



**JBS S.A.**

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

As of June 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**  
**Audítores 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 Quarterly Financial Information Form (ITR) for the quarter ended June 30, 2020, which comprises the balance sheet as of June 30, 2020, and the related income statement and statement of comprehensive income for the three- and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 (R1) - Interim Financial Reporting and international standard on auditing IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 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 Interim Financial Statements (ITR), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

## Emphasis of matter

### Investigations and judicial procedures in progress


We draw attention to Note 2 to the individual and consolidated interim financial information, which discusses plea bargain and leniency agreements and other proceedings in progress, including those under discussion at the Brazilian Securities and Exchange Commission (“CVM”), whose Independent Oversight Committee (“Committee” or “CSI”) initiated in 2017, with the assistance of external and independent specialists, an investigation of the facts related to the Company in Brazil and abroad. In view of this, the Company determined and included in its records and financial statements for the year ended December 31, 2017 certain estimates on the related accounting impacts of provisions, including the tax aspects that were known through that date. Regarding the year ended December 31, 2019 and period ended June 30, 2020, the Company’s and its subsidiaries’ Management did not identify any new facts and/or new significant impacts other than those already known, recorded and described in said explanatory notes. The risks and uncertainty involved in processes of this nature, besides the investigations in progress on processes already initiated, and other processes still in the evidence-gathering stage, might result in impacts on the financial information, if any, including on disclosure aspects, and might eventually change the assumptions adopted in recognizing the abovementioned provision. Our conclusion is not qualified regarding this matter.

## Other matters

### Statements of value added

The interim financial information referred to above includes the statements of value added (“DVA”) for the six-month period ended June 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, August 13, 2020



Alcides Afonso Louro Neto

Grant Thornton Auditores Independentes

JBS S.A.

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

	Note	Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	4,289,449	1,883,135	22,675,561	10,033,967
Trade accounts receivable	6	2,206,955	2,609,254	13,615,755	11,136,622
Inventories	7	3,195,136	2,575,154	17,671,404	13,439,591
Biological assets	8	-	-	4,391,395	3,906,004
Recoverable taxes	9	957,485	933,085	2,419,531	2,351,152
Derivative assets	28	22,543	-	433,972	62,053
Other current assets		150,165	184,622	1,131,393	994,985
<b>TOTAL CURRENT ASSETS</b>		<b>10,821,733</b>	<b>8,185,250</b>	<b>62,339,011</b>	<b>41,924,374</b>
<b>NON-CURRENT ASSETS</b>					
Recoverable taxes	9	4,743,276	4,821,787	6,857,601	7,001,480
Related party receivables	10	839,332	715,527	382,820	275,178
Deferred income taxes	11	-	-	1,640,224	1,506,129
Other non-current assets		691,249	399,187	1,253,066	931,989
		<b>6,273,857</b>	<b>5,936,501</b>	<b>10,133,711</b>	<b>9,714,776</b>
Biological assets	8	-	-	1,761,876	1,382,559
Investments in subsidiaries and joint ventures	12	38,875,250	29,455,450	98,167	93,633
Property, plant and equipment	13	11,021,555	11,151,059	45,753,656	38,099,818
Right of use assets	14	49,612	198,671	5,337,757	4,573,523
Intangible assets	15	58,058	76,663	7,925,785	6,052,954
Goodwill	16	9,085,970	9,085,970	28,704,025	24,497,750
<b>TOTAL NON-CURRENT ASSETS</b>		<b>65,364,302</b>	<b>55,904,314</b>	<b>99,714,977</b>	<b>84,415,013</b>
<b>TOTAL ASSETS</b>		<b>76,186,035</b>	<b>64,089,564</b>	<b>162,053,988</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	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade accounts payable	17	2,712,004	3,009,662	17,633,576	15,438,843
Supply chain finance	17	415,600	557,031	1,829,590	2,011,463
Loans and financings	18	1,908,380	208,984	4,917,390	2,078,899
Income taxes	19	-	-	1,077,567	384,594
Accrued income taxes and other taxes	19	316,718	325,754	683,879	559,046
Accrued payroll and social charges	20	780,432	914,539	4,802,276	4,051,824
Lease liabilities	14	16,190	22,421	1,218,611	945,791
Dividends payable		82	1,441,259	121	1,442,581
Other financial liabilities		22,193	22,193	45,742	45,709
Derivative liabilities	28	87,150	22,194	1,043,319	251,964
Other current liabilities		965,023	854,199	1,309,301	1,246,978
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,223,772</b>	<b>7,378,236</b>	<b>34,561,372</b>	<b>28,457,692</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans and financings	18	4,134,239	2,521,966	72,275,331	50,949,144
Accrued income taxes and other taxes	19	706,261	771,489	933,705	977,993
Accrued payroll and social charges	20	2,984,408	3,032,811	4,189,060	3,653,033
Lease liabilities	14	35,200	184,854	4,344,059	3,769,653
Other financial liabilities		8,250	11,550	91,125	104,807
Deferred income taxes	11	1,043,307	2,416,149	4,091,934	4,093,599
Provisions	21	517,371	489,143	1,414,339	1,315,826
Related party payables	10	23,514,156	17,641,379	-	-
Other non-current liabilities		7,314	5,021	686,824	535,591
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>32,950,506</b>	<b>27,074,362</b>	<b>88,026,377</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		(378,184)	(233,707)	(378,184)	(233,707)
Other reserves		51,866	54,374	51,866	54,374
Profit reserves		4,624,115	4,614,776	4,624,115	4,614,776
Accumulated other comprehensive income (loss)		10,689,025	1,625,317	10,689,025	1,625,317
Accumulated losses		(2,551,271)	-	(2,551,271)	-
<b>Attributable to company shareholders</b>		<b>36,011,757</b>	<b>29,636,966</b>	<b>36,011,757</b>	<b>29,636,966</b>
<b>Attributable to non-controlling interest</b>		<b>-</b>	<b>-</b>	<b>3,454,482</b>	<b>2,845,083</b>
<b>TOTAL EQUITY</b>		<b>36,011,757</b>	<b>29,636,966</b>	<b>39,466,239</b>	<b>32,482,049</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>76,186,035</b>	<b>64,089,564</b>	<b>162,053,988</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 six month period ended June 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$

	Note	Company		Consolidated	
		2020	2019	2020	2019
<b>NET REVENUE</b>	23	<b>16,387,658</b>	<b>13,831,667</b>	<b>124,063,710</b>	<b>95,212,687</b>
Cost of sales	27	(13,070,494)	(11,450,670)	(102,261,401)	(81,439,030)
<b>GROSS PROFIT</b>		<b>3,317,164</b>	<b>2,380,997</b>	<b>21,802,309</b>	<b>13,773,657</b>
General and administrative expenses	27	(1,142,741)	(1,189,005)	(4,386,407)	(3,198,408)
Selling expenses	27	(1,066,536)	(1,049,790)	(6,732,979)	(5,402,679)
Other expense		(2,825)	(16,513)	(101,075)	(71,732)
Other income		6,822	6,915	146,037	88,695
<b>OPERATING EXPENSES</b>		<b>(2,205,280)</b>	<b>(2,248,393)</b>	<b>(11,074,424)</b>	<b>(8,584,124)</b>
<b>OPERATING PROFIT</b>		<b>1,111,884</b>	<b>132,604</b>	<b>10,727,885</b>	<b>5,189,533</b>
Finance income	24	180,270	418,690	477,638	651,128
Finance expense	24	(5,559,211)	(1,391,848)	(12,794,542)	(2,675,417)
		<b>(5,378,941)</b>	<b>(973,158)</b>	<b>(12,316,904)</b>	<b>(2,024,289)</b>
Share of profit of equity-accounted investees, net of tax	12	340,436	3,821,159	18,034	14,401
<b>PROFIT (LOSS) BEFORE TAXES</b>	11	<b>(3,926,621)</b>	<b>2,980,605</b>	<b>(1,570,985)</b>	<b>3,179,645</b>
Current income taxes	11	-	-	(1,638,178)	(957,846)
Deferred income taxes	11	1,372,842	295,623	668,696	1,275,584
		<b>1,372,842</b>	<b>295,623</b>	<b>(969,482)</b>	<b>317,738</b>
<b>NET INCOME (LOSS)</b>		<b>(2,553,779)</b>	<b>3,276,228</b>	<b>(2,540,467)</b>	<b>3,497,383</b>
<b>ATTRIBUTABLE TO:</b>					
Company shareholders				(2,553,779)	3,276,228
Non-controlling interest				13,312	221,155
				<b>(2,540,467)</b>	<b>3,497,383</b>
<b>Basic earnings per share - common shares (R\$)</b>	25	<b>(0.96)</b>	1.23	<b>(0.96)</b>	1.23
<b>Diluted earnings per share - common shares (R\$)</b>	25	<b>(0.96)</b>	1.23	<b>(0.96)</b>	1.23

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

JBS S.A.

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

	Note	Company		Consolidated	
		2020	2019	2020	2019
<b>NET REVENUE</b>	23	<b>8,372,837</b>	<b>7,116,943</b>	<b>67,582,330</b>	<b>50,842,357</b>
Cost of sales	27	(6,333,509)	(5,801,991)	(53,052,106)	(42,905,210)
<b>GROSS PROFIT</b>		<b>2,039,328</b>	<b>1,314,952</b>	<b>14,530,224</b>	<b>7,937,147</b>
General and administrative expenses	27	(621,580)	(631,337)	(2,523,243)	(1,638,003)
Selling expenses	27	(523,895)	(535,365)	(3,547,752)	(2,810,492)
Other expense		(1,738)	(15,853)	(49,788)	(51,714)
Other income		5,577	1,654	30,360	49,020
<b>OPERATING EXPENSES</b>		<b>(1,141,636)</b>	<b>(1,180,901)</b>	<b>(6,090,423)</b>	<b>(4,451,189)</b>
<b>OPERATING PROFIT</b>		<b>897,692</b>	<b>134,051</b>	<b>8,439,801</b>	<b>3,485,958</b>
Finance income	24	70,067	356,666	100,639	558,408
Finance expense	24	(1,409,302)	(650,117)	(3,330,160)	(1,256,011)
		(1,339,235)	(293,451)	(3,229,521)	(697,603)
Share of profit of equity-accounted investees, net of tax		3,707,260	2,299,716	4,929	7,004
<b>PROFIT BEFORE TAXES</b>	11	<b>3,265,717</b>	<b>2,140,316</b>	<b>5,215,209</b>	<b>2,795,359</b>
Current income taxes	11	-	-	(1,595,894)	(726,381)
Deferred income taxes	11	113,519	43,164	(272,691)	259,968
		113,519	43,164	(1,868,585)	(466,413)
<b>NET INCOME</b>		<b>3,379,236</b>	<b>2,183,480</b>	<b>3,346,624</b>	<b>2,328,946</b>
<b>ATTRIBUTABLE TO:</b>					
Company shareholders				3,379,236	2,183,480
Non-controlling interest				(32,612)	145,466
				<b>3,346,624</b>	<b>2,328,946</b>
<b>Basic earnings per share - common shares (R\$)</b>	25	<b>1.27</b>	0.82	<b>1.27</b>	0.82
<b>Diluted earnings per share - common shares (R\$)</b>	25	<b>1.27</b>	0.82	<b>1.27</b>	0.82

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





JBS S.A.

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

	Reference	Company		Consolidated	
		2020	2019	2020	2019
Net income (loss)	IS	(2,553,779)	3,276,228	(2,540,467)	3,497,383
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Foreign currency translation adjustments	SCSE	9,063,708	(313,445)	9,886,496	(345,999)
<b>Total comprehensive income (loss)</b>		<b>9,063,708</b>	<b>(313,445)</b>	<b>9,886,496</b>	<b>(345,999)</b>
<b>Other comprehensive income</b>		<b>6,509,929</b>	<b>2,962,783</b>	<b>7,346,029</b>	<b>3,151,384</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Company shareholders	SCSE	6,509,929	2,962,783	6,509,929	2,962,783
Non-controlling interest	SCSE	-	-	836,100	188,601
		<b>6,509,929</b>	<b>2,962,783</b>	<b>7,346,029</b>	<b>3,151,384</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 June 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$

	Reference	Company		Consolidated	
		2020	2019	2020	2019
Net income	IS	3,379,236	2,183,480	3,346,624	2,328,946
<b>Other comprehensive income (loss)</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Foreign currency translation adjustments	SCSE	2,625,971	(584,520)	2,774,327	(668,850)
<b>Total comprehensive income (loss)</b>		<b>2,625,971</b>	<b>(584,520)</b>	<b>2,774,327</b>	<b>(668,850)</b>
<b>Other comprehensive income</b>		<b>6,005,207</b>	<b>1,598,960</b>	<b>6,120,951</b>	<b>1,660,096</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Company shareholders	SCSE	6,005,207	1,598,960	6,005,207	1,598,960
Non-controlling interest	SCSE	-	-	115,744	61,136
		<b>6,005,207</b>	<b>1,598,960</b>	<b>6,120,951</b>	<b>1,660,096</b>

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





**JBS S.A.**  
**Statements of changes in equity for the six month period ended June 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 (loss)			
DECEMBER 31, 2018	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)
JANUARY 1, 2019	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	-	-	-	-	-	-	-	3,276,228	-	-	3,276,228	3,276,228	(32,554)	3,497,383
Comprehensive loss	-	-	-	-	-	-	-	-	(21,968)	(291,477)	-	(315,445)	-	(345,989)
<b>Total comprehensive income (loss)</b>	-	-	-	-	-	-	-	-	<b>(21,968)</b>	<b>(291,477)</b>	-	<b>2,962,783</b>	<b>188,601</b>	<b>3,151,384</b>
Share-based compensation	-	-	21,619	3,205	-	-	-	-	-	-	-	24,824	4,356	29,180
Treasury shares used in stock option plan	-	-	-	(18,470)	-	18,417	-	53	-	-	-	-	-	-
Realization of other reserves	-	-	-	-	(5,598)	-	-	-	-	-	5,598	-	-	-
PPC share repurchase	-	-	-	-	-	-	-	-	-	-	-	-	(11,357)	(11,357)
Scott dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(3,884)	(3,884)
White Stripe acquisition	-	-	-	-	-	-	-	-	-	-	-	-	13,034	13,034
Others	-	-	(5,824)	-	-	-	-	-	-	-	-	(5,824)	29	(5,795)
<b>JUNE 30, 2019</b>	<b>23,576,206</b>	<b>211,879</b>	<b>(506,896)</b>	<b>39,848</b>	<b>56,882</b>	<b>(605,722)</b>	<b>470,631</b>	<b>114,071</b>	<b>4,442</b>	<b>76,816</b>	<b>3,281,826</b>	<b>26,719,983</b>	<b>2,489,992</b>	<b>29,209,975</b>
Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation	-	-	14,281	(3,180)	-	-	-	-	-	-	-	11,101	3,773	14,874
Treasury shares used in stock option plan	-	-	-	(9,339)	-	9,471	-	(132)	-	-	-	-	-	-
Realization of other reserves	-	-	-	-	(2,508)	-	-	-	-	-	2,508	-	-	-
PPC share repurchase	-	-	-	-	-	-	-	-	-	-	-	-	(232,446)	(232,446)
Others	-	-	(146,239)	-	-	-	-	-	-	-	-	(146,239)	-	(146,239)
<b>JUNE 30, 2020</b>	<b>23,576,206</b>	<b>211,879</b>	<b>(622,491)</b>	<b>32,428</b>	<b>51,866</b>	<b>(595,251)</b>	<b>774,049</b>	<b>4,446,317</b>	<b>(56,185)</b>	<b>10,745,210</b>	<b>(2,551,271)</b>	<b>36,011,757</b>	<b>3,454,482</b>	<b>39,466,239</b>

(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 six month period ended June 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 (loss)		(2,553,779)	3,276,228	(2,540,467)	3,497,383
<b>Adjustments for:</b>					
Depreciation and amortization	8, 13, 14 and 15	318,604	394,213	3,689,170	3,060,215
Allowance for doubtful accounts	6	12,318	6,670	29,849	31,099
Share of profit of equity-accounted investees	12	(340,436)	(3,821,159)	(18,034)	(14,401)
(Gain) loss on assets sales		1,098	9,599	(10,942)	3,781
Tax expense	11	(1,372,842)	(295,623)	969,482	(317,738)
Finance expense (income), net	24	5,378,941	973,158	12,316,904	2,024,289
Share-based compensation	22	(3,180)	3,205	14,874	29,180
Provisions	21	81,093	136,525	137,931	225,447
Impairment	13	-	-	19,870	4,231
(Gain) loss with the sale of subsidiaries		-	-	-	8,759
Net realizable value inventory adjustments	7	(5,322)	2,428	4,505	32,432
Fair value (market to market) of biological assets	8	-	-	265,022	(26,802)
Impacts from the leniency agreement		-	11,787	-	11,787
		<u>1,516,495</u>	<u>697,031</u>	<u>14,878,164</u>	<u>8,569,662</u>
<b>Changes in assets and liabilities:</b>					
Trade accounts receivable		1,217,816	1,215,812	1,326,478	866,453
Inventories		(713,007)	(409,973)	(798,503)	(1,418,276)
Recoverable taxes		50,692	33,527	225,289	57,779
Other current and non-current assets		(255,753)	(29,458)	(184,166)	49,892
Biological assets		-	-	(953,792)	(711,912)
Trade accounts payable and supply chain finance		(521,368)	40,779	(1,606,861)	(45,438)
Taxes payments in installments		(204,207)	(228,168)	(206,491)	(228,723)
Other current and non-current liabilities		(226,384)	(80,759)	665,089	(114,308)
Income taxes paid		-	-	(864,257)	(1,065,351)
		<u>(652,211)</u>	<u>541,760</u>	<u>(2,397,214)</u>	<u>(2,609,884)</u>
<b>Cash provided by operating activities</b>					
		<u>864,284</u>	<u>1,238,791</u>	<u>12,480,950</u>	<u>5,959,778</u>
Interest paid		(158,747)	(570,319)	(1,615,497)	(1,788,823)
Interest received		40,272	70,915	102,484	125,466
		<u>745,809</u>	<u>739,387</u>	<u>10,967,937</u>	<u>4,296,421</u>
<b>Net cash of interest provided by operating activities</b>					
		<u>745,809</u>	<u>739,387</u>	<u>10,967,937</u>	<u>4,296,421</u>
<b>Cash flow from investing activities</b>					
Purchases of property, plant and equipment	13	(358,156)	(354,417)	(2,118,909)	(1,752,525)
Purchases of intangible assets	15	(8,774)	(8,471)	(15,500)	(10,067)
Proceeds from sale of property, plant and equipment	13	12,553	39,739	121,933	83,637
Additional investments in joint-ventures and subsidiaries		(33,799)	(197,714)	-	-
Acquisitions, net of cash acquired		-	-	(1,363,020)	(48,297)
Dividends received	12	13,500	20,439	13,500	12,000
Related party transactions		281,180	2,615,192	-	426,537
Other		-	(2,941)	-	(2,941)
		<u>(93,496)</u>	<u>2,111,827</u>	<u>(3,361,996)</u>	<u>(1,291,656)</u>
<b>Cash provided by (used in) investing activities</b>					
		<u>(93,496)</u>	<u>2,111,827</u>	<u>(3,361,996)</u>	<u>(1,291,656)</u>
<b>Cash flow from financing activities</b>					
Proceeds from loans and financings	18	2,757,809	2,916,291	7,805,903	21,136,080
Payments of loans and financings	18	(328,463)	(6,105,266)	(3,666,906)	(25,810,954)
Derivatives instruments received/settled	28	(34,909)	(111,192)	102,402	(130,500)
Dividends paid		(1,441,177)	(5,983)	(1,441,177)	(5,983)
Dividends paid to non-controlling interest		-	-	-	(3,884)
PPC share repurchase		-	-	(378,685)	(11,357)
Payments of leases	14	(13,860)	(22,259)	(753,786)	(608,531)
Others		-	-	1,972	(6,250)
		<u>939,400</u>	<u>(3,328,409)</u>	<u>1,669,723</u>	<u>(5,441,379)</u>
<b>Cash provided by (used in) financing activities</b>					
		<u>939,400</u>	<u>(3,328,409)</u>	<u>1,669,723</u>	<u>(5,441,379)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>					
		<u>814,601</u>	<u>(53,806)</u>	<u>3,365,930</u>	<u>(207,076)</u>
Net change in cash and cash equivalents		<u>2,406,314</u>	<u>(531,001)</u>	<u>12,641,594</u>	<u>(2,643,690)</u>
Cash and cash equivalents beginning of period		<u>1,883,135</u>	<u>1,764,193</u>	<u>10,033,967</u>	<u>8,935,779</u>
<b>Cash and cash equivalents at the end of period</b>		<u><b>4,289,449</b></u>	<u><b>1,233,192</b></u>	<u><b>22,675,561</b></u>	<u><b>6,292,089</b></u>

**Non-cash transactions:**

	Notes	Company		Consolidated	
		2020	2019	2020	2019
Increase/decrease in share capital in subsidiaries' through assumption of credit	12	(29,373)	(687,183)	-	-
Reclassification of negative investments	12	115,020	(95,848)	-	-
Treasury shares used in stock option plan	22	9,339	18,470	9,339	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	-	-	-
New lease contracts	14	23,576	20,488	401,051	646,391
Assets held for sale reclassification		-	-	(9,667)	-
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
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 six month period ended June 30, 2020 and 2019  
In thousands of Brazilian Reais - R\$**

	Company		Consolidated	
	2020	2019	2020	2019
<b>Revenue</b>				
Sales of goods and services	16,735,807	14,138,041	125,194,310	96,137,875
Other income (expense)	4,217	(11,839)	1,642	17,889
Allowance for doubtful accounts	(12,318)	(6,670)	(29,849)	(31,099)
	<b>16,727,706</b>	<b>14,119,532</b>	<b>125,166,103</b>	<b>96,124,665</b>
<b>Goods</b>				
Cost of services and goods sold	(11,790,993)	(10,039,298)	(71,745,106)	(58,830,681)
Materials, energy, services from third parties and others	(2,029,048)	(2,007,202)	(21,332,172)	(15,742,798)
	<b>(13,820,041)</b>	<b>(12,046,500)</b>	<b>(93,077,278)</b>	<b>(74,573,479)</b>
<b>Gross added value</b>	<b>2,907,665</b>	<b>2,073,032</b>	<b>32,088,825</b>	<b>21,551,186</b>
<b>Depreciation and Amortization</b>	<b>(318,604)</b>	<b>(394,213)</b>	<b>(3,689,170)</b>	<b>(3,060,215)</b>
<b>Net added value generated</b>	<b>2,589,061</b>	<b>1,678,819</b>	<b>28,399,655</b>	<b>18,490,971</b>
<b>Net added value by transfer</b>				
Share of profit of equity-accounted investees, net of tax	340,436	3,821,159	18,034	14,401
Financial income	180,270	418,690	477,638	651,128
Others	(4,272)	(1,511)	78,694	10,218
	<b>516,434</b>	<b>4,238,338</b>	<b>574,366</b>	<b>675,747</b>
<b>NET ADDED VALUE TOTAL TO DISTRIBUTION</b>	<b>3,105,495</b>	<b>5,917,157</b>	<b>28,974,021</b>	<b>19,166,718</b>
<b>DISTRIBUTION OF ADDED VALUE</b>				
<b>Labor</b>				
Salaries	977,956	999,743	13,349,648	9,793,495
Benefits	150,624	133,407	2,737,768	1,908,176
FGTS (Brazilian Labor Social Charge)	69,093	69,605	162,375	148,547
	<b>1,197,673</b>	<b>1,202,755</b>	<b>16,249,791</b>	<b>11,850,218</b>
<b>Taxes and contribution</b>				
Federal	(1,414,604)	(292,096)	1,222,773	(7,134)
State	290,390	314,103	729,996	760,395
Municipal	10,537	9,066	11,388	9,610
	<b>(1,113,677)</b>	<b>31,073</b>	<b>1,964,157</b>	<b>762,871</b>
<b>Capital Remuneration from third parties</b>				
Interests and exchange variation	5,527,483	1,344,843	12,625,658	2,357,845
Rents	32,559	27,468	237,873	127,101
Others	15,236	34,790	437,009	571,300
	<b>5,575,278</b>	<b>1,407,101</b>	<b>13,300,540</b>	<b>3,056,246</b>
<b>Owned capital remuneration</b>				
Net income (loss) attributable to company shareholders	(2,553,779)	3,276,228	(2,553,779)	3,276,228
Non-controlling interest	-	-	13,312	221,155
	<b>(2,553,779)</b>	<b>3,276,228</b>	<b>(2,540,467)</b>	<b>3,497,383</b>
<b>ADDED VALUE TOTAL DISTRIBUTED</b>	<b>3,105,495</b>	<b>5,917,157</b>	<b>28,974,021</b>	<b>19,166,718</b>

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

## JBS S.A.

Notes to the condensed financial statements for the six month period ended June 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 August 13, 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 second quarter was marked by several actions taken to combat the new Coronavirus proliferation. In Brazil and in the United States of America, some productive units suspended temporarily its operations which did not have a material impact in our closing. In other international markets where the Company operates, its productive units are in full and normal operation.

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 in quarantine conditions. However, disruptions in the supply chain, as well as labor shortages, can potentially impact production units, reducing protein processing, as well as impacting the price of live animals. 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.

In addition, JBS announced on May 11, 2020, that its Board of Directors unanimously approved a donation of R\$700,000 under the program "Fazer o Bem Faz Bem" in order to contribute to efforts to combat the effects of the Covid-19 pandemic. In Brazil, the R\$400,000 donation plan allowed the Company to build, during the second quarter of 2020, the construction of 2 permanent hospitals, with 131 beds, besides the donation of: 84 ambulances, 265 respirators, 1,472 multiparameter monitors, 1,865 ICU beds, 416 thousand fabric masks, 546 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 the benefited NGOs. All initiatives in Brazil are coordinated by Joanita Maestri Karoleski. Abroad, JBS will provide R\$300,000, mainly in the United States, to local communities, to support food assistance, critical infrastructure, such as the providing PPE for rescuers and efforts to combat Covid-19.

On May 13, 2020, JBS USA with Pilgrim's Pride Corporation ("PPC"), announced that they are investing more than US\$200 million (R\$1.095 billion at June 30, 2020) in initiatives to support its employees and communities where it is present in the United States, in accordance with its ongoing efforts in sustainability and social responsibility. JBS USA and PPC invested more than US\$100 million (R\$547,600 at June 30, 2020) in security and prevention measures for Covid-19 in order to protect their employees, including greater hygiene and disinfection in its offices and units, health and temperature verification, training, social distance, speed reduction of production lines, among others. The Company has also hired more than 1,000 new employees in Brazil who will conduct additional hygiene and disinfection procedures and will provide education and training to ensure that measures against Covid-19 are adopted. In the United States, the Company is also investing in innovative technologies to combat the potential spread of the virus in its units, including ultraviolet and antibacterial air purification technology in the units' ventilation systems.

In Brazil and in the world, several economic measures (payments postponement) were enacted due to Covid-19 which generated cash savings in the period of approximately R\$1.89 billion, as follows:

In Brazil, JBS postponed the amount of approximately R\$165,000 referring to FGTS payments and certain Federal tax installment programs run by the Brazilian Attorney General Office of the Treasury Department - Procuradoria-Geral da Fazenda Nacional.

In the United States, the postponed amount of approximately US\$237.4 millions (R\$1,3 billion at June 30, 2020) due to Cares Act which postponed the income tax payment original maturity and payroll taxes. There was an increase in the tax deductions limit which reduced the current IT expense by US\$77.100 million (R\$422,200 at June 30, 2020) and, on the other hand, there was a reduction in the deferred tax credit by the same amount, with no effect on the effective rate for the period. The reduction in income taxes paid abroad should be included in the Brazilian income tax calculation on a universal basis, and eventually settled with Brazilian tax credit.

These payments were not paid in its original maturity and should be paid by the end of 2020, except for payroll taxes which will be paid 50% by December 31, 2021 and other 50% by December 31, 2022.

As presented in footnote 28 - Risk management and financial instruments, during the six month period ended June 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 April 1, 2020, the Company's indirect subsidiary PPC, acquired 100% of FAMPAT S.A. and Plan Restaurantes S.A. ("FAMPAT and Plan Pro") ownership by the amount paid in cash of approximately US\$2.977 million (R\$15,600 at the transaction date), subject to final working capital adjustments. FAMPAT and Plan Pro acquisition expands the presence into value-added product category. The goodwill generated from this business combination of US\$1.895 million (R\$9,930 at the transaction date) is not eligible to be deducted for tax purposes in the United States of America. This acquisition was not considered material for further disclosures.

**a3.** 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\$250.652 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\$50.003 million (R\$262,340 at the transaction date) is partially eligible to be deducted for tax purposes in the United States of America. This acquisition is further disclosed in footnote 4.

**a4.** On May 7, 2020, the Company distributed dividends to its shareholders from the fiscal year of 2019.

**a5.** On May 11, 2020, the Company's indirect subsidiary JBS Foods Canada ULC acquired 100% of Vantage Foods Inc. (named after the acquisition "JBS Ontario") ownership by the amount paid in cash of approximately US\$10.413 million (R\$60,341 at the transaction date), subject to final working capital adjustments. JBS Ontario's acquisition expands the presence in the case ready product category. The goodwill generated from this business combination of US\$9.435 million (R\$54,674 at the transaction date) is not eligible to be deducted for tax purposes in Canada. This acquisition was not considered material for further disclosures.

**a6.** On June 3, 2020, the Company's indirect subsidiary, PPC learned of an indictment by a Grand Jury in the United States of America District Court for the District of Colorado against Mr. Jayson Penn (former CEO), two former employees and an employee of a different company which is not part of the Group. The indictment alleges that they had allegedly entered into and engaged in a conspiracy to suppress and eliminate competition by rigging bids and fixing prices and other price-related terms for broiler chicken products sold in the United States, in violation of Section 1 of the Sherman Act, 15 U.S.C. Section 1. On June 4, 2020, PPC learned that Mr. Penn pleaded not guilty to the charges and on June 10, 2020, Mr. Penn begun a paid leave of absence, effective immediately. Fabio Sandri, PPC's CFO, was appointed as interim president and CEO by PPC's Board of Directors. PPC continues to cooperate with the Department of Justice ("DOJ") with respect to the federal investigation.

**a7.** On June 16, 2020, the rating agency Fitch Ratings upgraded JBS S.A. credit rating from 'BB' to 'BB+', with a stable outlook.



## JBS S.A.

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

a8. On June 30, 2020, the Company had 187 thousand Decarbonization Credits ("Cbios") of which 182 thousand had already been registered. These credits should be traded specially with fuel distributors which have purchase targets set by RenovaBio. Since there was no active market for Cbios until the closing date of these financial statements, it was not possible to measure and estimate market value for these assets. RenovaBio is the Brazilian National Biofuels Policy which establishes annual targets for reducing greenhouse gas emissions for fossil fuel distributors and by achieving these targets.

### b. Subsequent events:

b1. On July 10, 2020, the Company announced that it will redeem, in cash, (i) US\$425 million (R\$2.327 billions at June 30, 2020), which represents 100% of the aggregate outstanding principal amount of the Senior Notes due 2023 issued by JBS Investments GmbH; and (ii) US\$450 million (R\$2.464 billions at June 30, 2020), which represents 50% of the aggregate outstanding principal amount, of the 5.875% Senior Notes due 2024 issued by JBS USA Food Company, JBS USA Lux S.A. and JBS USA Finance, Inc. The amount of the premium to be paid is approximately US\$13 million (R\$71,187 at June 30, 2020).

b2. 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\$73.925 at June 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.

b3. On August 4, 2020, the Administrative Council for Economic Defense ("CADE") approved without any restriction the acquisition 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.

b4. 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\$1.095 billion at June 30, 2020) and will further expand JBS product offerings of value-added meats.

## 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 Management has concluded, based on internal analytical procedures adopted, the impacts on its financial statements which were disclosed and recognized in its financial statements of the year ended December 31, 2017 and will update the potential impacts, if any occur. The Company and its subsidiaries are in compliance with the Agreement's guidelines.

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.

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.

## 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 June 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. Property, plant and equipment
- vi. Intangible
- vii. Goodwill
- viii. Trade accounts payable
- ix. Loans and financing
- x. Dividends payable
- xi. Other financial liabilities
- xii. Insurance coverage
- xiii. 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 Reais (R\$), which is the Company's reporting and functional currency. All financial information is presented in thousands of Reais and the disclosure of other amounts in currencies other than Reais when necessary, except when otherwise indicated.

### b. 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 six month period ended June 30, 2020 and 2019  
(Expressed in thousands of Brazilian reais)

**4 Business Combination**

The assets acquired and liabilities assumed in the Empire business combination (footnote 1 a3.) were measured at fair value as presented below:

FAIR VALUE	Empire
Cash and cash equivalents	65,849
Trade accounts receivable	73,740
Inventories	28,300
Property, plant and equipment	501,340
Right of use assets	2,266
Intangible assets	461,575
Other assets	1,784
<b>ASSETS</b>	<b>1,134,854</b>
Trade accounts payable	71,945
Lease liabilities	2,266
Current and deferred income taxes	1,243
Other liabilities	6,695
<b>LIABILITIES</b>	<b>82,149</b>
<b>Net assets and liabilities</b>	<b>1,052,705</b>
Acquisition price	1,315,045
<b>Goodwill</b>	<b>262,340</b>

**5 Cash and cash equivalents**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Cash on hand and at banks	3,968,950	1,571,702	16,788,172	4,759,656
CDB (bank certificates of deposit) and National Treasury Bill (Tesouro Selic)	320,499	311,433	5,887,389	5,274,311
	<b>4,289,449</b>	<b>1,883,135</b>	<b>22,675,561</b>	<b>10,033,967</b>

**6 Trade accounts receivable, net**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Current receivables	1,875,184	2,135,343	11,327,234	9,257,146
Overdue receivables:				
From 1 to 30 days	227,514	388,308	1,690,105	1,586,957
From 31 to 60 days	63,815	59,907	311,317	153,964
From 61 to 90 days	14,625	13,306	110,088	32,904
Above 90 days	285,473	223,186	625,567	460,787
Allowance for doubtful accounts	(253,777)	(204,601)	(441,143)	(345,473)
Present value adjustment	(5,879)	(6,195)	(7,413)	(9,663)
	<b>331,771</b>	<b>473,911</b>	<b>2,288,521</b>	<b>1,879,476</b>
	<b>2,206,955</b>	<b>2,609,254</b>	<b>13,615,755</b>	<b>11,136,622</b>

**Changes in allowance for doubtful accounts:**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Initial balance</b>	(204,601)	(204,719)	(345,473)	(316,987)
Acquired in business combination	-	-	-	(2,266)
Additions	(12,318)	6,440	(29,849)	(70,723)
Exchange variation	(52,878)	(25,520)	(93,759)	(2,924)
Write-offs	16,020	19,198	27,938	47,427
<b>Final balance</b>	<b>(253,777)</b>	<b>(204,601)</b>	<b>(441,143)</b>	<b>(345,473)</b>

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**7 Inventories**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Finished products	2,547,616	2,000,285	11,688,326	8,816,177
Work in process	205,735	196,259	1,178,008	1,003,454
Raw materials	240,912	204,710	2,033,960	1,597,514
Warehouse spare parts	200,873	173,900	2,771,110	2,022,446
	<b>3,195,136</b>	<b>2,575,154</b>	<b>17,671,404</b>	<b>13,439,591</b>

**8 Biological assets**

Changes in 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	17,897,896	1,143,170
Reduction for slaughter, sale or consumption	(18,880,489)	(121,930)
Increase by purchase	640,392	399,486
Decrease by death	(103,774)	(21,063)
Fair value adjustments	(265,022)	-
Changes from current to non-current	420,595	(420,595)
Exchange rate variation	775,793	347,203
Amortization	-	(946,954)
<b>Balance at June 30, 2020</b>	<b>4,391,395</b>	<b>1,761,876</b>

**9 Recoverable taxes**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Value-added tax on sales and services - ICMS	1,288,226	1,198,703	3,118,447	2,933,404
Social contribution on billings - PIS and COFINS	1,481,749	1,623,780	2,059,593	2,307,600
Withholding income tax - IRRF/IRPJ	2,810,057	2,807,198	3,745,792	3,761,577
Excise tax - IPI	75,155	77,389	236,094	240,625
Reintegra	29,487	30,911	61,915	60,929
Other	16,087	16,891	55,291	48,497
	<b>5,700,761</b>	<b>5,754,872</b>	<b>9,277,132</b>	<b>9,352,632</b>
Current	957,485	933,085	2,419,531	2,351,152
Non-current	4,743,276	4,821,787	6,857,601	7,001,480
	<b>5,700,761</b>	<b>5,754,872</b>	<b>9,277,132</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:

	June 30, 2020	December 31, 2019
Related party receivables	839,332	715,527
Related party payables	(23,514,156)	(17,641,379)
	<b>(22,674,824)</b>	<b>(16,925,852)</b>

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COMPANY	Currency	Costs transfer (administrative and funding)	Statement of financial position accounts		Effect on net income	
			June 30, 2020	December 31, 2019	2020	2019
<b>Direct subsidiaries</b>						
JBS Embalagens Metálicas Ltda.	R\$	CDI + 4% p.y.	203,242	193,202	10,032	12,044
Brazservice Ltda.	R\$	CDI + 4% p.y.	149,947	137,433	7,417	9,073
JBS Confinamento Ltda.	R\$	CDI + 4% p.y.	75,646	66,819	3,461	3,886
JBS Investments Luxembourg S.à.r.l	US\$	-	15,643	6,531	-	-
Enersea Ltda.	R\$	CDI + 4% p.y.	2,410	982	(2)	(152)
JBS Leather International N.V	US\$	-	-	28,488	-	-
Conceria Priante S.p.a	EUR	-	-	-	-	3,547
JBS Mendoza Ltda.	US\$	-	-	(15)	-	-
Seara Alimentos Ltda.	R\$	CDI + 4% p.y.	(3,285,664)	(2,764,846)	(169,053)	(149,244)
JBS Investments II GmbH <sup>(1)</sup>	US\$	5.75% to 7.3% p.y.	(16,166,915)	(11,887,339)	(334,395)	(102,439)
<b>Indirect subsidiaries</b>						
JBS Leather Paraguay Srl.	US\$	7.00% p.y.	9,624	6,894	232	-
JBS USA Holding Lux S.à.r.l	US\$	5.11% p.y.	(4,061,577)	(2,989,179)	(77,350)	(82,244)
JBS Leather Asia Ltd.	US\$	-	-	-	-	8,648
Zendaleather México S.A de C.V	US\$	-	-	-	-	2,298
JBS Leather Uruguay S.A.	US\$	8.375% p.y.	-	-	-	210
<b>Other related parties</b>						
J&F Oklahoma Holdings Inc <sup>(2)</sup>	US\$	3.4% p.y.	382,820	275,178	8,034	-
			<u>(22,674,824)</u>	<u>(16,925,852)</u>	<u>(551,624)</u>	<u>(294,373)</u>

**Credit with related parties - Consolidated**

	June 30, 2020	December 31, 2019
J&F Oklahoma Holdings Inc <sup>(2)</sup>	382,820	275,178
	<u>382,820</u>	<u>275,178</u>

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's direct subsidiary raised senior notes in the amount of US\$1.7 billion (R\$9.309 billions at June 30, 2020) and received funds from JBS USA Holding Lux of US\$1.155 billion (R\$6.325 billions at June 30, 2020).

<sup>(2)</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..

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.

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Following, are demonstrated all commercial transactions between related parties recognized in the individual financial statement:

COMPANY	Accounts receivable		Accounts payable		Purchases/Services rendered		Sale of products/Services provided	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	2020	2019	2020	2019
<b>Direct subsidiaries</b>								
JBS Confinamento	1,630	976	38,185	41,779	335,852	64,446	5,814	2,880
Brazservice	4,278	5,947	2,084	1,401	12,236	12,649	41,778	60,342
Seara Alimentos	70,439	21,184	44,435	54,611	119,944	40,060	447,717	333,328
Conceria Priante	648	1,959	-	-	-	-	4,080	78,139
Enersea	-	-	-	-	65,191	66,797	45,708	53,036
<b>Indirect subsidiaries</b>								
JBS Global UK	47,233	52,377	-	-	-	-	118,136	110,205
Toledo	54,983	38,442	-	-	8	41	148,171	96,449
JBS Aves	1,311	1,385	20,766	21,049	2,702	2,322	7,464	7,753
Weddel	16,759	11,253	-	-	-	-	29,414	10,681
Sampco	175,172	92,168	-	-	-	-	326,155	222,414
Meat Snacks Partners	31,147	2,174	2	-	172	80	177,044	137,759
JBS Leather Asia	44,062	26,424	-	-	-	-	73,483	36,232
JBS USA	10,697	29	-	-	989	803	16,214	-
Seara Comércio de Alimentos	958	25	572	4,213	6,822	8,143	3,030	4,541
Swift & Company Trade Group	2,633	3,408	-	-	-	20	62,792	39,274
<b>Other related parties</b>								
JBj Agropecuária	1,345	999	2,515	-	193,847	242,683	6,358	5,229
Flora Produtos	16,999	12,774	-	3	367	39	93,738	57,567
Eldorado Celulose	627	809	-	-	77	28	8,102	9,116
Banco Original	-	17	-	-	-	-	55	116
Mata Boi Alimentos	-	183	2,293	49	3,520	1,463	5,670	7,976
	<b>480,921</b>	<b>272,533</b>	<b>110,852</b>	<b>123,105</b>	<b>741,727</b>	<b>439,574</b>	<b>1,620,923</b>	<b>1,273,037</b>

**Other financial transactions**

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 June 30, 2020 and December 31, 2019, the unpaid balance of transferred receivables was R\$849,271 and R\$594,424 in the Company, and R\$1,426,198 and R\$1,500,494 in the Consolidated, respectively. During the six month periods ended June 30, 2020 and 2019, JBS incurred financial costs related to this operation in the amount of R\$32,472 and R\$40,426 in the Company, and R\$56,471 and R\$72,549 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 June 30, 2020 and December 31, 2019, this balance of this transaction was R\$75,642 and R\$30,000.

Additionally at June 30, 2020 and December 31, 2019, the Company holds investments with Banco Original, in the amount of R\$1,849,603 and R\$93,760 in the Company and R\$1,945,204 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 six month periods ended June 30, 2020 and 2019, the Company earned interest from these investments in the amount of R\$1,005 and R\$1,654 in the Company, and R\$2,906 and R\$3,805 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 six month periods ended June 30, 2020 and 2019, JBS made donations in the amounts of R\$11,630 and R\$7,318, 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 six month periods ended June 30, 2020 and 2019.

**Remuneration of key management**

The Company's key management is comprised of its Executive Officers. The aggregate amount of compensation received by the Company's key management during the six month periods ended June 30, 2020 and 2019 is the following:

	2020	2019
Salaries and wages	11,921	10,856
Variable cash compensation	44,500	27,500
	<b>56,421</b>	<b>38,356</b>

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.

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**11 Income taxes**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Deferred income taxes assets	-	-	1,640,224	1,506,129
Deferred income taxes liabilities	(1,043,307)	(2,416,149)	(4,091,934)	(4,093,599)
	<u>(1,043,307)</u>	<u>(2,416,149)</u>	<u>(2,451,710)</u>	<u>(2,587,470)</u>

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

	Company		
	December 31, 2019	Income statement	June 30, 2020
Tax losses and negative basis of social contribution	35,643	1,405,897	1,441,540
Allowance for doubtful accounts	72,761	16,720	89,481
Provisions	164,253	11,653	175,906
Present value adjustment - Trade accounts receivable	2,106	(107)	1,999
Share-based payment	6,708	(5,338)	1,370
Right of use asset	2,925	(2,320)	605
Other temporary differences assets	113,901	(57,005)	56,896
Goodwill amortization	(2,552,929)	-	(2,552,929)
Present value adjustment - Trade accounts payable	1,504	(145)	1,359
Realization of other reserves/deemed cost	(266,234)	1,292	(264,942)
Other temporary differences liabilities	3,213	2,195	5,408
<b>Deferred taxes, net</b>	<u>(2,416,149)</u>	<u>1,372,842</u>	<u>(1,043,307)</u>

	Consolidado				
	December 31, 2019	Income statement	Exchange variation	Other adjustments	June 30, 2020
Tax losses and negative basis of social contribution	1,851,565	1,383,016	106,244	(69)	3,340,756
Allowance for doubtful accounts	92,771	24,049	755	-	117,575
Provisions	451,491	29,030	-	-	480,521
Present value adjustment - Trade accounts receivable	11,255	4	-	-	11,259
Tax credits - Foreign subsidiaries	47,893	163	17,191	-	65,247
Biological assets - Foreign subsidiaries	43,333	(3,601)	15,680	-	55,412
Labor accidents accruals - Foreign subsidiaries	153,142	23,107	57,728	-	233,977
Pension plan - Foreign subsidiaries	109,666	31,516	41,856	-	183,038
Trade accounts payable accrual - Foreign subsidiaries	392,804	(17,359)	132,095	-	507,540
Share-based payment	6,708	(5,338)	-	-	1,370
Non-deductible interests - Foreign subsidiaries	508,645	(664,934)	96,844	-	(59,445)
Right of use asset	39,988	(33,143)	10,466	-	17,311
Other temporary differences assets	429,121	(5,249)	39,038	-	462,910
Goodwill amortization	(2,669,726)	-	-	-	(2,669,726)
Present value adjustment - Trade accounts payable	(13,292)	518	-	-	(12,774)
Business combination	(2,852,745)	(103,885)	(966,882)	-	(3,923,512)
Customer returns accruals - Foreign subsidiaries	(127,541)	(2,409)	(46,003)	-	(175,953)
Inventory valuation - Foreign subsidiaries	(241,102)	(9,613)	(76,246)	-	(326,961)
Realization of other reserves/deemed cost	(605,696)	7,998	-	-	(597,698)
Other temporary differences liabilities	(215,750)	14,826	(11,669)	50,036	(162,557)
<b>Deferred taxes, net</b>	<u>(2,587,470)</u>	<u>668,696</u>	<u>(582,903)</u>	<u>49,967</u>	<u>(2,451,710)</u>

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

	Company		Consolidated	
	Six month periods ended June 30,		Six month periods ended June 30,	
	2020	2019	2020	2019
<b>Profit (loss) before income taxes (PBT)</b>	<b>(3,926,621)</b>	<b>2,980,605</b>	<b>(1,570,985)</b>	<b>3,179,645</b>
<b>Nominal rate</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>
Expected tax expense	1,335,051	(1,013,406)	534,135	(1,081,079)
<b>Adjustments to reconcile taxable income:</b>				
Earnings and losses due to equity method	115,748	1,299,194	6,131	4,897
Investments grants	(183)	-	113,052	388,862
Difference on tax rates under taxable income from foreign subsidiaries	-	-	590,125	333,751
Unrecognized tax benefits	(575)	-	(2,247,433)	174,805
Non-taxable interest - Foreign subsidiaries	-	-	163,205	85,166
Taxation of dual jurisdiction subsidiaries - Foreign subsidiaries	-	-	41,137	195,351
Deferred tax realization arising from surplus value	-	-	81	123,897
Infringements taxes payments	-	(75,181)	-	(75,181)
Other permanent differences	(77,199)	85,016	(169,915)	167,269
<b>Current and deferred income tax (expense) benefit</b>	<b>1,372,842</b>	<b>295,623</b>	<b>(969,482)</b>	<b>317,738</b>
Current income tax	-	-	(1,638,178)	(957,846)
Deferred income tax	1,372,842	295,623	668,696	1,275,584
	<b>1,372,842</b>	<b>295,623</b>	<b>(969,482)</b>	<b>317,738</b>
<b>% IT/PBT</b>	<b>34.96 %</b>	<b>9.92 %</b>	<b>(61.71)%</b>	<b>9.99 %</b>

	Company		Consolidated	
	Six month periods ended June 30,		Six month periods ended June 30,	
	2020	2019	2020	2019
<b>Adjustments to reconcile taxable income <sup>(1)</sup></b>				
Prior years loss carryforwards - deferred	(1,405,897)	(274,880)	(1,383,016)	(760,633)
Unrecognized tax benefits	575	-	2,247,433	(174,805)
Withholding income tax - Luxembourg restructure	-	-	-	15,363
Realization of deferred tax from surplus value - Incorporations	-	-	(81)	(123,897)
Income tax on realization of other reserves	(1,292)	(2,660)	(7,998)	(15,712)
<b>Current and deferred income tax (expense) benefit - ADJUSTED</b>	<b>(33,772)</b>	<b>18,083</b>	<b>(113,144)</b>	<b>(741,946)</b>
<b>Effective income tax rate</b>	<b>(0.86)%</b>	<b>0.61 %</b>	<b>(7.20)%</b>	<b>(23.33)%</b>

	Company		Consolidated	
	Three month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019
<b>Profit (loss) before income taxes (PBT)</b>	<b>3,265,717</b>	<b>2,140,316</b>	<b>5,215,209</b>	<b>2,795,359</b>
<b>Nominal rate</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>	<b>(34)%</b>
Expected tax expense	(1,110,344)	(727,707)	(1,773,171)	(950,422)
<b>Adjustments to reconcile taxable income:</b>				
Earnings and losses due to equity method	1,260,468	781,904	1,676	2,382
Investments grants	-	-	46,720	74,665
Difference on tax rates under taxable income from foreign subsidiaries	-	-	459,118	206,390
Unrecognized tax benefits	(241)	-	(659,695)	78,615
Non-taxable interest - Foreign subsidiaries	-	-	93,607	39,234
Taxation of dual jurisdiction subsidiaries - Foreign subsidiaries	-	-	16	95,360
Deferred tax realization arising from surplus value	-	-	41	222
Other permanent differences	(36,364)	(11,033)	(36,897)	(12,859)
<b>Current and deferred income tax (expense) benefit</b>	<b>113,519</b>	<b>43,164</b>	<b>(1,868,585)</b>	<b>(466,413)</b>
Current income tax	-	-	(1,595,894)	(726,381)
Deferred income tax	113,519	43,164	(272,691)	259,968
	<b>113,519</b>	<b>43,164</b>	<b>(1,868,585)</b>	<b>(466,413)</b>
<b>% IT/PBT</b>	<b>3.48 %</b>	<b>2.02 %</b>	<b>(35.83)%</b>	<b>(16.69)%</b>



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	Company		Consolidated	
	Three month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019
<b>Adjustments to reconcile taxable income <sup>(1)</sup></b>				
Prior years loss carryforwards - deferred	(101,866)	13,640	(67,791)	(35,121)
Unrecognized tax benefits	241	-	659,695	(78,615)
Dividends paid abroad	-	-	-	6,417
Realization of deferred tax from surplus value - Incorporations	-	-	(41)	(222)
Income tax on realization of other reserves	(638)	(1,992)	(3,593)	(9,172)
<b>Current and deferred income tax (expense) benefit - ADJUSTED</b>	<b>11,256</b>	<b>54,812</b>	<b>(1,280,315)</b>	<b>(583,126)</b>
<b>Effective income tax rate</b>	<b>0.34 %</b>	<b>2.56 %</b>	<b>(24.55)%</b>	<b>(20.86)%</b>

<sup>(1)</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; iv) withholding income tax arising from foreign subsidiaries; e v) Income tax on realization of the other reserves (since it is not relate to the net operating income).

**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 six month period ended June 30, 2020.

**Unrecognized tax benefits**

The Company and its subsidiaries have an unconsolidated deferred tax amount in the amount of R\$2,247,233 (deferred tax asset) at six month period ended June 30, 2020. The majority of this amount, R\$1,705,766 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 and joint ventures**
**Changes in the Company's investments:**

	December 31, 2019	Addition (disposal)	Exchange rate variation	Equity		June 30, 2020
				Changes in the equity of investees	Proportionate share of income (loss)	
JBS Embalagens Metálicas	(112,272)	-	-	-	(10,095)	(122,367)
JBS Confinamento	526,691	-	-	-	(10,239)	516,452
Conceria Priante	122,450	-	43,231	-	(5,185)	160,496
JBS Global Luxembourg	24,442,655	-	8,702,717	(743,738)	4,897,167	37,298,801
JBS Leather International <sup>(1)</sup>	(165,443)	29,373	(52,912)	(5,570)	(25,973)	(220,525)
Brazservice	(90,543)	-	-	-	(8,841)	(99,384)
Seara Alimentos	3,987,977	-	-	901,399	(4,458,554)	430,822
Meat Snack Partners <sup>(3)</sup>	93,633	(13,500)	-	-	18,034	98,167
Rigamonti <sup>(2)</sup>	174,238	33,145	70,481	-	(20,354)	257,510
Enersea	(572)	-	-	-	(1,516)	(2,088)
JBS Mendoza <sup>(4)</sup>	18	-	2	-	(20)	-
Midup Participações <sup>(5)</sup>	17,298	(17,075)	-	-	(223)	-
JBS Asset Management	86,461	-	30,491	-	(4,418)	112,534
JBS Investments II GmbH	3,780	-	575	-	(5,914)	(1,559)
JBS Investments Luxembourg	(35,593)	-	(15,082)	-	(22,842)	(73,517)
Swift Foods <sup>(2)</sup>	249	654	162	(6)	(591)	468
<b>Subtotal</b>	<b>29,051,027</b>	<b>32,597</b>	<b>8,779,665</b>	<b>152,085</b>	<b>340,436</b>	<b>38,355,810</b>
Accrual for loss on investments (*)	404,423	-	-	-	-	519,440
<b>Total</b>	<b>29,455,450</b>					<b>38,875,250</b>

<sup>(1)</sup> Transfer of the negative investments for other current liabilities.

**JBS S.A.**

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

- (1) The Company increased share capital in the direct subsidiary JBS Leather International through intercompany loan agreements settlement.  
(2) The Company increased share capital in cash in the direct subsidiaries Rigamonti and Swift Foods.  
(3) The Company's indirect subsidiary Meat Snack Partners distributed dividends to the Company.  
(4) The Company's direct subsidiary JBS Mendoza is in liquidation process.  
(5) The direct subsidiary Midup was incorporated in the Company in April/2020.

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

	December 31, 2019	Distribution of dividends	Equity	
			Proportionate share of income	June 30, 2020
Meat Snack Partners	93,633	(13,500)	18,034	98,167

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

Company	December 31, 2019	Additions net of transferences <sup>(1)</sup>	Incorporations <sup>(2)</sup>	Disposals <sup>(3)</sup>	Depreciation	June 30, 2020
Buildings	3,456,813	49,694	10,145	(94,175)	(40,607)	3,381,870
Land	1,648,286	1,388	3,706	(4,850)	-	1,648,530
Machinery and equipment	3,421,953	67,063	-	(82,225)	(165,790)	3,241,001
Facilities	1,496,653	43,446	3,224	(318)	(44,517)	1,498,488
Computer equipment	43,417	8,170	-	(9,320)	(9,616)	32,651
Vehicles	369,842	3,087	-	(14,571)	(31,114)	327,244
Construction in progress	650,530	180,435	-	-	-	830,965
Other	63,565	4,873	-	(4,034)	(3,598)	60,806
	<b>11,151,059</b>	<b>358,156</b>	<b>17,075</b>	<b>(209,493)</b>	<b>(295,242)</b>	<b>11,021,555</b>

Consolidated	December 31, 2019	Acquired in business combinations <sup>(4)</sup>	Additions net of transferences <sup>(1)</sup>	Business combination adjustments <sup>(5)</sup>	Disposals <sup>(3)</sup>	Depreciation	Exchange rate variation	June 30, 2020
Buildings	13,636,835	327,225	580,492	5,153	(26,142)	(411,212)	2,576,259	16,688,610
Land	4,605,363	27,988	36,760	7,114	(44,842)	-	612,248	5,244,631
Machinery and equipment	13,281,113	280,028	1,258,165	(850)	(49,432)	(1,151,685)	2,723,036	16,340,375
Facilities	2,131,205	-	145,834	(7,081)	(2,562)	(64,537)	3,091	2,205,950
Computer equipment	360,956	3,923	130,123	88	(289)	(86,321)	112,880	521,360
Vehicles	559,199	5,933	71,441	1,065	(13,521)	(63,361)	72,305	633,061
Construction in progress	2,909,243	3,593	(168,905)	-	-	-	566,952	3,310,883
Other	615,904	16,791	64,999	1,692	(3,740)	(62,498)	175,638	808,786
	<b>38,099,818</b>	<b>665,481</b>	<b>2,118,909</b>	<b>7,181</b>	<b>(140,528)</b>	<b>(1,839,614)</b>	<b>6,842,409</b>	<b>45,753,656</b>

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

(2) The direct subsidiary Midup was incorporated in the Company in April/2020.

(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, Empire and JBS Ontario 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\$16,590 and an increase in inventories, property, plant and equipment and intangible assets.

For the six month periods ended June 30, 2020 and 2019, the amount of capitalized interest added to construction in progress and included in additions was R\$18,394 and R\$13,318 in the Company, respectively, and in the Consolidated was R\$54,358 and R\$58,602, respectively.

Annually, the Company tested 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 indicators of impairment. At June 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).



**JBS S.A.**

Notes to the condensed financial statements for the six month period ended June 30, 2020 and 2019  
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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	June 30, 2020
Buildings	184,657	8,809	(147,191)	(9,607)	<b>36,668</b>
Operating plants	11,869	9,353	(10,825)	(1,602)	<b>8,795</b>
Machinery and equipment	1,464	4,857	(1,527)	(938)	<b>3,856</b>
Others	681	283	(558)	(113)	<b>293</b>
	<b>198,671</b>	<b>23,302</b>	<b>(160,101)</b>	<b>(12,260)</b>	<b>49,612</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	June 30, 2020
Growing facilities	1,896,334	-	36,494	-	(237,839)	463,515	<b>2,158,504</b>
Buildings	1,236,127	1,794	94,652	(80,586)	(122,205)	269,567	<b>1,399,349</b>
Vehicles and aircraft	668,777	472	175,785	(38,968)	(161,513)	206,975	<b>851,528</b>
Machinery and equipment	587,265	-	82,815	(1,748)	(128,129)	184,895	<b>725,098</b>
Operating plants	111,461	-	13,972	(11,484)	(9,360)	6,921	<b>111,510</b>
Land	69,905	-	191	(506)	(4,127)	24,689	<b>90,152</b>
Computer equipment	3,590	-	37	(289)	(1,861)	2	<b>1,479</b>
Furniture and appliances	64	-	154	(51)	(30)	-	<b>137</b>
	<b>4,573,523</b>	<b>2,266</b>	<b>404,100</b>	<b>(133,632)</b>	<b>(665,064)</b>	<b>1,156,564</b>	<b>5,337,757</b>

<sup>(1)</sup> Additions for each category includes PIS and COFINS to be paid in the amount of R\$274 and R\$5,430 in the Company and in the Consolidated, respectively.

<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	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Lease liability	<b>63,739</b>	339,000	<b>6,778,513</b>	5,766,584
Present value adjustment	<b>(12,349)</b>	(131,725)	<b>(1,215,843)</b>	(1,051,140)
	<b>51,390</b>	<b>207,275</b>	<b>5,562,670</b>	<b>4,715,444</b>
<b>Breakdown:</b>				
Current liabilities	<b>16,190</b>	22,421	<b>1,218,611</b>	945,791
Non-current liabilities	<b>35,200</b>	184,854	<b>4,344,059</b>	3,769,653
	<b>51,390</b>	<b>207,275</b>	<b>5,562,670</b>	<b>4,715,444</b>

**Changes in the lease liability:**

Company	December 31, 2019	Additions	Interest accrual	Payments	Terminated contracts <sup>(1)</sup>	June 30, 2020
Lease liability	207,275	23,576	5,648	(13,860)	(171,249)	<b>51,390</b>

Consolidated	December 31, 2019	Acquired in business combinations <sup>(2)</sup>	Additions	Interest accrual	Payments	Terminated contracts <sup>(1)</sup>	Exchange rate variation	June 30, 2020
Lease liability	4,715,444	2,266	401,051	141,870	(753,786)	(140,940)	1,196,765	<b>5,562,670</b>

<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.

**JBS S.A.**

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

	June 30, 2020	
	Company	Consolidated
2021	10,519	1,147,858
2022	16,990	1,034,507
2023	3,749	766,999
2024	3,574	589,590
2025	1,658	401,184
Maturities thereafter 2025	6,586	1,355,245
Present value adjustment	(7,876)	(951,324)
	<b>35,200</b>	<b>4,344,059</b>

**15 Intangible assets**

Company	December 31, 2019	Additions	Disposals <sup>(1)</sup>	Amortization	June 30, 2020
<b>Amortizing:</b>					
Trademarks	46,081	-	-	(7,234)	38,847
Software	30,582	8,774	(16,277)	(3,868)	19,211
	<b>76,663</b>	<b>8,774</b>	<b>(16,277)</b>	<b>(11,102)</b>	<b>58,058</b>

Consolidated	December 31, 2019	Acquired in business combination <sup>(2)</sup>	Additions	Business combination adjustments <sup>(3)</sup>	Amortization	Exchange rate variation	June 30, 2020
<b>Amortizing:</b>							
Trademark	291,219	40,744	-	-	(20,869)	84,263	395,357
Software	63,125	-	15,249	-	(11,026)	4,627	71,975
Customer relationships	2,017,589	435,713	-	6,097	(192,049)	636,480	2,903,830
Supplier contract	183,064	-	-	-	(8,858)	26,649	200,855
Others	8,598	-	-	-	(4,736)	996	4,858
<b>Non-amortizing:</b>							
Trademarks	3,447,855	-	251	2,576	-	842,055	4,292,737
Water rights	41,504	-	-	-	-	14,669	56,173
	<b>6,052,954</b>	<b>476,457</b>	<b>15,500</b>	<b>8,673</b>	<b>(237,538)</b>	<b>1,609,739</b>	<b>7,925,785</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, Empire and JBS Ontario 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\$16,590 and an increase in inventories, property, plant and equipment and intangible assets.

**Impairment test:**

At December 31, 2019, the Company tested the recoverability of its assets using the concept of value in use through cash flow models and 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 and joint ventures' 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>	326,944
Business combination adjustments <sup>(2)</sup>	(16,590)
Exchange rate variation	3,895,921
<b>Balance at June 30, 2020</b>	<b>28,704,025</b>

<sup>(1)</sup> Refers to FAMPAT/Plan Pro, Empire and JBS Ontario 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\$16,590 and an increase in inventories, property, plant and equipment and intangible assets.

**JBS S.A.**

Notes to the condensed financial statements for the six month period ended June 30, 2020 and 2019  
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<b>CGU Groups</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Brazil Beef	9,069,926	9,069,926
Seara	3,686,246	3,702,836
Moy Park	4,162,199	3,249,578
USA Pork	3,803,269	2,799,458
Australia Meat	1,550,749	1,161,567
Australia Smallgoods	1,464,825	1,096,890
Others CGUs without significant goodwill	4,966,811	3,417,495
<b>Total</b>	<b>28,704,025</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 six month period ended June 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**

	<b>Company</b>		<b>Consolidated</b>	
	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Commodities	1,676,212	2,010,393	4,809,570	5,390,373
Materials and services	884,500	788,343	12,749,705	9,928,922
Finished products	153,068	213,080	100,075	144,358
Present value adjustment	(1,776)	(2,154)	(25,774)	(24,810)
<b>Subtotal</b>	<b>2,712,004</b>	<b>3,009,662</b>	<b>17,633,576</b>	<b>15,438,843</b>
Supply chain finance	415,600	557,031	1,829,590	2,011,463
<b>Total</b>	<b>3,127,604</b>	<b>3,566,693</b>	<b>19,463,166</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 June 30, 2020 and December 31, 2019, the Company had commitments to purchase livestock cattle in the amount of R\$94,758 and R\$110,348 (Company and Consolidated), of which R\$75,642 e R\$30,000 with JBJ Agropecuária.

**JBS S.A.**

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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	
					June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Foreign currency</b>								
ACC - Advances on exchange contracts	3.41%	USD	-	*	924,587	-	-	-
Notes 6.25% JBS S.A 2023	6.25%	USD	-	2023	59,395	43,124	2,327,300	1,713,048
FINIMP	2.34%	USD and EUR	Euribor and Libor	2022 - 25	40,163	32,354	66,617	22,138
					<u>1,024,145</u>	<u>75,478</u>	<u>2,393,917</u>	<u>1,735,186</u>
<b>Local currency</b>								
Credit note - export	7.39%	BRL	CDI	2022	749,254	-	892,853	-
Working capital - Brazilian Reais	7.73%	BRL	TJLP	2021 - 23	459	-	135,732	15,635
FINAME	5.73%	BRL	TJLP	2021 - 25	10,210	10,595	16,398	20,958
FINEP	6.92%	BRL	-	2021 - 25	24,884	24,916	21,991	34,367
CDC - Direct credit to consumers	9.30%	BRL	-	2021 - 24	89,956	91,891	119,173	163,779
CRA - Agribusiness Credit Receivable Certificates	5.18%	BRL	CDI and IPCA	2023 - 24	9,472	6,104	554,175	552,041
					<u>884,235</u>	<u>133,506</u>	<u>1,740,322</u>	<u>786,780</u>
					<u>1,908,380</u>	<u>208,984</u>	<u>4,134,239</u>	<u>2,521,966</u>

Type	Average annual interest rate	Currency	Indexer	Payment terms / non-current debt	Consolidated			
					Current (*)		Non-current	
					June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Foreign currency</b>								
ACC - Advances on exchange contracts	3.41%	USD	-	*	924,587	-	-	-
Prepayment	3.57%	USD	Libor	2021 - 24	819,743	314,063	2,750,710	2,306,399
Notes 6.25% JBS S.A 2023	6.25%	USD	-	2023	59,395	43,124	2,327,300	1,713,048
Notes 7.00% JBS S.A 2026	7.00%	USD	-	2026	186,055	132,325	5,436,996	3,999,409
Notes 5.75% JBS S.A 2028	5.75%	USD	-	2028	112,172	74,358	4,073,875	2,996,451
FINIMP	2.42%	USD and EUR	Euribor and Libor	2021 - 25	46,591	32,354	68,845	22,138
Scott credit facilities	4.97%	USD	-	2023	1,944	1,447	7,940	6,618
Pro Plan restaurants credit facility	-	MXN	-	2022	-	-	893	-
White Stripe credit facility	3.97%	USD	-	*	553	-	-	-
					<u>2,151,040</u>	<u>597,671</u>	<u>14,666,559</u>	<u>11,044,063</u>
<b>Local currency</b>								
FINAME	5.77%	BRL	TJLP	2021 - 25	10,458	10,816	16,417	21,061
FINEP	6.92%	BRL	-	2021 - 25	24,884	25,575	21,991	34,367
Notes 5.875% JBS Lux 2024	5.88%	USD	-	2024	131,906	97,680	4,918,911	3,619,806
Notes 5.75% JBS Lux 2025	5.75%	USD	-	2025	12,858	10,141	5,732,924	4,218,570
Notes 5.75% PPC 2025	5.75%	USD	-	2025	90,962	67,599	5,455,948	4,014,395
Notes 5.875% PPC 2027	5.88%	USD	-	2027	67,607	50,319	4,588,084	3,373,784
Notes 6.75% JBS Lux 2028	6.75%	USD	-	2028	123,829	91,823	4,891,269	3,598,496
Notes 6.5% JBS Lux 2029	6.50%	USD	-	2029	102,429	76,414	7,683,279	5,656,083
Notes 5.50% JBS Lux 2030	5.50%	USD	-	2030	171,503	110,844	6,787,350	4,993,702
Term loan JBS Lux 2026	3.07%	USD	Libor	2026	183,577	101,465	10,083,213	7,448,644
PPC term loan	1.43%	USD	ABR- Libor	2023	140,268	105,149	4,271,933	1,778,933
Working capital - Brazilian Reais	8.16%	BRL	CDI and TJLP	2021 - 24	9,129	14,899	149,032	37,946
Working capital - Euros	0.86%	EUR	Euribor	2022 - 23	75,590	77,552	5,216	3,828
Credit note - export	5.89%	BRL	CDI	2021 - 24	823,077	62,867	1,829,379	140,000
CDC - Direct credit to consumers	9.30%	BRL	-	2021 - 24	90,162	92,119	119,363	164,072
Rural - Credit note	4.16%	BRL	CDI	2021 - 22	567,486	405,176	99,583	100,000
CRA - Agribusiness Credit Receivable Certificates	5.18%	BRL	CDI and IPCA	2023 - 24	9,472	6,104	554,175	552,041
Scott credit facilities	4.81%	AUD, EUR and USD	-	2021	52,832	52,675	6,297	2,289
JBS Ontario credit facility	1.00%	CAD	-	2022 - 34	57,190	-	136,381	-
White Stripe credit facility	3.97%	AUD	-	*	2,310	18	-	-
JBS Australia Feedlot Agreement	7.00%	AUD	-	2023	-	-	187,964	109,816
Other	1.14%	BRL, CZK, EUR, GBP, NZD and USD	Euribor, IRS and Libor	2021 - 26	18,821	21,993	70,063	37,248
					<u>2,766,350</u>	<u>1,481,228</u>	<u>57,608,772</u>	<u>39,905,081</u>
					<u>4,917,390</u>	<u>2,078,899</u>	<u>72,275,331</u>	<u>50,949,144</u>

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

**JBS S.A.**

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**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\$8.761 billions at June 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	June 30, 2020	
	Company	Consolidated
2021	120,651	725,178
2022	1,023,980	2,571,243
2023	2,465,855	7,902,227
2024	518,941	6,419,078
2025	4,812	11,322,287
Maturities thereafter	-	43,335,318
	<b>4,134,239</b>	<b>72,275,331</b>

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

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

**19 Accrued income taxes and other taxes**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Taxes payable in installments	891,221	961,411	941,488	1,016,968
PIS / COFINS tax payable	71,360	75,629	140,446	119,366
ICMS / VAT / GST tax payable	40,028	31,799	96,236	88,531
Withholding income taxes	17,410	26,052	69,855	81,732
Others	2,960	2,352	369,559	230,442
<b>Subtotal</b>	<b>1,022,979</b>	<b>1,097,243</b>	<b>1,617,584</b>	<b>1,537,039</b>
Accrued income taxes	-	-	1,077,567	384,594
<b>Total</b>	<b>1,022,979</b>	<b>1,097,243</b>	<b>2,695,151</b>	<b>1,921,633</b>
<b>Breakdown:</b>				
Current liabilities	316,718	325,754	1,761,446	943,640
Non-current liabilities	706,261	771,489	933,705	977,993
	<b>1,022,979</b>	<b>1,097,243</b>	<b>2,695,151</b>	<b>1,921,633</b>

**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 June 30, 2020 and December 31, 2019, the Company has recognized under Income taxes, payroll, social charges and tax obligation the amount of R\$71,360 and R\$68,871 in the Company, respectively, and in the Consolidated R\$116,907 and R\$103,593, respectively, regarding to PIS/COFINS over financial income.

**20 Accrued payroll and social charges**

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Taxes payable in installments	3,271,980	3,317,467	3,338,871	3,385,021
Bonus and vacation along with related social charges	283,881	229,765	3,782,915	2,637,990
Salaries and related social charges	201,327	392,682	1,627,538	1,498,963
Others	7,652	7,436	242,012	182,883
	<b>3,764,840</b>	<b>3,947,350</b>	<b>8,991,336</b>	<b>7,704,857</b>
<b>Breakdown:</b>				
Current liabilities	780,432	914,539	4,802,276	4,051,824
Non-current liabilities	2,984,408	3,032,811	4,189,060	3,653,033
	<b>3,764,840</b>	<b>3,947,350</b>	<b>8,991,336</b>	<b>7,704,857</b>

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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	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Labor	333,386	332,400	685,879	687,986
Civil	41,450	33,438	287,860	237,243
Tax and Social Security	142,535	123,305	440,600	390,597
<b>Total</b>	<b>517,371</b>	<b>489,143</b>	<b>1,414,339</b>	<b>1,315,826</b>

**Changes in provisions**

	Company				
	December 31, 2019	Additions, disposals and changes in prognosis	Payments	Monetary correction	June 30, 2020
Labor	332,400	57,489	(63,029)	6,526	333,386
Civil	33,438	6,104	(2,781)	4,689	41,450
Tax and social security	123,305	17,500	-	1,730	142,535
<b>Total</b>	<b>489,143</b>	<b>81,093</b>	<b>(65,810)</b>	<b>12,945</b>	<b>517,371</b>

	Consolidated					
	December 31, 2019	Additions, disposals and changes in prognosis	Payments	Monetary correction	Exchange rate variation	June 30, 2020
Labor	687,986	100,229	(121,554)	19,116	102	685,879
Civil	237,243	18,399	(12,149)	27,312	17,055	287,860
Tax and social security	390,597	19,303	-	30,573	127	440,600
<b>Total</b>	<b>1,315,826</b>	<b>137,931</b>	<b>(133,703)</b>	<b>77,001</b>	<b>17,284</b>	<b>1,414,339</b>

**22 Equity**

a. **Share capital:** Share capital on June 30, 2020 was R\$23,576,206, represented by 2,728,747,412 common shares, having no nominal value.

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 to 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 to 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 to 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 to 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 to 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 to 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 to 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>							

**June 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	152,137	0.42
2018E	Jun-18	06.01.18	1/3 per year with final maturity in January 2, 2021	51,282	0.33
				<b>203,419</b>	



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

	June 30, 2020	
	Quantity of options	Average exercise price per share
<b>Opening balance</b>	<b>1,513,690</b>	<b>\$ 9.51</b>
Exercised <sup>(1)</sup>	(996,023)	\$ 9.66
Cancelled	(314,248)	\$ 9.75
<b>Closing balance</b>	<b>203,419</b>	<b>\$ 9.71</b>

<sup>(1)</sup> The exercised shares during the six month periods ended June 30, 2020 and 2019 totaled in the amounts of R\$9,339 and R\$18,470.

During the six month periods ended June 30, 2020 and 2019, the expense with options plan totaled R\$3,180 and R\$3,205 in the Company and in the Consolidated in the amount of R\$14,874 and R\$29,180. 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 six month period ended June 30, 2020 were as follows:

	June 30, 2020	
	Quantity	R\$ thousand
<b>Opening balance</b>	<b>63,706,683</b>	<b>605,722</b>
Treasury shares used in stock option plan <sup>(1)</sup>	(996,023)	(9,471)
<b>Closing balance</b>	<b>62,710,660</b>	<b>596,251</b>

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

**23 Net revenue**

	Company				Consolidated			
	Six month periods ended June 30,		Three month periods ended June 30,		Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>GROSS REVENUE</b>								
<b>Sales of products</b>								
Domestic sales	9,823,431	9,018,567	4,439,197	4,630,504	95,110,929	74,167,041	51,232,043	39,371,605
Export sales	7,526,293	5,595,516	4,401,276	2,882,330	32,670,549	23,996,546	18,160,054	12,999,740
	<u>17,349,724</u>	<u>14,614,083</u>	<u>8,840,473</u>	<u>7,512,834</u>	<u>127,781,478</u>	<u>98,163,587</u>	<u>69,392,097</u>	<u>52,371,345</u>
<b>SALES DEDUCTION</b>								
Returns and discounts	(613,917)	(476,042)	(311,781)	(237,532)	(2,587,169)	(2,025,711)	(1,256,636)	(1,048,339)
Sales taxes	(348,149)	(306,374)	(155,855)	(158,359)	(1,130,599)	(925,189)	(553,131)	(480,649)
	<u>(962,066)</u>	<u>(782,416)</u>	<u>(467,636)</u>	<u>(395,891)</u>	<u>(3,717,768)</u>	<u>(2,950,900)</u>	<u>(1,809,767)</u>	<u>(1,528,988)</u>
<b>NET REVENUE</b>	<u>16,387,658</u>	<u>13,831,667</u>	<u>8,372,837</u>	<u>7,116,943</u>	<u>124,063,710</u>	<u>95,212,687</u>	<u>67,582,330</u>	<u>50,842,357</u>

**24 Finance income (expense)**

	Company				Consolidated			
	Six month periods ended June 30,		Three month periods ended June 30,		Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
Exchange rate variation	(4,471,065)	188,697	(835,860)	281,624	(10,154,897)	282,607	(1,947,077)	454,519
Fair value adjustments on derivatives	(77,322)	(210,655)	(101,630)	(88,382)	148,864	(219,524)	(95,074)	(74,966)
Interest expense <sup>(1)</sup>	(948,846)	(1,041,261)	(454,955)	(528,119)	(2,457,060)	(2,176,472)	(1,242,867)	(1,100,955)
Interest income <sup>(2)</sup>	155,962	137,065	70,067	75,041	233,700	196,608	100,639	103,888
Taxes, contribution, fees and others	(37,670)	(47,004)	(16,857)	(33,615)	(87,511)	(107,508)	(45,142)	(80,089)
	<u>(5,378,941)</u>	<u>(973,158)</u>	<u>(1,339,235)</u>	<u>(293,451)</u>	<u>(12,316,904)</u>	<u>(2,024,289)</u>	<u>(3,229,521)</u>	<u>(697,603)</u>
Finance income	180,270	418,690	70,067	356,666	477,638	651,128	100,639	558,408
Finance expense	(5,559,211)	(1,391,848)	(1,409,302)	(650,117)	(12,794,542)	(2,675,417)	(3,330,160)	(1,256,011)
	<u>(5,378,941)</u>	<u>(973,158)</u>	<u>(1,339,235)</u>	<u>(293,451)</u>	<u>(12,316,904)</u>	<u>(2,024,289)</u>	<u>(3,229,521)</u>	<u>(697,603)</u>

<sup>(1)</sup> For the six month periods ended June 30, 2020 and 2019, the amounts of R\$188,669 and R\$467,938 in the Company and R\$1,943,442 and R\$1,755,158 in the Consolidated refers to interest expenses from loans and financings recognized under the caption "Interest expense".

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<sup>(2)</sup> For the six month periods ended June 30, 2020 and 2019, the amounts of R\$19,033 and R\$23,383 in the Company and R\$55,760 and R\$74,707 in the Consolidated refers to interest income from short investments recognized under the caption "interest income".

**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.

	Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019
<b>Net income attributable to shareholders</b>	<b>(2,553,779)</b>	<b>3,276,228</b>	<b>3,379,236</b>	<b>2,183,480</b>
Weighted average common shares outstanding	2,728,747	2,728,747	2,728,747	2,728,747
Weighted average - treasury shares	(62,862)	(63,847)	(62,862)	(63,847)
<b>Weighted average - common shares outstanding (basic)</b>	<b>2,665,885</b>	<b>2,664,900</b>	<b>2,665,885</b>	<b>2,664,900</b>
<b>Basic earnings per share - (R\$)</b>	<b>(0.96)</b>	<b>1.23</b>	<b>1.27</b>	<b>0.82</b>

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

	Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019
<b>Net income attributable to shareholders</b>	<b>(2,553,779)</b>	<b>3,276,228</b>	<b>3,379,236</b>	<b>2,183,480</b>
Weighted average common shares outstanding (basic) - R\$	2,665,885	2,664,900	2,665,885	2,664,900
Dilutive effect of outstanding stock options	-	1,035	-	1,035
<b>Weighted average - common shares outstanding (diluted)</b>	<b>2,665,885</b>	<b>2,665,935</b>	<b>2,665,885</b>	<b>2,665,935</b>
<b>Diluted earnings per shares - (R\$)</b>	<b>(0.96)</b>	<b>1.23</b>	<b>1.27</b>	<b>0.82</b>

At June 30, 2020, 203,419 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	
	Six month periods ended June 30,		Six month periods ended June 30,		Six month periods ended June 30,	
	2020	2019	2020	2019	2020	2019
Brazil	16,880,617	13,936,416	1,084,590	134,446	337,560	396,319
Seara	12,225,290	9,278,632	1,597,451	276,228	465,890	565,231
Beef USA	53,075,533	40,979,934	6,720,000	2,529,288	624,014	480,874
Pork USA	15,167,090	11,146,745	977,322	695,802	408,206	309,377
Chicken USA	28,892,760	21,385,910	443,285	1,599,982	1,809,092	1,273,077
Others	1,228,350	1,247,664	(102,012)	(4,548)	48,980	38,666
Intercompany elimination	(3,405,930)	(2,762,614)	(905)	(1,471)	(4,572)	(3,329)
<b>Total</b>	<b>124,063,710</b>	<b>95,212,687</b>	<b>10,719,731</b>	<b>5,229,727</b>	<b>3,689,170</b>	<b>3,060,215</b>

Segments	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Three month periods ended June 30,		Three month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019	2020	2019
Brazil	8,720,977	7,172,252	913,632	138,161	170,432	197,627
Seara	6,391,665	5,081,371	856,776	279,863	222,971	283,549
Beef USA	30,063,028	22,093,821	5,897,407	1,767,649	348,886	255,932
Pork USA	8,542,249	6,110,996	821,828	256,535	235,387	160,174
Chicken USA	15,201,882	11,126,798	103,622	1,086,442	1,013,725	664,152
Others	567,149	655,763	(110,502)	(9,726)	26,462	20,962
Intercompany elimination	(1,904,620)	(1,398,644)	(2,152)	(929)	(2,286)	(1,786)
<b>Total</b>	<b>67,582,330</b>	<b>50,842,357</b>	<b>8,480,611</b>	<b>3,517,995</b>	<b>2,015,577</b>	<b>1,580,610</b>



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	June 30, 2020	December 31, 2019
<b>Total assets</b>		
Brazil	38,556,408	35,297,025
Seara	29,327,350	26,160,836
Beef USA	31,850,348	21,885,042
Pork USA	14,474,741	11,080,766
Chicken USA	40,414,468	29,627,716
Others	69,580,606	48,066,357
Intercompany elimination	(62,149,933)	(45,778,355)
<b>Total</b>	<b>162,053,988</b>	<b>126,339,387</b>

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	
	Six month periods ended June 30,		Six month periods ended June 30,		Six month periods ended June 30,	
	2020	2019	2020	2019	2020	2019
United States of America	95,371,917	72,068,010	8,073,707	4,813,508	2,865,812	2,084,557
South America	28,635,272	22,937,748	2,686,607	389,710	812,274	969,440
Others	1,117,364	1,034,845	(39,079)	27,980	15,656	9,547
Intercompany elimination	(1,060,843)	(827,916)	(1,504)	(1,471)	(4,572)	(3,329)
<b>Total</b>	<b>124,063,710</b>	<b>95,212,687</b>	<b>10,719,731</b>	<b>5,229,727</b>	<b>3,689,170</b>	<b>3,060,215</b>

**Geographic reporting**

	Net revenue		Operating income (loss) <sup>(1)</sup>		Depreciation	
	Three month periods ended June 30,		Three month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019	2020	2019
United States of America	52,821,009	38,597,463	6,742,633	3,104,885	1,611,194	1,092,393
South America	14,863,405	12,126,439	1,756,895	396,923	402,088	485,193
Others	523,499	542,395	(16,166)	17,116	4,581	4,810
Intercompany elimination	(625,583)	(423,940)	(2,751)	(929)	(2,286)	(1,786)
<b>Total</b>	<b>67,582,330</b>	<b>50,842,357</b>	<b>8,480,611</b>	<b>3,517,995</b>	<b>2,015,577</b>	<b>1,580,610</b>

**Total assets by geographic area:**

	June 30, 2020	December 31, 2019
<b>Total assets</b>		
United States of America	133,739,918	94,109,941
South America	64,927,425	58,951,382
Others	22,055,535	16,169,167
Intercompany elimination	(58,668,890)	(42,891,103)
<b>Total</b>	<b>162,053,988</b>	<b>126,339,387</b>

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

	Operating income (loss)			
	Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019
Net income (loss)	(2,540,467)	3,497,383	3,346,624	2,328,946
Income tax and social contribution - current and deferred	969,482	(317,738)	1,868,585	466,413
Finance (income) expense, net	12,316,904	2,024,289	3,229,521	697,603
Share of profit of equity-accounted investees, net of tax	(18,034)	(14,401)	(4,929)	(7,004)
<b>Operating profit</b>	<b>10,727,885</b>	<b>5,189,533</b>	<b>8,439,801</b>	<b>3,485,958</b>
Investigation impacts due to the leniency agreement	-	11,787	-	5,945
Other operating expense/income <sup>(1)</sup>	(8,154)	28,407	40,810	26,092
<b>Net operating profit</b>	<b>10,719,731</b>	<b>5,229,727</b>	<b>8,480,611</b>	<b>3,517,995</b>

<sup>(1)</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.

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**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			
	Six month periods ended June 30,		Three month periods ended June 30,		Six month periods ended June 30,		Three month periods ended June 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Cost of sales</b>								
Cost of inventories, raw materials and production inputs	(12,149,665)	(10,514,914)	(5,879,889)	(5,332,386)	(85,508,516)	(68,885,207)	(43,817,980)	(36,454,019)
Salaries and benefits	(733,639)	(714,298)	(357,985)	(359,914)	(13,539,798)	(9,972,850)	(7,474,772)	(5,114,240)
Depreciation and amortization	(187,190)	(221,458)	(95,635)	(109,691)	(3,213,087)	(2,580,973)	(1,759,354)	(1,336,951)
	<u>(13,070,494)</u>	<u>(11,450,670)</u>	<u>(6,333,509)</u>	<u>(5,801,991)</u>	<u>(102,261,401)</u>	<u>(81,439,030)</u>	<u>(53,052,106)</u>	<u>(42,905,210)</u>
<b>General and administrative expenses</b>								
Salaries and benefits	(608,665)	(633,389)	(303,274)	(331,155)	(2,541,458)	(1,814,084)	(1,376,007)	(864,514)
Fees, services held and general expenses	(446,595)	(436,480)	(279,656)	(240,437)	(1,493,356)	(1,025,067)	(956,757)	(590,215)
Depreciation and amortization	(87,481)	(119,136)	(38,650)	(59,745)	(351,593)	(355,026)	(190,479)	(183,274)
Impairment	-	-	-	-	-	(4,231)	-	-
	<u>(1,142,741)</u>	<u>(1,189,005)</u>	<u>(621,580)</u>	<u>(631,337)</u>	<u>(4,386,407)</u>	<u>(3,198,408)</u>	<u>(2,523,243)</u>	<u>(1,638,003)</u>
<b>Selling expenses</b>								
Freights and selling expenses	(864,069)	(837,029)	(425,816)	(439,429)	(5,718,655)	(4,643,527)	(3,036,878)	(2,421,982)
Allowance for doubtful accounts	(12,318)	(6,670)	(8,382)	11,704	(29,849)	(31,099)	(9,925)	11,009
Salaries and benefits	(82,711)	(89,000)	(38,687)	(45,344)	(371,470)	(273,195)	(188,102)	(147,216)
Depreciation and amortization	(43,933)	(53,618)	(22,374)	(27,136)	(124,490)	(124,215)	(65,744)	(60,384)
Advertising and marketing	(27,836)	(37,756)	(12,661)	(21,615)	(385,436)	(244,512)	(197,951)	(149,176)
Commissions	(35,669)	(25,717)	(15,975)	(13,545)	(103,079)	(86,131)	(49,152)	(42,743)
	<u>(1,066,536)</u>	<u>(1,049,790)</u>	<u>(523,895)</u>	<u>(535,365)</u>	<u>(6,732,979)</u>	<u>(5,402,679)</u>	<u>(3,547,752)</u>	<u>(2,810,492)</u>

As of June 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.

**JBS S.A.**

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

**28 Risk management and financial instruments**

	Notes	Company		Consolidated	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Assets</b>					
<b>Fair value through profit or loss</b>					
Financial investments	5	143,841	145,569	5,710,731	5,108,446
National treasury bills	5	176,658	165,864	176,658	165,865
Derivative assets		22,543	-	433,972	62,053
<b>Loans and receivables at amortized cost</b>					
Cash at banks	5	3,968,950	1,571,702	16,788,172	4,759,656
Trade accounts receivable	6	2,206,955	2,609,254	13,615,755	11,136,622
Related party receivables	10	839,332	715,527	382,820	275,178
<b>Total</b>		<b>7,358,279</b>	<b>5,207,916</b>	<b>37,108,108</b>	<b>21,507,820</b>
<b>Liabilities</b>					
<b>Liabilities at amortized cost</b>					
Loans and financings	18	(6,042,619)	(2,730,950)	(77,192,721)	(53,028,044)
Trade accounts payable and supply chain finance	17	(3,127,604)	(3,566,693)	(19,463,167)	(17,450,306)
Related party payables	10	(23,514,156)	(17,641,379)	-	-
Other financial liabilities		(30,443)	(33,743)	(136,867)	(150,516)
<b>Fair value through profit or loss</b>					
Derivative liabilities		(87,150)	(22,194)	(1,066,667)	(251,964)
<b>Total</b>		<b>(32,801,972)</b>	<b>(23,994,959)</b>	<b>(97,859,422)</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.

**a. Fair value of assets and liabilities carried at amortized cost:**

The fair value of the Notes under Rule 144-A and Regulation S, are estimated using the closing sale price of these securities informed by a financial newswire on June 30, 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					
	June 30, 2020			December 31, 2019			June 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	2,327,300	100.98	2,350,108	1,713,048	101.42	1,737,373	2,327,300	100.98	2,350,108	1,713,048	101.42	1,737,373
JBS S.A Notes 2026	-	-	-	-	-	-	6,153,899	105.14	6,470,148	4,530,500	108.71	4,925,152
JBS S.A Notes 2028	-	-	-	-	-	-	4,615,424	99.99	4,615,147	3,397,875	110.77	3,763,656
JBS Lux Notes 2024	-	-	-	-	-	-	4,928,401	100.50	4,953,043	3,627,629	103.30	3,747,341
JBS Lux Notes 2025	-	-	-	-	-	-	5,749,801	99.73	5,734,335	4,232,234	103.88	4,396,233
JBS Lux Notes 2028	-	-	-	-	-	-	4,928,401	106.75	5,261,068	3,627,629	111.00	4,026,669
JBS Lux Notes 2029	-	-	-	-	-	-	7,666,402	106.65	8,176,141	5,642,979	111.78	6,307,891
JBS Lux Notes 2030	-	-	-	-	-	-	6,845,002	104.25	7,135,914	5,038,374	105.88	5,334,480
PPC Notes 2025	-	-	-	-	-	-	5,476,001	100.25	5,489,691	4,030,699	103.42	4,168,549
PPC Notes 2027	-	-	-	-	-	-	4,654,601	100.11	4,659,582	3,426,095	108.18	3,706,246
	<u>2,327,300</u>		<u>2,350,108</u>	<u>1,713,048</u>		<u>1,737,373</u>	<u>53,345,232</u>		<u>54,845,177</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 six month period ended June 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.

**JBS S.A.**

 Notes to the condensed financial statements for the six month period ended June 30, 2020 and 2019  
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	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>Liabilities and assets exposure to the CDI rate net:</b>				
CRA - Agribusiness Credit Receivable Certificates	(59,970)	(60,149)	(59,970)	(263,016)
Credit note - export	(1,642,107)	-	(2,652,456)	-
Rural - Credit note	-	-	(667,069)	(505,176)
Working capital - Brazilian Reais	-	-	(4,542)	(37,210)
Related party transactions	(2,854,420)	(2,366,410)	-	-
CDB-DI	143,841	145,569	1,490,614	1,627,111
National treasury bill	176,658	165,865	176,658	165,865
<b>Subtotal</b>	<b>(4,235,998)</b>	<b>(2,115,125)</b>	<b>(1,716,765)</b>	<b>987,574</b>
Derivatives (DI)	68,405	63,784	881,825	63,784
<b>Total</b>	<b>(4,167,593)</b>	<b>(2,051,341)</b>	<b>(834,940)</b>	<b>1,051,358</b>
<b>Liabilities exposure to the LIBOR rate:</b>				
Prepayment	-	-	(3,570,453)	(2,620,462)
FINIMP	(31,496)	-	(31,496)	-
Term loan JBS Lux 2026	-	-	(10,266,788)	(7,550,111)
PPC term loan	-	-	(4,412,199)	(1,897,605)
Others	-	-	(214)	(294)
<b>Subtotal</b>	<b>(31,496)</b>	<b>-</b>	<b>(18,281,150)</b>	<b>(12,068,472)</b>
Derivatives (Swap)	-	537,534	10,925,232	537,534
<b>Total</b>	<b>(31,496)</b>	<b>537,534</b>	<b>(7,355,918)</b>	<b>(11,530,938)</b>
<b>Liabilities exposure to the IPCA rate:</b>				
CRA - Agribusiness Credit Receivable Certificates	(503,676)	(497,997)	(503,676)	(497,997)
<b>Subtotal</b>	<b>(503,676)</b>	<b>(497,997)</b>	<b>(503,676)</b>	<b>(497,997)</b>
Derivatives (Swap)	612,469	537,534	612,469	537,534
<b>Total</b>	<b>108,793</b>	<b>39,537</b>	<b>108,793</b>	<b>39,537</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%	(792)	(159)	2.6875%	(22,401)	(4,488)	3.2250%	(44,802)	(8,976)
Libor	Increase	0.5458%	0.5462%	-	(29)	0.6822%	(43)	(10,033)	0.8186%	(86)	(20,067)
IPCA	Decrease	1.8800%	1.8744%	(6)	(6)	1.4100%	(511)	(511)	0.9400%	(1,023)	(1,023)
				<b>(798)</b>	<b>(194)</b>		<b>(22,955)</b>	<b>(15,032)</b>		<b>(45,911)</b>	<b>(30,066)</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					
			June 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future contracts	DI	Short	755	(68,405)	(71)	755	(63,784)	(112)

Instrument	Start date	Maturity date	Company							
			June 30, 2020				December 31, 2019			
			Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
Swap	11.01.19	10.15.24	537,534	612,469	(612,033)	436	537,534	599,222	(595,601)	3,621

**JBS S.A.**

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Instrument	Start date	Maturity date	Consolidated							
			June 30, 2020				December 31, 2019			
			Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value	Notional	Fair value (Asset) - R\$	Fair value (Liability) - R\$	Fair value
	11.01.19	10.15.24	537,534	612,469	(612,033)	436	537,534	599,222	(595,601)	3,621
	07.18.19	01.18.24	18,254	19,820	(19,215)	605	20,736	22,690	(22,481)	209
	02.27.20	02.27.23	800,000	832,635	(865,287)	(32,652)	-	-	-	-
Swap	09.25.20	09.25.24	1,947,022	1,945,728	(1,954,698)	(8,970)	-	-	-	-
	09.25.20	09.25.24	1,216,889	1,216,080	(1,223,345)	(7,265)	-	-	-	-
	05.04.20	05.03.22	2,258,850	2,264,868	(2,269,966)	(5,098)	-	-	-	-
	04.30.20	04.30.23	5,476,000	5,498,556	(5,520,027)	(21,471)	-	-	-	-
			<b>12,254,549</b>	<b>12,390,156</b>	<b>(12,464,571)</b>	<b>(74,415)</b>	<b>558,270</b>	<b>621,912</b>	<b>(618,082)</b>	<b>3,830</b>

**b. Exchange rate risk:**

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

	Company					
	USD		EUR		GBP	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>OPERATING</b>						
Cash and cash equivalents	3,905,920	1,482,787	61,197	46,471	6,274	3,230
Trade accounts receivable	3,205,872	2,581,687	113,704	158,819	66,118	64,155
Sales orders	3,483,800	2,048,983	304,275	175,288	137,584	109,854
Trade accounts payable	(127,795)	(76,485)	(49,574)	(21,704)	(99)	(72)
<b>Subtotal</b>	<b>10,467,797</b>	<b>6,036,972</b>	<b>429,602</b>	<b>358,874</b>	<b>209,877</b>	<b>177,167</b>
<b>FINANCIAL</b>						
Related parties transaction, net	(19,820,405)	(14,565,972)	-	-	-	-
Loans and financings	(3,363,080)	(1,782,976)	(54,981)	(27,687)	-	-
<b>Subtotal</b>	<b>(23,183,485)</b>	<b>(16,348,948)</b>	<b>(54,981)</b>	<b>(27,687)</b>	<b>-</b>	<b>-</b>
<b>Total exposure</b>	<b>(12,715,688)</b>	<b>(10,311,976)</b>	<b>374,621</b>	<b>331,187</b>	<b>209,877</b>	<b>177,167</b>
<b>DERIVATIVES</b>						
Future contracts	(657,120)	-	-	-	-	-
Non Deliverable Forwards (NDF's)	4,107,000	-	-	-	-	-
<b>Total derivatives</b>	<b>3,449,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET EXPOSURE IN R\$</b>	<b>(9,265,808)</b>	<b>(10,311,976)</b>	<b>374,621</b>	<b>331,187</b>	<b>209,877</b>	<b>177,167</b>
Net debt in foreign subsidiaries	(41,878,586)	(33,742,311)	-	-	-	-

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	Consolidated									
	USD		EUR		GBP		MXN		AUD	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
<b>OPERATING</b>										
Cash and cash equivalents	7,342,738	2,853,753	79,609	100,392	8,678	23,609	450,439	277,131	77	-
Trade accounts receivable	6,263,237	4,531,742	360,889	225,424	104,872	749,777	434,176	426,279	2,087	222
Sales orders	4,756,592	2,211,775	320,564	293,481	137,584	109,854	-	-	6,342	3,061
Trade accounts payable	(381,142)	(246,717)	(145,296)	(107,834)	(12,453)	(473,413)	(690,321)	(237,860)	(4,594)	(738)
Income tax payable	-	-	-	-	-	-	-	-	(9,846)	-
Purchase orders	(249,525)	(181,686)	(106,622)	(43,761)	-	-	-	-	-	-
<b>Subtotal</b>	<b>17,731,900</b>	<b>9,168,867</b>	<b>509,144</b>	<b>467,702</b>	<b>238,681</b>	<b>409,827</b>	<b>194,294</b>	<b>465,550</b>	<b>(5,934)</b>	<b>2,545</b>
<b>FINANCIAL</b>										
Related parties transaction, net	(24,961,357)	(18,834,094)	-	-	-	(3,124)	-	-	647,006	16,377
Provisions	(128,514)	-	-	-	-	-	-	-	-	-
Advances to customers	(438,863)	-	(2,364)	-	-	-	-	-	-	-
Loans and financings	(16,753,068)	(11,641,590)	(63,637)	(27,687)	-	-	(893)	-	-	-
<b>Subtotal</b>	<b>(42,281,802)</b>	<b>(30,475,684)</b>	<b>(66,001)</b>	<b>(27,687)</b>	<b>-</b>	<b>(3,124)</b>	<b>(893)</b>	<b>-</b>	<b>647,006</b>	<b>16,377</b>
<b>Total exposure</b>	<b>(24,549,902)</b>	<b>(21,306,817)</b>	<b>443,143</b>	<b>440,015</b>	<b>238,681</b>	<b>406,703</b>	<b>193,401</b>	<b>465,550</b>	<b>641,072</b>	<b>18,922</b>
<b>DERIVATIVES</b>										
Future contracts	837,828	-	-	-	-	-	-	-	-	-
Deliverable Forwards (DF's)	344,408	50,001	198,144	144,702	(55,746)	(63,987)	(1,040,796)	(736,622)	6,128	(9,553)
Non Deliverable Forwards (NDF's)	5,955,676	60	(33,831)	32,955	(170,337)	(199,092)	-	-	-	-
Swap	(16,235)	-	-	-	-	-	-	-	-	-
<b>Total derivatives</b>	<b>7,121,677</b>	<b>50,061</b>	<b>164,313</b>	<b>177,657</b>	<b>(226,083)</b>	<b>(263,079)</b>	<b>(1,040,796)</b>	<b>(736,622)</b>	<b>6,128</b>	<b>(9,553)</b>
<b>NET EXPOSURE IN R\$</b>	<b>(17,428,225)</b>	<b>(21,256,756)</b>	<b>607,456</b>	<b>617,672</b>	<b>12,598</b>	<b>143,624</b>	<b>(847,395)</b>	<b>(271,072)</b>	<b>647,200</b>	<b>9,369</b>
Net debt in foreign subsidiaries	(41,878,586)	(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	5.4760	5.6271	288,916	489,408	6.8450	2,616,949	4,432,975	8.2140	5,233,899	8,865,950
Financial	Depreciation	5.4760	5.6271	(639,874)	(1,166,996)	6.8450	(5,795,871)	(10,570,451)	8.2140	(11,591,742)	(21,140,901)
Derivatives	Appreciation	5.4760	5.6271	95,218	196,561	6.8450	862,470	1,780,419	8.2140	1,724,940	3,560,838
				<b>(255,740)</b>	<b>(481,027)</b>		<b>(2,316,452)</b>	<b>(4,357,057)</b>		<b>(4,632,903)</b>	<b>(8,714,113)</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	5.4760	5.6271	(1,155,867)	6.8450	(10,469,647)	8.2140	(20,939,293)

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 the debt is denominated in the functional currency of each country, these debt instruments are translated to Brazilian Reais in the consolidation therefore affected by exchange rate variation, which impacts the Company's consolidated leverage ratios.

Instrument	Risk factor	Nature	June 30, 2020					
			Company			Consolidated		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	American dollar + DDI	Short	2,400	(657,120)	(10,015)	2,400	(657,120)	(10,015)
Future Contracts	American dollar + DDI	Long	-	-	-	3,060	837,828	(10,866)



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			Company					
			June 30, 2020			December 31, 2019		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Non Deliverable Forwards	American dollar	Long	750,000	4,107,000	(33,128)	-	-	-

			Consolidated					
			June 30, 2020			December 31, 2019		
Instrument	Risk factor	Nature	Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	American dollar	Long	62,894	344,408	(12,896)	12,405	50,001	(3,305)
Non Deliverable Forwards	American dollar	Long	1,087,596	5,955,676	(27,256)	15	60	218

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

		Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%				Scenario (iii) Interest rate variation - 50%				
				Effect on income				Effect on income				Effect on income		
Exposure of R\$	Risk	Current exchange	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	6.1539	5.9738	(12,570)	(14,897)	4.6154	(107,400)	(127,285)	3.0770	(214,801)	(254,572)			
Financial	Depreciation	6.1539	5.9738	1,609	1,931	4.6154	13,745	16,500	3.0770	27,490	33,000			
Derivatives	Appreciation	6.1539	5.9738	-	(4,808)	4.6154	-	(41,078)	3.0770	-	(82,156)			
				<u>(10,961)</u>	<u>(17,774)</u>		<u>(93,655)</u>	<u>(151,863)</u>		<u>(187,311)</u>	<u>(303,728)</u>			

			Consolidated					
			June 30, 2020			December 31, 2019		
Instrument	Risk factor	Nature	Notional (EUR)	Notional (R\$)	Fair value	Notional (EUR)	Notional (R\$)	Fair value
Deliverable Forwards	Euro	Long	32,198	198,144	(10,180)	31,940	144,702	(4,522)
Non Deliverable Forwards	Euro	Short	(5,497)	(33,831)	3,636	-	-	-
Non Deliverable Forwards	Euro	Long	-	-	-	7,274	32,955	(3,781)

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

		Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%				Scenario (iii) Interest rate variation - 50%				
				Effect on income				Effect on income				Effect on income		
Exposure of R\$	Risk	Current exchange	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated	Exchange rate	Company	Consolidated
Operating	Appreciation	6.7738	6.5795	(6,021)	(6,848)	5.0804	(52,469)	(59,670)	3.3869	(104,939)	(119,341)			
Derivatives	Depreciation	6.7738	6.5795	-	6,486	5.0804	-	56,521	3.3869	-	113,041			
				<u>(6,021)</u>	<u>(362)</u>		<u>(52,469)</u>	<u>(3,149)</u>		<u>(104,939)</u>	<u>(6,300)</u>			

			Consolidated					
			June 30, 2020			December 31, 2019		
Instrument	Risk factor	Nature	Notional (GBP)	Notional (R\$)	Fair value	Notional (GBP)	Notional (R\$)	Fair value
Deliverable Forwards	British pound	Short	(8,230)	(55,746)	3,072	(12,012)	(63,987)	1,108
Non Deliverable Forwards	British pound	Short	(25,146)	(170,337)	7,519	(37,374)	(199,092)	(1,882)

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

		Scenario (i) VaR 99% I.C. 1 day				Scenario (ii) Interest rate variation - 25%				Scenario (iii) Interest rate variation - 50%			
				Effect on income				Effect on income				Effect on income	
Exposure of R\$	Risk	Current exchange rate	Exchange rate	Consolidated	Exchange rate	Consolidated	Exchange rate	Consolidated	Exchange rate	Consolidated	Exchange rate	Consolidated	
Operating	Appreciation	0.2374	0.2431	4,665	0.2968	48,574	0.3561	97,147					
Financial	Depreciation	0.2374	0.2431	(21)	0.2968	(223)	0.3561	(446)					
Derivatives	Depreciation	0.2374	0.2431	(24,990)	0.2968	(260,199)	0.3561	(520,398)					
				<u>(20,346)</u>		<u>(211,848)</u>		<u>(423,697)</u>					

**JBS S.A.**

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

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2020			December 31, 2019		
			Notional (MXN)	Notional (R\$)	Fair value	Notional (MXN)	Notional (R\$)	Fair value
Deliverable Forwards	Mexican peso	Short	(4,384,146)	(1,040,796)	60,543	(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	Exchange rate	Effect on income	Exchange rate	Effect on income
				Consolidated		Consolidated		Consolidated
Operating	Depreciation	3.7741	3.6683	166	2.8306	1,483	1.8871	2,967
Financial	Appreciation	3.7741	3.6683	(18,136)	2.8306	(161,751)	1.8871	(323,503)
Derivatives	Appreciation	3.7741	3.6683	(172)	2.8306	(1,532)	1.8871	(3,064)
				<u>(18,142)</u>		<u>(161,800)</u>		<u>(323,600)</u>

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2020			December 31, 2019		
			Notional (AUD)	Notional (R\$)	Fair value	Notional (AUD)	Notional (R\$)	Fair value
Deliverable Forwards	Australian dollar	Long	1,624	6,128	586	-	-	-
Deliverable Forwards	Australian dollar	Short	-	-	-	(3,374)	(9,553)	(157)

**c. 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)	June 30, 2020	December 31, 2019
Firm Contracts of cattle purchase	540,565	285,820
<b>Subtotal</b>	<b>540,565</b>	<b>285,820</b>
<b>DERIVATIVES</b>		
Future contracts	(335,353)	(96,314)
<b>Subtotal</b>	<b>(335,353)</b>	<b>(96,314)</b>
<b>NET EXPOSURE</b>	<b>205,212</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	218.40	208.21	(25,212)	163.80	(135,141)	109.20	(270,283)
Derivatives	Cattle arroba depreciation	218.40	208.21	15,641	163.80	83,838	109.20	167,677
				<u>(9,571)</u>		<u>(51,303)</u>		<u>(102,606)</u>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Company					
			June 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Cattle)	Short	4,685	(335,353)	(980)	1,481	(96,314)	(2,832)

**c2. Position balance in commodities (grain-corn) derivatives financial instruments of the Company:**

EXPOSURE in Commodities (Corn)	June 30, 2020	December 31, 2019
<b>DERIVATIVES</b>		
Future contracts	5,412	-
<b>NET EXPOSURE</b>	<b>5,412</b>	<b>-</b>



**JBS S.A.**

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

**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	Company	Price	Company	Price	Company
Derivatives	Depreciation	(2.27)%	(123)	(25.00)%	(1,353)	(50.00)%	(2,706)

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Company					
			June 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Corn)	Long	260	5,412	117	-	-	-

**c3. Position balance in commodities (grain) derivatives financial instruments of Seara Alimentos:**

EXPOSURE in Commodities (Grain)	Seara Alimentos	
	June 30, 2020	December 31, 2019
<b>OPERATING</b>		
Purchase orders	495,702	131,192
<b>Subtotal</b>	<b>495,702</b>	<b>131,192</b>
<b>DERIVATIVES</b>		
Future contracts	(385,945)	12,540
<b>Subtotal</b>	<b>(385,945)</b>	<b>12,540</b>
<b>NET EXPOSURE</b>	<b>109,757</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	(2.27)%	(11,272)	(25.00)%	(123,926)	(50.00)%	(247,851)
Derivatives	Appreciation	(2.27)%	8,776	(25.00)%	96,486	(50.00)%	192,973
			<b>(2,496)</b>		<b>(27,440)</b>		<b>(54,878)</b>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Seara Alimentos					
			June 30, 2020			December 31, 2019		
			Quantity	Notional	Fair value	Quantity	Notional	Fair value
Future Contracts	Commodities (Grains)	Short	3,240	(385,945)	97	-	-	-
Future Contracts	Commodities (Grains)	Long	-	-	-	369	12,540	138

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

EXPOSURE in Commodities	JBS USA	
	June 30, 2020	December 31, 2019
<b>OPERATIONAL</b>		
Firm Contracts of cattle purchase	8,114,887	10,231,709
<b>Subtotal</b>	<b>8,114,887</b>	<b>10,231,709</b>
<b>DERIVATIVES</b>		
Deliverable Forwards	219,451	(2,094,928)
<b>Subtotal</b>	<b>219,451</b>	<b>(2,094,928)</b>
<b>NET EXPOSURE</b>	<b>8,334,338</b>	<b>8,136,781</b>

**JBS S.A.**

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

**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	(3.30)%	(267,872)	(25.00)%	(2,028,722)	(50.00)%	(4,057,443)
Derivatives	Depreciation	(3.30)%	(7,244)	(25.00)%	(54,863)	(50.00)%	(109,725)
			<u>(275,116)</u>		<u>(2,083,585)</u>		<u>(4,167,168)</u>

**Derivatives financial instruments breakdown:**

Instrument	Risk factor	Nature	Consolidated					
			June 30, 2020			December 31, 2019		
			Notional (USD)	Notional (R\$)	Fair value	Notional (USD)	Notional (R\$)	Fair value
Deliverable Forwards	Commodities (Cattle)	Long	40,075	219,451	(178,129)	-	-	-
Deliverable Forwards	Commodities (Cattle)	Short	-	-	-	(519,743)	(2,094,928)	(144,537)

**d. Liquidity risk**

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

	Company									
	June 30, 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	3,127,604	-	-	-	3,127,604	3,566,693	-	-	-	3,566,693
Related party payables	-	-	-	23,514,156	23,514,156	-	-	-	17,641,379	17,641,379
Loans and financings	1,908,380	3,561,627	572,233	379	6,042,619	208,984	240,146	2,279,124	2,696	2,730,950
Estimated interest on loans and financing <sup>(1)</sup>	339,058	452,149	46,511	-	837,718	169,649	294,993	58,493	71	523,206
Derivatives financing liabilities (assets)	87,150	-	-	-	87,150	22,194	-	-	-	22,194
Other financial liabilities	22,193	8,250	-	-	30,443	22,193	11,550	-	-	33,743

	Consolidated									
	June 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	19,463,166	-	-	-	19,463,166	17,450,306	-	-	-	17,450,306
Loans and financings	4,917,390	9,055,709	14,225,187	48,994,435	77,192,721	2,078,899	1,918,477	8,922,496	40,108,171	53,028,043
Estimated interest on loans and financing <sup>(1)</sup>	3,307,503	6,236,444	5,389,679	5,819,069	20,752,695	2,583,773	5,222,548	5,304,423	5,261,673	18,372,417
Derivatives financing liabilities (assets)	1,043,319	-	-	-	1,043,319	251,964	-	-	-	251,964
Other financial liabilities	45,742	55,348	35,777	-	136,867	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 June 30, 2020 and December 31, 2019. Payments in foreign currencies are estimated using the June 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 June 30, 2020 is R\$176,713 (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 June 30, 2020 is R\$418,367 (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 June 30, 2020 is R\$200,911 (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 six month period ended June 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 August 13, 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>	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 six month period ended June 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 six month period ended June 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 six month period ended June 30, 2020, and
- (ii) They reviewed, discussed and agreed with the condensed financial statements for the six month period ended June 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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