



Earnings Release

4Q21 | 2021


M. Dias Branco
Sonhar, realizar, crescer.



Eusébio (CE), March 18, 2022 – M. Dias Branco S. A. Indústria e Comércio de Alimentos (B3: MDIA3), leader in Brazil's cookie & cracker and pasta markets, announces today its results for the fourth quarter of 2021 (4Q21) and full year (2021). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil (BR GAAP).

WEBINAR 4Q21 | 2021

MARCH 21, 2022

Time:

> Portuguese

11h00 (Brasília Time)

10h00 (NY Time)

Registration in Zoom Meetings:

[Click Here](#)

> English

11h00 (Brasília Time)

10h00 (NY Time)

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Stock Price:

Closing on 03/16/2022

MDIA3: R\$ 20,51 per share

Market Cap: R\$ 6.9 billion

CONTATOS RI

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M. Dias Branco's net revenue reaches R\$ 7.8 billion in 2021, up by 7.7% over 2020.

Cash generation¹ grows by 41.3%, to R\$960 million

- ✓ **Net Revenue:** R\$7.8 billion in 2021, up by 7.7% (R\$2.2 billion in 4Q21, +27.2%);
- ✓ **Gross revenue from new products of the cookies & crackers category:** R\$291.7 million in 2021, up by 48.1% (R\$95.5 million in 4Q21, +73.3%);
- ✓ **Market Share Volume:** we remained as the market leader, closing 2021 with a share of 32.5% in the cookies & crackers (32.9% in 4Q20) and 30% in the pasta (32.5% in 4T20) categories;
- ✓ **Cost of Goods Sold** increased due to the 4.6% depreciation of the Brazilian real against the U.S. dollar², and the increases of 23.1% in wheat flour, and 49.2% in palm oil, both of which priced in U.S. dollars³;
- ✓ **Selling and administrative expenses** accounted for 21% of net revenue in 2021 (24.3% in 2020). The decrease is structural and results from recent productivity and efficiency programs;
- ✓ **EBITDA:** R\$ 683,9 million in 2021 (-29.8% in 2020) and R\$ 182,7 million in 4Q21 (-4.9% in 4Q20). The decrease resulted from high commodity prices in U.S. dollars and non-recurring tax credits that positively impacted 2020 results;
- ✓ **Net Income:** R\$505.0 million in 2021 (-33.9% in 2020) and R\$151.1 in 4Q21 (-27.7% in 4T20);
- ✓ **Working capital:** release of R\$ 284 million in 2021 and consumption of R\$ 92.6 million in 4Q21;
- ✓ **Cash generated** by operating activities of R\$ 959.7 million in 2021 and R\$165.3 million in 4Q21;
- ✓ **Leverage** of 0.2x (net debt/LTM EBITDA), lower than in 4Q20 (0.4x);
- ✓ **Rating AAA with a Stable Outlook** reaffirmed by Fitch for the fourth consecutive year;
- ✓ **1st issue of CRAs** in March 2021, totaling **R\$811.6 million** (three times the initial value), with a rating of AAA and a stable outlook certified by Fitch Ratings and Green Seal;
- ✓ **ISE**, for the second time we are part of B3's Corporate Sustainability Index;
- ✓ **Awards in 2021:**
 - Best company in the Brazilian Food category (The Best of Dinheiro Award);
 - Top of Mind 2021 (Folha Award);
 - Transparency Trophy 2021 for the fifth consecutive year (ANEFAC-FIPECAFI Award);
 - Largest food industry in the Northeast (Valor 1000 Award);
 - 100 Open Startups 2021 Ranking.

¹ Net cash generated from operating activities

² Annual average of the monthly closings

³ Average annual acquisition price in M. Dias Branco's inventories in US\$

MESSAGE FROM MANAGEMENT

Dear all,

2021 was marked by several challenges for the market and society in general. The coronavirus pandemic, the macroeconomic, political and social context led people, institutions and organizations to adapt and adopt protective measures in line with their strategies.

The M. Dias Branco, based on their own experience of almost 70 years in the market, and firmly motivated by the belief in Brazil and in the recovery of the world economy, carried out important strategic changes, with the purpose of continuing its historical trajectory of growth and profitability, combined with the maintenance of the recognized quality of its products.

As the main obstacles confronted in 2021, we highlight the rise in the costs of our supplies due to the devaluation of the Real against the US Dollar, as well as the rise in commodity prices. In a scenario of consumption impacted by inflation, there are natural difficulties in offsetting this increase in costs in passing through the price to the consumer. We know, however, that this is an atypical and transitory scenario. In this context, in addition to several other measures, we adopted concrete and effective actions to recover margins and protect cash.

The Company, rated with AAA rating with a stable outlook, reaffirmed by Fitch Ratings, has high financial solidity and low leverage, with emphasis on the debt extension after the issuance of the Agribusiness Receivables Certificates – CRA, carried out in 2021. This financial structure solid foundation combined with an efficient pricing policy and constant attention to consumer desires and possibilities have been of fundamental importance for us to overcome these challenges.

We continue to invest to enable sustainable growth in the medium and long term, especially with the launch of higher value-added products and investments in marketing. It is in this context that the acquisition of the Latinex company in 2021 is inserted. With the FIT FOOD, Frontera, Smart and Taste&Co brands, Latinex reinforces the Company's presence in healthy food and snacks, in addition to marking its entry into the seasonings, sauces and condiments, which reflects the company's commercial strategy to grow profitably, including in its portfolio products with high growth potential and value

In the search for greater efficiency and productivity, we carried out an important corporate restructuring. Some positions were suppressed, others created and some areas unified. All in favor of greater synergy, security and agility in the performance of our activities. In this context, two new statutory boards were created: Vice-Presidency for Supply Chain and Vice-Presidency for Legal, Governance, Risks and Compliance.

This corporate restructuring generated significant savings in our costs and also provided us with an adequate structure to continue growing with a focus on the needs of our customers and the development of the market in which we operate, as well as representing a reinforcement of our unwavering commitment to seek to guarantee the highest level of corporate governance in our operations.

In 2021, we also revised M. Dias Branco's strategic sustainability agenda with a focus on 2030, with long-term public commitments. Climate change, diversity, inclusion and surrounding communities are topics that received even more attention. We remained in the ISE portfolio (B3's Corporate Sustainability Index), evolved from D to B- in the CDP (Carbonlosure Project) ranking, and raised funds unprecedented in the Company's history through the already issued CRA, which was delivered as "Green Title".

In terms of social investment, among other actions, we donated more than 4,300 tons of food to institutions in the vicinity of our units to food banks. We also collaborated with the victims of the rains that hit Bahia at the end of the year.

We are a Company attent to its time. We are present on the main e-commerce and delivery platforms in the country and we remain connected with startups and disruptive culture through our Germinar program.

We recognize our leading position in the national market for pasta and cookies and we are proud of the dedication and union of our employees, and we allow ourselves, supported by our entrepreneurial spirit, our market experience, capacity for work and innovation, to live up to each more and more, to our positioning of "Dreaming, Achieving, Growing", generating value for shareholders and society.

Have a nice read!

INTRODUCTION

Below are the main indicators of consolidated results for 4Q21 and 2021, including Latinex's results as of November 2021.

Financial and Operating Results	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
Net Revenue (R\$ million)	2,164.5	1,701.6	27.2%	2,179.8	-0.7%	7,814.0	7,252.5	7.7%
Total Sales Volume (thousand tonnes)	439.9	415.7	5.8%	456.4	-3.6%	1,702.9	1,986.9	-14.3%
Cookies and Crackers Sales Volume (thousand tonnes)	140.3	126.4	11.0%	143.6	-2.3%	519.4	574.6	-9.6%
Pasta Sales Volume (thousand tonnes)	101.6	94.5	7.5%	96.4	5.4%	373.0	451.1	-17.3%
Market Share of Cookies and Crackers (volume)*	32.5%	32.9%	-0.4 p.p	31.2%	1.3 p.p	32.0%	33.6%	-1.6 p.p
Market Share of Pasta (volume)*	30.0%	32.5%	-2.5 p.p	29.5%	0.5 p.p	30.5%	33.5%	-3 p.p
Net Income (R\$ million)	151.1	209.0	-27.7%	196.6	-23.1%	505.0	763.8	-33.9%
EBITDA (R\$ million)	182.7	192.2	-4.9%	286.6	-36.3%	683.9	974.3	-29.8%
EBITDA Margin	8.4%	11.3%	-2.9 p.p	13.1%	-4.7 p.p	8.8%	13.4%	-4.6 p.p
Net Cash (Debt) (R\$ million)	-140.4	-350.7	-60.0%	103.0	n/a	-140.4	-350.7	-60.0%
Net Cash (Debt) / EBITDA (last 12 months)	-0.2	-0.4	-50.0%	0.1	n/a	-0.2	-0.4	-50.0%
Capex (R\$ million)	72.7	66.3	9.7%	43.1	68.7%	208.1	221.8	-6.2%
Net Cash generated from operating activities	165.3	-24.3	n/a	421.5	-60.8%	959.7	679.0	41.3%

* The values presented in 4Q21 and 4Q20 are from the period of Nov/Dec 2021 and 2020.

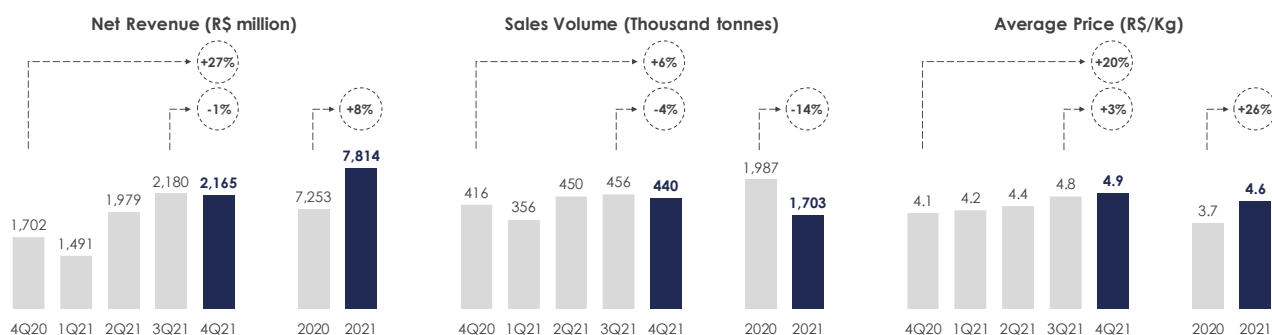
The values presented in 3Q21 are from the period of Jul/Aug 2021.

The values presented in 2021 and 2020 are from the period of Jan to Dec 2021 and 2020.

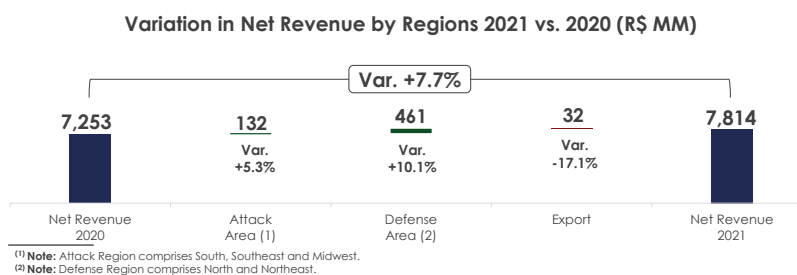
Note: The values presented were updated by Nielsen.

• Revenue

Net revenue growth in 2021 and 4Q21, mainly as a result of the two-digit increase in average prices. While volumes were negatively impacted in 2021 by the results recorded in 1Q21, we recorded growth in 4Q21 compared to 4Q20

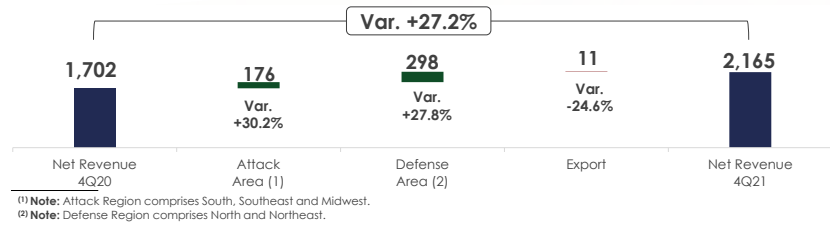


In the regional analysis, we grew both in the Offence and Defense regions in 2021, with a decrease in exports. The strongest growth in the Defense region was highlighted by the increase in the average price and volumes of margarine and industrial shortening, influenced by the resumption of activities households.

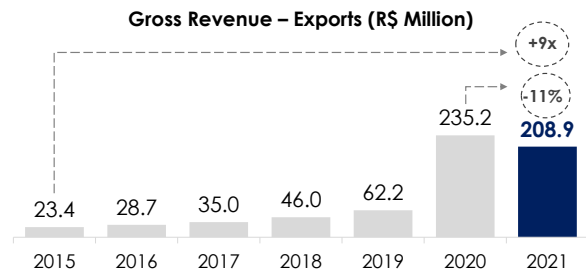


Year-on-year, the Offense region recorded higher growth in 4Q21, due to higher sales volumes.

Variation in Net Revenue by Regions 4Q21 vs. 4Q20 (R\$ MM)

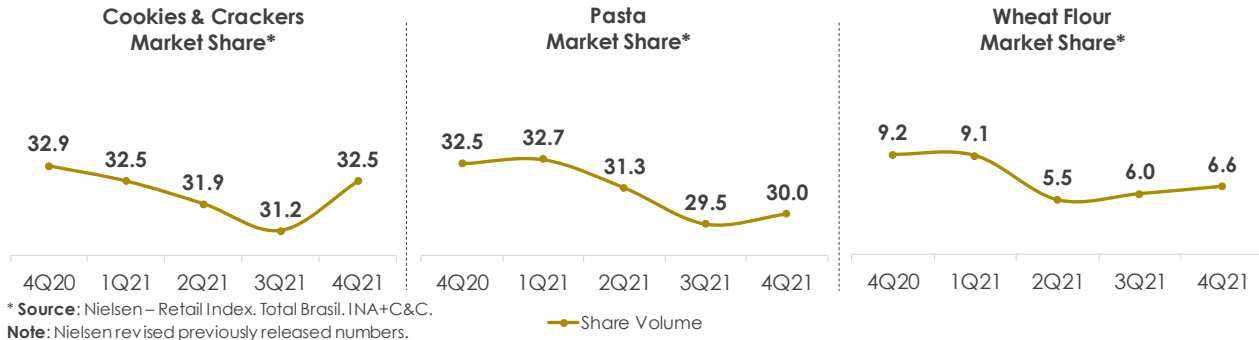


Over the last few years, exports have changed structurally. The year-on-year decrease recorded in 2021, was mainly due to the impacts from higher costs of international freights and the 2020 comparison base, given that we recorded non-recurring sales to humanitarian aid programs that year.



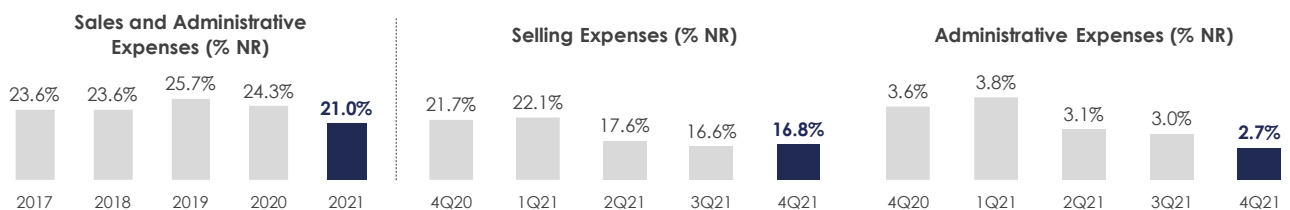
• **Market Share**

We remain leaders in Brazil in the cookies & crackers and pasta markets, with the recovery of market share in the short term. The market share in the wheat flour market also recovered as of 3Q21.



• **Expenses**

The productivity and efficiency programs carried out in 2020 (*Multiplique*: R\$438 million of annualized gains in costs and expenses) and 2021 (Operational Restructuring: R\$80 million of annualized gains) contributed to the structural change of selling and administrative expenses, as shown in the charts below

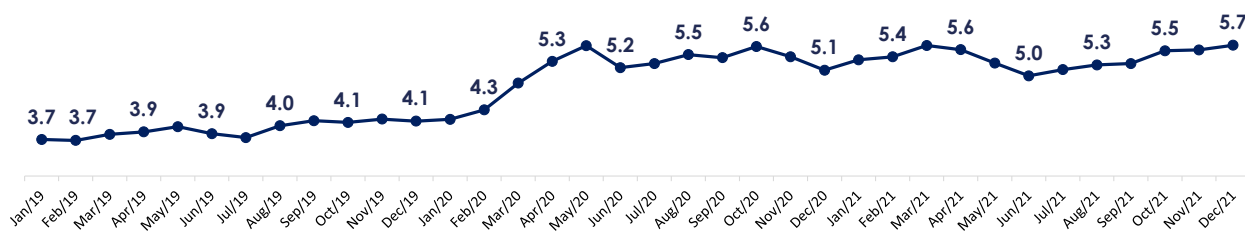


• EBITDA

EBITDA totaled R\$ 683.9 million in 2021, with an EBITDA margin of 8.8% (compared to R\$ 974.3 million and 13.4%, respectively, in 2020). The decrease is a result of the rise in commodity prices in U.S. dollars, the depreciation of the Brazilian real against the U.S. dollar, the drop in sales volumes, and the non-recurring effects that positively impacted the result in 2021, but less intensely than in 2020. The non-recurring effects totaled R\$ 19.9 million in 2021, compared to R\$ 276.3 million in 2020, with highlight in the recognition of tax credits.

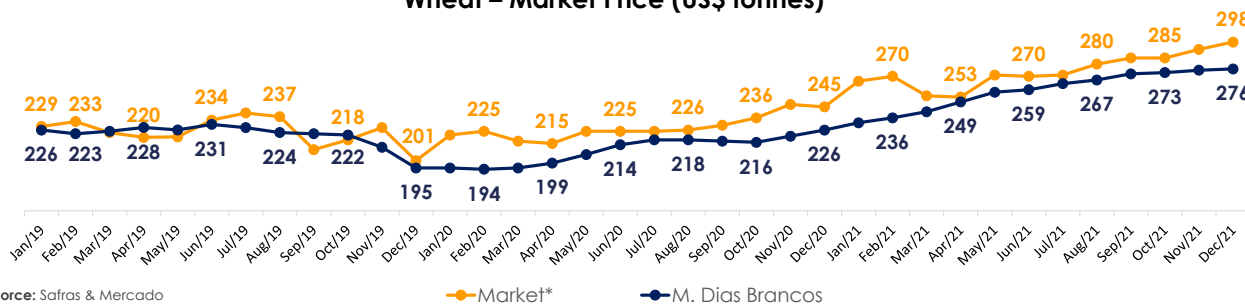
Below we in the graphs, we present the evolution in the last three years of the dollar and the commodities wheat and palm oil. In relation to commodities, we present the comparison between the market price and the average acquisition price in our inventories, where we demonstrate our efficiency with hedging operations and our storage capacity.

Dollar (Monthly Average) – Closing PTAX*



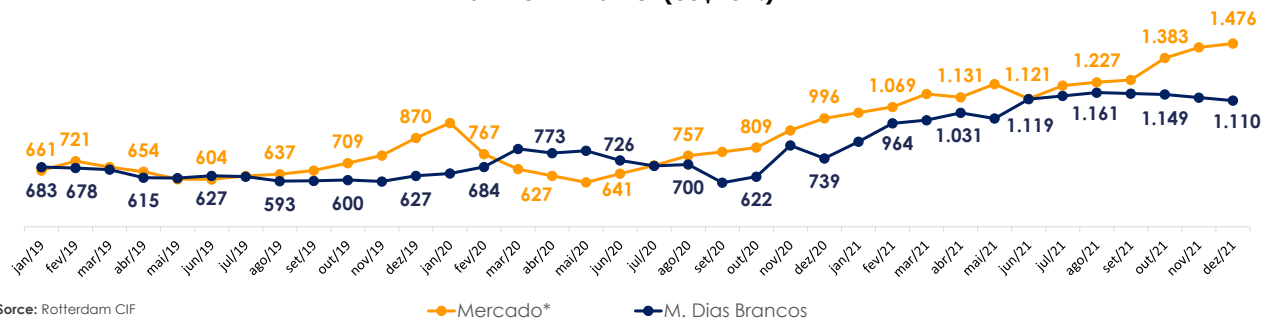
* Source: BACEN

Wheat – Market Price (US\$ tonnes)*



* Source: Safras & Mercado

Palm Oil - Market (US\$ ton.)*



* Source: Rotterdam CIF

Below we highlight the main effects that explain the annual and quarter evolution of EBITDA, isolating the operational effects (volume, prices, costs, and expenses) from the impact of foreign exchange and non-recurring results

EBITDA 2020 (R\$ million)	974.3	EBITDA 4Q20 (R\$ million)	192.2
Operational Effects ⁽¹⁾	(130.8)	Operational Effects ⁽¹⁾	(24.7)
Subtotal	843.5	Subtotal	167.5
Exchange ⁽²⁾	(179,5)	Exchange ⁽²⁾	13.3
Subtotal	664,9	Subtotal	180.8
Non-Recurring Gains ⁽³⁾	87.5	Non-Recurring Gains ⁽³⁾	13.1
COVID-19 Expenses	(23,2)	COVID-19 Expenses	(3.4)
Restructuring Expenses	(44,4)	Restructuring Expenses	(7.8)
EBITDA 2021 (R\$ million)	683.9	EBITDA 4Q21 (R\$ million)	182.7

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

(2) Impact of the Real against the Dollar. It does not consider the price variations of commodities in Dollar.

(3) Revenues arising mainly from extemporaneous tax credits.

• Net Income

The Net income totaled R\$505.0 million in 2021, down by 33.9%, mainly due to the decrease of EBTIDA excluding the non-recurring effects, impact of the rise of CDI and IPCA in the cost of debt. Another fact that impacted the decrease in the net income was the recognition, in 2021, of positive non-recurring results lower than those recorded in 2020: R\$ 166.5 million, compared to R\$ 418.8 million, respectively, as a result of lower recognition and monetary restatements on extemporaneous credits

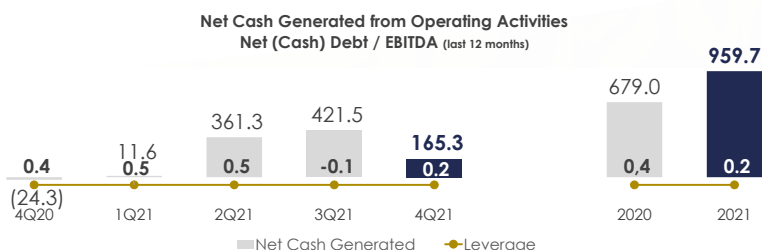
• Investments

Investments totaled R \$208.1 million in 2021 (-6.2% in 2020) and R\$ 72.7 million in 4Q21 (+9.7% in 4Q20). It is worth noting the: (i) acquisition of equipment for the units in Bento Gonçalves (RS), Fábrica Fortaleza (CE), and São Caetano do Sul (SP); (ii) adjustments of DCs in Rio de Janeiro (RJ) to store inputs and packaging; and (iii) systems for managing production and information security at Fábrica Fortaleza (CE).

• Debt, Capitalization, and Cash

Year-to-date, net cash generated by operating activities totaled R\$959.7 million (+41.3% in 2020).

We closed the period with a cash position of R\$ 1.6 billion (R\$ 1.2 billion in 2020) and gross indebtedness of R\$ 1.8 billion (R\$ 1.6 billion in 2020), resulting in a leverage of 0.2x (net debt/LTM EBITDA) (0.4x in 2020).



• **Dividends**

In February 2022, we announced the **extraordinary distribution of interest on equity (IoE) in the gross amount of R\$588.2 million** and the **quarterly distribution of IoE in the gross amount of R\$0.05 per share**. It is worth noting that dividends/IoE will be applied to the minimum mandatory dividend and will be part of the target percentage of sixty percent (60%) of adjusted income to be paid (for fiscal year 2022).

	Date of Record	"Ex-interest" Date	Payment Date
1Q22	03/17/2022	03/18/2022	03/31/2022
2Q22	06/15/2022	06/17/2022	06/30/2022
3Q22	09/16/2022	09/19/2022	09/30/2022
4Q22	12/15/2022	12/16/2022	12/29/2022

EVOLUTION OF 2021 ACTION PLAN

In 1Q21, we announced six tactical measures to increase sales and gains in productivity and efficiency, that were implemented over 2021.

• **Sales Growth**

Onda Verde Piraquê. (Piraquê's Green Wave) The plan consisted of the acceleration of growth and national expansion of the brand through (i) launches of products with higher value added; (ii) investment in marketing; (iii) greater presence on digital platforms; (iv) appropriate packaging for each channel profile; and (v) greater presence in premium POS, with the new items. In 2021, the results of the plan were:

- ✓ Growth of 14% in the net revenue of cookies & crackers (Total M. Dias Branco in cookies & crackers of 7%);
- ✓ Strong investment in marketing, with important campaigns as though potato Snacks "A obra prima do batatismo" new line of snacks "Sabores di Buteco", national campaign "Criações Originais".
- ✓ Launches of products with high value added, such as *Biscoito Piraquê Leite Maltado Coberto de Chocolate* (R\$ 28.3), *Chocowafers* (R\$ 21.9), *Salgadinho Sabores di Buteco* (R\$ 24.5), and *Snacks de Batata* (R\$ 39.0) – amounts represented by net revenue per kg.

New Partnerships. The plan consisted in increasing the capillarity of our distribution through new partnerships. Our sell-out on digital platforms grew by 176% in 2021, with 24 partners among retailers

(such as Americanas, Magalu, and Amazon), delivery applications (such as iFood, Rappi, and Cornershop), and official stores of Piraquê, Adria, and Vitarella launched in Mercado Livre.

Leverage opportunities in the Export market. We ended 2021 with nine new countries, 46 active countries (countries that made purchases in 2021), 20 exclusive launches for the export market, and a 14% sales volume growth in the cookies & crackers category.

- **Productivity and efficiency**

SKU Optimization. We removed 179 cookies & crackers and pasta SKUs from our portfolio (goal of 137 SKUs) to reduce the complexity of our operation.

Adjustment of the Industrial and Logistics Footprint The plan consisted in closing DCs, renegotiating tariffs with logistics operators, and concentrating production in fewer lines. In 2021, we closed two DCs, with ongoing renegotiations.

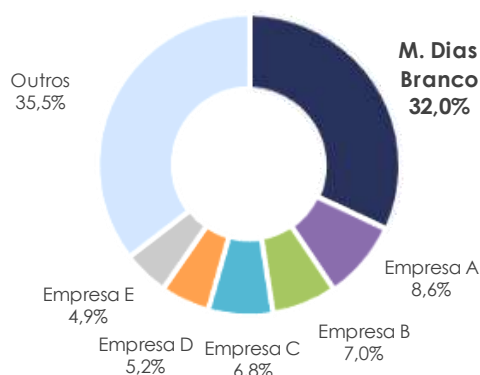
Corporate Restructuring. In April 2021, as presented in the release for 3Q21, M. Dias Branco contracted Gradus, a consulting firm specialized in increasing productivity, to provide support to our corporate restructuring, adjusting it to our strategy and market challenges. The project involved an in-depth discussion of productivity opportunities in Company areas, resulting in a **recurring and structural reduction** of more than **R\$80 million** in personnel expenses per year, including Company employees and contractors. Most changes occurred in the second half of 2021, reason why the reduction will be fully captured in 2022. The severance costs of employee terminations in 2021 were nearly offset with the savings from the reduction in the number of Company employees and contractors.

MARKET HIGHLIGHTS

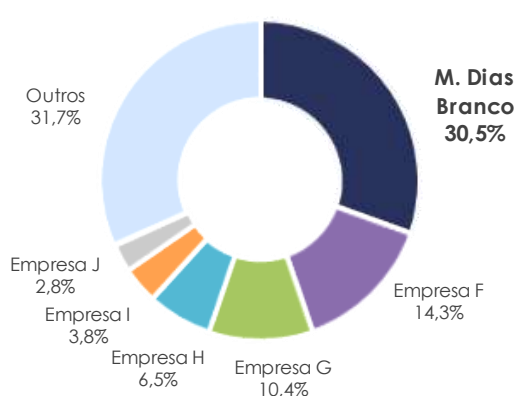
MARKET SHARE

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 December 2021).

Market Share Biscoitos* - Brasil
(% de volume vendido)



Market Share Massas* - Brasil
(% de volume vendido)



*Fonte: Nielsen – Retail Index, Total Brasil, INA+C&C. Categoria Biscoitos e Massas.

SALES CHANNELS

In 2021, the Key Account/Regional Networks and Distributors channels increased their share in the customer mix. The Key Account/Regional Networks performance is linked to the strategy to build and strengthen brands. The Distributors channel continues growing in line with our strategy to increase capillarity, especially in the Offense region.

Comparing 4Q21 and 4Q20, the mix changed similarly to the full year of 2021, but the Wholesale channel recovered with the resumption of consumption outside households.

Client Mix	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
Small Retail	23.5%	26.3%	-2.8 p.p	25.7%	-2.2 p.p	25.4%	26.8%	-1.4 p.p
Wholesale	21.4%	20.4%	1 p.p	20.8%	0.6 p.p	21.1%	22.5%	-1.4 p.p
Key Accounts / Regional Chains	24.4%	23.2%	1.2 p.p	24.4%	0 p.p	23.4%	20.7%	2.7 p.p
Cash and Carry	16.5%	16.4%	0.1 p.p	16.5%	0 p.p	16.3%	18.2%	-1.9 p.p
Distributors	9.6%	8.2%	1.4 p.p	8.6%	1 p.p	8.8%	7.3%	1.5 p.p
Industry	1.2%	1.4%	-0.2 p.p	1.3%	-0.1 p.p	1.5%	1.0%	0.5 p.p
Other	3.4%	4.1%	-0.7 p.p	2.7%	0.7 p.p	3.5%	3.5%	0 p.p
TOTAL	100.0%	100.0%		100.0%		100.0%	100.0%	

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

Major Clients		Sales 4Q21 (R\$ million)*	Gross revenue excluding discounts and returns (%)		Sales 2021 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	248.3	9.6%	9.6%	845.9	9.2%	9.2%
49 Subsequent	50	789.0	30.5%	40.1%	2,754.3	30.0%	39.2%
50 Subsequent	100	222.4	8.6%	48.7%	717.1	7.8%	47.0%
900 Subsequent	1,000	779.4	30.1%	78.8%	2,745.8	29.9%	76.9%
Other Clients	All clients	550.6	21.3%	100.1%	2,133.2	23.1%	100.0%
TOTAL		2,589.7			9,196.3		

*Gross revenue excluding discounts and returns.

OPERATIONAL HIGHLIGHTS

PRODUCTION CAPACITY UTILIZATION RATE

We closed 2021 with a capacity utilization rate of 60.0%, 11.9 p.p. lower than in 2020. The decrease was due to the 14.4% drop in produced volume, as sales volume returned to normal levels, given that they had been impacted by strong demand in 2020, mainly between 2Q20 and 3Q20, leading to the reactivation of production lines and inclusion of new shifts, which increased the comparison base.

Year-on-year, the increase in production volumes rose the utilization rate by 2p.p. in 4T21, which moved up from 56.9% to 58.9%. Quarter-on-quarter, the rate fell by 6.9p.p. in 4Q21, reflecting the 3.6% decrease in sales volume.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20
Total Production	137.8	118.2	91.9	92.6	363.4	338.5	45.1	47.5	3.7	3.7	641.9	600.5
Total Production Capacity	226.1	230.1	142.7	146.0	622.9	579.9	90.0	90.0	8.8	9.7	1,090.5	1,055.7
Capacity Utilization	60.9%	51.4%	64.4%	63.4%	58.3%	58.4%	50.1%	52.8%	42.0%	38.1%	58.9%	56.9%

*Thousand tonnes.

**Cakes, snacks, cake mix and packaged toast.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21
Total Production	137.8	152.8	91.9	107.5	363.4	409.7	45.1	48.9	3.7	4.2	641.9	723.1
Total Production Capacity	226.1	233.1	142.7	143.8	622.9	622.9	90.0	90.0	8.8	9.0	1,090.5	1,098.8
Capacity Utilization	60.9%	65.6%	64.4%	74.8%	58.3%	65.8%	50.1%	54.3%	42.0%	46.7%	58.9%	65.8%

*Thousand tonnes.

**Cakes, snacks, cake mix and packaged toast.

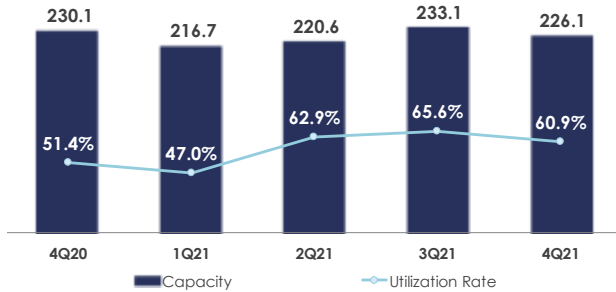
Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total Production	531.1	598.4	380.0	462.0	1,493.1	1,765.1	176.0	192.1	16.3	17.0	2,596.5	3,034.6
Total Production Capacity	896.5	896.1	562.7	580.8	2,470.9	2,319.6	360.0	385.7	36.3	38.7	4,326.4	4,220.9
Capacity Utilization	59.2%	66.8%	67.5%	79.5%	60.4%	76.1%	48.9%	49.8%	44.9%	43.9%	60.0%	71.9%

*Thousand tonnes.

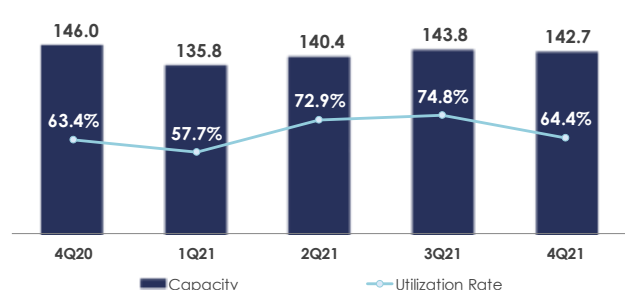
**Cakes, snacks, cake mix and packaged toast.

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

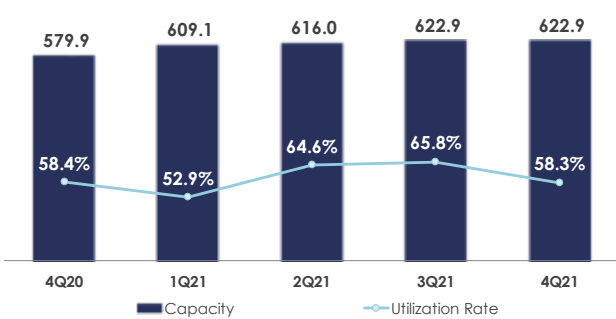
Production Capacity (thousand tonnes) and Utilization Rate - Cookies and Crackers (%)



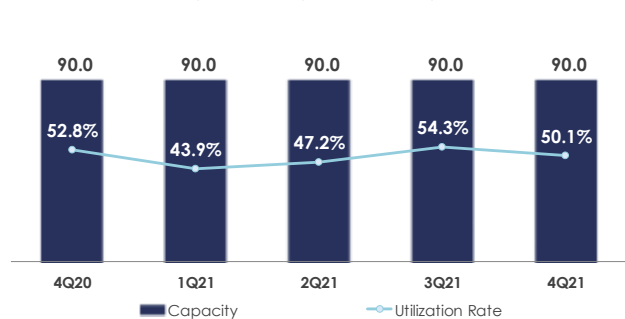
Production Capacity (thousand tonnes) and Utilization Rate - Pasta (%)



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



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

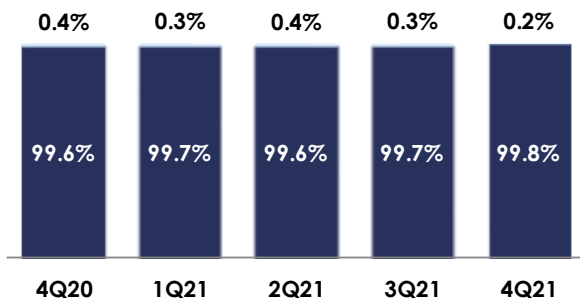


VERTICAL INTEGRATION

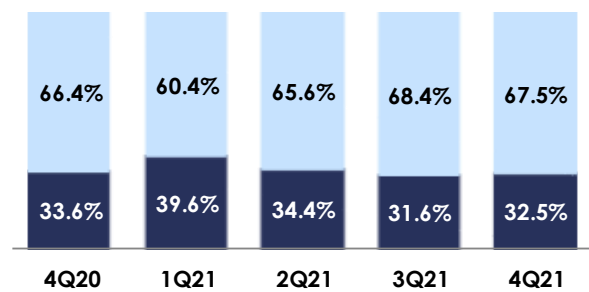
Maintained high levels for both wheat flour and vegetable shortening.

WHEAT FLOUR

COMPANY'S CONSUMPTION



PRODUCTION ALLOCATION



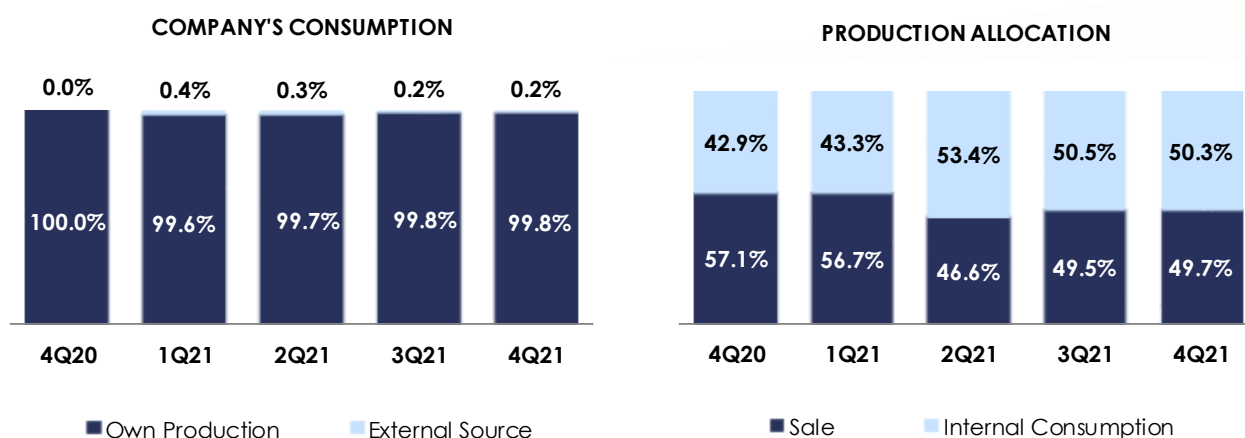
Own Production

External Source

Sale

Internal Consumption

VEGETABLE SHORTENING



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

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

Year-on-year, net revenue grew by 7.7% in 2021, due to a 25.8% increase in the average price, which offset the 14.3% drop in sales volume.

Segment	2021			2020			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	3,960.4	519.4	7.62	3,702.2	574.6	6.44	7.0%	-9.6%	18.3%
Pasta	1,713.5	373.0	4.59	1,687.9	451.1	3.74	1.5%	-17.3%	22.7%
Wheat Flour and Bran	1,425.6	708.8	2.01	1,297.0	855.3	1.52	9.9%	-17.1%	32.2%
Margarine and Vegetable Shortening	545.7	85.8	6.36	420.6	90.1	4.67	29.7%	-4.8%	36.2%
Other products**	168.8	15.9	10.62	144.8	15.8	9.16	16.6%	0.6%	15.9%
TOTAL	7,814.0	1,702.9	4.59	7,252.5	1,986.9	3.65	7.7%	-14.3%	25.8%

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

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

We present below some of our launches and sales and marketing initiatives carried out in 2021:

Launches: 89 products, 20 of which focused on the export market. We continue expanding our portfolio of higher value-added items. In 4Q21, we launched 33 new products, and it is worth highlighting items with prices (R\$/kg) above the average of the cookies & crackers categories, such as Isabela vanilla cookies (R\$ 17.4/kg) and Vitarella chocolate chip cookies (R\$ 21.8/kg), Richester brownies (R\$ 12.1/kg), and Isabela milk jam wafers (R\$ 9.8/kg).



Isabela vanilla cookies (R\$ 17.4/kg) and Vitarella chocolate chip cookies (R\$ 21.8/kg), Richester brownies (R\$ 12.1/kg), and Isabela milk jam wafers (R\$ 9.8/kg).

Investments in marketing and sales: several initiatives in the Vitarella, Piraquê, Adria, and Richester brands, focusing on digital media and out of home. It is worth noting the investments made in the Piraquê's nationalization campaign and Vitarella "Cream Cracker 7 tier (camadas) #1" and "Delicita Cristal" campaigns, in addition to merchandising initiatives with the brand on BBB21. Adria's "A vida acontece nos detalhes", Piraquê's "Criações Originais" and "Comida di Buteco", and Richester's "Chocowafer" campaigns also stood out in 2021. In 4Q21, in addition to the actions to reposition Vitarella, we also launched Piraquê's "Batatismo" campaign with the brand's potato snacks



Year-on-year, net revenue grew by 27.2% in 4Q21, with increases of 5.8% in volumes and 20.3% in prices.

Segment	4Q21			4Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,114.6	140.3	7.94	845.0	126.4	6.69	31.9%	11.0%	18.7%
Pasta	479.7	101.6	4.72	387.2	94.5	4.10	23.9%	7.5%	15.1%
Wheat Flour and Bran	355.6	171.3	2.08	302.6	163.9	1.85	17.5%	4.5%	12.4%
Margarine and Vegetable Shortening	162.9	22.4	7.27	132.1	26.7	4.95	23.3%	-16.1%	46.9%
Other products**	51.7	4.3	12.02	34.7	4.2	8.26	49.0%	2.4%	45.5%
TOTAL	2,164.5	439.9	4.92	1,701.6	415.7	4.09	27.2%	5.8%	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, juice powder, packaged toast, healthy products, sauces and seasonings.

Quarter-on-quarter, net revenue fell by 0.7% in 4Q21, due to a drop in sales volume, which was partially offset by the 2.9% increase in the average price.

Segment	4Q21			3Q21			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,114.6	140.3	7.94	1,128.9	143.6	7.86	-1.3%	-2.3%	1.0%
Pasta	479.7	101.6	4.72	459.1	96.4	4.76	4.5%	5.4%	-0.8%
Wheat Flour and Bran	355.6	171.3	2.08	386.7	188.2	2.05	-8.0%	-9.0%	1.5%
Margarine and Vegetable Shortening	162.9	22.4	7.27	161.7	24.2	6.68	0.7%	-7.4%	8.8%
Other products**	51.7	4.3	12.02	43.4	4.0	10.85	19.1%	7.5%	10.8%
TOTAL	2,164.5	439.9	4.92	2,179.8	456.4	4.78	-0.7%	-3.6%	2.9%

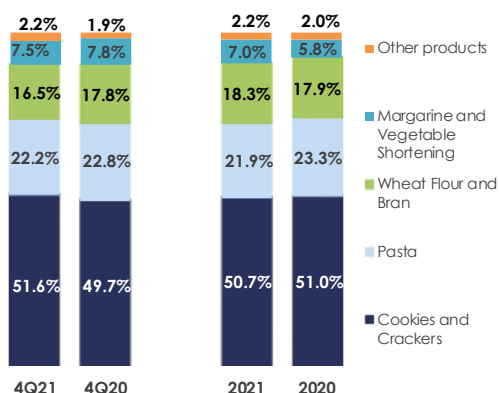
*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

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

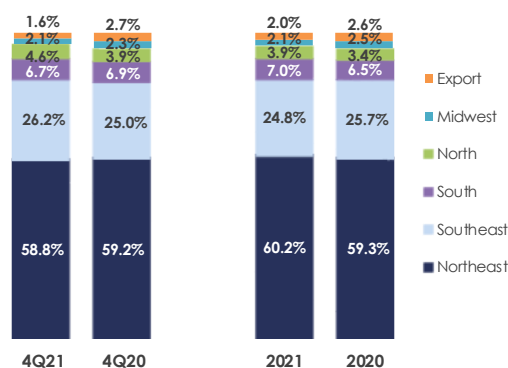
Net Revenue (R\$ million) and Net Volume (thousand tonnes)



Net Revenue Breakdown



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



HIGHLIGHTS – COOKIES & CRACKERS

The net revenue grew 7.0% in 2021 vs. 2020, with 18.3% increase in the average price and a 9.6% decrease in sales volumes. The retraction in volumes occurred mainly in the Northeast and Southeast regions and in the categories of cream cracker and maria e maisena.

On the other hand, it is important mentioning the increase in sales of covered cookies, mainly in the Northeast and Southeast regions, and of stuffed cookies abroad, in line with the Company's strategy of launching high value-added products and increasing exports.

Quarter-on-quarter, net revenue grew by 31.9% in 4Q21, with volume increases in all categories. It is worth noting the growth of cream crackers and milk ring-shaped cookies, especially in the Northeast region.

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\$ 95.5 million in 4Q21, increases of 73.3% year-on-year and

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

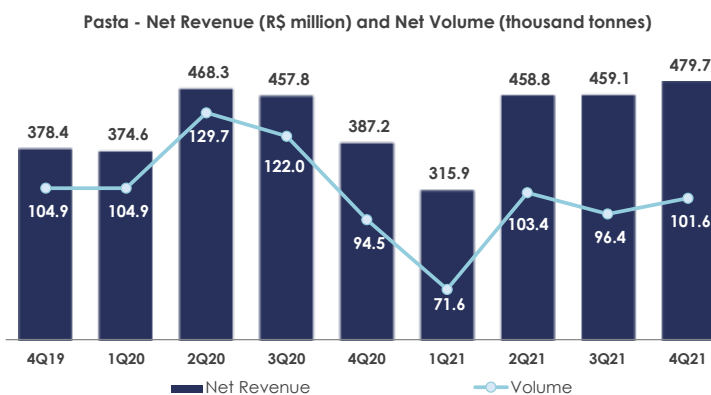


19.7% quarter-on-quarter, totaling 133 products (99 in 4Q20 and 122 in 3Q21). YTD, revenue totaled R\$ 291.7 million, a growth of 48.1%.

HIGHLIGHTS - PASTA

The net revenue from pasta grew by 1.5% YoY in 2021, with an increase of 22.7% in the average price, offsetting the 17.3% drop in volumes. It is worth noting that pasta sold in 2020 was impacted by higher household consumption, due to the closing of bars and restaurants because of the pandemic, leading to an unfavorable comparison base.

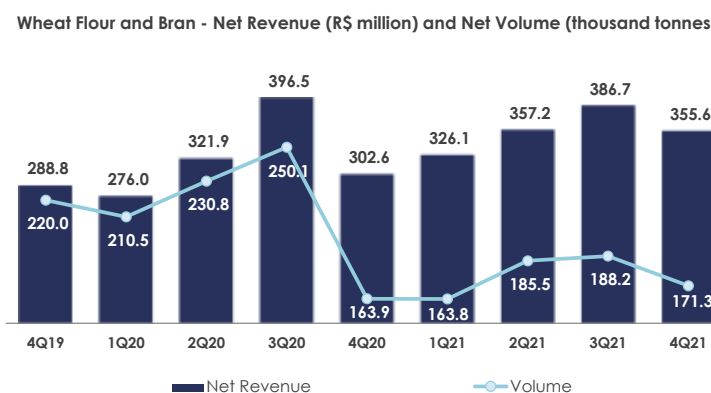
Year-on-year, net revenue grew by 23.9% in 4Q21, with increases of 15.1% in the average price and 7.5% in volume. It is worth noting the egg pasta subcategory, which recorded a 30% increase in volume, especially in the Southeast region with the Adria brand.



HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue from wheat flour and bran grew by 9.9% in 2021, due to an increase of 32.2% in the average price, which offset the 17.1% decrease in volumes. The drop was recorded for both industrial and domestic wheat flour, however, industrial wheat flour recorded the highest drop, especially in the Northeast region.

Year-on-year, net revenue grew by 17.5% in 4Q21, due to increases of 4.5% in volumes and 12.4% in the average price. It should be noted the strong increase in the Southeast region, both in industrial and domestic wheat flour.



HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening grew by 29.7% YoY in 2021, as the average price grew by 36.2% and volumes fell by 4.8%.

The decrease in volumes was a result of the drop in the domestic subcategory, which was partially offset by increases in the volumes of the industrial subcategory in the Offense region and Exports.

The decrease of volumes in the domestic subcategory was also noticed in 4Q21 compared to 4Q20. Even though, net revenue grew by 23.3%, due to a 46.9% increase in the average price, which offset the 16.1% drop in volumes. It is worth noting the performance of Puro Sabor in the industrial subcategory, which grew in the North and Northeast regions and in the export market.

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



COSTS

COGS (R\$ million)	4Q21	% Net Rev.	4Q20	% Net Rev.	Variation	3Q21	% Net Rev.	Variation	2021	% Net Rev.	2020	% Net Rev.	Variation
Raw material	1,208.7	55.8%	872.3	51.3%	38.6%	1,134.3	52.0%	6.6%	4,171.5	53.4%	3,532.2	48.7%	18.1%
Wheat	752.4	34.8%	560.4	32.9%	34.3%	699.6	32.1%	7.5%	2,630.7	33.7%	2,371.1	32.7%	10.9%
Vegetable Oil	265.5	12.3%	170.1	10.0%	56.1%	262.3	12.0%	1.2%	899.5	11.5%	588.1	8.1%	53.0%
Sugar	70.1	3.2%	44.6	2.6%	57.2%	59.7	2.7%	17.4%	225.2	2.9%	182.6	2.5%	23.3%
Third Party Flour	2.0	0.1%	2.3	0.1%	-13.0%	1.8	0.1%	11.1%	7.5	0.1%	16.3	0.2%	-54.0%
Third Party Vegetable Shortening	0.4	0.0%	0.0	0.0%	n/a	0.5	0.0%	-20.0%	1.7	0.0%	2.9	0.0%	-41.4%
Other	118.3	5.5%	94.9	5.6%	24.7%	110.4	5.1%	7.2%	406.9	5.2%	371.2	5.1%	9.6%
Packages	154.0	7.1%	115.6	6.8%	33.2%	149.7	6.9%	2.9%	530.5	6.8%	478.3	6.6%	10.9%
Labor	167.9	7.8%	156.4	9.2%	7.4%	157.1	7.2%	6.9%	646.0	8.3%	623.6	8.6%	3.6%
Indirect costs	141.7	6.5%	118.1	6.9%	20.0%	130.8	6.0%	8.3%	514.0	6.6%	452.6	6.2%	13.6%
Depreciation and amortization	48.8	2.3%	45.9	2.7%	6.3%	44.6	2.0%	9.4%	184.5	2.4%	176.6	2.4%	4.5%
Other	1.5	0.1%	0.0	0.0%	n/a	0.0	0.0%	n/a	1.5	0.0%	0.0	0.1%	n/a
Total	1,722.6	79.6%	1,308.3	76.9%	31.7%	1,616.5	74.2%	6.6%	6,048.0	77.4%	5,263.3	72.6%	14.9%

In 2021, the cost of goods sold grew by 14.9% in absolute terms, accounting for 77.4% of net revenue, an increase of 4.8p.p. (72.6% in 2020). Year-on-year, costs were 31.7% higher in absolute terms and 2.7p.p. higher considering costs as a percentage of net revenue (76.9% in 4Q20). Quarter-on-quarter, the cost of goods sold increased by 6.6% in absolute terms and accounted for 79.6% of the net revenue for the period (74.2% in 3Q21).

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

2021 vs. 2020

Negative Impacts

- Decrease of 14.4% in the production volume;
- Increases of 31.5%, 61.4%, and 35.0% in the average cost (R\$) of wheat, oil, and sugar, respectively; and
- Rising inflation in 2021: 10.1% from January to December (vs. 4.5% in 2020)⁴.

Positive Impacts

- Improvement in the mix of sales volume, especially in the cookies & crackers category.

4Q21 vs. 4Q20

Negative Impacts

- Increases of 29.0%, 46.9%, and 45.2% in the average cost (R\$) of wheat, oil, and sugar, respectively.

Positive Impacts

- Increase of 6.9% in production volume.

4Q21 vs. 3Q21

Negative Impacts

- Decrease of 11.2% in production volume; and
- Increases of 7.2% and 18.5% in the average cost (R\$) of wheat, and sugar, respectively.

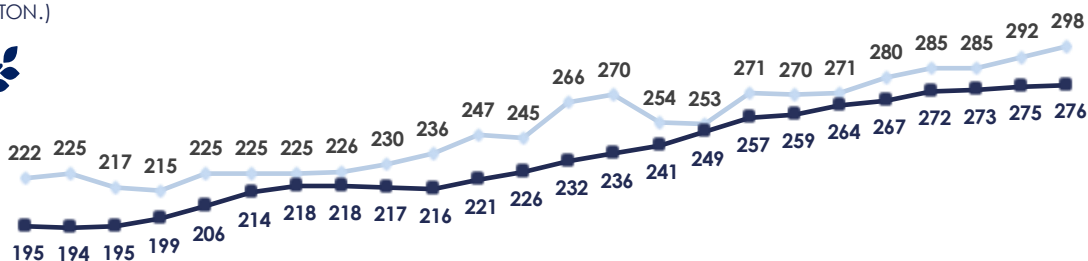
Positive Impacts

- Improvement in the mix of sales volume, especially in the cookies & crackers category.

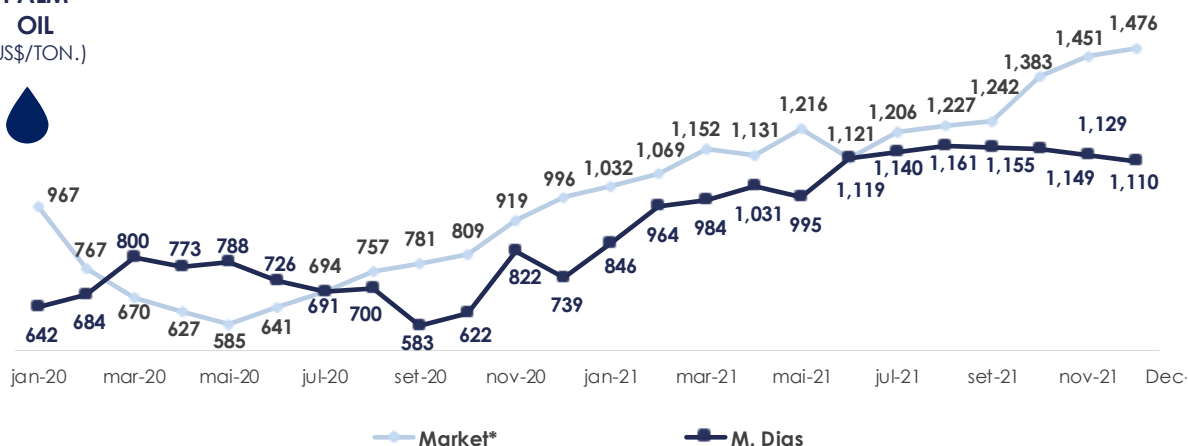
WHEAT
(US\$/TON.)



Average Purchase Price M. Dias Branco x Market Price



PALM OIL
(US\$/TON.)



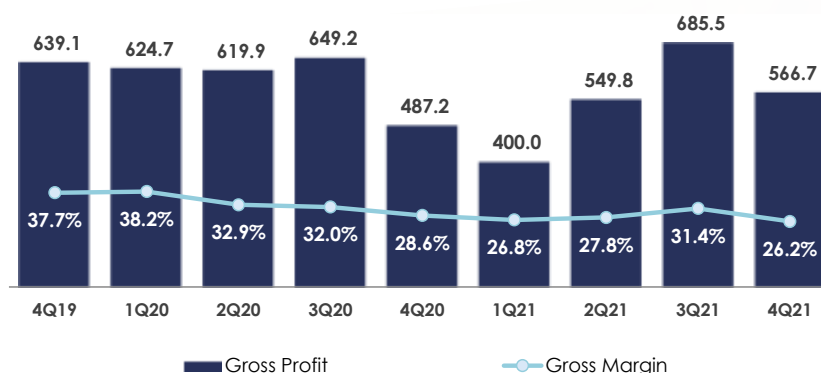
*Source: Wheat - SAFRAS & Mercado; Palm oil - Rotterdam.

GROSS PROFIT

Gross profit in nominal terms fell by 7.5% YoY in 2021, and the gross margin dropped by 4.6 p.p., from 32.8% in 2020 to 28.2% in 2021. The decrease was a result of high prices of raw materials in U.S. dollars, the 14.3% drop in sales volume, and the depreciation of the Brazilian real against the U.S. dollar. As a consequence of higher costs, we also notice the drop in margins both YoY and QoQ, of 2.4 p.p. and 5.2 p.p., respectively.

It is also important to highlight that gross profit included state investment subsidies of R\$ 436.0 million in 2021 (R\$ 391.8 million in 2020), recorded in profit or loss, under CPC 07 – Government Grants. In 4Q21, it totaled R\$ 124.8 million (R\$ 93.9 million in 4Q20).

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)	4Q21	% Net Rev.	4Q20	% Net Rev.	Variation	3Q21	% Net Rev.	Variation	2021	% Net Rev.	2020	% Net Rev.	Variation
Selling*	362.9	16.8%	369.6	21.7%	-1.8%	361.1	16.6%	0.5%	1,400.9	17.9%	1,508.6	20.8%	-7.1%
Administrative	59.4	2.7%	60.8	3.6%	-2.3%	65.2	3.0%	-8.9%	242.8	3.1%	254.4	3.5%	-4.6%
Donations	4.0	0.2%	8.5	0.5%	-52.9%	3.0	0.1%	33.3%	27.1	0.3%	22.2	0.3%	22.1%
Taxes	4.8	0.2%	12.6	0.7%	-61.9%	9.5	0.4%	-49.5%	30.8	0.4%	32.0	0.4%	-3.8%
Depreciation and amortization	27.4	1.3%	22.1	1.3%	24.0%	25.8	1.2%	6.2%	102.4	1.3%	83.1	1.1%	23.2%
Other operating expenses/(revenue)	-6.6	-0.3%	-112.2	-6.6%	-94.1%	4.1	0.2%	n/a	-10.3	-0.1%	-239.4	-3.3%	-95.7%
TOTAL	451.9	20.9%	361.4	21.2%	25.0%	468.7	21.5%	-3.6%	1,793.7	23.0%	1,660.9	22.9%	8.0%

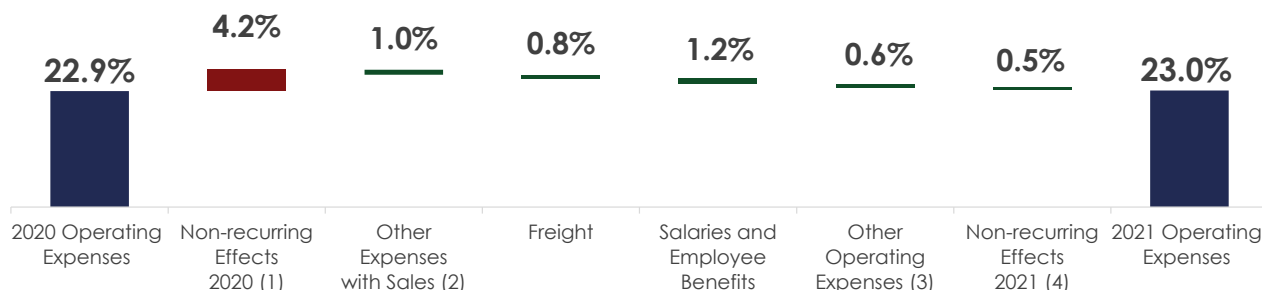
*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

The operating expenses grew 8.0% in absolute terms YoY in 2021. However, selling and administrative expenses fell by 7.1% and 4.6% respectively, recording a drop in their share of net revenue, which demonstrates the effectiveness of the gains from the Multiplique project, among other initiatives

Additionally, in 2021, a favorable non-recurring result of R\$ 87.5 million was recorded (R\$ 73.4 million of income from extemporaneous tax credits, R\$ 9.9 million with adjustment of the acquisition value of Piraquê, and R\$ 4.2 million with other recoveries) and R\$ 47.9 million of non-recurring expenses (R\$ 41.5 million with restructuring, R\$ 3.5 million of expenses with COVID-19 and R\$ 2.9 million with Latinex).

Year-on-year, expenses fell by 21.2% in absolute terms and 0.3 p.p. as a percentage of net revenue in 4Q21. The decrease in the percentage of net revenue was a result of the 5.8% upturn in sales volume, which contributed to the greater dilution of fixed expenses.

Evolution Operating Expenses 2021 vs. 2020 (%NR)



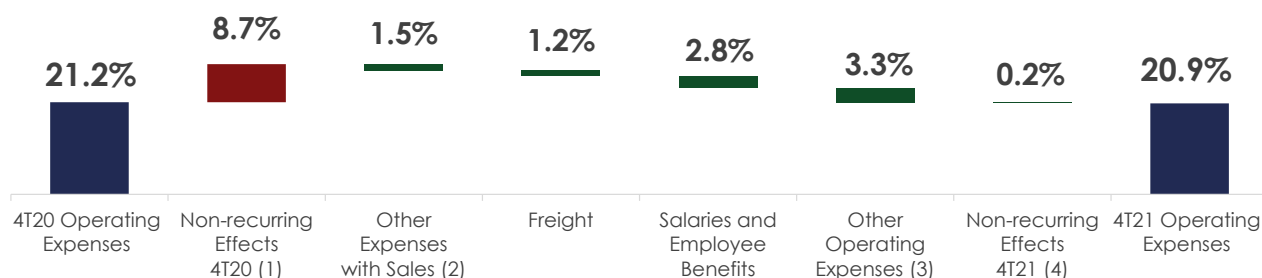
⁽¹⁾ **Note:** Non-recurring effects of 2020.

⁽²⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 2.0 million) and restructuring expenses (R\$ 17.2 million).

⁽³⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 1.5 million), restructuring expenses and Latinex (R\$ 27.2 million), revenues from extemporaneous tax credits (R\$ 73.4 million), adjustment of the acquisition value of Piraquê (R\$ 9.9 million), and others (R\$ 4.2 million).

⁽⁴⁾ **Note:** Non-recurring effects of expenses with COVID-19 (R\$ 3.5 million), restructuring expenses and Latinex (R\$ 44.4 million), revenues from extemporaneous tax credits (R\$ 73.4 million), adjustment of the acquisition value of Piraquê (R\$ 9.9 million), and others (R\$ 4.2 million).

Evolution Operating Expenses 4T21 vs. 4T20 (%NR)



⁽¹⁾ **Note:** Non-recurring effects of 4T20.

⁽²⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.2 million) and restructuring expenses (R\$ 1.6 million).

⁽³⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.1 million), restructuring expenses and Latinex (R\$ 6.2 million), revenues from extemporaneous tax credits (R\$ 13.1 million).

⁽⁴⁾ **Note:** Non-recurring effects of expenses with COVID-19 (R\$ 0.3 million), restructuring expenses and Latinex (R\$ 7.8 million), revenues from extemporaneous tax credits (R\$ 13.1 million).

FINANCIAL RESULT

Financial Result (R\$ million)	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
Financial Revenue	52.1	110.5	-52.9%	33.9	53.7%	166.4	182.3	-8.7%
Financial Expenses	-62.7	-23.7	n/a	-51.9	20.8%	-186.1	-92.5	n/a
Exchange Variation	-11.8	53.5	n/a	-33.6	-64.9%	-52.4	-168.6	-68.9%
Losses/Gains on derivatives	15.0	-73.5	n/a	49.0	-69.4%	63.7	172.7	-63.1%
Changes in fair value of financial instruments	-10.8	-9.7	11.3%	0.0	n/a	-11.4	-12.9	-11.6%
TOTAL	-18.2	57.1	-131.9%	-2.6	-49.3%	-19.8	81.0	-124.4%

The Company recorded a negative result of R\$ 19.8 million in 2021 (a positive R\$ 81.0 million in 2020). The negative result was due to (i) financial income in 2020, from the monetary restatement related to

the recognition of tax credits, which were lower in 2021; and (ii) higher financial expenses, due to the rise in CDI and IPCA rates.

Similar to the result recorded in 2021, our result was a negative R\$ 18.2 in 4Q21, mainly due to higher financial expenses from interest and monetary variation on debentures.

TAXES ON INCOME

We closed 2021 with a reversal of R\$ 127.8 million in income tax and social contribution, compared to the provision of R\$ 31.8 million recorded in 2020. The reversal was due to lower earnings before taxes of 53% in 2020, higher state tax incentives of 11% in 2020, and the recognition of R\$ 75.8 million in credit. In 4Q21, the reversal of income tax and social contribution was mainly influenced by the recognition of R\$ 46.1 million in credit.

Income and Social Contribution Taxes (R\$ million)	4Q21	4Q20	Variation	2021	2020	Variation
Income and Social Contribution Taxes	-62.8	-30.5	106.0%	-125.8	64.6	n/a
Income Tax Incentive	0.0	2.8	-100.0%	-2.0	-32.8	-93.9%
TOTAL	-62.8	-27.7	126.7%	-127.8	31.8	n/a

GOODWILL

As of 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition, currently totaling R\$ 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 4Q21, the Company recorded R\$ 3.9 million in tax benefit from amortization. In 2021, the amount came to R\$ 13.0 million.

EBITDA AND NET INCOME

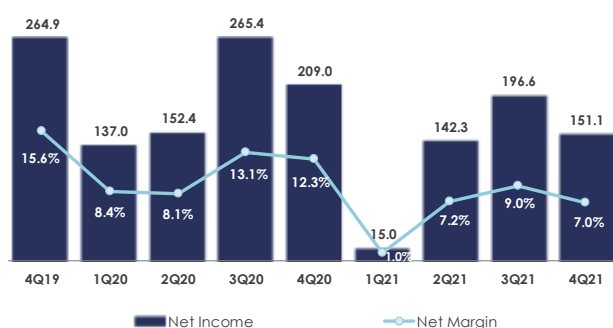
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
Net Profit	151.1	209.0	-27.7%	196.6	-23.1%	505.0	763.8	-33.9%
Income Tax and Social Contribution	-62.8	-30.5	n/a	19.0	n/a	-125.8	64.6	n/a
Income Tax Incentive	0.0	2.8	-100.0%	-2.0	-100.0%	-2.0	-32.8	-93.9%
Financial Revenue	-71.4	-197.6	-63.9%	-40.9	74.6%	-280.2	-335.2	-16.4%
Financial Expenses	89.6	140.5	-36.2%	43.5	n/a	300.0	254.2	18.0%
Depreciation and Amortization of cost of goods	48.8	45.9	6.3%	44.6	9.4%	184.5	176.6	4.5%
Depreciation and Amortization of expenses	27.4	22.1	24.0%	25.8	6.2%	102.4	83.1	23.2%
EBITDA	182.7	192.2	-4.9%	286.6	-36.3%	683.9	974.3	-29.8%
EBITDA Margin	8.4%	11.3%	-2.9 p.p	13.1%	-4.7 p.p	8.8%	13.4%	-4.6 p.p

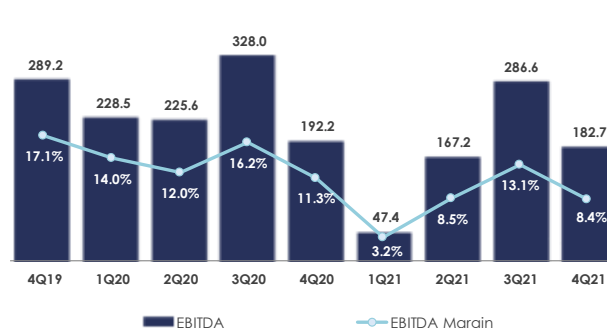
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
Net Revenue	2,164.5	1,701.6	27.2%	2,179.8	-0.7%	7,814.0	7,252.5	7.7%
Cost of goods sold	-1,722.6	-1,308.3	31.7%	-1,616.5	6.6%	-6,048.0	-5,263.3	14.9%
Depreciation and Amortization of cost of goods	48.8	45.9	6.3%	44.6	9.4%	184.5	176.6	4.5%
Tax Incentive (ICMS)	124.8	93.9	32.9%	122.2	2.1%	436.0	391.8	11.3%
Operating Expenses	-451.9	-361.4	25.0%	-468.7	-3.6%	-1,793.7	-1,660.9	8.0%
Equity in net income of subsidiaries	-8.3	-1.6	n/a	-0.6	n/a	-11.3	-5.5	n/a
Depreciation and Amortization of expenses	27.4	22.1	24.0%	25.8	6.2%	102.4	83.1	23.2%
EBITDA	182.7	192.2	-4.9%	286.6	-36.3%	683.9	974.3	-29.8%
EBITDA Margin	8.4%	11.3%	-2.9 p.p	13.1%	-4.7 p.p	8.8%	13.4%	-4.6 p.p

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



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



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	31/12/2021	31/12/2020	Variation
Cash	1,555.9	1,213.0	28.3%
Financial Investments Short Term	16.6	16.4	1.2%
Financial Investments Long Term	2.1	3.3	-36.4%
Total Indebtedness	-1,767.5	-1,589.1	11.2%
(-) Short Term	-116.0	-776.1	-85.1%
(-) Long Term	-1,651.5	-813.0	n/a
(-) Derivatives Financial Instruments	52.5	5.7	n/a
(=) Net Cash (Net Debt)	-140.4	-350.7	-60.0%
Shareholder's Equity	7,032.4	6,645.6	5.8%
Capitalization	8,799.9	8,234.7	6.9%

Financial Indicator	31/12/2021	31/12/2020	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-0.2	-0.4	-50.0%
Cash (Debt) Net / Shareholder's Equity	-2.0%	-5.3%	3.3 p.p
Indebtedness / Total Assets	16.6%	16.3%	0.3 p.p

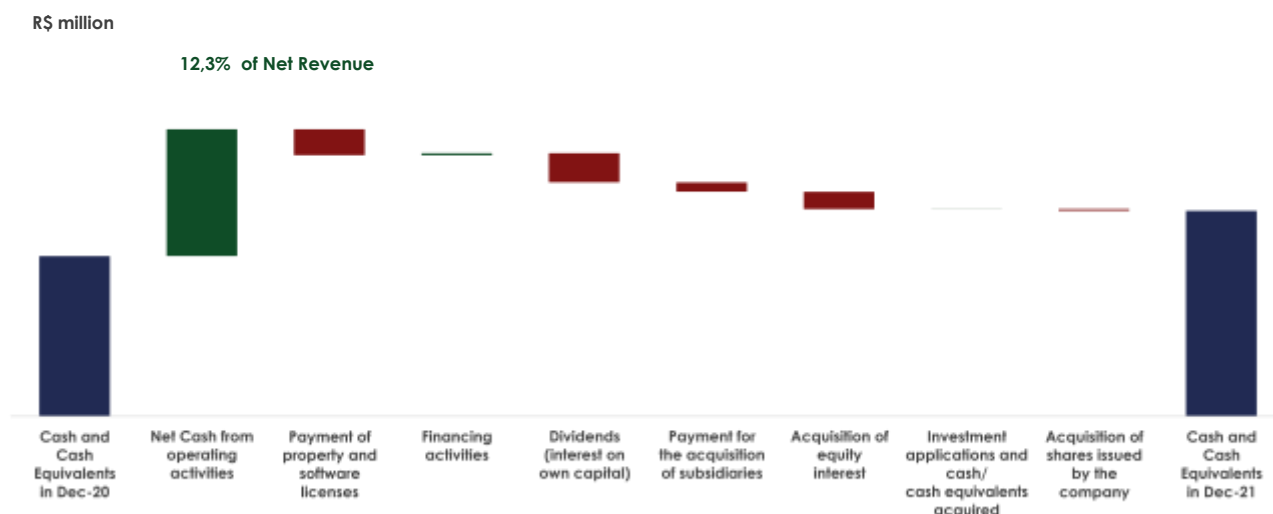
The Company closed the period with a cash position of R\$ 1.6 billion (R\$1.2 billion in 2020) and gross indebtedness of R\$ 1.8 billion (R\$ 1.6 billion in 2020), resulting in a leverage of 0.2x (net debt/LTM EBITDA) (0.4x in 2020).

Consolidated Debt (R\$ million)	Index	Interest (year)	12/31/2021	% Debt	12/31/2020	% Debt	Variation
Domestic Currency:			1,204.0	68.1%	733.0	46.1%	64.3%
BNDES - FINAME	TJLP	2.17%	10.2	0.6%	14.2	0.9%	-28.2%
BNDES - PSI	R\$	3.03% (2.98% on 12/31/20)	43.2	2.4%	73.6	4.6%	-41.3%
BNDES - FINEM	IPCA	8.57% (8.63% on 12/31/20)	29.6	1.7%	39.2	2.5%	-24.5%
BNDES - PROGEREN	IPCA	6.28%	22.2	1.3%	40.2	2.5%	-44.8%
FINIMP	100% CDI	3.80%	0.0	0.0%	138.1	8.7%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	13.5	0.8%	9.9	0.6%	36.4%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	3.5	0.2%	0.0	0.0%	n/a
Working Capital	100% CDI	0.94%	0.0	0.0%	200.8	12.6%	-100.0%
Working Capital	187% CDI	-	5.1	0.3%	0.0	0.0%	n/a
Working Capital	Others	10.07%	-	0.4%	-	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	4.6	0.3%	2.1	0.1%	n/a
Investment of assignment of Estrela's shares	100% CDI	-	11.1	0.6%	8.4	0.5%	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 Piraquê's shares	100% CDI	-	146.3	8.3%	205.8	13.0%	-28.9%
Investment of assignment of Latinex's shares	100% CDI	-	94.4	5.3%	0.0	0.0%	n/a
Debentures	IPCA	3.7992% e 4.1369%	811.7	45.9%	0.0	0.0%	n/a
Foreign Currency:			563.5	31.9%	856.1	53.9%	-34.2%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.69% (2.09% on 12/31/20)	563.5	31.9%	856.1	53.9%	-34.2%
TOTAL			1,767.5	100.0%	1,589.1	100.0%	11.2%

On December 31, 2021, 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 receivable of R\$ 25.7 million.

To protect the debenture issues, on December 31, 2021, 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 payable of all derivative instruments totaled R\$ 7.9 million on December 31, 2021.

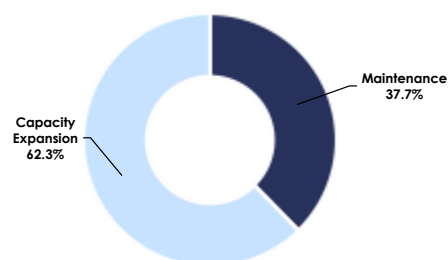
At the end of 2021, debentures totaled R\$ 811.7 million net of the unamortized balance of transaction costs totaling R\$ 41.3 million.



INVESTMENT

Investments (R\$ million)	4Q21	4Q20	Variation	2021	2020	Variation
Buildings	7.6	9.5	-20.0%	23.1	26.4	-12.5%
Machinery and equipment	35.9	32.6	10.1%	95.9	121.0	-20.7%
Construction in progress	7.1	12.5	-43.2%	41.6	43.5	-4.4%
Vehicles	0.1	0.0	n/a	0.1	0.3	-66.7%
IT Equipment	1.3	1.5	-13.3%	6.7	4.0	67.5%
Furniture and Fixtures	2.1	3.2	-34.4%	6.0	8.8	-31.8%
Land	0.0	0.0	n/a	0.0	3.8	-100.0%
Software Use License	18.2	6.7	n/a	33.0	12.1	n/a
Others	0.4	0.3	33.3%	1.7	1.9	-10.5%
Total	72.7	66.3	9.7%	208.1	221.8	-6.2%

Investments 4Q21 - R\$ 72.7 million



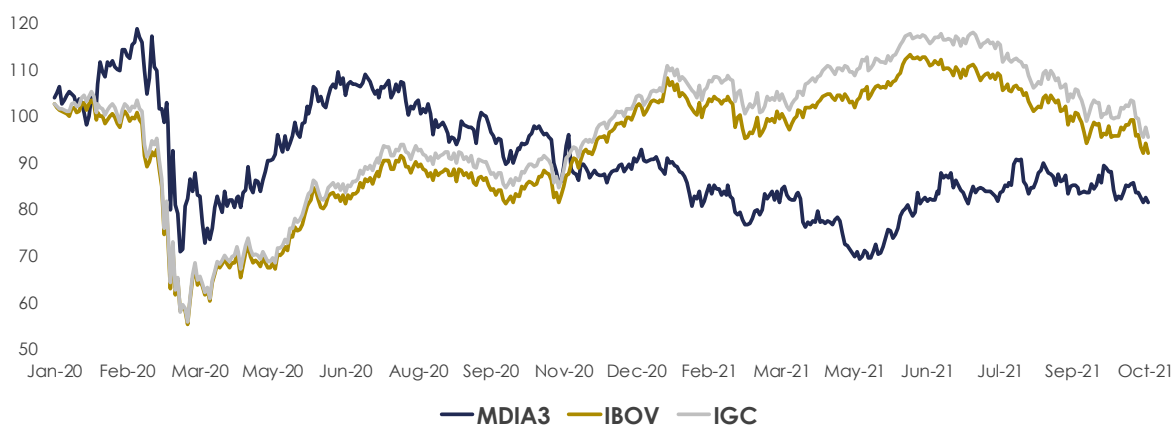
Investments totaled R\$208.1 million in 2021 (-6.2% in 2020) and R\$ 72.7 million in 4Q21 (+9.7% in 4Q20). It is worth noting the: (i) acquisition of equipment for the units in Bento Gonçalves (RS), Fábrica Fortaleza (CE), and São Caetano do Sul (SP); (ii) adjustments of DCs in Rio de Janeiro (RJ) to store inputs and packaging; and (iii) systems for managing production and information security at Fábrica Fortaleza (CE).

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 **December 30, 2021**, there were 82,401,851 outstanding shares, representing 24.3% of the Company's capital stock, priced at **R\$ 23.67** each, totaling **R\$ 1,950.1 million**. The average number of trades of MDIA3 shares was **6,263** in 2021 (7,037 in 2020), and the average daily trading financial volume was **R\$ 35.8 million** in 2021 (R\$ 45.7 million in 2020).

Performance MDIA3 x IBOV x IGC 01/02/2020 – 12/30/2021

MDIA3 (12/30/2021):
Stock Price: R\$23.67
Volume: R\$23.9 Million
IBOV: 104,822
IGC: 16,961



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 held on March 18, 2022, the Board of Directors approved (i) the Financial Statements for the fiscal year ended December 31, 2021; and (ii) other matters.

Acquisition of Latinex

On November 3, 2021, the Company concluded the acquisition of one hundred percent (100%) of the shares representing the capital stock of Latinex Importação e Exportação de Alimentos S.A. for an initial price of up to R\$180 million, and this amount may reach a total of up to R\$272 million, provided that certain performance targets established in the agreement are met.

Extraordinary distribution of IoE

M. Dias Branco paid extraordinary Interest on Equity (IoE), from years before 2022, at the total gross amount of five hundred and eighty-eight million, two hundred and thirty-five thousand, two hundred and ninety-four reais, and twelve centavos (R\$588,235,294.12). The amount was credited on February 16, 2022, based on the shareholding positions at the close of B3's trading session on February 9, 2022. Shareholders were paid on February 18, 2022, and, as of February 10, 2022, the shares will be traded "ex-interest on equity". The IoE per share was R\$1.7466264247, which, net of the fifteen percent (15%) withholding income tax, corresponded to R\$1.4846324610 per share, except for legal entities waived from such taxation.

Permanence in B3's ISE Index

As of January 22, 2022, the Company was selected to be included in the 17th portfolio of the Corporate Sustainability Index (ISE B3). To encourage an investment environment compatible with the sustainable development demands of society, ISE B3 supports investors' decision-making and encourages companies to adopt the best sustainability practices.

Share Buyback Program

Approved on August 6, 2021 by the Board of Directors, the purpose of the Program is to acquire Company shares to be held in treasury and further canceled or sold to (i) comply with the Long-Term Incentive Program with Restricted Shares approved at the Company's Extraordinary Shareholders' Meeting of April 30, 2021; and, (ii) maximize the creation of value for shareholders.

* Em 2021, a M. Dias Branco recebeu classificação A (em uma escala de AAA-CCC) na avaliação MSCI ESG Ratings. Mais informações disponíveis em: <https://ri.mdiasbranco.com.br/noticia/msci-esg-ratings/>

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

M. Dias Branco made progress over 2021 in the priority topics of the Strategic Sustainability Agenda. The agenda, created in 2013 with goals until 2021, established significant advances in the Company's socio-environmental performance. As a result, for the second consecutive time, we have been part of the portfolio of companies of B3's Corporate Sustainability Index, and improved our score from level D to B- in CDP Climate reporting, among other important achievements.

The governance of the agenda for priority topics in sustainability is carried out through the operation of Work Groups (WGs) and the results of the initiatives are periodically reported to the Sustainability Committee and the Executive Board in monthly Guideline Management (GPD) meetings and in the quarterly meetings of the ESG Committee and Board of Directors.

Main results of 2021 in the priority topics of cycle 2014-2021 of the Strategic Sustainability Agenda

Main Topic	Results
Communities and Social Investment	<ul style="list-style-type: none"> • Donation of more than R\$26 million in food to institutions and surrounding communities. • Social investment of more than R\$496,000. • Application of the social investment impact assessment methodology in all plants. • Initiatives with surrounding communities: donations, waste collection, planting of seedlings, etc.
Culture of Sustainability, Human Rights, and Diversity	<ul style="list-style-type: none"> • Disclosure of sustainable actions in several channels of the company. • Course of Brazilian Sign Language (Libras) to leaders and employees of the support area. • Creation of the Human Rights, Diversity, and Inclusion Policy. • ESG Forum, Journeys, and campaigns
Packaging	<ul style="list-style-type: none"> • Support to research and innovation in technology focused on sustainable packaging. • Update of the Critical Input Matrix to meet ISE requirements. • Prospection of new recycling material suppliers.
Inputs and Sustainable Value Chain	<ul style="list-style-type: none"> • Monitoring of critical inputs for sustainability. • Carbon footprint studies aimed at critical suppliers. • Disclosure of the Code of Conduct of Suppliers for the internal and external public. • Training of internal players on socio-environmental matters. • Free-cage goal monitoring.
Environment	<ul style="list-style-type: none"> • Expansion of the diversification of the water matrix. • Preparation of a plan to reduce or eliminate non-recycling materials.
Climate Change, Energy, and Emissions	<ul style="list-style-type: none"> • Definition of the climate change management guidelines. • Conclusion of the 1st stage of the implementation of the Company's Emission Management System (GEE). • Creation of the Energy Efficiency Policy. • Progress on the score of the CDP Climate survey, from "D" to "B-".
Nutrition and Healthiness	<ul style="list-style-type: none"> • Achievement of 100% of the goal to produce domestic market products without using partially hydrogenated fat. • Dissemination of scientific knowledge on products and ingredients
Occupational Health and Safety	<ul style="list-style-type: none"> • Implementation of actions for the Health Prevention and Quality of Life Program (Programa Viver Bem). • Implementation and diagnosis of Programa Positivo (occupational safety) in industrial plants.

2021 Indicators Panel

Indicators	4Q21	4Q20	Variation	2021	2020	Variation
Average Energy Intensity (kwh/ton)	135.4	178.5	-24.1%	139.0	166.8	-16.6%
Water Consumption (m³/ton)	0.43	0.46	-6.5%	0.41	0.39	5.1%
Waste Recycling Index (%)	93.9	89.5	3.4p.p.	90.9	86.7	3.2p.p.
Solid Waste Generation (kg/ton)	12.6	15.3	-17.6%	12.4	12.6	-1.6%
Frequency of Occupational Accidents	0.59	0.91	-35.2%	0.68	0.72	-5.6%

- **Energy intensity (SDGs 7 and 12):** In 2021, energy intensity was 139 kWh/ton, down by 16.6 % from 2020. In 4Q21, it reached 135 kWh/ton, down by 24.1% from the previous year. The 2020 data were reprocessed due to the standardization of the GJ unit of measurement.
- **Water consumption (SDGs 6, 9, and 12):** Water consumed in 2021 increased by 7.7% over 2020, due to the reduction in volumes produced, as a result of the higher number of stoppages and restart of lines. In 2021, we implemented initiatives to raise awareness on the use of water through informative campaigns. In addition, we prepared a study for identifying opportunities to implement actions related to the reuse of water at the plants, which will foster future strategies regarding this matter. Year-on-year, the Company recorded a drop of 6.5% in 4Q21, due to higher volumes produced.
- **Waste Recycling Index (SDGs 9 and 12):** The waste recycling rate increased both in 2021 and 4Q21, as a result of the implementation of more sustainable alternatives to dispose waste, such as composting and co-processing, reinforcing the Company's commitment to reduce the disposal of waste in landfills. In 2021, the Company implemented *Projeto Aterro Zero*, which leveraged its waste recycling index.
- **Solid Waste Generation (SDGs 9 and 12):** The generation of waste per ton produced fell by 1.6% in 2021, and by 17.6% in 4Q21, due to several actions implemented by the improvement teams in the production process.
- **Frequency rate of occupational accidents (SDGs 3 and 8):** The frequency rate of occupational accidents fell by 5.2% in 2021 and by 35,5% in 4Q21, due to informative programs on occupational diseases with the Work Accident Notice (*Comunicação de Acidente de Trabalho - CAT*), such as the informative on Hearing and Noise Loss (*Perda Auditiva e pelo Ruído - PAIR*), which came to zero in 4Q21.

Outras iniciativas e realizações em 2021:

- ✓ Implementation of the **Occupational Health management system** (Positivo Program) in 73% of the industrial units;
- ✓ **We are members of the Todos à Mesa** charity movement, in which companies support the vulnerable population, **fighting hunger and food waste**;
- ✓ **ESG** was the topic of training and a podcast aimed at the internal public;
- ✓ The **2021 Diversity Agenda** promoted lecturers, affirmative actions, and campaigns;

- ✓ Launch of the **Human Rights, Diversity, and Inclusion Policy**, with leadership training.
- ✓ Implementation of **psychological care and discussion groups**.
- ✓ Expansion of the **Corporate Volunteer Program “Fábrica de Voluntários”**.
- ✓ We **support more than 150 institutions** through donations, initiatives, and projects. All the communities near the 14 industrial units received product donations. A total of **4,309 tons of food were donated**.

Our volunteer commitments show important guidelines of our Sustainability Agenda. Since 2020, we have been signatories of the Rede Brasil platform of the Global Compact, a United Nations corporate sustainability initiative aimed at promoting principles related to human rights, work, and fight against corruption. We also mapped the Company's indicators and contributions for UN Sustainable Development Goals (SDG).

Moreover, we are committed to being cage-free until 2025 by only using eggs from cage-free chicken in our products. The Carbon Disclosure Project (CDP) and the UN Guiding Principles on Business and Human Rights are other of the Company's important commitments, which, in 2021, was part of B3's Corporate Sustainability Index.

The socio-environmental progress is increasingly integrated into the decision-making process, internal and external evaluation mechanisms, and consequently, to the creation of value for the Company. Therefore, M. Dias Branco, aims to continue improving environmental, social, and governance aspects.

Challenges of the new cycle of the 2022-2030 Strategic Sustainability Agenda

Over 2021, we have reviewed our Sustainability Agenda, aiming to **further connect our actions with current social, environmental, and governance priorities**. The integration of sustainability into the business' main strategies is our priority.

The entire process to review the agenda counted on the methodological support of a specialized consulting firm that talked to several stakeholders (customers, employees, investors, etc.), conducted a market trend survey, benchmarking with food companies, among other sources, which resulted in the materiality matrix, considering the impact of the topics in our business, compared to the importance attributed by several stakeholders. The agenda was approved by the Board of Directors at the beginning of 2022, which is now supported by an ESG Committee.

There are **15 priority topics** distributed over three pillars: care for the planet (Environmental), believe in people (Social), and strengthen alliances (Governance). Indicators and long-term goals have been defined for each topic, some of which are public and others aim at internal management. In 2022, we started mobilizing new Working Groups (WGs) to implement the new Agenda, by defining leaders, teams, action teams, and short-, medium-, and long-term goals. All the advancements will be monitored through a management system.

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;
- ✓ Reaching of science-based targets, which are in process of being elaborated with the Science Based Targets Initiative (SBTI), for the reduction of absolute emissions of greenhouse gases (GHG) 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 nearby 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.

FINANCIAL STATEMENTS

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

INCOME STATEMENT (R\$ million)	4Q21	4Q20	Variation	3Q21	Variation	2021	2020	Variation
NET REVENUES	2,164.5	1,701.6	27.2%	2,179.8	-0.7%	7,814.0	7,252.5	7.7%
COST OF GOODS SOLD	-1,722.6	-1,308.3	31.7%	-1,616.5	6.6%	-6,048.0	-5,263.3	14.9%
TAX INCENTIVES (ICMS)	124.8	93.9	32.9%	122.2	2.1%	436.0	391.8	11.3%
GROSS PROFIT	566.7	487.2	16.3%	685.5	-17.3%	2,202.0	2,381.0	-7.5%
OPERATING REVENUES (EXPENSES)	-451.9	-361.4	25.0%	-468.7	-3.6%	-1,793.7	-1,660.9	8.0%
Sales expenses	-379.7	-382.4	-0.7%	-376.8	0.8%	-1,463.1	-1,554.1	-5.9%
Administrative and general expenses	-73.0	-77.5	-5.8%	-77.3	-5.6%	-306.0	-310.1	-1.3%
Other net income (expenses)	0.8	98.5	-99.2%	-14.6	n/a	-24.6	203.3	n/a
OPERATING INCOME BEFORE FINANCIAL RESULTS	114.8	125.8	-8.7%	216.8	-47.0%	408.3	720.1	-43.3%
Financial income	71.4	197.6	-63.9%	40.9	74.6%	280.2	335.2	-16.4%
Financial expenses	-89.6	-140.5	-36.2%	-43.5	n/a	-300.0	-254.2	18.0%
OPERATING INCOME AFTER FINANCIAL RESULTS	96.6	182.9	-47.2%	214.2	-54.9%	388.5	801.1	-51.5%
Equity in net income of subsidiaries	-8.3	-1.6	n/a	-0.6	n/a	-11.3	-5.5	n/a
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	88.3	181.3	-51.3%	213.6	-58.7%	377.2	795.6	-52.6%
Income tax and social contribution	62.8	27.7	n/a	-17.0	n/a	127.8	-31.8	n/a
NET INCOME	151.1	209.0	-27.7%	196.6	-23.1%	505.0	763.8	-33.9%

BALANÇO PATRIMONIAL (R\$ milhões)	M. DIAS (Consolidado)		
	31/12/2021	31/12/2020	Variação
ATIVO			
CIRCULANTE	4.443,1	3.870,6	14,8%
Caixa e equivalentes de caixa	1.555,9	1.213,0	28,3%
Contas a receber de clientes	1.439,0	960,1	49,9%
Estoques	1.154,2	1.216,1	-5,1%
Tributos a recuperar	127,9	398,9	-67,9%
Imposto de renda e contribuição social	71,2	-	n/a
Aplicações financeiras	16,6	16,4	1,2%
Instrumentos financeiros derivativos	51,1	23,8	n/a
Despesas antecipadas	7,8	10,3	-24,3%
Outros ativos circulantes	19,4	32,0	-39,4%
NÃO CIRCULANTE	6.214,0	5.859,3	6,1%
Realizável a longo prazo	750,6	618,6	21,3%
Aplicações financeiras	2,1	3,3	-36,4%
Depósitos judiciais	233,8	263,8	-11,4%
Tributos a recuperar	440,1	293,0	50,2%
Instrumentos financeiros derivativos	10,2	-	n/a
Ativo de indenização	59,8	53,6	11,6%
Outros ativos não circulantes	4,6	4,9	-6,1%
Investimentos	35,9	47,3	-24,1%
Propriedades para investimento	56,1	54,6	2,7%
Imobilizado	3.418,0	3.419,4	0,0%
Intangível	1.953,4	1.719,4	13,6%
TOTAL DO ATIVO	10.657,1	9.729,9	9,5%
PASSIVO			
CIRCULANTE	1.329,1	1.634,0	-18,7%
Fornecedores	741,4	361,7	n/a
Financiamentos e empréstimos com instituições financeiras	74,5	743,8	-90,0%
Financiamento de impostos	3,1	3,3	-6,1%
Financiamentos diretos	28,2	29,0	-2,8%
Debêntures	10,2	-	n/a
Arrendamentos	52,8	41,1	28,5%
Obrigações sociais e trabalhistas	176,9	176,6	0,2%
Obrigações fiscais	102,6	55,6	84,5%
Imposto de renda e contribuição social	1,8	-	n/a
Subvenções governamentais	10,8	12,4	-12,9%
Instrumentos financeiros derivativos	-	18,1	-100,0%
Dividendos	-	59,0	-100,0%
Outros passivos circulantes	126,8	133,4	-4,9%
NÃO CIRCULANTE	2.295,6	1.450,3	58,3%
Financiamentos e empréstimos com instituições financeiras	607,2	618,4	-1,8%
Financiamento de impostos	13,9	6,6	n/a
Financiamentos diretos	228,9	188,0	21,8%
Debêntures	801,5	-	n/a
Arrendamentos	193,0	153,9	25,4%
Obrigações fiscais	0,8	-	n/a
Imposto de renda e contribuição social diferidos	195,4	226,6	-13,8%
Instrumentos financeiros derivativos	8,8	-	n/a
Provisões para riscos cíveis, trabalhistas e tributários	221,2	219,1	1,0%
Outros passivos não circulantes	24,9	37,7	-34,0%
PATRIMÔNIO LÍQUIDO	7.032,4	6.645,6	5,8%
Capital social	2.597,7	2.567,9	1,2%
Reservas de capital	33,4	27,6	21,0%
Ajustes acumulados de conversão	0,2	0,2	0,0%
Ajuste de avaliação patrimonial	41,6	(7,5)	n/a
Reservas de lucros	4.408,2	4.001,4	10,2%
(-) Ações em tesouraria	(48,7)	(39,6)	23,0%
Dividendos adicionais	-	95,6	-100,0%
TOTAL DO PASSIVO E PATRIMÔNIO LÍQUIDO	10.657,1	9.729,9	9,5%

CASH FLOW (R\$ million)	4Q21	4Q20	Variation	2021	2020	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income before income tax and social contribution	88.2	181.3	-51.4%	377.2	795.6	-52.6%
Adjustments to reconcile net income with cash from operating activities:						
Depreciation and amortization	76.2	68.0	12.1%	286.9	259.7	10.5%
Cost on sale of permanent assets	0.7	0.2	n/a	1.4	1.8	-22.2%
Equity in net income of subsidiaries	8.3	1.7	n/a	11.3	5.6	n/a
Loans, investments and exchange variations update	49.4	-47.4	n/a	171.7	218.5	-21.4%
Tax credits and updates	-58.4	-292.0	-80.0%	-219.8	-533.9	-58.8%
Updated judicial deposits	-2.3	-0.5	360.0%	-5.5	-4.2	31.0%
Appropriate interest on lease	5.4	4.9	10.2%	20.3	17.4	16.7%
Provision and update for civil, labor and tax risks/others	11.5	9.0	27.8%	36.6	32.7	11.9%
Provision (reversion) for expenses/indemnity assets	-6.1	13.2	n/a	-2.7	20.3	n/a
Recognized shares granted	2.5	1.9	31.6%	9.6	6.6	45.5%
Provision (reversion) for losses of clients	5.0	4.6	8.7%	-0.9	23.0	n/a
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.0	n/a	0.0	0.8	-100.0%
Provision for income tax of loans	0.4	0.6	-33.3%	3.6	3.3	9.1%
Provision (reversion) for losses in inventories	2.2	5.6	-60.7%	10.0	8.4	19.0%
Losses (gains) on derivative contracts	31.3	83.2	-62.4%	-16.8	-159.8	-89.5%
Provision (reversion) for impairment of assets	0.1	0.0	n/a	0.8	-7.7	n/a
Changes in assets and liabilities						
(Increase) in trade accounts receivable	-285.9	-25.5	n/a	-468.6	-25.2	n/a
(Increase) decrease in inventories	51.7	11.7	n/a	-24.8	-430.9	-94.2%
(Increase) decrease in financial investments	0.7	0.0	n/a	-0.2	0.0	n/a
Decrease in taxes recoverable	151.2	103.8	45.7%	421.6	309.6	36.2%
(Increase) decrease em judicial deposits	-8.7	-0.6	n/a	35.8	-2.2	n/a
(Increase) decrease in prepaid expenses	-0.3	3.5	n/a	2.6	-2.5	n/a
(Increase) decrease in indemnity assets	1.0	3.0	-66.7%	9.1	8.0	13.8%
(Increase) decrease in other assets	1.2	-10.2	n/a	14.1	-10.6	n/a
Increase in suppliers	74.4	100.3	-25.8%	374.0	212.7	75.8%
(Decrease) in taxes and contributions	-19.4	-88.7	-78.1%	-7.0	-18.2	-61.5%
Increase (decrease) in social and labor obligations	-34.0	-61.8	-45.0%	-0.6	9.1	n/a
(Decrease) in provisions for civil, labor and tax risks	-8.6	-5.3	62.3%	-34.5	-27.1	27.3%
Increase (decrease) in government grants	0.2	-4.9	n/a	-1.5	7.6	n/a
Increase (decrease) in other liabilities	-15.5	-37.6	-58.8%	-36.3	24.7	n/a
Interests paid	-17.1	-20.0	-14.5%	-84.2	-56.9	48.0%
Exchange variations paid	0.0	-1.5	-100.0%	-40.0	-122.7	-67.4%
Income tax and social contributions paid	0.0	-13.7	-100.0%	0.0	-17.8	-100.0%
Receipts of funds for settlement of derivative transactions	60.0	-11.1	n/a	116.5	133.3	-12.6%
Net cash generated from operating activities	165.3	-24.3	n/a	959.7	679.0	41.3%
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-71.3	-63.0	13.2%	-196.6	-215.9	-8.9%
Payment of debt from purchase of company	-5.0	0.0	n/a	-69.9	-22.9	n/a
Acquisition of equity interest	-132.7	0.0	n/a	-132.7	0.0	n/a
Long-term financial investments	-2.0	0.0	n/a	-2.0	0.0	n/a
Redemption of long-term financial investment	0.0	0.0	n/a	3.3	0.5	n/a
Net cash (used) in investment activities	-211.0	-63.0	n/a	-397.9	-238.3	67.0%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	-16.9	0.0	n/a	-222.1	-85.0	n/a
Financing obtained	4.4	711.2	-99.4%	821.6	1,822.0	-54.9%
Payment of financing	-238.2	-710.2	-66.5%	-763.2	-1,246.2	-38.8%
Acquisition of treasury shares	0.0	0.0	n/a	-12.9	-43.8	-70.5%
Lease payments	-12.1	-7.1	70.4%	-42.3	-23.1	83.1%
Net cash used in financing activities	-262.8	-6.1	n/a	-218.9	423.9	n/a
Increase (decrease) in cash and cash equivalents	-308.5	-93.4	n/a	342.9	864.6	-60.3%
At the start of the period	1,864.4	1,306.4	42.7%	1,213.0	348.4	n/a
At the end of the period	1,555.9	1,213.0	28.3%	1,555.9	1,213.0	28.3%
Increase (decrease) in cash and cash equivalents	-308.5	-93.4	n/a	342.9	864.6	-60.3%

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.