

M. Dias Branco

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Mar/2023 - Mar/2024

BRASIL

**Earnings Release
1Q23**

May 12th, 2023



Eusébio (CE), May 12, 2023 – M. Dias Branco S.A. Indústria e Comércio de Alimentos (B3: MDIA3), leader in Brazil's cookies & crackers, pasta, granolas, healthy cookies and gluten-free breads markets, announces today its results for the first quarter of 2023 (1Q23). The consolidated interim financial information has been developed pursuant to CPC 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

1Q23 WEBINAR RESULTS

May 15, 2023

Time:

> Portuguese | English

11h00 (Brasília Time)

10h00 (NY Time)

Zoom Meetings Registration:

[Click Here](#)

Live on Youtube:

[Click Here](#)

Stock Price:

Closing on 05/10/2023

MDIA3: R\$ 31.87 per share

Market Cap: R\$ 10.8 billion

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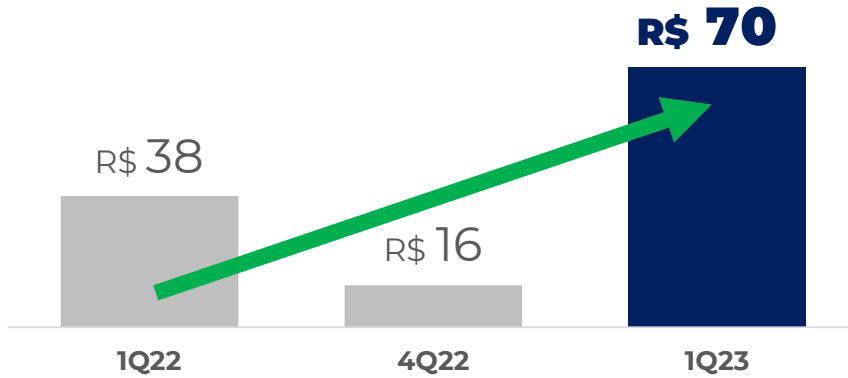
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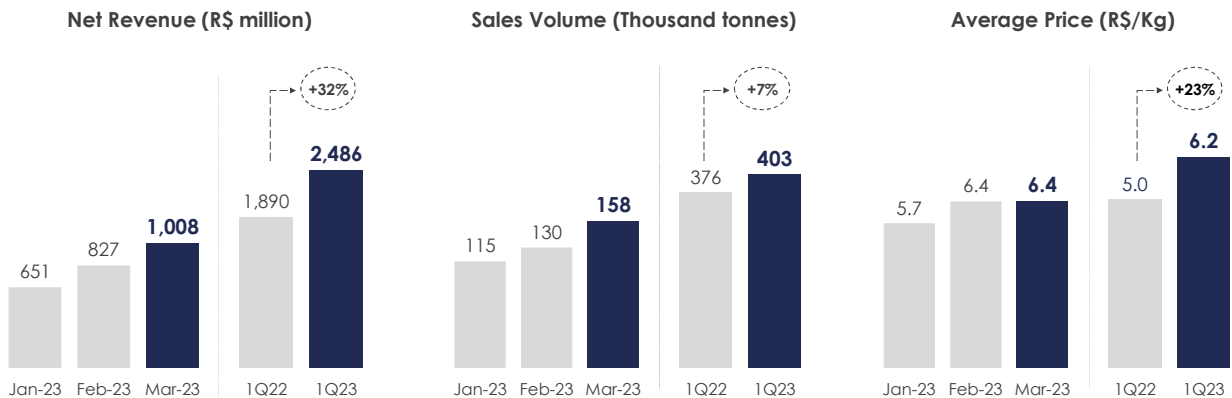
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Net Income increased 85%

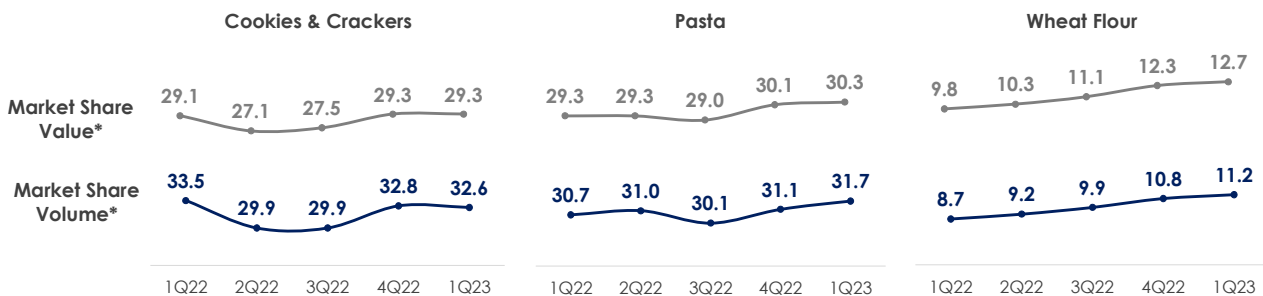


All-time high Net Revenue in the quarter and gain in market share in all the categories

R\$2.5 billion in Net Revenue, a record for the first quarter. We reported sequential volume and average price growth over the period. Compared to 1Q22, net revenue was 31.5% higher (volumes +7.3% and average price +22.7%).



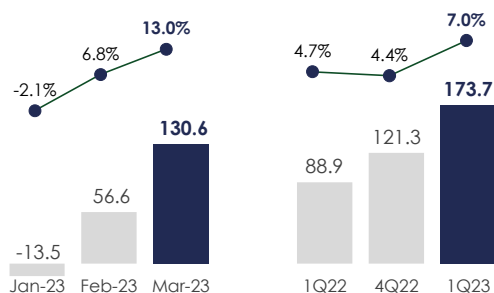
Improvement in the main market share measures. Compared to 1Q22, we increased our market share (in value) in Cookies & Crackers, Pasta, and Wheat Flour.



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

EBITDA Margin of 13% in March 2023. In 1Q23, EBITDA and EBITDA Margin grew compared to the previous year, because of the growth in average prices and maintenance of expenses at 20% of Net Revenue (SG&A %NR). Compared to 4Q22, we already observe the favorable effect of the drop in commodity prices.

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



See below the key consolidated results indicators for 1Q23, which include the results of Latinex, Jasmine and Las Acacias as of Nov/21, Sep/22 and Nov/22, respectively.

Financial and Operating Results	1Q23	1Q22	Variation	4Q22	Variation
Net Revenue (R\$ million)	2,485.5	1,890.4	31.5%	2,765.0	-10.1%
Total Sales Volume (thousand tonnes)	402.8	375.5	7.3%	441.3	-8.7%
Cookies and Crackers Sales Volume (thousand tonnes)	116.8	107.6	8.6%	127.6	-8.5%
Pasta Sales Volume (thousand tonnes)	79.3	76.6	3.5%	92.7	-14.5%
Market Share of Cookies and Crackers (volume)*	32.6%	33.5%	-0.9 p.p	32.8%	-0.2 p.p
Market Share of Pasta (volume)*	31.7%	30.7%	1 p.p	31.1%	0.6 p.p
Net Income (R\$ million)	69.9	37.8	84.9%	15.5	351.0%
EBITDA (R\$ million)	173.7	88.9	95.4%	121.3	43.2%
EBITDA Margin	7.0%	4.7%	2.3 p.p	4.4%	2.6 p.p
Net Cash (Debt) (R\$ million)	-1,602.7	-1,012.0	58.4%	-1,580.4	1.4%
Net Cash (Debt) / EBITDA (last 12 months)	-1.6	-1.4	14.3%	-1.8	-11.1%
Capex (R\$ million)	45.2	50.2	-10.0%	93.9	-51.9%
Net Cash generated from operating activities	56.8	13.5	n/a	302.5	-81.2%

*The values presented in 1Q23 and 1Q22 are from the period of Jan/Feb 2023 and 2022.

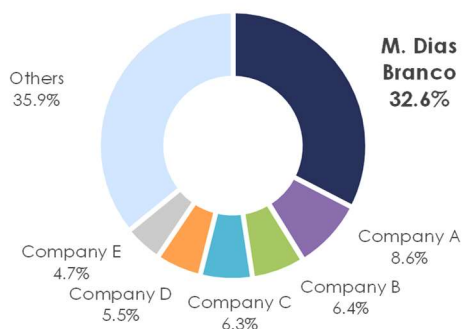
The values presented in 4Q22 are from the period of Nov/Dec 2022.

MARKET AND OPERATIONAL HIGHLIGHTS

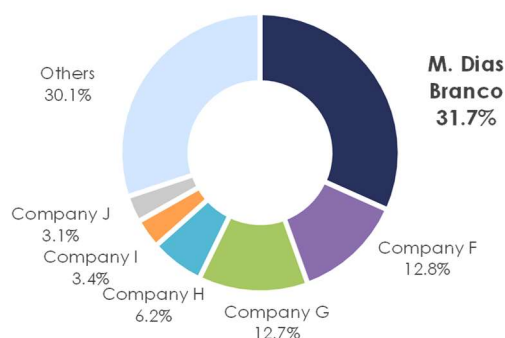
MARKET SHARE

The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookies & crackers and pasta markets, and its main competitors (from January to March 2023).

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



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



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

SALES CHANNELS

Revenue recorded growth in all channels in 1Q23 vs. 1Q22, highlighting the higher share of Distributors, with 1.6 p.p. expansion in the channel mix, in line with our strategy of increasing the distribution capillarity in the Attack region.

Client Mix	1Q23	1Q22	Variation	4Q22	Variation
Key Accounts / Regional Chains	22.3%	21.6%	0.7 p.p	23.2%	-0.9 p.p
Cash and Carry	21.6%	20.5%	1.1 p.p	22.3%	-0.7 p.p
Wholesale	18.6%	19.0%	-0.4 p.p	18.0%	0.6 p.p
Small Retail	19.1%	21.9%	-2.8 p.p	18.7%	0.4 p.p
Distributors	11.8%	10.2%	1.6 p.p	11.8%	0 p.p
Industry	3.2%	3.5%	-0.3 p.p	2.9%	0.3 p.p
Other	3.4%	3.3%	0.1 p.p	3.1%	0.3 p.p
TOTAL	100.0%	100.0%		100.0%	

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

Major Clients		Sales 1Q23 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated
Major Client	1	244.4	8.4%	8.4%
49 Subsequent	50	858.5	29.4%	37.8%
50 Subsequent	100	250.6	8.6%	46.4%
900 Subsequent	1,000	940.6	32.2%	78.6%
Other Clients	All clients	624.9	21.4%	100.0%
TOTAL		2,919.0		

*Gross revenue excluding discounts and returns.

PRODUCTION CAPACITY UTILIZATION RATE

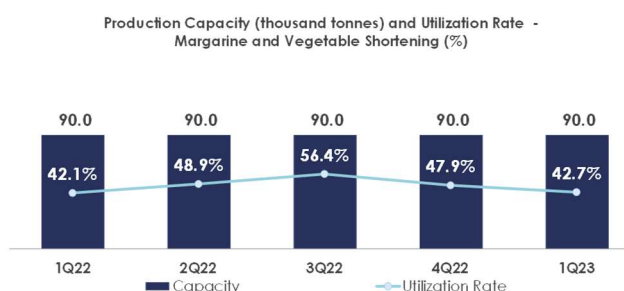
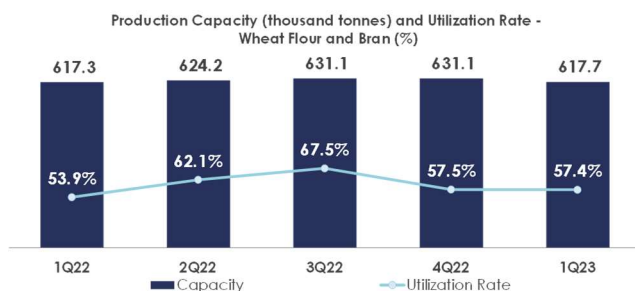
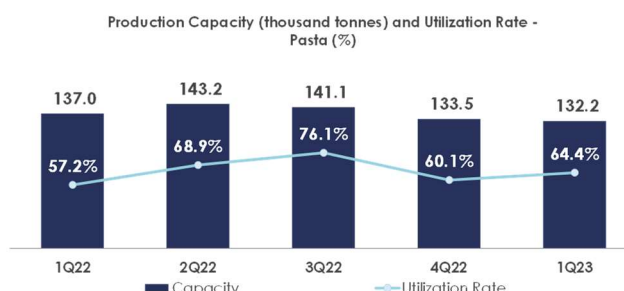
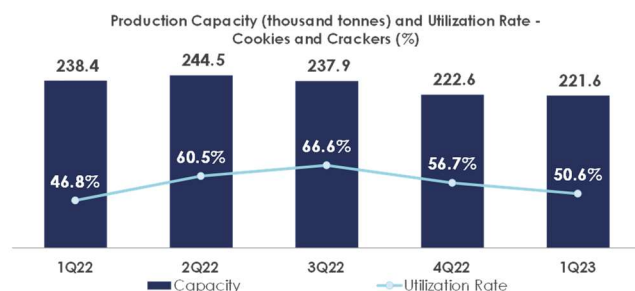
In 1Q23, we had a capacity utilization level of 55.5% (51.6% in 1Q22), higher than the previous year in all categories.

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22
Total Production	112.2	111.5	85.2	78.4	354.8	332.5	38.4	37.9	5.6	3.8	596.2	564.1
Total Production Capacity	221.6	238.4	132.2	137.0	617.7	617.3	90.0	90.0	13.6	10.6	1,075.1	1,093.3
Capacity Utilization	50.6%	46.8%	64.4%	57.2%	57.4%	53.9%	42.7%	42.1%	41.2%	35.8%	55.5%	51.6%

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1Q23	4Q22	1Q23	4Q22	1Q23	4Q22	1Q23	4Q22	1Q23	4Q22	1Q23	4Q22
Total Production	112.2	126.2	85.2	80.2	354.8	363.0	38.4	43.1	5.6	5.6	596.2	618.1
Total Production Capacity	221.6	222.6	132.2	133.5	617.7	631.1	90.0	90.0	13.6	13.1	1,075.1	1,090.3
Capacity Utilization	50.6%	56.7%	64.4%	60.1%	57.4%	57.5%	42.7%	47.9%	41.2%	42.7%	55.5%	56.7%

*Thousand tonnes.

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



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

VERTICAL INTEGRATION

We maintained the high vertical integration level of the two main inputs. In 1Q23, 99.8% of wheat flour and 100.0% of vegetable shortening consumed were internally produced.



Wheat flour

Period	Own Production	External Source	Sale	Internal Consumption
1Q23	99.8%	0.2%	40.3%	59.7%
4Q22	99.7%	0.3%	38.2%	61.8%
1Q22	99.7%	0.3%	39.4%	60.6%

■ Own Production ■ External Source ■ Sale ■ Internal Consumption



Vegetable shortening

Period	Own Production	External Source	Sale	Internal Consumption
1Q23	100.0%	0.0%	50.6%	49.4%
4Q22	100.0%	0.0%	49.7%	50.3%
1Q22	100.0%	0.0%	50.3%	49.7%

■ Own Production ■ External Source ■ Sale ■ Internal Consumption

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

In 1Q23, net revenue grew by 31.5% over 1Q22 (average price +22.7% and sales volume +7.3%). We highlight: (i) increase in average price in all the categories; (ii) expansion on volumes in all the categories, except "margarine and vegetable shortening"; and (iii) growth of 116.6% in revenue from "other products", as a result of the Latinex and Jasmine acquisitions, which introduced new categories with high added value products in our portfolio.

Segment	1Q23			1Q22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,254.1	116.8	10.74	933.0	107.6	8.67	34.4%	8.6%	23.9%
Pasta	503.7	79.3	6.35	389.9	76.6	5.09	29.2%	3.5%	24.8%
Wheat Flour and Bran	476.1	183.2	2.6	373.7	170.1	2.2	27.4%	7.7%	18.2%
Margarine and Vegetable Shortening	145.9	17.3	8.43	145.0	17.7	8.19	0.6%	-2.3%	2.9%
Other products**	105.7	6.2	17.05	48.8	3.5	13.94	116.6%	77.1%	22.3%
TOTAL	2,485.5	402.8	6.17	1,890.4	375.5	5.03	31.5%	7.3%	22.7%

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

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

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

Variation in Net Revenue by Regions 1Q23 vs. 1Q22 (R\$ million)



In 1Q23, we launched 5 products, featuring sandwich cookies and cream crackers aimed at exports.

We continue investing in marketing and sales, featuring the "Cookies Piraquê" 2023 campaign, continuing with the actions implemented in 2022, whose theme was "Um Quê de Piraquê".

Compared to 4Q22, net revenue fell by 10.1% in 1Q23 (average price -1.6% and sales volume -8.7%), in line with the historical volume dynamics between 4Q and 1Q. The decrease in the average price was due to the mix, since average prices increased in all categories, except for "flour and bran".

Segment	1Q23			4Q22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,254.1	116.8	10.74	1,341.0	127.6	10.51	-6.5%	-8.5%	2.2%
Pasta	503.7	79.3	6.35	579.6	92.7	6.25	-13.1%	-14.5%	1.6%
Wheat Flour and Bran	476.1	183.2	2.60	528.4	190.8	2.77	-9.9%	-4.0%	-6.1%
Margarine and Vegetable Shortening	145.9	17.3	8.43	190.0	22.8	8.33	-23.2%	-24.1%	1.2%
Other products**	105.7	6.2	17.05	126.0	7.4	17.03	-16.1%	-16.2%	0.1%
TOTAL	2,485.5	402.8	6.17	2,765.0	441.3	6.27	-10.1%	-8.7%	-1.6%

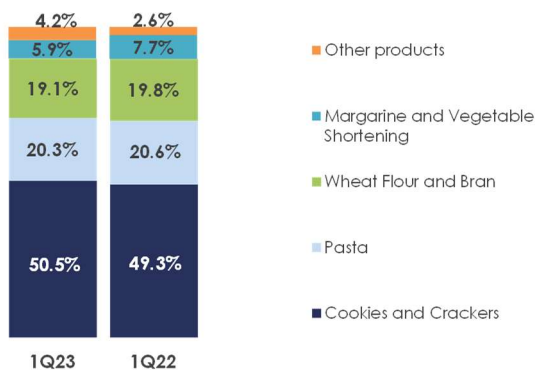
*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

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

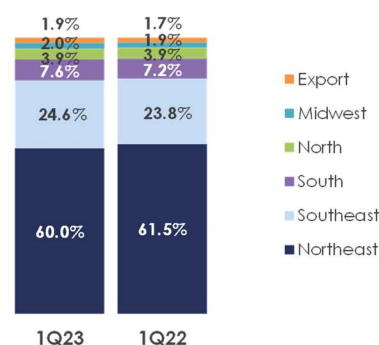
Net Revenue (R\$ million) and Net Volume (thousand tonnes)



Net Revenue Breakdown



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



HIGHLIGHTS – COOKIES & CRACKERS | PASTA

Net revenue grew in cookies & crackers and pasta in 1Q23 over 1Q22, due to the average price increase and higher volumes. In the cookies category, the gross revenue from products/flavors launched in the last 24 months reached R\$54.9 million in 1Q23, totaling 138 launches.

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



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



HIGHLIGHTS – WHEAT FLOUR AND BRAN | MARGARINE AND VEGETABLE SHORTENING

Net wheat flour and bran revenue grew in 1Q23 over 1Q22, due to higher average prices and volumes. In margarine and vegetable shortening, increase as a result of the higher average price.

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



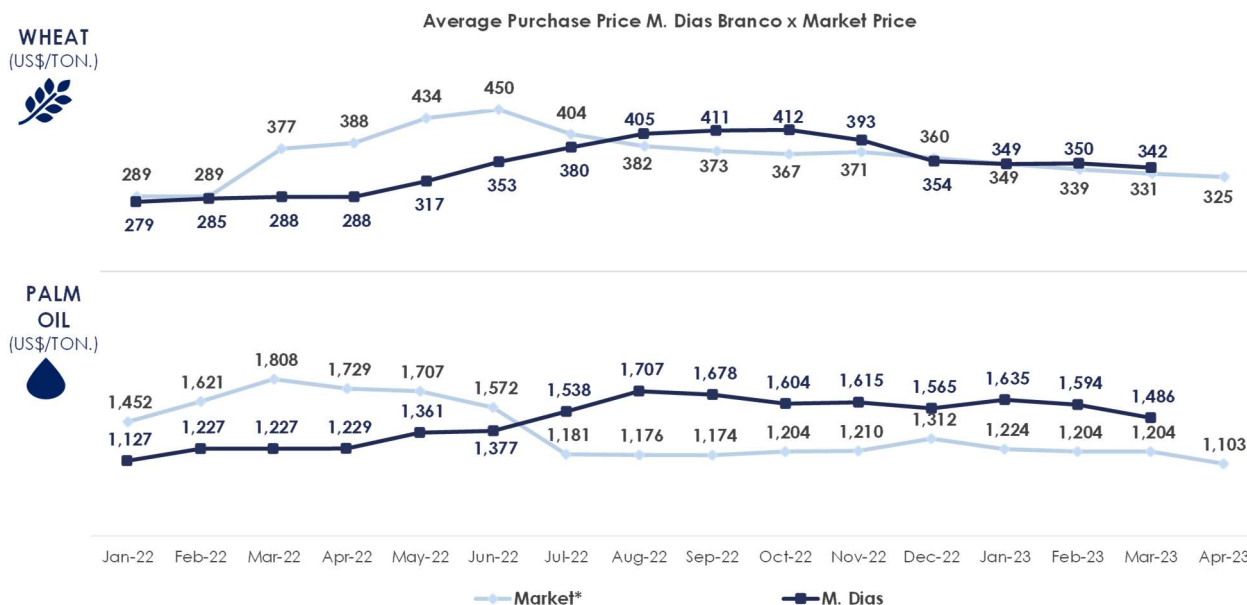
Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



COSTS

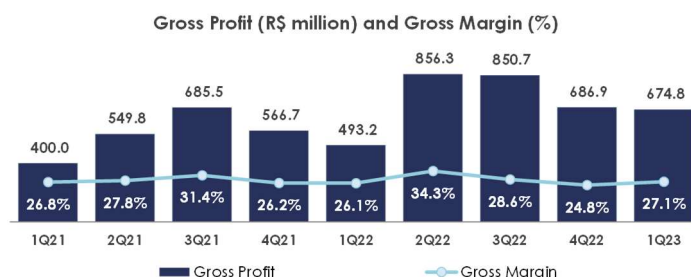
COGS (R\$ million)	1Q23	% Net Rev.	1Q22	% Net Rev.	Variation	4Q22	% Net Rev.	Variation
Raw material	1,354.5	54.5%	1,034.0	54.7%	31.0%	1,614.0	58.4%	-16.1%
Wheat	866.0	34.8%	659.6	34.9%	31.3%	1,048.2	37.9%	-17.4%
Vegetable Oil	275.7	11.1%	213.6	11.3%	29.1%	341.6	12.4%	-19.3%
Sugar	66.0	2.7%	60.0	3.2%	10.0%	69.6	2.5%	-5.2%
Third Party Flour	2.3	0.1%	1.3	0.1%	76.9%	2.2	0.1%	4.5%
Third Party Vegetable Shortening	0.0	0.0%	0.1	0.0%	-100.0%	0.0	0.0%	n/a
Other	144.5	5.8%	99.4	5.3%	45.4%	152.4	5.5%	-5.2%
Packages	148.2	6.0%	128.0	6.8%	15.8%	174.1	6.3%	-14.9%
Labor	206.8	8.3%	164.3	8.7%	25.9%	201.0	7.3%	2.9%
Indirect costs	163.7	6.6%	133.2	7.0%	22.9%	163.4	5.9%	0.2%
Depreciation and amortization	50.8	2.0%	45.1	2.4%	12.6%	48.5	1.8%	4.7%
Other	18.5	0.7%	3.2	0.0%	n/a	22.9	0.8%	-19.2%
Total	1,942.5	78.2%	1,507.8	79.8%	28.8%	2,223.9	80.4%	-12.7%

In 1Q23, costs represented 78.2% of net revenue, below the 79.8% reported in 1Q22. The decrease in the share as a percentage of net revenue was mainly due to the increase in the average price of the products sold. Compared to 4Q22 (80.4%), the drop reflected the decrease in variable costs because of the drop in commodity prices, as observed in the charts below.



GROSS PROFIT

Gross profit grew 36.8% in nominal terms in 1Q23 vs. 1Q22, reaching a gross margin of 27.1% (+1.0 p.p. vs. 1Q22), as a result of the increase in average price and sales volume, of 22.7% and 7.3%, respectively.



Gross profit includes subsidies for state investments, which totaled R\$131.8 million in 1Q23 (R\$110.6 million in 1Q22), which are recorded in the income statement according to accounting pronouncement CPC 07 – Government Subsidies.

OPERATING EXPENSES

To provide a better understanding of the changes in operating expenses, we show separately selling and administrative expenses (SG&A) from other operating expenses (donations, taxes, depreciation and amortization and other expenses and revenues) as shown below:

Operating Expenses (R\$ million)	1Q23	% Net Rev.	1Q22	% Net Rev.	Variation	4Q22	% Net Rev.	Variation
Selling*	437.1	17.6%	352.6	18.7%	24.0%	497.4	18.0%	-12.1%
Administrative	76.2	3.1%	61.1	3.2%	24.7%	86.0	3.1%	-11.4%
SELLING AND ADMINISTRATIVE EXPENSES	513.3	20.7%	413.7	21.9%	24.1%	583.4	21.1%	-12.0%
Donations	10.7	0.4%	4.4	0.2%	n/a	5.8	0.2%	84.5%
Taxes	8.0	0.3%	5.9	0.3%	35.6%	10.1	0.4%	-20.8%
Depreciation and amortization	36.8	1.5%	32.3	1.7%	13.9%	35.2	1.3%	4.5%
Other operating expenses/(revenue)	19.1	0.8%	24.2	1.3%	-21.1%	18.1	0.7%	5.5%
TOTAL	587.9	23.7%	480.5	25.4%	22.4%	652.6	23.6%	-9.9%

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

SG&A as a percentage of net revenue was 20.7% in 1Q23, down by 1.2 p.p. from 1Q22. In nominal terms, the increase came to 24.1%, due to the 7.3% increase in sales volume, inflation, mainly in fuels¹, and the inclusion of the operating expenses of the acquired companies. Regarding the other expenses, the increase was mainly due to higher donations (more than 1,000 tons, benefiting several institutions).

Compared to 4Q22, SG&A decreased 12.0%, reflecting the 8.7% drop in volumes sold.

FINANCIAL RESULT

Financial Result (R\$ million)	1Q23	1Q22	Variation	4Q22	Variation
Financial Revenue	84.2	132.7	-36.5%	63.9	31.8%
Financial Expenses	-142.3	-166.0	-14.3%	-165.6	-14.1%
TOTAL	-58.1	-33.3	74.5%	-101.7	-42.9%

In 1Q23, the Company recorded a negative result of R\$58.1 million (R\$33.3 million in 1Q22). Compared to 1Q22, the increase was due to higher net debt, which moved up from R\$1.0 billion to R\$1.6 billion, and the increase in the cost of debt, mainly due to the rise in the CDI.

Compared to 4Q22, the better financial result was due to:

- Stability of net debt (1.60 billion in 1Q23 vs. 1.58 billion in 4Q22) and CDI;
- Favorable impact on derivative transactions, mainly debenture swaps, with the rise in the IPCA favoring the long leg, and the reduction in expenses with currency hedge.

¹ Source: National Petroleum, Natural Gas, and Biofuel Agency

TAXES ON INCOME

We closed 1Q23 with deferred income tax and social contribution of R\$41.9 million, compared to the R\$59.6 million in 1Q22.

Income and Social Contribution Taxes (R\$ million)	1Q23	1Q22	Variation
Income and Social Contribution Taxes	-41.9	-60.1	-30.0%
Income Tax Incentive	0.0	0.5	-100.0%
TOTAL	-41.9	-59.6	-29.7%

GOODWILL

As of 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition, currently totaling R\$230.5 million, which will be amortized over a minimum period of five years. This amount considers the effectively paid portion of the acquisition price (acquisition price of R\$1.5 billion, less the retained portion of the acquisition price of R\$123.2 million). However, we expect to fully use the transaction goodwill, in the amount of R\$361.6 million. In 1Q23, the Company recorded R\$3.9 million in tax benefit from amortization.

EBITDA AND NET INCOME

We closed 1Q23 with EBITDA of R\$173.7 million (increase by 95.4% vs. 1Q22), EBITDA margin of 7.0% (4.7% in 1Q22) and net income of R\$69.9 million (increase by 84.9% vs. 1Q22).

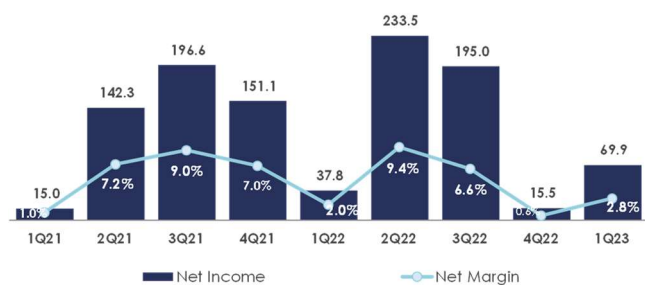
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	1Q23	1Q22	Variation	4Q22	Variation
Net Profit	69.9	37.8	84.9%	15.5	n/a
Income Tax and Social Contribution	-41.9	-60.1	-30.3%	-79.6	-47.4%
Income Tax Incentive	0.0	0.5	-100.0%	0.0	n/a
Financial Revenue	-84.2	-132.7	-36.5%	-63.9	31.8%
Financial Expenses	142.3	166.0	-14.3%	165.6	-14.1%
Depreciation and Amortization of cost of goods	50.8	45.1	12.6%	48.5	4.7%
Depreciation and Amortization of expenses	36.8	32.3	13.9%	35.2	4.5%
EBITDA	173.7	88.9	95.4%	121.3	43.2%
EBITDA Margin	7.0%	4.7%	2.3 p.p	4.4%	2.6 p.p

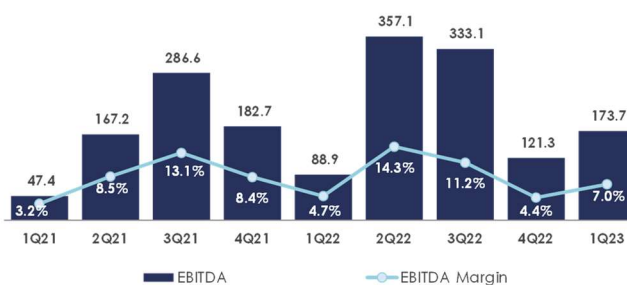
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	1Q23	1Q22	Variation	4Q22	Variation
Net Revenue	2,485.5	1,890.4	31.5%	2,765.0	-10.1%
Cost of goods sold	-1,942.5	-1,507.8	28.8%	-2,223.9	-12.7%
Depreciation and Amortization of cost of goods	50.8	45.1	12.6%	48.5	4.7%
Tax Incentive (ICMS)	131.8	110.6	19.2%	145.8	-9.6%
Operating Expenses	-587.9	-480.5	22.4%	-652.6	-9.9%
Equity in net income of subsidiaries	-0.8	-1.2	-33.3%	3.3	n/a
Depreciation and Amortization of expenses	36.8	32.3	13.9%	35.2	4.5%
EBITDA	173.7	88.9	95.4%	121.3	43.2%
EBITDA Margin	7.0%	4.7%	2.3 p.p	4.4%	2.6 p.p

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



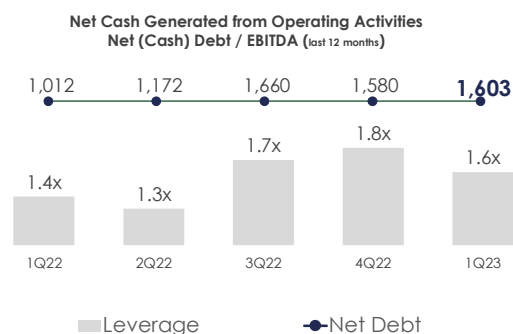
EBITDA (R\$ million) and EBITDA Margin (%)



DEBT, CAPITALIZATION AND CASH

The Company closed 1Q23 with a cash position of R\$0.8 billion and gross debt of R\$2.4 billion (R\$1.7 billion in 1Q22). The leverage (net debt/LTM EBITDA) was 1.6x (1.4x in 1Q22 and 1.8x in 4Q22), the drop over the last quarter is due to the improvement in the operating result (LTM EBITDA).

Capitalization (R\$ million)	3/31/2023	3/31/2022	Variation
Cash	773.9	845.6	-8.5%
Linked deposits	30.8	0.0	n/a
Financial Investments Short Term	16.9	16.8	0.6%
Financial Investments Long Term	1.6	2.1	-23.8%
Total Indebtedness	-2,364.3	-1,672.5	41.4%
(-) Short Term	-806.0	-103.7	n/a
(-) Long Term	-1,558.3	-1,568.8	-0.7%
(-) Derivatives Financial Instruments	-61.6	-204.0	-69.8%
(=) Net Cash (Net Debt)	-1,602.7	-1,012.0	58.4%
Shareholder's Equity	6,785.6	6,313.1	7.5%
Capitalization	9,149.9	7,985.6	14.6%



In 1Q23, 66% of the debt was in the long term, and we maintained the Rating AAA Stable Outlook, reaffirmed by Fitch for the 5th consecutive year.

Consolidated Debt R\$ million	Index	Interest (year)	3/31/2023	% Debt	3/31/2022	% Debt	Variation
Domestic Currency:			1,471.1	62.2%	1,192.4	71.3%	23.4%
BNDES - FINAME	TJLP	2.17%	5.2	0.2%	9.2	0.6%	-43.5%
BNDES - PSI	R\$	3.36% (3.06% on 03/31/22)	8.4	0.4%	35.6	2.1%	-76.4%
BNDES - FINEM	IPCA	8.57%	21.7	0.9%	30.9	1.8%	-29.8%
BNDES - PROGEREN	IPCA	6.28%	0.0	0.0%	23.1	1.4%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	22.7	1.0%	14.6	0.9%	55.5%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	7.7	0.3%	3.6	0.2%	n/a
Working Capital	100% CDI	0.76%	108.2	4.6%	0.0	0.0%	n/a
Working Capital	IPCA	6.93%	125.5	5.3%	-	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	4.7	0.2%	4.5	0.3%	4.4%
Investment of assignment of Estrela's shares	100% CDI	-	12.0	0.5%	11.1	0.7%	8.1%
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	-	173.3	7.3%	148.8	8.9%	16.5%
Investment of assignment of Latinex's shares	100% CDI	-	91.6	3.9%	95.7	5.7%	-4.3%
Investment of assignment of Jasmine's shares	100% CDI	-	1.0	0.0%	0.0	0.0%	n/a
Investment of assignment of Las Acacias' shares	100% CDI	-	25.9	1.1%	0.0	0.0%	n/a
Debentures	IPCA	3.7992% and 4.1369%	862.5	36.5%	814.6	48.7%	5.9%
Foreign Currency:			893.2	37.8%	480.1	28.7%	86.0%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	2.85% (1.69% on 03/31/22)	871.5	36.9%	480.1	28.7%	81.5%
Working Capital	UYU	12.07%	21.7	0.9%	0.0	0.0%	n/a
TOTAL			2,364.3	100.0%	1,672.5	100.0%	41.4%

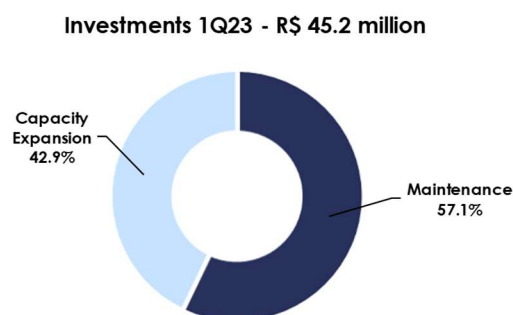
On March 31, 2023, the Company had four swap contracts to hedge working capital financing in foreign currency maturing until December 22, 2025, in which the long leg receives, on average, the dollar plus 3.09% p.a. interest rate, and the short leg pays, on average, CDI plus 0.99% p.a. rate with a notional reference value of R\$873.0 million and fair value payable of R\$98.3 million.

To hedge the debenture issues and working capital indexed to the IPCA, the Company had 43 swap contracts, all of which maturing until March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.36% p.a., and the short leg pays, on average, the CDI plus 0.29% p.a. The notional reference values totaled R\$931.6 million for current contracts, and the gross fair value receivable of all derivative instruments totaled R\$52.5 million on March 31, 2023.

At the end of 1Q23, debentures totaled R\$862.5 million net of the unamortized balance of transaction costs totaling R\$35.0 million.

INVESTMENTS

Investments (R\$ million)	1Q23	1Q22	Variation
Buildings	7.3	7.0	4.3%
Machinery and equipment	19.9	15.1	31.8%
Construction in progress	4.3	6.8	-36.8%
Vehicles	0.0	0.2	-100.0%
IT Equipment	0.7	0.8	-12.5%
Furniture and Fixtures	1.1	1.5	-26.7%
Software Use License	11.3	18.6	-39.2%
Others	0.6	0.2	n/a
Total	45.2	50.2	-10.0%

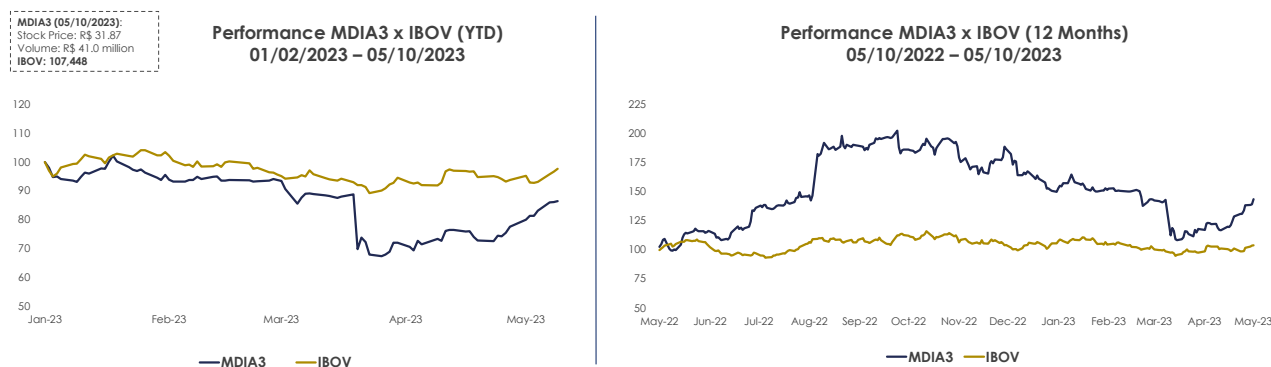


Investments totaled R\$45.2 million in 1Q23, (-10.0% vs. 1Q22), distributed between expansion and maintenance. It is worth noting investments in systems, because of the implementation of the new ERP² (Simplifique project).

² ERP: Enterprise Resource Planning

CAPITAL MARKET

The Company's shares are traded on B3 (Brasil, Bolsa e Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On **March 31, 2023**, there were 65,955,842 outstanding shares, representing 19.5% of the Company's capital stock, priced at **R\$25.22** each, totaling **R\$1,663.4 million**. The average trading volume was **7,526** in 1Q23 (8,186 in 1Q22), and the average daily trading financial volume was **R\$52.8 million** in 1Q23 (R\$40.8 million in 1Q22).



MDIA **IBRA B3** **IBRX100 B3** **ICO2 B3** **ICON B3** **IGC B3** **IGC-NM B3**
B3 LISTED NM **IGCT B3** **INDX B3** **ISE B3** **ITAG B3** **SMLL B3**



MAIN ADMINISTRATIVE FACTS

Approval of the Financial Statements

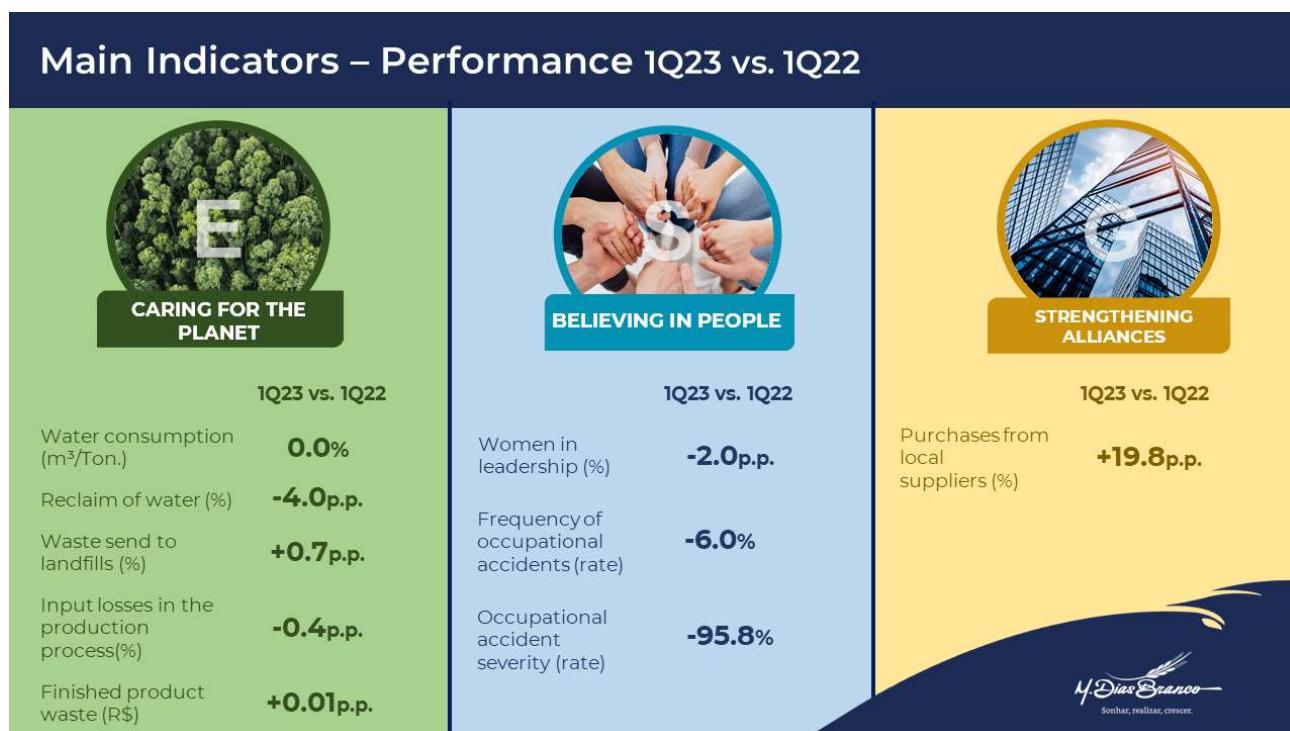
At the meeting of the Board of Directors held on May 12, 2023, the following was approved: (i) the Interim Financial Information (ITR) for the period ended March 31, 2023; and (ii) other provisions.

Shareholders' Meeting

At the Annual and Extraordinary Shareholders' Meeting held on April 20, 2023, the following resolutions were approved by a majority vote: (i) the annual management report and the financial statements accompanied by the independent auditors' report for the fiscal year ended on December 31, 2022; (ii) the allocation of net income for 2022, as proposed by the Board of Directors at the meeting held on March 17, 2023; (iii) number and election of members of the Board of Directors; (iv) the alteration of the annual global compensation of the Company's management for fiscal year 2022; and (v) the proposed annual overall compensation of the Company's management for fiscal year 2023.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

Below are the **main indicators and highlights**³ of 1Q23. M. Dias Branco has a Strategic Sustainability Agenda with 18 public goals that will be achieved by 2030. These goals address 15 relevant themes for our business and stakeholders, according to the following ESG pillars: Environmental (Caring for the Planet), Social (Believing in People) and Governance (Strengthening Alliances). The performance of public targets can be monitored on the Company's website (<https://mdiasbranco.com.br/en/sustainability-agenda/>).



Water consumption index: There was no significant variation in the water consumption index between 1Q23 and 1Q22.

Water reuse: Because of the rainy season, it was not necessary to use reuse water for irrigation and landscaping at the units.

Waste sent to landfills: In 1Q23, we generated non-routine waste in our operation and, therefore, we have no recycling mechanisms or other nobler disposal mechanisms.

Input losses in the production process: Among the initiatives that are contributing to the improvement in performance, we highlight the automation and modernization of equipment, mainly in the industrial unit in Rio de Janeiro/RJ.

Waste of finished products: In March, the variation was due to inaccuracies in production and sales planning in the flour and margarine businesses, mainly in the States of Ceará and Piauí.

Women in leadership positions: The variation was mainly due to promotions from supervision to management positions in the Commercial area, which is mostly composed of men.

³ It should be noted that the indicators do not include the subsidiaries Latinex, Jasmine and Las Acacias, as they are in the integration phase.

Frequency and severity of occupational accidents: The result was because of the initiatives of the *Positivo* Program, such as awareness-raising campaigns for accident prevention, and behavioral observations with leaders in various sectors, among others.

Purchases from local suppliers: The increase was boosted by higher purchases of raw materials, which represents the Company's highest purchasing category.

Below are the main advances in 1Q23:



Employee satisfaction index of 77%, measured in an organizational climate survey with the global partner Great Place To Work (GPTW). As a result, we were granted the GPTW Seal as an excellent company to work for. As part of the organizational climate management, the results per area will be analyzed and action plans will be developed aiming at progress over the next few years. We aim at achieving an employee satisfaction level of 80%, measured in an external survey by 2030.



Reduction of the Frequency Rate, of 0.57 (-6%), and Accident Severity Rate, of 6.44 (-95.8%) in 1Q23 vs. 1Q22. This achievement was a result of initiatives in all units, such as awareness-raising campaigns for the prevention of accidents, behavioral observations with leaders in the sectors, and encouraging the opening of safety alerts, among other actions of the *Positivo* Program. 1Q22 was impacted by the fatality of a traffic accident (road) involving the company's charter bus.



Adoption of 1,600 hectares, 25% of the total area, of the Serra das Almas Nature Reserve, for the conservation of the Caatinga lands, forests, and waters, in the States of Piauí and Ceará. The expansion of the adopted area, of 800 hectares in 2022, is part of the Company's greenhouse gas emission offsetting strategy. This initiative contributes to the public goal of reducing GHG emissions, which is currently being prepared together with the Science Based Target Initiative (SBTi).



Launch of the 5th edition of Germinar, the open innovation program that establishes partnerships with startups, among which topics related to the Sustainability Strategic Agenda. Throughout the four previous editions, we had more than 500 startups enrolled and built relationships with more than 120 startups, 37 of which performed pilot projects in areas such as Marketing and Industry.

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 25 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	1Q23	1Q22	Variation	4Q22	Variation
NET REVENUES	2,485.5	1,890.4	31.5%	2,765.0	-10.1%
COST OF GOODS SOLD	-1,942.5	-1,507.8	28.8%	-2,223.9	-12.7%
TAX INCENTIVES (ICMS)	131.8	110.6	19.2%	145.8	-9.6%
GROSS PROFIT	674.8	493.2	36.8%	686.9	-1.8%
OPERATING REVENUES (EXPENSES)	-587.9	-480.5	22.4%	-652.6	-9.9%
Sales expenses	-459.0	-370.3	24.0%	-518.6	-11.5%
Administrative and general expenses	-100.6	-79.1	27.2%	-104.6	-3.8%
Other net income (expenses)	-28.3	-31.1	-9.0%	-29.4	-3.7%
OPERATING INCOME BEFORE FINANCIAL RESULTS	86.9	12.7	584.3%	34.3	153.4%
Financial income	84.2	132.7	-36.5%	63.9	31.8%
Financial expenses	-142.3	-166.0	-14.3%	-165.6	-14.1%
OPERATING INCOME AFTER FINANCIAL RESULTS	28.8	-20.6	-239.8%	-67.4	-142.7%
Equity in net income of subsidiaries	-0.8	-1.2	-33.3%	3.3	n/a
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	28.0	-21.8	-228.4%	-64.1	-143.7%
Income tax and social contribution	41.9	59.6	-29.7%	79.6	-47.4%
NET INCOME	69.9	37.8	84.9%	15.5	351.0%

BALANCE SHEET (R\$ million)	M. DIAS (Consolidated)				
	3/31/2023	3/31/2022	Variation	12/31/2022	Variation
ASSETS					
CURRENT	4,611.6	3,984.0	15.8%	4,877.0	-5.4%
Cash and cash equivalents	773.9	845.6	-8.5%	648.0	19.4%
Linked deposits	30.8	0.0	n/a	69.6	-55.7%
Trade accounts receivable	1,557.8	1,193.6	30.5%	1,690.9	-7.9%
Inventories	1,911.6	1,439.6	32.8%	2,111.5	-9.5%
Taxes recoverable	186.8	369.3	-49.4%	234.6	-20.4%
Income tax and social contribution	29.6	19.5	51.8%	28.5	3.9%
Financial investments	16.9	16.8	0.6%	16.6	1.8%
Derivatives financial instruments	21.5	52.3	-58.9%	15.6	37.8%
Prepaid expenses	24.2	20.2	19.8%	14.3	69.2%
Other current assets	58.5	27.1	n/a	47.4	23.4%
NON CURRENT	6,592.3	5,987.5	10.1%	6,562.5	0.5%
Long-term	589.5	507.9	16.1%	539.9	9.2%
Financial investments	1.6	2.1	-23.8%	1.5	6.7%
Judicial deposits	270.0	239.5	12.7%	263.7	2.4%
Taxes recoverable	151.1	155.2	-2.6%	149.6	1.0%
Income tax and social contribution	42.9	38.9	10.3%	41.9	2.4%
Long-term receivables	2.4	0.0	n/a	2.9	-17.2%
Derivatives financial instruments	34.3	8.1	n/a	0.0	n/a
Indemnity assets	79.2	59.4	33.3%	75.3	5.2%
Other non-current assets	8.0	4.7	70.2%	5.0	60.0%
Investments	61.6	34.7	77.5%	62.5	-1.4%
Investments properties	55.8	56.0	-0.4%	55.6	0.4%
Property, plant and equipment	3,540.2	3,427.5	3.3%	3,547.8	-0.2%
Intangible	2,345.2	1,961.4	19.6%	2,356.7	-0.5%
TOTAL ASSETS	11,203.9	9,971.5	12.4%	11,439.5	-2.1%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	2,259.3	1,439.7	56.9%	2,467.4	-8.4%
Suppliers	799.3	709.1	12.7%	1,234.6	-35.3%
Financing, borrowings and debentures	806.0	103.7	n/a	561.9	43.4%
Lease	76.2	57.7	32.1%	66.6	14.4%
Social security and labor liabilities	193.5	161.3	20.0%	252.4	-23.3%
Tax liabilities	153.8	103.0	49.3%	125.0	23.0%
Income tax and social contribution	1.8	1.8	0.0%	1.8	0.0%
Government grant	25.8	13.2	95.5%	25.0	3.2%
Derivatives financial instruments	37.6	161.7	-76.7%	54.5	-31.0%
Other current liabilities	165.3	128.2	28.9%	145.6	13.5%
NON CURRENT LIABILITIES	2,159.0	2,218.7	-2.9%	2,263.4	-4.6%
Financing, borrowings and debentures	1,558.3	1,568.8	-0.7%	1,664.6	-6.4%
Lease	273.9	228.5	19.9%	265.3	3.2%
Tax liabilities	0.3	0.7	-57.1%	0.5	-40.0%
Deferred taxes	6.1	75.2	-91.9%	37.4	-83.7%
Derivatives financial instruments	79.8	102.7	-22.3%	50.7	57.4%
Provisions for civil, labor and tax risks	226.4	219.9	3.0%	225.3	0.5%
Other non-current liabilities	14.2	22.9	-38.0%	19.6	-27.6%
SHAREHOLDERS' EQUITY	6,785.6	6,313.1	7.5%	6,708.7	1.1%
Capital	2,597.7	2,597.7	0.0%	2,597.7	0.0%
Capital reserves	42.6	36.0	18.3%	39.7	7.3%
Accumulated conversion adjustments	0.3	0.1	n/a	0.2	50.0%
Equity valuation adjustment	-60.7	-76.2	-20.3%	-81.5	-25.5%
Revenue reserves	4,233.7	3,819.9	10.8%	4,233.7	0.0%
(-) Treasury shares	-81.1	-85.3	-4.9%	-81.1	0.0%
Accrued profit	53.1	20.9	n/a	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	11,203.9	9,971.5	12.4%	11,439.5	-2.1%

CASH FLOW (R\$ million)	1Q23	1Q22	Variation
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before income tax and social contribution	28.0	-21.9	-227.9%
Adjustments to reconcile net income with cash from operating activities:			
Depreciation and amortization	87.6	77.4	13.2%
Cost on sale of permanent assets	7.9	1.0	n/a
Equity in net income of subsidiaries	0.8	1.2	-33.3%
Updated financing, debentures and exchange rate variations	31.5	-55.7	n/a
Updated financial investment in the long term	-0.1	-0.1	0.0%
Tax credits and updates	-12.0	-7.2	66.7%
Updated judicial deposits	-4.2	-2.8	50.0%
Appropriate interest on lease	9.0	5.9	52.5%
Provision and update for civil, labor and tax risks/others	12.2	6.4	90.6%
Provision (reversion) for expenses/indemnity assets	-4.2	0.8	n/a
Recognized shares granted	2.9	2.6	11.5%
Provision (reversion) for losses of clients	5.1	3.4	50.0%
Estimated losses due to the reduction in the recoverable amount of taxes	0.2	0.0	n/a
Provision for income tax of loans	0.5	0.3	66.7%
Provision (reversion) for losses in inventories	1.3	4.2	-69.0%
Losses (gains) on derivative contracts	45.7	109.1	-58.1%
Provision (reversion) for impairment of assets	-1.2	0.0	n/a
Changes in assets and liabilities			
(Increase) decrease in linked deposits	38.8	0.0	n/a
(Increase) in trade accounts receivable	128.4	242.0	-46.9%
(Increase) decrease in inventories	230.8	-313.1	n/a
(Increase) in financial investments	-0.3	-0.2	50.0%
Decrease in taxes recoverable	103.5	118.7	-12.8%
(Increase) decrease in judicial deposits	8.2	4.9	67.3%
(Increase) decrease in prepaid expenses	-9.9	-12.4	-20.2%
Decrease in indemnity assets	0.5	0.0	n/a
(Increase) decrease in other assets	-14.0	-7.7	81.8%
Increase in suppliers	-454.9	-48.4	n/a
(Decrease) in taxes and contributions	-12.3	-57.4	-78.6%
Increase in social and labor obligations	-58.8	-15.6	n/a
(Decrease) in provisions for civil, labor and tax risks	-21.5	-15.5	38.7%
Increase (decrease) in government grants	0.8	2.3	-65.2%
(Decrease) in other liabilities	14.4	-1.0	n/a
Interests paid	-30.7	-6.5	n/a
Receipts of funds for settlement of derivative transactions	-77.2	-1.2	n/a
Net cash generated from operating activities	56.8	13.5	n/a
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant, equipment and intangible	-20.7	-30.3	-31.7%
Payment of debt from purchase of company	-22.7	0.0	n/a
Net cash (used) in investment activities	-43.4	-30.3	43.2%
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	-16.8	-605.1	-97.2%
Financing obtained	158.1	0.0	n/a
Payment of financing	-11.6	-40.6	-71.4%
Acquisition of treasury shares	0.0	-36.6	-100.0%
Lease payments	-17.2	-11.2	53.6%
Net cash used in financing activities	112.5	-693.5	n/a
Increase (decrease) in cash and cash equivalents	125.9	-710.3	n/a
At the start of the period	648.0	1,555.9	-58.4%
At the end of the period	773.9	845.6	-8.5%
Increase (decrease) in cash and cash equivalents	125.9	-710.3	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.