

# 4Q20 RESULTS

March 24  
(after trading session)  
B3: GMAT 3

## CONFERENCE CALL

March 25  
10:00 am Brazil  
9:00 am USA

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Webcast in Portuguese  
Webcast in English

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The Conference  
Call will be held in  
Portuguese with  
simultaneous  
translation in English.



## Grupo Mateus discloses its 4Q 2020 results

### 2020 HIGHLIGHTS

- Record of inaugurations, with 39 openings during the year, of which 23 were in 13 new cities;
- Investments in new stores and infrastructure grew by around 179% in 2020;
- Gross revenue reached BRL 14.4 billion in 2020, the highest level in the Group's history, with a growth of 44.9%;
- Net revenue was BRL 12.4 billion, an increase of 42.4%;
- Adjusted EBITDA totaled BRL 1 billion, a 76.8% increase;
- Adjusted net income came to BRL 776 million, a 112.2% increase;
- Strong operational cash generation during the year, with an increase of 51% to BRL 944 million.

2020 Highlights	4Q 20	4Q 19	Var.	2020	2019	Var.
<b>Financial Highlights (BRL million)</b>						
Goods Gross Revenue	4,260	2,745	55.2%	14,353	9,904	44.9%
Services Gross Revenue	25	-	-	40	39	2.6%
Net revenue	3,635	2,373	53.2%	12,397	8,706	42.4%
SSS (%)	21.3%	2.2%	+19.1 p.p.	18.2%	5.2%	+13 p.p.
Adjusted Gross Profit	854	526	62.3%	2,989	2,142	39.5%
Adjusted Gross Margin	23.5%	22.2%	+1.3 p.p.	24.1%	24.6%	-0.5 p.p.
Adjusted EBITDA	289	164	76.7%	1,004	568	76.8%
Adjusted EBITDA Margin	7.9%	6.9%	+1 p.p.	8.1%	6.5%	+1.6 p.p.
Adjusted Net Profit	241	99	142.7%	776	366	112.2%
<b>Operational Highlights</b>						
Number of shops	159	120	39	159	120	39
Openings	14	11	3	39	24	15
Sales area (m² thousands)	328,777	253,869	29.5%	328,777	253,869	29.5%

Highlights by Format	4Q 20	4Q 19	Var.	2020	2019	Var.
<b>Supermarket</b>						
Gross Revenue (BRL million)	1,183	817	44.9%	3,880	3,021	28.4%
Number of shops	49	39	10	49	39	10
Openings	5	4	1	10	6	4
Sales area (m² thousands)	85,580	70,842	20.8%	85,580	70,842	20.8%
<b>Cash &amp; Carry</b>						
Gross Revenue (BRL million)	2,076	1,169	77.5%	6,812	4,141	64.5%
Number of shops	33	23	10	33	23	10

Openings	3	3	-	10	6	4
Sales area (m <sup>2</sup> thousands)	162,363	117,028	38.7%	162,363	117,028	38.7%
<b>Furniture &amp; Electronics</b>						
Gross Revenue (BRL million)	269	168	59.9%	796	538	47.8%
Number of shops	77	58	19	77	58	19
Openings	6	4	2	19	12	7
Sales area (m <sup>2</sup> thousands)	80,834	66,000	22.5%	80,834	66,000	22.5%
<b>Wholesale</b>						
Gross Revenue (BRL million)	732	591	24.0%	2,866	2,203	30.1%
Sales representatives (qty)	2,090	1,801	16.0%	2,090	1,801	16.0%
Routes (qty)	139	135	2.9%	139	135	2.9%
City Zones <sup>1</sup> (qty)	846	748	13.1%	846	748	13.1%
Distribution Centers (qty)	10	9	1	10	9	1

## MESSAGE FROM THE CEO

"2020 was a milestone in Grupo Mateus' 34-year history. With the commitment and dedication of our team, we were able to overcome challenges, break records and further consolidate our brand and our leadership in the North and Northeast regions of the country. The IPO was a transformational step for the company, taking us to a new level and bringing us national visibility.

During the year, the companies in the food retail segment went through service adaptations, food inflation and regardless of all the challenges, we kept our focus on growing the business and on the existing market opportunities. We opened our first stores in Piauí, with performance above expectations already in the first months, and also strengthened our presence in Maranhão and Pará. We opened stores of all formats (supermarket, cash & carry and furniture & electronics), mainly in new cities, what confirmed the solidity of our strategy to strengthen our footprint where we already operated, through routes with different sales channels, expanding the consumption opportunity in under-explored regions and always focusing on serving customers with price, service, and quality.

As a result of our efforts, the Group had record results in 2020. We opened 39 stores, which helped us reach a gross revenue of BRL 14.4 billion, with a growth of 44.9%. Our Adjusted EBITDA grew 76.8% and totaled BRL 1 billion, while Adjusted Net Income had an expressive increase of 112.2% and closed the year at BRL 776 million.

The Group's four strategic pillars - logistics, services, technology and people - were essential for us to achieve these results. In the logistics area, we strategically expanded new routes and invested in improving the infrastructure, with the inauguration of the Slicing and Portioning Distribution Center in Imperatriz (Maranhão). Currently, we are working on the inauguration of the Distribution

<sup>1</sup> City Zones: The cities where the company has wholesale to B2B customers are divided by zones. Some cities have more than one zone as the amount of zones changes with the size of the city.

Center in Pará, the expansion of the Distribution Center in São Luís and in the new Bakery Industry and Fruits and Vegetable Supply Center, both in São Luís.

The services offered in our stores continue to demonstrate their importance to our customers and to the development of our operation. The results obtained confirm that they are self-sustainable and attract flow to our stores, and we will continue working to offer the best shopping experience, further strengthening this differential.

Digital transformation is already a reality in our company since 2017, and through Mateus Mais, our new app that will be launched soon, we will bring new experiences to the Group's customers, with the consolidation of all the existing digital tools on a single platform and the launch of new tools. Regarding the financial services, we have taken the first steps to develop our Direct Credit Society and we are in discussion with a specialized consulting firm to structure the project so that it is in line with the Group's growth guidelines.

Finally, and just as important as the other pillars, we have people management. Training qualified professionals with the DNA of Grupo Mateus is one of the main challenges of our expansion project. Therefore, we invest heavily in the education of our employees through several programs, the main one being ULMA - Universidade de Líderes Mateus (University of Mateus Leaders).

We are proud to have trained 607 new leaders and 5,671 new employees in 2020. Talents from within the company that are now prepared to help us in our growth journey. To speed up the process of training new leaders, we also set up a base of our corporate university in Pará.

Finally, I express my gratitude, first of all, to God and to my family. To all our team, suppliers, customers a investors, and partners who helped Grupo Mateus to make 2020 a historical year, thank you very much. We will continue committed to our purpose of being an increasingly better company for everyone who is part of it."

**Ilson Mateus, CEO and Founder**

## CHALLENGES AND OPPORTUNITIES FOR 2021

### **Solidify the brand's positioning in new markets**

The expansion plan for 2021 contemplates the opening of stores in Maranhão, Pará and Piauí, where we already operate, as well as the arrival in Ceará. A large part of the inaugurations will take place in cities that have not yet been explored, what demonstrates the Group's growth potential. As we strategically add new routes, we grow organically and gain new markets. The expansion brings the challenge of improving the shopping experience and connecting with the needs and habits of each region. Thus, we work to create a differentiated service and convenience environment, especially in under-explored regions.

### **Sustaining the growth of mature stores with gains in market share**

In 2020, even with a competitive scenario in some regions, we were able to have competitive prices, thanks to an assertive commercial strategy based on pricing tools that allow us to constantly monitor market movements. During the year, mature stores presented a historical growth, above inflation. For 2021, we expect to continue with a consistent performance, even with a progressively more challenging comparison base.

### **Service diversification and multi-channel platform**

The company's strategy for 2021 consists of increasing customer loyalty, through a differentiated services experience and the offer of a diversified product mix with great cost-benefit, associated with a multichannel platform (wholesale, supermarkets, cash & carry, furniture & electronics and e-commerce).

To meet expectations, we believe in the implementation of digital transformation tools, as our Mateus Mais App, which, in addition to improving the shopping experience, will meet consumers' needs more assertively, through integrated e-commerce services, digital wallet, CRM, cashback and financial services.

### **Constant training and leadership development**

Grupo Mateus promotes the professional and career development of its employees and maintains qualification and development programs for 100% of its operations, covering shops, Distribution Centers and corporate areas.

In 2020, we invested around BRL 6 million in strengthening our corporate education structure, through ULMA (University of Mateus Leaders). During the year, we trained 607 employees for leadership positions and trained 5,671 new employees.

For 2021, we will expand the corporate training, in line with the expansion plan. In this sense, the estimate is to train 700 new leaders and 6,000 new employees in the year, divided by region of operation and expansion demand.



## Social and Environmental Responsibility and Corporate Governance

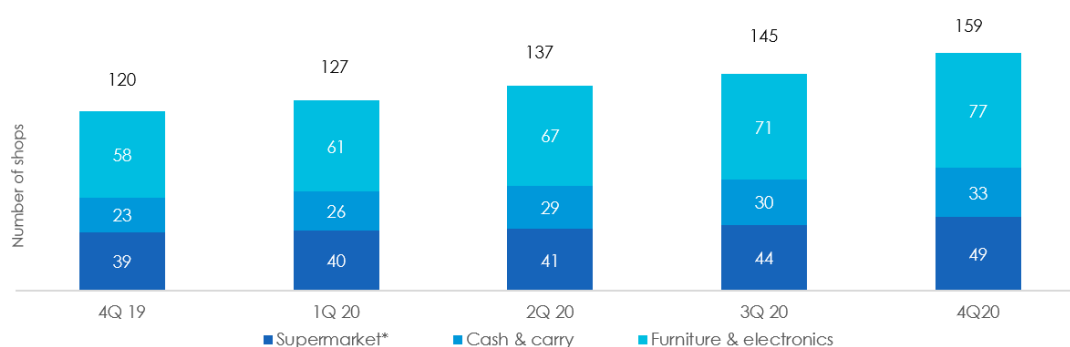
Grupo Mateus operates in the least developed region of Brazil and has always been aware of its role in the development of the local economy, with the creation of jobs and support to social projects, which aim to improve social equality. Currently, 68% of the operations are based in cities with low or medium HDI, because we believe in the joint growth of private initiative and the socioeconomic development of less favored regions.

In addition to that, the Group also adopts practices in order to reduce the impacts of its operations on the environment. Now, the company will work to adopt indicators that allow the market to follow the development of its social and environmental responsibility practices.

## OPERATIONAL DATA

### Expansion – Opening of shops

Grupo Mateus ended the year with 159 stores, of which 39 were inaugurated in 2020 (14 in Q4 20). We had no closures and recorded a 63% growth in the number of openings, compared to 2019 when we opened 24 stores. We exceeded the expectation of openings for 2020, demonstrating the company's ability to implement a robust expansion plan, even in an economically adverse scenario and with limitation of constructions.



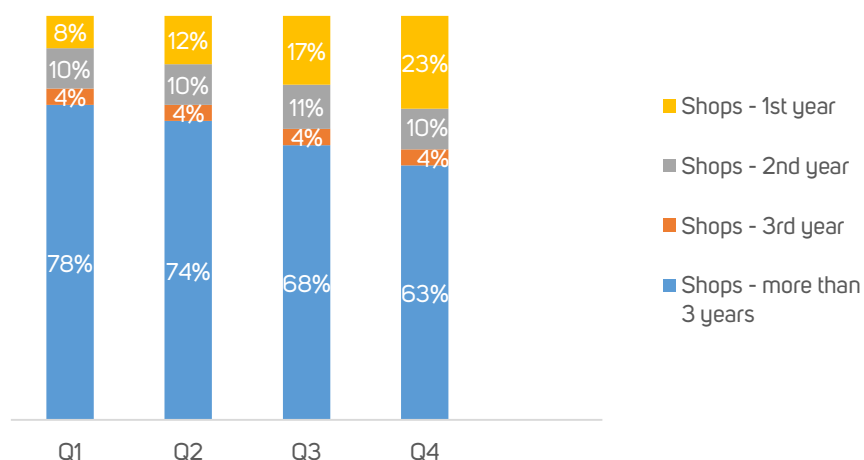
\*Supermarket includes Supermarket, Hiper and Camiño

The Group's expansion plan comprises the footprint consolidation in the states it already operates and the arrival in new states, with all the sales channels. Out of the 39 shops opened during the year, 18 were in Maranhão, 16 were in Pará and 5 in Piauí.

Number of shops	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	2019	2020
Maranhão	81	83	87	94	99	81	99
Pará	39	43	48	48	55	39	55

Piauí	-	1	2	3	5	-	5
<b>Total</b>	<b>120</b>	<b>127</b>	<b>137</b>	<b>145</b>	<b>159</b>	<b>120</b>	<b>159</b>

Of the 39 stores inaugurated, 23 were in new consumer markets not yet explored by the Group, which shows a market gain of 9% compared to 2019. By the end of the year, the performance of the new shops already was above the mature shops and represented 23% of the gross revenue, reflecting the existing potential in markets not explored yet.



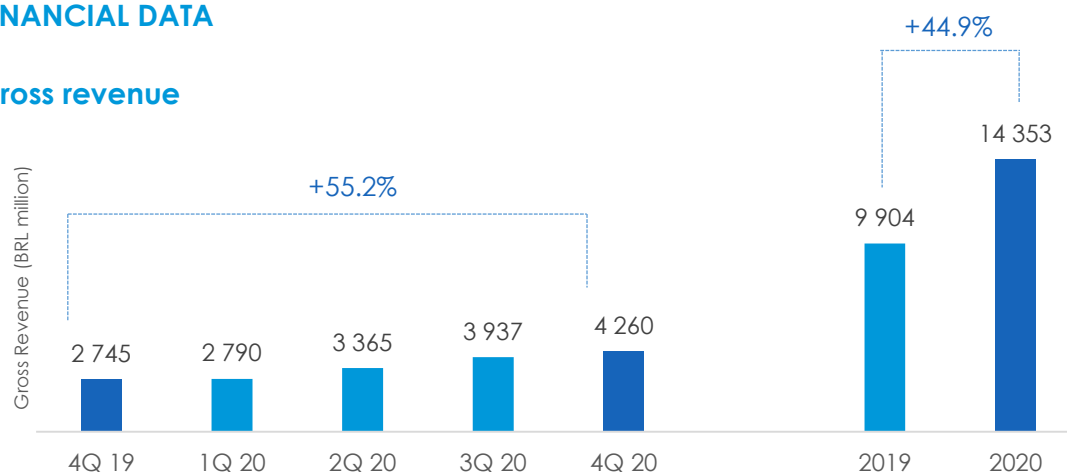
In Q4 20, the state of Pará saw a growth of 83% when compared to the same period in the previous year. 60% of this increase is related to the new shops.

In Piauí, where we already operated with the wholesale, we opened 5 stores in 2020, of which 2 were cash & carry stores and 3 furniture & electronics stores. The fast integration with the market and the loyalty of new customers allowed an accelerated regional growth of 140% in 2020. It is worth noting that large national and regional players are present in the food retail market of this state.

Until now in 2021, we opened 11 shops of all formats in the states of Maranhão, Pará and Piauí and will continue focused in our expansion plan, with the arrival in Ceará still this year.

## FINANCIAL DATA

### Gross revenue



In 4Q 20, gross revenue maintained its rapid pace of growth, totaling BRL 4,260 million in the fourth quarter, up 55.2% over 4Q19. In 2020, revenue reached R\$14,353 million, up 44.9% year on year.

The significant growth in the quarter was mainly due to the consistency of the expansion plan, with openings in all states where the company operates (14 inaugurations compared to 3Q 20 and 39 compared to 4Q 19) and the excellent performance of existing stores, made possible by the monitoring of results and identification of opportunities for each unit.

It is also worth noting that the fourth quarter is seasonally important due to the Black Friday and the year-end festivities. In 2020, the Black Friday promotion period was extended to 3 days, compared to 1 day in 2019, and saw a 95% growth in sales, divided by 61% in new and maturing stores and 34% of SSS, a consequence of a higher customer flow distributed in 3 days ensuring convenience and safety.

The services offer and the appropriate pricing model in each channel also contributed to the excellent performance in the period.

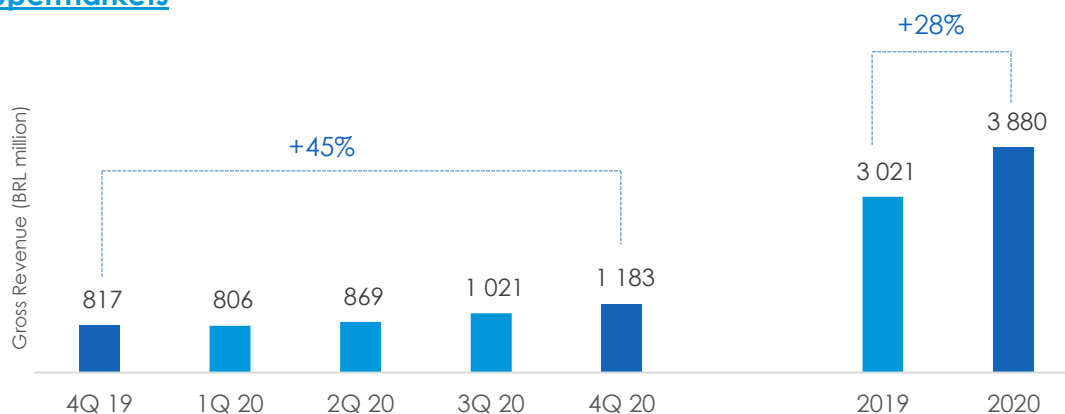
Same store sales also maintained their strong growth and registered an increase of 21.3% in the quarter and 18.2% in the year, what shows that mature stores continue to make an important contribution to the Group's performance.

It's worth mentioning that even in a challenging scenario like 2020, the states of Maranhão and Pará, where most of the Group's operations are concentrated, showed a positive balance of new jobs according to the General Register of Employed and Unemployed (Novo Caged or New Caged). Maranhão created 19,432 job positions while Pará created 31,510 new jobs. This reassures the company's strategy of consolidation in the regions it already operates.

### Gross revenue per segment



## Supermarkets

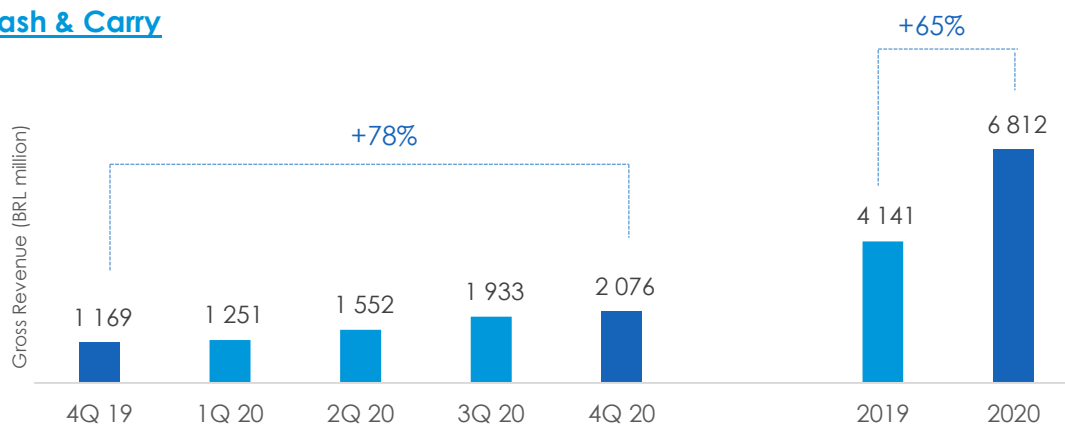


In the fourth quarter, the Supermarkets segment, which includes Supermarkets, Hypermarkets, and neighborhood stores, recorded gross revenue of BRL 1,183 million, representing 28% of the Group's revenue in the period. Revenue grew 45% compared to 4Q19.

Performance benefited from shop openings, with 10 inaugurations between Q4 19 and Q4 20, and from Black Friday promotional activities, with growth of 64% (44% of which were from new and maturing stores and 20% of SSS), in addition to the year-end festivities.

In 2020, gross revenue recorded an increase of 28.4% over the previous year, with same-store growth of 10.6%.

## Cash & Carry



The Cash & Carry segment maintained its accelerated growth pace, with gross revenue totaling BRL 2,076 million in 4Q20, with an increase of 78%. The segment is the Group's most representative, with a 49% share in total revenue.

The opening of 10 stores between 4Q19 and 4Q20 was one of the main reasons for the expressive performance in the quarter. Same store sales growth also contributed to the performance, with an increase of 20%.

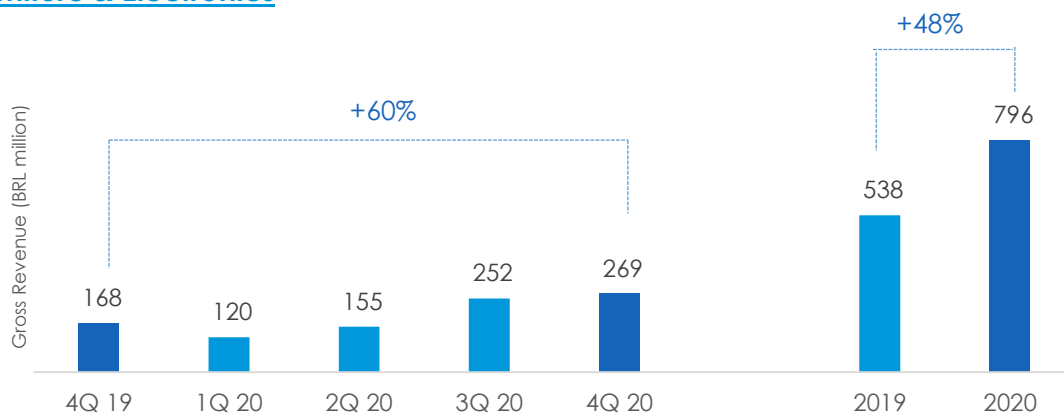
Black Friday sales were important for the performance, since they are more representative for the cash & carry segment, due to the manufacturing market and small supermarkets, with a growth of 149%, of which 92% were in new and in maturation stores and 57% SSS.

It's worth noting that, even in a challenging scenario, the Group was able to guarantee the best price option, with a large volume offer to our customers, amid an economic environment impacted by inflation in several categories, such as rice, oil and meat.

The company's ability to anticipate certain price behaviors allows us to negotiate with suppliers and acquire products at more affordable costs, especially in periods of greater volatility, creating an important differential to operate in the sector.

In 2020, gross revenue grew 65% compared to the previous year, while the growth in same-store sales was 16%.

### Furniture & Electronics



Gross revenue totaled BRL 269 million in 4Q20, up 60% in the period. The segment accounted for 6% of total gross revenue. It's worth remembering that in the second quarter of 2020 there was a repressed demand, due to the closing of the physical stores by the end of May, which caused an acceleration in revenue in the following semester.

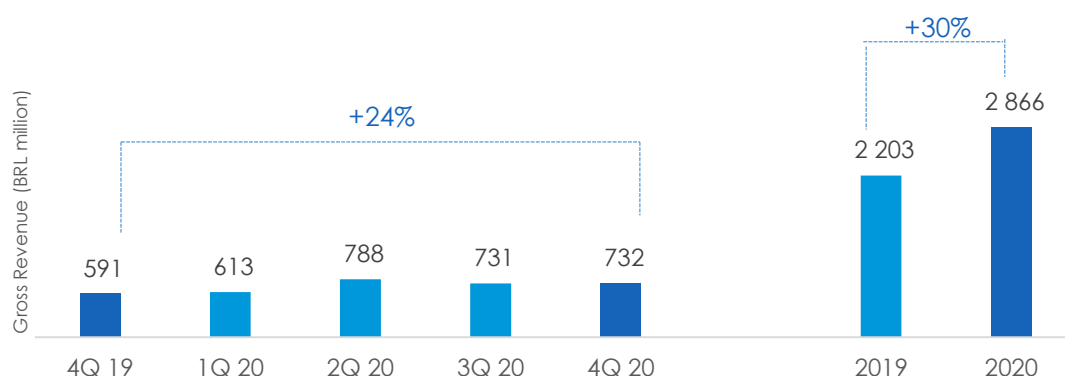
In 4Q20, performance was driven by the expansion plan, with 19 openings between 4Q19 and 4Q20. The performance was also supported by the Black Friday promotional actions and year-end festivities, as well as the availability of

inventory, which increased the Group's market share in this segment. The performance of the same stores remained strong in the quarter and grew 34%.

It's important to note that the aggressive expansion plan strengthened the commercial relationship with suppliers, which helped to sustain sales growth and store supply, even in a challenging scenario.

In 2020, gross revenue registered a growth of 48% compared to the s previous year, and the same-store growth was 23%.

## Wholesale



In 4Q20, external sales recorded gross revenue of BRL 732 million, a growth of 24% when compared to the same period of the previous year.

In the performance by state, sales grew 31% in Maranhão, 32% in Pará and 16% in Piauí. It's worth pointing out that the growth of external sales in Maranhão happened independently of the inaugurations of supermarket and cash and carry stores, demonstrating the stability of sales, even with a strong expansion process.

Among the regions of operation, Pará and Maranhão registered the greatest due to increase in the footprint on the routes where wholesale was still little explored; to the decentralization of the range of operation of the commercial representatives; the segmentation of the representation portfolio and the maturation of the financial credit limit.

Wholesale is one of Grupo Mateus's strategic pillars, because it helps us measure the economic potential of each region, analyze consumption habits, and adherence to brands. It is also a sales channel that allows us to evaluate new consumer markets, in line with the store expansion strategy. The segment presents a large window of opportunity, with a broad growth potential, especially in the regions of Pará and Ceará, with areas that are still little explored.

In 2020, revenue totaled R\$2,866 million, a 30% growth.

## Gross Profit

In BRL thousands	4Q 20	4Q 19	Var. %	2020	2019	Var. %
<b>Gross Profit</b>	854,275	484,657	76.3%	2,989,411	2,142,457	39.5%
Gross Margin %	23.5%	20.4%	+3.1 p.p.	24.1%	24.6%	-0.5 p.p.
(+) Inventory Adjustment	-	41,609	-	-	-	-
<b>Adjusted Gross Profit</b>	<b>854,275</b>	<b>526,266</b>	<b>62.3%</b>	<b>2,989,411</b>	<b>2,142,457</b>	<b>39.5%</b>
Adjusted Gross Margin%	23.5%	22.2%	+1.3 p.p.	24.1%	24.6%	-0.5 p.p.

In 2019, Grupo Mateus had the policy of making its adjustments in the last quarter of each year, a practice that was changed in 2020, to adjust itself for both the and the IPO process. Excluding these effects, adjusted gross profit in 4Q19 totaled BRL 526 million, with a gross margin of 22.2%.

In 4Q20, following the trend of previous quarters, we achieved an increase of 62%, totaling BRL 854 million. The inauguration and maturation of stores and the growth in same store sales were fundamental in accelerating the significant increase in gross profit. Gross margin was 23.5%, an improvement of 1.3 percentage points over 4Q19, due to the better balance between regular promotions and inauguration promotions.

In 2020, gross profit reached BRL 2,989 million, with an expressive growth of 40%, compared to the previous year. The gross margin, equivalent to 24.1% of net revenue, was pressured by 0.5 percentage point compared to 2019, due to the effect of the product mix and sales channels, given that the cash & carry format grew 7% in 2020, compared to 28% in 2019.

## Selling, General and Administrative Expenses

In BRL thousands	4Q 20	4Q 19	Var. %	2020	2019	Var. %
<b>Expenses</b>	(648,921)	(406,496)	59.6%	(2,152,528)	(1,661,249)	29.6%
% of Net Revenue	17.9%	17%	+0.9 p.p.	17.4%	19.1%	-1.7 p.p.
(+) Provision (risks, doubtful accounts)	-	18,717	-	-	-	-
(+) Non-recurring expenses	47,623	-	-	49,749	-	-
<b>Total non-recurring expenses</b>	<b>47,623</b>	<b>18,717</b>		<b>49,749</b>	<b>-</b>	
<b>Adjusted expenses</b>	<b>(601,298)</b>	<b>(387,779)</b>	<b>55.1%</b>	<b>(2,102,779)</b>	<b>(1,661,249)</b>	<b>26.6%</b>
% of Net Revenue	16.5%	16.3%	+0.2 p.p.	17.0%	19.1%	-2.1 p.p.

Until 2019, Grupo Mateus made its provisions in the last quarter of each year. Thus, the figures in 4Q19 reflect provisions from previous quarters. For 2020, the biggest share of the non-recurring expenses are related to the Group's public listing expenses.

Thus, excluding the quarter's non-recurring effects, administrative, general and sales expenses totaled BRL 601 million, equivalent to 16.5% of net revenue, a pressure of 0.2 percentage points in relation to 4Q19. This variation in relation to the previous year was the result of the increase in expenses with the rent of warehouses and freight expenses, to meet the increase in sales 4Q20; expenses with advertising and marketing due to the openings; and personnel expenses due to the openings and trainings.

For 2020, adjusted expenses represented 17.0% of net revenues, compared to 19.1% reported in 2019. The reduction of 2.1 percentage points is due to greater efficiency in management, control of expenses and increased productivity of the logistics, operational and administrative structure, which contributed to the representative dilution of expenses.

Below, we present the table with the breakdown of selling and administrative expenses:

In R\$ thousands	4Q 20	4Q 19	Var. %	2020	2019	Var. %
<b>Selling expenses</b>						
Personnel expenses	(206,155)	(133,501)	54.4%	(683,412)	(500,554)	36.5%
Sales commission	(9,985)	(8,551)	16.8%	(30,670)	(22,563)	35.9%
Advertising and marketing	(10,436)	(5,729)	82.2%	(17,639)	(11,687)	50.9%
Rent	(55,040)	(37,823)	45.5%	(207,091)	(146,558)	41.3%
<b>Administrative Expenses</b>						
Personnel Expenses	(103,057)	(76,904)	34.0%	(338,871)	(280,417)	20.8%
General Expenses	(90,015)	(37,784)	138.2%	(330,106)	(293,032)	12.7%
Depreciation	(35,989)	(25,018)	43.9%	(117,386)	(86,535)	35.7%
Water, electricity and telephone	(30,934)	(25,680)	20.5%	(106,691)	(91,780)	16.2%
Freight and fuel	(50,211)	(32,470)	54.6%	(170,088)	(115,474)	47.3%
Services rendered	(57,099)	(23,036)	147.9%	(150,573)	(112,650)	33.7%
<b>Total</b>	<b>(648,921)</b>	<b>(406,495)</b>	<b>59.6%</b>	<b>(2,152,527)</b>	<b>(1,661,249)</b>	<b>29.6%</b>

## EBITDA

In R\$ thousands	4Q 20	4T 19	Var. %	2020	2019	Var. %
<b>Net Profit</b>	<b>193,423</b>	<b>39,001</b>	<b>395.9%</b>	<b>726,268</b>	<b>365,748</b>	<b>98.6%</b>
(+) Income tax	(2,973)	12,518	-123.7%	(1,730)	15,506	-111%
(+) Resultado Financeiro	14,902	26,642	-44.1%	112,343	99,954	12.4%
<b>EBIT</b>	<b>205,352</b>	<b>78,161</b>	<b>162.7%</b>	<b>836,881</b>	<b>481,208</b>	<b>73.9%</b>
(+) Depreciation and Amortization	35,989	25,018	43.9%	117,386	86,535	35.7%
<b>EBITDA</b>	<b>241,341</b>	<b>103,179</b>	<b>133.9%</b>	<b>954,267</b>	<b>567,743</b>	<b>68.1%</b>

EBITDA margin	6.6%	4.3%	2.3%	7.7%	6.5%	1.2%
(+) Inventory Adjustment	-	41,609	-	-	-	-
(+) Provision (risks, doubtful accounts)	-	18,717	-	-	-	-
(+) Non-recurring expenses	47,623	-	-	49,749	-	-
<b>Total non-recurring/non-operational expenses</b>	<b>47,623</b>	<b>60,326</b>	<b>-21.1%</b>	<b>49,749</b>	<b>-</b>	<b>-</b>
<b>Adjusted EBITDA</b>	<b>288,964</b>	<b>163,505</b>	<b>76.7%</b>	<b>1,004,016</b>	<b>567,743</b>	<b>76.8%</b>
Adjusted EBITDA margin	7.9%	6.9%	1.0%	8.1%	6.5%	1.6%

Adjusted EBITDA came to BRL 289 million in 4Q20, a substantial growth of 76.7% over 4Q19. The EBITDA margin rose 100 bps point to 7.9%, which demonstrates the Group's efficiency in the midst of its expansion plan. The strong pace of openings, along with the maturation of stores, contributed to the good performance of the result and to the dilution of expenses.

Non-recurring/non-operating expenses, mainly related to the IPO process, totaled BRL 47.6 million in 4Q20. In 4Q19, the level of non-recurring expenses was higher and totaled BRL 60.3 million, due to the company's policy, which, until then, made provisions only in the last quarter.

In 2020, Adjusted EBITDA amounted to R\$1 billion, a 76.8% growth. Adjusted EBITDA margin, meanwhile, had an increase of 1.6 percentage point and ended the year at 8.1% versus 6.5% in 2019. The main contributions for the year were the acceleration of the expansion plan and the logistical, operational and administrative efficiency, due to a work of reduction and optimization of expenses.

## Financial Result

In R\$ thousands	4Q 20	4Q 19	Var (%)	2020	2019	Var (%)
<b>Financial Revenue</b>						
Interest received	3,637	12,431	-70.7%	23,388	33,640	-30.5%
Negative goodwill on tax credit rights	-	-	-	-	15,011	-
Interest on short-term investments	11,185	591	1792.6%	14,435	3,565	304.9%
Exchange variances	-	-	-	-	2,834	-
Financial discounts obtained	826	373	120.3%	3,574	3,322	7.6%
Other financial revenue	13,915	622	2137.2%	42,080	15,602	169.7%
<b>Total financial revenue</b>	<b>29,563</b>	<b>14,017</b>	<b>110.9%</b>	<b>83,477</b>	<b>73,974</b>	<b>12.8%</b>
<b>Financial Expenses</b>						
Tax on Financial Transactions (IOF)	-	(75)	-	(2)	(299)	-99.3%
Interest of loans and financing	(9,417)	(12,659)	-25.6%	(61,519)	(57,065)	7.8%
Interest paid	(3,432)	(3,977)	-13.7%	(10,474)	(13,967)	-25.0%
Financing interest	(417)	(406)	2.7%	(740)	(1,182)	-37.4%
Bank expenses	(3,602)	(2,808)	28.3%	(22,721)	(14,380)	58.0%



Financial loss	901	(1,183)	-176.1%	(663)	(8,243)	-92.0%
Monetary variance losses	-	-	-	(6,815)	(3,156)	115.9%
Credit card percentage	(26,296)	(17,401)	51.1%	(87,121)	(64,673)	34.7%
Discounts awarded	(2,203)	(2,151)	2.4%	(5,765)	(10,963)	-47.4%
<b>Total financial expenses</b>	<b>(44,465)</b>	<b>(40,660)</b>	<b>9.4%</b>	<b>(195,820)</b>	<b>(173,928)</b>	<b>12.6%</b>
<b>Total financial income</b>	<b>(14,902)</b>	<b>(26,643)</b>	<b>-44.1%</b>	<b>(112,343)</b>	<b>(99,954)</b>	<b>12.4%</b>
% of Net Revenue	-0.4%	-1.1%	0.7%	-0.9%	-1.1%	0.2%

The financial result for 4Q20 totaled BRL -15 million, with a reduction of -44.1%, and represented 0.4% of net revenue compared to 1.1% in 4Q19.

Financial revenues registered a growth of 110.9% and totaled BRL 30 million during the quarter, reflecting the resources obtained with the IPO. The Group rose its cash and cash equivalents and financial investments to BRL 2.1 billion and generated interest on investments in the amount of BRL 11 million.

On the other hand, financial expenses were penalized by 9.4% in 4Q20, when compared to 4Q19, totaling BRL 44 million in 2020, basically reflecting the increase in expenses with card administrative fees and banking expenses, due to the increases in card and bank slip sales.

With the increase in the company's current liquidity and aiming at the best financial strategies, the company opted for the liquidation of about BRL 700 million of outstanding loans, leasing, and finames and, as a result, there was a reduction in interest expenses on loans and financing in the quarter of 25.6%.

In 2020, the financial result grew 12.4% and totaled BRL -112 million. As a percentual of the net income, it showed an improvement of 20 bps.

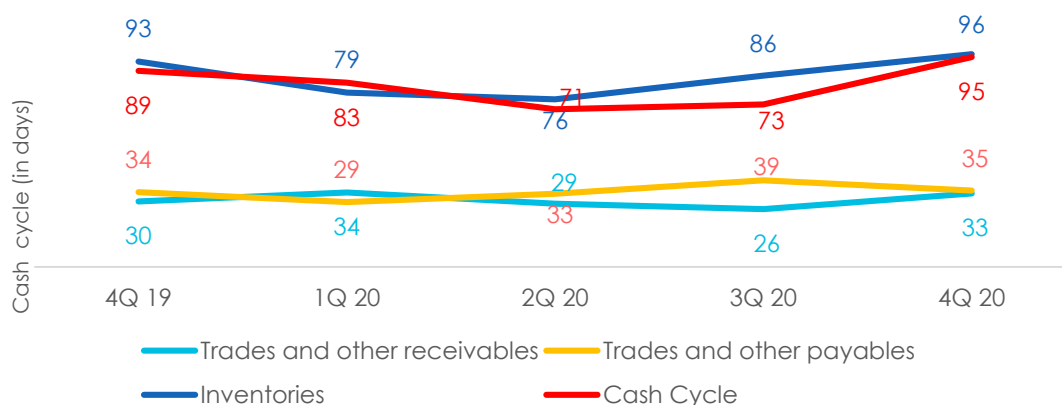
## Net Income

In R\$ thousands	4Q 20	4Q 19	Var. %	2020	2019	Var. %
<b>Net Income</b>	<b>193,423</b>	<b>39,001</b>	<b>395.9%</b>	<b>726,269</b>	<b>365,747</b>	<b>98.6%</b>
Net margin	5.3%	1.6%	3.7 p.p.	5.9%	4.2%	1.7 p.p.
<b>(+) EBITDA non-recurring expenses</b>	<b>47,623</b>	<b>60,326</b>	<b>-21.1%</b>	<b>49,749</b>	-	-
<b>Adjusted Net Income</b>	<b>241,046</b>	<b>99,327</b>	<b>142.7%</b>	<b>776,018</b>	<b>365,747</b>	<b>112.2%</b>
Adjusted Net Margin	6.6%	4.2%	2.4 p.p.	6.3%	4.2%	2.1 p.p.

Net income in 4Q20 totaled BRL 241 million, with a growth of 143% when compared to 4Q19. The net margin in the period was 6.6%, compared to 4.2% in the same period of the previous year.

In 2020, adjusted net income was BRL 776 million, representing a 112% increase over last year, with a net margin of 6.3% (4.2% in 2019).

## Cash Cycle



The cash cycle for 4Q 20 was 95 days, an increase of 6 days in relation to the same period last year. The inventory increased by 3 days, mainly reflecting the expansion plan for new stores and the expansion of distribution centers.

Receivables increased by 3 days, compared to 4Q19, due to the increase in bank slip and credit card sales. The deadline with suppliers remained stable in the period.

## Investments

In R\$ thousands	4Q 20	4Q 19	Var. %	2020	2019	Var. %
Opened shops	42,853	57,123	-25.0%	300,856	123,947	142.7%
Infrastructure	12,401	-	-	47,875	2,659	1700.5%
Lands	35,069	-	-	35,069	-	-
Construction in progress	95,343	23,540	305.0%	118,827	31,881	272.7%
Refurbishment, maintenance and others	36,405	15,039	142.1%	98,358	57,241	71.8%
<b>Total</b>	<b>222,071</b>	<b>95,702</b>	<b>132.0%</b>	<b>600,985</b>	<b>215,728</b>	<b>178.6%</b>

During 4Q20, investments registered an increased by 132% to BRL 222 million, due to the robust store expansion plan and the expansion in infrastructure, with the construction of new bakery industries and distribution centers, and the maintenance of existing shops.

In 2020, investments totaled BRL 601 million, an increase of 179% when compared to 2019. The investments were made in the opening of new stores, expansion of the company's infrastructure with new distribution centers, land acquisition, refurbishments and maintenance of mature stores and constructions in progress.

For 2021, the process of expanding new stores and infrastructure is accelerated. In Maranhão, the Distribution Center located in Itapera, with 22,000 m<sup>2</sup> of storage space and 13,000 m<sup>2</sup> for fruits and vegetables is being expanded while two new bakery industries are being built.

In Pará, the new Distribution Center in Santa Isabel, with 40,000 m<sup>2</sup> of storage space, will be opened in the first semester of 2021. Two other distribution centers for slicing and portioning and fruits and vegetables are under construction, both with 13,000 m<sup>2</sup>.

The Group currently has 17 stores under construction, which are expected to be open in 2021.

## Cash Flow

In R\$ thousands	2020	2019	Var. %
<b>Adjusted EBIT</b>	<b>725</b>	<b>381</b>	90%
Depreciation and amortization	117	150	-22%
Lease liabilities remeasurement	33	20	64%
Provision for obsolescence and breakages	(3)	3	-187%
Allowance for expected credit losses	17	1	1932%
Interest on loans, financing and debentures provisioned for	49	57	-14%
Property, plant and equipment disposals	3	1	165%
Provision for risks	2	12	-83%
<b>Operations resources</b>	<b>944</b>	<b>626</b>	<b>51%</b>
Cash cycle	(1,222)	(246)	397%
Other assets	(29)	(17)	77%
<b>Operational cash flow</b>	<b>(308)</b>	<b>363</b>	<b>-185%</b>
<b>Net cash used in investment activities</b>	<b>(601)</b>	<b>(209)</b>	<b>188%</b>
<b>Net cash provided by (used in) financing activities</b>	<b>2,615</b>	<b>(12)</b>	<b>-21030%</b>
<b>Net cash flow</b>	<b>1,705</b>	<b>142</b>	<b>1105%</b>

In 2020, Grupo Mateus generated a net cash flow of BRL 1.7 billion compared to BRL 142 million in 2019. The operations resources totaled BRL 944 million in 2020, equivalent to 7.6% of net revenue, while in 2019 this line totaled BRL 626 million, equivalent to 7.2%. The 51% increase is related to the successful implementation of the expansion plan and accelerated store maturation, in addition to an expressive same-store sales growth aligned with a significant dilution of expenses.

We recorded a working capital consumption of BRL 1.2 billion in 2020, compared to BRL 263 million in 2019. The consumption of capital occurred mainly in the inventory line, due to the expansion of operations with new stores, an increase in same-store sales and in shops in maturation, as well as, at a lower level, to the accumulated food inflation for the period.

The investment activities reached around BRL 601 million in 2020, with a growth of 188% over the same period of the previous year, of which BRL 119 million are

allocated to construction in progress for new stores and infrastructure, with inauguration expected for 2021.

The net cash generated by financing activities reached BRL 2.6 billion, given that in the period there was the IPO.

### Indebtedness

In R\$ thousands	4Q 20	4Q 19	Var %
Cash and cash equivalents	2,112,385	406,905	419.1%
Financial investments	14,965	14,608	2.4%
Gross debt	(592,495)	(908,450)	-34.8%
<b>Net Debt/Liquid Cash</b>	<b>1,534,855</b>	<b>(486,937)</b>	-415.2%
<b>Net Debt/Adjusted EBITDA</b>	<b>1.5X</b>	<b>-0.9x</b>	<b>0.6X</b>

Grupo Mateus ended 2020 with BRL1,5 billion in net cash, compared to a net debt of BRL 487 million at the end of 2019. The improvement is due to two main factors: the inflow of funds from the IPO, held in October 2020, and repayment of about BRL 700 million of loans, leasings and Finames with banks.

With the cash availability generated by the IPO, the company reviewed the existing costs on the outstanding debt and provided new strategies for financial profitability, reducing its gross debt by 35% in Q4 20, what resulted in a decrease consequently of about 26% of interest expenses on loans and financing.

## DIGITAL TRANSFORMATION AND DEVELOPMENT OF FINANCIAL SERVICES

### E-commerce

Grupo Mateus's Technology area is one of the pillars that make up the company's development strategy (together with Logistics, Services and People). In order to stand out in the food and furniture & electronic market, amid the growing digitalization of the country's consumers and the changes in consumer behavior, over the past 5 years the Group has developed several digital e-commerce sales tools and a CRM platform.

Plataforms	Business
Canto do Chef (2017)	E-commerce focused on B2B sales.
Mateus App (2018)	The Group's first app, which worked as a CRM platform.

Mateus Online (2019)	B2C e-commerce focused on the sales of furniture & electronics and other non food items.
Super - Mercado do Futuro (2020)	Partnership developed during the pandemic period to serve consumers through delivery during the lockdown



**mateus mais**

To offer new experiences to its customers, the Group announced the launch of its new Mateus Mais app for the first half of 2021

### Digital Wallet, Cashback and CRM

The new e-commerce tool combines the services offered by the previous platforms and brings great news to the public, such as a digital wallet and cashback on products, negotiated with major players in the retail and furniture & electronics industries. With this new initiative, the company strengthens the digital ecosystem in all of its sales channels and innovates in the physical and online shopping experience.

Mateus Mais will operate in the three states where the Group has physical stores (Maranhão, Pará and Piauí), ensuring more convenience to customers, who will be able to make retail purchases, track the balance of inflows and outflows of their cashback in the palm of their hands, and opt for home delivery or store pickup. Besides the advantages offered to customers, Mateus Mais also works as a relationship tool (CRM) for the Group. With the integration between physical stores and the app, it is possible to make personalized offers to each customer, improve the experience in stores and increase recurrent purchases.

The delivery will be made regardless of the shop format present in the region. For example, city of São Mateus, in Maranhão, has only one furniture & electronics store, but the customers from this city will be able to buy any food item they want and pick it up on the store, even if the item isn't part of that store segment product mix

Besides the advantages for the customers, Mateus Mais will also work as a CRM tool for the Group. With the integration between the physical shops and the app, it will be possible to make custom offers to each customer, in order to improve the sales experience in the shops and increase the purchase recurrence.

### B2B and Mateus Mais

Scheduled for the second half of 2021, the next update of the Mateus Mais App will serve the entire sales chain of the more than 25,000 active B2B customers of

the Grupo Mateus. They will be able to place their purchase order directly with the commercial representative or they buy directly with the Mateus Mais App.

Each update of the Mateus Mais App is expected to reflect Grupo Mateus's innovation and technology pillar. The goal is to reach 1 million active users by the end of 2021, serving the B2C and B2B customers in order to establish a closer relationship with them, improving the consumer experience and innovating in the retail and distribution segments.

### **Financial Services**

In the financial services segment, the Grupo Mateus works with two brands. The first is MateusCard, a credit card in partnership with Bradesco, which supports, with competitive conditions in retail, cash & carry, wholesale and furniture & electronics. At the end of 2020, we had 220 thousand accounts with 300 thousand active cards (including cardholders and additional).

The other brand we work with is CREDNOSSO, a financial solution complementary to the credit card, developed for the payment of the Group's employees, but that, over time, was expanded to bring several benefits to both employees and the external public. Crednosso offers the following services: purchases at registered retailers, bill payments, transfers to banks and discounts at drugstores. The card is accepted in 186 ATMs and has 112 thousand Private Label cards.

Grupo Mateus is working on the development of the financial services area in order to seize the opportunities in the region it operates, given that part of the market is not being absorbed in some regions.

The first steps have already been taken, and we started the project of a SCD (Direct Credit Society). We are also in discussion with consulting companies in order to improve the credit operations we already have.

We emphasize that both financial services and the digital transformation are important growth avenues identified by Grupo Mateus to accelerate the expansion project.

## **SOCIAL RESPONSIBILITY REPORT**

### **ESG at Grupo Mateus**

Grupo Mateus's commitment to Sustainable Development is demonstrated through transparent communication with all stakeholders, as well as by internalizing the best environmental, social and economic management practices.



Starting the communication of ESG initiatives and their respective impacts both for the business and the community in which the Group is inserted, we highlight in this report the company's main actions.

## 1. Environmental

### Electricity Consumption

Grupo Mateus receives clean energy in most of its stores, part being acquired in the free energy market and part in the Distributed Generation model, from biogas (landfill), biomass from sugar cane and wind sources.

As the following table shows, 15% of the energy consumed by the Group comes from conventional matrixes (energy distributor), 21% from biogas, 38% from biomass and 25% from wind. It's worth noting that 4% of the energy from Biogas comes from a landfill located in Maranhão, to which the stores' garbage is destined.

Consumption MWh	in	Convencional	Biogas	Biomass	Wind	Total
Maranhão		2,064	183	7,952	5,302	15,501
Pará		808	4,402	-	-	5,210
Piauí		337	-	204	136	677
<b>Total</b>		<b>3,209</b>	<b>4,585</b>	<b>8,156</b>	<b>5,438</b>	<b>21,388</b>
<b>%</b>		<b>15%</b>	<b>21%</b>	<b>38%</b>	<b>25%</b>	<b>100%</b>

Thus, 85% of all the energy consumed by Grupo Mateus comes from clean sources with low environmental impact.

### Energy Efficiency Measures

Our stores and Distribution Centers have transparent tiles, which allow better use of natural light, reducing energy consumption with artificial lighting.

In addition, we have carried out Retrofit actions in our stores, exchanging outdated equipment (light bulbs, counters) for more modern and efficient ones, which pollute the environment less.

### Selective Collection

The selective collection process aims at the separation of residues for later valorization of the separated material. The objective of this process is to reduce the generation of residues that need to be disposed of in landfills.

Waste such as cardboard, plastics, and organics are selected and separated, according to their composition, and reused in reverse logistics.

### Disposal of Solid Waste of Civil Construction

The residues generated by our construction are correctly disposed of through licensed and specialized companies.

### **Reverse Logistics for Reuse**

This is a way to ensure that, after consumption, packaging is removed from landfills, dumps, and the environment. All cardboard and plastic material is physically segregated and sent on a daily basis to companies specialized in recycling and reusing packaging. The Group also discards the oil used on its operations in a secure manner, sending it to specialized companies.

### **Reuse in the Distribution Center (DC)**

The pallets used for storage and movement of goods are reused in the manufacturing of furniture for the Distribution Center.

The company is also concerned with water treatment in its operations, promoting the sustainable use of water resources and reducing the amount of sewage released into the environment. The water used for washing the trucks of the DC goes through a treatment and is reused in the washing process of the external areas of the location.

Finally, we reform or rebuild tires, taking advantage of the existing structure of the worn tire (flat), provided that the carcass is in good condition, and incorporating a new tread.

## **2. Social**

Grupo Mateus's social responsibility actions aim to encourage, strengthen, and expand internal practices to promote health, well-being, and quality of life of its employees; the reduction social inequality; to include disabled people in the labor market; and to offer opportunities to young people in the regions where we operate to build a fairer and more egalitarian society.

The social programs are carried out by encouraging internal volunteering. We also do social contribution work to help in the development of the communities where Grupo Mateus is located. Thus, social responsibility involves measures that bring culture and good conditions to society.

Due to the challenging scenario caused by the second wave of the COVID pandemic, Grupo Mateus committed to support the building of a field hospital in São Luís (Maranhão). The hospital has 80 beds, 10 of which are ICU beds.

### **Diversity**

The Group is constantly working to make sure that diversity is present in its workforce. In this sense, female leadership is essential to establish gender equality within the company. Today, 591 women occupy leadership positions, such as directors, coordination, management, and supervision, which represents

about 40% of the Group's leaders. We believe this number can be even higher, and we are working to increase it.

### 3. Governance

Since October 2020, Grupo Mateus has been listed in B3's Novo Mercado (New Market) and is reinforcing its commitment to the best Corporate Governance practices, valuing transparency, accountability and fairness of the information provided.

The Board of Directors is made up of five members, all of whom have the qualifications and experience necessary for the strategic direction of the company. Also, 40% of the directors are independent. The company also has an Audit Committee, which assists the board, composed of three members, all independent.

As a way of increasing transparency, the company has installed management support committees that discuss relevant strategic issues of the company, such as the following: digital strategy committee, financial services committee, expansion committee, and crisis committee.

Grupo Mateus is committed to applying transparent corporate governance in line with the long-term interests of shareholders and strengthening the transparency and independence of the Board of Directors.

## INCOME STATEMENT CONSOLIDATED AND COMBINED (2020 e Q4 20)\*

Income Statement (R\$ thousands)	4Q 20	4Q 19	Var (%)	2020	2019	Var (%)
<b>Net sales revenue</b>	3,635,296	2,372,506	53.2%	12,397,038	8,706,248	42.4%
Cost of services provided and goods sold	(2,781,021)	(1,887,849)	47.3%	(9,407,628)	(6,563,791)	43.3%
<b>Gross profit</b>	<b>854,275</b>	<b>484,656</b>	<b>76.3%</b>	<b>2,989,410</b>	<b>2,142,457</b>	<b>39.5%</b>
<b>Operating income (expenses)</b>						
Administrative, general and commercial expenses	(647,000)	(396,081)	63.4%	(2,149,427)	(1,645,414)	30.6%
Other net operating income (expenses)	(1,923)	(10,414)	-81.5%	(3,102)	(15,835)	-80.4%
	<b>(648,923)</b>	<b>(406,496)</b>	<b>59.6%</b>	<b>(2,152,529)</b>	<b>(1,661,249)</b>	<b>29.6%</b>
<b>Operating income before financial income/loss</b>	<b>205,352</b>	<b>78,161</b>	<b>162.7%</b>	<b>836,881</b>	<b>481,208</b>	<b>73.9%</b>
<b>Financial Income</b>						
Financial revenue	29,563	14,017	110.9%	83,477	73,974	12.8%
Financial expenses	(44,465)	(40,660)	9.4%	(195,820)	(173,928)	12.6%
<b>Total</b>	<b>(14,902)</b>	<b>(26,642)</b>	<b>-44.1%</b>	<b>(112,343)</b>	<b>(99,954)</b>	<b>12.4%</b>
<b>Profit before income and social contribution taxes</b>	<b>190,450</b>	<b>51,518</b>	<b>269.7%</b>	<b>724,539</b>	<b>381,254</b>	<b>90.0%</b>
Current income and social contribution taxes	5,004	(3,572)	-240.1%	(1,943)	(6,560)	-70.4%
Deferred income and social contribution taxes	(2,031)	(8,946)	-77.3%	3,673	(8,946)	-141.1%
<b>Total</b>	<b>2,973</b>	<b>(12,518)</b>	<b>-123.8%</b>	<b>1,730</b>	<b>(15,506)</b>	<b>-111.2%</b>
<b>Net income for the period</b>	<b>193,423</b>	<b>39,001</b>	<b>395.9%</b>	<b>726,269</b>	<b>365,748</b>	<b>98.6%</b>

\*Without IFRS 16

## BALANCE SHEET CONSOLIDATED AND COMBINED

Assets (R\$ thousands)	Dec/20	Dec/19
<b>Current assets</b>		
Cash and cash equivalents	2,112,385	406,905
Contas a receber	1,305,458	804,165
Inventories	2,617,533	1,518,243
Recoverable taxes	21,882	55,392
Other assets	8,758	11,772
<b>Total current assets</b>	<b>6,066,016</b>	<b>2,796,477</b>
<b>Total current assets</b>		
Financial investments	14,965	14,608
Related parties	22,166	70,740
Recoverable taxes	140,240	29,529
Other assets	1,619	904
Judicial deposits	14,757	11,912
Right-of-use assets	597,051	408,048
Intangible assets	450	450
Property, plant and equipment	1,341,447	860,773
<b>Total non-current assets</b>	<b>2,132,695</b>	<b>1,396,964</b>
<b>Total assets</b>	<b>8,198,711</b>	<b>4,193,441</b>

Liabilities (in R\$ thousands)	Dec/20	Dec/19
<b>Current liabilities</b>		
Trade payables	944,604	553,543
Loans and financing	32,022	161,359
Debentures	29,146	30,503
Labor liabilities	178,802	132,106
Tax liabilities	96,392	64,362
Payable taxes in installments	6,392	1,269
Lease liabilities	67,184	69,083
Other liabilities	6,788	17,719
<b>Total current liabilities</b>	<b>1,361,330</b>	<b>1,029,944</b>
<b>Non-current liabilities</b>		
Loans and financing	89,296	242,982
Debentures	442,031	473,606
Payable taxes in installments	23,353	4,614
Provision for risks	17,208	15,088
Lease liabilities	523,288	337,287
Related parties	34,665	97,980
<b>Total non-current assets</b>	<b>1,129,841</b>	<b>1,171,557</b>
<b>Equity</b>		
Share capital	4,780,929	1,144,169
Tax benefits reserve	778,155	752,661
AFAC - Advance for future capital increase	44,217	11,900
Legal reserve	40,955	44,195
Profit retention reserve	-	39,015
<b>Equity attributable to owners of the Company</b>	<b>5,644,256</b>	<b>1,991,940</b>
Equity attributable to noncontrolling interests	63,284	-
<b>Total shareholders' equity</b>	<b>5,707,539</b>	<b>1,991,940</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,198,711</b>	<b>4,193,441</b>



## IFRS 16 IMPACT – CONSOLIDATED INCOME STATEMENT

Income Statement (in R\$ thousands)	2020	IFRS16	2020 ex-IFRS	4Q 20	IFRS16	4Q 20 ex-IFRS
Net sales revenue	12,397,038		12,397,038	3,635,296		3,635,296
Cost of services provided and goods sold	(9,407,628)		(9,407,628)	(2,781,021)		(2,781,021)
<b>GROSS PROFIT</b>	<b>2,989,410</b>		<b>2,989,410</b>	<b>854,275</b>		<b>854,275</b>
<b>OTHER OPERATING INCOME (EXPENSES)</b>						
Administrative, general and commercial expenses	(1,924,601)	(107,439)	(2,032,040)	(581,898)	(29,111)	(611,009)
Depreciation	(192,022)	74,636	(117,386)	(55,744)	19,755	(35,989)
Other net operating income (expenses)	(3,102)		(3,102)	(1,923)		(1,923)
<b>OPERATING INCOME BEFORE FINANCE INCOME/LOSS</b>	<b>869,685</b>		<b>836,882</b>	<b>214,710</b>		<b>205,354</b>
<b>FINANCIAL INCOME</b>	<b>(145,146)</b>	<b>32,803</b>	<b>(112,343)</b>	<b>(24,259)</b>	<b>9,356</b>	<b>(14,903)</b>
<b>PROFIT BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES</b>	<b>724,539</b>		<b>724,539</b>	<b>190,451</b>		<b>190,451</b>
Income and social contribution taxes	1,730		1,730	2,973		2,973
<b>NET PROFIT FOR THE PERIOD</b>	<b>726,269</b>		<b>726,269</b>	<b>193,425</b>		<b>193,425</b>

Cash flow (in R\$ thousands)	2020	2019	Var. %
<b>Cash flows from operating activities</b>			
<b>Net income for the period</b>	<b>724,539</b>	<b>381,253</b>	90.0%
<b>Adjustments to reconcile the net income for the period to net cash provided by operating activities:</b>			
Depreciation and Amortization	117,386	149,963	-21.7%
Lease liabilities remeasurement	32,804	19,966	64.3%
Provision for obsolescence and breakages	(2,813)	3,230	-187.1%
Allowance for expected credit losses	17,471	860	1931.5%
Interest on loans, financing and debentures provisioned for	49,441	57,280	-13.7%
Property, plant and equipment disposals	2,924	1,102	165.3%
Provision for risks	2,120	12,166	-82.6%
<b>Operations resources</b>	<b>943,871</b>	<b>625,820</b>	<b>50.8%</b>
<b>Increase (decrease) in operating assets</b>			
Trade and other receivables	(518,764)	2,379	-21906.0%
Inventories	(1,096,477)	(98,554)	1012.6%
Recoverable taxes	(77,200)	(16,931)	356.0%
Judicial deposits	(2,845)	(1,919)	48.3%
Other assets	2,300	10,782	-78.7%
<b>Increase (decrease) in operating liabilities:</b>			
Trade and other payables	391,061	(149,829)	-361.0%
Labor and tax obligations	78,726	35,270	123.2%
Tax payables in installments	23,862	(1,278)	-1967.1%
Other liabilities	(10,931)	(5,950)	83.7%
Taxes paid	(1,943)	(6,560)	-70.4%
<b>Other liabilities</b>	<b>(268,341)</b>	<b>393,230</b>	<b>-168.2%</b>
Interest paid	(43,245)	(36,588)	18.2%
<b>Net cash provided by operations</b>	<b>(311,586)</b>	<b>356,642</b>	<b>-187.4%</b>
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	(600,985)	(215,729)	178.6%
Intangible assets	-	-	-
Investment in securities	(357)	6,575	-105.4%
<b>Net cash used in investment activities</b>	<b>(601,341)</b>	<b>(209,154)</b>	<b>187.5%</b>
<b>Cash flow from financing activities</b>			
Obtainment of loans and financing and debentures	690,665	367,761	87.8%
Related parties	(14,741)	3,627	-506.4%
Advance for future capital increase	32,317	-	-
Amortization of loans and financing and debentures	(1,004,569)	(275,436)	264.7%
Profit distribution	-	(39,062)	-
Social capital	3,025,913	15,690	19185.6%
Payment of lease liability	(111,178)	(85,072)	30.7%
<b>Net cash provided by (used in) financing activities</b>	<b>2,618,407</b>	<b>(12,492)</b>	<b>-21060.7%</b>

<b>Increase in cash and cash equivalents</b>	<b>1.705.481</b>	<b>134.996</b>	<b>1163,4%</b>
Cash and cash equivalents at the beginning of the period	406,905	271,909	49.6%
Cash and cash equivalents at period-end	2,112,386	406,905	419.1%
<b>Increase in cash and cash equivalents</b>	<b>1,705,481</b>	<b>134,996</b>	<b>1163.4%</b>

## CASH FLOW

## About Grupo Mateus

**Grupo Mateus** is the fourth largest food retail company in the country, with operations in supermarket retail, cash and carry, wholesale, furniture and household appliances, e-commerce, the bakery industry and slicing and portioning central.

## Investor Relations Contacts

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São Luís, March 24, 2021 - This document contains both historical information and forward-looking statements about the business prospects, projections on the Mateus Group's operating and financial results, based exclusively on the expectations of the Company's Management. These expectations depend, substantially, on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to change without prior notice. In the face of such uncertainties, Grupo Mateus assumes no obligation to update or revise any forward-looking statement in the future.

Additionally, as informed in the Financial Reports disclosed in the IPO process, on June 30, 2020, the Companies Posterus Supermercados Ltda. and Rio Balsas Participações e Empreendimentos Ltda. had their capital paid up on June 30, 2020, becoming wholly-owned subsidiaries of the Mateus Group. Therefore, in the financial reports presented in our financial statements and explanatory notes for this quarter, more specifically the base date December 31, 2019, we present the statutory consolidation which the companies mentioned were not part of the company's investments.

Accordingly, the Company opted to present in the Press Release the combined income statements (proforma) for the period of 4Q 19 (December 31, 2019), as it understands that these provide its readers with the comparability of the operations of the Mateus Group considering the corporate structure formed on June 30, 2020 and maintained for December 31, 2020. These combined income statements on the base date of December 31, 2019, do not represent the financial statements of any of the entities that are part of the Group in isolation, and should not be taken as a basis for the purpose of calculating dividends, taxes or for any other corporate purposes, being presented exclusively in the Press Release as pro forma and with the sole purpose of presenting the combined results as if the entities mentioned under common control were just a single entity.

**Finally, in order to better represent the economic scenario of the business, the figures are presented without the effect of IFRS 16 in the Income Statement in the periods in reference.**