

M. Dias Branco



Earnings Release
4Q20/2020

Eusébio (CE), March 31, 2021 - M. Dias Branco S.A. Indústria e Comércio de Alimentos (B3: MDIA3), the leader in Brazil's cookie & cracker and pasta markets, announces today its results for the fourth quarter (4Q20) and full year of 2020 (2020). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil (BR GAAP).

EARNINGS CONFERENCE CALL

April 1, 2021

Time:

> Portuguese (BR GAAP)

11:00 a.m. (Brasília time)

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

Phone: +55 (11) 3127-4971 or

+55 (11) 3728-5971

Code: MDias

Replay: +55 11 3127-4999

Password: 76337200

> English (BR GAAP)

11:00 a.m. (Brasília time)

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

Phone: +1 (516) 300-1066

Code: MDias

Replay: +55 11 3127-4999

Password: 87736584

Stock price:

Closing on 03/30/2021

MDIA3: R\$31.2 per share

Market cap: R\$10.6 billion

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MESSAGE FROM MANAGEMENT

Dear all,

The year 2020 transformed the world and social relations. It required great resilience and the ability to reinvent ourselves. At M. Dias Branco, I believe we have outdone ourselves especially in three competencies and skills: adaptability, innovation and agility. Amidst a scenario rife with uncertainty, once again the Company showed its potential, coming up with quick and effective solutions in extremely challenging circumstances. Supported by the strength of our brands; the excellent, respectful and transparent relationship with our suppliers, customers and consumers; and, of course, the Company's financial soundness and great infrastructure, we have not been intimidated. We did not deny the existence of a crisis, but we remained on the lookout for the opportunities that would certainly arise. Our team did not lose heart, because it is in our nature to believe that, in the face of the greatest difficulties, great opportunities are created. Therefore, we have soldiered on with a fearless spirit, with resilience, courage, faith and, above all, a great sense of responsibility. We had losses, it is true, but our ability to adapt was exceptional. We have created opportunities and managed to respond to the needs of society, fulfilling our mission to continue offering extremely high quality food for the well-being of society and the happiness of people.

Amidst 366 unprecedented days in recent human history, which increased demand for food, driven by a temporary frenzy of consumption and, consequently, an exponential increase in the cost of agricultural commodities, linked to the appreciation of the U.S. dollar, M. Dias Branco used its experience acquired over its almost 70 years of existence to design solid strategies, strengthening its cash position and cash generation through a strong sales policy that included the expansion of exports. The *Multiplique* (Multiply) Project also led to achievements and efficiency and productivity gains that stood out thanks to certain initiatives implemented in 2020, such as the launch of our hedging policy and the largest investment in marketing in the Company's history, in addition to the adoption of a new dividend policy, increasing the share of profit distributed to shareholders and the frequency of payments. In particular, we mention two extremely important achievements in Sustainability: our inclusion in the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2 B3), both of B3 (Brasil, Bolsa, Balcão). We also began reporting our emissions through the Carbon Disclosure Project (CDP).

All these results - despite the extremely turbulent context - were only possible thanks to the efforts of everyone, which enabled the Company to respond quickly and efficiently. Immediately, given the need to keep our industrial units in operation, since ours is an essential sector, we created a Crisis Committee to review the entire operation from north to south in order to guarantee the health and safety of our more than 17,000 employees and their families. All our employees who can work remotely are doing so. Those who needed to continue working in the factories and the market followed strict safety protocols, based on the guidelines of the competent health authorities and the World Health Organization (WHO).

Aware of our social role, we have run the #VoceDoaaGenteDoa (#YouDonateWeDonate) campaign to encourage blood donation. All in all, we donated R\$1.2 million in funds to blood centers from six states and another R\$1.2 million in food to charity institutions in Ceará, Pernambuco, Bahia, Rio de Janeiro, São Paulo and Rio Grande do Sul. For each bag of blood collected at the blood centers, M. Dias Branco donated 500 products to the *Mesa Brasil* (Brazil Table) program, the food bank of the Commerce Social Service (*Serviço Social do Comércio - Sesc*). A total of 7,867 bags of blood were collected, so we donated 413.3 tons of Fortaleza, Vitarella, Piraquê, Adria and Isabela

pasta, cookies and crackers. All in all, including food donations to 159 institutions near our units, we donated over 3,460 tons of products, equivalent to R\$17,3 million.

After 2020, which was a completely atypical year, nothing will ever be the same. Aiming at an increasingly latent future/present in the lives of customers and consumers, we have made substantial progress in the virtual market, e-commerce, with the sale of products directly at the consumer's home, through partnerships with delivery apps, connecting us to the market digital transformation process, which has been changing consumption habits.

In conclusion, we are moving forward, united and cohesive, even stronger, so we can continue our growth strategy, with respect for the environment, attentive to society issues and improvements in governance practices. We firmly believe in our country's potential, the talent and cooperation of our human capital and the strength of our work to overcome challenges, confident that we are on the path to success.

Ivens Dias Branco Júnior
CEO

M. Dias Branco's net revenue reaches R\$7.3 billion in 2020, 18.8% higher than in 2019. Net income grows 37.2%.

4Q20 AND 2020 HIGHLIGHTS



- ✓ **Net revenue:** R\$7.3 billion in 2020, up 18.8% (R\$1.7 billion in 4Q20, +0.4%);
- ✓ **Sales volume:** growth of 12.1% in 2020 (-15.5% in 4Q20);
- ✓ **Gross revenue from new cookie & cracker products:** R\$196.9 million in 2020 (+52%). R\$55.1 million in 4Q20 (+55%);
- ✓ **Market share volume** of 33.5% in cookies & cracker and 32.4% in pasta, growth compared to the end of 2019. National leadership maintained in both markets;
- ✓ **Present in 93.0% of Brazilian households in 2020 (92.2% in 2019)¹;**
- ✓ **Exports:** net revenue of R\$188.6 million in 2020, up 286.2%. R\$45.9 million in 4Q20 (+201.3%);
- ✓ **Cost of Goods Sold (COGS):** strong increase due to the depreciation of the real against the U.S. dollar;
- ✓ **Structural efficiency and productivity gains from the Multiplique (Multiply) Project:** R\$184 million in recurring gains recognized in 2020, equivalent to R\$438 million in annualized gains;
- ✓ **EBITDA:** R\$974.3 million in 2020, up 26.2% (R\$192.2 million in 4Q20, -33.5%);
- ✓ **Net income:** R\$763.8 million in 2020, up 37.2% (R\$209.0 million in 4Q20, -21.1%);
- ✓ **Leverage:** 0.4x (net debt/LTM EBITDA), down from 0.8x in 4Q19;
- ✓ **Cash generated by operating activities:** R\$693.2 million, up 1.6% in 2020 (consumption of R\$18.2 million in 4Q20);
- ✓ **Working capital:** release of R\$90 million in 2020 and consumption of R\$11.3 million in 4Q20;
- ✓ **AAA rating with a stable outlook** reaffirmed by Fitch Ratings;
- ✓ **Vertical integration:** 100% in vegetable shortening and 99.6% in wheat flour;

¹ Kantar Worldpanel Division.



- ✓ **Production:** 3,034,600 thousand tons produced in 2020, up 14.7%. 600,500 thousand tons produced in 4Q20 (-19.3% vs 4Q19);
- ✓ **Launch of the new shareholder payout policy**, increasing the number of annual payments from one to five, with a minimum distribution of 60% of adjusted net income;
- ✓ **Launch of the hedging policy**, in order to better protect the results against changes in currency exchange rates and commodity prices.
- ✓ **B3's Corporate Sustainability Index (ISE):** we were included in the ISE portfolio in 2020;
- ✓ **Carbon Disclosure Project (CDP):** we began filling out the CDP form in 2020;
- ✓ **B3's Carbon Efficient Index (ICO2):** we were included in the ICO2 portfolio in effect from January to April 2021;
- ✓ **Launch of the new edition of the Germinar (Germinate) program**, with R\$1 million to be invested in connection with startups;
- ✓ **As Melhores da Dinheiro (The Best of Dinheiro magazine):** M. Dias Branco was the best company in the food category;
- ✓ We won the **'100 Open Startups' award**, thanks to the relationship with startups via the open innovation program;
- ✓ **For the 4th consecutive year, we won the Transparency Trophy** in the 24th edition of the Award promoted by the National Association of Finance, Administration and Accounting Executives (Anefac);
- ✓ **2nd place in the 22th edition of the ABRASCA Award | Annual Report:** the award recognizes companies that improved their annual reports;
- ✓ **Top of Mind Brazil**, the Adria and Vitarella brands were ranked first and fourth, respectively, in the National Food Top Pasta category;
- ✓ **Subsequent events:** issue of R\$811.6 million in Agribusiness Receivables Certificates (CRAs), with seven- and ten-year series. Total demand for the offering of R\$2.3 billion, 2.9x higher than the initial value of R\$800 million.

INTRODUCTION

Financial and Operating Results	4Q20	4Q19	Variation	3Q20	Variation	2020	2019	Variation
Net Revenue (R\$ million)	1,701.6	1,694.1	0.4%	2,029.0	-16.1%	7,252.5	6,103.6	18.8%
Total Sales Volume (thousand tonnes)	415.7	492.2	-15.5%	558.6	-25.6%	1,986.9	1,771.8	12.1%
Cookies & Crackers Sales Volume (thousand tonnes)	126.4	140.5	-10.0%	156.9	-19.4%	574.6	514.5	11.7%
Pasta Sales Volume (thousand tonnes)	94.5	104.9	-9.9%	122.0	-22.5%	451.1	369.7	22.0%
Market share of Cookies & Crackers (volume)*	33.5%	32.0%	1.5 p.p	33.9%	-0.4 p.p	34.0%	33.7%	0.3 p.p
Market share of Pasta (volume)*	32.4%	32.2%	0.2 p.p	33.8%	-1.4 p.p	33.3%	34.7%	-1.4 p.p
Net Income (R\$ million)	209.0	264.9	-21.1%	265.4	-21.3%	763.8	556.9	37.2%
Ebitda (R\$ million)	192.2	289.2	-33.5%	328.0	-41.4%	974.3	772.1	26.2%
Ebitda Margin	11.3%	17.1%	-5.8 p.p	16.2%	-4.9 p.p	13.4%	12.6%	0.8 p.p
Net Cash (Debt) (R\$ million)	-350.7	-605.0	-42.0%	-255.5	37.3%	-350.7	-605.0	-42.0%
Net Cash (Debt) / EBITDA (last 12 months)	-0.4	-0.8	-50.0%	-0.2	100.0%	-0.4	-0.8	-50.0%
Capex (R\$ million)	66.3	101.7	-34.8%	54.4	21.9%	221.8	321.3	-31.0%
Net Cash generated from operating activities	-18.2	-17.9	1.7%	141.6	-112.9%	693.2	682.1	1.6%

* The values presented in 4Q20 and 4Q19 are from the period of Nov/Dec 2020 and 2019.

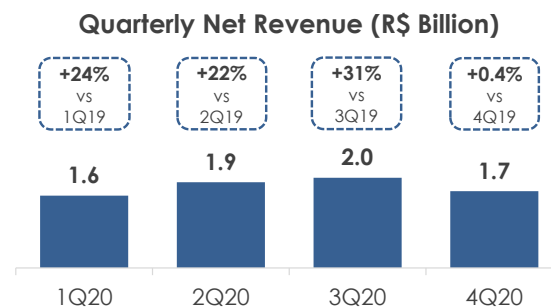
* The values presented in 3Q20 are from the period of Jul/Aug 2020.

* The values presented in 2020 and 2019 are from the period of Jan/Dec 2020 and 2019.

* The values presented in 4Q19 and 2019 changed due to the reprocessing of bases, carried out by Nielsen.

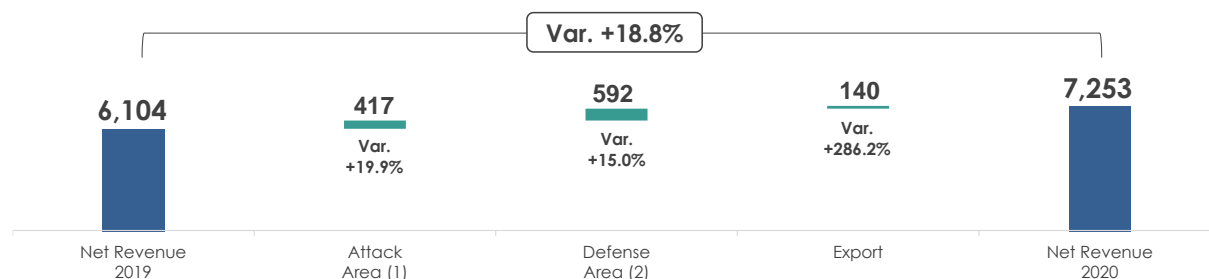
• Revenue

Our net revenue reached **R\$7.3 billion in 2020**, **18.8% higher than in 2019**, with growth in all the quarters, as shown beside. The second and third quarters stood out thanks to high demand in Brazil.



In line with our growth strategy, our revenue increased in the **Attack (South, Southeast and Midwest) and Defense (North and Northeast) regions**, as well as Exports.

Variation in Net Revenue by Regions 2020 vs 2019 (R\$ MM)

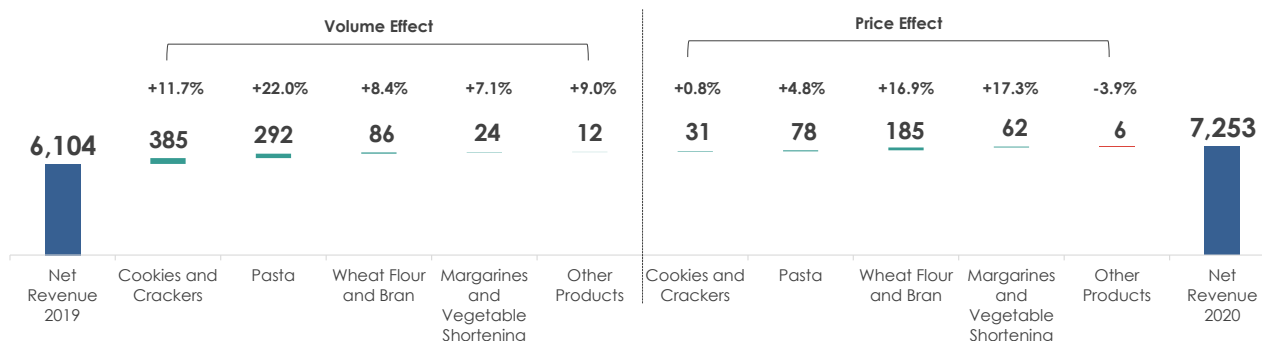


(1) Note: Attack Region comprises South, Southeast and Midwest.

(2) Note: Defense Region comprises North and Northeast.

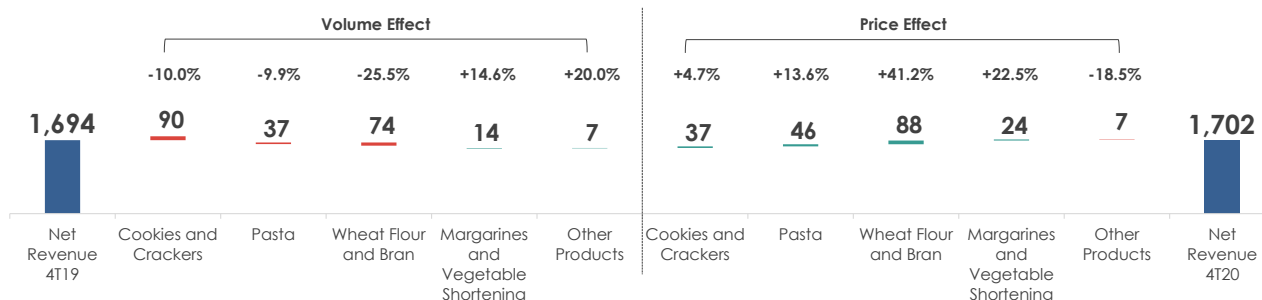
The revenue increase in 2020 was the result of a **12.1% upturn in sales volume**, with growth in all categories, and a **6.1% rise in the average price**, especially in wheat flour and bran, margarine and vegetable shortening, as shown below.

Net Revenue Variation 2020 vs 2019 (R\$ MM)



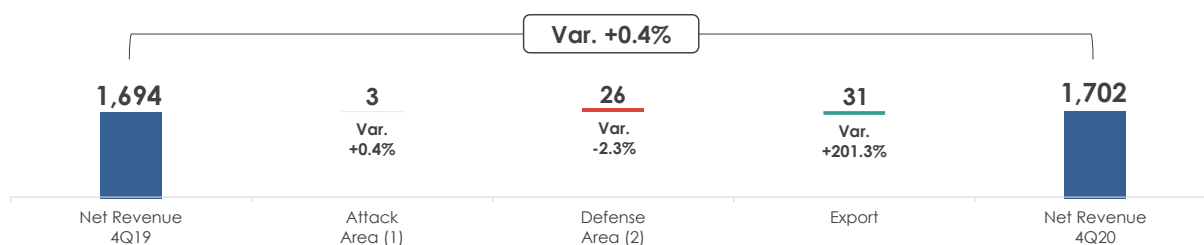
Net revenue grew 0.4% between 4Q19 and 4Q20, due to an 18.9% increase in the average price, enough to offset the 15.5% reduction in sales volume. In 2020, we gradually increased prices in order to mitigate the negative impact of the depreciation of the real against the U.S. dollar on our costs.

Net Revenue Variation 4Q20 vs 4Q19 (R\$ MM)



As seen below, our growth slowed down in 4Q20 compared to 4Q19 due to a decline in demand and price increases, especially in the Defense region (North and Northeast).

Variation in Net Revenue by Regions 4Q20 vs 4Q19 (R\$ MM)

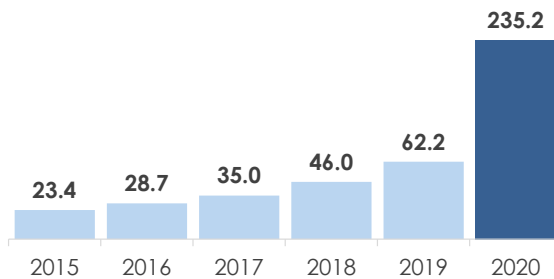


⁽¹⁾ Note: Attack Region comprises South, Southeast and Midwest.

⁽²⁾ Note: Defense Region comprises North and Northeast.

With sales to over 40 countries, exports grew 278.2% over 2019, and gross revenue reached R\$235.2 million.

Gross Export Revenue (R\$ Million)

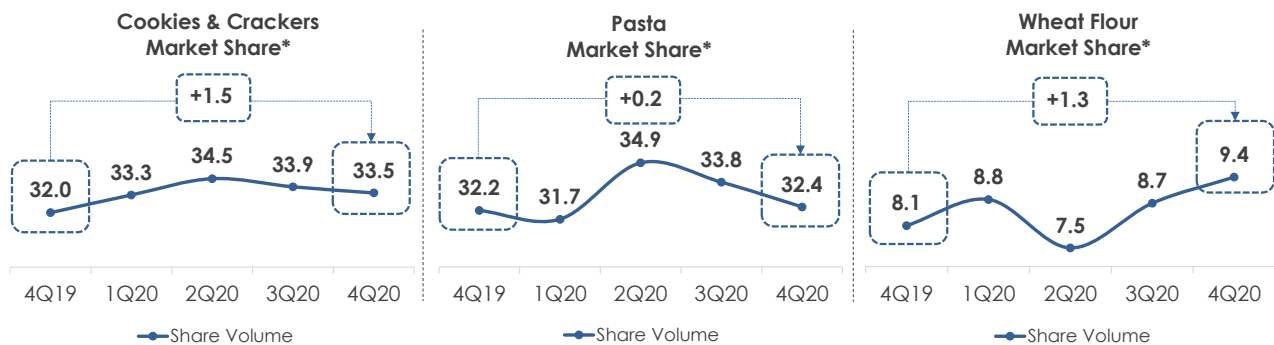


Sales volume grew substantially, especially in wheat flour, pasta and margarine, as a result of our growth strategy, through the strengthening of our presence in the regions where we already operate and entry in new regions, selling our own brands or producing private label products. In order to strengthen and expand our presence in South America, we have a dedicated professional in Uruguay.

• **Market Share**

Continued leadership in the national cookie & cracker and pasta markets².

Between 4Q19 and 4Q20, we increased our market share in the cookie & cracker, pasta and wheat flour (to end consumers) segments.

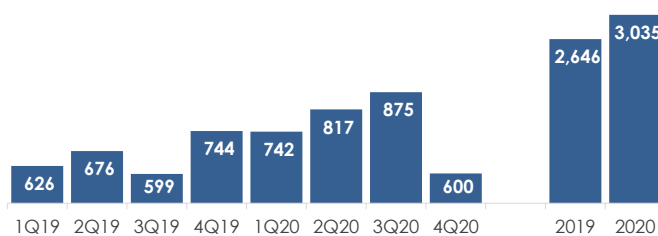


* Source: Nielsen

• **Production**

In 2020, total production increased 14.7%, led by the pasta and wheat flour and bran categories, up 18.2% and 17.4%, respectively, due to an increase in demand in the period, especially in 2Q20 and 3Q20.

Production Volume (Thousand Tonnes)



In 4Q20, the decline in production volume was due to a reduction in demand and the effect of price increase elasticity in the period.

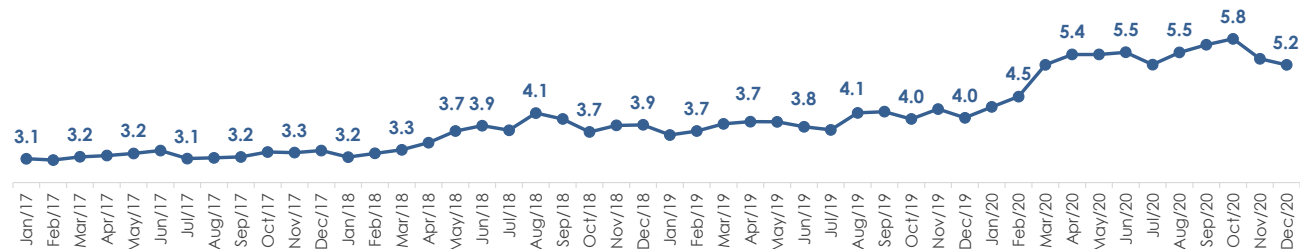
²NIELSEN data from January to December 2020.

• **EBITDA**

EBITDA totaled R\$974.3 million in 2020, up 26.2%, and the EBITDA margin stood at 13.4% (versus R\$772.1 million and 12.6%, respectively, in 2019). The 2020 result was positively impacted by revenue growth, as explained in the previous paragraphs, and negatively affected by higher costs, as a result of the depreciation of the real against the U.S. dollar, and the increase in commodity prices in U.S. dollars, as shown below. On the other hand, the results of the *Multiplique* (Multiply) Project, implemented in 2020 and aimed at efficiency and productivity gains, mitigated the unfavorable effects of the exchange rate and the increase in commodity prices.

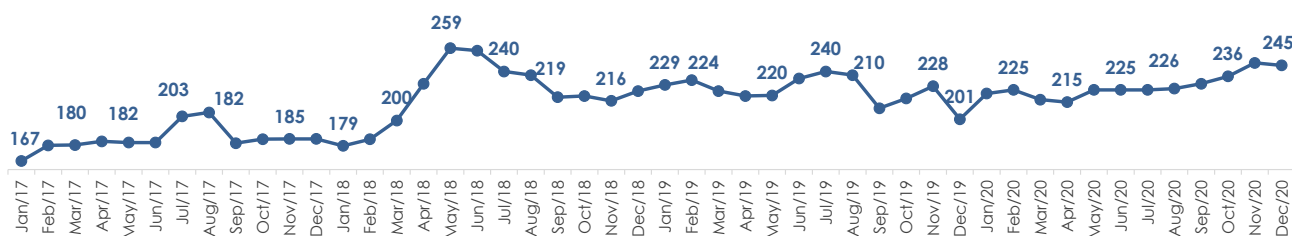
In the chart below, we can see the exchange rate was higher in 2020 than in previous years, with a direct impact on our costs. This was the main negative impact on the result.

Dollar (Monthly Average) - Closing PTAX

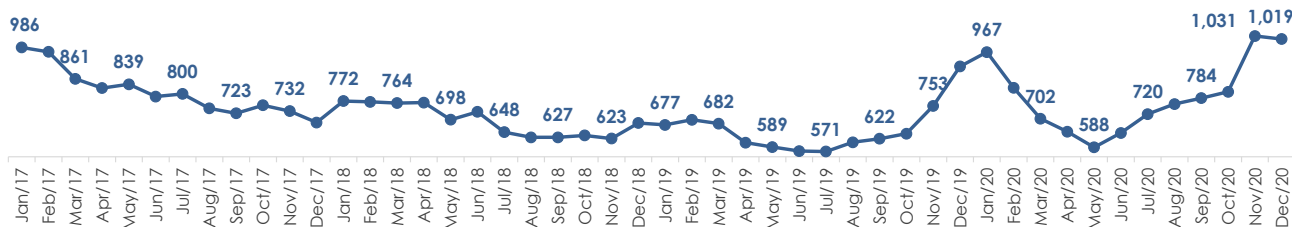


In the last months of 2020, we can see an increase in the price in U.S. dollars of two of the main commodities used in the production of our items (wheat and palm oil).

Wheat - Average Market Price (US\$ TON)

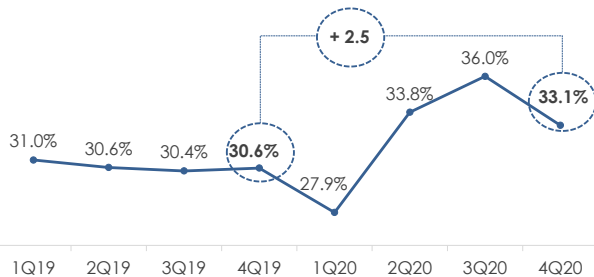


Palm Oil - Average Market Price (US\$ TON)

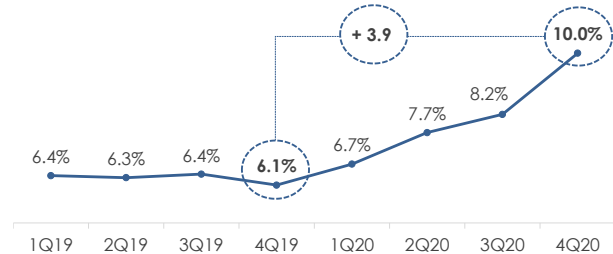


The two charts below show the impact of the depreciation of the real against the U.S. dollar and the increase in commodity prices on our results. The percentages below refer to costs related to third-party wheat and wheat flour and third-party oil and vegetable shortening as a percentage of net revenue.

Evolution of Third Party Wheat and Flour Costs (%NR)



Evolution of Third Party Vegetable Shortening and Oil Costs (%NR)



Finally, the two charts below show the main factors that explain the year-on-year and quarter-on-quarter EBITDA growth. In addition to operational factors (volume, prices and expenses), we isolated the impact of the exchange rate (depreciation of the real against the U.S. dollar) and separated the recurring and non-recurring gains from the *Multiplique* (Multiply) Project, as well as some non-recurring expenses and revenue, such as expenses related to the pandemic.

EBITDA 2019 (R\$ Million)	772	EBITDA 4Q19 (R\$ Million)	289
Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	422	Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	(136)
Subtotal	1,194	Subtotal	153
Recurring Gains with Efficiency and Productivity Program Multiplique*	184	Recurring Gains with Efficiency and Productivity Program Multiplique*	98
Subtotal	1,378	Subtotal	252
Exchange**	(688)	Exchange**	(198)
Positive Impact of the Hedge***	16	Positive Impact of the Hedge***	6
Subtotal	706	Subtotal	59
Non-Recurring Gains with Efficiency and Productivity Program Multiplique****	340	Non-Recurring Gains with Efficiency and Productivity Program Multiplique****	146
Expenses with COVID-19	(44)	Expenses with COVID-19	(9)
Restructuring Expenses	(20)	Restructuring Expenses	(3)
Piraquê Integration Expenses	(8)	Piraquê Integration Expenses	(1)
EBITDA 2020 (R\$ Million)	974	EBITDA 4Q20 (R\$ Million)	192

* Recurring gains in costs and expenses. Annualized value estimated at R\$ 438 Million.

** Exclusive impact of the devaluation of the Real against the Dollar. It does not take into account the price variations of commodities in dollars.

*** Total hedge effect of R\$ 25.0 million, with an impact on EBITDA of R\$ 16.2 million in 2020 (R\$ 5.8 million in 4Q20).

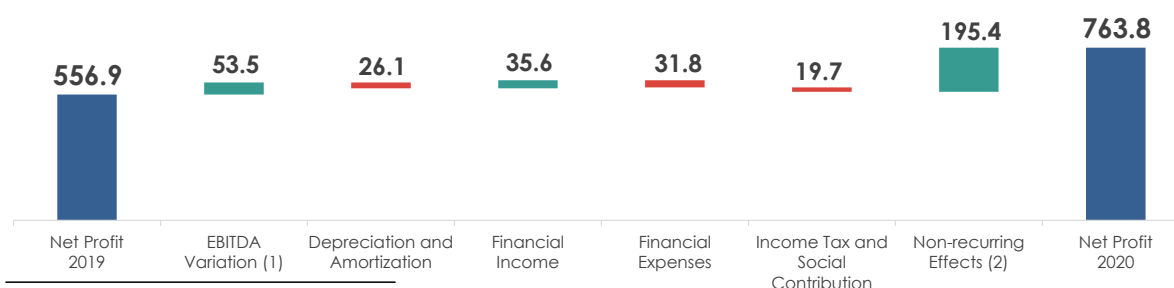
**** The main factor was the exclusion of ICMS tax from the PIS and COFINS tax base.

The above factors also explain the EBITDA margin evolution in 2020 (from 12.6% in 2019 to 13.4% in 2020) and 4Q20 (from 17.1% in 4Q19 to 11.3% in 4Q20). It is also worth noting the publication of the hedging policy in July 2020, which was gradually implemented in the subsequent months, making a positive contribution of around R\$25 million (impact of R\$16.2 million on EBITDA and R\$8.8 million whose effects moved between inventories and financial results).

• Net Income

Net income grew 37.2% over 2019, totaling R\$763.8 million in 2020. As shown in the graph below, net income grew due to higher EBITDA and non-recurring revenue from tax credits from prior periods.

Net Income Variation 2020 vs 2019 (R\$ MM)



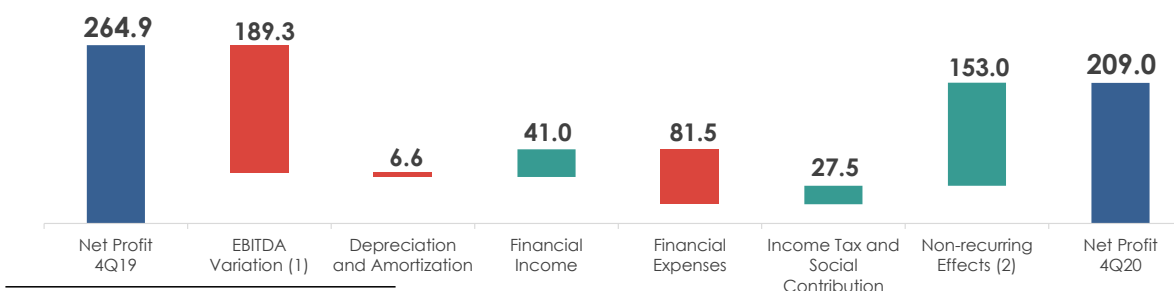
(1) Note: EBITDA variation without non-recurring effects.

(2) Note: Variation in the non-recurring effects of 2020 (R\$ 418.8 millions) vs 2019 (R\$ 223.4 millions):

- **2020 (R\$ 418.8 millions)**: Includes Piraquê integration expenses (R\$ 6.0 millions), costs and expenses with COVID-19 (R\$ 44.4 millions), restructuring expenses (R\$ 19.5 millions), expense with reimbursement of active supervenience (R\$ 2.2 millions), revenue from extemporaneous tax credit (R\$ 348.5 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 142.5 millions).

- **2019 (R\$ 223.4 millions)**: Includes Piraquê integration expenses (R\$ 39.5 millions), restructuring expenses (R\$ 23.9 millions), revenue from extemporaneous tax credit (R\$ 191.0 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 95.7 millions).

Net Income Variation 4Q20 vs 4Q19 (R\$ MM)



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

(2) Note: Variation in the non-recurring effects of 4Q20 (R\$ 244.0 millions) vs 4Q19 (R\$ 91.0 millions):

- **4Q20 (R\$ 244.0 millions)**: Includes Piraquê integration expenses (R\$ 0.9 million), costs and expenses with COVID-19 (R\$ 9.0 millions), restructuring expenses (R\$ 2.7 millions), revenue from extemporaneous tax credit (R\$ 154.0 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 102.6 millions).

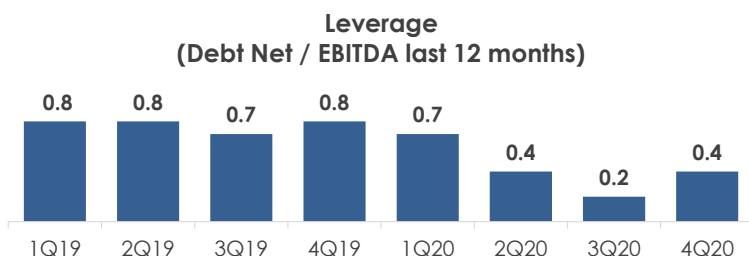
- **4Q19 (R\$ 91.0 millions)**: Includes Piraquê integration expenses (R\$ 3.3 millions), revenue from extemporaneous tax credit (R\$ 52.4 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 41.9 millions).

• **Investments**

We invested R\$221.8 million in 2020 (-31.0% vs 2019) and R\$66.3 million in 4Q20 (-34.8% vs 4Q19). We highlight (i) the acquisition of equipment and expansion of the new milling unit in Bento Gonçalves (RS); (ii) the construction of a truck yard for wheat trucks in Bento Gonçalves (RS); (iii) the renovation of the distribution center in the Rio de Janeiro unit; (iv) adjustment and new long pasta line at the Piraquê unit; (v) an effluent treatment plant for the Maracanaú unit; and (vi) the restructuring of the São Caetano do Sul unit (SP).

• **Debt, Capitalization and Cash**

Net cash generated by operating activities totaled R\$693.2 million in 2020 (1.6% higher than in 2019), as a result of higher EBITDA and working capital management, highlighting an increase of 12 days in days payable outstanding, a reduction of 9 days in days of sales outstanding and a decline in recoverable taxes, releasing over R\$90.0 million in working capital.



We closed the year with a cash position of R\$1.2 billion (R\$348.4 million in 2019) and gross debt of R\$1,589.1 million (R\$979.7 million in 2019), resulting in leverage of 0.4x (net debt/LTM EBITDA), down from 0.8x in 2019.

• **Social and Environmental Highlights**

In 2020, our main sustainability indicators improved, with a reduction in energy intensity (-9.9%), water consumption (-5.1%) and waste generation (-1.9%). We are also working to improve our recycling rate.

We were included in B3's Corporate Sustainability Index (ISE) and Carbon Efficient Index (ICO2), the latter in effect from January to April 2021.

In 2020, we also began filling out the CDP (Carbon Disclosure Project) form.



• **New Dividend Policy**

In December 2020, we published our new shareholder payout policy. As of 2021, we will distribute fixed dividends/loE in the gross amount of R\$0.05 per share every quarter. Dividends/loE shall be imputed to the minimum mandatory dividend and will be part of the target percentage of sixty percent (60%) of adjusted income to be distributed for fiscal year 2021. As shown below, dividend/loE per share and the dividend yield increased between 2019 and 2020.

	2019	2020	Variation
Dividend/Gross Amount of loE Per Share Total (R\$ Million)	85.0	154.5	81.8%
Dividend/loE Per Share (R\$)	0.25	0.46	82.4%
Dividend Yield (%)*	0.67%	1.35%	0.68 p.p.

* Dividend Yield = Dividend/loE Declared Per Share / Share Price (based on the shareholding position of 12/23/20 - for 2020 - and 12/30/19 - for 2019)

Payment Schedule

Reference Period	Based on the Shareholding Position	Payment Date
1Q21	04/07/2021	04/22/2021
2020*	12/23/2020	05/03/2021
2Q21	06/16/2021	06/30/2021
3Q21	09/16/2021	09/30/2021
4Q21	12/16/2021	12/30/2021

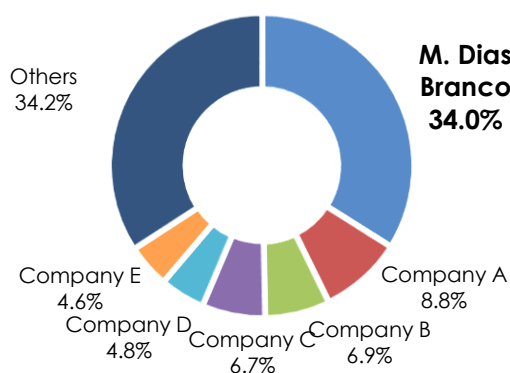
* Regarding the Results for the Year of 2020.

MARKET HIGHLIGHTS

MARKET SHARE

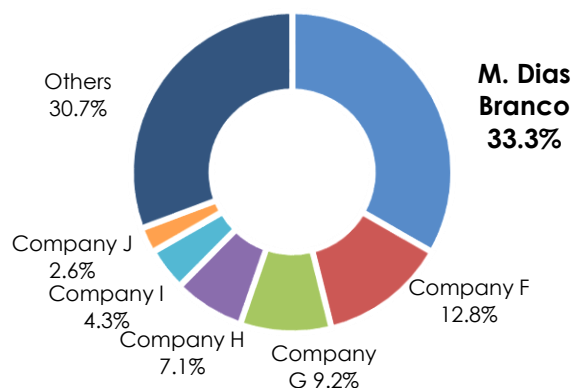
The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookie & cracker and pasta markets, and its main competitors between January and December 2020.

Market Share Cookies and Crackers* - Brazil



* NIELSEN data from Jan/Dec of 2020.

Market Share Pasta* - Brazil



* NIELSEN data from Jan/Aug of 2020.

SALES CHANNELS

In 2020, revenue grew in all the channels. It is worth noting the growth and increased share of the Distributors channels, which played an important role in our growth in the Attack region (South, Southeast and Midwest).

Client Mix	4Q20	4Q19	Variation	2020	2019	Variation
Small Retail	26.3%	29.9%	-3.6 p.p	26.8%	29.8%	-3 p.p
Wholesale	20.3%	25.3%	-5 p.p	22.4%	24.2%	-1.8 p.p
Key Accounts / Regional Chains	23.3%	20.7%	2.6 p.p	20.8%	20.6%	0.2 p.p
Cash and Carry	16.5%	17.6%	-1.1 p.p	18.2%	18.9%	-0.7 p.p
Distributors	8.2%	4.4%	3.8 p.p	7.3%	4.5%	2.8 p.p
Industry	1.4%	0.8%	0.6 p.p	1.0%	0.9%	0.1 p.p
Other	4.0%	1.3%	2.7 p.p	3.5%	1.1%	2.4 p.p
TOTAL	100.0%	100.0%		100.0%	100.0%	

Note: Client mix, considering gross revenue excluding discounts.

Major Clients		Sales 4Q20 (R\$ million) *	Participation in Revenue excluding Discount Sales (%)		Sales 2020 (R\$ million) *	Participation in Revenue excluding Discount Sales	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	177.6	8.7%	8.7%	910.0	10.5%	10.5%
49 Subsequent	50	593.1	29.1%	37.8%	2,417.4	27.9%	38.4%
50 Subsequent	100	155.7	7.6%	45.4%	662.5	7.6%	46.0%
900 Subsequent	1,000	600.6	29.5%	74.9%	2,483.1	28.6%	74.6%
Other Clients	All clients	513.0	25.1%	100.0%	2,201.4	25.4%	100.0%
TOTAL		2,040.0			8,674.4		

* Gross Revenue excluding Discount

OPERATIONAL HIGHLIGHTS

PRODUCTION CAPACITY UTILIZATION RATE

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19
Total Production	118.2	155.5	92.6	107.1	338.5	427.8	47.5	50.0	3.7	3.7	600.5	744.1
Total Production Capacity	230.1	221.0	146.0	141.3	579.9	528.9	90.0	100.7	9.7	9.9	1,055.7	1,001.8
Capacity Utilization	51.4%	70.4%	63.4%	75.8%	58.4%	80.9%	52.8%	49.7%	38.1%	37.4%	56.9%	74.3%

* 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	
	4Q20	3Q20	4Q20	3Q20	4Q20	3Q20	4Q20	3Q20	4Q20	3Q20	4Q20	3Q20
Total Production	118.2	176.0	92.6	128.5	338.5	511.5	47.5	54.0	3.7	5.1	600.5	875.1
Total Production Capacity	230.1	233.1	146.0	151.5	579.9	579.9	90.0	93.7	9.7	9.9	1,055.7	1,068.1
Capacity Utilization	51.4%	75.5%	63.4%	84.8%	58.4%	88.2%	52.8%	57.6%	38.1%	51.5%	56.9%	81.9%

* 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total Production	598.4	550.8	462.0	391.0	1,765.1	1,503.5	192.1	185.2	17.0	15.2	3,034.6	2,645.7
Total Production Capacity	896.1	868.6	580.8	556.6	2,319.6	1,962.9	385.7	401.3	38.7	39.5	4,220.9	3,828.9
Capacity Utilization	66.8%	63.4%	79.5%	70.2%	76.1%	76.6%	49.8%	46.2%	43.9%	38.5%	71.9%	69.1%

* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

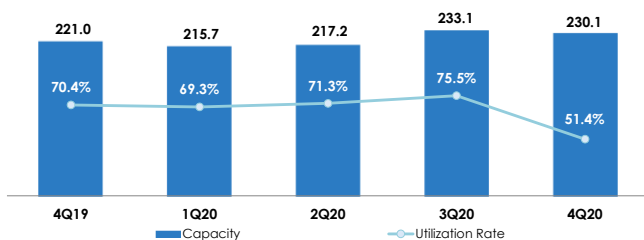
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in each plant, etc.

We closed 2020 with a capacity utilization rate of 71.9%, 2.8p.p. higher than in 2019, with a total production increase of 14.7%. The evolution in 2020 was only possible thanks to investments in recent years, such as the new wheat flour mill in Bento Gonçalves (RS), inaugurated in 2019.

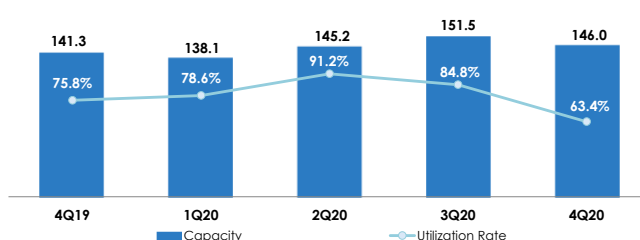
In order to meet the strong demand in 2020, especially in 2Q20 and 3Q20, we added new production shifts and reactivated some production lines.

Total production fell 19.3% between 4Q19 and 4Q20, due to a decline in sales volume.

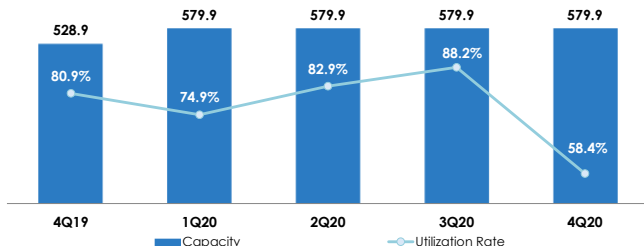
Production Capacity ('000 tonnes) and Utilization Rate - Cookies and Crackers (%)



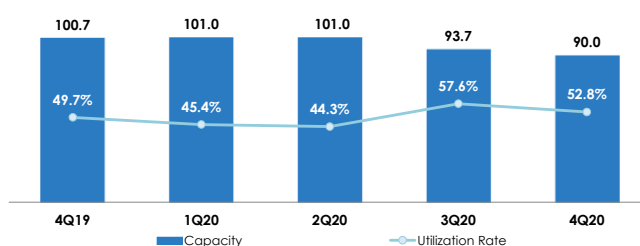
Production Capacity ('000 tonnes) and Utilization Rate - Pasta (%)



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



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

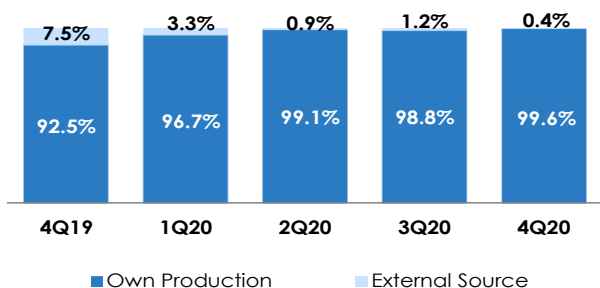


VERTICAL INTEGRATION

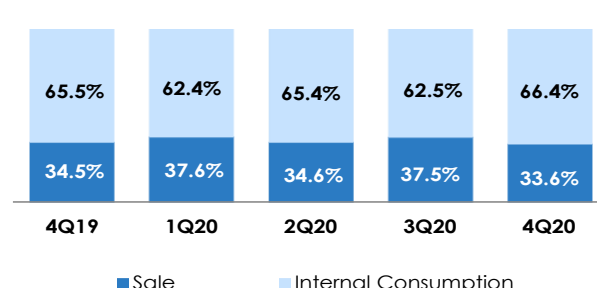
Following the strategy of vertical integration of the main inputs used in the industrial process, we maintained high vertical integration levels of 100% in vegetable shortening and 99.6% in wheat flour in 2020.

WHEAT FLOUR

COMPANY'S CONSUMPTION

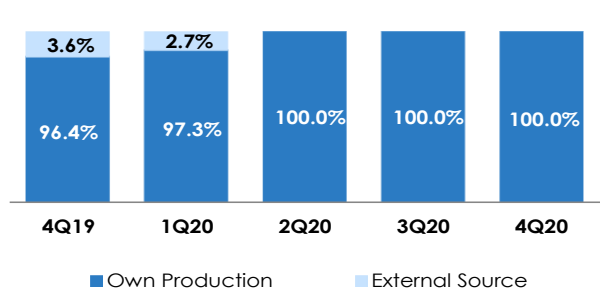


PRODUCTION ALLOCATION

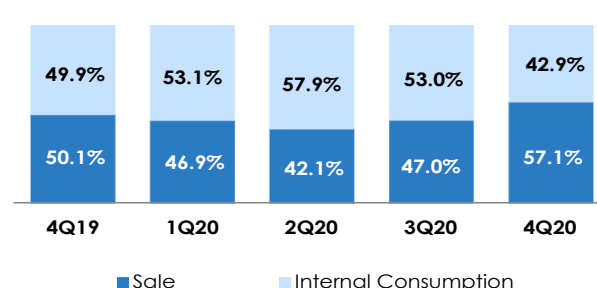


VEGETABLE SHORTENING

COMPANY'S CONSUMPTION



PRODUCTION ALLOCATION



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

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

Net revenue grew 18.8% in 2020 compared to 2019, due to a 12.1% increase in sales volume and a 6.1% upturn in the average price.

Segment	2020			2019			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	3,702.2	574.6	6.44	3,287.0	514.5	6.39	12.6%	11.7%	0.8%
Pasta	1,687.9	451.1	3.74	1,318.2	369.7	3.57	28.0%	22.0%	4.8%
Wheat Flour and Bran	1,297.0	855.3	1.52	1,025.7	789.0	1.30	26.5%	8.4%	16.9%
Margarine and Vegetable Shortening	420.6	90.1	4.67	334.5	84.1	3.98	25.7%	7.1%	17.3%
Other products **	144.8	15.8	9.16	138.2	14.5	9.53	4.8%	9.0%	-3.9%
TOTAL	7,252.5	1,986.9	3.65	6,103.6	1,771.8	3.44	18.8%	12.1%	6.1%

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

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

We present below some of our launches and sales and marketing initiatives carried out in 2020:



Launches: 62 products, 21 of which focused specifically on the export market. We have also expanded our brand portfolio, taking advantage of synergies in our industrial plants and introducing higher value-added products. In 4Q20, 12 new products were added to the Estrela (Maria/Maizena cookies) and Vitarella (Cream Cracker and Sandwich Cookies) brands.

Investments in marketing and sales: in 2020, we highlight a major marketing campaign, focusing on the Vitarella, Piraquê, Adria, Fortaleza and Isabela brands, highlighting the attributes of our products and brands. In 4Q20, it is worth noting the following campaigns: Cream Cracker Vitarella; Grande Lição de Casa (Big Homework), paying homage to the dynamics between parents and children in the confinement routine; Evoluiu com Richester (Evolved with Richester); and Adria's Cuidado em cada detalhe (Care in Every Detail).



Net revenue grew 0.4% in 4Q20 compared to 4Q19, due to an 18.9% increase in the average price and a 15.5% decline in sales volume.

Segment	4Q20			4Q19			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	845.0	126.4	6.69	897.2	140.5	6.39	-5.8%	-10.0%	4.7%
Pasta	387.2	94.5	4.10	378.4	104.9	3.61	2.3%	-9.9%	13.6%
Wheat Flour and Bran	302.6	163.9	1.85	288.8	220.0	1.31	4.8%	-25.5%	41.2%
Margarine and Vegetable Shortening	132.1	26.7	4.95	94.2	23.3	4.04	40.2%	14.6%	22.5%
Other products **	34.7	4.2	8.26	35.5	3.5	10.14	-2.3%	20.0%	-18.5%
TOTAL	1,701.6	415.7	4.09	1,694.1	492.2	3.44	0.4%	-15.5%	18.9%

* 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 and packaged toast

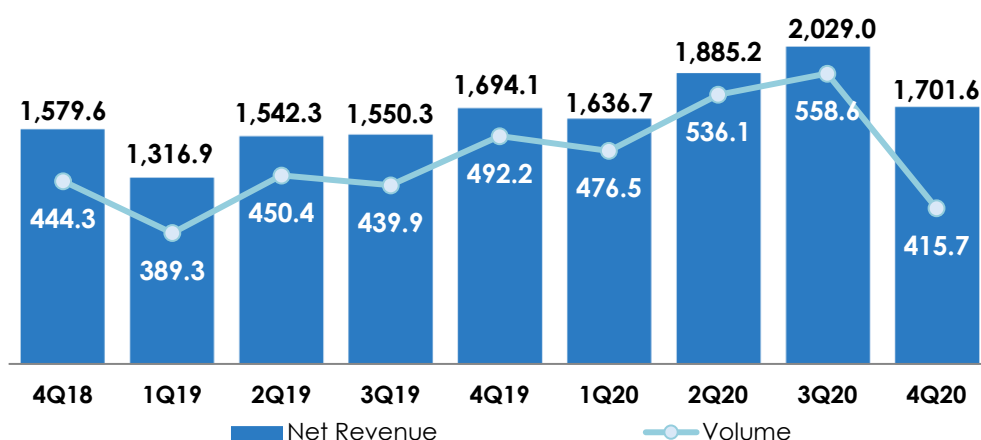
Between 3Q20 and 4Q20, net revenue dropped 16.1%, as sales volume dropped 25.6% and the average price increased 12.7%.

Segment	4Q20			3Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	845.0	126.4	6.69	1,017.6	156.9	6.49	-17.0%	-19.4%	3.1%
Pasta	387.2	94.5	4.10	457.8	122.0	3.75	-15.4%	-22.5%	9.3%
Wheat Flour and Bran	302.6	163.9	1.85	396.5	250.1	1.59	-23.7%	-34.5%	16.4%
Margarine and Vegetable Shortening	132.1	26.7	4.95	115.6	25.0	4.62	14.3%	6.8%	7.1%
Other products **	34.7	4.2	8.26	41.5	4.6	9.02	-16.4%	-8.7%	-8.4%
TOTAL	1,701.6	415.7	4.09	2,029.0	558.6	3.63	-16.1%	-25.6%	12.7%

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

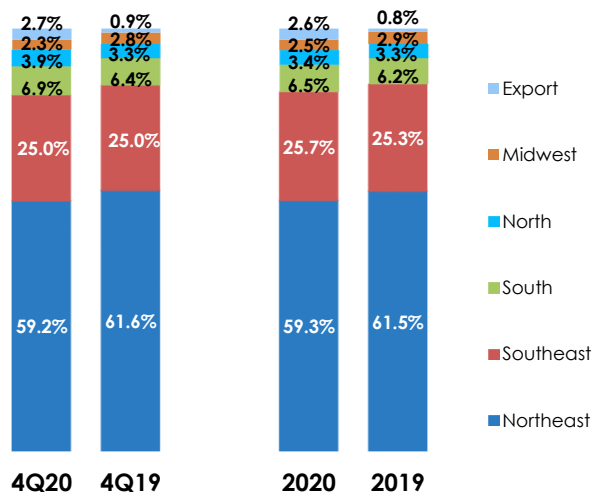
** Cakes, snacks, cake mix, juice powder and packaged toast

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

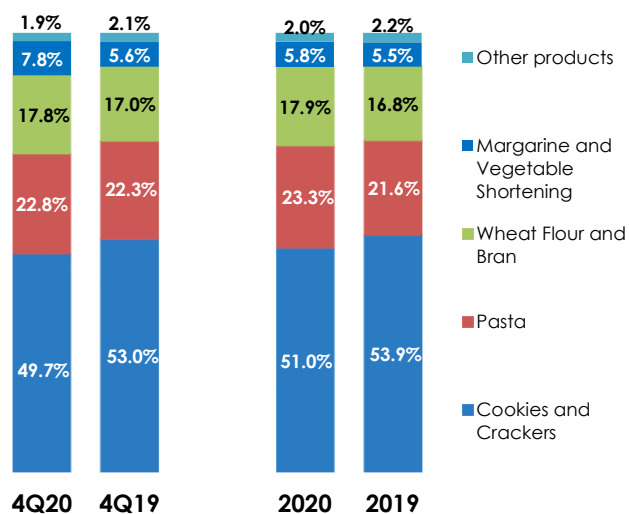


In 2020, we exported to 44 countries (35 countries in 2019), with gross revenue of R\$235.2 million (R\$62.2 million vs 2019). The Southeast region stood out, accounting for a larger share of sales, with growth in the Piraquê brand and the Distributors channel.

Sales by Region (% Gross Revenue excluding Discounts and Returns)



Net Revenue Breakdown

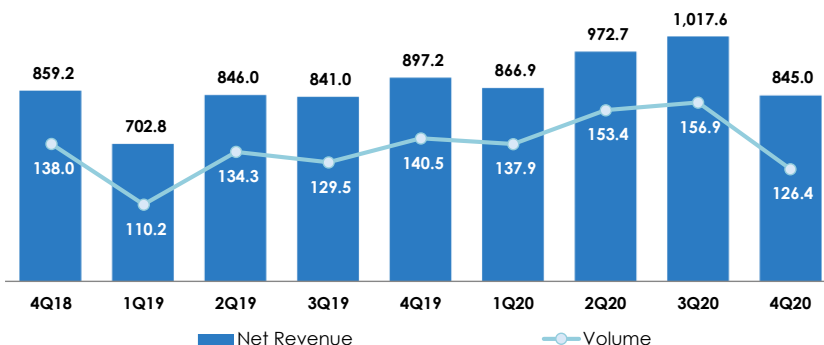


HIGHLIGHTS – COOKIES & CRACKERS

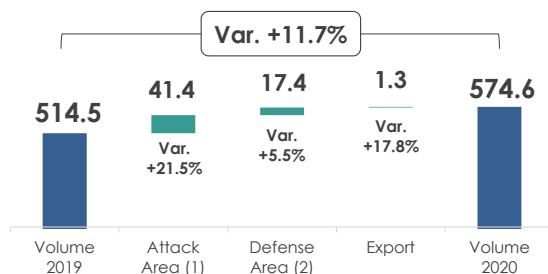
Net revenue from cookies & crackers grew 12.6% in 2020, due to an 11.7% increase in sales volume and a 0.8% upturn in the average price.

This increase was concentrated in Água e Sal/Cream Cracker, Maria/Maizena and sandwich cookies, which recorded double-digit growth. Sales volume grew in all regions, especially in the Attack region (South, Southeast and Midwest) and exports.

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



Variation in Volume by Regions 2020 vs 2019 (Cookies and Crackers)



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

Compared to 4Q19, net revenue declined 5.8% in 4Q20, as sales volume dropped 10% and the average price rose 4.7%.

Gross revenue from launches totaled R\$55.1 million in 4Q20, with 99 new products/flavors launched in the last 24 months (76 new products/flavors and gross revenue of R\$35.5 million in 4Q19).

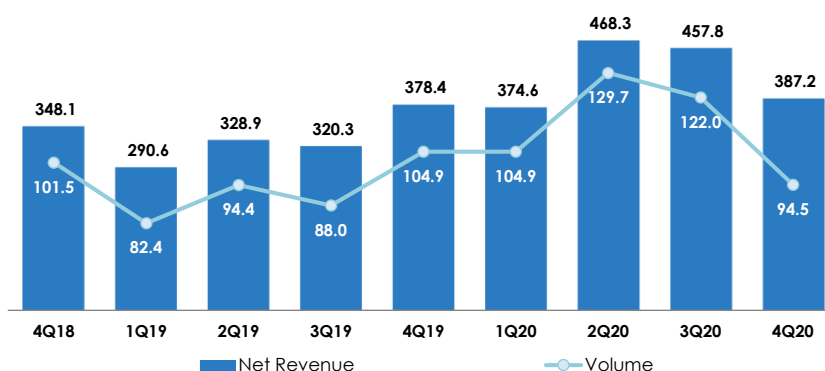
Compared to 3Q20, revenue decreased 17.0%, as sales volume fell 19.4% and the average price rose 3.1%.

HIGHLIGHTS – PASTA

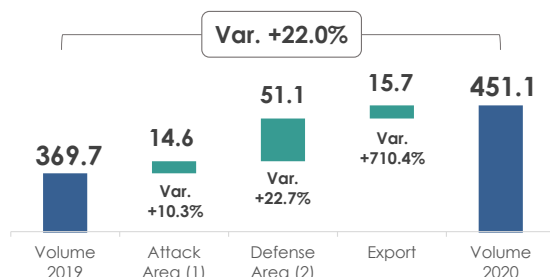
Net revenue from pasta grew 28.0% in 2020 vs 2019, due to a 22.0% increase in sales volume and a 4.8% upturn in the average price.

Sales volume increased mainly in instant, semolina and regular pasta. As for regions, we highlight growth in the Northeast and Southeast regions, in addition to exports, which jumped over 700%.

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



Variation in Volume by Regions 2020 vs 2019 (Pasta)



Compared to 4Q19, net revenue grew 2.3% in 4Q20, due to a 9.9% decline in sales volume and a 13.6% increase in the average price. Compared to 3Q20, revenue decreased 15.4%, as sales volume fell 22.5% and the average price rose 9.3%.

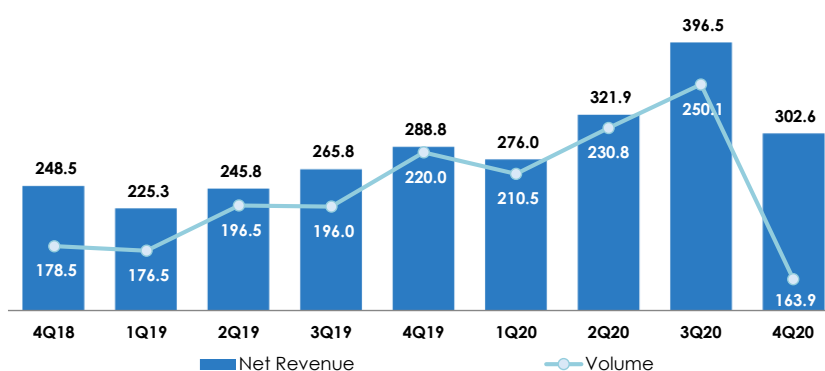
⁽¹⁾ Note: Attack Region comprises South, Southeast and Midwest.
⁽²⁾ Note: Defense Region comprises North and Northeast.

HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue from wheat flour and bran rose 26.5% in 2020, as sales volume grew 8.4% and the average price increased 16.9%.

In 2020, the volume of products sold to end consumers (domestic wheat flour) grew 36.2%, offsetting the decline in the volume of wheat flour sold to the food service segment (industrial wheat flour).

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



Compared to 4Q19, net revenue rose 4.8% in 4Q20, due to a 25.5% decline in sales volume and a 41.2% increase in the average price. Compared to 3Q20, net revenue fell 23.7%, as sales volume declined 34.5% and the average price rose 16.4%.

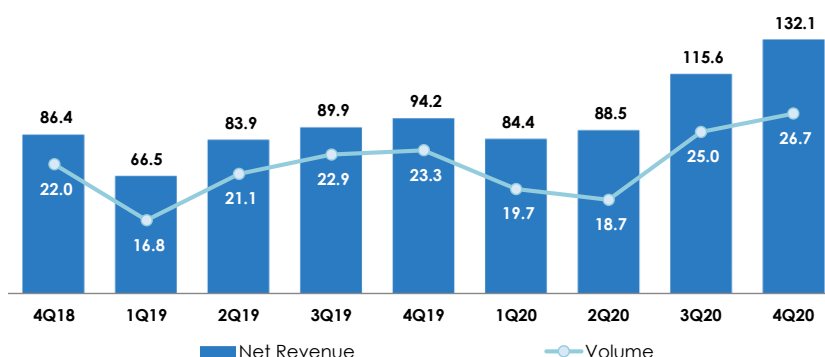
HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening grew 25.7% in 2020 over 2019, as sales volume grew 7.1% and the average price rose 17.3%.

The increase in volume was driven by the expansion of exports (marketed to end consumers) and by the sales volume in the Northeast region (industrial subcategory).

Net revenue grew 40.2% in 4Q20 compared to 4Q19, due to a 14.6% increase in sales volume and a 22.5% upturn in the average price.

Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume ('000 tonnes)



COSTS

COGS (R\$ million)	4Q20	% Net Rev.	4Q19	% Net Rev.	Variation	3Q20	% Net Rev.	Variation	2020	% Net Rev.	2019	% Net Rev.	Variation
Raw material	872.3	51.3%	739.7	43.7%	17.9%	1,050.6	51.8%	-17.0%	3,532.2	48.7%	2,688.9	44.1%	31.4%
Wheat	560.4	32.9%	493.2	29.1%	13.6%	726.6	35.8%	-22.9%	2,371.1	32.7%	1,729.2	28.3%	37.1%
Vegetable Oil	170.1	10.0%	100.9	6.0%	68.6%	166.2	8.2%	2.3%	588.1	8.1%	380.3	6.2%	54.6%
Sugar	44.6	2.6%	38.4	2.3%	16.1%	49.4	2.4%	-9.7%	182.6	2.5%	147.5	2.4%	23.8%
Third Party Flour	2.3	0.1%	24.4	1.4%	-90.6%	2.9	0.1%	-20.7%	16.3	0.2%	139.9	2.3%	-88.3%
Third Party Vegetable Shortening	0.0	0.0%	2.7	0.2%	-100.0%	0.1	0.0%	-100.0%	2.9	0.0%	5.0	0.1%	-42.0%
Other	94.9	5.6%	80.1	4.7%	18.5%	105.4	5.2%	-10.0%	371.2	5.1%	287.0	4.7%	29.3%
Packages	115.6	6.8%	113.0	6.7%	2.3%	132.5	6.5%	-12.8%	478.3	6.6%	414.4	6.8%	15.4%
Labor	156.4	9.2%	149.0	8.8%	5.0%	155.6	7.7%	0.5%	623.6	8.6%	568.1	9.3%	9.8%
Indirect costs	118.1	6.9%	108.9	6.4%	8.4%	116.6	5.7%	1.3%	452.6	6.2%	412.2	6.8%	9.8%
Depreciation and amortization	45.9	2.7%	42.6	2.5%	7.7%	43.3	2.1%	6.0%	176.6	2.4%	165.9	2.7%	6.4%
Other	0.0	0.0%	0.2	0.0%	-100.0%	0.0	0.0%	n/a	0.0	0.0%	1.0	0.0%	-100.0%
Total	1,308.3	76.9%	1,153.4	68.1%	13.4%	1,498.6	73.9%	-12.7%	5,263.3	72.6%	4,250.5	69.6%	23.8%

In 2020, the cost of goods sold was 23.8% higher than in 2019, equivalent to 72.6% of net revenue in the period (69.6% in 2019).

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

POSITIVE IMPACTS (2020 vs 2019)

- Greater dilution of fixed costs, due to a 14.7% increase in production volume;
- Optimization and efficiency gains arising from the *Multiplique* (Multiply) Project, which delivered efficiency and productivity gains in 2020; and
- Higher wheat flour vertical integration.

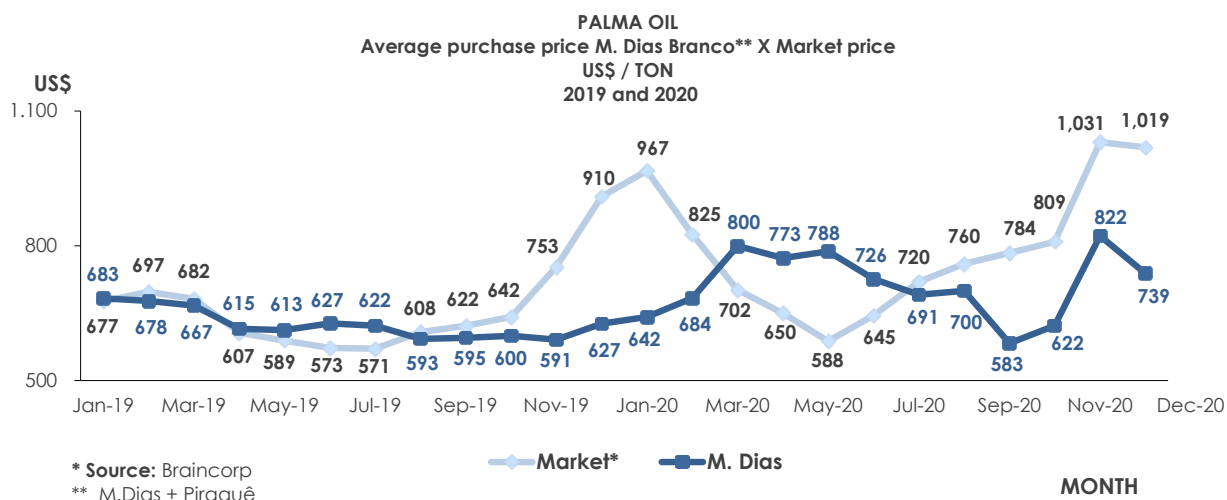
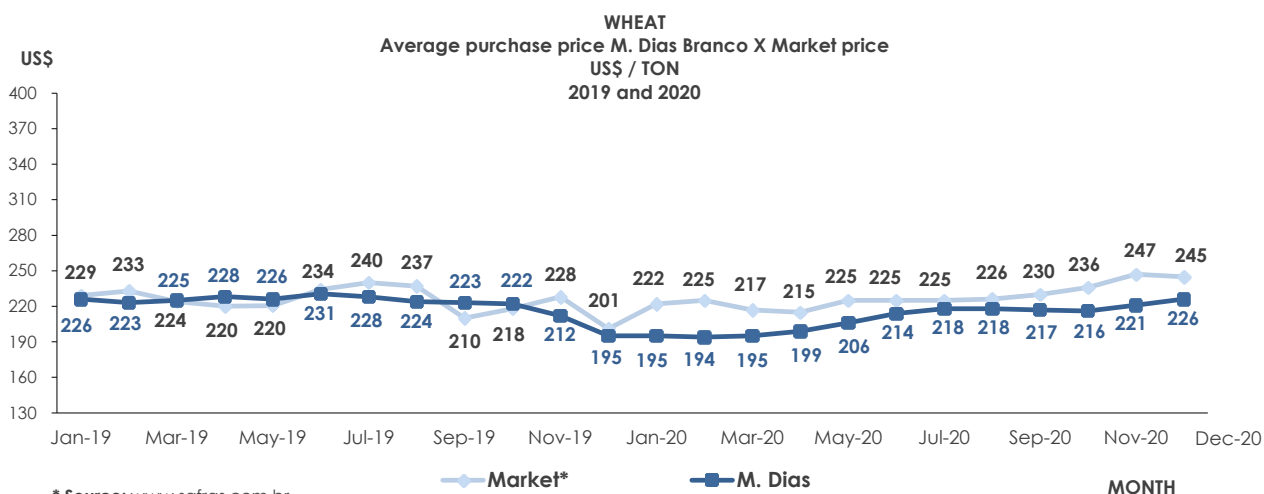
NEGATIVE IMPACTS (2020 vs 2019)

- 14.3% increase in the average cost of wheat;
- 48.9% upturn in the average cost of oil; and
- 17.3% increase in the average cost of sugar.

The increase in costs as a percentage of net revenue from 68.1% in 4Q19 to 76.9% in 4Q20 was due to:

NEGATIVE IMPACTS (4Q20 vs 4Q19)

- 31.9% increase in the average cost of wheat;
- 75.8% upturn in the average cost of oil;
- 27.9% increase in the average cost of sugar; and
- Lower dilution of fixed costs, due to a 19.3% decrease in production volume



Note: M. Dias Branco is no longer disclosing the graph showing the average purchase price of soybean oil in its inventory in the Earnings Release, but it will continue to disclose this information on its Investor Relations website: <https://ri.mdiasbranco.com.br/>.

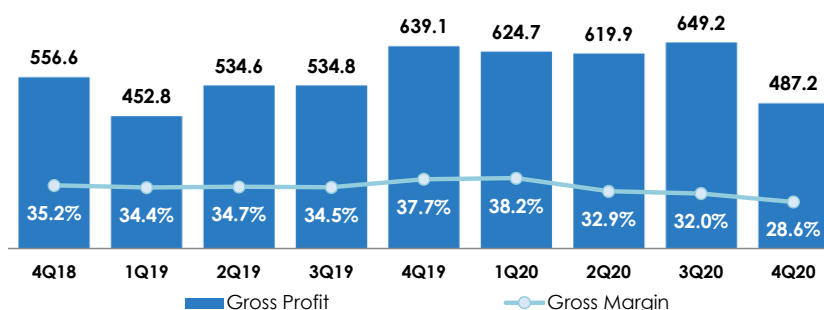
GROSS PROFIT

In 2020, gross profit increased 10.2% in nominal terms over 2019. The gross margin (gross profit as percentage of net revenue) dropped 2.6p.p. due to an increase in the price of commodities, which were impacted by the depreciation of the real against the U.S. dollar.

In 4Q20 vs 4Q19, as well as in 4Q20 vs 3Q20, the Company presented, respectively, a decrease in gross profit in nominal terms of 23.8% and 25.0%. The gross margin dropped 9.1p.p. from 4Q19 and 3.4p.p. from 3Q20, due to higher costs and lower production volume.

It is important to highlight that gross profit includes subsidies for state investments totaling R\$391.8 million in 2020 (R\$308.2 million in 2019) through profit or loss in compliance with CPC 07 - Government Grants.

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)	4Q20	% Net Rev.	4Q19	% Net Rev.	Variation	3Q20	% Net Rev.	Variation	2020	% Net Rev.	2019	% Net Rev.	Variation
Selling*	369.2	21.7%	333.8	19.7%	10.6%	399.6	19.7%	-7.6%	1,506.4	20.8%	1,303.4	21.4%	15.6%
Administrative	65.6	3.9%	77.5	4.6%	-15.4%	71.5	3.5%	-8.3%	263.6	3.6%	258.2	4.2%	2.1%
Management fees	4.1	0.2%	4.1	0.2%	0.0%	3.5	0.2%	17.1%	15.2	0.2%	14.0	0.2%	8.6%
Taxes	12.6	0.7%	10.4	0.6%	21.2%	8.1	0.4%	55.6%	32.0	0.4%	34.8	0.6%	-8.0%
Depreciation and amortization	22.1	1.3%	18.8	1.1%	17.6%	23.4	1.2%	-5.6%	83.1	1.1%	67.7	1.1%	22.7%
Other operating expenses/(revenue)	-112.2	-6.6%	-33.7	-2.0%	n/a	-119.9	-5.9%	-6.4%	-239.4	-3.3%	-56.2	-0.9%	n/a
TOTAL	361.4	21.2%	410.9	24.3%	-12.0%	386.2	19.0%	-6.4%	1,660.9	22.9%	1,621.9	26.6%	2.4%

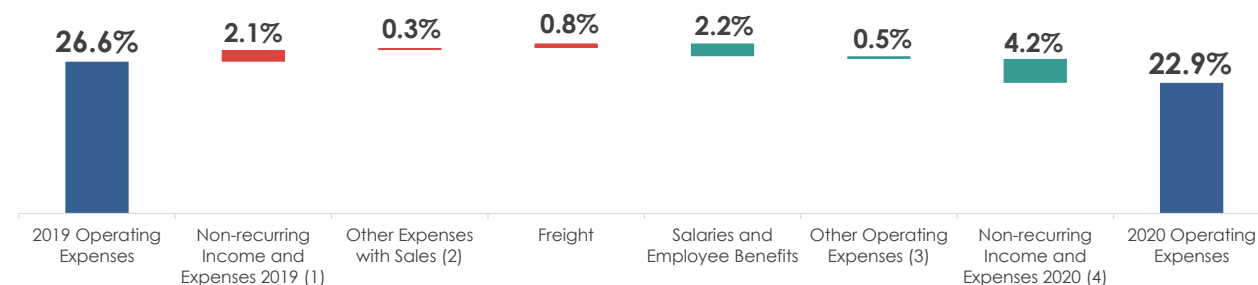
*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

Operating expenses climbed 2.4% in absolute terms, but fell 3.7p.p. as a percentage of net revenue in 2020 compared to 2019. In addition to efficiency and productivity gains from the *Multiplique* (Multiply) Project, the 12.1% increase in sales volume contributed to greater dilution of fixed expenses. We also recorded R\$304.1 million in positive non-recurring items (R\$348.5 million in revenue from tax credits from prior periods and R\$44.4 million in non-recurring restructuring expenses and expenses related to the pandemic, among others).

Compared to 4Q19, expenses fell 12.0% in absolute terms and 3.1p.p. as a percentage of net revenue in 4Q20. Between 2019 and 2020, the declines were the result of the *Multiplique* (Multiply) project, positive non-recurring items totaling R\$148.9 million (R\$154.0 million in revenue from tax credits from prior periods and R\$5.1 million in non-recurring restructuring expenses and expenses related to the pandemic, among others).

Compared to 3Q20, expenses fell 6.4% in absolute terms, but increased 2.2p.p. as a percentage of net revenue in 4Q20, mainly due to a 25.6% decline in sales volume.

Evolution Operating Expenses 2020 vs 2019 (%NR)



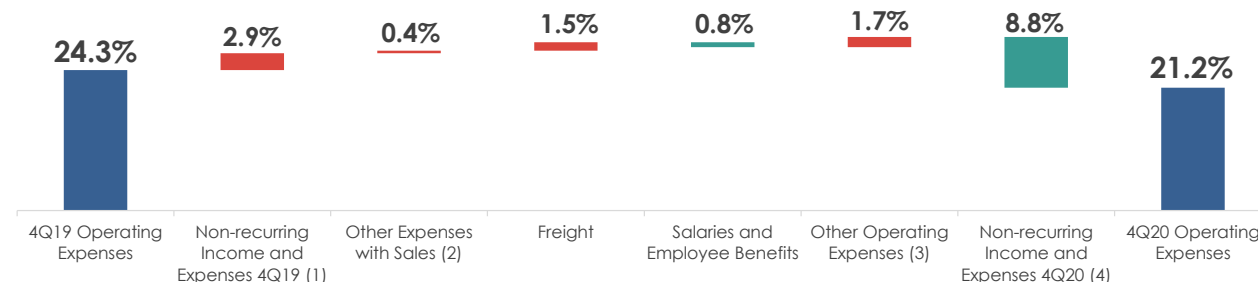
⁽¹⁾ **Note:** Non-recurring effects of 2019.

⁽²⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 8.1 millions) and restructuring expenses (R\$ 11.3 millions).

⁽³⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 8.5 millions), expenses with Piraquê integration (R\$ 6.0 millions), restructuring expenses (R\$ 8.2 millions), expense with reimbursement of active supervenience (R\$ 2.2 millions) and revenue from extemporaneous tax credit (R\$ 348.5 millions).

⁽⁴⁾ **Note:** Non-recurring effects of 2020 with COVID-19 (R\$ 16.6 millions), restructuring expenses (R\$ 19.5 millions), expenses with Piraquê integration (R\$ 6.0 millions), expense with reimbursement of active supervenience (R\$ 2.2 millions) and revenue from extemporaneous tax credit (R\$ 348.5 millions).

Evolution Operating Expenses 4Q20 vs 4Q19 (%NR)



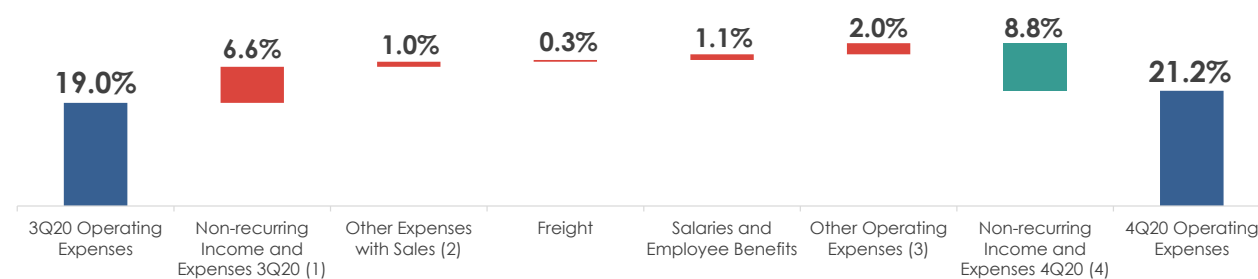
⁽¹⁾ **Note:** Non-recurring effects of 4Q19.

⁽²⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.7 million) and restructuring expenses (R\$ 1.7 million).

⁽³⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.8 million), expenses with Piraquê integration (R\$ 0.9 million), restructuring expenses (R\$ 1.0 million) and revenue from extemporaneous tax credit (R\$ 154.0 millions).

⁽⁴⁾ **Note:** Non-recurring effects of 4Q20 with COVID-19 (R\$ 1.5 million), restructuring expenses (R\$ 2.7 millions), expenses with Piraquê integration (R\$ 0.9 million) and revenue from extemporaneous tax credit (R\$ 154.0 millions).

Evolution Operating Expenses 4Q20 vs 3Q20 (%NR)



⁽¹⁾ **Note:** Non-recurring effects of 3Q20.

⁽²⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.7 million) and restructuring expenses (R\$ 1.7 million).

⁽³⁾ **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.8 million), expenses with Piraquê integration (R\$ 0.9 million), restructuring expenses (R\$ 1.0 million) and revenue from extemporaneous tax credit (R\$ 154.0 millions).

⁽⁴⁾ **Note:** Non-recurring effects of 4Q20 with COVID-19 (R\$ 1.5 million), restructuring expenses (R\$ 2.7 millions), expenses with Piraquê integration (R\$ 0.9 million) and revenue from extemporaneous tax credit (R\$ 154.0 millions).

FINANCIAL RESULT

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

Financial Income (R\$ million)	4Q20	4Q19	Variation	3Q20	Variation	2020	2019	Variation
Financial Revenue	110.5	56.7	94.9%	48.0	n/a	182.3	151.6	20.3%
Financial Expenses	-23.7	-15.4	53.9%	-31.1	-23.8%	-92.5	-105.1	-12.0%
Exchange Variation	53.5	11.5	n/a	-19.3	n/a	-168.6	-28.6	n/a
Losses/Gains on derivatives	-83.2	-15.9	n/a	32.9	n/a	159.8	12.6	n/a
TOTAL	57.1	36.9	54.7%	30.5	87.2%	81.0	30.5	165.6%

The Company recorded a positive financial result of R\$81.0 million (R\$30.5 million in 2019). The improvement was mainly due to monetary restatements of tax credits from prior periods (exclusion of ICMS tax from the PIS and COFINS tax base), and the decline in financial expenses influenced by lower discounts granted. Furthermore, in 2019, R\$20.7 million was recognized as a complement to the monetary restatement of labor provisions based on the IPCA-E (special extended consumer price index), a determination given by the Superior Labor Court (TST), which was not repeated in 2020.

It is worth mentioning that M. Dias Branco is reiterating its commitment to a conservative policy by maintaining swap contracts, through which the foreign exchange risk plus a fixed rate is swapped for a percentage of the CDI rate to hedge financing of working capital and input imports. Swap contracts are recognized at fair value under the financial result.

TAXES ON INCOME

In 2020, income tax and social contribution grew 54.9% over 2019, driven by a 37.2% increase in income before income tax and social contribution from R\$569.0 million in 2019 to R\$795.6 million in 2020.

Income and Social Contribution Taxes (R\$ million)	4Q20	4Q19	Variation	2020	2019	Variation
Income and Social Contribution Taxes	-30.5	9.2	n/a	64.6	41.7	54.9%
Income Tax Incentive	2.8	-9.4	n/a	-32.8	-29.6	10.8%
TOTAL	-27.7	-0,2	n/a	31.8	12.1	162.8%

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. It is estimated that all goodwill will be tax deductible, totaling R\$361.6 million. However, the current benefit takes into account the portion of goodwill actually paid, which will be amortized over a minimum period of five years. The Company recognized a tax benefit resulting from amortization in the amount of R\$2.8 million in 4Q20 and R\$10.8 million in 2020.

EBITDA AND NET INCOME

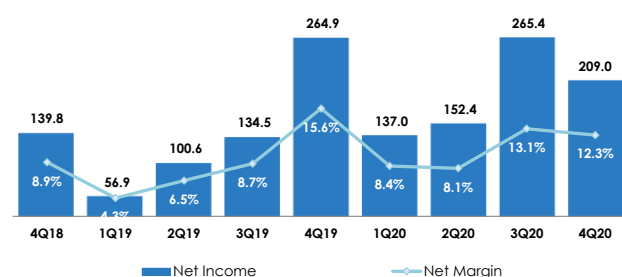
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	4Q20	4Q19	Variation	3Q20	Variation	2020	2019	Variation
Net Profit	209.0	264.9	-21.1%	265.4	-21.3%	763.8	556.9	37.2%
Income Tax and Social Contribution	-30.5	9.2	n/a	56.1	n/a	64.6	41.7	54.9%
Income Tax Incentive	2.8	-9.4	n/a	-29.7	n/a	-32.8	-29.6	10.8%
Financial Revenue	-197.6	-95.9	n/a	-100.2	97.2%	-335.2	-252.9	32.5%
Financial Expenses	140.5	59.0	n/a	69.7	n/a	254.2	222.4	14.3%
Depreciation and Amortization of cost of goods	45.9	42.6	7.7%	43.3	6.0%	176.6	165.9	6.4%
Depreciation and Amortization Adm/Com Expenses	22.1	18.8	17.6%	23.4	-5.6%	83.1	67.7	22.7%
EBITDA	192.2	289.2	-33.5%	328.0	-41.4%	974.3	772.1	26.2%
EBITDA Margin	11.3%	17.1%	-5.8 p.p	16.2%	-4.9 p.p	13.4%	12.6%	0.8 p.p

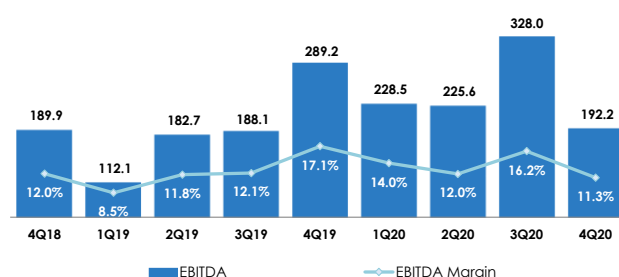
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	4Q20	4Q19	Variation	3Q20	Variation	2020	2019	Variation
Net Revenue	1,701.6	1,694.1	0.4%	2,029.0	-16.1%	7,252.5	6,103.6	18.8%
Cost of goods sold	-1,308.3	-1,153.4	13.4%	-1,498.6	-12.7%	-5,263.3	-4,250.5	23.8%
Depreciation and Amortization of cost of goods	45.9	42.6	7.7%	43.3	6.0%	176.6	165.9	6.4%
Tax Incentive (ICMS)	93.9	98.4	-4.6%	118.8	-21.0%	391.8	308.2	27.1%
Operating Expenses	-361.4	-410.9	-12.0%	-386.2	-6.4%	-1,660.9	-1,621.9	2.4%
Equity in net income of subsidiaries	-1.6	-0.4	n/a	-1.7	-5.9%	-5.5	-0.9	n/a
Depreciation and Amortization Adm/Com Expenses	22.1	18.8	17.6%	23.4	-5.6%	83.1	67.7	22.7%
EBITDA	192.2	289.2	-33.5%	328.0	-41.4%	974.3	772.1	26.2%
EBITDA Margin	11.3%	17.1%	-5.8 p.p	16.2%	-4.9 p.p	13.4%	12.6%	0.8 p.p

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



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



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	12/31/2020	12/31/2019	Variation
Cash	1,213.0	348.4	n/a
Financial Investments Short Term	16.4	16.4	0.0%
Financial Investments Long Term	3.3	3.8	-13.2%
Total Indebtedness	-1,589.1	-979.7	62.2%
(-) Short Term	-776.1	-608.2	27.6%
(-) Long Term	-813.0	-371.5	n/a
(-) Derivatives Financial Instruments	5.7	6.1	-6.6%
(=) Net Cash (Net Debt)	-350.7	-605.0	-42.0%
Shareholder's Equity	6,645.6	6,034.9	10.1%
Capitalization	8,234.7	7,014.6	17.4%

Financial Indicator	12/31/2020	12/31/2019	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-0.4	-0.8	-50.0%
Cash (Debt) Net / Shareholder's Equity	-5.3%	-10.0%	4.7 p.p
Indebtedness / Total Assets	16.3%	12.1%	4.2 p.p

We closed 2020 with cash and cash equivalents of R\$1.2 billion (R\$348.4 million in 2019). Leverage (net debt-to-LTM EBITDA ratio) stood at 0.4x in 2020, down from 0.8x in 2019.

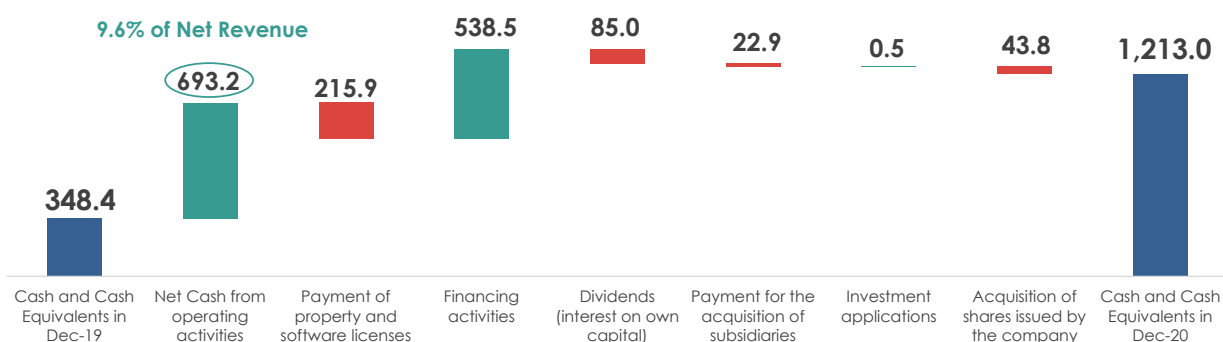
The Company uses swap contracts to hedge foreign exchange risk. These contracts are recorded at fair value through profit or loss and consist of swapping the exchange rate risk plus a fixed rate for a percentage of the CDI rate.

Consolidated Debt (R\$ million)	Index	Interest (year)	12/31/2020	% Debt	12/31/2019	% Debt	Variation
Domestic Currency:			733.0	46.1%	480.5	49.0%	52.5%
BNDIS - FINAME	TJLP	2.17%	14.2	0.9%	18.3	1.9%	-22.4%
BNDIS - PSI	R\$	2.98% (2.99% in 12/31/19)	73.6	4.6%	105.6	10.8%	-30.3%
BNDIS - FINEM	IPCA	8.63% (8.65% in 12/31/19)	39.2	2.5%	49.4	5.0%	-20.6%
BNDIS - PROGEREN	IPCA	6.28%	40.2	2.5%	57.7	5.9%	-30.3%
FINIMP	100% CDI	3.80%	138.1	8.7%	0.0	0.0%	n/a
(PROVIN) Financing of state taxes	100% TJLP	-	9.9	0.6%	10.1	1.0%	-2.0%
(DESENVOLVE) Financing of state taxes	100% TJLP	-	0.0	0.0%	0.6	0.1%	-100.0%
Working Capital	100% CDI	1.30%	200.8	12.6%	0.0	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	2.1	0.1%	2.2	0.2%	-4.5%
Investment of assignment of Estrela's shares	100% CDI	-	8.4	0.5%	5.1	0.5%	64.7%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	0.7	0.0%	0.0	0.0%	n/a
Investment of assignment of Piraquê's shares	100% CDI	-	205.8	13.0%	231.5	23.6%	-11.1%
Foreign Currency:			856.1	53.9%	499.2	51.0%	71.5%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	2.09% (3.14% in 12/31/19)	856.1	53.9%	365.3	37.3%	n/a
Working Capital - Law 4,131	EUR	0.18% in 12/31/19	0.0	0.0%	133.9	13.7%	-100.0%
TOTAL			1,589.1	100.0%	979.7	100.0%	62.2%

On December 31, 2020, the Company had 17 swap contracts to hedge working capital and wheat import financing (FINIMP) with different maturities, the last of which on December 22, 2025, in which the long leg receives, on average, the dollar plus 2.4624% and the short leg pays, on average, 176.16% of the CDI rate. The (national) reference values totaled R\$818,738 and the gross fair value receivable of these derivative instruments was R\$14,022 on December 31, 2020.

Net cash generated by operating activities totaled R\$693.2 million and net cash generated by financing activities with third parties reached R\$538.5 million, contributing to the cash and cash equivalents figure recorded in December 2020, as shown below.

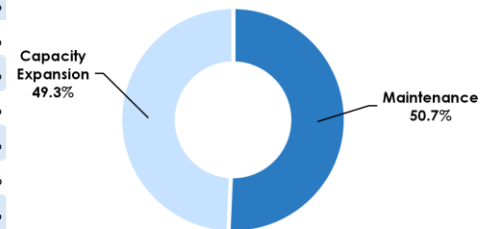
R\$ Million



INVESTMENTS

Investments (R\$ Million)	4Q20	4Q19	Variation	2020	2019	Variation
Buildings	9.5	16.8	-43.5%	26.4	51.5	-48.7%
Machinery and equipment	32.6	51.7	-36.9%	121.0	156.6	-22.7%
Construction in progress	12.5	15.6	-19.9%	43.5	69.3	-37.2%
Vehicles	0.0	0.2	-100.0%	0.3	0.6	-50.0%
IT Equipment	1.5	8.4	-82.1%	4.0	9.8	-59.2%
Furniture and Fixtures	3.2	4.9	-34.7%	8.8	12.9	-31.8%
Land	0.0	1.4	-100.0%	3.8	2.9	31.0%
Software Use License	6.7	2.1	n/a	12.1	15.8	-23.4%
Others	0.3	0.6	-50.0%	1.9	1.9	0.0%
Total	66.3	101.7	-34.8%	221.8	321.3	-31.0%

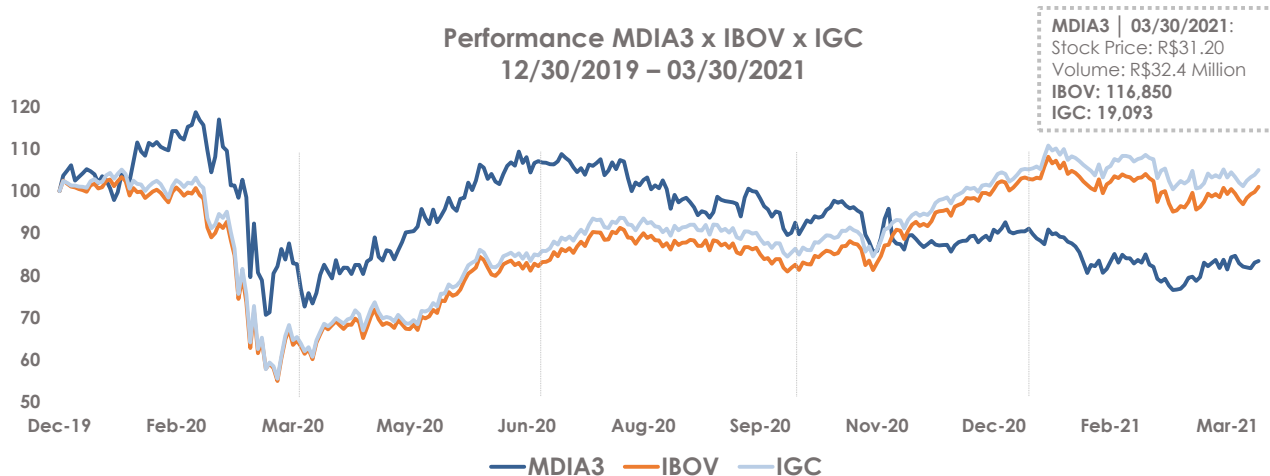
Investments 4Q20 - R\$ 66.3 million



Investments totaled R\$221.8 million in 2020 (R\$321.3 million in 2019), distributed between expansion and maintenance. The main investments in 2020 were (i) the acquisition of equipment and expansion of the new milling unit in Bento Gonçalves (RS); (ii) the construction of a truck yard for wheat trucks in Bento Gonçalves (RS); (iii) the renovation of the distribution center in the Rio de Janeiro unit; (iv) adjustment and new long pasta line at the Piraquê unit; (v) an effluent treatment plant for the Maracanaú unit; and (vi) the restructuring of the São Caetano do Sul unit (SP).

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, 2020**, there were 83,703,722 outstanding shares, representing 24.7% of the Company's capital stock, priced at **R\$34.06** each, totaling **R\$2,850.3 million**. The average number of trades of MDIA3 shares was 7,037 in 2020 (3,814 in 2019), and the average daily trading financial volume was R\$45.7 million in 2020 (R\$28.7 million in 2019).



MAIN ADMINISTRATIVE FACTS

Inclusion in B3's ISE Index

On December 1, 2020, M. Dias Branco was selected to be included in B3's Corporate Sustainability Index (ISE) portfolio, in effect from January 4, 2021 to December 30, 2021. The ISE seeks to create an investment environment compatible with the sustainable development demands of contemporary society and encourage ethical responsibility in corporations. It is an important tool to analyze the performance of companies listed on B3 in terms of corporate sustainability, based on economic efficiency, environmental balance, social justice and corporate governance.

Inclusion in B3's ICO2 Index

On January 5, 2021, M. Dias Branco was selected to be included in B3's Carbon Efficient Index (ICO2 B3). The new portfolio will be in effect from January 4, 2021 to April 30, 2021, being rebalanced every four months, following the updates of IBrX 100. The ICO2 is composed of shares of companies included in the IBrX 100 index that agree to adopt transparent practices regarding greenhouse gas (GHG) emissions, expressing their concern for global warming.

New External Auditor

At a Board of Directors' Meeting held on December 18, 2020, the Company approved the engagement of KPMG Auditores Independentes ("KPMG") to provide independent audit services for its financial statements and the review of Quarterly Information in 2021, as of the first quarter, until further decision by this body, in compliance with the rotation set forth in article 31 of CVM Instruction 308/99.

Approval of loE

At a meeting held on December 18, 2020, the Board of Directors approved the credit of R\$154.5 million to shareholders, as interest on equity ("loE"), imputed to the minimum mandatory dividends for fiscal year 2020, pursuant to paragraph 3 of article 24 of the Company's Bylaws. The amount of loE per share is R\$0.4572271386.

The amount was credited on December 31, 2020, based on the shareholding positions at the close of B3's trading session on December 23, 2020, and will be paid to shareholders on May 3, 2021. As of December 28, 2020, the shares will be traded "ex-interest on equity".

Approval of the Quarterly Information

At the meeting held on March 26, 2021, the Board of Directors approved (i) the Financial Statements for the fiscal year ended on December 31, 2020; and (ii) other matters.

Approval of the Procurement and Supply Policy

At a meeting held on October 9, 2020, the Board of Directors approved the Company's Procurement and Supply Policy, designed to (i) establish guidelines to guide the activities of the Supply Area and its relationships with Internal Clients and Suppliers, ensuring the preservation of corporate integrity, management of resources and fulfillment of its needs; and (ii) guarantee objectivity and transparency through well-defined processes and excellence in procurement of materials and services, creating value for the Company.

Subsequent Events - Issue of CRAs backed by the debenture issue

At a meeting held on January 22, 2021, the Board of Directors approved the Company's third (3rd) issue of simple debentures, not convertible into shares, in the amount of up to nine hundred and sixty million reais (R\$960,000,000.00). The First Series Debentures shall have a maturity term of seven (7) years from the Issue Date and the Second Series Debentures shall have a maturity term of ten (10) years from the Issue Date.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS



M. Dias Branco, through its Strategic Sustainability Agenda, made progress in 2020, with specific initiatives in our value chain related to material Sustainability issues. Sustainability management takes place through Working Groups (WGs) formed for each material issue.

Regarding environmental management, the Company adopts practices to minimize its main environmental impacts related to waste management and consumption of natural resources. We present below the results for the fourth quarter (4Q20) and full year of 2020, considering M. Dias Branco's scenarios before and after the acquisition of Piraquê and a comparison with the same periods in 2019.

Analysis of Indicators

Indicators*	4Q20	4Q19	Variation	2020	2019	Variation
Average Energy Intensity (Kwh/ton)	139.8	149.1	-6.2%	131.0	145.4	-9.9%
Water consumption (m ³ /ton)	0.44	0.36	22.2%	0.37	0.39	-5.1%
Waste Recycling Index (%)	86.0	88.9	-2.9 p.p.	85.4	89.5	-4.1 p.p.
Solid waste generation (Kg/Ton)	10.6	8.5	25.5%	9.0	9.1	-1.9%
Frequency rate of occupational accidents	0.9	0.5	0.4 p.p.	0.7	0.7	0.0 p.p.

*Without Piraquê

Energy intensity **SDGs 7 and 12**

Energy intensity decreased 6.2% in 4Q20 and 9.9% in 2020, due to a decline in line stoppages and restarts.

Water consumption **SDGs 6, 9 and 12**

Relative water consumption increased between 4Q19 and 4Q20, due to a decline in production volume. In 2020, relative water consumption fell 5.1%, thanks to a 14.7% production increase and initiatives designed to reduce water consumption.

Waste Recycling Rate **SDGs 9 and 12**

The waste recycling rate dropped 2.9p.p. in 4Q20 and 4.1p.p. in 2020. The main factor continued to be the change in waste disposal rules published in MAPA Normative Instruction 81/2018, which limited the reuse of organic waste, such as waste resulting from returned products, sweeping, expired products and infested products, in the production of animal feed co-products.

Solid Waste Generation **SDGs 9 and 12**

Solid waste generation increased 25.5% between 4Q19 and 4Q20, due to low production volume. Solid waste generation fell 1.9% between 2019 and 2020, thanks to an increase in production and the progress of several initiatives implemented by the team dedicated to World-Class Management improvements in the production process, including a reduction in process losses and a decline in returned products.

Frequency of occupational accidents SDGs 3 and 8

The frequency of occupational accidents remained stable between 2019 and 2020. In 4Q20, however, this frequency increased due a higher number of temporary workers hired to replace employees on leave due to COVID-19 and fewer health and safety training sessions in compliance with the contingency and isolation orders.

Other initiatives and achievements

- ✓ M. Dias Branco is part of the ESG (Environmental Social and Contribution Governance) selection. Prepared by BB Investimentos, the list includes 11 companies with socially and environmentally responsible management in Brazil, with practices focused on controlling the impacts of its business inside and outside the Company; **SDGs 12 and 8**
- ✓ We created Maya, a virtual assistant designed to provide the hearing impaired with information on the Company, making the content of its official website available in Brazilian Sign Language (Libras). Maya intends promote accessibility and identification with the Company, in an inclusive manner. According to the latest data of the Brazilian Institute of Geography and Statistics (IBGE), 51.8% of the Brazilian population is made up of women, which is why Maya is a black, middle-aged woman; **SDG 5**
- ✓ In late October, the Company held the second edition of the Ivens Dias Branco Award, which recognizes the units with the best production practices; **SDG 12**

We are signatories to the United Nations Global Compact, reinforcing the commitment to increasingly align our strategies and operations with the ten universal principles that contribute to facing society's challenges. In 2020, we carried out an in-depth analysis of our connections with the Sustainable Development Goals (SDGs), identifying our positive and negative impacts on each of the 17 SDGs.

We believe these actions will allow us to develop a culture of sustainability, with the gradual integration of social and environmental aspects into the decision-making process and value creation.



FINANCIAL STATEMENTS

Pursuant to CPC 26 – Presentation of Financial Statements, we classify expenses by function in the Income Statement. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 28 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	4Q20	4Q19	Variation	3Q20	Variation	2020	2019	Variation
NET REVENUES	1,701.6	1,694.1	0.4%	2,029.0	-16.1%	7,252.5	6,103.6	18.8%
COST OF GOODS SOLD	-1,308.3	-1,153.4	13.4%	-1,498.6	-12.7%	-5,263.3	-4,250.5	23.8%
TAX INCENTIVES (ICMS)	93.9	98.4	-4.6%	118.8	-21.0%	391.8	308.2	27.1%
GROSS PROFIT	487.2	639.1	-23.8%	649.2	-25.0%	2,381.0	2,161.3	10.2%
OPERATING REVENUES (EXPENSES)	-361.4	-410.9	-12.0%	-386.2	-6.4%	-1,660.9	-1,621.9	2.4%
Sales expenses	-382.0	-343.0	11.4%	-413.6	-7.6%	-1,552.0	-1,333.9	16.4%
Administrative and general expenses	-77.9	-86.9	-10.4%	-83.3	-6.5%	-312.3	-293.3	6.5%
Other net income (expenses)	98.5	19.0	n/a	110.7	-11.0%	203.4	5.3	n/a
OPERATING INCOME - before financial results	125.8	228.2	-44.9%	263.0	-52.2%	720.1	539.4	33.5%
Financial income	197.6	95.9	n/a	100.2	97.2%	335.2	252.9	32.5%
Financial expenses	-140.5	-59.0	n/a	-69.7	n/a	-254.2	-222.4	14.3%
OPERATING INCOME - after financial results	182.9	265.1	-31.0%	293.5	-37.7%	801.1	569.9	40.6%
Equity in net income of subsidiaries	-1.6	-0.4	n/a	-1.7	-5.9%	-5.5	-0.9	n/a
INCOME - before income tax and social contribution	181.3	264.7	-31.5%	291.8	-37.9%	795.6	569.0	39.8%
Income tax and social contribution	27.7	0.2	n/a	-26.4	n/a	-31.8	-12.1	n/a
NET INCOME	209.0	264.9	-21.1%	265.4	-21.3%	763.8	556.9	37.2%

BALANCE SHEET (R\$ million)	M. DIAS (Consolidated)		
	12/31/2020	12/31/2019	Variation
ASSETS			
CURRENT	3,870.6	2,321.7	66.7%
Cash and cash equivalents	1,213.0	348.4	n/a
Trade accounts receivable	960.1	957.5	0.3%
Inventories	1,216.1	799.1	52.2%
Taxes recoverable	398.9	162.4	n/a
Financial investments	16.4	16.4	0.0%
Derivatives financial instruments	23.8	8.0	n/a
Other receivables	32.0	22.1	44.8%
Prepaid expenses	10.3	7.8	32.1%
NON CURRENT	5,859.3	5,779.3	1.4%
Long-term	618.6	597.2	3.6%
Financial investments	3.3	3.8	-13.2%
Judicial deposits	263.8	257.4	2.5%
Taxes recoverable	293.0	273.9	7.0%
Long-term receivables	0.0	0.3	-100.0%
Tax incentives/other receivables	6.8	4.0	70.0%
Indemnity assets	51.7	57.8	-10.6%
Investments	47.3	52.9	-10.6%
Investments properties	54.6	55.2	-1.1%
Property, plant and equipment	3,419.4	3,351.6	2.0%
Intangible	1,719.4	1,722.4	-0.2%
TOTAL ASSETS	9,729.9	8,101.0	20.1%
LIABILITIES AND SHAREHOLDERS EQUITY			
CURRENT	1,634.0	1,153.6	41.6%
Suppliers	361.7	149.0	n/a
Financing and borrowings from financial institutions	743.8	568.7	30.8%
Tax financing	3.3	5.3	-37.7%
Direct financing	29.0	34.2	-15.2%
Lease	41.1	15.1	n/a
Social security and labor liabilities	176.6	167.4	5.5%
Tax liabilities	55.6	83.8	-33.7%
Advances from customers	11.1	10.2	8.8%
Derivatives financial instruments	18.1	1.9	n/a
Other accounts payable	122.3	76.3	60.3%
Proposed dividends	59.0	36.9	59.9%
Government grant	12.4	4.8	n/a
NON CURRENT LIABILITIES	1,450.3	912.5	58.9%
Financing and borrowings from financial institutions	618.4	161.5	n/a
Tax financing	6.6	5.3	24.5%
Direct financing	188.0	204.7	-8.2%
Lease	153.9	86.9	77.1%
Tax liabilities	0.0	1.0	-100.0%
Deferred taxes	226.6	205.2	10.4%
Others accounts payable	37.7	34.4	9.6%
Provisions for civil, labor and tax risks	219.1	213.5	2.6%
SHAREHOLDERS EQUITY	6,645.6	6,034.9	10.1%
Capital	2,567.9	2,508.4	2.4%
Capital reserves	27.6	26.3	4.9%
Accumulated conversion adjustments	0.2	0.1	100.0%
Equity valuation adjustment	-7.5	0.0	n/a
Revenue reserves	4,001.4	3,452.0	15.9%
(-) Treasury shares	-39.6	0.0	n/a
Additional dividend	95.6	48.1	98.8%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9,729.9	8,101.0	20.1%

EARNINGS RELEASE

4Q20 and 2020



CASH FLOW (R\$ million)	4Q20	4Q19	Variation	2020	2019	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income before Income Tax and Social Contribution	181.3	264.7	-31.5%	795.6	569.0	39.8%
Adjustments to Reconcile net income with cash from operating activities:						
Depreciation and amortization	68.0	61.3	10.9%	259.7	233.5	11.2%
Cost on sale of permanent assets	0.2	5.7	-96.5%	1.8	7.4	-75.7%
Equity in net income of subsidiaries	1.7	0.4	n/a	5.6	0.9	n/a
Loans, investments and exchange variations interests	-47.4	-0.1	n/a	218.5	79.4	n/a
Tax credits and updates	-292.0	-92.7	n/a	-533.9	-285.0	87.3%
Updated judicial deposits	-0.5	-1.8	-72.2%	-4.2	-8.3	-49.4%
Updated provision for civil, labor and tax risks	2.0	-1.6	n/a	9.0	23.8	-62.2%
Lease update	4.9	3.0	63.3%	17.4	8.3	n/a
Provision for civil, labor and tax risks	20.2	8.6	n/a	44.7	44.2	1.1%
Recognized shares granted	1.9	1.8	5.6%	6.6	4.8	37.5%
Provision / impairment loss of clients	4.6	13.0	-64.6%	23.0	30.6	-24.8%
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.0	n/a	0.8	0.0	n/a
Provision for income tax of loans	0.6	0.6	0.0%	3.3	3.1	6.5%
Provision for losses in inventories	5.6	1.1	n/a	8.4	6.5	29.2%
Provision (Reversion) of Swap derivative contracts	83.2	15.9	n/a	-159.8	-12.5	n/a
Reversal of provision for impairment of assets	0.0	0.0	n/a	-7.7	0.0	n/a
Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	-25.5	-201.8	-87.4%	-25.2	57.3	n/a
(Increase) decrease in inventories	11.7	-42.0	n/a	-430.9	-27.9	n/a
(Increase) decrease in financial investments	0.0	-0.1	-100.0%	0.0	-16.4	-100.0%
(Increase) decrease in taxes recoverable	104.8	-12.0	n/a	345.3	73.0	n/a
(Increase) decrease in other credits	-4.2	1.1	n/a	-11.1	-3.3	n/a
Increase (decrease) in suppliers	100.3	-16.7	n/a	212.7	-3.3	n/a
Increase (decrease) in taxes and contributions	-88.7	13.2	n/a	-18.2	-5.9	n/a
Increase (decrease) in government grants	-4.9	-1.7	n/a	7.6	-8.7	n/a
Increase (decrease) in accounts payable and provisions	-104.8	-7.3	n/a	9.8	13.4	-26.9%
Interests paid	-13.9	-13.0	6.9%	-42.7	-45.3	-5.7%
Exchange variations paid	-1.5	-2.0	-25.0%	-122.7	-36.4	n/a
Income tax and social contributions paid	-14.7	-16.7	-12.0%	-53.5	-45.4	17.8%
Receipts (payment) of funds for settlement of derivative transactions	-11.1	1.2	n/a	133.3	25.3	n/a
Net Cash generated from operating activities	-18.2	-17.9	1.7%	693.2	682.1	1.6%
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-63.0	-104.8	-39.9%	-215.9	-319.6	-32.4%
Payment of debt from purchase of company	0.0	0.0	n/a	-22.9	-6.8	n/a
Long-term financial investments	0.0	0.0	n/a	0.0	-6.2	-100.0%
Redeem long-term financial investment	0.0	0.0	n/a	0.5	9.6	-94.8%
Investment applications	0.0	-5.0	-100.0%	0.0	-38.0	-100.0%
Net Cash (used) in Investment Activities	-63.0	-109.8	-42.6%	-238.3	-361.0	-34.0%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	0.0	0.0	n/a	-85.0	-139.0	-38.8%
Financing obtained	711.2	2.2	n/a	1,822.0	401.5	n/a
Payment of financing	-710.2	-163.4	n/a	-1,246.2	-663.5	87.8%
Acquisition of treasury shares	0.0	0.0	n/a	-43.8	0.0	0.0%
Lease payments	-13.2	-7.7	71.4%	-37.3	-22.7	64.3%
Net Cash used in Financing Activities	-12.2	-168.9	-92.8%	409.7	-423.7	n/a
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-93.4	-296.6	-68.5%	864.6	-102.6	n/a
At the start of the period	1,306.4	645.0	n/a	348.4	451.0	-22.7%
At the end of the period	1,213.0	348.4	n/a	1,213.0	348.4	n/a
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-93.4	-296.6	-68.5%	864.6	-102.6	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.