1H 2022 Financial Results

DIA reaches €51 million of Adjusted EBITDA maintaining 1.5% margin reaching substantial completion of its roadmap in 80% of the business

- **The results of the first half of 2022 represent a turning point for DIA Group**. The positive effects of its transformation are starting to show, meaning we can assert that the Group has entered the consolidation phase:
  - Spain: proximity as a strategic lever and 68% of the proximity network converted to the new store concept, boosting market share for comparable sales surface
  - Argentina: 39% of the network revamped and leader in Buenos Aires
  - Brazil and Portugal: significant progress in implementing business models
- **Net sales up 8.5% over 1H21**, despite a 4.3% reduction in store numbers. Positive growth in Argentina, Brazil and Spain, with increasing weight of private label and franchise sales.
- **Comparable like-for-like sales up 2.6%** over same period 2021, demonstrating good Q2 performance with positive growth in all Group markets.
- In the current complex economic environment, DIA Group has **focused on defending adjusted EBITDA, posting €51 million in the first half of the year, and maintaining a 1.5% margin** despite rising fuel and energy costs.
- **Net loss for the six-month period came to €104.7 million**, in line with last year's figure, with the improved financial result particularly of note.
- **Net financial debt was up €72 million to €476 million**, mainly as a result of substantial investments in the ambitious store remodelling plan under way.

The results achieved in the first half of the year represent a turning point for the transformation that DIA Group began three years ago. With proximity as a strategic lever, **the company confirms the implementation of its strategic plan across 80% of the business.**

Performance in **Spain speaks to the success of the changes made to the business model**: with 68% of the local network already using the new store model, we can see an increase in comparable surface market share. In **Argentina**, the new store concept is up and running in 39% of the store network and the company is the industry leader in Buenos Aires, with a market share of 30%. **Brazil and Portugal,** meanwhile, have made significant headway in implementing their business models.

From January to June 2022, DIA Group posted €51 million in **Adjusted EBITDA**, 6.5% up on the same period in 2021. In a complex economic environment like today's, the net sales margin held at 1.5%, similar to the first half of the previous year, thanks to improved operational management and cost control discipline to offset energy and diesel cost rises compared to 2020, and operational costs that grew due to the store remodelling programme.

"H122 presented a complex economic scenario marked by inflation and rising raw material, fuel and energy costs. Despite this, the progress made to June, the clear thumbs-up from our customers and franchisees and the support shown by our shareholders at the Ordinary General Meeting in June point to a watershed moment for the company. We can see this in one very revealing figure: Spain and Argentina (which now account for 80% of Group net sales) are growing," said **DIA Group Executive President Stephan DuCharme.** *"The implementation and delivery of their transformation plan means we are firmly in the phase of consolidating this progress. Brazil and Portugal are working on developing their business models and are making significant headway in completing their transformation plan as well,"* he added.

January to June **net sales** grew 8.5% over the previous year, to €3,465.3 million. In terms of **like-for-like sales**, H1 saw an increase of 2.6% over 2021, highlighting the good progress made in Q2 2022, with growth across all the markets where DIA Group operates. This progress in comparable sales, together with a smaller store perimeter (-2.1%) and the negative currency effect of 0.4%, favoured the 0.1% uplift in **gross sales under banner** for the half, to €4,142.5 million.

H1 net loss was down 0.1% compared to the first half of 2021, to €104.7 million. The Group's **financial debt**, meanwhile, grew by €71.9 million compared with December 2021, to €476.1 million. The rise was mainly due to the €134.3 million invested in H1, of which approximately half was planned investments in the store remodelling programme.

Over the past six months, **DIA Group added 53 franchised stores,** bringing the total to 2,763, or 63% of the local network. In addition, the influence of sales at franchised stores rose from 32% of total net sales in 1H21 to 36% in the first half of this year, showing how well the model has been accepted by its franchise partners and the good work they are doing, as well as the positive response from customers.

"I want to thank our employees, franchisees and suppliers in Spain, Portugal, Brazil and Argentina for their engagement and hard work over these three years of transformation and for helping us deliver on our aim of reaching out closer every day. Also to our customers, because we know they have rediscovered DIA and value our ongoing commitment to proximity, with remodelled stores offering an easy and user-friendly shopping experience and a standout assortment, with a private label that meets local needs and whose quality is being recognised by independent bodies", the executive president of the company said.

Commitment to proximity and quality for our customers

Since May 2020 *"we have consistently hit our roadmap and delivered real change across all the countries where we operate,"* Mr DuCharme said. *"We have done so by focusing on the customer and building on our new value proposition, with new stores, assortment and quality, and the logistical reinforcement of our online channel to support proximity; a new franchise model that secures returns for franchises; and by ramping up operational efficiency off the back of digital transformation"*, the executive president said.

At the close of June 2022, the company had **1,775 stores operating under the new store model**, representing 46% of the local network at Group level, in other words, excluding the Maxi stores in Spain and Portugal, La Plaza and Clarel. By country, 459 stores were remodelled in Spain between January and June, bringing the total number of stores operating under the new concept to 1,297. In Argentina, 138 remodelled stores were added in the first half of the year, bringing the total number to 366, or 39% of the network. In Portugal, the company remodelled 112 stores. All three countries showed sustainable sales increases, punching above market (+10.9% in Spain in H1 in like-for-like sales, compared to 5.1% market growth).

At the same time, the company continues to develop its new private label and over 2,700 references have been launched at Group level in the last three years. The good reception and acceptance of **New Quality DIA** is reflected not only in the increase in the weight of our private label in shopping baskets (up from 47.7% to 51.7% in the first half of 2022 in Spain) but also in the valuation and external recognition of our products. Examples include Nuestra Alacena cooked ham and Designation of Origin Duero Heredad Barán Crianza 2017 red wine, which has already picked up three international awards.

The economic context of the first half of the year, marked by rising inflation and raw material, fuel and energy price hikes, was also reflected in customer behaviour. **Frequency of store visits increased** but the value of purchases made was down. This can be seen by the 5.7% rise in tickets between January and June compared to the same period in 2021, speaking to the trust our customers have in us, but a 2.9% fall in average basket spend. This behaviour is typical in uncertain times like the one we are going through.

"The scenario before us suggests we are closer to being the company we want to be: the go-to local store and number-one online option for our customers, with a differential value proposition guaranteeing long-term loyalty and sustainable returns," Mr DuCharme said. *"There is still work ahead and we will tackle the challenges as we have done to date, **focusing on what we do well: reaching out**. This lever, together with the engagement and effort of all our employees, franchisees and suppliers, allows us to build, together, a new corporate culture based on close relationships of trust and openness, with social sustainability at its heart."*

2021 – KEY FINANCIAL DATA[1] (figures in millions of euros)

	1H 2022	1H 2021	Variac. (%)
Like-for Like sales growth (%)	2.6%	-5.0%	n/a
Net Sales	3.465,3	3.193,7	8,5%
Gross Profit	753.9	719.0	4.9%
Adjusted EBITDA	50.8	47.7	6.5%
EBIT	(98.4)	(55.7)	-76.7%
Net attributable result	(104.7)	(104.8)	0.1%
	1H 2022	**FY 2021**	**Variac. (%)**
Total net financial debt (ex IFRS 16)	476.1	404.1	17.8%

- 1H22 had **positive Like-for-Like Sales** of 2.6% compared to 2021, speaking to the strong recovery in Spain and Portugal in Q2 (6.6% and 3.2% respectively) compared to Q1 (-1.8% and -6.8% respectively) and considering that the first twelve weeks of the year were challenging due to Covid-related mobility restrictions still in force in 2021 which boosted sales. Brazil and Argentina recorded excellent progress in the six months, reaching comparable sales levels of 6.9% and 3.4% respectively.
- The contribution of **private label Net Sales** climbed in Spain to 51.7% (47.7% in the same period in 2021) and franchise sales at Group level rose to 35.6% (32.2% in the same period in 2021). Both these markers are central pillars of the strategy of DIA Group, i.e., the development of our own quality brand at a good price that shares shelf space with manufacturer brands and the development of the franchise, with a strategic partnership that makes us one of the leading franchisors in the food retail sector in the countries where DIA operates.
- In absolute terms, **Gross Profit** rose 5% in H1, while other cost items came in higher because of increased operating and leasing costs and an uptick in restructuring costs due to the closure of 121 stores in Brazil and 113 in Spain shaving 13.7% off **EBITDA** compared with the first half of 2021.
- The positive outcomes from our ongoing operational management and cost control measures meant we could defend the **Adjusted EBITDA margin**, which remained at 1.5%, to post €50.8 million, negatively impacted by €40.9 million as a result of energy and diesel cost overruns (over levels in the first half of 2020, a year without these effects that allows the comparison), and the one-off operational costs of store remodelling amounting to €7.4 million. Isolating these effects, adjusted EBITDA would have reached €99.1 million, representing a margin of 4.1% on net sales.
- The **Net Income Attributable** loss was reduced by 0.1% to €104.7 million, supported by a €38.8 million improvement in net financial result.

[1] The definition, use and reconciliation of the alternative performance measures used in this note are detailed in the Management Report

- **Net Financial Debt** was up €71.9 million over December 2021 to come in at €404.1 million, mainly from the €134.3 million investment made in the half, of which around 50% were planned investments within the current store remodelling programme.

-END-

MEDIA

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INVESTOR RELATIONS

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INVESTOR PRESENTATION DETAILS FOR PARTICIPANTS:

Date: August 4th, 2022 at 10:00 a.m. CET

Webcast Link: 1H 2022 RESULTS PRESENTATION

GROUP´S OPERATIONAL UPDATE

The first half of 2022 saw the Group consolidate a change that began in 2019 with a thorough review of its operating model, focusing the strategy and value proposition on its most powerful lever: proximity. Since May 2020, the Group has systematically implemented its roadmap with wide-ranging commercial, operational, franchise and digital and technological transformation initiatives across the four countries where it operates, which are starting to come to fruition:

- ✓ At the close of June 2022, the company had 1,775 stores operating under the new store model, representing 46% of our proximity network at Group level (excluding Maxi stores in Spain and Portugal, La Plaza and Clarel). By country, 1,297 stores were operating under the new model in Spain, 366 in Argentina, and 112 in Portugal. Sustainable sales growth was seen in all three countries, while the own-brand rollout continued, the Group having released more than 2,700 new references since 2019.
- ✓ The complex economic situation, marked by inflation and rising fuel, energy and raw material prices, is already changing customer behaviour, with people visiting stores more often but spending less. This can be seen by the 5.7% rise in till receipts in the first half of the year, speaking to the trust our customers have in us, but a 2.9% fall in average basket spend. This behaviour is typical in uncertain times like the one we are going through.
- ✓ From January to June, DIA own-brand sales rose to 51.7% in food sales Spain, compared to 47.7% in the same period last year, highlighting the good rollout of DIA New Quality and its perception as a modern, high-quality and well-priced brand.

The Group knows there are still challenges ahead for the industry as a whole, but believes the difficulties presented by the current environment are an opportunity to make the proposition of proximity and ambition of leading the neighbourhood store sector more relevant than ever. The Group strives to get closer to its customers every day, confident that the value proposition meets the customers' proximity needs through an easy, accessible shopping experience with a wide offering and commitment to fresh food, a high-quality own brand and the best value for money.

STORE NETWORK

SUMMARY OF GROUP STORES	Owned	Franchises	Total
Total stores as of 31 December 2021	3,227	2,710	5,937
New openings	1	42	43
Net transfers from owned stores to franchises	-69	69	0
Closures	-189	-58	-247
Total DIA GROUP stores as of 30 June 2022	**2,970**	**2,763**	**5,733**
SPAIN	**Own**	**Franchises**	**Total**
Total stores as of 31 December 2021	2,191	1,598	3,789
New openings	1	9	10
Net transfers from owned stores to franchises	-19	19	0
Closures	-72	-41	-113
Total DIA SPAIN stores as of 30 June 2022	**2,101**	**1,585**	**3,686**
PORTUGAL	**Own**	**Franchises**	**Total**
Total stores as of 31 December 2021	202	297	499
New openings	0	0	0
Net transfers from owned stores to franchises	1	-1	0
Closures	-1	-4	-5
Total DIA PORTUGAL stores as of 30 June 2022	**202**	**292**	**494**
BRAZIL	**Own**	**Franchises**	**Total**
Total stores as of 31 December 2021	570	167	737
New openings	0	0	0
Net transfers from owned stores to franchises	-53	53	0
Closures	-111	-10	-121
Total DIA BRAZIL stores as of 30 June 2022	**406**	**210**	**616**
ARGENTINA	**Own**	**Franchises**	**Total**
Total stores as of 31 December 2021	264	648	912
New openings	0	33	33
Net transfers from own stores to franchises	2	-2	0
Closures	-5	-3	-8
Total DIA ARGENTINA stores as of 30 June 2022	**261**	**676**	**937**

At the end of the first half of the year, the Group operated a sales area of 2,180 square meters, 6.0% less than the area operated in the same period in 2021. In the first six months of the year, 247 strategic closures of non-profitable stores were made (113 in Spain, 121 in Brazil, 8 in Argentina and 5 in Portugal). During the second half of 2022, the Group will continue reviewing its portfolio with the aim of improving its profitability.

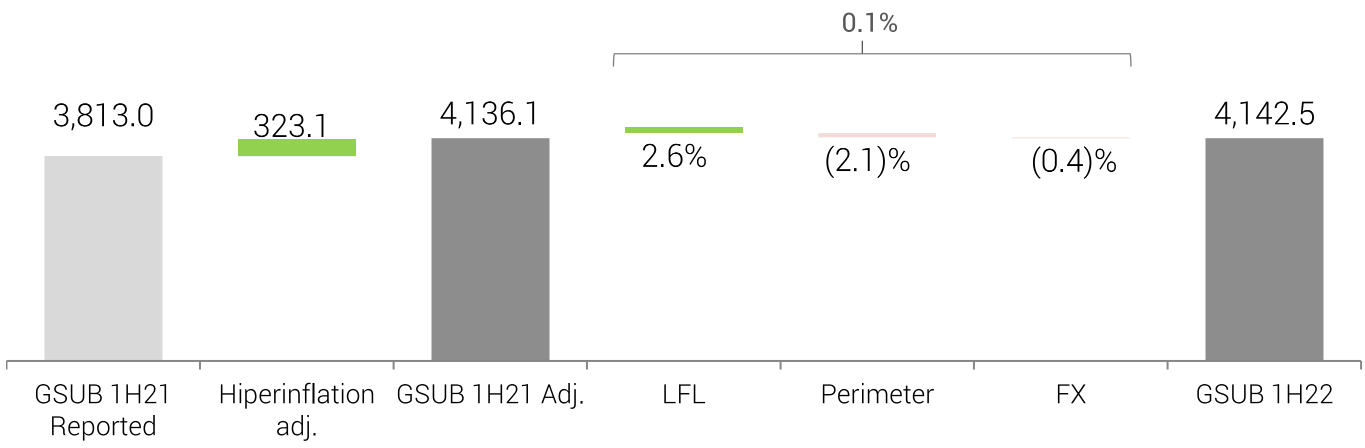
43 new stores opened in Spain and Argentina, almost entirely under the franchise regime, and the Group converted a net figure of 69 own stores into franchises, driven by outsourcing operations in Spain and Brazil.

In Spain, over the course of the half-year, a net number of 19 company-owned stores have been converted into franchises. In the case of Brazil, the rollout of its new franchise model began after a period of network optimization, converting a net number of 53 own stores into franchises.

GROUP FINANCIAL RESULTS – 1H 2022

(€ million)	1H 2022	1H 2021	Change (%)
Gross sales under banner	**4,142.5**	**4,136.1**	**0.2%**
Like-for-Like sales growth (%)	*2.6%*	*-5.0%*	*n.a.*
Net Sales	**3,465.3**	**3,193.7**	**8.5%**
Cost of goods sold & other income	(2,711.4)	(2,474.7)	9.6%
Gross profit	**753.9**	**719.0**	**4.9%**
Labour costs	(355.3)	(353.1)	0.6%
Other operating expenses & leases	(242.8)	(200.6)	21.1%
Restructuring and LTIP costs	(32.6)	(22.6)	44.2%
EBITDA	**123.2**	**142.7**	**-13.7%**
Amortisation & depreciation	(201.9)	(192.5)	4.9%
Impairment of non-current assets	(4.7)	(1.8)	161.1%
Losses on disposal of fixed assets	(15.0)	(4.1)	265.9%
EBIT	**(98.4)**	**(55.7)**	**76.7%**
Net financial expense	4.0	(34.8)	-111.5%
EBT	**(94.4)**	**(90.5)**	**4.3%**
Corporate taxes	(10.3)	(14.2)	-27.5%
Consolidated result	**(104.7)**	**(104.8)**	**-0.1%**
Discontinued operations	-	-	n.a.
Net attributable result	**(104.7)**	**(104.8)**	**-0.1%**

- **Gross Sales Growth Under Banner (GSUB)** increased by 0.1% supported by Like-for-Like Sales of 2.6% and despite a reduction of the store perimeter of 2.1% and a negative FX effect of 0.4%:



- **Group's Net Sales** were affected by the 4.3% reduction in the number of stores at the end of the period and variations in the Brazilian real and Argentine peso (revaluation of 17.5% in the case of Brazil and devaluation of 13.6% in Argentina).
- **Gross Profit (as a percentage of Net Sales)** fell to 21.8% from 22.5% year-on-year due to the higher contribution of own-brand sales and sales through franchises, fundamental pillars of our business model and which contribute positively to other cost lines at adjusted EBITDA level.
- **Personnel expenses** rose slightly by 0.6% but were reduced by 80 bp to 10.3% as a percentage of net sales, partly benefiting from the process of outsourcing proprietary stores to franchisees and other operational improvements.
- **Other operating expenses (as a percentage of Net Sales)** rose from 5.8% to 7.0%, strongly impacted by the increase in the cost of electricity and diesel as well as expenses related to the store remodelling process.
- **EBITDA** fell to 3.6% as a percentage of net sales (4.1% in the first half of 2021) due to the increase in "Other Operating Expenses" and "Restructuring Costs" generated by the rationalisation of the organisational structure, closure of stores and the process of outsourcing stores.

EBIT to adjusted EBITDA reconciliation	1H 2022	1H 2021	Change
EBIT	**(98.4)**	**(55.7)**	**(42.7)**
Amortization & depreciation	201.9	192.5	9.4
Impairment of non-current assets	4.7	1.8	2.9
Losses on disposal of fixed assets	15.0	4.1	10.9
EBITDA	**123.2**	**142.7**	**(19.5)**
Restructuring costs	29.2	16.9	12.3
Long-term incentive programme (LTIP)	3.4	5.7	(2.3)
Lease effect (IFRS 16)	(133.1)	(130.8)	(2.3)
Hyperinflation effect (IAS 29)	28.1	13.2	14.9
Adjusted EBITDA	**50.8**	**47.7**	**3.1**

- **Adjusted EBITDA** reached 1.5% of net sales, staying steady at levels similar to those of the same period in 2021 as a result of improved operational management and successful cost control discipline offsetting energy and diesel cost compared to the first semester of 2020 overruns amounting to 40.9 million euro (mainly in Spain and calculated based on the levels shown in the first half of 2020, a year with no distortions that allows to make the comparison) and incremental operational costs connected with the store remodelling programme amounting to Euros 7.4 million. Adjusted EBITDA was up 3.1 million euro in absolute terms. If we isolate the above-mentioned impacts, adjusted EBITDA would have come to 99.1 million euro, or 2.9% of net sales for the financial year and an increase of 105% over the previous financial year in comparable terms, more clearly showing the management improvements the Group is making.
- **Amortisation** increased by 27 bp as a percentage of net sales compared to the same period in 2021 (9.4 million euro in absolute terms) due to investments made in the new store model.
- **Net Result** stood at -104.7 million euro, at levels very similar to those of the same period in 2021, helped by the improvement in **Net Financial Result** of 38.8 million compared to the 2021 period due to an increase in revenues derived from the net monetary position in Argentina and an increase in financial income.

COUNTRY PERFORMANCE OVERVIEW – 1H 2022

Spain	1H 2021	%	1H 2022	%	Variation
Gross sales under banner	2,501.3		2,479.2		0.9%
Like-for-like sales growth	2.4%		-7.0%		
Net Sales	2,095.6		2,089.7		0.3%
Adjusted EBITDA	44.6	2.1%	37.4	1.8%	19.3%

Net Sales rose 0.3% with 3.9% fewer stores with positive like-for-like sales of 2.4%, highlighting the strong recovery experienced in Q2 that reached 6.6% compared to the Q1 dip of 1.8% due to a challenging basis of comparison as there were still Covid-19 mobility restrictions in place in the first twelve weeks of 2021 that impacted sales.

Adjusted EBITDA improved by a margin of 30 bp to 2.1% on Net Sales despite higher energy and diesel costs, as well as operating expenses from store remodelling (total 43.7 million euro). Isolating these effects, would have resulted in 88.3 million euro of Adjusted EBITDA, representing a 4.2% margin.

Portugal	1H 2022	%	1H 2021	%	Variation
Gross sales under banner	386.9		400.8		-3.5%
Like-for-like sales growth	-1.8%		-5.3%		
Net Sales	283.1		296.3		-4.5%
Adjusted EBITDA	1.0	0.4%	5.0	1.7%	-80.0%

Net Sales were affected by a 1.0% lower store base and challenging basis of comparison in the first quarter of the year resulting, as in Spain, from mobility restrictions and limited opening hours due to Covid-19. Like-for-like sales saw a significant improvement in Q2, with levels of 3.2% compared to -6.8% in Q1.

Adjusted EBITDA dropped 130 basis points in terms of margin affected by the fall in sales volume and higher operating expenses not passed on to the end customer, including energy and diesel cost overruns amounting to 3.8 million euro which, if treated in isolation, would have increased Adjusted EBITDA to 4.8 million euro, representing a margin of 1.7%, in similar terms to the first half of 2021.

Brazil	1H 2022	%	1H 2021	%	Variation
Gross sales under banner	480.0		425.8		12.7%
Like-for-like sales growth	6.9%		4.3%		
Net Sales	434.6		381.7		13.9%
Adjusted EBITDA	-11.2	-2.6%	-5.9	-1.5%	89.8%

Net Sales grew 13.9% year-on-year despite an 18.2% decline in the number of stores following the strategic closure of unprofitable locations and helped by a 17.5% revaluation of the Brazilian real. Like-for-like sales performed exceptionally well, delivering 6.9% growth over the period.

Adjusted EBITDA was down 110 bp as a percentage of net sales, impacted by inflationary pressures in the cost base and increased logistics and operational costs.

Argentina	1H 2022	%	1H 2021	%	Variation
Gross sales under banner	774.3		830.3		-6.7%
Like-for-like sales growth	3.4%		-3.9%		
Net Sales	652.0		426.0		53.1%
Adjusted EBITDA	16.4	2.5%	11.2	2.6%	46.4%

Net Sales climbed 53.1%, driven by exceptional performance from the success of the operational and trade measures in place and inflation above currency devaluation.

Adjusted EBITDA increased by 10 basis points driven by the cost reduction plan. The Adjusted EBITDA margin on Net Sales calculated without considering inflation in Argentina was 2.7%

BALANCE SHEET

(€ million)	1H 2022	2021
Non-current assets	2,121.4	2,018.2
Inventories	473.4	452.0
Trade & Other receivables	192.3	178.0
Other current assets	66.5	61.5
Cash & cash equivalents	328.0	361.1
Total assets	**3,181.6**	**3,070.8**
Total equity	28.8	93.6
Non-current borrowings	1,052.9	1,023.2
Current borrowings	306.8	272.5
Trade & Other payables	1,367.3	1,274.6
Provisions & other liabilities	425.8	406.9
Total equity & liabilities	**3,181.6**	**3,070.8**

As of 30 June 2022, the shareholder's equity balance in the standalone financial statements of the Parent Company (which are those used to calculate the obligation of legal dissolution or capital increase) amounted to 836.1 million euro (December 2021: 837.8 million euro) after the capital increase completed in August 2021.

WORKING CAPITAL

Working Capital	1H 2022	2021	Variation
Stocks (A)	473.4	452.0	21.4
Commercial debtors and other accounts receivable (B)	192.3	178.0	14.3
Commercial creditors and other accounts payable (C)	1,367.3	1,274.6	92.7
Working Capital (A+B-C)	**(701.6)**	**(644.6)**	**(57.0)**

Working capital improved by 57.0 million euro, driven by an increase in net sales, better payment and good inventory management during the first half of the year, despite a higher number of purchases made at the end of June in anticipation of new conflicts in the transport sector mainly in Spain and Portugal. This largely offset the increase in trade and other receivables mainly due to the implementation of the new franchise model which seeks a genuine partnership with our proximity partners with which the Group collaborates and therefore contributes to improving their profitability.

As of June 2022, and December 2021, the Group had no non-recourse factoring lines used. The amount of confirming used by the Group as of June 2022 amounted 246.8 million euro (December 2021: 244.0 million euro).

INVESTMENT (CAPEX)

Investment by country	1H 2022	1H 2021	Variation (%)
Spain	94.7	58.6	61.6%
Portugal	1.3	10.2	-87.3%
Argentina	35.3	7.3	383.6%
Brazil	3.0	10.7	-72.0%
Total Group	**134.3**	**86.8**	**54.7%**

Investment expenditure (CAPEX) in the first six months of the year rose by 54.7%, mainly due to the ongoing store remodelling plan linked to DIA's new proximity concept that led to the remodelling of 459 stores in Spain and 138 in Argentina in H1, with an investment of 71.3 million euro for the Group. The 43 new store openings carried out in H1 represented an investment of 29.8 million euro, while IT investment totalled 12.5 million euro. The remaining investment of 20.7 million euro was recurring business Capex.

SUMMARY OF CASH FLOWS –1H 2022

(€ million)	1H 2022	1H 2021
Net cash from operations before changes in working capital	**166.3**	**165.4**
Changes in working capital	**57.0**	**(26.4)**
Changes in other receivables and payables	11.5	(6.5)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**234.9**	**132.5**
Capex	(134.3)	(63.0)
Disposals of fixed assets & other	2.0	8.6
CASH FLOW USED IN INVESTING ACTIVITIES (B)	**(132.3)**	**(54.4)**
Debt drawdowns & repayments	36.5	(23.3)
Interest paid and other financial expenses	(15.6)	(22.5)
Lease finance payments	(136.8)	(133.9)
Other	2.6	8.4
CASH FLOW USED IN FINANCING ACTIVITIES (C)	**(113.3)**	**(171.3)**
Net foreign exchanges differences (D)	(22.4)	(8.1)
CHANGES IN CASH FLOW OVER PERIOD (A+B+C+D)	(33.1)	(101.4)
Cash and Cash equivalents as at beginning of period	**361.1**	**347.0**
Cash and Cash equivalents as at end of period	**328.0**	**245.6**

Cash flow during first half of the year was negative 33.1 million euro due to the investment effort the Group is making for the new store model roll out that reached 134.3 million euro. Cash flow from operations, calculated as Net Cash from Operations before changes in Working Capital less Payment of Financial Leases, amounted positive 29.5 million euro. Changes in Working Capital contributed positively with 57.0 million euro, together with a 30.6%

decrease in interest payments, compared to the same period last year and thanks to the capital increase and refinancing transaction closed during the second half of 2021.

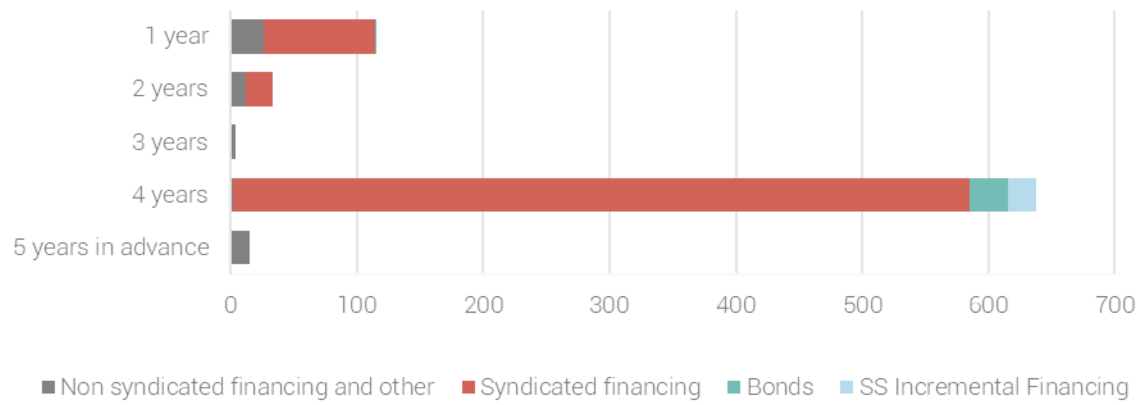
NET FINANCIAL DEBT

Net debt reconciliation	1H 2022	2021	Variation
Non-current borrowings	1,052.9	1,023.2	29.7
Current borrowings	306.8	272.5	34.3
Cash and cash equivalents	(328.0)	(361.1)	33.1
Total Net Debt	**1,031.7**	**934.6**	**97.1**
Effect of leases (debt) (IFRS 16)	(555.6)	(530.4)	(25.2)
Net Financial Debt	**476.1**	**404.1**	**71.9**

Total Net Financial Debt grew 71.9 million euro up to 476.1 million euro due to a strong Capex investment of Euros 134.3 million euro, partially offset by positive cash generation from operations, the Working Capital improvement and to a lesser financing expense. The total net financial debt/adjusted EBITDA ratio was 3.7 times at the close of June 2022 (December 2021: 3.2 and June 2021: 12.4).

Maturity profile of gross debt drawn to as of 30 June 2022 (excl. IFRS16): **804.1 million euros**

	1 year	2 years	3 years	4 years	5 years onward	Total
Non syndicated facilities & other	25.8	11.5	3.5	2.1	15.0	**57.9**
Financing from Syndicated Lenders	88.6	21.2	0.0	582.7	0.0	**692.5**
Bonds	0.2	0.0	0.0	30.9	0.0	**31.1**
SS Incremental Financing	0.0	0.0	0.0	22.6	0.0	**22.6**
Total	**114.6**	**32.7**	**3.5**	**638.3**	**15.0**	**804.1**



(*) Lease payments not included (IFRS16).

AVAILABLE LIQUIDITY

Available liquidity	1H 2022	2021	Variation
Cash and cash equivalents	328.0	361.1	-33.1
Available lines of credit	130.7	154.3	-23.6
Total Liquidity	**458.7**	**515.4**	**-56.7**

Available Liquidity amounted to 458.7 million euro (December 2021: 515.4 million euro). of which 328.0 million euro correspond to cash and cash equivalents and 130.7 million euro to undrawn bank financing and confirming lines.

EXCHANGE RATE CHANGE

Exchange rate change	1H 2022	2021	Variation
Argentinean Peso / Euro (closing rate end of period)	0.008	0.009	-13.6%
Brazilian Real / Euro (average rate of the period)	0.181	0.154	17.5%

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

EVENTS AFTER CLOSING THE PERIOD

After June 30, 2022 and before the issuance of this report, the following transactions related to the Group's financing lines have been carried out:

- In DIA Brasil, the reverse factoring facility amounting to R$96M and the R$100M bank loan were extended for 12 months, with a partial amortisation of 15% to be performed in the months of April, May and June 2023.
- In DIA Portugal, the commercial paper line of 8.3 million euro was extended for 12 months.
- The Super Senior Supplier Tranche for an amount of 40 million euro maturing on 17 July 2022 has been renewed for an additional three months period, to 30 September 2022.

Considering DIA´s strategic focus on proximity business, after June 30 the Management of the Group evaluated posible options to sell a part of the supermarkets business of the Group in Spain. After analyzing several alternatives, on August 2 the company announced the signature, together with two indirect wholly-owned subsidiaries, namely DIA Retail España, S.A.U. ("DIA Retail") and Grupo El Árbol, Distribución y Supermercados, S.A.U. ("GEA", together with the Company and DIA Retail, the "Sellers"), the transfer of certain titles of possession and use of certain stores (the "Agreement"), pursuant to which the Sellers will sell, transfer or assign, as the case may be, to Alcampo, S.A. (i) a portfolio of up to a maximum of 235 supermarkets, (ii) two logistics warehouses located in Villanubla (Valladolid), and (iii) certain contracts, licences, assets and employees related to such stores and logistics warehouses (the "Transaction").

The price of the Transaction, which shall be fully payable in cash, might change depending, among other parameters, on the total number of assets finally transferred. In the event that all conditions precedent and other terms set out in the Agreement are fulfilled in terms that allow the full execution of the perimeter of the Transaction, the maximum price that the Company could obtain would be 267 million euros.

The Company expects to use the proceeds to accelerate the implementation of its strategic plan through the completion of the remodelling process of the proximity stores of its current portfolio as well as the acceleration of new openings within this format.

Completion of the Transaction is subject to the fulfilment or waiver, as regulated in the Agreement, of the following conditions precedent on or before 15 April 2023: (i) obtaining by the Purchaser of the merger control clearance from the European Commission and/or the National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia), (ii) obtaining by the Sellers of the clearance from the financial institutions under the syndicated financing of the Company to complete the Transaction, and (iii) transmissibility of a certain number of shops, variable depending on different parameters.

The Company will inform in due course on the fulfilment of the conditions precedent, as well as on the final price of the Transaction and the uses of the funds obtained once the Transaction has been completed.

This plan affects several subsidiaries of the Group in Spain and will result, in addition to selling the stores, in the liquidation of the subsidiary Grupo El Árbol. Taking into account that the decision of the Group to start the selling process takes place after the date of these consolidated summary interim financial statements, they do not reflect any impact related to the transaction. For information purposes, the effect of the transaction if the reclassifications derived from it would have been reflected in the consolidated summary interim financial statements, would imply the reclassification of income and expenses in the consolidated income statement of net 9,411 thousand euros to the losses of discontinued operations for the liquidation of Grupo El Árbol, and regarding the operational assets and liabilities of the Group, it would imply their reclassification into non current assets held for sale and liabilities directly associated with non current assets held for sale, for amounts of 309,834 and 86,431 thousand euros, respectively. These figures include assets and liabilities of Grupo El Árbol as well as assets and liabilities of the remaining stores included in the transaction.

The Company does not expect any negative accounting impacts on its consolidated income statement derived from the Transaction.

ALTERNATIVE PERFORMANCE MEASURES (APM)

Alternative performance measures used by the Group and whose definition. use and reconciliation are detailed in the Management Report for the first half of 2022 are the following:

- Gross sales under banner
- Like-for-Like sales growth
- Gross Profit
- Adjusted EBITDA
- Capex
- Net financial debt
- Available liquidity
- Working capital (commercial)

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This presentation contains forward-looking statements and information regarding Distribuidora Internacional de Alimentación, S.A. (DIA) and its subsidiaries that are based on the current beliefs of DIA's management, its main expectations and assumptions, as well as the information currently available to DIA and its projections of future events. These forward-looking statements refer only to the date on which they are made, and are based on the information, knowledge and opinions available as of the date they are made; such knowledge, information and opinions may change at any time. These forward-looking statements are often, but not always, presented through the use of terms or expressions such as "anticipate," "believe," "might," "could," "may," "predicts," "potential," "should," "will," "estimate," "anticipates," "forecasts," "projects," "continues," "ongoing," "expects," "intends" and other similar terms or expressions. Other forward-looking statements may also be identified in the context of the statements or by the forward-looking nature of the analyses relating to strategies, plans or intentions. Such forward-looking statements, as well as those contained in any other material discussed in any management presentation, reflect DIA's current views with respect to future events and are subject to known and unknown risks, uncertainties and fundamental assumptions about DIA and its subsidiaries and investments, including, but not limited to, the conduct of its business, trends in its operating industry and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances to which the forward-looking statements refer may not occur. Nothing in this presentation should be considered as a forecast or promise or should be construed as an indication, warranty or assurance that the assumptions on which such projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, that they are fully set out in the presentation.

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