



M. Dias Branco

Dream, accomplish, grow

Earnings Release 3Q23 | 9M23

November 10th, 2023



Eusébio (CE), November 10, 2023 – M. Dias Branco S.A. Indústria e Comércio de Alimentos (B3: MDIA3), leader in Brazil's cookies & crackers, pasta and healthy cookies markets, announces today its results for the third quarter of 2023 (3Q23) and first nine months of 2023 (9M23). The consolidated interim financial information has been developed pursuant to CPC 21 - Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

MDIA3

3Q23 WEBINAR RESULTS November 13, 2023

Time:

> Portuguese | English

11h00 (Brasília Time)

09h00 (New York Time)

Zoom Meetings registration:

[Click Here](#)

Live on Youtube:

[Click Here](#)

Share price:

Closing on 11/08/2023

MDIA3: R\$ 34.44 per share

Market Cap: R\$ 11.7 billion

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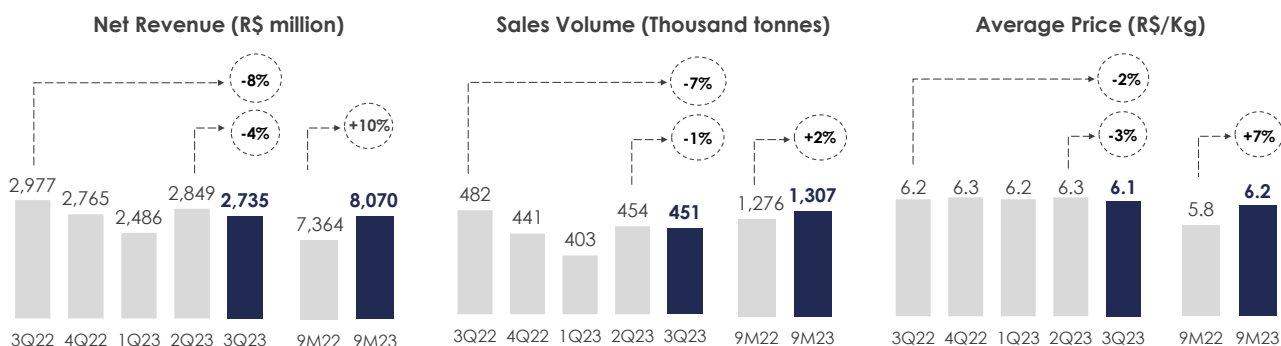
A quarter with recurring and consistent recovery in margins and a record cash generation

- Net income +33% vs. 3Q22;
- 🏆 EBITDA of R\$441 million;
- EBITDA Margin of 16.1%;
- 🏆 R\$973 million in operating cash generation.

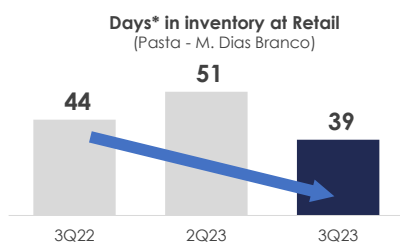
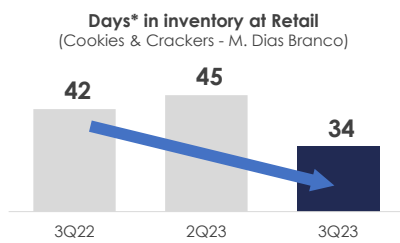
In 9M23, we recorded growth in Revenue, Volumes, Average Price, EBITDA, Net Income, Margins, and Operating Cash Generation

Payout ratio increased, from 60% to 80% and fixed quarterly payment from R\$0.05 to R\$0.06 per share

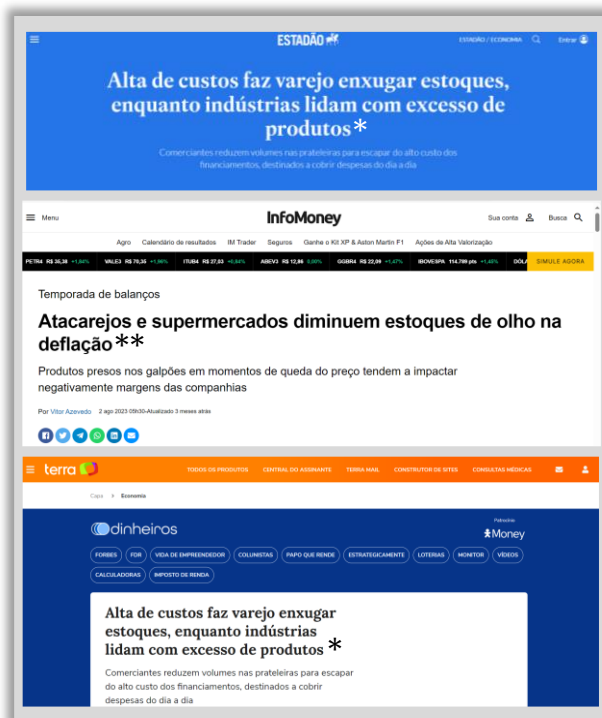
Net Revenue of R\$2.7 billion in 3Q23 and R\$8.1 billion in 9M23. In the first nine months of the year, we recorded double digit growth, with higher prices (+7%) and volumes (+2%). The retraction in 3Q23 versus 3Q22 was due to price reductions, with average prices increasing for cookies and pasta but falling for lower added value products, such as wheat flour and margarines & vegetable shortening, in line with the drop in the commodities market, and was also affected by the decline in volumes, in a scenario which retailers operated with lower inventory levels.



The news articles on the side indicate that retailers operated with lower inventory levels, which included lower inventory levels for M. Dias Branco's products at Retail, as shown in the charts below, causing a negative impact on sell-in (sales from the manufacturer to retailers).



*Source: Neogrid Direct/Indirect + Estimate C&C

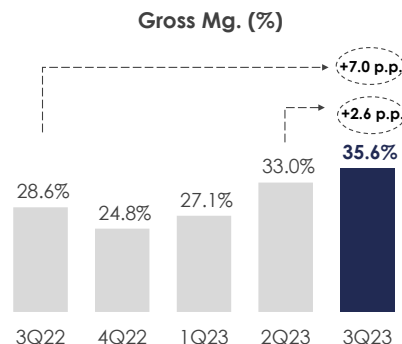


* Increase in costs force retailers to reduce inventories, while industries deal with excess products
** Cash and Carry/Retail reduce inventories in view of deflation

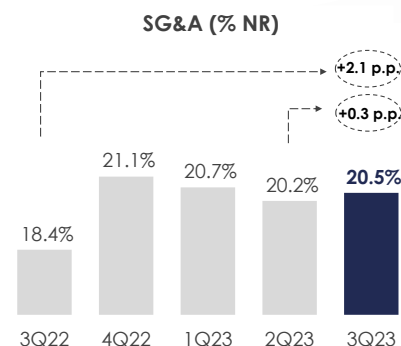
MARKET (Increase %)	COOKIES & CRACKERS		PASTA	
	YEAR	QUARTER	YEAR	QUARTER
Value	9%	4%	9%	2%
Volume	-1%	4%	1%	2%
Units	0%	4%	4%	4%
Average Price	10%	0%	8%	0%
Volume per Units	-1%	0%	-3%	-1%

Source: Nielsen – Retail Index. Total Brazil. INA+C&C. Cookies and Crackers / Pasta.
The variation in YEAR refers to the period of Jul/Aug 2023 vs. Jul/Aug 2022, and QUARTER refers to the period Jul/Aug 2023 vs. May/Jun 2023.

Increase in Gross margin, reaching out 35.6% in 3Q23 (+2.6 p.p. vs. 2Q23 and +7 p.p. vs. 3Q22), mainly due to the drop in variable costs (wheat and palm oil) and the good performance of higher added value products, such as the Piraquê brand, which accounted for 13% of total net revenue in the quarter (10% in 3Q22).

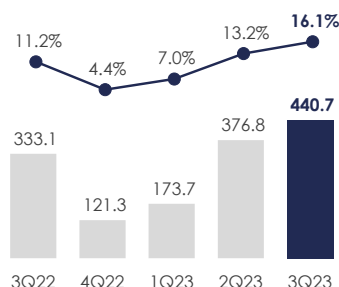


Administrative and Sales Expenses (SG&A as a percentage of Net Revenue) remain under control, at 20.5% of net revenue in 3Q23 (20.4% in 9M23), in line with previous quarters and maintaining the gains captured in the structuring initiatives carried out in recent years, such as the Multiplique Project and the Organizational Redesign.

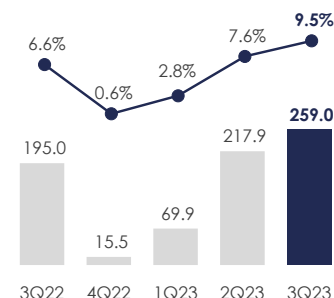


We reached a record EBITDA of R\$440.7 million in 3Q23, up by 32.3% over 3Q22 and 17.0% higher than in 2Q23. EBITDA margin was 16.1%, with consistent growth since 4Q22, due to: a) the increase in average price in the last quarters, mainly for cookies; b) cost reduction; c) control of expenses. **Net Income grew**

EBITDA (R\$ million) and EBITDA Mg. (% NR)



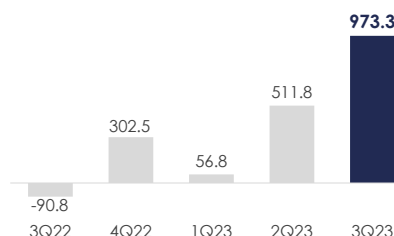
Net Profit (R\$ million) and Net Mg. (% NR)



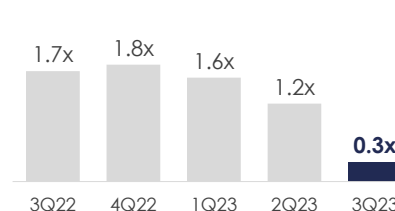
32.8% YoY and 18.9% QoQ, resulting from the expansion in EBITDA and the improvement in the financial result.

Net cash generated by operating activities reached R\$973.3 million, an historic record and 90.2% higher than in 2Q23, also reflecting the EBITDA growth and the releasing of working capital arising from inventory management, the drop in input prices, and higher supplier payment days.

Net Cash Generated from Operating Activities (R\$ million)



Leverage Net Debt / EBITDA last 12 months



We recorded, for the third consecutive quarter, a reduction in leverage (net debt/LTM EBITDA), to 0.3x in the quarter (1.2x in 2Q23), due to recurring improvement in the results and a strong cash generation.

OTHER HIGHLIGHTS:



Piraquê is the third most chosen food brand to be consumed outside the home, according to Kantar Brand Footprint 2023

In the 11th edition of Brand Footprint Brasil, produced by Kantar, which lists the brands most chosen by Brazilians in 2022, Piraquê was third place in the "Sweet Snacks" category for the ranking of the most consumed brands outside of homes¹.



Fitch Ratings reaffirmed our AAA National Long-term Rating with a stable outlook

The Fitch Ratings classification agency reaffirmed our 'AAA(bra)' National Long-term Rating with a stable outlook for the sixth consecutive year.



Transparency Trophy Award, by the sixth year, for the Quality of Financial Statements

The award promotes transparency and good business practices and is carried out by the National Association of Finance, Administration and Accounting Executives (ANEFAC).



We are part of IDIVERSA B3 portfolio

We are part of IDIVERSA B3, the first diversity index in Latin America, developed by B3, the Brazilian stock exchange.



Jasmine participates in the International Congress of Functional Nutrition

The Congress, one of the biggest events in this field, took place in São Paulo and had an exclusive stand for the Jasmine brand, offering the audience tastings and healthy novelties from its product portfolio.

See below the key consolidated results indicators for 3Q23 and 9M23, which include the results of Jasmine and Las Acacias as of Sep/22 and Nov/22, respectively.

¹ Source: Kantar, Brand Footprint 2023, Brazil

Financial and Operating Results	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
Net Revenue (R\$ million)	2,734.9	2,976.6	-8.1%	2,849.4	-4.0%	8,069.8	7,364.2	9.6%
Total Sales Volume (thousand tonnes)	450.5	482.2	-6.6%	454.1	-0.8%	1,307.4	1,276.2	2.4%
Cookies and Crackers Sales Volume (thousand tonnes)	129.7	153.2	-15.3%	133.1	-2.6%	379.6	392.9	-3.4%
Pasta Sales Volume (thousand tonnes)	87.6	99.4	-11.9%	90.1	-2.8%	257.0	265.4	-3.2%
Market Share of Cookies and Crackers (volume)*	31.3%	29.9%	1.4 p.p	32.0%	-0.7 p.p	32.1%	31.3%	0.8 p.p
Market Share of Pasta (volume)*	27.9%	30.1%	-2.2 p.p	28.1%	-0.2 p.p	29.4%	30.7%	-1.3 p.p
Net Income (R\$ million)	259.0	195.0	32.8%	217.9	18.9%	546.8	466.3	17.3%
EBITDA (R\$ million)	440.7	333.1	32.3%	376.8	17.0%	991.2	779.1	27.2%
EBITDA Margin	16.1%	11.2%	4.9 p.p	13.2%	2.9 p.p	12.3%	10.6%	1.7 p.p
Net Cash (Debt) (R\$ million)	-318.2	-1,659.9	-80.8%	-1,253.1	-74.6%	-318.2	-1,659.9	-80.8%
Net Cash (Debt) / EBITDA (last 12 months)	-0.3	-1.7	-82.4%	-1.2	-75.0%	-0.3	-1.7	-82.4%
Capex (R\$ million)	106.3	71.3	49.1%	71.9	47.8%	223.4	186.3	19.9%
Net Cash generated from operating activities	973.3	-90.8	n/a	511.8	90.2%	1,541.9	-219.1	n/a

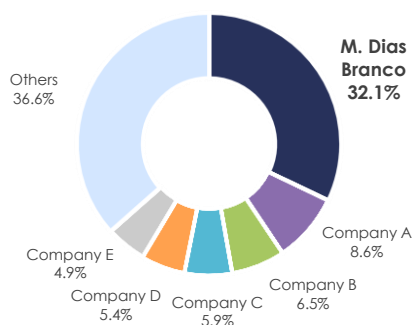
* The values presented in 3Q23 and 3Q22 are from the period of Jul/Aug 2023 and 2022.
The values presented in 2Q23 are from the period of May/Jun 2023.
The values presented in 9M23 and 9M22 are from the period of Jan to Aug 2023 and 2022.

MARKET AND OPERATIONAL HIGHLIGHTS

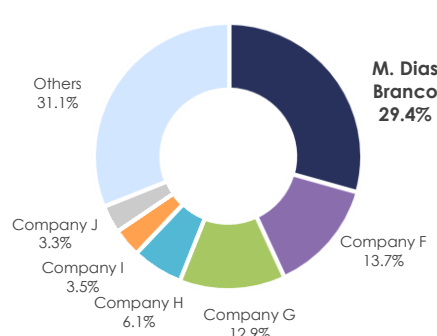
MARKET SHARE

The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookies & crackers and pasta markets, and its main competitors (from January to August 2023).

Market Share Cookies and Crackers* - Brazil
(% of volume sold)

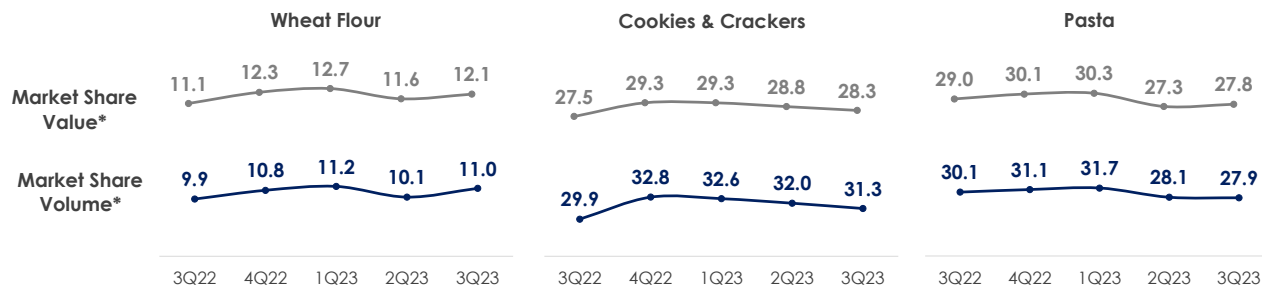


Market Share Pasta* - Brazil
(% of volume sold)



*Source: Nielsen – Retail Index, Total Brazil, INA+C&C, Cookies and Crackers / Pasta.

In the wheat flour category, we expanded our market share value and volume in relation to 3Q22 and 2Q23. In the cookies category, we ended 3Q23 with a growth in market share value and volume vs. 3Q22. In the pasta category, stability vs. 2Q23.



* Source: Nielsen – Retail Index, Total Brazil, INA+C&C.

SALES CHANNELS

Highlight for the representativeness increase in Cash & Carry.

Client Mix	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
Key Accounts / Regional Chains	21.2%	22.5%	-1.3 p.p	22.2%	-1 p.p	21.9%	22.3%	-0.4 p.p
Cash and Carry	25.8%	24.3%	1.5 p.p	24.5%	1.3 p.p	24.0%	23.1%	0.9 p.p
Wholesale	16.2%	18.2%	-2 p.p	16.6%	-0.4 p.p	17.1%	18.2%	-1.1 p.p
Small Retail	18.0%	17.9%	0.1 p.p	17.4%	0.6 p.p	18.1%	19.3%	-1.2 p.p
Distributors	12.6%	11.4%	1.2 p.p	13.3%	-0.7 p.p	12.6%	11.1%	1.5 p.p
Industry	3.1%	2.8%	0.3 p.p	2.8%	0.3 p.p	3.0%	3.0%	0 p.p
Other	3.1%	2.9%	0.2 p.p	3.2%	-0.1 p.p	3.3%	3.0%	0.3 p.p
TOTAL	100.0%	100.0%		100.0%		100.0%	100.0%	

Note: Client mix, considering gross revenue excluding discounts and returns.

Major Clients		Sales 3Q23 (R\$ million)*	Gross revenue excluding discounts and returns (%)		Sales 9M23 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	295.5	9.2%	9.2%	810.1	8.5%	8.5%
49 Subsequent	50	1,022.7	31.8%	41.0%	2,971.8	31.3%	39.8%
50 Subsequent	100	261.4	8.1%	49.1%	788.0	8.3%	48.1%
900 Subsequent	1,000	983.7	30.6%	79.7%	2,968.6	31.3%	79.4%
Other Clients	All clients	650.4	20.2%	99.9%	1,948.7	20.5%	99.9%
TOTAL		3,213.7			9,487.2		

*Gross revenue excluding discounts and returns.

PRODUCTION CAPACITY UTILIZATION RATE

The capacity utilization level decreased in 6.8 p.p. vs. 3Q22 and 4.0 p.p. vs. 2Q23 due to the drop of production volumes of 11.9% e 5.4%, respectively.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22
Total Production	131.3	158.4	88.1	107.4	392.3	425.9	42.2	50.8	3.9	4.5	657.8	747.0
Total Production Capacity	220.4	237.9	131.4	141.1	631.4	631.1	90.0	90.0	14.1	10.3	1,087.3	1,110.4
Capacity Utilization	59.6%	66.6%	67.0%	76.1%	62.1%	67.5%	46.9%	56.4%	27.7%	43.7%	60.5%	67.3%

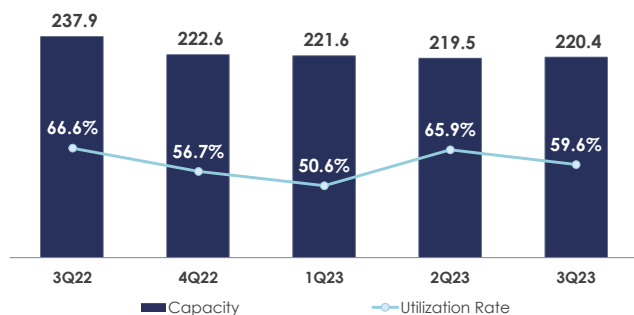
Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	3Q23	2Q23	3Q23	2Q23	3Q23	2Q23	3Q23	2Q23	3Q23	2Q23	3Q23	2Q23
Total Production	131.3	144.7	88.1	96.7	392.3	402.6	42.2	45.5	3.9	6.2	657.8	695.7
Total Production Capacity	220.4	219.5	131.4	129.8	631.4	624.5	90.0	90.0	14.1	14.4	1,087.3	1,078.2
Capacity Utilization	59.6%	65.9%	67.0%	74.5%	62.1%	64.5%	46.9%	50.6%	27.7%	43.1%	60.5%	64.5%

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22	9M23	9M22
Total Production	388.2	417.7	270.0	284.5	1,149.7	1,146.0	126.1	132.7	15.7	13.5	1,949.7	1,994.4
Total Production Capacity	661.5	720.8	393.4	421.3	1,873.6	1,872.6	270.0	270.0	42.1	31.0	3,240.6	3,315.7
Capacity Utilization	58.7%	57.9%	68.6%	67.5%	61.4%	61.2%	46.7%	49.1%	37.3%	43.5%	60.2%	60.2%

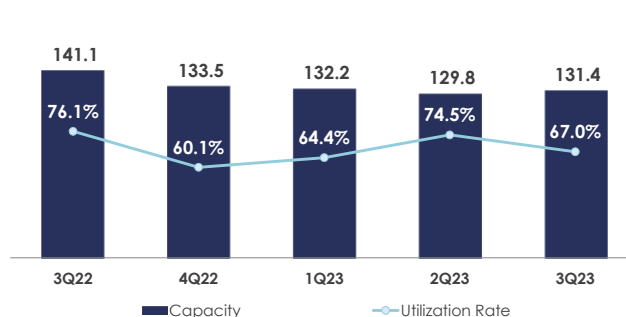
*Thousand tonnes.

**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

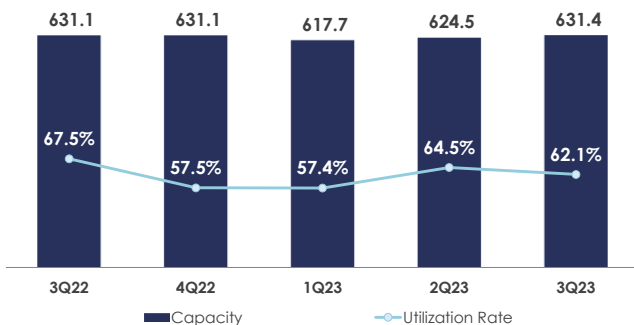
Production Capacity (thousand tonnes) and Utilization Rate - Cookies and Crackers (%)



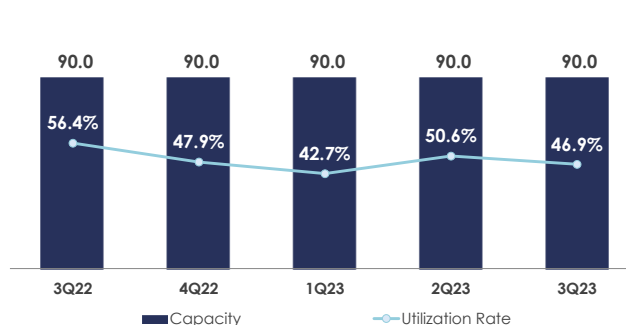
Production Capacity (thousand tonnes) and Utilization Rate - Pasta (%)



Production Capacity (thousand tonnes) and Utilization Rate - Wheat Flour and Bran (%)



Production Capacity (thousand tonnes) and Utilization Rate - Margarine and Vegetable Shortening (%)



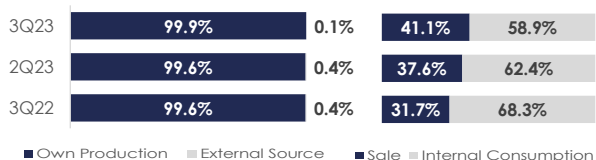
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in the plants, etc.

VERTICALIZATION

We maintained the high vertical integration level of the two main inputs. In 3Q23, 99.9% of wheat flour and 100.0% of vegetable shortening consumed were internally produced.



Wheat flour



Vegetable shortening



ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

Net revenue declined by 8.1% in 3Q23 vs. 3Q22, reflecting the drop in volumes sold and a lower average price, by 6.6% and 1.6%, respectively. The reduction in average price reflects the drop in the wheat flour & bran and the margarine & vegetable shortening categories, which followed the trend for commodity prices.

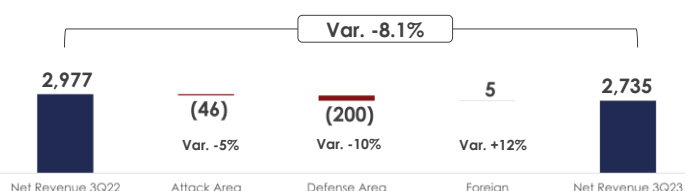
Segment	3Q23			3Q22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,432.4	129.7	11.04	1,560.7	153.2	10.19	-8.2%	-15.3%	8.3%
Pasta	564.6	87.6	6.45	606.5	99.4	6.1	-6.9%	-11.9%	5.7%
Wheat Flour and Bran	477.8	207.7	2.3	518.4	200.7	2.58	-7.8%	3.5%	-10.9%
Margarine and Vegetable Shortening	158.5	19.9	7.96	200.2	23.3	8.59	-20.8%	-14.6%	-7.3%
Other products**	101.6	5.6	18.14	90.8	5.6	16.21	11.9%	0.0%	11.9%
TOTAL	2,734.9	450.5	6.07	2,976.6	482.2	6.17	-8.1%	-6.6%	-1.6%

*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

By region, the decrease in net revenue was due to the drop in volumes, in a context that retailers operated with lower inventory levels, as well as the decline in averages prices in wheat flour & bran and the margarine & vegetable shortening categories, mainly in the Defense region (North and Northeast).

Variation in Net Revenue by Regions 3Q23 vs. 3Q22 (R\$ million)



Launches: 17 products, with highlights to healthy options, such as the corn biscuit and gluten-free tapioca bites from the Jasmine brand, the Richester ramen, and cookies and pasta for export.



Investments in marketing and sales: Highlight for the campaigns “Neologio”, from Adria, with Claude Troisgros; “Família Maltado”, from Piraquê, with Ludmilla; and “Vitarella no São João tem diferença”.

Participation in events: We were present in food fairs and congresses, highlighting FIPAN, Expoagas, and XVII International Congress of Functional Nutrition, with exclusive Jasmine stand.



In 3Q23 vs. 2Q23, net revenue decreased 4.0%, due to the drop in volumes by 0.8% and average price decrease by 3.2%.

Segment	3Q23			2Q23			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,432.4	129.7	11.04	1,466.4	133.1	11.02	-2.3%	-2.6%	0.2%
Pasta	564.6	87.6	6.45	589.8	90.1	6.55	-4.3%	-2.8%	-1.5%
Wheat Flour and Bran	477.8	207.7	2.3	494.6	202.3	2.44	-3.4%	2.7%	-5.7%
Margarine and Vegetable Shortening	158.5	19.9	7.96	178.6	21.5	8.31	-11.3%	-7.4%	-4.2%
Other products**	101.6	5.6	18.14	120.0	7.1	16.9	-15.3%	-21.1%	7.3%
TOTAL	2,734.9	450.5	6.07	2,849.4	454.1	6.27	-4.0%	-0.8%	-3.2%

*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

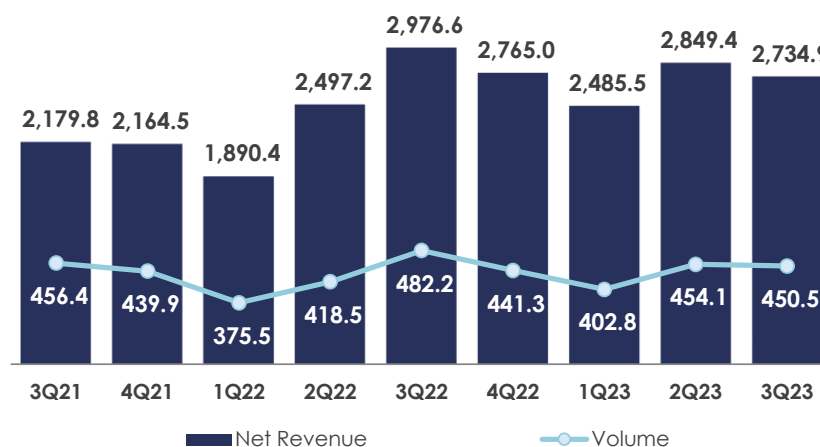
In 9M23 vs. 9M22, net revenue grew by 9.6% due to the rise in volumes by 2.4% and average price 6.9% higher. Highlight for the average price increases for cookies and crackers by 13.3% and pasta by 11.8%.

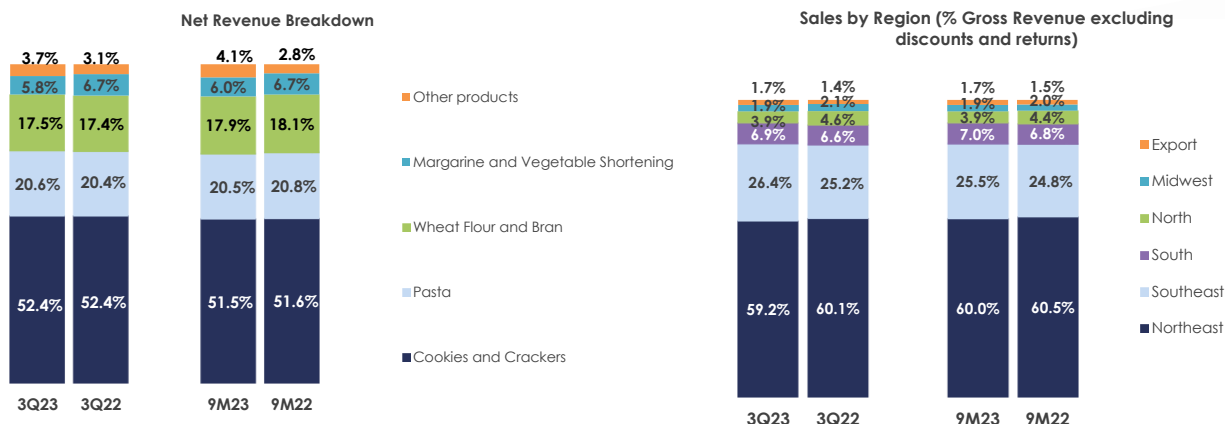
Segment	9M23			9M22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	4,152.9	379.6	10.94	3,796.8	392.9	9.66	9.4%	-3.4%	13.3%
Pasta	1,658.1	257.0	6.45	1,531.0	265.4	5.77	8.3%	-3.2%	11.8%
Wheat Flour and Bran	1,448.5	593.2	2.44	1,333.1	546.2	2.44	8.7%	8.6%	0.0%
Margarine and Vegetable Shortening	483.0	58.7	8.23	491.2	58.0	8.47	-1.7%	1.2%	-2.8%
Other products**	327.3	18.9	17.32	212.1	13.7	15.48	54.3%	38.0%	11.9%
TOTAL	8,069.8	1,307.4	6.17	7,364.2	1,276.2	5.77	9.6%	2.4%	6.9%

*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

Net Revenue (R\$ million) and Net Volume (thousand tonnes)





HIGHLIGHTS – COOKIES & CRACKERS | PASTA

The cookies and pasta categories recorded a drop in net revenue versus 3Q22 and 2Q23.

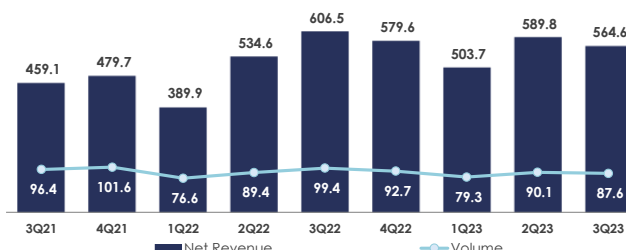
In the cookies category, the retraction mainly reflects the context in which retailers operated with lower inventory levels. Particularly in the pasta category, compared to 2Q23, we also had the impact of the packaging weight reduction.

In the cookies category, the gross revenue from products/flavors launched in the last 24 months reached out R\$87.8 million in 3Q23, increasing 97.9% vs. 3Q22 and 18.2% higher vs. 2Q23, totaling 119 launches (117 in 3Q22 and 134 in 2Q23).

Cookies and Crackers - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



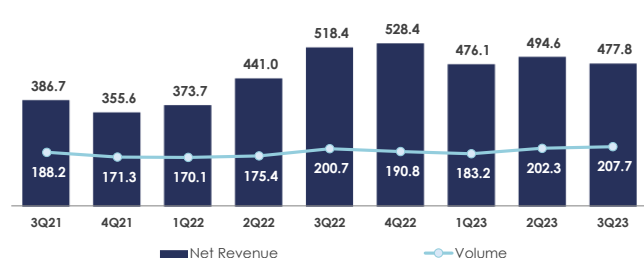
Pasta - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



HIGHLIGHTS – WHEAT FLOUR AND BRAN | MARGARINE AND VEGETABLE SHORTENING

Net revenue decreased in flour and bran and margarine and shortening in 3Q23 over 3Q22 and 2Q23, due to the drop in average prices, which follow the trend for the commodity prices wheat and palm oil.

Wheat Flour and Bran - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



COSTS

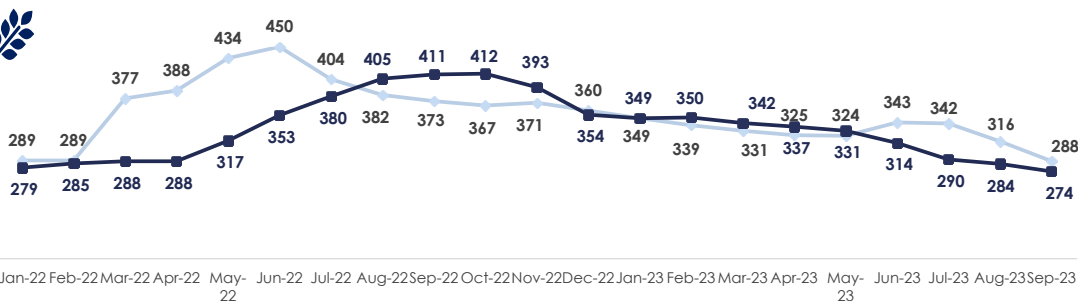
(million)	3Q23	% Net Rev.	3Q22	% Net Rev.	Variation	2Q23	% Net Rev.	Variation	9M23	% Net Rev.	9M22	% Net Rev.	Variation
Raw material	1,274.0	46.7%	1,699.6	57.1%	-24.9%	1,448.8	50.8%	-11.9%	4,079.3	50.6%	3,968.1	53.9%	2.8%
Wheat	775.5	28.4%	1,085.2	36.5%	-28.5%	890.0	31.2%	-12.9%	2,531.5	31.4%	2,520.1	34.2%	0.5%
Vegetable Oil	263.5	9.6%	373.8	12.6%	-29.5%	304.1	10.7%	-13.4%	843.3	10.5%	855.2	11.6%	-1.4%
Sugar	74.7	2.7%	80.4	2.7%	-7.1%	76.2	2.7%	-2.0%	216.9	2.7%	208.6	2.8%	4.0%
Third Party Flour	2.3	0.1%	2.5	0.1%	-8.0%	2.3	0.1%	0.0%	6.9	0.1%	5.8	0.1%	19.0%
Third Party Vegetable Shortening	0.0	0.0%	0.1	0.0%	-100.0%	0.1	0.0%	-100.0%	0.1	0.0%	0.2	0.0%	-50.0%
Other	160.0	5.9%	157.6	5.3%	1.5%	176.1	6.2%	-9.1%	480.6	6.0%	378.2	5.1%	27.1%
Packages	167.2	6.1%	188.5	6.3%	-11.3%	173.2	6.1%	-3.5%	488.6	6.1%	475.6	6.5%	2.7%
Labor	209.1	7.6%	189.1	6.4%	10.6%	210.4	7.4%	-0.6%	626.3	7.8%	522.7	7.1%	19.8%
Indirect costs	163.4	6.0%	173.6	5.8%	-5.9%	167.4	5.9%	-2.4%	494.5	6.1%	454.3	6.2%	8.8%
Depreciation and amortization	52.1	1.9%	46.4	1.6%	12.3%	52.6	1.8%	-1.0%	155.5	1.9%	135.1	1.8%	15.1%
Other	5.4	0.2%	17.4	0.6%	-69.0%	3.9	0.1%	38.5%	27.8	0.3%	36.9	0.5%	-24.7%
Total	1,873.2	68.5%	2,314.6	77.8%	-19.1%	2,056.3	72.2%	-8.9%	5,872.0	72.8%	5,592.7	75.9%	5.0%

COGS accounted for 68.5% of net revenue in 3Q23, reducing 9.3 p.p. over 3Q22 and 3.7 p.p. over 2Q23, due to the decrease in variable costs given the drop in commodity prices, as observed in the charts below.

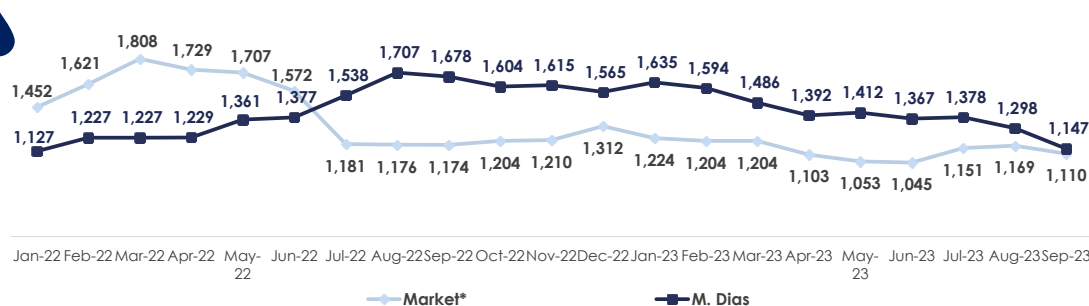
WHEAT
(US\$/TON.)



Average Purchase Price M. Dias Branco x Market Price



PALM OIL
(US\$/TON.)



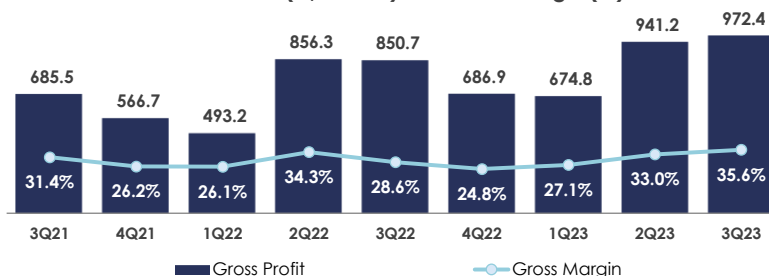
*Source: Wheat - SAFRAS & Mercado; Palm oil - Rotterdam.

GROSS PROFIT

Gross profit, in nominal terms, increased by 14.3% in 3Q23 vs. 3Q22, and was 3.3% higher than in 2Q23, with growth in gross margin, reaching 35.6%.

Gross profit includes subsidies for state investments, which totaled R\$110.7 million in 3Q23 (R\$188.7 million in 3Q22), which are recorded in the income statement according to accounting pronouncement CPC 07 – Government Subsidies.

Gross Profit (R\$ million) and Gross Margin (%)



OPERATING EXPENSES

To provide a better understanding of the changes in operating expenses, we report sales and administrative expenses (SG&A) separately from other operating expenses (donations, taxes, depreciation and amortization and others), as shown below:

Operating Expenses (R\$ million)	3Q23	% Net Rev.	3Q22	% Net Rev.	Variation	2Q23	% Net Rev.	Variation	9M23	% Net Rev.	9M22	% Net Rev.	Variation
Selling*	482.1	17.6%	471.9	15.9%	2.2%	492.4	17.3%	-2.1%	1,411.6	17.5%	1,252.5	17.0%	12.7%
Administrative	77.7	2.8%	73.6	2.5%	5.6%	81.8	2.9%	-5.0%	235.7	2.9%	201.7	2.7%	16.9%
SELLING AND ADMINISTRATIVE EXPENSES TOTAL	559.8	20.5%	545.5	18.4%	2.6%	574.2	20.2%	-2.5%	1,647.3	20.4%	1,454.2	19.7%	13.3%
Donations	6.3	0.2%	3.8	0.1%	65.8%	7.2	0.3%	-12.5%	24.2	0.3%	14.0	0.2%	72.9%
Taxes	10.1	0.4%	8.5	0.3%	18.8%	8.2	0.3%	23.2%	26.3	0.3%	22.7	0.3%	15.9%
Depreciation and amortization	38.7	1.4%	34.9	1.2%	10.9%	37.1	1.3%	4.3%	112.6	1.4%	98.4	1.3%	14.4%
Other operating expenses/(revenue)	9.7	0.4%	4.9	0.2%	98.0%	26.5	0.9%	-63.4%	55.3	0.7%	62.3	0.8%	-11.2%
TOTAL	624.6	22.8%	597.6	20.1%	4.5%	653.2	22.9%	-4.4%	1,865.7	23.1%	1,651.6	22.4%	13.0%

*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

Operating expenses remain under control, with SG&A as a percentage of net revenue at the level of 20.5%. The 2.6% increase in nominal terms vs. 3Q22 resulted from the collective bargaining on salaries, inflation and inclusion of operating expenses of acquired companies in 2022. Compared to 2Q23, the decrease in nominal terms is mainly due to the drop in sales volumes by 0.8%.

FINANCIAL RESULT

Financial Result (R\$ million)	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
Financial Revenue	85.5	64.0	33.6%	113.0	-24.3%	282.7	268.1	5.4%
Financial Expenses	-119.8	-133.5	-10.3%	-168.0	-28.7%	-430.1	-397.9	8.1%
TOTAL	-34.3	-69.5	-50.6%	-55.0	-37.6%	-147.4	-129.8	13.6%

In 3Q23, we reported a negative result of R\$34.3 million, decrease by 50.6% vs. 3Q22 and 37,6% lower than in 2Q23. The reduction vs. 3Q22 was due to a higher level of revenue from financial investments, resulting from the increase in cash and cash equivalents, from R\$0.4 billion in 3Q22 to R\$1.8 billion in 3Q23, and lower contracting costs for NDFs² on hedging operations.

Compared to 2Q23, the improvement in the financial result reflects the increase in revenue from financial investments and lower financing expenses given the reduction in gross debt, from R\$2.4 billion in 2Q23 to R\$2.2 billion in 3Q23.

TAXES ON INCOME

We closed 3Q23 with R\$56.6 million provision for income tax and social contribution vs. income tax and social contribution reversal of R\$12.7 million in 3Q22. Provisioning reflects the generation of taxable income given the 73.1% increase in income before income tax and social contribution, and the decrease in state subsidies (exclusion basis for calculating income tax and social contribution) with the drop in wheat cost.

In 9M23, we recorded a provision of R\$28.9 million, compared to a reversal of R\$50.5 million in 9M22.

² NDF: Non-Deliverable Forward

Income and Social Contribution Taxes (R\$ million)	3Q23	3Q22	Variation	9M23	9M22	Variation
Income and Social Contribution Taxes	56.6	-12.7	-546.0%	28.9	-51.0	n/a
Income Tax Incentive	0.0	0.0	n/a	0.0	0.5	-100.0%
TOTAL	56.6	-12.7	-545.7%	28.9	-50.5	n/a

GOODWILL

As of 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition, currently totaling R\$230.5 million, which will be amortized over a minimum period of five years. This amount considers the effectively paid portion of the acquisition price (acquisition price of R\$1.5 billion, less the retained portion of the acquisition price of R\$123.2 million). However, we expect to fully use the transaction goodwill, in the amount of R\$361.6 million.

Latinex was incorporated by Jasmine on August 1, 2023. As of September, Jasmine initiated the tax amortization of the goodwill arising from the acquisition, in the amount of R\$156.1 million. Amortization will also occur over a minimum period of five years.

In 3Q23, the Company recorded R\$5.2 million in tax benefit from amortization. This amount was R\$13.0 million in 9M23.

EBITDA AND NET INCOME

In 3Q23, EBITDA was R\$440.7 million, increasing by 32.3% vs. 3Q22 and 17.0% higher than 2Q23. Highlight for the EBITDA margin of 16.1% (11.2% in 3Q22 e 13.2% in 2Q23) and net income of R\$ 259.0 million, with an increase of 32.8% vs. 3Q22 and 18.9% higher than 2Q23.

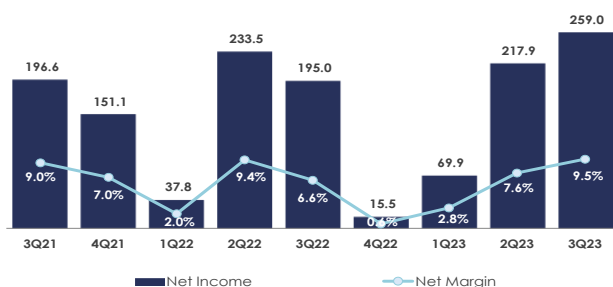
EBITDA – NET INCOME

CONCILIATION (R\$ million)	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
Net Profit	259.0	195.0	32.8%	217.9	18.9%	546.8	466.3	17.3%
Income Tax and Social Contribution	56.6	-12.7	n/a	14.2	n/a	28.9	-51.0	n/a
Income Tax Incentive	0.0	0.0	n/a	0.0	n/a	0.0	0.5	-100.0%
Financial Revenue	-85.5	-64.0	33.6%	-113.0	-24.3%	-282.7	-268.1	5.4%
Financial Expenses	119.8	133.5	-10.3%	168.0	-28.7%	430.1	397.9	8.1%
Depreciation and Amortization of cost of goods	52.1	46.4	12.3%	52.6	-1.0%	155.5	135.1	15.1%
Depreciation and Amortization of expenses	38.7	34.9	10.9%	37.1	4.3%	112.6	98.4	14.4%
EBITDA	440.7	333.1	32.3%	376.8	17.0%	991.2	779.1	27.2%
EBITDA Margin	16.1%	11.2%	4.9 p.p	13.2%	2.9 p.p	12.3%	10.6%	1.7 p.p

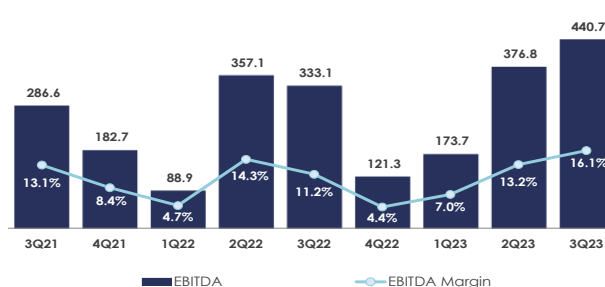
EBITDA – NET REVENUE

CONCILIATION (R\$ million)	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
Net Revenue	2,734.9	2,976.6	-8.1%	2,849.4	-4.0%	8,069.8	7,364.2	9.6%
Cost of goods sold	-1,873.2	-2,314.6	-19.1%	-2,056.3	-8.9%	-5,872.0	-5,592.7	5.0%
Depreciation and Amortization of cost of goods	52.1	46.4	12.3%	52.6	-1.0%	155.5	135.1	15.1%
Tax Incentive (ICMS)	110.7	188.7	-41.3%	148.1	-25.3%	390.6	428.7	-8.9%
Operating Expenses	-624.6	-597.6	4.5%	-653.2	-4.4%	-1,865.7	-1,651.6	13.0%
Equity in net income of subsidiaries	2.1	-1.3	n/a	-0.9	n/a	0.4	-3.0	n/a
Depreciation and Amortization of expenses	38.7	34.9	10.9%	37.1	4.3%	112.6	98.4	14.4%
EBITDA	440.7	333.1	32.3%	376.8	17.0%	991.2	779.1	27.2%
EBITDA Margin	16.1%	11.2%	4.9 p.p	13.2%	2.9 p.p	12.3%	10.6%	1.7 p.p

Net Profit (R\$ million) and Net Margin (%)



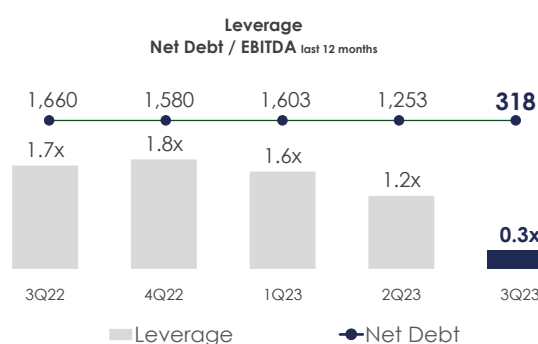
EBITDA (R\$ million) and EBITDA Margin (%)



DEBT, CAPITALIZATION AND CASH

We closed 3Q23 with a cash position of R\$1.8 billion (R\$0.4 billion in 3Q22 and R\$1.2 billion in 2Q23). The leverage (net debt/LTM EBITDA) was 0.3x (1.7x in 3Q22 and 1.2x in 2Q23).

Capitalization (R\$ million)	9/30/2023	9/30/2022	Variation
Cash	1,825.7	420.7	334.0%
Linked deposits	1.1	203.6	-99.5%
Financial Investments Short Term	19.9	18.6	7.0%
Financial Investments Long Term	1.6	2.2	-27.3%
Total Indebtedness	-2,163.1	-2,071.0	4.4%
(-) Short Term	-638.0	-414.6	53.9%
(-) Long Term	-1,525.1	-1,656.4	-7.9%
(-) Derivatives Financial Instruments	3.4	-234.0	-98.5%
(=) Net Cash (Net Debt)	-3,318.2	-1,659.9	-80.8%
Shareholder's Equity	7,295.6	6,592.0	10.7%
Capitalization	9,458.7	8,663.0	9.2%



In 3Q23, 70.5% of the debt was in the long term, and we maintained the Rating AAA Stable Outlook, reaffirmed by Fitch for the 6th consecutive year.

Consolidated Debt (R\$ million)	Index	Interest (year)	9/30/2023	% Debt	9/30/2022	% Debt	Variation
Domestic Currency:			1,333.6	61.7%	1,307.3	63.1%	2.0%
BNDES - FINAME	TJLP	2.17%	3.2	0.1%	7.2	0.3%	-55.6%
BNDES - PSI	R\$	3.58% (3.16% on 09/30/22)	1.7	0.1%	20.5	1.0%	-91.7%
BNDES - FINEM	IPCA	8.57% (8.57% on 09/30/22)	10.6	0.5%	20.2	1.0%	-47.5%
BNDES - PROGEREN	IPCA	6.28%	0.0	0.0%	24.3	1.2%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	31.1	1.4%	19.0	0.9%	63.7%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	11.1	0.5%	5.0	0.2%	n/a
Working Capital	100% CDI	0.76%	0.0	0.0%	101.3	4.9%	-100.0%
Working Capital	IPCA	6.93%	128.8	6.0%	-	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	4.8	0.2%	4.5	0.2%	6.7%
Investment of assignment of Estrela's shares	100% CDI	-	7.3	0.3%	11.4	0.6%	-36.0%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	0.7	0.0%	0.7	0.0%	0.0%
Investment of assignment of Piraquê's shares	100% CDI	-	137.1	6.3%	148.9	7.2%	-7.9%
Investment of assignment of Latinex's shares	100% CDI	-	88.8	4.1%	99.0	4.8%	-10.3%
Investment of assignment of Jasmine's shares	100% CDI	-	0.0	0.0%	15.0	0.7%	-100.0%
Investment of assignment of Las Acacias' shares	100% CDI	-	24.1	1.1%	0.0	0.0%	n/a
Debentures	IPCA	3,7992% and 4,1369%	884.3	40.9%	830.3	40.1%	6.5%
Foreign Currency:			829.5	38.3%	763.7	36.9%	8.6%
Working Capital (Law 4,131) and export	USD	3.19% (2.36% on 09/30/22)	810.0	37.4%	763.7	36.9%	6.1%
Working Capital	UYU	10.64%	19.5	0.9%	0.0	0.0%	n/a
TOTAL			2,163.1	100.0%	2,071.0	100.0%	4.4%

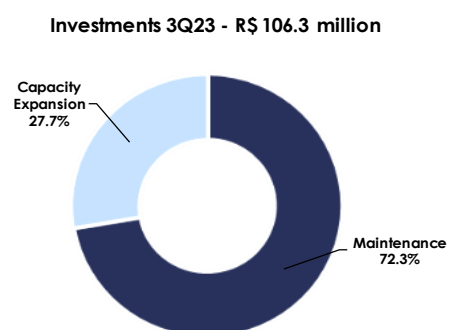
On September 30, 2023, the Company had five swap contracts to hedge working capital financing in foreign currency maturing until December 22, 2025, in which the long leg receives, on average, the dollar plus 3.36% p.a. interest rate, and the short leg pays, on average, CDI plus 0.85% p.a. rate with a notional reference value of R\$813.3 million and fair value payable of R\$96.1 million.

To hedge the debenture issues and working capital indexed to the IPCA, the Company had 43 swap contracts, all of which maturing until March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.35% p.a., and the short leg pays, on average, the CDI plus 0.29% p.a. The notional reference values totaled R\$931.6 million for current contracts, and the gross fair value receivable of all derivative instruments totaled R\$76.0 million on September 30, 2023.

At the end of 3Q23, debentures totaled R\$884.3 million net of the unamortized balance of transaction costs of R\$32.5 million.

INVESTMENTS

Investments (R\$ million)	3Q23	3Q22	Variation	9M23	9M22	Variation
Buildings	20.8	6.8	n/a	39.6	19.6	n/a
Machinery and equipment	41.2	35.7	15.4%	92.8	78.7	17.9%
Construction in progress	13.1	6.9	89.9%	21.5	19.2	12.0%
Vehicles	0.0	0.4	-100.0%	0.0	0.7	-100.0%
IT Equipment	2.3	3.1	-25.8%	3.6	6.7	-46.3%
Furniture and Fixtures	2.0	1.9	5.3%	4.8	5.8	-17.2%
Software Use License	26.6	15.8	68.4%	59.9	54.3	10.3%
Others	0.3	0.7	-57.1%	1.2	1.3	-7.7%
Total	106.3	71.3	49.1%	223.4	186.3	19.9%

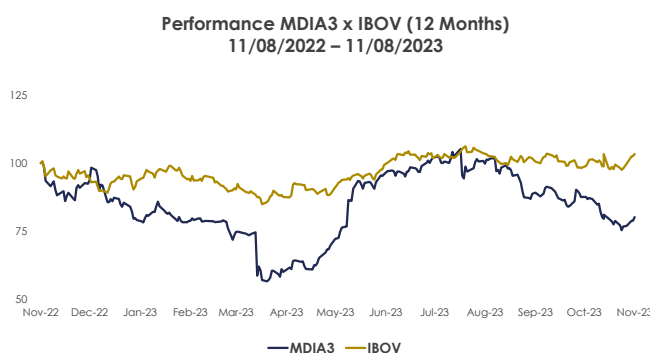
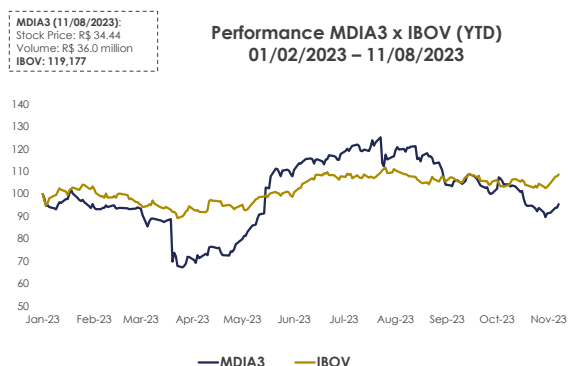


In 3Q23, investments totaled R\$ 106.3 million (+49.1% vs. 3Q22), distributed between expansion and maintenance. We highlight investments in systems, because of the implementation of the new ERP³ (Simplifique project).

³ ERP: Enterprise Resource Planning

CAPITAL MARKET

The Company's shares are traded on B3 (Brasil, Bolsa e Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On **September 30, 2023**, there were 66,386,873 outstanding shares, representing 19.6% of the Company's capital stock, priced at **R\$36.53** each, totaling **R\$2,425.1 million**. The average trading volume was **5,400** in 3Q23 (7,622 in 3Q22), and the average daily trading financial volume was **R\$48.2 million** in 3Q23 (R\$53.8 million in 3Q22).



MDIA
B3 LISTED NM

IBRA B3

IBRX100 B3

ICO2 B3

ICON B3

IGC B3

IDIVERSA B3

MSCI
ESG RATINGS



IGCT B3

INDX B3

ISE B3

ITAG B3

MLCX B3

IGC-NMB3

CCC B BB BBB A AA AAA

MAIN ADMINISTRATIVE FACTS

Approval of the Financial Statements

At the meeting of the Board of Directors held on November 10, 2023, the following was approved: (i) the Interim Financial Information (ITR) for the period ended September 30, 2023; and (ii) other provisions.

Fitch Ratings reaffirmed our 'AAA(bra)' National Long-term Rating

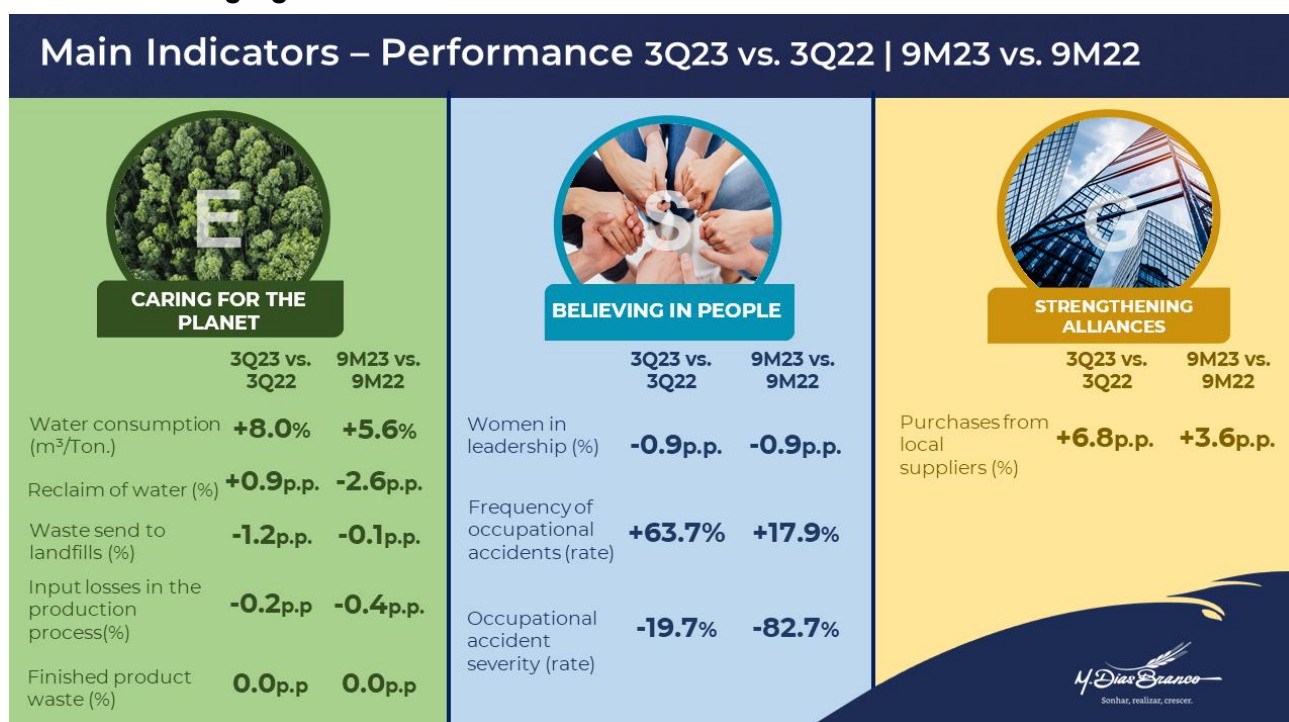
On September 14, the Company announced to the market that Fitch Ratings reaffirmed our 'AAA(bra)' National Long-term Rating with a stable outlook, classified by Fitch Ratings, for the sixth consecutive year.

Approval of the Revision in the Policy of Shareholders Remuneration

It was approved at the meeting of the Board of Directors on November 10, 2023, the Revision of the Policy of Shareholders Remuneration, with the increase in payout ratio from 60% to 80% and fixed quarterly payment from R\$0.05 to R\$0.06.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

M. Dias Branco has a Strategic Sustainability Agenda with 18 public goals that will be achieved by 2030. These goals address relevant themes for our business and stakeholders, according to the following ESG pillars: Environmental (Caring for the Planet), Social (Believing in People) and Governance (Strengthening Alliances). The performance of public targets can be monitored on the Company's website (<https://mdiasbranco.com.br/en/sustainability-agenda/>). Below are the **main indicators and highlights**⁴ of 3Q23 and 9M23.



Water consumption index: The increase in consumption is explained by the emptying and cleaning procedures for our water reservoirs.

Water reuse: Water reuse increased in the quarter. The result in 9M23 continues to be impacted by the rain season, which makes the consumption of reused water unfeasible.

Waste sent to landfills: In 3Q23, we advanced with the reduction of waste sent to landfills by developing partnerships and waste destinations, as well as optimizing waste sorting. We currently have three units that sent zero waste to landfills.

Input losses in the production process: The good performance continues, resulting from the automation and modernization of equipment in specific units, in addition to a product mix that favors a more stable production plan.

Waste of finished products: There was no significant variation in this indicator.

Women in leadership positions: We advanced with affirmative actions and practices that favor women occupying management positions. The results achieved during the year still reflect the restructuring process carried out in the Commercial area.

Frequency and severity of occupational accidents: The number of accidents increased, however, the severity rate dropped.

Purchases from local suppliers: We continue to advance in the purchases of raw materials from local suppliers.

⁴ It should be noted that the indicators do not include the subsidiaries Jasmine and Las Acacias.

Below are the main advances of 3Q23:



We held the **2023 Diversity Week** with training, speeches, and podcasts on themes such as deconstructing stereotypes, the relevance of psychological safety, and the importance of promoting an inclusive culture. More than 8.3 thousand people participated in these actions.



The Company was listed on IDIVERSA, the first diversity index focused on gender and race launched by the Brazilian stock exchange. The index, which is based on public data, recognizes companies that stand out in diversity and that promote greater representativeness of women, blacks, and indigenous people.



We held the **Ethics and Governance Week** with training, podcasts, and live sessions to address the theme “Ethics and governance serving the purpose and longevity of the business: Trust and value generation at the core of our decision-making process”. More than 4.9 thousand people participated in these actions.



The review of our strategic guidance was approved by the Board of Directors in August 2023. The executive and statutory boards, with the support of external consultants, reviewed the strategy for the next 5 years (2024-2028 cycle) in a collaborative and integrated way.

FINANCIAL STATEMENTS

Pursuant to CPC 26 – Presentation of Financial Statements, we classify expenses by function in the Income Statement. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 29 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	3Q23	3Q22	Variation	2Q23	Variation	9M23	9M22	Variation
NET REVENUES	2,734.9	2,976.6	-8.1%	2,849.4	-4.0%	8,069.8	7,364.2	9.6%
COST OF GOODS SOLD	-1,873.2	-2,314.6	-19.1%	-2,056.3	-8.9%	-5,872.0	-5,592.7	5.0%
TAX INCENTIVES (ICMS)	110.7	188.7	-41.3%	148.1	-25.3%	390.6	428.7	-8.9%
GROSS PROFIT	972.4	850.7	14.3%	941.2	3.3%	2,588.4	2,200.2	17.6%
OPERATING REVENUES (EXPENSES)	-624.6	-597.6	4.5%	-653.2	-4.4%	-1,865.7	-1,651.6	13.0%
Sales expenses	-504.7	-493.1	2.4%	-514.4	-1.9%	-1,478.0	-1,309.1	12.9%
Administrative and general expenses	-98.9	-89.8	10.1%	-102.9	-3.9%	-302.5	-254.0	19.1%
Other net income (expenses)	-21.0	-14.7	42.9%	-35.9	-41.5%	-85.2	-88.5	-3.7%
OPERATING INCOME BEFORE FINANCIAL RESULTS	347.8	253.1	37.4%	288.0	20.8%	722.7	548.6	31.7%
Financial income	85.5	64.0	33.6%	113.0	-24.3%	282.7	268.1	5.4%
Financial expenses	-119.8	-133.5	-10.3%	-168.0	-28.7%	-430.1	-397.9	8.1%
OPERATING INCOME AFTER FINANCIAL RESULTS	313.5	183.6	70.8%	233.0	34.5%	575.3	418.8	37.4%
Equity in net income of subsidiaries	2.1	-1.3	n/a	-0.9	n/a	0.4	-3.0	n/a
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	315.6	182.3	73.1%	232.1	36.0%	575.7	415.8	38.5%
Income tax and social contribution	-56.6	12.7	n/a	-14.2	n/a	-28.9	50.5	n/a
NET INCOME	259.0	195.0	32.8%	217.9	18.9%	546.8	466.3	17.3%

BALANCE SHEET (R\$ million)	M. DIAS (Consolidated)				
	9/30/2023	9/30/2022	Variation	12/31/2022	Variation
ASSETS					
CURRENT	5,359.4	4,761.7	12.6%	4,877.0	9.9%
Cash and cash equivalents	1,825.7	420.7	n/a	648.0	n/a
Linked deposits	1.1	203.6	-99.5%	69.6	-98.4%
Trade accounts receivable	1,658.8	1,613.6	2.8%	1,690.9	-1.9%
Inventories	1,601.5	2,163.7	-26.0%	2,111.5	-24.2%
Taxes recoverable	139.3	270.8	-48.6%	234.6	-40.6%
Income tax and social contribution	2.4	1.5	60.0%	28.5	-91.6%
Financial investments	19.9	18.6	7.0%	16.6	19.9%
Derivatives financial instruments	40.3	17.7	n/a	15.6	n/a
Prepaid expenses	12.9	10.4	24.0%	14.3	-9.8%
Other current assets	57.5	41.1	39.9%	47.4	21.3%
NON CURRENT	6,564.1	6,416.6	2.3%	6,562.5	0.0%
Long-term	545.5	531.8	2.6%	539.9	1.0%
Financial investments	1.6	2.2	-27.3%	1.5	6.7%
Judicial deposits	256.6	257.6	-0.4%	263.7	-2.7%
Long-term receivables	2.4	0.0	n/a	2.9	-17.2%
Taxes recoverable	84.7	159.6	-46.9%	149.6	-43.4%
Income tax and social contribution	45.0	40.9	10.0%	41.9	7.4%
Derivatives financial instruments	56.7	0.0	n/a	0.0	n/a
Indemnity assets	90.1	66.7	35.1%	75.3	19.7%
Other non-current assets	8.4	4.8	75.0%	5.0	68.0%
Investments	62.9	59.1	6.4%	62.5	0.6%
Investments properties	55.6	55.8	-0.4%	55.6	0.0%
Property, plant and equipment	3,531.6	3,537.1	-0.2%	3,547.8	-0.5%
Intangible	2,368.5	2,232.8	6.1%	2,356.7	0.5%
TOTAL ASSETS	11,923.5	11,178.3	6.7%	11,439.5	4.2%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	2,449.6	2,311.2	6.0%	2,467.4	-0.7%
Suppliers	1,164.5	1,080.4	7.8%	1,234.6	-5.7%
Financing, borrowings and debentures	638.0	414.6	53.9%	561.9	13.5%
Lease	81.6	68.8	18.6%	66.6	22.5%
Social security and labor liabilities	269.4	250.4	7.6%	252.4	6.7%
Tax liabilities	105.7	140.6	-24.8%	125.0	-15.4%
Income tax and social contribution	1.8	1.8	0.0%	1.8	0.0%
Government grant	12.3	20.8	-40.9%	25.0	-50.8%
Derivatives financial instruments	15.7	181.9	-91.4%	54.5	-71.2%
Other current liabilities	160.6	151.9	5.7%	145.6	10.3%
NON CURRENT LIABILITIES	2,178.3	2,275.1	-4.6%	2,263.4	-3.8%
Financing, borrowings and debentures	1,525.1	1,656.4	-7.9%	1,664.6	-8.4%
Lease	253.6	265.0	-4.3%	265.3	-4.4%
Tax liabilities	0.0	0.6	-100.0%	0.5	-100.0%
Deferred taxes	110.6	42.5	n/a	37.4	n/a
Derivatives financial instruments	84.7	69.8	21.3%	50.7	67.1%
Provisions for civil, labor and tax risks	194.9	220.9	-11.8%	225.3	-13.5%
Other non-current liabilities	9.4	19.9	-52.8%	19.6	-52.0%
SHAREHOLDERS' EQUITY	7,295.6	6,592.0	10.7%	6,708.7	8.7%
Capital	2,597.7	2,597.7	0.0%	2,597.7	0.0%
Capital reserves	43.7	36.8	18.8%	39.7	10.1%
Accumulated conversion adjustments	0.2	0.2	0.0%	0.2	0.0%
Equity valuation adjustment	0.6	-196.5	n/a	-81.5	n/a
Revenue reserves	4,234.0	3,819.1	10.9%	4,233.7	0.0%
(-) Treasury shares	-77.0	-81.1	-5.1%	-81.1	-5.1%
Accrued profit	496.4	415.8	19.4%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	11,923.5	11,178.3	6.7%	11,439.5	4.2%

CASH FLOW (R\$ million)	3Q23	3Q22	Variation	9M23	9M22	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income before income tax and social contribution	315.5	182.3	73.1%	575.7	415.8	38.5%
Adjustments to reconcile net income with cash from operating activities:						
Depreciation and amortization	90.8	81.2	11.8%	268.1	233.5	14.8%
Cost on sale of permanent assets	0.6	0.2	n/a	9.5	1.4	n/a
Equity in net income of subsidiaries	-2.1	1.3	n/a	-0.4	3.0	n/a
Updated financing, debentures and exchange rate variations	63.6	46.2	37.7%	98.7	75.8	30.2%
Updated financial investment in the long term	0.0	-0.1	-100.0%	-0.1	-0.2	-50.0%
Tax credits and updates	-5.5	-18.4	-70.1%	-24.0	-45.9	-47.7%
Updated judicial deposits	-2.5	-4.3	-41.9%	-11.7	-10.6	10.4%
Appropriate interest on lease	8.9	7.3	21.9%	26.8	19.1	40.3%
Provision and update for civil, labor and tax risks/others	12.5	10.0	25.0%	35.3	25.2	40.1%
Provision (reversion) for expenses/indemnity assets	-5.8	-3.3	75.8%	-13.0	-5.7	n/a
Recognized shares granted	3.8	2.9	31.0%	10.1	8.1	24.7%
Provision (reversion) for losses of clients	6.2	2.4	n/a	16.8	12.9	30.2%
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.0	n/a	0.2	0.0	n/a
Provision for income tax of loans	0.5	0.4	25.0%	1.5	1.2	25.0%
Provision (reversion) for losses in inventories	0.1	5.1	-98.0%	12.2	15.2	-19.7%
Losses (gains) on derivative contracts	14.5	47.6	-69.5%	135.5	141.1	-4.0%
Provision (reversion) for impairment of assets	1.2	-0.1	n/a	0.0	-0.1	-100.0%
Gain on acquisition of equity interest	0.0	-16.8	-100.0%	0.0	-16.8	-100.0%
Changes in assets and liabilities						
(Increase) decrease in linked deposits	4.0	-149.5	n/a	68.5	-203.6	n/a
(Increase) in trade accounts receivable	163.3	-89.8	n/a	23.4	-163.8	n/a
(Increase) decrease in inventories	218.8	-163.4	n/a	587.9	-1,056.9	n/a
(Increase) in financial investments	-2.9	-1.9	52.6%	-3.3	-2.0	65.0%
Decrease in taxes recoverable	93.7	109.8	-14.7%	261.8	296.7	-11.8%
(Increase) Decrease in judicial deposits, net of provisions for risks	-21.1	-21.7	-2.8%	-46.9	-39.2	19.6%
(Increase) decrease in prepaid expenses	7.4	5.8	27.6%	1.4	-2.5	n/a
Decrease in indemnity assets	0.0	0.0	n/a	-1.2	0.0	n/a
(Increase) decrease in other assets	0.7	-11.1	n/a	-13.4	-21.1	-36.5%
Increase in suppliers	144.2	76.2	89.2%	-132.2	287.3	n/a
(Decrease) in taxes and contributions	-10.8	-39.9	-72.9%	-48.7	-33.6	44.9%
Increase in social and labor obligations	8.4	31.6	-73.4%	17.0	68.2	-75.1%
Increase (decrease) in government grants	2.1	-3.5	n/a	-12.7	10.0	n/a
(Decrease) in other liabilities	-14.2	-15.9	-10.7%	1.9	-8.4	n/a
Interests paid	-53.5	-44.3	20.8%	-101.6	-65.1	56.1%
Exchange variations paid	-11.0	0.0	n/a	-11.0	0.0	n/a
Receipts of funds for settlement of derivative transactions	-58.1	-117.1	-50.4%	-190.2	-158.1	20.3%
Net cash generated from operating activities	973.3	-90.8	n/a	1,541.9	-219.1	n/a
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-84.1	-51.5	63.3%	-158.9	-129.2	23.0%
Payment of debt from purchase of company	-44.4	0.0	n/a	-75.6	-6.0	n/a
Acquisition of equity interest, net of cash acquired	0.0	-314.1	-100.0%	0.0	-314.1	-100.0%
Net cash (used) in investment activities	-128.5	-365.6	-64.9%	-234.5	-449.3	-47.8%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	-16.8	-16.8	0.0%	-50.4	-638.7	-92.1%
Financing obtained	97.7	307.0	-68.2%	304.4	307.0	-0.8%
Payment of financing	-290.9	6.1	n/a	-324.3	-53.1	n/a
Acquisition of treasury shares	0.0	0.0	n/a	0.0	-36.6	-100.0%
Lease payments	-21.7	-21.2	2.4%	-59.4	-45.4	30.8%
Net cash used in financing activities	-231.7	275.1	n/a	-129.7	-466.8	-72.2%
Effects of exchange rate fluctuations on cash and cash equivalents	0.2	0.0	0.0%	0.0	0.0	0.0%
Increase (decrease) in cash and cash equivalents	613.3	-181.3	n/a	1,177.7	-1,135.2	n/a
At the start of the period	1,212.4	602.0	101.4%	648.0	1,555.9	-58.4%
At the end of the period	1,825.7	420.7	334.0%	1,825.7	420.7	n/a
Increase (decrease) in cash and cash equivalents	613.3	-181.3	n/a	1,177.7	-1,135.2	n/a

The statements contained in this document related to the business prospects, projected operating and financial results and growth outlook of M. Dias Branco are merely forecasts and, as such, are based exclusively on the expectations of Management as to the future of the business. These expectations substantially depend on changes in market conditions, the performance of the Brazilian economy, as well as the sector and the international markets, and are thus subject to changes without prior notice.