

M. Dias Branco

Earnings Release

2Q22 | 1H22





Eusébio (CE), August 12, 2022 – M. Dias Branco S. A. Indústria e Comércio de Alimentos (B3: MDIA3), the leader in Brazil's cookies & crackers and pasta markets, announces today its results for the second quarter of 2022 (2Q22) and first half of 2022 (1H22). The consolidated interim financial information has been developed pursuant to CPC 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

2Q22 WEBINAR RESULTS

August 15, 2022

Time:

> Portuguese

11:00 a.m. (Brasília time)

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

Zoom Meetings registration:

[Click Here](#)

> English

11:00 a.m. (Brasília time)

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

Zoom Meetings registration:

[Click Here](#)

Stock price:

Closing on 07/28/2022

MDIA3: R\$ 31.29 per share

Market cap: R\$ 10.6 billion

IR CONTACT

Gustavo Lopes Theodozio

Vice-President of Investments and Controllershship

Phone: (85) 4005-5667

Email: gustavo.theodozio@mdiasbranco.com.br

Fabio Cefaly

New Business and Investor Relations Officer

Phone: (11) 3883-9273

Email: fabio.cefaly@mdiasbranco.com.br

Rodrigo Ishiwa

Investor Relations Manager

Phone: (11) 3883-9225

Email: ri@mdiasbranco.com.br

Everlene Pessoa

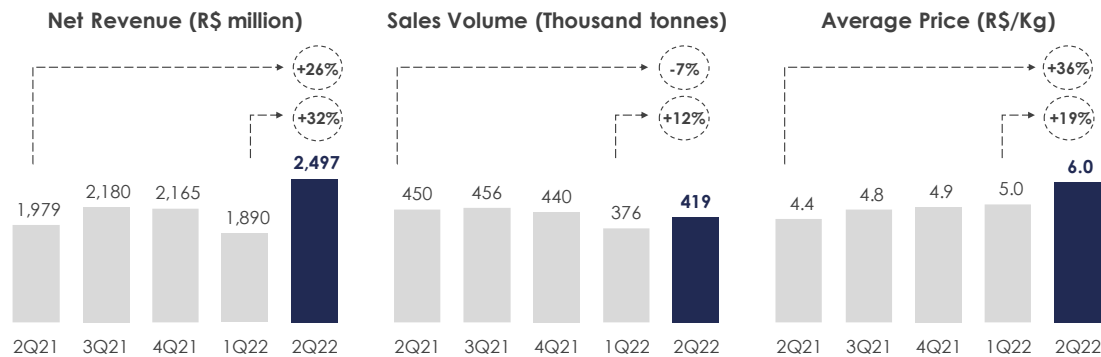
Investor Relations Analyst

Phone: (85) 4005-5730

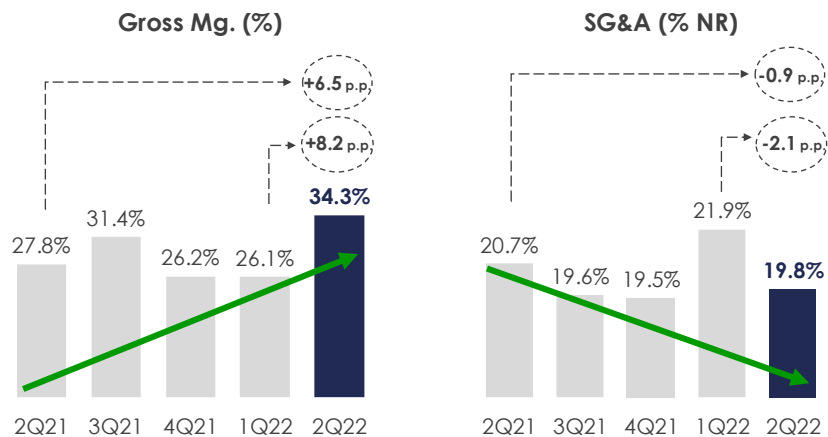
Email: ri@mdiasbranco.com.br

2Q22 | All-time high Net Revenue and EBITDA Margin of 14.3%

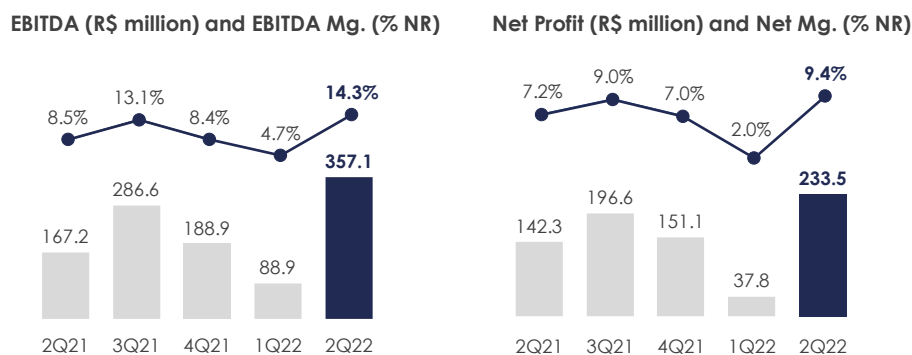
R\$2.5 billion of Net Revenue, 26% higher than last year, with QoQ volume growth and gradual price increase.



34.3% of Gross Margin, 6.5 p.p. higher than last year and Selling & Administrative Expenses (SG&A % of Net Revenue) stood below 20%.



R\$357.1 million of EBITDA and R\$233.5 million of Net Income, both figures higher than those recorded in previous quarters, with margin growths.



Furthermore, in 2Q22:



We announced the acquisition of Jasmine, a relevant brand in terms of healthiness, featuring the granolas and gluten-free bread categories.



We announced the partnership with Omega for wind power generation. Our goal is to use 90% of renewable energy (Scope 2) by 2030.



We started the deployment of the SAP system, which is expected to become operational in 2024.



We resumed our participation in fairs and events, such as the São Paulo Supermarket Association (APAS), where our booth was elected the second best in the Mega-Sized category (more than 200 m²).



We were selected to join the portfolio of the Teva Women in Leadership® Index, the first in Brazil to select companies with the highest share of women in governance. We are committed to having 40% of women in leadership positions by 2030.

See below the key consolidated results indicators for 2Q22 and 1H22, which include the results of Latinex as of November 2021.

Financial and Operating Results	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
Net Revenue (R\$ million)	2,497.2	1,978.6	26.2%	1,890.4	32.1%	4,387.6	3,469.7	26.5%
Total Sales Volume (thousand tonnes)	418.5	450.2	-7.0%	375.5	11.5%	794.0	806.6	-1.6%
Cookies and Crackers Sales Volume (thousand tonnes)	132.1	138.5	-4.6%	107.6	22.8%	239.7	235.5	1.8%
Pasta Sales Volume (thousand tonnes)	89.4	103.4	-13.5%	76.6	16.7%	166.0	175.0	-5.1%
Market Share of Cookies and Crackers (volume)*	29.9%	31.9%	-2 p.p	33.5%	-3.6 p.p	31.8%	32.0%	-0.2 p.p
Market Share of Pasta (volume)*	31.0%	31.3%	-0.3 p.p	30.7%	0.3 p.p	30.9%	31.6%	-0.7 p.p
Net Income (R\$ million)	233.5	142.3	64.1%	37.8	517.7%	271.3	157.3	72.5%
EBITDA (R\$ million)	357.1	167.2	113.6%	88.9	301.7%	446.0	214.6	107.8%
EBITDA Margin	14.3%	8.5%	5.8 p.p	4.7%	9.6 p.p	10.2%	6.2%	4 p.p
Net Cash (Debt) (R\$ million)	-1,171.7	-361.5	n/a	-1,012.0	15.8%	-1,171.7	-361.5	n/a
Net Cash (Debt) / EBITDA (last 12 months)	-1.3	-0.5	n/a	-1.4	-7.1%	-1.3	-0.5	n/a
Capex (R\$ million)	64.8	51.6	25.6%	50.2	29.1%	115.0	92.3	24.6%
Net Cash generated from operating activities	-70.1	361.3	n/a	27.9	n/a	-42.2	372.9	n/a

* The values presented in 2Q22 and 2Q21 are from the period of May/June 2022 and 2021.

The values presented in 1Q22 are from the period of Jan/Feb 2022.

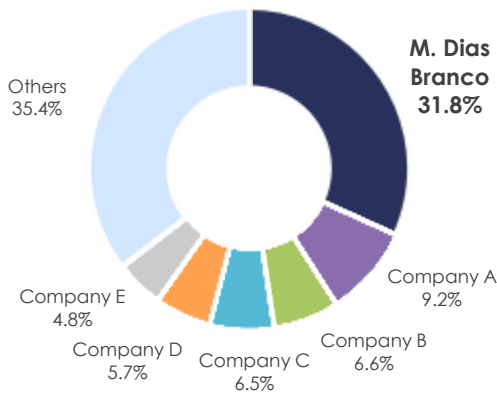
Note: The values presented were updated by Nielsen.

MARKET AND OPERATIONAL HIGHLIGHTS

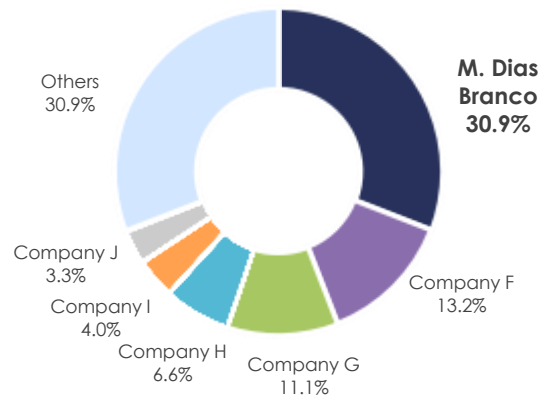
MARKET SHARE

The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookies & crackers and pasta markets, and its main competitors (from January to June 2022).

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



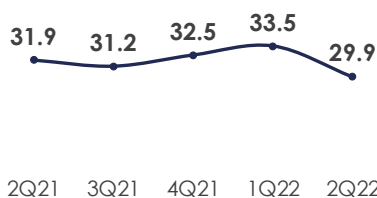
Market Share Pasta* - Brazil
(% of volume sold)



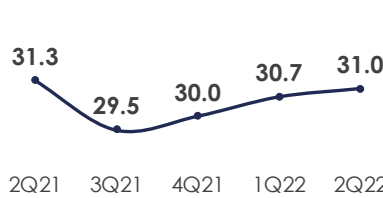
*Source: Nielsen – Retail Index. Total Brazil. INA+C&C. Cookies and Crackers / Pasta.

As shown in the charts below, in 2Q22, we sequentially increase the **volume market share in Brazil** in the pasta and flour categories. In cookies & crackers, the drop was due to the price increase and to the packaging weight reduction, expected to occur in 2Q22 for some of the main cookies & crackers subcategories, which led to a decrease in volume market share in the period.

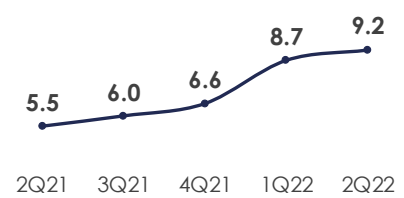
Cookies & Crackers
Market Share*



Pasta
Market Share*



Wheat Flour
Market Share*



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

SALES CHANNELS

Revenue growth in the main channels in the comparison between 2Q22 vs. 2Q21, especially Distributors, whose share in the channel mix grew 1.9 p.p., in line with the strategy to increase the distribution capillarity in the Attack region (South, Southeast, and Mid-West).

Client Mix	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
Key Accounts / Regional Chains	22.4%	20.9%	1.5 p.p	21.6%	0.8 p.p	22.1%	20.8%	1.3 p.p
Cash and Carry	23.6%	22.4%	1.2 p.p	20.5%	3.1 p.p	22.3%	21.1%	1.2 p.p
Wholesale	17.6%	18.3%	-0.7 p.p	19.0%	-1.4 p.p	18.2%	19.0%	-0.8 p.p
Small Retail	19.3%	21.6%	-2.3 p.p	21.9%	-2.6 p.p	20.4%	22.3%	-1.9 p.p
Distributors	11.3%	9.4%	1.9 p.p	10.2%	1.1 p.p	10.8%	8.9%	1.9 p.p
Industry	2.8%	3.8%	-1 p.p	3.5%	-0.7 p.p	3.1%	3.9%	-0.8 p.p
Other	3.0%	3.6%	-0.6 p.p	3.3%	-0.3 p.p	3.1%	4.0%	-0.9 p.p
TOTAL	100.0%	100.0%		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 2Q21 and 1H21.

Major Clients		Sales 2Q22 (R\$ million)*	Gross revenue excluding discounts and returns (%)		Sales 1H22 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	281.6	9.7%	9.7%	453.4	8.9%	8.9%
49 Subsequent	50	907.0	31.2%	40.9%	1,557.2	30.4%	39.3%
50 Subsequent	100	236.4	8.1%	49.0%	411.5	8.0%	47.3%
900 Subsequent	1,000	891.2	30.6%	79.6%	1,591.3	31.1%	78.4%
Other Clients	All clients	594.8	20.4%	100.0%	1,107.3	21.6%	100.0%
TOTAL		2,911.0			5,120.7		

*Gross revenue excluding discounts and returns.

PRODUCTION CAPACITY UTILIZATION RATE

We closed 2Q22 with a capacity utilization rate of 61.5%, which allows us to continue with the growth strategy focusing on the expansion of the Attack region (South, Southeast, and Mid-West), with accelerated growth in the export market, and with the introduction of new higher added-value categories and items. Compared to 1Q22, production increased in all categories to meet sales rise and ensure competitive costs for the coming months.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21
Total Production	147.9	138.7	98.7	102.3	387.6	397.9	44.0	42.5	5.2	4.6	683.4	686.0
Total Production Capacity	244.5	220.6	143.2	140.4	624.2	616.0	90.0	90.0	10.1	8.7	1,112.0	1,075.7
Capacity Utilization	60.5%	62.9%	68.9%	72.9%	62.1%	64.6%	48.9%	47.2%	51.5%	52.9%	61.5%	63.8%

*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	
	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22	2Q22	1Q22
Total Production	147.9	111.5	98.7	78.4	387.6	332.5	44.0	37.9	5.2	3.8	683.4	564.1
Total Production Capacity	244.5	238.4	143.2	137.0	624.2	617.3	90.0	90.0	10.1	10.6	1,112.0	1,093.3
Capacity Utilization	60.5%	46.8%	68.9%	57.2%	62.1%	53.9%	48.9%	42.1%	51.5%	35.8%	61.5%	51.6%

*Thousand tonnes.

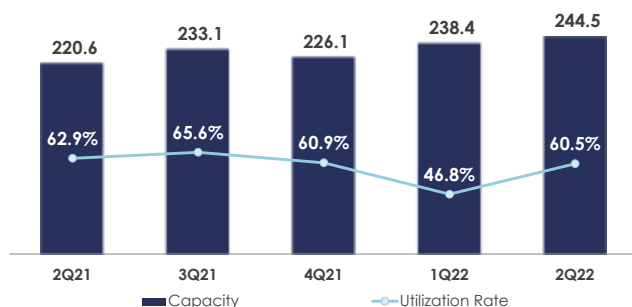
**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1H22	1H21	1H22	1H21	1H22	1H21	1H22	1H21	1H22	1H21	1H22	1H21
Total Production	259.4	240.5	177.1	180.6	720.1	720.0	81.9	82.0	9.0	8.4	1,247.5	1,231.5
Total Production Capacity	482.9	437.3	280.2	276.2	1,241.5	1,225.1	180.0	180.0	20.7	18.5	2,205.3	2,137.1
Capacity Utilization	53.7%	55.0%	63.2%	65.4%	58.0%	58.8%	45.5%	45.6%	43.5%	45.4%	56.6%	57.6%

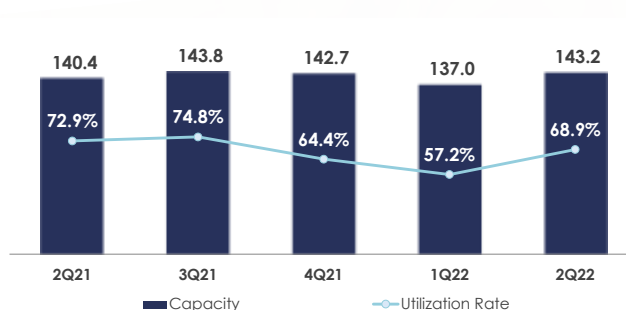
*Thousand tonnes.

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

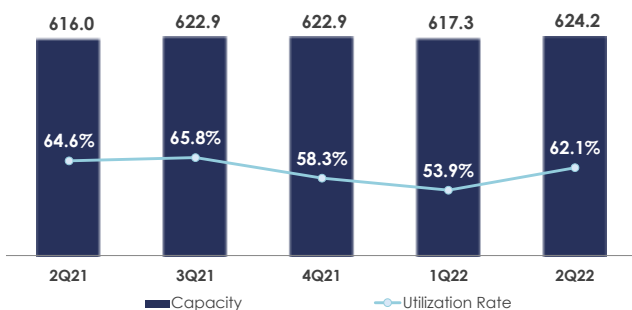
Production Capacity (thousand tonnes) and Utilization Rate - Cookies and Crackers (%)



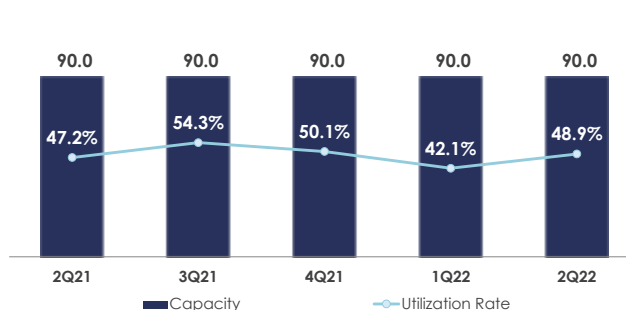
Production Capacity (thousand tonnes) and Utilization Rate - Pasta (%)



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



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



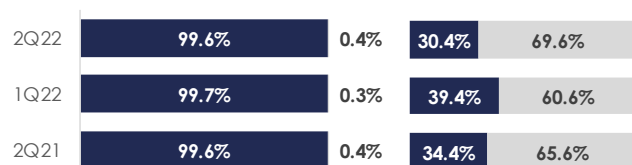
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in the plants, etc.

VERTICAL INTEGRATION

We maintained the high vertical integration level of the two main inputs. In 2Q22, 99.6% of wheat flour and 100.0% of vegetable shortening consumed were internally produced.



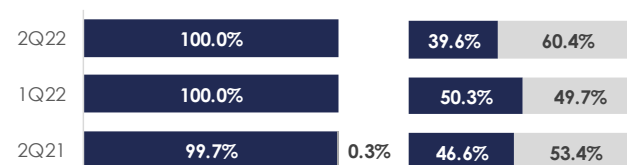
Wheat flour



■ Own Production ■ External Source ■ Sale ■ Internal Consumption



Vegetable shortening



■ Own Production ■ External Source ■ Sale ■ Internal Consumption

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

In 2Q22, net revenue grew by 26.2% over 2Q21, due to the 36.0% rise in the average price.

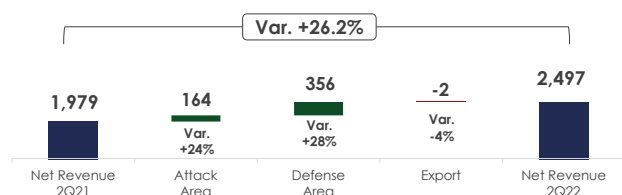
Segment	2Q22			2Q21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,303.1	132.1	9.86	1,010.3	138.5	7.29	29.0%	-4.6%	35.3%
Pasta	534.6	89.4	5.98	458.8	103.4	4.44	16.5%	-13.5%	34.7%
Wheat Flour and Bran	441.0	175.4	2.51	357.2	185.5	1.93	23.5%	-5.4%	30.1%
Margarine and Vegetable Shortening	146.0	17.0	8.59	111.4	18.7	5.96	31.1%	-9.1%	44.1%
Other products**	72.5	4.6	15.76	40.9	4.1	9.98	77.3%	12.2%	57.9%
TOTAL	2,497.2	418.5	5.97	1,978.6	450.2	4.39	26.2%	-7.0%	36.0%

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

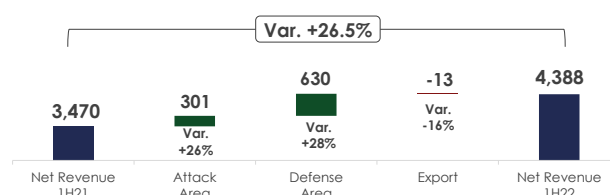
**Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

We recorded two-digit growth in the Defense (North and Northeast) and Attack (South, Southeast, and Mid-West) regions.

Variation in Net Revenue by Regions 2Q22 vs. 2Q21 (R\$ million)

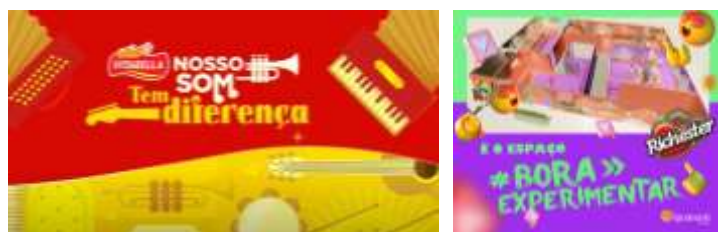


Variation in Net Revenue by Regions 1H22 vs. 1H21 (R\$ million)



We present below some of our launches and sales and marketing initiatives carried out in 2Q22:

Launches: 10 products, seven of which are aimed at the export market, especially higher added-value items, such as Piraquê's *Duplo Maltado* milk cookies and Richester's chocolate wafer, as well as cookies & crackers and pasta.



Investments in marketing and sales: Featuring Richester's #BoraExperimentar in Fortaleza, "Viva seu Momento Treloso" with customized places in several locations in Recife with skibunda, slide, and hopscotch, Vitarella's "Nosso Som tem Diferença" campaign, and Piraquê's cultural contest "Dueto - Camarão que dorme a onda leva".

Participation in events: we were present in important food fairs, such as APAS (São Paulo), SuperBahia (Salvador), FIPAN (São Paulo), Mercosuper (Paraná), PLMA (Amsterdã) and Naturaltech 2022, Latin America's largest natural product fair.



Net revenue increased by 32.1% in 2Q22 over 1Q22, due to the 18.7% rise in average price and volumes 11.5% higher.

Segment	2Q22			1Q22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,303.1	132.1	9.86	933.0	107.6	8.67	39.7%	22.8%	13.7%
Pasta	534.6	89.4	5.98	389.9	76.6	5.09	37.1%	16.7%	17.5%
Wheat Flour and Bran	441.0	175.4	2.51	373.7	170.1	2.20	18.0%	3.1%	14.1%
Margarine and Vegetable Shortening	146.0	17.0	8.59	145.0	17.7	8.19	0.7%	-4.0%	4.9%
Other products**	72.5	4.6	15.76	48.8	3.5	13.94	48.6%	31.4%	13.1%
TOTAL	2,497.2	418.5	5.97	1,890.4	375.5	5.03	32.1%	11.5%	18.7%

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

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

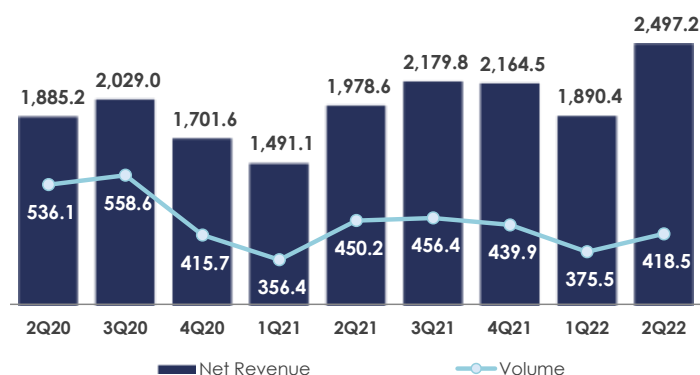
Net revenue grew by 26.5% in 1H22 over 1H21, due to the 28.6% rise in average price.

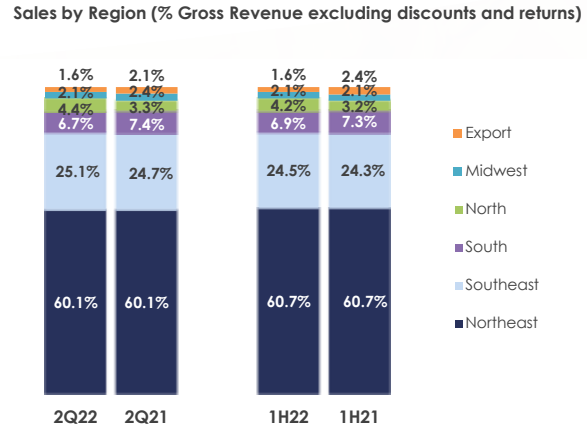
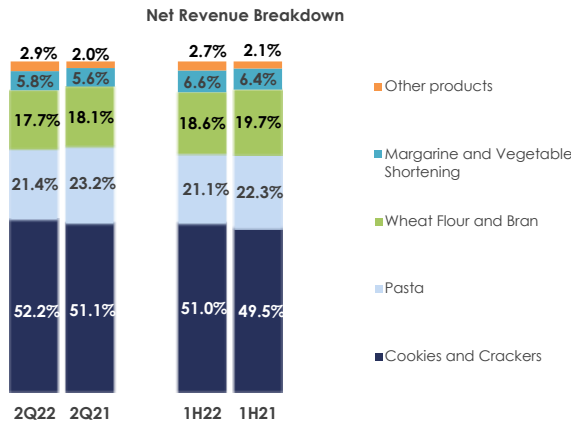
Segment	1H22			1H21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	2,236.1	239.7	9.33	1,716.9	235.5	7.29	30.2%	1.8%	28.0%
Pasta	924.5	166.0	5.57	774.7	175.0	4.43	19.3%	-5.1%	25.7%
Wheat Flour and Bran	814.7	345.5	2.36	683.3	349.3	1.96	19.2%	-1.1%	20.4%
Margarine and Vegetable Shortening	291.0	34.7	8.39	221.1	39.2	5.64	31.6%	-11.5%	48.8%
Other products**	121.3	8.1	14.98	73.7	7.6	9.70	64.6%	6.6%	54.4%
TOTAL	4,387.6	794.0	5.53	3,469.7	806.6	4.30	26.5%	-1.6%	28.6%

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

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

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



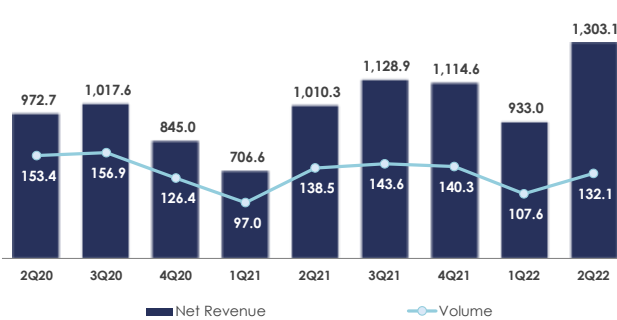


HIGHLIGHTS – COOKIES & CRACKERS | PASTA

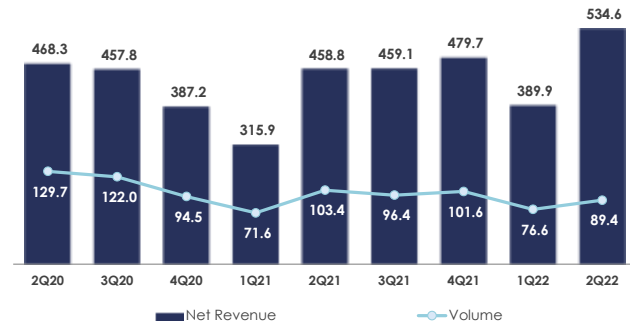
Growth of both categories in the two commercial regions, both compared to 2Q21 and 1Q22, due to higher average price. In the cookies & crackers category, the gross revenue from products/flavors launched in the last 24 months reached R\$72.0 million in 2Q22, up by 4.4% vs. 2Q21 and by 19.5% vs. 1Q22, totaling 114 launches (116 in 2Q21 and 118 in 1Q22).

The performance of Piraquê should be noted, as its net revenue from cookies & crackers grew by 44% compared to 2Q21, higher than the 29% total cookies & crackers net revenue of M. Dias Branco, due to the expansion strategy and launch of high added-value products. The Defense region (North and Northeast) significantly grew by 87% over 2Q21.

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



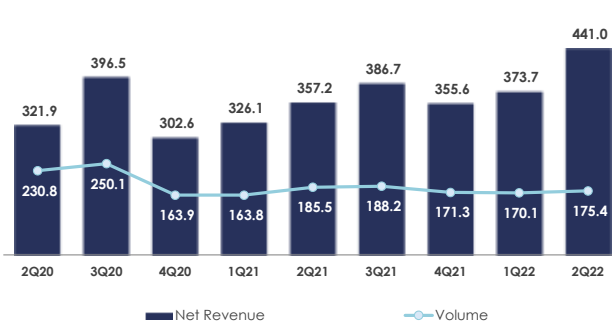
Pasta - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



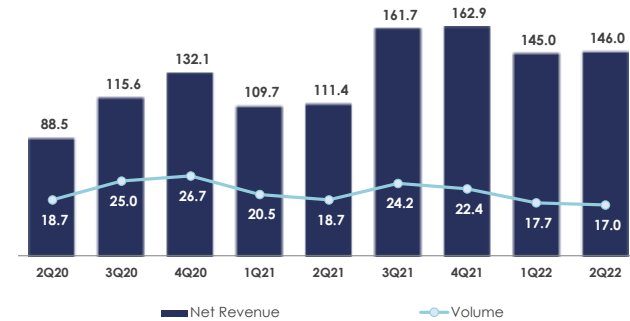
HIGHLIGHTS – WHEAT FLOUR AND BRAN | MARGARINE AND VEGETABLE SHORTENING

Wheat flour and bran reported revenue growth of 23.5% over 2Q21, due to higher average price, featuring the growth of domestic wheat flour in the Defense region. Net revenue climbed 18.0% in 2Q22 over 1Q22, due to higher prices and volumes. Margarine and Vegetable Shortening reported revenue growths of 44.1% vs. 2Q21 and 4.9% vs. 1Q22, due to higher average price.

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



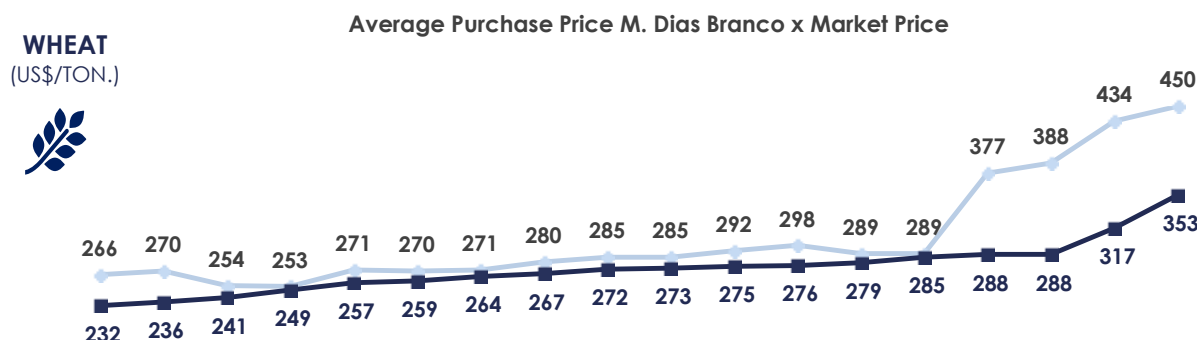
Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



COSTS

COGS (R\$ million)	2Q22	% Net Rev.	2Q21	% Net Rev.	Variation	1Q22	% Net Rev.	Variation	1H22	% Net Rev.	1H21	% Net Rev.	Variation
Raw material	1,234.5	49.4%	1054.0	53.3%	17.1%	1,034.0	54.7%	19.4%	2,268.5	51.7%	1,828.5	52.7%	24.1%
Wheat	775.3	31.0%	680.5	34.4%	13.9%	659.6	34.9%	17.5%	1,434.9	32.7%	1,178.7	34.0%	21.7%
Vegetable Oil	267.8	10.7%	213.1	10.8%	25.7%	213.6	11.3%	25.4%	481.4	11.0%	371.7	10.7%	29.5%
Sugar	68.2	2.7%	56.7	2.9%	20.3%	60.0	3.2%	13.7%	128.2	2.9%	95.4	2.7%	34.4%
Third Party Flour	2.0	0.1%	2.2	0.1%	-9.1%	1.3	0.1%	53.8%	3.3	0.1%	3.7	0.1%	-10.8%
Third Party Vegetable Shortening	0.0	0.0%	0.5	0.0%	-100.0%	0.1	0.0%	-100.0%	0.1	0.0%	0.8	0.0%	-87.5%
Other	121.2	4.9%	101.0	5.1%	20.0%	99.4	5.3%	21.9%	220.6	5.0%	178.2	5.1%	23.8%
Packages	159.1	6.4%	131.3	6.6%	21.2%	128.0	6.8%	24.3%	287.1	6.5%	226.8	6.5%	26.6%
Labor	169.3	6.8%	172.8	8.7%	-2.0%	164.3	8.7%	3.0%	333.6	7.6%	321.0	9.3%	3.9%
Indirect costs	147.5	5.9%	134.4	6.8%	9.7%	133.2	7.0%	10.7%	280.7	6.4%	241.5	7.0%	16.2%
Depreciation and amortization	43.6	1.7%	48.7	2.5%	-10.5%	45.1	2.4%	-3.3%	88.7	2.0%	91.1	2.6%	-2.6%
Other	16.3	0.7%	0.0	0.0%	n/a	3.2	0.2%	n/a	19.5	0.4%	0.0	0.0%	n/a
Total	1,770.3	70.9%	1,541.2	77.9%	14.9%	1,507.8	79.8%	17.4%	3,278.1	74.7%	2,708.9	78.1%	21.0%

COGS accounted for 70.9% of net revenue in 2Q22, down by 7.0 p.p. from 2Q21. In addition to the aforementioned rise in average price, the improved costs resulted from the procurement management, inventories, and hedge of the main inputs, as presented in the charts below, which show that M. Dias Branco' costs were lower than market values (spot price).



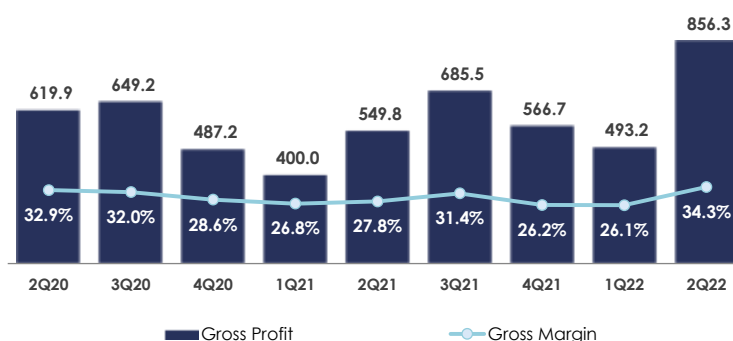
*Source: Wheat - SAFRAS & Mercado; Palm oil - Rotterdam.

GROSS PROFIT

Growth of 55.7% in 2Q22 over 2Q21, reaching a gross margin of 34.3%, as a result of higher average price and procurement management, inventories, and input hedge.

Gross profit includes subsidies for state investments, which totaled R\$129.4 million in 2Q22 (R\$112.4 million in 2Q21), which are recorded in the income statement according to accounting pronouncement CPC 07 – Government Subsidies.

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



OPERATING EXPENSES

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

Operating Expenses (R\$ million)	2Q22	% Net Rev.	2Q21	% Net Rev.	Variation	1Q22	% Net Rev.	Variation	1H22	% Net Rev.	1H21	% Net Rev.	Variation
Selling*	428.0	17.1%	347.4	17.6%	23.2%	352.6	18.7%	21.4%	780.6	17.8%	676.9	19.5%	15.3%
Administrative	67.0	2.7%	61.6	3.1%	8.8%	61.1	3.2%	9.7%	128.1	2.9%	118.2	3.4%	8.4%
Donations	5.8	0.2%	9.2	0.5%	-37.0%	4.4	0.2%	31.8%	10.2	0.2%	20.1	0.6%	-49.3%
Taxes	8.3	0.3%	9.4	0.5%	-11.7%	5.9	0.3%	40.7%	14.2	0.3%	16.5	0.5%	-13.9%
Depreciation and amortization	31.2	1.2%	25.2	1.3%	23.8%	32.3	1.7%	-3.4%	63.5	1.4%	49.2	1.4%	29.1%
Other operating expenses/(revenue)	33.2	1.3%	2.5	0.1%	n/a	24.2	1.3%	37.2%	57.4	1.3%	-7.8	-0.2%	n/a
TOTAL	573.5	23.0%	455.3	23.0%	26.0%	480.5	25.4%	19.4%	1,054.0	24.0%	873.1	25.2%	20.7%

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

Compared to 2Q21, selling and administrative expenses fell (% of Net Revenue), due to the maintenance of productivity and efficiency gains in the last two years and the rise in average price.

Furthermore, as shown in the table above in the other operating expenses/income line, we recorded R\$20 million referring to the end of operations with a logistics operator and R\$7.3 million of non-recurring expenses.

FINANCIAL RESULT

Financial Result (R\$ million)	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
Financial Revenue	41.1	54.4	-24.4%	46.7	-12.0%	87.8	80.4	9.2%
Financial Expenses	-62.1	-46.7	33.0%	-50.9	22.0%	-113.0	-71.5	58.0%
Exchange Variation	-37.8	60.0	n/a	70.1	n/a	32.3	-7.0	n/a
Losses/Gains on derivatives	31.2	-72.8	n/a	-99.6	n/a	-68.4	-0.3	n/a
Changes in fair value of financial instruments	0.6	0.0	n/a	0.4	50.0%	1.0	-0.6	n/a
TOTAL	-27.0	-5.1	429.4%	-33.3	-112.9%	-60.3	1.0	-6130.0%

The Company reported a negative result of R\$27.0 million in 2Q22 (a negative R\$5.1 million in 2Q21). The negative result was due to (i) lower updates of extemporaneous credits; (ii) higher financial expenses, due to the rise in the CDI and IPCA rates; and (iii) higher hedge costs.

TAXES ON INCOME

We closed 2Q22 with income tax and social contribution provision of R\$21.8 million, compared to the reversal of R\$54.1 million reported in 2Q21, with higher income before taxes of 189.5%, while state tax incentives grew by 15.1%.

Income and Social Contribution Taxes (R\$ million)	2Q22	2Q21	Variation	1H22	1H21	Variation
Income and Social Contribution Taxes	21.8	-54.1	-140.0%	-38.3	-82.0	-53.3%
Income Tax Incentive	0.0	0.0	n/a	0.5	0.0	n/a
TOTAL	21.8	-54.1	-140.3%	-37.8	-82.0	-53.9%

GOODWILL

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

In 2Q22, the Company recorded R\$3.9 million in tax benefit from amortization. This amount was R\$7.8 million in 1H22.

EBITDA AND NET INCOME

We closed 2Q22 with a net income of R\$233.5 million, a growth of 64.1% over 2Q21 and 517.7% over 1Q22. The growth was due to the EBITDA expansions of 113.6% over 2Q21 and 301.7% over 1Q22.

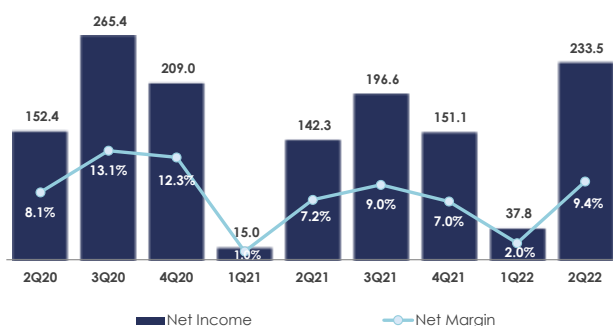
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
Net Profit	233.5	142.3	64.1%	37.8	n/a	271.3	157.3	72.5%
Income Tax and Social Contribution	21.8	-54.1	n/a	-60.1	n/a	-38.3	-82.0	-53.3%
Income Tax Incentive	0.0	0.0	n/a	0.5	-100.0%	0.5	0.0	n/a
Financial Revenue	-71.4	-122.5	-41.7%	-132.7	-46.2%	-204.1	-167.9	21.6%
Financial Expenses	98.4	127.6	-22.9%	166.0	-40.7%	264.4	166.9	58.4%
Depreciation and Amortization of cost of goods	43.6	48.7	-10.5%	45.1	-3.3%	88.7	91.1	-2.6%
Depreciation and Amortization of expenses	31.2	25.2	23.8%	32.3	-3.4%	63.5	49.2	29.1%
EBITDA	357.1	167.2	113.6%	88.9	301.7%	446.0	214.6	n/a
EBITDA Margin	14.3%	8.5%	5.8 p.p	4.7%	9.6 p.p	10.2%	6.2%	4 p.p

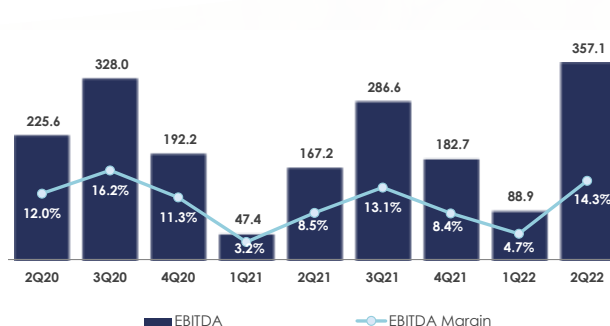
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
Net Revenue	2,497.2	1,978.6	26.2%	1,890.4	32.1%	4,387.6	3,469.7	26.5%
Cost of goods sold	-1,770.3	-1,541.2	14.9%	-1,507.8	17.4%	-3,278.1	-2,708.9	21.0%
Depreciation and Amortization of cost of goods	43.6	48.7	-10.5%	45.1	-3.3%	88.7	91.1	-2.6%
Tax Incentive (ICMS)	129.4	112.4	15.1%	110.6	17.0%	240.0	189.0	27.0%
Operating Expenses	-573.5	-455.3	26.0%	-480.5	19.4%	-1,054.0	-873.1	20.7%
Equity in net income of subsidiaries	-0.5	-1.2	-58.3%	-1.2	-58.3%	-1.7	-2.4	-29.2%
Depreciation and Amortization of expenses	31.2	25.2	23.8%	32.3	-3.4%	63.5	49.2	29.1%
EBITDA	357.1	167.2	113.6%	88.9	301.7%	446.0	214.6	n/a
EBITDA Margin	14.3%	8.5%	5.8 p.p	4.7%	9.6 p.p	10.2%	6.2%	4 p.p

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



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

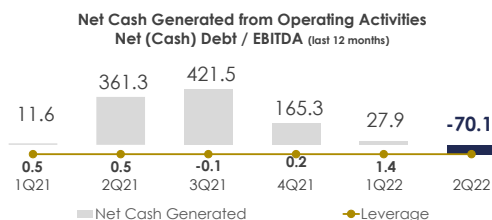


DEBT, CAPITALIZATION AND CASH

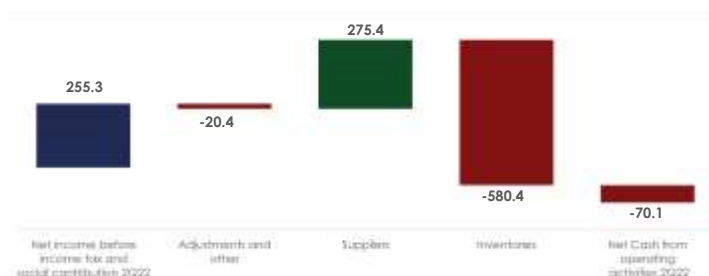
The Company closed the period with a cash position of R\$ 0.7 billion (R\$ 1.6 billion in 2Q21) and gross debt of R\$ 1.7 billion (R\$ 1.9 billion in 2Q21), resulting in leverage (net debt/LTM EBITDA) of 1.3x (0.5x in 2Q21 and 1.4x in 1Q22).

Capitalization (R\$ million)	6/30/2022	6/30/2021	Variation
Cash	656.1	1,576.2	-58.4%
Financial Investments Short Term	16.6	16.5	0.6%
Financial Investments Long Term	2.1	0.0	n/a
Total Indebtedness	-1,730.2	-1,863.0	-7.1%
(-) Short Term	-106.9	-308.6	-65.4%
(-) Long Term	-1,623.3	-1,554.4	4.4%
(-) Derivatives Financial Instruments	-116.3	-91.2	27.5%
(=) Net Cash (Net Debt)	-1,171.7	-361.5	n/a
Shareholder's Equity	6,544.0	6,620.3	-1.2%
Capitalization	8,274.2	8,483.3	-2.5%

Financial Indicator	6/30/2022	6/30/2021	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-1.3	-0.5	n/a
Cash (Debt) Net / Shareholder's Equity	-17.9%	-5.5%	-12.4 p.p
Indebtedness / Total Assets	16.4%	18.1%	-1.7 p.p



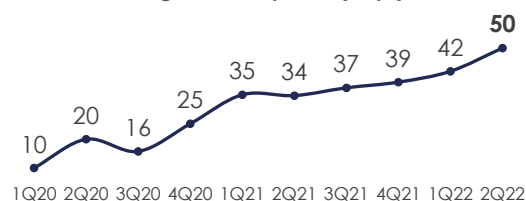
Effects on Net Cash from Operating Activities - 2Q22 (R\$ million)



We closed 2Q22 with a net income before income tax and social contribution of R\$255.3 million and net cash of R\$70.1 million. Cash investments resulted from higher inventories of R\$580.4 million, due to higher input costs and finished products and inputs, necessary to meet demand in 3Q22 at competitive costs.

We also highlight the improvement of 8 days in the average days payable outstanding in 2Q22. As shown in the chart below, the average days payable outstanding has sequentially improved since Multiplique, with the renegotiation of the main suppliers.

Average Term Payment (days)



Consolidated Debt (R\$ million)	Index	Interest (year)	6/30/2022	% Debt	6/30/2021	% Debt	Variation
Domestic Currency:			1,202.7	69.5%	1,362.6	73.1%	-11.7%
BNDES - FINAME	TJLP	2.17%	8.2	0.5%	12.2	0.7%	-32.8%
BNDES - PSI	R\$	3.09% (3.00% on 06/30/21)	28.1	1.6%	58.4	3.1%	-51.9%
BNDES - FINEM	IPCA	8.66% (8.64% on 06/30/21)	21.5	1.2%	28.3	1.5%	-24.0%
BNDES - PROGEREN	IPCA	6.28%	24.1	1.4%	43.3	2.3%	-44.3%
(PROVIN) Financing of state taxes	100% TJLP	-	17.6	1.0%	9.4	0.5%	87.2%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	4.4	0.3%	1.2	0.1%	n/a
Working Capital	100% CDI	1.30%	0.0	0.0%	201.2	10.8%	-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	-	11.3	0.7%	8.4	0.5%	34.5%
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	-	145.7	8.4%	200.8	10.8%	-27.4%
Investment of assignment of Latinex's shares	100% CDI	-	97.2	5.6%	0.0	0.0%	n/a
Debentures	IPCA	3.7992% and 4.1369%	839.4	48.5%	794.8	42.7%	5.6%
Foreign Currency:			527.5	30.5%	500.4	26.9%	5.4%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.68% (1.66% on 06/30/21)	527.5	30.5%	500.4	26.9%	5.4%
TOTAL			1,730.2	100.0%	1,863.0	100.0%	-7.1%

On June 30, 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\$39.8 million.

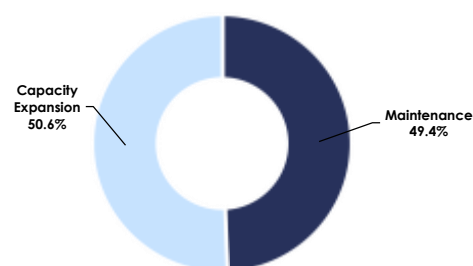
To protect the debenture issues, the Company had 42 swap contracts to hedge debenture issues, all of which maturing until March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.02% p.a., and the short leg pays, on average, the CDI plus 0.28% p.a. The notional reference values totaled R\$811.6 million for current contracts, and the gross fair value receivable of all derivative instruments totaled R\$5.9 million on June 30, 2022.

At the end of 2Q22, debentures totaled R\$839.4 million net of the unamortized balance of transaction costs totaling R\$38.8 million.

INVESTMENTS

Investments (R\$ million)	2Q22	2Q21	Variation	1H22	1H21	Variation
Buildings	5.8	5.7	1.8%	12.8	10.1	26.7%
Machinery and equipment	27.9	21.5	29.8%	43.0	42.2	1.9%
Construction in progress	5.5	14.0	-60.7%	12.3	24.1	-49.0%
Vehicles	0.1	0.0	n/a	0.3	0.0	n/a
IT Equipment	2.8	3.2	-12.5%	3.6	4.0	-10.0%
Furniture and fixtures	2.4	1.3	84.6%	3.9	3.0	30.0%
Software Use License	19.9	5.3	n/a	38.5	8.1	n/a
Others	0.4	0.6	-33.3%	0.6	0.8	-25.0%
Total	64.8	51.6	25.6%	115.0	92.3	24.6%

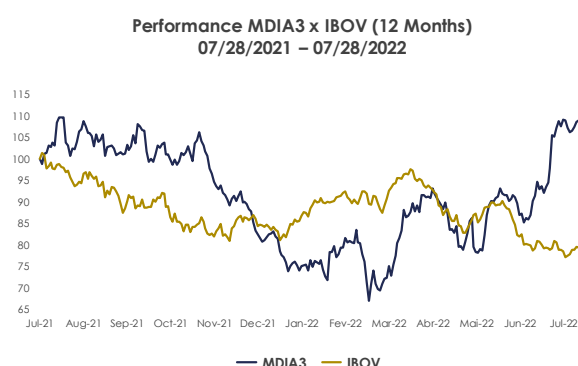
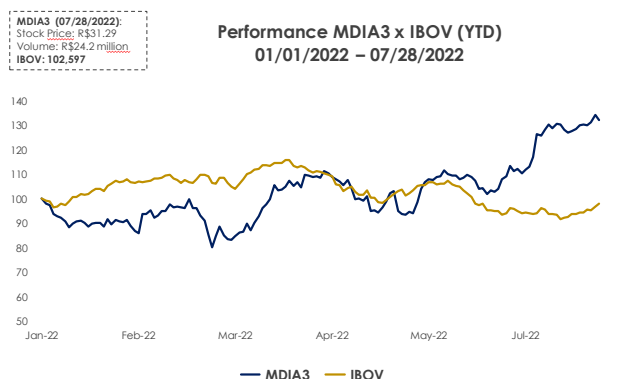
Investments 2Q22 - R\$ 64.8 million



Investments totaled R\$64.8 million in 2Q22 (+25.6% vs. 2Q21). We feature investments in systems, with the modernization of ERP and production control systems.

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 **June 30, 2022**, there were 69,341,742 outstanding shares, representing 20.5% of the Company's share capital, priced at **R\$26.10** each, totaling **R\$1,809.8 million**. The average number of trades of MDIA3 shares was **6,948** in 2Q22 (6,691 in 2Q21), and the average daily trading financial volume was **R\$35.9 million** (R\$39.9 million in 2Q21).



MDIA
B3 LISTED NM

IBRAB3 ICONB3 IGCB3 IGC-NMB3
IGCTB3 INDXB3 ISEB3 ITAGB3 SMLLB3



MAIN ADMINISTRATIVE FACTS

Approval of the Financial Statements

At the meeting of the Board of Directors held on August 12, 2022, the following was approved: (i) the Interim Financial Information (ITR) for the period ended June 30, 2022; and (ii) other provisions.

Acquisition of Jasmine

On June 09, 2022, the Company announced to the market the execution of a contract to acquire 100% of the shares representing the share capital of Nutrition & Sante do Brasil Ltda, owner of JASMINE. The acquisition was conducted by Latinex Importação e Exportação de Alimentos S.A., a subsidiary of M. Dias Branco, and the conclusion of the transaction is subject to compliance with the usual obligations and conditions precedent in transactions of this nature.

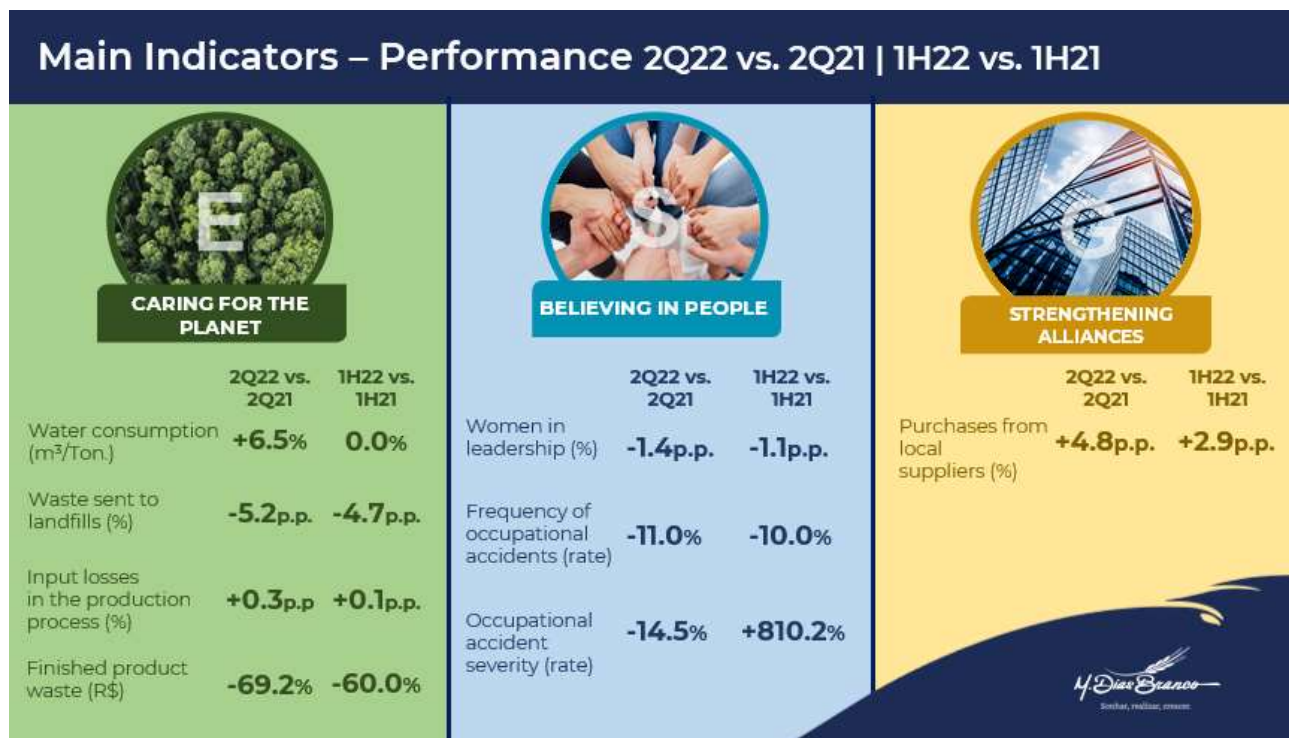
Partnership with Omega for wind power generation

On June 10, 2022, the Company announced the partnership for the generation of wind power by three wind farms controlled by Omega Geração S.A. for Company consumption at its production units. The closing of the partnerships is subject to the usual obligations and conditions in transactions of this nature.

* 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

Below are the **main results indicators** for 2Q22 and 1H22.



Water consumption: increase in 2Q22 influenced by hybrid work conditions with the return of employees to the units.

Waste sent to landfills in all operations: the renewal of partnerships for waste destination and selective collection in the units contributed to the waste recycling ratio, advancing the expansion of the Aterro Zero Program.

Input losses in the production process: increase influenced by the weight reduction process in 2Q22.

Reduction of finished product waste: the reduction shows the improvement of processes, optimization of inventories, efficiency in food donation, and expansion of data systems in priority units.

Women in leadership: recent changes in staff influenced the reduction of the indicator, however, structural actions are being taken to enable the achievement of the goal of having 40% of women in leadership positions by 2030.

Frequency and severity of occupational accidents: the reduction in 2Q22 is a result of initiatives in all units, such as campaigns to raise awareness regarding the prevention of accidents, and incentives for the opening of security alerts, among other initiatives of the Positivo Program. 1H22 was impacted by the fatality of a traffic accident (road) involving the company's charter bus (Timon subsidiary).

Purchases from local suppliers: increase boosted by the purchase of raw material from local suppliers.

MAIN HIGHLIGHTS:

- ✓ M. Dias Branco was recognized in the Best of ESG 2022 award of the EXAME guide, in the category Agribusiness, Food, and Beverage. It is the largest and most comprehensive sustainability guide in the Brazilian press;
- ✓ We launched a seal at Workplace (internal social media) for supporters of the LGBTQIAP+ cause;
- ✓ Donation of 723 tons of food to surrounding communities, benefitting over 100 institutions in Brazil;
- ✓ To support our employees in Pernambuco who were victims of floods, we launched a collective fundraising initiative and M. Dias Branco doubled the amount collected;
- ✓ We held the Environment Week with several initiatives aimed at environmental awareness among employees, including live streaming to present M. Dias' contribution to the preservation of the Serra das Almas Natural Reserve and conservation of the Aratu Bay.



FINANCIAL STATEMENTS

Pursuant to CPC 26 – Presentation of Financial Statements, we classify expenses by function in the Income Statement. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 27 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	2Q22	2Q21	Variation	1Q22	Variation	1H22	1H21	Variation
NET REVENUES	2,497.2	1,978.6	26.2%	1,890.4	32.1%	4,387.6	3,469.7	26.5%
COST OF GOODS SOLD	-1,770.3	-1,541.2	14.9%	-1,507.8	17.4%	-3,278.1	-2,708.9	21.0%
TAX INCENTIVES (ICMS)	129.4	112.4	15.1%	110.6	17.0%	240.0	189.0	27.0%
GROSS PROFIT	856.3	549.8	55.7%	493.2	73.6%	1,349.5	949.8	42.1%
OPERATING REVENUES (EXPENSES)	-573.5	-455.3	26.0%	-480.5	19.4%	-1,054.0	-873.1	20.7%
Sales expenses	-445.7	-362.6	22.9%	-370.3	20.4%	-816.0	-706.6	15.5%
Administrative and general expenses	-85.1	-79.7	6.8%	-79.1	7.6%	-164.1	-155.7	5.4%
Other net income (expenses)	-42.7	-13.0	n/a	-31.1	37.3%	-73.9	-10.8	n/a
OPERATING INCOME BEFORE FINANCIAL RESULTS	282.8	94.5	199.3%	12.7	2126.8%	295.5	76.7	n/a
Financial income	71.4	122.5	-41.7%	132.7	-46.2%	204.1	167.9	21.6%
Financial expenses	-98.4	-127.6	-22.9%	-166.0	-40.7%	-264.4	-166.9	58.4%
OPERATING INCOME AFTER FINANCIAL RESULTS	255.8	89.4	186.1%	-20.6	-1341.7%	235.2	77.7	n/a
Equity in net income of subsidiaries	-0.5	-1.2	-58.3%	-1.2	-58.3%	-1.7	-2.4	-29.2%
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	255.3	88.2	189.5%	-21.8	-1271.1%	233.5	75.3	n/a
Income tax and social contribution	-21.8	54.1	n/a	59.6	n/a	37.8	82.0	-53.9%
NET INCOME	233.5	142.3	64.1%	37.8	517.7%	271.3	157.3	72.5%

BALANCE SHEET (R\$ million)	M. DIAS (Consolidated)				
	6/30/2022	6/30/2021	Variation	12/31/2021	Variation
ASSETS					
CURRENT	4,596.0	4,283.4	7.3%	4,443.1	3.4%
Cash and cash equivalents	656.1	1,576.2	-58.4%	1,555.9	-57.8%
Trade accounts receivable	1,502.5	1,084.9	38.5%	1,439.0	4.4%
Inventories	1,999.9	1,210.0	65.3%	1,154.2	73.3%
Taxes recoverable	323.4	278.1	16.3%	127.9	n/a
Income tax and social contribution	20.0	84.5	-76.3%	71.2	-71.9%
Financial investments	16.6	16.5	0.6%	16.6	0.0%
Derivatives financial instruments	32.1	6.3	n/a	51.1	-37.2%
Prepaid expenses	16.2	13.1	23.7%	7.8	n/a
Other current assets	29.2	13.8	n/a	19.4	50.5%
NON CURRENT	5,972.3	6,016.3	-0.7%	6,214.0	-3.9%
Long-term	504.4	783.9	-35.7%	750.6	-32.8%
Financial investments	2.1	0.0	n/a	2.1	0.0%
Judicial deposits	238.3	273.7	-12.9%	233.8	1.9%
Taxes recoverable	156.6	455.9	-65.7%	440.1	-64.4%
Income tax and social contribution	39.8	0.0	n/a	0.0	n/a
Derivatives financial instruments	0.0	0.0	n/a	10.2	-100.0%
Indemnity assets	62.8	49.5	26.9%	59.8	5.0%
Other non-current assets	4.8	4.8	0.0%	4.6	4.3%
Investments	34.2	44.9	-23.8%	35.9	-4.7%
Investments properties	55.9	54.4	2.8%	56.1	-0.4%
Property, plant and equipment	3,406.5	3,414.7	-0.2%	3,418.0	-0.3%
Intangible	1,971.3	1,718.4	14.7%	1,953.4	0.9%
TOTAL ASSETS	10,568.3	10,299.7	2.6%	10,657.1	-0.8%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	1,790.1	1,441.7	24.2%	1,329.1	34.7%
Suppliers	984.5	586.3	67.9%	741.4	32.8%
Financing and borrowings from financial institutions	65.4	267.8	-75.6%	74.5	-12.2%
Tax financing	3.5	3.4	2.9%	3.1	12.9%
Direct financing	27.2	28.7	-5.2%	28.2	-3.5%
Debentures	10.8	8.7	24.1%	10.2	5.9%
Lease	60.4	43.0	40.5%	52.8	14.4%
Social security and labor liabilities	213.5	190.7	12.0%	176.9	20.7%
Tax liabilities	162.4	85.2	90.6%	102.6	58.3%
Income tax and social contribution	1.8	1.8	0.0%	1.8	0.0%
Government grant	24.3	12.1	n/a	10.8	n/a
Derivatives financial instruments	97.9	69.2	41.5%	0.0	n/a
Other current liabilities	138.4	144.8	-4.4%	126.8	9.1%
NON CURRENT LIABILITIES	2,234.2	2,237.7	-0.1%	2,295.6	-2.7%
Financing and borrowings from financial institutions	544.0	576.1	-5.6%	607.2	-10.4%
Tax financing	18.5	7.2	n/a	13.9	33.1%
Direct financing	232.2	185.1	25.4%	228.9	1.4%
Debentures	828.6	786.0	5.4%	801.5	3.4%
Lease	216.3	184.9	17.0%	193.0	12.1%
Tax liabilities	0.6	0.0	n/a	0.8	-25.0%
Deferred taxes	103.7	215.8	-51.9%	195.4	-46.9%
Derivatives financial instruments	50.5	28.3	78.4%	8.8	n/a
Provisions for civil, labor and tax risks	217.1	215.6	0.7%	221.2	-1.9%
Other non-current liabilities	22.7	38.7	-41.3%	24.9	-8.8%
SHAREHOLDERS' EQUITY	6,544.0	6,620.3	-1.2%	7,032.4	-6.9%
Capital	2,597.7	2,597.7	0.0%	2,597.7	0.0%
Capital reserves	34.0	28.9	17.6%	33.4	1.8%
Accumulated conversion adjustments	0.2	0.2	0.0%	0.2	0.0%
Equity valuation adjustment	-63.5	-51.5	23.3%	41.6	n/a
Revenue reserves	3,819.1	3,970.8	-3.8%	4,408.2	-13.4%
(-) Treasury shares	-81.1	-49.3	64.5%	-48.7	66.5%
Accrued profit	237.6	123.5	92.4%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	10,568.3	10,299.7	2.6%	10,657.1	-0.8%

CASH FLOW (R\$ million)	2Q22	2Q21	Variation	1H22	1H21	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income before income tax and social contribution	255.3	88.2	189.5%	233.5	75.3	n/a
Adjustments to reconcile net income with cash from operating activities:						
Depreciation and amortization	74.9	73.9	1.4%	152.3	140.3	8.6%
Cost on sale of permanent assets	0.2	0.0	n/a	1.2	0.0	n/a
Equity in net income of subsidiaries	0.5	1.2	-58.3%	1.7	2.4	-29.2%
Updated financing, debentures and exchange rate variations	85.3	-36.3	n/a	29.6	51.0	-42.0%
Updated financial investment in the long term	-0.1	0.0	n/a	-0.1	0.0	n/a
Tax credits and updates	-20.3	-98.3	-79.3%	-27.5	-142.4	-80.7%
Updated judicial deposits	-3.5	-1.1	n/a	-6.3	-1.7	270.6%
Appropriate interest on lease	5.9	4.7	25.5%	11.8	9.8	20.4%
Provision and update for civil, labor and tax risks/others	8.9	9.9	-10.1%	15.2	16.8	-9.5%
Provision (reversion) for expenses/indemnity assets	-3.2	2.0	n/a	-2.4	0.8	n/a
Recognized shares granted	2.7	2.5	8.0%	5.2	4.4	18.2%
Provision (reversion) for losses of clients	7.1	-2.6	n/a	10.5	-9.6	n/a
Provision for income tax of loans	0.5	1.1	-54.5%	0.8	2.8	-71.4%
Provision (reversion) for losses in inventories	5.9	3.7	59.5%	10.1	8.2	23.2%
Losses (gains) on derivative contracts	-15.5	72.8	n/a	93.5	0.9	n/a
Changes in assets and liabilities						
(Increase) in trade accounts receivable	-316.0	-229.1	37.9%	-74.0	-115.2	-35.8%
(Increase) decrease in inventories	-580.4	215.2	n/a	-893.5	-26.0	n/a
(Increase) decrease in financial investments	0.1	-0.1	n/a	-0.1	-0.1	0.0%
Decrease in taxes recoverable	68.2	103.0	-33.8%	186.9	103.8	80.1%
(Increase) decrease in judicial deposits	4.6	-4.1	n/a	1.8	-8.2	n/a
(Increase) decrease in prepaid expenses	4.1	3.2	28.1%	-8.3	-2.8	n/a
Decrease in indemnity assets	0.0	0.0	n/a	0.0	8.1	-100.0%
(Increase) decrease in other assets	-2.4	12.7	n/a	-10.0	18.2	n/a
Decrease in suppliers	275.4	138.3	99.1%	243.1	224.6	8.2%
Increase (decrease) in taxes and contributions	65.5	-12.6	n/a	6.3	43.6	-85.6%
Increase in social and labor obligations	52.2	42.3	23.4%	36.6	14.1	n/a
(Decrease) in provisions for civil, labor and tax risks	-11.5	-6.8	69.1%	-19.3	-20.2	-4.5%
Increase (decrease) in government grants	11.2	-6.0	n/a	13.5	-0.3	n/a
Increase in other liabilities	8.4	11.1	-24.3%	7.5	6.7	11.9%
Interests paid	-14.3	-24.4	-41.4%	-20.8	-41.0	-49.3%
Exchange variations paid	0.0	-7.5	-100.0%	0.0	-40.0	-100.0%
Receipts of funds for settlement of derivative transactions	-39.8	4.4	n/a	-41.0	48.6	n/a
Net cash generated from operating activities	-70.1	361.3	n/a	-42.2	372.9	n/a
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-63.4	-47.0	34.9%	-109.7	-83.6	31.2%
Payment of debt from purchase of company	-6.0	-7.2	-16.7%	-6.0	-7.2	-16.7%
Redemption of long-term financial investment	0.0	2.5	-100.0%	0.0	3.3	-100.0%
Net cash (used) in investment activities	-69.4	-51.7	34.2%	-115.7	-87.5	32.2%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	-16.8	-188.3	-91.1%	-621.9	-188.3	n/a
Financing obtained	-1.8	1.3	n/a	0.0	813.6	-100.0%
Payment of financing	-18.5	-195.2	-90.5%	-59.2	-514.6	-88.5%
Acquisition of treasury shares	0.0	-12.9	-100.0%	-36.6	-12.9	183.7%
Lease payments	-12.9	-10.1	27.7%	-24.2	-20.0	21.0%
Net cash used in financing activities	-50.0	-405.2	-87.7%	-741.9	77.8	n/a
Increase (decrease) in cash and cash equivalents	-189.5	-95.6	98.2%	-899.8	363.2	n/a
At the start of the period	845.6	1,671.8	-49.4%	1,555.9	1,213.0	28.3%
At the end of the period	656.1	1,576.2	-58.4%	656.1	1,576.2	-58.4%
Increase (decrease) in cash and cash equivalents	-189.5	-95.6	98.2%	-899.8	363.2	n/a

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