



# EARNINGS RELEASE THIRD QUARTER 2020

São Paulo, November 11th, 2020 – JBS S.A. (B3: JBSS3; OTCQX: JBSAY) announces today its third quarter 2020 results. The comments made herein are in Brazilian Reais, in accordance with international accounting standards (IFRS), unless otherwise specified.

## 3Q20 HIGHLIGHTS

### CONSOLIDATED

- Net revenue of R\$70.1 billion (+34.3% yoy)
- Adjusted EBITDA of R\$8.0 billion (+35.0% yoy)
- Adjusted EBITDA margin of 11.4% (+0.1 p.p. yoy)
- Net income of R\$3.1 billion (+778.2% yoy)

### OPERATIONAL HIGHLIGHTS (IFRS)

- **JBS USA BEEF**  
Net revenue of R\$28.8 billion (+28.7% yoy)  
EBITDA of R\$2.8 billion (+16.0% yoy)  
EBITDA margin of 9.6% (-1.1 p.p. yoy)
- **JBS USA PORK**  
Net revenue of R\$7.7 billion (+28% yoy)  
EBITDA of R\$1.2 billion (+64.7% yoy)  
EBITDA margin of 15.1% (+3.4 p.p. yoy)
- **PPC**  
Net revenue of R\$16.5 billion (+50% yoy)  
EBITDA of R\$2.1 billion (+48.9% yoy)  
EBITDA margin of 12.7% (-0.1 p.p. yoy)
- **SEARA**  
Net revenue of R\$7.0 billion (+29.9% yoy)  
EBITDA of R\$1.1 billion (+55.4% yoy)  
EBITDA margin of 15.7% (+2.6 p.p. yoy)
- **JBS BRAZIL**  
Net revenue of R\$11.4 billion (+35.3% yoy)  
EBITDA of R\$856.9 million (+19.2% yoy)  
Adjusted EBITDA margin of 7.5% (-1.0 p.p. yoy)

### FINANCIAL HIGHLIGHTS

- Free cash flow generation of R\$5.2 billion (+36.9% yoy)
- Leverage of 1.60x in USD and 1.83x in BRL
- Total financial liquidity of R\$31.2 billion, including revolving credit facility lines, enough to pay all debt until 2025
- Reduction of US\$1.7 billion in net debt and US\$13.1 million in net financial expenses (-6.8% yoy)

#### JBS (JBSS3)

Price  
R\$21.09

Market cap  
R\$56.2 billion

11.11.2020

Conference Call  
Thursday  
11.12.2020

Portuguese  
9h BRT | 07h EST  
English  
11h BRT | 09h EST

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# A MESSAGE FROM THE CEO

JBS' results in the third quarter of 2020, once again, validate the Company's strategy. Despite a challenging scenario due to impacts from the global pandemic, we were able to generate revenues of R\$70.1 billion, an EBITDA of R\$8 billion with a margin of 11.4%, free cash flow of R\$5.2 billion, net income of R\$3.1 billion and reduced our leverage to 1.60x, the lowest in JBS' history.

We believe we are on the right path, both in terms of our financial performance and our commitment to society. JBS understands that no company is truly prosperous without a serious commitment to social responsibility. The company has invested over US\$520 million in enhanced safety measures to keep our team members safe and to support the local communities during the pandemic. Our **Fazer o Bem Faz Bem** project has established a legacy for corporate support for healthcare in Brazil. We have constructed two permanent hospitals, expanded 15 public healthclinics, distributed 15,000 items of medical equipment, provided 88 ambulances and contributed more than 550,000 food baskets to those in need. In the United States and Canada, we have invested US\$50 million through our **Hometown Strong** program to fight hunger, support long-term infrastructure needs and assist COVID-19 relief efforts in our local towns and communities.

Climate change is a priority for JBS' management. For more than 10 years, the Company has made significant investments to enhance its supplier, social and environmental due diligence. Our supply chain monitoring system in Brazil covers an area of more than 45 million hectares. In September, we launched the **Together for the Amazon** program, a continuation of our long standing commitment to the sustainability development of the biome.

As part of this program, we announced the creation of the JBS Green Platform, a system that leverages blockchain technology to extend our monitoring system to suppliers of our suppliers in the Amazon biome. We believe that companies must act as agents of transformation. With that in mind, we created the JBS Fund for the Amazon, which will invest and attract significant financial resources to promote sustainable development and benefit both the environment and the communities that live in the region.

We are focused on consumer needs, from the development of our products to the offering of high quality food. We continuously innovate to address changes in consumption patterns and anticipate new food trends.

In Brazil, Seara developed the **Incrível** line of plant-based products, capable of reproducing the flavor and texture of meat. In the United States, we launched a start-up, **Planterra Foods**, which developed a vegetable protein used in our **OZO** product line, a nutritious and tasty option for plant-based food enthusiasts.

Additionally, we are building on our robust and transparent governance system. The Company was classified by Transparency International as one of the most transparent companies in Brazil. We are enhancing our ethics and compliance programs across our global platform with the same level of commitment.

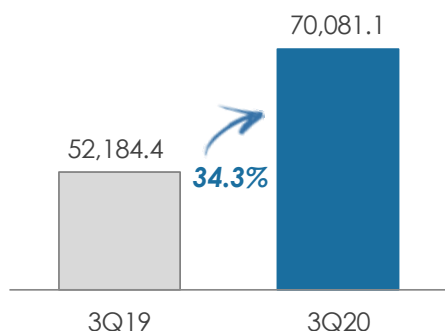
The long-term fundamentals of our industry remain solid and we are well positioned to face the challenge of sustainably feeding a growing population that will increase its demand for high quality protein. We may face occasional short-term imbalances in supply and demand in any given region in which we operate, but this does not alter the overall positive trends. In this sense, our geographical diversification, coupled with our diverse product portfolio across multiple proteins, will help reduce short-term volatility and provide more consistent results over the long-term.

Our team members and our culture are the foundation for our operational excellence, growth and consistent results.

Gilberto Tomazoni, JBS Global CEO

# 3Q20 FINANCIAL HIGHLIGHTS

## NET REVENUE



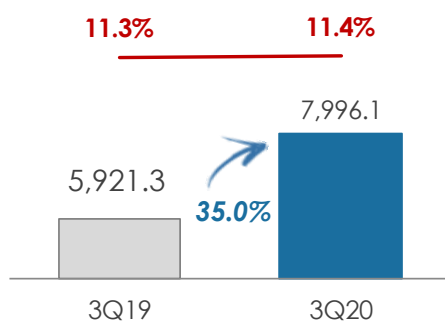
### R\$70.1 Bn

34.3% increase compared with 3Q19

## ADJUSTED EBITDA

### R\$8.0Bn

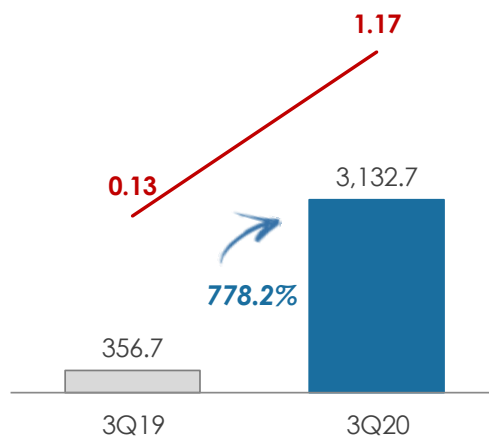
Increase in EBITDA of 35.0% compared with 3Q19



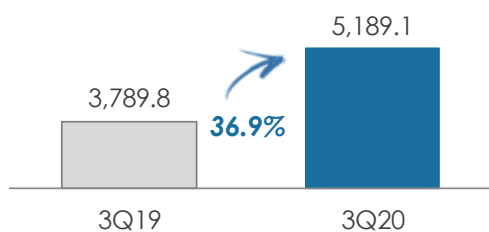
## NET INCOME

### R\$3.1Bn

EPS of R\$1.17



## FREE CASH FLOW



### R\$5.2Bn

36.9% increase compared with 3Q19

# 3Q20 CONSOLIDATED RESULTS

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR		3Q20 vs 2Q20	R\$		% NR	3Q20 vs 3Q19
<b>Net Revenue</b>	<b>70,081.1</b>	<b>100.0%</b>	<b>67,582.3</b>	<b>100.0%</b>	<b>3.7%</b>	<b>52,184.4</b>	<b>100.0%</b>	<b>34.3%</b>	<b>251,271.3</b>	<b>100.0%</b>
Cost of Goods Sold	(58,282.8)	-83.2%	(53,052.1)	-78.5%	9.9%	(43,232.6)	-82.8%	34.8%	(208,449.7)	-83.0%
<b>Gross Profit</b>	<b>11,798.3</b>	<b>16.8%</b>	<b>14,530.2</b>	<b>21.5%</b>	<b>-18.8%</b>	<b>8,951.8</b>	<b>17.2%</b>	<b>31.8%</b>	<b>42,821.6</b>	<b>17.0%</b>
Selling Expenses	(3,709.5)	-5.3%	(3,547.8)	-5.2%	4.6%	(2,966.8)	-5.7%	25.0%	(13,542.0)	-5.4%
General and Adm. Expenses	(3,073.1)	-4.4%	(2,523.2)	-3.7%	21.8%	(1,765.5)	-3.4%	74.1%	(9,808.7)	-3.9%
Net Financial Income (expense)	(1,069.7)	-1.5%	(3,229.5)	-4.8%	-66.9%	(3,700.5)	-7.1%	-71.1%	(13,647.0)	-5.4%
Equity in earnings of subsidiaries	21.9	0.0%	4.9	0.0%	344.6%	12.4	0.0%	76.1%	47.3	0.0%
Other Income (expense)	9.0	0.0%	(19.4)	0.0%	-	10.3	0.0%	-12.7%	311.0	0.1%
<b>Profit (loss) before taxes</b>	<b>3,976.9</b>	<b>5.7%</b>	<b>5,215.2</b>	<b>7.7%</b>	<b>-23.7%</b>	<b>541.8</b>	<b>1.0%</b>	<b>634.0%</b>	<b>6,182.3</b>	<b>2.5%</b>
Income and social contribution taxes	(804.7)	-1.1%	(1,868.6)	-2.8%	-56.9%	(87.8)	-0.2%	816.8%	(3,037.1)	-1.2%
Minority interest	(39.5)	-0.1%	32.6	0.0%	-	(97.3)	-0.2%	-59.4%	(130.8)	-0.1%
<b>Net Income (Loss)</b>	<b>3,132.7</b>	<b>4.5%</b>	<b>3,379.2</b>	<b>5.0%</b>	<b>-7.3%</b>	<b>356.7</b>	<b>0.7%</b>	<b>778.2%</b>	<b>3,014.4</b>	<b>1.2%</b>
<b>Adjusted EBITDA</b>	<b>7,996.1</b>	<b>11.4%</b>	<b>10,611.5</b>	<b>15.7%</b>	<b>-24.6%</b>	<b>5,921.3</b>	<b>11.3%</b>	<b>35.0%</b>	<b>28,190.2</b>	<b>11.2%</b>
<b>Earnings per Share</b>	<b>1.17</b>		<b>1.27</b>		<b>-7.9%</b>	<b>0.13</b>		<b>800.0%</b>	<b>-</b>	

## NET REVENUE

JBS' consolidated net revenue was R\$70.1 billion, which represents an increase of 34.3% compared to 3Q19, with all business units posting revenue growth in BRL.

For the quarter, approximately 74% of JBS global sales came from markets in which the Company operates and 26% came from exports.

## ADJUSTED EBITDA

Adjusted EBITDA was R\$8.0 billion, an increase of 35% in comparison with 3Q19, with JBS USA Pork, Seara and PPC being the highlights, posting EBITDA (IFRS R\$) growth of 64.7%, 55.4% and 48.9% respectively. Adjusted EBITDA margin for the quarter was 11.4%.

R\$ Million	3Q20	2Q20	Δ%	3Q19	Δ%	LTM 3Q20
<b>Net income for the period (including minority interest)</b>	<b>3,172.2</b>	<b>3,346.6</b>	<b>-5.2%</b>	<b>454.0</b>	<b>598.7%</b>	<b>3,145.2</b>
Financial income (expense), net	1,069.7	3,229.5	-66.9%	3,700.5	-71.1%	13,647.0
Current and deferred income taxes	804.7	1,868.6	-56.9%	87.8	816.8%	3,037.1
Depreciation and amortization	2,028.8	2,015.6	0.7%	1,679.4	20.8%	7,291.3
Equity in subsidiaries	(21.9)	(4.9)	344.6%	(12.4)	76.1%	(47.3)
<b>(=) EBITDA</b>	<b>7,053.5</b>	<b>10,455.4</b>	<b>-32.5%</b>	<b>5,909.2</b>	<b>19.4%</b>	<b>27,073.3</b>
Tax payable in installments	0.0	0.0	-	0.0	-	288.1
Other income / expenses <sup>1</sup>	14.5	40.8	-64.4%	12.0	20.9%	(214.6)
SEC and DoJ Agreements	746.2	0.0	-	0.0	-	746.2
Donations - Fazer o Bem Faz Bem	181.9	115.3	57.8%	0.0	-	297.2
<b>(=) Adjusted EBITDA</b>	<b>7,996.1</b>	<b>10,611.5</b>	<b>-24.6%</b>	<b>5,921.3</b>	<b>35.0%</b>	<b>28,190.2</b>

2

<sup>1</sup> LTM 3Q20 including R\$215.6 million from bargain purchase gain from Tulip - USA.

<sup>2</sup> Given the representativeness of this donation in the third quarter of 2020, the Company decided to include this adjustment in the calculation of EBITDA, and for comparison purposes the balance for Jun/20 is being presented in an adjusted manner.

# 3Q20 CONSOLIDATED RESULTS

## NET FINANCIAL RESULTS

In 3Q20, net financial expenses were R\$971.8 million, which in USD corresponds to US\$180.6 million and represents a reduction of US\$13.1 million (-6.8%) over 3Q19.

R\$ Million	3Q20	2Q20	Δ%	3Q19	Δ%
Exchange rate variation	203.3	(1,947.1)	-	(2,636.3)	-
Fair value adjustments on derivatives	(68.2)	(95.1)	-28.2%	201.8	-
Interest expense	(1,212.8)	(1,242.9)	-2.4%	(1,192.2)	1.7%
Interest expenses from loans and financings	(987.0)	(1,078.0)	-8.4%	(798.4)	23.6%
Interest income	138.2	100.6	37.3%	154.7	-10.7%
Interest income from investments	15.2	25.6	-40.6%	28.6	-47.0%
Taxes, contribution, fees and others	(130.2)	(45.1)	188.3%	(228.4)	-43.0%
<b>Finance income (expense)</b>	<b>(1,069.7)</b>	<b>(3,229.5)</b>	<b>-66.9%</b>	<b>(3,700.5)</b>	<b>-71.1%</b>

## NET INCOME

JBS posted net income of R\$3.1 billion, a 778.2% increase over 3Q19, which corresponds to an EPS of R\$1.17.

## CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW

The Company generated R\$7.7 billion in cash from operating activities, which represents a growth of 27.0% over 3Q19.

Free cash flow after investments and net interest was R\$5.2 billion, an increase of 36.9% in relation to the same period last year.

## NET CASH PROVIDED BY INVESTING ACTIVITIES

Total cash used by JBS in investing activities was R\$1.5 billion. The line of Purchases of Property, Plants and Equipment (CAPEX) was R\$1.5 billion.

## INDEBTEDNESS

JBS ended 3Q20 with R\$22.3 billion in cash. Additionally, JBS USA has a US\$1.6 billion fully-available unencumbered line under revolving credit facilities, equivalent to R\$8.8 billion (end of quarter exchange rate), providing JBS with total liquidity of R\$31.2 billion, more than six times higher than its short-term debt.

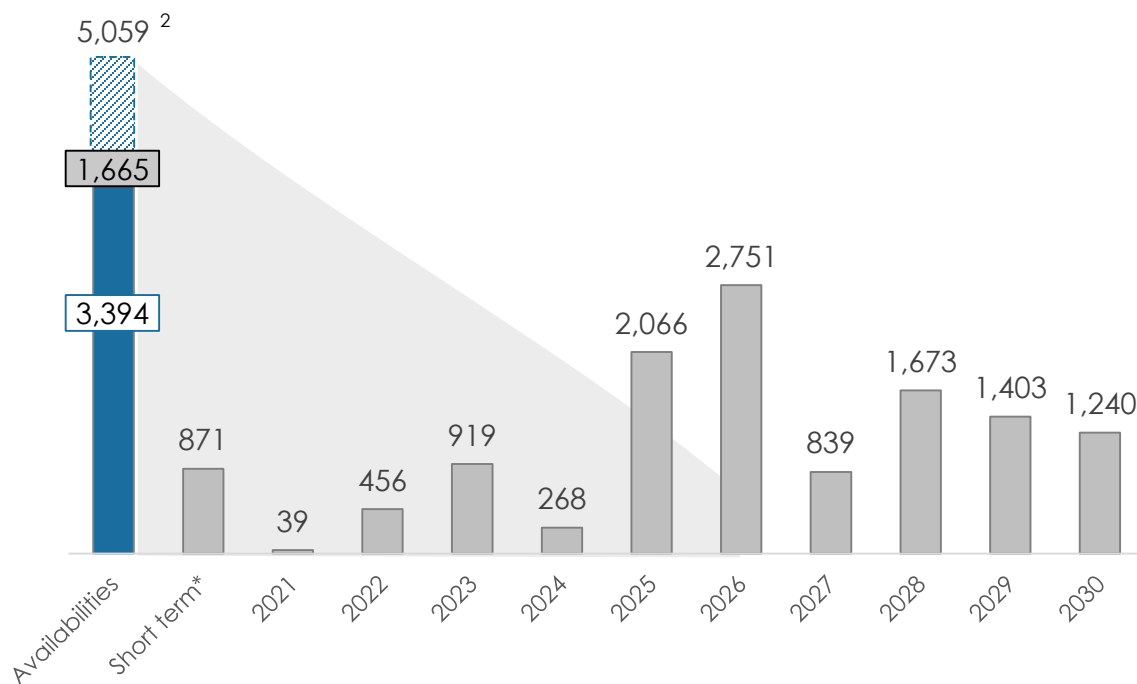
Net debt in BRL increased from R\$45.1 billion in 3Q19 to R\$51.5 billion in 3Q20, due to the devaluation of the Real, while leverage decreased from 2.56x to 1.83x for the same period. In US\$, net debt reduced by US\$1.7 billion, from US\$10.8 billion in 3Q19 to US\$9.1 billion in 3Q20 and leverage decreased from 2.39x to 1.60x for the same period.

	R\$ Million			US\$ Million		
	3Q20	3Q19	Var. %	3Q20	3Q19	Var. %
<b>Gross Debt</b>	<b>73,797.9</b>	<b>52,913.2</b>	<b>39.5%</b>	<b>13,083.1</b>	<b>12,706.1</b>	<b>3.0%</b>
(+) Short Term Debt	4,951.2	2,152.3	130.0%	877.8	516.8	69.8%
% of the Gross Debt	6.7%	4.1%		6.7%	4.1%	
(+) Long Term Debt	68,846.7	50,760.9	35.6%	12,205.3	12,189.2	0.1%
% of the Gross Debt	93.3%	95.9%		93.3%	95.9%	
(-) Cash and Equivalents	22,333.1	7,813.5	185.8%	3,959.3	1,876.3	111.0%
<b>Net Debt</b>	<b>51,464.8</b>	<b>45,099.7</b>	<b>14.1%</b>	<b>9,123.8</b>	<b>10,829.8</b>	<b>-15.8%</b>
Leverage	<b>1.83x</b>	<b>2.56x</b>		<b>1.60x</b>	<b>2.39x</b>	

# 3Q20 CONSOLIDATED RESULTS

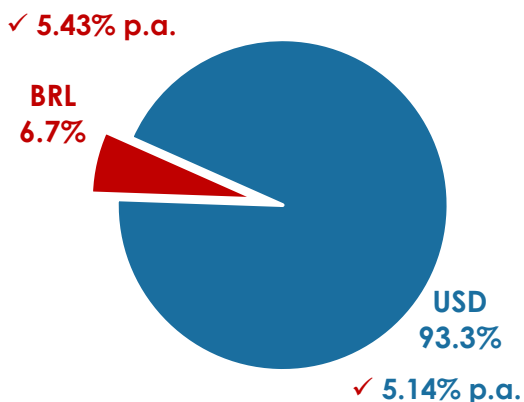
## INDEBTEDNESS (Cont)

### Debt Maturity Schedule (US\$ Mn)<sup>1</sup>

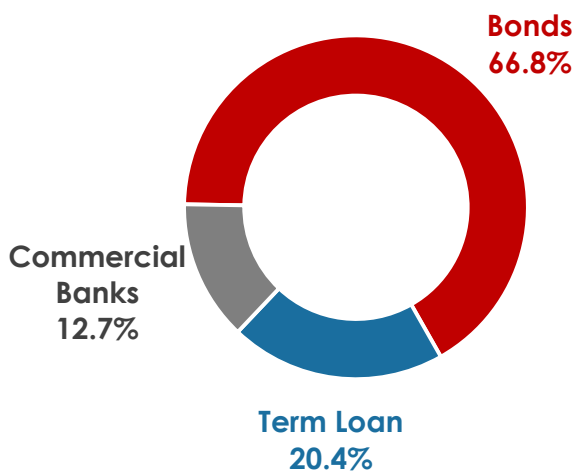


\* Loans and financing booked in short-term liabilities maturing in the 12 months following the end of 3Q20.

### Currency & Cost Breakdown



### Source Breakdown



<sup>1</sup> Considers the redemption of the remaining balance of US\$450 millions of 2024 Notes, which was carried out on October, 14th 2020, and US\$100 million related to the partial prepayment of the PPC's ABL due in 2023.

<sup>2</sup> Includes cash on hand and JBS USA fully available unencumbered line under revolving credit facilities.

# 3Q20 BUSINESS UNITS

## BUSINESS UNITS – IFRS R\$

Million		3Q20	2Q20	Δ%	3Q19	Δ%	LTM 3Q20
<b>Net Revenue</b>							
Seara	R\$	6,964.5	6,391.7	9.0%	5,362.2	29.9%	24,909.9
JBS Brazil	R\$	11,430.6	8,721.0	31.1%	8,445.7	35.3%	37,889.2
JBS USA Beef	R\$	28,757.6	30,063.0	-4.3%	22,353.3	28.7%	105,702.5
JBS USA Pork	R\$	7,689.4	8,542.2	-10.0%	6,006.3	28.0%	29,172.4
Pilgrim's Pride	R\$	16,527.2	15,201.9	8.7%	11,021.6	50.0%	58,018.5
Others	R\$	842.9	567.1	48.6%	549.4	53.4%	2,706.4
Eliminations	R\$	-2,131.1	-1,904.6	11.9%	-1,554.1	37.1%	-7,127.4
<b>Total</b>	<b>R\$</b>	<b>70,081.1</b>	<b>67,582.3</b>	<b>3.7%</b>	<b>52,184.4</b>	<b>34.3%</b>	<b>251,271.5</b>
<b>Adjusted EBITDA</b>							
Seara	R\$	1,096.1	1,079.7	1.5%	705.3	55.4%	3,865.4
JBS Brazil	R\$	856.9	1,199.3	-28.6%	719.0	19.2%	2,881.4
JBS USA Beef	R\$	2,772.8	6,246.3	-55.6%	2,391.1	16.0%	12,729.9
JBS USA Pork	R\$	1,157.8	1,057.2	9.5%	702.9	64.7%	3,430.1
Pilgrim's Pride	R\$	2,095.8	1,117.3	87.6%	1,408.0	48.9%	5,394.8
Others	R\$	19.4	-84.0	-	-2.3	-	-101.6
Eliminations	R\$	-2.7	-4.4	-38.3%	-2.7	0.0%	-9.9
<b>Total</b>	<b>R\$</b>	<b>7,996.1</b>	<b>10,611.5</b>	<b>-24.6%</b>	<b>5,921.3</b>	<b>35.0%</b>	<b>28,190.1</b>
<b>Adjusted EBITDA Margin</b>							
Seara	%	15.7%	16.9%	-1.2 p.p.	13.2%	2.6 p.p.	15.5%
JBS Brazil	%	7.5%	13.8%	-6.3 p.p.	8.5%	-1.0 p.p.	7.6%
JBS USA Beef	%	9.6%	20.8%	-11.1 p.p.	10.7%	-1.1 p.p.	12.0%
JBS USA Pork	%	15.1%	12.4%	2.7 p.p.	11.7%	3.4 p.p.	11.8%
Pilgrim's Pride	%	12.7%	7.4%	5.3 p.p.	12.8%	-0.1 p.p.	9.3%
Others	%	2.3%	-14.8%	17.1 p.p.	-0.4%	2.7 p.p.	-3.8%
<b>Total</b>	<b>%</b>	<b>11.4%</b>	<b>15.7%</b>	<b>-4.3 p.p.</b>	<b>11.3%</b>	<b>0.1 p.p.</b>	<b>11.2%</b>

## INTERNATIONAL BUSINESS UNITS – USGAAP US\$

Million		3Q20	2Q20	Δ%	3Q19	Δ%	LTM 3Q20
<b>Net Revenue</b>							
JBS USA Beef	US\$	5,345.0	5,579.0	-4.2%	5,625.4	-5.0%	21,883.3
JBS USA Pork	US\$	1,429.1	1,585.3	-9.9%	1,511.6	-5.5%	6,034.4
Pilgrim's Pride	US\$	3,075.1	2,824.0	8.9%	2,778.0	10.7%	12,037.5
<b>Adjusted EBITDA</b>							
JBS USA Beef	US\$	502.9	1,135.4	-55.7%	610.4	-17.6%	2,462.8
JBS USA Pork	US\$	136.2	167.0	-18.4%	120.4	13.1%	640.9
Pilgrim's Pride	US\$	305.0	112.2	171.8%	258.4	18.0%	744.3
<b>Adjusted EBITDA Margin</b>							
JBS USA Beef	%	9.4%	20.4%	-10.9 p.p.	10.9%	-1.4 p.p.	11.3%
JBS USA Pork	%	9.5%	10.5%	-1.0 p.p.	8.0%	1.6 p.p.	10.6%
Pilgrim's Pride	%	9.9%	4.0%	5.9 p.p.	9.3%	0.6 p.p.	6.2%

# 3Q20 BUSINESS UNITS

## SEARA

In 3Q20, Seara's net revenue totaled R\$7.0 billion, an increase of 29.9% over 3Q19, boosted by a 22.0% increase in the average sales price and 6.4% in volume sold.

In the domestic market, net revenue totaled R\$3.4 billion, 24.9% higher than 3Q19, driven by an increase of 4.4% in volumes sold and 19.7% in the average sales price. The highlight, once again, was the prepared products category, which registered growth in volume and average prices, of 11.3% and 18.3%, respectively.

In the exports market, net revenue was R\$3.5 billion, an increase of 35.0% in the annual comparison, as a result of an increase of 24.4% in the average price and 8.6% in volume sold.

Seara's EBITDA totaled R\$1.1 billion in 3Q20, which represents a growth of 55.4% when compared to the R\$705.3 million in 3Q19. EBITDA margin expanded from 13.2% in 3Q19 to 15.7% in 3Q20. This performance is due to the significant increase in sales volume, a better mix of markets, channels and products, as well as the continued growth in sales coming from innovations introduced since 2019.

The Seara brand, for the first time in its history, entered the Top 20 ranking among the most chosen by Brazilians according to Kantar's Brand Footprint Brasil Panel, the result of a solid effort in quality, innovation and branding. Seara has consistently innovated and recently strengthened its festive product portfolio by introducing unique products in the market such as *Fiesta Orgânico*, the first organic Christmas chicken in Brazil and the *Incrível* shredded Cod, the first plant-based festive product of the market.

### Main Highlights (IFRS – R\$)

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR	QoQ	R\$	% NR	YoY	R\$	% NR
<b>Net Revenue</b>	<b>6,964.5</b>	<b>100.0%</b>	<b>6,391.7</b>	<b>100.0%</b>	<b>9.0%</b>	<b>5,362.2</b>	<b>100.0%</b>	<b>29.9%</b>	<b>24,909.9</b>	<b>100.0%</b>
Cost of Goods Sold	(5,502.2)	-79.0%	(4,868.9)	-76.2%	13.0%	(4,212.6)	-78.6%	30.6%	(19,219.2)	-77.2%
Gross Profit	1,462.4	21.0%	1,522.8	23.8%	-4.0%	1,149.7	21.4%	27.2%	5,690.6	22.8%
<b>Adjusted EBITDA</b>	<b>1,096.1</b>	<b>15.7%</b>	<b>1,079.7</b>	<b>16.9%</b>	<b>1.5%</b>	<b>705.3</b>	<b>13.2%</b>	<b>55.4%</b>	<b>3,865.4</b>	<b>15.5%</b>



# 3Q20 BUSINESS UNITS

## JBS BRAZIL (INCLUDING LEATHER AND RELATED BUSINESSES)

In 3Q20, JBS Brazil net revenue totaled R\$11.4 billion, which corresponds to a 35.3% increase over 3Q19, as a result of 49.8% increase in the average sales price that more than offset the 9.6% reduction in volume sold.

Given the low availability of cattle, the level of beef production was affected during the quarter, which impacted the cost of raw material, with the average arroba price increasing over 49.7% according to CEPEA/ESALQ-SP. This impact was partially compensated by the increase of beef prices in the domestic and export markets.

In the domestic market, net revenue totaled R\$6.5 billion, which corresponds to a significant increase of 50.0% in the annual comparison, mainly due to the 59.0% increase in the average sales price, despite the 5.7% reduction in volumes sold.

In the export market, which represented 43.5% of the business unit's sales in the quarter, net revenue reached R\$5.0 billion, an increase of 20.1% compared to 3Q19, due to the 48.3% increase in average sales price which more than compensated the 19% reduction in volume sold.

JBS Brazil's Adjusted EBITDA, excludes donations from "Fazer o Bem Faz Bem" program, was R\$856.9 million, with an EBITDA margin of 7.5%.

**Friboi**® continues to consolidate its position as the main beef brand in the Brazilian market through the expansion of its partnerships with key customers through initiatives such as the **Açougue Nota 10**® program, as well as through the growth of its **Maturatta**®, **Friboi** brands **Reserva**® and **1953 Friboi**® in the country.

### Main Highlights (IFRS – R\$)

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR		QoQ	R\$		% NR	YoY
<b>Net Revenue</b>	<b>11,430.6</b>	<b>100.0%</b>	<b>8,721.0</b>	<b>100.0%</b>	<b>31.1%</b>	<b>8,445.7</b>	<b>100.0%</b>	<b>35.3%</b>	<b>37,889.2</b>	<b>100.0%</b>
Cost of Goods Sold	(9,268.7)	-81.1%	(6,372.0)	-73.1%	45.5%	(6,684.2)	-79.1%	38.7%	(30,279.8)	-79.9%
Gross Profit	2,161.9	18.9%	2,349.0	26.9%	-8.0%	1,761.5	20.9%	22.7%	7,609.4	20.1%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>856.9</b>	<b>7.5%</b>	<b>1,199.3</b>	<b>13.8%</b>	<b>-28.6%</b>	<b>719.0</b>	<b>8.5%</b>	<b>19.2%</b>	<b>2,881.4</b>	<b>7.6%</b>

<sup>1</sup> Given the representativeness of this donation in the third quarter of 2020, the Company decided to include this adjustment in the calculation of EBITDA / Operating Income of JBS Brasil, and for comparability purposes, the balance for June / 2020 is being presented in an adjusted manner.

# 3Q20 BUSINESS UNITS

## JBS USA BEEF (INCLUDING AUSTRALIA AND CANADA)

Considering the results in IFRS and Reais, JBS USA Beef posted in 3Q20 net revenue of R\$28.8 billion, which represent an increase of 28.7% in relation to 3Q19 and an EBITDA of R\$2.8 billion, 16.0% higher than 3Q19, with an EBITDA margin of 9.6%. Such results carry the impact of the 26.1% devaluation of the average exchange rate (BRL vs USD), which went from R\$3.97 to R\$5.38 in the period.

In US GAAP and USD, JBS USA Beef reported net revenue of US\$5.3 billion in the quarter, a 5.0% reduction compared to 3Q19, due to an 8.2% decrease in volume sold, partially offset by a 2.6% increase in the average selling price. EBITDA was US\$502.9 million, with an EBITDA margin of 9.4% for the period.

In the US and in Canada, production increased in relation to 2Q20 and volumes returned to pre-covid levels. The continuity of a favorable demand contributed to an increase in beef prices over 3Q19. Cattle supply remained ample, however, an increase in the number of animals processed drove finished cattle prices to a higher level when compared to same period of last year. Additionally, North America exports grew over 2Q20, not only in volume, but also in quality and product diversity, increasing their contribution to this business' results.

In Australia, the lack of cattle availability continues to impact beef production. According to information from MLA – Meat & Livestock Australia, 2019 and 2020 had the lowest cattle herd in the country in the last 20 years – 25 million head of cattle. The lack of finished cattle in the main producing regions caused a temporary halt and reduction of shifts in processing facilities during the quarter, affecting the business unit performance.

On the other hand, Primo Foods', a processing food and branded products operation in Australia, continues posting strong results, growing in volume, quality and innovation. Recently, Primo successfully launched several products in the segments of gourmet sausage, “duos” (animal protein and cheese), microwavable bacon and a snacks product line focused on children.

### Main Highlights (IFRS – R\$)

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR		QoQ	R\$		% NR	YoY
<b>Net Revenue</b>	<b>28,757.6</b>	<b>100.0%</b>	<b>30,063.0</b>	<b>100.0%</b>	<b>-4.3%</b>	<b>22,353.3</b>	<b>100.0%</b>	<b>28.7%</b>	<b>105,702.5</b>	<b>100.0%</b>
Cost of Goods Sold	(24,869.4)	-86.5%	(22,569.4)	-75.1%	10.2%	(18,997.0)	-85.0%	30.9%	(88,571.2)	-83.8%
Gross Profit	3,888.2	13.5%	7,493.7	24.9%	-48.1%	3,356.3	15.0%	15.8%	17,131.2	16.2%
<b>Adjusted EBITDA</b>	<b>2,772.8</b>	<b>9.6%</b>	<b>6,246.3</b>	<b>20.8%</b>	<b>-55.6%</b>	<b>2,391.1</b>	<b>10.7%</b>	<b>16.0%</b>	<b>12,729.9</b>	<b>12.0%</b>

### Main Highlights (US GAAP - US\$)<sup>1</sup>

US\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	US\$	% NR	US\$	% NR		QoQ	US\$		% NR	YoY
<b>Net Revenue</b>	<b>5,345.0</b>	<b>100.0%</b>	<b>5,579.0</b>	<b>100.0%</b>	<b>-4.2%</b>	<b>5,625.4</b>	<b>100.0%</b>	<b>-5.0%</b>	<b>21,883.3</b>	<b>100.0%</b>
Cost of Goods Sold	(4,813.8)	-90.1%	(4,372.3)	-78.4%	10.1%	(4,960.4)	-88.2%	-3.0%	(19,209.6)	-87.8%
Gross Profit	531.2	9.9%	1,206.7	21.6%	-56.0%	665.0	11.8%	-20.1%	2,673.7	12.2%
<b>Adjusted EBITDA</b>	<b>502.9</b>	<b>9.4%</b>	<b>1,135.4</b>	<b>20.4%</b>	<b>-55.7%</b>	<b>610.4</b>	<b>10.9%</b>	<b>-17.6%</b>	<b>2,462.8</b>	<b>11.3%</b>

<sup>1</sup>The difference in JBS USA Beef EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS 16 from 1Q19 onwards and different accounting criteria in relation to inventories: in IFRS they are measured through the average cost while in USGAAP they are marked-to-market. Volume and price calculations exclude the impact of acquisitions.

# 3Q20 BUSINESS UNITS

## JBS USA PORK

Considering the results in IFRS and Reais, in 3Q20 JBS USA Pork recorded net revenue of R\$7.7 billion, which represent an increase of 28.0% in relation to 3Q19 and an EBITDA of R\$1.2 billion, with a margin of 15.1%. Such results include the impact of the 26.1% devaluation of the average exchange rate (BRL vs USD), which went from R\$ 3.97 to R\$ 5.38 in the period.

In US GAAP and USD, JBS USA Pork reported net revenue of US\$1.4 billion, a decrease of 5.5% over 3Q19, due to an 8.0% decrease in the average price with 1.3% higher volumes in the period. EBITDA totaled US\$136.2 million in 3Q20, with a 9.5% EBITDA margin.

This unit posted a solid performance in the quarter as a result of its business strategy and operation efficiency. The greater focus and investments in value added products, in operational improvements and also in the establishment and maintenance of relevant commercial partnerships in the domestic and export markets have differentiated the unit's performance.

Pork production returned to pre-covid levels, offsetting the lower volume produced in 2Q20 which was impacted by a temporary suspension of one pork facility and the lower production pace due to the pandemic.

The increase in pork supply in the period was absorbed by the domestic and export market demand, maintaining low pork inventory levels. Cutout increased in each month of the quarter, surpassing, at the end of the quarter, prices practiced during the 3Q19. Additionally, the price of live hogs, which in June were at the lowest level of the year, recovered since then at sequential increases, however still below the levels of the same period last year.

In addition, exports in the period continued to grow above the levels of last year, with China as the main destination, followed by Mexico and Canada.

Plumrose continues focused on the organic growth of its operation, investing in the increase of its production lines and in greenfield projects. The construction of the new precooked and cooked bacon facility in Missouri that started in April, are advancing as expected. This new facility should start in 2021 and will have the capacity to produce 24 million pounds per year. Additionally, Plumrose is also working on the announced plan to build a new, state-of-the-art Italian meats and charcuterie ready-to-eat facility, with investments estimated at US\$200 million.

### Main Highlights (IFRS – R\$)

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR		QoQ	R\$		% NR	YoY
<b>Net Revenue</b>	<b>7,689.4</b>	<b>100.0%</b>	<b>8,542.2</b>	<b>100.0%</b>	<b>-10.0%</b>	<b>6,006.3</b>	<b>100.0%</b>	<b>28.0%</b>	<b>29,172.4</b>	<b>100.0%</b>
Cost of Goods Sold	(5,955.5)	-77.5%	(6,846.7)	-80.2%	-13.0%	(4,996.8)	-83.2%	19.2%	(23,715.8)	-81.3%
Gross Profit	1,733.9	22.5%	1,695.6	19.8%	2.3%	1,009.5	16.8%	71.8%	5,456.7	18.7%
<b>Adjusted EBITDA</b>	<b>1,157.8</b>	<b>15.1%</b>	<b>1,057.2</b>	<b>12.4%</b>	<b>9.5%</b>	<b>702.9</b>	<b>11.7%</b>	<b>64.7%</b>	<b>3,430.1</b>	<b>11.8%</b>

### Main Highlights (US GAAP - US\$)<sup>1</sup>

US\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	US\$	% NR	US\$	% NR		QoQ	US\$		% NR	YoY
<b>Net Revenue</b>	<b>1,429.1</b>	<b>100.0%</b>	<b>1,585.3</b>	<b>100.0%</b>	<b>-9.9%</b>	<b>1,511.6</b>	<b>100.0%</b>	<b>-5.5%</b>	<b>6,034.4</b>	<b>100.0%</b>
Cost of Goods Sold	(1,288.3)	-90.1%	(1,395.7)	-88.0%	-7.7%	(1,389.4)	-91.9%	-7.3%	(5,352.8)	-88.7%
Gross Profit	140.8	9.9%	189.6	12.0%	-25.7%	122.2	8.1%	15.2%	681.6	11.3%
<b>Adjusted EBITDA</b>	<b>136.2</b>	<b>9.5%</b>	<b>167.0</b>	<b>10.5%</b>	<b>-18.4%</b>	<b>120.4</b>	<b>8.0%</b>	<b>13.1%</b>	<b>640.9</b>	<b>10.6%</b>

<sup>1</sup>The difference in JBS USA Pork EBITDA in IFRS and USGAAP, in addition to the FX, is attributed to the adoption of IFRS 16 from 1Q19 onwards and different accounting criteria. In IFRS, the inventories are measured through the average cost while in USGAAP they are marked-to-market and biological assets are marked to market, while in USGAAP they are measured through the average cost. Volume and price calculations exclude the impact of acquisitions.

# 3Q20 BUSINESS UNITS

## PILGRIM'S PRIDE CORPORATION - "PPC"

Considering results in IFRS and Reais, for the 3Q20 PPC posted net revenue of R\$16.5 billion, a 50% growth in comparison to 3Q19 and an EBITDA of R\$2.1 billion, 48.9% higher than the same quarter of last year, with an EBITDA margin of 12.7%. These results include a 26.1% impact of the average FX rate (BRL vs USD), which was R\$3.97 in 3Q19 and R\$5.38 in 3Q20.

In US GAAP and USD, net revenue totaled US\$3.1 billion, 10.7% higher than 3Q19, and EBITDA was US\$305.0 million, an increase of 18% over 3Q19. EBITDA margin was 9.9%.

In the U.S., demand continues to recover, mainly in Retail and QSR business with volumes stronger than a year ago, though volatility and challenging conditions in commodity segments still remaining. PPC continues to improve its relative performance across all business units and continues to adapt quickly to changes in channel demand by adjusting the mix of its production capabilities, supported by its close partnerships with Key Customers, strong focus in execution by PPC's team members, the geographical diversity of its footprint, and its presence across all bird size categories.

After a very difficult first half in 2020, Mexico operations delivered great results in Q3, and generated one of the strongest Q3 in the company's history in Mexico despite the unfavorable mix impact and added operating costs relative to the same period last year. A normalization in economic activities, an improved supply/demand balance in the market, a stronger Peso, and a very good operational performance, all contributed to the strength. PPC continues to invest in premium brands, as well as seeking more market share in the modern channel, which will bring more stable margins to its operations.

In Europe, chicken operations are continuing to improve, driven by exposure to retail as well as a recovery in QSR segment, despite the significant impact of Covid-19 on the operations. In addition, PPC' strong internal operating performance and commitment to innovation have helped in mitigating the difficult environment. The improvement in results from the newly acquired European pork assets has been maintained, with positive EBITDA and margins continuing to increase. The performance was driven by strong demand at retail partially offset by a reduction in foodservice, continuing strength in pork exports especially to China, as well as the implementations of operational improvements and synergy capture.

### Main Highlights (IFRS – R\$)

R\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	R\$	% NR	R\$	% NR		QoQ	R\$		% NR	YoY
<b>Net Revenue</b>	<b>16,527.2</b>	<b>100.0%</b>	<b>15,201.9</b>	<b>100.0%</b>	<b>8.7%</b>	<b>11,021.6</b>	<b>100.0%</b>	<b>50.0%</b>	<b>58,018.5</b>	<b>100.0%</b>
Cost of Goods Sold	(14,063.9)	-85.1%	(13,776.5)	-90.6%	2.1%	(9,398.1)	-85.3%	49.6%	(51,325.9)	-88.5%
Gross Profit	2,463.3	14.9%	1,425.4	9.4%	72.8%	1,623.5	14.7%	51.7%	6,692.7	11.5%
<b>Adjusted EBITDA</b>	<b>2,095.8</b>	<b>12.7%</b>	<b>1,117.3</b>	<b>7.4%</b>	<b>87.6%</b>	<b>1,408.0</b>	<b>12.8%</b>	<b>48.9%</b>	<b>5,394.8</b>	<b>9.3%</b>

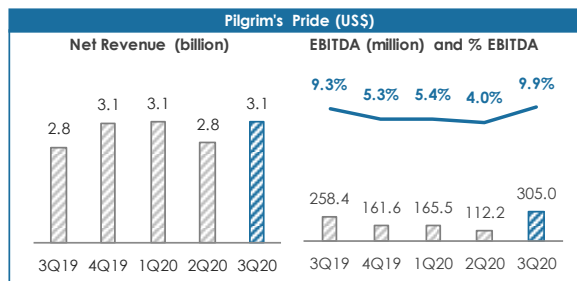
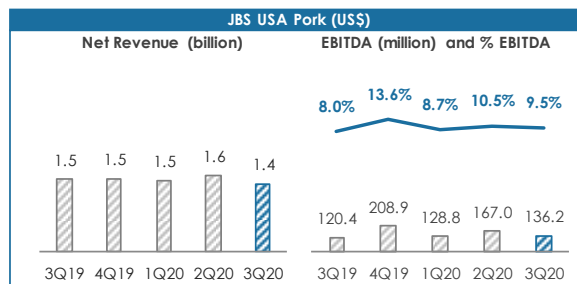
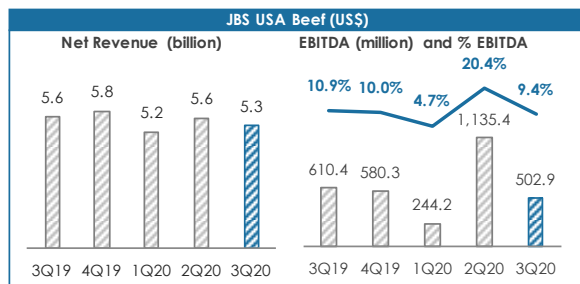
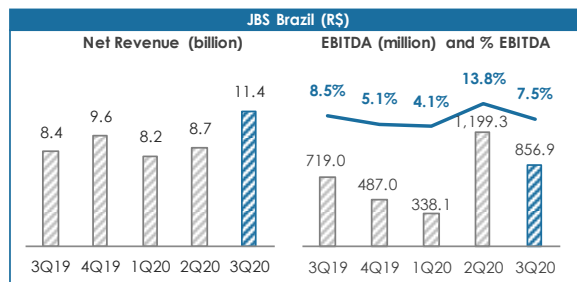
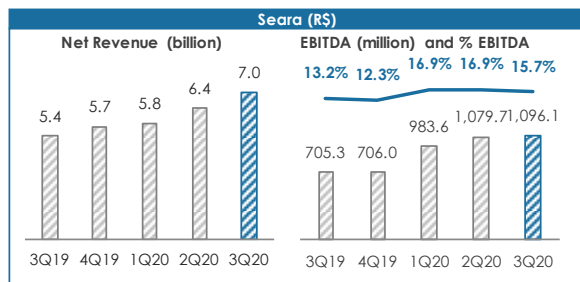
### Main Highlights (US GAAP - US\$)<sup>1</sup>

US\$ Million	3Q20		2Q20		Δ%	3Q19		Δ%	LTM 3Q20	
	US\$	% NR	US\$	% NR		QoQ	US\$		% NR	YoY
<b>Net Revenue</b>	<b>3,075.1</b>	<b>100.0%</b>	<b>2,824.0</b>	<b>100.0%</b>	<b>8.9%</b>	<b>2,778.0</b>	<b>100.0%</b>	<b>10.7%</b>	<b>12,037.5</b>	<b>100.0%</b>
Cost of Goods Sold	(2,761.3)	-89.8%	(2,704.2)	-95.8%	2.1%	(2,495.8)	-89.8%	10.6%	(11,225.4)	-93.3%
Gross Profit	313.8	10.2%	119.8	4.2%	161.9%	282.2	10.2%	11.2%	812.1	6.7%
<b>Adjusted EBITDA</b>	<b>305.0</b>	<b>9.9%</b>	<b>112.2</b>	<b>4.0%</b>	<b>171.8%</b>	<b>258.4</b>	<b>9.3%</b>	<b>18.0%</b>	<b>744.3</b>	<b>6.2%</b>

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

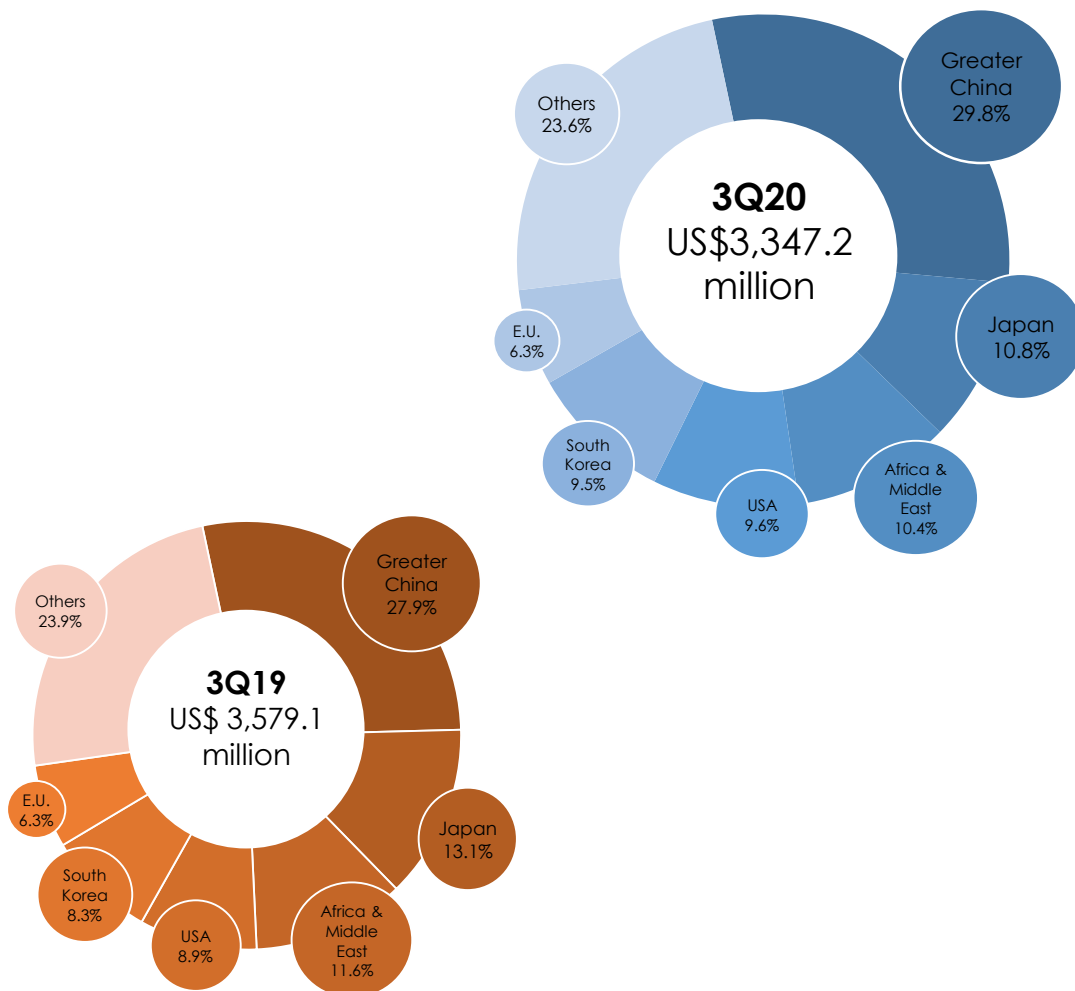
# TABLES AND CHARTS

## BUSINESS UNITS – LOCAL GAAP AND CURRENCY



# TABLES AND CHARTS

GRAPH 1 – JBS EXPORTS IN 3Q20 AND 3Q19



Note 1. Considers China and Hong Kong

TABLE 1- COGS BREAKDOWN

3Q20 (%)	Consolidated	JBS Brazil	Seara	USA Beef	USA Pork	PPC
Raw material (livestock)	74.1%	89.8%	68.5%	82.0%	67.5%	49.3%
Processing (including ingredients and packaging)	14.1%	5.8%	19.2%	7.5%	16.5%	32.9%
Labor Cost	11.8%	4.4%	12.3%	10.5%	16.0%	17.8%

# FINANCIAL STATEMENTS

## Balance Sheet

In thousands of Brazilian Reals - R\$

	Company		Consolidated	
	09/30/20	12/31/2019	09/30/20	12/31/2019
<b>Current Assets</b>				
Cash and cash equivalents	3,411,909	1,883,135	22,333,106	10,033,967
Trade accounts receivable	2,323,786	2,609,254	13,399,489	11,136,622
Inventories	3,367,123	2,575,154	18,883,977	13,439,591
Biological assets	-	-	4,998,609	3,906,004
Recoverable taxes	994,315	933,085	2,837,507	2,351,152
Derivative assets	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	4,767,944	4,821,787	6,922,298	7,001,480
Related party receivables	469,439	715,527	409,548	275,178
Deferref income taxes	-	-	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	-	-	1,817,793	1,382,559
Investments in subsidiaries and joint ventures	42,853,209	29,455,450	171,415	93,633
Property, plant and equipment	11,561,859	11,151,059	47,225,384	38,099,818
Right of use asset	73,448	198,671	5,547,824	4,573,523
Intangible assets	54,468	76,663	8,118,090	6,052,954
Goodwill	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>

# FINANCIAL STATEMENTS

## Balance Sheet

In thousands of Brazilian Reals - R\$

	Company		Consolidated	
	09/30/20	12/31/2019	09/30/20	12/31/2019
<b>Current Liabilities</b>				
Trade accounts payable	3,342,659	3,009,662	19,997,741	15,438,843
Supply chain finance	404,490	557,031	2,210,332	2,011,463
Loans and financing	1,638,489	208,984	4,951,153	2,078,899
Income taxes	-	-	496,178	384,594
Accrued income taxes and other taxes	305,320	325,754	711,026	559,046
Accrued payroll and social charges	818,308	914,539	5,395,659	4,051,824
Lease provision	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	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 financing	1,781,913	2,521,966	68,846,716	50,949,144
Accrued income taxes and other taxes	685,115	771,489	915,903	977,993
Accrued payroll and social charges	2,945,373	3,032,811	4,462,713	3,653,033
Lease provision	55,091	184,854	4,618,522	3,769,653
Other financial liabilities	6,600	11,550	84,393	104,807
Deferred income taxes	1,070,826	2,416,149	4,552,126	4,093,599
Provisions	538,926	489,143	1,446,410	1,315,826
Related party payables	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	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>



# FINANCIAL STATEMENTS

## Statements of income for the three months period ended September 30

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

# FINANCIAL STATEMENTS

## Statements of cash flows for the three months period ended September 30

In thousands of Brazilian Reais - R\$	Company		Consolidated	
	2020	2019	2020	2019
<b>Cash flow</b>				
<b>Net income (loss)</b>	<b>3,132,732</b>	<b>356,715</b>	<b>3,172,232</b>	<b>454,015</b>
Adjustments for:				
Depreciation and amortization	161,790	198,678	2,028,762	1,679,430
Allowance for doubtful accounts	3,843	13,233	(2,313)	11,443
Share of profit of equity-accounted investees	(3,701,648)	(1,387,421)	(21,916)	(12,443)
(Gain) loss on assets sales	2,314	4,344	(27,467)	(14,439)
Taxes expense	27,519	(467,981)	804,660	87,770
Finance expense (income), net	841,258	2,030,838	1,069,744	3,700,477
Share-based compensation	-	2,550	(25,601)	5,892
Provisions	81,162	65,044	124,116	142,450
Gain for bargain purchase	-	-	-	10,793
Obsolete inventory accrual	(15)	9,203	(24,029)	(62,229)
Fair value (market to market) of biological assets	-	-	(175,066)	(135,999)
SEC and DOJ agreement	151,546	-	746,200	-
	<b>700,501</b>	<b>825,203</b>	<b>7,680,115</b>	<b>5,856,367</b>
<b>Changes in assets and liabilities:</b>				
Trade accounts receivable	23,256	149,181	760,992	367,699
Inventories	(171,972)	(364,123)	(701,006)	(431,416)
Recoverable taxes	(61,412)	(27,126)	(164,177)	8,770
Other current and non-current assets	7,183	53,639	(56,897)	(14,149)
Biological assets	-	-	(831,541)	(541,682)
Trade accounts payable and supply chain finance	600,283	464,372	2,150,157	1,134,893
Tax payable in installments	(137,676)	(122,754)	(138,443)	(123,038)
Other current and non-current liabilities	135,243	63,459	531,994	129,002
Income taxes paid	-	-	(1,525,388)	(316,581)
<b>Changes in operating assets and liabilities</b>	<b>394,905</b>	<b>216,648</b>	<b>25,691</b>	<b>213,498</b>
<b>Cash provided by (used in) operating activities</b>	<b>1,095,406</b>	<b>1,041,851</b>	<b>7,705,806</b>	<b>6,069,865</b>
Interest paid	(208,835)	(552,858)	(1,105,987)	(1,132,026)
Interest received	6,827	31,065	136,495	57,976
<b>Cash net of interest provided by (used in) operating activities</b>	<b>893,398</b>	<b>520,058</b>	<b>6,736,314</b>	<b>4,995,815</b>
<b>Cash flow from investing activities</b>				
Purchases of property, plant and equipment	(187,783)	(199,476)	(1,547,187)	(1,205,972)
Purchases of intangible assets	(1,893)	(2,745)	(11,945)	(3,517)
Proceeds from sale of property, plant and equipment	8,838	3,265	95,628	66,306
Additional investments in joint-ventures and subsidiaries	(265)	-	-	-
Acquisitions, net of cash acquired	-	-	(2,964)	(173,919)
Dividends received	7,500	6,000	7,500	6,000
Related party transactions	1,088,216	8,750,536	(8,064)	23,923
Other	2	-	49	60
<b>Cash provided by (used in) investing activities</b>	<b>914,615</b>	<b>8,557,580</b>	<b>(1,466,983)</b>	<b>(1,287,119)</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans and financings	81,058	67,161	1,007,714	10,832,218
Payments of loans and financings	(2,617,684)	(9,857,975)	(6,214,042)	(12,615,382)
Derivatives instruments received/settled	97,585	97,018	(70,540)	115,386
Dividends paid to non-controlling interest	-	-	(1,932)	(540)
PPC share repurchase	-	-	(155,346)	-
Purchase of treasury shares	(239,528)	-	(239,528)	-
Payments of lease	(6,084)	(11,364)	(406,255)	(411,454)
Others	-	-	(2,320)	(16,131)
<b>Cash used in financing activities</b>	<b>(2,684,653)</b>	<b>(9,705,160)</b>	<b>(6,082,249)</b>	<b>(2,095,903)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(900)</b>	<b>158,753</b>	<b>470,473</b>	<b>(91,350)</b>
Net change in cash and cash equivalents	(877,540)	(468,769)	(342,445)	1,521,443
Cash and cash equivalents at the beginning of period	4,289,449	1,233,192	22,675,551	6,292,089
<b>Cash and cash equivalents at the end of period</b>	<b>3,411,909</b>	<b>764,423</b>	<b>22,333,106</b>	<b>7,813,532</b>

# DISCLAIMER

*We make statements about future events that are subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of our Management and information to which the Company currently has access. Statements about future events include information about our current intentions, beliefs or expectations, as well as those of the members of the Company's Board of Directors and Officers.*

*Disclaimers with respect to forward-looking statements and information also include information on possible or presumed operating results, as well as statements that are preceded, followed or that include the words "believe," "may," "will," "continue," "expects," "predicts," "intends," "plans," "estimates," or similar expressions.*

*Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, depending, therefore, on circumstances that may or may not occur. Future results and shareholder value creation may differ materially from those expressed or implied by the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.*