Report on Limited Review

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. AND SUBSIDIARIES

Condensed Interim Consolidated Financial Statements
and Consolidated Interim Management Report
for the six months ended
June 30, 2022

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REPORT ON LIMITED REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. at the request of the Company's directors:

Report on the condensed interim consolidated financial statements

Introduction

We have carried out a limited review of the accompanying condensed interim consolidated financial statements (hereinafter the interim financial statements) of Distribuidora Internacional de Alimentación, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the statement of financial position at June 30, 2022, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the explanatory notes thereto, all of which have been condensed and consolidated, for the six months then ended. The parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," as adopted by the European Union for the preparation of condensed interim financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists in making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim financial statements for the six months ended June 30, 2022 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of condensed interim financial statements.

Registered address: Calle de Raimundo Fernández Villaverde, 65 28003 Madrid - Registered in the Madrid Companies Register under tome 9,364, general entry 8,130 of section 3 of the Companies Book, folio 68, sheet 87,690-1, entry no. 1. Madrid, March 9,1989 A member firm of Ernst & Young Global Limited.

Emphasis-of-matter paragraph

We draw attention to the matter described in Note 2 of the accompanying explanatory notes, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2021. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated interim management report for the six months ended June 30, 2022 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six months ended June 30, 2022. Our work is limited to verifying the consolidated interim management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of Distribuidora Internacional de Alimentación, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Company's directors with regard to the publication of the semi-annual financial report required by article 119 of the consolidated text of the Securities Market Law 24/1988, approved by Legislative Royal Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

(Signed on the original Spanish version)

José Luis Ruiz

August 4, 2022

Distribuidora Internacional de Alimentación, S.A. and Subsidiaries

Consolidated Summary Interim Financial Statements and Consolidated Summary Interim Management Report

For the six-month period ended 30 June 2022

Distribuidora Internacional de Alimentación, S.A. and Subsidiaries

CONSOLIDATED SUMMARY INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2022

CONSOLIDATED SUMMARY STATEMENTS OF FINANCIAL POSITION (I)

At 30 June 2022 and 31 December 2021
(Expressed in thousands of euro)

ASSETS	Notes	2022 30 June	2021 31 December
Property, plant and equipment	4	961,643	898,398
Goodwill	5.1	451,150	451,102
Use of right	5.2	529,037	505,318
Other intangible assets	5.3	29,716	24,434
Investments accounted for using the equity method	7	445	484
Trade and other receivables	6.1	14,891	15,386
Other non-current financial assets	6.2	62,978	61,772
Non-current tax assets	14	71,505	61,329
Non-current assets		2,121,365	2,018,223
Inventories	9	473,424	452,003
Trade and other receivables	6.1	192,309	178,031
Consumer loans from financial activities		601	1,010
Current tax assets	14	47,086	46,548
Current income tax assets	14	3,207	1,681
Other current financial assets	6.2	3,393	4,879
Other assets	8	12,175	7,382
Cash and cash equivalents	10	328,019	361,065
Current assets		1,060,214	1,052,599
TOTAL ASSETS		3,181,579	3,070,822

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONSOLIDATED SUMMARY STATEMENTS OF FINANCIAL POSITION (I)

At 30 June 2022 and 31 December 2021
(Expressed in thousands of euro)

EQUITY AND LIABILITIES	Notes	2022 30 June	2021 31 December
Capital	11.1	580,655	580,655
Share premium	11.2	1,058,873	1,058,873
Reserves	11.3	(1,443,342)	(1,185,937)
Own shares	11.4 a)	(3,612)	(3,842)
Other own equity instruments	11.4 b) and 15	403	416
Net losses for the period	11.3	(104,676)	(257,331)
Translation differences	11.6	(59,518)	(99,264)
Equity attributable to equity holders of the Parent		28,783	93,570
Total Equity		28,783	93,570
Non-current borrowings	12.1	1,052,862	1,023,183
Provisions	13	102,024	94,412
Deferred tax liabilities	14	42,761	36,453
Non-current liabilities		1,197,647	1,154,048
Current borrowings	12.1	306,790	272,454
Trade and other payables	12.2	1,367,347	1,274,612
Current tax liabilities	14	43,015	46,909
Current income tax liabilities	14	6,919	8,062
Other current financial liabilities	12.3	231,078	221,167
Current liabilities		1,955,149	1,823,204
TOTAL EQUITY AND LIABILITIES		3,181,579	3,070,822

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONSOLIDATED SUMMARY INCOME STATEMENTS (II)

At 30 June 2022 and 31 December 2021
(Expressed in thousands of euro)

INCOME STATEMENT	Notes	2022 30 June	2021 30 June
Sales	3 and 16	3,465,320	3,193,703
Other income	17.1	20,391	14,443
TOTAL INCOME		3,485,711	3,208,146
Goods and other consumables used	17.2	(2,536,866)	(2,322,604)
Personnel expenses	17.3	(443,462)	(431,639)
Operating expenses	17.4	(381,380)	(312,460)
Depreciation and amortization	17.5	(201,898)	(192,540)
Impairment of non-current assets	17.5	(4,667)	(1,753)
Impairment of trade debtors	6.1	(839)	1,240
Losses on disposal of fixed assets	17.6	(14,961)	(4,105)
RESULT FROM OPERATING ACTIVITIES		(98,362)	(55,715)
Finance income	17.7	21,854	7,106
Finance expenses	17.7	(62,284)	(63,226)
Gain from net monetary positions	17.9	44,474	21,191
Profit/(losses) of companies accounts for using the equity method	17.10	(39)	93
LOSSES BEFORE TAX FROM CONTINUING OPERATIONS		(94,357)	(90,551)
Income tax	14	(10,319)	(14,230)
LOSSES AFTER TAX FROM CONTINUING OPERATIONS		(104,676)	(104,781)
NET LOSSES		**(104,676)**	**(104,781)**
Atributted to:			
Equity holders of the Parent		(104,676)	(104,781)
Basic and diluted earnings per share, in euros			
Losses for the period		(0.002)	(0.016)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONSOLIDATED SUMMARY STATEMENTS OF OVERALL RESULTS (III)

For the six-month periods ended 30 June 2022 and 2021

(Expressed in thousands of euro)

	2022 30 June	2021 30 June
Net losses for the period	(104,676)	(104,781)
Other comprehensive income:		
Items subject to reclassification to income statement		
Translation differences of financial statements of foreign operations	39,746	16,705
	39,746	16,705
Value adjustments due to cash flow hedges	-	-
Tax effect	-	-
	-	-
Other comprehensive income, net of income tax	39,746	16,705
Total comprehensive income, net of income tax	(64,930)	(88,076)
Attibuted to:		
Equityholders of the Parent	(64,930)	(88,076)
	(64,930)	(88,076)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONSOLIDATED SUMMARY STATEMENTS OF CHANGES IN EQUITY (IV)

For the six-month periods ended 30 June 2022 and 2021

(Expressed in thousands of euro)

	Equity attributable to equityholders of the Parent								
	Registered capital	Share premium	Reserves and accumulated earnings	Net losses	Own shares	Other own equity instruments	Translations differences	Equity attributable to the Parent	Total equity
At 1st January 2021	**66,780**	**544,997**	**(815,387)**	**(363,788)**	**(5,763)**	**250**	**(124,284)**	**(697,195)**	**(697,195)**
Transfer of the losses of the previous year	-	-	(363,788)	363,788	-	-	-	-	-
Net losses for the period	-	-	-	(104,781)	-	-	-	(104,781)	(104,781)
Other comprenshive income, net of income tax	-	-	-	-	-	-	16,705	16,705	16,705
Translation differences of financial statements of foreign operations	-	-	-	-	-	-	16,705	16,705	16,705
Total comprehensive income for the period	-	-	-	**(104,781)**	-	-	**16,705**	**(88,076)**	**(88,076)**
Transacitions with equityholders or owners	-	-	(2,334)	-	2,395	52	-	113	113
Issuance net share-based payments	-	-	-	-	-	125	-	125	125
Delivery of own shares	-	-	(2,334)	-	2,395	(73)	-	(12)	(12)
At 30th June 2021	**66,780**	**544,997**	**(1,181,509)**	**(104,781)**	**(3,368)**	**302**	**(107,579)**	**(785,158)**	**(785,158)**
At 1st January 2022	**580,655**	**1,058,873**	**(1,185,937)**	**(257,331)**	**(3,842)**	**416**	**(99,264)**	**93,570**	**93,570**
Transfer of the losses of the previous year	-	-	(257,331)	257,331	-	-	-	-	-
Net losses for the period	-	-	-	(104,676)	-	-	-	(104,676)	(104,676)
Other comprenshive income, net of income tax	-	-	-	-	-	-	39,746	39,746	39,746
Translation differences of financial statements of foreign operations	-	-	-	-	-	-	39,746	39,746	39,746
Total comprehensive income for the period	-	-	-	**(104,676)**	-	-	**39,746**	**(64,930)**	**(64,930)**
Transacitions with equityholders or owners	-	-	(74)	-	230	(13)	-	143	143
Issuance net share-based payments	-	-	-	-	-	151	-	151	151
Delivery of own shares	-	-	(74)	-	230	(164)	-	(8)	(8)
At 30th June 202	**580,655**	**1,058,873**	**(1,443,342)**	**(104,676)**	**(3,612)**	**403**	**(59,518)**	**28,783**	**28,783**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CONSOLIDATED SUMMARY CASH FLOW STATEMENTS (V)

For the six-month periods ended 30 June 2022 and 2021

(Expressed in thousands of euro)

	Notes	2022 30 June	2021 30 June
Operating activities			
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(94,357)	(90,551)
Loss before income tax		*(94,357)*	*(90,551)*
Adjusmtents to Profit and Loss:		*260,666*	*255,999*
Depreciation and amortization	17.5	201,898	192,540
Impairment of non current assets	17.5	4,667	1,753
Impairment of trade debtors	6.1	839	(1,240)
Losses on disposal of non current assets	17.6	14,961	4,105
Finance income	17.7	(21,854)	(7,106)
Finance expenses	17.7	62,284	63,226
Changes of provisions and grants		3,050	5,541
Other adjustments to Profit and Loss		(5,218)	(2,727)
Share of (Profit)/loss of companies accounted for using the equity method net of dividends	17.10	39	(93)
Adjusments to working capital:		*68,566*	*(32,860)*
Changes in trade and other receivables		(15,248)	(26,164)
Change in inventories		(21,420)	11,169
Changes in trade and other payables		103,673	(4,202)
Changes in consumer loan and refinancing commitments		409	733
Change in other assets		(12,548)	2,740
Change in other liabilities		17,609	(17,320)
Changes in working capital of discontinued operations		-	255
Current income tax payables (paid)		(3,909)	(71)
Net cash flow form/(used in) operating activities		*234,875*	*132,588*
Investing activities			
Purcharses of intangible assets	5.3	(6,360)	(2,944)
Development cost	5.3	(3,585)	(1,439)
Payments of property, plant and equipment		(146,942)	(58,610)
(Payments)/Collections of financial instruments		721	(2,532)
Disposals of property, plant and equipment		16,373	7,412
(Payments)/Collections for other financial assets		1,422	(2,064)
Interest recevied		6,083	5,734
Net cash flow used in investing activities		*(132,288)*	*(54,443)*
Financing activities			
Financial lease payments	12.1 c)	(136,827)	(133,920)
Borrowings repaid		-	(23,312)
Borrowings made		36,535	-
Payments from other financial liabilities		2,627	8,350
Interest paid		(15,590)	(22,490)
Net cash flow form/(used in) financing activities		*(113,255)*	*(171,372)*
Net changes in cash and cash equivalents		*(10,668)*	*(93,227)*
Net foreign exchanges differences		(22,378)	(8,143)
Cash and cash equivalents at 1st January		*361,065*	*346,985*
Cash and cash equivalents at 30th June		*328,019*	*245,615*

Explanatory notes to the consolidated summary interim financial statements for the six-month period ended 30 June 2022 (VI)

1. CORPORATE INFORMATION

Distribuidora Internacional de Alimentación, S.A. (hereinafter the Parent company or DIA) was incorporated in Spain on 24 June 1966 as a public limited company ("sociedad anónima") for an unlimited period of time. Its registered office is located in Las Rozas, Madrid.

Distribuidora Internacional de Alimentación, S.A. is the head of a group comprising subsidiaries (hereinafter DIA Group or the Group).

The main activity of DIA Group is the retail trade of food products by means of self-service shops, its own or under a franchise regime, using the brand name of establishments in the DIA Group. The Parent opened its first establishment in Madrid in 1979.

DIA Group currently uses the brands DIA Market, DIA Maxi, La Plaza de DIA, Clarel, Minipreço and DIA & Go.

DIA shares have been listed on the Spanish stock exchanges since 5 July 2011.

Significant events occurring during the six-month period

a) Changes to the Board of Directors and its committees

Mr. Jaime García-Legaz Ponce, after fully completing his three-year term for which he was appointed and having expressed his will that his position not be subject to reelection at the next General Meeting, he effectively ceased his position as independent director at the General Meeting of Shareholders held on June 7, 2022.

The 7 June 2022 General Meeting of Shareholders approved the reelection for the statutory period of two years of Mr Stephan DuCharme as executive director, Mr Sergio Ferreira Dias as proprietary director and Mr José Wahnon Levy as an independent director. It also ratified the appointment by co-option of Mr Vicente Trius Oliva agreed by the Board of Directors at the 29 September 2021 meeting and reelected him for the statutory period of two years as an independent director. The GMS also appointed Ms Gloria Hernández García as an independent director for the statutory period of two years. Lastly, the Board fixed the number of its members at eight and agreed to maintain the vacancy existing following the resignation of Ms Basola Vallés Cerezuela on 18 April 2022.

At the 7 June 2022 meeting, the Board of Directors approved the appointment of Ms Gloria Hernández García as a member of the Audit and Compliance Committee and Mr Vicente Trius Oliva as a member of the Appointments and Remuneration Committee.

At 30 June 2021, the Parent's Board of Directors and committees were thus made up as follows:

Board of Directors:

Chairperson:	Mr Stephan DuCharme (Executive Director).
Directors:	Ms Luisa Desplazes de Andrade Delgado (coordinating independent director).
	Mr José Wahnon Levy (independent director).
	Mr Sergio Antonio Ferreira Dias (external proprietary director).
	Mr Marcelo Maia Tavares (external director).
	Mr Vicente Trius Oliva (independent director).
	Ms Gloria Hernández García (independent director).

Audit and Compliance Committee:

Chairperson: Mr José Wahnon Levy (independent director).

Directors: Mr Sergio Antonio Ferreira Dias (external proprietary director).

Ms Gloria Hernández García (independent director).

Appointments and Remuneration Committee:

Chairperson: Ms Luisa Desplazes de Andrade Delgado (coordinating independent director).

Directors: Mr Marcelo Maia Tavares (external director).

Mr Vicente Trius (independent director).

b) General Meeting of Shareholders of the Parent

The parent's General Meeting of Shareholders was held on 07 June 2022 and the following resolutions, among others, were adopted: (i) Approval of the financial statements, individual and consolidated management reports, non-financial reporting statement and proposed application of results for the 2021 financial year; (ii) Approval of the management of the Board of Directors during the 2021 financial year; (iii) Reelection of Ernst & Young S.L. as auditor of the Company and consolidated group accounts for the 2022 financial year; (iv) Modification of the corporate bylaws to reduce the period for the position of director to two years; (v) Reelection of Mr Stephan DuCharme as executive director, Mr Sergio Ferreira Dias as proprietary director and Mr José Wahnon Levy as an independent director; (vi) Ratification of the appointment by co-option and reelection of Mr Vicente Trius Oliva as an independent director; (vii) Appointment of Ms Gloria Hernández García as an independent director; (viii) Fixing of the number of members of the Board of Directors at eight; (ix) Approval of the director remuneration policy; (x) Consultative vote on the annual report on director remuneration for the 2021 year; (xi) Delegations to issue shares and convertible bonds and exclusion of the right of preferential subscription; (xii) Approval of the reduction to 15 days of the term to call Extraordinary General Meetings; and (xiii) Delegation of powers to formalise, interpret, redress and implement agreements adopted by the General Meeting.

c) Impact of Coronavirus - Covid-19

The World Health Organization (WHO) declared a global public health emergency on 11 March 2020 as a result of the Covid-19 pandemic.

On 25 October 2020, the Spanish Government declared a second nationwide state of emergency to stop the spread of the virus, which ended on 09 May 2021. During this period, the general public's circulation on streets and public spaces was restricted to certain hours of the day and residents were to remain within their own autonomous community or city, except for certain limited essential activities.

The different extraordinary measures approved have acknowledged at all times the importance and essential nature of the distribution of food and essential items, which constitutes the DIA Group's main activity, especially within the context of the social distancing strategy designed to tackle the spread of the virus among the population.

The economic impacts of this exceptional situation on the Group's sales in its various markets cannot be reliably and objectively quantified. The costs associated with protecting staff and customers, such as providing face masks and gloves, were classified as recurring operating expenses.

Given the complexity of the situation in the various countries in which the Group operates with regard to the vaccination processes and the emergence of new variants of the virus that could have a potential impact on sales and production volumes, supply and distribution chains, companies, consumers, capital markets and the economy in general, it is not possible at this time to objectively and reliably perform a quantified estimate of its potential impact on the Group, which, where applicable, will be prospectively registered in the financial statements at the time of occurrence.

In accordance with the above, to date, based on the best information available at this time, and its current cash position, the Parent Company determines that this situation does not compromise the application of the going concern principle.

d) Impact of the Ukraine conflict

The Group does not have neither operations nor assets in Ukraine, Russia or Belarus and the exposure to these markets is not considered material. However, the Group is affected, as this and other sectors, by the macroeconomic consequences derived from the conflict, such as an increase in the prices of energy, fuel and raw materials. The Group has not suffered significant problems in the supply chain during the first half of the year, however it closely monitors its evolution. Even so, it is difficult to estimate how all these variables will evolve in the coming months given the geopolitical implications of the conflict and its possible global repercussions, which makes it difficult to make any reliable estimate of the potential impact that it could have on DIA's business.

As mentioned in note 2.4 Going concern, the Parent Company has informed the CNMV, through publications of Other Relevant Information, dated February 28, 2022, March 15, 2022 and March 22, 2022 that , within the framework of the EU restrictive measures in response to the Ukraine crisis and, specifically, in relation to the international sanctions imposed against Russia, the Parent Company is controlled by Letterone Investment Holdings S.A. (“LIHS”), a luxembourg entity, which holds a 77.704% of its share capital and, furthermore, that, according to the information available at the time from LIHS, no individual LIHS shareholder holds, either individually or by agreement with other shareholders, control of LIHS. Consequently, the Parent Company is not affected by the international sanctions adopted in response to the Ukraine crisis.

e) Evolution of the result for the six-month period

The evolution of the Group's operating result during the first half of the 2022 financial year was marked by an increase in turnover compared with the same period in the 2021 financial year of 8.5%. The Group's operating result was also affected by the reduction in store network and the impact that the rise in electricity, diesel and raw material prices had on the operating result which has amounted to a loss of 98.4 million euros. In terms of net attributable result, the loss was reduced by 0.1%, reaching 104.7 million euros, supported by an improvement in the net financial result of 38.8 million euros.

The main priorities during the 2022 financial year remain focused on the implementation of a new local store model, with 1,775 stores operating under the new model. The Group continued to develop the DIA commercial value proposition by boosting the range of fresh produce and rolling out a new proprietary brand combining quality, value for money and attractive packaging. It also continued to strengthen the new franchise model and expand its online and express delivery service across all countries, posited on a strict focus on cost efficiency and reduced complexity in the business areas, supported by digitisation and technological transformation.

2. BASIS OF PRESENTATION

2.1. Basis of Preparation of the Consolidated Summary Interim Financial Statements

The directors of the parent have prepared these consolidated summary interim financial statements for the six-month period ended 30 June 2022 from the accounting records of Distribuidora Internacional de Alimentación S.A. and subsidiaries. These consolidated summary interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting and do not include all the financial reporting required for complete annual accounts prepared in accordance with International Financial Reporting Standards, as adopted by the EU (IFRS-EU). However, selected notes are included to explain facts and transactions relevant to understanding the changes in the consolidated financial situation of DIA Group and its consolidated financial performance since the last consolidated financial statements for the financial year ended 31 December 2021.

DIA Group has adopted the latest version of all applicable standards published by the IASB and adopted by the European Union Regulatory Commission, whose implementation has been mandatory as of 30 June 2022.

The comparison of the consolidated summary interim financial statements refers to half-year periods ending 30 June 2022 and 2021, except for the consolidated statement of financial position that compares 30 June 2022 with 31 December 2021.

DIA Group subsidiaries consolidate under the full integration or equity method. The subsidiaries currently in the Group are the same ones in it at 31 December 2021.

On a half-yearly basis, the Group's activity displayed no seasonal behaviour other than the historical pattern of consolidated results by which there is no differential behaviour in sales in the first half of each year with respect to the second half.

The figures contained in the documents comprising these consolidated summary interim financial statements are expressed in thousands of euro unless stated otherwise. The parent´s functional and presentation currency is the euro.

2.2. Accounting principles

The accounting policies used in the preparation of these consolidated summary interim financial statements are the same as those applied for the financial year ended 31 December 2021, since none of the standards, interpretations or amendments applicable for the first time this financial year impacted the Group's accounting policies.

The Group intends to adopt the standards, interpretations and amendments to the standards issued by the IASB that are mandatory for the European Union when they come into effect, where applicable. Although the Group is currently analysing their impact based on analyses performed to date, it estimates that their initial application will not significantly impact its consolidated financial statements or consolidated summary interim financial statements.

2.3. Classification of Argentina as a hyperinflationary country

In 2018 a series of factors emerged in the Argentinian economy that prompted the DIA Group to reconsider its treatment of the foreign currency translation of its subsidiaries' financial statements, and to recover the financial investments made in Argentina. These factors include the inflation rate recorded in 2018 and the accumulated rate in the last four financial years and, lastly, the devaluation of the Argentinian Peso in recent months.

Consequently, in accordance with IFRS-EU, Argentina is considered a hyperinflationary economy for accounting purposes for the years ending after 1 July 2018. The application of IAS 29 to the Group's consolidated financial statements and these consolidated summary interim statements was performed in accordance with the following criteria:

- Hyperinflation accounting was applied to all the assets and liabilities of the DIA Argentina subsidiary before translation.
- The historical cost of non-monetary assets and liabilities and the equity items of this Company from their date of acquisition or inclusion in the consolidated statement of financial position to each period-end was adjusted to reflect changes in the purchasing power of the currency arising from inflation.
- The initial equity recorded in the uniform currency is subject to the accumulated effect of the restatement due to inflation of non-monetary items from the date they were first recognised and the effect of translating these balances to the closing rate at the start of the year. The Group opted to recognise the difference between equity at the closing of the prior year and start of the year in reserves, together with the accumulated exchange differences up to that date, 1 January 2018. In 2020, as a result of the interpretation issued by the International Financial Reporting Standards Interpretations Committee, the parent adopted the accounting policy of recording changes in equity relating to currency effects and the effect of inflation in full under "Translation Differences". Comparative figures were restated in 2019, although the net equity figure remained unchanged with this change in presentation. Therefore, the Group has adopted the accounting policy of recognition of changes in equity related to the currency effect and hyperinflation effect under "Translation Differences" in their entirety.
- The Group has adjusted the consolidated income statement at 30 June 2022 and 30 June 2021 to reflect the financial profit relating to the impact of inflation on net monetary assets.

- The different items in the consolidated income statement and the consolidated cash flow statement at 30 June 2022 and 30 June 2021 have been adjusted by the inflation rate since their generation, with a balancing entry in financial results and net exchange differences, respectively.

The inflation rate considered for this calculation at 30 June 2022 was 36.15% (25.47% at 30 June 2021). This rate was obtained from information issued by the public organisation INDEC (National Statistics and Census Institute), through the publication of the Consumer Price Index which measures variations in the price of goods and services comprised in domestic consumer spending.

The monthly evolution of the price index was as follows:

Month	Index	Month	Index	Month	Index	Month	Index	Month	Index	Month	Index
Jan-17	1.015859	Jan-18	1.26989	Jan-19	1.89706	Jan-20	2.89976	Jan-21	4.01507	Jan-22	6.05032
Feb-17	1.036859	Feb-18	1.30061	Feb-19	1.96849	Feb-20	2.95815	Feb-21	4.15859	Feb-22	6.33434
Mar-17	1.061476	Mar-18	1.33105	Mar-19	2.06061	Mar-20	3.05706	Mar-21	4.35865	Mar-22	6.76057
Apr-17	1.089667	Apr-18	1.36751	Apr-19	2.13159	Apr-20	3.10281	Apr-21	4.53650	Apr-22	7.16940
May-17	1.105301	May-18	1.39589	May-19	2.19680	May-20	3.15067	May-21	4.68725	May-22	7.53147
Jun-17	1.118477	Jun-18	1.44805	Jun-19	2.25651	Jun-20	3.22314	Jun-21	4.83605	Jun-22	7.93028
Jul-17	1.137852	Jul-18	1.49297	Jul-19	2.30601	Jul-20	3.28201	Jul-21	4.98099		
Aug-17	1.153819	Aug-18	1.55103	Aug-19	2.39729	Aug-20	3.37063	Aug-21	5.10394		
Sep-17	1.175719	Sep-18	1.65238	Sep-19	2.53838	Sep-20	3.46621	Sep-21	5.28497		
Oct-17	1.193528	Oct-18	1.74147	Oct-19	2.62198	Oct-20	3.59657	Oct-21	5.47080		
Nov-17	1.209940	Nov-18	1.79639	Nov-19	2.73354	Nov-20	3.71027	Nov-21	5.60918		
Dec-17	1.247956	Dec-18	1.84255	Dec-19	2.84834	Dec-20	3.85883	Dec-21	5.82458		

The most significant impacts on the consolidated statement of financial position deriving from inflation in Argentina related to the revaluation of property, plant and equipment (see Note 4) and the effect this had on deferred taxes (see Note 14). The impact of inflation on non-monetary items was included in "Translation Differences".

The impact of the change in net monetary position at 30 June 2022 and 30 June 2021 was recognised as financial profit (see Note 17.9).

2.4. Going concern

The directors of the parent have prepared these consolidated summary interim financial statements for the six-month period ended 30 June 2022 following the going concern principle.

As for the parent, at 30 June 2022, net equity came to Euros 836 million (Euros 838 million at 31 December 2021).

At 30 June 2022, consolidated net equity came to Euros 29 million (Euros 94 million at 31 December 2021) and working capital, calculated as current assets less current liabilities, is negative, amounting to minus Euros 895 million (minus Euros 771 million at 31 December 2021). The result for the first half of the 2022 financial year came to minus Euros 105 million (minus Euros 105 million in the same period in 2021) and the net variation in cash and cash equivalents came to minus Euros 33 million (minus Euros 101 million in the first half of 2021).

The parent informed the Spanish National Securities Market Commission, through Other Relevant Information publications dated 28 February 2022, 15 March 2022 and 22 March 2022 that within the framework of EU restrictive measures in response to the crisis in Ukraine and specifically the international sanctions imposed against Russia, the parent is controlled by the luxembourg entity LetterOne Investment Holdings S.A. ("LIHS"), with a 77.704% stake in its share capital and that, according to the information available at the time and from LIHS, no natural person shareholder of LIHS has, either individually or by agreement with other shareholders, control of LIHS. As a result, the parent is not affected by the international sanctions adopted in response to the crisis in Ukraine.

In addition, at 30 June 2022, the Group had available liquidity at the consolidated level of Euros 458.7 million. Within this context, the directors consider the Group will continue to operate on a going concern basis.

3. OPERATING SEGMENT INFORMATION

Information is provided on the following operating segments:

- Spain (including Swiss and Luxembourg operations)
- Portugal
- Brazil
- Argentina

The CEO monitors the operating results of its business units separately in order to make decisions on resource allocation and performance assessment. In order to assess the performance of each segment, the Group calculates an underlying operating profit or loss by segment, which the Group refers to as adjusted EBITDA.

This underlying operating result serves the CEO to analyse segment results by eliminating restructuring costs, the effect of IFRS 16 on rents and the effect of IAS 29 on hyperinflation, which are lines on the income statement that do not directly depend on segment operations. This underlying operating result is the basis for the Group's decision-making focused on improving the segment operating result or certain corporate expenses.

Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

Details of the key indicators expressed by segment are as follows:

Thounsands of Euro	SPAIN	PORTUGAL	ARGENTINA	BRAZIL	Consolidated
At 30th June 2022					
Sales (1)	2,095,590	283,070	651,991	434,669	3,465,320
Adjusted EBITDA	44,536	980	16,414	(11,171)	50,759
% of sales	2.13%	0.35%	2.52%	(2.57)%	1.46%
At 30th June 2021					
Sales (1)	2,089,725	296,323	425,956	381,699	3,193,703
Adjusted EBITDA	37,369	5,024	11,220	(5,873)	47,740
% of sales	1.79%	1.70%	2.63%	(1.54)%	1.49%

Thounsands of Euro	SPAIN	PORTUGAL	ARGENTINA	BRAZIL	Consolidated
At 30th June 2022					
Non-current assets	1,398,023	225,178	228,618	269,546	2,121,365
Liabilities	2,230,136	261,421	331,505	329,734	3,152,796
Acquisition of non-current assets (2)	94,705	1,295	35,249	3,038	134,287
Number of outlets	3,686	494	937	616	5,733
At 31st December 2021					
Non-current assets	1,347,026	238,811	181,231	251,155	2,018,223
Liabilities	2,117,306	265,136	297,200	297,610	2,977,252
Acquisition of non-current assets (2)	159,695	22,098	35,481	28,393	245,667
Number of outlets	3,789	499	912	737	5,937

(1) Sales eliminations arising from consilidation are included in segment Spain

(2) Rigth of use not incluided

A reconciliation between adjusted EBITDA and items in the consolidated income statement is as follows:

Thousands of euro	SPAIN	PORTUGAL	ARGENTINA	BRAZIL	TOTAL JUNE 2022
Net profit/(losses) of the period	**(54,843)**	**(15,054)**	**2,707**	**(37,486)**	**(104,676)**
Net financial income/expense	26,971	3,776	(1,135)	10,818	40,430
Income tax	228	51	10,020	20	10,319
Depreciation and amortization	134,778	18,289	22,496	26,335	201,898
Gain from net monetary positions	-	-	(44,474)	-	(44,474)
Losses of companies accounts for using the equity method	39	-	-	-	39
Impairment of non-current assets	(500)	408	425	4,334	4,667
Gains/losses on disposal of fixed assets	5,720	(310)	8,134	1,417	14,961
Reestructuring Cost and expenses related to Long-Term Incentive Plans	**20,150**	**4,762**	**2,145**	**5,497**	**32,554**
Expenses related to transfer of own stores to franchised stores	8,434	954	636	5,598	15,622
Expenses related to store and warehouses closings	8,041	3,694	-	-	11,735
Other special expenses					
Other expenses	568	-	429	789	1,786
Expenses related to Long-Term Incentive Plans	3,107	114	1,080	(890)	3,411
IFRS 16 leases	(88,007)	(10,942)	(12,058)	(22,106)	(133,113)
NIC 29 hiperinflacionaty standard effect	-	-	28,154	-	28,154
Adjusted EBITDA	**44,536**	**980**	**16,414**	**(11,171)**	**50,759**

Thousands of euro	SPAIN	PORTUGAL	ARGENTINA	BRAZIL	TOTAL JUNE 2021
Net profit/(losses) of the period	**(64,262)**	**(8,933)**	**(9,331)**	**(22,255)**	**(104,781)**
Net financial expense	37,944	3,847	5,400	8,929	56,120
Income tax	263	966	13,683	(682)	14,230
Depreciation and amortization	137,647	18,620	13,867	22,406	192,540
Gain from net monetary positions	-	-	(21,191)	-	(21,191)
Losses of companies accounts for using the equity method	(93)	-	-	-	(93)
Impairment of non-current assets	999	(227)	981	-	1,753
Losses on disposal of fixed assets	280	898	892	2,035	4,105
Reestructuring Cost and expenses related to Long-Term Incentive Plans	**16,983**	**1,473**	**1,862**	**2,306**	**22,624**
Expenses related to transfer of own stores to franchised stores	3,375	142	-	-	3,517
Expenses relating to store and warehouses closings	-	-	132	1,218	1,350
Expenses related to efficiency projects	8,562	761	645	49	10,017
Other special projects					
Other expenses	2,034	-	-	37	2,071
Expenditure related to Long-Term Incentive Plans	3,012	570	1,085	1,002	5,669
IFRS 16 leases	(92,392)	(11,620)	(8,141)	(18,612)	(130,765)
NIC 29 hiperinflacionaty standard effect	-	-	13,198	-	13,198
Adjusted EBITDA	**37,369**	**5,024**	**11,220**	**(5,873)**	**47,740**

4. TANGIBLE FIXED ASSETS

The evolution of the "Tangible Fixed Assets" entry during the first half of 2022 and 2021 was as follows:

Net carrying amount	30th june 2022	30th june 2021
At 1 January	**898,398**	**837,312**
Additions	124,292	82,371
Amortisation and depreciation (note 17.5)	(81,347)	(73,978)
Impairment (note 17.5)	(4,641)	(1,728)
Disposals	(42,491)	(12,826)
Translation differences	47,806	23,332
Other movements	19,626	2,349
At 30 June	**961,643**	**856,832**

The increase in registrations between the two periods is the result of the remodelling undertaken by the Group in its stores during the first six months of 2022.

The strong impact on translation differences is due to the evolution of the Argentine peso exchange rate and to a lesser extent the Brazilian real exchange rate in the first six months of 2022.

5. INTANGIBLE ASSETS

5.1. Goodwill

The “Goodwill” allocation at 30 June 2022 and 31 December 2021 was as follows:

Thousands of Euro	30th june 2022	31st December 2021
Spain	411,396	411,348
Portugal	39,754	39,754
Total	451,150	451,102

5.2. Right-of-use assets

The evolution of the "Right-of-use assets" entry during the first half of 2022 and 2021 was as follows:

Net carrying amount	30th june 2022	30th june 2021
At 1 January	505,318	569,369
Additions	140,883	96,624
Amortisation and depreciation (note 17.5)	(115,035)	(110,792)
Disposals and impairment	(23,162)	(7,873)
Value update	12,510	3,916
Translation differences	8,528	3,617
Other movements	(5)	-
At 30 June	529,037	554,861

The strong impact on translation differences is due to the evolution of the Argentine peso exchange rate and to a lesser extent the Brazilian real exchange rate in the first six months of 2022.

5.3. Other intangible assets

The evolution of the “Other intangible assets” entry during the first half of 2022 and 2021 was as follows:

Net carrying amount	30th june 2022	30th june 2021
At 1 January	24,434	27,529
Additions/Internal development	9,945	4,383
Amortisation and depreciation (note 17.5)	(5,516)	(7,770)
Impairment (note 17.5)	(26)	(25)
Disposals	(65)	(86)
Translation differences	638	104
Other movements	306	90
At 30 June	29,716	24,225

Registrations recorded in the first six months of 2022 and 2021 essentially include development expenses for IT projects produced internally in Spain amounting to Euros 3,585 thousand (Euros 1,439 thousand in 2021) and IT application acquisitions also in Spain amounting to Euro 4,875 thousand (Euros 2,680 thousand in 2021).

6. FINANCIAL ASSETS

The details of financial assets included in the statements of financial position were as follows:

Thousands of Euro	30th June 2022	31st December 2021
Non-current assets		
Trade and other receivables	14,891	15,386
Other Non-current financial assets	62,978	61,772
Current assets		
Trade and other receivables	192,309	178,031
Consumer loans from financing activities	601	1,010
Other current financial assets	3,393	4,879
TOTAL	**274,172**	**261,078**

The current trade receivables balance at 30 June 2022 increased due to the incorporation of franchises in Brazil with the new COFO 2021 management model by which collection of invoiced deliveries to franchisees is performed in accordance with the cash generated at the franchisee point of sale terminal and due to the increase in advances from suppliers in Argentina from commercial agreements.

6.1. Trade and other receivables

Details of current and non-current trade and other receivables are as follows:

Thousands of Euro	30th June 2022	31st December 2021
Trade and other receivables	14,891	15,386
Total non-current	**14,891**	**15,386**
Trade and other receivables (net of impairment)	173,432	163,378
Other receivables (net of impairment)	5,114	4,171
Receivables from suppliers (net of impairment)	8,658	9,983
Advances to suppliers	5,105	495
Receivables with associates companies	-	4
Total current	**192,309**	**178,031**

a) Trade receivables

This caption sets out current and non-current trade receivables from goods sales to customers. The composition of these receivables is as follows:

Thousands of Euro	30th June 2022	31st December 2021
Trade and other receivables non current	14,891	15,386
Trade and other receivables current	228,813	217,855
Total Trade and other receivables	**243,704**	**233,241**
Impairment loss	(55,381)	(54,477)
Total	**188,323**	**178,764**

b) Receivables from suppliers

This caption includes balances with suppliers that have become debtors as a result of the charge notes issued for discounts of various kinds in accordance with the commercial conditions agreed with them, as well as goods returns.

The Group did not enter into any agreements for the assignment of trade receivables from non-recourse suppliers in the first six months of 2022 or 2021.

c) Trade receivables from other related parties

In the first six months of 2022 transactions were performed with the company Horizon (see Note 19), essentially corresponding to commercial operations. The balances at 30 June 2022 and 31 December 2021 are shown below:

Thousands of Euro	30th june 2022	31st December 2021
Horizon	-	4
Commercial debts with other related parties	-	4

d) Impairment

The movements in valuation corrections from impairment of accounts receivable in the first six months of 2022 and 2021 were as follows:

2022

Thousands of Euro	Customer for sales (note 6.1 a))	Other debtors	Credits receivable from suppliers	Total
At 1st January	(52,704)	(3,004)	(4,275)	(59,983)
Charge	(2,419)	(39)	-	(2,458)
Applications	1,216	-	-	1,216
Reversals	1,265	81	273	1,619
Translation differences	(2,739)	(359)	25	(3,073)
A 30th June de 2022	(55,381)	(3,321)	(3,977)	(62,679)

2021

Thousands of Euro	Customer for sales	Other debtors	Credits receivable from suppliers	Total
At 1st January	(54,477)	(6,896)	(6,835)	(68,208)
Charge	(3,598)	(1,351)	(20)	(4,969)
Applications	215	3,610	-	3,825
Reversals	4,858	155	1,196	6,209
Translation differences	(1,064)	(194)	25	(1,233)
A 30th June de 2021	(54,066)	(4,676)	(5,634)	(64,376)

6.2. Other financial assets

The details of "Financial Assets" were as follows:

Thousands of Euro	30th June 2022	31st December 2021
Equity instruments	44	44
Guarantees	62,883	61,671
Other loans	51	57
Total non-current	**62,978**	**61,772**
Franchise deposits	201	610
Credits to personnel	2,326	2,299
Other loans	116	-
Loans on the sale of fixed assets	36	31
Other finantial assets	714	1,939
Total current	**3,393**	**4,879**

Bonds and other deposits at 30 June 2022 include legal deposits made in Brazil, which at 31 December 2021 were reducing the provisions referred to in note 13. On the other hand, during the first half of 2022 deposits amounting to the amount of Euros 16,648 thousand were recovered in Brazil.

7. OTHER INVESTMENTS ENTERED USING THE EQUITY METHOD

The details of equity-accounted investees at 30 June 2022 and 31 December 2021 were as follows:

	30th june 2021	31st December 2020
ICDC Services Sárl en liquidation	50%	50%
Horizon International Services Sàrl	25%	25%

The main economic figures presented by these companies in the first half of 2022 and in the 2021 financial year were as follows:

Thousands of euro	ICDC Services Sárl en liquidation		Horizon	
	30th june 2022	31st December 2021	30th june 2022	31st December 2021
Current assets				
Cash and cash equivalents	218	142	1,676	1,286
Other current assets	54	144	5,443	6,270
Total current assets	**272**	**286**	**7,119**	**7,556**
Non current assets	-	-	-	-
Current liabilities				
Other current liabilities	29	48	5,827	6,098
Total current liabilities	**29**	**48**	**5,827**	**6,098**
Net assets	**243**	**238**	**1,292**	**1,458**
Reconciliation with net carrying amount				
Net assets at 1 January	**238**	**258**	**1,458**	**1,367**
Profit (losses) of the period	5	(20)	(166)	91
Dividends paid	-	-	-	-
Shareholder contributions	-	-	-	-
Net assets at the end of the period	**243**	**238**	**1,292**	**1,458**
Part of group %	50%	50%	25%	25%
Part of the group in thousands of euro	122	119	323	365
Net carrying amount	**122**	**119**	**323**	**365**

8. OTHER ASSETS

Details of other assets were as follows:

Thousands of Euro	30th June 2022 Current	31st December 2021 Current
Prepayments for operating leases	4,045	2,609
Prepayments for guarantees	-	25
Prepayments for insurance contracts	2,720	1,970
Other prepayments	5,410	2,778
Total other assets	**12,175**	**7,382**

9. STOCKS

Details of stocks were as follows:

Thousands of Euro	30th June 2022	31st December 2021
Goods for resale	470,726	449,432
Other supplies	2,698	2,571
Total inventories	473,424	452,003

At 30 June 2022 there were no restrictions of any kind on the availability of stocks.

10. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents were as follows:

Thousands of Euro	30th June 2022	31st December 2021
Cash and current account balances	229,042	267,445
Cash equivalents	98,977	93,620
Total	328,019	361,065

The “Cash and Cash Equivalents” balance is for deposits with a maturity of less than three months, mainly in Argentina and Brazil at 30 June 2022 and 31 December 2021.

11. EQUITY

11.1. Capital

At 30 June 2022, after the completion in 2021 of the capital increase (see note 12 b)), DIA's share capital was Euros 580,655,340.79, represented by 58,065,534,079 shares of Euros 0.01 par value each, fully subscribed and paid up. The shares were freely transferable.

The Company's shares are listed on the Spanish stock markets. According to public information filed with the Spanish National Securities Market Commission, board members controlled approximately 0.09035% of the Company's share capital.

The most significant shareholding interests reflected in the public information registered with the National Securities Market Commission were as follows:

- LetterOne Investment Holdings, S.A. indirectly held 77.704%
- Direct ownership was held by L1R Invest1 Holding, S.à.r.l. in the same percentage

11.2. Share premium

The share premium for DIA at 30 June 2022 amounted to Euros 1,058,872,572.94, represented by 6,055,522,466 shares with share premium of Euros 0.09 and 51,387,555,100 shares with a share premium of Euros 0.01.

11.3. Reserves and retained earnings

Details of reserves and retained earnings are as follows:

Thousands of Euro	30th June 2022	31st December 2021
Other reserves non available	1,867	1,867
Other reserves	(1,445,209)	(1,187,804)
Profit attributable to equity holders ot the parent	(104,676)	(257,331)
Total	**(1,548,018)**	**(1,443,268)**

The application of the parent's negative results for the 2021 financial year, approved by the 2022 Ordinary General Meeting of Shareholders held on 7 June 2022, consisted of its full transfer for the amount of Euros 143,401,140.77 to negative results from previous financial years.

11.4. Own shares and other equity instruments

a) Treasury stock

The movement of treasury stock during the first six months of 2022 and the 2021 financial year was as follows:

	Number of shares	Average price	Total
At 31st December 2020	**984,480**	**5.8540**	**5,763,169.84**
Delivery of shares to Members of Board Directors	(409,177)		(2,395,332.10)
Share purchase	28,332,781		474,177.48
At 31st December 2021	**28,908,084**	**0.1329**	**3,842,015.22**
Delivery of shares to Members of Board Directors	(1,730,777)		(230,028.10)
At 30th June 2022	**27,177,307**	**0.1329**	**3,611,987.12**

During the first six months of 2022, 1,730,777 shares valued at Euros 230 thousand in treasury stock were delivered to the directors as remuneration. The difference between the value of the shares delivered at the price quoted on the date of delivery, amounting to Euros 24 thousand (Euros 32 thousand gross), and their value in treasury stock was recorded by reducing the voluntary reserves.

In the first half of 2021, 409,177 shares valued at Euros 2,395 thousand were delivered to the directors as remuneration. The difference between the value of the shares delivered and the value of treasury stock was recorded by reducing the voluntary reserves in the amount of Euros 2,346 thousand.

During the 2021 financial year, 28,332,781 shares were acquired at a cost of Euros 474,177.48.

At 30 June 2022 the parent held 27,177,307 own shares with an average purchase price of Euros 0.1329 per share, representing a total amount of Euros 3,611,987.12.

b) Other equity instruments

At 30 June 2022, "Other equity instruments" included the reserve for deferred remuneration in shares for non-proprietary directors. An additional reserve of Euros 151 thousand was established in the first half of 2022. The amount of other equity instruments was reduced by Euros 164 thousand as a result of the delivery of shares. The difference between the quoted price stipulated for delivery and the value of the share covered by other equity instruments was recorded as an increase of Euros 132 thousand in reserves.

At 30 June 2022, "Other Equity Instruments" included the reserve for deferred remuneration in shares for non-proprietary directors (see Notes 15 and 19).

11.5. Earnings per share

The amount of basic income per share was calculated by dividing the net income for the six-month periods ended 30 June 2022 and 2021 attributable to the Group for each period by the weighted average number of ordinary shares outstanding during the two periods.

	30th June 2022	30th June 2021
Average number of shares	**58,036,683,369**	**6,677,213,782**
Profit for the period in Thousands of Euro	(104,678)	(104,781)
Profit per share in Euros	(0.002)	(0.016)

The weighted average number of ordinary shares outstanding is determined as follows:

	Weighted average ordinary shares in circulation at 30th June 2022	Ordinary shares at 30th June 2022	Weighted average ordinary shares in circulation at 30th June 2021	Ordinary shares at 30th June 2021
Total shares issued	58,065,534,079	58,065,534,079	6,677,978,979	6,677,978,979
Own shares	(28,850,710)	(27,177,307)	(765,197)	(575,303)
Total shares	**58,036,683,369**	**58,038,356,772**	**6,677,213,782**	**6,677,403,676**

There are no equity instruments that could have a dilutive effect on earnings per share. Diluted earnings per share are therefore equal to basic earnings per share.

11.6. Translation differences

The details of translation differences at 30 June 2022 and 31 December 2021 were as follows:

Thousands of euro	30th June 2022	31st December 2021
Argentina	(29,251)	(47,972)
Brazil	(30,267)	(51,292)
Total	**(59,518)**	**(99,264)**

12. FINANCIAL LIABILITIES

The details of financial liabilities in the consolidated statements of financial position at 30 June 2022 and 31 December 2021 were as follows:

Thousands of Euro	30th June 2022	31st December 2021
Non-current liabilities		
Non-current borrowings	1,052,862	1,023,183
Current liabilities		
Current borrowings	306,790	272,454
Trade and other payables	1,367,347	1,274,612
Other financial liabilities	231,078	221,167
Total financial liabilities	**2,958,077**	**2,791,416**

12.1. Borrowings

The details of current and non-current borrowings were as follows:

At 30th june 2022	Total	Current 1 year	2 years	3 years	4 years	5 years	> 5 years	Non Current Total
Debentures and bonds	31,146	255	-	-	30,891	-	-	30,891
Syndicated credits (Revolving credit facilities) (*)	53,177	1,594	-	-	51,583	-	-	51,583
Syndicated credits (Term loan)(**)	392,870	25,000	6,969	-	360,901	-	-	367,870
Other bank loans	69,881	64,247	5,634	-	-	-	-	5,634
Credit facilities drawn down and others	210,762	3,688	14,246	-	192,828	-	-	207,074
Lease payables (***)	575,023	199,544	150,886	96,346	48,464	18,372	61,411	375,479
Guarantees and deposits received	14,728	935	-	-	-	-	13,793	13,793
Other current borrowings	12,065	11,527	538	-	-	-	-	538
Total borrowings	**1,359,652**	**306,790**	**178,273**	**96,346**	**684,667**	**18,372**	**75,204**	**1,052,862**

At 31th december 2021	Total	Current 1 year	2 years	3 years	4 years	5 years	> 5 years	Non Current Total
Debentures and bonds	31,267	467	-	-	-	30,800	-	30,800
Syndicated credits (Revolving credit facilities) (*)	52,571	1,594	-	-	50,977	-	-	50,977
Syndicated credits (Term loan)(**)	392,842	-	25,000	25,000	342,842	-	-	392,842
Other bank loans	57,526	57,526	-	-	-	-	-	-
Credit facilities drawn down and others	187,109	3,170	-	-	183,939	-	-	183,939
Lease payables (***)	548,479	198,142	154,552	91,462	43,460	17,052	43,811	350,337
Guarantees and deposits received	14,667	916	-	-	-	-	13,751	13,751
Other current borrowings	11,176	10,639	537	-	-	-	-	537
Total borrowings	**1,295,637**	**272,454**	**180,089**	**116,462**	**621,218**	**47,852**	**57,562**	**1,023,183**

(*) The incremental costs linked to unaccrued new debt amounting to Euros 7,215 thousand at 30 June 2022 and Euros 8,238 thousand at 31 December 2021 were deducted from the balance of the "Syndicated Loan (Revolving credit facilities)" heading, explained later in this note. Additionally, the increase in the fair value adjustment of non-current debt pursuant to IFRS9 was included for an amount of Euros 2,099 thousand (Euros 2,518 thousand at 31 December 2021).

(**) At 30 June 2022 the incremental costs associated with the new "Incremental SS Facility" amounting to Euros 202 thousands were deducted from the amount of the "Syndicated Term Loan" heading explained later in this note.

(***) The finance lease liability amount resulting from the application of IFRS 16 stood at Euros 555,558 thousands at 30 June 2022 (current: Euros 192,179 thousand and non-current: Euros 363,409 thousand) and Euros 530,445 thousand at 31 December 2021 (current: Euros 190,412 thousand and non-current: Euros 340,033 thousand).

a) Debentures and bonds

The details on bond issues outstanding for amortisation at 30 June 2022 and which remained listed on the Irish Stock Exchange under a Euro Medium Term Note debt issuance programme was as follows:

Issuing Company	Issue date	Term (years)	Voucher	Ownership	2023
DIA, S.A.	07.04.2017	6	0.875%	Bondholders	30,891

On 6 April 2022 the parent paid the interest on the fifth coupon of the 2023 Euro Medium Term Notes (“2023 Bonds”) in the amount of Euros 657 thousand and capitalised the corresponding interest on the PIK margin of 0.50% accrued from 21/09/2021 to 06/04/2022 amounting to Euros 91 thousand.

The balance sheet value of these bonds was Euros 31,146 thousand, as detailed in the table at the start of this note and corresponded to their nominal value for a total of Euros 30.8 million, plus the capitalisation of the PIK for an amount of Euros 91 thousand and the coupon accrued through to 30 June 2022.

A meeting of bondholders of the 2023 Bonds was held on 20 April 2021 and approved, subject to completion of the Global Transaction, the extension of the maturity date of the 2023 Bonds to 30 June 2026 and an increase in the coupon from the effective date of the Global Transaction at a rate of 3.5% per annum (3% cash and 0.50% PIK) plus an additional increase in interest of 1% PIK in circumstances where applicable under the syndicated financing agreement.

The following agreements were also implemented on 23 April 2021:

- L1R and the parent agreed that the former's credit right under the 2021 bonds it held in the amount of Euros 292.6 million of principal (the creditor position having been previously assigned by DEA Finance to L1R) would continue to exist, accrue interest and survive the maturity date of 28 April 2021, and the principal capital amount due thereunder would be payable and enforceable for capitalisation purposes in the capital increase as part of the credit capitalisation tranche. The interest payable under the private debt instrument was 1.000% per annum and the amount of principal owed thereunder would be payable and enforceable for capitalisation purposes in the capital increase as part of the first tranche of credit capitalisation.

- L1R and the parent entered into a loan agreement for an amount of Euros 7.4 million to finance the payment of principal payable by DIA under the 2021 Bonds not held by L1R (Euros 7.4 million). The principal amount of this loan would therefore be payable and enforceable for capitalisation purposes in the capital increase as part of the first tranche of credit capitalisation.

- The parent received a notice of assignment of the creditor position in favour of L1R under a private debt instrument originally issued in exchange for the 2023 Bonds held by DEA Finance amounting to Euros 269.2 million. The interest payable under the private debt instrument was 0.875% per annum. The amount of principal owed thereunder would be payable and enforceable for capitalisation purposes in the capital increase as part of the first tranche of credit capitalisation.

b) Loans and borrowings

Multi-product syndicated financing and other credit facilities

The parent entered into an SFA with different syndicated lenders for Euros 895 million on 31 December 2018. The maturity date was set at 31 May 2019, except for some revolving credit facility tranches where maturity dates were set in 2020 and 2022.

In January 2019, certain syndicated lenders joined the original SFA, increasing the total amount by Euros 17 million, i.e., up to a total of Euros 912 million.

On 25 March 2019, the original SFA was amended to redistribute certain tranches, with the total financing amount remaining the same.

On 17 July 2019, following settlement of the public takeover offer launched by L1R, the parent renegotiated the original SFA with its syndicated lenders and signed the Amended SFA, increasing the total amount by Euros 61 million, i.e., up to a total of Euros 973.2 million. The Amended SFA provided, inter alia:

- The extension of the maturity date of the SFA Senior Tranches in the amount of Euros 902.4 million (after allocating Euros 9 million from the original SFA to the Super Senior Supplier Tranche), through to 31 March 2023;

- The granting by the syndicated lenders of a Super Senior Financing of suppliers amounting to Euros 70.8 million (of which, as indicated above, Euros 9 million was from the original SFA), maturing on 17 July 2021, with the option of an extension for an additional year;

- The implementation of a hive down whereby the parent undertook, subject to certain exceptions, to transfer its business, assets, liabilities and contracts (both in Spain as well as Portugal, Brazil and Argentina) to certain subsidiaries in Luxembourg and Spain, whose shares, bank accounts and accounts receivable were to be pledged to the syndicated lenders;

- The assignment by the parent of the debtor position under the Super Senior Financing and certain tranches of the Senior financing facilities to the Spanish subsidiary currently indirectly owned by the Company, DIA Retail España, S.A.U. and the assignment by the parent of the debtor position in the remaining tranches of the Senior Financing (which were not assigned to DIA Retail España, S.A.U.) to the Spanish subsidiary indirectly owned by the Company, DIA Finance, S.L. ("DIA Finance");

- A commitment by LetterOne to provide, or get a third party to provide, DIA Finance with a Super Senior loan (the "SS Facility") for a total amount of Euros 200 million, with an applicable annual rate of 7% interest, which was finally provided by DEA Finance on 30 January 2020, maturing on 17 July 2022; and

- Implementation of the increase in share capital performed on 25 November 2019, ultimately amounting to Euros 605.5 million (of which Euros 60.5 million was for share capital and Euros 544.9 million for share premium).

On 17 June 2021, the syndicated lenders extended the maturity of the Super Senior Supplier Credit until July 2022. However, the Company and syndicated lenders agreed, as part of the global transaction described below, to prepay Euros 35 million of the Super Senior Supplier Tranche from the effective transaction date.

At the date of preparing these consolidated summary interim financial statements, DIA Group has extended the maturity of the SS Supplier tranche with the syndicated lenders through to 30 September 2022 (see note 21).

Global Transaction

On 30 November 2020, the parent, L1R, DEA Finance and their syndicated lenders reached an agreement regarding a comprehensive capitalisation and refinancing transaction (the "Global Transaction") to provide a stable, long-term capital structure for the parent and Group, the effectiveness of which was subject to the fulfilment of certain provisos no later than (i) 18 December 2020 in some cases and (ii) 28 April 2021 in others.

On 18 December 2020 the Group signed an Implementation Agreement with the syndicated lenders amending the main terms and conditions of the SFA and establishing its effect at the time when the provisos were fulfilled.

New Updated Syndicated Financing Agreement

On 24 March 2021, following negotiations between L1R, DEA Finance, the syndicated lenders and DIA Group, a new Lock-Up Agreement was reached, replacing the previous agreements and providing a pathway for a comprehensive refinancing and capitalisation transaction (the "Global Transaction") to provide a stable, long-term capital structure for the parent and Group.

The Global Transaction, once effective, would involve amending and recasting the Group's Euros 973 million SFA. The Lock-Up Agreement included the following main elements (conditional upon each other):

- A Euros 769.2 million increase in shareholder equity, releasing DIA Group from an equivalent amount of financial debt, in particular:
    - The Euros 200 million debt under the SS Facility granted by DEA Finance to DIA Finance was transferred to the parent in April 2021;
    - The debt under the bonds issued by DIA for a principal aggregate amount of Euros 300 million with a 1.000% coupon maturing on 28 April 2021 ("2021 Bonds") was converted into a loan with L1R in April 2021;
    - The debt under the bonds issued by DIA for a principal aggregate amount of Euros 269.2 million, owned by DEA Finance and subsequently transferred to L1R, with a 0.875% coupon, maturing on 6 April 2023.
- Extension of the maturity date of the Senior Facilities for an amount of Euros 902,426 thousand from 31 March 2023 to 31 December 2025;
- Repayment of (a) up to Euros 35 million of the super senior supplier facility commitments once the transaction was effective, and (b) the remaining amount of supplier finance facility commitments (i.e., at least Euros 35,793 thousand) no later than 17 July 2022, reducing the amount of repayments to which each syndicated lender is entitled by an amount equal to the amount by which the Bilateral Facility entered into by the lender is permanently reduced or cancelled on or before the date when the repayment is to be made;
- Extension of the due date of the Bilateral Facilities owned by DIA or any of its subsidiaries to the syndicated lenders to a later date satisfactory to the parent and always on terms substantially consistent with each Bilateral Facility agreement in question;
- Increase in the total amount of the Syndicated Facility available for use through reverse factoring facilities or bilateral credit facilities by an amount equal to (a) the amount by which the supplier facility commitments are reduced and cancelled at any time (without this increase entailing an increase in the total aggregate amount of the syndicated financing) and conversion of certain RCF commitments into term loan commitments; (b) a Super Senior Incremental Facility applicable in the form of reverse factoring, bilateral facilities, revolving credit facilities or loans based on the amount received by the parent in the cash tranche of the capital increase.

This SS Incremental Facility of up to Euros 50 million will have a super senior range (in other words, it will be senior to the Senior Facilities and the commitments of the Supplier Facility), will be subject to a maximum margin of 7%, and the remaining terms and conditions will be subject to negotiation with the syndicated lenders.

The amount ultimately received by DIA in the cash tranche of the capital increase completed in August 2021 was Euros 258.6 million, and as a result the SS Incremental Facility amounted to Euros 50 million.

- Elimination of the annual cash sweep from excess free cash flow, which would otherwise apply from the second quarter of 2022;
- Fixed amortisation of Euros 25 million of the Senior Facilities on 31 March 2023 and Euros 25 million on 31 March 2024. This reduces the amount of the advance repayments to which each syndicated lender is entitled by an amount equal to the amount by which the Bilateral Facility entered into by the lender is permanently reduced or cancelled on or before the date when the repayment is to be made. This potential reduction in the amount of advance repayments will not apply if the restated EBITDA (as defined in the SFA) for the financial year prior to the date when the repayment is to be made is greater than Euros 300 million;
- Initial reduction of the additional SS debt basket currently in existence under the SFA (the "Additional Super Senior Debt Basket") from Euros 380 million to Euros 75 million plus any amount of supplier finance facility commitments not yet repaid by the Group. Any amount borrowed under the SS Incremental Facility would count for the purposes of the Additional Super Senior Debt Basket of Euros 75 million;

- Elimination of the additional Euros 400 million senior and junior debt basket which was intended, inter alia, for the refinancing of the 2021 Bonds;

- Increase of the applicable interest margin in favour of the syndicated lenders under the Senior Facilities from 250 basis points per annum to the lower of the following: (a) margin of 325 basis points per annum; or (b) 300 basis points provided (i) the principal amount of the 2023 Bonds originally held by DEA Finance and subsequently transferred to L1R (and finally replaced by a private debt replacement instrument for capitalisation purposes in the first capital increase tranche) in the amount of Euros 269 million in the Capital Increase, and (ii) the amount of cash proceeds received by DIA in the second capital increase tranche is equal to or greater than Euros 125 million; with the margin finally set at 300 basis points per annum.

- Ratchet increase of 125 basis points per annum PIK of the margin on the interest of the syndicated lenders in the event that (a) the leverage ratio for the 12-month period ending 31 December 2022 and/or 30 June 2023 is greater than 3.25:1, and (b) the leverage ratio for each 12-month period ending on 31 December and 30 June thereafter is greater than 2.50:1, with the increase ceasing to apply in the event that the leverage ratio falls below the applicable threshold on any of the subsequent verification dates;

- An obligation to deliver to the syndicated lenders, as a condition of closing the Transaction, a financial forecast for the 2021 and 2022 years and an obligation to deliver an updated business plan (including the 2023, 2024 and 2025 years) no later than 31 December 2022 (the “Updated Business Plan”);

- Update of the parent's financial covenants on the basis of the Updated Business Plan, with its leverage covenant for the 2023 to 2025 years being equal to or lower than the leverage covenant included in its existing business plan for the 2022 year (5.60:1);

- Extension of permitted debt baskets, equity investments, to allow certain DIA group investments in Portugal and Argentina (in addition to Brazil) and permitted divestments;

- Elimination of certain cash sweep obligations from foreign operating subsidiaries in excess of certain agreed minimum cash levels currently covered by the SFA;

- Increase in the maximum permitted disposal by the Group, meaning that from the 2021 financial year to the 2025 financial year the Group will be able to sell a maximum of Euros 40 million in assets per year;

- Acknowledgement that the Group’s hive down obligations under the SFA have been fully satisfied and it has no further obligation to take further action with respect to the hive down except for:

  - the transfer of any Group assets (other than shares in other subsidiaries) not transferred to DIA Retail España, S.A.U. for applying one or more of the restrictions agreed under the SFA. the Group seeking to implement to the extent that all restrictions cease to apply;

  - the transfer of the shares held by the parent in its Portuguese subsidiary to the fully-owned Luxembourg company. The parent shall make its best efforts to seek to implement this as soon as possible, once any legal, regulatory or tax impediments preventing the transfer cease to apply; and

  - the transfer of the shares held by the parent in its Brazilian and Argentine subsidiaries to the fully-owned Luxembourg companies. The parent should seek to implement to the extent that there is a change in the law or applicable tax regime allowing the shares to be transferred free of charge; and

- Obligation to (a) submit to the competent Spanish court the request for judicial approval of an ad hoc refinancing agreement to be entered into, inter alia, between the Group and syndicated lenders, and (b) make reasonable efforts to obtain the order for approval of the ad hoc refinancing agreement from the competent Spanish court, but without guaranteeing or committing to any result.

The following points were implemented on 2 September 2021:

- The amendment and restating of the SFA was formalised, by virtue of which, with effect from the abovementioned date, (i) the maturity date of Facilities A-F was extended (amounting to Euros 902,426 thousand) (the “Senior Facilities”) from 31 March 2023 to 31 December 2025, (ii) the margin applicable to the Senior Facilities in favour of the syndicated lenders was increased from 2.5% to 3.0% per year, (iii) the guarantees were extended and ratified from the existing package, and iv) the other terms and conditions of the SFA were amended.

- In fulfilment of the obligations imposed in the syndicated financing, the Group delivered on its commitment for the early partial repayment of an amount of Euros 30,550 thousand of the SS Supplier Facility and Euros 4,450 thousand of the DIA Portugal loan.

- In addition, leveraging the basket of new additional Super Senior facilities permitted (“SS Incremental Facilities”) agreed with the syndicated lenders within the context of the Global Transaction, DIA Retail España, S.A.U. signed with some of the syndicated lenders certain reverse factoring agreements and term loans for a total amount of Euros 50 million (“Super Senior Incremental Facility”) with a 5.00% margin per annum, providing DIA Group with Euros 50 million additional liquidity for its business.

- An ad hoc refinancing framework agreement was signed for the sole purpose of requesting (following the effectiveness of the Global Transaction) judicial approval in Spain of the agreement.

A ruling was obtained from the competent Spanish court on 1 December 2021 approving the ad hoc refinancing agreement.

Other terms & conditions

Financial covenants

The general terms and conditions described below remain unchanged between the original and amended SFA:

- Financial leverage ratio: to be calculated each 30 June and 31 December. The first calculation was on 31 December 2020. The covenant level sets a deviation margin of up to 35% of the Adjusted Net Debt / Adjusted EBITDA ratio forecast in the Covenant Plan, according to the definition of these concepts in the SFA.

- Capital expenditure ratio and restructuring costs: it was established that from 31 December 2019 capital expenditure and restructuring costs could not exceed 12.5% and 20%, respectively, of the aggregate total of both items included in the Covenant Plan delivered in December 2019.

As described previously, the parent has the obligation to deliver the Updated Business Plan to the syndicated lenders by 31 December 2022, to serve as the basis for, inter alia, defining its financial covenants for the 2023 to 2025 years at equal to or lower than the leverage covenant included in its existing business plan for the 2022 financial year (5.60:1).

Guaranties

The parent's security obligations remain unchanged in the updated SFA as follows:

- Personal guarantee of the parent, Dia Retail España, S.A., Beauty By DIA, S.A., Pe-Tra Servicios a la Distribución, S.L.U. and Grupo El Árbol Distribución y Supermercados, S.A.U.

- Pledge on shares owned by the parent in Luxembourg Investment Company 317 S.à r.l. and DIA Brazil Sociedade Ltda.

- Pledge on shares owned by Luxembourg Investment Company 317 S.à r.l. in Luxembourg Investment Company 318 S.à r.l.

- Pledge on shares owned by Luxembourg Investment Company 318 S.à r.l. in DIA Finance, S.L.

- Pledge on shares owned by DIA Finance, S.L.U. in Luxembourg Investment Company 319 S.à r.l.

- Pledge on shares owned by Luxembourg Investment Company 319 S.à r.l. in Luxembourg Investment Company 320 S.à r.l., Luxembourg Investment Company 321 S.à r.l., Luxembourg Investment Company 322 S.à r.l., and Luxembourg Investment Company 323 S.à r.l.

- Pledge on shares owned by Luxembourg Investment Company 320 S.à r.l. in DIA Retail España, S.A.U.

- Pledge on shares owned by the parent and Luxembourg Investment Company 322 S.à r.l. in DIA Portugal Supermercados, S.A.

- Pledge on shares owned by DIA Retail España, S.A.U. in Beauty By DIA, S.A.U., Grupo El Árbol Distribución y Supermercados, S.A., Pe-Tra Servicios a la Distribución, S.L.U. and DIA World Trade SA.

- Personal guarantee by DIA World Trade, S.A.

- Pledge on shares owned by the parent and Pe-Tra Servicios a la Distribución S.L.U. in DIA Argentina, S.A.

- Pledge on credit claims arising from financing agreements between Group companies awarded by the parent.

- Pledge on certain current accounts of the parent, Dia Retail España, S.A.U., Beauty By DIA, S.A.U., Pe-Tra Servicios a la Distribución, S.L.U. and DIA Finance, S.L.U.

- Mortgage guarantees on certain real estate assets located in Spain and guarantees on certain intellectual property rights registered in Spain.

- Pledge on credit claims on certain loans between Group companies in which DIA Finance, S.L.U. and/or Luxembourg Investment Company 317 S.à r.l., Luxembourg Investment Company 318 S.à r.l., Luxembourg Investment Company 319 S.à r.l., Luxembourg Investment Company 320 S.à r.l., Luxembourg Investment Company 321 S.à r.l., Luxembourg Investment Company 322 S.à r.l. and Luxembourg Investment Company 323 S.à r.l. are creditors.

- Pledge on the current accounts of Luxembourg Investment Company 317 S.à r.l., Luxembourg Investment Company 318 S.à r.l., Luxembourg Investment Company 319 S.à r.l., Luxembourg Investment Company 320 S.à r.l., Luxembourg Investment Company 321 S.à r.l., Luxembourg Investment Company 322 S.à r.l. and Luxembourg Investment Company 323 S.à r.l.

On 2 September 2021, this guarantee package in favour of the syndicated lenders was ratified and extended until December 2025.

Debt baskets

The Syndicated Financing Agreement in force at 30 June 2022 allows the Group to incur some financial debt in addition to the existing debt:

- "Additional Super Senior Financing", provided the total amount of the Super Senior Debt does not exceed Euros 75 million (the limit prior to the SFA as amended on 2 September 2021 was Euros 380 million) plus any amount of supplier finance facility commitments not yet repaid by the Group. Any amount borrowed under the SS Incremental Facility would count for the purposes of the Additional Super Senior Debt Basket of Euros 75 million;

In this regard and in addition to the Super Senior Supplier Tranche amounting to Euros 40,242 thousand, on 2 September 2021 the Group formalised a Super Senior financing agreement for up to Euros 50 million with various syndicated lenders.

The borrowers under the Super Senior Supplier Tranche and SS Incremental Facility financing were DIA Retail España, S.A.U. and DIA Finance S.L.U. would also be the borrower of any additional Super Senior Debt. The SFA formalised with the syndicated lenders establishes that amounts granted under the SS supplier tranche and any other SS additional debt be classified as on an equal footing with each other and with seniority over the other SFA tranches.

In addition, in the amended SFA formalised on 2 September 2021, the parent reached an agreement with the syndicated lenders eliminating the additional senior and junior debt basket of up to Euros 400 million that was intended, among other matters, to refinance the 2021 Bonds.

To dispel any doubts, this is not a fully comprehensive description of the SFA and includes some other "baskets" of typically permitted debts.

Other commitments

The SFA includes certain commitments and obligations, including:

- Not to distribute parent dividends to shareholders without the agreement of the syndicated lenders until the debt held with them has been repaid in full.
- Personal obligations to act and not act and to deliver information typical in this type of financing operation in accordance with the Company's current rating, such as, example, restrictions on the parent granting encumbrances or rights of guarantee over assets, selling or disposing of certain assets, performing sale/leaseback transactions, modifying the Group's line of business, mergers and consolidations with other companies, transactions with subsidiaries and restricted payments (including dividends, swaps, reimbursements and prepayments of loans to members of the Group). If the parent wishes to breach any of these commitments, it would need the prior consent of syndicated lenders whose commitments account for more than 75% of the total commitments.
- At least 80% of the Group's cash must be held in bank accounts subject to guarantees securing the financing and held by syndicated lenders (if applicable) providing cash deposit services in the jurisdiction where the Group company operates.
- The SFA also includes typical commitments including (i) authorisations, (ii) legal compliance, (iii) sanctions and anticorruption, (iv) taxes, (v) environmental compliance, and (vi) applicable registration requirements.

The Group has additional credit facilities that are not part of the previously mentioned financing agreements. Below are details of the SFA and other credit facilities drawn down at 30 June 2022 and 31 December 2021:

At 30th june 2022	Limit	Amount used	Conf/Fact	Amount avaible
DIA RETAIL	**623,002**	**317,707**	**183,586**	**121,709**
Loan Facility (Term loan) - Syndicated Financing	*119,144*	*119,144*	-	-
Tranche A	*31,969*	*31,969*	-	-
Tranche B	*87,175*	*87,175*	-	-
Revolving Credit Facility (RCF) - Syndicated Financing	*26,031*	*1,594*	-	*24,437*
Super Senior Supplier Tranche	*1,594*	*1,594*	-	-
Tranche A	*3,784*	-	-	*3,784*
Tranche B	*20,653*	-	-	*20,653*
			-	-
Credit Facility - Syndicated Financing	*294,145*	*196,969*	-	*97,176*
Credit Lines	***14,500***	***325***	**-**	***14,175***
*Tranche B**	*14,500*	*325*	-	*14,175*
Credit Lines which may be utilised as reverse factoring	***235,423***	***152,422***	**-**	***83,001***
Tranche A	*51,607*	*14,981*	-	*36,626*
Tranche B	*82,816*	*36,441*	-	*46,375*
Tranche C	*101,000*	*101,000*	-	-
Credit Lines which may be utilised as factoring	***44,222***	***44,222***	**-**	**-**
Tranche D	*44,222*	*44,222*	-	-
Reverse Factoring - Syndicated Financing	*183,682*	-	*183,586*	96
Super Senior Supplier Tranche	*38,648*	-	*38,641*	*7*
Tranche C	*141,687*	-	*141,614*	*73*
Tranche F	*3,347*	-	*3,331*	*16*
DIA FINANCE	**317,666**	**317,591**	**-**	**75**
Loan Facility (Term loan) - Syndicated Financing	*251,088*	*251,088*	-	-
Tranche D	*251,088*	*251,088*	-	-
Revolving Credit Facility (RCF) - Syndicated Financing	*56,699*	*56,699*	-	-
Tranche D	*31,699*	*31,699*	-	-
Tranche F	*25,000*	*25,000*		
Credit Facility - Syndicated Financing	*9,879*	*9,804*	-	*75*
Credit Lines which may be utilised as reverse factoring	***9,879***	***9,804***	**-**	***75***
Tranche D	*9,879*	*9,804*	-	*75*
DIA S.A.	**2,000**	**301**	**-**	**1,699**
Credit Facility - Syndicated Financing	*2,000*	*301*	-	*1,699*
Credit Lines	***1,000***	**-**	**-**	***1,000***
Tranche B	*1,000*	-	-	*1,000*
Credit Lines which may be utilised as reverse factoring	***1,000***	***301***	**-**	***699***
Tranche B	*1,000*	*301*	-	*699*
Total Multiproduct Syndicated Financing	**942,668**	**635,599**	**183,586**	**123,483**
DIA RETAIL	**50,000**	**22,840**	**27,152**	**8**
Loan Facility (Term loan) - Syndicated Financing	50,000	22,840	27,152	8
Loan Facility (Term loan)	*22,840*	*22,840*	-	-
Credit Lines reverse factoring	*27,160*	-	*27,152*	*8*
Total Multiproduct Syndicated Financing	**50,000**	**22,840**	**27,152**	**8**
Credit Lines reverse factoring (not included in syndicated credits)	**40,729**	**-**	**36,116**	**4,613**
Credit Lines (not included in syndicated credits)	**6,270**	**3,688**	**-**	**2,582**

(*) Limit distributed between DIA Retail, BBD and GEA

At 31st december 2021	Limit	Amount used	Conf/Fact	Amount avaible
DIA RETAIL	**623,003**	**294,873**	**181,361**	**146,768**
Loan Facility (Term loan) - Syndicated Financing	*119,144*	*119,144*	-	-
Tranche A	*31,969*	*31,969*	-	-
Tranche B	*87,175*	*87,175*	-	-
Revolving Credit Facility (RCF) - Syndicated Financing	*26,031*	*1,594*	-	*24,437*
Super Senior Supplier Tranche	*1,594*	*1,594*	-	-
Tranche A	*3,784*	-	-	*3,784*
Tranche B	*20,653*	-	-	*20,653*
Credit Facility - Syndicated Financing	*294,145*	*174,135*	-	*120,010*
Credit Lines	***14,500***	***793***	-	***13,707***
*Tranche B**	*14,500*	*793*	-	*13,707*
Credit Lines which may be utilised as reverse factoring	***235,423***	***129,289***	-	***106,134***
Tranche A	*51,607*	-	-	*51,607*
Tranche B	*82,816*	*29,063*	-	*53,753*
Tranche C	*101,000*	*100,226*	-	*774*
Credit Lines which may be utilised as factoring	***44,222***	***44,053***	-	***169***
Tranche D	*44,222*	*44,053*	-	*169*
Reverse Factoring - Syndicated Financing	*183,682*	-	*181,361*	*2,321*
Super Senior Supplier Tranche	*38,648*	-	*36,494*	*2,154*
Tranche C	*141,687*	-	*141,584*	*103*
Tranche F	*3,347*	-	*3,283*	*64*
DIA FINANCE	**317,666**	**317,591**	**-**	**75**
Loan Facility (Term loan) - Syndicated Financing	*251,088*	*251,088*	-	-
Tranche D	*251,088*	*251,088*	-	-
Revolving Credit Facility (RCF) - Syndicated Financing	*56,699*	*56,699*	-	-
Tranche D	*31,699*	*31,699*	-	-
Tranche F	*25,000*	*25,000*	-	-
Credit Facility - Syndicated Financing	*9,879*	*9,804*	-	*75*
Credit Lines which may be utilised as reverse factoring	***9,879***	***9,804***	-	***75***
Tranche D	*9,879*	*9,804*	-	*75*
DIA S.A.	**2,000**	**-**	**-**	**2,000**
Credit Facility - Syndicated Financing	*2,000*			*2,000*
Credit Lines	***1,000***	-	-	***1,000***
Tranche B	*1,000*	-	-	*1,000*
Credit Lines which may be utilised as reverse factoring	***1,000***	-	-	***1,000***
Tranche B	*1,000*	-	-	*1,000*
Total Multiproduct Syndicated Financing	**942,668**	**612,465**	**181,361**	**148,844**
DIA RETAIL	**50,000**	**22,840**	**24,861**	**2,299**
Loan Facility (Term loan) - Syndicated Financing	50,000	22,840	24,861	2,299
Loan Facility (Term loan)	*22,840*	*22,840*	-	-
Credit Lines reverse factoring	*27,160*	-	*24,861*	*2,299*
Total Multiproduct Syndicated Financing	**50,000**	**22,840**	**24,861**	**2,299**
Credit Lines (not included in syndicated credits)	**5,389**	**3,170**	**-**	**2,219**

(*) Limit distributed between DIA Retail, BBD and GEA

The credit facilities not included in syndicated loans in the amount of Euros 6,270 thousand at 30 June 2022 and Euros 5,388 thousand at 31 December 2021 refer to various credit facilities maintained with financial institutions on the part of DIA Brasil Sociedade Limitada, all maturing within one year.

Financial covenants

Under the financing agreement in force at 30 June 2022, the Group must meet the following ratios:

- **Financial Leverage Ratio:**

The Group undertook to meet a set financial leverage ratio from 31 December 2020.

This would be measured half-yearly every 30 June and 31 December.

The covenant level set a deviation margin of up to 35% on the Net Debt ratio. Adjusted Group/Restated EBITDA as set out in the Group's Covenant Plan for the 2020 to 2024 years. This was presented to the lenders on 27 December 2019, establishing the following limits:

Thousands of euros	2020	2021	2022	2023
Covenant level	1,025.9x	14.2x	5.6x	4.2x

At 30 June 2022 the financial leverage ratio required of the DIA Group's consolidated financial statement and the consolidated summary interim financial statements had been met. Details are as follows:

Total adjusted net debt / Restated EBITDA < 14.2x

Total adjusted net debt and restated Ebitda figures are calculated according to the definition included in the loan agreement and therefore do not match the figures included in Notes 3 and 12.1.

- **Investment ratio (capex) and restructuring costs:**

The Group undertakes, as a whole, during the period 1 January 2020 to 31 December 2023, the following: (i) total investment costs (capex) shall not exceed the amount set out in the Covenant Plan by more than Euros 187,500, thousand, equivalent to a 12.5% deviation and; (ii) restructuring costs shall not exceed the amount set out in the Covenant Plan by more than Euros 61,300 thousand.

The costs will be measured every 31 December.

Bank loans

Details of the maturity of the Group's mortgages and other bank loans, grouped by type of transaction and company, at 30 June 2022 and 31 December 2021 were as follows:

At 30th June 2022

Type	Owner	Currency	Total	Current 1 year	2 years	Non-Current Total
Loan	DIA Portugal	EUR	39,290	39,290	-	-
Loan	DIA Brasil	EUR	30,591	24,957	5,634	5,634
	Other Loans		69,881	64,247	5,634	5,634

At 31st December 2021

Tipo	Titular	Divisa	Total	Current 1 year
Loan	DIA Portugal	EUR	39,290	39,290
Loan	DIA Brasil	EUR	18,236	18,236
	Other Loans		57,526	57,526

The following transactions have been carried out in the 2022 year:

- On 14 January 2022, DIA Brasil repaid two bilateral loans in the amounts of 2,840 thousand Brazilian reals and 2,931 thousand Brazilian reals.
- On 24 June 2022, DIA Brasil signed a bilateral loan for 24 months, with monthly amortisation and final maturity on 24 June 2024 amounting to 60,939 thousand Brazilian reals..

The following transactions were carried out in the 2021 year:

- Within the context of the Global Transaction, the debt under the SS Facility loan of Euros 200 million granted by DEA Finance to DIA Finance, for which L1R became the creditor, was transferred to the Company DIA in April 2021. The transferred amount was Euros 200,893 thousand to long-term loans and Euros 1,166 thousand to short-term loans. These amounts included interest accrued and not paid at a rate of 7.5% per annum.
- This debt was converted into equity as part of the first tranche of the capital increase implemented on 6 August 2021 in the context of the Global Transaction, with a zero balance at 31 December 2021.
- In summary, by virtue of the capital increase carried out during the 2021 financial year, the Company was released from the following financial liabilities:
    - the Euros 200 million DIA owed L1R by way of principal under the SS term loan facility;
    - the Euros 292,600 thousand DIA owed L1R by way of principal under the bonds issued by DIA for an aggregate principal amount of Euros 300 million with a 1.000% coupon, maturing on 28 April 2021 (the "2021 bonds");
    - the Euros 7.4 million DIA owed L1R under a loan to finance (or refinance) payment by DIA of the principle of the 2021 bonds to bond holders other than L1R on 28 April 2021;
    - the Euros 269.2 million DIA owed L1R by way of principal under the bonds issued by DIA for an aggregate principal amount of Euros 300 million with a 0.875% coupon, maturing on 6 April 2023 (the "2023 bonds"), which were previously replaced by a private debt instrument.

c) Lease payables

The composition and changes in lease creditors during the first six months of 2022 and 2021 were as follows:

	Short-term debt	Long-term debt	Total
At 1st January 2022	**198,142**	**350,337**	**548,479**
Additions	-	140,707	**140,707**
Disposals and impairment	-	(25,302)	**(25,302)**
Interesest expenses	26,065	-	**26,065**
Transfers	108,453	(108,453)	-
Value update	-	12,510	**12,510**
Payments	(136,827)	-	**(136,827)**
Translation differences	3,711	5,680	**9,391**
At 30th June 2022	**199,544**	**375,479**	**575,023**
At 1st January 2021	**197,373**	**414,587**	**611,960**
Additions	-	96,891	**96,891**
Disposals and impairment	-	(8,459)	**(8,459)**
Interesest expenses	26,568	-	**26,568**
Transfers	116,300	(116,300)	-
Value update	-	3,916	**3,916**
Payments	(133,920)	-	**(133,920)**
Translation differences	1,638	2,428	**4,066**
At 30th June 2021	**207,959**	**393,063**	**601,022**

12.2. Trade and other payables

Details are as follows:

Thousands of Euro	30th June 2022	31st December 2021
Suppliers	1,108,579	1,028,935
Suppliers, other related parties	2,524	1,368
Advances received from receivables	2,838	2,771
Trade payables	230,400	213,155
Onerous contracts provisions	23,006	28,383
Total Trade and other payables	**1,367,347**	**1,274,612**

"Suppliers" and "Payables" essentially comprise current payables to suppliers of goods and services, including accepted giro bills and promissory notes.

Trade and other payables do not bear interest.

At 30 June 2022 the Group had reverse factoring facilities with a limit of Euros 251,571 thousand (31 December 2021: Euros 249,621 thousand) of which Euros 246,854 thousand had been used (31 December 2021: Euros 244,045 thousand).

	30th June 2022			31st December 2021		
Thousands of Euros	Limit	Amount used	Amount avaible	Limit	Amount used	Amount used
Reverse Factoring - Syndicated Financing (notes 12.1 b) and 18.2)	183,682	183,586	96	183,682	181,361	2,321
Reverse Factoring - Syndicated Financing (Term loan) (notes 12.1 b) and 18.2)	27,160	27,152	8	27,160	24,861	2,299
Reverse Factoring - not included Syndicated Financing (note 18.2)	40,729	36,116	4,613	38,779	37,823	956
Total	**251,571**	**246,854**	**4,717**	**249,621**	**244,045**	**5,576**

12.3. Other financial liabilities

Details of other financial liabilities are as follows:

Thousands of Euro	30th June 2022	31st December 2021
Personnel	86,955	56,954
Suppliers of fixed assets	94,094	116,894
Other current liabilities	50,029	47,319
Total other liabilities	**231,078**	**221,167**

"Personnel" includes an amount of 8,903 thousand of euros related to provisions for employee benefits under the Incentive Plan payable in the short term (see notes 13 and 15).

With regards to other current liabilities, this included deposits received from franchises amounting to Euros 44,125 thousand at 30 June 2022 (Euros 41,932thousand at 31 December 2021). Also included at 30 June 2022 was an amount of Euros 2,306 thousand for the debt with Caixa Bank for the purchase of 50% of the subsidiary Finandia on 19 July 2019 (Euros 2,306 thousand at 31 December 2021). This debt was paid to Caixa Bank on 19 July 2022, thereby cancelling the debt in full.

12.4. Estimations of fair value

The fair value of financial assets and liabilities is determined by the amount for which the instrument could be exchanged between willing parties in a normal transaction and not in a forced transaction or liquidation.

The Group generally applies the following systematic hierarchy to determine the fair value of financial assets and financial liabilities:

- Level 1: Firstly, the Group applies the quoted prices of the most advantageous active market to which it has immediate access, adjusted where necessary to reflect any difference in credit risk between the instruments commonly traded and the instrument being measured. The current bid price is used for assets held or liabilities to be issued and the asking price for assets to be acquired or liabilities held. If the Group has assets and liabilities that offset market risks, it uses average market prices for the offsetting risk positions and applies the bid or asking price to the net position, as appropriate.

- Level 2: When current bid and asking prices are unavailable, the price of the most recent transaction is used, adjusted to reflect changes in economic circumstances.

• Level 3: Otherwise, the Group applies generally accepted valuation techniques using, insofar as is possible, market data and, to a lesser extent, specific Group data.

The carrying amount of financial assets of the Group, based on the different categories, is as follows:

Thousands of Euro	Loans and receivables	
	30th june 2022	31st December 2021
Financial assets		
Trade and other receivables	207,200	193,417
Other financial assets	66,371	66,651
Consumer loans from financial activities	601	1,010
Total	**274,172**	**261,078**

The carrying amount of the assets classified as loans and receivables does not significantly differ from their fair value.

The carrying amount and the fair value of financial liabilities of the Group, based on the different categories and hierarchy levels, is as follows:

	Carrying amount			
Thousands of Euro	Debts and items payable		Fair value	
	30th june 2022	31st December 2021	30th june 2022	31st December 2021
Financial liabilities				
Trade and other payables	1,367,347	1,274,612	-	-
Debentures and bonds	31,146	31,267	25,924	25,307
Syndicated credits (Revolving credit facilities)	53,177	52,571	-	-
Syndicated credits (Term loan)	392,870	392,842		
Credit facilities drawn down and others	210,807	187,109	-	-
Bank loans and credits	69,881	57,526	-	-
Lease payables	575,023	548,479	-	-
Guarantees and deposits received	14,728	14,667	-	-
Other financial liabilities	234,195	232,343		-
Total	**2,949,174**	**2,791,416**	**25,924**	**25,307**

The carrying amount of the liabilities classified as loans and payables does not significantly differ from their fair value.

The fair value of current and non-current listed bonds is measured in accordance with their market price (level 1).

13. PROVISIONS

The changes in provisions under non-current liabilities are as follows:

Thousands of Euro	Provisions for long-term employee benefits under defined benefit plans	Tax provisions	Social security provisions	Legal contingencies provisions	Other provisions	Total provisions
At 1 January 2022	**26,038**	**34,498**	**10,002**	**22,805**	**1,069**	**94,412**
Charge	3,216	2,069	2,215	3,454	564	**11,518**
Applications	-	(1,057)	-	(6,896)	-	**(7,953)**
Reversals	-	(987)	(908)	(1,323)	(44)	**(3,262)**
Tranfers	(8,903)	9,250	2,140	1,902	-	**4,389**
Other movements	8	16	-	-	3	**27**
Translation differences	122	1,564	898	314	(5)	**2,893**
At 30 June 2022	**20,481**	**45,353**	**14,347**	**20,256**	**1,587**	**102,024**
At 1 January 2021	**14,958**	**35,690**	**8,172**	**24,378**	**1,130**	**84,328**
Charge	5,757	1,311	3,215	3,102	7	**13,392**
Applications	-	-	(2,078)	(574)	-	**(2,652)**
Reversals	(136)	(1,647)	(287)	(4,007)	(37)	**(6,114)**
Other movements	10	22	-	-	3	**35**
Translation differences	62	701	297	128	(11)	**1,177**
At 30 June 2021	**20,651**	**36,077**	**9,319**	**23,027**	**1,092**	**90,166**

The provisions for long-term employee benefits in the first six months of 2022 and 2021 related mainly to the Long-Term Incentive Plan, as mentioned in Note 15. "Transfers" includes the short term payable amount in this same concept, that has been reclassified to Other current financial liabilities (see note 12.3).

The tax allocations in the first half of 2022 arose essentially from estimates of provisions based on differences of judgement with the public authorities in Argentina and Brazil (in the first half of 2021 essentially in Argentina and Spain).

The application of tax provisions during the first six months of the 2022 financial year was allocated in full to settlements arising from inspections for the 2009, 2010 and 2011 financial years in Spain.

Tax reversals in the first half of 2022 and 2021 arose essentially from matters resulting from tax inspections no longer considered probable.

Endowments, applications and reversals of provisions for lawsuits filed by employees during the first six months of the 2022 and 2021 years included labour contingencies mainly in Brazil and Argentina.

With regards legal provisions to cover other third-party disputes, Euros 585 thousand was set aside in Spain in the first half of 2022 (Euros 897 thousand in the same period in 2021), Euro 1,261 thousand in Argentina (Euros 1,094 thousand in the first six months of 2021), Euros 936 thousand in Portugal (Euros 70 thousand in the same period in 2021) and Euros 672 thousand in Brazil (Euros 1,041 thousand in the first half of 2021).

Applications of legal provisions during the first six months of the 2022 financial year included a payment made on 20 May 2022 in Spain of Euros 6,880 thousand for the lawsuit that had been provisioned for since the first half of 2020 with the Food Control and Information Agency of the Ministry of Agriculture (AICA).

Reversals of legal provisions in the two financial years were the result of contract risks which did not materialise, in Argentina for an amount of Euros 548 thousand in the first six months of 2022 (Euros 450 thousand in the same period in 2021), in Brazil for an amount of Euros 457 thousand in the first six months of 2022 (Euros 2,205 thousand in same period in 2021), in Spain for an amount of Euros 298 thousand in the first six months of 2022 (Euros 583 thousand in the same period in 2021) and in Portugal for an amount of Euros 20 thousand in the first six months of 2022 (Euros 769 thousand in the same period in 2021).

In the first half of 2022 a transfer of Euros 13,292 thousand to other non-current financial assets was performed, corresponding to the legal deposits demanded in ongoing lawsuits which were reducing tax, social and legal provisions in Brazil. The amounts reflected in the transfer line correspond in full to the balances at 31 December 2021 of said court deposits (see note 6.2).

The Group may at any time be party to litigation or a pre-litigation claim arising in the ordinary course of business. They all relate to civil, criminal or tax disputes involving the Group. The most relevant court proceedings to date are summarised below. See details of tax contingencies in Note 14.

Court proceedings in Argentina

In December 2018, the Argentinian Social Security Authorities (Directorate for Social Security Resources), attached to the Federal Administration of Public Revenue (AFIP) brought an economic-criminal proceeding against DIA Argentina SA and certain executives for alleged tax evasion in relation to Social Security payment obligations. Specifically, the AFIP's Social Security department questioned the status of franchisees as employers, given their apparent lack of financial solvency.

Based on AFIP's hypothesis, the franchisees would be Company employees and therefore their Social Security debts could be claimed from DIA Argentina, S.A. This hypothesis is refuted by the Company's defence, based essentially on (i) similar court proceedings resolved in the Company's favour in the past and (ii) favourable resolutions by the National Ministry of Labour recognising the autonomous and independent nature of franchisor and franchisee.

The total amount determined by AFIP was ARS 808 million for the 2014-2018 period. However, the court ordered that ARS 462 million be deducted from the total debt due to amounts already paid by former franchisees.

In December 2020, the prosecutor assigned to the case asked the judge to proceed with the charges against DIA Argentina, S.A. and some of its directors and former directors. At the same time, DIA deposited the debt of its former franchisees as part of the tax amnesty regime in force at the time, in its capacity of joint and several liability, for a total of ARS 156M.

On 6 April 2022, the criminal court summoned DIA Argentina and its former directors for the months of October and November 2022 in connection with the prosecutor's request to proceed with the charges.

On 29 April 2022, three of the former directors called by the court (as they were sued jointly and severally) asked to be accepted under the new tax amnesty in force at the time (Law 27.653). ARS 175 million of nominal capital was paid in this regard, whereby the calculation of interest (calculated at a maximum of 75%) and elimination of a penalty on the basis of the benefits of the tax regulations established a total of ARS 257 million.

Under the previous payment DIA requested the benefits of inclusion in the new tax amnesty, seeking (on 17.05.2022) the termination of the criminal action in favour of DIA. If this application is accepted, the substantive discussion would be reduced or limited to the original administrative record.

At the date of approval of these consolidated summary interim financial statements , no judgment had been handed down regarding the application by DIA Argentina referred to above.

At 30 June 2022 the risk of this scenario had been re-evaluated and quantified, and an accounting provision amounting to ARS 150 million (Euros 1.1 million) had been established.

Criminal proceedings before the Spanish National High Court

On 14 January 2020, the parent became aware of the processing of Preliminary Proceedings 45/2019 before the Court of Investigation 6 of the Spanish National High Court, in which the court was investigating certain events involving former DIA executives. The proceedings derived from a lawsuit brought by several of the parent's minority shareholders, subsequently joined by investigation proceedings by the Anti-Corruption Prosecutor's Office, initiated as a result of the claim filed by DIA before the Prosecutor's Office on 6 February 2019.

The Company was also notified, at its request, of the ruling of 10 January 2020 issued by the Court of Investigation 6 of the National High Court in the same preliminary proceedings, determining the facts investigated, the crimes that might have been committed and the persons to be summonsed for investigation, in addition to other investigative measures to be conducted by the Court. Specifically, the ruling of 10 January 2020 stated that the crimes to be investigated in the abovementioned proceedings were misappropriation and accounting fraud in relation to DIA’s financial statements for the 2016 and 2017 financial years, allegedly committed by former executives and harming DIA in a number of ways.

As a result of the above, DIA requested it be allowed to appear in the proceedings as an injured party. By Judicial Order of 17 January 2020, the National High Court admitted the parent as party to the proceedings.

Following the investigation proceedings deemed appropriate by the Court of Investigation, by means of two Rulings of 26 February 2021, the National High Court denied DIA the status of injured party in order to grant it subsidiary civil liability status and to terminate the investigation phase and begin the intermediate phase prior to the oral trial phase (summary proceedings).

Following notification of the summary proceedings, on 9 March 2021 the Public Prosecution Service brought charges against the former executives who had been under investigation since January 2020 for an alleged ongoing offence of false accounting in the financial statements for the 2016 and 2017 financial years, claiming compensation for damages for DIA in the amount accredited from the evidence to be examined at the trial hearing. The representatives of the minority shareholders brought charges against the same persons for an alleged ongoing offence of false accounting. The representatives filed a claim against the defendants, as well as against DIA as party to subsidiary civil liability, for compensation provisionally quantified at Euros 3,336,052.75.

On 4 May 2021, the Court of Investigation agreed to open oral proceedings against the defendants and against DIA in its capacity as party to subsidiary civil liability. All the defence counsels, including DIA, submitted their respective defence pleadings. In response to this ruling, DIA filed a motion for dismissal and after various defence counsels and the Public Prosecution Service joined it, Court of Investigation 6 upheld the motion on 23 June 2021 and expelled from the proceeding the franchisee association (ASAFRAS) that had been the plaintiff.

The proceedings were referred to the Central Criminal Court, the body responsible for prosecuting the events.

The court issued an order to admit evidence on 26 November 2021 and set dates for the oral trial phase to be held from September 2022.

However, in February and March 2021, in response to the abovementioned Orders of 26 February 2021, various petitions for reconsideration and appeal were lodged by the defence counsels and private plaintiffs. All the petitions for reconsideration were rejected by Court of Investigation 6. Meanwhile, with regards the abovementioned appeals, the appeal lodged by the parent seeking restitution of its injured party status was dismissed on 5 July 2021 by the National High Court, in accordance with the procedural status at the time. In a ruling of 16 December 2021, the National High Court partially upheld one of the appeals of the defence counsels and revoked the summary proceedings on the basis that there was no evidence of any detriment to minority shareholders, returning jurisdiction to Court of Investigation 6 to continue the proceedings in the manner deemed appropriate.

As a result of the above, the Central Criminal Court suspended the oral trial phase and the hearings scheduled from September 2022 onwards were cancelled.

The Court of Investigation 6 then leveraged an order of 2 February 2022 to amend the summary proceedings with a view to incorporating a paragraph that would uphold the impact that restating the company's financial statements had on the market, and as a consequence the detriment this entailed for investors. Furthermore, on 3 February 2022, DIA was again denied the possibility of bringing charges and on 4 February it was agreed there was no place for the expert witness proposed by the minority shareholders to prove their detriment as the investigation phase was deemed to have been completed.

The parties, including DIA, appealed against the recently amended summary proceedings. These appeals were partially accepted by the National High Court on the understanding that the summary proceedings of 26 February 2021 be revoked and therefore not able to be supplemented or amended. Similarly, the National High Court dismissed DIA's appeal against the decision of 3 February 2022 preventing it from bringing charges, arguing that the reasons that justified DIA being denied the status of injured party in the proceedings remained in full force and effect.

With this as the background, Court of Investigation 6 informed the Public Prosecution Service of the continuation of proceedings, which considered free dismissal a mere procedural matter required in order for subsequent appeals to be lodged. Once the Public Prosecution Service report was compiled, the parties submitted arguments in this regard, and at the date of preparing these consolidated summary interim financial statements, Court of Investigation 6 had yet to make a ruling.

Civil proceedings brought by minority shareholders

On 12 June 2020, the parent was notified of the filing of a civil action suit for damages by another individual minority shareholder, whereby the shareholder was claiming Euros 110,605 in damages, alleging breach by the Company of the obligation to reflect a true and fair view of its equity in the 2016 and 2017 financial statements, and the decrease in share value within the context of the restatement of the annual accounts in 2018. The Company responded to the lawsuit in a timely and appropriate manner. On 25 June 2021, the first session of the trial proceedings was held, and ended on 19 July 2021. On 30 September 2021, a judgment was handed down from the court of first instance dismissing the suit. On 9 November 2021, the parent received notice of an appeal against the judgment. On 7 January 2022 the parent proceeded to file its objection to the appeal. The appeal is currently pending a decision by the Provincial Court of Madrid.

Other civil proceedings

In March 2019, Ricardo Currás de Don Pablos filed a civil action suit against DIA, claiming a total of Euros 567,226 plus interest, of which: (i) Euros 505,500 was for the non-competition agreement pending payment to Mr Currás; and (ii) Euros 61,726 was for the settlement of his remuneration as a director. At 31 December 2021, DIA had an accounting provision for these amounts.

In May 2019, DIA responded to the claim brought by Mr Currás, objecting to the amounts claimed, and filed a counterclaim for a total of Euros 2,785,620 plus interest, of which: (i) Euros 834,120 was for the Annual Variable Remuneration (AVR) received by Mr Currás in the years 2016 and 2017; and (ii) Euros 1,951,500 for the compensation received by Mr Currás upon his resignation as DIA chief executive. Mr Currás responded to the counterclaim by opposing DIA's claims.

Following the relevant proceedings, a judgment handed down by the Court of First Instance on 10 May 2021 dismissed the claim brought by Mr Currás against DIA, with costs being awarded against Mr Currás, and partially upheld the counterclaim brought by DIA against Mr Currás, ordering him to pay DIA the following amounts: (i) Euros 275,232 for AVR in the years 2016 and 2017, plus interest accrued since its receipt; and (ii) Euros 1,951,500 for the compensation received by Mr Currás, plus the interest accrued since its receipt.

The abovementioned judgment was fully revoked by the judgment of the Provincial Court of Madrid of 25 February 2022, by virtue of which: (i) the lawsuit filed by Mr Currás against DIA was fully upheld, with DIA ordered to pay Euros 505,500 as compensation for the post-contractual non-competition agreement and Euros 61,726 as director remuneration, plus the legal interest since the legal proceedings, as well as the costs of the lawsuit; and (ii) the counterclaim filed by DIA was fully rejected, with the latter being awarded the costs occasioned to the other party. In addition, the costs incurred by Mr Currás with the DIA appeal were imposed on DIA.

An extraordinary appeal may be lodged for procedural infringement and/or cassation against the abovementioned judgment of the Provincial Court of Madrid.

On 31 March 2022, DIA filed both appeals which, at the date of preparing these consolidated summary interim financial statements, were pending a ruling as to their acceptance by the Supreme Court.

Other procedures

In addition to the above, Group companies have other non-significant legal proceedings with third parties which have been duly provisioned.

14. TAX ASSETS AND LIABILITIES AND INCOME TAX

The breakdown of balances relating to tax assets and liabilities at 30 June 2022 and 31 December 2021 is as follows:

Thousands of Euros	30th june2022	31st December2021
Non current tax assets	71,505	61,329
Taxation authorities, VAT	39,085	34,102
Taxation authorities	8,001	12,446
Current income tax assets	3,207	1,681
Total tax assets	**121,798**	**109,558**
Deferred tax liabilities	42,761	36,453
Taxation authorities, VAT	10,181	15,551
Taxation authorities	32,834	31,358
Current income tax liabilities	6,919	8,062
Total tax liabilities	**92,695**	**91,424**

Non-current tax assets correspond in their entirety to ICMS in Brazil for 387,763 thousand Brazilian reals at 30 June 2022 for the tax on the Circulation of Goods and Services and tax on Purchases of Property, Plant and Equipment, equivalent to VAT in other jurisdictions. The current amount of this tax, amounting to 48,478 thousand Brazilian reals forms part of the caption "Public Tax Office, VAT receivable" at 30 June 2022.

In relation to the tax on circulation of goods and services (ICMS-ST), in March 2017 the Supreme Court judgment of October 2016 was ratified, allowing companies to recover a portion of the tax paid. This decision was confirmed by the final court ruling of May 2019 in favour of DIA Brasil.

At 31 December 2019, DIA Brasil had an estimated total amount of ICMS assets to be recovered comprising 372,670 thousand Brazilian reals and an impairment test provision as to the recoverability of the credits within 10 years amounting to 93 million Brazilian reals, the final balance on its balance sheet thus being 279,670 thousand Brazilian reals.

During the 2020 and 2021 financial years, with the assistance of external consultants, the amount of ICMS assets regarding the 2009, 2010, 2011, 2012, 2018, 2019 and 2020 periods for the state of São Paulo was re-evaluated, along with the 2017, 2018, 2019 and 2020 periods for the state of Rio, because the amount accounted for during these periods had been calculated on a precautionary basis. As a result, there was an increase in non-current assets amounting to 38,638 thousand Brazilian reals in the 2020 financial year and 29,066 thousand Brazilian reals in the 2021 financial year.

In addition, in the 2020 and 2021 financial years the corresponding update was performed for late-payment interest accounted for (29,864 thousand Brazilian reals) and net offsetting of recurrent balances in the amount of (40,465 thousand Brazilian reals). Finally, the 10-year recoverability test performed at the end of the 2020 and 2021 financial years allowed the reversal of all the impairment previously recorded in 2019.

During the first half of 2022, with the help of external consultants, the amount of ICMS assets for the 2013, 2014, 2015, 2016 and 2017 financial years for the state of São Paulo was re-evaluated because the amount accounted for during these periods had been calculated on a precautionary basis. As a result, there was an increase in non-current assets amounting to 22,993 thousand Brazilian reals. Meanwhile, the net offsetting of recurrent balances amounted to (16,525 thousand Brazilian reals) resulting from the difference in credits generated in the first half of 2022 (16,028 thousand Brazilian reals) with the amounts of offsetting amounting to (32,554 thousand Brazilian reals).

As a result of all the movements described, DIA Brasil has recorded on its balance sheet at 30 June 2022 a non-current asset for ICMS amounting to 387,763 thousand Brazilian reals (Euros 71,505 thousand0) and under short-term assets an amount of 48,478 thousand Brazilian reals (Euros 8,940 thousand0), with the total balance in its balance sheet for this tax of 436,241 thousand Brazilian reals (Euros 80,444 thousand valued at the exchange rate of 30 June 2022).

During the first half of 2022, the Spanish companies Distribuidora Internacional de Alimentación S.A. (parent) and DIA Retail, S.A., Pe-Tra Servicios a la Distribución, S.L., Beauty by Dia, S.A., Grupo El Árbol Distribución y Supermercados

S.A., DIA Finance S.L. and Finandia S.A. (Subsidiaries) filed consolidated tax returns as part of tax group 487/12, pursuant to Title VII, Chapter VI of the Spanish Corporate Income Tax Law 27/2014 of 27 November 2014.

The details of income tax expense included in the income statement is as follows:

Thousands of Euros	30th june2022	30th june2021
Current income taxes		
Current period	9,767	316
Prior periods' current income taxes	1,951	-
Total current income taxes	**11,718**	**316**
Deferred taxes		
Source of taxable temporary differences	2,223	11,921
Source of deductible temporary differences	(23,030)	(5,641)
Reversal of taxable temporary differences	(1,873)	(1,014)
Reversal of deductible temporary differences	21,281	8,648
Total deferred taxes	**(1,399)**	**13,914**
TOTAL EXPENSE TAX	**10,319**	**14,230**

During the first half of the 2021 financial year, as a result of a modification to tax legislation, the taxation rate at DIA Argentina increased from 30% to 35%, giving rise to an increased deferred tax expense amounting to Euros 2.7 million, essentially as a result of the impact of this change in rate on the hyperinflation adjustment.

As a result of the inspections closed in 2014, DIA Brasil received two notifications from the Brazilian tax authorities regarding 2010, one for an updated amount of Euros 14,446 thousand (78,447 thousand Brazilian reals) in relation to the discrepancy regarding the tax on income from supplier discounts, and the other for an updated amount of Euros 69,762 thousand (378,312 thousand Brazilian reals) for omission of income mainly from the circulation of goods. In relation to the first issue (regarding tax on income from supplier discounts), an unfavourable decision was passed down in the administrative proceedings and the company filed a court appeal in 2016. In 2020 a favourable ruling by the examining magistrate was received to annul the notification. This decision has been appealed by the authorities. Based on reports from external lawyers, the company considers there are sufficient grounds to secure a ruling in this lawsuit in favour of DIA Brasil. In relation to the second issue (on the circulation of goods), the administrative proceedings resulted in an unfavourable ruling, which was subsequently appealed. As a result, the administrative court of second instance (CARF) recognised deficiencies in the inspection process and ordered another inspection, which concluded in June 2019 with a favourable ruling for DIA Brasil. At the close of these consolidated summary interim financial statements, DIA Brasil continues to await the trial at CARF. The external lawyers continue to deem the likelihood of losing this case as remote.

As a result of the inspection proceedings closed in January 2019, DIA Brasil received a notification from the Brazilian tax authorities regarding the 2014 period for an updated amount of Euros 91,830 thousand (497,987 thousand Brazilian reals) regarding different items of the PIS and COFINS taxes. The Company presented a defence which was partially upheld in the administrative court of first instance - DRJ. On 25 November 2021, the Company submitted its Voluntary Appeal, which will be heard by the administrative court of second instance, CARF. The company has appealed this ruling through administrative proceedings and will if necessary file a court appeal, since it considers there are sufficient grounds to obtain a favourable outcome. Based on reports drawn up by two legal firms, the company has deemed the risk of loss of the items disputed in this appeal as remote/possible in the most part and has therefore only recorded a provision of Euros 2,308 thousand (12,515 thousand Brazilian reals) at 30 June 2022. Furthermore, approximately 30% of the amount of the ruling corresponds to the discrepancy regarding the tax on income from supplier discounts, which had already been raised in the 2010 inspection.

As a result of the tax inspections at DIA Brasil, in the first half of 2021 notification was received from the Brazilian tax authorities regarding the 2017 period for an updated amount of Euros 4,727 thousand (25,636 thousand Brazilian reals) in connection with ancillary obligations under the PIS/COFINS tax. In May 2021, the corresponding appeal was filed, which was unfavourable to DIA Brasil. As a result of the above, in October 2021 the Company filed its Voluntary Appeal, which will be heard by the administrative court of second instance, CARF. The external legal advisors continue to deem the likelihood of losing this case as remote.

In addition to these inspection proceedings regarding the PIS/COFINS tax for the 2017 financial year begun in the first half of 2021, the Brazilian authorities began inspection proceedings regarding this same tax for the 2019-2020 financial years in the second half of 2021.

Likewise, in 2021 the Portuguese authorities opened general inspection proceedings regarding the 2019 financial year at DIA Portugal.

Similarly, in 2021 the Argentine authorities opened two inspection proceedings, one regarding corporate income tax for financial year 2017 and the other for value added tax for financial year 2016.

In the first half of 2022, the Argentine authorities began inspection proceedings for added value tax for the financial years 2017-2018.

In addition, it should be noted that the lawsuit in relation to payment obligations in Argentina to the Social Security directorate, dependent on the Federal Administration of Public Revenue (AFIP), is explained in note 14 "Provisions".

At the date of close of these statements, the five inspection proceedings opened by the Brazilian, Portuguese and Argentine authorities were ongoing.

Finally, in February 2022, the Swiss authorities opened an inspection against DWT on VAT for the years 2017 to 2021. In April 2022, the inspection proceedings were concluded, with no significant corrections or penalties.

The directors do not expect that any major additional liabilities in relation to the consolidated summary interim financial statements taken as a whole will arise as a result of the years open to inspection or the appeals submitted.

15. LONG-TERM INCENTIVE PLANS AND SHARE-BASED PAYMENT TRANSACTIONS

With the aim of encouraging the achievement of the Group's business plan objectives for the period 2020-2022, on 25 March 2020 the Board of Directors approved the 2020-2022 Long-Term Incentive Plan ("LTIP 2020-22") for certain Group executives. The Long-Term Incentive Plan covers an initial period from 01/01/2020 to 31/12/2022.

The first year of validity of the Plan was marked by various unique circumstances, and said circumstances led the financial objectives of the Group, and consequently the objectives of the LTIP 2020-22, no longer to constitute a valid reference for monitoring the performance of the Company and the DIA Group, as stated in the inside information notification of 28 June 2021, and which specifically were:

- The like-for-like sales growth target was undermined by extraordinary supply purchases experienced in FY2020, driven by mobility restrictions during the pandemic in all markets where the DIA Group operates.
- The global recapitalisation and refinancing transaction announced by the Company on 24 March 2021 served to significantly reduce its debt, affecting the net debt target.
- As a result of the new capital structure, it was necessary to review the business plans of the Group companies in order to try to strengthen the parent's position and accelerate the growth of its market share, sales and profitability.

The LTIP 2020-22 Regulation included the possibility that in the event that during the term of the LTIP 2020-22 there were significant changes or events that, in the opinion of the Board of Directors, entailed the need to review the conditions thereof, it could, in a reasoned manner, modify the Regulation to adapt it to the new circumstances or even propose early liquidation of the LTIP 2020-22.

As a consequence of the high impact that the abovementioned circumstances had on the parameters, metrics and functioning of the LTIP 2020-22, the Board of Directors considered that the abovementioned circumstances should be seen as a significant change or event, and given that one of the main purposes of the LTIP 2020-22 was to incentivise the achievement of the objectives of the DIA Group business plan established for the period 2020-2022, on 4 August 2021 it agreed to end the LTIP 2020-22, taking into consideration the circumstances of the market and the parent company.

As a consequence of which, it was agreed on the same date to approve recognition by LTIP 2020-22 beneficiaries of the right to receive a certain amount in cash, if certain conditions were fulfilled, as a sign of the Group's trust in the executive team. The Incentive generated in favour of said beneficiaries will, where applicable, be paid in FY2023.

The Board of Directors approved on the same date a new LTIP 2021-24, adapted to the current Group and market circumstances and the Group's strategy, intended for certain Group executives. As of this date, some formal elements of this new LTIP 2021-2024 are still pending approval.

All Board decisions were taken at the proposal of the Appointments and Remuneration Committee.

At 30 June 2022 the total provision made for Long-Term Incentive Plans was Euros 25,101 thousand. This amount is registered for an amount of 16,198 thousand of euros as long-term provisions as mentioned in note 13 and for an amount of 8,903 thousand of euros under personnel line in other financial liabilities as mentioned in note 12.3.

In addition, in application of the remuneration policy approved at the 30 August 2019 Extraordinary General Meeting and the remuneration policy approved at the 7 June 2022 General Meeting of Shareholders, deferred remuneration in shares established for non-proprietary directors amounting to Euros 151 thousand (Euros 125 thousand in the first six months of the 2021 financial year) accrued during the first half of 2022. See Note 19.

16. REVENUE

16.1. Revenue from contracts with customers

Revenue corresponds to sales income from own stores, sales and service provisions to franchises and online sales from the Group's activity, focused mainly on the markets of Spain, Portugal, Brazil and Argentina. At 30 June 2022 and 2021, net turnover came to Euros 3,465,320 thousand and Euros 3,193,703 thousand, respectively. Distribution by geographical segment is shown in the following table:

	30th june 2022			30th june 2021		
	Ordinary income of the segment	Ordinary income between segments	income of external clients	Ordinary income of the segment	Ordinary income between segments	income of external clients
Sales in own stores	**2,135,239**	**195**	**2,135,044**	**2,081,288**	**398**	**2,080,890**
Spain	1,172,076	195	1,171,881	1,288,377	398	1,287,979
Portugal	114,727	-	114,727	140,377	-	140,377
Brazil	302,054	-	302,054	305,208	-	305,208
Argentina	546,382	-	546,382	347,326	-	347,326
Sales to franchise stores	**1,234,350**	**-**	**1,234,350**	**1,028,430**	**-**	**1,028,430**
Spain	856,353	-	856,353	738,140	-	738,140
Portugal	157,572	-	157,572	146,731	-	146,731
Brazil	121,220	-	121,220	68,736	-	68,736
Argentina	99,205	-	99,205	74,823	-	74,823
On line sales	**89,281**	**-**	**89,281**	**78,453**	**-**	**78,453**
Spain	66,102	-	66,102	63,036	-	63,036
Portugal	5,380	-	5,380	3,855	-	3,855
Brazil	11,395	-	11,395	7,756	-	7,756
Argentina	6,404	-	6,404	3,806	-	3,806
Other sales	**6,645**	**-**	**6,645**	**5,940**	**10**	**5,930**
Spain	1,254	-	1,254	570	-	570
Portugal	5,391	-	5,391	5,370	10	5,360
Brazil	-	-	-	-	-	-
Argentina	-	-	-	-	-	-
Total	**3,465,515**	**195**	**3,465,320**	**3,194,111**	**408**	**3,193,703**

17. OTHER INCOME AND EXPENSES

17.1. Other income

Details of other income are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Fees and interest to finance companies	39	65
Service and quality penalties	1,842	1,270
Revenue from lease agreements and other income from franchises	5,213	4,536
Revenue from information services to suppliers	3,292	2,877
Revenue from the sale of packaging	2,940	2,034
Other revenues	7,065	3,661
Total other operating income	**20,391**	**14,443**

17.2. Goods and other consumables used

This heading includes purchases, less volume discounts and other trade discounts and changes in inventories. Details of the main items in this heading are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Goods and other consumables used	2,828,492	2,592,557
Disccounts	(312,236)	(310,209)
Inventory variation	8,208	24,150
Other sales costs	12,402	16,106
Total consumption of goods and other consumables	**2,536,866**	**2,322,604**

17.3. Personnel expenses

Details of personnel expenses are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Salaries and wages	320,288	312,099
Social Security	82,277	82,198
Indemnity payments	27,935	18,559
Defined contribution plans	3,643	9,633
Other employee benefits expenses	9,168	9,025
Parcial total personnel expenses	**443,311**	**431,514**
Expenses for share-based payment transactions (note 15 and 19)	151	125
Total personnel expenses	**443,462**	**431,639**

17.4. Operating expenses

Details of operating expenses are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Repairs and maintenance	59,927	51,087
Utilities	73,290	51,954
Fees	34,757	29,260
Advertising	26,459	24,600
Taxes	13,848	10,939
Rentals, property	22,445	14,808
Rentals, equipment	5,015	5,670
Transport	87,945	72,834
Travel Expenses	7,488	5,623
Securitty	14,599	14,131
Other general expenses	35,607	31,554
Total operating expenses	381,380	312,460

17.5. Amortisation, depreciation and impairment

The detail of these expenses included under this entry in the consolidated income statements is as follows:

Thousands of Euro	30th June 2022	30th June 2021
Amortisation of intangible assets (Note 5.3)	5,516	7,770
Depreciation of property, plant and equipment (Note 4)	81,347	73,978
Depreciation of uses rights (Note 5.2)	115,035	110,792
Total amortisation and depreciation	201,898	192,540
Impairment of intangible assets (Note 5.3)	26	25
Impairment of property, plant and equipment (Note 4)	4,641	1,728
Total impairment	4,667	1,753

17.6. Profit/(loss) on disposal of non-current assets

Losses recorded in the first six months of 2022 came mainly from Argentina and Spain (in the same period of the 2021 financial year, they were from store conversions in Brazil).

17.7. Finance income/cost

Details of finance income are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Interest on other loans and receivables	11,635	3,721
Exchange gains (note 17.8)	643	648
Other finance income	9,576	2,737
Total finance income	21,854	7,106

Details of finance cost are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Interest on bank loans	17,427	19,481
Intereses on debentures and bonds	535	3,423
Finance expenses for finance leases	26,791	26,917
Exchange losses (note 17.8)	892	2,030
Other finance expenses	16,639	11,375
Total finance expenses	**62,284**	**63,226**

17.8. Foreign currency transactions

Details of the exchange differences on foreign currency transactions are as follows:

Thousands of Euro	30th June 2022	30th June 2021
Currency exchange losses (note 17.7)	(892)	(2,030)
Currency exchange gains (note 17.7)	643	648
Trade exchange losses	(602)	(3,293)
Trade exchange gains	1,276	3,584
Total	**425**	**(1,091)**

17.9. Profit/(loss) on net monetary position

This caption includes the positive financial effect of the impact of inflation on net monetary position, which amounted to Euros 44.5 million in the first six months of 2022 and Euros 21.2 million in the same period in 2021 (see Note 2.3). The majority of this amount was generated by trade payables.

In Argentina, the gross profit percentage was 13.4% for the first half of 2022 (14.7% for the same period in 2021). The gross profit percentage for the first half of 2022 when isolated from the effect of the application of IAS 29 would be 17.8% (18% in the same period in 2021). The impairment is explained by a higher logistics cost and bigger impact of the COFO commission due to the new investment model and the increased participation of COFO stores. The pure trade margin improvement compared to the previous year due to improved negotiations, however, does not offset the above mentioned negative effects. The method of restating the cost of goods sold is based on the measurement of the initial inventories at the rate corresponding to the period immediately prior to the start of year, in this case December 2021. This is considered an average inventory turnover of 30 days. This methodology means that the restatement adjustment has a greater effect on the cost of goods sold than the rest of the lines in the income statement, with the margin deteriorating because of the application of IAS 29.

17.10. Profit/(loss) of equity-accounted investees

This caption records the result attributable to companies that consolidate under the equity method, with a loss of Euros 39 thousand at 30 June 2022 (profit of Euros 93 thousand at 30 June 2021).

18. COMMITMENTS AND CONTINGENCIES

a) Commitments

Commitments pledged and received by the Group but not recognised in the consolidated statement of financial position comprise contractual obligations which have not yet been executed. The two types of commitments relate to cash and expansion operations. The Group also has lease contracts that represent future commitments undertaken and received.

Off-balance-sheet cash commitments comprise:

- available credit facilities and syndicated loans unused at reporting date;
- bank commitments received.

Expansion operation commitments were undertaken for expansion at Group level.

Itemised details of commitments, in thousands of euro, are as follows:

18.1. Pledged

Thousands of Euro - 30th June 2022	IN 1 YEAR	IN 2 YEARS	3-5 YEARS	>5 YEARS	TOTAL
Guarantees	17	75	1,309	10,129	11,530
Mortgage security	25,296	-	-	-	25,296
Credit facilities to customers (finance companies)	30,543	-	-	-	30,543
Cash	**55,856**	**75**	**1,309**	**10,129**	**67,369**
Purchase options	-	6,636	-	25,827	32,463
Commitments related to commercial contracts	4,576	2,499	1,507	271	8,853
Other commitments	-	-	-	5,835	5,835
Transactions / properties / expansion	**4,576**	**9,135**	**1,507**	**31,933**	**47,151**
Total	**60,432**	**9,210**	**2,816**	**42,062**	**114,520**

Thousands of Euro - 30th June 2021	IN 1 YEAR	IN 2 YEARS	3-5 YEARS	>5 YEARS	TOTAL
Guarantees	164	791	2,299	10,971	14,225
Mortgage security	25,296				25,296
Credit facilities to customers (finance companies)	30,757	-	-	-	30,757
Cash	**56,217**	**791**	**2,299**	**10,971**	**70,278**
Purchase options	-	-	6,636	25,827	32,463
Commitments related to commercial contracts	6,806	3,631	3,603	656	14,696
Other commitments	-	-	-	8,271	8,271
Transactions / properties / expansion	**6,806**	**3,631**	**10,239**	**34,754**	**55,430**
Total	**63,023**	**4,422**	**12,538**	**45,725**	**125,708**

Moreover, minimum payments under non-cancellable leases are as follows:

Thousands of Euro	30th June 2022	31st December 2021
Less than one year	1,000	1,081
Total minimum lease payments, property	**1,000**	**1,081**
Less than one year	1,494	1,354
One to five years	995	897
Over five years	1	1
Total minimum lease payments, furniture and equipment	**2,490**	**2,252**

At 30 June 2022 and 2021, only minimum payments linked to lease agreements not included in the scope of IFRS 16 or not provisioned for as onerous contracts are listed.

Cash and bank guarantees mainly comprise those that secure commitments relating to store and warehouse leases.

Mortgage loans include the value of assets placed as collateral for bilateral loans in DIA Portugal in “commercial paper” and reverse factoring lines (see Note 12).

Purchase options include warehouse options amounting to Euros 31,913 thousand at 30 June 2022, the same as at 30 June 2021.

Sales contract commitments include commitments acquired with franchises regarding compliance with certain conditions and payment obligations in the event of noncompliance by the franchisee with financing operations with third parties.

In addition, the parent has granted guarantees with regards certain obligations with the subsidiary in Portugal, the details of which are as follows:

- Société Générale guarantee for a maximum of Euros 27,170 thousand, maturing on 30 September 2022.
- Société Générale guarantee for a maximum of Euros 13,585 thousand, maturing on 30 September 2022.

18.2. Received:

Thousands of Euro at 30th June de 2022	IN 1 YEAR	IN 2 YEARS	3-5 YEARS	> 5 YEARS	TOTAL
Available credit facilities	98,950	-	-	-	98,950
Available Revolving Credit Facility - Syndicated Financing	24,437	-	-	-	24,437
Available Reverse Factoring	104	-	-	-	104
Available Credit Facility (not included Syndicated Financing)	2,582	-	-	-	2,582
Available Reverse Factoring (not included Syndicated credits)	4,613	-	-	-	4,613
Cash	130,686	-	-	-	130,686
Guarantees received for commercial contracts	13,011	3,260	4,057	47,251	67,579
Other commitments	35	-	-	131	166
Transactions / properties / expansion	13,046	3,260	4,057	47,382	67,745
Total	143,732	3,260	4,057	47,382	198,431

Thousands of Euro at 30th June 2021	IN 1 YEAR	IN 2 YEARS	3-5 YEARS	> 5 YEARS	TOTAL
Available credit facilities	54,744	-	-	-	54,744
Avaible credit facilities may be balanced with reverse factoring	268	-	-	-	268
Available confirming lines (not included in syndicated credits)	2,720	-	-	-	2,720
Cash	57,732	-	-	-	57,732
Guarantees received for commercial contracts	12,183	4,680	4,482	41,967	63,312
Other commitments	-	35	-	131	166
Transactions/ properties/ expansion	12,183	4,715	4,482	42,098	63,478
Total	69,915	4,715	4,482	42,098	121,210

At 30 June 2022, within the framework of the SFA, the SS reverse factoring facility for suppliers of Euros 38,648 thousand was established as the amount granted under the SS supplier tranche (Euros 67,640 thousand at 30 June 2021).

b) Contingencies

The Group is undergoing legal proceedings and tax inspections in a number of jurisdictions, some of which had been completed by the taxation authorities at 30 June 2022 and appealed by Group companies (see Note 14). The Group recognises a provision if it is likely that an obligation will exist at year end which will give rise to an outflow of resources embodying economic profits, provided the outflow can be reliably measured. As a result, management uses significant judgement when determining whether i) the process will likely result in an outflow of resources and ii) when estimating the amount.

Note 13 contains details of legal contingencies and Note 14 includes details of tax contingencies.

19. RELATED PARTIES

Details of related party balances and transactions are as follows:

Related party balances and transactions

Related parties balances at 30 June 2022 and 31 December 2021 are presented in Notes 6.1(c) and 12.2. The balances in both periods are presented below:

Thousands of Euro	30th june 2022	31 December 2021
Horizon	-	4
Commercial debts with other related parties (note 6.1 c)	-	4
ICDC	22	-
LetterOne Group	2,502	1,368
Trade and other payables, other related parties (note 12.2)	2,524	1,368

During the first six months of the 2022 and 2021 financial years, the Group registered the following amounts with its related companies: ICDC, Horizon and LetterOne Group.

Thousands of Euro	30th june 2022	30th june 2021
ICDC	-	(22)
Horizon	85	845
Letterone Group	(2,570)	(8,321)
Total transactions	(2,485)	(7,498)

Transactions with directors and senior management personnel

The directors of the parent during the six-month period ended at 30 June 2022 accrued an amount of Euros 355 thousand as remuneration for the performance of their functions as directors (Euros 307 thousand in the first six months of the 2021 financial year). The variation in the remuneration of the directors with regards the first half of 2021 is essentially the result of the fact that over the last period there were more independent directors on the Board of Directors.

In addition, in application of the remuneration policy approved at the 30 August 2019 Extraordinary General Meeting and the remuneration policy approved at the 7 June 2022 General Meeting of Shareholders, deferred remuneration in shares established for non-proprietary directors amounting to Euros 151 thousand (Euros 125 thousand in the first six months of the 2021 financial year) accrued (see notes 11.4 b) and 15). During the first half of 2022 shares a gross amount of Euros 32 thousand was paid to Mr Jaime García-Legaz Ponce in accordance with the remuneration policy approved by the Board on 7 June 2022.

During the six-month period ending 30 June 2022, the Group recorded salary remunerations accrued by the directors and other senior management personnel amounting to Euros 8,612 thousand (Euros 6,482 thousand during the first six months of the 2021 financial year). The increase is mainly due to the exit of members of Senior Management and a greater number of senior managers compared to the same period in 2021.

At 30 June 2022 and 2021 there were no advances or loans granted to directors or senior management personnel nor any obligations incumbent on them by way of guarantee.

20. OTHER INFORMATION

Employee information

The average headcount of full-time equivalent personnel, distributed by professional category, is as follows:

	30th June 2022	30th June 2021
Management	155	139
Middle management	2,434	2,272
Other employees	32,169	35,301
Total	34,758	37,712

21. EVENTS AFTER THE REPORTING 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 Euros 8.3 million was extended for 12 months.
- The Super Senior Supplier Tranche for an amount of 40 million euros 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.

CONSOLIDATED INTERIM MANAGEMENT REPORT

2022 FIRST HALF GROUP 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-calibre 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' local 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.

2022 FIRST HALF PROFIT/(LOSS)

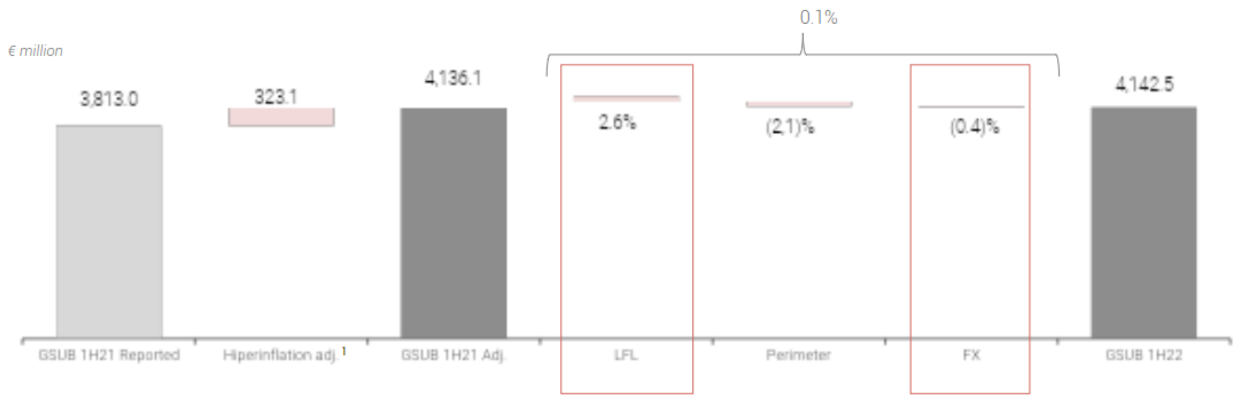
H1 2022 Results (million of euros)	30th June 2022	30th June 2021	Change (%)
Gross sales under banner	**4,142.5**	**4,136.1**	**0.2%**
Like-for-like sales growth (%)	2.6%	-5.0%	n/a
Net sales	**3,465.3**	**3,193.7**	**8.5%**
Cost of goods sold & other income	(2,711.4)	(2,474.7)	9.6%
Gross profit	**753.9**	**719.0**	**4.9%**
Labour costs	(355.3)	(353.1)	0.6%
Other operating expenses & leases	(242.8)	(200.6)	21.0%
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%
Write-offs	(15.0)	(4.1)	265.9%
EBIT	**(98.4)**	**(55.7)**	**76.7%**
Net financial results	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%**

The reconciliation between the EBITDA indicated in the interim financial statements and that indicated in the table above, due to the allocation of logistics costs imputed to the warehouses for their nature and the 2022 and 2021 restructuring costs, is explained in the following table:

(million of euros)	Income statement	Logistics cost	Restructuring and LTIP	Total 30th June 2022
Net sales	**3,465.3**	**-**	**-**	**3,465.3**
Cost of goods sold & other income	**(2,517.3)**	**(194.4)**	**0.3**	**(2,711.4)**
Goods and other consumables used	(2,536.9)	(194.1)	-	(2,731.0)
Other income	20.4	(0.3)	-	20.1
Impairment of trade debtors	(0.8)	-	0.3	(0.5)
Gross profit	**948.0**	**(194.4)**	**0.3**	**753.9**
Labour costs	(443.5)	63.1	25.1	(355.3)
Other operating expenses	(358.9)	130.2	5.0	(223.7)
Leased property expenses	(22.4)	1.1	2.2	(19.1)
Restructuring and LTIP costs	-	-	(32.6)	(32.6)
EBITDA	**123.2**	**-**	**-**	**123.2**

(million of euros)	Income statement	Logistics cost	Restructuring and LTIP	Total 30th June 2021
Net sales	**3,193.7**	**-**	**-**	**3,193.7**
Cost of goods sold & other income	**(2,307.0)**	**(167.8)**	**0.1**	**(2,474.7)**
Goods and other consumables used	(2,322.6)	(167.8)	0.1	(2,490.3)
Other income	14.4	-	-	14.4
Impairment of trade debtors	1.2	-	-	1.2
Gross profit	**886.7**	**(167.8)**	**0.1**	**719.0**
Labour costs	(431.6)	58.7	19.8	(353.1)
Other operating expenses	(297.7)	107.8	2.6	(187.3)
Leased property expenses	(14.8)	1.3	0.1	(13.3)
Restructuring and LTIP costs	-	-	(22.6)	(22.6)
EBITDA	**142.7**	**-**	**-**	**142.7**

Gross Sales Under Brand grew by 0.2%, supported by like-for-like growth of 2.6%, despite a smaller store perimeter of 2.1% and a negative currency effect of 0.4%.



The 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 costs 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 fuel, as well as expenses related to the store remodelling process.

EBITDA fell to 3.6% as a percentage of net sales (4.5% 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.

The following table explains the evolution of adjusted EBITDA over the period:

EBITDA to Adjusted EBITDA reconciliation

(million of euros)	30th June 2022	30th June 2021	Change
EBIT	(98.4)	(55.7)	(42.7)
Depreciation & Amortization	201.9	192.5	9.4
Impairment of fixed assets	4.7	1.8	2.9
Losses on write-down of fixed assets	15.0	4.1	10.9
EBITDA	**123.2**	**142.7**	**(19.5)**
Restructuring costs	29.2	16.9	12.4
Long-term incentive plan (LTIP)	3.4	5.7	(2.3)
IFRS 16 lease effect	(133.1)	(130.8)	(2.3)
IAS 29 hyperinflation effect	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 Euros 40.9 million (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 Euros 3.1 million in absolute terms. If we isolate the above mentioned impacts, adjusted EBITDA would have come to Euros 99.1 million, 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.

Amortisations increased by 27 bp as a percentage of net sales compared to the same period in 2021 (Euros 9.4 million in absolute terms) due to investments made in the new store model.

The net result stood at Euros -104.7 million, at levels very similar to those of the same period in 2021, favoured by the improvement in net financial result of Euros 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.

INFORMATION BY COUNTRY

SPAIN (million of euros)	30th June 2022	%	30th June 2021	%	Change (%)
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%

PORTUGAL (million of euros)	30th June 2022	%	30th June 2021	%	Change (%)
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%

BRAZIL (million of euros)	30th June 2022	%	30th June 2021	%	Change (%)
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%

ARGENTINA (million of euros)	30th June 2022	%	30th June 2021	%	Change (%)
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 in Spain 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 in Spain 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 Euros 43.7 million). Isolating these effects, would have resulted in Euros 88.3 million of adjusted EBITDA, representing a 4.2% margin.

Net sales in Portugal 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 in Portugal 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 Euros 3.8 million which, if treated in isolation, would have increased adjusted EBITDA to Euros 4.8 million, representing a margin of 1.7%, in similar terms to the first half of 2021.

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

Net sales in Argentina 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 in Argentina 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%

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Tax ID number: A-28164754 – Company filed with the Mercantile Registry of Madrid on 9 December 1966 in Companies Volume 2.063, sheet 91, page 11.719

BALANCE SHEET

Balance Sheet (million of euros)	30th June 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	425.8	406.9
Total equity & liabilities	**3,181.6**	**3,070.8**

At 30 June 2022, the balance of shareholder equity in the parent's individual financial statements (the ones used to calculate the statutory dissolution or capital increase obligation) came to Euros 836.1 million (Euros 837.8 million at December 2021), following the capital increase implemented in August 2021.

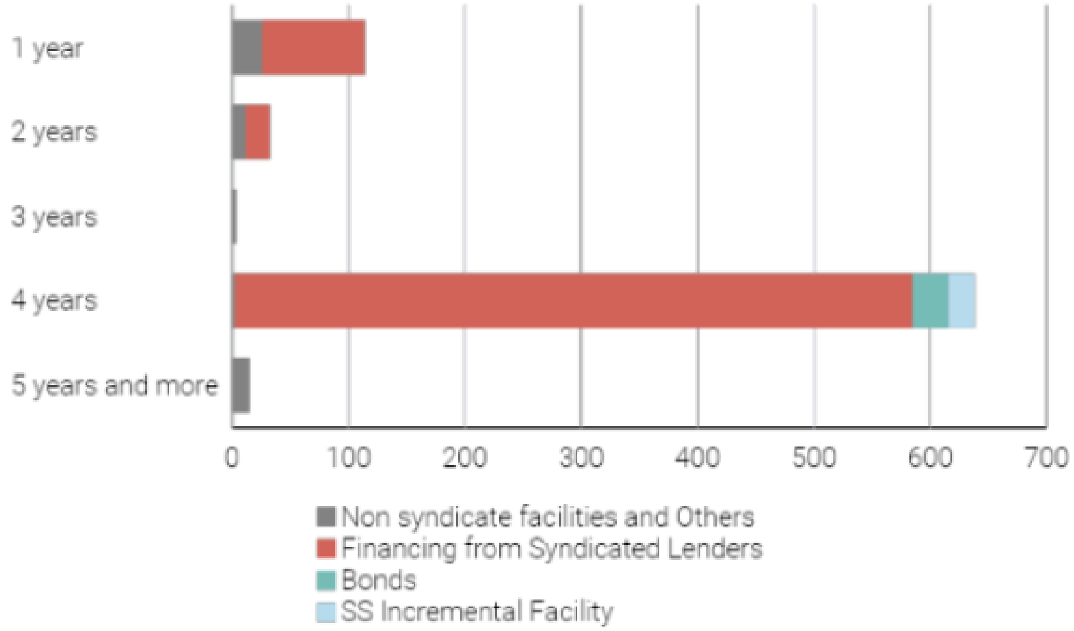
NET DEBT

(million of euros)	30th June 2022	2021	Change
Non-current borrowings	1,052.9	1,023.2	29.7
Current borrowings	306.8	272.5	34.3
Cash & Cash equivalents	(328.0)	(361.1)	33.1
Total net debt	**1,031.7**	**934.6**	**97.1**
IFRS 16 related debt effect	(555.6)	(530.4)	(25.2)
Net financial debt	**476.1**	**404.1**	**71.9**

Total net financial debt grew Euros 71.9 million to Euros 476.1 million due to a strong Capex investment of Euros 134.3 million, partially offset by positive cash generation from operations, the working capital improvement and to a lesser financing expenses. The total net financial debt/adjusted EBITDA ratio was 3.7 times at the close of June 2022 (3.2 at December 2021)

Profile of maturities of gross debt drawn down at 30 June 2022 (excl. IFRS 16): Euros 804.1 million

	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	-	582.7	-	692.5
Bonds	0.2	-	-	30.9	-	31.1
SS Incremental Financing	-	-	-	22.6	-	22.6
Total	**114.6**	**32.7**	**3.5**	**638.3**	**15.0**	**804.1**



(*) Lease payments not included (IFRS16).

AVAILABLE LIQUIDITY

(million of euros)	30th June 2022	2021	Change
Cash and Cash equivalents	328.0	361.1	(33.1)
Available credit facilities	130.7	154.3	(23.6)
Total liquidity	**458.7**	**515.4**	**(56.7)**

Available liquidity amounted to Euros 458.7 million (December 2021: Euros 515.4 million), of which Euros 328.0 million was for cash and cash equivalents and Euros 130.7 million for undrawn bank financing and reverse factoring facilities.

WORKING CAPITAL

(million of euros)	30th June 2022	2021	Change
Inventories (A)	473.4	452.0	21.4
Trade & other receivables (B)	192.3	178.0	14.3
Trade & other payables (C)	1,367.3	1,274.6	92.7
Total working capital (A+B-C)	**(701.6)**	**(644.6)**	**(57.0)**

Working capital improved by Euros 57.0 million, driven by an increase in net sales, better payment conditions and good inventory management during the first half of the year, despite a higher amount of purchases made at the end of June in anticipation of new conflicts in the transport sector.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 local partners with which the Group collaborates and therefore contributes to improving their returns.

The Group had no non-recourse factoring facilities in use at June 2022 or December 2021. The reverse factoring amount stood at Euros 246.8 million at 30 June 2022 (December 2021: Euros 244.0 million).

INVESTMENT (CAPEX)

(million of euros)	30 June 2022	30 June 2021	Change (%)
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 Euros 71.3 million for the Group. The 43 new store openings carried out in H1 represented an investment of Euros 29.8 million, while IT investment totalled Euros 12.5 million. The remaining investment of Euros 20.7 million was recurring business Capex.

NUMBER OF STORES

DIA GROUP	Owned	Franchised	Total
Total stores 31 December 2021	3,227	2,710	5,937
New openings	1	42	43
Net change from franchised to owned stores	-69	69	0
Closings	-189	-58	-247
Total DIA GROUP stores at 30 June 2022	**2,970**	**2,763**	**5,733**

SPAIN	Owned	Franchised	Total
Total stores 31 December 2021	2,191	1,598	3,789
New openings	1	9	10
Net change from franchised to owned stores	-19	19	0
Closings	-72	-41	-113
Total DIA GROUP stores at 30 June 2022	**2,101**	**1,585**	**3,686**

PORTUGAL	Owned	Franchised	Total
Total stores 31 December 2021	202	297	499
New openings	0	0	0
Net change from franchised to owned stores	1	-1	0
Closings	-1	-4	-5
Total DIA GROUP stores at 30 June 2022	**202**	**292**	**494**

BRAZIL	Owned	Franchised	Total
Total stores 31 December 2021	570	167	737
New openings	0	0	0
Net change from franchised to owned stores	-53	53	0
Closings	-111	-10	-121
Total DIA GROUP stores at 30 June 2022	**406**	**210**	**616**

ARGENTINA	Owned	Franchised	Total
Total stores 31 December 2021	264	648	912
New openings	0	33	33
Net change from franchised to owned stores	2	-2	0
Closings	-5	-3	-8
Total DIA GROUP stores at 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 metres, 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 optimisation, converting a net number of 53 own stores into franchises.

EVENTS AFTER THE REPORTING 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 Euros 8.3 million was extended for 12 months.
- The Super Senior Supplier Tranche for an amount of 40 million euros 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.

DEFINITION OF APMs

When preparing the financial information reported internally and externally, DIA's Board of Directors has adopted a series of Alternative Performance Measures (APMs) to gain a better understanding of business performance. These APMs have been selected according to the nature of the Company's business and the APMs commonly used by listed companies in the sector internationally. Nevertheless, these APMs may or may not be totally comparable with those of other companies in the same industry. In any event, these APMs are metrics used by the company in its day-to-day management and are not intended to replace, or be more important than, the measures presented under IFRS regulations.

The purpose of these APMs is to help better understand the underlying performance of the business through comparable information across different periods and geographies. APMs are therefore used by Directors and Senior Management for performance analysis, planning, reporting, and incentive-setting purposes.

Gross Sales Under Banner: Total value of in-store turnover, including indirect taxes (value of sales receipts) in all the Company's stores, both owned and franchised. This concept therefore includes among others:

- Franchisee turnover from sales to end customer. Net Sales record the value of sales of goods by DIA to the franchisee. In addition to the sale of goods and associated discounts and incentives, amounts invoiced as a percentage of the franchisee final sales figure are recorded in net sales for licensed rights and ancillary technical and commercial assistance services, and for the provision for the assignment of commercial use and monthly operation of the 2021 and 2020 franchise models.
- Mobile phone top-up transactions. Net sales only include the amount of commission associated with these transactions.
- Concession turnover from sales to end customer (meat and fish counters among others). In general, the concession-holder makes use of the at the point of sale space for which it is invoiced for a sublease recorded as "other income". In addition, DIA charges a commission to the concession-holder for point-of-sale terminal collection management, which is registered as "net sales". As for the purchase of goods, the concession-holder may purchase goods from a third party or otherwise from DIA. Group net sales include sales of DIA goods to the concession-holder and the collection management fee. Gross sales under banner nonetheless include all sales by the concession-holder to the end customer.

In the case of Argentina, gross sales under banner are adjusted using domestic price inflation to isolate the hyperinflationary effect.

Gross sales under banner is a metric used to monitor turnover at the Group's points of sale compared to its competitors in terms of market share and total sales to the end consumer.

NET SALES TO GROSS SALES UNDER BANNER RECONCILIATION

(million of euros)	30th June 2022	30th June 2021	Change (%)
Net sales	**3,465.3**	**3,193.7**	**8.5%**
VAT	481.8	497.3	-3.1%
Others	195.4	122.0	60.2%
Interim inflation adjustment in Argentina	-	323.1	-100.0%
Total Gross sales under banner	**4,142.5**	**4,136.1**	**0.2%**

The different components of the growth of the gross sales under banner are disclosed below - following adjustment for domestic inflation in Argentina - and include:

a. Comparable Sales Growth (Like-for-Like or "LFL"): the calculation of the LFL sales growth is performed daily and is based on the growth of the gross sales figure under banner for that day compared with the same day of the period being compared and at constant exchange rates, for all those stores that have operated for a period of over twelve months and a day under similar business conditions.

   A store is not considered to have operated under similar business conditions, and therefore does not form part of the LFL calculation basis, in the event that it has been temporarily closed throughout the period considered to carry out refurbishment work or has been significantly affected by objective external causes (e.g. closures related to Covid-19 disinfection tasks, force majeure events such as flooding, among others).

As an illustrative example, if a store opened on 1 October 2020, its sales are excluded from the daily basis for LFL sales until 30 September 2021. From 1 October 2021, store sales will be considered in the basis of the LFL sales calculation, and for the purposes of assessing growth over the same period of the previous year, the store's sales on the same day of the previous year are taken into account. As an additional illustrative example, if a store remains closed for three days during the 2021 financial year for painting and cleaning tasks, the basis for calculation excludes sales by that store on the same days the previous year when it was open.

In addition, as indicated above, the gross sales under banner figures for Argentina were adjusted previously using domestic inflation to reflect the LFL in volume terms, avoiding miscalculations due to hyperinflation.

Like-for-like sales growth is used to analyse sales evolution in one period compared to a previous period for a comparable sales area, isolating the effects of changes in exchange rates.

b. The growth in gross sales is due to changes in store perimeters due to openings and closures during the period.

c. Currency effect growth related to the devaluation or appreciation of the currencies in which the Group operates.

Gross profit: Profit calculated mainly by deducting from Net Sales and Other Income: (i) goods sold and other consumables; (ii) impairment of trade receivables; and (iii) labour costs, other operating expenses and lease expenses related with logistics activities, as per the reconciliation presented in the 2022 Results section of Management Report. This metric is used as an indicator of the return obtained from the sale of goods after deducting the acquisition costs of the goods sold, including the logistics costs incurred to deliver the goods to the point of sale, irrespective of the nature of the cost (labour, other operating costs, etc.).

The Company presents in its Management Report a functional profit and loss account in order first of all to show the operational performance of the activity once the logistics costs required to deliver the goods to the point of sale have been reclassified (including, among others, the cost of warehouse personnel and transport costs), which form part of the Gross Profit, and secondly to be able to isolate the restructuring costs and long-term incentive plans, which are exceptional in nature.

Adjusted EBITDA: Adjusted EBITDA is the net operating result (EBIT) plus amortisation and depreciation, impairment of non-current assets, profit/(loss) on disposal of non-current assets, restructuring costs (as described below), costs related with the long-term incentive programme (LTIP) and the effects of applying IAS 29 and IFRS 16. Note 3 to the consolidated summary interim financial statements includes the reconciliation of adjusted EBITDA with the captions in the consolidated income statement.

OPERATING PROFIT TO ADJUSTED EBITDA RECONCILIATION

(million of euros)	30th June 2022	30th June 2021	Change
Operating profit (EBIT)	(98.4)	(55.7)	(42.7)
Depreciation & Amortization	201.9	192.5	9.4
Impairment of fixed assets	4.7	1.8	2.9
Losses on write-down of fixed assets	15.0	4.1	10.9
EBITDA	**123.2**	**142.7**	**(19.5)**
Restructuring costs	29.2	16.9	12.4
Long-term incentive program (LTIP)	3.4	5.7	(2.3)
IFRS 16 lease effect	(133.1)	(130.8)	(2.3)
IAS 29 hyperinflation effect	28.1	13.2	14.9
Adjusted EBITDA	**50.8**	**47.7**	**3.1**

Restructuring costs comprise costs classified as non-recurrent due to their exceptional nature, either because they arise from events that cannot be controlled by the Company (e.g. costs incurred due to strike action or natural disasters) or because they concern one-off store/warehouse/central office restructuring plans and the procurement of one-off independent advisory services that are strategic to the Group. The main restructuring costs considered by the company are as follows:

- Costs directly associated with scheduled store/warehouse/central office restructuring or closure plans and the conversion of owned stores into franchised stores and vice versa. These costs mainly comprise compensation to staff and penalties for early cancellation of lease agreements.
- Occasionally, other strategic advisory costs such as those associated with drawing up strategic plans or the refinancing of financial debt.

The IFRS 16 effect on rents, worth Euros 133.1 million and Euros 130.8 million in the first six months of 2022 and 2021, respectively, corresponds to costs that would have been accounted for as lease expenses had IFRS16 not been implemented. The difference between these amounts and the payments for leases according to note 12.1 on Financial Debt in the Report on the consolidated summary interim financial statements amounting to Euros 136.8 million and Euros 133.9 million in the first six months of 2022 and 2021, respectively, is due to the fact that the payments include financial leases that were already part of the tangible fixed assets prior to the application of the new standard, as well as adjustments for hyperinflation and others.

RENTALS WITHOUT IFRS 16 APLICATION (million of euros)	30th June 2022	30th June 2021
Rentals without IFRS 16 aplication	**133.1**	**130.8**
Lease payments for financial leases prior to the implementation of the standard	4.6	3.8
Hiperinflation adjustment related to rentals	(1.5)	(0.7)
Others	0.6	-
Lease payments for financial leases (Note 12.1)	**136.8**	**133.9**

The IAS 29 effect represents the impact of hyperinflation in Argentina based on the application of indices and involving the use of the closing exchange rate of the period instead of the average exchange rate, for the conversion of each of the income statement lines to Euros. This effect is adjusted in the calculation of the Adjusted EBITDA as if it were not a hyperinflationary economy and one could therefore evaluate the performance of business unit activity evolution.

The Adjusted EBITDA attempts to explain the Group's operating performance by isolating those non-operational effects that are exceptional in nature or are effects derived from the application of specific accounting regulations (application of IFRS16, IAS 29), restructuring costs and incentive plans.

Capex: Investment calculated as the sum of additions of property, plant and equipment and other intangible assets as described in notes 4 and 5 to the Report on the consolidated summary interim financial statements. Capex is a measure of the Company's investment in fixed assets to contribute to the future growth of its business.

CAPEX RECONCILIATION (million of euros)	30th June 2022	30th June 2021	Change (%)
Additions - Property, plant and equipment	124.3	82.4	50.8%
Additions - Other intangible asset	10.0	4.4	127.3%
Total Capex	**134.3**	**86.8**	**54.7%**

Net financial debt: The Company's financial position is calculated by deducting the total value of cash and cash equivalents and the effect of applying IFRS 16 from the total value of outstanding current and non-current financial debt, as explained in note 12.1 to the Report on the consolidated summary interim financial statements.

NET DEBT RECONCILIATION (million of euros)	30th June 2022	2021	Change
Non-current borrowings	1,052.9	1,023.2	29.7
Current borrowings	306.8	272.5	34.3
Cash & Cash equivalents	(328.0)	(361.1)	33.1
Total net debt	**1,031.7**	**934.6**	**97.1**
IFRS 16 related debt effect	(555.6)	(530.4)	(25.2)
Net financial debt	**476.1**	**404.1**	**71.9**

Net financial debt is an indicator of the Group's financial leverage excluding liabilities related with finance leases that result from applying IFRS 16.

Available liquidity: This is the amount resulting from adding the cash and cash equivalents set out in Note 10 to the Report on the consolidated summary interim financial statements, and the available amount of unused financing facilities and reverse factoring set out in Note 18 to the Report on the consolidated summary interim financial statements. Available liquidity is a metric used to measure the Group's capacity to honour its payment commitments using available liquid assets and finance.

AVAILABLE LIQUIDITY (million of euros)	30th June 2022	2021	Change
Cash and Cash equivalents	328.0	361.1	(33.1)
Available credit facilities	130.7	154.3	(23.6)
Total liquidity	**458.7**	**515.4**	**(56.7)**

Working capital: This is the sum of inventories and trade and other receivables less trade and other payables. Working capital is a metric used to measure the amount of callable assets available to settle the Group's short-term payables in everyday operations.

WORKING CAPITAL (million of euros)	30th June 2022	2021	Change
Inventories (A)	473.4	452.0	21.4
Trade & other receivables (B)	192.3	178.0	14.3
Trade & other payables (C)	1,367.3	1,274.6	92.7
Total working capital (A+B-C)	**(701.6)**	**(644.6)**	**(57.0)**

In the retail sector, this figure tends to be negative given the high rotation of goods in stores and the fact that customer collection periods are very short compared to supplier payment terms.