

[Table of Contents](#)

- (c) based on the ruling obtained under clause (a) or the change in tax law referred to under clause (b), the beneficial owners of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if legal defeasance had not occurred;
- (3) in the case of covenant defeasance only, the Company must deliver to the trustee an Opinion of Counsel confirming that the beneficial owners of the outstanding notes will not recognize income, gain or loss for federal income tax purposes as a result of covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if covenant defeasance had not occurred;
- (4) no Event of Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Debt, and, in each case the granting of Liens in connection therewith) with respect to the notes shall have occurred and be continuing on the date of such deposit;
- (5) in the case of legal defeasance only, the legal defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the applicable Indenture) to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;
- (6) in the case of legal defeasance only, the Company must deliver to the trustee an Opinion of Counsel, subject to customary exceptions and assumptions, to the effect that on the 91st day following the deposit, the defeasance trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws generally affecting creditors' rights;
- (7) the Company must deliver to the trustee an officer's certificate stating that the deposit was not made by the Company with the intent of preferring the holders of notes over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company; and
- (8) the Company must deliver to the trustee an officer's certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the legal defeasance or the covenant defeasance have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a legal defeasance need not be delivered if all notes not theretofore delivered to the trustee for cancellation (a) have become due and payable, (b) will become due and payable on the maturity date within one year or (c) as to which a redemption notice has been given calling the notes for redemption within one year, under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the Company.

Satisfaction and Discharge

The Company may discharge the applicable Indenture with respect to any series of notes such that it will cease to be of further effect, except as to surviving rights of registration of transfer or exchange of the notes as to all outstanding notes of such series when:

- (1) either
 - (a) all the notes of such series previously authenticated (except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has previously been deposited in trust or segregated and held in trust by the Company and is thereafter repaid to the Company or discharged from the trust) have been delivered to the trustee for cancellation; or
 - (b) all notes not previously delivered to the trustee for cancellation
 - (i) have become due and payable, or
 - (ii) will become due and payable at their maturity within one year, or

[Table of Contents](#)

- (iii) are to be called for redemption within one year under arrangements satisfactory to the trustee,

and in the case of (i), (ii) or (iii), the Company has deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, non-callable U.S. Government Securities, or a combination of such cash and non-callable U.S. Government Securities, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the notes not previously delivered to the trustee for cancellation for principal, premium, if any, and interest on the notes to the date of deposit, in the case of notes that have become due and payable, or to the stated maturity or redemption date, as the case may be;

- (2) the Company has paid or caused to be paid all other sums payable by the Issuers under the applicable Indenture; and
- (3) the Company delivers to the trustee an officer's certificate and Opinion of Counsel stating that all conditions precedent under the applicable Indenture relating to the satisfaction and discharge of such Indenture have been satisfied.

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, officer, employee, incorporator or stockholder, as such, of an Issuer or any Guarantor shall have any liability for any obligations of the Issuers or of the Guarantors under the notes, the Indentures, the Guarantees or for any claim based on, in respect of, or by reason of, those obligations or their creation. Each holder by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. This waiver may not be effective to waive liabilities under the federal securities laws, and it is the view of the Commission that such a waiver is against public policy.

Concerning the Trustee

Regions Bank is the trustee under each Indenture and has been appointed by the Issuers as registrar and paying agent with regard to the notes. The holders of a majority in outstanding aggregate principal amount of the then outstanding notes of a series will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee under the applicable Indenture, subject to certain exceptions. Each Indenture provides that in case an Event of Default shall occur, the trustee will be required, in the exercise of its power, to use or exercise the degree of care of a prudent person in the conduct of such person's own affairs. The trustee will be under no obligation to exercise any of its rights or powers under the Indentures at the request of any holder of notes, unless such holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

The trustee has not provided or approved any information in this prospectus, takes no responsibility for any information contained in this prospectus, and makes no representation as to the contents of this prospectus.

Governing Law

Each Indenture provides that the Indentures, the notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. For the avoidance of doubt, the application of articles 470-1 to 470-19 (inclusive) of the Luxembourg law of 10 August 1915 on commercial companies, as amended, is excluded.

Definitions

“ABL Revolving Credit Agreement” means the Revolving Syndicated Facility Agreement, dated October 12, 2018, among the Company, JBS USA Food, JBS Australia PTY Limited and JBS Food Canada ULC, the other credit parties signatory thereto, the lenders party thereto, Royal Bank of Canada, as administrative agent, Australian administrative agent and Canadian Administrative Agent, and the documentation agents party thereto, as the same may be amended, restated, renewed, refunded, replaced, refinanced, supplemented or otherwise modified from time

[Table of Contents](#)

to time, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“Affiliate” means, as to any Person, any other Person which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Attributable Debt” in respect of a Sale and Leaseback Transaction means, as at the time of determination, the present value (discounted using an implied interest rate of such transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction.

“Australian Subsidiaries” means any Subsidiary of the Company which is organized under the laws of Australia.

“Batista Family” includes José Batista Sobrinho, together with his wife, sons and daughters, or any of their respective heirs and any Person established and controlled by any of the foregoing.

“Board of Directors” means:

- (1) with respect to a corporation, the Board of Directors of the corporation;
- (2) with respect to a partnership, the Board of Directors or similar board or committee or Person serving a similar function of the managing general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of that Person or any Person serving a similar function.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares of corporate stock of that Person;
- (2) with respect to any Person that is an association or business entity, any and all shares, interests, participations, rights or other equivalents, however designated, of capital stock of that Person;
- (3) with respect to any Person that is a partnership or limited liability company, any and all partnership or membership interests, whether general or limited, of that Person; and
- (4) with respect to any other Person, any other interest or participation that confers on a Person the right to receive a share of the profits and losses of or distributions of assets of, the issuing Person.

“Capitalized Lease Obligation” means, as to any Person, the obligation of such Person to pay rent or other amounts under a lease to which such Person is a party that is required to be classified and accounted for as a financing lease obligation under GAAP.

“Cash Management Services” means any of the following to the extent not constituting a line of credit (other than an overnight overdraft facility that is not in default): ACH transactions, treasury and/or cash management services, including, without limitation, controlled disbursement services, overdraft facilities, deposit and other accounts and merchant services.

“Change of Control” means the occurrence of any of the following events:

- (1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders; or
- (2) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue

Table of Contents

Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Company other than in connection with any transaction or series of transactions in which the Company shall become the wholly owned subsidiary (other than any director’s qualifying shares or shares owned by foreign nationals to the extent mandated by applicable law) of a direct or indirect parent entity of the Company of which no person or group, as noted above, holds 50% or more of the total voting power (other than a Permitted Holder).

For purposes of this definition, any direct or indirect holding company of the Company shall not itself be considered a “person” or “group”; provided that no “person” or “group” (other than one or more of the Permitted Holders) beneficially owns, directly or indirectly, more than a majority of the total voting power of the Voting Stock of such holding company.

“Change of Control Triggering Event” means the occurrence of a Change of Control that results in a Ratings Decline.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor thereto.

“Commission” means the Securities and Exchange Commission.

“Commodity Agreement” means any commodity futures contract, commodity option or similar agreement or arrangement designed to protect against fluctuations in the price of commodities.

“Company External Verifier” means a qualified provider of third-party assurance or attestation services appointed by the Company to review the Company’s statement of the Global Greenhouse Gas Emissions Intensity.

“Company Sustainability Performance Target” means the Global Greenhouse Gas Emissions Intensity reduction target of 20.30% by December 31, 2026 from a 2019 baseline as set forth in the Company Sustainability-Linked Bond Framework, which represents linear annual progress toward a 30.00% reduction in Global Greenhouse Gas Emissions Intensity by 2030 from a 2019 baseline; *provided*, however, that for purposes of the Company Sustainability Performance Target and the calculation of Global Greenhouse Gas Emissions Intensity, (i) such calculation will be measured based on the performance of the Company and its Restricted Subsidiaries and (ii) the Company may exclude (A) the tCO₂e and MT produced attributable to any single or related series of acquisitions completed since the Issue Date by the Company or its consolidated Subsidiaries that individually, or in the aggregate in the case of a related series, represent more than 10% of the annual net sales of the Company, calculated by reference to the audited consolidated financial statements of the Company for the fiscal year ended 2019, (B) the impact of any material amendment to, or change in, any applicable laws, regulations, rules, guidelines and policies, applicable and/or relating to the production, processing, marketing and distribution of fresh, frozen and value-added beef, pork and their respective rendered by-product parts and offal of the Company and its consolidated Subsidiaries following the Issue Date or (C) *force majeure*, extraordinary or exceptional events or circumstances. Based on current, unverified emissions data, a 20.30% reduction in Global Greenhouse Gas Emissions Intensity implies an emissions intensity no higher than 0.1897 tCO₂e/MT produced for the fiscal year ended 2026. If an External Verifier revises the 2019 baseline, the Company Sustainability Performance Target will adjust to be the same 20.30% reduction from the verified baseline. Changes to the baseline and resulting changes to the Company Sustainability Performance Target will be publicly disclosed as part of reporting obligations detailed in the Company Sustainability-Linked Bond Framework.

“Company Sustainability-Linked Bond Framework” means the Sustainability-Linked Bond Framework adopted by the Company in November 2021.

“Consolidated Depreciation and Amortization Expense” means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, capitalized expenditures, customer acquisition costs and incentive payments, conversion costs and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

[Table of Contents](#)

“Consolidated EBITDA” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period

- (1) increased (without duplication) by:
 - (a) provision for taxes based on income or profits or capital, including, without limitation, state, franchise, excise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period deducted, including any penalties and interest relating to any tax examinations (and not added back) in computing Consolidated Net Income, *plus*
 - (b) Consolidated Interest Expense of such Person for such period (including (x) net losses from Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (y) costs of surety bonds in connection with financing activities, in each case, to the extent included in Consolidated Interest Expense), together with items excluded from the definition of “Consolidated Interest Expense” pursuant to clauses (1)(u) through (1)(z) thereof, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; *plus*
 - (c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted in computing Consolidated Net Income, *plus*
 - (d) any expenses or charges (other than depreciation or amortization expense) related to any equity offering, investment, acquisition, disposition, recapitalization or the incurrence of Debt permitted to be incurred by the applicable Indenture (including a refinancing thereof) (whether or not successful), including, without limitation, (i) such fees, expenses or charges related to the offering of the notes and the Senior Secured Credit Agreements and (ii) any amendment or other modification of the notes, and, in each case, deducted in computing Consolidated Net Income, *plus*
 - (e) the amount of any restructuring charge or reserve or non-recurring integration costs deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions after the Issue Date and costs related to the closure and/or consolidation of facilities, including any lease termination costs, severance costs, facility shutdown costs and other restructuring charges related to or associated with a permanent reduction in capacity, closure of plans or facilities, cut-backs or plant closures or a significant reconfiguration of a facility, *plus*
 - (f) any other non-cash charges, including any write-off or write-downs, reducing Consolidated Net Income for such period, excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period, *plus*
 - (g) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*
 - (h) expenses consisting of internal software development costs that are expensed during the period but could have been capitalized under alternative accounting policies in accordance with GAAP, *plus*
 - (i) costs of surety bonds incurred in such period in connection with financing activities, *plus*
 - (j) the amount of net cost savings and synergies projected by such Person in good faith to be realized as a result of specified actions taken or to be taken prior to or during such period (which cost savings or synergies shall be subject only to certification by management of such Person and shall be calculated on a pro forma basis as though such cost savings or synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided that (A) such cost savings or synergies are reasonably identifiable and factually supportable, (B) such actions have been taken or are to be taken within 18 months after the date of determination to take such action and (C) no cost savings or synergies shall be added pursuant to this clause (j) to the extent duplicative of any expenses or charges relating to such cost savings or revenue enhancements that are included in clause (k) below with respect to such period, *plus*

[Table of Contents](#)

- (k) business optimization expenses (including consolidation initiatives, severance costs and other costs relating to initiatives aimed at profitability improvement), *plus*
- (l) restructuring charges or reserves (including restructuring costs related to acquisitions after the Issue Date and to closure and/or consolidation of facilities and to exiting lines of business), *plus*
- (m) the amount of loss or discount on sale of receivables and related assets to a Receivables Subsidiary in connection with a Receivables Facility, *plus*
- (n) any costs or expense incurred by such Person or a Restricted Subsidiary of such Person pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or net cash proceeds of an issuance of Equity Interest of such Person (other than Disqualified Capital Stock), *plus*
- (o) the amount of expenses relating to payments made to option holders of any direct or indirect parent entity of such Person in connection with, or as a result of, any distribution being made to shareholders of such Person, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the applicable Indenture, *plus*
- (p) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to such Person's and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*
- (q) the amount of any loss attributable to a new plant or facility until the date that is 18 months after the date of commencement of construction or the date of acquisition thereof, as the case may be; provided that (A) such losses are reasonably identifiable and factually supportable and certified by a responsible officer of such Person, (B) losses attributable to such plant or facility after 18 months from the date of commencement of construction or the date of acquisition of such plant or facility, as the case may be, shall not be included in this clause (q) and (C) no amounts shall be added pursuant to this clause (q) to the extent duplicative of any expenses or charges relating to such cost savings or revenue enhancements that are included in clauses (j) or (k) above with respect to such period;

- (2) decreased by (without duplication) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; and
- (3) increased (in the case of a loss) or decreased (in the case of a gain) by (without duplication) any net gain or loss resulting in such period from currency translation gains or losses related to currency remeasurements of Debt (including any net loss or gain resulting from hedge agreements for currency exchange risk and revaluations of intercompany balances, including, without limitation, Currency Protection Agreements).

“Consolidated Interest Expense” means, with respect to any Person for any period, the sum, without duplication of:

- (1) consolidated interest expense of such Person and its Restricted Subsidiaries for that period, to the extent such expense was deducted in computing Consolidated Net Income, including (or plus, to the extent not included in such consolidated interest expense):
 - (a) amortization of debt discount;
 - (b) the interest component of Capitalized Lease Obligations;
 - (c) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

[Table of Contents](#)

- (d) interest actually paid by such Person or any of its Restricted Subsidiaries under any guarantee of Debt or other obligation of any other Person;
- (e) interest expense on Debt guaranteed by the Company or any of its Restricted Subsidiaries (whether or not such interest is paid by the Company or any of its Restricted Subsidiaries);
- (f) net payments (whether positive or negative) pursuant to Interest Rate Protection Agreements; and
- (g) cash and Disqualified Capital Stock dividends in respect of all Preferred Stock of Restricted Subsidiaries and Disqualified Capital Stock of such Person held by Persons other than such Person or a Wholly Owned Restricted Subsidiary;

but excluding:

- (t) accretion or accrual of discounted liabilities not constituting Debt;
- (u) interest expense attributable to a parent entity resulting from push-down accounting;
- (v) any expense resulting from the discounting of Debt in connection with the application of recapitalization or purchase accounting;
- (w) any Additional Amounts and any comparable “additional amounts”;
- (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, and original issue discount with respect to Debt issued on the Issue Date;
- (y) any expensing of bridge, commitment and other financing fees; and
- (z) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility;

- (2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for that period, whether paid or accrued.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided* that, without duplication,

- (1) any after-tax effect of extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses, severance, relocation costs, new product introductions, and one-time compensation charges shall be excluded;
- (2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;
- (3) any after-tax effect of income (loss) from disposed, or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned or discontinued operations shall be excluded;
- (4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business, as determined by the Company, shall be excluded;
- (5) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Company shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or cash equivalents) or that (as reasonably determined by the Company) could have distributed to the reference Person or a Restricted Subsidiary thereof in respect of such period,
- (6) [reserved],

[Table of Contents](#)

- (7) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by ASC 805 and ASC 350 (formerly Financial Accounting Standards Board Statement Nos. 141 and 142, respectively) resulting from the application of purchase accounting in relation to any acquisition that is consummated after the Issue Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;
- (8) any after-tax effect of income (loss) from the early extinguishment of Debt or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid) shall be excluded;
- (9) any impairment charge, asset write-off or write-down pursuant to ASC 350 and ASC 360 (formerly Financial Accounting Standards Board Statement Nos. 142 and No. 144, respectively) and the amortization of intangibles arising pursuant to ASC 805 (formerly Financial Accounting Standards Board Statement No. 141) shall be excluded;
- (10) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock or other rights to officers, directors, consultants or employees shall be excluded;
- (11) any fees and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, investment, recapitalization, asset sale, issuance or repayment of Debt, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including, without limitation, any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded;
- (12) changes in accruals or reserves as a result of adoption or modification of accounting policies shall be excluded, and
- (13) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded.

“Consolidated Total Indebtedness” of any Person means, as at any date of determination, an amount equal to the sum of (x) the aggregate amount of all outstanding Debt of such Person and its Restricted Subsidiaries on a consolidated basis described in clauses (1), (2), (3), (5) and (6) of the definition of “Debt” (provided that in the case of clause (6), such Debt relates to guarantees of Debt of another Person of the type referred to in clauses (1), (2) and (3) of the definition of “Debt”, other than Debt relating to purchases of raw materials or other supply-related obligations in the ordinary course of business, and including, for the avoidance of doubt, all obligations relating to Receivables Facilities) and (y) the aggregate amount of all outstanding Disqualified Capital Stock of such Person and all Disqualified Capital Stock and Preferred Stock of its Restricted Subsidiaries on a consolidated basis, with the amount of such Disqualified Capital Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case determined on a consolidated basis in accordance with GAAP, and calculated on a *pro forma* basis in a manner consistent with the adjustments set forth in the definition of “Secured Leverage Ratio.” For purposes hereof, the “*maximum fixed repurchase price*” of any Disqualified Capital Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock or Preferred Stock as if such Disqualified Capital Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the applicable Indenture.

“Credit Facilities” or “Credit Facility” means one or more debt facilities (which may be outstanding at the same time and including, without limitation, the Senior Secured Credit Agreements) or other financing agreements or arrangements (including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit, debt securities or other long-term indebtedness, including any notes, mortgages,

Table of Contents

guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“Currency Protection Agreement” means any currency protection agreement entered into with one or more financial institutions that is designed to protect the Person or entity entering into the agreement against fluctuations in currency exchange rates with respect to Debt Incurred and not for purposes of speculation.

“Debt” means, with respect to any Person on any date of determination, without duplication, any indebtedness of that Person:

- (1) for borrowed money (but only with regard to the principal of and premium (if any) in respect of such borrowed money);
- (2) evidenced by bonds, debentures, notes or other similar instruments;
- (3) constituting Capitalized Lease Obligations;
- (4) Incurred or assumed as the deferred and unpaid purchase price of property or services, or pursuant to conditional sale obligations and title retention agreements (but excluding trade accounts payable and accrued expenses arising in the ordinary course of business), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;
- (5) for reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);
- (6) for Debt of other Persons to the extent guaranteed by such Person;
- (7) for Hedging Obligations; and
- (8) for Debt of any other Person of the type referred to in clauses (1) through (7) which is secured by any Lien on any property or asset of such first referred to Person, the amount of such Debt being deemed to be the lesser of the value of the property or asset underlying the Lien or the amount of the Debt so secured;

provided, however, that notwithstanding the foregoing, Debt does not include (i) Cash Management Services, (ii) any item set forth above that does not appear as a liability on the balance sheet of such Person, or (iii) Debt of any parent entity appearing on the balance sheet of the Company solely by reason of push-down accounting under GAAP.

The amount of Debt of any Person at any date will be:

- (a) the sum of the outstanding principal amount of all unconditional obligations described above, as such amount would be reflected on a balance sheet prepared in accordance with GAAP; and
- (b) the accreted value of that Debt, in the case of any Debt issued with original issue discount.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Disposition” means, with respect to any Person, any merger, consolidation or other business combination involving such Person (whether or not such Person is the Surviving Person) or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of such Person’s assets or Capital Stock.

Table of Contents

“Disqualified Capital Stock” means any Capital Stock that, by its terms or by the terms of any security into which it is convertible or for which it is exchangeable, or upon the happening of any event,

- (1) matures (excluding any maturity as the result of an optional redemption by the issuer of that Capital Stock);
- (2) is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise; or
- (3) is redeemable at the sole option of its holder,

in each case, other than as a result of a change of control or asset sale, in whole or in part, on or prior to the date that is 91 days after the final maturity date of the notes; *provided, however,* that (i) only the portion of Capital Stock that so matures or is mandatorily redeemable or is so redeemable at the sole option of its holder prior to the final maturity date of the notes will be deemed Disqualified Capital Stock and (ii) with respect to any such Capital Stock issued to any employees or to any plan for the benefit of employees of the Company or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Company or one of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Domestic Restricted Subsidiary” means a Restricted Subsidiary that is not a Foreign Subsidiary.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

“Equity Offering” means a private or public offering for cash by the Company, Parent, or any other direct or indirect parent of the Company, as applicable, of its common Capital Stock, or options, warrants or rights with respect to its common Capital Stock (in the case of an offering by Parent, or any other direct or indirect parent of the Company, to the extent such cash proceeds are contributed to the Company), other than (x) public offerings with respect to the Company’s, Parent’s or any such other direct or indirect parent’s, as applicable, common Capital Stock, or options, warrants or rights, registered on Form S-4, F-4 or S-8, (y) an issuance to any Subsidiary or (z) any offering of common Capital Stock issued in connection with a transaction that constitutes a Change of Control.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Existing 2029 Notes” means the US\$600.0 million of 3.000% senior notes due 2029 outstanding on the date of this offering memorandum, issued by the Issuers.

“Existing 2031 Notes” means the US\$500.0 million of 3.750% senior notes due 2031 outstanding on the date of this offering memorandum, issued by the Issuers.

“Existing 2032 Notes” means the US\$1.0 billion of 3.000% sustainability-linked senior notes due 2032 outstanding on the date of this offering memorandum, issued by the Issuers.

“Fitch” means Fitch Ratings, Inc. or any successor to the rating agency business of Fitch Ratings, Inc.

“Foreign Subsidiary” means any Subsidiary which is not organized under the laws of the United States of America or any State thereof or the District of Columbia.

“GAAP” means, as used in the applicable Indenture with respect to financial calculations relating to (i) the Company and its Restricted Subsidiaries for purposes of the covenants described under “— Certain Covenants of the Company,” U.S. GAAP and (ii) Parent and its Restricted Subsidiaries for purposes of the covenants described under “— Reports — Reports of Parent,” IFRS.

“Global Greenhouse Gas Emissions Intensity” means tCO2e divided by MT produced, or tCO2e/MT produced.

“guarantee” means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof), of all or any part of any Debt. The term “guarantee” used as a verb has a corresponding meaning.

Table of Contents

“Guaranteee” means the guarantee by each Guarantor of the Issuers’ payment obligations under the applicable Indenture and the notes.

“Guarantors” means (1) each Parent Guarantor; (2) each of the Company’s wholly-owned Domestic Restricted Subsidiaries existing as of the date of the applicable Indenture (other than JBS USA Food and JBS USA Finance) that guarantees the Term Loan Credit Agreement; and (3) each of the Company’s Restricted Subsidiaries that in the future executes a supplemental indenture in which such Person agrees to be bound by the terms of the applicable Indenture as a Guarantor; *provided* that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor with respect to the notes when its respective Guaranteee is released in accordance with the terms of the applicable Indenture.

“Hedging Obligations” means, with respect to any specified entity, the obligations of that entity under:

- (1) any Interest Rate Protection Agreement;
- (2) foreign exchange contracts and Currency Protection Agreements;
- (3) any Commodity Agreement; and
- (4) other agreements or arrangements designed to protect that entity against fluctuations in interest rates, currency exchange rates or commodity prices and not entered into for speculative purposes.

“Holding” means JBS USA Holding Lux S.à r.l, a Luxembourg limited liability company.

“IFRS” means, at Parent’s option or the Company’s option, International Financial Reporting Standards as adopted by the International Accounting Standards Board, as implemented in Brazil through the accounting pronouncements of the Brazilian Committee of Accounting Pronouncements (*Comité de Pronunciamentos Contábeis*) approved by the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or as implemented through the accounting pronouncements by international accounting standards or in the jurisdiction in which Parent or Parent Reporting Entity is domiciled. At any time after the Issue Date, Parent or the Company may elect to apply U.S. GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean U.S. GAAP (except as otherwise provided in the applicable Indenture).

“Incur” means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by merger, conversion, exchange or otherwise), extend, assume, guarantee or become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and “Incurrence” and “Incurred” shall have meanings correlative to the foregoing); *provided, however*, that a change in GAAP that results in an obligation of such Person that exists at such time, and is not theretofore classified as Debt, becoming Debt shall not be deemed an Incurrence of such Debt; *provided further, however*, that any Debt or other obligations of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) or merges into such other Person shall be deemed to be incurred by such Subsidiary or such other Person, as the case may be, at the time it becomes a Subsidiary or at the time of the merger.

“Interest Rate Protection Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement used in the ordinary course of business as to which that Person is a party or beneficiary.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or equivalent) by Moody’s and BBB- (or equivalent) by S&P or Fitch, or an equivalent rating by any other Rating Agency.

“Issue Date” means the date on which the notes are first issued.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“Luxembourg” means the Grand Duchy of Luxembourg.

“Moody’s” means Moody’s Investors Service, Inc. or any successor to the rating agency business of Moody’s Investors Service, Inc.

Table of Contents

“Net Income” means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP, and before any reduction in respect of Preferred Stock dividends.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the trustee. The counsel may be an in-house counsel to, the Company, JBS USA Food, JBS USA Finance and/or the Guarantors.

“Par Call Date” means, as applicable, the 2027 Notes Par Call Date, the 2028 Notes Par Call Date, the 6.500% 2029 Notes Par Call Date, the 3.000% 2029 Notes Par Call Date, the 2030 Notes Par Call Date, the 2031 Notes Par Call Date, the 3.000% 2032 Notes Par Call Date, the 3.625% 2032 Par Call Date, the 2033 Notes Par Call Date, the 6.500% 2052 Notes Par Call Date or the 4.375% 2052 Notes Par Call Date.

“Parent” means JBS S.A., a *sociedade anônima* organized under the laws of Brazil.

“Parent External Verifier” means a qualified provider of third-party assurance or attestation services appointed by the Parent to review the Parent’s statement of the Global Greenhouse Gas Emissions Intensity.

“Parent Guarantors” means (i) Parent, (ii) Holding, (iii) JBS Global Luxembourg S.à r.l., (iv) JBS Holding Luxembourg S.à. r.l, and (v) JBS Global Meat Holdings Pty. Limited.

“Parent Sustainability Performance Target” means the Global Greenhouse Gas Emissions Intensity reduction target of 16.364% by December 31, 2025 from a 2019 baseline as set forth in the Sustainability-Linked Bond Framework, which represents linear annual progress toward a 30% reduction in Global Greenhouse Gas Emissions Intensity by 2030 from a 2019 baseline; provided, however, that for purposes of the Sustainability Performance Target and the calculation of Global Greenhouse Gas Emissions Intensity, the Parent may exclude (A) the tCO2e and MT produced attributable to any single or related series of acquisitions completed since the issue date of the Old 3.625% 2032 Notes by the Parent or its consolidated Subsidiaries that individually, or in the aggregate in the case of a related series, represent more than 10% of the annual net sales of the Company, calculated by reference to the audited consolidated financial statements of the Parent for the fiscal year ended December 31, 2019, (B) the impact of any material amendment to, or change in, any applicable laws, regulations, rules, guidelines and policies, applicable and/or relating to the production, processing, marketing and distribution of fresh, frozen and value-added beef, chicken, pork and their respective rendered by-product parts and offal of the Parent and its consolidated Subsidiaries following the issue date of the Old 3.625% 2032 Notes or (C) *force majeure*, extraordinary or exceptional events or circumstances. Based on current, unverified emissions data, a 16.364% reduction in Global Greenhouse Gas Emissions Intensity implies an emissions intensity no higher than 0.2252 tCO2e/MT produced for the year ended December 31, 2025. If an External Verifier revises the 2019 baseline, the Sustainability Performance Target will adjust to be the same 16.364% reduction from the verified baseline. Changes to the baseline and resulting changes to the Sustainability Performance Target will be publicly disclosed as part of reporting obligations detailed in the Sustainability-Linked Bond Framework.

“Parent Sustainability-Linked Bond Framework” means the Sustainability-Linked Bond Framework adopted by the Parent in June 2021.

“Permitted Holders” means (i) any member of the Batista Family or any Affiliate or Affiliates of any of the foregoing and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, such members of the Batista family and their respective Affiliates, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Company or any of its direct or indirect subsidiaries, (ii) any Person the Voting Stock of which (or in the case of a trust, the beneficial interest in which) at least 51% is owned by Persons specified in clause (i) and (iii) Parent and any subsidiary of Parent.

“Permitted Liens” means:

- (1) Liens to secure (a) Debt of the Company or a Restricted Subsidiary of the Company under the ABL Revolving Credit Agreement or other Credit Facilities, including guarantees thereof; *provided* that, after giving effect to any such Incurrence (including the application of proceeds therefrom), the aggregate principal amount of all Debt Incurred and then outstanding under this clause (1)(a) shall not exceed the greater of (x) US\$1,000.0 million *less* the outstanding principal amount of any Receivables Facilities and (y) the sum of (i) 85% of the book value of accounts receivable of the Company and its Restricted Subsidiaries plus (ii) 80% of the book value of inventory of the Company and its Restricted Subsidiaries

[Table of Contents](#)

(excluding, in the case of clauses (i) and (ii), any such assets that are the subject of a Receivables Facility), in the case of clause (y), determined based on the consolidated balance sheet of the Company for the fiscal quarter most recently ended on or prior to the date on which such Debt is Incurred for which internal financial statements are available (as adjusted to give pro forma effect to acquisitions or dispositions outside the ordinary course of business occurring after the date of such balance sheet but on or before the date of such Incurrence) and (b) Debt of the Company or a Restricted Subsidiary of the Company under Credit Facilities (other than the ABL Revolving Facility); *provided* that, after giving effect to any such Incurrence (including the application of proceeds therefrom), the aggregate principal amount of all Debt Incurred and then outstanding under this clause (1)(b) shall not exceed the greater of (x) US\$2,800.0 million and (y) an aggregate principal amount of Debt that at the time of Incurrence does not cause the Secured Leverage Ratio of the Company to exceed 3.5 to 1.00;

- (2) Liens on the Capital Stock or assets of any Non-Guarantor Significant Subsidiary to secure Debt incurred by such Non-Guarantor Significant Subsidiary;
- (3) Liens to secure Debt, including but not limited to Capitalized Lease Obligations, mortgage financings or purchase money obligations, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation, commissioning or improvement of property or assets, whether through direct purchase of assets or the Capital Stock of any Person owning those assets, or Incurred to refinance any such purchase price or cost of construction or improvement, and refinancings thereof; *provided* that any such Lien may not extend to any property of the Company or any Significant Subsidiary, other than the property acquired, constructed or leased with the proceeds of such Debt and such Liens secure Debt in an amount not in excess of the original purchase price or the original cost of any such property and any improvements or accessions to such property;
- (4) Liens for Taxes on the property of the Company or any Significant Subsidiary if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings promptly instituted and diligently concluded;
- (5) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens, on the property of the Company or any Significant Subsidiary arising in the ordinary course of business and securing payment of obligations that are not more than 60 days past due or are being contested in good faith and by appropriate proceedings;
- (6) Liens on the property of the Company or any Significant Subsidiary Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, surety bonds or other obligations of a like nature, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property and which do not in the aggregate impair in any material respect the use of property in the operation of the business of the Company and the Significant Subsidiaries taken as a whole;
- (7) Liens on property or assets of, or any shares of stock or secured debt of, any Person at the time the Company or any Significant Subsidiary acquired such property or the Person owning such Property, including any acquisition by means of a merger or consolidation with or into the Company or any Significant Subsidiary; *provided, however*, that any such Lien may not extend to any other property of the Company or any Significant Subsidiary; *provided further, however*, that such Liens shall not have been Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such property was acquired by the Company or any Significant Subsidiary;
- (8) Liens on the property of a Person at the time such Person becomes a Significant Subsidiary; *provided, however*, that any such Lien may not extend to any other property of the Company or any other Significant Subsidiary that is not a direct Subsidiary of such Person; *provided further, however*, that any such Lien was not Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Person became a Significant Subsidiary;

[Table of Contents](#)

- (9) pledges or deposits by the Company or any Significant Subsidiary under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which the Company or any Significant Subsidiary is party, or deposits to secure public or statutory obligations of the Company, or deposits for the payment of rent, in each case, in the ordinary course of business;
- (10) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character;
- (11) Liens securing Hedging Obligations and Cash Management Services;
- (12) Liens existing on the Issue Date not otherwise described in clauses (1) through (11) above;
- (13) Liens on the property of the Company or any Significant Subsidiary to secure any refinancing, refunding, extension, renewal or replacement, in whole or in part, of any Debt secured by Liens referred to in clause (3), (7), (8), (11) or (12) above, clause (21) below, or pursuant to this clause (13); provided, however, that any such Lien shall be limited to all or part of the same property that secured the original Lien (together with improvements and accessions to such property) and the aggregate principal amount of Debt that is secured by such Lien shall not be increased to an amount greater than the sum of:
 - (a) the outstanding principal amount, or, if greater, the committed amount, of the Debt secured by Liens referred to in clause (3), (7), (8), (11) or (12) above or clause (21) below, as the case may be, at the time the original Lien became a Permitted Lien under the applicable Indenture; and
 - (b) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, incurred by the Company or such Significant Subsidiary in connection with such refinancing, refunding, extension, renewal or replacement;
- (14) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;
- (15) Liens securing Debt or other obligations of a Significant Subsidiary of the Company owing to the Company or another Significant Subsidiary;
- (16) Liens on specific items of inventory or other goods and proceeds securing obligations in respect of bankers' acceptances issued or created for the account of the Company or any of its Significant Subsidiaries to facilitate the purchase, shipment or storage of such inventory or other goods;
- (17) Liens in favor of the Company or any Subsidiary Guarantor;
- (18) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;
- (19) Liens deemed to exist in connection with investments in repurchase agreements; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
- (20) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Company or any of its Significant Subsidiaries in the ordinary course of business;
- (21) Liens securing Debt (other than Subordinated Debt); *provided* that after giving effect to the Incurrence of such Debt and the application of the proceeds therefrom, the Secured Leverage Ratio of the Company would not exceed 3.5 to 1.0;
- (22) Liens not otherwise permitted by clauses (1) through (21) above securing obligations in an aggregate amount at any time outstanding not in excess of the greater of (i) US\$2.5 billion and (ii) 10.0% of Total Assets of the Company, in either case, at the time of any incurrence of an obligation secured by a Lien in reliance on this clause (22);

Table of Contents

- (23) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings that may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such legal proceedings may be initiated shall not have expired;
- (24) Liens on Capital Stock of an Unrestricted Subsidiary that secure Debt or other obligations of such Unrestricted Subsidiary;
- (25) (a) Leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company and its Significant Subsidiaries and (b) licenses of intellectual property in the ordinary course of business; and
- (26) Liens to secure a defeasance trust.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Pilgrim’s Pride” means Pilgrim’s Pride Corporation, a company incorporated under the laws of Delaware.

“Preferred Stock” of any Person means any Capital Stock of that Person that has preferential rights to any other Capital Stock of that Person with respect to dividends or redemptions or upon liquidation.

“Principal Property” means any plant or other similar facility of the Company or any Significant Subsidiary used primarily for processing, producing, or packaging and having a book value in excess of 2.0% of Total Assets of the Company as of the date of such determination, but shall not include any plant or similar facility which, in the good faith opinion of the Board of Directors or management of the Company, is not material to the overall business of the Company and its Subsidiaries, taken as a whole.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock.

“Rating Agency” means, at the Company’s or Parent’s, as applicable, option, two of S&P, Moody’s and Fitch, and if two agencies do not make a rating on the notes publicly available, a U.S. nationally recognized statistical rating agency or agencies, as the case may be, selected by the Company (as certified by a resolution of the Board of Directors).

“Ratings Decline” means that at any time within 60 days after the earlier of the date of public notice of a Change of Control and the date on which the Company or any other Person publicly declares its intention to effect a Change of Control, (1) in the event the notes are assigned an Investment Grade rating by at least two of the Rating Agencies prior to such public notice or declaration, the rating assigned to the notes by at least two of the Rating Agencies is below an Investment Grade rating; or (2) in the event the ratings assigned to the notes by at least two of the Rating Agencies prior to such public notice or declaration are below an Investment Grade rating, the rating assigned to the notes by at least two of the Rating Agencies is decreased by one or more categories (i.e., notches); provided that, in each case, any such Ratings Decline is expressly stated by the applicable Rating Agencies to have been the result of the Change of Control.

“Receivables Facility” means any of one or more receivables financing facilities, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Company and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Company or any Restricted Subsidiary sells its accounts receivable to either (a) a Person that is not a Restricted Subsidiary or (b) a Receivables Subsidiary that in turn funds such purchase or extension of credit by purporting to sell its accounts receivable to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

“Receivables Subsidiary” means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto.

[Table of Contents](#)

“Restricted Subsidiary” means any Subsidiary of such Person other than an Unrestricted Subsidiary; *provided* that the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company subject to the condition that the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary would not cause a Default, it being understood that any Liens, agreements or transactions of such Unrestricted Subsidiary outstanding at the time of such redesignation shall be deemed to be Incurred or entered into at such time.

“Sale and Leaseback Transaction” means any transaction or series of related transactions pursuant to which the Company or any Significant Subsidiary sells or transfers any property to any Person (other than the Company or any Restricted Subsidiary) with the intention of taking back a lease of such property pursuant to which the rental payments are calculated to amortize the purchase price of such property substantially over the useful life thereof and such property is in fact so leased.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc., or any successor to the rating agency business thereof.

“Secured Debt” means any of the Consolidated Total Indebtedness of the Company or any of its Restricted Subsidiaries secured by a Lien.

“Secured Leverage Ratio” means, as of any date of determination (the “determination date”) with respect to any Person, the ratio of:

- (1) Secured Debt of such Person and its Restricted Subsidiaries as of the end of the most recent fiscal quarter for which internal financial statements are available *minus* the aggregate cash and cash equivalents included in the cash and cash equivalents accounts listed on the consolidated balance sheet of such Person and its Restricted Subsidiaries as at such date, to
- (2) Consolidated EBITDA of such Person for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal financial statements are available,

provided, however, that:

- (1) if such Person or any Restricted Subsidiary:
 - (a) has Incurred any Debt since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Secured Leverage Ratio includes an Incurrence of Debt, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period (except that in making such computation, the amount of Debt under any revolving Credit Facility outstanding on the date of such calculation will be deemed to be:
 - (i) the average daily balance of such Debt during such four fiscal quarters or such shorter period for which such facility was outstanding or
 - (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Debt during the period from the date of creation of such facility to the date of such calculation)

and the repayment, repurchase, redemption, retirement, defeasance or other discharge of any other Debt with the proceeds of such new Debt as if such repayment, repurchase, redemption, retirement, defeasance or other discharge had occurred on the first day of such period; or

- (b) has repaid, repurchased, redeemed, retired, defeased or otherwise discharged any Debt since the beginning of the period that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Secured Leverage Ratio includes a repayment, repurchase, redemption, retirement, defeasance or other discharge of Debt (in each case, other than Debt Incurred under any revolving Credit Facilities unless such Debt has been permanently repaid and the related commitment terminated and not replaced), Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a *pro forma* basis to such discharge of such Debt, including with the proceeds of such new Debt, as if such discharge had occurred on the first day of such period;

[Table of Contents](#)

- (2) if since the beginning of such period, such Person or any Restricted Subsidiary will have made any asset sale or disposed of or discontinued (as defined under GAAP) any company, division, operating unit, segment, business, group of related assets or line of business or if the transaction giving rise to the need to calculate the Secured Leverage Ratio includes such a transaction:
 - (a) the Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets that are the subject of such disposition or discontinuation for such period or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto for such period; and
 - (b) Consolidated Interest Expense for such period will be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Debt of such Person or any Restricted Subsidiary repaid, repurchased, redeemed, retired, defeased or otherwise discharged (to the extent the related commitment is permanently reduced) with respect to such Person and its continuing Restricted Subsidiaries in connection with such transaction for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Debt of such Restricted Subsidiary to the extent such Person and its continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);
- (3) if since the beginning of such period such Person or any Restricted Subsidiary (by merger or otherwise) will have made an investment in any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary or is merged with or into the Company or a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving *pro forma* effect thereto (including the Incurrence of any Debt) as if such investment or acquisition occurred on the first day of such period; and
- (4) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) will have Incurred any Debt or discharged any Debt, made any disposition or any investment or acquisition of assets that would have required an adjustment pursuant to clause (1), (2) or (3) above if made by such Person or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Interest Expense for such period will be calculated after giving *pro forma* effect thereto as if such transaction occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any calculation under this definition, the *pro forma* calculations will be determined in good faith by a responsible financial or accounting officer of such Person (and may include, without limitation, for the avoidance of doubt, cost savings and operating expense reductions from such investment, acquisition, merger or consolidation that is being given *pro forma* effect that have been or are expected to be realized); *provided* that such calculations are set forth in an officer's certificate stating that such calculations are based on the reasonable good faith beliefs of the officer executing such officer's certificate at the time of such execution. If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Protection Agreement applicable to such Debt if such Interest Rate Protection Agreement has a remaining term in excess of 12 months). If any Debt that is being given *pro forma* effect bears an interest rate at the option of such Person, the interest rate shall be calculated by applying such optional rate chosen by such Person.

For purposes of the calculation of the Secured Leverage Ratio, in connection with the Incurrence of any Lien pursuant to clause (21) of the definition of "Permitted Liens," the Company may elect, pursuant to an officer's certificate, to treat all or a portion of the commitment under any Debt which is to be secured by such Lien as being Incurred as of such determination date and any subsequent Incurrence of Debt under such commitment that was so treated shall not be deemed, for purposes of this calculation, to be an Incurrence of additional Debt or additional Lien at such subsequent time; *provided* that if the Company makes such an election, for purposes of the calculation of the Secured Leverage Ratio in connection with any subsequent Incurrence of any Lien pursuant to clause (21) of the definition of "Permitted Liens" (other than under such commitment), the amount under such commitment that was so treated shall be deemed to be Incurred as of such determination date.

Table of Contents

“Securities Act” means the Securities Act of 1933, as amended.

“Senior Secured Credit Agreements” means the Term Loan Credit Agreement and the ABL Revolving Credit Agreement.

“Significant Subsidiary” of any Person means any Restricted Subsidiary of such Person which at the time of determination either (1) had assets which, as of the date of the Company’s most recent quarterly consolidated balance sheet for which internal financial statements are available, constituted at least 10% of the Company’s total assets on a consolidated basis as of such date or (2) had revenues for the 12-month period ending on the date of the Company’s most recent quarterly consolidated statement of operations for which internal financial statements are available which constituted at least 10% of the Company’s total revenues on a consolidated basis for such period, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of “Secured Leverage Ratio.”

“Subordinated Debt” means any Debt whether outstanding on the Issue Date or thereafter Incurred, which is subordinate or junior in right of payment to the notes or the Guarantees, as the case may be, pursuant to a written agreement.

“Subsidiary,” with respect to any Person, means (i) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, through one or more intermediaries, by such Person or (ii) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, through one or more intermediaries, owned by such Person. Notwithstanding anything in the applicable Indenture to the contrary, all references to any Person and its consolidated Subsidiaries or to financial information prepared on a consolidated basis in accordance with GAAP shall be deemed to include such Person and its Subsidiaries as to which financial statements are prepared on a consolidated basis in accordance with GAAP and to financial information prepared on such a consolidated basis.

“Subsidiary Guarantor” means any Guarantor which is a Subsidiary of the Company.

“Surviving Person” means, with respect to any Person involved in or that makes any Disposition, the Person formed by or surviving such Disposition or the Person to which such Disposition is made.

“Tax” means any tax, duty, levy, impost, assessment or other governmental charge in the nature of tax (including penalties, interest and any other liabilities related thereto).

“Taxing Authority” means any government or political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

“tCO2e” means the sum of Scope 1 emissions (primarily from fuels combusted, dry-ice/gaseous CO2 used as a manufacturing aid, and wastewater treatment systems) and Scope 2 emissions (primarily from electricity purchased) during a given period from our global operations, measured in metric tonnes of carbon dioxide equivalent.

“Term Loan Credit Agreement” means the Credit Agreement, dated as of May 27, 2011, among the Company, the credit parties signatory thereto, Barclays Bank Plc, as administrative agent, and the lenders signatory thereto, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), as the same may be amended, restated, renewed, refunded, replaced, refinanced, supplemented or otherwise modified from time to time, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“Total Assets” of any Person means the total assets of such Person and its Restricted Subsidiaries on a consolidated basis determined in accordance with GAAP as shown on the most recent balance sheet of such Person and calculated on a pro forma basis in a manner consistent with the adjustments set forth in the definition of “Secured Leverage Ratio.”

“Treasury Yield” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled by and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to the date

Table of Contents

fixed for redemption (or, if such statistical release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the applicable Par Call Date. If the period is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Unrestricted Subsidiary” means (i) JBS Wisconsin Properties and each of its subsidiaries (which subsidiaries include Pilgrim’s Pride), (ii) any Subsidiary designated as an “unrestricted subsidiary” under the Senior Secured Credit Agreements and (iii) any direct or indirect Subsidiary of the Company formed after the Issue Date that has been designated as an Unrestricted Subsidiary at the time of its creation or acquisition; *provided* that with respect to this clause (iii), no Debt of such Unrestricted Subsidiary may be assumed or guaranteed by the Company or any Restricted Subsidiary. Notwithstanding the foregoing, under no circumstances shall the Issuer be designated an Unrestricted Subsidiary.

“U.S. GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time; provided that all terms of an accounting or financial nature used in the applicable Indenture shall be construed, and all computations of amounts and ratios referred to in the applicable Indenture shall be made (a) without giving effect to any election under FASB Accounting Standards Codification Topic 825 — Financial Instruments, or any successor thereto (including pursuant to the FASB Accounting Standards Codification), to value any Debt of the Company or any of its Subsidiaries at “fair value,” as defined therein and (b) the amount of any Debt under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations (it being understood that all leases and obligations under any leases of any Person that are or would be characterized as operating leases and/or operating lease obligations in accordance with GAAP on February 25, 2016 (whether or not such operating leases and/or operating lease obligations were in effect on such date) shall continue to be accounted for as operating leases and/or operating lease obligations (and not as Capitalized Lease Obligations) for purposes of the applicable Indenture regardless of any change in GAAP following the date that would otherwise require such leases and/or lease obligations to be recognized as right-of-use assets and lease liabilities on the balance sheet). At any time after the Issue Date, the Company may elect to apply IFRS accounting principles in lieu of U.S. GAAP and, upon any such election, references herein to U.S. GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the applicable Indenture).

“U.S. Government Securities” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer’s option or money market funds that invest solely in the foregoing.

“Voting Stock” of any Person as of any date means the Capital Stock of that Person that is at the time entitled to vote in the election of that Person’s Board of Directors.

“Wholly Owned Restricted Subsidiary” means any Restricted Subsidiary that is a Wholly Owned Subsidiary.

“Wholly Owned Subsidiary” means a Subsidiary of any Person, all of the outstanding Capital Stock of which (other than any director’s qualifying shares or shares owned by foreign nationals to the extent mandated by applicable law) is owned by such Person or one or more Wholly Owned Subsidiaries of such Person.

REGISTRATION RIGHTS

The following description of the Registration Rights Agreements is a summary and does not describe every aspect of the Registration Rights Agreements. This summary is subject to, and is qualified in its entirety by, reference to all of the provisions of the Registration Rights Agreements. We urge you to read the Registration Rights Agreements in their entirety because they, not the following summary, will define your rights as a holder of notes under that agreement. Copies of the Registration Rights Agreements may be obtained upon request at the address set forth under "Where You Can Find More Information."

On August 19, 2022, JBS USA entered into two separate registration rights agreements, pursuant to which JBS USA agreed, for the benefit of the holders of the Old Notes, to use its commercially reasonable efforts to cause a registration statement to be filed with the SEC (the "exchange offer registration statement") with respect to a registered offer (the "registered exchange offer") to exchange the Old Notes of each series for New Notes of the same series, which will have terms identical in all material respects to such Old Notes, except that the New Notes will not contain transfer restrictions, to be declared effective and to complete the registered exchange offer within 365 days after JBS USA entered into the Registration Rights Agreements.

The Registration Rights Agreements provide that, promptly after the exchange offer registration statement has been declared effective, JBS USA will commence the registered exchange offer. JBS USA agreed to keep the registered exchange offer open for not less than 20 business days after the date notice is mailed to the holders of the Old Notes, or longer if required by applicable law. Interest on each New Note will accrue from the last interest payment date on which interest was paid on the Old Notes surrendered in exchange therefor or, if no interest has been paid on the Old Notes, from the date of their original issuance. The New Notes will vote and consent together with the Old Notes of the same series on all matters on which holders of such Old Notes or New Notes are entitled to vote and consent.

Under existing interpretations of the staff of the SEC, the New Notes would generally be freely tradable after the completion of the registered exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act. However, any participant in the exchange offer who is an affiliate of JBS USA or who intends to participate in the registered exchange offer for the purposes of distributing the exchange notes:

- will not be able to rely on the interpretations of the staff of the SEC;
- will not be entitled to participate in the registered exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Notes, unless that sale or transfer is made pursuant to an exemption from those requirements.

Each holder of Old Notes who wishes to exchange Old Notes for New Notes pursuant to the registered exchange offer will be required to represent to JBS USA at the consummation of the registered exchange offer that:

- it is not an affiliate of JBS USA;
- it is not a broker-dealer tendering Old Notes acquired directly from JBS USA for its own account;
- the New Notes to be received by it will be acquired in the ordinary course of its business; and
- it is not engaged and does not intend to engage in, and has no arrangement or understanding with any person, to participate in the distribution, within the meaning of the Securities Act, of the New Notes.

JBS USA's consummation of the registered exchange offer are subject to certain conditions set forth in the Registration Rights Agreements, including, without limitation, our receipt of the representations from participating holders of Old Notes as described above and in the Registration Rights Agreements.

Table of Contents

If, due to a change in law or in applicable interpretations of the staff of the SEC, JBS USA determines upon the advice of its outside counsel that it is not permitted to effect the registered exchange offer, the Registration Rights Agreements provides that JBS USA will, at its reasonable cost:

- as promptly as practicable file with the SEC a shelf registration statement (the “shelf registration statement”) covering resales of the Old Notes;
- use its commercially reasonable efforts to cause the shelf registration statement to become effective under the Securities Act within 365 days after the date, if any, on which JBS USA became obligated to file the shelf registration statement; and
- use JBS USA’s commercially reasonable efforts to keep the shelf registration statement effective until the earlier of the date that is two years after the date that JBS USA enters into the Registration Rights Agreements or the time that all of the Old Notes eligible to be sold under the shelf registration statement have been sold pursuant to the shelf registration statement or are freely tradeable pursuant to Rule 144(k) of the Securities Act and the applicable interpretations of the SEC.

In the event of an applicable shelf registration statement, for each relevant holder of Old Notes, JBS USA agrees to:

- provide copies of the prospectus that is part of the shelf registration statement;
- notify each such Holder when the shelf registration statement has been filed and when it has become effective; and
- take certain other actions as are required to permit unrestricted resales of the Old Notes.

A holder that sells Old Notes pursuant to such shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the Registration Rights Agreements that are applicable to such holder, including certain indemnification obligations. No holder shall be entitled to be named as a selling security holder in such shelf registration statement or to use the prospectus forming a part thereof for resales of the Old Notes unless such holder has signed and returned to JBS USA a notice and questionnaire as distributed by JBS USA consenting to such holder’s inclusion in the shelf registration statement and related prospectus as a selling security holder and providing further information to JBS USA.

The Registration Rights Agreement for the Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes), provides that a holder will be required to deliver information to be used in connection with such shelf registration statement to benefit from the provisions set forth in the following paragraph.

If:

- neither the registered exchange offer is completed within 365 days after the date that JBS USA entered into the Registration Rights Agreements nor the shelf registration (if applicable) has been declared effective within 365 days after the date, if any, on which JBS USA became obligated to file such shelf registration statement; or
- such shelf registration statement has been both filed and effective but ceases to be effective or usable for a period of time that exceeds 120 days in the aggregate in any 12-month period in which it is required to be effective under the Registration Rights Agreement (each such event referred to in this bullet point and the previous bullet point, a “registration default”);

then, if JBS USA has not undertaken its commercially reasonable efforts in connection with any of the previous bullet points, JBS USA will, subject to certain exceptions, be required to pay additional interest as liquidated damages to the holders affected thereby, and additional interest will accrue on the principal amount of the Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes) affected thereby, in addition to the stated interest on the Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes), from and including the date on which any registration default shall occur to, but not including, the date on which all registration defaults have been cured. Additional interest on the Old Notes (other than the Old 2028 Notes,

Table of Contents

the Old 2033 Notes and the Old 6.500% 2052 Notes) will accrue at a rate of 0.25% per annum during the 90-day period immediately following the occurrence of any registration default and shall increase to a maximum of 0.50% per annum thereafter while any registration default is continuing, until all registration defaults have been cured.

Following the cure of all registration defaults, the accrual of additional interest on the affected Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes) will cease and the interest rate will revert to the original rate on such Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes). Any additional interest on the Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes) will constitute liquidated damages and will be the exclusive remedy, monetary or otherwise, available to any holder of Old Notes (other than the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes) with respect to any registration default.

We are not required to pay additional interest to the holders of the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes if we fail to satisfy our obligations under the Registration Rights Agreement governing the Old 2028 Notes, the Old 2033 Notes and the Old 6.500% 2052 Notes.

Holders will also be required to suspend (on one or more occasions) their use of such shelf registration statement and the related prospectus upon written notice from JBS USA for a period not to exceed an aggregate of 120 days in any calendar year because of the occurrence of any material event or development with respect to JBS USA that, in its reasonable judgment, would be detrimental to JBS USA if so disclosed or would otherwise materially adversely affect a financing, acquisition, disposition, merger or other material transaction.

The Registration Rights Agreements provide that a Holder agrees to be bound by the provisions of the Registration Rights Agreements whether or not the holder has signed the Registration Rights Agreements.

BOOK-ENTRY SETTLEMENT AND CLEARANCE

The New Notes will initially be evidenced by one or more global notes deposited with the trustee, as custodian for DTC, and registered in the name of Cede & Co., as DTC's nominee.

Unless the New Notes represented by a global note are exchanged, in whole or in part, for New Notes in definitive form, the New Notes represented by a global note may generally be transferred only as a whole and only to another nominee of DTC or to a successor depositary or its nominee.

DTC currently limits the maximum denomination of any single global note to US\$500.0 million. Beneficial interests in the New Notes represented by a global note will be shown on, and transfers of New Notes represented by a global note will be effected only through, records maintained by DTC and its participants.

DTC has provided us the following information: DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants deposit with DTC. DTC also facilitates the clearance and recording of the settlement among its participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for participants' accounts. This eliminates the need for physical exchange of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Other organizations such as securities brokers and dealers, banks and trust companies that work through a participant either directly or indirectly use DTC's book-entry system. The rules that apply to DTC and its participants are on file with the SEC.

Pursuant to DTC's procedures, upon issuance of the New Notes represented by a global note in connection with the applicable Exchange Offer, DTC will credit the accounts of the participants designated by the Exchange Agent with the applicable principal amount of the New Notes exchanged for the Old Notes in the applicable Exchange Offer. Ownership of beneficial interests in the New Notes represented by global notes will be shown:

- on DTC's records with respect to participants;
- by the participants with respect to indirect participants and certain beneficial owners; and
- by the indirect participants with respect to all other beneficial owners.

The laws of some states require that certain persons take physical delivery in definitive form of the securities which they own. Consequently, the ability to transfer beneficial interests in the New Notes represented by global notes may be limited.

Under the applicable Indenture, if the nominee of DTC is the registered owner of the New Notes represented by global notes, the nominee will be considered the sole owner or holder of such New Notes. Except as provided below, owners of the New Notes represented by global notes will not be entitled to have such New Notes registered in their names, will not receive or be entitled to receive physical delivery of such New Notes in definitive form and will not be considered the owners or holders thereof under the applicable Indenture for any purpose, including with respect to the giving of any directions, instructions or approval to the trustee. However, DTC has advised us that, pursuant to its customary practice with respect to the giving of consents and voting, it will deliver an omnibus proxy to the trustee assigning the related holder's voting rights to the participant to whose account the New Notes represented by global notes are credited on the record date. Each proxy will include a list of participants' positions in the relevant New Note as of the record date for a consent or vote.

JBS S.A. will wire to DTC's nominee principal and interest payments with respect to the New Notes represented by global notes. JBS S.A. and the trustee will treat DTC's nominee as the owner of the New Notes represented by global notes for all purposes. Accordingly, JBS S.A., the trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the New Notes represented by global notes to owners of beneficial interests in such New Notes or for maintaining and reviewing any records relating to the beneficial interests.

[Table of Contents](#)

It is DTC's current practice, upon receipt of any payment of principal or interest, to credit participants' accounts on the payment date according to their holdings of beneficial interests in the New Notes represented by global notes as shown on DTC's records. DTC's current practice is to credit such accounts, as to interest, in next-day funds and, as to principal, in same-day funds. Payments by participants to owners of beneficial interests in the New Notes represented by global notes will be governed by standing instructions and customary practices between the participants and the owners of beneficial interests in the Notes represented by global notes, as is the case with securities held for the account of customers registered in "street name." However, payments will be the responsibility of the participants and not of DTC, the Exchange Agent, the trustee or JBS S.A.

The New Notes represented by global notes will be exchangeable for the New Notes registered with the same terms in authorized denominations only if:

- DTC notifies JBS S.A. that it is unwilling or unable to continue as depositary or has ceased to be a clearing agency registered under the Exchange Act;
- an Event of Default has occurred and is continuing with respect to the New Notes represented by global notes; or
- certain circumstances exist, as specified in the applicable Indenture.

If any of these events occur, DTC will generally notify all direct participants of the availability of definitive New Notes. Such New Notes will be issued in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof, in registered form only, and without coupons. JBS S.A. maintains one or more offices or agencies in New York City, New York to facilitate the transfer or exchange of the New Notes represented by global notes. Holders of the New Notes are not required to pay any service charges for any transfer or exchange, but JBS S.A. may require you to pay any tax, other governmental charge or payment in connection with the exchange or transfer.

Links have been established among DTC, Clearstream and Euroclear, which are European book-entry depositaries similar to DTC, to facilitate the initial issuance of the New Notes exchanged outside of the United States and cross-market transfers of the New Notes associated with secondary market trading.

Although DTC, Clearstream and Euroclear have agreed to the procedures provided below in order to facilitate transfers, they are under no obligation to perform these procedures, and these procedures may be modified or discontinued at any time.

Each of Clearstream and Euroclear will record the ownership interests of their participants in much the same way as DTC, and DTC will record the total ownership of each of the United States agents of Clearstream and Euroclear, as participants in DTC.

When the New Notes are to be transferred from the account of a DTC participant to the account of a Clearstream participant or a Euroclear participant, the purchaser must send instructions to Clearstream or Euroclear, as the case may be, through a participant at least one day prior to settlement. Clearstream or Euroclear, as the case may be, will instruct its United States agent to receive the New Notes against payment therefor. After settlement, Clearstream or Euroclear, as the case may be, will credit its participant's account. Credit for the New Notes will appear on the next day (European time), in the case of Clearstream and Euroclear.

Because settlement of the issuance of the New Notes will take place during New York business hours, DTC participants will be able to employ their usual procedures for sending the New Notes to the relevant United States agent acting for the benefit of Clearstream or Euroclear, as the case may be, participants. As a result, to the DTC participant, a cross-market transaction will settle no differently than a transaction between two DTC participants.

When a Clearstream or Euroclear, as the case may be, participant wishes to transfer the New Notes to a DTC participant, the seller will be required to send instructions to Clearstream or Euroclear, as the case may be, through a participant at least one business day prior to settlement. In these cases, Clearstream or Euroclear, as the case may be, will instruct its United States agent to transfer the New Notes against payment therefor. The payment will then be reflected in the account of the Clearstream or Euroclear, as the case may be, participant the following day, with the

[Table of Contents](#)

proceeds back-valued to the value date, which would be the preceding day, when settlement occurs in the New York City, New York. If settlement is not completed on the intended value date, proceeds credited to the Clearstream or Euroclear, as the case may be, participant's account will instead be valued as of the actual settlement date.

Same-Day Settlement in respect of the Notes Represented by Global Notes

Secondary trading in definitive long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, debt securities represented by global notes held by DTC will trade in DTC's Same-Day Funds Settlement System until maturity, and DTC therefore will require that secondary market trading activity in such debt securities settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in debt securities represented by global notes.

PLAN OF DISTRIBUTION

Under existing interpretations of the Staff of the SEC, set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the New Notes would generally be freely tradable after the completion of the Exchange Offers without further compliance with the registration and prospectus delivery requirements of the Securities Act. However, each holder of Old Notes who is an affiliate of ours or who intends to participate in the Exchange Offers for the purposes of distributing the New Notes:

- will not be able to rely on the interpretations of the Staff;
- will not be entitled to participate in the Exchange Offers; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the New Notes, unless that sale or transfer is made pursuant to an exemption from those requirements.

Each holder of Old Notes that participates in the Exchange Offers will be required to represent to us at the time it transmits an agent's message through ATOP and the consummation of the Exchange Offers that:

- it is not an affiliate of ours;
- it is not a broker-dealer tendering notes acquired directly from us for its own account;
- the New Notes to be received by it will be acquired in the ordinary course of its business; and
- it is not engaged and does not intend to engage in, and has no arrangement or understanding with any person, to participate in the distribution, within the meaning of the Securities Act, of the New Notes.

In addition, in connection with any resales of the New Notes, any broker-dealer that acquired New Notes for its own account as a result of market-making or other trading activities ("exchanging broker-dealers") may be deemed to be an "underwriter" within the meaning of the Securities Act and, therefore, must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of such New Notes. The SEC has taken the position that exchanging broker-dealers may fulfill their prospectus delivery requirements with respect to the New Notes with the prospectus contained in the exchange offer registration statement. Under the Registration Rights Agreements, we will be required for a limited period to allow exchanging broker-dealers and other persons, if any, subject to similar prospectus delivery requirements to use the prospectus contained in the exchange offer registration statement in connection with the resale of New Notes.

We have not sought and do not intend to seek a no-action letter from the SEC with respect to the Exchange Offers, and there can be no assurance that the Staff would make a similar determination with respect to the New Notes as it has in such no-action letters.

Each broker-dealer that receives New Notes for its own account pursuant to the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities. JBS USA has agreed that, for a period of 90 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

JBS USA will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the Exchange Offers may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received

[Table of Contents](#)

by it for its own account pursuant to the Exchange Offers and any broker or dealer that participates in a distribution of such New Notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of New Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. By acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 90 days after the Expiration Date, JBS USA will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relating to the exchange of unregistered Old Notes for New Notes pursuant to the Exchange Offers, but does not purport to be a complete analysis of all the potential tax considerations relating to the Exchange Offers. This summary is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury Regulations promulgated or proposed thereunder, administrative rulings and pronouncements and judicial decisions, all as in effect on the date of this prospectus and all of which are subject to change, possibly with retroactive effect, or different interpretations. We have not sought and will not seek any rulings from the Internal Revenue Service, or the IRS, with respect to the statements made in this summary, and there can be no assurance that the IRS will not take a position contrary to these statements or that a contrary position taken by the IRS would not be sustained by a court. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder’s particular circumstances or to holders subject to special rules, such as banks and certain other financial institutions, partnerships and other pass-through entities or arrangements and investors therein, regulated investment companies, real estate investment trusts, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Old Notes or the New Notes being taken into account in an applicable financial statement, U.S. holders whose functional currency is not the U.S. dollar, holders subject to alternative minimum tax, tax-exempt organizations, tax deferred or other retirement accounts, controlled foreign corporations, passive foreign investment companies, and persons holding the Old Notes or that will hold the New Notes as part of a “straddle,” “hedge,” “conversion transaction” or other integrated transaction. This discussion also does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction, or the effects of any other U.S. federal tax laws, including the gift and estate tax and the Medicare tax.

The exchange of an Old Note for a New Note pursuant to the Exchange Offers (described under “Exchange Offers”) will not constitute a taxable exchange for U.S. federal income tax purposes. Consequently, you will not recognize any taxable gain or loss upon the receipt of a New Note pursuant to the Exchange Offers, your holding period for a New Note will include the holding period of the Old Note exchanged therefor, your adjusted tax basis in a New Note will be the same as the adjusted tax basis in the Old Note immediately before such exchange, and all of the U.S. federal income tax considerations associated with owning and disposing of an Old Note will continue to apply to the New Note received in exchange therefor. Holders who did not purchase the Old Notes at original issuance for cash at their original offering price should consult their own tax advisors with respect to the U.S. federal income tax considerations associated with owning and disposing of a New Note.

HOLDERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN INCOME AND OTHER TAX CONSIDERATIONS RELATING TO THE EXCHANGE OFFERS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE CONSIDERATIONS RELATING TO OWNING AND DISPOSING OF THE NEW NOTES.

LEGAL MATTERS

Certain legal matters of United States federal and New York state law in connection with respect to the validity of the offered securities in connection with the Exchange Offers will be passed upon for the Co-Issuers and the Parent Guarantors by White & Case LLP. Certain legal matters in connection with Brazil law will be passed upon for JBS S.A. by Machado Meyer Sendacz e Opice Advogados, São Paulo, Brazil. Certain legal matters in connection with Luxembourg law will be passed upon for JBS USA Lux S.A., JBS Global Luxembourg S.à r.l., JBS Holding Luxembourg S.à r.l. and JBS USA Holding Lux S.à r.l. by White & Case LLP. Certain legal matters in connection with Australia law will be passed upon for JBS Global Meat Holdings Pty. Limited by White & Case LLP.

EXPERTS

The consolidated financial statements of JBS S.A. as of December 31, 2022 and 2021 and January 1, 2021 and for each of the years in the three-year period ended December 31, 2022 have been included herein in reliance upon the report of KPMG Auditores Independentes Ltda., independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

Auditor Independence

Prior to filing the registration statement of which this prospectus is a part (this “Registration Statement”) related to the offer to exchange all outstanding unregistered notes of the specified series for new notes which will be registered under the Securities Act, we engaged KPMG Auditores Independentes Ltda. (“KPMG”) to perform audits of JBS S.A.’s consolidated financial statements for the audit periods presented in this Registration Statement (the “Audit Periods”) and we requested that KPMG affirm its independence relative to the rules and regulations of the Public Company Accounting Oversight Board (“PCAOB”) and the SEC (the “SEC/PCAOB Independence Rules”).

KPMG identified a former KPMG partner (the “Former Partner”) serving in a financial reporting oversight role at JBS S.A. — as a member of JBS S.A.’s Audit Committee and its Related Parties Committee and as an alternate member of its Fiscal Council (*Conselho Fiscal*) (“Fiscal Council”) — who had a financial relationship with KPMG during a portion of the Audit Periods. KPMG and/or its affiliated member firms, had previously served as external auditor for subsidiaries of JBS S.A. — JBS USA Holding and Seara — under private company auditing standards. The Former Partner resigned from KPMG in 2018. In 2019, the Former Partner joined JBS S.A.’s Audit Committee and Related Parties Committee, joining JBS S.A.’s Fiscal Council as an alternate member in 2020.

KPMG has advised us that it retained an unremitted capital balance from the Former Partner as collateral against a contingent obligation of KPMG based on an outstanding legal matter involving certain KPMG partners, including the Former Partner, in a Brazilian court. None of JBS S.A. or any of its affiliates are involved in the underlying legal matter. KPMG has advised us that to date: (i) a final decision in the legal matter has not been made; (ii) on September 6, 2022, KPMG transferred the retained capital balance to an independent third party custodian and has instructed the custodian to release the funds only in accordance with the Brazilian court’s final decision in the underlying legal matter; and (iii) in the event that the amount due by KPMG exceeds the amount of the capital balance, the Former Partner, jointly with other KPMG partners, has agreed to indemnify KPMG for such additional amount.

Applicable SEC/PCAOB Independence Rules provide that an accountant is not independent if, at any point during the audit and professional engagement period, the accountant has an employment relationship with an audit client, such as if a former partner of an accounting firm who has a capital balance in the accounting firm is in an accounting role or financial reporting oversight role at an audit client. JBS S.A. and KPMG have considered various factors in the context of the applicability of the SEC/PCAOB Independence Rules and KPMG’s ability to exercise objective and impartial judgment. KPMG has further advised us that in all relevant periods the Former Partner did not have direct involvement or interaction with KPMG in the context of KPMG’s prior work on audits of JBS USA Holding and Seara and did not participate in discussions relating to audit results, audit fees or auditor hiring processes or approvals in relation to such audits. The Former Partner will also recuse himself from any decision-making related to KPMG’s appointment and execution as auditor of the JBS Group in relation to KPMG’s audits of financial statements until such time that KPMG has completed the audit of the financial statements included in this Registration Statement. Moreover, we and KPMG have considered the Former Partner’s indemnification of KPMG. None of JBS S.A. or any affiliate or person in a financial reporting oversight role (including the Former Partner) is a party to the underlying litigation. As such, there is no adversarial relationship between KPMG and JBS S.A. There is also no adversarial relationship between KPMG and the Former Partner as these parties have previously agreed on the treatment of any claims resulting from the underlying litigation (*i.e.*, via the retention of the capital balance and the indemnification arrangement).

Accordingly, each of KPMG and JBS S.A. has determined that there are no factors or conflicts, including the Former Partner’s relationship with KPMG, that would render KPMG incapable of exercising objective and impartial judgment on issues encompassed within KPMG’s engagement as the independent auditor of the JBS Group for the Audit Periods under SEC/PCAOB Independence Rules.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

This prospectus is part of a registration statement that we have filed with the SEC on Form F-4 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information contained in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the registration statement, you may read the document itself for a complete description of its terms.

The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. As soon as reasonably practicable after the completion of the Exchange Offers, we plan to establish a website that will allow you to access such reports and other information free of charge as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information that will be contained in, or that will be accessed through, our website is not part of this prospectus.

We are not currently subject to the informational requirements of the Exchange Act. Upon completion of the Exchange Offers, we will be subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements will file reports with the SEC. Those other reports or other information will be available without charge on the SEC's website. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. However, we will be required to file with the SEC, within four months after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm. In addition, we will be required to promptly disclose on Form 6-K any material information that we (1) make or are required to make public pursuant to the law of our domicile, incorporation or organization, (2) file or are required to file with a stock exchange on which our securities are traded and which was made public by that exchange or (3) distribute or are required to distribute to our security holders.

As of the date of this prospectus, JBS S.A. is subject to the informational requirements of the CVM and B3 and files reports and other information relating to its businesses, financial condition and other matters with the CVM and B3. You may read these reports, statements and other information about JBS S.A. at the public reference facilities maintained by the CVM at <http://www.gov.br/cvm> and the website maintained by B3 at <http://www.b3.com.br>. The public filings of JBS S.A. with the SEC and the CVM are also available to the public free of charge through JBS S.A.'s website at <https://ri.jbs.com.br/en/>. The information included on or that can be accessed through the mentioned websites is not included in this prospectus or the registration statement and is not incorporated into this prospectus or the registration statement by reference.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful and does not constitute an offer of securities to the public in the European Union within the meaning of Article 3(1) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, (the "Prospectus Regulation"). This prospectus is not a prospectus or an offer document within the meaning of the Prospectus Regulation.

[Table of Contents](#)

INDEX TO FINANCIAL STATEMENTS

JBS S.A.

	<u>Page</u>
Unaudited Interim Financial Statements	
<u>Condensed Consolidated Statements of Financial Position as of March 31, 2023 and December 31, 2022</u>	F-2
<u>Condensed Consolidated Statements of Income for the three-months periods ended March 31, 2023 and 2022</u>	F-4
<u>Condensed Consolidated Statements of Comprehensive Income for the three-month periods ended March 31, 2023 and 2022</u>	F-5
<u>Condensed Consolidated Statements of Changes in Equity for the three-month periods ended March 31, 2023 and 2022</u>	F-6
<u>Condensed Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2023 and 2022</u>	F-8
<u>Notes to the Condensed Consolidated Financial Statements</u>	F-10
Audited Financial Statements	
<u>Report of Independent Registered Public Accounting Firm</u>	F-50
<u>Consolidated Statements of Financial Position as of December 31, 2022, December 31, 2021 and January 1, 2021</u>	F-52
<u>Consolidated Statements of Income for the years ended December 31, 2022, 2021 and 2020</u>	F-54
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2022, 2021 and 2020</u>	F-55
<u>Consolidated Statements of Changes in Equity for the years ended December 31, 2022, 2021 and 2020</u>	F-56
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020</u>	F-58
<u>Notes to the Consolidated Financial Statements</u>	F-61

[Table of Contents](#)

JBS S.A.



Condensed consolidated statements of financial position
In thousands of United States dollar — US\$

	Note	March 31, 2023	December 31, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,764,561	2,526,431
Margin cash	3	79,436	130,209
Trade accounts receivable	4	3,705,530	3,878,125
Inventories	5	5,554,422	5,393,582
Biological assets	6	1,746,386	1,861,106
Recoverable taxes	7	1,059,735	1,021,701
Derivative assets		49,184	84,890
Other current assets		334,362	319,678
TOTAL CURRENT ASSETS		14,293,616	15,215,722
NON-CURRENT ASSETS			
Recoverable taxes	7	1,734,522	1,756,630
Biological assets	6	524,627	501,958
Related party receivables	8	189,920	182,268
Deferred income taxes	9	685,183	605,880
Derivative assets		33,039	23,615
Other non-current assets		223,427	214,293
		3,390,718	3,284,644
Investments in equity-accounted investees		58,989	56,507
Property, plant and equipment	10	12,138,813	11,915,363
Right of use assets	11	1,626,475	1,605,093
Intangible assets	12	1,973,319	1,979,491
Goodwill	13	5,926,691	5,828,691
TOTAL NON-CURRENT ASSETS		25,115,005	24,669,789
TOTAL ASSETS		39,408,621	39,885,511



[Table of Contents](#)

JBS S.A.



Condensed consolidated statements of financial position — (Continued)
In thousands of United States dollar — US\$

	Note	March 31, 2023	December 31, 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	14	4,959,578	5,943,139
Supply chain finance	14	773,624	588,592
Loans and financing	15	1,975,131	1,577,047
Income taxes	16	20,361	91,070
Other taxes payable	16	133,949	139,088
Payroll and social charges	17	1,077,081	1,198,063
Lease liabilities	11	336,091	342,747
Dividends payable		377	35
Provisions for legal proceedings	18	187,940	174,240
Derivative liabilities		120,462	107,238
Other current liabilities		455,147	410,491
TOTAL CURRENT LIABILITIES		10,039,741	10,571,750
NON-CURRENT LIABILITIES			
Loans and financings	15	16,273,590	16,123,101
Income and other taxes payable	16	110,442	116,151
Payroll and social charges	17	459,096	455,942
Lease liabilities	12	1,410,731	1,379,086
Deferred income taxes	9	1,301,916	1,363,072
Provisions for legal proceedings	18	275,517	253,250
Other non-current liabilities		76,135	77,013
TOTAL NON-CURRENT LIABILITIES		19,907,427	19,767,615
EQUITY			
Share capital – common shares	19	13,177,841	13,177,841
Capital reserve		(191,916)	(193,118)
Other reserves		(35,478)	(35,177)
Profit reserves		4,299,711	4,299,711
Accumulated other comprehensive income		(8,147,540)	(8,349,081)
Retained earnings (loss)		(279,336)	—
Attributable to company shareholders		8,823,282	8,900,176
Attributable to non-controlling interest		638,171	645,970
TOTAL EQUITY		9,461,453	9,546,146
TOTAL LIABILITIES AND EQUITY		39,408,621	39,885,511

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial information.



[Table of Contents](#)

JBS S.A.



**Condensed consolidated statements of income
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$**

	Note	2023	2022
NET REVENUE	20	16,687,244	17,364,073
Cost of sales	24	(15,221,461)	(14,236,694)
GROSS PROFIT		1,465,783	3,127,379
General and administrative expenses	24	(514,153)	(606,942)
Selling expenses	24	(1,111,788)	(1,099,588)
Other expenses		(39,067)	(22,878)
Other income		81,948	17,660
NET OPERATING EXPENSES		(1,583,060)	(1,711,748)
OPERATING PROFIT (LOSS)		(117,277)	1,415,631
Finance income	21	121,563	556,933
Finance expense	21	(420,738)	(597,077)
Net finance expense		(299,175)	(40,144)
Share of profit of equity-accounted investees, net of tax		2,776	2,897
PROFIT (LOSS) BEFORE TAXES		(413,676)	1,378,384
Current income taxes	9	(6,707)	(372,367)
Deferred income taxes	9	145,193	33,309
TOTAL INCOME TAXES		138,486	(339,058)
NET INCOME (LOSS)		(275,190)	1,039,326
ATTRIBUTABLE TO:			
Company shareholders		(279,637)	982,658
Non-controlling interest		4,447	56,668
Basic and diluted earnings (losses) per share – common shares (US\$)	22	(0.13)	0.44

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial information.



[Table of Contents](#)

JBS S.A.



**Condensed consolidated statements of comprehensive income
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$**

	Note	2023	2022
Net income (loss)	23	(275,190)	1,039,326
Other comprehensive income			
Items that are or may be subsequently reclassified to statement of income:			
Gain (loss) on net investment in foreign operations		(129,830)	(1,407,420)
Gains on foreign currency translation adjustments		314,365	2,118,637
Gain (loss) on cash flow hedge	25.c3.1	1,229	(143,955)
Deferred income (expense) tax on cash flow hedge	25.c3.1	(418)	45,786
Valuation adjustments to equity in subsidiaries		2,063	7,391
Items that will not be reclassified to statement of income:			
Gains (loss) associated with pension and other postretirement benefit obligations		4,649	(4,312)
Income tax on (loss) associated with pension and other postretirement benefit obligations		(677)	(2,503)
Total other comprehensive income		191,381	613,624
Comprehensive income (loss)		(83,809)	1,652,950
Total comprehensive income attributable to:			
Company shareholders		(78,096)	1,725,115
Non-controlling interest		(5,713)	(72,165)
		(83,809)	1,652,950

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial information.



[Table of Contents](#)

JBS S.A.



Condensed consolidated statements of changes in equity
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$

Note	Share capital	Capital reserves				Profit reserves				Other comprehensive income			Non-controlling interest	To equ				
		Premium on issue of shares	Capital transaction ⁽¹⁾	Stock options	Other reserves	Treasury shares	Legal	Investments statutory	Additional dividends	Tax-incentive reserve	VAE	FCTA	Retained earnings (loss)					
BALANCE ON JANUARY 1, 2022	13,177,841	36,321	(154,198)	10,145	(33,747)	(619,298)	455,474	2,963,982	—	—	92,305	(8,024,668)	—	7,904,157	660,795	8,56		
Net income	—	—	—	—	—	—	—	—	—	—	—	—	982,658	982,658	56,668	1,03		
Gains on foreign currency translation adjustments ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	2,118,637	2,118,637	—	2,11		
Gain (loss) on net investment in foreign operations ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	(1,277,002)	(1,277,002)	(130,418)	(1,40		
Gain (loss) on cash flow hedge ⁽³⁾	—	—	—	—	—	—	—	—	—	—	—	—	(98,169)	—	(98,169)	—	(9	
Valuation adjustments to equity in subsidiaries ⁽⁰⁾	—	—	—	—	—	—	—	—	—	—	—	—	5,806	—	5,806	1,585	—	
Gains (loss) associated with pension and other postretirement benefit obligations	—	—	—	—	—	—	—	—	—	—	—	—	(6,815)	—	(6,815)	—	0	
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	(99,178)	841,635	982,658	1,725,115	(72,165)	1,65
Purchase of treasury shares	—	—	—	—	—	(382,266)	—	—	—	—	—	—	—	(382,266)	—	(38	—	
Cancellation of treasury shares	—	—	—	—	—	1,023,458	—	(1,023,458)	—	—	—	—	—	—	—	—	—	
Share-based compensation	—	—	1,998	—	—	—	—	—	—	—	—	—	—	—	1,998	493	—	
Realization of other reserves	—	—	—	—	(381)	—	—	—	—	—	—	—	—	381	—	—	—	
Distribution of interim dividends	—	—	—	—	—	—	—	(468,174)	468,174	—	—	—	—	—	—	—	—	
Purchase of Pilgrim's Pride Corporation treasury shares repurchase	—	—	(12,466)	—	—	—	—	—	—	—	—	—	—	(12,466)	(16,889)	(2	—	
Dividends to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(789)	—	
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	137	—	
BALANCE ON MARCH 31, 2022	13,177,841	36,321	(164,666)	10,145	(34,128)	21,894	455,474	1,472,350	468,174	—	(6,873)	(7,183,033)	983,039	9,236,538	571,582	9,80		
BALANCE ON JANUARY 1, 2023	13,177,841	36,321	(239,584)	10,145	(35,177)	—	603,603	2,928,754	—	767,354	61,690	(8,410,771)	—	8,900,176	645,970	9,54		
Net income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	(279,637)	(279,637)	4,447	(27	—	
Gains on foreign currency translation adjustments ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	314,365	—	314,365	—	31	
Gain (loss) on net investment in foreign operations ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	(118,974)	—	(118,974)	(10,856)	(12	
Gain on cash flow hedge, net of tax ⁽³⁾	—	—	—	—	—	—	—	—	—	—	—	—	811	—	811	—	—	
Valuation adjustments to equity in subsidiaries ⁽⁰⁾	—	—	—	—	—	—	—	—	—	—	—	—	2,063	—	2,063	—	—	
Gains (loss) associated with pension and other postretirement benefit obligations, net of tax	—	—	—	—	—	—	—	—	—	—	—	—	3,276	—	3,276	696	—	
Total comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—	—	—	6,150	195,391	(279,637)	(78,096)	(5,713)	(8



Doriana

Pilgrim's



[Table of Contents](#)

JBS S.A.



Condensed consolidated statements of changes in equity — (Continued)
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$

Note	Share capital	Capital reserves				Profit reserves				Other comprehensive income		Retained earnings (loss)	Non-controlling interest	Total equity		
		Premium on issue of shares	Capital transaction ⁽¹⁾	Stock options	Other reserves	Treasury shares	Legal	Investments statutory	Additional dividends	VAE	FCTA					
Share-based compensation	—	—	1,202	—	—	—	—	—	—	—	—	—	1,202	250	1,452	
Realization of other reserves	—	—	—	—	(301)	—	—	—	—	—	—	301	—	—	—	
Dividends to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,333)	(2,333)	
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	(3)	(3)	
BALANCE ON MARCH 31, 2023	13,177,841	36,321	(238,382)	10,145	(35,478)	—	603,603	2,928,754	—	767,354	67,840	(8,215,380)	(279,336)	8,823,282	638,171	9,461,453

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

(2) Foreign Currency Translation Adjustments (FCTA) and exchange variation in subsidiaries

(3) Valuation Adjustments to Equity (VAE) arising from derivative financial instruments.

(4) Refers to the net investment on foreign operations of intercompany balances between JBS S.A. and its indirect subsidiaries JBS Luxembourg S.à.r.l. and JBS Investments Luxembourg S.à.r.l.. Thus, since the balances are an extension of that entity's investment, they are considered as equity instruments.

(5) Refers to the hedge accounting in the indirect subsidiary Seara Alimentos.

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial information.



JBS S.A.



Consolidated statements of cash flows
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$

	Note	2023	2022
Cash flows from operating activities			
Net income (loss)		(275,190)	1,039,326
Adjustments for:			
Depreciation and amortization	13	499,140	465,516
Expected credit losses	4	4,482	4,638
Share of profit of equity-accounted investees		(2,776)	(2,897)
Gain (loss) on sales of assets		(10,686)	862
Tax expense	9	(138,486)	339,057
Net finance expense	21	299,175	40,144
Share-based compensation		1,452	2,255
Provisions for legal proceedings	19	20,790	4,497
Impairment of goodwill and property, plant and equipment	10 and 13	20,698	16,358
Net realizable value inventory adjustments	5	(1,964)	2,817
DOJ (Department of Justice) and antitrust agreements	18	13,700	16,960
Fair value adjustment of biological assets	6	87,191	(14,364)
		<u>517,526</u>	<u>1,915,169</u>
Changes in assets and liabilities:			
Trade accounts receivable		200,430	(46,195)
Inventories		(113,936)	(412,168)
Recoverable taxes		(75,092)	(147,827)
Other current and non-current assets		37,419	(36,415)
Biological assets		(133,856)	(230,126)
Trade accounts payable and supply chain finance		(917,201)	(577,616)
Taxes paid in installments		(12,633)	(18,511)
Other current and non-current liabilities		(77,881)	(67,292)
DOJ and Antitrust agreements payment		—	(163,689)
Income taxes paid		(10,516)	(133,170)
Changes in operating assets and liabilities		<u>(1,103,266)</u>	<u>(1,833,009)</u>
Cash (used in) operating activities		<u>(860,930)</u>	<u>1,121,486</u>
Interest paid		(316,055)	(208,896)
Interest received		54,921	19,262
Net cash flows (used in) operating activities		<u>(846,874)</u>	<u>(107,474)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(330,776)	(418,119)
Purchases and disposals of intangible assets	12	(2,005)	(1,666)
Proceeds from sale of property, plant and equipment	10	13,931	1,294
Additional investments in equity-accounted investees		—	(2,066)
Acquisitions, net of cash acquired	3	889	(136,600)
Dividends received		1,444	1,147
Related party transactions		250	—
Others		1,599	—
Cash (used in) investing activities		<u>(314,668)</u>	<u>(556,010)</u>



JBS S.A.



Consolidated statements of cash flows — (Continued)
For the three-month periods ended at March 31, 2023 and 2022
In thousands of United States dollar — US\$

	Note	2023	2022
Cash flows from financing activities			
Proceeds from loans and financing		987,082	2,233,904
Payments of loans and financing		(495,054)	(1,544,304)
Derivative instruments received (settled)		17,297	(129,644)
Margin cash		7,358	68,228
Dividends paid		—	(2)
Dividends paid to non-controlling interest		(2,333)	(714)
Purchase of PPC treasury shares		—	(26,577)
Purchase of treasury shares		—	(346,091)
Payments of leasing contracts	11.2	(105,970)	(106,834)
Cash provided by financing activities		408,380	147,966
Effect of exchange rate changes on cash and cash equivalents		(8,708)	(745,020)
Net change in cash and cash equivalents		(761,870)	(1,260,538)
Cash and cash equivalents beginning of period		2,526,431	3,786,969
Cash and cash equivalents at the end of period		1,764,561	2,526,431

Non-cash transactions:

Non-cash additions to right of use assets and lease liabilities	11.2	109,383	139,327
Capitalized interest	10	(22,848)	(12,389)
Transfer of property, plant and equipment		4,715	—
Cancellation of treasury shares		—	1,023,458

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial information.



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

1 Background information

1.1 Reporting entity

JBS S.A (“JBS” or the “Company”), is a corporation with its headquarters office in Brazil, at Avenue Marginal Direita do Tietê, nº. 500, Vila Jaguara, in the City of São Paulo, and is controlled by J&F Investimentos S.A. The condensed consolidated interim financial information comprise the Company and its subsidiaries (collectively, the ‘Group’) as of and for the three-month periods ended at March 31, 2023 and were authorized by the Board of Directors on May 19, 2023. The Company has its shares publicly traded and listed on the “Novo Mercado” segment of the São Paulo Stock Exchange (B3 — *Bolsa de Valores, Mercadorias & Futuros*) under the ticker symbol “JBSS3”. In addition, American Depository Receipts related to shares issued by JBS are also publicly traded in the United States of America under the symbol “JBSAY”.

The Company operates in the processing of animal protein, such as beef, pork, lamb and chicken, and operates in the production of convenience foods and other products. In addition, it sells leather, hygiene and cleaning products, collagen, metal packaging, biodiesel, among others. The Company has a broad portfolio of brands including Seara, Doriana, Pilgrim’s, Moy Park, Primo, Adaptable Meals, Fribol, Maturatta and Swift.

The condensed consolidated interim financial information include the Company’s operations in Brazil as well as the activities of its subsidiaries.

1.2 Main events that occurred during the period:

1.2.1 Adjusted purchase price allocation of TriOak:

In March 2023, the business combination of TriOak, the Group adjusted the purchase price allocation. The adjustments were identified in biological assets of US\$22,598 and in goodwill of US\$20,062.

1.3 Seasonality:

During the second and third quarters, the beef sector in the United States presents a seasonal demand for beef products which is higher in the summer and autumn months, when weather patterns allow for more outdoor activities. As for the pork sector in the United States, the greatest demand for pork occurs in the first and fourth quarters, when the availability of hogs combined with the holidays increase the demand. As for the chicken segment, worldwide, the fluctuations are historically higher in the first half of the year, coinciding with the summer and fall, and sales volume of certain of our special product lines undergo considerable variation during certain holidays, including Christmas, New Year and Easter. Australia demand is not impacted by seasonality as other segments.

2 Basis of preparation

The unaudited condensed consolidated interim financial information as of and for the three-month periods ended at March 31, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by International Accounting Standards Board (IASB), and should be read in conjunction with the Group’s last annual consolidated financial statements as of and for the year ended at December 31, 2022 (“last annual financial statements”). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to describe events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements which were authorized by the Board of Directors on March 29, 2023.



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

2 Basis of preparation (cont.)

In preparing these unaudited condensed consolidated interim financial statements, Management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2.1 New standards, amendments and interpretations that are not yet effective

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

Accounting Policies, Changes in Accounting Estimates and Errors: Amendments to IAS 8

As of January 1, 2023, the amendments clarify about the distinction between changes in accounting estimates and changes accounting policies and correction of errors, in order to correctly apply the amendments. The Company has not identified significant impacts as a result of this change.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: Amendments to IAS 12

As of January 1, 2023, the amendments narrow the scope of the initial recognition exemption (IRE) so that it no longer applies to transactions that, among other things, on initial recognition, give rise to equal taxable and deductible temporary differences. As a result, a deferred tax asset and a deferred tax liability should be recognized for temporary differences arising on initial recognition of a lease and decommissioning provision. The Company is following the discussions and has so far not identified any significant impacts as a result of this change.

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

Presentation of Financial Statements: Amendments to IAS 1

As of January 1, 2024, sets out the requirements to defer settlement of a liability and whether the Company has reached these requirements at the end of the reporting period and, also, whether the classification between current and non-current would impact the entity to exercise the postponement right. The amendments also address that only if a derivative embedded in a convertible liability is itself an equity instrument, the terms of a liability would not affect its classification. The Company is following the discussions and so far has not identified significant impacts as a result of this change.

3 Cash and cash equivalents and margin cash

Cash and Cash Equivalents

	March 31, 2023	December 31, 2022
Cash on hand and at banks	<u>1,048,743</u>	1,144,741
CDB (bank certificates of deposit) and National Treasury Bills (<i>Tesouro Selic</i>) ⁽¹⁾	<u>715,818</u>	1,381,690
	<u>1,764,561</u>	<u>2,526,431</u>

(1) CDBs are held at financial institutions and earn interest based on floating rates and are pegged to the Brazilian overnight interbank lending rate (*Certificado de Depósito Interbancário* — CDI). *Tesouro Selic* are bonds purchased from financial institutions having conditions and characteristics that are similar to CDB's.



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

3 Cash and cash equivalents and margin cash (cont.)

Margin Cash

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

	March 31, 2023	December 31, 2022
Margin cash (Restricted cash)	29,504	59,088
Investments in Treasury Bills	49,932	71,121
	79,436	130,209

4 Trade accounts receivable

	March 31, 2023	December 31, 2022
Current receivables		
Domestic sales	2,165,503	2,137,350
Foreign sales	885,147	969,442
Subtotal	3,050,650	3,106,792
Overdue receivables:		
From 1 to 30 days	422,220	482,104
From 31 to 60 days	75,237	113,266
From 61 to 90 days	35,079	66,493
Above 90 days	208,849	199,084
Expected credit losses	(80,398)	(82,636)
Present value adjustment ⁽¹⁾	(6,107)	(6,978)
Subtotal	654,880	771,333
Trade accounts receivable, net	3,705,530	3,878,125

(1) The Group discounts its receivables to present value using interest rates directly related to customer credit profiles. The monthly interest used to calculate the present value of outstanding receivables on March 31, 2023 and December 31, 2022 were, mostly in Brazil, 1.3% and 1.3%, respectively. Realization of the present value adjustment is recognized as deduction item to sales revenue.

Within trade accounts receivable, the diversity of the portfolio significantly reduces overall credit risk. To further mitigate credit risk, parameters have been put in place when credit is provided to customers such as requiring minimum financial ratios, analyzing the operational health of customers, and reviewing references from credit monitoring entities.

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

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



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

5 Inventories

	March 31, 2023	December 31, 2022
Finished products	3,404,006	3,296,410
Work in process	595,012	523,293
Raw materials	925,159	932,317
Supplies	630,245	641,562
	<u>5,554,422</u>	<u>5,393,582</u>

6 Biological assets

	Current		Non-current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Changes in biological assets:				
Balance at the beginning of the period	1,861,106	1,327,675	501,958	402,297
Acquired in business combination	—	32,344	—	12,678
Business combination adjustments (Note 1.2.1)	(22,598)	—	—	—
Increase by reproduction (born) and cost to reach maturity	3,093,137	2,581,200	217,835	166,934
Reduction for slaughter, sale or consumption	(3,288,027)	(2,623,418)	(17,768)	(12,360)
Purchases	126,853	105,323	41,168	38,519
Decrease by death	(34,453)	(22,882)	(4,888)	(3,191)
Fair value adjustments	(87,191)	14,346	—	18
Reclassification from non-current to current	80,092	61,301	(80,092)	(61,301)
Exchange rate variation	17,467	(144,121)	3,981	(49,610)
Changes in fair value (including amortization of breeders)	—	—	(137,567)	(116,811)
Balance at the end of the period	1,746,386	1,331,768	524,627	377,173

7 Recoverable taxes

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

	March 31, 2023	December 31, 2022
Value-added tax on sales and services – ICMS/IVA/VAT/GST	1,083,141	1,006,814
Social contribution on billings – PIS and COFINS	513,116	527,607
Withholding income tax – IRRF/IRPJ	1,150,679	1,199,323
Excise tax – IPI	23,809	24,478
Reintegra	9,703	9,551
Other	13,809	10,558
	2,794,257	2,778,331
Current	1,059,735	1,021,701
Non-current	1,734,522	1,756,630
	2,794,257	2,778,331



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

8 Related party transactions

The main balances and transactions between related parties are presented and described below. Cost recharges include borrowing costs, interest and management fees, when applicable. Information on the Group's structure is provided in Note 1.1 - Reporting entity.

Related party receivables

	March 31, 2023	December 31, 2022
J&F Oklahoma Holdings Inc ⁽¹⁾	79,107	76,665
J&F Participações S.A. ⁽²⁾	109,502	104,101
Flora Produtos de Higiene e Limpeza S.A.	1,311	1,502
	189,920	182,268

(1) In December 2019, the Company assumed receivables previously held by its indirect subsidiary Moyer Distribution with J&F Oklahoma arising from a credit line granted due to cattle purchase operations in the USA.

(2) Refers to the leniency expenses refund.

Other financial transactions in the Group

The Company entered into an assignment agreement with Banco Original S.A, direct subsidiary of the parent company J&F, pursuant to which Banco Original S.A. acquires trade accounts receivables of certain of our customers in Brazil and abroad. The assignments are at the face value of the receivable less the discount applied by Banco Original through a transfer without recourse to Banco Original S.A. of all of the associated risks and benefits of such trade accounts receivables. For the three-month periods ended at March 31, 2023, the Company incurred in a loss from the sale of the receivables of US\$19,380 (US\$14,894 at March 31, 2022), recognized as financial expenses.

As of March 31, 2023, the Company held investments with Banco Original, of US\$235,084 (US\$351,616 as of December 31, 2022), recognized as cash and cash equivalents. The cash investments and cash equivalents have similar rates of return as CDIs (Certificado de Depósito Interbancário). For the three-month periods ended at March 31, 2023, the Company earned interest from these investments of US\$982 (US\$684 for the three-month periods ended at March 31, 2022), recognized as financial income.

The Group is the sponsor of Institute J&F, a youth-directed business school, whose goal is to educate future leaders by offering free, high-quality education. During the three-month periods ended at March 31, 2023, the Company made donations of US\$2,654 (US\$14,493 at March 31, 2022), respectively, recognized as general and administrative expenses.

JBJ Agropecuária Ltda., or JBJ, a related party, supplies cattle to JBS S.A.'s slaughterhouses. Transactions with JBJ are recurrent and conducted in the normal course of JBS S.A.'s business, in accordance with its needs and JBJ's capacity to deliver cattle. JBJ shared transportation services from the Group. The value of the transactions varies in accordance with the number of animals processed and pursuant to market conditions. As of March 31, 2023, the total amounts of accounts receivable and accounts payable were US\$254 (US\$558 as of December 31, 2022) and US\$107,168 (US\$7,735 as of December 31, 2022), respectively. For the three-month periods ended at March 31, 2023, the total net revenue to JBJ was US\$759 (US\$845 at March 31, 2022) and the total amount of purchases made by JBJ from the Group for the three-month periods ended at March 31, 2023 was US\$83,942 (US\$41,388 at March 31, 2022).



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

8 Related party transactions (cont.)

Flora Produtos de Higiene e Limpeza S.A., or Flora, is controlled by J&F. Flora purchases products (beef tallow, palm oil, babassu oil and cans) from JBS S.A. and manufactures soaps. As of March 31, 2023, the total amounts from accounts receivable were US\$9,574 (US\$6,585 as of December 31, 2022). For the three-month periods ended at March 31, 2023, the total net revenue to Flora was US\$14,176 (US\$10,345 at March 31, 2022) and the total amount of purchases made by Flora for the three-month periods ended at March 31, 2023 was nill (US\$0.38 at March 31, 2022).

The Company has commitments to purchase cattle for future delivery signed with certain suppliers, including the related party JBJ, guaranteeing the acquisition of cattle for a fixed price, or to be fixed, with no cash effect on the Company until the cattle are delivered. Based on these future delivery contracts. As of March 31, 2023, the Company has these commitments agreements in the amount of US\$88,746 (US\$85,478 as of December 31, 2022).

No expense for doubtful accounts or bad debts relating to related-party transactions were recorded during the three-month periods ended at March 31, 2023.

Remuneration of key management

The Company's key management is comprised of its executive officers and members of the Board of Directors. The aggregate amount of compensation received by the Company's key management during the three-month periods ended at March 31, 2023 and 2022 was:

	2023	2022
Salaries and wages	1,955	7,678
Variable cash compensation	18,481	18,727
	20,436	26,405

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

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

9 Income taxes

	March 31, 2023	December 31, 2022
Deferred income taxes assets	685,183	605,880
Deferred income taxes liabilities	(1,301,916)	(1,363,072)
	(616,733)	(757,192)



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

9 Income taxes (cont.)

a. Composition of deferred tax income and social contribution

	Balance at January 1, 2023	Income statement	Exchange variation	Other Adjustments⁽¹⁾	Balance at March 31, 2023
Tax losses and negative basis of social contribution	649,164	158,249	12,313	—	819,726
Expected credit losses on trade accounts receivable	31,572	(1,990)	575	—	30,157
Provisions for contingencies	94,153	(9,154)	1,286	—	86,285
Present value adjustment	11,326	(1,667)	268	—	9,927
Tax credits	13,196	(984)	1	7	12,220
Labor accident accruals	6,139	402	—	—	6,541
Pension plan	10,485	1,020	(13)	(578)	10,914
Trade accounts payable accrual	284,235	(19,583)	1,908	—	266,560
Non-deductible interest	76,563	7,503	—	—	84,066
Right of use assets	22,583	8,555	318	—	31,456
Other temporary differences – assets	141,120	1,552	779	1,967	145,418
Goodwill amortization	(785,958)	(2,791)	(19,020)	—	(807,769)
Present value adjustment – Trade accounts payable	(8,105)	653	(205)	—	(7,657)
Business combinations	(441,428)	(772)	(1,043)	—	(443,243)
Inventory valuation	(109,703)	(50,739)	1	—	(160,441)
Hedge operations	8,209	3,054	316	1,069	12,648
Realization of other reserves	(110,379)	746	(2,967)	—	(112,600)
Accelerated depreciation and amortization	(586,839)	51,139	—	—	(535,700)
Other temporary differences – liabilities	(63,525)	—	(1,715)	—	(65,240)
Deferred taxes, net	<u>(757,192)</u>	<u>145,193</u>	<u>(7,198)</u>	<u>2,465</u>	<u>(616,732)</u>

(1) Changes in deferred tax balance that do not directly affect income accounts are shown in a specific column in the explanatory notes. Such movements refer mainly to deferred taxes on Cash Flow Hedge recorded in other comprehensive income, carried out by the subsidiary Seara Alimentos and other adjustments related to differences in accounting practices in the countries in which the Company's subsidiaries are located.



JBS S.A.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

9 Income taxes (cont.)

b. Reconciliation of income tax and social contribution expense:

	Three-month periods ended at March 31,	
	2023	2022
Profit before taxes (PBT)	(413,676)	1,378,384
Brazilian statutory corporate tax rate	(34)%	(34)%
Expected tax expense	140,650	(468,651)
Adjustments to reconcile taxable income:		
Share of profit of equity-accounted investees	944	985
Non-taxable tax benefits ⁽¹⁾	133,309	44,130
Difference of tax rates on taxable income from foreign subsidiaries	(17,879)	126,429
Transfer pricing adjustments	(1,473)	(1,503)
Profits taxed by-foreign jurisdictions ⁽³⁾	(84,323)	(47,299)
Deferred income tax not recognized	(75,549)	(21,338)
Non-taxable interest – Foreign subsidiaries	33,427	20,362
Donations and social programs ⁽⁴⁾	(2,416)	(100)
SELIC interest on tax credits ⁽²⁾	1,010	1,236
Other permanent differences	10,786	6,691
Current and deferred income tax expense	138,486	(339,058)
Current income tax	(6,707)	(372,367)
Deferred income tax	145,193	33,309
	138,486	(339,058)
Effective income tax rate	33.48%	(24.60)%

(1) Government grants by State governments are mainly presumed and/or granted ICMS (Value-added tax on sales and services) credits which are granted as an encouragement to implement or expand economic enterprises. In other jurisdictions, the Company recognizes government grants for energy and training expenses. Conditions to allow for the recognition of government grants and deductibility of related expenses were met in the three-month periods ended at March 31, 2023 and 2022. This is recognized under the caption "Domestic sales" disclosed net of sales amount in the Note 20 — Net revenue.

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

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

(4) Refers to the donations, as described in Note 24 — Expenses by nature.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

10 Property, plant and equipment

Changes in property, plant and equipment

	Balance at January 1, 2023	Additions net of transfers⁽¹⁾	Disposals	Depreciation	Exchange rate variation	Balance at March 31, 2023
Buildings	3,779,963	262,199	(1,390)	(61,295)	43,445	4,022,922
Land	1,056,590	817	(31)	—	14,338	1,071,714
Machinery and equipment	3,832,826	345,775	(16,234)	(143,522)	37,368	4,056,213
Facilities	575,290	109,856	(6)	(10,073)	17,752	692,819
Computer equipment	116,263	8,446	(316)	(9,211)	1,257	116,439
Vehicles (land and air)	214,898	32,471	(2,094)	(9,724)	2,483	238,034
Construction in progress	2,124,483	(414,078)	—	—	22,156	1,732,561
Other	215,050	8,138	(8,587)	(8,619)	2,129	208,111
	11,915,363	353,624	(28,658)	(242,444)	140,928	12,138,813
	Balance at January 1, 2022	Acquired in business combination	Additions net of transfers⁽¹⁾	Disposals	Depreciation	Exchange rate variation
Buildings	3,500,836	59,923	42,619	(258)	(58,944)	(348,948)
Land	944,922	11,993	3,912	—	—	(77,044)
Machinery and equipment	3,569,854	35,578	139,092	(726)	(139,295)	(404,149)
Facilities	487,028	549	20,270	(47)	(7,955)	(474)
Computer equipment	121,959	695	10,563	(72)	(10,532)	(16,462)
Vehicles (land and air)	180,960	1,664	6,956	(1,023)	(7,469)	(7,524)
Construction in progress	1,218,888	3,511	191,131	—	—	(116,299)
Other	183,842	3,781	15,965	(29)	(7,979)	(25,755)
	10,208,289	117,694	430,508	(2,155)	(232,174)	(996,655)
						9,525,507

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

For three-month periods ended at March 31, 2023, the amount of capitalized interest added to construction in progress and included in additions was US\$22,848 (US\$12,389 at March 31, 2022).

Annually, the Company tests the recoverability of its assets that were identified as having any indicator of impairment using the concept of value in use through discounted cash flow models. The tests for recoverability of assets are applied at the end of each fiscal year on December 31, follow by indications of impairment during the year. For three-month periods ended at March 31, 2023 the Company recognized impairment in property, plant and equipment in the amount of US\$20 million, related to the indirect subsidiary Planterra Foods Company, located at United States, due the closing of its operations.



**Notes to the unaudited condensed consolidated interim financial information
For the three-month periods ended at March 31, 2023 and 2022
(Expressed in thousands of United States dollar)**

11 Leases

The Group uses the optional exemption to not recognize a right of use asset and lease liability for short term (less than 12 months) and low value leases. The average discount rate used for measuring lease liabilities was 8.10% (7.30% at December 31, 2022).

11.1 Right of use asset

Changes in the right of use asset:

	Balance at January 1, 2023	Additions	Terminated contracts	Amortization	Exchange rate variation	Balance at March 31, 2023
Growing facilities	823,989	30,867	(7,291)	(39,397)	9,655	817,823
Buildings	426,996	50,891	(1,303)	(18,362)	5,230	463,452
Vehicles (land, air and sea)	201,655	16,581	(810)	(19,138)	(305)	197,983
Machinery and equipment	104,890	5,966	(77)	(13,004)	737	98,512
Operating plants	18,706	3,470	—	(1,514)	519	21,181
Land	19,641	166	—	(619)	(55)	19,133
Computer equipment	9,216	—	(55)	(996)	226	8,391
	1,605,093	107,941	(9,536)	(93,030)	16,007	1,626,475

	Balance at January 1, 2022	Acquired in business combination	Additions	Terminated contracts	Amortization	Exchange rate variation	Balance at March 31, 2022
Growing facilities	610,411	6,747	70,537	(3,201)	(28,770)	(57,505)	598,219
Buildings	396,209	2,396	38,378	(29)	(19,558)	(47,813)	369,583
Vehicles (land, air and sea)	12,007	—	(54)	—	(825)	—	11,128
Machinery and equipment	124,304	173	4,272	(157)	(16,008)	(17,074)	95,510
Operating plants	20,358	—	(70)	—	(1,036)	(847)	18,405
Land	19,698	—	33	—	(559)	(8,607)	10,565
Computer equipment	220,607	3,883	24,016	(206)	(20,731)	(28,459)	199,110
Furniture and appliances	15	—	—	(14)	(2)	—	(1)
	1,403,609	13,199	137,112	(3,607)	(87,489)	(160,305)	1,302,519

11.2 Lease liabilities

	March 31, 2023	December 31, 2022
Undiscounted lease payments	2,140,236	2,089,765
Present value adjustment	(393,414)	(367,932)
	1,746,822	1,721,833

Breakdown:

Current liabilities	336,091	342,747
Non-current liabilities	1,410,731	1,379,086
	1,746,822	1,721,833

