

M. Dias Branco

Earnings Release 2Q21 and 1H21



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Eusébio (CE), August 6, 2021 – M. Dias Branco S. A. Indústria e Comércio de Alimentos (B3: MDIA3), the leader in the Brazilian cookies & crackers and pasta markets, announces today its results for the second quarter (2Q21) and first half of 2021 (1H21). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil (BR GAAP).

EARNINGS CONFERENCE CALL

August 09, 2021

Time:

> Portuguese (BR GAAP)

11:00 a.m. (Brasília time)

10:00 a.m. (New York time)

Phone: +55 (11) 3127-4971 or

+55 (11) 3728-5971

Code: MDias

Replay: +55 (11) 3127-4999

Password: 30269050

> English (BR GAAP)

11:00 a.m. (Brasília time)

10:00 a.m. (New York time)

Phone: +1 (516) 300-1066

Code: MDias

Replay: +55 (11) 3127-4999

Password: 77777352

Stock price:

Closing on 07/29/2021

MDIA3: R\$31.10 per share

Market cap: R\$10.5 billion

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Victor O. Torres

Investor Relations Analyst

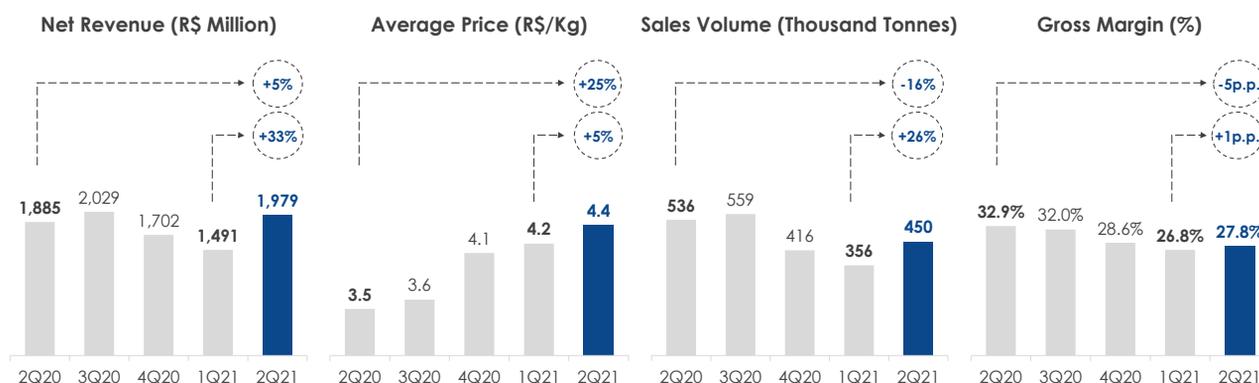
Phone: (11) 3883-9225

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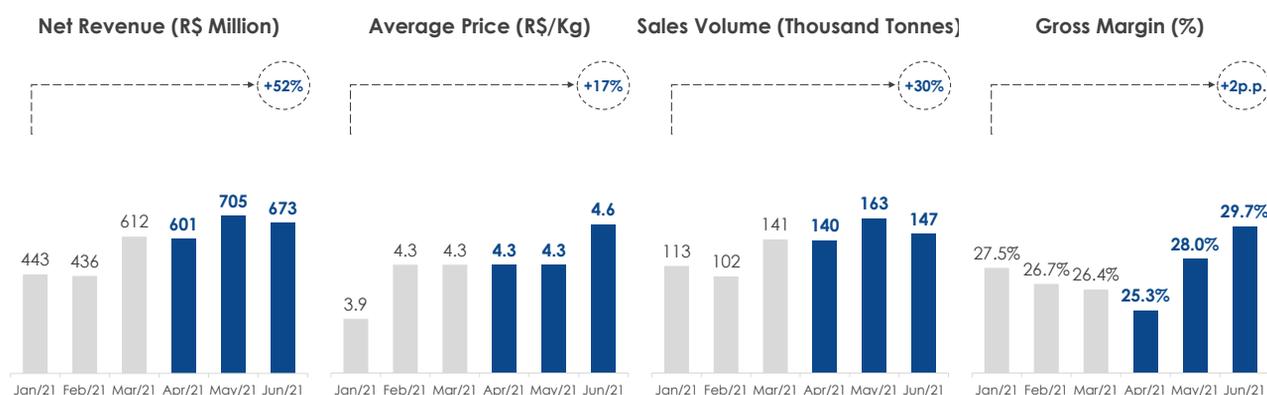
M. Dias Branco's net revenue reaches R\$1.9 billion and EBITDA is 253% higher than in 1Q21

In line with our profitable growth strategy, in 2Q21, net revenue grew 5% and 33% against 2Q20 and 1Q21, respectively, and margins increased during the first six months of the year, as a result of price management, greater dilution of fixed costs and initiatives aimed at productivity and efficiency, as illustrated below:

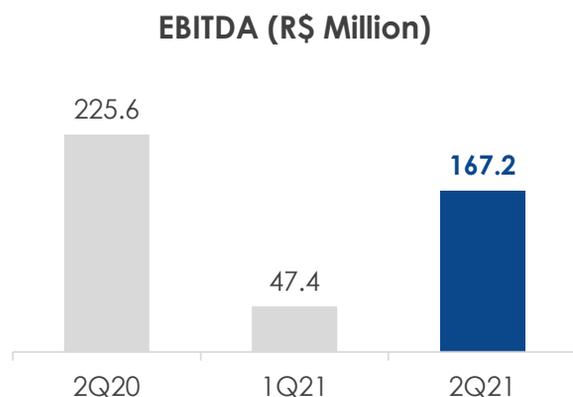


Regarding volumes, we highlight that 2Q20 was marked by a temporary and atypical increase in demand, when household consumption raised and government emergency aids were paid, creating a more challenging comparison base. Compared to 2Q19, 2Q21 volumes were stable and net revenue grew 28%.

During the first six months of 2021, as shown in the charts below, we observed a sequential increase in net revenue, average prices, volumes sold and gross margin. Volume recovery was positively impacted by the performance in the Attack (South, Southeast and Midwest) and Defense (North and Northeast) regions, as well as with the contributions from launches, in particular for higher value-added products, such as white chocolate coated wafers.



In 2Q21, EBITDA was 252.7% higher than in 1Q21 as a result of the improvement in volumes, price management, greater dilution of fixed costs and the ongoing efforts of the efficiency and productivity programs. The decrease in comparison with 2Q20, as illustrated in the table below, is explained by the increase in the price of commodities in U.S. Dollars and the drop in volumes, besides the unfavorable impact of the exchange rate. Additionally, effects from non-recurring items in the period totaled R\$14.2 million (R\$29.6 million from tax credits and R\$15.4 million in non-recurring expenses related to the Restructuring and the COVID pandemic).



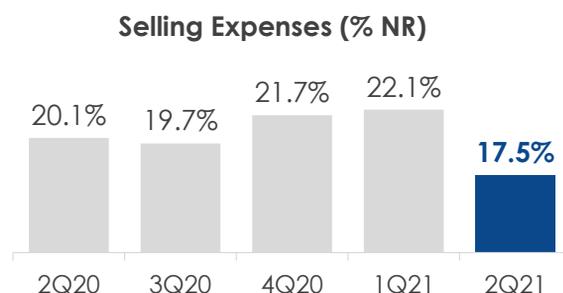
EBITDA 2Q20 (R\$ Million)	225.6
Operational Effects ⁽¹⁾	(26.5)
Subtotal	199.1
Exchange ⁽²⁾	(46.1)
Subtotal	153.0
Non-Recurring Gains ⁽³⁾	29.6
Expenses with COVID-19	(6.7)
Restructuring Expenses	(8.7)
EBITDA 2Q21 (R\$ Million)	167.2

(1) Price Effect, Sales Volume, Recurring Expenses, Costs (without Exchange Effect) and Recurring Gains with Efficiency and Productivity Program.

(2) Impact of the devaluation of the Real against the Dollar. It does not take into account the price variations of commodities in Dollars.

(3) The main factor was the exclusion of ICMS tax from the PIS/COFINS tax base.

As shown in the chart on the side, the decrease in selling expenses (% of net revenue) reflects the productivity and efficiency measures taken over the past quarters.



In 1Q21, we announced six tactical measures aligned with our profitable growth strategy. Therefore, by 4Q21, we will report the evolution of such measures. Below the advances made in 2Q21:

Sales Growth

1. Onda Verde Piraquê!!! (Piraquê's Green Wave)

Accelerated growth and national expansion:

- Launch of higher value-added items, such as the chocolate coated wafer;
- Communication: actions in digital media with a focus on the launch of "Comida Di Buteco", with the campaign "Juntamos a Fome com a Vontade de ir ao Buteco" (We put together hunger and the desire to go to the bar);
- Actions in e-commerce and delivery apps:
 - We entered Rappi Turbo;
 - Campaigns to promote the launches of "Comida Di Buteco" on the Pão de Açúcar and Extra chains;
 - Campaigns on different platforms with diversified promotions (4 for the price of 3).

2. New Partnerships

Increase our distribution capillarity:

- BEES:
 - Initial sales in May/21;
 - Cookies & crackers and pasta (Piraquê brand);
 - Initial marketing region in RJ;
- Zé Delivery:
 - Partnership confirmed, sales are expected to start in Sep/21.

3. Leverage opportunities in the foreign market

- 2 new countries;
- 10 new customers;
- 2 launches in the private label segment.

Productivity and Efficiency

4. Optimization of the number of SKUs

- Total discontinued SKUs (by June 30, 2021): 75 SKUs;
- Unification of brands.

5. Adjustment of the Industrial and Logistics Footprint

- Closing of 2 distribution centers concluded. Products are now delivered directly from the factory to customers;
- Readjustment of production capacity, from 113 to 106 active cookies & crackers and pastas lines: this initiative was suspended due to the resumption in sales volumes;
- Renegotiation of commercial conditions with logistics operators: in progress.

6. Corporate Restructuring

- In progress, with the assistance of a specialized consultancy firm. We remain confident this will become an important inspiration for best management and productivity practices.

The table below illustrates the evolution of the main result indicators in 2Q21 compared to 2Q20 and 1Q21.

Financial and Operating Results	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
Net Revenue (R\$ million)	1,978.6	1,885.2	5.0%	1,491.1	32.7%	3,469.7	3,521.9	-1.5%
Total Sales Volume (thousand tonnes)	450.2	536.1	-16.0%	356.4	26.3%	806.6	1,012.6	-20.3%
Cookies & Crackers Sales Volume (thousand tonnes)	138.5	153.4	-9.7%	97.0	42.8%	235.5	291.3	-19.2%
Pasta Sales Volume (thousand tonnes)	103.4	129.7	-20.3%	71.6	44.4%	175.0	234.6	-25.4%
Market share of Cookies & Crackers (volume)*	31.9%	34.5%	-2.6 p.p	32.6%	-0.7 p.p	31.9%	33.8%	-1.9 p.p
Market share of Pasta (volume)*	31.3%	34.9%	-3.6 p.p	32.6%	-1.3 p.p	31.4%	33.1%	-1.7 p.p
Net Income (R\$ million)	142.3	152.4	-6.6%	15.0	848.7%	157.3	289.4	-45.6%
Ebitda (R\$ million)	167.2	225.6	-25.9%	47.4	252.7%	214.6	454.1	-52.7%
Ebitda Margin	8.5%	12.0%	-3.5 p.p	3.2%	5.3 p.p	6.2%	12.9%	-6.7 p.p
Net Cash (Debt) (R\$ million)	-361.5	-332.8	8.6%	-384.9	-6.1%	-361.5	-332.8	8.6%
Net Cash (Debt) / EBITDA (last 12 months)	-0.5	-0.4	25.0%	-0.5	0.0%	-0.5	-0.4	25.0%
Capex (R\$ million)	51.6	44.8	15.2%	40.7	26.8%	92.3	101.1	-8.7%
Net Cash generated from operating activities	365.8	492.4	-25.7%	16.5	n/a	382.3	569.8	-32.9%

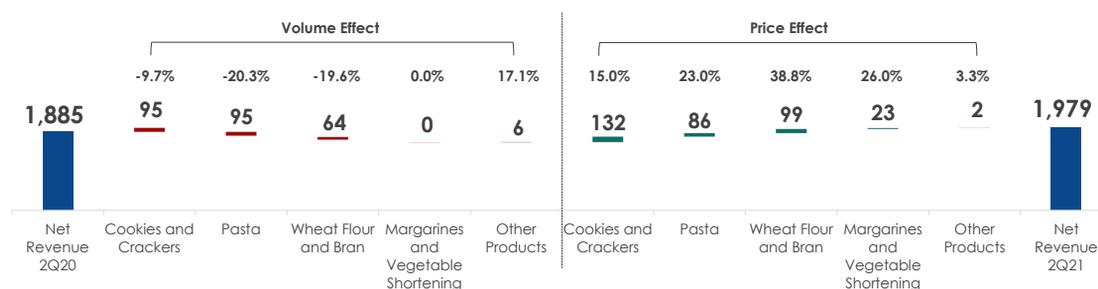
* The values presented in 2Q21 and 2Q20 are from the period of May/June 2021 and 2020.

The values presented in 1Q21 are from the period of Jan/Feb 2021.

• Revenue

Net revenue totaled R\$1.9 billion in 2Q21 (5% higher than in 2Q20 and 33% higher than in 1Q21). As shown below, when compared to 2Q20, prices were 25% higher and volumes were 16% lower due to the more challenging comparison base, as previously mentioned.

Net Revenue Variation 2Q21 vs 2Q20 (R\$ Million)



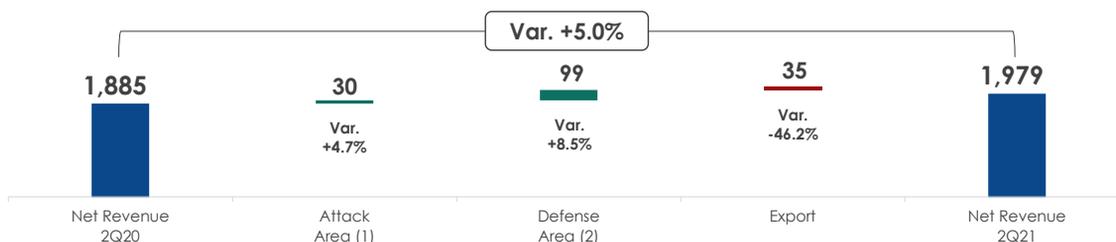
When compared to 1Q21, the sales recovery was achieved through the consistent resumption in volumes, as well as with the increase in the average price, which was necessary to recover margins amidst a scenario in which the costs of commodities also increased.

Net Revenue Variation 2Q21 vs 1Q21 (R\$ Million)



In the regional analysis, as observed in the chart below, net revenue in the Attack (South, Southeast and Midwest) and Defense (North and Northeast) regions increased by 4.7% and 8.5% respectively.

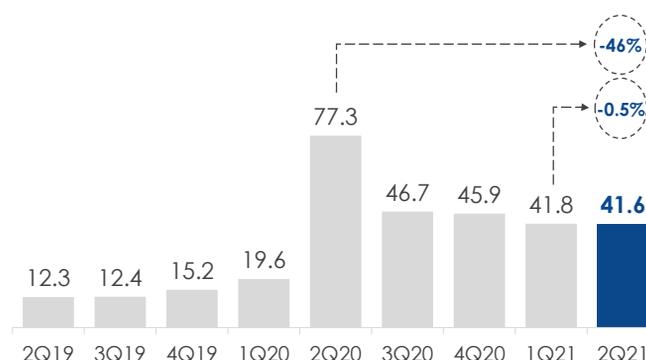
Variation in Net Revenue by Regions 2Q21 vs 2Q20 (R\$ Million)



⁽¹⁾ Note: Attack Region comprises South, Southeast and Midwest.
⁽²⁾ Note: Defense Region comprises North and Northeast.

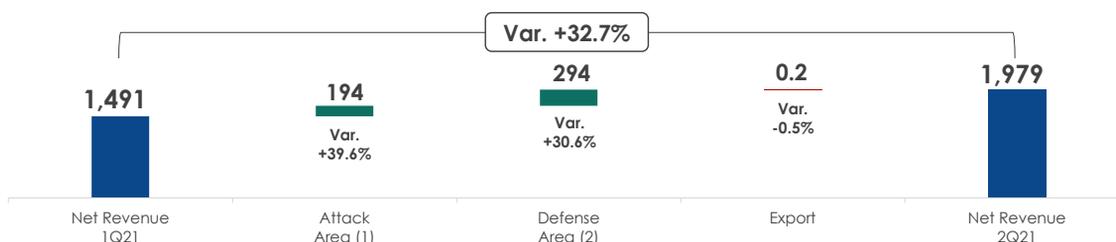
Exports, as seen on the graph on the right, have been growing rapidly. The downturn observed in 2Q21 over 2Q20 was essentially due to the higher comparison base in 2Q20, which was impacted by non-recurring sales of pasta and wheat flour to Latin American countries, through humanitarian aid programs related to the pandemic.

Net Revenue Exports (R\$ Million)



Compared to 1Q21, the Attack and Defense regions recorded double digit growth.

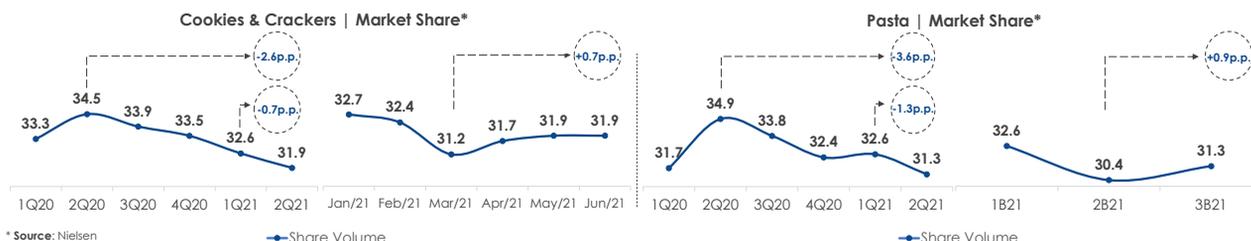
Variation in Net Revenue by Regions 2Q21 vs 1Q21 (R\$ Million)



⁽¹⁾ Note: Attack Region comprises South, Southeast and Midwest.
⁽²⁾ Note: Defense Region comprises North and Northeast.

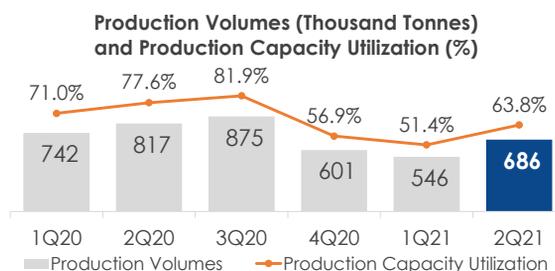
• Market Share

M. Dias Branco maintained its leadership in the national¹ cookies & crackers and pasta markets. The price readjustments applied to recover margins, initiated in 2Q20, influenced the market share retraction for the cookies & crackers and pasta segments. However, there was a recovery throughout 2Q21.



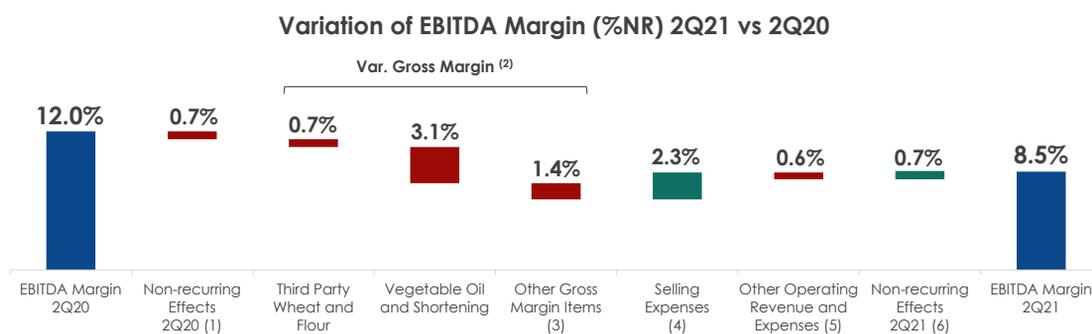
• Production

The resumption in sales volumes in 2Q21 contributed to the increase in our production capacity utilization rate, which improved the dilution of fixed costs.



• EBITDA

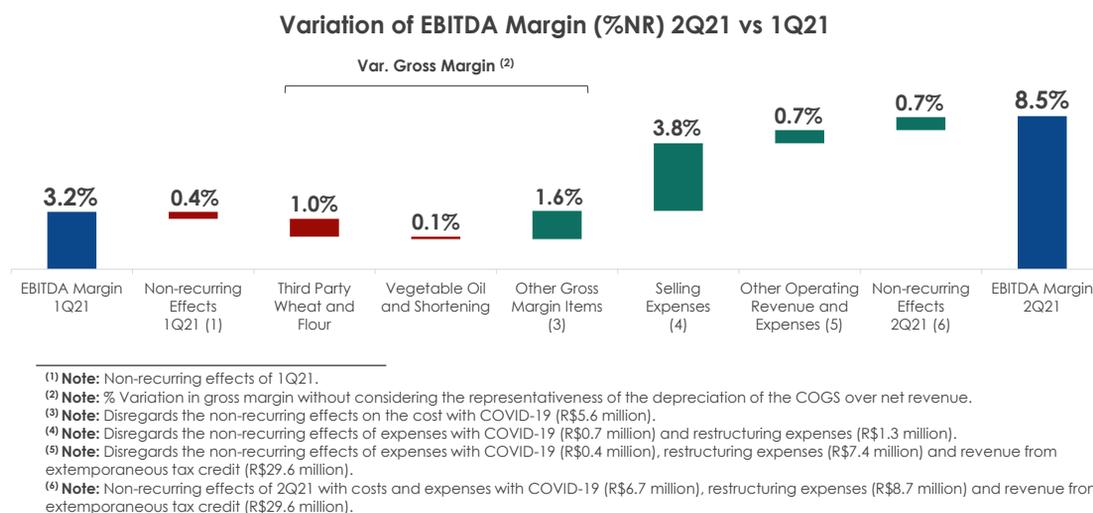
We ended 2Q21 with an EBITDA of R\$167.2 million and an EBITDA margin of 8.5%. Compared to 2Q20, as shown below, commodity prices continue to pressure margins, while recurring gains were captured in selling expenses.



(1) Note: Non-recurring effects of 2Q20.
 (2) Note: % Variation in gross margin without considering the representativeness of the depreciation of the COGS over net revenue.
 (3) Note: Disregards the non-recurring effects on the cost with COVID-19 (R\$5.6 million).
 (4) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.7 million) and restructuring expenses (R\$1.3 million).
 (5) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.4 million), restructuring expenses (R\$7.4 million) and revenue from extemporaneous tax credit (R\$29.6 million).
 (6) Note: Non-recurring effects of 2Q21 with costs and expenses with COVID-19 (R\$6.7 million), restructuring expenses (R\$8.7 million) and revenue from extemporaneous tax credit (R\$29.6 million).

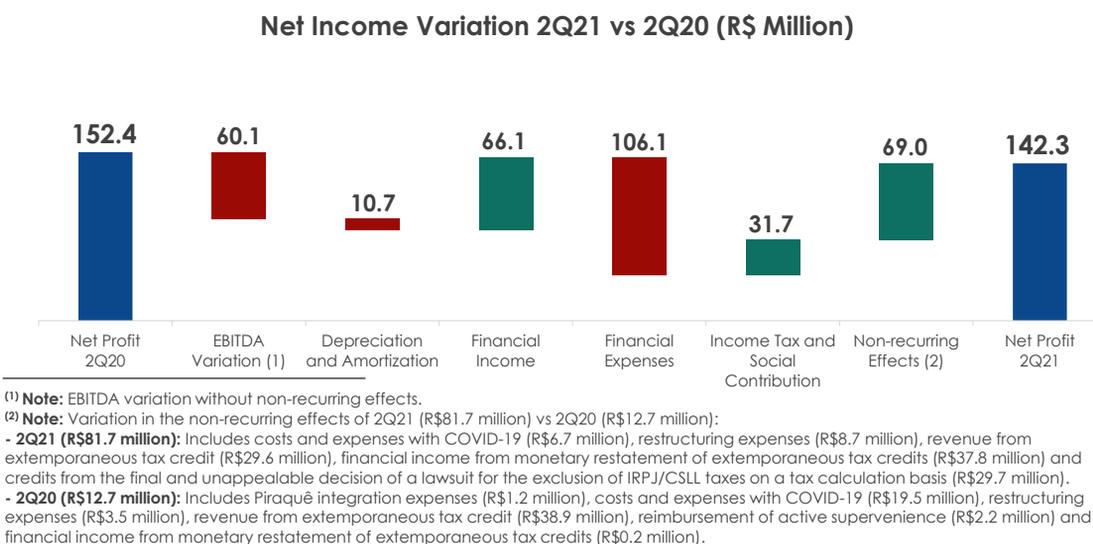
¹ NIELSEN data from January to June 2021.

Compared to 1Q21, as shown below, the improvement in margins was due to the better dilution of fixed costs and expenses, as well as recurring gains in efficiency and productivity.



• Net Income

Net income increased 848.7% over 1Q21, totaling R\$ 142.3 million. When compared to 2Q20, a 6.6% decrease was recorded. As shown in the graph below, the decline between 2Q21 vs 2Q20 was due to the variations in EBITDA, as explained above, and the negative variation in the financial result of R\$40.0 million (Financial Expenses of R\$106.1 million + Financial Revenue of R\$66.1 million), caused by three factors: (i) financial interest expenses and monetary restatement on debentures issued in 1Q21; (ii) contract costing of NDFs²; (iii) and exchange rate variation with exports.



² Non Deliverable Forward

In the comparison between 2Q21 and 1Q21, growth was mainly driven by the increase in EBITDA, as a result of sales growth, greater dilution of fixed costs, price adjustments, and productivity and efficiency gains.

Net Income Variation 2Q21 vs 1Q21 (R\$ Million)



⁽¹⁾ Note: EBITDA variation without non-recurring effects.

⁽²⁾ Note: Variation in the non-recurring effects of 2Q21 (R\$81.7 million) vs 1Q21 (R\$21.6 million):

- **2Q21 (R\$81.7 million)**: Includes costs and expenses with COVID-19 (R\$6.7 million), restructuring expenses (R\$8.7 million), revenue from extemporaneous tax credit (R\$29.6 million), financial income from monetary restatement of extemporaneous tax credits (R\$37.8 million) and credits from the final and unappealable decision of a lawsuit for the exclusion of IRPJ/CSLL taxes on a tax calculation basis (R\$29.7 million).

- **1Q21 (R\$21.6 million)**: Includes Piraquê integration expenses (R\$0.8 million), costs and expenses with COVID-19 (R\$7.3 million), restructuring expenses (R\$13.7 million), revenue from extemporaneous tax credit (R\$27.5 million) and financial income from monetary restatement of extemporaneous tax credits (R\$15.9 million).

• Investments

In 2Q21, investments stood at R\$51.6 million (15.2% higher than in 2Q20). We highlight (i) the acquisition of equipment and the adaptations made in the Bento Gonçalves (RS) unit; (ii) retrofit of machinery at the Madureira (RJ) unit; (iii) acquisition of equipment for the Fábrica Fortaleza (CE) and São Caetano do Sul (SP) units; and (iv) adaptations made in the distribution center at the Rio de Janeiro (RJ) unit.

• Debt, Capitalization and Cash

In the quarter, net cash generated by operating activities totaled R\$365.8 million (25.7% lower than in 2Q20). We ended the quarter with a cash position of R\$1.6 billion (R\$1.4 billion in 2Q20) and a gross debt of R\$1.9 billion (stable vs 2Q20), resulting in leverage (net debt/LTM EBITDA) of 0.5x, similar to the leverage in 2Q20 (0.4x).

MDIA
B3 LISTED NM

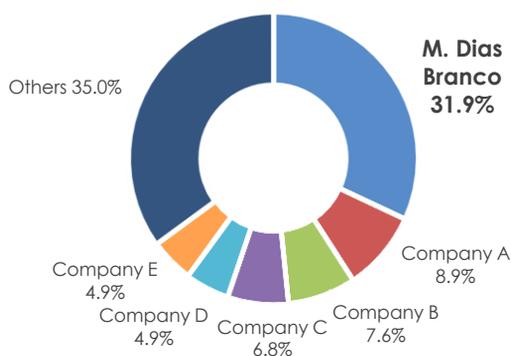
IBRA B3 **ICON B3** **IGC B3** **IGC-NM B3**
IGCT B3 **INDX B3** **ISE B3** **ITAG B3** **SMLL B3**

MARKET HIGHLIGHTS

MARKET SHARE

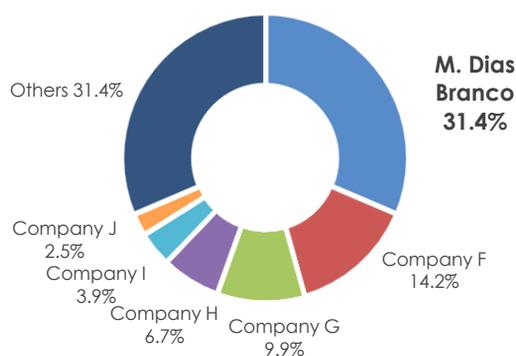
The graphs below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the Brazilian leader in the cookies & crackers and pasta markets, and its main competitors between January and June 2021.

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



* NIELSEN data from Jan/Jun of 2021.

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



* NIELSEN data from Jan/Jun of 2021.

SALES CHANNELS

In the comparison between 2Q21 and 2Q20, the Distributors and Key Account/Regional Chains channels recorded gains in representativeness. The Distributors channel increased in number of distributors.

Client Mix	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
Small Retail	25.5%	27.3%	-1.8 p.p	27.9%	-2.4 p.p	26.5%	27.3%	-0.8 p.p
Wholesale	20.8%	23.3%	-2.5 p.p	21.7%	-0.9 p.p	21.2%	24.0%	-2.8 p.p
Key Accounts / Regional Chains	22.9%	19.8%	3.1 p.p	21.6%	1.3 p.p	22.3%	19.8%	2.5 p.p
Cash and Carry	16.8%	16.7%	0.1 p.p	14.7%	2.1 p.p	15.9%	18.2%	-2.3 p.p
Distributors	8.6%	7.2%	1.4 p.p	7.9%	0.7 p.p	8.3%	6.6%	1.7 p.p
Industry	1.8%	0.9%	0.9 p.p	1.7%	0.1 p.p	1.8%	0.9%	0.9 p.p
Other	3.6%	4.8%	-1.2 p.p	4.5%	-0.9 p.p	4.0%	3.2%	0.8 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 2Q21 (R\$ Million) *	Participation in Revenue excluding Discount Sales (%)		Sales 1H21 (R\$ Million) *	Participation in Revenue excluding Discount Sales	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	214.7	9.3%	9.3%	358.6	8.9%	8.9%
49 Subsequent	50	689.7	29.8%	39.1%	1,173.4	29.0%	37.9%
50 Subsequent	100	176.1	7.6%	46.7%	307.3	7.6%	45.5%
900 Subsequent	1,000	677.2	29.3%	76.0%	1,203.4	29.8%	75.3%
Other Clients	All clients	553.7	24.0%	100.0%	1,000.8	24.7%	100.0%
TOTAL		2,311.4			4,043.5		

* Gross revenue excluding discounts and returns.

OPERATIONAL HIGHLIGHTS

PRODUCTION CAPACITY UTILIZATION RATE

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20	2Q21	2Q20
Total Production	138.7	154.8	102.3	132.4	397.9	480.8	42.5	44.7	4.6	4.4	686.0	817.1
Total Production Capacity	220.6	217.2	140.4	145.2	616.0	579.9	90.0	101.0	8.7	9.6	1,075.7	1,052.9
Capacity Utilization	62.9%	71.3%	72.9%	91.2%	64.6%	82.9%	47.2%	44.3%	52.9%	45.8%	63.8%	77.6%

* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21	2Q21	1Q21
Total Production	138.7	101.8	102.3	78.3	397.9	322.1	42.5	39.5	4.6	3.8	686.0	545.5
Total Production Capacity	220.6	216.7	140.4	135.8	616.0	609.1	90.0	90.0	8.7	9.8	1,075.7	1,061.4
Capacity Utilization	62.9%	47.0%	72.9%	57.7%	64.6%	52.9%	47.2%	43.9%	52.9%	38.8%	63.8%	51.4%

* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	1H21	1H20	1H21	1H20	1H21	1H20	1H21	1H20	1H21	1H20	1H21	1H20
Total Production	240.5	304.2	180.6	240.9	720.0	915.1	82.0	90.6	8.4	8.2	1,231.5	1,559.0
Total Production Capacity	437.3	432.9	276.2	283.3	1,225.1	1,159.8	180.0	202.0	18.5	19.1	2,137.1	2,097.1
Capacity Utilization	55.0%	70.3%	65.4%	85.0%	58.8%	78.9%	45.6%	44.9%	45.4%	42.9%	57.6%	74.3%

* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

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.

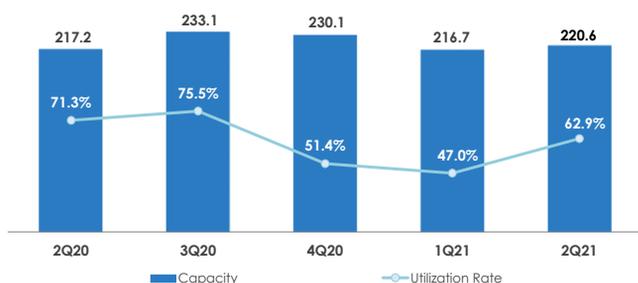
EARNINGS RELEASE

2Q21 and 1H21

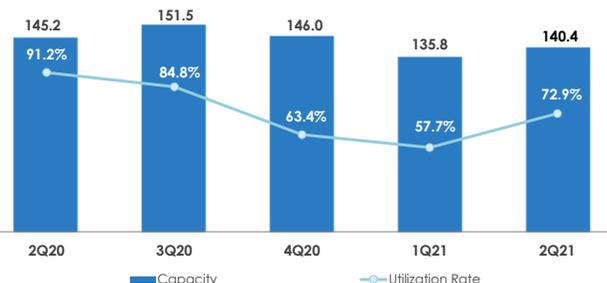


Highlight in 2Q21 vs 1Q21 for the increase in the production capacity utilization rate (+12.4p.p.), associated with the recovery of sales volume in the period (+26.3%).

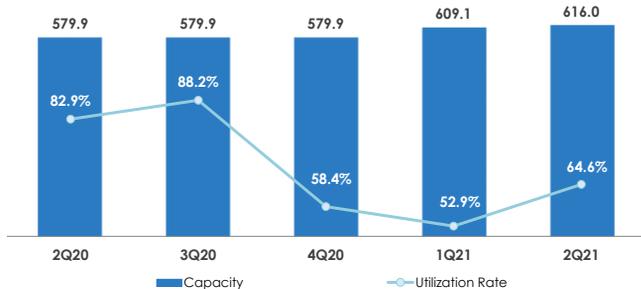
Production Capacity ('000 tonnes) and Utilization Rate - Cookies and Crackers (%)



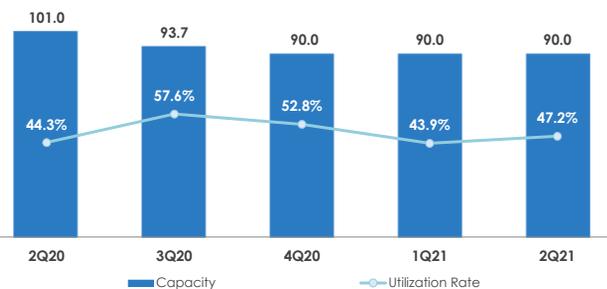
Production Capacity ('000 tonnes) and Utilization Rate - Pasta (%)



Production Capacity ('000 tonnes) and Utilization Rate - Wheat Flour and Bran (%)



Production Capacity ('000 tonnes) and Utilization Rate - Margarine and Vegetable (%)

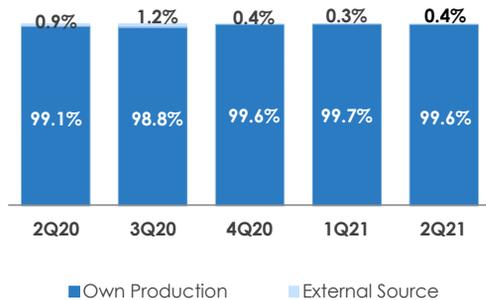


VERTICAL INTEGRATION

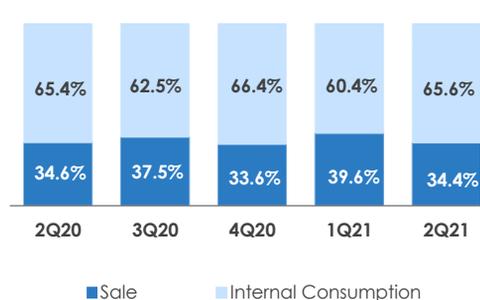
Maintained high levels for both wheat flour and vegetable shortening.

WHEAT FLOUR

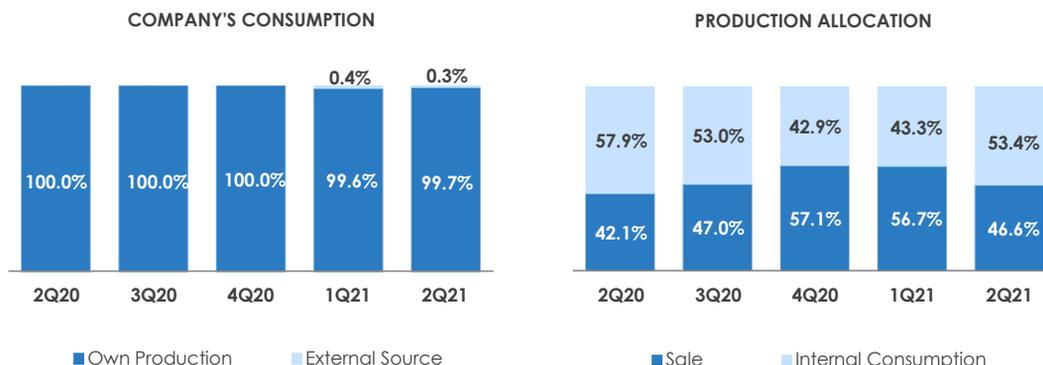
COMPANY'S CONSUMPTION



PRODUCTION ALLOCATION



VEGETABLE SHORTENING



Note: In the Company's consumption charts, we show the origin of the wheat flour and vegetable shortening consumed in the period, highlighting the breakdown of own production and purchases from third parties. In the production destination graphs, we show the percentage of wheat flour and vegetable shortening that was allocated to sales and to the production of cookies & crackers and pasta, etc. (internal consumption).

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

Net revenue increased 5.0% in 2Q21 over 2Q20, driven by the average increase of 24.7% in prices which offset the 16.0% retraction in volumes.

Segment	2Q21			2Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,010.3	138.5	7.29	972.7	153.4	6.34	3.9%	-9.7%	15.0%
Pasta	458.8	103.4	4.44	468.3	129.7	3.61	-2.0%	-20.3%	23.0%
Wheat Flour and Bran	357.2	185.5	1.93	321.9	230.8	1.39	11.0%	-19.6%	38.8%
Margarine and Vegetable Shortening	111.4	18.7	5.96	88.5	18.7	4.73	25.9%	0.0%	26.0%
Other products **	40.9	4.1	9.98	33.8	3.5	9.66	21.0%	17.1%	3.3%
TOTAL	1,978.6	450.2	4.39	1,885.2	536.1	3.52	5.0%	-16.0%	24.7%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

We present below some of our launches and marketing and sales initiatives carried out in 2Q21:



Launches: 21 new products, expanding our portfolio with a focus on higher value-added categories such as: white chocolate coated wafer for Piraquê, Vitarella, Richester and Isabela brands; potato chips with the Piraquê brand; and flavored cookies for the Isabela brand.

Investments in marketing and sales:

"Cream Cracker" and "Delicida Cristal", of the Vitarella brand, "Criações Originais" (Original Creations), of the Piraquê brand, and "A vida acontece nos detalhes" (Life happens in the details), of the Adria brand, are some of the relevant campaigns that were carried out in 2Q21.



Net revenue grew 32.7% in 2Q21 over 1Q21, due to a 5.0% increase in the average price and a 26.3% increase in sales volume.

Segment	2Q21			1Q21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,010.3	138.5	7.29	706.6	97.0	7.28	43.0%	42.8%	0.1%
Pasta	458.8	103.4	4.44	315.9	71.6	4.41	45.2%	44.4%	0.7%
Wheat Flour and Bran	357.2	185.5	1.93	326.1	163.8	1.99	9.5%	13.2%	-3.0%
Margarine and Vegetable Shortening	111.4	18.7	5.96	109.7	20.5	5.35	1.5%	-8.8%	11.4%
Other products **	40.9	4.1	9.98	32.8	3.5	9.37	24.7%	17.1%	6.5%
TOTAL	1,978.6	450.2	4.39	1,491.1	356.4	4.18	32.7%	26.3%	5.0%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

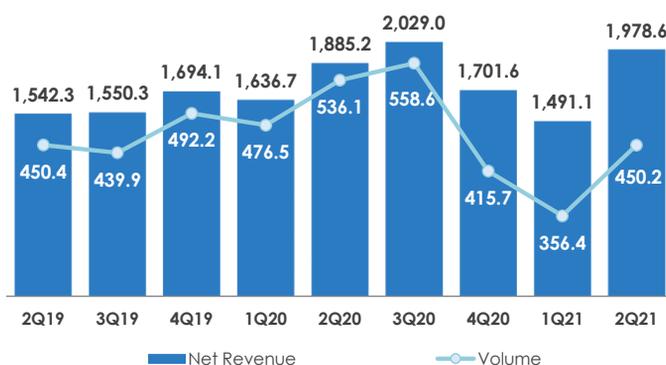
In 1H21 vs 1H20, net revenue dropped 1.5% due to the 20.3% decrease in volumes, caused by the retraction in sales in 1Q21 and by the higher comparison base in 2Q20, which was stimulated by emergency aid and increased consumption within homes. The average price increased (+23.6%).

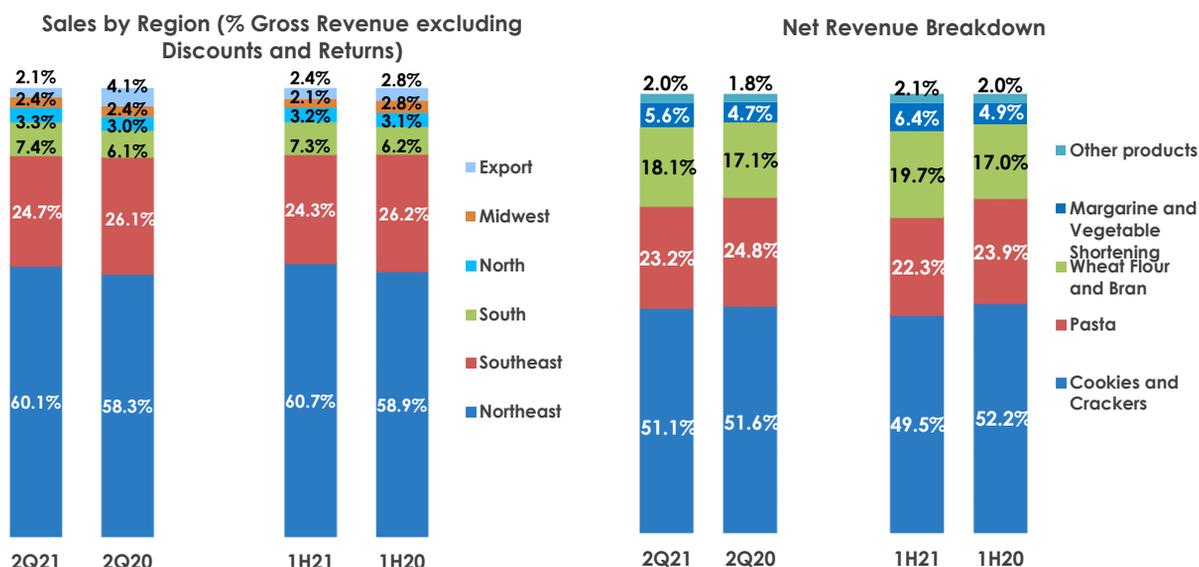
Segment	1H21			1H20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,716.9	235.5	7.29	1,839.6	291.3	6.32	-6.7%	-19.2%	15.3%
Pasta	774.7	175.0	4.43	842.9	234.6	3.59	-8.1%	-25.4%	23.4%
Wheat Flour and Bran	683.3	349.3	1.96	597.9	441.3	1.35	14.3%	-20.8%	45.2%
Margarine and Vegetable Shortening	221.1	39.2	5.64	172.9	38.4	4.50	27.9%	2.1%	25.3%
Other products **	73.7	7.6	9.70	68.6	7.0	9.80	7.4%	8.6%	-1.0%
TOTAL	3,469.7	806.6	4.30	3,521.9	1,012.6	3.48	-1.5%	-20.3%	23.6%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

Net Revenue (R\$ Million) and Net Volume ('000 tonnes)





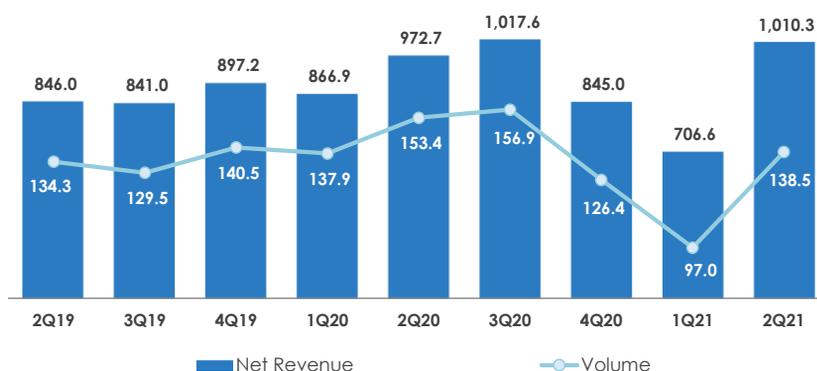
HIGHLIGHTS – COOKIES & CRACKERS

Net revenue for the cookies & crackers segment increased 3.9% in 2Q21 over 2Q20, as sales volume fell 9.7% and the average price rose 15.0%.

Net revenue grew 43.0% in 2Q21 over 1Q21, as a result of a 42.8% increase in volumes and a stable average price (+0.1%). Volume growth was observed in all regions and subcategories.

Gross revenue from launches totaled R\$68.9 million in 2Q21, with 116 new products/flavors launched in the last 24 months (91 new products/flavors and gross revenue of R\$44.6 million in 2Q20).

Cookies and Crackers - Net Revenue (R\$ Million) and Net Volume ('000 tonnes)



HIGHLIGHTS – PASTA

Net revenue from pasta dropped 2.0% in 2Q21 over 2Q20, as sales volume fell 20.3% and the average price rose 23.0%.

The drop in volumes was observed across all regions, with emphasis on exports, which were positively impacted in 2Q20 by sales from the humanitarian aid programs carried out in Latin America, influenced by the pandemic.

Pasta - Net Revenue (R\$ Million) and Net Volume ('000 tonnes)



When compared to 1Q21, net revenue increased 45.2%, as sales volume grew 44.4% and the average price rose 0.7% across all regions and subcategories.

HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue from wheat flour and bran increased 11.0% in 2Q21, due to a 19.6% drop in sales volume and a 38.8% rise in average price.

The decrease in volumes was influenced by both industrial and domestic wheat flours, with a retraction in the Defense region caused by price increases, and in exports, impacted in 2Q20 by sales from the humanitarian aid programs. Despite the retraction observed, we registered greater volumes in the Attack region.

In the 2Q21 and 1Q21 comparison, net revenue increased 9.5%, with a 13.2% growth in volumes and a 3.0% reduction in the average price. We highlight the performance of industrial wheat flours nationwide and domestic, in particular for the Attack region, which recorded increases in volumes and average price.

Wheat Flour and Bran - Net Revenue (R\$ Million) and Net Volume ('000 tonnes)

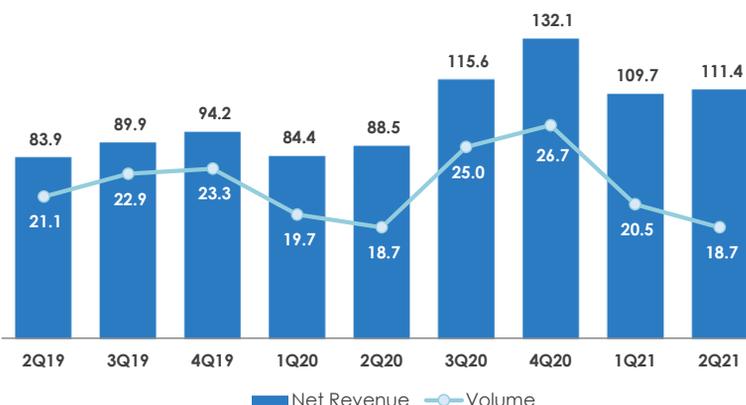


HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening grew 25.9% in 2Q21 over 2Q20, with stable sales volume and a 26.0% increase in the average price.

Volumes remained at the same level as in 2Q20 and the category's performance was driven by price transfers. When compared to 1Q21, volumes fell 8.8% while net revenue increased 1.5% and the average price rose 11.4%.

Margarine and Vegetable Shortening - Net Revenue (R\$ Million) and Net Volume



COSTS

COGS (R\$ Million)	2Q21	% Net Rev.	2Q20	% Net Rev.	Variation	1Q21	% Net Rev.	Variation	1H21	% Net Rev.	1H20	% Net Rev.	Variation
Raw material	1,054.0	53.3%	921.0	48.9%	14.4%	774.5	51.9%	36.1%	1,828.5	52.7%	1,609.3	45.7%	13.6%
Wheat	680.5	34.4%	635.3	33.7%	7.1%	498.2	33.4%	36.6%	1,178.7	34.0%	1,084.1	30.8%	8.7%
Vegetable Oil	213.1	10.8%	144.0	7.6%	48.0%	158.6	10.6%	34.4%	371.7	10.7%	251.8	7.1%	47.6%
Sugar	56.7	2.9%	46.9	2.5%	20.9%	38.7	2.6%	46.5%	95.4	2.7%	88.6	2.5%	7.7%
Third Party Flour	2.2	0.1%	2.6	0.1%	-15.4%	1.5	0.1%	46.7%	3.7	0.1%	11.1	0.3%	-66.7%
Third Party Vegetable Shortening	0.5	0.0%	0.4	0.0%	25.0%	0.3	0.0%	66.7%	0.8	0.0%	2.8	0.1%	-71.4%
Other	101.0	5.1%	91.8	4.9%	10.0%	77.2	5.2%	30.8%	178.2	5.1%	170.9	4.9%	4.3%
Packages	131.3	6.6%	122.1	6.5%	7.5%	95.5	6.4%	37.5%	226.8	6.5%	230.2	6.5%	-1.5%
Labor	172.8	8.7%	163.9	8.7%	5.4%	148.2	9.9%	16.6%	321.0	9.3%	311.6	8.8%	3.0%
Indirect costs	134.4	6.8%	116.0	6.2%	15.9%	107.1	7.2%	25.5%	241.5	7.0%	217.9	6.2%	10.8%
Depreciation and amortization	48.7	2.5%	44.6	2.4%	9.2%	42.4	2.8%	14.9%	91.1	2.6%	87.4	2.5%	4.2%
Total	1,541.2	77.9%	1,367.6	72.5%	12.7%	1,167.7	78.3%	32.0%	2,708.9	78.1%	2,456.4	69.7%	10.3%

In 2Q21, the cost of goods sold increased 12.7% over 2Q20, in absolute terms, and accounted for 77.9% of net revenue in the period (72.5% in 2Q20). We list below the main negative impacts on the cost of goods sold.

NEGATIVE IMPACTS (2Q21 vs 2Q20)

- An 16.0% decrease in production volume, impacting on a lower dilution of fixed costs;
- Increase of 26.2%, 50.6% and 27.4% in the average cost (R\$) of wheat, oil and sugar, respectively.

In 2Q21, the cost of goods sold increased 32.0% over 1Q21, in absolute terms, and accounted for 77.9% of net revenue in the period (78.3% in 1Q21). Following, we list the main positive and negative impacts on the cost of goods sold.

POSITIVE IMPACTS (2Q21 vs 1Q21)

- Increase of 25.8% in production volume, impacting on a lower dilution of fixed costs.

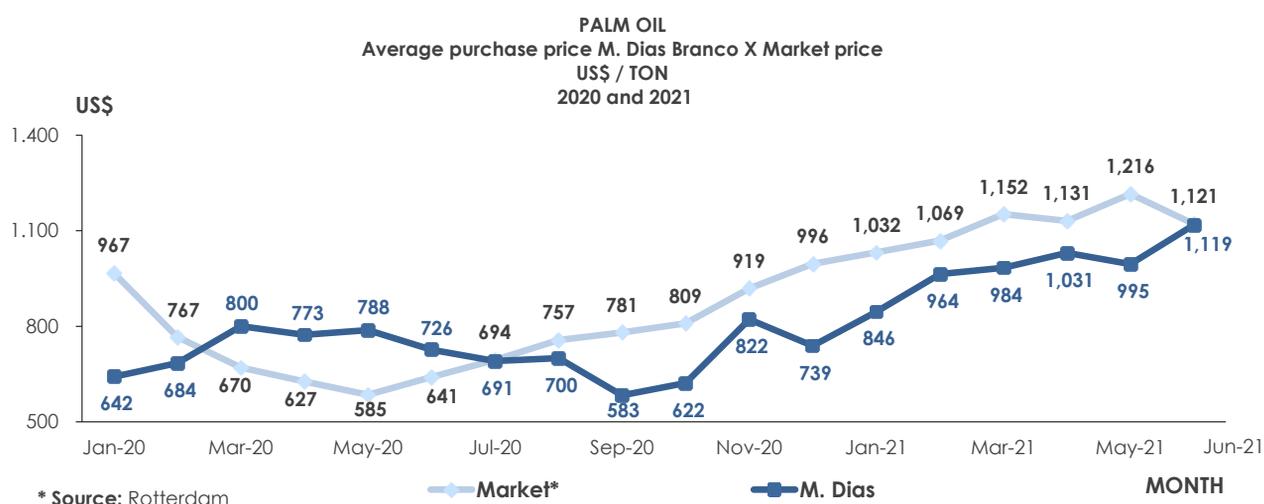
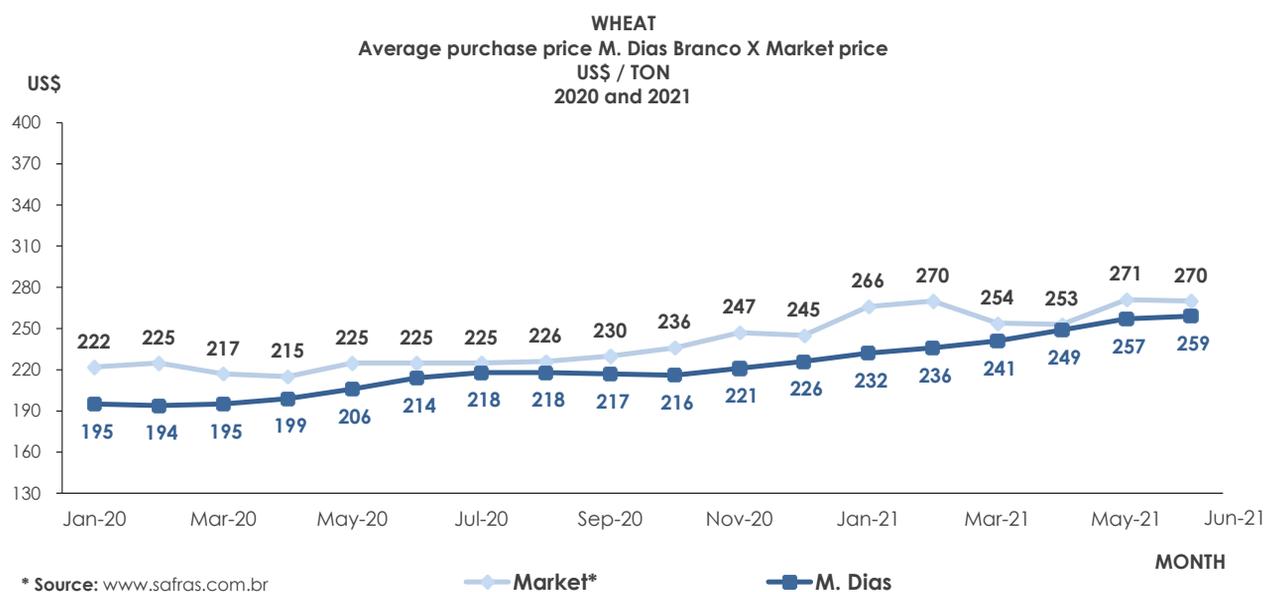
NEGATIVE IMPACTS (2Q21 vs 1Q21)

- Increase of 6.5%, 14.1% and 6.3% in the average cost (R\$) of wheat, oil and sugar, respectively.

In 1H21, cost of goods sold increased 10.3% over 1H20, in absolute terms, and accounted for 78.1% of net revenue in the period (69.7% in 1H20).

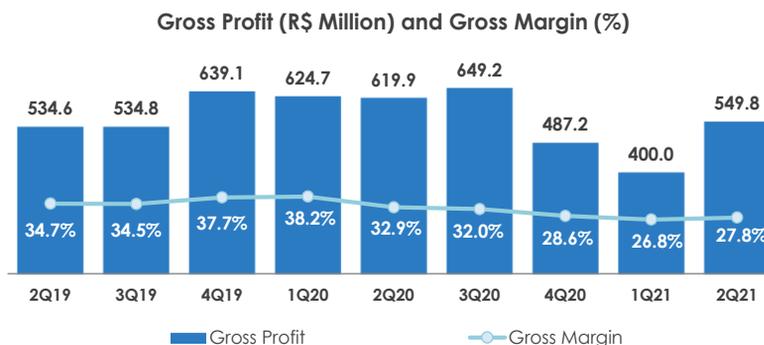
NEGATIVE IMPACTS (1H21 vs 1H20)

- Decrease of 21.0% in production volume, impacting on a lower dilution of fixed costs;
- Increase of 34.1%, 59.6% and 26.7% in the average cost (R\$) of wheat, oil and sugar, respectively;
- Higher general expenses related to an increase in preventive and corrective maintenance and initiatives related to the pandemic.

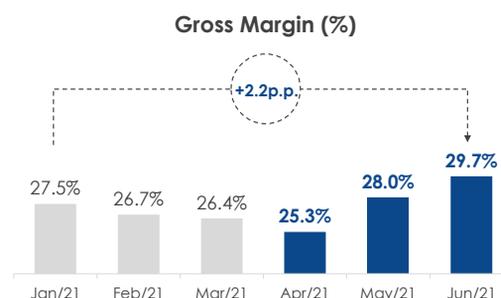


GROSS PROFIT

In 2Q21, gross profit dropped 11.3%, with a 5.1 p.p. decline in gross margin compared to 2Q20. The retraction in margin was influenced by lower sales and production volumes, impacting on a lower dilution of fixed costs, and the increase in the cost of main commodities in U.S. Dollars.



On the other hand, over the first six months of 2021, as shown in the graph on the side, there is a recovery in margins, as a result of price management, greater dilution of fixed costs and productivity and efficiency initiatives.



It is important to highlight that gross profit includes subsidies for state investments totaling R\$112.4 million in 2Q21 (R\$102.3 million in 2Q20) which pass through results in compliance with CPC 07 and IAS 20 - Government Grants.

OPERATING EXPENSES

To provide a better understanding of the changes in operating expenses, we report depreciation and amortization expenses and tax expenses separately, as shown below:

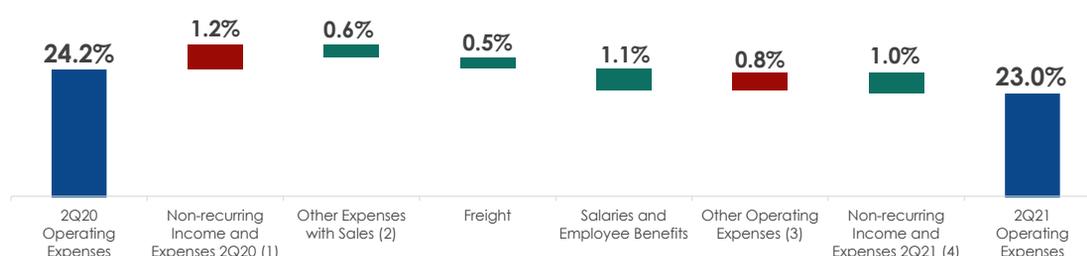
Operating Expenses (R\$ Million)	2Q21	% Net Rev.	2Q20	% Net Rev.	Variation	1Q21	% Net Rev.	Variation	1H21	% Net Rev.	1H20	% Net Rev.	Variation
Selling*	347.0	17.5%	379.2	20.1%	-8.5%	329.1	22.1%	5.4%	676.1	19.5%	737.6	20.9%	-8.3%
Administrative	58.6	3.0%	60.2	3.2%	-2.7%	53.7	3.6%	9.1%	112.3	3.2%	120.9	3.4%	-7.1%
Donations	9.2	0.5%	5.5	0.3%	67.3%	10.9	0.7%	-15.6%	20.1	0.6%	5.6	0.2%	n/a
Management fees	3.4	0.2%	4.5	0.2%	-24.4%	3.3	0.2%	3.0%	6.7	0.2%	7.6	0.2%	-11.8%
Taxes	9.4	0.5%	5.4	0.3%	74.1%	7.1	0.5%	32.4%	16.5	0.5%	11.3	0.3%	46.0%
Depreciation and amortization	25.2	1.3%	18.6	1.0%	35.5%	24.0	1.6%	5.0%	49.2	1.4%	37.6	1.1%	30.9%
Other operating expenses/(revenue)	2.5	0.1%	-17.3	-0.9%	n/a	-10.3	-0.7%	n/a	-7.8	-0.2%	-7.3	-0.2%	6.8%
TOTAL	455.3	23.0%	456.1	24.2%	-0.2%	417.8	28.0%	9.0%	873.1	25.2%	913.3	25.9%	-4.4%

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

In the 2Q21 and 2Q20 comparison, these expenses dropped 0.2% in absolute terms and 1.2 p.p. in representativeness over net revenue, mainly due to reductions in selling expenses, influenced by productivity and efficiency gains; and lower freight and loading/unloading expenses.

Non-recurring results in 2Q21 came in as a revenue of R\$19.8 million, arising from: (i) restructuring expenses; (ii) expenses related to COVID-19; and (iii) tax credits from prior periods, as shown below.

Evolution Operating Expenses 2Q21 vs 2Q20 (%NR)



(1) Note: Non-recurring effects of 2Q20.

(2) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.7 million) and restructuring expenses (R\$1.3 million).

(3) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.4 million), restructuring expenses (R\$7.4 million) and revenue from extemporaneous tax credit (R\$29.6 million).

(4) Note: Non-recurring effects of 2Q21 with COVID-19 (R\$1.1 million), restructuring expenses (R\$8.7 million) and revenue from extemporaneous tax credit (R\$29.6 million).

Evolution Operating Expenses 2Q21 vs 1Q21 (%NR)



(1) Note: Non-recurring effects of 1Q21.

(2) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.7 million) and restructuring expenses (R\$1.3 million).

(3) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$0.4 million), restructuring expenses (R\$7.4 million) and revenue from extemporaneous tax credit (R\$29.6 million).

(4) Note: Non-recurring effects of 2Q21 with COVID-19 (R\$1.1 million), restructuring expenses (R\$8.7 million) and revenue from extemporaneous tax credit (R\$29.6 million).

FINANCIAL RESULT

To provide a better understanding of the variations in the financial result, we report and analyze exchange variations and derivative transactions in the period separately from other financial revenue and expenses, as shown below:

Financial Income (R\$ Million)	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
Financial Revenue	54.4	12.9	n/a	26.0	n/a	80.4	23.8	n/a
Financial Expenses	-46.7	-17.7	n/a	-24.8	88.3%	-71.5	-37.7	89.7%
Exchange Variation	60.0	-62.0	n/a	-67.0	n/a	-7.0	-202.8	-96.5%
Losses/Gains on derivatives	-72.8	64.1	n/a	71.9	n/a	-0.9	210.1	n/a
TOTAL	-5.1	-2.7	88.9%	6.1	-85.4%	1.0	-6.6	-115.2%

In 2Q21, the Company recorded a negative financial result of R\$5.1 million, compared to a negative result of R\$2.7 million in 2Q20, increasing 88.9%, mainly due to higher financial interest expenses and monetary restatement on debentures (R\$24.8 million), contract costing of NDFs (R\$7.0 million), and exchange rate variation with exports (R\$12.4 million), which were partially offset by the increase in financial income from financial restatements on non-recurring ICMS tax credits on the PIS and COFINS calculation basis (R\$37.6 million).

TAXES ON INCOME

In 2Q21, the Company recorded a reversal on income tax and social contribution (IRPJ and CSLL) of R\$54.1 million against a provision of R\$7.3 million in 2Q20. This reversal was mainly due to the recognition of R\$29.7 million in tax credit due after a final and unappealable decision of a lawsuit for the exclusion of IRPJ/CSLL taxes on a tax calculation basis, with retroactive effect to 2012, and Deferred Income Tax in the amount of R\$24.5 million, mainly due to losses with derivative transactions.

Income and Social Contribution Taxes (R\$ Million)	2Q21	2Q20	Variation	1H21	1H20	Variation
Income and Social Contribution Taxes	-54.1	13.2	n/a	-82.0	39.0	n/a
Income Tax Incentive	0.0	-5.9	-100.0%	0.0	-5.9	-100.0%
TOTAL	-54.1	7.3	n/a	-82.0	33.1	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\$163.6 million, which will be amortized over a minimum period of five years. This increase 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\$132.5 million and the contingent portion of the price of R\$65.5 million not yet settled). However, we expect to fully use the transaction goodwill in the amount of R\$361.6 million.

In 2Q21, we recognized R\$2.8 million in tax benefits resulting from amortization. This amount was R\$5.6 million in 1H21.

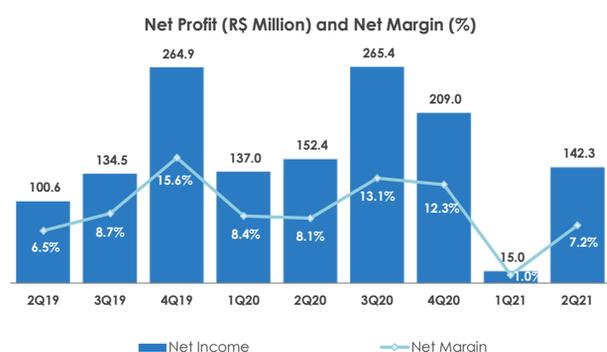
EBITDA AND NET INCOME

EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ Million)	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
Net Profit	142.3	152.4	-6.6%	15.0	n/a	157.3	289.4	-45.6%
Income Tax and Social Contribution	-54.1	13.2	n/a	-27.9	93.9%	-82.0	39.0	n/a
Income Tax Incentive	0.0	-5.9	-100.0%	0.0	n/a	0.0	-5.9	-100.0%
Financial Revenue	-122.5	-18.9	n/a	-45.4	n/a	-167.9	-37.4	n/a
Financial Expenses	127.6	21.6	n/a	39.3	n/a	166.9	44.0	n/a
Depreciation and Amortization of cost of goods	48.7	44.6	9.2%	42.4	14.9%	91.1	87.4	4.2%
Depreciation and Amortization Adm/Com Expenses	25.2	18.6	35.5%	24.0	5.0%	49.2	37.6	30.9%
EBITDA	167.2	225.6	-25.9%	47.4	252.7%	214.6	454.1	-52.7%
EBITDA Margin	8.5%	12.0%	-3.5 p.p	3.2%	5.3 p.p	6.2%	12.9%	-6.7 p.p

EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ Million)	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
Net Revenue	1,978.6	1,885.2	5.0%	1,491.1	32.7%	3,469.7	3,521.9	-1.5%
Cost of goods sold	-1,541.2	-1,367.6	12.7%	-1,167.7	32.0%	-2,708.9	-2,456.4	10.3%
Depreciation and Amortization of cost of goods	48.7	44.6	9.2%	42.4	14.9%	91.1	87.4	4.2%
Tax Incentive (ICMS)	112.4	102.3	9.9%	76.6	46.7%	189.0	179.1	5.5%
Operating Expenses	-455.3	-456.1	-0.2%	-417.8	9.0%	-873.1	-913.3	-4.4%
Equity in net income of subsidiaries	-1.2	-1.4	-14.3%	-1.2	0.0%	-2.4	-2.2	9.1%
Depreciation and Amortization Adm/Com Expenses	25.2	18.6	35.5%	24.0	5.0%	49.2	37.6	30.9%
EBITDA	167.2	225.6	-25.9%	47.4	252.7%	214.6	454.1	-52.7%
EBITDA Margin	8.5%	12.0%	-3.5 p.p	3.2%	5.3 p.p	6.2%	12.9%	-6.7 p.p



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ Million)	6/30/2021	6/30/2020	Variation	Financial Indicator	6/30/2021	6/30/2020	Variation
Cash	1,576.2	1,391.2	13.3%	Cash (Debt) Net / EBITDA (last 12 months)	-0.5	-0.4	25.0%
Financial Investments Short Term	16.5	16.4	0.6%	Cash (Debt) Net / Shareholder's Equity	-5.5%	-5.3%	-0.2 p.p
Financial Investments Long Term	0.0	3.3	-100.0%	Indebtedness / Total Assets	18.1%	19.1%	-1 p.p
Total Indebtedness	-1,863.0	-1,801.6	3.4%				
(-) Short Term	-308.6	-1,475.5	-79.1%				
(-) Long Term	-1,554.4	-326.1	n/a				
(-) Derivatives Financial Instruments	-91.2	57.9	n/a				
(=) Net Cash (Net Debt)	-361.5	-332.8	8.6%				
Shareholder's Equity	6,620.3	6,234.0	6.2%				
Capitalization	8,483.3	8,035.6	5.6%				

We ended the period with cash and cash equivalents of R\$1.6 billion (R\$1.4 billion in 2Q20). Leverage (net debt/LTM EBITDA ratio) stood at 0.5x in 1Q21, a similar level to what was recorded in 2Q20 (0.4x).

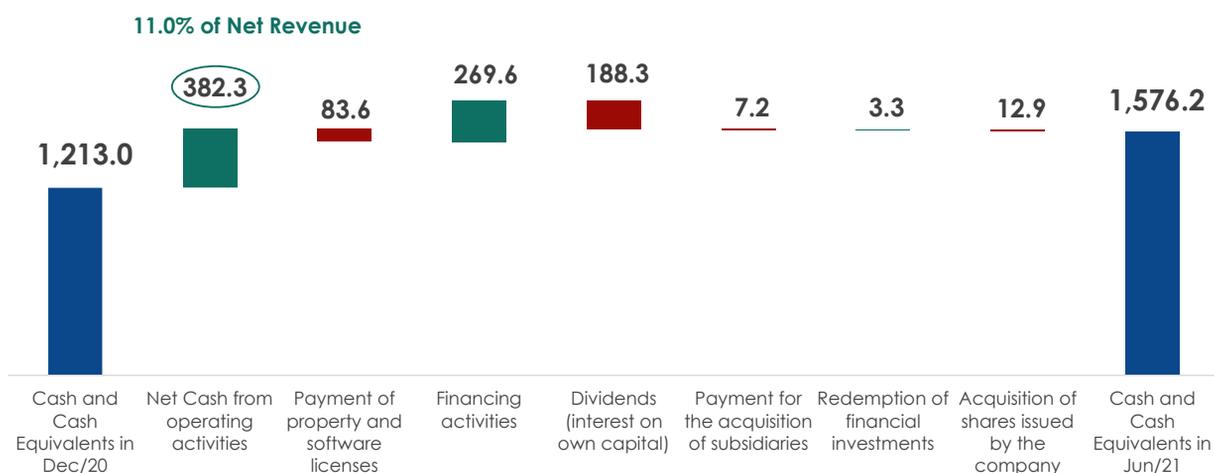
Consolidated Debt (R\$ million)	Index	Interest (year)	6/30/2021	% Debt	6/30/2020	% Debt	Variation
Domestic Currency:			1,362.6	73.1%	865.2	48.0%	57.5%
BNDES - FINAME	TJLP	2.17%	12.2	0.7%	16.2	0.9%	-24.7%
BNDES - PSI	R\$	3.00% (2.97% in 06/30/20)	58.4	3.1%	88.9	4.9%	-34.3%
BNDES - FINEM	IPCA	8.64% (8.67% in 06/30/20)	28.3	1.5%	37.7	2.1%	-24.9%
BNDES - PROGEREN	IPCA	6.28%	43.3	2.3%	59.7	3.3%	-27.5%
FINIMP	100% CDI	3.80%	-	0.0%	134.2	7.4%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	10.6	0.6%	8.7	0.5%	21.8%
Working Capital	100% CDI	1.30% (2.50% in 06/30/20)	201.2	10.8%	100.8	5.6%	99.6%
Investment of assignment of Pilar's shares	100% CDI	-	3.9	0.2%	2.7	0.1%	44.4%
Investment of assignment of Estrela's shares	100% CDI	-	8.4	0.5%	5.4	0.3%	55.6%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	0.7	0.0%	0.0	0.0%	n/a
Investment of assignment of Piraquê's shares	100% CDI	-	200.8	10.8%	209.0	11.6%	-3.9%
Commercial notes	100% CDI	3.13%	0.0	0.0%	201.9	11.2%	-100.0%
Debentures	IPCA	3.80% and 4.14%	794.8	42.7%	0.0	0.0%	n/a
Foreign Currency:			500.4	26.9%	936.4	52.0%	-46.6%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.66% (1.91% in 06/30/20)	500.4	26.9%	936.4	52.0%	-46.6%
TOTAL			1,863.0	100.0%	1,801.6	100.0%	3.4%

On June 30, 2021, the Company had a swap contract to hedge working capital financing in foreign currency with maturity on December 22, 2025, in which the long leg receives, on average, the Dollar plus 1.9475% and the short leg pays, on average, the CDI rate plus 1.50% per year with the (notional) reference value of R\$510.0 million and the fair value payable of R\$26.6 million.

To protect the debenture issues, on June 30, 2021, the Company had 18 swap contracts with different maturities, the last of which on March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.02% per year and the short leg pays, on average, the CDI rate plus 0.88% per year. The (notional) reference values totaled R\$405.8 million and the gross fair value payable of these derivative instruments was R\$0.382 million on June 30, 2021. Debentures totaled R\$794.8 million net of the unamortized balance of transaction costs totaling R\$43.9 million.

Net cash generated by operating activities totaled R\$382.3 million and net cash generated by financing activities (third-party capital) reached R\$269.6 million, contributing to the cash and cash equivalents figure recorded in 2Q21:

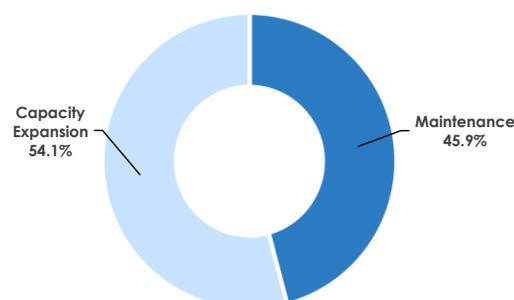
R\$ Million



INVESTMENTS

Investments (R\$ Million)	2Q21	2Q20	Variation	1H21	1H20	Variation
Buildings	5.7	3.4	67.6%	10.1	11.1	-9.0%
Machinery and equipment	21.5	24.8	-13.3%	42.2	56.4	-25.2%
Construction in progress	14.0	10.1	38.6%	24.1	20.2	19.3%
Vehicles	-	0.0	n/a	0.0	0.3	-100.0%
IT Equipment	3.2	1.0	n/a	4.0	1.6	n/c
Furniture and fixtures	1.3	1.0	30.0%	3.0	3.7	-18.9%
Land	-	1.8	-100.0%	0.0	2.7	-100.0%
Software Use License	5.3	2.4	n/a	8.1	3.8	n/c
Others	0.6	0.3	100.0%	0.8	1.3	-38.5%
Total	51.6	44.8	15.2%	92.3	101.1	-8.7%

Investments 2Q21 - R\$51.6 million



Investments totaled R\$51.6 million in 2Q21 (R\$44.8 million in 2Q20), distributed between expansion and maintenance. Among the items that made up investment spending, we highlight (i) the acquisition of equipment and the adaptations made in the Bento Gonçalves (RS) unit; (ii) retrofit of machinery at the Madureira (RJ) unit; (iii) acquisition of equipment for the Fábrica Fortaleza (CE) and São Caetano do Sul (SP) units; and (iv) adaptations made in the distribution center at the Rio de Janeiro (RJ) unit.

CAPITAL MARKET

The Company's shares are traded on B3 (Brasil, Bolsa, Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On **June 30, 2021**, there were 82,747,433 outstanding shares, representing 24.4% of the Company's capital stock, priced at **R\$32.62** each, totaling **R\$ 2,699.2 million**. In 2Q21, the average daily trading volume was **6,691** (7,369 in 2Q20), and the average daily trading financial volume was **R\$39.9 million** (R\$43.3 million in 2Q20).

Performance MDIA3 x IBOV x IGC 01/02/2020 – 07/29/2021

MDIA3 (07/29/2021):
Stock Price: R\$ 31.10
Volume: R\$ 26.0 Million
IBOV: 125,675
IGC: 20,945



MAIN ADMINISTRATIVE FACTS

Approval of the Quarterly Information

At the meeting of the Board of Directors held on August 06, 2021, the following was approved: (i) the Quarterly Information (ITR) for the period ended June 30, 2021; and (ii) other provisions.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS



M. Dias Branco develops initiatives to honor its commitment to sustainability through working groups focused on strengthening sustainable practices in several areas of the business.

The Company has an area exclusively dedicated to environmental management and adopts practices to minimize its main environmental impacts related to the consumption of natural resources and generation of waste. We present below the results of the 2Q21 and 1H21 compared to the same periods in 2020, considering all M. Dias Branco's industrial units.

Analysis of Indicators

Indicators	2Q21	2Q20	Variation	1H21	1H20	Variation
Average Energy Intensity (kwh/ton)	177.1	154.7	14.4%	185.1	161.7	14.5%
Water Consumption (m ³ /ton)	0.39	0.36	8.3%	0.44	0.37	18.9%
Waste Recycling Index (%)	89.2	85.3	+3.9p.p.	89.4	84.9	+4.5p.p.
Solid Waste Generation (kg/ton)	12.2	11.7	4.4%	13.4	11.7	14.5%
Frequency Rate of Occupational Accidents	0.73	0.69	+0.04p.p.	0.70	0.69	+0.01p.p.

Energy Intensity *SDGs 7 and 12*

In the comparison between 2Q21 and 2Q20, an increase of 14.4% was recorded and, in 1H21, increased 14.5% (against 1H20), influenced by the higher number of stoppages and restarts of lines due to drop in production volumes.

Water Consumption *SDGs 6, 9 and 12*

Increased 8.3% in 2Q21 over 2Q20 and was 18.9% higher in 1H21 over 1H20 due to lower production volumes. As actions are aimed at reducing consumption, the Company is working on increasing the availability of reused water.

Waste Recycling Rate *SDGs 9 and 12*

Increased 3.9 p.p. in 2Q21 over 2Q20 and 4.5 p.p. in 1H21 over 1H20, due to ongoing efforts to seek and implement more sustainable waste destination alternatives.

Solid Waste Generation *SDGs 9 and 12*

This indicator was impacted by the reduction in production volumes and increased 4.4% in 2Q21 over 2Q20 and 14.5% in 1H21 over 1H20. As with water, actions are being implemented by the improvement teams.

Rate of Occupational Accidents *SDGs 3 and 8*

The rate of occupational accidents remained in line with previous quarters, thanks to campaigns to reinforce employees' risk perception, NR12³ adjustments, safe transit campaigns and incentives to register security warnings, among other initiatives.

³ Standard that deals with occupational safety in machinery and equipment.

Other Initiatives and Achievements

- ✓ Start of the “Planet” Working Group, comprised of team that is engaged in the Climate Change theme; **SDG 13**
- ✓ “Land Landfill” Project, which adds greater value to waste generated in industrial operations, aiming for more sustainable alternatives for their disposal; **SDG 9**
- ✓ We intensified the co-product production, which is intended for animal feed and is obtained from solid waste produced by the food industry, preventing large volumes of waste from being disposed in landfills; **SDG 12**
- ✓ Use of forklifts with non-polluting batteries, increasing sustainability of processes across the production chain; **SDG 9**
- ✓ Support to the “Programa Dê a Mão para o Futuro” (Give a Hand to the Future Program), whose objective is to collect and recycle post-consumer packagings and involves public authorities, private players and recycling cooperatives and associations; **SDG 12**

M. Dias Branco is a signatory of the United Nations Global Compact, reinforcing the commitment to increasingly align our strategies and operations with the ten universal principles that contribute to facing society's challenges. In 2020, we carried out an in-depth analysis of our connections with the Sustainable Development Goals (SDGs), identifying our impacts on each of them. We present below the SDGs prioritized by the Company.



Through these actions, a culture of sustainability is developed, making, over time, social and environmental aspects more integrated into the Company's decision-making process and value creation.

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 27 of the Company's Financial Statements.

INCOME STATEMENT (R\$ Million)	2Q21	2Q20	Variation	1Q21	Variation	1H21	1H20	Variation
NET REVENUES	1,978.6	1,885.2	5.0%	1,491.1	32.7%	3,469.7	3,521.9	-1.5%
COST OF GOODS SOLD	-1,541.2	-1,367.6	12.7%	-1,167.7	32.0%	-2,708.9	-2,456.4	10.3%
TAX INCENTIVES (ICMS)	112.4	102.3	9.9%	76.6	46.7%	189.0	179.1	5.5%
GROSS PROFIT	549.8	619.9	-11.3%	400.0	37.5%	949.8	1,244.6	-23.7%
OPERATING REVENUES (EXPENSES)	-455.3	-456.1	-0.2%	-417.8	9.0%	-873.1	-913.3	-4.4%
Sales expenses	-362.2	-388.4	-6.7%	-343.5	5.4%	-705.7	-756.4	-6.7%
Administrative and general expenses	-80.1	-78.6	1.9%	-76.4	4.8%	-156.6	-151.1	3.6%
Other net income (expenses)	-13.0	10.9	n/a	2.1	n/a	-10.8	-5.8	86.2%
OPERATING INCOME - before financial results	94.5	163.8	-42.3%	-17.8	-630.9%	76.7	331.3	-76.8%
Financial income	122.5	18.9	n/a	45.4	n/a	167.9	37.4	n/a
Financial expenses	-127.6	-21.6	n/a	-39.3	n/a	-166.9	-44.0	n/a
OPERATING INCOME - after financial results	89.4	161.1	-44.5%	-11.7	-864.1%	77.7	324.7	-76.1%
Equity in net income of subsidiaries	-1.2	-1.4	-14.3%	-1.2	0.0%	-2.4	-2.2	9.1%
INCOME - before income tax and social contribution	88.2	159.7	-44.8%	-12.9	-783.7%	75.3	322.5	-76.7%
Income tax and social contribution	54.1	-7.3	n/a	27.9	93.9%	82.0	-33.1	n/a
NET INCOME	142.3	152.4	-6.6%	15.0	848.7%	157.3	289.4	-45.6%

EARNINGS RELEASE

2Q21 and 1H21



BALANCE SHEET (R\$ Million)	M. DIAS (CONSOLIDATED)				
	6/30/2021	6/30/2020	Variation	12/31/2020	Variation
ASSETS					
CURRENT	4,283.4	3,730.5	14.8%	3,870.6	10.7%
Cash and cash equivalents	1,576.2	1,391.2	13.3%	1,213.0	29.9%
Trade accounts receivable	1,084.9	864.0	25.6%	960.1	13.0%
Inventories	1,210.0	1,106.0	9.4%	1,216.1	-0.5%
Taxes recoverable	362.6	260.2	39.4%	398.9	-9.1%
Financial investments	16.5	16.4	0.6%	16.4	0.6%
Derivatives financial instruments	6.3	57.9	-89.1%	23.8	-73.5%
Other receivables	13.8	17.8	-22.5%	32.0	-56.9%
Prepaid expenses	13.1	17.0	-22.9%	10.3	27.2%
NON CURRENT	6,016.3	5,714.3	5.3%	5,859.3	2.7%
Long-term	783.9	553.9	41.5%	618.6	26.7%
Financial investments	0.0	3.3	-100.0%	3.3	-100.0%
Judicial deposits	273.7	261.1	4.8%	263.8	3.8%
Taxes recoverable	455.9	228.8	99.3%	293.0	55.6%
Long-term receivables	0.0	0.1	-100.0%	0.0	n/a
Tax incentives/other receivables	4.8	4.0	20.0%	4.9	-2.0%
Indemnity assets	49.5	56.6	-12.5%	53.6	-7.6%
Investments	44.9	50.6	-11.3%	47.3	-5.1%
Investments properties	54.4	54.9	-0.9%	54.6	-0.4%
Property, plant and equipment	3,414.7	3,332.3	2.5%	3,419.4	-0.1%
Intangible	1,718.4	1,722.6	-0.2%	1,719.4	-0.1%
TOTAL ASSETS	10,299.7	9,444.8	9.1%	9,729.9	5.9%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	1,441.7	2,311.9	-37.6%	1,634.0	-11.8%
Suppliers	586.3	300.0	95.4%	361.7	62.1%
Financing and borrowings from financial institutions	267.8	1,239.6	-78.4%	743.8	-64.0%
Tax financing	3.4	4.2	-19.0%	3.3	3.0%
Direct financing	28.7	29.8	-3.7%	29.0	-1.0%
Debentures	8.7	201.9	-95.7%	0.0	n/a
Lease	43.0	18.2	n/a	41.1	4.6%
Social security and labor liabilities	190.7	245.9	-22.4%	176.6	8.0%
Income tax and social contribution	1.8	0.0	n/a	0.0	n/a
Tax liabilities	85.2	128.5	-33.7%	55.6	53.2%
Advances from customers	13.7	15.7	-12.7%	11.1	23.4%
Derivatives financial instruments	69.2	0.0	n/a	18.1	n/a
Other accounts payable	131.1	117.5	11.6%	122.3	7.2%
Proposed dividends	0.0	0.0	n/a	59.0	n/a
Government grant	12.1	10.6	14.2%	12.4	-2.4%
NON CURRENT LIABILITIES	2,237.7	898.9	n/a	1,450.3	54.3%
Financing and borrowings from financial institutions	576.1	134.3	n/a	618.4	-6.8%
Tax financing	7.2	4.5	60.0%	6.6	9.1%
Direct financing	185.1	187.3	-1.2%	188.0	-1.5%
Debentures	786.0	0.0	n/a	0.0	n/a
Lease	184.9	82.7	n/a	153.9	20.1%
Deferred taxes	215.8	239.7	-10.0%	226.6	-4.8%
Derivatives financial instruments	28.3	0.0	n/a	0.0	n/a
Others accounts payable	38.7	36.7	5.4%	37.7	2.7%
Provisions for civil, labor and tax risks	215.6	213.7	0.9%	219.1	-1.6%
SHAREHOLDERS' EQUITY	6,620.3	6,234.0	6.2%	6,645.6	-0.4%
Capital	2,597.7	2,567.9	1.2%	2,567.9	1.2%
Capital reserves	28.9	24.8	16.5%	27.6	4.7%
Accumulated conversion adjustments	0.2	0.2	0.0%	0.2	0.0%
Equity valuation adjustment	-51.5	0.0	n/a	-7.5	n/a
Revenue reserves	3,970.8	3,392.2	17.1%	4,001.4	-0.8%
(-) Treasury shares	-49.3	-40.5	21.7%	-39.6	24.5%
Additional dividend	0.0	0.0	n/a	95.6	-100.0%
Accrued profit	123.5	289.4	-57.3%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	10,299.7	9,444.8	9.1%	9,729.9	5.9%

EARNINGS RELEASE

2Q21 and 1H21



CASH FLOW (R\$ Million)	2Q21	2Q20	Variation	1H21	1H20	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income before Income Tax and Social Contribution	88.2	159.7	-44.8%	75.3	322.5	-76.7%
Adjustments to Reconcile net income with cash from operating activities:						
Depreciation and amortization	73.9	63.2	16.9%	140.3	125.0	12.2%
Cost on sale of permanent assets	0.0	0.2	-100.0%	0.0	1.6	-100.0%
Equity in net income of subsidiaries	1.2	1.4	-14.3%	2.4	2.2	9.1%
Loans, investments and exchange variations interests	-36.3	74.2	n/a	51.0	229.9	-77.8%
Tax credits and updates	-98.3	-43.9	n/a	-142.4	-50.4	n/a
Updated judicial deposits	-1.1	-1.1	0.0%	-1.7	-2.9	-41.4%
Updated provision for civil, labor and tax risks	2.8	-2.0	n/a	4.5	2.6	73.1%
Lease update	4.7	3.0	56.7%	9.8	5.7	71.9%
Provision for civil, labor and tax risks	9.1	6.7	35.8%	13.1	11.7	12.0%
Recognized shares granted	2.5	1.8	38.9%	4.4	2.7	63.0%
Provision (Reversion) for losses of clients	-2.6	6.1	n/a	-9.6	15.4	n/a
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.8	-100.0%	0.0	0.8	-100.0%
Provision for income tax of loans	1.1	0.8	37.5%	2.8	1.9	47.4%
Provision for losses in inventories	3.7	3.7	0.0%	8.2	4.8	70.8%
Provision of derivative contracts	72.8	-64.0	n/a	0.9	-210.1	n/a
Reversal of provision for impairment of assets	0.0	-7.7	-100.0%	0.0	-7.7	-100.0%
Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	-229.1	61.4	n/a	-115.2	78.3	n/a
(Increase) decrease in inventories	215.2	-121.2	n/a	-26.0	-305.6	-91.5%
(Increase) in financial investments	-0.1	0.0	n/a	-0.1	0.0	n/a
Decrease in taxes recoverable	53.5	64.3	-16.8%	33.6	68.9	-51.2%
(Increase) decrease in other credits	10.6	28.8	-63.2%	11.3	-4.5	n/a
Increase in suppliers	138.3	176.9	-21.8%	224.6	150.9	48.8%
Increase (decrease) in taxes and contributions	41.4	-3.7	n/a	125.6	45.1	n/a
Increase (decrease) in government grants	-6.0	-3.0	100.0%	-0.3	5.8	n/a
Increase in accounts payable and provisions	47.8	102.2	-53.2%	4.5	112.3	-96.0%
Interests paid	-19.9	-12.6	57.9%	-31.6	-22.2	42.3%
Exchange variations paid	-7.5	-68.7	-89.1%	-40.0	-101.3	-60.5%
Income tax and social contributions paid	-4.5	-19.9	-77.4%	-11.7	-29.7	-60.6%
Receipts of funds for settlement of derivative transactions	4.4	85.0	-94.8%	48.6	116.1	-58.1%
Net Cash generated from operating activities	365.8	492.4	-25.7%	382.3	569.8	-32.9%
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-47.0	-44.8	4.9%	-83.6	-98.5	-15.1%
Payment of debt from purchase of company	-7.2	-22.9	-68.6%	-7.2	-22.9	-68.6%
Redemption of long-term financial investment	2.5	0.4	n/a	3.3	0.5	n/a
Net Cash (used) in Investment Activities	-51.7	-67.3	-23.2%	-87.5	-120.9	-27.6%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	-188.3	-85.0	n/a	-188.3	-85.0	n/a
Financing obtained	1.3	465.8	-99.7%	813.6	1,108.1	-26.6%
Payment of financing	-195.2	-202.3	-3.5%	-514.6	-371.6	38.5%
Acquisition of treasury shares	-12.9	0.0	n/a	-12.9	-43.8	-70.5%
Lease payments	-14.6	-7.2	n/a	-29.4	-13.8	n/a
Net Cash used in Financing Activities	-409.7	171.3	n/a	68.4	593.9	-88.5%
Increase (Decrease) in cash and cash equivalents	-95.6	596.4	n/a	363.2	1,042.8	-65.2%
At the start of the period	1,671.8	794.8	110.3%	1,213.0	348.4	n/a
At the end of the period	1,576.2	1,391.2	13.3%	1,576.2	1,391.2	13.3%
Increase (Decrease) in cash and cash equivalents	-95.6	596.4	n/a	363.2	1,042.8	-65.2%

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.