



M. Dias Branco

Earnings Release 1Q21





Eusébio (CE), May 10, 2021 - M. Dias Branco S.A. Indústria e Comércio de Alimentos (B3: MDIA3), the leader in Brazil's cookies & crackers and pasta markets, announces today its results for the first quarter of 2021 (1Q21). The consolidated financial statements have been prepared in accordance with CPC 21 - Interim statement and also in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

EARNINGS CONFERENCE CALL

May 10, 2021

Time:

> Portuguese (BR GAAP)
11:00 a.m. (Brasília time)
10:00 a.m. (New York time)
Phone: +55 (11) 3127-4971 or
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Stock price:
Closing on 05/06/2021
MDIA3: R\$25.8 per share
Market cap: R\$8.7 billion

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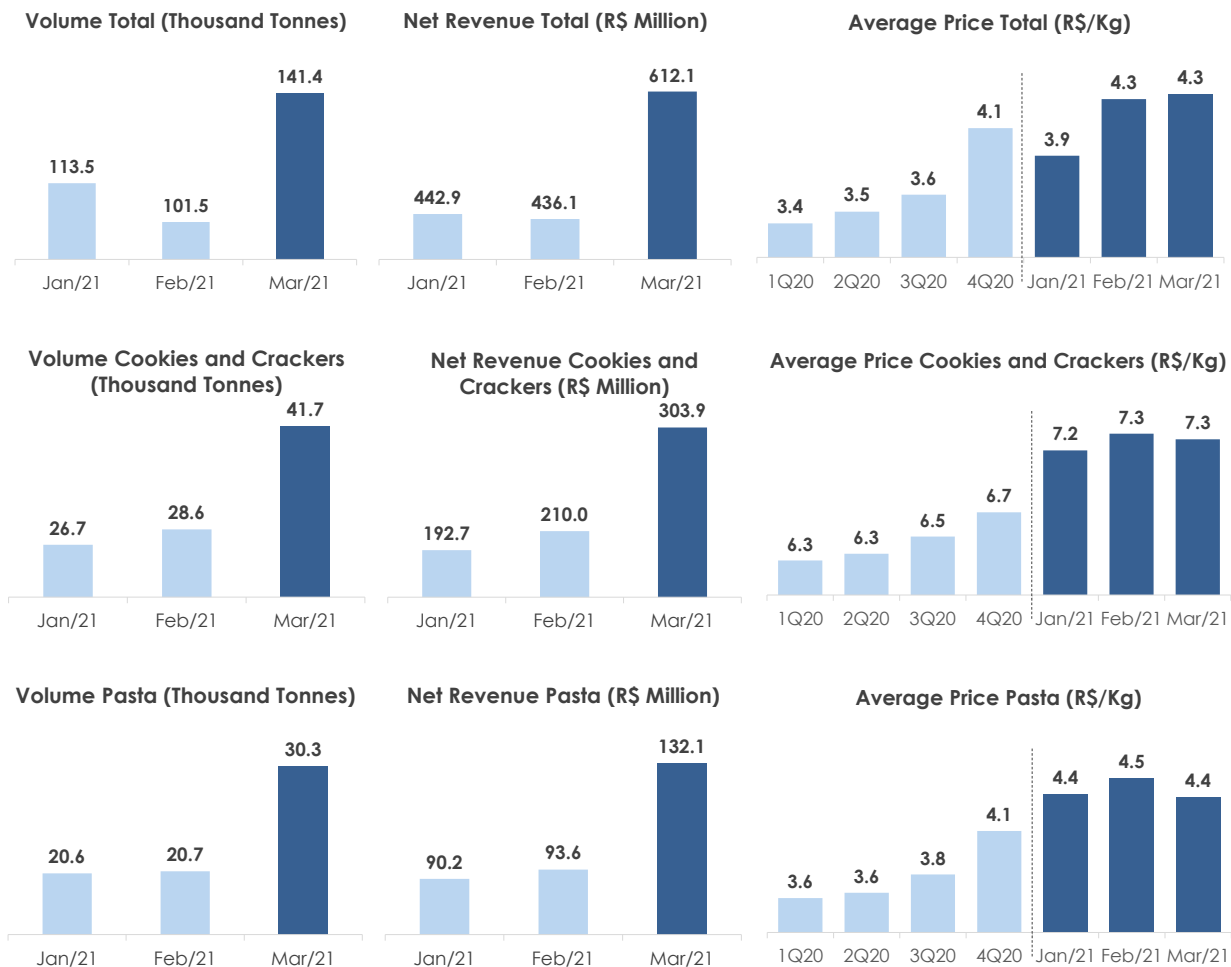
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With the recovery in sales volume in March, M. Dias Branco increases its share of the pasta market and reaches total net revenue of R\$1.5 billion

In line with our profitable growth strategy and amidst a scenario of high commodity prices, we concentrated our efforts on capturing productivity gains, launching higher value-added products, increasing distribution capillarity (also through new partnerships) and adjusting our prices in order to achieve a gradual margin recovery.

Regarding price adjustments, the average price increase of 10% in January faced strong trade resistance, which pressured volume until the end of February. As shown in the graphs below, in March, already with the new prices, sales volume increased and, consequently, so did net revenue.



In 1Q21, EBITDA was affected by a decline in sales volume (-R\$135 million), the negative foreign exchange effect (-R\$136 million), and non-recurring effects related to tax credits and non-recurring expenses.

EBITDA 1Q20 (R\$ Million)	229
Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	(135)
Subtotal	94
Recurring Gains with Efficiency and Productivity Program <i>Multiplique</i>	85
Subtotal	179
Exchange*	(136)
Subtotal	43
Non-Recurring Gains**	27
Expenses with COVID-19	(8)
Restructuring Expenses	(14)
Piraquê Integration Expenses	(1)
EBITDA 1Q21 (R\$ Million)	47

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

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

On March 24, our first issue of Agribusiness Receivables Certificates (CRA) raised R\$811 million, with demand totaling R\$2.3 billion (2.9x the original amount). They comprise two series of seven and ten years, AAA rating, with a Green Bond second opinion. This issue changed our debt profile, substantially increasing the long-term portion of debt from 23.4% in 1Q20 to 76.4% in 1Q21.

The chart below shows the evolution of the main indicators in our 1Q21 results compared to 1Q20 and 4Q20.

Financial and Operating Results	1Q21	1Q20	Variation	4Q20	Variation
Net Revenue (R\$ million)	1,491.1	1,636.7	-8.9%	1,701.6	-12.4%
Total Sales Volume (thousand tonnes)	356.4	476.5	-25.2%	415.7	-14.3%
Cookies & Crackers Sales Volume (thousand tonnes)	97.0	137.9	-29.7%	126.4	-23.3%
Pasta Sales Volume (thousand tonnes)	71.6	104.9	-31.7%	94.5	-24.2%
Market share of Cookies & Crackers (volume)*	32.6%	33.3%	-0.7 p.p	33.5%	-0.9 p.p
Market share of Pasta (volume)*	32.6%	31.7%	0.9 p.p	32.4%	0.2 p.p
Net Income (R\$ million)	15.0	137.0	-89.1%	209.0	-92.8%
Ebitda (R\$ million)	47.4	228.5	-79.3%	192.2	-75.3%
Ebitda Margin	3.2%	14.0%	-10.8 p.p	11.3%	-8.1 p.p
Net Cash (Debt) (R\$ million)	-384.9	-660.7	-41.7%	-350.7	9.8%
Net Cash (Debt) / EBITDA (last 12 months)	-0.5	-0.7	-28.6%	-0.4	25.0%
Capex (R\$ million)	40.7	56.3	-27.7%	66.3	-38.6%
Net Cash generated from operating activities	16.5	77.4	-78.7%	-18.2	n/a

* The values presented in 1Q21 and 1Q20 are from the period of Jan/Feb 2021 and 2020.

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

The values presented in 1Q20 changed due to the reprocessing of bases, carried out by Nielsen.

At this moment, we have designed and implemented a set of six measures in place to resume profitable growth.

Sales Growth

1. Onda Verde Piraquê!!! (Piraquê's Green Wave)

Accelerated growth and national expansion driven by:

- i. Launch of snacks, covered cookies and American-style cookies, such as the new potato snacks and the "Comida Di Buteco" special edition, at an average price of over R\$ 39,0/kg¹;
- ii. Strengthening of the brand, with increased media presence, including "Festa Original Piraquê" (Piraquê's Original Party) on BBB21;
- iii. Appropriate packaging for each channel profile;
- iv. Greater presence on e-commerce platforms, with higher investments in activation, including commemorative dates;
- v. Higher presence in premium POS, with the new items.



2. New Partnerships

Increase our distribution capillarity

- Since May, a selection of our portfolio has been offered in partnership with AMBEV on the BEES platform, targeted at retailers and with potential to increase our capillarity.

3. Leverage opportunities in the foreign market due to the greater competitiveness of our products.

- i. Latin America: Pasta and Wheat Flour;
- ii. USA: Private Label and resumption of toast sales;
- iii. Number of Customers, 65 in 1Q21 vs. 56 in 1Q20; and
- iv. Number of countries, 30 in 1Q21 vs 23 in 1Q20.

Productivity and Efficiency

Focus on the gradual improvement in margins and returns, reinvesting part of the gains in our growth strategy, brand strengthening and technology

4. SKU Optimization. Over the next two quarters, 137 SKUs of cookies & cracker and pastas (17% of total SKUs and 3% of revenue) will be removed from our portfolio, reducing the complexity of operations and improving execution throughout the chain.

¹Average price calculated based on net revenue for the item

5. Adjustment of the industrial and logistics footprint:

- i. Closing of 2 of the 32 distribution centers;
- ii. Higher capacity utilization rate in the production lines. Over the coming quarters, we will concentrate our production in fewer production lines, reducing the number of active lines from 113 to 106 in cookies & crackers and pastas; and
- iii. Renegotiation of rates with logistics operators.

6. Adjustment of the organizational structure:

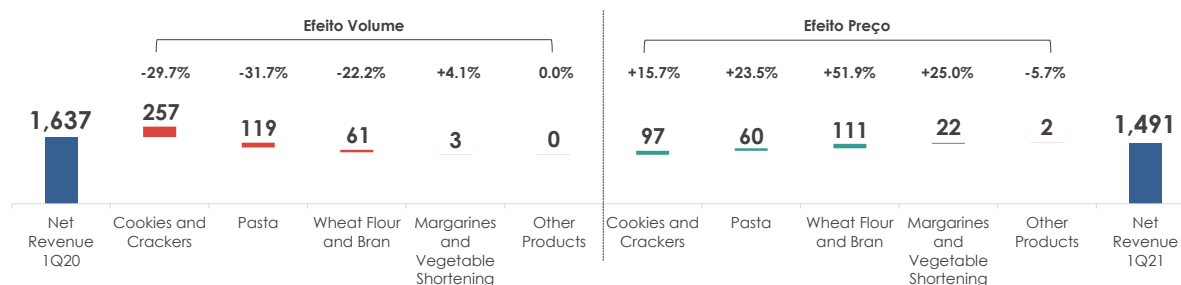
Gradus consultancy was hired to support the transformation of the organization in line with its strategy, placing the company on the same level as the best references in the market.

Over the coming quarters, we will share the evolution and impacts of these measures.

• Revenue

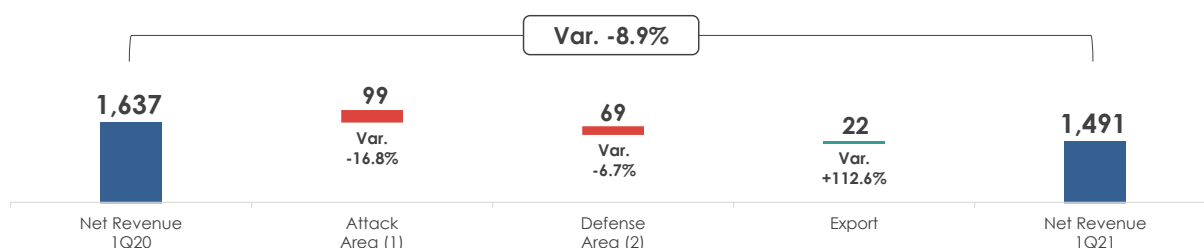
Net revenue totaled R\$1.5 billion in 1Q21, 9% lower than in 1Q20. We highlight the “volume” and “price” effects below. In wheat flour and bran, margarine and vegetable shortening, price increases offset the decline in sales volume. This has not yet occurred in cookies & crackers and pasta, as sales volume fell in January and February, when we adjusted prices.

Net Revenue Variation 1Q21 vs 1Q20 (R\$ MM)



As for revenue trends by region, the chart below shows that exports recorded three-digit growth and net revenue dropped in the Attack (South, Southeast and Midwest) and Defense (North and Northeast) regions.

Variation in Net Revenue by Regions 1Q21 vs 1Q20 (R\$ MM)

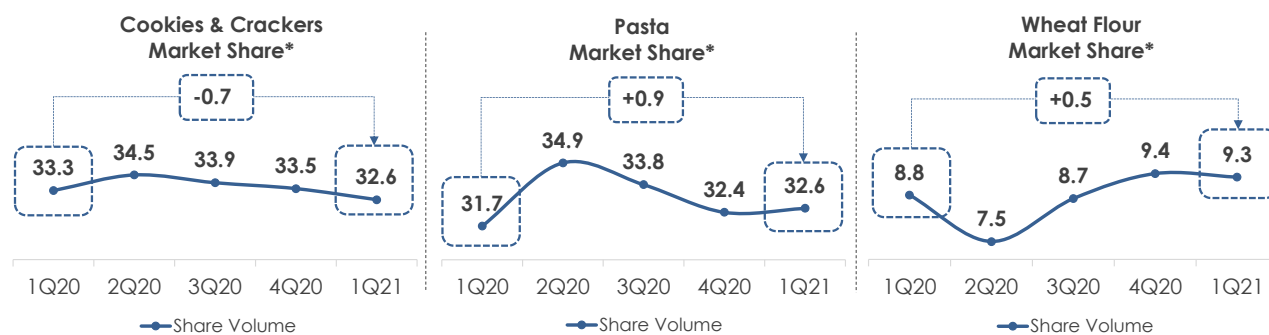


⁽¹⁾ Note: Attack Region comprises South, Southeast and Midwest.

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

• **Market Share**

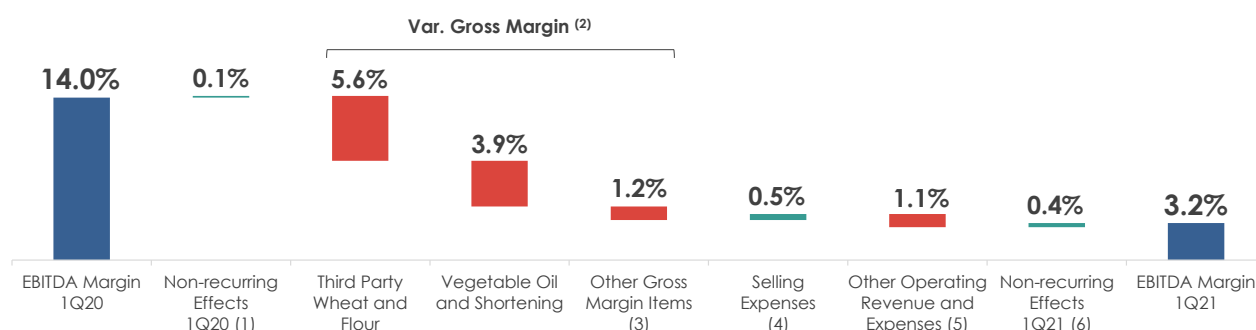
We maintained our leadership in the national² cookie & cracker and pasta markets, with an increase in the pasta market share and a decline in cookie & cracker market share. Our pasta market share grew compared to both 1Q20 and 4Q20.



• **EBITDA**

EBITDA totaled R\$47.4 million in 1Q21, 79.3% less than in 1Q20, and the EBITDA margin stood at 3.2%, down from 14.0% in 1Q20. As shown below, the EBITDA margin dropped mostly due to the negative impact of the increase in the price of commodities (wheat, oil and sugar) and the lower dilution of fixed costs stemming from a 26.5% reduction in production volume.

Variation of EBITDA Margin (%NR) 1Q21 vs 1Q20



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

⁽²⁾ Note: % Variation in gross margin without considering the representativeness of the depreciation of the COGS over net revenue.

⁽³⁾ Note: Disregards the non-recurring effects on the cost with COVID-19 (R\$ 6.6 millions).

⁽⁴⁾ Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.6 million) and restructuring expenses (R\$ 12.6 millions).

⁽⁵⁾ Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.5 million), expenses with Piraquê integration (R\$ 0.8 million), restructuring expenses (R\$ 1.1 million) and revenue from extemporaneous tax credit (R\$ 27.4 millions).

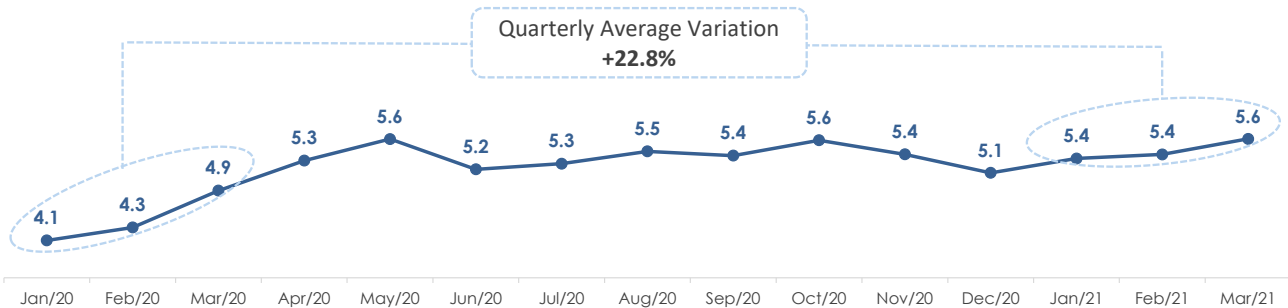
⁽⁶⁾ Note: Non-recurring effects of 1Q21 with costs and expenses with COVID-19 (R\$ 7.7 millions), restructuring expenses (R\$ 13.7 millions), expenses with Piraquê integration (R\$ 0.8 million) and revenue from extemporaneous tax credit (R\$ 27.4 millions).

² NIELSEN data from January to February 2021.

The graphs below show an increase in the price of commodities in reais, due to the depreciation of the real against the dollar and an upturn in the price of commodities in U.S. dollars.

The 22.8% increase in the average dollar between 1Q21 and 1Q20 had a direct impact on our costs.

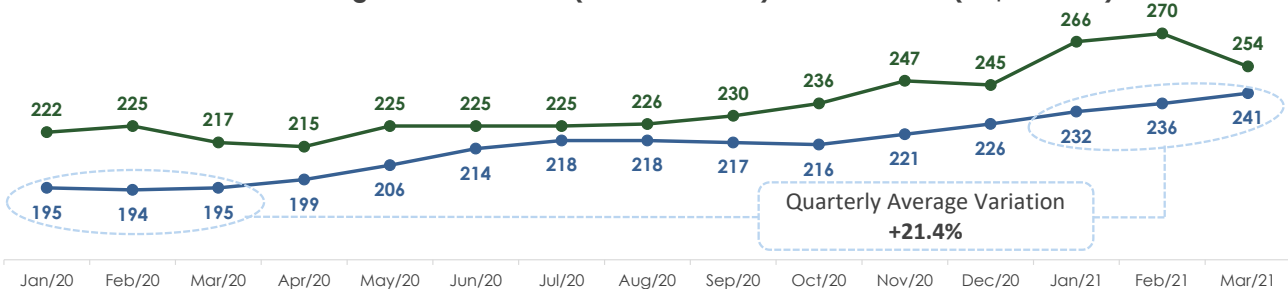
Dollar (Monthly Average) - Closing PTAX



* Fonte: BACEN

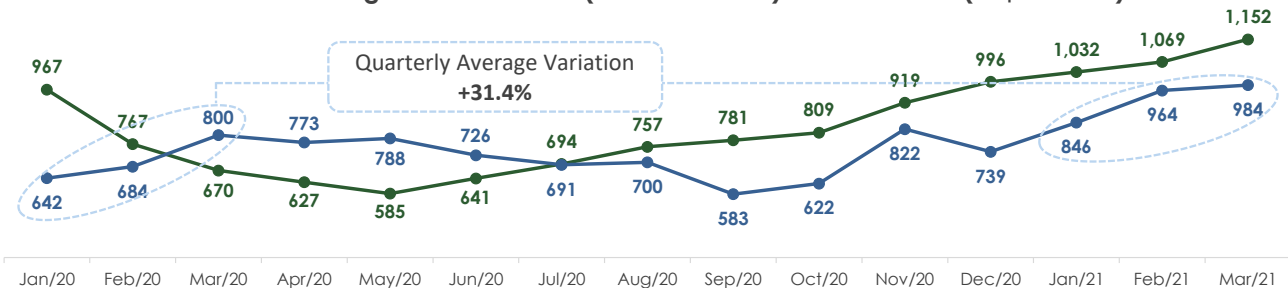
As for wheat and palm oil, the two graphs below show that even with more competitive Dollar prices than those of the market, the double-digit increase in the price of these commodities has substantially impacted our costs.

Wheat - Average Purchase Price (M. Dias Branco) x Market Price (US\$ TONNES)



* Source: www.safra.com.br

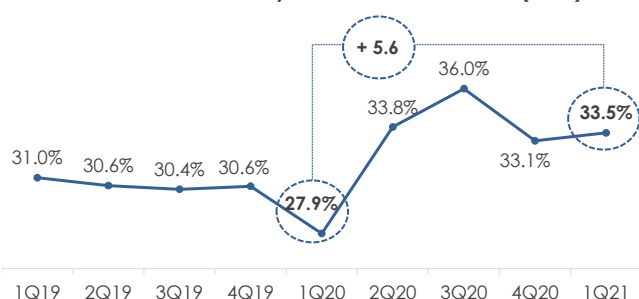
Palm Oil - Average Purchase Price (M. Dias Branco) x Market Price (US\$ TONNES)



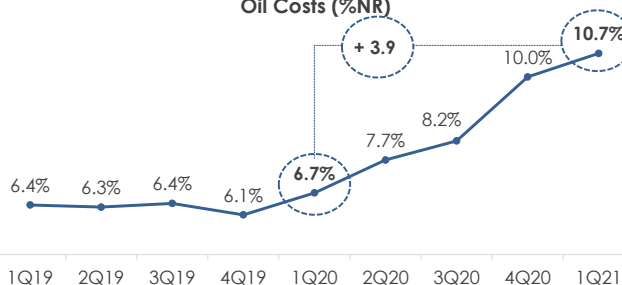
* Source: Rotterdam

Finally, as a direct result of the combination of the two factors described above (depreciation of the real against the dollar and an increase in wheat and palm oil prices in dollars), the cost of goods sold increased substantially as a percentage of net revenue.

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



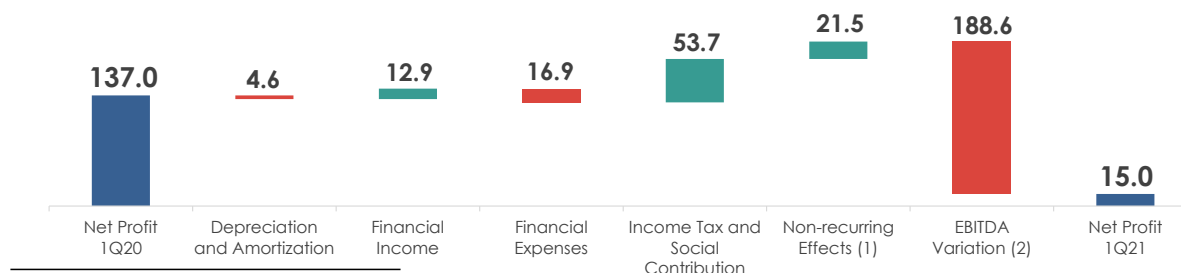
Evolution of Third Party Vegetable Shortening and Oil Costs (%NR)



• **Net Income**

Net income fell 89.1% from 1Q20, totaling R\$15.0 million. As shown in the graph below, the decline was mainly due to the drop in EBITDA.

Net Income Variation 1Q21 vs 1Q20 (R\$ MM)



(1) **Nota: Note:** Variation in the non-recurring effects of 1Q21 (R\$ 21.1 millions) vs 1Q20 (R\$ -0.4 million):
 - **1Q21 (R\$ 21.1 millions):** Includes Piraquê integration expenses (R\$ 0.8 million), costs and expenses with COVID-19 (R\$ 7.7 millions), restructuring expenses (R\$ 13.7 millions), revenue from extemporaneous tax credit (R\$ 27.4 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 15.9 millions).
 - **1Q20 (R\$ -0.4 million):** Includes Piraquê integration expenses (R\$ 3.2 millions), restructuring expenses (R\$ 3.7 millions), revenue from extemporaneous tax credit (R\$ 4.5 millions) and financial income from monetary restatement of extemporaneous tax credits (R\$ 2.0 millions).
 (2) **Note:** EBITDA variation without non-recurring effects.

• **Investments**

We invested R\$40.7 million in 1Q21 (-27.7% vs. 1Q20). We highlight (i) the acquisition of equipment for the Bento Gonçalves unit (RS); (ii) investment in management software in the Salvador unit (BA); (iii) adjustment and acquisition of machinery and equipment in the Natal unit (RN); (iv) adjustment of the distribution center of the Rio de Janeiro unit (RJ); and (v) opening of the distribution center in Vitória da Conquista (BA).

• **Debt, Capitalization and Cash**

Net cash generated by operating activities totaled R\$16.5 million in 1Q21 (-78.7% vs 1Q20), and we closed the quarter with a cash position of R\$1.7 billion (R\$0.8 billion in 1Q20) and gross debt of R\$2,126.7 million (R\$1,567.3 million in 1Q20), resulting in leverage (net debt/LTM EBITDA) of 0.5x, lower than in 1Q20 (0.7x).

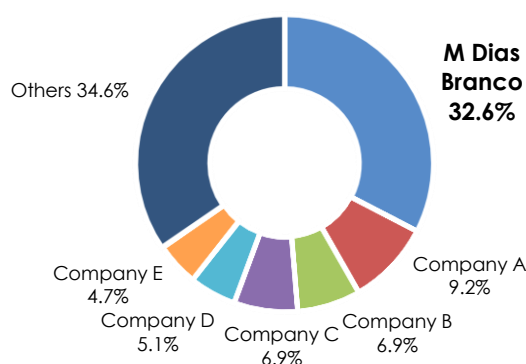
MDIA IBRAB3 ICONB3 IGCB3 IGC-NMB3
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MARKET HIGHLIGHTS

MARKET SHARE

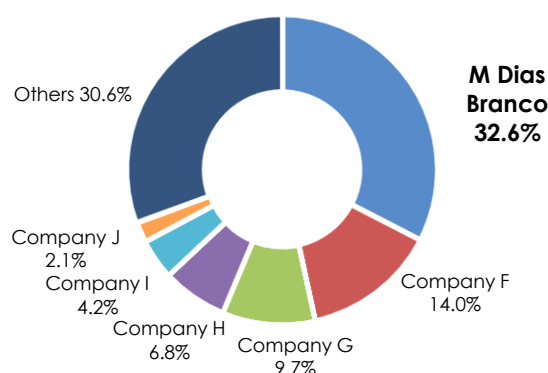
The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookie & cracker and pasta markets, and its main competitors in January and February 2021.

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



* NIELSEN data from Jan/Feb of 2021.

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



* NIELSEN data from Jan/Feb of 2021.

SALES CHANNELS

In line with our growth strategy, the Distributors and Exports channels accounted for a larger share of sales between 1Q20 and 1Q21. The Distributors channel, which plays an important role in increasing our capillarity in the Attack (Southeast, South and Midwest) region, increased its share of sales due to the inclusion of 24 new distributors between 1Q21 and 1Q20 (from 46 to 70 distributors), especially in Goiás, Minas Gerais and the Federal District.

The share of the Wholesale and Cash & Carry channels fell, driven by a decline in sales volume, especially in January and February, due to price pass-throughs.

Client Mix	1Q21	1Q20	Variation	4Q20	Variation
Small Retail	27.9%	27.2%	0.7 p.p	26.3%	1.6 p.p
Wholesale	21.7%	24.9%	-3.2 p.p	20.4%	1.3 p.p
Key Accounts / Regional Chains	21.6%	19.9%	1.7 p.p	23.2%	-1.6 p.p
Cash and Carry	14.7%	19.9%	-5.2 p.p	16.4%	-1.7 p.p
Distributors	7.9%	5.9%	2 p.p	8.2%	-0.3 p.p
Industry	1.7%	0.8%	0.9 p.p	1.4%	0.3 p.p
Other	4.5%	1.4%	3.1 p.p	4.1%	0.4 p.p
TOTAL	100.0%	100.0%		100.0%	

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

Major Clients		Sales 1Q21 (R\$ million) *	Participation in Revenue excluding Discount Sales (%)	
Sequence	Accumulated		Individual	Accumulated
Major Client	1	143.9	8.3%	8.3%
49 Subsequent	50	483.7	27.9%	36.2%
50 Subsequent	100	131.2	7.6%	43.8%
900 Subsequent	1,000	526.2	30.4%	74.2%
Other Clients	All clients	447.1	25.8%	100.0%
TOTAL		1,732.1		

* Gross revenue excluding discounts and returns.

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	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Total Production	101.8	149.4	78.3	108.5	322.1	434.3	39.5	45.9	3.8	3.8	545.5	741.9
Total Production Capacity	216.7	215.7	135.8	138.1	609.1	579.9	90.0	101.0	9.8	9.5	1,061.4	1,044.2
Capacity Utilization	47.0%	69.3%	57.7%	78.6%	52.9%	74.9%	43.9%	45.4%	38.8%	40.0%	51.4%	71.0%

* 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	
	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20	1Q21	4Q20
Total Production	101.8	118.2	78.3	92.6	322.1	338.5	39.5	47.5	3.8	3.7	545.5	600.5
Total Production Capacity	216.7	230.1	135.8	146.0	609.1	579.9	90.0	90.0	9.8	9.7	1,061.4	1,055.7
Capacity Utilization	47.0%	51.4%	57.7%	63.4%	52.9%	58.4%	43.9%	52.8%	38.8%	38.1%	51.4%	56.9%

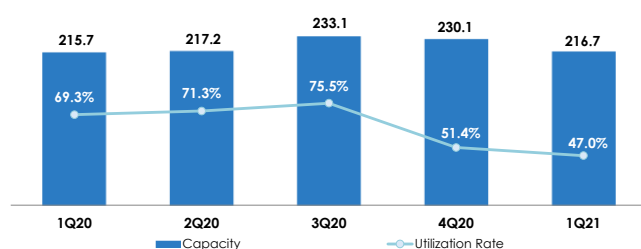
* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

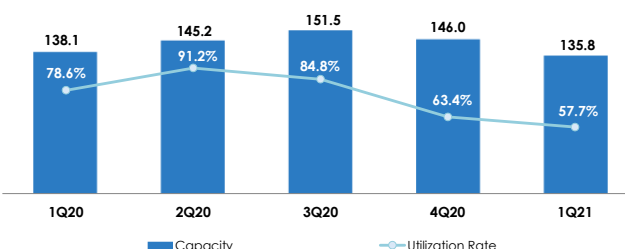
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in each plant, etc.

The capacity utilization rate fell 19.6p.p. from 1Q20 and 5.5p.p. from 4Q20, due to a decline of 25.2% year on year and 14.3% quarter on quarter.

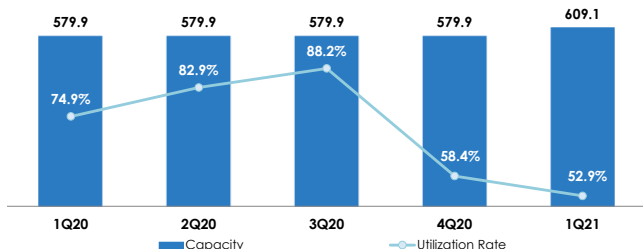
Production Capacity ('000 tonnes) and Utilization Rate - Cookies and Crackers (%)



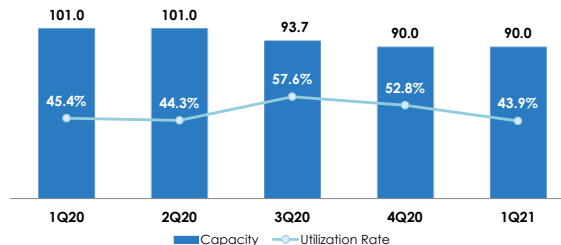
Production Capacity ('000 tonnes) and Utilization Rate - Pasta (%)



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



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

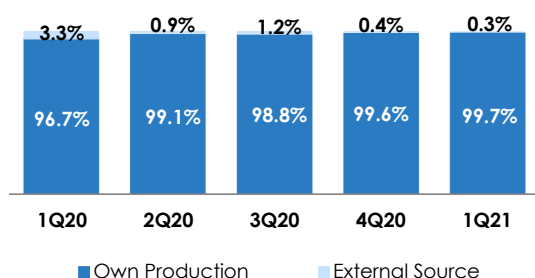


VERTICAL INTEGRATION

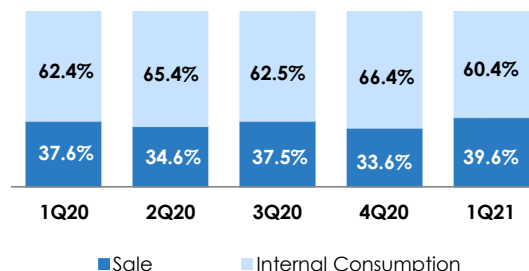
Following the strategy of vertical integration of the main inputs used in the industrial process, we maintained high vertical integration levels of 99.7% in wheat flour and 99.6% in vegetable shortening in 1Q21.

WHEAT FLOUR

COMPANY'S CONSUMPTION

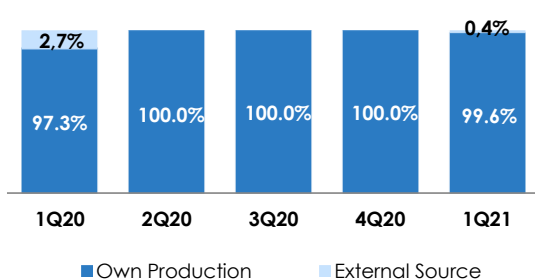


PRODUCTION ALLOCATION

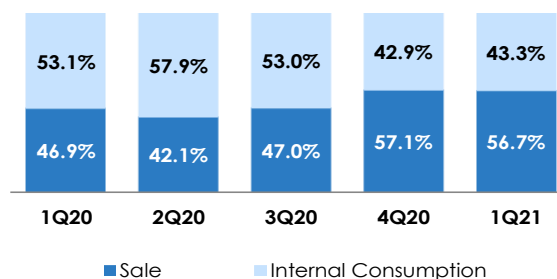


VEGETABLE SHORTENING

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 fell 8.9% from 1Q20, driven by a decline of 25.2% in sales volume and an increase of 21.9% in the average price.

Segment	1Q21			1Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	706.6	97.0	7.28	866.9	137.9	6.29	-18.5%	-29.7%	15.7%
Pasta	315.9	71.6	4.41	374.6	104.9	3.57	-15.7%	-31.7%	23.5%
Wheat Flour and Bran	326.1	163.8	1.99	276.0	210.5	1.31	18.2%	-22.2%	51.9%
Margarine and Vegetable Shortening	109.7	20.5	5.35	84.4	19.7	4.28	30.0%	4.1%	25.0%
Other products **	32.8	3.5	9.37	34.8	3.5	9.94	-5.7%	0.0%	-5.7%
TOTAL	1,491.1	356.4	4.18	1,636.7	476.5	3.43	-8.9%	-25.2%	21.9%

* 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

We present below some of our launches and sales and marketing initiatives carried out in 1Q21:



Launches: 10 new products, expanding Piraquê's portfolio (with "Comida Di Buteco" snacks) and Vitarella (with milk flour-, brownie- and raspberry-flavored sandwich cookies under the Treloso line, and instant pasta, with beef- and free-range chicken-flavored ramen).

We continue to invest in marketing and sales: we highlight investments in Piraquê's nationalization campaign and Viratella's campaigns "Cream Cracker 7 camadas #1" (focus on the Southeast and Midwest) and "Delicitá Crista" (Northeast), in addition to merchandising initiatives at BBB21.



Participation in events: presence at Gulfood in Dubai (United Arab Emirates), the world's largest food and beverage trade exhibition.

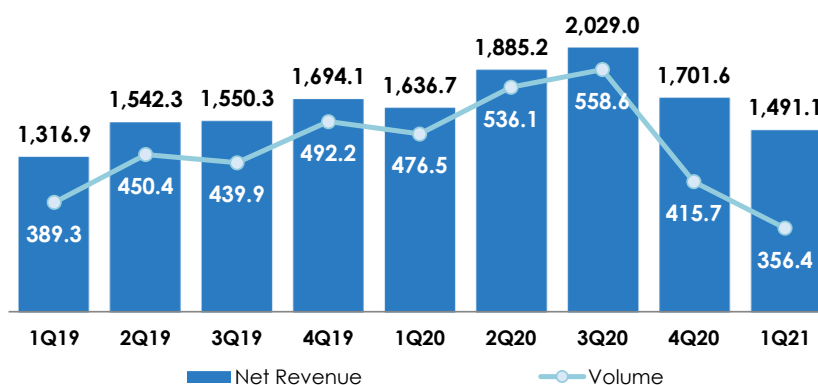
Net revenue dropped 12.4% in 1Q21 compared to 4Q20, with a 2.2% increase in the average price and a 14.3% reduction in sales volume.

Segment	1Q21			4Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	706.6	97.0	7.28	845.0	126.4	6.69	-16.4%	-23.3%	8.8%
Pasta	315.9	71.6	4.41	387.2	94.5	4.10	-18.4%	-24.2%	7.6%
Wheat Flour and Bran	326.1	163.8	1.99	302.6	163.9	1.85	7.8%	-0.1%	7.6%
Margarine and Vegetable Shortening	109.7	20.5	5.35	132.1	26.7	4.95	-17.0%	-23.2%	8.1%
Other products **	32.8	3.5	9.37	34.7	4.2	8.26	-5.5%	-16.7%	13.4%
TOTAL	1,491.1	356.4	4.18	1,701.6	415.7	4.09	-12.4%	-14.3%	2.2%

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

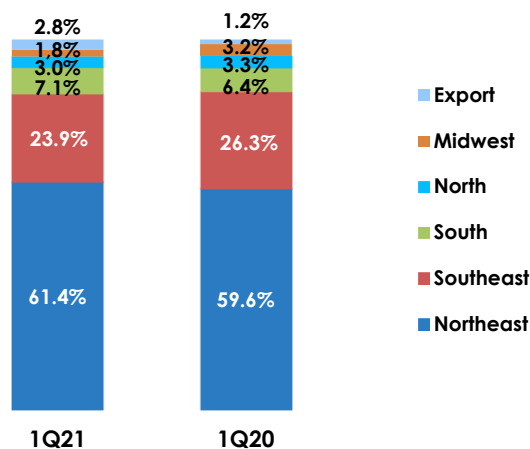
** Cakes, snacks, cake mix, juice powder and packaged toast

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

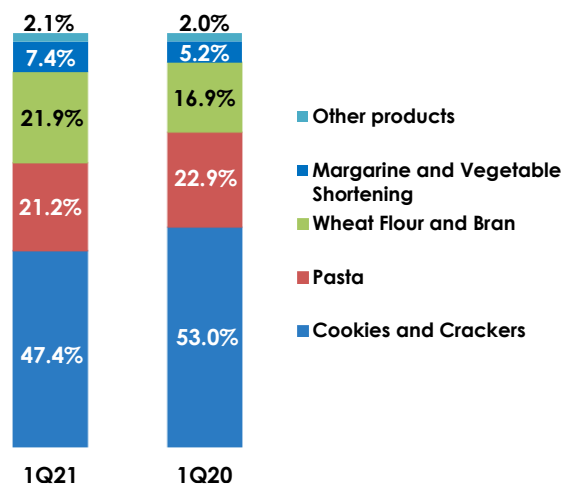


Gross revenue from exports reached R\$59.0 million in 1Q21 (R\$25.1 million in 1Q20). The growth of exports is in line with the strategic plan, supported by (i) innovation in packaging and products more adapted to the markets; (ii) development of own brands and production for customer brands (private label); and (iii) focus on markets with high growth potential, such as South and Central America, USA, Africa and the Middle East.

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



Net Revenue Breakdown

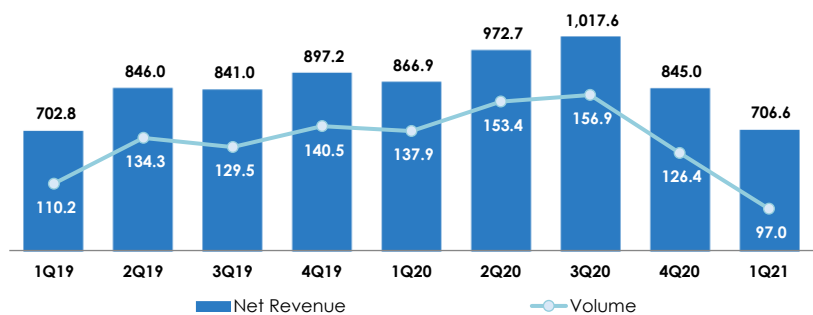


HIGHLIGHTS – COOKIES & CRACKERS

Net revenue from cookies & crackers dropped 18.5%, due to a 29.7% decrease in sales volume and a 15.7% upturn in the average price.

The decline in sales volume, especially in January and February, was mostly due to an increase in the average price across all sub-categories and regions. We highlight the ring-shaped cookie sub-category, whose sales volume grew substantially in the Attack and Defense regions.

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



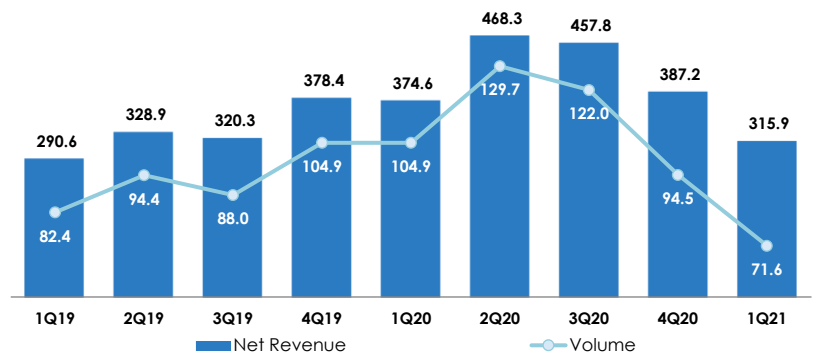
Gross revenue from launches totaled R\$47.1 million in 1Q21, with 107 new products/flavors launched in the last 24 months (gross revenue of R\$35.8 million and 86 new products/flavors in 1Q20).

HIGHLIGHTS – PASTA

Net revenue from pasta dropped 15.7% in 1Q21 over 1Q20, as sales volume fell 31.7% and the average price rose 23.5%.

The decline in sales volume was seen across all sub-categories and regions, especially in January and February, mostly due to an increase in the average price.

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

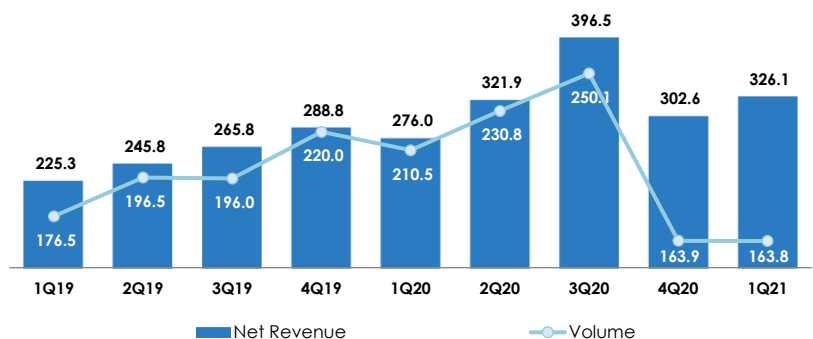


HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue from wheat flour and bran moved up 18.2% in 1Q21, due to a decrease of 22.2% in sales volume and an increase of 51.9% in the average price.

The sales volume decline was mostly driven by lower industrial wheat flour volume, especially in the Northeast region. On the other hand, domestic wheat flour volume increased 5%, influenced by the South and Southeast regions and exports.

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

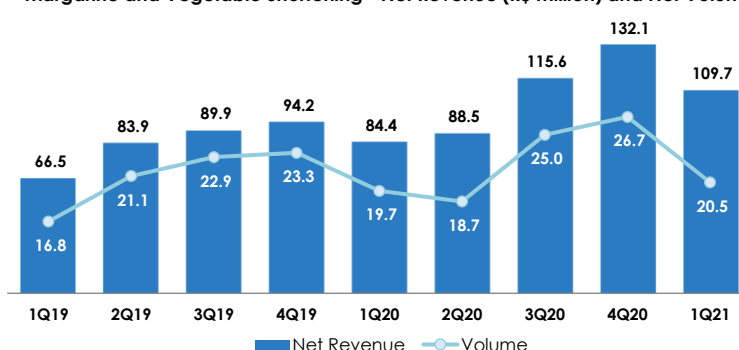


HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

Net revenue from margarine and vegetable shortening grew 30.0% in 1Q21 over 1Q20, as sales volume grew 4.1% and the average price rose 25.0%.

Sales volume grew in the industrial sub-category, offsetting the decline in the domestic segment. In the period, the average price increased in both the Attack and the Defense regions.

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



COSTS

COGS (R\$ million)	1Q21	% Net Rev.	1Q20	% Net Rev.	Variation	4Q20	% Net Rev.	Variation
Raw material	774.5	51.9%	688.3	42.1%	12.5%	872.3	51.3%	-11.2%
Wheat	498.2	33.4%	448.8	27.4%	11.0%	560.4	32.9%	-11.1%
Vegetable Oil	158.6	10.6%	107.8	6.6%	47.1%	170.1	10.0%	-6.8%
Sugar	38.7	2.6%	41.7	2.5%	-7.2%	44.6	2.6%	-13.2%
Third Party Flour	1.5	0.1%	8.5	0.5%	-82.4%	2.3	0.1%	-34.8%
Third Party Vegetable Shortening	0.3	0.0%	2.4	0.1%	-87.5%	0.0	0.0%	n/a
Other	77.2	5.2%	79.1	4.8%	-2.4%	94.9	5.6%	-18.7%
Packages	95.5	6.4%	108.1	6.6%	-11.7%	115.6	6.8%	-17.4%
Labor	148.2	9.9%	147.7	9.0%	0.3%	156.4	9.2%	-5.2%
Indirect costs	107.1	7.2%	101.9	6.2%	5.1%	118.1	6.9%	-9.3%
Depreciation and amortization	42.4	2.8%	42.8	2.6%	-0.9%	45.9	2.7%	-7.6%
Total	1,167.7	78.3%	1,088.8	66.5%	7.2%	1,308.3	76.9%	-10.7%

In 1Q21, the cost of goods sold increased 7.2% compared to 1Q20 and accounted for 78.3% of net revenue in the period (66.5% in the 1Q20).

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

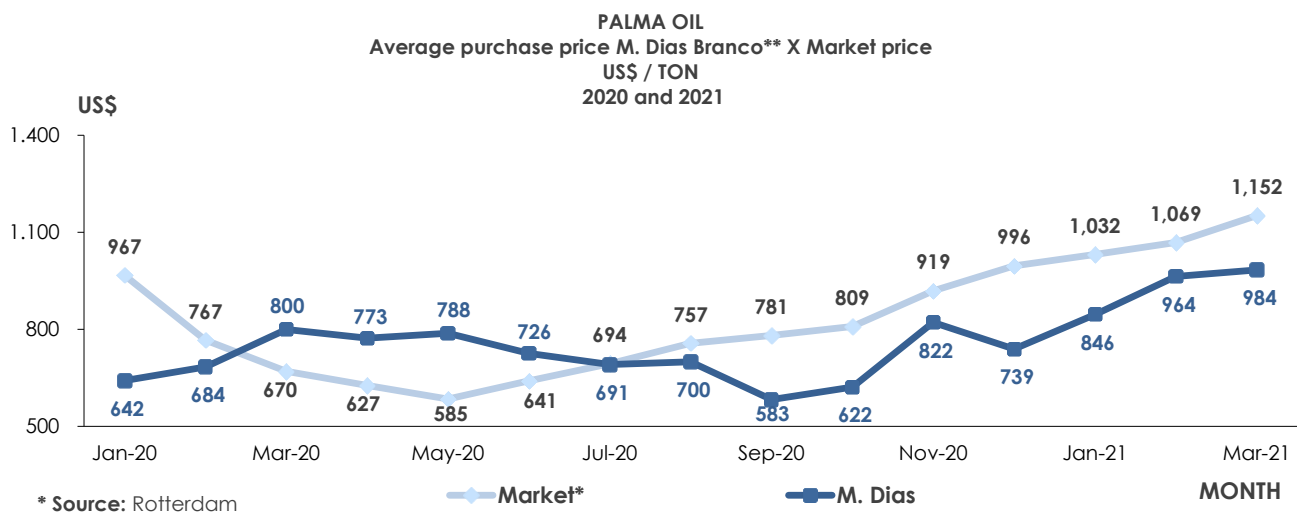
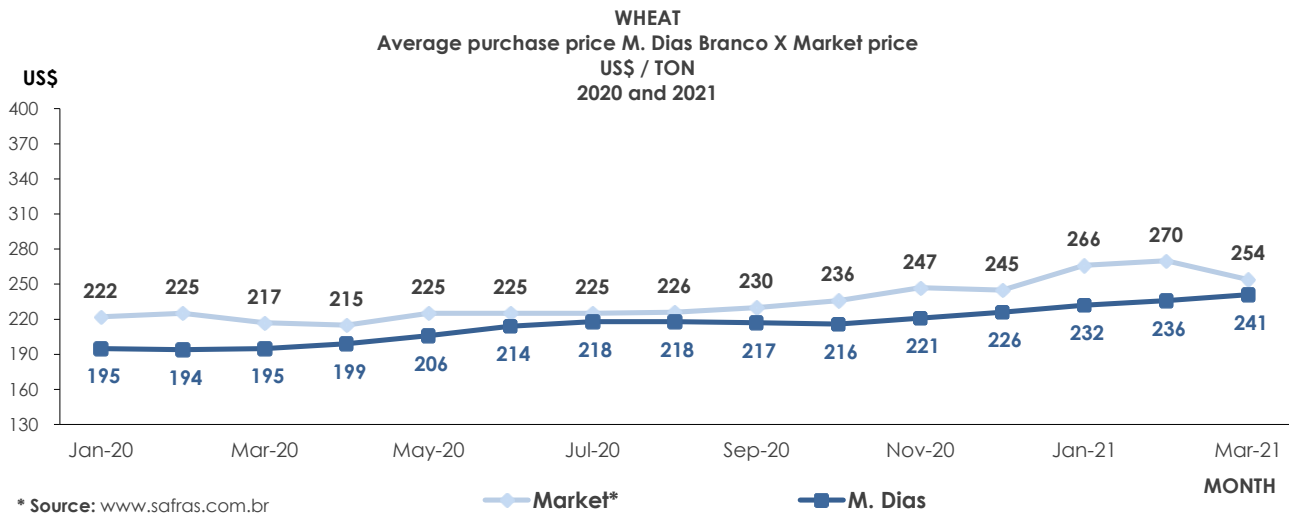
POSITIVE IMPACTS (1Q21 vs. 1Q20)

- Reduction in packaging costs, thanks to the results of the efficiency productivity project (*Multiplique*);

NEGATIVE IMPACTS (1Q21 vs. 1Q20)

- Decline of 26.5% in production volume, leading to lower dilution of fixed costs;
- Increase of 44.0%, 69.5% and 25.2% in the average cost (R\$) of wheat, oil and sugar, respectively; and
- Upturn in general expenditures due to the pandemic, including a more thorough cleaning routine and prevention materials.

The cost of goods sold fell 10.7% in absolute terms compared to 1Q20 and represented 78.3% of net revenue in the period (76.9% in 4Q20).



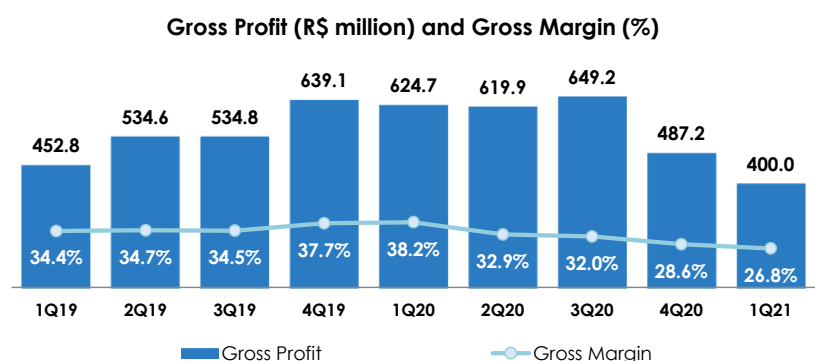
Note: M. Dias Branco is no longer disclosing the graph showing the average purchase price of soybean oil in its inventory in the Earnings Release, but it will continue to disclose this information on its Investor Relations website: <https://ri.mdiasbranco.com.br/>.

GROSS PROFIT

Gross profit dropped 36.0% from 1Q20, with an 11.4p.p. decline in the gross margin.

The margin decline was mainly due to a reduction in production volume and an increase in the average commodity price, impacted by the appreciation of the dollar against the real.

It is important to highlight that gross profit includes subsidies for state investments totaling R\$76.6 million in 1Q21 (R\$76.8 million in 1Q20), through profit or loss in compliance with CPC 07 - Government Grants.



OPERATING EXPENSES

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

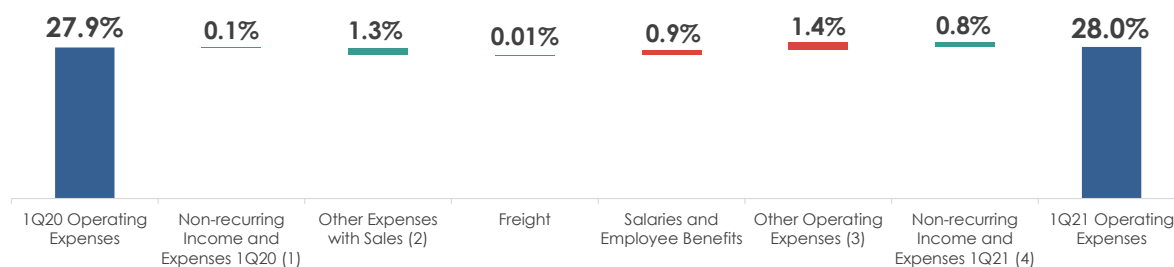
Operating Expenses (R\$ million)	1Q21	% Net Rev.	1Q20	% Net Rev.	Variation	4Q20	% Net Rev.	Variation
Selling*	329.1	22.1%	358.4	21.9%	-8.2%	369.2	21.7%	-10.9%
Administrative	53.7	3.6%	60.7	3.7%	-11.5%	57.1	3.4%	-6.0%
Donations	10.9	0.7%	0.1	0.0%	n/a	8.5	0.5%	28.2%
Management fees	3.3	0.2%	3.1	0.2%	6.5%	4.1	0.2%	-19.5%
Taxes	7.1	0.5%	5.9	0.4%	20.3%	12.6	0.7%	-43.7%
Depreciation and amortization	24.0	1.6%	19.0	1.2%	26.3%	22.1	1.3%	8.6%
Other operating expenses/(revenue)	-10.3	-0.7%	10.0	0.6%	n/a	-112.2	-6.6%	-90.8%
TOTAL	417.8	28.0%	457.2	27.9%	-8.6%	361.4	21.2%	15.6%

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

Operating expenses dropped 8.6% in absolute terms and increased 0.1p.p. as a percentage of net revenue between 1Q20 and 1Q21.

The decline in absolute terms was due to the *Multiplique* project, which focuses on productivity and efficiency, with a reduction in market and trade expenses (R\$8.1 million) and logistics expenses (R\$17.4 million). We also recorded a positive non-recurring result of R\$27.4 million related to revenue from tax credits from prior periods.

Evolution Operating Expenses 1Q21 vs 1Q20 (%NR)



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

(2) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.6 million) and restructuring expenses (R\$ 12.6 millions).

(3) Note: Disregards the non-recurring effects of expenses with COVID-19 (R\$ 0.5 million), expenses with Piraquê integration (R\$ 0.8 million), restructuring expenses (R\$ 1.1 million) and revenue from extemporaneous tax credit (R\$ 27.4 millions).

(4) Note: Non-recurring effects of 1Q21 with COVID-19 (R\$ 1.1 million), restructuring expenses (R\$ 13.7 millions), expenses with Piraquê integration (R\$ 0.8 million) and revenue from extemporaneous tax credit (R\$ 27.4 millions).

FINANCIAL RESULT

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

Financial Income (R\$ million)	1Q21	1Q20	Variation	4Q20	Variation
Financial Revenue	26.0	10.9	n/a	110.5	-76.5%
Financial Expenses	-24.8	-20.0	24.0%	-23.7	4.6%
Exchange Variation	-67.0	-140.8	-52.4%	53.5	n/a
Losses/Gains on derivatives	71.9	146.0	-50.8%	-83.2	n/a
TOTAL	6.1	-3.9	-256.4%	57.1	-89.3%

The Company recorded a positive financial result of R\$6.1 million in 1Q21, against a negative financial result of R\$3.9 million in 1Q20. The improvement was influenced by the recognition of the financial restatement of credits from prior periods totaling R\$15.9 million (R\$2.0 million in 1Q20).

TAXES ON INCOME

In 1Q21, the Company recorded deferred tax credits on the negative tax base, mainly due to the exclusion of state tax incentives that are not taxed for income tax and social contribution purposes, gains on swap transactions not yet settled and deduction of profit sharing for 2020, paid in March/21.

Income and Social Contribution Taxes (R\$ million)	1Q21	1Q20	Variation
Income and Social Contribution Taxes	-27.9	25.8	n/a
Income Tax Incentive	0.0	0.0	n/a
TOTAL	-27.9	25.8	n/a

GOODWILL

As of 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition, currently totaling R\$163.6 million, which will be amortized over a minimum period of five years. This increase 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\$132.5 million and the contingent portion of the price of R\$65.5 million not yet settled). However, we expect to fully use the transaction goodwill, in the amount of R\$361.6 million.

In 1Q21, was recognized R\$ 2.8 million about tax benefit resulting from amortization.

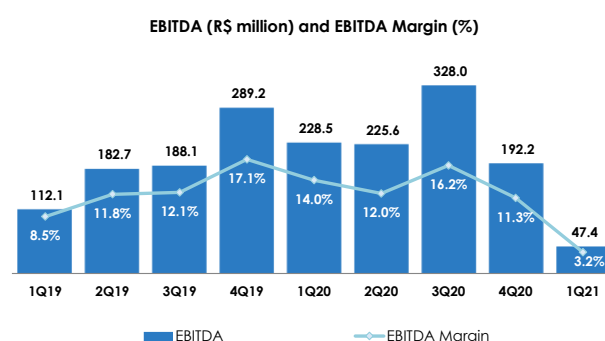
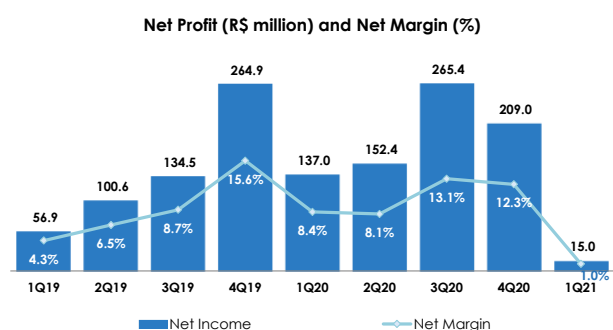
EBITDA AND NET INCOME

EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	1 Q21	1 Q20	Variation	4 Q20	Variation
Net Profit	15.0	137.0	-89.1%	209.0	-92.8%
Income Tax and Social Contribution	-27.9	25.8	n/a	-30.5	-8.5%
Income Tax Incentive	0.0	0.0	n/a	2.8	-100.0%
Financial Revenue	-45.4	-18.5	n/a	-197.6	-77.0%
Financial Expenses	39.3	22.4	75.4%	140.5	-72.0%
Depreciation and Amortization of cost of goods	42.4	42.8	-0.9%	45.9	-7.6%
Depreciation and Amortization Adm/Com Expenses	24.0	19.0	26.3%	22.1	8.6%
EBITDA	47.4	228.5	-79.3%	192.2	-75.3%
EBITDA Margin	3.2%	14.0%	-10.8 p.p	11.3%	-8.1 p.p

EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	1 Q21	1 Q20	Variation	4 Q20	Variation
Net Revenue	1,491.1	1,636.7	-8.9%	1,701.6	-12.4%
Cost of goods sold	-1,167.7	-1,088.8	7.2%	-1,308.3	-10.7%
Depreciation and Amortization of cost of goods	42.4	42.8	-0.9%	45.9	-7.6%
Tax Incentive (ICMS)	76.6	76.8	-0.3%	93.9	-18.4%
Operating Expenses	-417.8	-457.2	-8.6%	-361.4	15.6%
Equity in net income of subsidiaries	-1.2	-0.8	50.0%	-1.6	-25.0%
Depreciation and Amortization Adm/Com Expenses	24.0	19.0	26.3%	22.1	8.6%
EBITDA	47.4	228.5	-79.3%	192.2	-75.3%
EBITDA Margin	3.2%	14.0%	-10.8 p.p	11.3%	-8.1 p.p



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	3/31/2021	3/31/2020	Variation
Cash	1,671.8	794.8	110.3%
Financial Investments Short Term	16.4	16.4	0.0%
Financial Investments Long Term	2.5	3.7	-32.4%
Total Indebtedness	-2,126.7	-1,567.3	35.7%
(-) Short Term	-501.7	-1,201.1	-58.2%
(-) Long Term	-1,625.0	-366.2	n/a
(-) Derivatives Financial Instruments	51.1	91.7	-44.3%
(=) Net Cash (Net Debt)	-384.9	-660.7	-41.7%
Shareholder's Equity	6,678.9	6,129.1	9.0%
Capitalization	8,805.6	7,696.4	14.4%

Financial Indicator	3/31/2021	3/31/2020	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-0.5	-0.7	-28.6%
Cash (Debt) Net / Shareholder's Equity	-5.8%	-10.8%	5 p.p
Indebtedness / Total Assets	20.4%	17.7%	2.7 p.p

We closed March 2021 with cash and cash equivalents of R\$1.7 billion (R\$0.8 billion in 1Q20). Leverage (net debt-to-LTM EBITDA ratio) stood at 0.5x in 1Q21, down from 0.7x in 1Q20.

With the 1st issue of green bond Agribusiness Receivables Certificates (R\$811.6 million), which received an 'AAA' Long-term National Rating from Fitch Rating, we changed our debt profile: most of debt, 76.4%, is now due in the long term (vs. 23.4% in 1Q20).

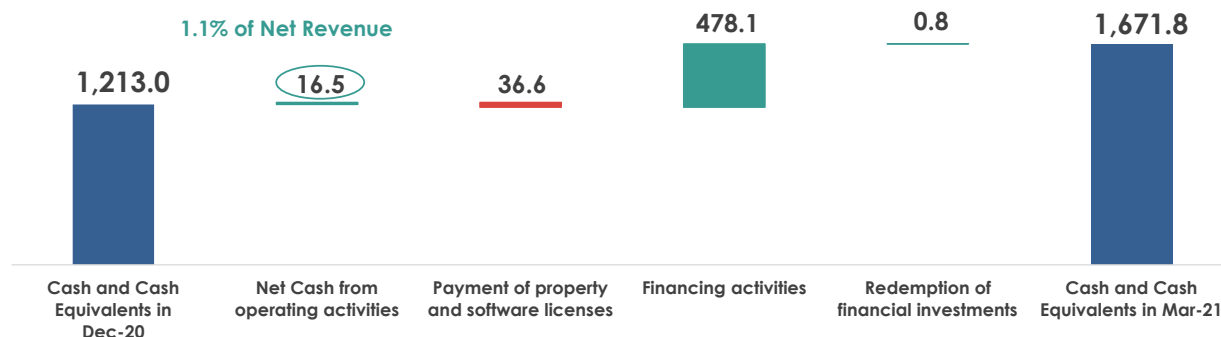
Consolidated Debt (R\$ million)	Index	Interest (year)	3/31/2021	% Debt	3/31/2020	% Debt	Variation
Domestic Currency:			1,428.3	67.2%	512.3	32.7%	178.8%
BNDES - FINAME	TJLP	2.17%	13.2	0.6%	17.3	1.1%	-23.7%
BNDES - PSI	R\$	2.99% (2.98% in 03/31/20)	66.0	3.1%	97.2	6.2%	-32.1%
BNDES - FINEM	IPCA	8.63% (8.65% in 03/31/20)	41.0	1.9%	51.2	3.3%	-19.9%
BNDES - PROGEREN	IPCA	6.28%	41.8	2.0%	59.4	3.8%	-29.6%
FINIMP	100% CDI	3.80%	64.9	3.1%	37.0	2.4%	75.4%
(PROVIN) Financing of state taxes	100% TJLP	-	10.4	0.5%	9.6	0.6%	8.3%
Working Capital	100% CDI	1.30%	202.4	9.5%	0.0	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	3.9	0.2%	2.2	0.1%	77.3%
Investment of assignment of Estrela's shares	100% CDI	-	8.4	0.4%	5.0	0.3%	68.0%
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	-	206.7	9.7%	233.4	14.9%	-11.4%
Debentures	IPCA	3.80% and 4.14%	768.9	36.2%	0.0	0.0%	n/a
Foreign Currency:			698.4	32.8%	1,055.0	67.3%	-33.8%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.90%	698.4	32.8%	885.6	56.5%	-21.1%
Working Capital - Law 4,131	EUR	0.18% in 03/31/20	0.0	0.0%	169.4	10.8%	-100.0%
TOTAL			2,126.7	100.0%	1,567.3	100.0%	35.7%

On March 31, 2021, the Company had 5 swap contracts to hedge working capital and wheat import financing (FINIMP), 4 maturing in April 2021 and 1 on December 22, 2025, in which the long leg receives, on average, the dollar plus 2.27% and the short leg pays, on average, 176.97% of the CDI rate. The (notional) reference values totaled R\$621,410 and the gross fair value receivable of these derivative instruments was R\$38,174 on March 31, 2021.

To protect the debenture issues, on March 31, 2021, the Company had 18 swap contracts with different maturities, the last of which on March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.02% and the short leg pays, on average, 133.56% of the CDI rate. The (notional) reference values totaled R\$405,822 and the gross fair value payable of these derivative instruments was R\$4,950 on March 31, 2021. On the date in question, debentures totaled R\$768,896 net of the unamortized balance of transaction costs totaling R\$44,966.

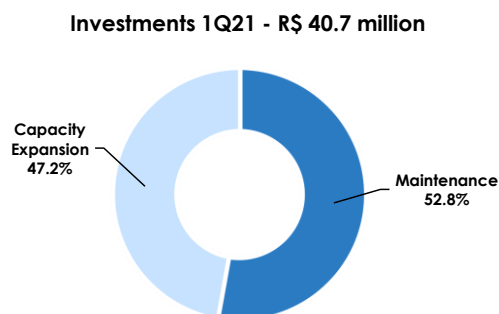
Net cash generated by operating activities totaled R\$16.5 million and net cash generated by financing activities (third-party capital) reached R\$478.1 million, contributing to the cash and cash equivalents figure recorded in 1Q21, as shown below.

R\$ Million



INVESTMENTS

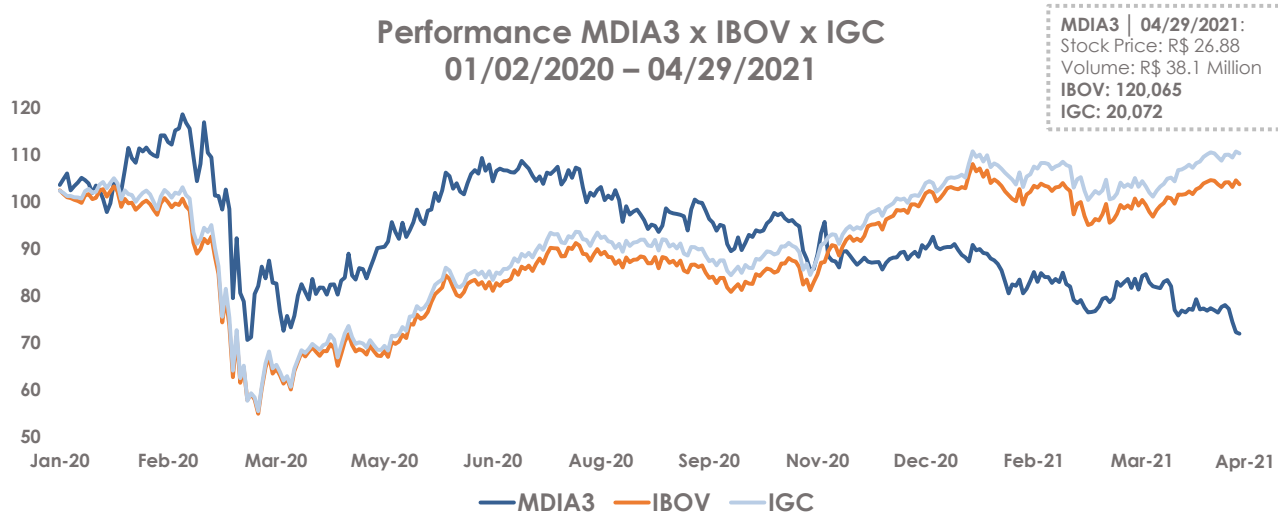
Investments (R\$ Million)	1Q21	1Q20	Variation
Buildings	4.4	7.7	-42.9%
Machinery and equipment	20.7	31.6	-34.5%
Construction in progress	10.1	10.1	0.0%
Vehicles	-	0.3	-100.0%
IT Equipment	0.8	0.6	33.3%
Furniture and Fixtures	1.7	2.7	-37.0%
Land	-	0.9	-100.0%
Software Use License	2.8	1.4	100.0%
Others	0.2	1.0	-80.0%
Total	40.7	56.3	-27.7%



Investments totaled R\$40.7 million in 1Q21 (R\$56.3 million in 1Q20), distributed between expansion and maintenance, including (i) the acquisition of equipment for the Bento Gonçalves unit (RS); (ii) investment in management software in the Salvador unit (BA); (iii) adjustment and acquisition of machinery and equipment in the Natal unit (RN); (iv) adjustment of the distribution center of the Rio de Janeiro unit (RJ); and (v) opening of the distribution center in Vitória da Conquista (BA).

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, 2021**, there were 83,530,822 outstanding shares, representing 24.6% of the Company's capital stock, priced at **R\$30.65** each, totaling **R\$2,560.2 million**. The average trading volume was 5,827 in 1Q21 (8,831 in 1Q20), and the average daily trading financial volume was R\$34.4 million in 1Q21 (R\$63.4 million in 1Q20).



MAIN ADMINISTRATIVE FACTS

Approval of the Quarterly Information

At the meeting of the Board of Directors held on May 7, 2021, the following was approved: (i) the Quarterly Information (ITR) for the quarter ended March 31, 2021; and (ii) other provisions.

Shareholders' Meeting

At the Annual and Extraordinary Shareholders' Meeting held on April 30, 2021, 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, 2020; (ii) the allocation of net income for 2020, as proposed by the Board of Directors at a meeting held on March 26, 2021; (iii) proposals for (a) amendment of the overall management compensation for fiscal year 2020 and (b) overall management compensation for fiscal year 2021; (iv) Proposal for Share-Based Compensation Plan (Long-term Incentive Program – Grant of Restricted Shares) for the 2021-2024 cycle; and (v) proposal for amendment of the following provisions in the Bylaws: (a) amendment of the wording of paragraph 2 of article 9, which establishes general management standards; (b) amendment of the wording of the *caput* and paragraph 4 of article 10, which sets out rules for the membership of the Board of Directors; (c) amendment of the wording of item "xiv" of article 14, which describes the duties of the Board of Directors; and (d) change in the share capital set forth in the *caput* of article 5.

Raising of R\$811.6 million through CRAs classified as Green Bonds

The initiative, which shows the Company's commitment to ESG policies, raised R\$811,644,000.00. The funds will be used to promote and encourage sustainable agricultural development, ensuring the continuous improvement of food and nutritional security of the products offered to consumers.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS



M. Dias Branco develops initiatives to honor its commitment to sustainability through working groups focused on strengthening sustainable practices in several areas of the business.

The Company has an area exclusively dedicated to environmental management and adopts practices to minimize its main environmental impacts related to the consumption of natural resources and generation of waste. We present below the results of the first quarter of 2021 (1Q21) compared to the same period in 2020, considering all M. Dias Branco's industrial units.

Analysis of Indicators

Indicators	1Q21	1Q20	Variation
Average Energy Intensity (Kwh/ton)	193.0	171.7	12.4%
Water consumption (m ³ /ton)	0.50	0.38	31.6%
Waste Recycling Index (%)	89.6	84.5	+5.1p.p.
Solid waste generation (Kg/Ton)	14.5	11.7	24.7%
Frequency rate of occupational accidents	0.7	0.7	0.0

Energy intensity SDGs 7 and 12

Increase of 12.4% between 1Q20 and 1Q21, due to line stoppages and restarts.

Water consumption SDGs 6, 9 and 12

Relative water consumption increased 31.6% between 1Q20 and 1Q21, mainly due to a decline in production volume. With initiatives focused on reducing water consumption, improvement teams will be implemented in key units of the Company.

Waste Recycling Rate SDGs 9 and 12

The waste recycling rate improved 5.1p.p. in 1Q21 compared to 1Q20, thanks to constant efforts to seek and implement more sustainable waste destination alternatives, such as recycling, composting and reuse, reducing the amount of waste sent to landfills.

Solid Waste Generation SDGs 9 and 12

Due to the decline in production volume, this indicator increased 24.7%. As with water, we will implement improvement teams to work at key units.

Frequency of occupational accidents **SDGs 3 and 8**

The rate of occupational accidents remained in line with 1Q20, thanks to campaigns to reinforce employees' risk perception, NR12³ adjustments, safe transit campaigns and incentives to register security warnings, among other initiatives.

Other initiatives and achievements

- ✓ Publication of the Integrated Annual Report, based on the methods recommended by the International Integrated Reporting Council (IIRC), providing transparency as to how the organization allocates its capital to create value, and the Global Reporting Initiative (GRI); **SDG 12**
- ✓ Beginning of the Strategic Sustainability Agenda Review Project ; **SDGs 12 and 16**
- ✓ By March 2021 we had already donated over 1,800 tons of food; **SDGs 1, 2 and 10**
- ✓ Beginning of registration in M. Dias Branco's Internship Program – Future One. Seeking candidates to work on Information Technology and Industrial Performance, the selection is composed of tests and online interviews, games, business case presentation and final interview with the area manager; **SDG 8**

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 impacts on each of them. We present below the SDGs prioritized by the Company.



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.

³ Standard that deals with occupational safety in machinery and equipment.

FINANCIAL STATEMENTS

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

INCOME STATEMENT (R\$ million)	1Q21	1Q20	Variation	4Q20	Variation
NET REVENUES	1,491.1	1,636.7	-8.9%	1,701.6	-12.4%
COST OF GOODS SOLD	-1,167.7	-1,088.8	7.2%	-1,308.3	-10.7%
TAX INCENTIVES (ICMS)	76.6	76.8	-0.3%	93.9	-18.4%
GROSS PROFIT	400.0	624.7	-36.0%	487.2	-17.9%
OPERATING REVENUES (EXPENSES)	-417.8	-457.2	-8.6%	-361.4	15.6%
Sales expenses	-343.5	-367.9	-6.6%	-382.0	-10.1%
Administrative and general expenses	-76.4	-72.5	5.4%	-77.9	-1.9%
Other net income (expenses)	2.1	-16.8	n/a	98.5	-97.9%
OPERATING INCOME - before financial results	-17.8	167.5	-110.6%	125.8	-114.1%
Financial income	45.4	18.5	n/a	197.6	-77.0%
Financial expenses	-39.3	-22.4	75.4%	-140.5	-72.0%
OPERATING INCOME - after financial results	-11.7	163.6	-107.2%	182.9	-106.4%
Equity in net income of subsidiaries	-1.2	-0.8	50.0%	-1.6	-25.0%
INCOME - before income tax and social contribution	-12.9	162.8	-107.9%	181.3	-107.1%
Income tax and social contribution	27.9	-25.8	n/a	27.7	0.7%
NET INCOME	15.0	137.0	-89.1%	209.0	-92.8%

EARNINGS RELEASE

1Q21



BALANCE SHEET (R\$ million)	M. DIAS (CONSOLIDATED)				
	3/31/2021	3/31/2020	Variation	12/31/2020	Variation
ASSETS					
CURRENT	4,476.8	3,062.0	46.2%	3,870.6	15.7%
Cash and cash equivalents	1,671.8	794.8	n/a	1,213.0	37.8%
Trade accounts receivable	853.2	931.4	-8.4%	960.1	-11.1%
Inventories	1,445.7	987.1	46.5%	1,216.1	18.9%
Taxes recoverable	407.2	204.0	99.6%	398.9	2.1%
Financial investments	16.4	16.4	0.0%	16.4	0.0%
Derivatives financial instruments	40.1	91.7	-56.3%	23.8	68.5%
Other receivables	26.1	22.1	18.1%	32.0	-18.4%
Prepaid expenses	16.3	14.5	12.4%	10.3	58.3%
NON CURRENT	5,946.7	5,796.7	2.6%	5,859.3	1.5%
Long-term	715.0	624.8	14.4%	618.6	15.6%
Financial investments	2.5	3.7	-32.4%	3.3	-24.2%
Judicial deposits	268.5	281.9	-4.8%	263.8	1.8%
Taxes recoverable	373.5	273.3	36.7%	293.0	27.5%
Long-term receivables	0.0	0.2	-100.0%	0.0	n/a
Derivatives financial instruments	16.9	0.0	n/a	0.0	n/a
Tax incentives/other receivables	7.3	6.0	21.7%	6.8	7.4%
Indemnity assets	46.3	59.7	-22.4%	51.7	-10.4%
Investments	46.1	52.1	-11.5%	47.3	-2.5%
Investments properties	54.5	55.0	-0.9%	54.6	-0.2%
Property, plant and equipment	3,413.6	3,346.6	2.0%	3,419.4	-0.2%
Intangible	1,717.5	1,718.2	0.0%	1,719.4	-0.1%
TOTAL ASSETS	10,423.5	8,858.7	17.7%	9,729.9	7.1%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	1,428.0	1,768.0	-19.2%	1,634.0	-12.6%
Suppliers	448.0	123.1	n/a	361.7	23.9%
Financing and borrowings from financial institutions	466.8	1,163.1	-59.9%	743.8	-37.2%
Tax financing	3.8	4.1	-7.3%	3.3	15.2%
Direct financing	30.5	33.9	-10.0%	29.0	5.2%
Debentures	0.6	0.0	n/a	0.0	n/a
Lease	47.0	16.2	n/a	41.1	14.4%
Social security and labor liabilities	148.4	151.2	-1.9%	176.6	-16.0%
Income tax and social contribution	1.8	0.0	n/a	0.0	n/a
Tax liabilities	72.9	111.4	-34.6%	55.6	31.1%
Advances from customers	10.7	10.4	2.9%	11.1	-3.6%
Derivatives financial instruments	0.9	0.0	n/a	18.1	-95.0%
Other accounts payable	119.5	104.1	14.8%	122.3	-2.3%
Proposed dividends	59.0	36.9	59.9%	59.0	0.0%
Government grant	18.1	13.6	33.1%	12.4	46.0%
NON CURRENT LIABILITIES	2,316.6	961.6	n/a	1,450.3	59.7%
Financing and borrowings from financial institutions	660.9	154.0	n/a	618.4	6.9%
Tax financing	6.6	5.5	20.0%	6.6	0.0%
Direct financing	189.2	206.7	-8.5%	188.0	0.6%
Debentures	768.3	0.0	n/a	0.0	n/a
Lease	164.1	86.6	89.5%	153.9	6.6%
Deferred taxes	271.8	253.1	7.4%	226.6	19.9%
Derivatives financial instruments	5.0	0.0	n/a	0.0	n/a
Others accounts payable	38.1	34.4	10.8%	37.7	1.1%
Provisions for civil, labor and tax risks	212.6	221.3	-3.9%	219.1	-3.0%
SHAREHOLDERS' EQUITY	6,678.9	6,129.1	9.0%	6,645.6	0.5%
Capital	2,597.7	2,567.9	1.2%	2,567.9	1.2%
Capital reserves	29.5	27.2	8.5%	27.6	6.9%
Accumulated conversion adjustments	0.2	0.2	0.0%	0.2	0.0%
Equity valuation adjustment	8.8	0.0	n/a	-7.5	n/a
Revenue reserves	3,971.7	3,392.5	17.1%	4,001.4	-0.7%
(-) Treasury shares	-39.6	-43.8	-9.6%	-39.6	0.0%
Additional dividend	95.6	48.1	98.8%	95.6	0.0%
Accrued profit	15.0	137.0	-89.1%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	10,423.5	8,858.7	17.7%	9,729.9	7.1%

CASH FLOW (R\$ million)	1Q21	1Q20	Variation
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income before Income Tax and Social Contribution	-12.9	162.8	-107.9%
Adjustments to Reconcile net income with cash from operating activities:			
Depreciation and amortization	66.4	61.8	7.4%
Cost on sale of permanent assets	0.0	1.4	-100.0%
Equity in net income of subsidiaries	1.2	0.8	50.0%
Loans, investments and exchange variations interests	87.3	155.7	-43.9%
Tax credits and updates	-44.1	-6.5	n/a
Updated judicial deposits	-0.6	-1.8	-66.7%
Updated provision for civil, labor and tax risks	1.7	4.6	-63.0%
Lease update	5.1	2.7	88.9%
Provision for civil, labor and tax risks	4.0	5.0	-20.0%
Recognized shares granted	1.9	0.9	n/a
Provision (Reversion) for losses of clients	-7.0	9.3	n/a
Provision for income tax of loans	1.7	1.1	54.5%
Provision for losses in inventories	4.5	1.1	n/a
Provision of derivative contracts	-71.9	-146.1	-50.8%
Changes in assets and liabilities			
Decrease in trade accounts receivable	113.9	16.9	n/a
(Increase) in inventories	-241.2	-184.4	30.8%
(Increase) decrease in taxes recoverable	-19.9	4.6	n/a
(Increase) in other credits	0.7	-33.3	n/a
Increase (decrease) in suppliers	86.3	-26.0	n/a
Increase in taxes and contributions	84.2	48.8	72.5%
Increase in government grants	5.7	8.8	-35.2%
Increase (decrease) in accounts payable and provisions	-43.3	10.1	n/a
Interests paid	-11.7	-9.6	21.9%
Exchange variations paid	-32.5	-32.6	-0.3%
Income tax and social contributions paid	-7.2	-9.8	-26.5%
Receipts (payment) of funds for settlement of derivative transactions	44.2	31.1	42.1%
Net Cash generated from operating activities	16.5	77.4	-78.7%
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of property, plant, equipment and intangible	-36.6	-53.7	-31.8%
Redemption of long-term financial investment	0.8	0.1	n/a
Net Cash (used) in Investment Activities	-35.8	-53.6	-33.2%
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing obtained	812.3	642.3	26.5%
Payment of financing	-319.4	-169.3	88.7%
Acquisition of treasury shares	0.0	-43.8	-100.0%
Lease payments	-14.8	-6.6	n/a
Net Cash used in Financing Activities	478.1	422.6	13.1%
Increase (Decrease) in cash and cash equivalents	458.8	446.4	2.8%
At the start of the period	1,213.0	348.4	248.2%
At the end of the period	1,671.8	794.8	110.3%
Increase (Decrease) in cash and cash equivalents	458.8	446.4	2.8%

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.