11,253	-	-	-	-	51,279	21,306
Sampco	119,202	92,168	-	-	-	-	561,007	400,916
Meat Snacks Partners	34,176	2,174	7	-	180	111	321,144	203,473
JBS Leather Asia	2,292	26,424	465	-	-	-	105,518	56,622
JBS USA	33,407	29	2	-	1,327	916	84,911	30
Seara Comércio de Alimentos	605	25	1,447	4,213	12,421	32,154	5,448	6,225
Swift & Company Trade Group	3,115	3,408	-	-	-	514	88,172	63,827
<b>Other related parties</b>								
JBj Agropecuária	1,002	999	7,812	-	347,294	354,658	9,985	8,791
Flora Produtos	50,123	12,774	3	3	371	44	167,468	91,914
Eldorado Celulose	445	809	-	-	104	50	11,782	14,570
Banco Original	-	17	-	-	-	-	60	190
	<b>495,187</b>	<b>272,350</b>	<b>149,849</b>	<b>123,056</b>	<b>1,245,137</b>	<b>752,104</b>	<b>2,833,509</b>	<b>1,999,090</b>

**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 done at market value through a permanent transfer to Banco Original of the risks and benefits of all trade accounts receivable. At September 30, 2020 and December 31, 2019, the unpaid balance of transferred receivables was R\$656,117 and R\$594,424 in the Company, and R\$1,401,881 and R\$1,500,494 in the Consolidated, respectively. During the nine month period ended September 30, 2020 and 2019, JBS incurred financial costs related to this operation in the amount of R\$46,935 and R\$68,398 in the Company, and R\$84,322 and R\$117,653 in the Consolidated, respectively, recognized in the consolidated financial statements under the caption "Financial expenses".

The Company has a livestock purchase agreement for future delivery with certain suppliers, including JBj Agropecuária, as described in footnote 17 - Trade accounts payable. At September 30, 2020 and December 31, 2019, this balance of this transaction was R\$75,820 and R\$30,000.

At September 30, 2020 and December 31, 2019, the Company holds investments with Banco Original, in the amount of R\$636,235 and R\$93,760 in the Company and R\$1,976,889 and R\$323,262 in the Consolidated, recognized under the caption "Cash and cash equivalents", respectively. The cash investments, CDB and similar investments have similar earnings to CDI (Certificado de Depósito Interbancário). For the nine month period ended September 30, 2020 and 2019, the Company earned interest from these investments in the amount of R\$1,298 and R\$2,512 in the Company, and R\$3,583 and R\$5,776 in the Consolidated, respectively, recognized in the consolidated financial statements under the caption "Financial income".

JBS is the main sponsor of Instituto Germinare, a business school youth-directed, whose goal is to educate future leaders by offering free, high-quality education. During the nine month period ended September 30, 2020 and 2019, JBS made donations in the amounts of R\$14,895 and R\$11,054, respectively, recognized in the financial statements under the caption "Administrative expenses".

No expense for doubtful accounts or bad debts relating to related-party transactions were recorded during the nine month period ended September 30, 2020 and 2019.

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**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 nine month period ended September 30, 2020 and 2019 is the following:

	<u>2020</u>	<u>2019</u>
Salaries and wages	20,033	16,633
Variable cash compensation	44,500	27,500
	<u>64,533</u>	<u>44,133</u>

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.

**11 Income taxes**

	<u>Company</u>		<u>Consolidated</u>	
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Deferred income taxes assets	-	-	1,552,339	1,506,129
Deferred income taxes liabilities	(1,070,826)	(2,416,149)	(4,552,126)	(4,093,599)
	<u>(1,070,826)</u>	<u>(2,416,149)</u>	<u>(2,999,787)</u>	<u>(2,587,470)</u>

**a. Composition of deferred tax income and social contribution:**

	<u>Company</u>		
	<u>December 31, 2019</u>	<u>Income statement</u>	<u>September 30, 2020</u>
Tax losses and negative basis of social contribution	35,643	1,405,897	1,441,540
Allowance for doubtful accounts	72,761	17,624	90,385
Provisions	164,253	18,982	183,235
Present value adjustment - Trade accounts receivable	2,106	490	2,596
Share-based payment	6,708	(5,394)	1,314
Right of use asset	2,925	(2,108)	817
Other temporary differences assets	113,901	(95,532)	18,369
Goodwill amortization	(2,552,929)	-	(2,552,929)
Present value adjustment - Trade accounts payable	1,504	(5)	1,499
Realization of other reserves/deemed cost	(266,234)	1,920	(264,314)
Other temporary differences liabilities	3,213	3,449	6,662
<b>Deferred taxes, net</b>	<u>(2,416,149)</u>	<u>1,345,323</u>	<u>(1,070,826)</u>

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	Consolidado				September 30, 2020
	December 31, 2019	Income statement	Exchange variation	Other adjustments <sup>(1)</sup>	
Tax losses and negative basis of social contribution	1,851,565	1,397,262	119,329	(69)	3,368,087
Allowance for doubtful accounts	92,771	26,900	967	-	120,638
Provisions	451,491	29,885	-	-	481,376
Present value adjustment - Trade accounts receivable	11,255	(3,637)	-	-	7,618
Tax credits - Foreign subsidiaries	47,893	252	19,158	-	67,303
Biological assets - Foreign subsidiaries	43,333	(11,730)	16,953	-	48,556
Labor accidents accruals - Foreign subsidiaries	153,142	(1,868)	63,556	-	214,830
Pension plan - Foreign subsidiaries	109,666	13,150	46,473	-	169,289
Trade accounts payable accrual - Foreign subsidiaries	392,804	(36,794)	146,419	-	502,429
Share-based payment	6,708	(5,394)	-	-	1,314
Non-deductible interests - Foreign subsidiaries	508,645	(640,108)	96,258	-	(35,205)
Right of use asset	39,988	(29,642)	10,520	-	20,866
Other temporary differences assets	429,121	(69,856)	41,760	-	401,025
Goodwill amortization	(2,669,726)	-	-	-	(2,669,726)
Present value adjustment - Trade accounts payable	(13,292)	4,431	-	-	(8,861)
Business combination	(2,852,745)	(125,806)	(1,161,107)	(188,167)	(4,327,825)
Customer returns accruals - Foreign subsidiaries	(127,541)	(3,725)	(51,359)	-	(182,625)
Inventory valuation - Foreign subsidiaries	(241,102)	1,684	(85,534)	-	(324,952)
Realization of other reserves/deemed cost	(605,696)	1,265	-	-	(604,431)
Other temporary differences liabilities	(215,750)	10,969	(29,085)	(15,627)	(249,493)
<b>Deferred taxes, net</b>	<b>(2,587,470)</b>	<b>557,238</b>	<b>(765,692)</b>	<b>(203,863)</b>	<b>(2,999,787)</b>

<sup>(1)</sup> From the total amount of R\$188,167 recognized under the "Business combination" caption, the amount of R\$181,351 refers to deferred tax recognition arising from change in the accounting policies of foreign subsidiaries.

**b. Reconciliation of income tax and social contribution expense:**

	Company		Consolidated	
	Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019
<b>Profit (loss) before income taxes (PBT)</b>	<b>(766,370)</b>	<b>2,869,338</b>	<b>2,405,907</b>	<b>3,721,429</b>
<b>Nominal rate</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>
Expected tax expense	260,566	(975,575)	(818,008)	(1,265,286)
<b>Adjustments to reconcile taxable income:</b>				
Earnings and losses due to equity method	1,374,309	1,770,917	13,583	9,127
Investments grants	(183)	-	181,114	456,530
Difference on tax rates under taxable income from foreign subsidiaries	-	-	1,819,604	794,980
Transfer pricing adjustment	-	-	32,366	-
Unrecognized tax benefits	(101,257)	-	(2,916,736)	(406,145)
Non-taxable interest - Foreign subsidiaries	-	-	178,321	129,038
Taxation of dual jurisdiction subsidiaries - Foreign subsidiaries	-	-	41,152	296,379
Deferred tax realization arising from surplus value	-	-	122	124,413
Infringements taxes payments	-	(75,181)	-	(75,181)
Administrative fines and penalties	(51,526)	-	(162,624)	-
Other permanent differences	(136,586)	43,443	(143,036)	166,113
<b>Current and deferred income tax (expense) benefit</b>	<b>1,345,323</b>	<b>763,604</b>	<b>(1,774,142)</b>	<b>229,968</b>
Current income tax	-	-	(2,331,380)	(1,649,411)
Deferred income tax	1,345,323	763,604	557,238	1,879,379
	<b>1,345,323</b>	<b>763,604</b>	<b>(1,774,142)</b>	<b>229,968</b>
<b>% IT/PBT</b>	<b>175.54 %</b>	<b>26.61 %</b>	<b>(73.74)%</b>	<b>6.18 %</b>

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	Company		Consolidated	
	Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019
<b>Adjustments to reconcile taxable income</b> <sup>(2)</sup>				
Prior years loss carryforwards - deferred	(1,405,897)	(738,988)	(1,397,262)	(1,284,130)
Unrecognized tax benefits	101,257	-	2,916,736	406,145
Withholding income tax - Luxembourg restructure	-	-	-	15,363
Realization of deferred tax from surplus value - Incorporations	-	-	(122)	(124,413)
Administrative fines and penalties	51,526	-	162,624	-
Income tax on realization of other reserves	(1,920)	(3,295)	(1,265)	(41,431)
<b>Current and deferred income tax (expense) benefit - ADJUSTED</b>	<b>90,289</b>	<b>21,321</b>	<b>(93,431)</b>	<b>(798,498)</b>
<b>Effective income tax rate</b>	<b>11.78 %</b>	<b>0.74 %</b>	<b>(3.88)%</b>	<b>(21.46)%</b>

	Company		Consolidated	
	Three month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019
<b>Profit (loss) before income taxes (PBT)</b>	<b>3,160,251</b>	<b>(111,266)</b>	<b>3,976,892</b>	<b>541,785</b>
<b>Nominal rate</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>
Expected tax expense	(1,074,485)	37,830	(1,352,143)	(184,207)
<b>Adjustments to reconcile taxable income:</b>				
Earnings and losses due to equity method	1,258,560	471,723	7,452	4,231
Investments grants	-	-	68,061	67,668
Difference on tax rates under taxable income from foreign subsidiaries	-	-	939,090	384,718
Transfer pricing adjustment	-	-	32,366	-
Unrecognized tax benefits	(100,682)	-	(378,914)	(412,285)
Non-taxable interest - Foreign subsidiaries	-	-	15,116	43,872
Taxation of dual jurisdiction subsidiaries - Foreign subsidiaries	-	-	15	101,028
Deferred tax realization arising from surplus value	-	-	41	516
Administrative fines and penalties	(51,526)	-	(162,624)	-
Other permanent differences	(59,386)	(41,572)	26,880	(93,311)
<b>Current and deferred income tax (expense) benefit</b>	<b>(27,519)</b>	<b>467,981</b>	<b>(804,660)</b>	<b>(87,770)</b>
Current income tax	-	-	(693,202)	(691,565)
Deferred income tax	(27,519)	467,981	(111,458)	603,795
	<b>(27,519)</b>	<b>467,981</b>	<b>(804,660)</b>	<b>(87,770)</b>
<b>% IT/PBT</b>	<b>(0.87)%</b>	<b>420.60 %</b>	<b>(20.23)%</b>	<b>(16.20)%</b>

	Company		Consolidated	
	Three month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019
<b>Adjustments to reconcile taxable income</b> <sup>(2)</sup>				
Prior years loss carryforwards - deferred	-	(464,108)	(14,246)	(523,497)
Unrecognized tax benefits	100,682	-	669,303	412,285
Realization of deferred tax from surplus value - Incorporations	-	-	(41)	(516)
Administrative fines and penalties	51,526	-	162,624	-
Income tax on realization of other reserves	(628)	(635)	6,733	(25,719)
<b>Current and deferred income tax (expense) benefit - ADJUSTED</b>	<b>124,061</b>	<b>3,238</b>	<b>19,713</b>	<b>(225,217)</b>
<b>Effective income tax rate</b>	<b>3.93 %</b>	<b>2.91 %</b>	<b>0.50 %</b>	<b>(41.57)%</b>

<sup>(2)</sup> 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) recognition of deferred tax from current year; ii) unrecognized tax benefits; iii) deferred taxes realization in incorporations; and iv) penalties related to the agreements both the Company and its indirect subsidiary PPC entered with the SEC and the DOJ, respectively, in the United States.

**Government subventions**

The Company and its subsidiaries recognizes 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 of 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 nine month period ended September 30, 2020.

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**Unrecognized tax benefits**

The Company and its subsidiaries have an unconsolidated deferred tax amount in the amount of R\$2,916,736 (deferred tax asset) at nine month period ended September 30, 2020. The majority of this amount, R\$2,415,337 refers to tax losses and negative social contribution bases not recognized by companies that have no history of profitability or future profit projections.

Deferred tax assets will be recognized to net operating losses in periods when the availability of future taxable profits are probable to realize the deferred tax asset.

**12 Investments in subsidiaries, associate and joint venture**
**Changes in the Company's investments:**

	December 31, 2019	Addition (disposal)	Exchange rate variation	Equity		September 30, 2020
				Changes in the equity of investees	Proportionate share of income (loss)	
JBS Embalagens Metálicas <sup>(1)</sup>	(112,272)	203,241	-	(1,275)	(10,114)	79,580
JBS Confinamento <sup>(1)(2)</sup>	526,691	(407,395)	-	-	24,672	143,968
Conceria Priante	122,450	-	55,029	-	(8,761)	168,718
JBS Global Luxembourg <sup>(3)</sup>	24,442,655	688,332	9,986,388	(1,490,812)	8,560,807	42,187,370
JBS Leather International <sup>(1)</sup>	(165,443)	29,638	(59,877)	(5,405)	(33,065)	(234,152)
Brazservice <sup>(1)</sup>	(90,543)	149,947	-	-	(9,142)	50,262
Seara Alimentos <sup>(3)</sup>	3,987,977	(430,822)	-	901,399	(4,458,554)	-
Meat Snack Partners <sup>(4)</sup>	93,633	(21,000)	-	-	37,852	110,485
Rigamonti <sup>(3)</sup>	174,238	(224,365)	70,481	-	(20,354)	-
Enersea	(572)	-	-	-	376	(196)
JBS Mendoza <sup>(5)</sup>	18	-	2	-	(20)	-
Midup Participações <sup>(6)</sup>	17,298	(17,075)	-	-	(223)	-
JBS Asset Management	86,461	-	33,712	-	(7,807)	112,366
JBS Investments II GmbH	3,780	-	340	-	(8,253)	(4,133)
JBS Investments Luxembourg	(35,593)	-	(17,384)	-	(24,711)	(77,688)
Swift Foods <sup>(7)</sup>	249	654	175	(4)	(619)	455
<b>Subtotal</b>	<b>29,051,027</b>	<b>(28,845)</b>	<b>10,068,866</b>	<b>(596,097)</b>	<b>4,042,084</b>	<b>42,537,035</b>
Accrual for loss on investments (*)	404,423	-	-	-	-	316,169
<b>Total</b>	<b>29,455,450</b>					<b>42,853,204</b>

(\*) Transfer of the negative investments for other current liabilities.

<sup>(1)</sup> The Company increased share capital in the direct subsidiaries JBS Embalagens Metálicas, JBS Confinamento, Brazservice and JBS Leather International through intercompany loan agreements settlement.

<sup>(2)</sup> The Company reduced share capital in the direct subsidiary JBS Confinamento through property, plant and equipment transference.

<sup>(3)</sup> In August 2020, the Company transferred its direct participation in the subsidiaries Rigamonti and Seara Alimentos through share capital increase in the subsidiary JBS Global Luxembourg ("JBS Global Lux"), now detaining indirect participation in those subsidiaries. Also, the indirect subsidiary JBS USA Holding Lux sold its direct participation in JBS Vianden to JBS Global Lux. After the restructure, the intercompany loans between JBS Global Lux and Vianden ("Luxembourg") with Seara will be capitalised in Seara. The exchange rate variation arising from these intercompany loans between related parties was recognized under other comprehensive income in equity once they are an extension of the investment of these entities in Seara.

<sup>(4)</sup> The Company's indirect subsidiary Meat Snack Partners distributed dividends to the Company.

<sup>(5)</sup> The Company's direct subsidiary JBS Mendoza is in liquidation process.

<sup>(6)</sup> The direct subsidiary Midup was incorporated in the Company.

<sup>(7)</sup> The Company increased share capital in cash in the subsidiary.

**Changes in the Consolidated's investments:**

	December 31, 2019	Addition	Distribution of dividends	Equity		September 30, 2020
				Proportionate share of income		
Meat Snack Partners	93,633	-	(21,000)	37,852		110,485
JBS Ontario <sup>(8)</sup>	-	58,827	-	2,098		60,925
<b>Total</b>	<b>93,633</b>	<b>58,827</b>	<b>(21,000)</b>	<b>39,950</b>		<b>171,410</b>

<sup>(8)</sup> In May 11, 2020, the Company's indirect subsidiary JBS Foods Canada ULC, acquired 100% of the equity of Vantage Foods, Inc. (after acquisition was named "JBS Ontario"), by the amount paid in cash of approximately US\$10,413 million (R\$60,341 at the transaction date). JBS Ontario was recognized as an associate because it does not meet the control requirements due to an operating agreement with a third party that provides the third party with substantively all decision making rights and exposure to variability in returns

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**13 Property, plant and equipment**
**Changes in property, plant and equipment:**

Company	December 31, 2019 (*)	Additions net of transfereces <sup>(1)</sup>	Incorporations <sup>(2)</sup>	Disposals <sup>(3)</sup>	Depreciation	September 30, 2020
Buildings	3,456,813	558,134	10,145	(94,463)	(61,564)	<b>3,869,065</b>
Land	1,648,286	1,388	3,706	(4,933)	-	<b>1,648,447</b>
Machinery and equipment	3,421,953	139,042	-	(85,412)	(247,821)	<b>3,227,762</b>
Facilities	1,496,653	80,435	3,224	(326)	(72,038)	<b>1,507,948</b>
Computer equipment	43,417	11,721	-	(9,366)	(13,155)	<b>32,617</b>
Vehicles	369,842	34,145	-	(22,070)	(46,356)	<b>335,561</b>
Construction in progress	650,530	227,724	-	-	-	<b>878,254</b>
Other	63,565	8,147	-	(4,071)	(5,436)	<b>62,205</b>
	<b>11,151,059</b>	<b>1,060,736</b>	<b>17,075</b>	<b>(220,641)</b>	<b>(446,370)</b>	<b>11,561,859</b>

Consolidated	December 31, 2019 (*)	Acquired in business combinations <sup>(4)</sup>	Additions net of transfereces <sup>(1)</sup>	Business combination adjustments <sup>(5)</sup>	Disposals <sup>(3)</sup>	Depreciation	Exchange rate variation	September 30, 2020
Buildings	14,122,917	245,913	899,284	5,153	(52,284)	(640,517)	2,970,746	<b>17,551,212</b>
Land	4,119,281	25,490	61,169	7,114	(57,808)	-	706,752	<b>4,861,998</b>
Machinery and equipment	13,281,113	221,755	1,728,048	(850)	(67,265)	(1,758,700)	3,130,252	<b>16,534,353</b>
Facilities	2,131,205	-	230,028	(7,081)	(2,353)	(102,463)	3,483	<b>2,252,819</b>
Computer equipment	360,956	3,552	167,432	88	(762)	(137,427)	129,851	<b>523,690</b>
Vehicles	559,199	5,278	110,465	1,065	(24,599)	(97,868)	81,327	<b>634,867</b>
Construction in progress	2,909,243	-	402,283	-	-	-	665,352	<b>3,976,878</b>
Other	615,904	13,772	156,038	1,692	(4,851)	(96,345)	203,357	<b>889,567</b>
	<b>38,099,818</b>	<b>515,760</b>	<b>3,754,747</b>	<b>7,181</b>	<b>(209,922)</b>	<b>(2,833,320)</b>	<b>7,891,120</b>	<b>47,225,384</b>

(\*) The Company reassessed its allocation between property, plant and equipment lines, and adjusted the initial balance of December 31, 2019.

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

(2) The direct subsidiary Midup was incorporated in the Company.

(3) In the Company, the amount of R\$195,842 refers to the Mercado da Carne ("MDC") transfer from the Company to Seara. This transference was eliminated in the Consolidated.

(4) Refers to FAMPAT/Plan Pro and Empire acquisitions during the second quarter of 2020.

(5) Refers to Frigorífico Marba Ltda. ("Marba"), acquired in December/2019, price allocation conclusion. There was a reduction in goodwill of R\$16,667 and an increase in inventories, property, plant and equipment and intangible assets.

For the nine month period ended September 30, 2020 and 2019, the amount of capitalized interest added to construction in progress and included in additions was R\$28,718 and R\$21,159 in the Company, respectively, and in the Consolidated was R\$88,651 and R\$80,506, respectively.

Annually, at December 31, the Company tests the recoverability of its assets that were identified as having an indicator of impairment using the concept of value in use through discounted cash flow models and there were no indicates of impairment. In the Consolidated, at the nine month period ended September 30, 2020, the Company's indirect subsidiary JBS USA recognized an impairment expense in the amount of US\$4.4 millions (R\$19,870 at the transaction date).

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**14 Leases**
**14.1 Right of use asset**

Changes in the right of use asset:

Company	December 31, 2019	Additions <sup>(1)</sup>	Terminated contracts <sup>(2)</sup>	Amortization	September 30, 2020
Buildings	184,657	8,802	(147,192)	(12,583)	33,684
Operating plants	11,869	9,390	(10,825)	(2,515)	7,919
Machinery and equipment	1,464	4,862	(1,533)	(1,519)	3,274
Computer equipment	-	28,940	-	(651)	28,289
Others	681	436	(661)	(174)	282
	<b>198,671</b>	<b>52,430</b>	<b>(160,211)</b>	<b>(17,442)</b>	<b>73,448</b>

Consolidated	December 31, 2019	Acquired in business combinations <sup>(3)</sup>	Additions <sup>(1)</sup>	Terminated contracts <sup>(2)</sup>	Amortization	Exchange rate variation	September 30, 2020
Growing facilities	1,896,334	-	55,242	-	(354,531)	508,009	2,105,054
Buildings	1,236,127	1,800	322,538	(94,070)	(206,220)	330,948	1,591,123
Vehicles and aircraft	668,777	420	264,435	(39,066)	(250,487)	234,822	878,901
Machinery and equipment	587,265	-	168,539	(23,162)	(205,793)	206,968	733,817
Operating plants	111,461	-	74,527	(64,512)	(13,267)	8,741	116,950
Land	69,905	-	2,938	(621)	(6,679)	27,367	92,910
Computer equipment	3,590	-	29,596	(432)	(3,818)	2	28,938
Furniture and appliances	64	-	176	(67)	(42)	-	131
	<b>4,573,523</b>	<b>2,220</b>	<b>917,991</b>	<b>(221,930)</b>	<b>(1,040,837)</b>	<b>1,316,857</b>	<b>5,547,824</b>

<sup>(1)</sup> Additions for each category includes PIS and COFINS to be paid.

<sup>(2)</sup> In the Company, the amount of R\$140,696 refers to the MDC's transfer from the Company to Seara. This transference was eliminated in the Consolidated.

<sup>(3)</sup> Refers to Empire's acquisition during the second quarter of 2020.

**14.2 Lease liabilities**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Lease liability	94,648	339,000	7,088,983	5,766,584
Present value adjustment	(18,797)	(131,725)	(1,249,947)	(1,051,140)
	<b>75,851</b>	<b>207,275</b>	<b>5,839,036</b>	<b>4,715,444</b>
<b>Breakdown:</b>				
Current liabilities	20,760	22,421	1,220,514	945,791
Non-current liabilities	55,091	184,854	4,618,522	3,769,653
	<b>75,851</b>	<b>207,275</b>	<b>5,839,036</b>	<b>4,715,444</b>

Changes in the lease liability:

Company	December 31, 2019	Additions	Interest accrual	Payments	Terminated contracts <sup>(1)</sup>	September 30, 2020
Lease liability	207,275	52,711	7,169	(19,944)	(171,360)	75,851

  

Consolidated	December 31, 2019	Acquired in business combinations <sup>(2)</sup>	Additions	Interest accrual	Payments	Terminated contracts <sup>(1)</sup>	Exchange rate variation	September 30, 2020
Lease liability	4,715,444	2,219	923,520	231,214	(1,160,036)	(234,689)	1,361,364	5,839,036

<sup>(1)</sup> In the Company, the amount of R\$148,888 refers to the MDC's transfer from the Company to Seara. This transference was eliminated in the Consolidated.

<sup>(2)</sup> Refers to Empire's acquisition during the second quarter of 2020.

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

	September 30, 2020	
	Company	Consolidated
2021	6,937	1,175,814
2022	24,386	1,076,859
2023	11,141	803,617
2024	10,954	629,479
2025	7,193	430,447
Maturities thereafter 2025	6,587	1,460,551
Present value adjustment	(12,107)	(958,245)
	<b>55,091</b>	<b>4,618,522</b>

**15 Intangible assets**

Company	December 31, 2019	Additions	Disposals <sup>(1)</sup>	Amortization	September 30, 2020
<b>Amortizing:</b>					
Trademarks	46,081	-	-	(11,134)	34,947
Software	30,582	10,667	(16,280)	(5,448)	19,521
	<b>76,663</b>	<b>10,667</b>	<b>(16,280)</b>	<b>(16,582)</b>	<b>54,468</b>

Consolidated	December 31, 2019	Acquired in business combination <sup>(2)</sup>	Additions	Business combination adjustments <sup>(3)</sup>	Disposals <sup>(1)</sup>	Amortization	Exchange rate variation	September 30, 2020
<b>Amortizing:</b>								
Trademark	291,219	40,744	-	-	-	(32,690)	99,075	398,348
Software	63,125	-	20,668	-	(49)	(16,604)	5,230	72,370
Customer relationships	2,017,589	435,386	-	6,097	-	(302,962)	734,270	2,890,380
Supplier contract	183,064	-	-	-	-	(13,548)	29,420	198,936
Others	8,598	-	-	-	-	(5,397)	1,041	4,242
<b>Non-amortizing:</b>								
Trademarks	3,447,855	-	251	2,652	-	-	1,038,205	4,488,963
Water rights	41,504	-	6,526	-	-	-	16,821	64,851
	<b>6,052,954</b>	<b>476,130</b>	<b>27,445</b>	<b>8,749</b>	<b>(49)</b>	<b>(371,201)</b>	<b>1,924,062</b>	<b>8,118,090</b>

<sup>(1)</sup> In the Company, the amount of R\$16,276 refers to the MDC's transfer from the Company to Seara. This transference was eliminated in the Consolidated.

<sup>(2)</sup> Refers to FAMPAT/Plan Pro and Empire acquisitions during the second quarter of 2020.

<sup>(3)</sup> Refers to Marba, acquired in December/2019, price allocation conclusion. There was a reduction in goodwill of R\$16,667 and an increase in inventories, property, plant and equipment and intangible assets.

**Impairment test:**

Annually, at December 31., the Company tests the recoverability of its assets using the concept of value in use through cash flow models and at the nine month period ended September 30, 2020, the Company did not recognize expenses in the current period and there were no indications of impairment.

**16 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.

**Changes in goodwill:**

<b>Balance at December 31, 2019</b>	<b>24,497,750</b>
Acquired in business combination <sup>(1)</sup>	259,362
Business combination adjustments <sup>(2)</sup>	164,684
Exchange rate variation	4,684,727
<b>Balance at September 30, 2020</b>	<b>29,606,523</b>

<sup>(1)</sup> Refers to FAMPAT/Plan Pro and Empire acquisitions during the second quarter of 2020.

<sup>(2)</sup> Refers to Marba, acquired in December/2019, price allocation conclusion. There was a reduction in goodwill of R\$16,667 and an increase in inventories, property, plant and equipment and intangible assets and deferred tax recognition arising from change in the accounting policies of foreign subsidiaries.

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CGU Groups	September 30, 2020	December 31, 2019
Brazil Beef	9,069,926	9,069,926
Seara	3,686,170	3,702,836
Moy Park	4,429,906	3,249,578
USA Pork	3,917,657	2,799,458
Australia Meat	1,635,859	1,161,567
Australia Smallgoods	1,808,470	1,096,890
Others CGUs without significant goodwill	5,058,535	3,417,495
<b>Total</b>	<b>29,606,523</b>	<b>24,497,750</b>

CGU groups containing goodwill are tested for impairment annually and for the year ended December 31, 2019 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 nine month period ended September 30, 2020 there were no events or circumstances that indicate that the recoverable amount may be less than the carrying amount.

**17 Trade accounts payable**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Commodities	2,190,750	2,010,393	5,904,165	5,390,373
Materials and services	925,305	788,343	13,942,888	9,928,922
Finished products	228,440	213,080	168,981	144,358
Present value adjustment	(1,836)	(2,154)	(18,293)	(24,810)
<b>Subtotal</b>	<b>3,342,659</b>	<b>3,009,662</b>	<b>19,997,741</b>	<b>15,438,843</b>
Supply chain finance	404,490	557,031	2,210,332	2,011,463
<b>Total</b>	<b>3,747,149</b>	<b>3,566,693</b>	<b>22,208,073</b>	<b>17,450,306</b>

In its normal course of business and in order to guarantee cattle supply, the Company enters into purchase agreements for livestock with certain suppliers, including the related party JBJ Agropecuária. This operation allows suppliers to anticipate the receivables with financial institutions in which the Company has an approved credit limit and guarantees cattle purchase for a fixed price without a cash impact in the Company until the maturity date of these commitments. At September 30, 2020 and December 31, 2019, the Company had commitments to purchase livestock cattle in the amount of R\$99,743 and R\$110,348 (Company and Consolidated).

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**18 Loans and financings**

Type	Average annual interest rate	Currency	Index on variable rate loans	Payment terms / non-current debt	Company			
					Current (*)		Non-current	
					September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>Foreign currency</b>								
ACC - Advances on exchange contracts	3.58%	USD	-	*	672,942	-	-	-
Notes 6.25% JBS S.A 2023	-	-	-	-	-	43,124	-	1,713,048
FINIMP	2.90%	EUR and USD	Euribor and Libor	2022 - 25	79,640	32,354	82,588	22,138
					<b>752,582</b>	<b>75,478</b>	<b>82,588</b>	<b>1,735,186</b>
<b>Local currency</b>								
Credit note - export	7.33%	BRL	CDI	2022	752,647	-	894,044	-
Working capital - Brazilian Reais	7.73%	BRL	TJLP	2021 - 23	2,119	-	135,958	15,635
FINAME	5.76%	BRL	TJLP	2022 - 25	9,598	10,595	14,253	20,958
FINEP	7.12%	BRL	-	2025	23,186	24,916	17,486	34,367
CDC - Direct credit to consumers	8.83%	BRL	-	2021 - 24	77,374	91,891	82,342	163,779
CRA - Agribusiness Credit Receivable Certificates	5.15%	BRL	CDI and IPCA	2023-24	20,983	6,104	555,242	552,041
					<b>885,907</b>	<b>133,506</b>	<b>1,699,325</b>	<b>786,780</b>
					<b>1,638,489</b>	<b>208,984</b>	<b>1,781,913</b>	<b>2,521,966</b>

Type	Average annual interest rate	Currency	Indexer	Payment terms / non-current debt	Consolidated			
					Current (*)		Non-current	
					September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>Foreign currency</b>								
ACC - Advances on exchange contracts	3.58%	USD	-	*	672,942	-	-	-
Prepayment	2.77%	USD	Libor	2021 - 24	810,572	314,063	2,427,953	2,306,399
Notes 6.25% JBS S.A 2023	-	-	-	-	-	43,124	-	1,713,048
Notes 7.00% JBS S.A 2026	7.00%	USD	-	2026	97,294	132,325	5,602,351	3,999,409
Notes 5.75% JBS S.A 2028	5.75%	USD	-	2028	55,408	74,358	4,197,956	2,996,451
FINIMP	3.02%	EUR and USD	Euribor and Libor	2021 - 25	116,544	32,354	84,982	22,138
Scott credit facilities	4.97%	USD	-	2023	1,878	1,447	7,203	6,618
					<b>1,754,638</b>	<b>597,671</b>	<b>12,320,445</b>	<b>11,044,063</b>
<b>Local currency</b>								
FINAME	5.81%	BRL	TJLP	2022 - 25	9,874	10,816	14,253	21,061
FINEP	7.12%	BRL	-	2025	23,186	25,575	17,486	34,367
Notes 5.875% JBS Lux 2024	5.88%	USD	-	2024	30,240	97,680	2,533,717	3,619,806
Notes 5.75% JBS Lux 2025	5.75%	USD	-	2025	97,437	10,141	5,906,223	4,218,570
Notes 5.75% PPC 2025	5.75%	USD	-	2025	11,710	67,599	5,621,126	4,014,395
Notes 5.875% PPC 2027	5.88%	USD	-	2027	139,274	50,319	4,728,417	3,373,784
Notes 6.75% JBS Lux 2028	6.75%	USD	-	2028	40,929	91,823	5,039,643	3,598,496
Notes 6.5% JBS Lux 2029	6.50%	USD	-	2029	232,414	76,414	7,913,883	5,656,083
Notes 5.50% JBS Lux 2030	5.50%	USD	-	2030	78,637	110,844	6,993,051	4,993,702
Term loan JBS Lux 2026	3.07%	USD	Libor	2026	188,969	101,465	10,368,106	7,448,644
PPC term loan	1.41%	USD	Libor	2023	145,045	105,149	4,368,755	1,778,933
Working capital - Brazilian Reais	8.12%	BRL	CDI and TJLP	2021 - 24	9,996	14,899	147,893	37,946
Working capital - Euros	0.91%	EUR	Euribor	2022 - 23	78,862	77,552	7,480	3,828
Credit note - export	5.77%	BRL	CDI	2021 - 24	814,828	62,867	1,830,998	140,000
CDC - Direct credit to consumers	8.84%	BRL	-	2021 - 24	77,581	92,119	82,480	164,072
Rural - Credit note - Pre fixed	3.46%	BRL	-	2021 - 22	-	-	99,661	-
Rural - Credit note	3.79%	BRL	CDI	*	1,138,727	405,176	-	100,000
CRA - Agribusiness Credit Receivable Certificates	5.15%	BRL	CDI and IPCA	2023 - 24	20,983	6,104	555,242	552,041
Scott credit facilities	4.85%	AUD, EUR and USD	-	2021	30,324	52,693	3,915	2,289
Beardstown Pace credit facility	5.20%	USD	-	2035	1,151	-	22,253	-
White Stripe credit facility	3.62%	AUD	-	*	5,438	-	-	-
JBS Australia Feedlot Agreement	7.00%	AUD	-	2023	-	-	198,287	109,816
Other	7.18%	Others	Others	2021 - 26	20,910	21,993	73,402	37,248
					<b>3,196,515</b>	<b>1,481,228</b>	<b>56,526,271</b>	<b>39,905,081</b>
					<b>4,951,153</b>	<b>2,078,899</b>	<b>68,846,716</b>	<b>50,949,144</b>



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(\*) 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, TJLP, LIBOR and EURIBOR, among others.

The availability under JBS USA revolving credit facilities was US\$1.6 billions (R\$9,025 billions at September 30, 2020) and US\$1.9 billion (R\$7.658 billions at December 31, 2019).

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

Maturity	September 30, 2020	
	Company	Consolidated
2021	84,807	217,821
2022	1,003,420	2,570,653
2023	168,276	5,748,172
2024	518,992	4,050,583
2025	6,418	11,653,730
Maturities thereafter	-	44,605,757
	<u>1,781,913</u>	<u>68,846,716</u>

**18.1 Guarantees and contractual restrictions ("covenants")**

The Company was in compliance with all of its debt covenant restrictions at September 30, 2020 and until the date that these financial statements were approved.

**19 Accrued income taxes and other taxes**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Taxes payable in installments	843,587	961,411	892,186	1,016,968
PIS / COFINS tax payable	72,056	75,629	141,974	119,366
ICMS / VAT / GST tax payable	52,024	31,799	106,105	88,531
Withholding income taxes	19,962	26,052	72,543	81,732
Others	2,806	2,352	414,121	230,442
<b>Subtotal</b>	<u>990,435</u>	<u>1,097,243</u>	<u>1,626,929</u>	<u>1,537,039</u>
Accrued income taxes	-	-	496,178	384,594
<b>Total</b>	<u>990,435</u>	<u>1,097,243</u>	<u>2,123,107</u>	<u>1,921,633</u>
<b>Breakdown:</b>				
Current liabilities	305,320	325,754	1,207,204	943,640
Non-current liabilities	685,115	771,489	915,903	977,993
	<u>990,435</u>	<u>1,097,243</u>	<u>2,123,107</u>	<u>1,921,633</u>

**Decree 8,426/2015 - PIS/COFINS over financial income:** In July 2015, the Company and its subsidiaries filed an injunction to suspend the enforceability of PIS and COFINS debts over financial income. The Decree 8,426/2015 reestablished the levy of PIS and COFINS on financial revenues obtained by companies subject to the PIS and COFINS noncumulative regime, at the rates of 4.65%. As of September 30, 2020 and December 31, 2019, the Company has recognized under Income taxes, payroll, social charges and tax obligation the amount of R\$72,056 and R\$68,871 in the Company, respectively, and in the Consolidated R\$121,277 and R\$103,593, respectively, regarding to PIS/COFINS over financial income.

**20 Accrued payroll and social charges**

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Taxes payable in installments	3,220,831	3,317,467	3,286,572	3,385,021
Bonus and vacation along with related social charges	342,685	229,765	4,405,228	2,637,990
Salaries and related social charges	193,462	392,682	1,922,630	1,498,963
Others	6,703	7,436	243,942	182,883
	<u>3,763,681</u>	<u>3,947,350</u>	<u>9,858,372</u>	<u>7,704,857</u>
<b>Breakdown:</b>				
Current liabilities	818,308	914,539	5,395,659	4,051,824
Non-current liabilities	2,945,373	3,032,811	4,462,713	3,653,033
	<u>3,763,681</u>	<u>3,947,350</u>	<u>9,858,372</u>	<u>7,704,857</u>

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**21 Provisions**

The Company and its subsidiaries are party to 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Labor	344,998	332,400	690,968	687,986
Civil	47,343	33,438	312,208	237,243
Tax and Social Security	146,585	123,305	443,234	390,597
<b>Total</b>	<b>538,926</b>	<b>489,143</b>	<b>1,446,410</b>	<b>1,315,826</b>

**Changes in provisions**

	Company				
	December 31, 2019	Additions, disposals and changes in prognosis	Payments	Monetary correction	September 30, 2020
Labor	332,400	104,535	(102,764)	10,827	344,998
Civil	33,438	37,099	(32,049)	8,855	47,343
Tax and social security	123,305	20,621	(437)	3,096	146,585
<b>Total</b>	<b>489,143</b>	<b>162,255</b>	<b>(135,250)</b>	<b>22,778</b>	<b>538,926</b>

	Consolidated					
	December 31, 2019	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	September 30, 2020
Labor	687,986	175,866	(202,423)	29,467	72	690,968
Civil	237,243	66,029	(54,306)	29,702	33,540	312,208
Tax and social security	390,597	20,152	(437)	32,844	78	443,234
<b>Total</b>	<b>1,315,826</b>	<b>262,047</b>	<b>(257,166)</b>	<b>92,013</b>	<b>33,690</b>	<b>1,446,410</b>

**Investigative and judicial related procedures**

The criminal investigations proceedings, class actions, and the corporate lawsuits (CVM) are ongoing and the Company has been collaborating with the investigations. There are no relevant changes in the proceedings aforementioned since the financial statements from December 31, 2019.

**22 Equity**

- a. **Share capital:** Share capital on September 30, 2020 was R\$23,576,206, represented by 2,666,079,023 common shares, having no nominal value.

	September 30, 2020	
	Quantity	R\$ thousand
<b>Balance at December 31, 2019</b>	<b>2,728,747,412</b>	<b>23,576,206</b>
Cancellation of treasury shares <sup>(1)</sup>	(62,668,389)	-
<b>Balance at September 30, 2020</b>	<b>2,666,079,023</b>	<b>23,576,206</b>

<sup>(1)</sup> As described in footnote 1, item a6.

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**b. Capital reserves:**

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

**b2. Share-based compensation:**

There were no changes in share-based compensation assumptions, recognition and the plans pricing calculation since the disclosed financial statements from December 31, 2019.

The primary assumptions considered in the model were:

Grants					Fair value assumptions				
Program		Quantity of options	Fair value of the option	Exercise price in R\$	Expected exercise term	Risk free interest rate	Volatility	Share price on the grant date	Dividend Yield
2017B	May-17	1,004,722	R\$ 11,72 a R\$ 11,82	0.000002	1 to 3 years	9.31% to 9.64%	46.15%	11.86	0.45%
2017C	May-17	2,315,842	R\$ 11,10 a R\$ 11,15	1.00000	1 to 3 years	9.31% to 9.64%	46.15%	12.07	0.45%
2018A	Apr-18	317,127	R\$ 7,50 a R\$ 7,57	0.00001	1 to 3 years	6.22% to 7.07%	41.38%	7.57	0.53%
2018B	May-18	264,201	R\$ 7,50 a R\$ 7,57	0.00001	1 to 3 years	6.25% to 6.99%	38.49%	7.57	0.54%
2018C	May-18	771,071	R\$ 9,66 a R\$ 9,75	0.000004	1 to 3 years	6.25% to 6.99%	38.49%	9.75	0.54%
2018D	May-18	1,500,000	R\$ 9,66 a R\$ 9,75	0.000002	1 to 3 years	6.25% to 6.99%	38.49%	9.75	0.54%
2018E	Jun-18	153,846	R\$ 9,62 a R\$ 9,72	0.00002	1 to 3 years	6.74% to 8.81%	41.40%	9.75	0.50%
2018F	Jul-18	35,897	R\$ 9,63 a R\$ 9,73	0.00008	1 to 3 years	6.79% to 9.25%	47.53%	9.75	0.51%
<b>Total</b>		<b>6,362,706</b>							

**September 30, 2020**

Program	Grant	Vesting terms	Options outstanding	Remaining contractual life (years)	
2018C	May-18	05.01.18	1/3 per year with final maturity in January 2, 2021	135,042	0.17
2018E	Jun-18	06.01.18	1/3 per year with final maturity in January 2, 2021	51,282	0.08
			<b>186,324</b>		

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

	September 30, 2020	
	Quantity of options	Average exercise price per share
<b>Opening balance</b>	<b>1,513,690</b>	<b>R\$ 9.51</b>
Exercised <sup>(1)</sup>	(1,013,117)	R\$ 9.66
Cancelled	(314,249)	R\$ 9.75
<b>Closing balance</b>	<b>186,324</b>	<b>R\$ 9.71</b>

<sup>(1)</sup> The exercised shares during the nine month period ended September 30, 2020 and 2019 totaled in the amounts of R\$9,504 and R\$18,470.

During the nine month period ended September 30, 2020 and 2019, the expense with options plan totaled R\$3,181 and R\$5,754 in the Company and in the Consolidated in the amount of R\$10,727 and R\$35,072. The expenses were recognized in the net income (loss) under the caption "General and administrative expenses", with the respective offset in "Capital Reserves."

**b3. Treasury shares:**

Treasury share activity during the nine month period ended September 30, 2020 were as follows:

	September 30, 2020	
	Quantity	R\$ thousand
<b>Opening balance</b>	<b>63,706,683</b>	<b>605,722</b>
Purchase of treasury shares	10,178,400	239,568
Treasury shares used in stock option plan <sup>(1)</sup>	(1,013,117)	(9,872)
Cancellation of treasury shares	(62,668,389)	(595,889)
<b>Closing balance</b>	<b>10,203,577</b>	<b>239,529</b>

<sup>(1)</sup> Refers to treasury shares exercised effectively.

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 Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
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**23 Net revenue**

	Company				Consolidated			
	Nine month period ended September 30,		Three month period ended September 30,		Nine month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>GROSS REVENUE</b>								
<b>Sales of products</b>								
Domestic sales	16,341,276	13,996,884	6,517,845	4,978,317	149,350,612	113,699,623	54,239,683	39,532,582
Export sales	12,590,009	9,437,901	5,063,716	3,842,385	50,679,667	38,218,347	18,009,118	14,221,801
	<u>28,931,285</u>	<u>23,434,785</u>	<u>11,581,561</u>	<u>8,820,702</u>	<u>200,030,279</u>	<u>151,917,970</u>	<u>72,248,801</u>	<u>53,754,383</u>
<b>SALES DEDUCTION</b>								
Returns and discounts	(936,745)	(729,694)	(322,828)	(253,652)	(4,061,835)	(3,069,493)	(1,474,666)	(1,043,782)
Sales taxes	(581,597)	(470,342)	(233,448)	(163,968)	(1,823,636)	(1,451,384)	(693,037)	(526,195)
	<u>(1,518,342)</u>	<u>(1,200,036)</u>	<u>(556,276)</u>	<u>(417,620)</u>	<u>(5,885,471)</u>	<u>(4,520,877)</u>	<u>(2,167,703)</u>	<u>(1,569,977)</u>
<b>NET REVENUE</b>	<u>27,412,943</u>	<u>22,234,749</u>	<u>11,025,285</u>	<u>8,403,082</u>	<u>194,144,808</u>	<u>147,397,093</u>	<u>70,081,098</u>	<u>52,184,406</u>

**24 Finance income (expense)**

	Company				Consolidated			
	Nine month period ended September 30,		Three month period ended September 30,		Nine month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
Exchange rate variation	(5,012,960)	(1,453,402)	(541,895)	(1,642,099)	(9,951,598)	(2,353,731)	203,299	(2,636,338)
Fair value adjustments on derivatives	55,600	1,153	132,922	211,808	80,618	(17,730)	(68,246)	201,794
Interest expense <sup>(1)</sup>	(1,387,289)	(1,519,840)	(438,443)	(478,579)	(3,669,860)	(3,368,681)	(1,212,800)	(1,192,209)
Interest income <sup>(2)</sup>	212,574	208,826	56,612	71,761	371,866	351,267	138,166	154,659
Taxes, contribution, fees and others <sup>(3)</sup>	(88,124)	(240,733)	(50,454)	(193,729)	(217,674)	(335,891)	(130,163)	(228,383)
	<u>(6,220,199)</u>	<u>(3,003,996)</u>	<u>(841,258)</u>	<u>(2,030,838)</u>	<u>(13,386,648)</u>	<u>(5,724,766)</u>	<u>(1,069,744)</u>	<u>(3,700,477)</u>
Finance income	369,804	702,260	189,534	283,570	819,103	1,007,582	341,465	356,454
Finance expense	(6,590,003)	(3,706,256)	(1,030,792)	(2,314,408)	(14,205,751)	(6,732,348)	(1,411,209)	(4,056,931)
	<u>(6,220,199)</u>	<u>(3,003,996)</u>	<u>(841,258)</u>	<u>(2,030,838)</u>	<u>(13,386,648)</u>	<u>(5,724,766)</u>	<u>(1,069,744)</u>	<u>(3,700,477)</u>

<sup>(1)</sup> For the nine month period ended September 30, 2020 and 2019, the amounts of R\$260,622 and R\$588,401 in the Company and R\$2,930,422 and R\$2,553,512 in the Consolidated refers to interest expenses from loans and financings recognized under the caption "Interest expense".

<sup>(2)</sup> For the nine month period ended September 30, 2020 and 2019, the amounts of R\$20,125 and R\$34,252 in the Company and R\$70,946 and R\$103,353 in the Consolidated refers to interest income from short investments recognized under the caption "interest income".

<sup>(3)</sup> Under the caption "Taxes, contribution, fees and others" in the nine month period ended September 30, 2020, includes the premium payments, in the Company, of the senior notes due 2023 in the amount of R\$23,662 and, in the Consolidated, of the senior notes due 2024 in the amount of R\$71,009.

**25 Earnings per share**

**Basic:** There were no changes in the basic earnings per share calculation assumptions since the disclosed financial statements from December 31, 2019.

	Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019
<b>Net income attributable to shareholders</b>	<u>578,953</u>	<u>3,632,942</u>	<u>3,132,732</u>	<u>356,715</u>
Weighted average common shares outstanding	2,704,376	2,728,747	2,704,376	2,728,747
Weighted average - treasury shares	(42,382)	(63,847)	(34,433)	(63,847)
<b>Weighted average - common shares outstanding (basic)</b>	<u>2,661,994</u>	<u>2,664,900</u>	<u>2,669,943</u>	<u>2,664,900</u>
<b>Basic earnings per share - (R\$)</b>	<b>0.22</b>	<b>1.36</b>	<b>1.17</b>	<b>0.13</b>

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**Diluted:** There were no changes in the diluted earnings per share calculation assumptions since the disclosed financial statements from December 31, 2019.

	Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019
<b>Net income attributable to shareholders</b>	<b>578,953</b>	<b>3,632,942</b>	<b>3,132,732</b>	<b>356,715</b>
Weighted average common shares outstanding (basic) - R\$	<b>2,661,994</b>	2,664,900	<b>2,669,943</b>	2,664,900
Dilutive effect of outstanding stock options	-	1,165	-	1,165
<b>Weighted average - common shares outstanding (diluted)</b>	<b>2,661,994</b>	<b>2,666,065</b>	<b>2,669,943</b>	<b>2,666,065</b>
<b>Diluted earnings per shares - (R\$)</b>	<b>0.22</b>	<b>1.36</b>	<b>1.17</b>	<b>0.13</b>

At September 30, 2020, 186,324 shares related to outstanding stock options have been excluded from the calculation of diluted weighted average common shares.

**26 Operating segments and geographic reporting**

There are no changes in the structure of operating segments and geographic reporting since the disclosed financial statements from December 31, 2019.

The information by consolidated operational segment are as follows:

Segments	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Nine month period ended September 30,		Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019	2020	2019
Brazil	28,311,185	22,382,109	1,879,391	653,675	514,922	596,091
Seara	19,189,823	14,640,854	2,439,134	611,601	720,269	935,153
Beef USA	81,833,088	63,333,219	9,140,050	4,662,280	976,790	738,948
Pork USA	22,856,448	17,153,067	1,917,665	1,232,425	625,694	475,673
Chicken USA	45,419,989	32,407,485	1,537,800	2,339,657	2,810,388	1,941,394
Others	2,071,259	1,797,051	(110,356)	(26,164)	76,727	58,001
Intercompany elimination	(5,536,984)	(4,316,692)	(1,358)	(1,924)	(6,858)	(5,615)
<b>Total</b>	<b>194,144,808</b>	<b>147,397,093</b>	<b>16,802,326</b>	<b>9,471,550</b>	<b>5,717,932</b>	<b>4,739,645</b>

Segments	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Three month period ended September 30,		Three month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019	2020	2019
Brazil	11,430,568	8,445,693	679,529	519,229	177,362	199,772
Seara	6,964,533	5,362,222	841,683	335,373	254,379	369,922
Beef USA	28,757,555	22,353,285	2,420,050	2,132,993	352,776	258,074
Pork USA	7,689,358	6,006,322	940,343	536,623	217,488	166,296
Chicken USA	16,527,229	11,021,575	1,094,515	739,675	1,001,296	668,317
Others	842,909	549,387	(8,344)	(21,616)	27,747	19,335
Intercompany elimination	(2,131,054)	(1,554,078)	(453)	(453)	(2,286)	(2,286)
<b>Total</b>	<b>70,081,098</b>	<b>52,184,406</b>	<b>5,967,323</b>	<b>4,241,824</b>	<b>2,028,762</b>	<b>1,679,430</b>

	September 30, 2020	December 31, 2019
<b>Total assets</b>		
Brazil	38,336,661	35,297,025
Seara	31,672,491	26,160,836
Beef USA	33,231,613	21,885,042
Pork USA	15,093,019	11,080,766
Chicken USA	43,370,932	29,627,716
Others	92,472,224	48,066,357
Intercompany elimination	(87,684,180)	(45,778,355)
<b>Total</b>	<b>166,492,760</b>	<b>126,339,387</b>

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Below is net revenue, operating income and depreciation and amortization based on geography, presented for supplemental information.

**Geographic reporting**

	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Nine month period ended September 30,		Nine month period ended September 30,		Nine month period ended September 30,	
	2020	2019	2020	2019	2020	2019
United States of America	147,404,715	110,753,895	12,512,291	8,214,766	4,451,461	3,188,484
South America	46,700,486	36,500,528	4,322,780	1,227,880	1,248,631	1,542,375
Others	1,874,828	1,529,666	(30,760)	30,828	24,698	14,401
Intercompany elimination	(1,835,221)	(1,386,996)	(1,985)	(1,924)	(6,858)	(5,615)
<b>Total</b>	<b>194,144,808</b>	<b>147,397,093</b>	<b>16,802,326</b>	<b>9,471,550</b>	<b>5,717,932</b>	<b>4,739,645</b>

**Geographic reporting**

	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Three month period ended September 30,		Three month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019	2020	2019
United States of America	52,032,798	38,685,885	4,323,312	3,401,259	1,585,649	1,103,927
South America	18,065,214	13,562,780	1,636,173	838,170	436,357	572,935
Others	757,464	494,821	8,319	2,848	9,042	4,854
Intercompany elimination	(774,378)	(559,080)	(481)	(453)	(2,286)	(2,286)
<b>Total</b>	<b>70,081,098</b>	<b>52,184,406</b>	<b>5,967,323</b>	<b>4,241,824</b>	<b>2,028,762</b>	<b>1,679,430</b>

**Total assets by geographic area:**

	September 30, 2020	December 31, 2019
<b>Total assets</b>		
United States of America	139,649,398	94,109,941
South America	67,439,901	58,951,382
Others	43,980,408	16,169,167
Intercompany elimination	(84,576,947)	(42,891,103)
<b>Total</b>	<b>166,492,760</b>	<b>126,339,387</b>

<sup>(1)</sup> - The operating income is reconciled with the consolidated net income, as follows below:

	Operating income			
	Nine month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019
Net income (loss)	631,765	3,951,397	3,172,232	454,015
Income tax and social contribution - current and deferred	1,774,142	(229,968)	804,660	87,770
Finance (income) expense, net	13,386,648	5,724,766	1,069,744	3,700,477
Share of profit of equity-accounted investees, net of tax	(39,950)	(26,844)	(21,916)	(12,443)
<b>Operating profit</b>	<b>15,752,605</b>	<b>9,419,351</b>	<b>5,024,720</b>	<b>4,229,819</b>
Investigation impacts due to the leniency agreement	-	11,787	-	-
SEC and DOJ agreements	746,200	-	746,200	-
"Fazer o Bem Faz Bem" program <sup>(2)</sup>	297,167	-	181,895	-
Other operating expense/income <sup>(3)</sup>	6,354	40,412	14,508	12,005
<b>Net operating profit</b>	<b>16,802,326</b>	<b>9,471,550</b>	<b>5,967,323</b>	<b>4,241,824</b>

<sup>(1)</sup> At June 30, 2020, includes the amount of R\$115,272 which refers to the donations made on behalf of the "Fazer o Bem Faz Bem" program. In the third quarter of 2020, the donation made was R\$181,895 (R\$297,167 in the nine month period). The Company included this adjustment in the operating income calculation of the Brazil segment, due to its materiality, and for comparability purposes, the amount at June 30, 2020 was adjusted as well.

<sup>(2)</sup> Refers to several adjustments basically in JBS USA's jurisdiction such as Tulip's gain on bargain purchase, impairment expenses, insurance refund, third party advisory expenses related to restructuring projects, among others.

**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

**27 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			
	Nine month period ended September 30,		Three month period ended September 30,		Nine month period ended September 30,		Three month period ended September 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Cost of sales</b>								
Cost of inventories, raw materials and production inputs	(20,922,993)	(16,674,682)	(8,773,328)	(6,159,768)	(134,339,156)	(105,310,426)	(48,830,640)	(36,425,219)
Salaries and benefits	(1,111,674)	(1,084,859)	(378,035)	(370,561)	(21,222,759)	(15,356,069)	(7,682,961)	(5,383,219)
Depreciation and amortization	(285,884)	(329,071)	(98,694)	(107,613)	(4,982,238)	(4,005,177)	(1,769,151)	(1,424,204)
	<u>(22,320,551)</u>	<u>(18,088,612)</u>	<u>(9,250,057)</u>	<u>(6,637,942)</u>	<u>(160,544,153)</u>	<u>(124,671,672)</u>	<u>(58,282,752)</u>	<u>(43,232,642)</u>
<b>General and administrative</b>								
Salaries and benefits	(948,123)	(960,480)	(339,458)	(327,090)	(3,716,710)	(2,862,783)	(1,175,252)	(1,048,699)
Fees, services held and general expenses	(548,300)	(660,531)	(216,977)	(224,051)	(2,136,556)	(1,554,469)	(758,472)	(529,401)
Depreciation and amortization	(130,155)	(178,058)	(42,674)	(58,922)	(543,006)	(542,383)	(191,413)	(187,357)
SEC and DOJ agreements	(151,546)	–	(151,546)	–	(746,200)	–	(746,200)	–
"Fazer o Bem Faz Bem" program	(297,167)	–	(181,895)	–	(297,167)	–	(181,895)	–
Impairment	–	–	–	–	(19,870)	(4,231)	(19,870)	–
	<u>(2,075,291)</u>	<u>(1,799,069)</u>	<u>(932,550)</u>	<u>(610,063)</u>	<u>(7,459,509)</u>	<u>(4,963,866)</u>	<u>(3,073,102)</u>	<u>(1,765,457)</u>
<b>Selling</b>								
Freights and selling expenses	(1,298,182)	(1,329,543)	(434,113)	(492,514)	(8,864,928)	(7,124,937)	(3,146,273)	(2,481,410)
Allowance for doubtful accounts	(16,161)	(19,903)	(3,843)	(13,233)	(26,465)	(42,542)	3,384	(11,443)
Salaries and benefits	(125,732)	(135,353)	(43,021)	(46,353)	(573,213)	(433,058)	(201,743)	(159,863)
Depreciation and amortization	(64,355)	(85,763)	(20,422)	(32,145)	(192,688)	(192,085)	(68,198)	(67,870)
Advertising and marketing	(47,013)	(56,940)	(19,177)	(19,184)	(619,872)	(446,098)	(234,436)	(201,586)
Commissions	(55,844)	(40,870)	(20,175)	(15,153)	(165,341)	(130,763)	(62,262)	(44,632)
	<u>(1,607,287)</u>	<u>(1,668,372)</u>	<u>(540,751)</u>	<u>(618,582)</u>	<u>(10,442,507)</u>	<u>(8,369,483)</u>	<u>(3,709,528)</u>	<u>(2,966,804)</u>

As of September 30, 2020, other income (expenses) includes gain (losses) of sale of assets in the Company, and in the Consolidated, gain (losses) of sale of assets, third party advisory expenses related to corporate restructures, gain on bargain purchase, insurance refund, impairment expenses, among others.

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 (Expressed in thousands of Brazilian reais)

**28 Risk management and financial instruments**

	Notes	Company		Consolidated	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>Assets</b>					
<b>Fair value through profit or loss</b>					
Financial investments	5	143,851	145,569	3,444,792	5,108,446
National treasury bills	5	140,594	165,864	180,665	165,865
Derivative assets		39,111	-	251,779	62,053
<b>Loans and receivables at amortized cost</b>					
Cash at banks	5	3,127,464	1,571,702	18,707,649	4,759,656
Trade accounts receivable	6	2,323,786	2,609,254	13,399,489	11,136,622
Related party receivables	10	469,439	715,527	409,548	275,178
<b>Total</b>		<b>6,244,245</b>	<b>5,207,916</b>	<b>36,393,922</b>	<b>21,507,820</b>
<b>Liabilities</b>					
<b>Liabilities at amortized cost</b>					
Loans and financings	18	(3,420,402)	(2,730,950)	(73,797,869)	(53,028,044)
Trade accounts payable and supply chain finance	17	(3,747,149)	(3,566,693)	(22,208,073)	(17,450,306)
Related party payables	10	(25,611,797)	(17,641,379)	-	-
Other financial liabilities		(27,793)	(33,743)	(129,389)	(150,516)
<b>Fair value through profit or loss</b>					
Derivative liabilities		(68,380)	(22,194)	(516,937)	(251,964)
<b>Total</b>		<b>(32,875,521)</b>	<b>(23,994,959)</b>	<b>(96,652,268)</b>	<b>(70,880,830)</b>

**Fair value through profit or loss:** (i) CDBs are updated at the effective rate but have a really short-term and negotiated with financial institutions, and their recognition is similar to fair value; (ii) national treasury bill 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 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 September 30, 2020 and December 31, 2019, 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	Company						Consolidated					
	September 30, 2020			December 31, 2019			September 30, 2020			December 31, 2019		
	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal	Principal	Price (% of the Principal)	Market Value of the Principal
JBS S.A Notes 2023	-	-	-	1,713,048	101.42	1,737,373	-	-	-	1,713,048	101.42	1,737,373
JBS S.A Notes 2026	-	-	-	-	-	-	6,613,201	106.79	7,062,502	4,530,500	108.71	4,925,152
JBS S.A Notes 2028	-	-	-	-	-	-	4,959,901	104.18	5,167,076	3,397,875	110.77	3,763,656
JBS Lux Notes 2024	-	-	-	-	-	-	2,538,314	102.40	2,599,234	3,627,629	103.30	3,747,341
JBS Lux Notes 2025	-	-	-	-	-	-	5,922,734	104.50	6,189,257	4,232,234	103.88	4,396,233
JBS Lux Notes 2028	-	-	-	-	-	-	5,076,629	109.15	5,541,090	3,627,629	111.00	4,026,669
JBS Lux Notes 2029	-	-	-	-	-	-	7,896,978	110.72	8,743,534	5,642,979	111.78	6,307,891
JBS Lux Notes 2030	-	-	-	-	-	-	7,050,873	108.50	7,650,198	5,038,374	105.88	5,334,480
PPC Notes 2025	-	-	-	-	-	-	5,640,699	101.89	5,747,195	4,030,699	103.42	4,168,549
PPC Notes 2027	-	-	-	-	-	-	4,794,594	103.00	4,938,432	3,426,095	108.18	3,706,246
				<u>1,713,048</u>		<u>1,737,373</u>	<u>50,493,923</u>		<u>53,638,518</u>	<u>39,267,062</u>		<u>42,113,590</u>

**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, 2019. There were no changes in the nature of these risks in the current period.

**a. Interest rate risk:**

The Company's Officers understand that the quantitative data referring to the exposure risk to the Company's interest rates in the September 30, 2020 and December 31, 2019, shown below, are in accordance with the Financial and Risk Management and Commodities Policy and are representative of the exposure incurred during the period.

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	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>Liabilities and assets exposure to the CDI rate net:</b>				
CRA - Agribusiness Credit Receivable Certificates	(60,326)	(60,149)	(60,326)	(263,016)
Credit note - export	(1,646,691)	-	(2,645,826)	-
Rural - Credit note	-	-	(99,661)	(505,176)
Working capital - Brazilian Reais	-	-	(3,109)	(37,210)
Related party transactions	(2,818,134)	(2,366,410)	-	-
CDB-DI	143,851	145,569	1,178,431	1,627,111
National treasury bill	140,594	165,865	140,594	165,865
<b>Subtotal</b>	<b>(4,240,706)</b>	<b>(2,115,125)</b>	<b>(1,489,897)</b>	<b>987,574</b>
Derivatives (DI)	68,378	63,784	68,378	63,784
Derivatives (Swap)	-	-	803,072	20,736
<b>Total</b>	<b>(4,172,328)</b>	<b>(2,051,341)</b>	<b>(618,447)</b>	<b>1,072,094</b>
<b>Liabilities exposure to the LIBOR rate:</b>				
Prepayment	-	-	(3,238,525)	(2,620,462)
FINIMP	(83,743)	-	(83,743)	-
Term loan JBS Lux 2026	-	-	(10,557,075)	(7,550,111)
PPC term loan	-	-	(4,513,800)	(1,897,605)
Others	-	-	389	(294)
<b>Subtotal</b>	<b>(83,743)</b>	<b>-</b>	<b>(18,392,754)</b>	<b>(12,068,472)</b>
Derivatives (Swap)	-	-	11,226,058	-
<b>Total</b>	<b>(83,743)</b>	<b>-</b>	<b>(7,166,696)</b>	<b>(12,068,472)</b>
<b>Liabilities exposure to the IPCA rate:</b>				
CRA - Agribusiness Credit Receivable Certificates	(515,899)	(497,997)	(515,899)	(497,997)
<b>Subtotal</b>	<b>(515,899)</b>	<b>(497,997)</b>	<b>(515,899)</b>	<b>(497,997)</b>
Derivatives (Swap)	616,271	537,534	616,271	537,534
<b>Total</b>	<b>100,372</b>	<b>39,537</b>	<b>100,372</b>	<b>39,537</b>
<b>Liabilities exposure to the TJLP rate:</b>				
FINAME	23,851	(31,553)	23,851	(31,862)
Working capital - Brazilian Reais	(50,958)	(15,635)	(50,958)	(15,635)
<b>Total</b>	<b>(27,107)</b>	<b>(47,188)</b>	<b>(27,107)</b>	<b>(47,497)</b>

**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	2.1500%	2.1690%	(715)	(106)	2.6875%	(19,819)	(2,938)	3.2250%	(39,637)	(5,875)
Libor	Increase	0.5458%	0.5462%	-	(20)	0.6822%	(75)	(6,441)	0.8186%	(151)	(12,891)
IPCA	Decrease	1.8800%	1.8744%	(6)	(6)	1.4100%	(612)	(612)	0.9400%	(1,225)	(1,225)
TJLP	Increase	4.9400%	4.9412%	(1)	(1)	6.1750%	(919)	(919)	7.4100%	(1,837)	(1,837)
				<b>(722)</b>	<b>(133)</b>		<b>(21,425)</b>	<b>(10,910)</b>		<b>(42,850)</b>	<b>(21,828)</b>

The Company is exposed to rates such as TJLP, Euribor and IRS that are not significant since their impact on net income (loss) in a scenario with a interest rate variation of 50% is less than R\$10,000.

Instrument	Risk factor	Nature	Company					
			September 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	DI	Short	755	(68,378)	(227)	755	(63,784)	(112)

  

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	DI	Short	755	(68,378)	(227)	755	(63,784)	(112)

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				Company							
				September 30, 2020				December 31, 2019			
Instrument	Risk factor	Start date	Maturity date	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	IPCA	11.01.19	10.15.24	537,534	616,271	(604,639)	11,632	537,534	599,222	(595,601)	3,621
				Consolidated							
				September 30, 2020				December 31, 2019			
Instrument	Risk factor	Start date	Maturity date	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
	IPCA	11.01.19	10.15.24	537,534	616,271	(604,639)	11,632	537,534	599,222	(595,601)	3,621
	CDI	07.18.19	01.18.24	16,981	(17,307)	17,717	410	20,736	22,690	(22,481)	209
	CDI	02.27.20	02.27.23	800,000	820,379	(840,860)	(20,481)	-	-	-	-
Swap	Libor	09.25.20	09.25.24	2,005,582	2,005,206	(2,010,740)	(5,534)	-	-	-	-
	Libor	09.25.20	09.25.24	1,253,489	1,228,111	(1,233,042)	(4,931)	-	-	-	-
	Libor	05.04.20	05.03.22	2,326,788	2,332,277	(2,336,676)	(4,399)	-	-	-	-
	Libor	04.30.20	04.30.23	5,640,699	5,660,464	(5,681,910)	(21,446)	-	-	-	-
				<b>12,581,073</b>	<b>12,645,401</b>	<b>(12,690,150)</b>	<b>(44,749)</b>	<b>558,270</b>	<b>621,912</b>	<b>(618,082)</b>	<b>3,830</b>

**a. 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>OPERATING</b>						
Cash and cash equivalents	3,021,692	1,482,787	29,790	46,471	6,534	3,230
Trade accounts receivable	2,607,937	2,581,687	83,383	158,819	92,938	64,155
Sales orders	2,024,608	2,048,983	73,479	175,288	165,564	109,854
Trade accounts payable	(132,210)	(76,485)	(15,495)	(21,704)	(99)	(72)
<b>Subtotal</b>	<b>7,522,027</b>	<b>6,036,972</b>	<b>171,157</b>	<b>358,874</b>	<b>264,937</b>	<b>177,167</b>
<b>FINANCIAL</b>						
Related parties transaction, net	(22,324,224)	(14,565,972)	-	-	-	-
Loans and financings	(756,684)	(1,782,976)	(78,486)	(27,687)	-	-
<b>Subtotal</b>	<b>(23,080,908)</b>	<b>(16,348,948)</b>	<b>(78,486)</b>	<b>(27,687)</b>	<b>-</b>	<b>-</b>
<b>Total exposure</b>	<b>(15,558,881)</b>	<b>(10,311,976)</b>	<b>92,671</b>	<b>331,187</b>	<b>264,937</b>	<b>177,167</b>
<b>DERIVATIVES</b>						
Non Deliverable Forwards (NDF's)	3,666,455	-	-	-	-	-
<b>Total derivatives</b>	<b>3,666,455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET EXPOSURE IN R\$</b>	<b>(11,892,426)</b>	<b>(10,311,976)</b>	<b>92,671</b>	<b>331,187</b>	<b>264,937</b>	<b>177,167</b>
Net debt in foreign subsidiaries	(41,874,111)	(33,742,311)	-	-	-	-

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	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<b>OPERATING</b>										
Cash and cash equivalents	8,912,692	2,853,753	57,650	100,392	10,297	23,609	717,085	277,131	15,751	-
Trade accounts receivable	4,999,810	4,531,742	140,588	225,424	120,566	749,777	472,189	426,279	14,209	222
Sales orders	2,143,671	2,211,775	73,481	293,481	165,564	109,854	-	-	6,788	3,061
Trade accounts payable	(398,783)	(246,717)	(150,407)	(107,834)	(20,079)	(473,413)	(618,565)	(237,860)	(16,544)	(738)
Income tax payable	-	-	-	-	-	-	-	-	(10,390)	-
Purchase orders	(232,164)	(181,686)	(55,819)	(43,761)	-	-	-	-	-	-
<b>Subtotal</b>	<b>15,425,226</b>	<b>9,168,867</b>	<b>65,493</b>	<b>467,702</b>	<b>276,348</b>	<b>409,827</b>	<b>570,709</b>	<b>465,550</b>	<b>9,814</b>	<b>2,545</b>
<b>FINANCIAL</b>										
Related parties transaction, net	(10,633,996)	(18,834,094)	-	-	-	(3,124)	-	-	682,558	16,377
Provisions	(134,381)	-	-	-	-	-	-	-	-	-
Advances to customers	(1,656,001)	-	(3,913)	-	-	-	-	-	-	-
Loans and financings	(13,957,300)	(11,641,590)	(117,784)	(27,687)	-	-	-	-	-	-
<b>Subtotal</b>	<b>(26,381,678)</b>	<b>(30,475,684)</b>	<b>(121,697)</b>	<b>(27,687)</b>	<b>-</b>	<b>(3,124)</b>	<b>-</b>	<b>-</b>	<b>682,558</b>	<b>16,377</b>
<b>Total exposure</b>	<b>(10,956,452)</b>	<b>(21,306,817)</b>	<b>(56,204)</b>	<b>440,015</b>	<b>276,348</b>	<b>406,703</b>	<b>570,709</b>	<b>465,550</b>	<b>692,372</b>	<b>18,922</b>
<b>DERIVATIVES</b>										
Deliverable Forwards (DF's)	365,743	50,001	246,685	144,702	(43,935)	(63,987)	(1,103,981)	(736,622)	(10,339)	(9,553)
Non Deliverable Forwards (NDF's)	3,524,924	60	(162,317)	32,955	(125,534)	(199,092)	-	-	-	-
Swap	(10,465)	-	-	-	-	-	-	-	-	-
<b>Total derivatives</b>	<b>3,880,202</b>	<b>50,061</b>	<b>84,368</b>	<b>177,657</b>	<b>(169,469)</b>	<b>(263,079)</b>	<b>(1,103,981)</b>	<b>(736,622)</b>	<b>(10,339)</b>	<b>(9,553)</b>
<b>NET EXPOSURE IN R\$</b>	<b>(7,076,250)</b>	<b>(21,256,756)</b>	<b>28,164</b>	<b>617,672</b>	<b>106,879</b>	<b>143,624</b>	<b>(533,272)</b>	<b>(271,072)</b>	<b>682,033</b>	<b>9,369</b>
Net debt in foreign subsidiaries	(41,874,111)	(33,742,311)	-	-	-	-	-	-	-	-

**b1. Sensitivity analysis and derivative financial instruments breakdown:**
**b1.1 US Dollar (amounts in thousands of R\$):**

Exposure of R\$	Risk	Current 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	5.6407	5.8112	227,313	466,145	7.0509	1,880,514	3,856,320	8.4611	3,761,014	7,712,613			
Financial	Depreciation	5.6407	5.8112	(697,497)	(797,245)	7.0509	(5,770,248)	(6,595,443)	8.4611	(11,540,454)	(13,190,839)			
Derivatives	Appreciation	5.6407	5.8112	110,799	117,258	7.0509	916,617	970,054	8.4611	1,833,228	1,940,101			
				<b>(359,385)</b>	<b>(213,842)</b>		<b>(2,973,117)</b>	<b>(1,769,069)</b>		<b>(5,946,212)</b>	<b>(3,538,125)</b>			

Exposure of R\$	Risk	Current 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	5.6407	5.8112	(1,265,421)	7.0509	(10,468,565)	8.4611	(20,937,055)

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 exchange variation of investment, influencing the consolidated debt of the Company, and consequently the leverage indicators.

Company								
Instrument	Risk factor	Nature	September 30, 2020			December 31, 2019		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Non Deliverable Forwards	American dollar	Long	650,000	3,666,455	(8,534)	-	-	-
Consolidated								
Instrument	Risk factor	Nature	September 30, 2020			December 31, 2019		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	American dollar	Long	64,840	365,743	3,018	12,405	50,001	(3,305)
Non Deliverable Forwards	American dollar	Long	624,909	3,524,924	(4,479)	15	60	218

**JBS S.A.**

 Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
 (Expressed in thousands of Brazilian reais)

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

Exposure of R\$	Risk	Current exchange	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	6.6132	6.4041	(5,412)	(2,071)	4.9599	(42,789)	(16,373)	3.3066	(85,579)	(32,747)
Financial	Depreciation	6.6132	6.4041	2,482	3,848	4.9599	19,621	30,424	3.3066	39,243	60,848
Derivatives	Appreciation	6.6132	6.4041	-	(2,668)	4.9599	-	(21,092)	3.3066	-	(42,184)
				<u>(2,930)</u>	<u>(891)</u>		<u>(23,168)</u>	<u>(7,041)</u>		<u>(46,336)</u>	<u>(14,083)</u>

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Notional (EUR)	Notional (R\$)	Fair value	Notional (EUR)	Notional (R\$)	Fair value
Deliverable Forwards	Euro	Long	37,302	246,685	(5,759)	31,940	144,702	(4,522)
Non Deliverable Forwards	Euro	Short	(24,544)	(162,317)	2,403	-	-	-
Non Deliverable Forwards	Euro	Long	-	-	-	7,274	32,955	(3,781)

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

Exposure of R\$	Risk	Current exchange	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	7.2889	7.0664	(8,089)	(8,437)	5.4667	(66,234)	(69,087)	3.6445	(132,469)	(138,174)
Derivatives	Depreciation	7.2889	7.0664	-	5,174	5.4667	-	42,367	3.6445	-	84,735
				<u>(8,089)</u>	<u>(3,263)</u>		<u>(66,234)</u>	<u>(26,720)</u>		<u>(132,469)</u>	<u>(53,439)</u>

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Notional (GBP)	Notional (R\$)	Fair value	Notional (GBP)	Notional (R\$)	Fair value
Deliverable Forwards	British pound	Short	(6,028)	(43,935)	434	(12,012)	(63,987)	1,108
Non Deliverable Forwards	British pound	Short	(17,223)	(125,534)	3,977	(37,374)	(199,092)	(1,882)

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

Exposure of R\$	Risk	Current 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 Consolidated	Exchange rate	Effect on income Consolidated	Exchange rate	Effect on income Consolidated
Operating	Appreciation	0.2553	0.2620	14,933	0.3191	142,688	0.3830	285,354
Derivatives	Depreciation	0.2553	0.2620	(28,886)	0.3191	(276,017)	0.3830	(551,990)
				<u>(13,953)</u>		<u>(133,329)</u>		<u>(266,636)</u>

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Notional (MXN)	Notional (R\$)	Fair value	Notional (MXN)	Notional (R\$)	Fair value
Deliverable Forwards	Mexican peso	Short	(4,324,248)	(1,103,981)	32,445	(3,451,839)	(736,622)	(14,599)

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

Exposure of R\$	Risk	Current 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 Consolidated	Exchange rate	Effect on income Consolidated	Exchange rate	Effect on income Consolidated
Operating	Appreciation	4.0393	3.9158	(300)	3.0295	(2,453)	2.0197	(4,907)
Financial	Appreciation	4.0393	3.9158	(20,866)	3.0295	(170,639)	2.0197	(341,279)
Derivatives	Depreciation	4.0393	3.9158	316	3.0295	2,585	2.0197	5,170
				<u>(20,850)</u>		<u>(170,507)</u>		<u>(341,016)</u>

**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Notional (AUD)	Notional (R\$)	Fair value	Notional (AUD)	Notional (R\$)	Fair value
Deliverable Forwards	Australian dollar	Short	(2,560)	(10,339)	231	(3,374)	(9,553)	(157)

**b. Commodity price risk**

The Company operates globally across (the entire livestock protein chain, biodiesel and other business) and during the regular course of its operations brings is exposed to price fluctuations in feeder cattle, live cattle, lean hogs, corn, soybeans, and energy, especially in the American, Australian and Brazilian markets. The Risk Management Department is responsible for mapping the Company and its subsidiaries commodity prices exposures 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)	September 30, 2020	December 31, 2019
Firm Contracts of cattle purchase	623,063	285,820
<b>Subtotal</b>	<b>623,063</b>	<b>285,820</b>
<b>DERIVATIVES</b>		
Future contracts	(279,898)	(96,314)
Non Deliverable Forwards	(83,507)	-
<b>Subtotal</b>	<b>(363,405)</b>	<b>(96,314)</b>
<b>NET EXPOSURE</b>	<b>259,658</b>	<b>189,506</b>

**Sensitivity analysis:**

Exposure	Risk	Current 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	256.70	246.32	(25,190)	192.52	(155,766)	128.35	(311,531)
Derivatives	Cattle arroba depreciation	256.70	246.32	14,692	192.52	90,851	128.35	181,702
				<b>(10,498)</b>		<b>(64,915)</b>		<b>(129,829)</b>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Company					
			September 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Short	3,283	(279,898)	(14)	1,481	(96,314)	(2,832)

Instrument	Risk factor	Nature	Company					
			September 30, 2020			December 31, 2019		
			Notional	Notional (R\$)	Fair value	Notional	Notional (R\$)	Fair value
Non Deliverable Forwards	Commodities (Cattle)	Short	-	(83,507)	(1,760)	-	-	-

**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

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

EXPOSURE in Commodities (Grain)	Seara Alimentos	
	September 30, 2020	December 31, 2019
<b>OPERATING</b>		
Purchase orders	268,198	131,192
<b>Subtotal</b>	<b>268,198</b>	<b>131,192</b>
<b>DERIVATIVES</b>		
Future contracts	(941,860)	12,540
Brazil cash basis	11,482	-
<b>Subtotal</b>	<b>(930,378)</b>	<b>12,540</b>
<b>NET EXPOSURE</b>	<b>(662,180)</b>	<b>143,732</b>

**Sensitivity analysis:**

Exposure	Risk	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
		Effect on income		Effect on income		Effect on income	
		Price	Seara Alimentos	Price	Seara Alimentos	Price	Seara Alimentos
Operating	Depreciation	2.29%	6,136	25.00%	67,050	50.00%	134,099
Derivatives	Appreciation	2.29%	(21,287)	25.00%	(232,595)	50.00%	(465,189)
			<b>(15,151)</b>		<b>(165,545)</b>		<b>(331,090)</b>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Seara Alimentos					
			September 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Grains)	Short	10,386	(941,860)	(1,297)	-	-	-
Future Contracts	Commodities (Grains)	Long	-	-	-	369	12,540	138
Brazil cash basis	Commodities (Grains)	Long	180,000	11,482	9,269	-	-	-

**c3. Position balance in commodities derivatives financial instruments of JBS USA:**

EXPOSURE in Commodities	JBS USA	
	September 30, 2020	December 31, 2019
<b>OPERATIONAL</b>		
Firm Contracts of cattle purchase	9,797,809	10,231,709
<b>Subtotal</b>	<b>9,797,809</b>	<b>10,231,709</b>
<b>DERIVATIVES</b>		
Deliverable Forwards	(4,793,099)	(2,094,928)
<b>Subtotal</b>	<b>(4,793,099)</b>	<b>(2,094,928)</b>
<b>NET EXPOSURE</b>	<b>5,004,710</b>	<b>8,136,781</b>

**Sensitivity analysis:**

Exposure	Risk	Scenario (i) VaR 99% I.C. 1 day		Scenario (ii) Price variation - 25%		Scenario (ii) Price variation - 50%	
		Effect on income		Effect on income		Effect on income	
		Price	JBS USA	Price	JBS USA	Price	JBS USA
Operating	Depreciation	(2.43)%	(237,989)	(25.00)%	(2,449,452)	(50.00)%	(4,898,905)
Derivatives	Appreciation	(2.43)%	116,424	(25.00)%	1,198,275	(50.00)%	2,396,550
			<b>(121,565)</b>		<b>(1,251,177)</b>		<b>(2,502,355)</b>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Consolidated					
			September 30, 2020			December 31, 2019		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	Commodities (Cattle)	Short	(849,735)	(4,793,099)	(200,628)	(519,743)	(2,094,928)	(144,537)

**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

**c. Liquidity risk**

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

	Company									
	September 30, 2020					December 31, 2019				
	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	3,747,149	-	-	-	3,747,149	3,566,693	-	-	-	3,566,693
Related party payables	-	-	-	25,611,797	25,611,797	-	-	-	17,641,379	17,641,379
Loans and financings	1,638,489	1,215,251	566,663	-	3,420,403	208,984	240,146	2,279,124	2,696	2,730,950
Estimated interest on loans and financing <sup>(1)</sup>	167,604	163,495	28,031	-	359,130	169,649	294,993	58,493	71	523,206
Derivatives financing liabilities (assets)	68,380	-	-	-	68,380	22,194	-	-	-	22,194
Other financial liabilities	21,193	6,600	-	-	27,793	22,193	11,550	-	-	33,743

  

	Consolidated									
	September 30, 2020					December 31, 2019				
	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	22,208,073	-	-	-	22,208,073	17,450,306	-	-	-	17,450,306
Loans and financings	4,951,153	7,357,662	13,971,469	47,517,583	73,797,867	2,078,899	1,918,477	8,922,496	40,108,171	53,028,043
Estimated interest on loans and financing <sup>(1)</sup>	3,047,392	5,757,204	5,043,751	5,555,879	19,404,226	2,583,773	5,222,548	5,304,423	5,261,673	18,372,417
Derivatives financing liabilities (assets)	500,100	-	-	-	500,100	251,964	-	-	-	251,964
Other financial liabilities	44,996	54,206	30,187	-	129,389	45,709	57,839	22,363	-	125,911

<sup>(1)</sup> Includes interest on all loans and financing outstanding. Payments are estimated for variable rate debt based on effective interest rates at September 30, 2020 and December 31, 2019. Payments in foreign currencies are estimated using the September 30, 2020 and December 31, 2019 exchange rates.

The Company has securities pledged as collateral for derivative transactions with the commodities and futures whose balance at September 30, 2020 is R\$140,700 (R\$165,941 at December 31, 2019). 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 September 30, 2020 is R\$661,090 (R\$513,914 at December 31, 2019). 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 September 30, 2020 is R\$40,079 (R\$76,861 in December 31, 2019). 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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**JBS S.A.**

Notes to the condensed financial statements for the nine month period ended September 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

**29 Approval of the financial statements**

The issuance of these condensed financial statements was authorized by the Board of Directors on November 11, 2020.

**BOARD OF DIRECTORS**

<b>Chairman:</b>	Jeremiah Alphonsus O'Callaghan
<b>Vice-Chairman:</b>	José Batista Sobrinho
<b>Board Member:</b>	Aguinaldo Gomes Ramos Filho
<b>Board Member:</b>	Gilberto Meirelles Xandó Baptista
<b>Board Member:</b>	Wesley Mendonça Batista Filho
<b>Independent Board Member:</b>	Gelson Luiz Merisio
<b>Independent Board Member:</b>	José Guimarães Monforte
<b>Independent Board Member:</b>	Alba Pettengill
<b>Independent Board Member:</b>	Márcio Guedes Pereira Júnior

**FISCAL COUNCIL REPORT**

The Fiscal Council, in the use of its legal and statutory attributions, examined the Earnings Release and the and the Company's individual and consolidated condensed financial statements for the nine month period ended September 30, 2020, 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' 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**

<b>Chairman:</b>	Adrian Lima da Hora
<b>Council Member:</b>	José Paulo da Silva Filho
<b>Council Member:</b>	Demetrius Nichele Macei
<b>Council Member:</b>	Maurício Wanderley Estanislau da Costa

**AUDIT COMMITTEE REPORT**

The Audit Committee reviewed the condensed financial statements for the nine month period ended September 30, 2020. Based on the procedures performed, also considering Grant Thornton Auditores Independentes' review report, as well as the information and clarifications received during the period, it recommends that these documents are in a position to be considered by the Board of Directors.

**AUDIT COMMITTEE**

<b>Chairman:</b>	Gilberto Meirelles Xandó Baptista
<b>Committee Member:</b>	Paulo Sérgio Cruz Dortas Matos
<b>Committee Member:</b>	Orlando Octávio de Freitas Júnior

**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 review on the condensed financial statements for the nine month period ended September 30, 2020, and
- (ii) They reviewed, discussed and agreed with the condensed financial statements for the nine month period ended September 30, 2020.

**STATUTORY BOARD**

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

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

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