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Company Data / Capital Stock

Number of Shares (in thousands)	Current quarter 03/31/2022
Paid-in Capital	
Common	339,000,000
Preferred	-
Total	339,000,000
Treasury Shares	
Common	2,966,853
Preferred	-
Total	2,966,853

Individual Financial statements / Balance Sheet – Assets**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
1	Total Assets	9,951,242	10,634,339
1.01	Current Assets	3,959,599	4,418,684
1.01.01	Cash and Cash Equivalents	844,747	1,554,804
1.01.02	Financial Investments	16,790	16,566
1.01.02.03	Financial Investments Valued at Amortized Cost	16,790	16,566
1.01.03	Trade Accounts Receivable	1,190,403	1,431,094
1.01.03.01	Clients	1,190,403	1,431,094
1.01.04	Inventory	1,426,293	1,143,315
1.01.06	Recoverable Taxes	387,399	198,356
1.01.06.01	Current Recoverable Taxes	387,399	198,356
1.01.06.01.01	Income Tax and Social Contribution	19,475	71,224
1.01.06.01.02	Other Recoverable Taxes	367,924	127,132
1.01.07	Prepaid Expenses	17,032	7,444
1.01.08	Other Current Assets	76,935	67,105
1.01.08.03	Other	76,935	67,105
1.01.08.03.02	Derivative Financial Instruments	51,886	49,765
1.01.08.03.20	Other Current Assets	25,049	17,340
1.02	Non-current Assets	5,991,643	6,215,655
1.02.01	Long-term Assets	507,533	750,078
1.02.01.03	Financial Investments Valued at Amortized Cost	2,096	2,058
1.02.01.10	Other Non-current Assets	505,437	748,020
1.02.01.10.03	Judicial Deposits	239,238	233,582
1.02.01.10.04	Recoverable Taxes	38,912	0
1.02.01.10.05	Tax Incentives/Other Credits	155,156	439,812
1.02.01.10.06	Indemnity Assets	59,365	59,827
1.02.01.10.07	Derivative Financial Instruments	8,098	10,164
1.02.01.10.08	Other Non-current Assets	4,668	4,635
1.02.02	Investments	331,139	333,623
1.02.02.01	Shareholdings	275,141	277,504
1.02.02.01.02	Subsidiaries	232,795	237,230
1.02.02.01.03	Interest in Subsidiaries	41,458	39,386
1.02.02.01.04	Other Shareholdings	888	888
1.02.02.02	Investment Properties	55,998	56,119
1.02.03	Property, Plant and Equipment	3,413,222	3,402,810
1.02.03.01	Property, Plant and Equipment in Operation	2,902,555	2,886,294
1.02.03.02	Right-of-use in Leasing	262,281	224,757
1.02.03.02.02	Right-of-Use	262,281	224,757
1.02.03.03	Property, Plant and Equipment in Progress	248,386	291,759
1.02.04	Intangible	1,739,749	1,729,144
1.02.04.01	Intangible	1,739,749	1,729,144
1.02.04.01.02	Brands and Patents	552,147	552,103
1.02.04.01.03	Software	103,465	89,884
1.02.04.01.04	Goodwill	944,412	944,412
1.02.04.01.05	Customer Relationships	139,501	142,469
1.02.04.01.06	Non-compete agreement	224	276

Individual Financial statements / Balance Sheet – Liabilities**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
2	Total Liabilities	9,951,242	10,634,339
2.01	Current Liabilities	1,421,567	1,317,713
2.01.01	Social and Labor Liabilities	160,544	176,210
2.01.01.01	Social Liabilities	56,419	53,321
2.01.01.02	Labor Liabilities	104,125	122,889
2.01.02	Suppliers	703,307	739,406
2.01.02.01	Domestic Suppliers	703,307	739,406
2.01.03	Tax Obligations	103,975	103,447
2.01.03.01	Federal Tax Obligations	28,688	13,002
2.01.03.01.01	Income Tax and Social Contribution	1,778	1,778
2.01.03.01.02	Other Federal Tax Obligations	26,910	11,224
2.01.03.02	State Tax Obligations	73,740	88,770
2.01.03.03	Municipal Tax Obligations	1,547	1,675
2.01.04	Loans and Financing	101,307	108,743
2.01.04.01	Loans and Financing	101,307	108,743
2.01.04.01.01	National Currency	98,770	108,471
2.01.04.01.02	Foreign Currency	2,537	272
2.01.05	Other Obligations	352,434	189,907
2.01.05.02	Other	352,434	189,907
2.01.05.02.01	Proposed Dividends	6	5
2.01.05.02.05	Government Subsidies	13,164	10,845
2.01.05.02.06	Derivative Financial Instruments	161,686	44
2.01.05.02.07	Leasing	57,707	52,809
2.01.05.02.20	Other Debts	119,871	126,204
2.02	Non-Current Liabilities	2,216,538	2,284,338
2.02.01	Loans and Financing	1,567,467	1,640,680
2.02.01.01	Loans and Financing	1,567,467	1,640,680
2.02.01.01.01	National Currency	1,093,687	1,082,630
2.02.01.01.02	Foreign Currency	473,780	558,050
2.02.02	Other Obligations	352,697	225,226
2.02.02.02	Other	352,697	225,226
2.02.02.02.06	Derivative Financial Instruments	102,735	8,778
2.02.02.02.07	Leasing	228,485	192,985
2.02.02.02.20	Other Non-Current Liabilities	21,477	23,463
2.02.03	Deferred Taxes	76,568	197,255
2.02.03.01	Deferred Income Tax and Social Contribution	76,568	197,255
2.02.04	Provisions	219,806	221,177
2.02.04.01	Provisions Tax, Social Security, Labor and Civil	219,806	221,177
2.02.04.01.01	Tax Provisions	97,443	96,444
2.02.04.01.02	Labor and Social Security Provisions	111,818	113,951
2.02.04.01.04	Civil Provisions	10,545	10,782
2.03	Shareholders' Equity	6,313,137	7,032,288
2.03.01	Realized Capital Stock	2,597,656	2,597,656

Individual Financial statements / Balance Sheet – Liabilities**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
2.03.02	Capital Reserves	35,966	33,425
2.03.02.08	Special Reserve	16,530	16,527
2.03.02.09	Granted Recognized Shares	19,436	16,898
2.03.04	Profit Reserves	3,734,659	4,359,485
2.03.04.01	Legal Reserves	320,874	320,874
2.03.04.02	Statutory Reserves	1,353,214	1,941,449
2.03.04.07	Tax Incentive Reserve	2,145,900	2,145,900
2.03.04.09	Treasury shares	-85,329	-48,738
2.03.05	Accumulated Profits/Losses	20,932	0
2.03.06	Equity Adjustments	-76,220	41,550
2.03.06.01	Gains (Losses) on Cash-Flow Hedge	-54,815	38,038
2.03.06.02	Tax effects on Cash-Flow Hedge	-21,405	3,512
2.03.07	Accumulated Translation Adjustments	144	172

Individual Financial statements / Statement of Income**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.01	Revenue from Sale of Goods and/or Services	1,887,385	1,491,077
3.01.01	Gross sales and /or Services	2,282,698	1,801,379
3.01.02	Returns, Discounts and Cancellations	-395,313	-310,302
3.02	Cost of Goods Sold and/or Services Rendered	-1,394,497	-1,090,947
3.02.01	Cost of Goods Sold	-1,505,128	-1,167,638
3.02.02	Tax Incentives (ICMS)	110,631	76,691
3.03	Gross Income	492,888	400,130
3.04	Operating Income/Expenses	-482,204	-419,081
3.04.01	Selling Expenses	-367,149	-343,910
3.04.01.01	Selling Expenses	-349,471	-329,477
3.04.01.02	Depreciation and Amortization	-17,678	-14,433
3.04.02	General and Administrative Expenses	-74,023	-75,836
3.04.02.01	Administrative Expenses	-64,392	-67,346
3.04.02.04	Depreciation and Amortization	-9,631	-8,490
3.04.04	Other Operating Income	16,340	46,732
3.04.05	Other Operating Expenses	-45,995	-44,707
3.04.06	Equity in net Income of Subsidiaries	-11,377	-1,360
3.05	Income Before Financial Results and Tax	10,684	-18,951
3.06	Financial Results	-33,120	6,033
3.06.01	Financial Income	131,663	45,369
3.06.02	Financial Expenses	-164,783	-39,336
3.07	Income Before Tax	-22,436	-12,918
3.08	Income Tax and Social Contribution	60,190	27,935
3.08.01	Current	172	65,077
3.08.02	Deferred	60,018	-37,142
3.09	Net Income from the Continuing Operations	37,754	15,017
3.11	Income for the period	37,754	15,017
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	0.11137	0.0443
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	0.11205	0.04435

Individual Financial statements / Statements of Comprehensive Income**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Net Profit for the Period	37,754	15,017
4.02	Other Comprehensive Income	-117,798	16,348
4.02.01	Gains (Losses) on Cash-Flow Hedges	-178,439	24,372
4.02.02	Accumulated Translation Adjustments	-28	17
4.02.03	Tax effects on Cash-Flow Hedges	60,669	-8,041
4.03	Comprehensive Income for the Period	-80,044	31,365

Individual Financial statements / Statement of Cash Flow - Indirect Method**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
6.01	Net Cash from Operating Activities	22,602	11,516
6.01.01	Cash Generated from Operations	129,186	37,507
6.01.01.01	Net Income before Income Tax and Social Contribution	-22,436	-12,918
6.01.01.02	Depreciation and Amortization	73,437	66,400
6.01.01.03	Cost of Sale of Fixed Assets	979	5
6.01.01.04	Equity in Net Income of Subsidiaries	11,377	1,360
6.01.01.05	Updated Financing, Debentures and Exchange Rate Variations	-55,420	87,308
6.01.01.06	Updated Financial Investment in the Long Term	-50	0
6.01.01.07	Updated Judicial Deposits	-2,843	-565
6.01.01.09	Tax Credits and Updates	-7,243	-44,132
6.01.01.10	Provision for Civil, Labor and Tax Risks/Other	6,418	6,868
6.01.01.11	Provision for Impairment Losses of Customers	3,041	-7,032
6.01.01.12	Impairment Losses on Inventory	4,226	4,497
6.01.01.13	Granted Recognized Shares	2,540	1,926
6.01.01.14	Lease update	5,942	5,128
6.01.01.15	Provision arising from derivative contracts	108,116	-71,895
6.01.01.16	Provision (Reversal) for Expenses/Indemnity Asset	762	-1,151
6.01.01.17	Provision for Income tax on financing	340	1,708
6.01.02	Changes in Assets and Liabilities	-99,058	-21,107
6.01.02.01	(Increase) Decrease in Trade Accounts Receivable	237,650	113,787
6.01.02.02	(Increase) Decrease in Inventories	-310,715	-241,277
6.01.02.03	(Increase) Decrease in Recoverable Taxes	119,707	789
6.01.02.04	(Increase) Decrease in Financial Investments	-223	0
6.01.02.05	(Increase) Decrease in Judicial Deposits	-2,813	-4,119
6.01.02.06	(Increase) Decrease in Prepaid Expenses	-9,588	-6,032
6.01.02.07	(Increase) Decrease in Indemnity Assets	0	8,102
6.01.02.08	(Increase) Decrease in Other Credits	-7,742	5,453
6.01.02.09	Increase (Decrease) in Suppliers	-36,099	86,247
6.01.02.10	Increase (Decrease) in Taxes and Contributions	-59,489	56,215
6.01.02.11	Increase (Decrease) in Social and Labor Liabilities	-15,666	-28,207
6.01.02.12	Increase (Decrease) in Provisions for Civil, Labor and Tax Risks	-7,789	-13,404
6.01.02.13	Increase (Decrease) in Government Subsidies	2,320	5,686
6.01.02.14	Increase (Decrease) in Other Debts	-8,611	-4,347
6.01.03	Other	-7,526	-4,884
6.01.03.02	Interests Paid	-6,280	-16,576
6.01.03.05	Receipts (payments) of resources for settlement of derivative transactions	-1,246	44,165
6.01.03.06	Exchange Variations Paid	0	-32,473
6.02	Net Cash from Investment Activities	-54,797	-35,725
6.02.01	Acquisition of Property and Intangible Assets	-45,755	-36,490
6.02.06	Redeem Financial Investment in the Long Term	0	765
6.02.07	Financial Investments	-9,042	0
6.03	Net Cash from Financing Activities	-677,862	482,993
6.03.01	Interest on Equity Paid	-605,057	0
6.03.02	Acquisition Financing	1,782	812,303
6.03.03	Financing Payment	-26,748	-319,397
6.03.04	Acquisition of Company 's Shares	-36,597	0
6.03.05	Lease Payment	-11,242	-9,913
6.05	Increase (decrease) in Cash and Cash Equivalents	-710,057	458,784
6.05.01	Opening Balance of Cash and Cash Equivalents	1,554,804	1,212,873
6.05.02	Closing Balance of Cash and Cash Equivalents	844,747	1,671,657

Individual Financial statements / Statement of Changes in Shareholders' Equity - 01/01/2022 to 03/31/2022**(in thousands)**

Code of the account	Description of the code	Capital Stock	Capital Reserves, Options Granted and Shares in Treasury	Profit Reserves	Retained Earnings or Accumulated Losses	Comprehensive Income	Shareholders' Equity
5.01	Opening Balance	2,597,656	-15,313	4,408,223	0	41,722	7,032,288
5.03	Adjusted Opening Balance	2,597,656	-15,313	4,408,223	0	41,722	7,032,288
5.04	Capital Transactions with Associates	0	-34,050	-588,235	-16,822	0	-639,107
5.04.04	Acquisition of Treasury Shares	0	-36,597	0	0	0	-36,597
5.04.07	Interest on Equity	0	0	-588,235	0	0	-588,235
5.04.08	Minimum Compulsory Dividends	0	0	0	-16,822	0	-16,822
5.04.11	Granted Recognized Shares	0	2,572	0	0	0	2,572
5.04.12	Exercise of the Restricted Shares Granting Plan with Treasury Shares	0	-25	0	0	0	-25
5.05	Total Comprehensive Income	0	0	0	37,754	-117,798	-80,044
5.05.01	Net Profit for the Period	0	0	0	37,754	0	37,754
5.05.02	Other Comprehensive Income	0	0	0	0	-117,798	-117,798
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	-117,770	-117,770
5.05.02.04	Conversion Adjustments for the Period	0	0	0	0	-28	-28
5.07	Closing Balance	2,597,656	-49,363	3,819,988	20,932	-76,076	6,313,137

Individual Financial statements / Statement of Changes in Shareholders' Equity - 01/01/2021 to 03/31/2021**(in thousands)**

Code of the account	Description of the code	Capital Stock	Capital Reserves, Options Granted and Shares in Treasury	Profit Reserves	Retained Earnings or Accumulated Losses	Comprehensive Income	Shareholders' Equity
5.01	Opening Balance	2.567.941	-11.981	4.096.990	0	-7.382	6.645.568
5.03	Adjusted Opening Balance	2.567.941	-11.981	4.096.990	0	-7.382	6.645.568
5.04	Capital Transactions with Associates	29.715	1.924	-29.715	0	0	1.924
5.04.01	Increase in Capital Stock	29.715	0	-29.715	0	0	0
5.04.11	Granted Recognized Shares	0	1.924	0	0	0	1.924
5.05	Total Comprehensive Income	0	0	0	15.017	16.348	31.365
5.05.01	Net Profit for the Period	0	0	0	15.017	0	15.017
5.05.02	Other Comprehensive Income	0	0	0	0	16.348	16.348
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	16.331	16.331
5.05.02.04	Conversion Adjustments for the Period	0	0	0	0	17	17
5.07	Closing Balance	2.597.656	-10.057	4.067.275	15.017	8.966	6.678.857

Individual Financial statements / Statement of Value Added**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
7.01	Revenues	2,165,626	1,747,856
7.01.01	Sale of Goods, Products and Services	2,144,483	1,684,680
7.01.02	Other Revenues	17,748	46,047
7.01.03	Related to Construction of Own Assets	6,436	10,097
7.01.04	Provision/Reversal of Doubtful Accounts	-3,041	7,032
7.02	Input Acquired from Third Parties	-1,651,225	-1,306,539
7.02.01	Costs of Products, Goods and Services Sold	-1,096,363	-827,991
7.02.02	Materials, Energy, Third Party Services and Other	-553,642	-478,306
7.02.04	Other	-1,220	-242
7.02.04.01	Materials related to Construction of Own Assets	-1,220	-242
7.03	Gross Value Added	514,401	441,317
7.04	Retention	-73,437	-66,400
7.04.01	Depreciation, Amortization and Depletion	-73,437	-66,400
7.05	Net Value Added Produced	440,964	374,917
7.06	Value Added Received Through Transfer	120,286	44,009
7.06.01	Equity in net Income of Subsidiaries	-11,377	-1,360
7.06.02	Financial Revenue	131,663	45,369
7.07	Total Value Added to Distribute	561,250	418,926
7.08	Distribution of Value Added	561,250	418,926
7.08.01	Personnel	271,816	264,468
7.08.01.01	Direct Compensation	178,457	171,839
7.08.01.02	Benefits	78,003	71,092
7.08.01.03	Severance fund (FGTS)	15,356	21,537
7.08.02	Taxes, Fees and Contributions	80,915	88,730
7.08.02.01	Federal	10,214	30,794
7.08.02.02	State	67,298	54,958
7.08.02.03	Municipal	3,403	2,978
7.08.03	Remuneration of third party capital	170,765	50,711
7.08.03.01	Interest Rates	164,783	39,336
7.08.03.02	Rentals	5,982	11,375
7.08.04	Remuneration of Own Capital	37,754	15,017
7.08.04.01	Interest on Equity	67,544	0
7.08.04.03	Retained Earnings/Losses for the Period	-29,790	15,017

Consolidated Financial statements / Balance Sheet - Assets**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
1	Total Assets	9,971,474	10,657,093
1.01	Current Assets	3,983,947	4,443,030
1.01.01	Cash and Cash Equivalents	845,649	1,555,864
1.01.02	Financial Investments	16,790	16,566
1.01.02.03	Financial Investments Valued at Amortized Cost	16,790	16,566
1.01.03	Trade Accounts Receivable	1,193,631	1,438,991
1.01.03.01	Clients	1,193,631	1,438,991
1.01.04	Inventory	1,439,624	1,154,177
1.01.06	Recoverable Taxes	388,780	199,143
1.01.06.01	Current Recoverable Taxes	388,780	199,143
1.01.06.02	Income Tax and Social Contribution	19,475	71,224
1.01.06.03	Other Recoverable Taxes	369,305	127,919
1.01.07	Prepaid Expenses	20,179	7,803
1.01.08	Other Current Assets	79,294	70,486
1.01.08.03	Other	79,294	70,486
1.01.08.03.02	Derivative Financial Instruments	52,264	51,079
1.01.08.03.20	Other Current Assets	27,030	19,407
1.02	Non-current Assets	5,987,527	6,214,063
1.02.01	Long-term Assets	507,852	750,569
1.02.01.03	Financial Investments Valued at Amortized Cost	2,096	2,058
1.02.01.10	Other Non-current Assets	505,756	748,511
1.02.01.10.03	Judicial Deposits	239,463	233,807
1.02.01.10.04	Recoverable Taxes	38,912	0
1.02.01.10.05	Income Tax and Social Contribution	155,236	440,068
1.02.01.10.06	Other Recoverable Taxes	59,365	59,827
1.02.01.10.07	Derivative Financial Instruments	8,098	10,164
1.02.01.10.08	Other Non-current Assets	4,682	4,645
1.02.02	Investments	90,708	92,062
1.02.02.01	Shareholdings	34,710	35,943
1.02.02.01.04	Interest in subsidiaries	33,822	35,055
1.02.02.01.05	Other Shareholdings	888	888
1.02.02.02	Investment Properties	55,998	56,119
1.02.03	Property, Plant and Equipment	3,427,528	3,417,997
1.02.03.01	Property, Plant and Equipment in Operation	2,916,071	2,901,026
1.02.03.02	Right-of-use in Leasing	262,281	224,757
1.02.03.02.02	Right-of-Use	262,281	224,757
1.02.03.03	Property, Plant and Equipment in Progress	249,176	292,214
1.02.04	Intangible	1,961,439	1,953,435
1.02.04.01	Intangible	1,961,439	1,953,435
1.02.04.01.02	Brands and Patents	651,016	651,015
1.02.04.01.03	Software	103,538	89,963
1.02.04.01.04	Goodwill	1,040,439	1,031,043
1.02.04.01.06	Customer Relationships	165,134	180,050
1.02.04.01.07	Non-compete agreement	1,312	1,364

Consolidated Financial statements / Balance Sheet - Liabilities**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
2	Total Liabilities	9,971,474	10,657,093
2.01	Current Liabilities	1,439,626	1,329,147
2.01.01	Social and Labor Liabilities	161,326	176,897
2.01.01.01	Social Liabilities	56,695	53,582
2.01.01.02	Labor Liabilities	104,631	123,315
2.01.02	Suppliers	709,062	741,373
2.01.02.01	Domestic Suppliers	708,081	741,044
2.01.02.02	Foreign Suppliers	981	329
2.01.03	Tax Obligations	104,754	104,395
2.01.03.01	Federal Tax Obligations	28,897	13,268
2.01.03.01.01	Income Tax and Social Contribution	1,778	1,792
2.01.03.01.02	Other Federal Tax Obligations	27,119	11,476
2.01.03.02	State Tax Obligations	74,293	89,431
2.01.03.03	Municipal Tax Obligations	1,564	1,696
2.01.04	Loans and Financing	103,694	116,026
2.01.04.01	Loans and Financing	103,694	116,026
2.01.04.01.01	National Currency	98,770	112,949
2.01.04.01.02	Foreign Currency	4,924	3,077
2.01.05	Other Obligations	360,790	190,456
2.01.05.02	Other	360,790	190,456
2.01.05.02.01	Proposed dividends	6	5
2.01.05.02.05	Government Subsidies	13,164	10,845
2.01.05.02.06	Derivative Financial Instruments	161,686	44
2.01.05.02.07	Mercantile Leasing	57,707	52,809
2.01.05.02.20	Other debts	128,227	126,753
2.02	Non-current Liabilities	2,218,711	2,295,658
2.02.01	Loans and Financing	1,568,852	1,651,572
2.02.01.01	Loans and Financing	1,568,852	1,651,572
2.02.01.01.01	National Currency	1,093,687	1,091,197
2.02.01.01.02	Foreign Currency	475,165	560,375
2.02.02	Other Obligations	354,782	227,503
2.02.02.02	Other	354,782	227,503
2.02.02.02.03	Other debts	683	784
2.02.02.02.06	Derivative Financial Instruments	102,735	8,778
2.02.02.02.07	Leasing	228,485	192,985
2.02.02.02.20	Other Non-Current Liabilities	22,879	24,956
2.02.03	Deferred Taxes	75,221	195,357
2.02.03.01	Deferred Income Tax and Social Contribution	75,221	195,357
2.02.04	Provisions	219,856	221,226
2.02.04.01	Provisions Tax, Social Security, Labor and Civil	219,856	221,226
2.02.04.01.01	Tax Provisions	97,443	96,444
2.02.04.01.02	Labor and Social Security Provisions	111,818	113,951
2.02.04.01.04	Civil Provisions	10,595	10,831

Consolidated Financial statements / Balance Sheet - Liabilities**(in thousands)**

Code of the account	Description of the code	Current Quarter 03/31/2022	Previous Period 12/31/2021
2.03	Shareholders' Equity	6,313,137	7,032,288
2.03.01	Realized Capital Stock	2,597,656	2,597,656
2.03.02	Capital Reserves	35,966	33,425
2.03.02.08	Special Reserve	16,530	16,527
2.03.02.09	Granted Recognized Shares	19,436	16,898
2.03.04	Profit Reserves	3,734,659	4,359,485
2.03.04.01	Legal Reserves	320,874	320,874
2.03.04.02	Statutory Reserves	1,353,214	1,941,449
2.03.04.07	Tax Incentive Reserve	2,145,900	2,145,900
2.03.04.09	Treasury shares	-85,329	-48,738
2.03.05	Accumulated Profits/Losses	20,932	0
2.03.06	Equity Adjustments	-76,220	41,550
2.03.06.01	Gains (Losses) on Cash-Flow Hedges	-54,815	38,038
2.03.06.02	Tax effects on Cash-Flow Hedges	-21,405	3,512
2.03.07	Accumulated Translation Adjustments	144	172

Consolidated Financial statements / Statement of Income**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.01	Revenue from Sale of Goods and/or Services	1,890,355	1,491,077
3.01.01	Gross sales and / or Services	2,288,935	1,801,379
3.01.02	Returns, discounts and cancellations	-398,580	-310,302
3.02	Cost of Goods Sold and/or Services Rendered	-1,397,196	-1,091,041
3.02.01	Cost of Goods Sold	-1,507,827	-1,167,732
3.02.02	Tax Incentives (ICMS)	110,631	76,691
3.03	Gross Income	493,159	400,036
3.04	Operating Income/Expenses	-481,697	-418,986
3.04.01	Selling Expenses	-370,262	-343,910
3.04.01.01	Selling Expenses	-352,584	-329,477
3.04.01.02	Depreciation and Amortization	-17,678	-14,433
3.04.02	General and Administrative Expenses	-79,066	-76,004
3.04.02.01	Administrative Expenses	-65,520	-67,514
3.04.02.04	Depreciation and Amortization	-13,546	-8,490
3.04.04	Other Operating Income	16,515	46,854
3.04.05	Other Operating Expenses	-47,652	-44,717
3.04.06	Equity in net Income of Subsidiaries	-1,232	-1,209
3.05	Income Before Financial Results and Tax	11,462	-18,950
3.06	Financial Results	-33,345	6,032
3.06.01	Financial Income	132,698	45,369
3.06.02	Financial Expenses	-166,043	-39,337
3.07	Income Before Tax	-21,883	-12,918
3.08	Income Tax and Social Contribution	59,637	27,935
3.08.01	Current	172	65,077
3.08.02	Deferred	59,465	-37,142
3.09	Net Income from the Continuing Operations	37,754	15,017
3.11	Income for the Period	37,754	15,017
3.11.01	Awarded to Members of the Parent Company	37,754	15,017
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	0.11137	0.0443
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	0.11205	0.04435

Consolidated Financial statements / Statements of Comprehensive Income**(in thousands)**

Code of the account	Description of the code	Current Quarter	Accumulated for the Current Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Net Profit for the Period	37,754	15,017
4.02	Other Comprehensive Income	-117,798	16,348
4.02.01	Gains (Losses) on Cash-Flow Hedges	-178,439	24,372
4.02.02	Accumulated Translation Adjustments	-28	17
4.02.03	Tax effects on Cash-Flow Hedges	60,669	-8,041
4.03	Comprehensive Income for the Period	-80,044	31,365
4.03.01	Awarded to Members of the Parent Company	-80,044	31,365

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(in thousands)

Code of the Account	Description of the code	Accumulated for the Current Period 01/01/2022 to 03/31/2022	Accumulated for the Previous Period 01/01/2021 to 03/31/2021
6.01	Net Cash from Operating Activities	27,867	11,660
6.01.01	Cash Generated from Operations	124,605	37,356
6.01.01.01	Net Income before Income Tax and Social Contribution	-21,883	-12,918
6.01.01.02	Depreciation and Amortization	77,420	66,400
6.01.01.03	Cost of Sale of Fixed Assets	981	5
6.01.01.04	Equity in Net Income of Subsidiaries	1,233	1,209
6.01.01.05	Updated Financing, Debentures and Exchange Rate Variations	-55,697	87,308
6.01.01.06	Updated Financial Investment in the Long Term	-50	0
6.01.01.07	Updated judicial deposits	-2,843	-565
6.01.01.09	Tax Credits and Updates	-7,243	-44,132
6.01.01.10	Provision for Civil, labor and Tax Risks	6,418	6,868
6.01.01.11	Provision for Impairment losses of Customers	3,407	-7,032
6.01.01.12	Impairment Losses on Inventory	4,226	4,497
6.01.01.13	Granted Recognized Shares	2,540	1,926
6.01.01.14	Lease update	5,942	5,128
6.01.01.15	Provision arising from derivative contracts	109,052	-71,895
6.01.01.16	Provision (Reversal) for Expenses/Indemnity Asset	762	-1,151
6.01.01.17	Provision for Income tax on financing	340	1,708
6.01.02	Changes in Assets and Liabilities	-88,962	-20,812
6.01.02.01	(Increase) Decrease in Trade Accounts Receivable	241,953	113,863
6.01.02.02	(Increase) Decrease in Inventories	-313,097	-241,187
6.01.02.03	(Increase) Decrease in Recoverable Taxes	118,736	790
6.01.02.04	(Increase) Decrease in Financial Investments	-223	0
6.01.02.05	Increase in Judicial Deposits	-2,813	-4,119
6.01.02.06	(Increase) Decrease in Prepaid Expenses	-12,375	-6,007
6.01.02.07	(Increase) Decrease in Indemnity Assets	0	8,102
6.01.02.08	(Increase) Decrease in Other Credits	-7,660	5,468
6.01.02.09	Increase (Decrease) in Suppliers	-32,312	86,262
6.01.02.10	Increase (Decrease) in Taxes and Contributions	-59,206	56,224
6.01.02.11	Increase (Decrease) in Social and Labor Liabilities	-15,571	-28,203
6.01.02.12	Increase (Decrease) in Provisions for Civil, Labor and Tax Risks	-7,789	-13,404
6.01.02.13	Increase (Decrease) in Government Subsidies	2,320	5,686
6.01.02.14	Increase (Decrease) in Other Debts	-925	-4,287
6.01.03	Other	-7,776	-4,884
6.01.03.02	Interests Paid	-6,530	-16,576
6.01.03.05	Receipts (payments) of resources for settlement of derivative transactions	-1,246	44,165
6.01.03.06	Exchange Variations Paid	0	-32,473
6.02	Net Cash from Investment Activities	-46,345	-35,814
6.02.01	Acquisition of Property, Plant and Equipment and Intangible Assets	-46,345	-36,579
6.02.06	Redeem Financial Investment in the Long Term	0	765
6.03	Net Cash from Financing Activities	-691,737	482,993
6.03.01	Interest on Equity Paid	-605,057	0
6.03.02	Acquisition Financing	1,782	812,304
6.03.03	Financing Payment	-40,623	-319,398
6.03.04	Acquisition of Company 's Shares	-36,597	0
6.03.05	Lease Payment	-11,242	-9,913
6.05	Increase (Decrease) in Cash and Cash Equivalents	-710,215	458,839
6.05.01	Opening Balance of Cash and Cash Equivalents	1,555,864	1,213,007
6.05.02	Closing Balance of Cash and Cash Equivalents	845,649	1,671,846

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - 01/01/2022 to 03/31/2022**(in thousands)**

Code of the account	Description of the code	Capital Stock	Capital Reserves, Options Granted and Shares in Treasury	Profit Reserves	Retained Earnings or Accumulated Losses	Comprehensive Income	Shareholders' Equity	Participation of Non-Controlling	Consolidated Shareholders' Equity
5.01	Opening Balance	2,597,656	-15,313	4,408,223	0	41,722	7,032,288	0	7,032,288
5.03	Adjusted Opening Balance	2,597,656	-15,313	4,408,223	0	41,722	7,032,288	0	7,032,288
5.04	Capital Transactions with Associates	0	-34,050	-588,235	-16,822	0	-639,107	0	-639,107
5.04.04	Acquisition of treasury shares	0	-36,597	0	0	0	-36,597	0	-36,597
5.04.07	Interest on Equity	0	0	-588,235	0	0	-588,235	0	-588,235
5.04.08	Minimum Compulsory Dividends	0	0	0	-16,822	0	-16,822	0	-16,822
5.04.11	Granted Recognized Shares	0	2,572	0	0	0	2,572	0	2,572
5.04.12	Exercise of the Restricted Shares Granting Plan with Treasury Shares	0	-25	0	0	0	-25	0	-25
5.05	Total Comprehensive Income	0	0	0	37,754	-117,798	-80,044	0	-80,044
5.05.01	Net Profit for the Period	0	0	0	37,754	0	37,754	0	37,754
5.05.02	Other Comprehensive Income	0	0	0	0	-117,798	-117,798	0	-117,798
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	-117,770	-117,770	0	-117,770
5.05.02.04	Conversion Adjustments for the Period	0	0	0	0	-28	-28	0	-28
5.07	Closing Balance	2,597,656	-49,363	3,819,988	20,932	-76,076	6,313,137	0	6,313,137

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - 01/01/2021 to 03/31/2021**(in thousands)**

Code of the account	Description of the code	Capital Stock	Capital Reserves, Options Granted and Shares in Treasury	Profit Reserves	Retained Earnings or Accumulated Losses	Comprehensive Income	Shareholders' Equity	Participation of Non-Controlling	Consolidated Shareholders' Equity
5.01	Opening Balance	2,567,941	-11,981	4,096,990	0	-7,382	6,645,568	0	6,645,568
5.03	Adjusted Opening Balance	2,567,941	-11,981	4,096,990	0	-7,382	6,645,568	0	6,645,568
5.04	Capital Transactions with Associates	29,715	1,924	-29,715	0	0	1,924	0	1,924
5.04.01	Increase in Capital Stock	29,715	0	-29,715	0	0	0	0	0
5.04.11	Granted Recognized Shares	0	1,924	0	0	0	1,924	0	1,924
5.05	Total Comprehensive Income	0	0	0	15,017	16,348	31,365	0	31,365
5.05.01	Net Profit for the Period	0	0	0	15,017	0	15,017	0	15,017
5.05.02	Other Comprehensive Income	0	0	0	0	16,348	16,348	0	16,348
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	16,331	16,331	0	16,331
5.05.02.04	Conversion Adjustments for the Period	0	0	0	0	17	17	0	17
5.07	Closing Balance	2,597,656	-10,057	4,067,275	15,017	8,966	6,678,857	0	6,678,857

Consolidated Financial Statements / Statement of Value Added**(in thousands)**

Code of the account	Description of the code	Accumulated for the Current Period 01/01/2022 to 03/31/2022	Accumulated for the Previous Period 01/01/2021 to 03/31/2021
7.01	Revenues	2,169,301	1,747,977
7.01.01	Sale of Goods, Products and Services	2,148,349	1,684,680
7.01.02	Other Revenues	17,923	46,168
7.01.03	Related to Construction of Own Assets	6,436	10,097
7.01.04	Provision/Reversal of Doubtful Accounts	-3,407	7,032
7.02	Input Acquired from Third Parties	-1,658,365	-1,306,591
7.02.01	Costs of Products, Goods and Services Sold	-1,098,162	-828,086
7.02.02	Materials, Energy, Third Party Services and Other	-558,983	-478,263
7.02.04	Other	-1,220	-242
7.02.04.01	Materials related to Construction of Own Assets	-1,220	-242
7.03	Gross Value Added	510,936	441,386
7.04	Retention	-77,420	-66,400
7.04.01	Depreciation, Amortization and Depletion	-77,420	-66,400
7.05	Net Value Added Produced	433,516	374,986
7.06	Value Added Received Through Transfer	131,466	44,160
7.06.01	Equity in net Income of Subsidiaries	-1,232	-1,209
7.06.02	Financial Revenue	132,698	45,369
7.07	Total Value Added to Distribute	564,982	419,146
7.08	Distribution of Value Added	564,982	419,146
7.08.01	Personnel	272,686	264,514
7.08.01.01	Direct Compensation	178,940	171,868
7.08.01.02	Benefits	78,248	71,103
7.08.01.03	Severance fund (FGTS)	15,498	21,543
7.08.02	Taxes, Fees and Contributions	82,473	88,900
7.08.02.01	Federal	11,160	30,961
7.08.02.02	State	67,906	54,961
7.08.02.03	Municipal	3,407	2,978
7.08.03	Remuneration of Third Party Capital	172,069	50,715
7.08.03.01	Interest Rates	166,043	39,337
7.08.03.02	Rentals	6,026	11,378
7.08.04	Remuneration of Own Capital	37,754	15,017
7.08.04.01	Interest on Equity Paid	67,544	0
7.08.04.03	Retained Earnings/Losses for the Period	-29,790	15,017

RESULTS

1Q22



MANAGEMENT'S COMMENTS

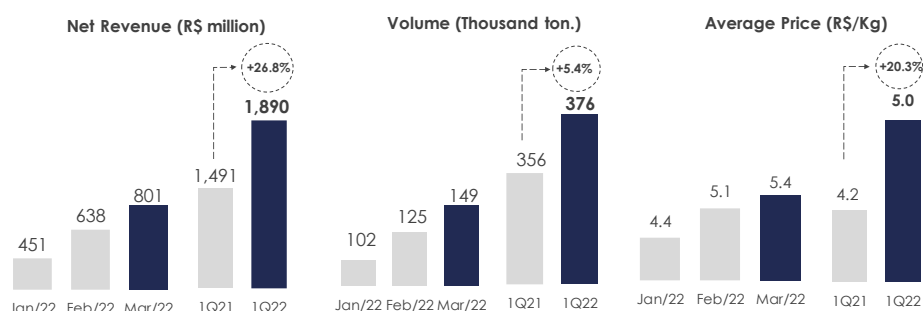
To the Shareholders and the Public,

The Management of M. Dias Branco S.A. Indústria e Comércio de Alimentos announces and submits its results for the first quarter of 2022 (1Q22). The Company's consolidated interim financial information has been prepared in accordance with CPC 21 - Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

M. Dias Branco announces its consolidated results for the first quarter of 2022 (1Q22), reaffirming its commitment to the best transparency and disclosure practices, dedicated to providing shareholders and society with the broadest and most accurate interpretation of its operations and purposes.

Net revenue.

Highlights include the sequential increase in volumes and average price over 1Q22. Compared to 1Q21, we grew in the two commercial regions (Attack and Defense). Volumes grew 5.4% and the average price was 20.3% higher.



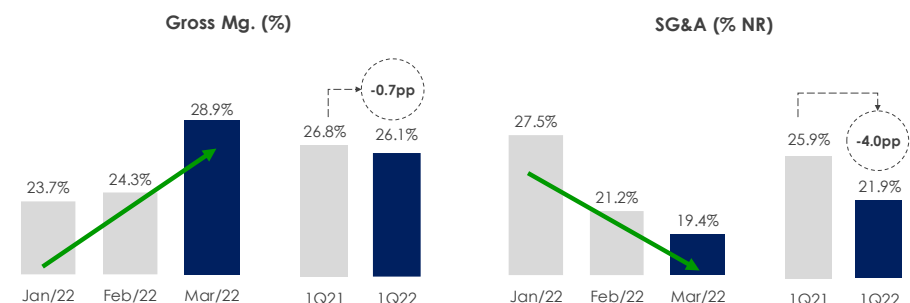
Sequential recovery of **market share volume Brazil¹** in the three main categories: Cookies, Pastas and Wheat Flour, both in the Attack and Defense region. In Cookies, we also showed expansion compared to 1Q21.



Gross margin increase throughout 1Q22, as a result of pricing and hedging policies (foreign exchange and commodities).

Administrative and selling expenses (SG&A % of Net Revenue) were

both lower than in 1Q21, with a favorable evolution throughout 1Q22, as a result of the productivity and efficiency programs implemented since 2020.



¹ Source: Nielsen – Retail Index. Total Brasil. INA+C&C.

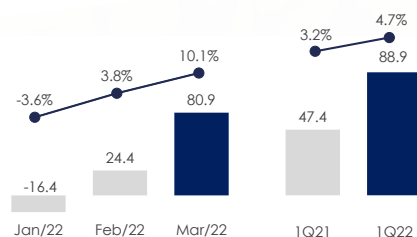
RESULTS

1Q22



EBITDA and EBITDA margin grew sequentially throughout 1Q22. Weaker results in January were due to the temporary mismatch between cost increases and price adjustments.

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



INTRODUCTION

The main indicators of the consolidated results for 1Q22, in comparison with 1Q21 and 4Q21, contemplating Latinex results as of November 2021, are shown below.

Financial and Operating Results	1Q22	1Q21	Variation	4Q21	Variation
Net Revenue (R\$ million)	1,890.4	1,491.1	26.8%	2,164.5	-12.7%
Total Sales Volume (thousand tonnes)	375.5	356.4	5.4%	439.9	-14.6%
Cookies and Crackers Sales Volume (thousand tonnes)	107.6	97.0	10.9%	140.3	-23.3%
Pasta Sales Volume (thousand tonnes)	76.6	71.6	7.0%	101.6	-24.6%
Market Share of Cookies and Crackers (volume)*	33.5%	32.5%	1 p.p	32.5%	1 p.p
Market Share of Pasta (volume)*	30.7%	32.7%	-2 p.p	30.0%	0.7 p.p
Net Income (R\$ million)	37.8	15.0	152.0%	151.1	-75.0%
EBITDA (R\$ million)	88.9	47.4	87.6%	182.7	-51.3%
EBITDA Margin	4.7%	3.2%	1.5 p.p	8.4%	-3.7 p.p
Net Cash (Debt) (R\$ million)	-1,012.0	-384.9	n/a	-140.4	n/a
Net Cash (Debt) / EBITDA (last 12 months)	-1.4	-0.5	n/a	-0.2	n/a
Capex (R\$ million)	50.2	40.7	23.3%	72.7	-30.9%
Net Cash generated from operating activities	27.9	11.6	n/a	165.3	-83.1%

* The v alues presented in 1Q22 and 1Q21 are from the period of Jan/Feb 2022 and 2021.

The v alues presented in 4Q21 are from the period of Nov /Dec 2021.

Note: The v alues presented were updated by Nielsen.

• Net Revenue

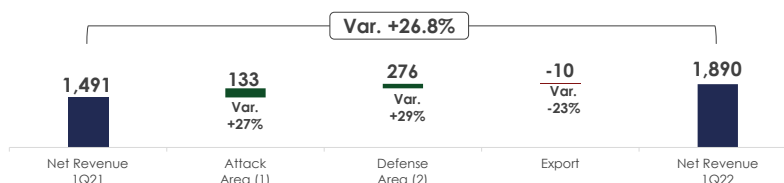
Average price growth in all product categories and volume expansion in cookies, pasta, and flour and bran.

Net Revenue Variation - 1Q22 vs. 1Q21 (R\$ MM)



Double-digit growth all over Brazil, in the Attack (South, Southeast, and Midwest) and Defense (North and Northeast) regions. Exports declined due to increased freight costs, enhanced by the conflict between Russia and Ukraine, the comparison basis of 1Q21, which reflects non-recurring sales and by the appreciation of the Real vs. Dólar.

Variation in Net Revenue by Regions 1Q22 vs. 1Q21 (R\$ MM)



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

RESULTS

1Q22

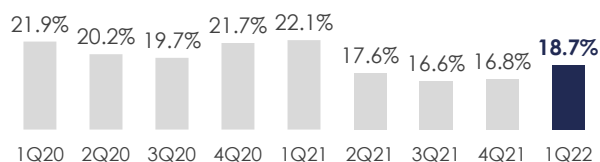


Following the expansion strategy in the Attack region, we launched Adria brand Premium Flour, our Top Of Mind brand in pasta. Launching this product initiates the company's entry into a new category in the segment of high-quality household flours.

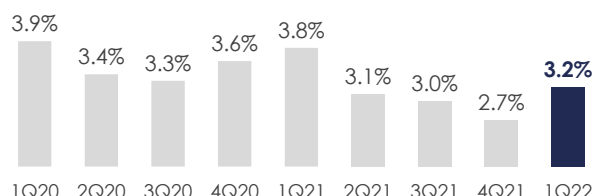
• Selling and Administrative Expenses

We maintained sales and administrative expenses at levels lower than those observed in previous years, as shown in the graphs below, as a result of the efficiency and productivity programs conducted over the past two years.

Selling Expenses (% NR)



Administrative Expenses (% NR)

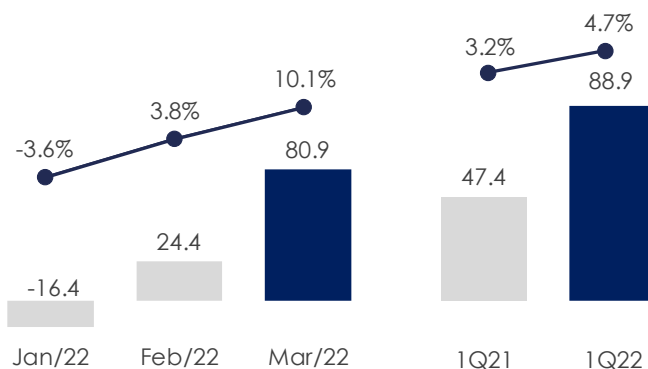


• EBITDA

We ended 1Q22 with **EBITDA of R\$88.9 million, growth of 87.6% vs. 1Q21** and **EBITDA margin of 4.7%, increase of 1.5pp**. EBITDA and margin increase are due to sales growth, with average price increase and volume growth, and to productivity and efficiency gains in our cost and expense structure.

January's weaker result was due to a temporary discrepancy between cost increases and price adjustments, as shown in the graph beside, in which the recovery of EBITDA and EBITDA margin over 1Q21 is evident.

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



• Net Income

We ended 1Q22 with **R\$37.8 million in net income**, a growth of 152.0% vs. 1Q21, driven mainly by the 87.6% growth in EBITDA.

RESULTS

1Q22

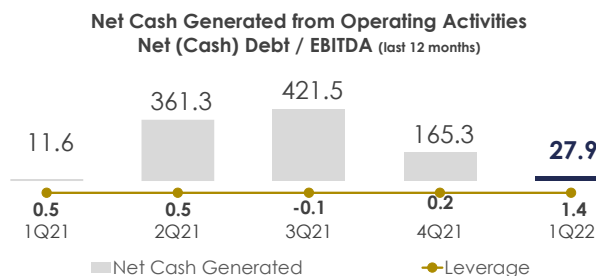


• Investments

Investments totaled R\$ 50.2 million in 1Q22 (+23.3% vs. 1Q21). Highlights for: (i) investments in systems; (ii) equipment for the Bento Gonçalves grinding unit; and (iii) for reducing net weight of some items.

• Debt, Capitalization, and Cash

In 1Q22, net cash generated by operating activities totaled R\$27.9 million (+141% vs. 1Q21), with a leverage of 1.4x (net debt by EBITDA last 12 months), higher than that recorded in the last quarters due to the Extraordinary interest on equity capital of R\$588.2 million paid on 02/18/22. The company is classified as AAA with stable outlook by Fitch Ratings.



RESULTS

1Q22

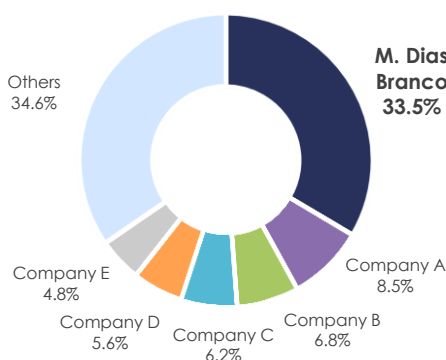


MARKET HIGHLIGHTS

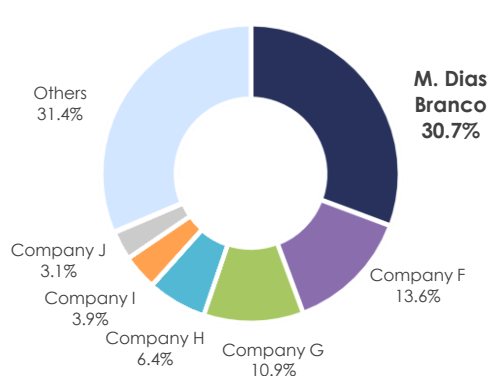
MARKET SHARE

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 February 2022).

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.

SALES CHANNELS

When comparing 1Q22 vs. 1Q21, all channels presented revenue growth, especially the Distributors, with a 2.0p.p. expansion in the channel mix, in line with our strategy of increasing the distribution capillarity in the Attack region.

Client Mix	1Q22	1Q21	Variation	4Q21	Variation
Key Accounts / Regional Chains	21.6%	20.7%	0.9 p.p	21.4%	0.2 p.p
Cash and Carry	20.5%	19.3%	1.2 p.p	22.9%	-2.4 p.p
Wholesale	19.0%	19.9%	-0.9 p.p	18.5%	0.5 p.p
Small Retail	21.9%	23.5%	-1.6 p.p	20.1%	1.8 p.p
Distributors	10.2%	8.2%	2 p.p	10.9%	-0.7 p.p
Industry	3.5%	4.0%	-0.5 p.p	3.0%	0.5 p.p
Other	3.3%	4.4%	-1.1 p.p	3.2%	0.1 p.p
TOTAL	100.0%	100.0%		100.0%	

Note: Client mix, considering gross revenue excluding discounts and returns. It should be noted that there was a review of the classification of customers by the Company's sales channels, with a restatement of the amounts referring to 1Q21 and 4Q21.

Major Clients		Sales 1Q22 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated
Major Client	1	171.8	7.8%	7.8%
49 Subsequent	50	650.2	29.4%	37.2%
50 Subsequent	100	175.1	7.9%	45.1%
900 Subsequent	1,000	700.1	31.7%	76.8%
Other Clients	All clients	512.5	23.2%	100.0%
TOTAL		2,209.7		

*Gross revenue excluding discounts and returns.

PRODUCTION CAPACITY UTILIZATION RATE

We ended 1Q22 with a level of capacity utilization of 51.6%, a level that enables us in our growth strategy, focusing on expansion in the Attack region, accelerated growth in the foreign market and the introduction of new categories and higher value-added items.

RESULTS

1Q22



Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21
Total Production	111.5	101.8	78.4	78.3	332.5	322.1	37.9	39.5	3.8	3.8	564.1	545.5
Total Production Capacity	238.4	216.7	137.0	135.8	617.3	609.1	90.0	90.0	10.6	9.8	1,093.3	1,061.4
Capacity Utilization	46.8%	47.0%	57.2%	57.7%	53.9%	52.9%	42.1%	43.9%	35.8%	38.8%	51.6%	51.4%

*Thousand tonnes.

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

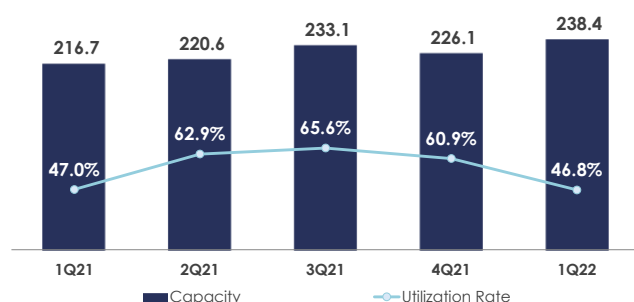
Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1Q22	4Q21	1Q22	4Q21	1Q22	4Q21	1Q22	4Q21	1Q22	4Q21	1Q22	4Q21
Total Production	111.5	137.8	78.4	91.9	332.5	363.4	37.9	45.1	3.8	3.7	564.1	641.9
Total Production Capacity	238.4	226.1	137.0	142.7	617.3	622.9	90.0	90.0	10.6	8.8	1,093.3	1,090.5
Capacity Utilization	46.8%	60.9%	57.2%	64.4%	53.9%	58.3%	42.1%	50.1%	35.8%	42.0%	51.6%	58.9%

*Thousand tonnes.

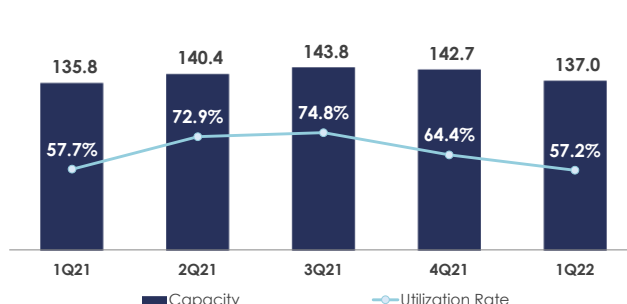
**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

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.

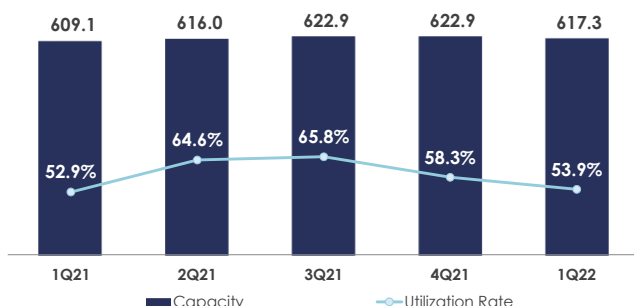
Production Capacity (thousand tonnes) and Utilization Rate -
Cookies and Crackers (%)



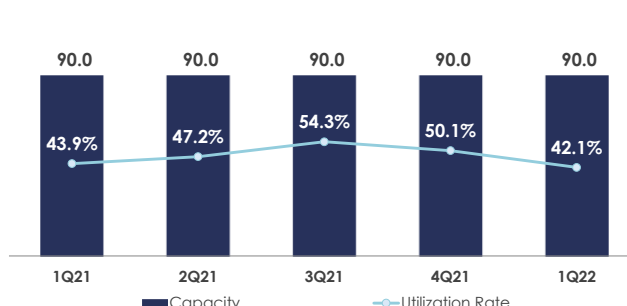
Production Capacity (thousand tonnes) and Utilization Rate -
Pasta (%)



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



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



RESULTS

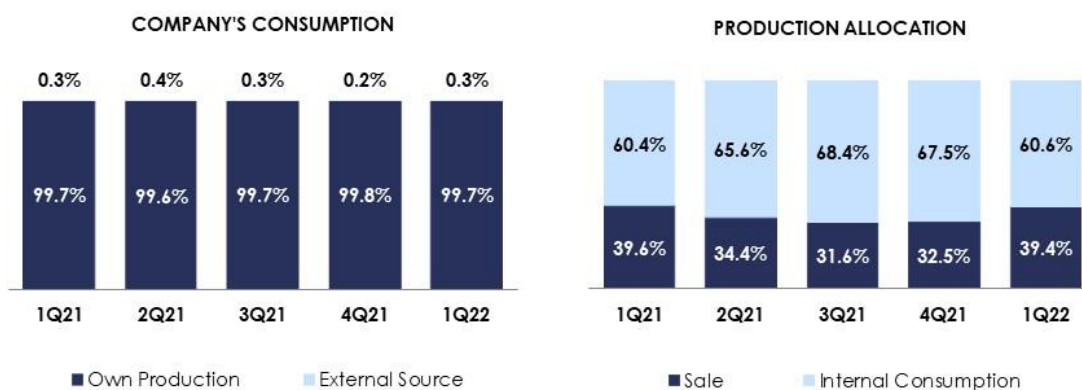
1Q22



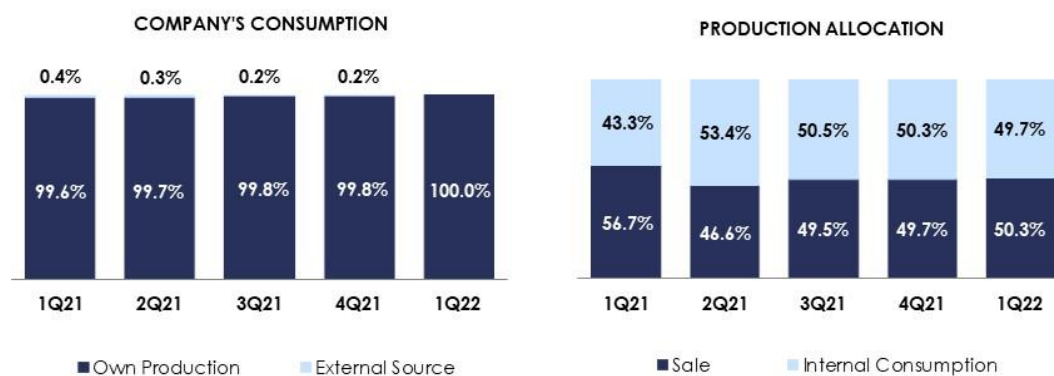
VERTICAL INTEGRATION

Maintained high levels for both wheat flour and vegetable shortening.

WHEAT FLOUR



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).

RESULTS

1Q22



ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

In 1Q22, net revenue grew 26.8% vs. 1Q21, due to a 20.3% increase in average price and a 5.4% increase in volumes sold.

Segment	1Q22			1Q21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	933.0	107.6	8.67	706.6	97.0	7.28	32.0%	10.9%	19.1%
Pasta	389.9	76.6	5.09	315.9	71.6	4.41	23.4%	7.0%	15.4%
Wheat Flour and Bran	373.7	170.1	2.20	326.1	163.8	1.99	14.6%	3.8%	10.6%
Margarine and Vegetable Shortening	145.0	17.7	8.19	109.7	20.5	5.35	32.2%	-13.7%	53.1%
Other products**	48.8	3.5	13.94	32.8	3.5	9.37	48.8%	0.0%	48.8%
TOTAL	1,890.4	375.5	5.03	1,491.1	356.4	4.18	26.8%	5.4%	20.3%

*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.

We present below some of our launches and sales and marketing initiatives carried out in 1Q22:

Launches: 11 products, 8 of which focused on the export market. We continue to expand our portfolio of higher value-added items, highlighting Piraquê's vanilla and chocolate-flavored cookies, as well as the Adria brand's entry into the flour category with the 1Kg Premium wheat flour.



Investments in marketing and sales: several initiatives for the Piraquê and Vitarella brands. The highlight for Piraquê is the campaign "Zeca – Isso tem um Q de Piraquê", at Vitarella, the highlight was the TV campaign "Abrace as diferenças".

Net revenue decreased 12.7% in 1Q22 vs. 4Q21, reflecting the drop in volumes sold, partially offset by a 2.2% increase in the average price.

Segment	1Q22			4Q21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	933.0	107.6	8.67	1,114.6	140.3	7.94	-16.3%	-23.3%	9.2%
Pasta	389.9	76.6	5.09	479.7	101.6	4.72	-18.7%	-24.6%	7.8%
Wheat Flour and Bran	373.7	170.1	2.20	355.6	171.3	2.08	5.1%	-0.7%	5.8%
Margarine and Vegetable Shortening	145.0	17.7	8.19	162.9	22.4	7.27	-11.0%	-21.0%	12.7%
Other products**	48.8	3.5	13.94	51.7	4.3	12.02	-5.6%	-18.6%	16.0%
TOTAL	1,890.4	375.5	5.03	2,164.5	439.9	4.92	-12.7%	-14.6%	2.2%

*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.

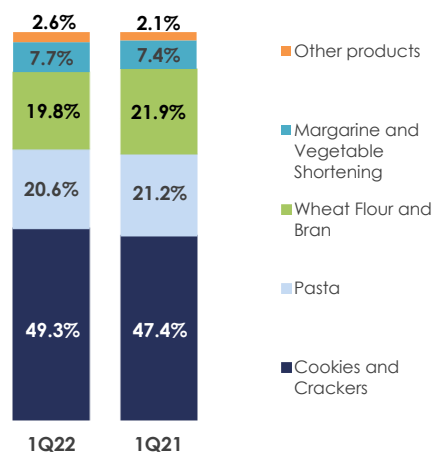
RESULTS

1Q22

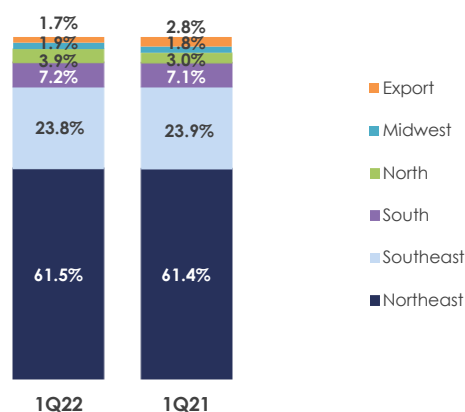
Net Revenue (R\$ million) and Net Volume (thousand tonnes)



Net Revenue Breakdown



Sales by Region (% Gross Revenue excluding discounts and returns)



HIGHLIGHTS – COOKIES & CRACKERS

Cookies net revenue grew 32.0% in 1Q22 vs. 1Q21, with average price increase of 19.1%, and volume growth of 10.9%. Highlight for the category of stuffed products, which grew 18%, with growth both in the attack region and in the defense region with the brands Vitarella, Treloso and Piraquê.

In line with the strategy of growth with profitability, we continue adding products with high value added and potential for growth to the portfolio. The

gross revenue from new products/flavors launched in the last 24 months totaled R\$59.5 million in 1Q22, increases of 25.0% vs 1Q21 and -37.7% vs 4Q21, totaling 118 launches (107 in 1Q21 and 133 in 4Q21).

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



RESULTS

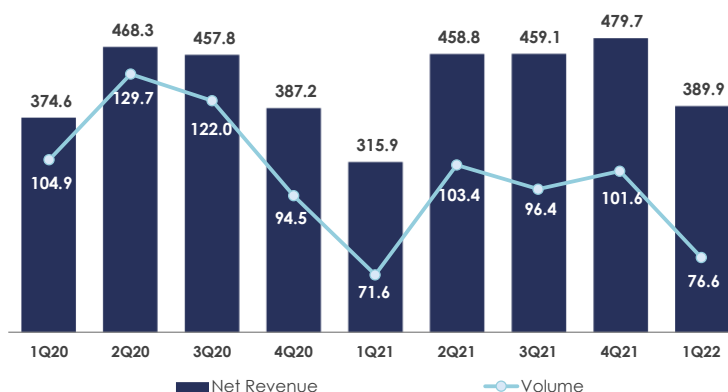
1Q22



HIGHLIGHTS – PASTA

Net pasta revenue grew by 23.4% in the comparison between 1Q22 vs. 1Q21, with an average price increase of 15.4% and volume growth of 7.0%. Highlights include the egg pasta category that grew 28%, with growth in both the attack and defense regions.

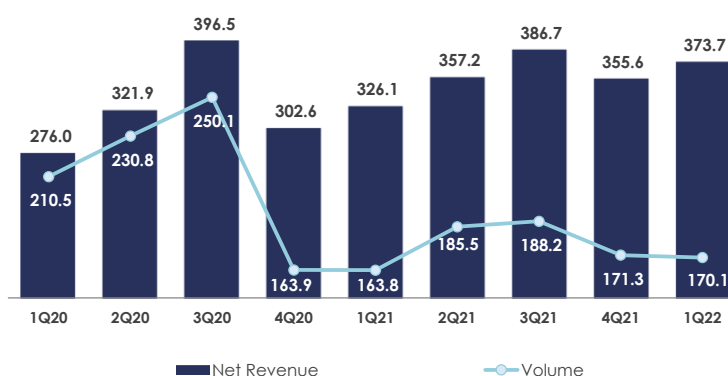
Pasta - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue for flour and bran grew 14.6%, with an average price increase of 10.6% and a volume growth of 3.8%. Highlight for the growth of industrial flour in the defense region.

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



HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening grew by 32.2% vs 1Q21, as the average price grew by 53.1% and volumes fell by 13.7%.

The decrease in volume is a consequence of the price increase required to compensate for the sharp rise in palm oil costs.

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



RESULTS

1Q22



COSTS

COGS (R\$ million)	1Q22	% Net Rev.	1Q21	% Net Rev.	Variation	4Q21	% Net Rev.	Variation
Raw material	1,034.0	54.7%	774.5	51.9%	33.5%	1,208.7	55.8%	-14.5%
Wheat	659.6	34.9%	498.2	33.4%	32.4%	752.4	34.8%	-12.3%
Vegetable Oil	213.6	11.3%	158.6	10.6%	34.7%	265.5	12.3%	-19.5%
Sugar	60.0	3.2%	38.7	2.6%	55.0%	70.1	3.2%	-14.4%
Third Party Flour	1.3	0.1%	1.5	0.1%	-13.3%	2.0	0.1%	-35.0%
Third Party Vegetable Shortening	0.1	0.0%	0.3	0.0%	-66.7%	0.4	0.0%	-75.0%
Other	99.4	5.3%	77.2	5.2%	28.8%	118.3	5.5%	-16.0%
Packages	128.0	6.8%	95.5	6.4%	34.0%	154.0	7.1%	-16.9%
Labor	164.3	8.7%	148.2	9.9%	10.9%	167.9	7.8%	-2.1%
Indirect costs	133.2	7.0%	107.1	7.2%	24.4%	141.7	6.5%	-6.0%
Depreciation and amortization	45.1	2.4%	42.4	2.8%	6.4%	48.8	2.3%	-7.6%
Other	3.2	0.2%	0.0	0.0%	n/a	1.5	0.1%	n/a
Total	1,507.8	79.8%	1,167.7	78.3%	29.1%	1,722.6	79.6%	-12.5%

In 1Q22, the cost of goods sold grew by 29.1% in absolute terms, accounting for 79.8% of net revenue, an increase of 1.5 p.p compared to 1Q21.

We list below the main impacts on the cost of goods sold.

1Q22 vs. 1Q21

Negative Impacts

- Increases of 27.5%, 29.3%, and 37.7% in the average cost (R\$) of wheat, oil, and sugar, respectively.

Positive Impacts

- Increase of 3.4% in production volume.



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

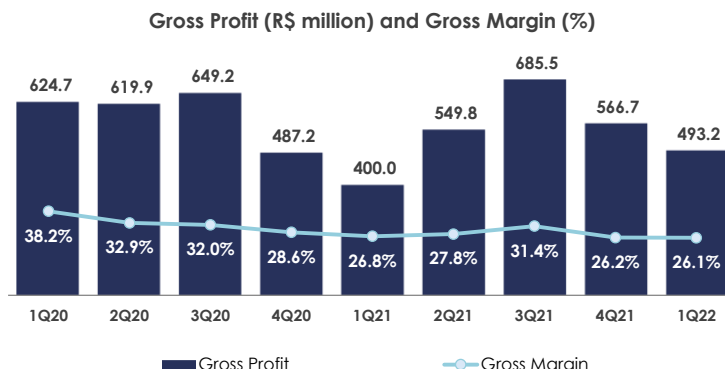
RESULTS

1Q22



GROSS PROFIT

In 1Q22, gross profit in nominal values grew 23.3% and the gross margin remained stable with a slight retraction of 0.7p.p. Nominal growth is due to the increase in volumes sold and price adjustments, 5.4% and 20.3% respectively, while the gross margin continues to be pressured by the sequential growth in raw material prices in dollars.



It is important to highlight that gross profit includes subsidies for state investments totaling R\$110.6 million in 1Q22 (R\$76.6 million in 1Q21), through profit or loss in compliance with CPC 07 - 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)	1Q22	% Net Rev.	1Q21	% Net Rev.	Variation	4Q21	% Net Rev.	Variation
Selling*	352.6	18.7%	329.5	22.1%	7.0%	362.9	16.8%	-2.8%
Administrative	61.1	3.2%	56.6	3.8%	8.0%	59.4	2.7%	2.9%
Donations	4.4	0.2%	10.9	0.7%	-59.6%	4.0	0.2%	10.0%
Taxes	5.9	0.3%	7.1	0.5%	-16.9%	4.8	0.2%	22.9%
Depreciation and amortization	32.3	1.7%	24.0	1.6%	34.6%	27.4	1.3%	17.9%
Other operating expenses/(revenue)	24.2	1.3%	-10.3	-0.7%	n/a	-6.6	-0.3%	n/a
TOTAL	480.5	25.4%	417.8	28.0%	15.0%	451.9	20.9%	6.3%

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

Regarding net revenue, selling and administrative expenses were lower than in 1Q21, due to the productivity and efficiency programs implemented in the last two years. Increased selling expenses compared to 4Q21 was due to the concentration in 1Q22 of marketing and advertising campaigns targeting our main brands, such as Piraquê, Adria and Vitarella.

Regarding other expenses and revenues, in 1Q22 we registered expenses of R\$24.2 million vs. R\$10.3 million in revenues in 1Q21. In 1Q21 the positive result was the result of revenues from extemporaneous credits which were 96% lower than in 1Q21.

Additionally, non-recurring expenses of R\$5.6 million with restructuring were recorded in 1Q22 (R\$15.6 million in 1Q21, of which R\$1.1 million with COVID-19 expenses and R\$14.5 million with restructuring expenses).

RESULTS

1Q22



FINANCIAL RESULT

Financial Result (R\$ million)	1Q22	1Q21	Variation	4Q21	Variation
Financial Revenue	46.7	26.0	79.6%	52.1	-10.4%
Financial Expenses	-50.9	-24.8	n/a	-62.7	-18.8%
Exchange Variation	70.1	-67.0	n/a	-11.8	n/a
Losses/Gains on derivatives	-99.6	72.5	n/a	15.0	n/a
Changes in fair value of financial instruments	0.4	-0.6	n/a	-10.8	n/a
TOTAL	-33.3	6.1	-645.9%	-18.2	-64.5%

In 1Q22, the Company recorded a negative result of R\$33.3 million (positive result of R\$6.1 million in 1Q21). Negative result is due to: (i) negative exchange variations on exports; (ii) increase in financial expenses, due to the increase in the CDI and IPCA; and (iii) increase in the cost of contracting the hedge.

TAXES ON INCOME

We ended 1Q22 with reversal of R\$59.6 million of income tax and CSLL, compared to reversal of R\$27.9 million in 1Q21. This reversal is due to a reduction in pre-tax income of 69% and an increase in state tax incentives of 44.4%.

Income and Social Contribution Taxes (R\$ million)	1Q22	1Q21	Variation
Income and Social Contribution Taxes	-60.1	-27.9	115.0%
Income Tax Incentive	0.5	0.0	n/a
TOTAL	-59.6	-27.9	113.6%

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\$224.7 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\$129.0 million). However, we expect to fully use the transaction goodwill, in the amount of R\$361.6 million. In 1Q22, the Company recorded R\$3.9 million in tax benefit from amortization.

RESULTS

1Q22



EBITDA AND NET INCOME

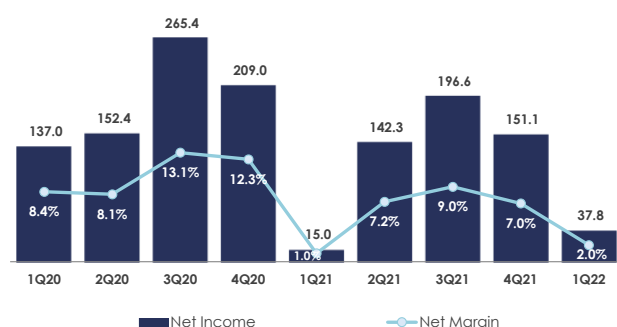
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	1Q22	1Q21	Variation	4Q21	Variation
Net Profit	37.8	15.0	152.0%	151.1	-75.0%
Income Tax and Social Contribution	-60.1	-27.9	n/a	-62.8	-4.3%
Income Tax Incentive	0.5	0.0	n/a	0.0	n/a
Financial Revenue	-132.7	-45.4	n/a	-71.4	85.9%
Financial Expenses	166.0	39.3	n/a	89.6	85.3%
Depreciation and Amortization of cost of goods	45.1	42.4	6.4%	48.8	-7.6%
Depreciation and Amortization of expenses	32.3	24.0	34.6%	27.4	17.9%
EBITDA	88.9	47.4	87.6%	182.7	-51.3%
EBITDA Margin	4.7%	3.2%	1.5 p.p	8.4%	-3.7 p.p

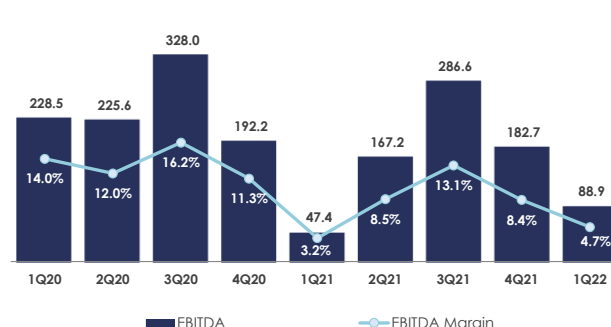
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	1Q22	1Q21	Variation	4Q21	Variation
Net Revenue	1,890.4	1,491.1	26.8%	2,164.5	-12.7%
Cost of goods sold	-1,507.8	-1,167.7	29.1%	-1,722.6	-12.5%
Depreciation and Amortization of cost of goods	45.1	42.4	6.4%	48.8	-7.6%
Tax Incentive (ICMS)	110.6	76.6	44.4%	124.8	-11.4%
Operating Expenses	-480.5	-417.8	15.0%	-451.9	6.3%
Equity in net income of subsidiaries	-1.2	-1.2	0.0%	-8.3	-85.5%
Depreciation and Amortization of expenses	32.3	24.0	34.6%	27.4	17.9%
EBITDA	88.9	47.4	87.6%	182.7	-51.3%
EBITDA Margin	4.7%	3.2%	1.5 p.p	8.4%	-3.7 p.p

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



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



RESULTS

1Q22



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	3/31/2022	3/31/2021	Variation
Cash	845.6	1,671.8	-49.4%
Financial Investments Short Term	16.8	16.4	2.4%
Financial Investments Long Term	2.1	2.5	-16.0%
Total Indebtedness	-1,672.5	-2,126.7	-21.4%
(-) Short Term	-103.7	-501.7	-79.3%
(-) Long Term	-1,568.8	-1,625.0	-3.5%
(-) Derivatives Financial Instruments	-204.0	51.1	n/a
(=) Net Cash (Net Debt)	-1,012.0	-384.9	n/a
Shareholder's Equity	6,313.1	6,678.9	-5.5%
Capitalization	7,985.6	8,805.6	-9.3%

Financial Indicator	3/31/2022	3/31/2021	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-1.4	-0.5	n/a
Cash (Debt) Net / Shareholder's Equity	-16.0%	-5.8%	-10.2 p.p
Indebtedness / Total Assets	16.8%	20.4%	-3.6 p.p

The Company closed the period with a cash position of R\$0.8 billion (R\$1.7 billion in 1Q21) and gross indebtedness of R\$1.7 billion (R\$2.1 billion in 1Q21), resulting in a leverage of 1.4x (net debt/LTM EBITDA) (0.5x in 1Q21).

Consolidated Debt (R\$ million)	Index	Interest (year)	3/31/2022	% Debt	3/31/2021	% Debt	Variation
Domestic Currency:			1,192.4	71.3%	1,428.3	67.2%	-16.5%
BNDES - FINAME	TJLP	2.17%	9.2	0.6%	13.2	0.6%	-30.3%
BNDES - PSI	R\$	3.06% (2.99% on 03/31/21)	35.6	2.1%	66.0	3.1%	-46.1%
BNDES - FINEM	IPCA	8.57% (8.63% on 03/31/21)	30.9	1.8%	41.0	1.9%	-24.6%
BNDES - PROGEREN	IPCA	6.28%	23.1	1.4%	41.8	2.0%	-44.7%
FINIMP	100% CDI	3.80%	0.0	0.0%	64.9	3.1%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	14.6	0.9%	10.4	0.5%	40.4%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	3.6	0.2%	0.0	0.0%	n/a
Working Capital	100% CDI	1.30%	0.0	0.0%	202.4	9.5%	-100.0%
Investment of assignment of Pilar's shares	100% CDI	-	4.5	0.3%	3.9	0.2%	15.4%
Investment of assignment of Estrela's shares	100% CDI	-	11.1	0.7%	8.4	0.4%	32.1%
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 Piraguê's shares	100% CDI	-	148.8	8.9%	206.7	9.7%	-28.0%
Investment of assignment of Latinex's shares	100% CDI	-	95.7	5.7%	0.0	0.0%	n/a
Debentures	IPCA	3.7992% e 4.1369%	814.6	48.7%	768.9	36.2%	5.9%
Foreign Currency:			480.1	28.7%	698.4	32.8%	-31.3%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.69% (1.90% on 03/31/21)	480.1	28.7%	698.4	32.8%	-31.3%
TOTAL			1,672.5	100.0%	2,126.7	100.0%	-21.4%

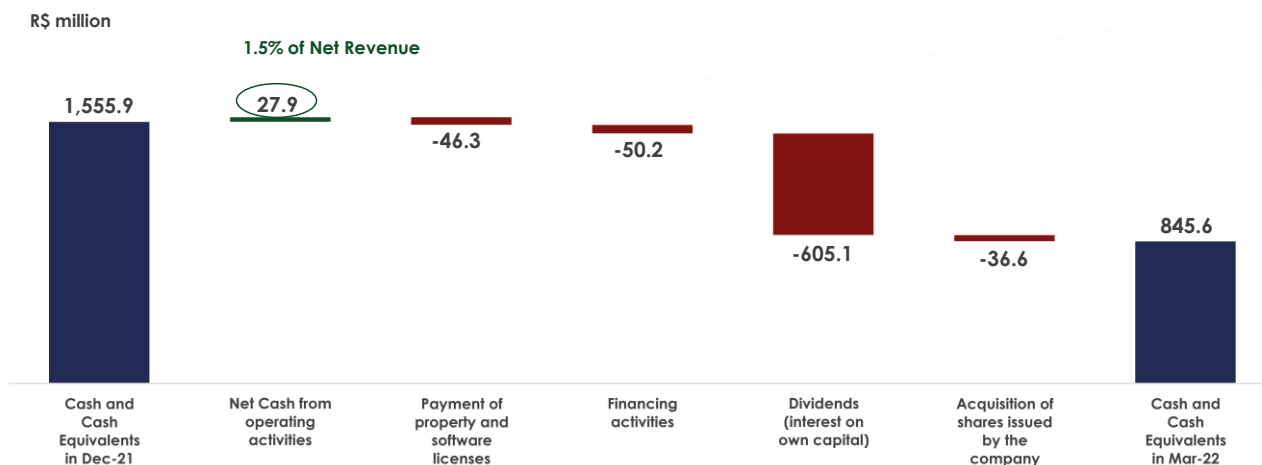
On March 31, 2022, the Company had a swap contract to hedge working capital financing in foreign currency maturing on December 22, 2025, in which the long leg receives, on average, the dollar plus 1.9475%, and the short leg pays, on average, 1.50% p.a. of the CDI rate with a notional reference value of R\$510.0 million and fair value payable of R\$89.6 million.

To protect the debenture issues, on March 31, 2022, the Company had 42 swap contracts, all of which maturing until March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.02% p.a., and the short leg pays, on average, the CDI plus 0.28% p.a. The notional reference values totaled R\$811.6 million for current contracts, and the gross fair value receivable of all derivative instruments totaled R\$6.9 million on March 31, 2022.

At the end of 1Q22, debentures totaled R\$814.6 million net of the unamortized balance of transaction costs totaling R\$40.1 million.

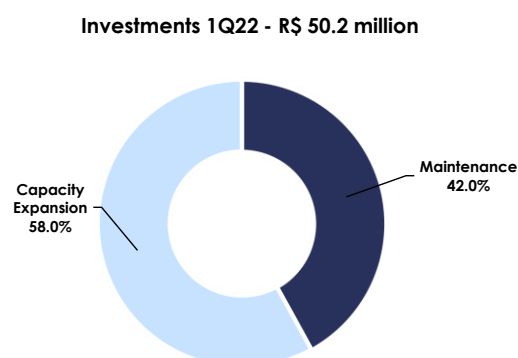
RESULTS

1Q22



INVESTMENTS

Investments (R\$ million)	1Q22	1Q21	Variation
Buildings	7.0	4.4	59.1%
Machinery and equipment	15.1	20.7	-27.1%
Construction in progress	6.8	10.1	-32.7%
Vehicles	0.2	0.0	n/a
IT Equipment	0.8	0.8	0.0%
Furniture and Fixtures	1.5	1.7	-11.8%
Software Use License	18.6	2.8	n/a
Others	0.2	0.2	0.0%
Total	50.2	40.7	23.3%



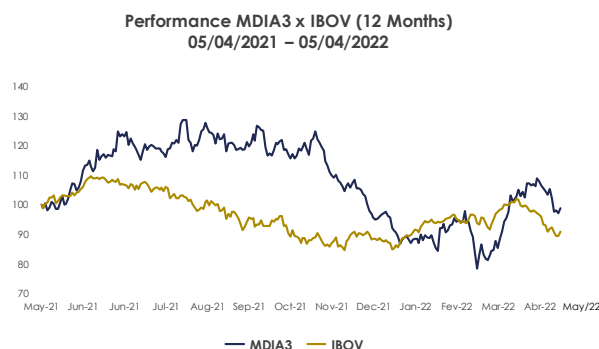
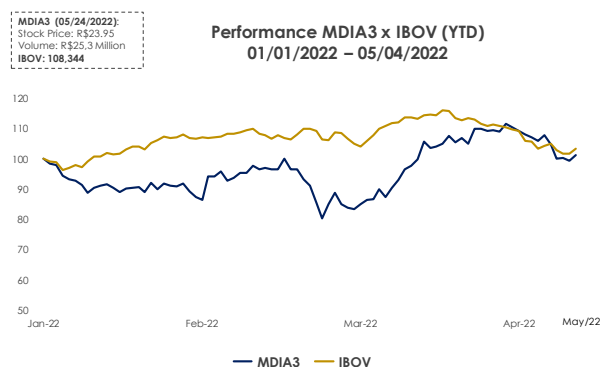
Investments totaled R\$50.2 million in 1Q22 (+23.3% vs. 1Q21). Highlights for: (i) investments in systems; (ii) equipment for the Bento Gonçalves grinding unit; and (iii) weight reduction investment.

During the first quarter of 2022 the amount of R\$ 3.2 million was invested in the Research and Development of new products.

The Company has investments in the following subsidiaries: M. Dias Branco International Trading LLC; M. Dias Branco International Trading Uruguay S.A., M. Dias Branco Argentina S.A. and Latinex Importação e Exportação de Alimentos S.A., in addition to the jointly controlled entities Tergran - Terminais de Grãos de Fortaleza Ltda. and Terminal de Trigo do Rio de Janeiro - Logística S.A. The operations of those investments are detailed in the Notes to the interim financial information.

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 **March 31, 2022**, there were 78,230,379 outstanding shares in the market, 23.1% of the Company's total capital, quoted at R\$24.62 each, totaling **R\$1,926.0 million**. In 1Q22, average number of trades with MDIA3 shares was **8,186** (5,827 in 1Q21) and the average daily financial value of trades was **R\$40.8 million** (R\$34.4 million in 1Q21).



MDIA
B3 LISTED NM

IBRAB3
IGCTB3

ICONB3
INDXB3

IGCB3
ISEB3

IGC-NMB3
ITAGB3

SMLLB3



MAIN ADMINISTRATIVE FACTS

Approval of the Interim Financial Information

At the meeting of the Board of Directors held on May 13, 2022, the following was approved: (i) the Interim Financial Information (ITR) for the period ended March 31, 2022; and (ii) other provisions.

Shareholders' Meeting

At the Annual and Extraordinary Shareholders' Meeting held on April 22, 2022, the following resolutions were approved by a majority vote: (i) the annual management report and the financial statements accompanied by the independent auditors' report for the fiscal year ended on December 31, 2021; (ii) the allocation of net income for 2021, as proposed by the Board of Directors at a meeting held on March 18, 2022; and, (iii) setting the annual overall compensation of the Company's management for fiscal year 2022; (v) the acquisition of the mercantile company LATINEX IMPORTAÇÃO E EXPORTAÇÃO DE ALIMENTOS S.A. by the Company, according to the material fact disclosed on September 28, 2021; (vi) a proposal to execute an indemnity agreement; and, (vii) a proposal for statutory amendments and consolidation of the bylaws.

* In 2021, M. Dias Branco was rated A (on a scale of AAA-CCC) in MSCI ESG Ratings. More information available at: <https://ri.mdiasbranco.com.br/noticia/msci-esg-ratings/>

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

The integration of Sustainability into the business' main strategies is our priority.

Since 2013, we have **adopted a Sustainability Agenda**, driving sustainable practices throughout our company's value chain. From 2022 on, we will begin a new cycle, prioritizing **15 themes** distributed over **three pillars: caring for the planet (Environmental), believing in people (Social), and strengthening alliances (Governance):**

Priority themes of the 2022-2030 cycle of the Sustainability Agenda - M. Dias Branco

CARING FOR THE PLANET (ENVIRONMENTAL)	BELIEVING IN PEOPLE (SOCIAL)	STRENGTHENING ALLIANCES (GOVERNANCE)
<ul style="list-style-type: none"> • Water • Energy • Climate Changes • Waste • Sustainable plastic packaging and materials • Combating food loss and waste 	<ul style="list-style-type: none"> • Relationship with communities • Human Capital • Diversity and inclusion • Health and safety • Healthy and nutritious food • Food Safety 	<ul style="list-style-type: none"> • Risks and opportunities in sustainability • Governance, ethics and integrity • Sustainable value chain

For each theme, we have established **indicators and targets up to 2030**, aiming to further connect our initiatives with today's social, environmental, and governance priorities, including long-term public commitments.

Our Commitments up to 2030:

- Water consumption reduction to 0.40 m3/t product;
- Reutilization of 30% of the water consumed;
- Zero waste sent to landfills;
- Recovery of 28% of post-consumption packaging;
- Achieving science-based targets, which are under development with the Science Based Targets Initiative (SBTI), for absolute greenhouse gas (GHG) emissions reductions scope 1 and 2;
- Adoption of two, carbon neutral seal product brands;
- Use of renewable energy of 90% from scope 2;
- Use of 100% recyclable and/or postable and/or biodegradable finished product plastic packaging;
- Reduced input losses in the production process by 25%;
- Reduced finished product waste by 50%;
- 150,000 people impacted by the program to promote entrepreneurship and professional training for the food sector in the communities;
- 80% in employee satisfaction index evaluated in an external survey;
- 40% women in leadership;
- Accident frequency rate no higher than 0.5 (own employees);
- Severity rate at no more than 8 (own employees);
- Market share leadership in four categories with health and nutrition attractions;
- 10 million people impacted by the nutrition education program for the population;
- 80% of purchases from local suppliers.

RESULTS

1Q22



With this new cycle of the Sustainability agenda (2022-2030), the priority themes are addressed by Working Groups (WGs), composed of professionals from several areas of the company, as well as by specific areas that incorporate sectorial indicators. Within this governance, initiative results are reported periodically to the Sustainability Committee, at the quarterly meetings of the ESG Committee and Board of Directors.

We present below the **main indicators of results** during the 1Q22.

Main Indicators - 1Q22



Water consumption reduction: decrease reflects an increase in production volumes of 3.4%.

Waste disposed of in landfills in all operations: relevant improvement is the result of the implementation of the waste composting unit at the CE Unit.

Reduction in waste of finished products: the reduction is the result of the drop in the amount of products at a critical date, and a reduction in the disposal process with the donation to the surrounding communities.

Reduction of input losses in the production process: the reduction is a reflection of the intensification of process controls, use of equipment for reprocessing processing and use of equipment to reduce waste.

Women in leadership: Some transactions were made in the company since the end of the year 2021, prior to establishing a goal of women in leadership.

Frequency and severity of Workplace Accidents: the frequency and severity rate of occupational accidents was impacted due to the casualty occurring with a Traffic (road) accident involving the company's charter bus (Timon branch).

Purchases from local suppliers: we experienced an increase in domestic input in the oils category. Promoting the purchase of local suppliers (Brazil).

RESULTS

1Q22



MAIN HIGHLIGHTS:

- ✓ We have joined the Brazilian Business Council for Sustainable Development (CEBEDS);
- ✓ Disclosure of the new M. Dias Branco Sustainability Agenda, containing its commitments and goals until 2030 for the internal public through the Leader Development Program and Live in the Workplace;
- ✓ Donation of 602 tons of foods to surrounding communities, to benefit more than 90 institutions in Brazil;
- ✓ We have initiated a project in partnership with Connecting Food to work on reducing food losses and food waste in the company, as a result of our work with the "Everyone at the Table" movement;
- ✓ We are working in partnership with Senai, offering professionalization courses for the unemployed. In March, we started two classes: Pastry Chef and Administrative Assistant;
- ✓ We were awarded the Sister Company Seal for the donations made to the Obras Sociais Irmã Dulce (OSID) in Bahia;
- ✓ Launch of the POSITIVO Program at the Queimados unit, concluding the implementation process in the industrial units producing Pastas, Cookies, Cakes & Snacks and Vegetable Shortening & Margarines.



INDEPENDENT AUDITORS

The Company's independent auditors are KPMG Auditores Independentes Ltda., contracted to audit the individual and consolidated interim financial information for the year ended December 31, 2021 and review of the individual and consolidated interim financial information for the quarters ended March 31, June 30 and September 30, of the respective year, and did not provide conflicting services, as provided in CVM Instruction 308. The non-financial information on the Company and its subsidiaries, as well as management's expectations regarding the future performance of the Company and its subsidiaries, were not revised by the independent auditors.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)



1. Operations

M. Dias Branco S. A. Indústria e Comércio de Alimentos ("Company") is a publicly traded corporation listed on B3 S.A. - Brasil, Bolsa, Balcão in the Novo Mercado segment (MDIA3), and is included in Corporate Sustainability Index (ISE), IGC (Special Corporate Governance Index), IGC-NM (Corporate Governance Index - Novo Mercado), and other indexes. The Company started to operate in 1951 and its head office is located at Rodovia BR 116, KM 18, in Eusébio, State of Ceará. Its corporate activities mainly comprise the industrialization, sale and distribution of food products derived from wheat, mainly cookies and crackers, pastas and wheat flour/bran and the manufacture, sale and distribution of vegetable fats and margarines, cakes, cake mixes, packaged toast and snacks. The Company operates through an integrated and vertical production process, producing the majority of the two main raw materials used to produce cookies, crackers and pastas: wheat flour and vegetable shortening. Five of its wheat mills are physically integrated within the cookies and crackers and pasta plants, thus eliminating the costs of transporting the flour used in the production of these two main items.

The Company has 15 production sites, eight of which are located in the Northeast (Bahia, Ceará, Paraíba, Pernambuco and Rio Grande do Norte), four in the Southeast (São Paulo and Rio de Janeiro) and two in the South (Rio Grande do Sul and Paraná). These units operate seven wheat mills, nine pasta plants, nine cookies and crackers plants, two vegetable shortening and margarine plants, one plant of snacks and cakes, one cake mix plant and one packaged toasts plant. The Company has thirty-five distribution centers, integrated with this production structure, for storage, sales and/or distribution of its products, located in the following states: Alagoas, Bahia, Ceará, Espírito Santo, Maranhão, Minas Gerais, Paraíba, Paraná, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, São Paulo and Sergipe.

The Company's nationwide activities are also driven by means of integrated operations with the production, sale and distribution structure of subsidiary Latinex Importação e Exportação de Alimentos S.A (Latinex), acquired on November 03, 2021 as mentioned in Note 2. Latinex has one cookies and crackers plant, integrated with a storage and distribution facility in São José dos Pinhais, in the state of Paraná.

The Company has the following brands in the domestic market: Adria, Aldente, Basilar, Bonsabor, Estrela, Fortaleza, Finna, Fit Food, Frontera, Isabela, Pelágio, Pilar, Piraquê, Predilieto, Richester, Salsito, Smart, Taste&Co, Treloso, Vitarella, and Zabet.

2. Business Combination

Latinex Importação e Exportação de Alimentos S.A. Acquisition

On November 3, 2021, the Company informed the market that it had completed the acquisition of one hundred percent (100%) of the shares of Latinex Importação e Exportação de Alimentos S.A. The transaction was not subject to the approval of the Administrative Council for Economic Defense (Conselho Administrativo de Defesa Econômica – CADE).

We purchased this unit for an initial amount of R\$ 180,000, which may go as high as R\$ 272,000 if certain performance targets in the purchase agreement are met. These are: (i) an initial fixed installment of up to R\$ 147,500, adjusted based on the variation in the working capital and the increase in indebtedness between the baseline negotiation balance sheet and the date of closing; (ii) a variable installment of up to R\$ 92,000 linked to the target of increasing net revenue through 2023, and (iii) an installment of R\$ 32,500 conditional on successfully registering certain brands with the INPI. The amounts payable shall be adjusted between the date the deal is closed and the actual date of payment using the CDI rate.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)



The acquired company operates under the commercial name of "Latinex". It started its operations in 2008 in Curitiba/PR as an importer of innovations prospecting, in the Global Market, food trends to be explored in Brazil. As of 2015, it started the development of local brands with a focus on innovation based on global trends adapted to the needs of the Brazilian consumer. Currently, Latinex markets four brands: FIT FOOD, Frontera, Smart and Taste&Co, with over 120 items in different categories such as healthy snacks and cookies, seasonings, sauces, and condiments.

With this transaction, the Company reaffirms its commitment to long-term value creation for its shareholders, as this acquisition reinforces its presence in healthy food and snacks, in addition to marking the entry into the seasonings, sauces and condiments segments, which reflects the Company's commercial strategy of growing with profitability, including products with high growth and value potential in its portfolio.

In order to meet the transaction's legal recognition requirements, the Company hired a specialized and independent consulting firm to prepare a fair value assessment report on the acquisition date. The valuation report, which is still in preparation, has the following preliminary result for the acquisition price:

	Allocation on 03/31/2022	Initial Allocation on 12/31/2021
Fixed quota of acquisition price ⁽¹⁾	173,218	173,218
Quota of contingent consideration of the price ⁽²⁾	50,600	50,600
(-) Shareholders' equity of the acquired company	(5,251)	(5,251)
Overpay price	229,069	229,069
(-) Intangible assets identified at fair value	129,429	137,537
(-) Adjustment to fair value of assets	3,613	4,901
	96,027	86,631

(1) One installment of R\$ 180,000, net of the price adjustment of R\$ 6,782; (2) This refers to the fair value based on the target net revenue for 2023; R\$ 27,000 if net revenue is between R\$ 125,000 and R\$ 175,000, R\$ 59,800 if it is between R\$ 175,000 and R\$ 266,000, or R\$ 92,000 if it exceeds R\$ 266,000. The fair value was calculated using the Monte Carlo approach and the present value of the maximum payment.

The following table sets forth the preliminary fair values of assets acquired and liabilities assumed obtained based on the above-mentioned report:

	Net assets acquired	Adjustments to fair value	Net assets acquired at fair value
Current assets			
Cash and cash equivalents	(2,657)	-	(2,657)
Trade accounts receivable	8,419	-	8,419
Advances	1,240	-	1,240
Taxes recoverable	749	-	749
Inventories	10,051	1,406 (a)	11,457
Derivative financial instruments	1,535	-	1,535
Prepaid expenses	140	-	140
Total current assets	19,477	1,406	20,883
Non-current assets			
Long-term receivables	1,882	-	1,882
Judicial deposits	220	-	220
Taxes recoverable	256	-	256
Deferred Taxes	1,393	-	1,393
Related parties	13	-	13
Property, plant and equipment	9,465	2,207 (b)	11,672

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)



	Net assets acquired	Adjustments to fair value	Net assets acquired at fair value
Intangible assets	43	129,429	129,472
Brands ⁽¹⁾	43	98,826 (c)	98,826
Customer portfolio ⁽²⁾	-	2,928 (d)	2,928
Contract with Poco loco ⁽³⁾	-	26,631 (e)	26,631
Non-competition agreement ⁽³⁾	-	1,044 (f)	1,044
Goodwill on investments acquisition	-	96,027 (g)	96,027
Total non-current assets	11,390	227,663	239,053
Total assets	30,867	229,069	259,936
Current liabilities			
Trade payables	5,659	-	5,659
Advances from customers	112	-	112
Loans and financing	8,068	-	8,068
Labor liabilities	979	-	979
Tax liabilities	895	-	895
Other debts	676	-	676
Total current liabilities	16,389	-	16,389
Non-current liabilities			
Loans and financing	17,485	-	17,485
Tax liabilities	854	-	854
Advance to partners	1,340	-	1,340
Provisions for contingencies	50	-	50
Total non-current liabilities	19,729	-	19,729
Shareholders' equity	(5,251)	229,069 (h)	223,818
Total liabilities and shareholders' equity	30,867	229,069	259,936

Note: Fair value valuation method used: ⁽¹⁾ Relief-from-Royalty, of the Income Approach; ⁽²⁾ Mult Period Excess Earning, of the Income Approach; ⁽³⁾ With and Without, of the Income Approach.

- (a) Refers to the fair value of the inventory of finished products, raw materials, and foods for resale, among others, based on an estimate of their realizable value;
- (b) Refers to the adjustment to fair value of property, plant and equipment to be depreciated based on the economic useful life of the assets expressed in the valuation report;
- (c) Refers to the fair value of the "FIT FOOD" (R\$ 43,057), "Frontera" (R\$ 32,500), Smart (R\$ 20,976), and Taste&Co (R\$2,293) brands, with with undefined useful life;
- (d) Refers to the fair value of a long-standing non-contractual relationship with a customer that constitutes a competitive advantage. The estimated useful file of this intangible asset was defined as 10 years;
- (e) Refers to the fair value of an existing contractual relationship with a supplier within a specific segment that constitutes a competitive advantage. The estimated useful life of this intangible asset was defined as 3 years;
- (f) A 7.2 years period, directly or indirectly, in any companies or ventures involved in the same line of business as the Company, and that would therefore constitute competition. This intangible asset will be amortized over the limiting contractual period;
- (g) Refers to the transaction goodwill, i.e. the non-allocated portion of the acquisition price;
- (h) Refers to the counterpart for adjustments (a) through (g) in net equity.

It is important to reiterate that the company prepared the projected cash-flow to estimate the value of the acquired company. The projected net present value exceeds the amount paid by the company, demonstrating that the goodwill paid does not represent impairment.

Regarding the deductibility of goodwill for tax purposes, we estimate that the full amount of the goodwill (R\$ 96,027) will be deductible, as the Company intends to absorb the acquired entity.

**NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)**



This amount is represented by expected future profitability based on the expected synergies to be captured by creating long-term value and profitable growth, including increasing its portfolio with high value-added items of solid growth potential.

3. Effects of the COVID-19 pandemic

As Covid-19 cases decline, the Company has been following the advances in the Ministry of Health's guidelines and responsible entities in each location where it operates. In fact, as it is still extremely necessary to maintain constant care to protect the health of our employees and their families, the Company maintains some preventive measures, as determined by the health entities, as shown below:

- Access to the company's premises continues to require prior validation through the Health Check-in, a system that monitors the health of employees on a daily basis;
- Use of masks, alcohol gel, social distancing, in addition to the physical barriers installed;
- Medical teleservice available to support employees who have flu-like symptoms or have contact with infected people;
- Whistleblowing channels available to report breaches of hygiene and social distancing protocols, as well as audits to ensure compliance with the protocols;
- Educational awareness campaigns on maintaining compliance with hygiene and distancing protocols for own and outsourced professionals;
- Constant monitoring by the Internal Audit area of the implementation and effectiveness of the preventive actions adopted.

However, with the improvement of the pandemic scenario, the areas where they were working remotely have gradually returned to on-site work during the first quarter of 2022. It is worth mentioning that the Company's operations - considered an essential service - have remained running since the beginning of the pandemic for the supply of products on the market, with the employees of operational activities working on-site, demanding from the Company the effort to adapt the activities to the restrictions for containing the virus, as disclosed since the beginning of the pandemic.

On March 31, 2022, extraordinary expenses incurred as a result of COVID-19 amounted to R\$ 1,074 (R\$ 23,217 as of December 31, 2021).

4. Basis of preparation

The individual and consolidated interim financial information have been prepared in accordance with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and evidence all the material information proper of the interim financial information, and only them, which are consistent with those used by management in its management process.

The authorization to issue these interim financial information was given by Board of Directors at its meeting held on May 13, 2022.

(a) Basis for measurement

The individual and consolidated interim financial information were prepared based on historic cost, except when stated otherwise.

**NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)**



(b) Functional currency

The individual and consolidated interim financial information are presented in Brazilian reais, which is the Company's functional currency. All the amounts reported in Reais in the financial information have been rounded to the nearest thousand, except when stated otherwise.

(c) Significant accounting judgments, estimates and assumptions

The preparation of individual and consolidated interim financial information in accordance with CPCs and IFRS requires Company management to make judgments, estimates and assumptions that affect the application of accounting policies. The actual results could differ from these estimates.

Estimates and assumptions are continually reviewed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Assets and liabilities subject to estimates and assumptions include:

- Trade accounts receivable (Note 7): criteria for measuring expected credit losses and assumptions used to determine the weighted average rate of the loss;
- Inventories (Note 8): criteria used to measure estimated losses to estimate inventory impairment;
- Taxes recoverable (Note 9): premises and criteria adopted to measure and recognize tax credits;
- Property, plant and equipment (Note 12): main assumptions regarding residual credits and amounts, and property, plant and equipment useful life and impairment test;
- Intangible assets with undefined useful life (Note 13): criteria and main assumptions used to calculate the useful life and recoverable value of these assets;
- Leases (Note 14): recognition and measurement of leases and the incremental rate used;
- Financial instruments and risk management (Note 18): determination of the fair value of derivative and non-derivative financial instruments;
- Provisions for civil, labor and tax risks (Note 23): assumptions on the likelihood and magnitude of disbursements related to provision for lawsuits and civil, labor, and tax judicial demands;
- Deferred income and social contribution taxes (Note 24): criteria applied to asset recoverability if it is likely that the asset will not be realized;
- Share-based compensation plan (Note 27): main assumptions regarding stock granting.

5. Significant accounting policies

The significant accounting policies adopted by the Company and its subsidiaries are described in specific notes. Those which apply, in general, to different aspects of the financial information are described in detail below.

a) Consolidation

i. Subsidiaries

For the purposes of preparing the individual and consolidated interim financial information, the financial information of subsidiaries ended on the same reporting date was used, with accounting policies consistent with those of the Company.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)



Equity interest in subsidiaries

Description	Investment interest (%)			
	03/31/2022		12/31/2021	
	Direct	Indirect	Direct	Indirect
M.Dias Branco International Trading LLC ⁽¹⁾	100.00	-	100.00	-
M.Dias Branco International Trading Uruguay S.A ⁽¹⁾	-	100.00	-	100.00
M.Dias Branco Argentina S.A. ⁽¹⁾	100.00	-	100.00	-
Latinex Importação e Exportação de Alimentos S.A	100.00	-	100.00	-

⁽¹⁾ Foreign Investments.

Characteristics of the main subsidiaries

M. Dias Branco International Trading LLC

This direct subsidiary is based in the United States of America, and its core activity is intermediating in the purchase of raw materials, mainly wheat, for milling and vegetable oil that the Company uses in its production process. It is not operational and the Company is therefore starting the procedure of closing down the subsidiary.

M. Dias Branco International Trading Uruguay S.A.

This indirect subsidiary is based in Uruguay, and its core activity is intermediating in the purchase of raw materials, mainly wheat, for milling that the Company uses in its production process. It is not operational and the Company started the procedures to close the subsidiary.

M. Dias Branco Argentina S.A.

The Company incorporated a publicly traded corporation, with its head office in Buenos Aires, to purchase, import and export wheat grain, wheat flour and derivatives. However, this company did not undertake any activities and the Company decided to discontinue the process, initiating the procedures to close the entity.

Latinex Importação e Exportação de Alimentos S.A

The Company started its activities in 2008, and currently is based in the city of São José dos Pinhais, in the state of Paraná. Its main activity is the manufacture, sale, and distribution of healthy cookies and crackers and snacks, seasonings, sauces, and condiments.

ii. Joint Ventures

Joint ventures are those in which the Company has contractually agreed joint control, and which require the unanimous consent of the parties sharing control for strategic and operational decisions.

Joint Operation

Terminal de Grãos de Fortaleza Ltda ("Tergran")

The Company shares control of Tergran with Moinho Cearense S.A and J. Macêdo S.A, in which each party has an interest of 33.33% in the capital, and jointly appoint the managing director of Tergran. The Company considers that its investment in Tergran should be classified as a joint operation, or joint arrangement, and the assets, liabilities, income and expenses are recognized in relation to its investment only in the consolidated statements, considering that Tergran was incorporated as a separate legal entity. Consequently, the investment is recognized in the individual financial information using the equity method.

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Tergran operates port facilities and provides wheat unloading and storage services at the port in Fortaleza, with the primary objective of increasing productivity and reducing the costs of unloading ships carrying wheat for its three partners.

Joint Venture

Terminal de Trigo do Rio de Janeiro - Logística S.A.

The Company has an interest in a joint venture with Companhia Bunge Alimentos S.A (Bunge), in which each party has an interest of 50% in the capital. Terminal de Trigo do Rio de Janeiro - Logística S.A. is the lessee in the agreement entered in September 21, 2017 with the government, through the Ministry of Transportation, Ports and Civil Aviation, which addresses the leasing of public infrastructure and land to handle and store solid vegetable bulk, especially wheat, located in the port of Rio de Janeiro/RJ.

The Company recognizes its investment related to the interest in the operation under the equity method, both in the individual and consolidated interim financial information.

The Company's interest in this business is part of its strategy of improving logistics to supply inputs intended for the manufacturing plants in the Southeast.

Terminal de Trigo do Rio de Janeiro - Logística S.A. started operations on January 8, 2020.

b) Translation of foreign currency balances

i. Foreign currency transactions and balances

Foreign currency transactions are initially recorded at the exchange rates of the functional currency prevailing at the respective transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted into the functional currency at the exchange rate at that date.

All currency changes are recorded in the income statement, except those arising from foreign currency transactions designated to hedge against exchange rate variations, which are recorded in equity.

ii. Foreign operations

The values of assets and liabilities of the foreign subsidiaries are translated to Brazilian Reais using the exchange rate at the reporting date, and the related statements of income are translated at the exchange rates on the dates of the transactions. Exchange differences resulting from the translations are recognized separately in shareholders' equity. In the event of a foreign subsidiary being sold, the accumulated deferred amount recognized in shareholders' equity relating to this subsidiary is recognized in the statement of income.

c) Impairment of non-financial assets

Assets that have undefined useful lives, such as goodwill and brands, are not amortized, and are tested for impairment. Impairment tests of goodwill and brands are carried out at least annually, or more frequently if events or changes in circumstances indicate possible impairment.

At each reporting date, management revises the net carrying values of its assets and other non-financial assets, subject to depreciation and amortization to assess any events or

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changes in economic, operational or technological circumstances that could indicate a deterioration or impairment. When such evidence is identified, and the net carrying value exceeds the recoverable value, a loss for impairment is recorded, and the net carrying value is adjusted to the recoverable value.

d) Employee benefits

The Company provides short-term benefits to its employees, which are measured on a non-discounted basis and incurred as expenses as the related service is provided. The liability is recognized for the amount expected to be paid in respect of short-term cash bonus or profit-sharing plans. Profit sharing is recognized in profit or loss as operational costs and expenses.

For the non-statutory board there is also a share-based compensation plan, as explained in Note 27, to which statutory officers under CLT regime are also entitled, and from May 2021 on, this has included up to 20% of management-level executives.

e) Revenue recognition

The Company recognizes revenue from the sale of goods in the course of ordinary activities at the moment when the control over the products is transferred and at the fair value of the recognized consideration received or receivable, when: (i) there was convincing evidence that the control of a product or service has been transferred to the customer, which generally occurs upon delivery; (ii) at the amount the entity expects to be entitled to in exchange for transferring the product or service and (iii) the associated costs and possible return of goods could be reliably estimated. If it was probable that discounts would be granted and the amount can be measured reliably, then the discount was recognized as a reduction against revenue over the period the sales were recognized.

Note that delivery occurs when the products have been sent to the specified location, the customer has accepted the products pursuant to the sale agreement and the acceptance terms have been agreed, or the Company has objective evidence that all acceptance criteria have been met.

f) Segment reporting

The Company and its subsidiary Latinex operate in the food segment with the following product lines: cookies and crackers, pasta, flour, margarine and vegetable shortening, cakes, cake mix, packaged toasts, snacks, healthy food and segments of seasonings, sauces and condiments. The production and sale of food products by the Company and its subsidiary do not involve measuring operational profits or losses on an individual basis that is regularly reviewed by management, either to support investment decisions or to assess performance separately.

Consequently, considering that all decisions are made based on consolidated reports and that decisions related to strategic planning, financing, purchases, investments and the application of funds are made on a consolidated basis, the Company concluded that it has only one segment to report.

g) Hedge accounting

The Company adopts hedge accounting under CPC 40 (R1) – Financial Instruments: Disclosure (IFRS 7) and CPC 48 – Financial Instruments (IFRS 9), for transactions of derivative financial instruments for the purpose of hedging against the risk of fluctuation in

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commodities prices and foreign-exchange rates. The hedging relationship is a cash flow hedge, which consists of hedging against variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction, and which could affect profit or loss.

In this hedge category, the effective portion of the gain or loss on the hedging instrument is recognized in equity as other comprehensive income, under "Gains (losses) on cash-flow hedges", and the ineffective portion, where applicable, is recognized in financial revenue (expense). Accumulated gains and losses are reclassified to profit or loss or to the statement of financial position when the hedged item is recognized, with a corresponding adjustment to the item in which the relevant hedged item was recorded.

It is important to note that deferred tax effects on gains and losses recognized in equity are also recognized in other comprehensive income under "tax effects on gains (losses) on cash-flow hedges".

Hedge accounting is discontinued prospectively from the date on which the hedging relationship ceases to meet the qualifying criteria, whether in its entirety or in part. The conditions for discontinuing hedge accounting are satisfied when: i) in a cash flow hedge, the hedged item is recognized in the Company's statement of financial position. In this case, the amount recognized in equity is included in the same period and component in which the hedged item is recognized (statement of financial position or statement of income); ii) the hedging instrument is terminated. In this case, the amount recognized in equity is recognized on the accrual date on which the hedged item is recognized; iii) there is no longer a hedging relationship as the risk management purpose has changed; and iv) there is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to prevail on the hedging relationship.

If hedge accounting is discontinued as described in iii and iv above, all gains and losses that have been accrued in similar hedging relationships and recognized in equity are immediately transferred to profit or loss.

The Company assesses the effectiveness of its derivative financial instruments at each annual reporting date or upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first.

The effects of hedge accounting are described in Note 18.

h) New standards, interpretations and amendments effective after January 1, 2022

The following standards in force as of January 1, 2022 did not have significant impact on the Company's interim financial information: onerous contracts: costs of fulfilling a contract (amendments to CPC 25/IAS 37); COVID-19-related rent concessions after June 30, 2021 (amendment to CPC 06/IFRS 16) 65; annual revision of IFRS standards 2018–2020; property, plant and equipment: proceeds before intended use (amendments to CPC 27/IAS 16; reference to the conceptual framework (amendments to CPC 15/IFRS 3).

The following new or amended standards effective after January 1, 2022 are not expected to have significant impact on the Company's interim financial information: deferred tax related to assets and liabilities arising out of a single transaction (amendments to CPC 32/IAS 12); classification of liabilities as current or non-current (amendments to CPC 26/IAS 1); IFRS 17 insurance contracts, disclosure of accounting policies (amendments to CPC 26/IAS 1 and IFRS practice statement; definition of accounting estimates (amendments to CPC 23/IAS 8).

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6. Cash and cash equivalents

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and banks	36,616	15,190	36,692	16,223
Fixed-income marketable securities ⁽¹⁾	808,131	1,539,614	808,957	1,539,641
Total	844,747	1,554,804	845,649	1,555,864

⁽¹⁾ See Note 18, item f: capital management that details the use of the cash resource.

The balance of fixed-income marketable securities, as of March 31, 2022, consists exclusively of floating Bank Deposit Certificates (CDB), remunerated by the variation in CDI - Interbank Deposit Rate at the average rate of 104.42% of the CDI (103.54% as of December 31, 2021). These marketable securities are held for immediate trading and used in Company operations.

7. Trade accounts receivable

Trade accounts receivables are amounts due for the sale of products in the ordinary course of the Company's business and are recognized at the original selling price less discounts granted, customer credits and expected credit losses. The balances of trade accounts receivable are presented as follows:

Breakdown of balances	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic	1,162,582	1,408,424	1,167,418	1,417,563
Foreign	72,684	71,153	72,684	71,153
(-) Expected credit losses	(44,863)	(48,483)	(46,471)	(49,725)
Total	1,190,403	1,431,094	1,193,631	1,438,991

Parent

Description	03/31/2022		12/31/2021	
	Trade accounts receivable	Expected credit losses	Trade accounts receivable	Expected credit losses
Not yet due	1,156,874	6,812	1,375,484	8,141
Overdue	78,392	38,051	104,093	40,342
1 to 30 days	15,535	1,119	40,436	722
31 to 60 days	3,786	855	4,472	542
61 to 90 days	6,018	967	2,426	295
91 to 180 days	6,865	2,202	6,004	1,973
181 to 360 days	9,144	6,354	10,710	7,326
Over 360 days	37,044	26,554	40,045	29,484
Subtotal	1,235,266	44,863	1,479,577	48,483

Consolidated

Description	03/31/2022		12/31/2021	
	Trade accounts receivable	Expected credit losses	Trade accounts receivable	Expected credit losses
Not yet due	1,159,059	6,812	1,381,707	8,141
Overdue	81,043	39,659	107,009	41,584
1 to 30 days	15,967	1,119	41,254	722
31 to 60 days	4,263	855	4,791	542
61 to 90 days	6,159	973	2,544	295
91 to 180 days	7,105	2,442	6,417	1,973
181 to 360 days	9,870	7,081	11,474	8,084
Over 360 days	37,679	27,189	40,529	29,968
Subtotal	1,240,102	46,471	1,488,716	49,725

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The Company adopts a hybrid expected and incurred loss model, recording expected losses throughout the life cycle of trade accounts receivable. The model assesses sales made in a 12-month period and the amount considered uncollectible during this period. From the results calculated, historical default rates by receivables "range" are calculated, and applied to the balance of trade accounts receivable, excluding that portion that may have a real guarantee of payment.

The changes in expected credit losses were as follows:

Change details	Parent	Consolidated
Balance as of December 31, 2020	76,071	76,071
Business Combination- Latinex	-	1,098
Provision (reversal) for expected credit losses ⁽¹⁾	(1,019)	(874)
Write-off ⁽²⁾	(26,569)	(26,570)
Balance as of December 31, 2021	48,483	49,725
Provision (reversal) for expected credit losses	3,041	3,407
Write-off	(6,661)	(6,661)
Balance as of March 31, 2022	44,863	46,471

⁽¹⁾ Mainly consists of expected credit losses reversed due to the enforcement of the client's mortgage guarantee (R\$ 9,674); ⁽²⁾ Refers to receivables more than 360 days overdue with no expectation of realization.

Trade accounts receivable are written off when there is no realistic expectation of recovery. Expected credit losses are booked in the Company's operating results.

8. Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, in the form of materials or supplies to be consumed in the production process, or in the rendering of services.

The cost of inventories is based on average weighted cost and includes all expenses incurred for transportation, storage, non-recoverable taxes and other costs incurred to bring the inventories to their existing locations and conditions. In the case of manufactured, in progress and finished products, costs include the general factory overhead expenses based on normal operating capacity.

The balances of inventories are presented as follows:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Finished products	342,849	302,254	347,525	306,687
Work in progress	64,050	47,254	64,050	47,254
Raw materials	630,836	429,247	635,575	433,904
Warehouse and packaging materials	278,098	268,218	282,002	269,967
Auxiliary and maintenance materials	56,946	54,132	56,946	54,132
Imports in transit ⁽¹⁾	53,476	42,172	53,476	42,172
Advances to suppliers	38	38	50	61
Total	1,426,293	1,143,315	1,439,624	1,154,177

⁽¹⁾ Refer to imported wheat and oil.

Finished products inventories are measured at cost value or net realizable value, whichever is lower.

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Furthermore, the Company adopts the policy of assessing inventory obsolescence, based on the expiring dates of inventory items and the analysis of those items that have not moved for more than 180 days. As of March 31, 2022, the Company recorded impairment loss for inventories of R\$ 11,252 (R\$ 13,630 as of December 31, 2021).

Changes in inventory impairment loss were as follows:

Change details	Parent	Consolidated
Balance as of December 31, 2020	11,577	11,577
Business Combination- Latinex	-	3,477
Estimated losses for the year	10,021	10,021
Write-off	(12,498)	(11,445)
Balance as of December 31, 2021	9,100	13,630
Estimated losses for the year	4,226	4,226
Write-off	(2,920)	(6,604)
Balance as of March 31, 2022	10,406	11,252

9. Taxes recoverable

The Company recognizes tax credits at the time it deems it has a legal and technical basis on which to recognize the right and reliably measure the amount to be offset or refunded.

The Company's recoverable tax balances are as follows:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ICMS (i)	95,550	103,302	95,875	103,586
Income tax and social contribution (ii)	58,387	71,224	58,387	71,224
PIS and Cofins (iii)	354,966	378,666	355,179	378,666
Withholding income tax on financial investments	27,668	42,869	27,789	42,988
IRPJ credit from the PAT incentive (iv)	8,602	8,435	8,602	8,435
IOF extemporaneous credits	4,052	4,031	4,052	4,031
INSS (v)	27,238	26,932	27,238	26,932
Extemporaneous credit - PIS and Cofins	-	924	-	924
Others	5,004	1,785	5,806	2,425
Total	581,467	638,168	582,928	639,211
Current	387,399	198,356	388,780	199,143
Non-current	194,068	439,812	194,148	440,068

The main origins of recoverable taxes are highlighted:

- (i) ICMS: these are substantially credits from the acquisition of property, plant and equipment and ICMS reimbursement paid as tax replacement of operations with wheat, net of estimated impairment losses, in the amount of R\$ 38,631 (R\$ 38,631 as of December 31, 2021);
- (ii) Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), resulting from the annual adjustment of the corporate income tax return, CSLL 1992 credit - Final and unappealable decision on undue tax and STF's position RE 1063187 - Unconstitutionality of amounts related to the Selic rate granted as a result of the repetition of undue tax payment, in the amount of R\$ 38,912;

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- (iii) Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) credits from overpayment, credits on acquisitions of inputs and extemporaneous credits arising from lawsuits or administrative proceedings, especially for the exclusion of ICMS from the PIS/COFINS calculation basis, in the amount of R\$ 349,461 (R\$ 373,054 as of December 31, 2021);
- (iv) IRPJ credit from the Workers' Meal Program (PAT);
- (v) INSS credit arising from *res judicata* decision in proceedings, highlighting the case of the ICMS from the calculation base of the social security contribution on sales, in the amount of R\$ 18,515 (2013 to 2015).

Due to the granting of the request for credit entitlement arising from the final and unappealable decision of lawsuits related to ICMS exclusion from PIS and Cofins calculation basis with the Brazilian Federal Revenue Service, the Company transferred to current assets the amount of R\$ 272,807.

Social Integration Program (PIS) and Tax for Social Security Financing (COFINS)

The High Court of Justice, in its ruling on Special Appeal no. 1.221.170/PR in February 2017, expanded the concept of inputs for the purpose of recognizing PIS and COFINS credits, then a highly disputed and controversial tax matter. Following this decision, the Company commissioned legal opinions and technical reports to determine the extent to which certain expenses in its value chain are essential and material to the business, especially marketing expenses and the costs of transporting finished products and recognized credits in the amount of R\$ 102,551 related to 2020 and 2021.

In relation to the recognition of tax credits arising from the exclusion of ICMS from PIS and COFINS tax base, final and unappealable decisions have been issued in all ten actions relating to this matter in the period from December 2018 to November 2021, including three brought by M. Dias Branco S.A. Indústria e Comércio de Alimentos and the remainder brought by acquired companies. The Company recognized, between the period from 2019 to 2021, the amount of R\$ 668,449, considering the methodology recognized by STF.

There remain certain periods for which outstanding credits have not been recognized as either the Company was unable to locate the physical documentation supporting those credits or there were no digital systems suited to do so, especially periods prior to 2004. However, the Company has continued to explore alternative methods of fully measuring the amounts outstanding. Therefore, we estimate that the impact on Company's results, if any, will not be material, considering the limited expectation that documentation required to support the eligibility to this credit will be secured.

Also, it should be noted that credits arising from lawsuits filed by merged companies relating to the period prior to the acquisition date, will be reimbursed to former partners upon use, as they represent a contingent portion of the acquisition price.

The periods pending recognition of tax credits are shown below:

Company/ Case no.	Period with outstanding credits
M. Dias Branco S.A Ind. e Com. de Alimentos / 2000.81.00.010313-1	1990 to 1999
NPAP Alimentos S.A./ 2007.83.00.014726-1	2002, 2010, 2011 and 2012
Moinho Santa Lúcia /2008.81.00.004326-1	2003 to 2007 and 2009
Pelágio Oliveira S.A /0011868-02.2007.4.05.810	2002, 2004 and 2012
Indústria de Produtos Alimentícios Piraquê S.A / 2006.51.01.019578-6	2001 to 2005
Zabet S/A Indústria e Comércio	Under analysis

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The tax assets recoverability, recorded in non-current assets, is anticipated as follows:

Maturity	Parent	Consolidated
	03/31/2022	03/31/2022
2023	108,657	108,737
2024	43,041	43,041
2025	10,330	10,330
2026	4,302	4,302
2027 on	27,738	27,738
Total	194,068	194,148

10. Investments

In the parent company's financial information, the investments in subsidiaries and jointly controlled are valued using the equity method.

Other permanent investments are valued at acquisition cost less any impairment losses, when applicable.

a. Breakdown of balances

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investments in subsidiaries and jointly controlled entities	36,984	38,381	33,822	35,055
Advance for capital subscription	24,655	15,613	-	-
Goodwill	85,587	80,184	-	-
Fair value of assets acquired and liabilities assumed	127,753	142,438	-	-
Unrealized profits on operations with subsidiaries	(726)	-	-	-
Others	888	888	888	888
Total	275,141	277,504	34,710	35,943

b. Changes in investments in direct subsidiaries

Change details	Parent							Consolidated		
	Tergran – Terminal de Grãos de Fortaleza Ltda.	M. Dias Branco Argentina S. A.	M. Dias Branco International Trading LLC	Terminal de Trigo do Rio de Janeiro – Logística S. A	Latinex Importação e Exportação de Alimentos S.A	Others	Total	Terminal de Trigo do Rio de Janeiro – Logística S. A	Others	Total
Balance as of December 31, 2020	4,291	1	169	46,401	-	888	51,750	46,401	888	47,289
Acquisition of equity interest ⁽¹⁾	-	-	-	-	223,818	-	223,818	-	-	-
Equity income	(130)	-	-	(11,346)	(1,196)	-	(12,672)	(11,346)	-	(11,346)
Foreign exchange variations	-	-	13	-	-	-	13	-	-	-
Advance for capital subscription	170	-	-	-	14,425	-	14,595	-	-	-
Balance as of December 31, 2021	4,331	1	182	35,055	237,047	888	277,504	35,055	888	35,943
Equity income ⁽²⁾	(137)	-	-	(1,233)	(3,993)	-	(5,363)	(1,233)	-	(1,233)
(-) Depreciation, amortization and goodwill disposals ⁽²⁾	-	-	-	-	(5,288)	-	(5,288)	-	-	-
Unrealized profits on operations with subsidiaries ⁽²⁾	-	-	-	-	(726)	-	(726)	-	-	-
Foreign exchange variations	-	-	(28)	-	-	-	(28)	-	-	-
Advance for capital subscription	3,442	-	-	-	5,600	-	9,042	-	-	-
Balance as of March 31, 2022	7,636	1	154	33,822	232,640	888	275,141	33,822	888	34,710

Note: ⁽¹⁾ See Note 2. ⁽²⁾ Equity pickup in subsidiaries recorded in 1Q22 amounted to R\$ (11,377), of which R\$ (5,363) refers to interest in investments in subsidiaries, R\$ (5,288) to the amortization of the surplus value of assets and R\$ (726) refers to unrealized profits on operations with subsidiaries.

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c. Information of subsidiaries and jointly controlled entities

Equity Position	Tergran-Terminal de grãos de Fortaleza Ltda		Latinex Importação e Exportação de Alimentos S. A		M. Dias Branco Argentina S.A		M. Dias Branco International Trading LLC	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets	8,156	4,944	31,782	33,210	1	1	218	257
Liabilities	5,150	1,800	42,222	39,657	-	-	64	75
Shareholders' equity	3,006	3,144	(10,440)	(6,447)	1	1	154	182
Net profit (loss) for the period	(137)	(130)	(3,993)	(1,196)	-	-	-	-

11. Investment properties

Investment properties are stated at their historical acquisition costs, less accumulated depreciation and impairment, when applicable. Depreciation is calculated on the depreciable amount of an asset using the straight-line method at established rates, and takes account of the estimated useful life of the assets, thus reflecting the expected pattern of consumption of the future economic benefits embodied in the assets.

The weighted depreciation rate expressing the useful life of assets classified as investment property was 4.74% as of March 31, 2022 (4.74% as of December 31, 2021).

a. Changes in investment properties

Change details	Parent and Consolidated		
	Buildings	Land	Total
Balance as of December 31, 2020	17,195	37,418	54,613
Reclassification ⁽¹⁾	-	1,988	1,988
Depreciation	(482)	-	(482)
Balance as of December 31, 2021	16,713	39,406	56,119
Depreciation	(121)	-	(121)
Balance as of March 31, 2022	16,592	39,406	55,998

⁽¹⁾ Reclassification of property, plant and equipment to investments.

Our investment properties now comprise six properties in Bahia, Ceará, Pernambuco, Piauí and Minas Gerais. As of March 31, 2022, the fair value of these properties is R\$ 134,749, based on appraisal reports issued by independent appraisers (R\$ 137,749 as of December 31, 2021).

12. Property, plant and equipment

Items of property, plant and equipment are stated at historic purchase or construction cost, less accumulated depreciation and impairment losses, when applicable. Depreciation is calculated on the depreciable values, using the straight-line method at the rates stated which take into consideration the estimated useful lives of the assets, since this method best reflects the standard usage of the future economic benefits of the asset.

The depreciation methods, useful lives and residual values are revised at the end of each financial period, and any adjustments are recognized prospectively.

The weighted depreciation and amortization rates that express the useful lives of property, plant and equipment and the right-of-use assets, respectively, are presented below:

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Description	Depreciation rate % (p.a)			
	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Buildings	1.79	1.79	1.79	1.65
Machinery and equipment	6.15	6.20	5.24	5.34
Fixtures and fittings	9.64	9.97	7.63	8.38
Vehicles	6.78	7.12	6.39	6.79
Facilities	5.37	5.38	5.37	5.38
Right-of-use ⁽¹⁾	13.59	14.34	13.59	14.34
Others	4.95	5.78	4.58	5.35

⁽¹⁾ See Note 14.

a) Changes in property, plant and equipment

Parent

Cost	Buildings	Machinery and equipment	Fixtures and fittings	Vehicles	Facilities	Assets in progress	Others	Total
Balances as of December 31, 2020	1,387,241	2,996,661	108,567	115,279	411,509	377,454	306,934	5,703,645
Additions	2,249	7,553	2,115	23	481	160,471	1,711	174,603
Recognition of tax credits	(2,952)	(6,554)	-	-	(2,102)	-	(56)	(11,664)
Right-of-use ⁽¹⁾	58,457	10,086	-	28,726	-	-	847	98,116
Disposals	-	(1,713)	(242)	(4,784)	(15)	(251)	(418)	(7,423)
Lease disposals	(10,367)	(336)	-	(22,237)	-	-	(2,016)	(34,956)
Transfers	46,969	130,297	11,086	(900)	41,967	(242,097)	12,678	-
Provision for impairment of assets	-	-	-	-	-	(810)	-	(810)
Reclassification ⁽²⁾	-	(28)	-	-	-	(3,008)	(3,470)	(6,506)
Balances as of December 31, 2021	1,481,597	3,135,966	121,526	116,107	451,840	291,759	316,210	5,915,005
Additions	300	2,632	453	159	145	27,003	312	31,004
Recognition of tax credits	(742)	(2,676)	-	-	(441)	-	-	(3,859)
Right-of-use ⁽¹⁾	27,609	1,743	-	22,698	-	-	(675)	(51,375)
Disposals	-	(2,457)	(49)	(567)	-	205	(22)	(2,890)
Transfers	25,406	33,841	866	1	5,779	(70,587)	4,694	-
Reclassification	-	-	-	-	-	6	-	6
Balances as of March 31, 2022	1,534,170	3,169,049	122,796	138,398	457,323	248,386	320,519	5,990,641

⁽¹⁾ See Note 14; ⁽²⁾ Reclassification from property, plant and equipment to intangible assets of R\$ 3,000, investment properties of R\$ 1,988, intangible assets to property, plant and equipment of R\$ 9 and between cost and depreciation R\$ 1,519 in 2021.

Depreciation	Buildings	Machinery and equipment	Fixtures and fittings	Vehicles	Facilities	Assets in progress	Others	Total
Balances as of December 31, 2020	(287,953)	(1,568,176)	(74,764)	(67,253)	(181,485)	-	(107,475)	(2,287,106)
Depreciation	(23,337)	(151,740)	(6,639)	(2,198)	(21,645)	-	(9,336)	(214,895)
Amortization of the right-of-use	(23,833)	(10,317)	-	(11,921)	-	-	(1,181)	(47,252)
Disposals	-	1,423	204	4,149	15	-	411	6,202
Lease disposals	5,002	336	-	22,237	-	-	1,762	29,337
Transfers	139	(100)	36	(77)	(1)	-	3	-
Reclassification ⁽²⁾	267	27	84	-	-	-	1,141	1,519
Balances as of December 31, 2021	(329,715)	(1,728,547)	(81,079)	(55,063)	(203,116)	-	(114,675)	(2,512,195)
Depreciation	(6,002)	(37,101)	(1,771)	(497)	(5,554)	-	(2,359)	(53,284)
Amortization of the right-of-use	(7,119)	(2,587)	-	(3,901)	-	-	(244)	(13,851)
Disposals	-	1,879	31	-	-	-	1	1,911
Transfers	1,203	(6)	-	-	134	-	(1,331)	-
Balances as of March 31, 2022	(341,633)	(1,766,362)	(82,819)	(59,461)	(208,536)	-	(118,608)	(2,577,419)
Net balances								
Balances as of December 31, 2021	1,151,882	1,407,419	40,447	61,044	248,724	291,759	201,535	3,402,810
Balances as of March 31, 2022	1,192,537	1,402,687	39,977	78,937	248,787	248,386	201,911	3,413,222

⁽¹⁾ See Note 14; ⁽²⁾ Reclassification between depreciation and cost of R\$ 1,519 in 2021.

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As of March 31, 2022, the balance of R\$ 201,911, recorded in "other", refers mainly to land amounting to R\$ 146,640 (R\$ 146,640 in 2021), improvements amounting to R\$ 33,305 (R\$ 31,638 in 2021), computers and peripheral equipment amounting to R\$ 15,255 (R\$ 15,550 in 2021) and other fixed assets amounting to R\$ 6,711 (R\$ 7,757 in 2021).

Consolidated

Cost	Buildings	Machinery and equipment	Fixtures and fittings	Vehicles	Facilities	Assets in progress	Others	Total
Balances as of December 31, 2020	1,391,344	2,999,704	108,643	115,279	412,672	377,454	307,184	5,712,280
Business Combination- Latinex	2,306	10,879	224	52	-	462	396	14,319
Additions	2,250	7,651	2,115	44	531	160,471	1,795	174,857
Recognition of tax credits	(2,952)	(6,554)	-	-	(2,102)	-	(56)	(11,664)
Right-of-use ⁽¹⁾	58,457	10,086	-	28,726	-	-	847	98,116
Disposals	-	(1,713)	(283)	(4,784)	(15)	(258)	(418)	(7,471)
Lease disposals	(10,367)	(336)	-	(22,237)	-	-	(2,016)	(34,956)
Transfers	46,969	130,297	11,086	(900)	41,967	(242,097)	12,678	-
Provision for impairment of assets	-	-	-	-	-	(810)	-	(810)
Reclassification ⁽²⁾	-	(28)	-	-	-	(3,008)	(3,470)	(6,506)
Balances as of December 31, 2021	1,488,007	3,149,986	121,785	116,180	453,053	292,214	316,940	5,938,165
Business Combination- Latinex	-	(1,145)	-	-	-	-	-	(1,145)
Additions	300	2,842	480	159	145	27,333	335	31,594
Recognition of tax credits	(742)	(2,676)	-	-	(441)	-	-	(3,859)
Right-of-use ⁽¹⁾	27,609	1,743	-	22,698	-	-	(675)	51,375
Disposals	-	(2,457)	(52)	(566)	-	205	(21)	(2,891)
Transfers	23,100	33,841	867	(1)	5,778	(70,582)	6,997	-
Reclassification	-	-	-	-	-	6	-	6
Balances as of March 31, 2022	1,538,274	3,182,134	123,080	138,470	458,535	249,176	323,576	6,013,245

⁽¹⁾ See Note 14; ⁽²⁾ Reclassification from property, plant and equipment to intangible assets of R\$ 3,000, investment properties of R\$ 1,988, intangible assets to property, plant and equipment of R\$ 9 and between cost and depreciation R\$ 1,519 in 2021.

Depreciation	Buildings	Machinery and equipment	Fixtures and fittings	Vehicles	Facilities	Assets in progress	Others	Total
Balances as of December 31, 2020	(290,740)	(1,570,544)	(74,818)	(67,253)	(181,885)	-	(107,646)	(2,292,886)
Business Combination- Latinex	(132)	(1,253)	(54)	(30)	-	-	(205)	(1,674)
Depreciation	(23,505)	(151,945)	(6,647)	(2,202)	(21,736)	-	(9,389)	(215,424)
Amortization of the right-of-use ⁽¹⁾	(23,833)	(10,317)	-	(11,921)	-	-	(1,181)	(47,252)
Disposals	-	1,423	214	4,149	15	-	411	6,212
Lease disposals	5,002	336	-	22,237	-	-	1,762	29,337
Transfers	139	(100)	36	(77)	(1)	-	3	-
Reclassification ⁽²⁾	267	27	84	-	-	-	1,141	1,519
Balances as of December 31, 2021	(332,802)	(1,732,373)	(81,185)	(55,097)	(203,607)	-	(115,104)	(2,520,168)
Depreciation	(6,063)	(37,300)	(1,777)	(501)	(5,577)	-	(2,391)	(53,609)
Amortization of the right-of-use ⁽¹⁾	(7,119)	(2,587)	-	(3,901)	-	-	(244)	(13,851)
Disposals	-	1,879	32	-	-	-	-	1,911
Transfers	1,375	(5)	(1)	-	134	-	(1,503)	-
Balances as of March 31, 2022	(344,609)	(1,770,386)	(82,931)	(59,499)	(209,050)	-	(119,242)	(2,585,717)
Net balances								
Balances as of December 31, 2021	1,155,205	1,417,613	40,600	61,083	249,446	292,214	201,836	3,417,997
Balances as of March 31, 2022	1,193,665	1,411,748	40,149	78,971	249,485	249,176	204,334	3,427,528

⁽¹⁾ See Note 14; ⁽²⁾ Reclassification between depreciation and cost of R\$ 1,519 in 2021.

As of March 31, 2022, the balance of R\$ 204,334, recorded in "other", refers mainly to land amounting to R\$ 146,640 (R\$ 146,640 in 2021), improvements amounting to R\$ 35,436 (R\$ 31,638 in 2021), computers and peripheral equipment amounting to R\$ 15,547 (R\$ 15,880 in 2021) and other fixed assets amounting to R\$ 6,711 (R\$ 7,758 in 2021).

Depreciation recognized in the consolidated statement of income for the period ended March 31, 2022 amounted to R\$ 65,674 (R\$ 60,918 as of March 31, 2021).

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b) Improvements to leased properties

The Company has lease agreements for port areas where three manufacturing plants are installed, located in the cities of Cabedelo (PB), Fortaleza (CE) and Natal (RN). Improvements are made to the real estate, and the costs are amortized over the shorter of the lease contract period and the useful life of the asset. The balance as of March 31, 2022 totaled R\$ 35,436 (R\$ 31,638 as of December 31, 2021).

A detailed description of assets classified as improvements to third-party property is provided below:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Improvements to buildings	77,738	73,857	80,040	73,857
Disposals	-	(26)	-	(26)
Accumulated depreciation	(44,433)	(42,193)	(44,604)	(42,193)
Total	33,305	31,638	35,436	31,638

c) Guarantees

As of March 31, 2022, the value of assets securing various operations amounted to R\$ 666,568 (R\$ 665,908 as of December 31, 2021), excluding accumulated depreciation.

d) Impairment testing of assets

The Company's property, plant and equipment are subject to impairment tests to ensure that the carrying amounts do not exceed the recoverable values. Based on an analysis of external and internal information, it was concluded that the assets do not present any indications of impairment, devaluation or physical damage that could affect the Company's future cash flows.

13. Intangible assets

Intangible assets are valued at acquisition cost, less accumulated amortization and impairment losses, when applicable. If the intangible assets are acquired in a business combination, they are stated at fair value on the acquisition date.

The Company's intangible assets comprise:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets with defined useful life				
Software	136,726	132,932	136,837	133,043
(-) Accumulated amortization	(70,653)	(65,674)	(70,691)	(65,706)
	66,073	67,258	66,146	67,337
Software in progress ⁽¹⁾	37,392	22,626	37,392	22,626
	103,465	89,884	103,538	89,963
Other Intangible assets				
Non-contractual relationship with customers and suppliers	185,921	185,921	211,618	223,502
Non-competition agreements	1,035	1,035	2,059	2,123
(-) Accumulated amortization	(47,231)	(44,211)	(47,231)	(44,211)
	139,725	142,745	166,446	181,414

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Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	03/31/2022
Assets with undefined useful life				
Brands				
Vitarella	107,011	107,011	107,011	107,011
Pilar	33,815	33,815	33,815	33,815
Estrela, Pelágio and Salsito	75,559	75,559	75,559	75,559
Predilieto and Bonsabor	11,530	11,530	11,530	11,530
Piraquê and Aldente	318,510	318,510	318,510	318,510
Fit food, Frontera, Smart e Taste&Co	-	-	98,826	98,869
Others	5,722	5,678	5,765	5,721
	552,147	552,103	651,016	651,015
Goodwill				
Adria Alimentos do Brasil Ltda,	34,037	34,037	34,037	34,037
Vitarella	400,710	400,710	400,710	400,710
Pilar	27,941	27,941	27,941	27,941
Pelágio and J, Brandão	67,661	67,661	67,661	67,661
Moinho Santa Lúcia	42,363	42,363	42,363	42,363
Piraquê	362,316	362,316	362,316	362,316
Latinex ⁽³⁾	-	-	96,027	86,631
Others ⁽⁴⁾	9,384	9,384	9,384	9,384
	944,412	944,412	1,040,439	1,031,043
	1,739,749	1,729,144	1,961,439	1,953,435

⁽¹⁾The software implementation projects in progress have an estimated time for completion by 2023; ⁽²⁾ See Note 2.

⁽³⁾ Goodwill arising from the net worth of the company Craiova Participações Ltda., incorporated in Adria Alimentos do Brasil Ltda. on August 27, 2002.

Software is amortized over a period of five years, except for the ERP system, which is amortized over ten years, which is the period defined as the estimated useful life of the asset and which reflects the economic benefit of the intangible asset. The non-contractual relationship with customers and non-competition agreements, assets identified in the process of allocating the acquisition price of Piraquê, have a defined useful life of 15.6 years and 5 years, respectively. In the case of Latinex, a preliminary report suggests that the lifetime of the non-contractual relationship with the customer, supplier, and non-compete agreement are 10 years, 3 years, and 7 years and 2 months, respectively. Assets are amortized using the straight-line method over their estimated useful life.

The goodwill paid for future profitability is not amortized and its recoverable value, at minimum, is tested annually.

a) Changes in intangible assets

Parent

Change details	Software	Brands	Non-contractual customers relationship	Non-competition agreement	Goodwill	Total
Balances as of December 31, 2020	68,533	551,595	154,341	483	944,412	1,719,364
Additions ⁽¹⁾	32,956	508	-	-	-	33,464
Reclassification ⁽²⁾	3,000	-	-	-	-	3,000
Amortizations	(14,563)	-	(11,872)	(207)	-	(26,642)
Reversal of provision for impairment of assets	(42)	-	-	-	-	(42)
Balances as of December 31, 2021	89,884	552,103	142,469	276	944,412	1,729,144
Additions ⁽¹⁾	18,651	44	-	-	-	18,695
Reclassification ⁽²⁾	(91)	-	-	-	-	(91)
Amortizations	(4,979)	-	(2,968)	(52)	-	(7,999)
Balances as of March 31, 2022	103,465	552,147	139,501	224	944,412	1,739,749

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Consolidated

Change details	Software	Brands	Non-contractual customers relationship	Non-competition agreement	Goodwill	Total
Balances as of December 31, 2020	68,533	551,595	154,341	483	944,412	1,719,364
Business Combination- Latinex	171	98,869	37,581	1,088	86,631	224,340
Additions ⁽¹⁾	32,956	551	-	-	-	33,507
Reclassification ⁽²⁾	3,000	-	-	-	-	3,000
Amortizations	(89)	-	-	-	-	(89)
Disposals	(14,566)	-	(11,872)	(207)	-	(26,645)
Reversal of provision for impairment of assets	(42)	-	-	-	-	(42)
Balances as of December 31, 2021	89,963	651,015	180,050	1,364	1,031,043	1,953,435
Business Combination- Latinex	-	(44)	(8,207)	-	9,396	1,145
Additions ⁽¹⁾	18,651	45	-	-	-	18,696
Reclassification ⁽²⁾	(91)	-	-	-	-	(91)
Amortizations	(4,985)	-	(6,709)	(52)	-	(11,746)
Balances as of March 31, 2022	103,538	651,016	165,134	1,312	1,040,439	1,961,439

⁽¹⁾ Refers mainly to implementing the Manufacturing Enterprise System (R\$ 4,881), the Procurement Platform (R\$ 3,903); mobile device and corporate systems information security (R\$ 2,893), cybersecurity - data leak prevention (R\$ 2,177), RPA process robotization (R\$ 1,448), implementation of a credit analysis tool (R\$ 1,408), implementation of BI Analytics (R\$ 1,406); incoming invoice automation system (R\$ 1,312), implementation of the Cervello tool (R\$ 1,200), implementation of the MIDDLEWARE platform (R\$ 1,195), and implementation of the WMS solution (1,092), among other initiatives in 2021. In the first quarter of 2022 it refers to ERP-FF modernization R\$ 9,729, Procurement-FF Platform implementation R\$ 1,516 and Supply Chain Guru-FF software license R\$654. ⁽²⁾ Reclassification to property, plant and equipment of R\$ 3,000 in 2021.

The Company recorded research and development costs of R\$ 3,194 as of March 31, 2022 (R\$ 2,854 as of March 31, 2021).

b) Impairment testing of goodwill and brands

As of December 31, 2021, the Company performed impairment testing of the carrying values of goodwill and brands recorded as intangible assets, based on value-in-use, using the discounted cash flow model.

In this assessment process, the Company value obtained from testing the recoverable values of its intangible assets did not result in the need to recognize impairment, because the carrying value of these assets did not exceed their estimated value-in-use.

The Company believes there are no signs of asset impairment for the period ended March 31, 2022.

14. Leases

The Company and its subsidiary recognize the right of use of the leased asset and the liability for future payments for lease agreements and for agreements of a leasing nature, i.e. those that convey the right to control the use of an identified asset and obtain the benefits for a period of time in exchange for consideration.

The recognized assets and liabilities are initially measured at present value. Lease liabilities are measured at the net present value of the remaining payments, discounted at the incremental rate on loans, grouped by general nature of asset and contractual term. Right-of-use assets are measured at cost according to the value of the initial measurement of the lease liability and amortized over the lease term by the straight-line method.

The Company and its subsidiary maintain assets and liabilities arising from lease agreements

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for port areas where three plants are installed, as specified in Note 12, letter b, property rental agreements, printers, vehicle rental and forklifts. During the year of 2021, the Company recognized rights of use for three rental properties and vehicles, representing an addition of R\$ 87,183.

See below the changes in the year ended March 31, 2022 and December 31, 2021:

a) Right-of-use

Parent and Consolidated

Cost	Properties	Machinery and equipment	Vehicles	Computers and Peripherals	Total
Balances as of December 31, 2020	106,867	62,713	55,214	6,882	231,676
Additions	58,457	10,086	28,726	847	98,116
Disposals	(10,367)	(336)	(22,237)	(2,016)	(34,956)
Reclassification	-	900	(900)	-	-
Balances as of December 31, 2021	154,957	73,363	60,803	5,713	294,836
Additions/reversals	27,609	1,743	22,698	(675)	51,375
Balances as of March 31, 2022	182,566	75,106	83,501	5,038	346,211

Amortization	Properties	Machinery and equipment	Vehicles	Computers and Peripherals	Total
Balances as of December 31, 2020	(21,417)	(5,603)	(22,798)	(2,346)	(52,164)
Amortization	(23,833)	(10,317)	(11,921)	(1,181)	(47,252)
Disposals	5,003	336	22,237	1,761	29,337
Reclassification	406	(63)	(77)	(266)	-
Balances as of December 31, 2021	(39,841)	(15,647)	(12,559)	(2,032)	(70,079)
Amortization	(7,119)	(2,587)	(3,901)	(244)	(13,851)
Balances as of March 31, 2022	(46,960)	(18,234)	(16,460)	(2,276)	(83,930)
Net balances					
Balances as of December 31, 2021	115,116	57,716	48,244	3,681	224,757
Balances as of March 31, 2022	135,606	56,872	67,041	2,762	262,281

The average discount rates used in initial measurement, based on quotations provided by financial institutions, the agreement expiration dates and the relevant weighted amortization rates expressing the timing of the realization of rights-of-use, are as follows:

Nature of contracts	Average discount rate	Maturity ⁽¹⁾	Amortization rate
			Parent and Consolidated
Port properties	12.27%	May/32	7.98%
Properties	8.19%	Aug/29	14.41%
Machinery and equipment	6.80%	Jun/28	33.40%
Vehicles	8.84%	May/26	17.02%
Computers and Peripherals	9.52%	Jan/25	20.00%

⁽¹⁾ Considered the last maturity of the group of contracts.

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b) Lease liability

Change details	Parent and Consolidated
Balances as of December 31, 2020	194,990
Additions ⁽¹⁾	25,787
Interest	5,127
Payments	(9,913)
Interest payments	(4,861)
Balances as of March 31, 2021	211,130
Balances as of December 31, 2021	245,794
Additions ⁽¹⁾	51,735
Interest	5,942
Payments	(11,242)
Interest payments	(5,677)
Balances as of March 31, 2022	286,192
Current	57,707
Non-current	228,485

⁽¹⁾ Recognition of the right-of-use properties and rented vehicles.

The amounts recorded as non-current liabilities as of March 31, 2022 mature as follows:

Maturity	Parent and Consolidated
2023	45,456
2024	53,122
2025	43,988
2026	39,335
2027 to 2032	46,584
Total	228,485

c) Amounts recognized in profit or loss

Change details	Parent and Consolidated	
	03/31/2022	03/31/2021
Amortization of rights-of-use	13,851	11,355
Interest on lease liabilities	5,942	5,127
Payments not included in the measurement of lease liabilities	423	519

14.1 CVM/SNC/SEP/Official Circular Letter No. 02/2019

In compliance with the Circular Letter issued by the Brazilian Securities Commission (CVM), the Company is presenting comparative balances of lease liabilities, rights-of-use, finance expense and depreciation expense considering the effect of projected future inflation on cash flows under the lease agreements, discounted at the nominal rate:

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	March 31, 2022											
	Consolidated											
	1Q22	12/31/2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Liability												
IFRS 16	286,192	242,494	185,583	132,919	88,932	49,596	21,704	14,483	9,034	5,599	1,743	-
CVM Official	358,418	312,728	245,201	180,489	124,485	72,112	33,267	22,808	14,622	9,211	2,913	-
	25,2%	29,0%	32,1%	35,8%	40,0%	45,4%	53,3%	57,5%	61,9%	64,5%	67,1%	-
Right-of-use												
IFRS 16	262,281	220,875	166,360	116,015	75,730	44,745	19,469	9,977	5,937	3,473	1,010	-
CVM Official	323,015	272,716	206,390	144,904	95,242	56,527	24,616	12,699	7,583	4,436	1,289	-
	23.2%	23.5%	24.1%	24.9%	25.8%	26.3%	26.4%	27.3%	27.7%	27.7%	27.6%	-
Financial expense												
IFRS 16	5,942	16,711	18,380	13,865	10,134	6,683	3,631	2,084	1,346	871	450	51
CVM Official	7,967	21,575	24,230	18,762	14,092	9,592	5,424	3,235	2,147	1,420	745	85
	34.1%	29.1%	31.8%	35.3%	39.1%	43.5%	49.4%	55.2%	59.45%	63.0%	65.5%	67.4%
Amortization												
IFRS 16	13,851	41,362	54,516	50,344	40,285	30,985	25,276	9,493	4,040	2,464	2,464	1,010
CVM Official	16,774	50,300	66,325	61,486	49,662	38,716	31,910	11,918	5,116	3,147	3,147	1,289
	21.1%	21.6%	21.7%	22.1%	23.3%	24.9%	26.2%	25.5%	26.6%	27.7%	27.7%	27.6%

A statement of potentially recoverable PIS/COFINS tax credits embedded in the lease consideration over the relevant payment periods is presented below:

Cash flow	03/31/2022		12/31/2021	
	Par value	Adjusted to present value	Par value	Adjusted to present value
Consideration for the lease	362,813	286,192	309,399	245,794
Potential PIS/ COFINS (9.25%)	33,560	26,473	28,619	22,736

15. Related-party transactions

Related-party transactions arise mainly from transactions between the Company and its subsidiaries, key management professionals and other parties related directly or indirectly to the controlling shareholder. These transactions were carried out under market conditions that were satisfactory for the Company's interests considering management's analysis of each transaction. The Company's controlling shareholder is DIBRA Fundo de Investimentos em Participações.

Presented below is a list of related companies with which the Company carries out transactions:

Related parties	Nature of the transactions
Subsidiaries ⁽¹⁾	
M. Dias Branco International Trading LLC	Purchase of raw materials, but with no transactions during the year
M. Dias Branco International Trading Uruguay S. A.	Purchase of raw materials, but with no transactions during the year
M. Dias Branco Argentina S. A.	Not operating and under liquidation process
Latindex Importação e Exportação de Alimentos S.A	Purchase and sale of industrialized products and products for resale
Joint ventures ⁽¹⁾	
Tergran – Terminal de Grãos de Fortaleza Ltda.	Services related to unloading wheat
Terminal de Trigo do Rio de Janeiro - Logística S.A.	Provision of raw material unloading services and other services

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Related parties	Nature of the transactions
Companies whose controller is the Company's chairperson of the board of directors	
Dias Branco Administração e Participação Ltda.	Property lending agreement
Idibra Participações S. A.	Civil constructions and equipment leasing
Praia Centro Hotel Viagens e Turismo Ltda.	Services related to hosting employees and other professionals
Terminal Portuário Cotegipe S. A.	Services related to unloading wheat and other services
Companhia Industrial de Cimento Apodi	Purchase of materials used in civil works
Companies in which the Company's president or vice president are registered as partners	
LDB Transporte de Cargas Ltda.	Cargo transport
LDB Logística e Transporte Ltda.	Cargo transport
AET – Engenharia e Soluções Tecnológicas Avançadas Ltda.	Equipment installation and maintenance services rendered
THB CE Consultoria, Gerência de Riscos e Corretagem de Seguros Ltda.	Advisory or consultancy services
Buhler & Scherler S.A.	Equipment installation and maintenance services rendered
WEF Engenharia e automação Ltda.	Equipment installation and maintenance services rendered
Company in which the Company's vice president has a family member as a partner	
Everest Comércio de Produtos Médicos e Odontológicos	Equipment installation and maintenance services rendered
Companies in which the Company's vice president is registered as shareholder	
Coemdibra – Cooperativa de Empregados do M. Dias Branco	Sale of industrialized products
	Purchase of consumer materials

⁽¹⁾ The percentage equity interest and its characteristics are disclosed in Note 5.

The following companies are related to the controlling shareholder or to the vice president and meet the criteria of CPC 05 (IAS 24) and are also considered related parties. However, the Company does not carry out any transactions with them: Apodi Transporte e Locação Ltda., Apodi Distribuição e Logística Ltda., Hotel Praia Mar Ltda., Aquiraz Investimentos Turísticos S. A., CDB Participações Ltda-EPP, Praia do Futuro Empreendimentos Imobiliários Ltda., Dias Branco Incorporadora SPE 001 Ltda., Dias Branco Incorporadora SPE 002 Ltda., Dias Branco Incorporadora SPE 003 Ltda., Dias Branco Incorporadora SPE 004 Ltda., Dias Branco Incorporadora SPE 005 Ltda., Dias Branco Incorporadora SPE 006 Ltda., Ponta da Praia Empreendimentos Imobiliários SPE 001 Ltda.; Aquiraz Golf Clubs Administração e Comércio Ltda., Lago das Praias Belas Empreendimentos Imobiliários Ltda., Aveiro Multimercado FD Invest Credito Privado Investimento Exterior, Águas Claras Participações Ltda., Apodi Concreto Ltda, IDB Condominium Incorporações SPE Ltda, Riviera Lazer S.A. 3L Administração e Participações Ltda., Lavanda Brasil Indústria e Comércio de Cosméticos Ltda., 4D Empreendimentos Imobiliários SPE Ltda., 4D Flex Empreendimentos Imobiliários SPE Ltda., 4D Participação E Investimentos Ltda., A&F Participações Ltda., Clínica Odontológica Jório da Escóssia Ltda., Escóssia e Alcântara Representações e Distribuição Ltda., Hospital Odontológico Dr. Jório da Escóssia Ltda., Matrix Núcleo de Histeroscopia do Ceara Ltda., Natasha Mihaliuc Dias Branco – ME, Pro-Imagem Serviços de Radiologia e Odontologia Ltda., Seta Empreendimentos de Produtos Médicos e Odontológicos Ltda., Tusker Comércio e Confecção de Roupas Ltda and Universo Pet II SCP.

a) Terms of the transactions with the main related parties

Related-party transactions are carried out under conditions satisfactory for the Company, and the prices charged vary depending on the type of service provided and the products sold. In general, payments are made against invoices.

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b) Assets and liabilities with the related parties are presented below:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets				
Current				
Accounts receivable				
Coemdibra – Cooperativa de Empregados do M. Dias Branco	60	20	60	20
LDB Transporte de Cargas Ltda.	36	13	36	13
Praia Centro Hotéis, Viagens e Turismo Ltda.	-	1	-	1
Terminal Portuário Cotegipe S. A.	1	1	1	1
Idibra Participações S. A.	-	6	-	6
	97	41	97	41
Liabilities				
Current				
Suppliers				
LDB Transporte de Cargas Ltda.	2,653	1,132	2,653	1,132
LDB Logística e Transporte Ltda.	210	97	210	97
AET – Engenharia e Soluções Tecnológicas Avançadas Ltda.	23	21	23	21
Terminal Portuário Cotegipe S. A.	-	586	-	586
Idibra Participações S. A.	1	1	1	1
Coemdibra – Cooperativa de Empregados do M. Dias Branco	7	13	7	13
Tergran – Terminal de Grãos de Fortaleza Ltda.	26	226	-	-
Buhler & Scherler S.A.	-	45	-	45
THB CE Consultoria, Gerência de Riscos e Corretagem de Seguros Ltda.	121	135	121	135
WEF Engenharia e Automação Ltda.	125	133	125	133
Latinex Importação e Exportação de Alimentos S.A	-	164	-	-
	3,166	2,553	3,140	2,163
Other accounts payable				
Tergran – Terminal de Grãos de Fortaleza Ltda.	1,888	1,188	-	-
	1,188	1,188		
Non-current liabilities				
Accounts payable				
M.Dias Branco Trading LLC	3	3	-	-
Terminal Portuário Cotegipe S. A.	1,238	1,238	1,238	1,238
	1,241	1,241	1,238	1,238

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c) Transactions carried out with related parties are presented below:

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Sale of products				
Terminal Portuário Cotegipe S. A.	2	1	2	1
Coemibra – Cooperativa de Empregados da M. Dias Branco	151	122	151	122
LDB Transporte de Cargas Ltda.	38	12	38	12
LDB Logística e Transporte Ltda.	-	20	-	20
Praia Centro Hotéis, Viagens e Turismo Ltda.	5	1	5	1
Latinex Importação e Exportação de Alimentos S.A	64	-	-	-
	260	156	196	156
Sale of fixed assets / other				
Coemibra – Cooperativa de Empregados da M. Dias Branco	1	1	1	1
Latinex Importação e Exportação de Alimentos S.A	256	-	-	-
	257	1	1	1
Purchase of products				
Latinex Importação e Exportação de Alimentos S.A	7,699	-	-	-
	7,699	-	-	-
Purchase of fixed assets / others				
Coemibra – Cooperativa de Empregados da M. Dias Branco	25	22	25	22
	25	22	25	22
Hiring of services				
LDB Transporte de Cargas Ltda.	4,074	2,319	4,074	2,319
LDB Logística e Transporte Ltda.	270	689	270	689
Terminal Portuário Cotegipe S.A.	2,155	2,360	2,155	2,360
Tergran – Terminal de Grãos de Fortaleza Ltda.	2,238	1,429	-	-
Praia Centro Hotéis, Viagens e Turismo Ltda.	55	1	55	1
Idibra Participações S.A.	1	1	1	1
Buhler & Scherler S.A.	-	44	-	44
AET – Engenharia e Soluções Tecnológicas Avançadas Ltda.	2	122	2	122
THB CE Consultoria, Gerência de Riscos e Corretagem de Seguros Ltda.	445	264	445	264
WEF Engenharia e Automação Ltda.	93	82	93	82
Everest Comércio de Produtos Médicos e Odontológicos	3	-	3	-
	9,336	7,311	7,098	5,882

Other matters

The Company is the lessee of certain assets and property items owned by Dias Branco Administração e Participações Ltda. and Idibra Participações S.A.

As regards the submission of security for the Company's loan agreements in force, Mrs. Maria Consuelo Saraiva Leão Dias Branco, the Chairperson of the Board of Directors, is the guarantor for some loans. A number of statutory officers also appear as guarantors in some of these loans together with Mrs. Maria Consuelo. Currently the Company does not provide this type of guarantee.

As of March 31, 2022, the guaranteed balance for consolidated financing was R\$ 20,979 (R\$ 25,524 as of December 31, 2021).

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Compensation paid to key management personnel

Key management personnel are members of the statutory executive office and the members of the Company's Board of Directors.

As of March 31, 2022, the Company recognized R\$ 7,647 (R\$ 5,790 as of March 31, 2021) as compensation for key management personnel, including salaries, management fees, bonuses, short-term benefits, especially profit-sharing, and long-term benefits for employees subject to CLT designated as statutory officers, as described in Note 27.

The Company's bylaws do not provide for Management to receive profit shares, and no amount has therefore been recorded for profit sharing for the years ended March 31, 2022 and 2021.

16. Suppliers and "Drawee's Risk" Transactions

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic suppliers	447,610	475,846	452,384	477,484
Foreign suppliers	-	-	981	329
Subtotal	447,610	475,846	453,365	477,813
"Drawee's risk" transactions	255,697	263,560	255,697	263,560
Total	703,307	739,406	709,062	741,373

The Company has "drawee's risk" (risco sacado) transactions with suppliers to allow them to transfer their rights under receivables to a financial institution and receive an advance of those receivables for goods and services purchased by the Company. The decision to opt into these transactions remains exclusively with the supplier.

In these transactions the financial institution agrees to pay an advance to the Company's suppliers in exchange for a discount on the receivables. The supplier transfers its rights in these receivables to the bank. The Company pays the full amount of the original price to the financial institution on the original due date.

These transactions have no effect on the prices, terms or other conditions initially agreed and therefore on the amount, nature or timing of the original liability, and the Company does not incur any financial charges from the financial institution. In addition, no guarantees are provided by the Company. The Company therefore continues to recognize these liabilities as "Trade payables" and the effects from these transactions are recognized under operational activities in the statement of cash flows.

17. Financing and borrowings

Financing and borrowings Company are recognized as financial liabilities carried at amortized cost, and are inflation adjusted, when applicable, for the related contractual charges, and any financing subject to foreign exchange variation is restated using the respective selling exchange rate in force on the last business day of the period.

General and specific loan costs that are directly attributed to the acquisition, construction or production of a qualifying asset, i.e. an asset that requires a long time to be concluded for the purpose of use or sale, are capitalized as part of the asset's cost when it is probable that they will result in future economic benefits for the entity and that such costs can be reliably measured. Other loan costs are recorded as an expense in the period they are incurred in.

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Financing and borrowings recorded as of March 31, 2022 in the amount of R\$1,672,546 (R\$ 1,767,598 as of December 31, 2021) are distributed between four categories, as follows: financing and borrowings with financial institutions, tax financing, direct financing and debentures.

17.1 Financing and borrowings with financial institutions

Description	Index	Interest (% p.a.)	Parent			Interest (% p.a.)	Consolidated			
			Maturity ⁽¹⁾	03/31/2022	12/31/2021		Maturity ⁽¹⁾	03/31/2022	12/31/2021	
Domestic currency										
BNDES-FINAME	TJLP	2.17	08/15/2024	9,176	10,184	2.17	08/15/2024	9,176	10,186	
BNDES-PSJ ⁽²⁾	-	3.06	01/15/2024	35,642	43,228	3.06	01/15/2024	35,642	43,228	
BNDES-FINEM	IPCA	8.57	08/15/2024	30,884	29,577	8.57	08/15/2024	30,884	29,577	
BNDES-PROGEREN	IPCA	6.28	10/15/2022	23,114	22,252	6.28	10/15/2022	23,114	22,252	
Working Capital	CDI					187	12/20/2024		5,138	
Working Capital	R\$					10.07	08/06/2024		7,905	
					98,816	105,241			98,816	118,286
Foreign currency										
Financing for imported supplies (FINIMP) and Working Capital (Law 4,131)	USD	1.66	12/22/2025	476,317	558,322	1.69	12/22/2025	480,089	563,452	
Total				575,133	663,563	578,905				681,738
Current liabilities				68,580	67,217	70,967				74,500
Non-current liabilities				506,553	596,346	507,938				607,238

⁽¹⁾ Final maturity for the group of contracts; ⁽²⁾ Contracts signed for the purchase of fixed assets.

The grace period for the agreements signed involving funds from the National Bank for Economic and Social Development (BNDES) is between 12 and 36 months. In most of the agreements, the interest is paid quarterly during the grace period and after this period has elapsed, the payments are made monthly, except in some direct transactions with BNDES in which the principal sum and interest are paid annually. Working capital loans have a grace period of 6 months; interest payments are made every six months and the principal is paid on maturity.

See below the changes in loans and financing:

Change details	Parent	Consolidated
Balance as of December 31, 2020	1,362,159	1,362,159
Provision for interest, commission and tax	10,608	10,608
Exchange variation and inflation adjustment	75,376	75,376
Amortizations	(276,240)	(276,240)
Interest payment	(44,150)	(44,150)
Balance as of March 31, 2021	1,127,753	1,127,753
Balance as of December 31, 2021	663,563	681,738
Provision for interest, commission and tax	3,885	4,077
Exchange variation and inflation adjustment	(83,233)	(83,703)
Amortizations	(8,586)	(22,461)
Interest payment	(496)	(746)
Balance as of March 31, 2022	575,133	578,905

The amounts recorded in non-current liabilities as of March 31, 2022 mature as follows:

Maturity	Parent	Consolidated
2023	20,756	22,141
2024	12,017	12,017
2025	473,780	473,780
Total	506,553	507,938

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Some consolidated financing and borrowings are secured by real estate mortgage, bank guarantee, promissory notes (see Note 15) and chattel mortgages over the assets financed, in the amount of R\$ 575,133 (R\$ 663,563 as of December 31, 2021).

Agreements for external financing and financing through BNDES credit facilities are subject to covenants, common for these types of operations. Non-compliance with these covenants could result in the early maturity of these transactions.

These covenants, amongst other conditions, restrict the Company's autonomy in the case of any alterations to its corporate structure. It is not possible to alter the capital structure or implement the takeover, spin-off or merger of the Company, directly or indirectly transfer or assign its controlling interest, without the prior express consent of the creditor financial institutions. The contracts determine that the Company does not have: (i) legal protests, (ii) pending actions, demands or processes, or any that are in the process of being filed, which, if decided against the Company, would have an adverse effect on its financial position, or which could affect its ability to fulfill the contractual terms; and also require that any transfer or assignment of rights or obligations arising from the agreement be approved by the financial institution and by the Government Agency for Machinery and Equipment Financing (FINAME). In addition to the above-mentioned clauses (i) certain ratio percentages should be preserved during the effectiveness of the agreement: Net Indebtedness / Ebitda and Shareholders' Equity / Total Liabilities and (ii) maintaining the workforce presented in the financing release request and the company committing (i) not to use funds secured in financial transactions that could be used in terrorist activities or result in breaches of any applicable anticorruption or antiterrorism legislation as far as it is aware; and (ii) ensure that each of its associated companies, subsidiaries and all individuals acting on its behalf or under the management of the Company or any of its subsidiaries behavior in accordance with the anticorruption legislation applicable in jurisdictions where the company or any of its associated companies or subsidiaries do business. As of December 31, 2021, the Company was in compliance with all covenants in its contracts.

17.2 Tax financing - PROVIN and Fundopem

The Company is the beneficiary of investment subsidies from the government, as explained in Note 22. The financing classified here denotes the non-incentive portion of the taxes and is based on monthly ICMS due.

At the end of the period, the balance of state tax financing broke down as follows:

Description	Index	Parent and Consolidated		
		Maturity ⁽¹⁾	03/31/2022	12/31/2021
Domestic currency				
Provin	TJLP	03/31/2025	14,575	13,488
Fundopem	IPCA/IBGE	01/21/2040	3,632	3,524
			18,207	17,012
Current			2,793	3,092
Non-current			15,414	13,920

⁽¹⁾ Final maturity for the group of contracts.

Financing for taxes related to Provin incentives are adjusted monthly using the TJLP and may mature every 2 or 3 years. Fundopem incentive is adjusted monthly using the IBGE/IPCA and matures in 60 months.

The changes in the tax financing were as follows:

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Change details	Parent and Consolidated
Balance as of December 31, 2020	9,893
Release	660
Provision for interest	109
Amortization	(247)
Interest payment	(37)
Balance as of March 31, 2021	10,378
Balance as of December 31, 2021	17,012
Release	1,782
Provision for interest	201
Amortization	(680)
Interest payment	(108)
Balance as of March 31, 2022	18,207

The amounts recorded as non-current liabilities as of March 31, 2022 mature as follows:

Maturity	Parent and Consolidated
2023	4,249
2024	6,079
2025 to 2040	5,086
Total	15,414

17.3 Direct financing - Acquisition of Companies

Description	Parent and Consolidated	
	03/31/2022	12/31/2021
Current liabilities		
Acquisition of Pelágio Shares	3,107	3,063
Acquisition of Pilar Shares	4,499	4,556
Acquisition of Piraquê Shares	20,642	20,600
	28,248	28,219
Non-current liabilities		
Acquisition of Pelágio Shares	8,070	8,070
Acquisition of Moinho Santa Lúcia Shares	667	667
Acquisition of Piraquê Shares Shares	128,147	125,717
Acquisition of Latinex Shares	95,691	94,466
	232,575	228,920
Total	260,823	257,139
Current	28,248	28,219
Non-current	232,575	228,920

Direct financing is composed of retained portions of the acquisition price to guarantee any contingencies that may arise, at the rate equivalent to 100% of the CDI variation, and for the quota of the contingent price in the acquisition of Piraquê.

The amount of R\$ 148,789 related to the acquisition of Piraquê is comprises retained quota of the price which will be settled in 3 installments, maturing in May/2022, May/2023 and

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December/2023, discounted from the paid contingencies of the seller responsibilities.

In 2021, the Company settled the sum of R\$ 71,496 from the contingent installment of the acquisition price of Piraquê, considering the withdrawal of the court deposit in the action concerning exclusion of ICMS tax from the PIS/COFINS calculation base for Indústria de Produtos Alimentícios Piraquê S.A., relating to periods prior to its acquisition date, the right to which was attributed to the previous owners.

The amount of R\$ 95,691 refers to Latinex acquisition and is comprised of the withheld portion of the price of R\$ 10,718, to be amortized in five annual installments (the first of R\$ 718 and the subsequent four of R\$ 2,500), less the contingencies paid that were the responsibility of the sellers, R\$ 32,500 to be paid on the completion of the brand ownership registration process, and R\$ 50,600 resulting from the contingent installment of the purchase price, plus CDI on the order of R\$ 1,873.

The changes in the direct financing were as follows:

Change details	Parent and Consolidated
Balance as of December 31, 2020	216,965
Provision for interest	789
Transfer of tax credit	2,017
Contingent consideration discount	(44)
Balance as of March 31, 2021	219,727
Balance as of December 31, 2021	257,139
Provision for interest	3,831
Contingent consideration discount	(147)
Balance as of March 31, 2022	260,823

17.4 Debentures

On January 22, 2021 the Board of Directors approved the 3rd issue of single, nonconvertible, unsecured debentures in two series maturing on March 13, 2028 and March 13, 2031, respectively.

The debentures were issued on March 15, 2021, underlying the issuance of Agribusiness Receivables Certificates (CRAs) totaling R\$ 811,644. Interest rates were set for each series in a book building procedure on March 3, 2021. The first and second series of debentures carry six-monthly interest of respectively 3.7992% p.a and 4.1369% p.a on the basis of 252 business days, plus indexation by IPCA - Extended National Consumer Price Index (adjustment only together with amortization).

The funds are intended to promote and encourage sustainable agriculture by the Company's suppliers, ensuring the continuous improvement of food and nutritional security of the products offered to consumers. This initiative is part of the strategy to encourage the supply of raw materials in the long term, committing suppliers and the Company to the sustainable development goals of the United Nations (UN), and reinforces M. Dias Branco's position as a reference in sustainability in Brazil.

As of March 31, 2022, the value of the debentures was represented by an amount of R\$ 814,611, net of the unamortized balance of transaction costs totaling R\$ 40,063.

Changes in debentures are as follows:

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Change details	Parent and Consolidated
Balance as of December 31, 2020	-
Debt issuance	811,644
Inflation adjustment	1,581
Conventional interest	637
(-) Transaction costs	(44,966)
Balance as of March 31, 2021	768,896
Balance as of December 31, 2021	811,709
Inflation adjustment	20,130
Conventional interest	8,739
Amortization	(17,482)
Fair value variation ⁽¹⁾	(9,760)
(-) Transaction costs	1,275
Balance as of March 31, 2022	814,611
Current	1,686
Non-current	812,925

⁽¹⁾ This is an effect resulting from hedging transactions fair value. See Note 18.

The transaction costs recorded in liabilities as March 31, 2022 mature as follows:

Maturity	Parent and Consolidated
2022	3,894
2023	5,169
2024	5,183
2025	5,169
2026 to 2031	20,648
Total	40,063

17.5 Reconciliation of changes in equity and the cash flow statements

Consolidated

Change details	Liabilities					Shareholders' Equity	Total
	Financing with financial institutions	Tax financing	Debentures	Leases	Dividends	(-) Treasury shares	
Balance as of December 31, 2021	681,738	17,012	811,709	245,794	5	(48,738)	1,707,520
Change in cash flows from financing activities							
Interest on equity paid	-	-	-	-	(605,056)	-	(605,056)
Acquisition Financing	-	1,782	-	-	-	-	1,782
Acquisition of Company's Shares	-	-	-	-	-	(36,597)	(36,597)
Financing payments	(22,461)	(680)	(17,482)	-	-	-	(40,623)
Lease payments	-	-	-	(11,242)	-	-	(11,242)
Total change in cash flows from financing activities	(22,461)	1,102	(17,482)	(11,242)	(605,056)	(36,597)	(691,736)
Exchange variation and inflation adjustment	(83,703)	-	20,130	-	-	-	(63,573)
Change in fair value	-	-	(9,760)	-	-	-	(9,760)
Other changes							
New leases	-	-	-	51,375	-	-	51,375
Interest, commission and tax	4,077	201	10,014	5,942	-	-	20,234
Interest and exchange variations paid	(746)	(108)	-	(5,677)	-	-	(6,531)
Interest on equity	-	-	-	-	605,057	-	605,057
Transfer of long-term incentive shares	-	-	-	-	-	6	6
Balance as of March 31, 2022	578,905	18,207	814,611	286,192	6	(85,329)	1,612,592

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Change details	Liabilities					Shareholders' Equity	Total
	Financing with financial institutions	Tax financing	Debentures	Leases	Dividends	(-) Treasury shares	
Balance as of December 31, 2020	1,362,159	9,893	-	194,990	58,978	(39,576)	1,586,444
Change in cash flows from financing activities							
Acquisition Financing	-	660	811,644	-	-	-	812,304
Financing payments	(276,241)	(247)	(42,910)	-	-	-	(319,398)
Lease payments	-	-	-	(9,913)	-	-	(9,913)
Total change in cash flows from financing activities	(276,241)	413	768,734	(9,913)	-	-	482,993
Exchange variation and inflation adjustment	75,377	-	1,582	-	-	-	76,959
Other changes							
New leases	-	-	-	25,787	-	-	25,787
Interest, commission and tax	10,609	109	(1,420)	5,127	-	-	14,425
Interest and exchange variations paid	(44,151)	(37)	-	(4,861)	-	-	(49,049)
Balance as of March 31, 2021	1,127,753	10,378	768,896	211,130	58,978	(39,576)	2,137,559

18. Financial instruments and risk management

The Company classifies its financial assets in the following categories, depending on the purpose for which they were acquired or contracted: (i) amortized cost, (ii) fair value through profit or loss, and (iii) fair value through other comprehensive income. Financial assets are not reclassified following initial recognition. Non-derivative financial liabilities are measured at (i) amortized cost using the effective interest rate method, when applicable or (ii) at fair value through profit or loss when subject to fair value hedging.

(i) Financial assets at amortized cost

These assets are measured subsequently to the amortized cost using the effective interest rate method. The amortized cost is reduced for impairment. Revenue from interest, exchange variance gains and losses and impairment are recognized directly in profit or loss.

The Company should look for any objective evidence that a financial asset or group of financial assets has been subject to impairment and consequently record the estimated asset impairment. To record the estimated allowance for doubtful accounts, the Company adopted a hybrid expected and incurred impairment model with a simplified approach, recording expected losses throughout the life cycle of trade accounts receivable.

(ii) Financial assets measured at fair value through profit or loss

These assets are subsequently measured at fair value. The net income including interest is recognized directly in profit or loss.

(iii) Financial assets measured at fair value through other comprehensive income

These assets are subsequently measured at fair value. Net income, including interest, is recognized in other comprehensive income under equity and upon derecognition. The accumulated change in fair value through other comprehensive income is adjusted under hedge object and affect results at the time of realization of the hedged item.

At each reporting period the Company evaluates expected losses on instruments measured at amortized cost and debt instruments measured through other comprehensive income. Losses and/or reversals of losses are recognized in profit or loss.

The Company has swap derivative financial instruments to hedge its exposure to price index and foreign currency variation risk. It also initiated NDF - Non-Deliverable Forwards, currency

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and commodity options and futures contracts, for the sole purpose of hedging the exchange variance risk posed by its consumable acquisitions.

Derivative financial instruments are measured at fair value and are presented as financial assets when the instrument's fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives during the year are recorded directly in profit or loss, except when qualified as cash-flow hedges, in which case they are recognized in equity as other comprehensive income and, upon settlement, accumulated gains and losses are adjusted in the hedged item, affecting profit or loss at the time the hedged item is realized. Any portion of the hedge relationship which is deemed ineffective is transferred/reclassified to finance revenue (expense).

All financial instruments are recognized in the accounting records and are restricted to cash and cash equivalents, short-term investments, trade accounts receivable, other receivables, borrowings, financing, debentures, trade payables, accounts payable and derivative contracts.

These instruments are managed by means of operational strategies, aimed at ensuring liquidity, profitability and security. The control policy consists of permanently monitoring the rates contracted compared to the market rates.

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a) Financial instruments by category and disclosure of fair value

i. Non-derivative financial assets and liabilities

Description	Index	Parent				Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
		03/31/2022	03/31/2022	12/31/2021	12/31/2021	03/31/2022	03/31/2022	12/31/2021	12/31/2021
Non-derivative financial assets									
Financial assets measured at amortized cost									
Cash and cash equivalents		844,747	844,747	1,554,804	1,554,804	845,649	845,649	1,555,864	1,555,864
Trade accounts receivable		1,190,403	1,190,403	1,431,094	1,431,094	1,193,631	1,193,631	1,438,991	1,438,991
Financial investments		18,886	18,886	18,624	18,624	18,886	18,886	18,624	18,624
Other assets		29,717	29,717	21,975	21,975	31,712	31,712	24,052	24,052
Current		2,076,989	2,076,989	3,019,804	3,019,804	2,083,100	2,083,100	3,030,828	3,030,828
Non-current		6,764	6,764	6,693	6,693	6,778	6,778	6,703	6,703
Non-derivative financial liabilities									
Financial liabilities measured at amortized cost									
Trade payables		703,307	703,307	739,406	739,406	709,062	709,062	741,373	741,373
Financing with financial institutions		575,133	559,147	663,563	668,097	578,905	562,919	681,738	689,389
BNDES - Transfer operations	TJLP	9,176	9,176	10,184	10,184	9,176	9,176	10,186	10,186
BNDES PSI-Pré	Fixed	35,642	35,670	43,228	43,264	35,642	35,670	43,228	43,264
BNDES – FINEM (Capital)	IPCA	30,884	31,223	29,577	29,974	30,884	31,223	29,577	29,974
BNDES PROGEREN (Capital)	IPCA	23,114	22,961	22,252	22,035	23,114	22,961	22,252	22,035
External financing (FINIMP and Working capital)	USD	476,317	460,117	558,322	562,640	480,089	463,889	563,452	567,876
Working capital	CDI	-	-	-	-	-	-	5,138	8,150
Working capital	Real	-	-	-	-	-	-	7,905	7,904
Direct financing	CDI	260,823	260,823	257,139	257,139	260,823	260,823	257,139	257,139
Other liabilities		141,348	141,348	149,667	149,667	151,106	151,106	151,709	151,709
Financial liabilities measured at fair value through profit or loss									
Debentures	IPCA	854,674	851,028	853,046	845,934	854,674	851,028	853,046	845,934
(-) Debentures issuance costs		(40,063)	(40,063)	(41,337)	(41,337)	(40,063)	(40,063)	(41,337)	(41,337)
Current		921,692	914,440	971,261	981,091	938,190	930,865	981,060	991,096
Non-current		1,573,530	1,561,150	1,650,223	1,637,815	1,576,317	1,564,010	1,662,608	1,653,111

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ii. Derivative financial assets and liabilities

Description	Parent		Consolidated	
	Carrying amount 03/31/2022	Carrying amount 12/31/2021	Carrying amount 03/31/2022	Carrying amount 12/31/2021
Derivate financial assets				
Measured at fair value through other comprehensive income				
Derivative financial instruments	59,984	59,929	60,362	61,243
Swap contracts	-	9,267	-	9,267
Non-Deliverable Forwards (NDFs)	65	24,905	443	26,219
Option contracts	5,556	4,231	5,556	4,231
Future contracts	46,265	20,629	46,265	20,629
Measured at fair value through profit or loss				
Derivative financial instruments				
Swap contracts	8,098	897	8,098	897
Current	51,886	49,765	52,264	51,079
Non-current	8,098	10,164	8,098	10,164
Derivate financial liabilities				
Measured at fair value through other comprehensive income				
Derivative financial instruments	264,421	8,822	264,421	8,822
Swap contracts	101,553	-	101,553	-
Non-Deliverable Forwards (NDFs)	161,650	-	161,650	-
Option contracts	36	44	36	44
Measured at fair value through profit or loss				
Derivative financial instruments				
Swap contracts	1,182	8,778	1,182	8,778
Current	161,686	44	161,686	44
Non-current	102,735	8,778	102,735	8,778

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b) Measuring fair value

The estimated fair values of the Company's assets and liabilities were determined based on information available in the market and appropriate valuation methodologies. However, considerable judgment was required to interpret the market data to determine the most appropriate estimated realizable values. Consequently, the above estimates do not necessarily indicate the amounts that could be realized in a current active market. The use of different market methodologies could have a material effect on the estimated realizable values.

The Company has financing classified in Level 2 as well as derivatives of swap contracts, Non-Deliverable Forwards (NDFs), options and future contracts in which the measurement process used is classified as Level 2, as established in CPC 40 (IFRS 7) - Financial Instruments: Disclosure.

c) Criteria, assumptions and limitations used in the calculation of market values

i. Marketable securities (cash equivalents)

The values of the marketable securities recorded in the interim financial information as cash equivalents approximate their realizable values, considering that the transactions are based on floating interest rates and are immediately available for realization.

ii. Short-term investments (amortized cost)

These investments are immediately liquid, but right now are subject to judicial blocks and used as financial guarantees, and for this reason were considered not cash-equivalent and are recorded in the interim financial information at the same book value as there is no financial loss for early withdrawal.

iii. Financing and borrowings

The fair value of the working capital loans linked to the TJLP, PSI and IPCA was determined based on future cash flows discounted using the average rate for current transactions, as these are subsidized loans.

For working capital loans based on the US Dollar exchange rate, fair value was determined based on the projected future DI and spot rates on March 31, 2022, discounted to present value using the clean coupon on the date the financial information were submitted.

The fair value of the debts in respect of the acquisition of Pilar, Pelágio and Moinho Santa Lúcia, Piraquê and Latinex, which, according to the agreement, are adjusted by CDI, was determined considering the same percentage of CDI, in order to reflect market conditions.

The fair value of debenture issues was determined based on the projected IPCA on the base-date of March 31, 2022, discounted to present value using the DI rate on the date the financial information were submitted.

iv. Derivative contracts

Forward exchange contracts

The fair value of derivative financial instrument is determined based on the difference on the term and future exchange rates, and the resulting amount is discounted to present value using the DI rate.

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Forward commodity contracts

The fair value of forward commodity derivative financial instruments is determined based on the difference between the term price of the commodity and the market price on March 31, 2022, updated using the ptax for the same date.

Future contracts

The fair value of future derivative financial instruments is determined based on the difference between the strike price of the commodities and the market price on March 31, 2022, updated using the ptax for the same date.

Option contracts

The fair value of option derivative financial instruments is determined based on the market price on March 31, 2022, updated using the ptax for the same date.

Swap contracts

The fair value of swap derivative financial instruments in US Dollars is the difference between the long and short positions of the contracts, where the value of the long position is determined by discounting the future value of the exchange coupon curve using the DI projection. For the short position, future positions indexed to the contracted rate and the DI rate are discounted using the DI rate.

For IPCA swap, the fair value of IPCA swap derivative financial instruments is the difference between the long and short positions of the contracts, where the value of the long position is determined by discounting the future value based on the IPCA projection using the DI projection, and the value of the short position by discounting future projections indexed to the contracted rate and the DI rate using the DI.

All fair value information for derivatives is compared to the fair values posted by the financial institutions.

v. Accounts receivable, other receivables, trade payables and short-term accounts payable

It is estimated that the carrying amounts reasonably approximate their fair values, considering the short-term nature of the transactions performed.

d) Financial risk management

The Company analyzes its major financial risks, defines risk mitigation actions, and monitors any economic impact on its performance. The Company's approach to these risks is discussed and defined at the Board of Directors' meetings.

During the normal course of business, the Company is exposed to the following financial risks: credit risk, liquidity risk and market risk (including currency, interest rate and commodities price risks). In this context, in order to optimize and hedge the Company's results of operations against the risk of variability in foreign exchange rates and commodities prices, on July 10, 2020 the Board of Directors approved a hedging policy designed to ensure that strategic business goals are met. It outlines guidelines and roles and responsibilities for the process of pricing and monitoring commodities and foreign exchange rates and managing foreign-exchange effects on the Company's operations.

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i. Credit risk

Credit risk arises from the possibility of the Company not recovering amounts from sales or credits held with institutions, such as deposits and marketable securities. To minimize this risk, the sales policies adopted by the Company are subordinated to the credit policies determined by Management and seek to minimize any problems arising from customer default. Management achieves this purpose through the careful selection of the customer portfolio, which considers the ability to make payments (credit analysis) and the diversity of sales (risk spread). In addition, the Company has credit insurance to protect against defaults by specific customers, which ensures an indemnity of 90% of any net losses on receivables due from these customers. The maximum compensation is R\$ 35,000, effective for the period from October 01, 2021 to September 30, 2022. Currently, credit insurance coverage is provided against approximately 151 clients, totaling R\$ 267,401 (R\$ 270,406 as of December 31, 2021). In addition, there is approximately R\$ 60,047 (R\$ 60,347 as of December 31, 2021) in guarantees contracted through mortgages.

Furthermore, the Company recorded estimated losses for doubtful accounts, in the consolidated amount of R\$ 46,471 (R\$ 48,483 as of December 31, 2021) representing 3.75% (3.28% as of December 31, 2021) of the balance of trade accounts receivable to cover the credit risk, as presented in Note 7.

With respect to marketable securities, the Company only invests in financial institutions that have been classified by rating agencies as representing a low credit risk, ranging from AA to AAA. In addition, there is a maximum limit for the investments at each institution.

ii. Liquidity risk

The main sources of financial resources used by the Company are its own funds derived from selling its products - characterized as a strong source for generating cash and low defaults - in addition to the amounts received as State and Federal subsidies for investments (related to the implantation/expansion of manufacturing plants). In addition to these amounts, the Company earns income from investing its available cash.

The Company's funds are required for investments to expand and modernize its production and logistics facilities, to acquire other companies and to amortize its indebtedness, pay taxes, distribute dividends and for other operational expenditure.

The Company does not normally need additional working capital, but considering the ongoing uncertainties in 2022 at the year it decided to issue debentures to underlie the Agribusiness Receivables Certificates (CRA) Transaction, with a term of up to 10 years, to acquire consumables from farmers. Therefore, management believes that the Company presents the solid financial and equity conditions required to implement its business plan and to fulfill its short-, medium- and long-term obligations.

The schedule for settling the long-term installments on borrowings and financing is presented in Note 17.

It should be noted that the Company has credit facilities approved by tier-one banks. However, these approved credit facilities are not used to cover the Company's liquidity shortfall, since they are not suitable for this purpose.

Below are the contractual maturity dates of the financial liabilities on March 31, 2022. The amounts are gross and not discounted considering future rates, and include the payment of contractual interest up to the date of their extinction:

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Consolidated (in Reais)	Carrying amount	Total	Less than a year	Between one and three years	Between three and five years	More than five years
On March 31, 2022	2,818,906	3,171,040	(1,056,805)	(316,004)	(697,295)	(1,100,936)
Financing and borrowings	1,672,546	1,950,473	(117,197)	(136,006)	(622,374)	(1,074,896)
Lease liability	286,192	360,399	(79,440)	(179,998)	(74,921)	(26,040)
Suppliers and other accounts payable	860,168	860,168	(860,168)	-	-	-
On December 31, 2021	2,906,474	3,136,282	(1,085,517)	(309,373)	(672,104)	(1,069,288)
Financing and borrowings	1,767,598	1,936,884	(121,514)	(150,755)	(618,894)	(1,045,721)
Lease liability	245,794	306,316	(70,921)	(158,618)	(53,210)	(23,567)
Suppliers and other accounts payable	893,082	893,082	(893,082)	-	-	-

iii. Market risk: Commodities prices

The prices of raw materials and supplies used in the production process are volatile. If there are significant changes in the prices, the Company may not be able to fully pass through these increases to the prices of its products, which could affect its profit margin. Furthermore, the Company's practice is to maintain stocks of wheat (including contracts negotiated for future delivery), its main raw material, which can fluctuate between 2 and 4 months of usage, depending on the period of the year and the seasonal nature of the crop. This procedure could result in differences between the average price of inventory and the market value on a specific date.

In addition, the Company monitors the international commodities market, monitoring the factors that have an impact on prices, such as harvest periods, climatic events, and political decisions regarding the economy, among others, with support from specialized consultants and on-line information systems with the main international commodities exchanges. Based on these factors, the Company evaluates the most opportune moment to purchase these commodities, and may enter into purchase agreements for the future delivery of raw materials, with fixed or variable commodity prices, but subject to the risk of commodity and/or exchange variations.

As of March 31, 2022, the Company had contracts for the purchase of wheat and oil for future payment and delivery, for a volume of 156,050 tons (290,066 tons as of December 31, 2020), of which 37,500 tons of oil were not priced. Thus, considering the market value for these cases and the price established for the contracts, they represented an amount equivalent to US\$ 37,646 of wheat and US\$ 74,044 of oil (US\$ 43,035 of wheat and US\$ 99,125 of oil as of December 31, 2020).

Due to the risk of fluctuations in oil prices, the Company has prepared a sensitivity analysis for the non-priced portion of oil (37,500 tons). This analysis took into consideration three scenarios in commodity price variations, and their respective future results. The likely scenario considered a crude oil price of US\$ 1,642, and the future 90-day US Dollar exchange rate of R\$ 48,762, as per the B3 rate on March 31, 2022, which is in line with the company's expected exchange exposure. The possible and remote scenarios consider a 25% and 50% increase in commodity prices, respectively.

Description	Exposure (tons)	Risk	Probable scenario	Possible scenario (R\$)	Remote scenario (R\$)
Future oil contracts (price to be fixed)	37,500	Increase in the commodity	-	(75,070)	(150,139)

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Finally, in line with the hedging policy, the Company has futures and options transactions for palm oil through Bursa (Malaysia) exchange and sugar traded over the counter.

These instruments mature in October 2022 and February 2023, respectively, and the relevant receivables have a fair value as of March 31, 2022 of R\$ 50,728 and R\$ 1,057.

Description	Hedged item	Index	UM	Amount (in ton)	Fair value receivable (payable)
Future + Options (collar purchase)	Commodity price	Palm Oil – Bursa stock exchange (Malaysia)	Ton	27,750	50,728
Forward contracts + Options (collar purchase)	Commodity price	Ice sugar	Pounds	10,416	1,057

These financial instruments have been designated as cash-flow hedges, and their effects are described in item “e” of this note on hedge accounting.

iv. Exchange rate risk

The results reported by the Company are susceptible to significant variations due to the volatility of foreign exchange rates, especially on liabilities tied to foreign currency, US dollars and Euro, arising mainly from the import of wheat grain and soy and palm vegetable oils, its main raw materials, in addition to working capital.

As a strategy to prevent and reduce the effects on results of variations in exchange rates, Management seeks to avoid or minimize mismatches between assets and liabilities indexed in foreign currencies, by assessing the contracting of hedge operations, normally swap operations.

Accordingly, as of March 31, 2022, the Company had one contract in force for swap transaction related to working capital financing in foreign currency maturing on December 22, 2025, for which the asset position receives, on average, the Dollar plus 1.9475% and the liability position pays, on average, the CDI plus 1.50% p.a. with the (notional) reference value of R\$ 510,000 and fair value to pay of R\$ 89,581.

Swap contracts	Reference value		Curve value		Fair value	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Asset position						
Foreign currency (USD)	510,000	510,000	476,317	558,322	460,117	562,640
Liability position						
CDI	510,000	510,000	525,776	511,453	549,698	536,963
Result	-	-	(49,459)	46,869	(89,581)	25,677

Accordingly, as of March 31, 2022, the Company did not present significant mismatches in the position of assets and liabilities sensitive to exchange variation, as shown below:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Foreign currency loans/financing (a)	476,317	558,322	476,317	558,322
Swap contracts (b)	(476,317)	(558,322)	(476,317)	(558,322)
Foreign-currency assets (b)	-	-	(6)	(8)
Surplus (a-b)	-	-	(6)	(8)

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The swap contract has been designated as cash-flow hedges, and their effects are described in item “e” of this note on hedge accounting.

Description	Hedged item	Reference currency (notional)	Reference value (notional)	Curve value	Fair value receivable (payable)
Swap contract	Currency	Brazilian Real	510,000	(49,459)	(89,581)

As a strategy to prevent and reduce the effects on results from the variation in exchange rates, the Company implemented a hedge accounting policy and began contracting transactions based on future cash flow projections compiled from budgetary and interim forecasts, consisting of Non-Deliverable Forwards – NDFs and options contracts.

As of March 31, 2022 the Company had 162 forward contracts maturing up to January/2023, with the notional amounts and fair values specified below:

Description	Hedged item	Reference currency (notional)	Reference value (notional)	Fair value receivable (payable)
Forward contract	Currency	U.S. Dollar	329,482	(161,584)

These financial instruments have been designated as cash-flow hedges, and their effects are described in item “e” of this note on hedge accounting.

We have also started contracting sugar commodities, as follows:

Description	Hedged item	Reference currency (notional)	Reference value (notional)	Fair value receivable (payable)
Forward contracts + Options (collar purchase)	Commodity price	Ice sugar	15,232	1,057

As described in "Market risk: Commodities prices", the Company signed contracts for the purchase of wheat and oil for future payment and delivery in the estimated amount for wheat of US\$ 37,646 and for oil of US\$ 74,044, subject to foreign exchange risk (US\$ 35,708 as of December 31, 2021).

Sensitivity analysis of the variation in the US dollar for contracts to purchase wheat for future delivery

The sensitivity analysis considered the possibility of three U.S. dollar exchange scenarios and the future results of wheat and oil that would be generated. The probable scenario considered the dollar rate of R\$ 4.8762, projection of the future exchange rate for 90 days, according to the quote obtained at B3 on March 31, 2022. The remaining scenarios, possible and remote, consider increases in the dollar exchange rate of 25% (R\$ 6.0952) and 50% (R\$ 7.3143), respectively.

Description	Exposure (USD)	Risk	Probable scenario	Possible scenario (R\$)	Remote scenario (R\$)
Contracts for purchase of wheat	37,646	Rise in USD	-	(45,892)	(91,784)
Contracts for purchase of oil	74,044	Rise in USD	-	(90,263)	(180,526)

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v. Inflation risk

As a result of the debentures issuance in March 2021 with charges based on the Broad Consumer Prices Index (IPCA) and maturing in the long-term (7 years and 10 years), the Company's results are more susceptible to significant rises in inflation.

As a strategy to prevent and reduce the effects of changes in this index, the Company took out swaps, swapping the risk of IPCA variation for CDI interest plus the interest rate, as it believes the risk of changes in the CDI rate is low, and it is used to index its short-term investments.

As of March 31, 2022, the Company had 42 swap contracts to protect the debenture issues, all of which maturing by March 17, 2031, in which the asset position receives, on average, the IPCA plus 4.02% p.a. and the liability position pays, on average, CDI rate plus 0.28% p.a. The (notional) reference values totaled R\$ 811,644 for contracts already in force and the gross fair value payable for all derivative instruments was R\$ 6,916 on March 31, 2022.

Swap contracts	Reference value		Curve value		Fair value	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Asset position						
IPCA	811,644	811,644	879,844	868,042	834,684	832,642
Liability position						
CDI	811,644	811,644	815,964	828,354	827,768	840,523
Result	-	-	63,880	39,688	6,916	(7,881)

These financial instruments have been designated as fair value hedge, and their effects are described in item "e" of this note on hedge accounting.

iv. Interest rate risk

The Company is exposed mainly to variations in CDI and TJLP interest rates on its financial investments and borrowings and financings.

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Financial assets				
Financial investments indexed to the CDI	827,017	1,558,238	827,843	1,558,265
Financial liabilities				
Foreign currency derivative operations tied to CDI ⁽¹⁾	(476,317)	(558,322)	(480,089)	(558,322)
Foreign debentures derivative operations tied to CDI ⁽¹⁾	(815,964)	(828,354)	(815,964)	(828,354)
Financing indexed to the CDI	(260,823)	(257,139)	(260,823)	(262,277)
Assets – Liabilities	(726,087)	(85,577)	(729,033)	(90,688)

⁽¹⁾ See item iv- Exchange rate risk and v - Inflation risk.

Analysis of sensitivity to variations in CDI

The following table demonstrates the projected loss that would be recognized for the next 12 months, if the Company were to maintain the same position for assets indexed to the CDI, net of liabilities linked to CDI, of R\$ 729,033.

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Description	Risk position	Risk	Probable scenario	Possible scenario	Remote scenario
Net liabilities	(729,033)	CDI increase	-	(23,183)	(46,366)

The probable scenario considered the dollar rate of DI for 360 days, according to the quote obtained at B3 on March 31, 2022, of 12.72% p.a. The other scenarios, possible and remote, considered an increase in this quotation of 25% (15.90% p.a.) and 50% (19.08% p.a.), respectively.

Even with the forecast of CDI rate hike and estimated increase for 2022, the Company's Management does not see any risks to this indicator, due to its current economic and financial situation.

e) Hedge accounting

The Company has implemented since July 2020 hedge accounting in non-deliverable forward (NDF), options, future transactions and swap, with prospective effects, to the extent that they qualify as a cash-flow hedging relationship.

All hedging instruments used for hedge accounting purposes are fully consistent with the Company's risk management objectives and strategy.

At the inception of the hedging relationship, the Company provides a formal designation and documentation of the hedging relationship, including: identification of the hedging instrument, identification of the hedged item, the nature of the hedged risk, the hedging relationship, and an assessment of hedge effectiveness, demonstration of an economic relationship between the hedged item and the hedge instrument, the hedge ratio and how effectiveness will be assessed.

Overall, the hedged item is future cash flow from purchases of commodities subject to foreign exchange risk (wheat, oil, sugar and cocoa), based on budgetary projections and interim forecasts. The hedged item (future purchases of imported commodities) is therefore deemed a highly probable transaction and qualifies as a hedged item, since these commodities are essential for the Company's production process. Furthermore, the hedged item is related to foreign-currency loans, to hedge the Company's cash flow against the risk of exchange variation in the amortization and payment of interest.

The derivative instruments used to hedge against foreign exchange risk have a direct economic relationship with the hedged item, as they are transactions in the same currencies in which commodities imports and borrowings contracts are denominated.

In determining the hedge ratio, the number of hedge instruments designated as hedge accounting instruments does not exceed the number of items which the Company effectively wishes to hedge based on the hedging strategy approved by the hedging committee, and there is no imbalance between hedging instruments and hedged items. When the Company's hedging relationship no longer satisfies the hedge ratio criterion, but its risk management objective remains the same for that hedging relationship, the Company may "rebalance" the hedge ratio so that it meets the hedging criteria.

In assessing hedge effectiveness, the Company uses the dollar offset method (ratio analysis), which involves comparing the ratio of changes in the fair value of the hedging instrument with the changes in the fair value of the hedged item. This is done prospectively at the inception of the hedge relationship. Subsequent effectiveness testing is conducted

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at each annual reporting date or upon a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first.

The primary sources of hedge ineffectiveness are potential mismatches between instrument maturities and the dates on which purchases occur. However, those mismatches are limited to the month of inception, and will not affect the hedging relationship. The Company therefore believes there are no material sources of hedge ineffectiveness which could affect the hedging relationship.

The effects of formally designated hedging relationships are shown below:

Description	Parent and Consolidated
	Cash-flow hedge
Balances as of December 31, 2020	(11,053)
Gains in derivative instruments	74,762
Adjustment to hedged raw materials costs	(91,226)
Changes in the fair value of derivative contracts	74,008
Reclassification for financial results	16,463
Balances as of December 31, 2021	62,954
Loss in derivative instruments	(248)
Adjustment to hedged raw materials costs	(25,328)
Changes in the fair value of derivative contracts	(178,439)
Reclassification for financial results	25,576
Balances as of March 31, 2022	(115,485)

A breakdown of the cash-flow hedge reserve balance recorded under other comprehensive income is provided below:

Description	Parent and Consolidated
Cash-flow hedge balance as of December 31, 2020	(7,541)
Changes in the fair value of derivative contracts	74,008
Tax effects on the fair value of the hedging instrument	(24,917)
Cash-flow hedge balance as of December 31, 2021	41,550
Changes in the fair value of derivative contracts	(178,439)
Tax effects on the fair value of the hedging instrument	60,669
Cash-flow hedge balance as of March 31, 2022	(76,220)

f) Capital management

The Company's objectives for managing its capital are to safeguard its future as a going concern, in order to offer a return to its shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce this cost.

The Company monitors its capital by analyzing its financial and indebtedness position, based on a financial leverage index (net debt / total capital), since it understands that this index most adequately reflects its indebtedness and ability to pay. Net debt consists of financing and borrowings, less the balances of cash and cash equivalents and long-term marketable securities and derivative financial instruments.

The indexes for financial leverage as of March 31, 2022 and December 31, 2021 were as follows:

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Consolidated	03/31/2022	12/31/2021
Debt from financing and borrowings	857,935	955,889
Debentures	814,611	811,709
(-) Cash and cash equivalents	(845,649)	(1,555,864)
(-) Short-term financial investments	(16,790)	(16,566)
(-) Long-term financial investments	(2,096)	(2,058)
(-) Derivative financial instruments	204,059	(52,421)
Net debt (net cash) (A)	1,012,070	140,689
Shareholders' equity	6,313,137	7,032,288
Total capital (B)	7,325,207	7,172,977
Financial leverage index (C = A / B x 100)	13.82%	1.96%

The change in the Company's financial leverage ratio is represented by the ratio of net debt to equity. The indicator in the period ended March 31, 2022 was 13.82%, against 1.96% in December 31, 2021. The increase is mainly due to the decline in cash as result of the payment of interest on equity in the amount of R\$ 605,056 and the acquisition of raw materials (wheat and oil) in cash.

19. Net financial results

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial income				
Income from marketable securities	35,695	6,701	35,709	6,701
SELIC interest on tax credits ⁽¹⁾	6,013	15,907	6,016	15,907
Restatement of judicial deposits	2,843	565	2,843	565
Foreign exchange variations - assets	84,958	19,395	85,962	19,395
Others	2,154	2,801	2,168	2,801
	131,663	45,369	132,698	45,369
Financial expenses				
Interest on financing	(3,746)	(8,967)	(3,938)	(8,967)
Interest on debt from equity investments	(3,830)	(593)	(3,830)	(593)
Interest on leases	(5,942)	(5,127)	(5,942)	(5,127)
Interest on debentures	(8,739)	(636)	(8,739)	(636)
Foreign exchange variations - liabilities	(15,771)	(86,439)	(15,859)	(86,439)
Inflation adjustment – liabilities	(21,349)	-	(21,349)	-
Gains (loss) from derivative transactions	(98,721)	71,895	(99,657)	71,895
Positive (negative) variation of fair value hedge with derivative contracts	(9,395)	-	(9,395)	-
Positive (negative) change in fair value of debentures	9,760	-	9,760	-
Commissions and banking fees	(2,639)	(2,017)	(2,649)	(2,018)
Adjustment of provisions for contingencies	(722)	(5,501)	(722)	(5,501)
Others	(3,689)	(1,951)	(3,723)	(1,951)
	(164,783)	(39,336)	(166,043)	(39,337)
Net financial results	(33,120)	6,033	(33,345)	6,032

Financial revenues comprise income from marketable securities, inflation adjustment on tax credits and judicial deposits, and fair value gains on financial assets measured at fair value

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through profit or loss. Interest income is recognized in profit or loss, using the effective interest rate method.

Financial expenses comprise interest expenses on borrowings, net of the discounting to present value of provisions, interest on leasing, and fair value losses on financial assets measured at fair value through profit or loss, impairment losses recognized on financial assets, other than losses from credit risks which are recognized as selling expenses and adjustment on tax, civil and labor contingencies.

Borrowing costs are recognized as expenses when incurred, except for costs capitalized as part of the cost of the asset. Borrowing costs include interest expenses and other borrowing costs incurred.

20. Social security and labor liabilities

The balances comprise the following provisions and charges:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Labor provisions				
Provision for profit sharing	26,718	55,698	26,718	55,698
Provision for vacation pay	63,239	64,351	63,497	64,615
13th salary provision	12,033	-	12,098	-
Others	2,135	2,840	2,318	3,002
	104,125	122,889	104,631	123,315
Social and labor charges				
INSS	44,156	40,280	44,395	40,485
FGTS	10,619	11,522	10,663	11,575
Others	1,644	1,519	1,637	1,522
	56,419	53,321	56,695	53,582
Total	160,544	176,210	161,326	176,897

21. Tax liabilities

The balances comprise the following tax obligations:

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
PIS/Cofins	15,433	1,566	15,824	2,013
Withholding income tax	10,023	8,750	10,064	8,794
Income tax and social contribution	1,778	1,778	1,778	1,792
Other federal tax liabilities	1,454	908	1,561	1,009
ICMS	73,740	88,770	74,646	89,875
ISS	1,547	1,675	1,564	1,696
Total	103,975	103,447	105,437	105,179
Current	103,975	103,447	104,754	104,395
Non-current	-	-	683	784

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22. Government subsidies

Government subsidies received by the Company are for investments, divided between state and federal, and all are monetary subsidies, recorded at their nominal values.

The funds received are for the purpose of replacing the capital invested in the economic enterprises resulting from the investment projects implemented by the Company which qualify for the respective public programs to encourage development. All subsidies for investments are onerous (because of certain conditions) and granted for a specific period.

To determine the value of subsidies for investments that should be recorded in profit or loss, the Company adopts the accrual basis, recognizing the subsidies irrespective of when they are realized in financial terms, considering the following factors: (i) the history of complying with the legal and contractual requirements in order to receive these subsidies; and (ii) its ability to guarantee compliance with the requirements necessary to receive the subsidies from the respective public entities.

At the closing of the fiscal year, the portion of the profit corresponding to the investment subsidies is allocated to create the tax incentive reserve, included in shareholders' equity, and is excluded from the dividend calculation base, considering that the nature of the subsidies is the allocation of capital for investment purposes, and has therefore to be reinvested in the Company.

22.1 State tax incentives

The value of the subsidies for investments received from the States is determined based on the ICMS due and charged on the commercial activities performed by the manufacturing plants receiving the incentives. The units are those that have been constructed and implanted according to the terms of the investment projects for new economic enterprises presented to and approved by the respective States, within the scope of their public policies to foster industrial development.

In most cases, state government subsidies are calculated based on the ICMS value attributed to the cost of production, and are allocated to profit or loss, in a line in the statement of income immediately below the cost of goods sold. On March 31, 2022 the Company acquired the right to R\$ R\$ 110,631 (R\$ 76,691 on March 31, 2021).

From March 2021 on, the Company became entitled to use FUNDOPEM ("Fundo Operação Empresa do Estado do Rio Grande do Sul"), with the effects backdated to February 2020. This program is a partnership instrument that fosters social and economic development in Rio Grande do Sul state, which consists of partial financing using the monthly incremental ICMS due generated from its operation, with a financing percentage of 75%. Under the Industrial Development Harmonization Program of Rio Grande do Sul state, an incentive is awarded that accounts for 42.80% of the financed revenue, which may be increased by up to 10% by creating jobs. On March 31, 2022 the Company didn't acquire the right to R\$ 3,624 allocated on March 31, 2021 to other operating revenue in the Statement of Profit or Loss for the period (see Note 30).

A detailed description of the state tax incentives is provided below:

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State tax incentives / Unit receiving the incentive	Percentage reduction of ICMS	Valid until
DESENVOLVE - State of Bahia: Discount on part of the ICMS payment due on the purchase of wheat grain for the wheat mill.		
Wheat mill and cookies and crackers and pasta factory (Salvador-BA)	81%	Jun 2025
PROVIN - State of Ceará: deferment of part of the ICMS payment due on the purchase of wheat for the wheat mill and the ICMS due on the operations involving special shortening and margarines, settled using funds from FDI - Industrial Development Fund for both units		
Wheat mill (Fortaleza-CE)	74.25%	Nov 2024
Wheat mill integrated with the cookies and crackers and pasta plant (Eusébio-CE)	74.25%	Jul 2025
Vegetable shortening and margarines industrial plant (Fortaleza-CE)	56.25%	Nov 2024
PROEDI – Rio Grande do Norte: presumed credit on monthly ICMS debit balance		
Wheat mill and pasta plant (Natal-RN)	75% to 79%	Jun 2032
FAIN - State of Paraíba: discount of part of the ICMS on purchases of wheat grain		
Wheat mill and pasta plant (Cabedelo-PB)	81%	Dec 2032
PRODEPE - State of Pernambuco: calculated at the rate of 75% of the ICMS charged on wheat grain consumed in the equivalent of flour, in addition to 5% of the freight due on sales outside of the Northeastern Region, provided that the total value of the subsidy does not exceed the equivalent of 85% of the ICMS on the wheat grain included in the wheat flour consumed.		
Cookies and crackers and pasta plant (Jaboatão dos Guararapes-PE)	75% or 85%	Mar 2024
Special Tax Treatment – Rio de Janeiro (Piraquê Unit) – Reduction of tax so that the tax burden results in a percentage equal to 3% of the value of own production dispatches in internal and interstate operations, by sale and transfer.		
Cookies and crackers and pasta plant (Queimados-RJ)	75% or 85%	Sep 2038
Special taxation arrangement - Paraíba (Bayuex plant) - Tax reduction whereby the tax rate for products subject to ICMS Substitution results in a percentage equal to 5%, and for other products the normal ICMS results in a percentage equal to 4% on the sale.		
Operation with wheat flour products (Bayuex-PB)	50% to 78%	Mar 2024
Special Tax Treatment – Bento Gonçalves (Moinho Isabela plant) – Rebate of ICMS owed by its industrial operation, settled using funds from FUNDOPEM – “Fundo Operação Empresa do Estado do Rio Grande do Sul”.		
Wheat mill and pasta and cookies and crackers plant(Moinho Isabela- RS)	32.10% to 39.60%	Jul 2027

For state of Rio de Janeiro (Piraquê unit), which is stated as being valid to September 2038, based on ICMS Agreement No. 190, dated December 15, 2017, the validity of the relevant tax incentives is limited to December 2032, and therefore the benefit will only be valid until that date.

Treatment of presumed credit as investment subsidies

Based on Supplementary Law 160 (August 7, 2017), in 2019 the Company began treating as investment subsidies the tax incentives granted as presumed/granted tax credits under the ICMS Regulations of the states of Rio de Janeiro, Paraná, São Paulo and Rio Grande do Sul, on the transactions of industrial and commercial operations involving food products. As of March 31, 2022 the Company was entitled to recognize R\$ 21,611 (R\$ 17,966 as of March 31, 2021) in presumed tax credits.

State Fund for Tax Equalization

ICMS Arrangement 42/2016 was published on May 6, 2016, which authorizes the states and the Federal District to grant tax incentives conditional on the deposit of at least 10%, calculated on the value of the respective tax incentives received by taxpayers, into a tax balance fund. This arrangement applies to all taxpayers that have qualified for financial tax incentives and benefits, including those arising from special arrangements.

This arrangement normally requires that at least 10% of granted incentives be deposited in

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a tax balance fund. However, certain states, such as Ceará, Pernambuco, Paraíba and Rio Grande do Norte, established rules waiving this deposit when tax revenue during the month increased in comparison with the same period of the previous year, as well as allowing taxpayers to only make a deposit to supplement the minimum limit when the increase in tax revenue is lower than 10%. In addition, in January 2020 the state of Ceará established a minimum percentage of 7% for the purposes of exemption or supplementary payment. Based on the specific rules of each state during the term of the Funds, the Company could therefore be released from the deposit or be allowed to make deposits of less than percentage of 10% and 7% of the incentives.

The Company's operations in the states of Pernambuco, Bahia, Paraíba and Rio de Janeiro are currently subject to this standard and the term of the contribution to this fund has been extended, except in the states of Ceará and Rio Grande do Norte.

State	Validity		Extension	
	Beginning	End	Beginning	End
Pernambuco	Aug/16	Jul/18	Aug/18	Dec/22
Bahia	Sep/16	Dec/18	Jan/19	Dec/22
Paraíba	Oct/16	Mar/19	Apr/19	Mar/24
Rio de Janeiro	Dec/16	Dec/26	-	-

Through Law no. 8.645/2019, Rio de Janeiro state replaced the State Fund for Fiscal Balance - FEEF - with the Temporary Budgetary Fund – FOT, effective from March, 2020 on, and will produce effects while the Fiscal Recovery Arrangement – RRF, which began in May 2017, is in force. Only after the aforesaid law was regulated by Decree no. 47.057 issued May 04, 2020 the state began demanding the new funds be paid from the accrual period from April, 2020 on. The Fiscal Recovery Arrangement was extended in January 2021 for up to nine financial years, guaranteeing the State continuity of the FOT through December 2026.

Through Decree no. 41.596/2021, the state of Paraíba extended the FEEF to March 30, 2024.

As of March 31, 2022, the expenses incurred by the Company related to this obligation amounted to R\$ 4,658 (R\$ 4,010 as of March 31, 2021).

22.2 Federal tax incentive

The Company benefits from federal subsidies received as a result of making investments for the new manufacturing plants located in the area where SUDENE - Northeast Development Agency - operates.

The tax incentive is granted for a period of 10 (ten) years, for the industrial enterprises that provide evidence to SUDENE of having made investments in the Northeast of Brazil, through the installation, modernization, extension or diversification of manufacturing plants in this region, provided that they comply with all of the conditions and requirements determined in the legislation pertinent to the obtaining of the incentive from the Federal Government, within the public policies for the utilization of federal funds to encourage the development of the Northeast of Brazil.

The amount received from government, over the concession period, consists of an amount equivalent to the results from investing up to 75% of the calculation base legally denominated as exploitation profit. The amount is settled by deducting the benefit from the income tax due, based on the taxable income calculated.

The federal grant is presented in the income statement as a deduction from corporate income tax. As of March 31, 2022, the Company did not use the respective incentive, as

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there was no income tax due (likewise, as of March 31, 2021, the Company did not use the incentive for the same reason).

The periods for receiving the federal subsidies granted are detailed below:

Manufacturing plants	Percentage reduction of IRPJ (%)	Valid period
Wheat mill, cookies and crackers and pasta plant (Eusébio - CE)	75.00	Jan 2016 to Dec 2025
Toast plant (Eusébio - CE)	75.00	Jan 2016 to Dec 2025
Wheat mill (Fortaleza - CE)	75.00	Jan 2018 to Dec 2027
Special margarines and shortening plant (Fortaleza - CE)	75.00	Jan 2018 to Dec 2027
Wheat mill (Natal - RN)	75.00	Jan 2018 to Dec 2027
Pasta plant (Natal - RN)	75.00	Jan 2014 to Dec 2023
Wheat mill and pasta plant (Cabedelo - PB)	75.00	Jan 2018 to Dec 2027
Cookies and crackers and pasta plant (Salvador - BA)	75.00	Jan 2016 to Dec 2025
Wheat and ready cake mix mill (Salvador - BA)	75.00	Jan 2015 to Dec 2024
Cookies and crackers and pasta plant (Jaboatão dos Guararapes - PE)	75.00	Jan 2018 to Dec 2027
Cookies and crackers, cakes and snacks plant (Maracanaú - CE)	75.00	Jan 2016 to Dec 2025
Pasta plant (Maracanaú - CE)	75.00	Jan 2014 to Dec 2023

The Company's Management complies with all requirements to obtain these subsidies, particularly in relation to providing supporting evidence for the investments, the creation of jobs, production volumes and did not distribute subsidy funds in the form of dividends either.

Up to date, the Company has not defaulted on any of the conditions which would prevent it from continuing to be entitled to the benefits from the government subsidies awarded.

23. Provisions for civil, labor and tax risks

The Company is a party to judicial and administrative proceedings in courts and government agencies involving tax, civil, labor and other issues arising in the normal course of business.

Periodically, Management assesses the civil, labor and tax risks, based on legal, economic and tax bases, with the purpose of classifying them as probable, possible or remote chances of defeat. The analysis is done in conjunction with the law firms handling the Company's lawsuits.

There are ongoing disputes in the administrative and judicial courts. As of March 31, 2022, 2.27% (2.05% as of December 31, 2021) of the total labor and civil proceedings under discussion at the administrative level and 97.73% (97.95% as of December 31, 2021) at the judicial level. In relation to tax proceedings, 51.32% (51.84% as of December 31, 2021) of tax processes are under discussion at the administrative level and 48.68% (48.16% as of December 31, 2021) are being discussed in court.

As regards these proceedings, provisions were recorded only for the risks rated as probable losses, at amounts considered sufficient to cover estimated losses. However, as a result of the business combination (acquisition of Piraquê), provisions were also recognized for proceedings rated as a possible and remote loss existing at the acquisition date. In these cases, if the losses materialize, the relevant amounts are reimbursed by the former shareholders, and therefore are classified as an indemnifiable contingency.

The provisions for civil, labor and tax risks recorded represent Management's best estimates of the probable losses involved.

There are circumstances in which the Company is questioning the legitimacy of certain

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liabilities or claims filed against it. As a result of these challenges, because of a judicial order or based on the strategy adopted by management, the related amounts can be deposited in court, without this being characterized as settlement of the liability.

As of March 31, 2022 and December 31, 2021, the Company reported the following provisions and judicial deposits, related to civil, labor and tax risks:

Description	Provision				Judicial deposits ⁽¹⁾			
	Parent		Consolidated		Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Civil and labor	122,363	124,733	122,413	124,782	91,122	87,630	91,347	87,855
Tax	97,443	96,444	97,443	96,444	148,116	145,952	148,116	145,952
Total	219,806	221,177	219,856	221,226	239,238	233,582	239,463	233,807

⁽¹⁾ Civil and labor deposits are adjusted monthly using the TR, and tax deposits are updated monthly using the Selic rate.

On March 31, 2022, the judicial deposits for cases rated as a probable loss amounted to R\$ 90,355 (R\$ 89,812 as of December 31, 2021).

a) Changes in the processes during the year

Parent	Civil and labor	Tax	Total
Balances as of December 31, 2020	115,983	103,127	219,110
Additions	28,091	2,879	30,970
Restatements/reversals	3,274	2,296	5,570
Write-off/reversals ⁽¹⁾	(22,615)	(11,858)	(34,473)
Balances as of December 31, 2021	124,733	96,444	221,177
Additions	5,360	337	5,697
Restatements/reversals	17	704	721
Write-off/reversals	(7,747)	(42)	(7,789)
Balances as of March 31, 2022	122,363	97,443	219,806

⁽¹⁾ Mainly consists of the write-off of the provision against the appeal judicial deposit (R\$ 24,798) and reversal of the provision for indemnifiable contingencies (R\$ 8,102) against the indemnification asset, as a result of reassessing the risk.

Consolidated	Civil and labor	Tax	Total
Balances as of December 31, 2020	115,983	103,127	219,110
Business Combination - Latinex	49	-	49
Additions	28,091	2,879	30,970
Restatements/reversals	3,274	2,296	5,570
Write-off/reversals ⁽¹⁾	(22,615)	(11,858)	(34,473)
Balances as of December 31, 2021	124,782	96,444	221,226
Additions	5,360	337	5,697
Restatements/reversals	18	704	722
Write-off/reversals	(7,747)	(42)	(7,789)
Balances as of March 31, 2022	122,413	97,443	219,856

⁽¹⁾ Mainly consists of the write-off of the provision against the appeal judicial deposit (R\$ 24,798) and reversal of the provision for indemnifiable contingencies (R\$ 8,102) against the indemnification asset, as a result of reassessing the risk.

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b) Changes in judicial deposits during the year

Parent	Civil and labor	Tax	Total
Balances as of December 31, 2020	57,300	206,519	263,819
Additions	65,270	7,331	72,601
Restatements	840	4,699	5,539
Reclassification	15	(15)	-
Write-off	(35,795)	(72,582)	(108,377)
Balances as of December 31, 2021	87,630	145,952	233,582
Additions	28,001	-	28,001
Restatements	466	2,377	2,843
Reclassification	(52)	52	-
Write-off	(24,923)	(265)	(25,188)
Balances as of March 31, 2022	91,122	148,116	239,238

Consolidated	Civil and labor	Tax	Total
Balances as of December 31, 2020	57,309	206,518	263,827
Business Combination - Latinex	220	-	220
Additions	65,270	7,331	72,601
Restatements	840	4,699	5,539
Reclassification	15	(15)	-
Write-off ⁽¹⁾	(35,799)	(72,581)	(108,380)
Balances as of December 31, 2021	87,855	145,952	233,807
Additions	28,001	-	28,001
Restatements	466	2,377	2,843
Reclassification	(52)	52	-
Write-off ⁽¹⁾	(24,923)	(265)	(25,188)
Balances as of March 31, 2022	91,347	148,116	239,463

⁽¹⁾ It mainly refers to judicial deposit arising from the exclusion of ICMS from the PIS and COFINS tax base of the acquired company Piraquê, transferred to the former partners.

The expected realization timing as of March 31, 2022 is as follows:

Maturity	Parent and Consolidated 03/31/2022
2022	5,318
2023	9,897
2024	22,827
2025	15,093
2026 on	44,308
Total	97,443

c) Nature of proceedings
Civil and labor

The Company is the defendant in approximately 1,125 cases (1,112 as of December 31, 2021) involving labor and civil matters, for which the likelihood of loss has been rated as probable, in the amounts of R\$ 111,818 and R\$ 10,595, respectively (R\$ 113,951 and R\$ 10,782 as of December 31, 2021), and by virtue of the business combination, also for cases rated as possible and remote risks, of R\$ 7,411. The labor claims to which the

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Company is party mainly are related to: recognition of employment relationships, overtime and related charges, occupational injury compensation, joint liability, pain and suffering and property damages, and other matters. Most civil actions involve problems that are normal and specific to the business, consisting of claims for indemnity due to incorrect referral to the credit protection agencies, actions for rescission of clauses in distribution contracts, actions for compensation for damages, among others.

Tax

As of March 31, 2022 and December 31, 2021 the provision for tax risks comprised the following:

Description	Parent and Consolidated			
	03/31/2022		12/31/2021	
	Contingencies	Judicial deposits	Contingencies	Judicial deposits
IPI – judicial deposit (a)	6,563	6,563	6,503	6,503
IRPJ – judicial deposit (b)	33,596	33,596	33,210	33,210
IPTU – judicial deposit (d)	3,092	4,862	3,022	4,791
ICMS (d)	14,379	-	14,257	-
Legal fees (e)	20,551	-	20,264	-
Indemnifiable contingencies (f)	11,503	-	11,503	-
Others	7,759	2,655	7,685	2,625
	97,443	47,676	96,444	47,129

- (a) The Company has filed in 2005 for an injunction against the requirement to pay IPI tax on leased aircraft imported on a temporary basis. The Company made a deposit for the full amount of the tax, and was defeated in the proceedings. The case is currently pending a decision by the 1st Region Federal Court in relation to overpaid tax amount, as the aircraft was in Brazil for less than the time stipulated in the contract.
- (b) In 2008, Piraquê filed an ordinary lawsuit seeking the cancellation of the administrative collection of IRPJ, due to the limitation of 30% (thirty percent) of the tax loss carryforward (article 42 of Law 8.981/1995). It is claimed the occurrence of a limitation, under the terms of article 156 (V) and 174 of the National Tax Code, and proceeded with the court deposit in its entirety to stay the enforceability of the tax credit. The lawsuit was deemed partly to have grounds by the lower court, and 85.64% of the tax assessment notice was canceled. The Federal Government filed an appeal, which is awaiting judgment by the 2nd Region's Federal Regional Court. The Federal Government successfully appealed. Piraquê filed a Special Appeal that was rejected, and an interlocutory appeal has been brought that is currently pending a decision by the High Court of Justice.

In 1992, Piraquê filed writs of mandamus against having to add to net profit the portions of amortization, depletion or cost of assets written down for any reason, in order to define the IRPJ calculation base for the monthly base periods ended on 1/31/1992 and 2/28/1992, equal to the inflation adjustment difference according to the IPC and Fiscal BTN rates for 1990, pursuant to articles 39 and 41 of decree no. 332/91. Piraquê made the court deposit covering the liability's full amount. This case is awaiting enforcement of the Federal Supreme Court ruling on Extraordinary Appeal n. 545,796 under general repercussion.

- (c) In 2014, The Company filed a declaratory action with claim for refund of overpayment, questioning the tax assessment relating to the property tax for 2014, for Grande Moinho

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Aratu, based on the argument that the increase in such tax did not have any legal grounds. The Company made a judicial deposit for the amount of the debt. The proceeding is pending judgment at the lower courts of the State of Bahia Court of Appeal.

- (d) Amounts demanded by the State of Ceará related to the alleged recording of a larger ICMS credit deferred by the Fiscal Management Unit for Tax Replacement and Foreign Trade (CESUT) arising from the refund of overpayment of wheat grain operations that occurred between the validity of Protocol 46/00 and the date protocol 50/06 was published.
- (e) Refers to legal fees that will be due if there is a positive outcome of the claims. These fees are calculated based on the related amounts involved with risk of loss considered as possible or remote, and consider the progress of the cases.
- (f) Denotes the compensatory tax proceedings of the merged company Piraquê, due to the sellers' obligation to return or deduct from the retained portion of the price any contingencies that materialize.

Contingent liabilities – probability of loss rated as possible

In addition to the provisions made, the Company has several labor, civil and tax contingencies in progress, in which it is the defendants, and the likelihood of loss, based on the opinions of the internal and external legal advisors, is considered possible. The contingencies amount to approximately R\$ 1,260,862 (R\$ 1,250,296 as of December 31, 2021).

The most significant tax proceedings involve the following matters: i) Investment grants amounting to R\$ 214,197; ii) ICMS credits incorrectly granted, totaling R\$ 146,707; iii) Undue ICMS credit - Value Added Margin - ICMS Protocol 46, totaling R\$ 35,984 and (iv) IPI rate zero, in the amount of R\$ 147,868.

With respect to the tax claims disputing the issue of "investment subsidies", the Brazilian Tax Authorities filed assessments against the Company, demanding payment of IRPJ, CSLL, PIS and Cofins, due to the reduction in calculation bases for these taxes, as the calculations did not include the incentives received from the States.

We point out that the Attorney General of the National Treasury, after partial judgment proceeding from the administrative proceedings 10380.009928/2004-18 in the Administrative Council for Tax Appeals - CARF, extinguished part of the tax credit, and the judicial dispute is still underway.

In addition, the amount payable under case no. 10380.723251/2012-34 in relation to investment subsidies has been excluded by the CARF, with the proceedings now limited to a dispute over IRPJ tax on non-necessary expenses (leased aircraft).

Regarding case No. 10380.009701/2004-72, we were granted a favorable decision in the appellate court level. On this decision, the National Treasury filed a Special Appeal, which was dismissed. The conclusion of the process, favorable to the Company, is expected in the Federal Revenue system (e-CAC).

"ICMS credit incorrectly granted" refers to tax assessments issued based on the argument that the Company was not entitled to the credit granted by the State of São Paulo, since it already benefited from other credits on receiving the products.

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We highlight that the administrative ruling on notice of violation no. 4.047.698-4 was not favorable to the company. The discussion at the judicial level is still underway. Tax assessment notice No. 4.017.564-9 was favorably concluded for the Company at the administrative level.

The topic "ICMS-Added Value Margin – ICMS Protocol 46" addresses tax foreclosure by the State of Piauí in connection with ICMS tax credits covered by five deficiency notices for an alleged ICMS tax underpayment for the period from May to December 2001 and fiscal years 2002, 2003, 2004 and 2005 due to non-compliance with Value Added Margin.

The "IPI Zero Rate" disputes refer to tax foreclosures filed because the Company offset credits resulting from the lawsuit. This lawsuit challenged the use of IPI - Excise Tax credit balance prior to January 1999 on the acquisition of inputs (raw materials, intermediary goods and packaging materials) applied in processing tax-exempt goods or those taxed at a zero rate, against IPI due on other outgoing goods pursuant to Law no. 9.779/99, without the limitations found in IN/SRFB no. 33/99, as this is an effect of the Non-Cascade Principle.

24. Current and deferred income tax and social contribution

Current and deferred income tax and social contribution are calculated based on rates of 15%, plus a surtax of 10% on taxable profit in excess of R\$ 240, for income tax and 9% on taxable profit for social contribution.

The current income tax and social contribution expense is calculated based on tax laws and rules enacted by the reporting date, in accordance with Brazilian taxation regulations. Management periodically assesses the positions assumed in the tax returns with respect to situations where the applicable tax legislation is subject to interpretation that could possibly differ and makes provisions, when appropriate, based on amounts it anticipates will have to be paid to the tax authorities.

The deferred income tax and social contribution assets are recorded to reflect the future tax effects attributable to temporary differences between the tax basis of assets and liabilities and their respective net carrying amounts.

In September 2021, the Federal Supreme Court (STF), by means of its decision on Extraordinary Appeal 1063187, with recognized general repercussions, established that "the charging of the IRPJ and CSLL taxes on the sums relating to the Selic base interest rate received as a result of repetition of undue taxation is unconstitutional".

Against this decision, on 02/07/2022, the Federal Government filed motions for clarification and, on 04/29/2022, STF completed the judgment of the aforementioned appeal to: (i) clarify that the decision appealed against applies only to the cases in which default interest is added, using the Selic rate in question, in the repetition of undue tax payments (including those made through offsetting), whether in the administrative or judicial sphere; (ii) modulate the effects of the decision under appeal, establishing that it will produce effects ex nunc as of September 30, 1991 (date of publication of the minutes of the judgment on the merits), except for: a) lawsuits filed until September 17, 1991 (date of the beginning of the judgment on the merits); b) the taxable events prior to September 30, 1991, for which no payment of IRPJ or CSLL related to the general repercussion thesis has been made.

The Company has a judicial proceeding under way to address the matter in a broader context, with effects retroactive to November 2004, claiming not only non-levy of the effects arising from interest on arrears indexed by the Selic base interest rate arising from refunding/offsetting of undue taxation in the federal level, but also in the state and municipal levels, and not being limited solely to the Selic rate, but also to those sums arising from late

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payments due from those acquiring products (customers), all being profiled as the entry of financial interest on arrears. The modulation proposed by STF in the judgment of the motion for clarification did not affect the Company's lawsuit.

As a result of the stance taken by the STF on this matter, and considering the information available so far, the Company has made a preliminary estimate of the sum of the tax credit on Selic interest from federal taxes and recognized the amount of R\$58,931, plus Selic interest. Management will continue to work towards its definitive calculation of these sums, whilst also assessing the limits of its judicial proceeding aimed at full recognition of the credit.

24.1 Reconciliation of the tax and social contribution calculated by applying the combined tax rates

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Accounting loss before Income tax and social contribution [A]	(22,436)	(12,918)	(21,883)	(12,918)
Combined tax rate [B]	34.00%	34.00%	34.00%	34.00%
[A X B] Income tax and social contribution at the combined tax rate	7,628	4,392	7,440	4,392
Permanent additions [C]	223	(11,092)	216	(11,092)
Non-deductible expenses	2,366	(10,626)	2,359	(10,626)
Equity income from subsidiaries	(2,143)	(466)	(2,143)	(466)
Permanent exclusions [D]	52,797	34,635	52,439	34,635
Equity income from subsidiaries	73	4	73	4
State tax incentives ⁽¹⁾	44,962	33,416	44,962	33,416
Tax benefit - Interest on equity	5,719	-	5,719	-
Other items	2,043	1,215	1,685	1,215
[A X B+C-D] Income tax and social contribution recorded in profit or loss before exemption	60,648	27,935	60,095	27,935
Income exempt from income tax (Government subsidy) [E] ⁽¹⁾	(458)	-	(458)	-
Income tax and social contribution recorded in profit or loss after exemption [F]	60,190	27,935	59,637	27,935
Current income tax and social contribution	172	65,097	172	65,097
Deferred income tax and social contribution	60,018	(37,142)	59,465	(37,142)
[F/A] Effective rate	-	-	-	-

(1) See Note 22, which details state tax incentives.

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24.2 Breakdown of deferred income tax and social contribution assets and liabilities

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Deferred tax assets				
Estimated losses for doubtful accounts	5,428	5,783	5,974	6,205
Provision for litigation and lawsuits	50,562	50,807	50,562	50,807
Provision for logistics expenses and contractual costs	13,244	17,660	13,298	17,800
Estimated losses on tax credits	13,134	13,134	13,134	13,134
Provision for legal fees	12,952	13,385	12,952	13,385
Profit sharing provisions and other events	8,604	18,840	8,604	18,840
Provision for impairment losses on assets	222	222	222	222
Provision for inventory impairment	3,538	3,094	3,826	4,332
Amortization of the balance sheet at fair value	13,046	11,387	13,046	11,387
Tax loss	176,800	123,512	176,800	123,512
Other provisions	22,268	16,699	22,727	16,797
Total	319,798	274,523	321,145	276,421
Deferred tax liabilities				
Differences in depreciation (useful lives and tax rates)	192,355	187,899	192,355	187,899
Tax amortization of goodwill paid for future profitability	214,666	209,625	214,666	209,625
Restatement of judicial deposits	11,726	10,777	11,726	10,777
Gains (losses) on derivative contracts	(41,486)	44,113	(41,486)	44,113
Other provisions (reversals)	19,105	19,364	19,105	19,364
Total	396,366	471,778	396,366	471,778
Net deferred tax liabilities	76,568	197,255	75,221	195,357

The Company expects to recover the tax credits arising from the temporary differences within a maximum term of ten years, based on the expected realization of the provisions that generated them.

The estimates for recovering the tax credits were based mainly on the expected outcomes for the proceedings that gave rise to the provisions for contingencies and also the tax legislation criteria for the deductibility of losses on doubtful accounts.

Based on the past realization of liabilities representing tax, labor and civil risks, among others, and allowances for impairment losses, the expected realization of deferred income tax and social contribution in the interim financial information is as follows:

Maturity	Parent	Consolidated
2023	66,345	66,847
2024	47,822	47,992
2025	43,100	43,271
2026	43,594	43,764
2027 to 2029	118,937	119,271
Total	319,798	321,145

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25. Other current and non-current liabilities

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Provision for operating expenses ⁽¹⁾	104,300	111,777	104,300	113,819
Provision for legal fees	17,544	19,104	17,544	19,104
Contractual retentions	4,392	4,817	4,392	4,817
Advances from customers ⁽²⁾	9,462	9,275	18,209	9,275
Others	5,650	4,694	6,661	4,694
Total	141,348	149,667	151,106	151,709
Current liabilities	119,871	126,204	128,227	126,753
Non-current liabilities	21,477	23,463	22,879	24,956

(1) Refers to Company operational provisions resulting primarily from expenses with services, marketing, and logistics, among others, and (2) Refers to early customer receivables linked to the sale of products in the country.

26. Shareholders' equity
a) Capital - Parent

On March 31, 2022, the Company's capital was R\$ 2,597,656, represented by 339,000,000 common shares.

The Company had a free float of 78,230,379 common shares, which represented 23.08% (24.31% as of December 31, 2021).

Authorized capital comprises 459,200,000 common, registered shares, with no par value, which can be increased, without amending the bylaws, after a decision by the Board of Directors, through the capitalization of reserves, with or without changing the number of shares.

b) Reserves
Legal reserve

In compliance with article 193 of Law 6.404/76, the reserve is recorded at a rate of 5% of net income for the year, less the portion relating to investment subsidies, up to a limit of 20% of the Company's share capital. As of March 31, 2022 and December 31, 2021, the Company's legal reserve amounted to R\$ 320,874.

Tax incentive reserve

This reserve is created annually based on the portion of profit arising from the subsidies for investments received by the Company, as detailed in Note 22. As of March 31, 2022, the tax incentive reserves totaled R\$ 2,145,900 (R\$ 1,670,629 as of December 31, 2021).

Reserve for investment plan

This reserve is established in the Company's bylaws, and is created based on the remaining profit, i.e. profit for the year, net of the tax incentive reserve, the legal reserve and proposed dividends, except if decided otherwise at the Annual Shareholders Meeting. The purpose of this reserve is to bolster the Company's working capital and to reinvest funds generated internally. This reserve can, after a decision by the Board of Directors, be capitalized, used to absorb losses or distributed as dividends to shareholders. As of March 31, 2022 the investment plan reserve totaled R\$ 1,353,214 (R\$ 1,941,449 as of December 31, 2021). This reserve is limited to 95% of Capital.

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According to the Company's bylaws, the balance of profit reserves, excluding the tax incentive reserve, may not exceed capital. If it exceeds this limit, the Shareholders' Meeting will determine how the exceeding amount should be used, either for a capital increase or a dividend distribution.

Special reserve - Law 8.200/1991

Prior to 1995, the Company recorded special inflation adjustment on permanent assets, in compliance with article 2 of Law 8,200/1991. As of March 31, 2022 and December 31, 2021, the special reserve amounted to R\$ 16,529.

Treasury shares

At the Board of Directors' meeting held on August 06, 2021 the Company approved the share buyback plan in order to meet the long-term incentive program with restricted shares, as detailed in Note 27, and to maximize the creation of value for shareholders, in the maximum amount of 6,289,075 common shares. Share buyback transactions will be supported by the global amount of capital and profit reserves available, except the legal reserve, unearned profits reserve, special undistributed dividend reserve and the tax incentives reserve, as applicable.

Share buyback transactions can be settled within a maximum of 18 (eighteen) months, terminating February 09, 2023.

During 2021, 101,115 shares were delivered according to the share-based compensation plan, as highlighted in Note 27.

As of March 31, 2022, the number of treasury shares acquired by the Company totaled 2,966,853 shares, with an average price of R\$ 28.77 per share unit, with minimum and maximum prices of R\$ 20.75 and R\$ 42.13, respectively, totaling the amount of R\$ 85,329.

c) Shareholders' Remuneration

The Company's bylaws provide for the distribution of a minimum dividend of 25% of the net profit for the year, adjusted in accordance with art. 202 of Law 6.404/1976, and also permits payments to shareholders, as interest on equity, within the limits provided by Law. The amount calculated for interest on equity should always be considered as part of the mandatory dividend.

On February 4, 2022 the Board of Directors met and approved the extraordinary distribution of Interest on Equity (IOE) for the period prior to 2022, in the gross amount of R\$ 588,235. The credit was made on February 16, 2022, based on the shareholdings in place at the close of trading at B3 on February 09, 2022, with shareholder payments made on February 18, 2022.

At the same meeting on February 4, 2022, the Company approved quarterly interim distribution of interest on equity (IOE). The amounts payable to the shareholders registered in the Corporate documents on the date of the rights 03/31/2022, 06/30/2022, 09/30/2022 e 12/29/2022 shall be R\$ 0.0500 per share that, net of 15% (fifteen percent) withholding income tax, or R\$ 0.0425 per share, except for shareholders who are legal entities and are exempt from this tax, and will receive the declared amount. IOE should be recorded as part of the minimum non-discretionary dividend for FY 2022, pursuant to article 24 (3) of the Company's Bylaws.

d) Equity valuation adjustment

This item is used to recognize the effects of positive and negative changes in gains/losses on cash-flow hedges (see Note 18).

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e) Accumulated conversion adjustments

The accumulated conversion adjustments refer to exchange variations on foreign investments.

27. Share-based compensation plan

The Company has share-based compensation plan with the aim of permitting eligible participants to acquire shares to: (a) create a sense of ownership, fostering the feeling of being an "owner of the business", thereby intensifying and strengthening the bond between the Company and its executives; (b) foster the attainment of high levels of sustainable performance in the short and long term; (c) nurture the development of strategic leadership; (d) make possible the existence of a "win-win" rewards model based on the return created for shareholders; and (e) ensure the competitiveness of the total compensation package and the retention of key strategic leaders.

This is a long-term incentive policy granting restricted shares; the first plan was approved on April 13, 2017. The program was initially limited to non-statutory directors but has since been modified to include statutory directors hired under the Consolidated Labor Regulations as from 2019, under a resolution approved by the Extraordinary Shareholders' Meeting held on December 27, 2019. The second plan was approved on April 30, 2021, and again up to 20% of management-level executives are eligible.

The shares are awarded annually, for a 4-year plan term, vested annually in May, documented by the Instrument of Plan Adhesion between the Company and the beneficiaries.

Stock granted in the first plan was limited to 0.25% of the total number of Company shares during the effective period (May 2017 to April 2021). The new plan, approved in April 2021, is limited to 1.0% of the total number of Company shares during the effective period (May 2021 to April 2025). For each annual concession there will be a three-year vesting period and at the end of the this period, the shares will be transferred to the executive if performance criteria have been met. Under this model, no financial disbursements are required by the executive.

In May 2017, the first plan adhesions were signed under which 132,535 restricted shares were distributed among 17 executives, who held ownership rights in April 2020.

In May 2018, new terms of adhesion to the plan were signed, under which 154,836 restricted shares were distributed among 18 executives, with the right to ownership of the shares in April 2021.

In May 2019, new plan adhesions were signed under which 170,872 restricted shares were distributed among 17 executives, who will acquire ownership rights in April 2022. On December 27, 2019, six executives hired in 2019 joined the plan and were awarded 59,883 restricted shares.

In May 2020, new plan adhesions were signed under which 355,433 restricted shares were distributed among 23 executives, who will acquire ownership rights in April/2023. As of this date an amount equal to 117,071 restricted shares awarded at the end of 2017 were transferred, after meeting the performance criteria.

In May 2021, as part of the second long-term incentive program, 518,687 restricted shares were distributed to 61 executives who signed the term of adhesion to the plan. These shares will be vested in April 2024. On that date, the 93,831 restricted shares granted in 2018 were transferred, after the performance criteria had been met.

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The changes in the number of restricted shares are presented below:

Description	Number of restricted shares
Balance as of December 31, 2020	576,892
Granted shares	518,687
Transferred shares	(139,479)
Awards canceled	(55,642)
Balance as of December 31, 2021	900,458
Granted shares	-
Transferred shares	(375)
Awards canceled	(5,055)
Balance as of March 31, 2022	895,028

The restricted shares are measured at fair value at the concession date and are recognized as expenses over the period in which the right is vested and charged to shareholders' equity, as granted shares.

The expense denoting the fair value of the restricted shares, recognized in the period ended March 31, 2022 in accordance with the term lapsed for acquiring the right to the restricted shares was R\$ 2,572 (R\$ 1,932 as of March 31, 2021).

28. Net revenue

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross revenue	2,282,698	1,801,379	2,288,935	1,801,379
Domestic market	2,240,514	1,742,348	2,246,751	1,742,348
Foreign market	42,184	59,031	42,184	59,031
Deductions	(395,313)	(310,302)	(398,580)	(310,302)
Returns, discounts and cancellations	(138,215)	(116,700)	(140,586)	(116,700)
Taxes on sales	(257,098)	(193,602)	(257,994)	(193,602)
Net revenue	1,887,385	1,491,077	1,890,355	1,491,077

The net revenue by product line of the Company and its subsidiaries as of March 31, 2022 and 2021 is as follows:

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cookies and Crackers	932,961	706,573	932,961	706,573
Pasta	389,858	315,885	389,858	315,885
Wheat flour and bran	373,715	326,095	373,715	326,095
Margarine and vegetable shortening	145,010	109,686	145,010	109,686
Other products ⁽¹⁾	45,841	32,838	48,811	32,838
Net revenue	1,887,385	1,491,077	1,890,355	1,491,077

⁽¹⁾ Refers to the other product lines: cakes, snacks, cake mix, juice powder, packaged toast, healthy products, sauces and seasonings.

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29. Results by nature

The Company opted to present the statement of income by function. The composition of the cost of goods sold and significant expenses by nature are presented below:

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cost of goods sold				
Raw materials	(1,033,270)	(774,426)	(1,034,044)	(774,520)
- Wheat	(659,522)	(498,050)	(659,636)	(498,144)
- Oil	(213,583)	(158,594)	(213,583)	(158,594)
- Sugar	(59,961)	(38,702)	(59,961)	(38,702)
- Sourced flour	(1,325)	(1,510)	(1,325)	(1,510)
- Sourced vegetable shortening	(77)	(331)	(77)	(331)
- Others	(98,802)	(77,239)	(99,462)	(77,239)
Packaging	(127,653)	(95,497)	(127,982)	(95,497)
Labor	(164,026)	(148,219)	(164,273)	(148,219)
General factory costs ⁽¹⁾	(132,913)	(107,084)	(133,171)	(107,084)
Depreciation and amortization	(45,087)	(42,412)	(45,154)	(42,412)
Cost of goods resold	(2,179)	-	(3,203)	-
Total	(1,505,128)	(1,167,638)	(1,507,827)	(1,167,732)
Selling expenses				
Marketing and sales	(131,290)	(116,288)	(133,234)	(116,288)
Salaries and employee benefits	(112,081)	(121,369)	(112,341)	(121,369)
Freight	(106,100)	(91,820)	(107,009)	(91,820)
Depreciation and amortization	(17,678)	(14,433)	(17,678)	(14,433)
Total	(367,149)	(343,910)	(370,262)	(343,910)
Administrative and general expenses				
Salaries and employee benefits	(38,223)	(38,030)	(38,663)	(38,078)
Services with third parties	(12,422)	(10,577)	(12,861)	(10,621)
Technology expenses	(4,681)	(4,224)	(4,806)	(4,230)
Other administrative expenses	(4,634)	(3,602)	(4,756)	(3,672)
Donations	(4,433)	(10,913)	(4,434)	(10,913)
Depreciation and amortization	(9,630)	(8,490)	(13,546)	(8,490)
Total	(74,023)	(75,836)	(79,066)	(76,004)
Other income (expenses) net ⁽²⁾				
Tax expenses	(5,861)	(7,129)	(5,934)	(7,133)
Depreciation and amortization	(1,041)	(1,064)	(1,041)	(1,064)
Other income (expenses)	(22,753)	10,218	(24,162)	10,334
Total	(29,655)	2,025	(31,137)	2,137

⁽¹⁾ Refers to the powerhouse, maintenance and other costs; ⁽²⁾ See Note 30.

As of March 31, 2022, the Company experienced an increase in the cost of raw materials as compared to the same period the previous year, given the rising cost of core commodities, with increases of 27.5%, 29.3% and 37.7% in the average cost of wheat, oil and sugar, respectively.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022
(All amounts in thousands of Reais, except if stated otherwise)



30. Other operating revenues (expenses), net

See below the other operating (revenues) expenses:

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Other operating revenues				
Revenue from sale of damages, sweeps, scraps and inputs	10,170	6,723	10,170	6,723
Sale of property, plant and equipment	1,466	-	1,466	-
Subsidies for investments - FUNDOPEM	-	3,625	-	3,625
Reversal of operational provisions	-	36	-	36
Expense recovery	1,130	6,682	1,303	6,682
Extemporaneous credit – PIS/Cofins	1,200	12,585	1,200	12,585
Extemporaneous credit – ICMS	-	2,991	-	2,991
Extemporaneous credit – INSS on revenues	-	11,597	-	11,597
Extemporaneous credit - Refunds of debts	-	280	-	280
Claim merchandise refund	462	293	462	293
Revenue from sale of electricity	159	-	159	-
Others	1,753	1,920	1,755	2,042
	16,340	46,732	16,515	46,854
Other operating expenses				
Provisions for civil, labor and tax contingencies and success fees	(6,933)	(6,309)	(6,933)	(6,309)
Cost of sale of property, plant and equipment	(979)	(5)	(981)	(5)
Inmetro tax	(1,041)	(336)	(1,041)	(336)
Provisions (reversals) estimated or realized in inventories	(7,393)	(9,046)	(7,569)	(9,046)
State fund for tax equalization	(4,658)	(4,010)	(4,658)	(4,010)
Cost to sell damages, sweeps, scraps and inputs	(10,498)	(13,539)	(10,498)	(13,539)
Restructuring expenses	(5,165)	(443)	(5,165)	(443)
Cost to sell electricity	(408)	-	(408)	-
Taxes expenses	(5,861)	(7,129)	(5,934)	(7,133)
Depreciation and amortization expenses	(1,041)	(1,064)	(1,041)	(1,064)
Others	(2,018)	(2,826)	(3,424)	(2,832)
	(45,995)	(44,707)	(47,652)	(44,717)
Total	(29,655)	2,025	(31,137)	2,137

31. Earnings per share

Basic earnings per share are calculated based on net income attributable to shareholders and the proportional weighted average number of shares outstanding in the year.

Diluted earnings per share for share options are calculated based on net income attributable to shareholders and the adjusted weighted average number of shares that would have been outstanding assuming the conversion of all dilutive potential shares, as follows:

Description	Parent and Consolidated	
	03/31/2022	03/31/2021
Net profit for the period	37,754	15,017
Weighted average number of common shares (a)	339,000	339,000
Basic earnings per share (R\$)	0.11137	0.04430
Adjustments for restricted shares (b)	897	577
Treasury shares (c)	(2,966)	(998)
Weighted average shares (thousand) (a + b + c)	336,931	338,579
Diluted earnings per share (R\$)	0.11205	0.04435

**NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL INFORMATION
AS MARCH 31, 2022****(All amounts in thousands of Reais, except if stated otherwise)**



Francisco Ivens de Sá Dias Branco Júnior
President

Maria das Graças Dias Branco da Escóssia
Vice-President - Finance

Maria Regina Saraiva Leão Dias Branco
Vice-President - Administration and Development

Francisco Cláudio Saraiva Leão Dias Branco
Industrial Vice-President - Milling

Gustavo Lopes Theodozio
Vice-President - Investments and Controllershship

Rômulo Ruberti Calmon Dantas
Vice-President - Sales

Daniel Mota Gutierrez
Vice-President - Legal, Governance, Risks, and Compliance

Adil Dallago Filho
Vice-President - Supply Chain

Magali Carvalho Façanha
Accountant CRC - CE 12410/O-6

Other Information Deemed as Relevant by the Company

Share Ownership

Our capital stock on March 31, 2022, is R\$ 2,597.7 million, fully subscribed, paid-up and divided into 339,000,000 shares, all non-par, common, registered, book-entry shares.

The table below shows the number of shares directly or indirectly held on this date by the Controlling Shareholder and members of our Board of Directors and Board of Executive Officers:

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS, MANAGERS AND OUTSTANDING SHARES				
Shareholding on 03/31/2021				
Shareholder	Number of Common Shares (In units)	%	Total Number of Shares (In units)	%
Controlling Shareholder	214,650,000	63.32	214,650,000	63.32
Managers	39,821,482	11.75	39,821,482	11.75
Board of Directors	14,088,014	4.16	14,088,014	4.16
Board of Executive Officers	25,733,468	7.59	25,733,468	7.59
Treasury Shares	997,696	0.29	997,696	0.29
Other Shareholders	83,530,822	24.64	83,530,822	24.64
Total	339,000,000	100.00	339,000,000	100.00
Outstanding Shares	83,530,822	24.64	83,530,822	24.64

CONSOLIDATED SHAREHOLDING OF CONTROLLING SHAREHOLDERS, MANAGERS AND OUTSTANDING SHARES				
Shareholding on 03/31/2022				
Shareholder	Number of Common Shares (In units)	%	Total Number of Shares (In units)	%
Controlling Shareholder	216,450,000	63.85	216,450,000	63.85
Managers	41,352,768	12.20	41,352,768	12.20
Board of Directors	14,290,637	4.22	14,290,637	4.22
Board of Executive Officers	27,062,131	7.98	27,062,131	7.98
Treasury Shares	2,966,853	0.88	2,966,853	0.88
Other Shareholders	78,230,379	23.08	78,230,379	23.08
Total	339,000,000	100.00	339,000,000	100.00
Outstanding Shares	78,230,379	23.08	78,230,379	23.08

Note: There are no Members of the Board of Directors and Board of Executive Officers holding more than 5% of the shares.

In accordance with Article 20 of our social status, the Fiscal Concil has not found permanent and is installed on March 31, 2022 and 2021.

Other Information Deemed as Relevant by the Company

SHAREHOLDING OF THOSE HOLDING MORE THAN 5% OF THE SHARES OF EACH TYPE AND CLASS OF THE COMPANY'S CAPITAL STOCK				
Company: M DIAS BRANCO S.A IND E COM DE ALIMENTOS				
Shareholding on 03/31/2021 (In units of shares)				
Shareholder	Common Shares		Total	
	Number	%	Number	%
DIBRA Fundo de Investimentos em Ações	214,650,000	63.32	214,650,000	63.32
Board of Directors and Executive Officers	39,821,482	11.75	39,821,482	11.75
Treasury Shares	997,696	0.29	997,696	0.29
Other Shareholders	83,530,822	24.64	83,530,822	24.64
Total	339,000,000	100.00	339,000,000	100.00

SHAREHOLDING OF THOSE HOLDING MORE THAN 5% OF THE SHARES OF EACH TYPE AND CLASS OF THE COMPANY'S CAPITAL STOCK				
Company: M DIAS BRANCO S.A IND E COM DE ALIMENTOS				
Shareholding on 03/31/2022 (In units of shares)				
Shareholder	Common Shares		Total	
	Number	%	Number	%
DIBRA Fundo de Investimentos em Ações	216,450,000	63.85	216,450,000	63.85
Board of Directors and Executive Officers	41,352,768	12.20	41,352,768	12.20
Treasury Shares	2,966,853	0.88	2,966,853	0.88
Other Shareholders	78,230,379	23.08	78,230,379	23.08
Total	339,000,000	100.00	339,000,000	100.00

CAPITAL STOCK DISTRIBUTION OF CORPORATE ENTITY (COMPANY SHAREHOLDER), UP TO THE INDIVIDUAL LEVEL				
Company: DIBRA Fundo de Investimentos em Participações		Shareholding on 03/31/2022 (In units of quotas)		
Unitholders	Quotas		Total	
	Number	%	Number	%
Maria Consuelo Saraiva Leão Dias Branco	270.30	50.00	270.30	50.00
Francisco Ivens de Sá Dias Branco Júnior	54.06	10.00	54.06	10.00
Maria das Graças Dias Branco da Escóssia	54.06	10.00	54.06	10.00
Maria Regina Saraiva Leão Dias Branco	54.06	10.00	54.06	10.00
Francisco Marcos Saraiva Leão Dias Branco	54.06	10.00	54.06	10.00
Francisco Cláudio Saraiva Leão Dias Branco	54.06	10.00	54.06	10.00
Total	540.61	100.00	540.61	100.00

Opinions and Declarations / Special Review Report – unqualified

Report on Review of Quarterly Financial Information – ITR

(A free translation of the original report in Portuguese, prepared in accordance with Brazilian and international standards on reviews of interim information)

The Board of Directors and Shareholders of
M.Dias Branco S.A. Indústria e Comércio de Alimentos
Eusébio - Ceará

Introduction

We have reviewed the interim, individual and consolidated quarterly financial information of M.Dias Branco S.A. Indústria e Comércio de Alimentos (“Company”), contained in the Quarterly Information Form - ITR for the quarter ended March 31, 2022, which comprises the balance sheet on March 31, 2022 and the related statements of income, the comprehensive statements of income, the statement of changes in shareholders’ equity and statements of cash flows for the three months period then ended, in addition to the notes to the financial statements.

Company’s Management is responsible for the preparation of the interim financial statements in accordance with CPC 21 (R1) and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this quarterly financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified by an audit. Accordingly, we do not express an audit opinion.

Conclusion about the individual and consolidated interim information

Based on our review we are not aware of any facts that lead us to believe the individual and consolidated interim financial information included in the aforesaid quarterly information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, presented in a manner consistent with the requirements set forth by the Brazilian Securities Commission - CVM.

Other matters - Statements of added value

The interim individual and consolidated statements of added value (DVA) for the nine-month period ended March 31, 2022, prepared under the responsibility of the Company’s Management, and presented herein as supplementary information for purposes of the IAS 34, have been subject to review procedures jointly performed with the review of Company’s interim financial statements. In order to form our conclusion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and content are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement and are consistent with the overall individual and consolidated financial statements.

Fortaleza, May 13, 2022
KPMG Auditores Independentes
CRC SP-014428/O-6 S-CE

Original report in Portuguese signed by
Marcelo Pereira Gonçalves
Accountant CRC 1SP220026/O-3

Reports and Statements/Statement of Executive Officers on the Financial Statements

We declare, as the executive officers of M. Dias Branco S.A. Indústria e Comércio de Alimentos, a publicly traded corporation with its registered office in the Municipality of Eusébio, State of Ceará, at Rodovia BR 116 KM 18, s/n, Jabuti, CEP 61760-000, registered with CNPJ under number 07.206.816/0001-15, that we have revised, discussed and approved the interim financial information for the period ended March 31, 2022.

Eusébio, May 13, 2022.

Francisco Ivens de Sá Dias Branco Júnior
President

Maria das Graças Dias Branco da Escóssia
Vice-President – Finance

Maria Regina Saraiva Leão Dias Branco
Vice-President - Administration and Development

Francisco Cláudio Saraiva Leão Dias Branco
Industrial Vice-President - Milling

Gustavo Lopes Theodozio
Vice-President - Investments and Controllershship

Rômulo Ruberti Calmon Dantas
Vice-President - Sales

Daniel Mota Gutierrez
Vice-President - Legal, Governance, Risks, and Compliance

Adil Dallago Filho
Vice-President - Supply Chain

Reports and Statements/Statement of Executive Officers on the Independent Auditor's Report

We declare, as the Executive Officers of M. Dias Branco S.A. Indústria e Comércio de Alimentos, a publicly traded corporation with its registered office in the Municipality of Eusébio, State of Ceará, at Rodovia BR 116 KM 18, s/n, Jabuti, CEP 61760-000, registered with CNPJ under number 07.206.816/0001-15, that we have revised, discussed and agreed with the opinions expressed in the independent auditors' report in respect of the interim financial information for the period ended March 31, 2022.

Eusébio, May 13, 2022.

Francisco Ivens de Sá Dias Branco Júnior
President

Maria das Graças Dias Branco da Escóssia
Vice-President – Finance

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