DIA

DIA 2020 Financial Results

DIA achieves €123 million adjusted EBITDA supported by 8% Like-for-Like Growth

Multi-year business transformation on track, driven by empowered country leadership and strategic corporate centre

2020 business performance propelled by new commercial offer, rollout of updated franchise model, online expansion and operational improvements

Positive cashflow from operations and stable trade working capital support solid liquidity position

Agreement with syndicated lenders, bondholders and reference shareholder establishes sustainable long-term capital structure

MADRID, February 25th 2021: DIA Group, ("DIA" or "The Group") the international food retailer that operates in Spain, Portugal, Brazil and Argentina, today issued its financial results for the fourth quarter and full year 2020.

2020 FINANCIAL HIGHLIGHTS (all figures in € million)

	2020	2019	Change (%)
Like-for-like sales growth (%)	7.6%	-7.6%	n/a
Net Sales	6,882.4	6,870.5	0.2%
Gross Profit	1,498.5	1,318.5	13.7%
Adjusted EBITDA	122.9	(90.9)	n/a
EBIT	(182.1)	(580.2)	68.6%
Net attributable Result	(363.8)	(790.5)	54.0%
	2020	**2019**	**Change (m)**
Trade Working Capital (negative)	609.2	607.9	1.3 inflow
Total Net Debt	1,867.8	2,027.7	(159.9)

- **Group Net Sales** increased 0.2% on a streamlined store network (-6.9%), and despite Brazilian Real and Argentinean Peso devaluations, and lower tourist traffic in Spain and Portugal as a result of Covid-19 related restrictions.
- **Group Comparable Sales (Like-for-Like)** reached 7.6%, continuing the positive momentum initiated in the first quarter, driven by ongoing business improvements efforts and resulting in a 24.6% increase in average basket size.
- **Gross Profit (as a percentage of Net Sales)** increased to 21.8% from 19.2% during 2020 thanks to increased volumes and positive operational improvements.
- **Adjusted EBITDA** turned back positive to 1.8% as a percentage of Net Sales.
- **Net Result** amounted to negative 363.8m, impacted by foreign exchange losses recognized mainly related to the depreciation of the Brazilian Real.
- **Available Liquidity:** Ample levels at 397m (December 2019: 421m) with 87% in the form of Cash or Cash equivalents.
- **Net Financial Debt (ex IFRS16):** 1,276m down 46m versus December 2019 thanks to positive Cash Flow from Operations, controlled Capital Expenditures and stable Trade Working Capital.

Commenting on the results, Stephan DuCharme, Executive Chairman, said:

"Our financial results demonstrate the progress DIA makes every day along its multi-year strategic roadmap. Having laid the foundations in 2019, 2020 saw us implement continuous commercial and operational improvements in each of our four countries of operation, led by empowered country management teams.

I would sincerely like to thank our teams in all countries for their outstanding work and contribution to our results, particularly in the complex trading environment created by Covid-19 and the additional responsibility to our communities as a neighbourhood food retailer.

DIA Group made a concerted effort in 2020 to re-build trust and build long-term relationships with all external stakeholders as a foundation for a transparent, performance-oriented business culture.

Our business is now also underpinned by a stable long-term capital structure thanks to the recapitalization and refinancing solution that is underway, led by our reference shareholder, allowing management to focus exclusively on customers and business objectives.

In 2021, we will continue to relentlessly focus on improving our position as a modern proximity food retailer with innovative commercial and e-commerce solutions delivered by motivated employees and franchise partners – growing closer to our customers every day."

INVESTOR PRESENTATION DETAILS FOR PARTICIPANTS

Date: February 25th, 2021 at 9:30 a.m. CEST

Webcast link: https://edge.media-server.com/mmc/p/dmyfbznp

Participants can also access the webcast through our corporate website:

www.diacorporate.com

CONTACT DETAILS

MEDIA
Lara Vadillo
Phone: +34 619.22.65.87
Email: comunicacion@diagroup.com

INVESTOR RELATIONS
Miren Sotomayor / Natalia Amo
Phone: +34 91 398 54 00, Ext: 33426
Email: investor.relations@diagroup.com

4Q20 - GROUP FINANCIAL RESULTS OVERVIEW

(€ million)	4Q 2020	4Q 2019	Change (%)
Gross sales under banner	**2,058.4**	**1,817.3**	**13.3%**
Like-for-like sales growth (%)	6.9%	-6.0%	
Net Sales	**1,687.9**	**1,787.6**	**-5.6%**
Cost of goods sold & other income	(1,316.4)	(1,485.6)	-11.4%
Gross Profit	**371.5**	**302.0**	**23.1%**
Labour costs	(175.4)	(182.4)	-3.8%
Other operating expenses & leases	(107.1)	(100.5)	6.7%
Restructuring costs and LTIP	(44.9)	(48.7)	-7.9%
EBITDA	**43.9**	**(29.6)**	n/a
D&A	(98.3)	(126.4)	-22.2%
Impairment of non-current assets	(26.7)	(45.9)	-41.8%
Write-offs	(18.1)	(15.1)	19.8%
EBIT	**(99.3)**	**(216.9)**	**-54.2%**
Net financial results	(10.0)	27.3	n/a
EBT	**(109.3)**	**(188.7)**	**-42.1%**
Corporate Taxes	(8.7)	(97.5)	91.1%
Consolidated Profit	**(117.9)**	**(286.2)**	**-58.8%**
Discontinuing operations	-	-	n/a
Net attributable Result	**(117.9)**	**(286.2)**	**-58.8%**

2020 - GROUP FINANCIAL RESULTS OVERVIEW

(€ million)	2020	2019	Change (%)
Gross sales under banner	**8,394.5**	**8,675.3**	**-3.2%**
Like-for-like sales growth (%)	7.6%	-7.6%	
Net Sales	**6,882.4**	**6,870.5**	**0.2%**
Cost of goods sold & other income	(5,383.9)	(5,552.0)	-3.0%
Gross Profit	**1,498.5**	**1,318.5**	**13.7%**
Labour costs	(735.6)	(741.0)	-0.7%
Other operating expenses & leases	(391.3)	(380.8)	2.8%
Restructuring costs and LTIP	(69.7)	(131.1)	-46.9%
EBITDA	**301.9**	**65.6**	**360.3%**
D&A	(426.5)	(518.4)	-17.7%
Impairment of non-current assets	(26.4)	(57.5)	-54.0%
Write-offs	(31.1)	(70.0)	-55.6%
EBIT	**(182.1)**	**(580.2)**	**-68.6%**
Net financial results	(169.8)	(96.7)	75.6%
EBT	**(351.9)**	**(677.0)**	**-48.0%**
Corporate Taxes	(11.9)	(91.7)	-87.1%
Consolidated Profit	**(363.8)**	**(768.6)**	**-52.7%**
Discontinuing operations	-	(21.8)	n/a
Net attributable Result	**(363.8)**	**(790.5)**	**-54.0%**

EBITDA to Adjusted EBITDA Reconciliation	2020	2019	Change (m)
Gross Operating Profit (EBITDA)	**301.9**	**65.6**	**236.3**
Restructuring and LTIP Costs	69.7	131.1	(61.4)
IFRS16 lease effect	(270.1)	(321.4)	51.3
IAS29 hyperinflation effect	21.3	33.9	(12.6)
Adjusted EBITDA	**122.9**	**(90.9)**	**213.8**

- **Group Net Sales** increased 0.2% on 6.9% fewer stores and the currency impact of Brazilian Real and Argentinean Peso (depreciation of 24.1% and 33.7% respectively, during 2020) and lower tourist traffic in some areas in Spain and Portugal because of Covid-19 restrictions.
- **Group Comparable Sales (Like-for-Like)** reached 7.6%, continuing the positive momentum since the first quarter supported by ongoing transformation efforts, driven by an increase of 24.6% in average basket size and more than offsetting a 13.7% decrease in number of tickets.
- **Gross Profit (as a percentage of Net Sales)** increased to 21.8% from 19.2% during 2020 thanks to the increase in the volume effects and positive operational improvements including optimized logistics and reduction of food waste.
- **Labor costs** decreased 0.1% as a percentage of Net Sales, as 2019 rationalization measures continued to offset Covid-19 related staffing requirements.
- **Other operating expenses (as a percentage of Net Sales)** increased to 5.7% from 5.5% during 2019 impacted by the defranchising process carried out during 2019 and 2020, despite negative Covid-19 related costs including protective equipment, which have been offset by cost cutting initiatives.
- **EBITDA** increased significantly to 301.9m in the period (360.3%), thanks to improved Gross Profit and a continued cost discipline as well as a decrease in Restructuring Costs.
- **Adjusted EBITDA** improved to 1.8% as a percentage of Net Sales and turning back positive to 122.9m.
- **Depreciation and Amortization** decreased by 91.9m on strategic closures of stores and warehouses.
- **Net Result** amounted to negative 363.8m (-54.0%), impacted by foreign exchange losses recognized (84.7m during the year) mainly related to the depreciation of the Brazilian Real.

2020 GROUP OPERATIONAL UPDATE

In line with the operational roadmap presented at the first quarter financial results, 2020 saw the implementation of Phase Two of DIA's business transformation led by strengthened country leadership teams with strategic guidance, performance oversight and capital allocation provided by the corporate center.

Key priorities during 2020 included the **continued development of DIA's commercial value proposition**, improved assortment with a focus on fresh produce and the development of a new private label offer combining quality, value-for-money and more attractive packaging.

In the second half of the year, the comprehensive roll out of an **updated franchise model began in Spain and Portugal**. The program, which includes payment and operational support, a new merchandise payment and sales incentive system as well as a simplified cost structure has now been activated for over 950 of DIA's franchise partners in Spain (64% of franchisees including Clarel) and 180 partners in Portugal (67% of franchisees). In Argentina an updated franchise model is also being rolled out while a tailored offer is being prepared to launch in Brazil.

The expansion of online and express delivery continues in all four countries to meet new customer purchasing trends accelerated during pandemic restrictions. In Spain, 14 stores have been converted into dark stores (i.e. online fulfilment only) and the Company reached agreements with a number of partners to improve last mile delivery which is now available from

440 stores[1] covering 90% of population in main cities[2] from our own website as well as through partnerships. In Portugal, online delivery now covers the Greater Lisbon and Oporto areas, with express delivery available in 95 stores via regional partnerships.

In addition, the Group maintains a strict focus on **cost efficiencies and delivering reduced complexity.** This is primarily being achieved thanks to the ongoing enhancement of our operational model across the entire supply chain, as well as more efficient logistics processes.

A key driver of the Group's improved performance has been the implementation of a **new organisational structure** aligned to DIA's long-term vision, resulting in greater country autonomy to develop compelling, relevant offers for local customers, led by an empowered CEO and supported by a strategic and lean corporate center.

Other highlights on a country-by-country basis are listed below:

- **Spain:** Roll out of optimized assortment and store layout to over 1,100 stores in Spain (c. 40% of network excluding Clarel) with priority focus on fresh fruit and vegetable offer resulting in 12% increase in Net Sales for fresh produce categories. Ready-made and new private label products launched in stores during second half of the year. New store model testing launched including an improved look and feel, and more simple and efficient layout.
- **Portugal:** Fresh produce service frequency increased for 450 priority stores to support fresh offer. Continuing implementation of optimized assortment and light refurbishments in over 380 stores (c. 77% excluding Clarel).
- **Brazil:** Continued the implementation of a reinforced assortment adding over 400 new private label products developed during the year. The management kept focus on defining a value proposition adapted to the local market and developing a sustainable and profitable business model. The sale of underperforming operations in Rio Grande Do Sul Region has been successfully completed and the strategic focus is on the state of Sao Paulo and Sao Paulo metropolitan area.
- **Argentina:** New assortment implemented in over 65% of stores focused on potentiating fresh offer. On-going expansion of online and express delivery with over 240 pick-up stores and 114 stores with last-mile service. New store model testing launched.

STORE NETWORK

SUMMARY OF GROUP STORES	Owned	Franchised	Total
Total Stores at 31 December 2019	3,725	2,901	6,626
New openings	4	10	14
Owned to franchised net transfers	28	-28	0
Closings	-270	-201	-471
Total Stores at 31 December 2020	**3,487**	**2,682**	**6,169**
Spain	**2,441**	**1,477**	**3,918**
Portugal	**298**	**267**	**565**
Brazil	**462**	**317**	**779**
Argentina	**286**	**621**	**907**

DIA reached an inflection point during 4Q20, initiating the conversion of owned stores into franchised stores in Spain and Portugal, following the completion of a two year franchisee network rationalization process which saw 712 stores converted from franchised to owned within the group. In Spain, 203 franchised stores are now managed by franchisees that already hold at least one location and 113 stores were transferred already from owned stores

[1] As of 31/12/20
[2] Over 50,000 inhabitants

to franchised stores during 2020 with newly selected entrepreneurs attracted by DIA's strategic vision.

- During the year, 41 net stores were transferred from franchised to owned in Spain including 22 Clarel stores, 8 net locations were transferred from franchised to owned in Brazil and net changes in Portugal were 0 (19 stores were transferred to owned stores and 19 owned stores were transferred to franchised). Net change of format in Argentina resulted in 21 additional franchised stores.
- **Closings:** 104 DIA stores closed in Spain (55 franchised and 49 owned) as well as 1 La Plaza store, 12 franchised stores in Portugal, 29 in Argentina (13 franchised and 16 owned) and 107 in Brazil (81 owned and 26 franchised including the strategic sale of Rio Grande do Sul stores). In addition, as part of a previously announced exit strategy for this specific type of franchisees, a total of 95 Cada Dia stores were closed during the period. Additionally, 123 Clarel stores were closed in Spain.
- **Openings:** 2 owned stores and 3 franchised stores in Spain, 1 franchised store in Portugal, 2 owned stores and 4 franchised stores in Brazil and 2 franchised stores in Argentina.

2020 COUNTRY PERFORMANCE OVERVIEW

Spain	2020	%	2019	%	Change
Gross Sales Under Banner	**5,357.7**		**5,023.0**		**6.7%**
Like-for-like sales growth	11.3%		-6.4%		
Net Sales	**4,508.8**		**4,177.2**		**7.9%**
Adjusted EBITDA	**99.6**	**2.2%**	**18.2**	**0.4%**	**447.2%**

- Positive **Net Sales** trend continues strongly year on year despite 7.5% fewer stores.
- **Adjusted EBITDA** increased 180bps offsetting increased Operating Expenses to support enhanced fresh offer, Covid-19 related costs and 6.8m legal contingency recognition as highlighted in the Interim Consolidated Financial Statements for the year 2020.

Portugal	2020	%	2019	%	Change
Gross Sales Under Banner	**862.9**		**767.9**		**12.4%**
Like-for-like sales growth	6.1%		-4.6%		
Net Sales	**630.0**		**593.9**		**6.1%**
Adjusted EBITDA	**17.2**	**2.7%**	**9.6**	**1.6%**	**79.2%**

- **Net Sales** increased by 6.1% during the year, mainly driven by local transformation measures and refurbishments focused on supporting fresh produce offer that offset the effect of lower tourist traffic in main cities during the peak holiday season.
- **Adjusted EBITDA** increased 110bps on the back of operational excellence measures implemented.

Brazil	2020	%	2019	%	Change
Gross Sales Under Banner	**1,045.6**		**1,344.0**		**-22.2%**
Like-for-like sales growth	7.1%		-8.8%		
Net Sales	**929.8**		**1,182.1**		**-21.3%**
Adjusted EBITDA	**(13.8)**	**-1.5%**	**(130.7)**	**-11.1%**	**89.5%**

- **Net Sales** up 4.5% in local currency year on year, with 11.5% fewer stores following closure of underperforming locations.
- **Adjusted EBITDA** recovered significantly achieving a 9.6% improvement in margin but remains negative due to low performing regional activity.

Argentina	2020	%	2019	%	Change
Gross Sales Under Banner	**1,128.3**		**1,540.5**		**-26.8%**
Like-for-like sales growth	-1.7%		-10.2%		
Net Sales	**813.8**		**917.3**		**-11.3%**
Adjusted EBITDA	**19.9**	**2.4%**	**12.1**	**1.3%**	**64.5%**

- **Net Sales** up 35.9% in local currency on the back of improved operational performance in a challenging macroeconomic environment.
- **Adjusted EBITDA (*)** increased 110bps driven by ongoing cost reduction efforts and despite negative volume effect on sales and currency effect.

(*) Adjusted EBITDA margin to Net Sales calculated without inflation in Argentina is 2.2%.

2020 FINANCIAL RESULTS

(€ million)	2020	2019	Change
Finance income	10.7	38.3	(27.6)
Interest expense	(48.3)	(65.6)	17.3
Other financial expenses	(23.6)	(33.9)	10.3
Refinancing expenses	-	(8.3)	8.3
FX differences	(84.7)	(14.3)	(70.4)
IFRS16 related financial costs	(59.9)	(70.8)	10.9
Gains from monetary positions (IAS 29)	36.1	63.7	(27.6)
Results from financial instruments	-	(6.0)	6.0
P&L from companies accounted under the equity method	(0.1)	0.2	(0.3)
Net Financial Results	**(169.8)**	**(96.7)**	**(73.1)**

- **Interest expenses** decreased 17.3m due to improved financing conditions achieved following the refinancing process in July 2019.
- **Other financial expenses** decreased to 23.6m thanks to lower bank credit and credit interest rates in Argentina linked to revenues and other financial expenses linked to financial liabilities in Brazil.
- **Foreign Exchange differences** include 75.1m of negative currency effect resulting from the devaluation of the Brazilian Real in the period, of which 57.3m (76.3%) came from Euro denominated intra-Group structural financing provided to DIA Brazil primarily by the Group, and the remaining 17.8m (23.7%) from USD and Euro denominated bank loans held by the Brazilian affiliate.
- The drop in the number of stores and lower inflation in Argentina drove the reduction in IFRS16 and IAS29 effects, respectively.

[€ million]	4Q 2020	2020	2019
Net cash from operations before changes in working capital	**76.2**	**371.9**	**161.7**
Changes in trade working capital	**(35.2)**	**1.3**	**50.1**
Changes in other receivables and payables	13.7	17.3	(151.5)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**54.7**	**390.5**	**60.3**
Investment in fixed assets	(19.4)	(83.3)	(93.0)
Disposals of fixed assets & other	12.6	59.6	(15.7)
CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(6.7)**	**(23.7)**	**(108.7)**
Debt drawdowns & repayments	(38.7)	140.5	(215.0)
Interest paid and other financial expenses	(11.6)	(48.3)	(92.6)
Payment of financial leases	(68.5)	(284.6)	(327.5)
Capital Increase	-	-	599.3
Other	3.5	9.1	7.8
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(115.4)**	**(183.4)**	**(27.9)**
CHANGES IN CASH FLOW FOR THE PERIOD (A+B+C)	**(67.4)**	**183.4**	**(76.3)**
Cash and Cash equivalents as at beginning of period	**414.4**	**163.6**	**239.8**
Cash and cash equivalents as at end of period	**347.0**	**347.0**	**163.6**

- **Trade Working Capital** stable at 609.2m, thanks to a 10.2% decrease in inventories facilitated by improved stock management, an increase of 17.4m of Trade and Other Receivables linked to the increase in Net Sales and a decrease of 32.0m in Trade and other Payables within a normalized relationship with suppliers and credit insurance agencies.
- **Non-Recourse Factoring** amounted to 0 at year end 2020 (December 2019: 14.1m) and stable **Confirming** amount of 248.1m as of December, 31th 2020 (December 2019; 250.3m).
- **Capital Expenditure** down 10.4% due to investment control measures implemented in the early stages of the business transformation plan.
- **Available Liquidity** down slightly to 397.0m (December 2019: 420.8m) out of which 347.0m relates to cash and cash equivalents and 50.0 to undrawn banking facilities.
- Decrease in **Total Net Financial Debt** of 45.9m since end 2019, down to 1,276.3m driven by positive Cash Flow from Operations, stable Trade Working Capital and limited Capital Expenditures.

TRADE WORKING CAPITAL

Trade Working Capital	2020	2019	Change
Non-Recourse Factoring	-	14.1	(14.1)
Inventories (A)	445.8	496.5	(50.7)
Trade & Other receivables (B)	128.4	111.0	17.4
Trade & Other payables (C)	1,183.4	1,215.4	(32.0)
Trade Working Capital	**(609.2)**	**(607.9)**	**(1.3)**

Trade working capital defined as (A+B-C)

CAPITAL EXPENDITURE

Capex per Country	2020	2019	Change (%)
Spain	60.0	33.8	77.5%
Portugal	10.4	9.2	13.0%
Argentina	7.6	9.4	-19.1%
Brazil	5.4	40.5	-86.7%
Total Group Capex	**83.3**	**93.0**	**-10.4%**

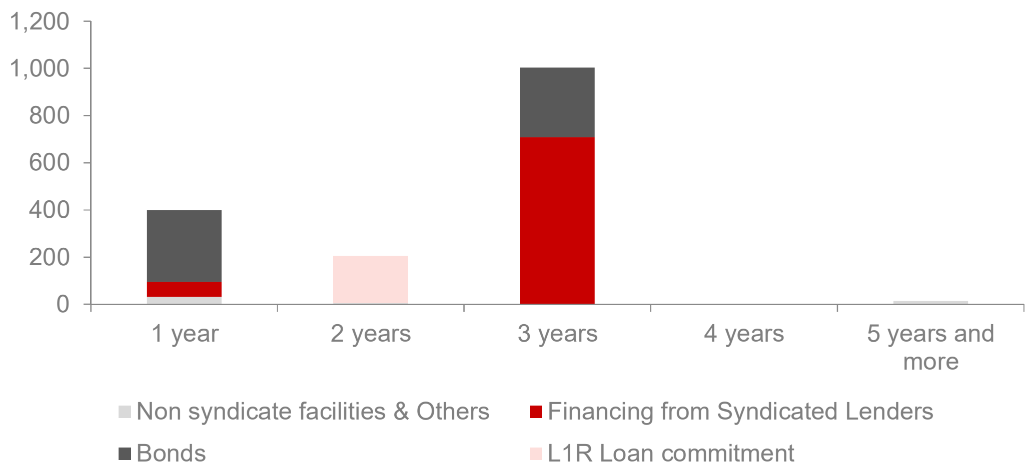
BALANCE SHEET

(€ million)	2020	2019
Non-current assets	2,044.6	2,448.2
Inventories	445.8	496.5
Trade & Other receivables	128.4	111.0
Other current assets	69.3	100.2
Cash & Cash equivalents	347.0	163.6
Non-current assets held for sale	0.4	-
Total Assets	**3,035.4**	**3,319.4**
Total equity	(697.2)	(350.5)
Long-term debt	1,625.8	1,865.7
Short-term debt	589.0	325.5
Trade & Other payables	1,183.4	1,215.4
Provisions & Other liabilities	334.4	262.0
Liabilities associated with assets held for sale	-	1.3
Total Equity & Liabilities	**3,035.4**	**3,319.4**

- At 31 December 2020, the shareholders' equity balance in the individual financial statements of the Parent Company (which are those used for the purpose of computing the legal dissolution or capital increase obligation) amounted to negative 41.8m (positive 222.7m as of December 2019) impacted by 238.0 million impairment of the investment in the Brazilian affiliate to reflect the negative evolution of the Brazilian Real.

- **Debt maturity profile**

  - **Actual Gross Debt Maturity Profile as of 31th December 2020 (exc. IFRS16):** 1,623.3m
  - **Non-Syndicated Facilities & Others:** 31.9m (December 2020-December 2021), 5.7m (December 2021-December 2022), 15.8m (December 2022 onwards).
  - **L1R Super Senior Loan facility:** 200.0m (July 2022).
  - **Bonds:** 303.8m (April 2021), 295.6m (April 2023).
  - **Financing from Syndicated Lenders:** 63.0m (December 2020-December 2021) and 707.5m (December 2022-December 2023).



(*) Not including lease payments (IFRS 16).

- On 10th August 2020, DEA Finance S.à r.l. ("DEA Finance"), a company ultimately controlled by Letterone Holdings S.A. and the sole lender under the €200m L1R Super Senior Facility, launched an offer addressed to the eligible holders of the 2021 and 2023 Bonds to purchase a significant portion of the Bonds. As a result of the transaction settled during the month of September, the offeror held as of 30th September 2020 an aggregate principal amount of 97.53% of 2021 Bonds and 89.73% of 2023 Bonds.

- The offeror announced in the tender offer memorandum that following settlement date, it may seek to engage with the Company to discuss and implement options to address the Company's capital structure on a long-term basis.

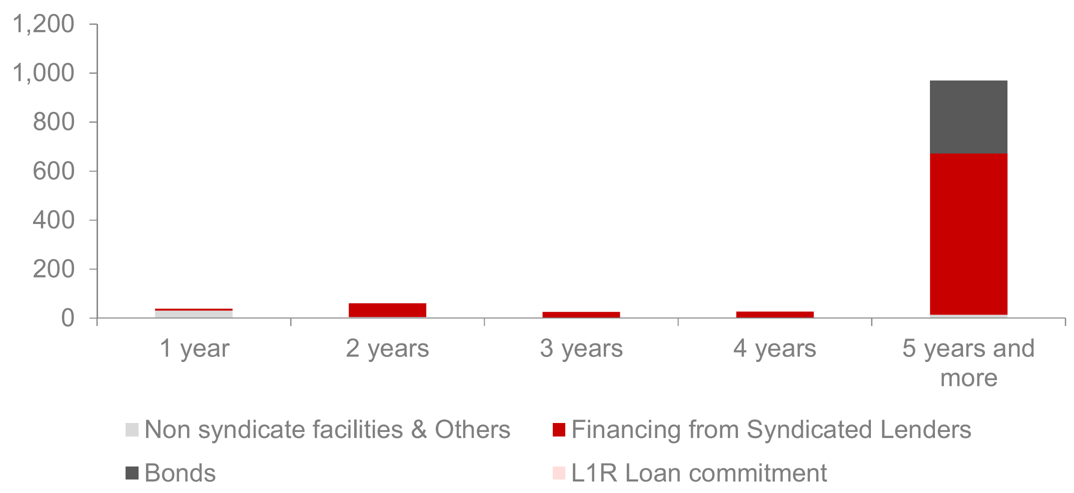
- On 30th November 2020, the company announced an agreement reached with its majority shareholder L1R Invest1 Holdings S.à.r.l. ("L1R"), DEA Finance and its syndicated financial lenders to implement a comprehensive recapitalization and refinancing transaction (the "Transaction") which would allow the management to focus fully on the implementation of the DIA group business plan.

- The Transaction involves: (i) a €500m equity increase at DIA to discharge an equivalent amount of financial debt under the €200m L1R Super Senior Facility and €300m 2021 Bonds due on 28th April 2021; (ii) an amendment and restatement of the existing €973m syndicated facilities agreement to extend the maturity date of certain facilities to 31st December 2025 and amend other terms and conditions; (iii) an amendment of terms and conditions of €300m 2023 Bonds to extend the maturity date from 6th April 2023 to 30th June 2026 and increase the interest to 5% per annum; and (iv) an extension of the maturity dates of certain bilateral facilities and credit lines entered into with certain syndicated financial lenders ("Bilateral Facilities").

- The effectiveness of the Transaction is subject to the fulfillment or waiver of certain conditions precedent by no later than 18th December 2020 (in some cases) and that were successfully completed and 28th April 2021 (in other cases).

- The recapitalization of the DIA Group, together with the discharge of a significant amount of Net Financial Debt, as well as the extension of the maturity dates of the senior facilities, the 2023 Bonds and the Bilateral Facilities, will materially reduce the financial indebtedness of the DIA Group, eliminate refinancing risk over the medium term, ensure operational financing requirements are in place, and provide a stable long-term capital structure for DIA.

For informational purposes, find below a **proforma debt maturity profile** once the Transaction is closed:



EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- On 11th December 2020, the company announced the appointment of Mr. Marcelo Maia Tavares as a new Director to the Board of Directors, with the category of other external Director of the Company, effective from 1st January 2021. The Company also announced the appointment of Mr. Jesús Soto Cantero as new Chief Financial Officer of the Group, effective 1st January 2021.
- On 16th February 2021, Moody´s affirmed the Caa2 long-term corporate family rating and upgraded its probability of default rating to Caa2-PD from Caa3-PD. Moody´s also affirmed DIA´s Ca senior unsecured long-term ratings and its (P)Ca senior unsecured MTN program rating. The outlook has changed to stable from negative.
- On 15th February 2021, Mr. Christian Couvreux, member of the Board of Directors of DIA Group since May 2019 sadly passed away. Since he joined DIA, he had an active part in the transformation of DIA contributing his deep knowledge and experience of the food retail industry. Mr Couvreaux was Chairman of the remuneration committee as well as a member of the finance committee.

CHANGE IN CURRENCY RATES

Change in Currency Rates	Argentinean Peso / €	Brazilian Real / €
2019 average	0.0190	0.2267
2020 average	0.0126	0.1720
2020 Change	**-33.7%**	**-24.1%**

Bloomberg average currency rates (a negative change in exchange rates implies depreciation versus the Euro).

DEFINITION OF APMS

In the preparation of the financial information that is reported internally and externally, the Directors of DIA have adopted a series of Alternative Performance Measures (APMs) to gain a better understanding of the business performance. These APMs have been chosen according to the Company's activity profile and take into account the information of business performance commonly published by other international peers. Nevertheless, these APMs may or may not be totally comparable with those of other companies in the same industry. In all cases, APMs should be considered as data that are not intended to replace (or be superior to) IFRS measurements.

PURPOSE

The purpose of these APMs is to assist in the understanding of the business performance by providing additional useful information about the underlying performance of the activity and financial position of the Company.

APMs are also used to enhance the comparability of information between reporting periods and geographical units by adjusting for other cost and revenue items or uncontrollable factors that affect IFRS measures. APMs are therefore used by Directors and management for performance analysis, planning, reporting, and incentive-setting purposes.

CHANGES TO APMs

The Adjusted EBITDA definition was updated in 2019 to:

I. Exclude the effect of IAS 29 and IFRS 16, and,

II. Include as Ordinary Operational Expenses or Revenues –to be more conservative – those related to store remodeling and closings, long-term incentive programs (LTIP), and write-offs of account receivables related to Franchisees.

On 25 March the Board of Directors, approved an LTIP for the 2020-22 period. The Company has amended the Adjusted EBITDA definition to exclude the accrual of costs related to long-term incentive programs (LTIP) to isolate this effect.

Adjusted EBITDA definition will therefore exclude: effect of IAS 29 and IFRS 16, restructuring costs and LTIP costs.

- **Gross Sales Under Banner:** Total Turnover Value obtained in stores, including indirect taxes (sales receipt value) in all the Company’s stores, both owned and franchised.

Net Sales to Gross Sales Under Banner	2020	2019	Change (%)
Net Sales	6,882.4	6,870.5	0.2%
VAT and Other	1,512.1	1,804.8	-16.2%
Gross Sales Under Banner	**8,394.5**	**8,675.3**	**-3.2%**

- **LFL growth of Gross Sales under Banner:** Growth rate of Gross Sales under Banner at constant currency of the stores that have been operating for more than thirteen months under the same conditions. To be more conservative in applying this definition, LFL figures reported in this document exclude from the comparison base of calculation only those stores that have been closed for significant remodeling activities or severely impacted by external objective reasons. Additionally, the LFL figures corresponding to Argentina have been deflated using internal inflation to reflect volume LFL, avoiding misleading nominal calculations in relation to hyperinflation.

- **Adjusted EBITDA:** Underlying Operating Profit that is calculated after adding back to EBIT Depreciation & Amortization (including amortization related to the closing of stores and impairment of fixed assets), losses on the write-down of fixed assets, impairment of fixed assets, restructuring costs, gains and losses on disposals of fixed assets, the effect related to the application of IAS 29 and IFRS 16, and the costs related to LTIP programs.

EBIT to Adjusted EBITDA Reconciliation	2020	2019	Change
Operating Profit (EBIT)	(182.1)	(580.2)	398.2
Depreciation & Amortization	426.5	518.4	(91.9)
Losses on write-off of fixed assets	31.1	70.0	(38.9)
Impairment of fixed assets	26.4	57.5	(31.1)
Gross Operating Profit (EBITDA)	**301.9**	**65.6**	**236.3**
Restructuring costs	58.1	131.1	(73.0)
Long-term incentive program	11.6	-	11.6
IFRS16 lease effect	(270.1)	(321.4)	51.3
IAS29 hyperinflation effect	21.3	33.9	(12.6)
Adjusted EBITDA	**122.9**	**(90.9)**	**213.8**

- **Net Financial Debt:** Is the result of subtracting from the total value of the Company's short-term and long-term debt, the total value of its cash, cash equivalents, and other liquid assets and the debt related effect from the application of IFRS 16. All the information necessary to calculate the Company's net debt is included in the balance sheet.

Net Debt Reconciliation	2020	2019	Change
Long-Term debt	1,224.6	1,377.5	(152.9)
Short-Term debt	398.7	108.3	290.4
Cash & Cash equivalents	347.0	163.6	183.4
NET FINANCIAL DEBT	**1,276.3**	**1,322.2**	**(45.9)**
IFRS16 Lease Debt Effect	591.5	705.4	(113.9)
TOTAL NET DEBT	**1,867.8**	**2,027.6**	**(159.8)**

Disclaimer

This presentation contains forward-looking statements and information relating to Distribuidora Internacional de Alimentación, S.A. (DIA) and its subsidiaries that are based on the current beliefs of DIA's management, key expectations and assumptions, as well as information currently available to DIA and projections of future events. These forward-looking statements speak only as of the date they are made based on the information, knowledge and views available on the date on which they are made; such knowledge, information and views may change at any time. These forward-looking statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "anticipates", "forecasts", "plans," "projects," "continuing," "ongoing," "expects," "intends" and other similar words or phrases. Other forward-looking statements can be identified in the context in which the statements are made or by the forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements, as well as those included in any other material discussed at any management presentation, reflect the current views of DIA with respect to future events and are subject to known and unknown risks, uncertainties and key assumptions about DIA and its subsidiaries and investments, including, among other things, the development of their businesses, trends in their operating industry, and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances referred to in the forward-looking statements may not occur. None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the presentation.

Current and future analysts, brokers and investors must operate only on the basis of their own judgment taking into account this disclaimer, and must bear in mind that many factors could cause the actual results, performance or achievements of DIA and its subsidiaries and any information included in this presentation to be materially different from any information, future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which DIA and its subsidiaries do business; changes in interest rates; changes in inflation rates; changes in prices; trends affecting DIA and its subsidiaries businesses, financial condition, results of operations or cash flows; the impact of current, pending or future legislation and regulation in countries in DIA and its subsidiaries do business; acquisitions, investments or divestments which DIA and its subsidiaries may make in the future; DIA and its subsidiaries capital expenditures plans; their estimated availability of funds; their ability to repay debt with estimated future cash flows; security threats worldwide and losses of customer valuables; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts; public perception of DIA and its subsidiaries businesses and reputation; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorized use of the DIA's intellectual property and claims of infringement by DIA or its subsidiaries of others' intellectual property; changes in business strategy and various other factors. The foregoing risks and uncertainties that could affect the information provided in the presentation are almost impossible to anticipate and predict. Should one or more of these risks or uncertainties materialize, or should any other unknown risk occur, or should any of the underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

No one intends, or assumes any obligations, to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise nor to update the reasons why actual results could differ from those reflected in the forward-looking statements. DIA provides information on these and other factors that could affect the business and the results in the documents it presents to the CNMV (Comisión Nacional del Mercado de Valores) in Spain. This information is subject to, and must be read in conjunction with, all other publicly available information. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise, and the directors are not responsible for any possible deviation that could arise in terms of the different factors that influence the future performance of the DIA. Neither DIA, nor its directors, nor its representatives shall have any liability whatsoever for any loss arising from any use of this document or its contents, or otherwise arising in connection with this document.

Not for general release, publication or distribution in any Jurisdiction in which the distribution or release would be unlawful.

These materials do not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for any securities in any jurisdiction. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.

This report is published in Spanish and English. In the event of any discrepancy between the English version and the Spanish version, the English version shall always prevail.