Registration Document

Distribuidora Internacional de Alimentación, S.A.

July 9, 2021

The following registration document (the "**Registration Document**") has been approved and registered by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("**CNMV**") on July 9 2021.

This Registration Document has been drafted in accordance with Regulation (EU) 2017/1129, of the European Parliament and of the Council of June 14, 2017 and Annex 3 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

The following Registration Document is only a part of the Prospectus and shall be complemented, if applicable, with the respective Securities Note and Summary Note that, during their validity, are registered with the official registries of the CNMV and that may be consulted through the corporate website of Distribuidora Internacional de Alimentación, S.A. (the "**Company**", and together with its subsidiaries, the "**Group**" or "**DIA**") (https://diacorporate.com/operaciones-corporativas) and on the website of the CNMV (www.cnmv.es).

I. INDEX

REGISTRATION DOCUMENT FOR SECONDARY ISSUANCES OF EQUITY SECURITIES

II. RISK FACTORS

A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'.

In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.

The risk factors described below include the material risk factors currently considered by DIA to be specific to the Group and material in the assessment carried out by an investor in order to adopt an informed investment. However, the Company is currently subject to other risks which, due to the fact that they are considered to be of lesser importance or are considered to be generic risks, such as, for example, risk of non-compliance with the General Data Protection Regulation, seasonal peaks in the Group's sector, risk of economic conditions that impact consumers spending, risk related to current and future accounting and taxation rules or principles, risk of legal proceedings and labor dispute, among others, have not been included in this section of the Registration Document, in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017

Risk Factors relating to the Group's Financial Situation

The Company is currently in a negative equity situation due to accumulated losses incurred during the last 3 financial years. If the Capital Increase is not completed at all and the Company's results for the 2021 financial year show losses that reduce its net equity to less than half of its share capital, the Company would be in a legal dissolution cause

As of December 31, 2020, the consolidated net equity of the Group amounted to a negative amount of €697.2 million. As of March 31, 2021, the consolidated equity of the Group amounted to a negative amount of €758.7 million. As of December, 31 2020, the Company's net equity at an individual level was negative in the amount of €41.8 million. As of March, 31 2021, the Company's net equity at an individual level was negative in the amount of €47.9 million.

Such negative equity situation is a consequence of the Company's accumulated losses in the last 3 financial years. In particular, during the last 3 financial years, the Company has incurred the following losses: (i) €352.6 million losses in financial year 2018, (ii) €790.5 million losses in financial year 2019, and (iii) €363.8 million losses in financial year 2020.

In accordance with the Spanish Companies Act, when losses bring a company's individual net equity down to less than half of its share capital, unless the share capital is increased or reduced to offset losses to a sufficient extent, the company is deemed to be in mandatory dissolution cause, in which case its directors must call a General Shareholder's Meeting within two months to approve the dissolution or any other resolution that may be necessary to remove the mandatory dissolution cause. However, article 13 of Law 3/2020, of September 18, 2020, on procedural and organization measures to tackle COVID-19 in the justice system establishes that, solely for the purpose of determining the existence of a mandatory dissolution cause due to losses reducing the Company's net equity below half of the share capital – as stipulated in the Spanish Companies Act (Article 363.1) – those losses incurred in 2020 will not be considered. Consequently, the Company is not currently immerse in a mandatory dissolution cause due to losses.

Nonetheless, such article 13 of Law 3/2020, of September 18, 2020, also provides that if the results for the 2021 financial year show losses that reduce the company's equity to less than half of its share capital, the directors must call a General Shareholder's Meeting within two months to approve the dissolution, unless the share capital is increased or reduced to offset losses to a sufficient extent or other measures are taken to remove the mandatory dissolution cause.

On May 31, 2021, the General Shareholders' Meeting of the Company approved, in the framework of the Comprehensive Transaction (as further described in the risk factor *If the Capital Increase is completed, but the rest of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled, the Group may fail to achieve a stable long-term capital and financial structure*) to carry out a capital increase of up to a maximum effective amount of €1,027.8 million, including nominal and share premium (the "**Capital Increase**"). The Capital Increase is structured in two separate tranches of capitalization of credits and cash contributions:

(i) a tranche of €769.2 million including nominal value and share premium to be subscribed by the Company's major shareholder, L1R Invest1 Holdings S.à r.l. ("**LetterOne**"), by means of set-off of certain credits currently owed by the Company (the "**First Tranche**"); and

(ii) a tranche of up to €258.6 million including nominal value and share premium to be subscribed and paid up by means of cash contributions (the "**Second Tranche**").

For more information regarding the Capital Increase, please refer to section

11.4.3C.

The Capital Increase, whose effectiveness is not subject to any conditions precedent, is expected to be completed and become effective on or around the first half of August 2021, once the relevant Capital Increase public deed has been granted in front of a notary public.

A successful implementation of the Capital Increase would result in the pro-forma net equity of the Group as of March 31, 2021 amounting to (i) a positive amount of €269.1 million at a consolidated level and a positive amount of €979.9 million at an individual Company level in the event of a full subscription of the €1,027.8 million Capital Increase, and (ii) a positive amount of €10.5 million at a consolidated level and a positive amount of €721.3 million at an individual level if the Second Tranche of the Capital Increase is not subscribed at all (which would result in a €769.2 million equity increase corresponding to the First Tranche). Since the Second Tranche of the Capital Increase is not underwritten and its majority shareholder (LetterOne) has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe shares in the Second Tranche, it may be the case that the Second Tranche is not subscribed, whether totally or partially. In any case, if the Capital Increase is completed, the Company would not be in a mandatory dissolution cause, even if the Second Tranche is not subscribed at all.

On the contrary, in the event that the aforementioned Capital Increase is not implemented at all, the consolidated pro-forma equity and the Company’s net equity at an individual level would not change and would therefore continue to be negative, as a consequence of the losses incurred by the Company during the last 3 financial years. As indicated above, pursuant to article 13 of Law 3/2020 of September 18, 2020, if the Company’s individual results of the 2021 financial year show losses that reduce its net equity to less than half of its share capital, the directors would be obliged to call a General Shareholder’s Meeting within two months in order to approve the dissolution, unless the share capital is increased or reduced to offset losses to a sufficient extent or other measures are taken to remove the mandatory dissolution cause. In this regard, as indicated in the risk factor *The Group has consolidated net losses for the quarter ended March 31, 2021 and for the year ended December 31, 2020*, there can be no assurance that losses will not continue or that any profits will be generated in the future.

The Group is highly indebted and a failure to execute the Capital Increase may result in the Group being unable to continue as a going concern

As of December 31, 2020, the Group had a total financial indebtedness of

€2,214.8 million and a Net Financial Debt[1] of €1,276.3 million, with an Adjusted Leverage Ratio[2] of 10.4x. As of March 31, 2021, the Group had a total financial indebtedness of €2,167.0 million and a Net Financial Debt of €1,344.3 million, with an Adjusted Leverage Ratio of 10.3x.

The total financial indebtedness and commercial debt of the Group as of March 31, 2021 is detailed below:

At March 31, 2021 (not audited)	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
2021 Notes and 2023 Notes(1)	601.4 million	305.3 million	-	296.1 million	-	-	-
Senior Facilities – Term Loan and RCF(2)	524.0 million	-	524.0 million	-	-	-	-
Senior Facilities – Credit Lines drawn(2)	176.5 million	-	176.5 million	-	-	-	-
Super Senior Supplier Facility - RCF(2)	3.2 million	3.2 million	-	-	-	-	-
Activated fees	(3.3) million	-	(3.3) million	-	-	-	-
Other loans	233.6 million	10.4 million	223.2 million	-	-	-	-
Other credit facilities drawn down	3.0 million	3.0 million	-	-	-	-	-
Finance lease payables	607.1 million	203.8 million	170.7 million	116.1 million	50.0 million	16.5 million	50.0 million
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.5 million
Other financial debt	9.1 million	8.5 million	0.5 million	-	-	-	-
TOTAL FINANCIAL INDEBTEDNESS	**2,167.1 million**	**535.3 million**	**1,091.6 million**	**412.2 million**	**50.0 million**	**16.5 million**	**61.5 million**
Senior Facilities – Confirming lines	145.0 million	-	145.0 million	-	-	-	-
Super Senior Supplier Facility – Confirming lines	67.6 million	67.6 million	-	-	-	-	-
Other bilateral confirming lines	34.0 million	22.2 million	11.8 million	-	-	-	-
TOTAL CONFIRMING (COMMERCIAL DEBT)	**246.6 million**	**89.8 million**	**156.8 million**	-	-	-	-

(1) The 2021 and 2023 Notes include (a) €600 million in principal, (b) €5.3 million in interest

[1] Net Financial Debt is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.
[2] Adjusted Leverage Ratio is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

expenses, and (c) -€3.9 million in activated fees.

(2) In addition to the abovementioned €703.7 million of syndicated financial debt, the Amended Facilities Agreement also includes the following items:

(i) Senior Facilities confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €145.0 million and Super Senior Supplier Tranche confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €67.6 million; and

(ii) Undrawn credit lines amounting to €56.9 million.

In addition to the financial indebtedness indicated in the table above, DIA Portugal was granted a €35.4 million facility on April 1, 2021.

Completion of the capitalization of credits in the First Tranche of the Capital Increase (without taking into account the Second Tranche) would reduce the Adjusted Leverage Ratio[3] from 10.3x to 4.4x, and would have the following effects on the Group's financial indebtedness with respect to March 31, 2021:

(i) the amounts due under the 2021 and 2023 Notes would be reduced from €601.4 million to €30.8 million, as consequence of (a) the capitalization of €569.2 million in principal, (b) the repayment in cash of interest expenses amounting to €5.3 million, and (c) the cancellation of -€3.9 million in activated fees; and

(ii) the Group's other loans would be reduced from €233.6 million to €33.6 million (as a consequence of the capitalization of LetterOne's €200 million super senior facility).

As such, the Company's financial indebtedness and commercial debt situation following the Capital Increase would be as follows[4]:

Completion of the First Tranche of the Capital Increase	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
2023 Notes	30.8 million	-	-	30.8 million	-	-	-
Senior Facilities – Term Loan and RCF(1)	524.0 million	-	524.0 million	-	-	-	-
Senior Facilities – Credit Lines drawn(1)	176.5 million	-	176.5 million	-	-	-	-
Super Senior Supplier Facility - RCF(1)(2)	3.2 million	-	3.2 million	-	-	-	-
Activated fees	(3.3) million	-	(3.3) million	-	-	-	-

[3] Adjusted Leverage Ratio is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

[4] The financial indebtedness indicated in the table does not include the €35.4 million facility granted to DIA Portugal on April 1, 2021.

Completion of the First Tranche of the Capital Increase	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
Other loans	33.5 million	10.4 million	23.1 million	-	-	-	-
Other credit facilities drawn down	3.0 million	3.0 million	-	-	-	-	-
Finance lease payables	607.1 million	203.8 million	170.7 million	116.1 million	50.0 million	16.5 million	50.0 million
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.5 million
Other financial debt	9.1 million	8.5 million	0.5 million	-	-	-	-
TOTAL FINANCIAL INDEBTEDNESS	**1,396.3 million**	**226.8 million**	**894.7 million**	**146.9 million**	**50.0 million**	**16.5 million**	**61.5 million**
Senior Facilities – Confirming lines	145.0 million	-	145.0 million	-	-	-	-
Super Senior Supplier Facility – Confirming lines	67.6 million	-	67.6 million	-	-	-	-
Other bilateral confirming lines	34.0 million	22.2 million	11.8 million	-	-	-	-
TOTAL CONFIRMING (COMMERCIAL DEBT)	**246.6 million**	**22.2 million**	**224.4 million**	-	-	-	-

(1) In addition to the abovementioned €703.7 million of syndicated financial debt, the Amended Facilities Agreement also includes the following items:

(i) Senior Facilities confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €145.0 million and Super Senior Supplier Tranche confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €67.6 million; and

(ii) Undrawn credit lines amounting to €56.9 million.

(2) On June 17, 2021, the Syndicated Lenders extended the maturity of the Super Senior Supplier Facility to July 2022.

Failure by the Company to implement the Capital Increase for any reason would result in the Company not capitalizing credits amounting to a total of €769.2 million, which may in turn result in the Group being unable to continue as going concern due to its significant short-term debt maturities.

If the Capital Increase is completed, but the rest of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled, the Group may fail to achieve a stable long-term capital and financial structure

On March 25, 2021, the Company reached an agreement with Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bank of America Europe, DAC, Bankia, S.A., Barclays Bank, PLC, Barclays Bank Ireland, PLC, Caixabank, S.A., Deutsche Bank, S.A.E., Ing Bank N.V. Sucursal en España, J.P. Morgan AG, Morrigan Lending DAC, Burlington Loan Management DAC, Cross Ocean AGG Company I, S.à r.l, Deutsche Bank AG, Luxembourg branch – Acting as Postbank Luxembourg – a brand of Deutsche Bank AG, Luxembourg branch and Société Générale, Sucursal en España (the "**Syndicated Lenders**") providing a path for a comprehensive refinancing and recapitalization transaction aimed at ensuring achieving a stable long-term capital and financial structure for the Company and its group (the "**Comprehensive Transaction**").

The Comprehensive Transaction, once effective, will involve the amendment and restatement of the Group's current €973.2 million syndicated facilities agreement (the "**Amended Facilities Agreement**"), which includes (i) the €902.4 million senior facilities (which in turn include €524.0 million in revolving credit facilities (RCF) and term loans, €176.5 million in drawn credit lines, €145.0 million in confirming lines and €56.9 million in undrawn credit lines) (the "**Senior Facilities**"), and (ii) the €70.8 million super senior supplier facility (which in turn includes €3.2 million in revolving credits facilities (RCF) and €67.6 million in confirming lines) (the "**Super Senior Supplier Tranche**") into a new and restated syndicated facilities agreement (the "**New Facilities Agreement**"), in order to:

(i) extend the maturity date of the €902.4 million Senior Facilities from March 31, 2023 to December 31, 2025;

(ii) repay, subject to certain events, (a) €35 million of the Super Senior Supplier Tranche (€1.6 million in Super Senior Supplier Facility RCF and €33.4 million in Super Senior Supplier Facility confirming lines) upon the effectiveness of the Comprehensive Transaction (expected to happen in the first half of August 2021 or shortly thereafter), and (b) the rest of the Super Senior Supplier Tranche (that is €1.6 million in Super Senior Supplier Facility RCF and €34.2 million in Super Senior Supplier Facility confirming lines) by no later than July 17, 2022;

(iii) repay, subject to certain events, (a) €25 million of the Senior Facilities on March 31, 2023 and (b) €25 million of the Senior Facilities on March 31, 2024; and

(iv) amend other terms and conditions of the Amended Facilities Agreement (as further detailed in section 11.4.3B).

The effectiveness of the Comprehensive Transaction (and as such of the New Facilities Agreement), is subject to the fulfillment of the following conditions precedent on or before October 29, 2021:

(i) evidence of the amendment of the terms and conditions of the Company's outstanding notes 0.875% Euro Medium Term Notes maturing on April 6, 2023 (the "**2023 Notes**") which are held by noteholders other than

LetterOne, and which amount to €30.8 million, to:

a) extend their maturity date from April 6, 2023 to no earlier than June 30, 2026; and

b) increase the coupon from the date of the amendment to 3.5% per annum, that is, 3% in cash and 0.50% PIK (payment in kind which is only due on the maturity date of the notes) plus an additional increase in interest of 1% PIK in certain circumstances where it is applicable under the New Facilities Agreement.

On April 20, 2021, the 2023 Notes noteholder's meeting approved the aforesaid amendment of the 2023 Notes (which will only become effective if and once the Comprehensive Transaction has been closed), which will remain listed in the Irish Stock Exchange.

As such, this condition precedent has already been satisfied;

(ii) evidence that the Company has repaid the outstanding principal amount in respect of the 2021 Notes not held by LetterOne (amounting to €7.4 million). On April 28, 2021, DIA repaid the outstanding principal amount in respect of the 2021 Notes not held by LetterOne.

As such, this condition precedent has been satisfied;

(iii) evidence of the discharge by means of the issuance of shares of those credits amounting to €769.2 million currently owed by the Company to LetterOne which are projected to be capitalized in the Capital Increase;

This condition precedent has not been fulfilled. However, the Capital Increase, whose effectiveness is not subject to any conditions precedent, is expected to be completed and become effective around the first half of August 2021, once the relevant Capital Increase public deed has been granted in front of a notary public;

(iv) evidence, to the satisfaction of the Company, that each Syndicated Lender under the existing bilateral facilities and credit lines (which part of the Group's "other loans") entered into by the Company or its affiliates with certain Syndicated Lenders or their affiliates (the "**Bilateral Facilities**") has committed to consider and negotiate in good faith a potential further extension of the maturity date from its current maturity date.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(v) evidence that the ancillary facilities under the Senior Facilities (which are a part of the RCF lines) are documented have been amended to reflect the amendments agreed in the New Facilities Agreement.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(vi) execution of an ad hoc refinancing framework agreement for the sole purposes of filing (after the effectiveness of the Comprehensive Transaction) for the *homologación judicial* in Spain of such ad hoc refinancing agreement.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(vii) extension and ratification of the Group's existing security package in favor of the Syndicated Lenders (such security package is further detailed in section 11.4.3C).

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter); and

(viii) other customary conditions precedent in this type of agreements (such as execution, notarization and delivery of certain documentation and confirmation that no event of default has occurred and is continuing).

These conditions precedent are expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter).

In this regard, since the 2023 Notes holders' meeting has already approved the relevant maturity extension and amendment of coupon, and the Company's General Shareholders' Meeting has already approved the Capital Increase, those conditions precedent which have not yet been fulfilled are expected to be mere formalities, which the Company expects to be swiftly fulfilled in early August 2021, shortly after the completion of the Capital Increase.

The fulfillment of all conditions precedent and the effectiveness of the Comprehensive Transaction would essentially have the following effects with respect to Company's financial indebtedness and commercial debt as of March 31, 2021:

(i) extension of the maturity of the €902.4 million Senior Facilities (which include €524.0 million in revolving credit facilities (RCF) and term loans, €176.5 million in drawn credit lines, €145.0 million in confirming lines and €56.9 million of undrawn credit lines) from March 31, 2023 to December 31, 2025;

(ii) repayment subject to certain events, of (a) €35 million of the Super Senior Supplier Tranche (€1.6 million in Super Senior Supplier Facility RCF and €33.4 million in Super Senior Supplier Facility confirming lines) upon the effectiveness of the Comprehensive Transaction (expected to happen in the first half of August 2021 or shortly thereafter), and (b) the rest of the Super Senior Supplier Tranche (that is €1.6 million in Super Senior Supplier Facility RCF and €34.2 million in Super Senior Supplier Facility confirming lines) by no later than July 17, 2022;

(iii) repayment, subject to certain events, of (a) €25 million of the Senior Facilities on March 31, 2023 and (b) €25 million of the Senior Facilities on March 31, 2024; and

(iv) extension of the maturity of those 2023 Notes not held by LetterOne (amounting to €30.8 million) from April 6, 2023 to June 30, 2026 (which, for the avoidance of doubt, will be the only 2023 Notes which remain listed in the Irish Stock Exchange).

As such, in that scenario, the Group's financial indebtedness situation following the effectiveness of the Comprehensive Transaction would be as follows[5]:

Completion of the Comprehensive Transaction	**Total**	**Current 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**>5 years**
2023 Notes	30.8 million	-	-	-	-	-	30.8 million
Senior Facilities – Term Loan and RCF(1)	524.0 million	-	25.0 million	25.0 million	-	474.0 million	-
Senior Facilities – Credit Lines drawn(1)	176.5 million	-	-	-	-	176.5 million	-
Super Senior Supplier Facility - RCF(1)(2)	1.6 million	-	1.6 million	-	-	-	-
Activated fees	(3.3) million	-	-	-	-	(3.3) million	-
Other loans	33.5 million	10.4 million	23.1 million	-	-	-	-
Other credit facilities drawn	3.0	3.0	-	-	-	-	-

[5] The financial indebtedness indicated in the table does not include the €35.4 million facility granted to DIA Portugal on April 1, 2021.

Completion of the Comprehensive Transaction	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
down	million	million					
Finance lease payables	607.1 million	203.8 million	170.7 million	116.1 million	50.0 million	16.5 million	50.0 million
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.5 million
Other financial debt	9.1 million	8.5 million	0.5 million	-	-	-	-
TOTAL FINANCIAL INDEBTEDNESS	**1,394.8 million**	**226.8 million**	**220.9 million**	**141.1 million**	**50.0 million**	**663.7 million**	**92.3 million**
Senior Facilities – Confirming lines	145.0 million	-	-	-	-	145.0 million	-
Super Senior Supplier Facility – Confirming lines	34.2 million	-	34.2 million	-	-	-	-
Other bilateral confirming lines	34.0 million	22.2 million	11.8 million	-	-	-	-
TOTAL CONFIRMING (COMMERCIAL DEBT)	**213.2 million**	**22.2 million**	**46.0 million**	-	-	**145.0 million**	-

(1) In addition to the abovementioned €702.1 million of syndicated financial debt (after the amortization of €1.6 million of Super Senior Supplier Tranche RCF lines upon the completion of the Comprehensive Transaction), the Amended Facilities Agreement also includes the following items:

(i) Senior Facilities confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €145.0 million and Super Senior Supplier Tranche confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €34.2 million (after the amortization of €33.4 million of Super Senior Supplier Tranche confirming lines upon the completion of the Comprehensive Transaction); and

(ii) Undrawn credit lines amounting to €56.9 million.

(2) On June 17, 2021, the Syndicated Lenders extended the maturity of the Super Senior Supplier Facility to July 2022. Notwithstanding the foregoing, the Company and the Syndicated Lenders agreed, as part of the Comprehensive Transaction, the early amortization of €35 million of the Super Senior Supplier Tranche upon the effectiveness of the Comprehensive Transaction.

If the Capital Increase is completed, but any of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled on or before October 29, 2021 and the Comprehensive Transaction (and therefore the New Facilities Agreement) does not become effective the Group would be able to continue as a going concern but, (i) the Group may fail to achieve a stable long-term capital and financial structure, (ii) the Group would not benefit from the provisions of the New Facilities Agreement, and in particular from the maturity extension and the additional credit line (as further detailed in section 11.4.3B), (iii) the Group would not eliminate its medium term refinancing risk (as it would have to face significant maturities during financial year 2023), and (iv) the Group may not be able to access debt financing markets on normalised terms, which could have a material adverse effect on the Group's business, operating results, financial condition or prospects.

The Group is subject to negative covenants and financial covenants

The Amended Facilities Agreement (currently in force) and the New Facilities Agreement (which will only become effective if and once the conditions precedent for the effectiveness of the Comprehensive Transaction have been fulfilled) include the same customary negative covenants. These include restrictions on the Company's ability to grant liens or security interests on assets, sell or dispose certain assets, enter into sale/leaseback transactions, change the Group's line of business, merge and consolidate with other companies, enter into transactions with affiliates, and make restricted payments (including dividends, redemptions, repayments and prepayments of loans with members of the Group).

Additionally, both the Amended Facilities Agreement and the New Facilities Agreement contain the same financial covenants:

(i) a capex covenant, under which the Company's capex allocation cannot exceed more than 112.5% of the aggregate amounts of capex decided by the Company and included in its current business plan (which has not been made public, but which, under the Amended Facilities Agreement, was delivered to DIA's Syndicated Lenders) (the "**Current Business Plan**"), that is, a maximum deviation of €187 million in total capex allocation for the period from January 1, 2020 to December 31, 2023 (as of December 31, 2020, the Company complied with this covenant);

(ii) a restructuring costs covenant, which is fixed at 120% of the aggregate amounts of restructuring costs decided by the Company and included in its Current Business Plan, that is, a maximum deviation of €23.3 million for the period from 1 January 2020 to December 31, 2023 (as of December 31, 2020, the Company complied with this covenant); and

(iii) a maximum restricted leverage ratio covenant (calculated in a different manner to the Company's Adjusted Leverage Ratio), which is measured on June 30 and December 31 of each year. Deviation is set at up to 35% of the Restated Total Net Debt / Restated EBITDA (as these terms are defined in the Amended and New Facilities Agreements) ratio forecast in the Current Business Plan (as of December 31, 2020, the Company complied with this covenant). The Current Business Plan included the following limits:

Thousands of Euro	2020	2021	2022	2023
Covenant Level	1,025.9x(1)	14.2x	5.6x	4.2x

(1) In the 2020 financial year, the Company's Restated EBITDA (as this term is defined in the Amended and New Facilities Agreements) was very low, which is the reason why the 2020 restated leverage ratio covenant was so high in comparison with other financial years.

Failure to satisfy any of the above covenants could trigger an event of default under the Amended Facilities Agreement or the New Facilities Agreement (once it becomes effective and replaces the Amended Facilities Agreement) and the obligations thereunder may be accelerated and the lending commitments terminated. Under these circumstances, the Group may face a cash shortfall as a result of which it may be unable to maintain its existing operations and continue as a going concern.

The Group operates with a negative working capital, and if the Capital Increase is not implemented its ability to perform its short term liquidity requirements may be adversely affected

The Group operates with negative Working Capital[6] amounting to €1,009.6 million and €1,047.5 million as of December 31, 2020 and March 31, 2021, respectively[7].

As explained above, the Capital Increase includes a capitalization of credits under the First Tranche in an amount of €769.2 million and therefore its successful implementation (which is expected for the first half of August 2021) will reduce the Group's current short-term liabilities by an amount of €300.0 million (of which €292.6 million corresponds to the 2021 Notes held by LetterOne and €7.4 million to the loan granted by LetterOne to finance (or refinance) the principal amount under those 2021 Notes held by noteholders other than LetterOne), resulting in a working capital in a negative amount of €747.5 million.

Although the Company considers that its negative working capital is structural to the distribution sector, given that retailers can sell their products to their customers before they have to pay the supplier's invoices, in the event that the Capital Increase is not implemented at all and the negative working capital of the Company remains at the same level, the Company's ability to perform its short term liquidity requirements and its obligations with suppliers and providers may be adversely affected.

[6] Working Capital is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

[7] These figures differ from the "Trade Working Capital" figures included in the 2020 and Q1 2021 Financial Statements, since they are calculated differently.

The Group has consolidated net losses for the quarter ended March 31, 2021 and for the year ended December 31, 2020

As of December 31 2020 the consolidated loss of the Group amounted to €363.8 million, primarily attributable to losses from operating activities and financial losses, among other things:

(i) operating losses amounting to €182.1 million, resulted primarily from costs related to goods and other consumables used, personnel expenses, operating expenses and depreciation and amortization expenses[8] exceeding the sales revenues in €111.6 million, together with €26.4 million of impairment of non-current assets, €12.9 million impairment of trade debtors and €31.1 million losses on disposal of assets mainly related to the remodeling and closure of stores in Brazil and

(ii) financial losses amounting to €169.8 million that include €84.7 million of negative currency losses resulting mainly from the devaluation of the Brazilian Real, €59.9 million of financial expenses for financial leases related to IFRS 16, €48.3 million interest expenses, €23.6 million of other financial expenses, €10.7 million financial income, €36.1 million which includes the positive financial effect of the impact of inflation on monetary assets in Argentina (IAS 29) and €0.1 million losses related to the consolidation of companies accounted under the equity method and

(iii) income tax expense of €11.9 million

As of March 31, 2021, the consolidated net losses amounting €63.8 million were primarily attributable to losses from operating activities, among other things:

(i) operating losses amounting to €42.6 million resulted primarily from costs related to goods and other consumables used, personnel expenses, operating expenses and depreciation and amortization expenses[9] exceeding the sales revenues in €40.2 million, together with €0.4 million of impairment of non-current assets, €0.1 million reversal of impairment of trade debtors and €2.1 million losses on disposal of assets and

(ii) financial losses amounting to €19.8 million mainly related to interest expenses; and

(iii) income tax expenses of €1.4 million.

[8] Such expenses include depreciation and amortization of €426.5 million, include €237.3 million related to depreciation of rights of use (IFRS16), €172.8 million to depreciation of property, plant and equipment, and €16.4 million to depreciation of intangible assets;
[9] Such expenses include depreciation and amortization of €96.2 million; include €55.1 million related to depreciation of rights of use (IFRS16), €37.3 million to depreciation of property, plant and equipment, and €3.8 million to depreciation of intangible assets.

As such, there can be no assurance that the Group losses will not continue or that the Group will be able to generate profits in the future. The Group may not be able to succeed in increasing its revenue sufficiently to offset the expenses required to operate its business.

The Group could face a delay in the implementation of its Current Business Plan in case of an incomplete subscription of the Second Tranche of the Capital Increase

Under the Company's Current Business Plan, which was last updated on December 2020, the Company is expected to face CAPEX expenses for year 2021 in an amount ranging from €175 million to €225 million (as of May 2021 CAPEX amounted to €62.3 million). In the event of a complete subscription of the Second Tranche of the Capital Increase, the Company would be able to timely execute its Current Business Plan and the CAPEX expenses would be accelerated.

However, in the event of an incomplete subscription of the Second Tranche of the Capital Increase, the Company's ability to carry out the projected CAPEX investments required to execute its Current Business Plan timely could be adversely affected, especially if the level of subscription under the Second Tranche of the Capital Increase is low or very low, in which case the implementation of the Company's Current Business Plan could be delayed or impaired.

Since the Second Tranche of the Capital Increase is not underwritten and its majority shareholder (LetterOne) has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe shares in the Second Tranche, it may be the case that the Second Tranche is not subscribed, whether totally or partially.

The Group is subject to risks associated with foreign currency

As a result of the Group's international operations, a substantial portion of the Group's expenses and revenues are incurred in foreign currency. As noted above, in the quarter ended March 31, 2021, 24.0% of the Group's sales originated outside the euro area (*i.e.* 12.6% from Argentina and 11.4% from Brazil). Specifically, the Group's operations in Brazil and Argentina are conducted in local currencies and, as such, it generates a portion of its revenue, and incurs a portion of its expenses in Brazilian Reais and Argentinian Pesos. In addition, the Group has several investments in foreign operations, the net assets of which are exposed to currency risk.

All of the Group's operations conducted in Brazilian Reais and Argentinian Pesos are translated into Euro at the applicable exchange rates or are translated at year-end rates. In translating these results into Euros, the Group is subject to translation risk whereby increases or decreases in the value of the Euro with respect to those currencies can have a significant effect on the Group's financial performance. The Group has significant exposure to fluctuations of the Euro against the Brazilian Reais and Argentinian Pesos, which have recently been subject to market volatility and such exchange rate risk is higher in hyperinflationary economies like Argentina.

Currency risk affecting net assets of the Group's foreign operations in Brazilian Reais and Argentinian Pesos is mitigated primarily through borrowings in the corresponding foreign currencies. Besides this natural hedging, the Group has no other hedging strategies in place.

However, certain liabilities held by non-Euro countries where the Group operates are arranged in Euros and as a result the Group's results could be adversely affected if the Euro strengthens against non-Euro currencies. As of December 31, 2020 and March 31, 2021, intra-Group financing denominated in Euro between the Company and the subsidiaries located in Brazil and Argentina amounted to €24 million and €14.4 million, respectively. Additionally, as of December 31, 2020 the Brazilian subsidiary had bank loans denominated in Euro totaling €35.4 million.

As of December 31, 2020, exchange differences in the consolidated income statement amounted to €84.7 million losses as stated in Note 19.7 of the Group´s audited consolidated annual accounts (the "**2020 Financial Statements**") and are mainly related to the depreciation of the Brazilian Reais. These losses include €75.1 million of negative currency effect resulting from the devaluation of the Brazilian Reais in the period, of which €57.3 million (76.3%) came from Euro denominated intra-Group structural financing provided to DIA Brazil primarily by the Company, and the remaining €17.8 million (23.7%) from Euro denominated bank loans held by the Brazilian subsidiary. As of March 31, 2021, exchange differences were reduced to €3.0 million losses due to an active foreign currency risk management.

In relation to the translation differences included in equity, the accumulated amount totaled negative €124.3 million as of December 31, 2020 of which €77.0 million were related to Argentina (including €69.3 million of the currency effect derived from its initial consideration as a hyperinflationary economy on January 1, 2019) and €47.3 million to Brazil. As of March 31, 2021 the accumulated translation differences amounted negative €122.0 million (€67.9 million related to Argentina and €54.1 million to Brazil). Changes in translation differences, if the Brazilian Reais had been devalued/appreciated by 10%, would have been +/- 51.34% as of December 31, 2020 and +/- 17.34% as of March 31, 2021, respectively. Changes in translation differences if the Argentinian Peso had been devalued/appreciated by 10% as of December 31, 2020 would have been +/- 6.61% and +/-6.62% as of March 31, 2021, respectively.

The Group is subject to variable interest rate risks, as interest rate fluctuations could affect the finance cost of current borrowings and non-current borrowings issued at variable rates

The Group's interest rate risk arises from interest rate fluctuations that affect the finance cost of current borrowings and non-current borrowings issued at variable rates.

As of March 31, 2021 the Group’s only fixed rate indebtedness were the €300 million 1.000% Euro Medium Term Notes maturing on April 28, 2021 (the “**2021 Notes**”) and the 2023 Notes (€300 million 0.875% Euro Medium Term Notes maturing on April 6, 2023). The rest of the Company’s financial indebtedness is variable rate indebtedness.

As such, as of March 31, 2021 the variable-rate debt as a percentage of the volume of Average Gross Debt[10] totaled 61.54% (60.90% as of December 31, 2020).

In the event of a 0.5 percentage point rise in interest rates, the Group’s profit after tax would decrease by €1 million as of December 31, 2020 and would have decreased by €1.3 million as of March 31, 2021.

[10] Average Gross Debt is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

Risk Factors relating to the Group's business and operations

The Group is subject to risks associated with its international markets volatility

The Group operates directly in four countries, Spain, Portugal, Brazil and Argentina, and in the quarter ended March, 31, 2021, it derived 33.5% of its revenues from sales outside of Spain, 9.5% from Portugal, 12.6% from Argentina and 11.4% from Brazil).

The Group's exposure to international markets volatility is centered around its business in Brazil and Argentina. Brazil is a country where economic growth has slowed and Argentina is an economy which has suffered economic, social and/or political instability or hyperinflation, where the ability to repatriate funds has been significantly delayed or impaired in recent years and where there is high volatility in currency exchange rates. Current government economic and fiscal policies in these two economies, including stimulus measures and currency exchange rates and controls, may not be sustainable and, as a result, the Group's sales or profits related to those countries may decline. As such, the Group's operations in Brazil and Argentina requires significant resources and management attention and subjects it to political, economic and regulatory risks. These include:

- consumer preferences and local market conditions in Brazil and Argentina;
- competition from established companies in Brazil and Argentina;
- the impact of local tax, zoning, land use and environmental rules and regulations on the Group's ability to build or acquire new facilities in Brazil and Argentina;
- developing food and safety standards in Brazil and Argentina;
- changes in Brazilian and Argentinian laws and policies affecting trade and investment;
- increases in the cost of foreign labor and international transportation and freight in Brazil and Argentina;
- the instability of Brazilian and Argentinian economies and governments;
- lack of developed infrastructure in Brazil and Argentina;
- inflation (including hyperinflation) or recession in Argentina;
- devaluations or fluctuations in the value of the Brazilian Reais and Argentinian Pesos;

- reduced protection of intellectual property rights in Brazil and Argentina; and

- expropriation of assets or forced relocations of operations in Brazil and Argentina.

Any of the aforementioned risks associated with operating internationally could have a material adverse effect on the Group's business, operating results, financial condition and prospects.

Commercial discounts applied to suppliers

The Company's cost of goods sold is reduced by discounts of various kinds depending on the commercial conditions agreed with the suppliers. Some discounts are fixed and others are variable, the application of which is subject to the accumulated volume of purchases during a contractually established period or to the volume of sales made by the Company in its stores of the corresponding suppliers' items.

The aforementioned discounts are negotiated with all suppliers. Since the Group has no supplier concentration, as none of the Group's suppliers provide the Group with more than 3.64% of the total products acquired from suppliers.

There is a risk of inaccuracy in the amount of the net merchandise consumption expense recorded, in the event that the discount applied does not correspond to the conditions effectively agreed with the supplier. In these circumstances, the proper recognition of the aforementioned expense requires the Company to reliably estimate the degree of compliance with the conditions entitling the discount. In addition, during 2018 the Company identified irregular accounting practices that led to a review of the amount of discounts that were applied in year 2017 that were not earned in that reporting period. As a result of such review, equity for 2017 was reduced by €68 million, and the cost of goods and other consumables used for 2018 were reduced by that same amount.

Even if the Group has implemented control mechanisms to mitigate this risk, there is no assurance that such mechanisms may succeed or that similar irregularities may occur in the future, which could result in the Group's reporting being incorrect.

The Group's success depends substantially on the value of its brand and reputation

The Group's success is substantially dependent upon its ability to maintain and enhance the value of its brand, improve customer loyalty and forge a positive relationship with its franchisees and suppliers.

The Group believes that it has built a solid reputation as a food retailer, franchisor, socially responsible corporation and employer, and believes that its continued success depends on its ability to preserve, grow and leverage the value of its brand. Brand value is based largely on perceptions of subjective qualities, and even isolated incidents can erode trust and confidence, particularly if they result in adverse publicity, governmental investigations or litigation, which can negatively impact these perceptions and the Group's business.

Some of these incidents may relate to the quality of the Group's private label products, unreliable or low-quality customer service, poorly kept stores, the loss and unauthorized disclosure of personal information, the way the Group manages its relationships with franchisees and suppliers and the Group's growth strategy. Other incidents that could be damaging to the Group's brand may arise from events, some of which are beyond its control, such as: (i) actions taken (or not taken) by the Group or one or more franchisees or their employees relating to health, safety, welfare or otherwise; (ii) data security breaches or fraudulent activities associated with the Group's or its franchisees' electronic payment systems; (iii) litigation and legal claims; (iv) regulatory claims; (v) financial misconduct; (vi) third-party misappropriation, dilution or infringement of the Group's intellectual property; and (vii) illegal activity targeted at the Group or others.

Consumer demand for the Group's products and services, and the value of its brand could diminish significantly if any such incidents erode consumer confidence in the Group or its products or services, including its private label, which would likely result in fewer sales. This is especially relevant, as the Group's private label brands are present in all the countries in which it operates and represent a high percentage of total sales, accounting for 31.8% of the Group's total sales, 32.6% of total sales in Spain, 35.2% in Portugal, 25.1% in Brazil and 33% in Argentina for the year ended December 31, 2020. As at December 31, 2020, the Group had approximately 6,946 private label products. As of March 31, 2021, the Group's private label brands represent the following percentages of total sales, accounting for 31% of the Group's total sales, 32.5% of total sales in Spain, 33.9% in Portugal, 25.1% in Brazil and 26.1% in Argentina. As at March 31, 2021, the Group had approximately 6,354 private label products. The reduction in private label products from December 31, 2020 to March 31, 2021 is due to the closing of the Group's Clarel business in Portugal during Q1 2021.

The Group is exposed to a variety of risks associated with its franchised stores

The Group operates its stores either (i) directly ("**CO-CO**", *Company Owned – Company Operated*), where the Company holds the corresponding ownership of the property right, lease agreement or surface right and also operates the store, or (ii) indirectly under a franchise scheme, which also includes two separate models:

(a) ("**CO-FO**", *Company Owned – Franchise Operated*), where stores are operated by third parties pursuant to a franchise agreement and the corresponding ownership of the property right, lease agreement or surface right is held by the Company and (b) ("**FO-FO**", *Franchise Owned – Franchise Operated*) where stores are operated by third parties pursuant to a franchise agreement and the corresponding ownership of the property right, lease agreement or surface right also held by the franchisee.

As of March 31, 2021, the Group had approximately 6,100 total stores (6,169 as of December 31, 2020), out of which approximately (i) 3,530 (3,487 as of December 31, 2020) were "CO-CO", (ii) 530 (549 as of December 31, 2020) were FO-FO, and (iii) 2,040 (2,133 as of December 31, 2020) were CO-FO.

As of March 31, 2021, the stores operated under franchise agreements (CO-FO and FO-FO) represented 42.1% (43.5% as of December 31, 2020) of the Group's worldwide store network at that date. Sales related to franchises (CO-FO and FO-FO) at Group level amount to 31.8% as of March 31, 2021 (31.7% as of December 31, 2020).

Under the franchise agreements, the franchisees have to follow the Group's guidelines when selecting the products sold within the stores operated under a franchise scheme. The main goal of the Group's franchise business model is that the customers do not notice any differences between a store directly operated by the Company and a store operated under a franchise scheme. However, there is a risk that franchisees do not follow all of the Group's guidelines. In order to mitigate such risk, the Group does not concentrate a relevant amount of franchises in favor of the same franchisees.

In this regard, the Group's franchise business model exposes it to a number of risks, any one of which may impact the revenues collected from its franchisees, may harm the goodwill associated with the DIA brand, and may otherwise have a material adverse effect on the Group. While the Group's franchisee revenues are not concentrated among one or a small number of franchisees, the success of the Group's business is significantly affected by its ability to maintain contractual relationships with profitable franchisees.

Failure to obtain, retain, and/or refurbish suitable store sites could adversely affect the Group

As a leading proximity grocery retailer, the Group monitors its geographical footprint on an ongoing basis to identify locations where it would be desirable to open a new store. The Group's ability to obtain sites for new stores is dependent on identifying and entering into leases on commercially reasonable terms for properties that are suitable for its needs.

As of December 31, 2020 the Group held 6,430 operating leases for its stores and warehouses (one store may have several lease agreements if it is located in more than one plot of land). As of March 31, 2021 the Group held 6,391 operating leases for its stores and warehouses. The average length of the Group's leases is between 20 and 30 years.

There are 462 store leases that are set to expire before June 30, 2022, representing 7.22% of the store leases as of March 31, 2021. If the Group fails to identify suitable sites and enter into leases on a timely basis for any reason, including as a result of competition from other companies seeking similar sites, the Group's competitive position as a proximity grocery retailer and results of operations could be adversely affected. Similarly, failure by the Group to renew existing leases on commercially reasonable terms or at all could have a material adverse effect on the Group's business, operating results, financial condition or prospects.

The Company is carrying out a light renovation of certain stores. Stores under renovation will be closed during such refurbishments and therefore unable to generate revenue. The loss in operating cash flows will be accompanied by an increase in capital expenditures, which the Group intends to finance with a combination of its current liquidity and the funds to be raised in the Capital Increase. While the refurbishment work for each store is expected to last around one week, there can be no guarantee that there will not be any delays or unexpected costs associated with remodeling and renovating those stores, which may impact the Group's liquidity and financial condition. Specifically, light in-store remodeling has been launched in Spain and Portugal with 58 and 13 stores, respectively, upgraded during the first quarter of 2021.

Risks relating to the coronavirus (COVID-19) pandemic.

The outbreak of the coronavirus ("**COVID-19**") pandemic, has generated a global health and economic crisis, the extent of which will depend on the epidemiological evolution and the effectiveness of the recovery plans that the different economies and governments are implementing to mitigate its economic, social and health impact.

The economic impacts of this exceptional situation on the Group's sales cannot be reliably and objectively quantified. In terms of the associated costs, which can be clearly separated, the Group estimates that they totaled €26 million in the first half of 2020, including overtime costs for additional labor, the payment of bonuses to employees and franchisees' employees (as a gratification for their dedication in the COVID-19 crisis), and protection material for employees and customers.

In the event the epidemiological evolution is unfavorable and the relevant recovery plans are ineffective, the risk posed to the Group by possible new waves, strains or variations of COVID-19 in the future is unclear. Given the complexity of the situation, the uncertain developments in the pandemic over the coming months and its potential impact on sales and production volumes, supply and distribution chains, businesses, consumers, capital markets and the economy in general, it is not possible at this time to objectively and reliably estimate the impact on the Group. This impact will be recorded in the financial statements when it occurs.

Risk Factors relating to the Group's accounting practices

The value of the Group's goodwill and other intangible assets may further decline in the future

As of December 31, 2020 the Group recorded goodwill and other intangible assets amounting to €482.9 million and €27.5 million respectively, and €482.9 million and €26 million as of March 31, 2021, respectively.

The recoverability of goodwill and intangible assets are subject to the recoverable amount of these assets exceeding their carrying value. For this purpose, goodwill is allocated to cash generating units for the purpose of impairment testing. At the end of each year, the Group calculates the recoverable amount of the cash generating units and determines whether or not such impairment exists. The recoverable value is determined using the value in use method based on discounted future cash flows.

For the year ended on December 31, 2020 the Group recognized a total impairment €0.2 million related to intangible assets and €5.1 million related to goodwill allocated to the stores where the impairment test analysis has led to the need to reflect impairment.

A significant further decline in the Group's expected future cash flows, a material change in interest rates or a significant adverse change in the business climate resulting in slower growth may require the Group to reduce the value of goodwill and other intangible assets.

The Group cannot provide assurance that it will not be required to record any impairment losses in the future.

Risk Factors relating to the Group's Industry

The Group's industry is highly competitive

The grocery retail industry is highly competitive both in Spain and internationally, and continues to be characterized by intense price competition, increasing fragmentation of retail formats, entry of non-traditional competitors (both physical and online), such as large discount department stores that also sell a complete line of groceries, club and warehouse stores, specialty supermarkets, drug stores, proximity stores, and market consolidation. Moreover, competition in this industry may increase as a result of relatively limited barriers to entry. In particular, the proximity business format in which the Group's business is concentrated is subject to strong competitive pressure. Furthermore, some of the Group's competitors have greater financial resources and could use these financial resources to take measures, such as altering product mix, reducing prices and offering home/in-store fulfillment of online ordering, which could adversely affect the Group's competitive position. As of December 31, 2020 and March 31, 2021, the Group had the following retail sector market share in each of the markets in which it operates:

Date	Spain	Portugal	Brazil	Argentina
At December 31, 2020[(1)]	6.29%	5.39%	3.68%	13.80%
At March 31, 2021[(2)]	6.24%	5.32%	3.54%	13.71%

[(1)] Figures as of December 31, 2020 have been calculated taking as reference the market information included in Nielsen Global Report 2020 (P.12)

[(2)] Figures as of March 31, 2021 have been calculated taking as reference the market information included in Nielsen Global Report 2021 (P.3)

Further, over the last several decades, the grocery retail and foodservice industries have undergone significant changes. Companies such as Lidl, Mercadona and Aldi in Spain have developed lower cost structures than conventional grocers to provide their customers with a business proposition based on convenience and proximity. There is no guarantee that other companies will not adopt similar practices in the other markets in which the Group operates. In addition, wholesale outlets offer an additional low-cost option in the markets they serve. Additionally, new competitors are currently entering the grocery retail industry in Spain and Portugal, such as the entrance of the supermarket chain MERE in Spain and Mercadona in Portugal. To maintain and grow its market share in its competitive industry, the Group may be pressured to lower its prices, which would require it to achieve additional cost savings to offset these reductions. Furthermore, the Group may be unable to change its cost structure and pricing practices rapidly enough to successfully compete in that environment or at all.

Several underlying consumer and sociodemographic trends, including health awareness and food intolerances, are increasing the demand for fresh and healthy products, in particular, in the Spanish grocery retail market. Specifically, the Group believes that in Spain fresh products are among the most important drivers for consumers when choosing a retailer. To compete and meet customer demand, the Group has made significant changes to its current product offering to include more fresh products across its store network. There can be no assurance that the

Group’s changes to its product lines will successfully meet the shifting trends in consumer preferences.

Unfavourable changes in government regulation or policy may have a material adverse effect on the Group’s Business

The Group’s stores are subject to various regulations related to, among others:

<u>Health and sanitation standards, food labeling and licensing for the sale of food and alcoholic beverages:</u>

Regulatory changes could require the reformulation of certain products to meet new standards, the recall or discontinuance of certain products not able to be reformulated, additional record keeping, expanded documentation of the properties of certain products, expanded or different labeling and/or scientific substantiation. Any or all of such requirements could have a material adverse effect on the Group’s business, operating results, financial condition or prospects.

<u>Operations of stores</u>

In particular in Spain and Portugal, the Group must adhere to EU directives and local regulations on commercial rules on how to operate the stores, such as the duration of operating hours of the stores or the days that the stores must stay open.

The Group cannot predict either the nature of future laws, regulations, interpretations or applications, or the effect either additional government laws, regulations or administrative procedures, when and if promulgated, or disparate local and foreign regulatory schemes would have on the Group’s future business.

<u>Environmental</u>

In line with recent legislative change carried out in Spain, DIA had to reduce the environmental impact of the use of plastic bags by standardizing the supply of reusable bags made up of up to 70% recyclable material and implementing various paper and compostable plastic alternatives for both checkout and section bags. At December 31, 2020, the Company had completed the replacement of plastic lightweight section bags with compostable plastic bags, so that as of January 1, 2021, there would be no more plastic section bags left in any of the stores in Spain.

The Group cannot predict either the nature of future laws, regulations, interpretations or applications, or the effect either additional government laws, regulations or administrative procedures, when and if promulgated, or disparate local and foreign regulatory schemes would have on the Group’s future business.

Additionally, the Group cannot guarantee compliance with the above mentioned regulations in the various jurisdictions in which it operates, nor the successful adaptation of its business policies and practices in all such jurisdictions. Any violation of the applicable rules could result in the imposition of fines, penalties, administrative sanctions, and even potential sanctions of a criminal nature, any of which could have a material adverse effect on the Group's business, operating results, financial condition or prospects.

Risk Factors relating to the Group's shareholding structure

The principal shareholder of the Company can exercise significant control over it, its interests may conflict with those of other Shareholders and has executed several related party transactions with the Company

As of the date of this Registration Document, the Company's controlling shareholder, LetterOne, holds shares representing approximately 74.819% of DIA's share capital as a result of the voluntary tender offer launched over 100% of DIA's shares on February 5, 2019 and the share capital increase carried out by DIA on November 25, 2019. As such, the principal shareholder of the Company is in a controlling position through its ability to influence or determine the outcome of votes at the General Shareholders' Meetings regarding, among other things, the appointment and dismissal of the members of the Board of Directors, and other actions requiring approval by ordinary resolution, simple majority or qualified majority vote of the shareholders under Spanish law.

The interests of the principal shareholder of the Company may conflict with those of other shareholders. In addition, the principal shareholder of the Company may in the future hold interests in other businesses that are, or may become, competitors of the Company. Moreover, the principal shareholder is a member of the Letterone Investment Holdings S.A. ("**LIHS**") group of companies (the "**LIHS Group**"), which is an international investment business headquartered in Luxembourg.

In the five months ended May 31, 2021 and the year ended December 31, 2020, we incurred expenses in commercial and financing transactions with LIHS Group companies amounting to €3.2 million and €5.3 million, respectively.

Additionally, payables to LIHS Group companies amounted to €2.1 million and €2.7 million as of May 31, 2021 and December 31, 2020, respectively. Debt owed to LetterOne increased significantly from December 31, 2020 to May 31, 2021 due to the transfer on April 23, 2021 of €769.2 million of principal financial indebtedness to LetterOne for the purpose of capitalizing credits in the Capital Increase. Credits held by LetterOne represented approximately 35% of the Company's total borrowings as of May 31, 2021.

As a consequence of its shareholding and the multiple related party transactions executed by and between the Company and several companies within the LIHS Group (LetterOne, L1 Retail (UK) LLP and L1 Retail (Jersey) LLP), DIA has certain dependency on its majority shareholder.

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1 Persons responsible for the information or any parts of it, given in the registration document.

Mr. Jesús Soto Cantero, with Spanish identification (D.N.I.) number 07490850-A, by virtue of the power of attorney granted by the Board of Directors of the Company dated July 8, 2021, in the name and on behalf of the Company, assumes the responsibility for the content of this Registration Document, which is in accordance with Annex 3 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

1.2 Declaration by those responsible for the registration document.

Mr. Jesús Soto Cantero declares that, as far as he is aware of, the information contained in this Registration Document is in accordance with the facts and that this Registration Document makes no omission likely to affect its content.

1.3 Expert statement or report.

Not applicable. The Registration Document does not contain any statements or reports attributed to a person as an expert.

1.4 Information sourced from a third party.

Not applicable. The Registration Document does not contain any information sourced from a third party.

1.5 Approval of the Registration Document by the competent authority:

(a) This Registration Document has been approved by the CNMV, as competent authority under Regulation (EU) 2017/1129.

(b) The CNMV only approves the Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

(c) Such approval shall not be considered as an endorsement of the issuer that is the subject of this Registration Document.

(d) The Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

2. STATUTORY AUDITORS

2.1 Names of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

On March 20, 2019 Ernst & Young S.L. ("**EY**") was appointed as auditor of the consolidated annual accounts of the Company and its Group for 2019, 2020 and 2021. EY has its corporate address in Madrid at Calle Raimundo Fernández Villaverde, 65, its tax identification number (*C.I.F.*) is B-78970506 and is registered with the official registry of auditors under number S0530.

3. RISK FACTORS

3.1 A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'.

The risk factors that are specific to the issuer have been detailed in section II of this Registration Document.

4. INFORMATION ABOUT THE ISSUER

4.1 The legal and commercial name of the issuer.

The legal name of the issuer is Distribuidora Internacional de Alimentación S.A. and the commercial name of the issuer is "DIA". The issuer operates under the brands DIA Market, DIA Maxi, Minipreço, La Plaza de DIA, DIA & Go and Clarel.

4.2 The domicile and legal form of the issuer, legal entity identifier ("LEI"), the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

The domicile of the issuer is in Madrid in Calle C/ Jacinto Benavente 2-,A Las Rozas de Madrid and the issuer is a public limited liability company (*sociedad anónima)*. The LEI of the issuer is 54930063C6K2TNFL6H10.

The issuer is incorporated in Spain and is governed by the Royal Decree Law 1/2010, of July 2, approving the consolidated restated text of the Spanish Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se* *aprueba el texto refundido de la Ley de Sociedades de Capital*) (the "**Spanish Companies Act**") and the Royal Decree Law 4/2015 of October 23, approving the consolidated restated text of the Securities Market Act (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Securities Market Act**"), as well as its complimentary legislation.

The telephone number of the registered office of the issuer is +34 91 398 54 00 and the corporate website of the issuer is www.diacorporate.com. The information contained on such website does not form part of the Registration Document unless that information is incorporated by reference into the Registration Document.

5. BUSINESS OVERVIEW

5.1 A brief description of:

(a) the key principal activities of the issuer:

The Company is a leading proximity grocery retailer with an average of 2 million tickets per day and over 16.6 million active members of Club DIA worldwide as of March 31, 2021 and 2 million tickets per day and over 17.2 million active members as of December 31, 2020. The Company is based in Madrid, Spain, and listed on the Spanish Stock Exchanges.

<u>Business segments, sales and revenue</u>

The Group is organized into business units and has four reporting segments based on geography: Spain, Portugal, Brazil and Argentina. As at March 31, 2021, Spain accounted for 66.5%% of the Group's sales (65.5% as at December 2020), with Portugal accounting for 9.5% (9.2% as at December 31, 2020), Brazil for 11.4% (13.5% as at December 31, 2020) and Argentina for 12.6% (11.8% as at December 31. 2020).

On a consolidated basis, (i) for the quarter ended on March 31, 2021, the Group had sales of €1,571.6 million, a net loss of €63.8 million, positive consolidated Adjusted EBITDA[11] of €7.1 million, and negative €758.7 million of total equity; and (ii) for the year ended December 31, 2020, the Group had sales of €6,882.4 million a net loss of €363,8 million, consolidated Adjusted EBITDA[12] of €122.9 million and negative €697.2 million of total equity.

[11] Adjusted EBITDA is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

[12] Adjusted EBITDA is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

As at December 31, 2020, sales of the Group amounted €6,882.4 million experiencing a 0.2% growth and 7.6% Like-for-Like Growth of Gross Sales Under Banner[13] during year 2020, despite 6.9% fewer stores compared to December 2019 and devaluation of Brazilian Real and Argentinean Peso.

Sales in Spain amounted to €4,508.8 million in 2020, which represented a 7.9% growth year-over-year despite 7.5% fewer stores. Such growth was caused due to the extraordinary demand experienced by the restrictions related to COVID-19, which favored in-home consumption, especially during first and second quarter of the year.

Sales in Spain amounted to €4,508.8 million in 2020, a year-on-year growth of 7.9%, despite 7.5% fewer stores, due to the extraordinary demand experienced by the COVID-19-related restrictions, which favored home consumption, especially during the first and second quarters of the year.

Portugal experienced an increase of 6.1% in sales up to €630.0 million in year 2020, mainly driven by local transformation measures and refurbishments focused on supporting fresh produce which made the stores more attractive and that offset the effect of lower tourist traffic in main cities during the peak holiday season.

Sales in Brazil went down 21.3% to €929.8 million in the year, with 11.5% fewer stores following closure of underperforming locations and negatively affected by a 24% devaluation of the Brazilian Real.

Sales in Argentina reached €813.8 million in year 2020, down 11.3% compared to previous year affected by a 34% depreciation in the Argentinean Peso that offset the increase in sales volume experienced supported by improved operational performance in a challenging macroeconomic environment.

<u>Stores</u>

As at March 31, 2021, the Group operated 6,100 stores across Spain, Portugal, Brazil and Argentina (including franchised stores and Clarel) (6,169 stores as at December 31, 2020) and had approximately 40,249 full-time employees (39,583 as at December 31, 2020).

The Group operates grocery retail stores under the proximity model through its network, which it manages directly or under franchise agreements. As at March 31, 2021, 42.1% of stores were franchises (43.5% as at December 31, 2020).

[13] Like-for-Like Growth of Gross Sales Under Banner is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APM are set forth in section 15 of this Registration Document.

The stores operated by the Group fall generally into four formats, with minor regional variations and an overall focus on proximity. All four formats are designed to service all major shopping missions with a tailored, customer-centric approach. The formats are:

(i) DIA / Minipreço Market – This store format comprises DIA / Minipreço Market based on a convenience model, which is primarily located in urban areas. These stores are generally located in close proximity to customers and are highly adaptable to meet the specific needs of local demand. DIA Market is the most widespread format in the Group’s entire retail network and it is constantly being renewed and adapted to customers’ needs. Minipreço Market is the equivalent of DIA Market in Portugal. Additionally this format includes DIA Maxi / Minipreço Family, which are stores with higher surface area, primarily located in suburban areas. As of March 31, 2021, DIA / Minipreço Market stores represented 4,636 of the Group’s stores (4,689 as of December 31, 2020.)

(ii) La Plaza de DIA – This is a premium supermarket concept based on the convenience model with a strong focus on fresh food. This store format has larger average surface area than DIA Market stores and offers a wide range of packaged foods, fresh goods and assisted counters for fish, deli and meat. The Group’s private-labels, such as Dia, Delicious, Vital, Bonté, Basic and AS, are prominently displayed in La Plaza de DIA format stores. In addition to its product offering, La Plaza de DIA offers a 2% discount to large families (*familias numerosas*) and an online shopping platform through Amazon Prime Now in Madrid, Barcelona and Valencia with delivery within 2 hours. As of March 31, 2021, La Plaza de DIA stores represented 264 of the Group’s stores (266 as of December 31, 2020.)

(iii) DIA & Go - The Group launched a new store model in Spain in 2018 called DIA & Go. This store format has a smaller average surface area and offers a wide range of packaged foods, fresh goods and take-away options. DIA & Go has a sleek, modern design and logo that targets young urban shoppers. DIA & Go offers a different product range compared to typical DIA stores including coffee and tea, fresh orange juice, take-away food combination options consisting of sandwiches, drinks, and appetizers, rotisserie chicken and assortments of baked breads and pastries. These locations also offer fresh produce and charcuterie. DIA & Go’s high convenience proposition caters to convenience, “on-the-go” and “next-meal” shoppers. The Minipreço Express banner was launched in 2017 in Portugal and is similarly based on the concept of high convenience. As of March 31, 2021, DIA & Go stores represented 75 of the Group’s stores (76 as of December 31, 2020.)

(iv) Clarel – This format resulted from the acquisition of the Schlecker stores in Spain and Portugal. Store concept designed to become the benchmark neighbourhood store for shoppers looking to buy health, beauty, household and personal care items. Clarel is currently only present in Spain. As of March 31, 2021, Clarel stores represented 1,125 of the Group's stores (1,138 as of December 31, 2020.)

Products

The Group targets a broad range of customers by offering a variety of food and non-food products at different price points. The Group's food product offering includes, but is not limited to: produce, pre-packaged foods, grocery, meat and poultry, seafood, cured-meats and baked goods. Its non-food offering includes a range of household, hygiene and beauty products.

In the year ended December 31, 2020, fast-moving consumer goods (packaged non-fresh products) accounted for 78.1% of the Group's sales. On the other hand, fresh products accounted for 20.0% of the Group's sales in the year ended December 31, 2020. As part of a focused effort to enhance its fresh food offering, the Group is introducing meat, fish and deli counters in a selected number of stores, and packed fresh products in all of its stores. The Group is dedicated to increasing the area dedicated to bakery, fruits and vegetables and offering on-the-go (pre-cooked ready to eat) food. It has also increased the assortment, variety and frequency of delivery of fresh products across its store network.

The products offered by the Group are sold under the Group's own private label and national brands. As of March 31, 2021, private label products accounted for 31.0% of sales, and were sourced primarily from local suppliers. In this regard, all of the Group's stores are sourced from the same local suppliers within their respective geographic location. The Group has more than 30 years' experience in private label development and its current private label offering includes 6,354 stock-keeping units.

Logistics

The Group's business model is underpinned by a time-tested supply chain system. The Group operates a fully-integrated logistics system based around 31 warehouses that match the Group's geographic footprint across its primary jurisdictions, with a total aggregate storage space of approximately 625,748 square meters as at December 31, 2020 and the support of several third-party transportation companies (since the Group does not own a network of logistics vehicles and transportation services).

Suppliers

The Group has extensive and well-developed sourcing and supply arrangements for all its products, which it sources from a mixture of dedicated private label suppliers and national brand suppliers around the world. Suppliers range in size from large multinational groups, to national suppliers and small local suppliers.

The Group typically selects a range of different suppliers for each product category in order to be able to negotiate competitive prices. When selecting a supplier, the Group generally prefers suppliers that have their own production, internationally recognized quality certificates, registered trademarks, the capacity to supply seven days a week and relevant experience of more than one year. Generally, prices of products are negotiated on an annual basis, however this process varies greatly depending on the specific product and seasonality, particularly for fresh products where the renegotiation can be on a monthly or weekly basis.

The Company's cost of goods sold is reduced by discounts of various kinds depending on the commercial conditions agreed with the suppliers. Some discounts are fixed and others are variable, the application of which is subject to the accumulated volume of purchases during a contractually established period or to the volume of sales made by the Company in its stores of the corresponding suppliers' items

The Group has no supplier concentration and none of the Group's suppliers provide the Group with more than 3.64% of the total products acquired from suppliers.

Online business

The Group also sells a range of products online through its website, which are delivered to the customers at the postal address indicated or picked up by the customers at a specific store.

In 2016, DIA signed an agreement with Amazon according to which DIA products can be listed and published through Amazon Prime Now mobile app, as well as other web or mobile services provided by Amazon, to be sold directly to the customers. For providing those services, DIA pays Amazon a fee that is deducted from the amounts charged to customers that Amazon Prime Now pays the Company.

In addition to the Amazon Prime agreement, in March 2020, DIA and Glovo signed an agreement whereby DIA's products would be listed in Glovo's app, and Glovo's riders would be available to collect and deliver products from DIA stores.

Online sales are increasingly becoming a relevant line of business in the grocery retailer sector. As of December 31, 2020 and March 31, 2021, the online sales have increased and represent the following amounts:

Date	Spain	Portugal	Brazil	Argentina	Group
At December 31, 2020	€121.4 million	€ 1.2 million	€11.4 million	€5.2 million	€139.2 million

Date	Spain	Portugal	Brazil	Argentina	Group
% increase from December 31, 2019- to December 31, 2020	96%	N/A	1044%	N/A	120%
At March 31, 2021	€32.2 million	€1.8 million	€3.9 million	€1.6 million	€39.5 million
% increase from March 31, 2020 to March 31, 2021	57%	N/A[(1)]	N/A[(1)]	330%	89%

[(1)] The Group only started its online sales business in Portugal and Brazil after March 31, 2020, so it cannot provide comparative figures and percentages to previous periods.

Loyalty program

The Group has a large loyalty card program, "ClubDIA", with over 16.6 million active members as at March 31, 2021, which also allows the Group to gain valuable insight into customer purchasing patterns and preferences.

The "ClubDIA" loyalty program offers members access to a wide variety of exclusively-priced products, discount coupons and the option to make weekly or monthly payments. This loyalty program was developed exclusively by the Group, introduced first in Spain in 1998 and then progressively introduced into Portugal in 2000, Argentina in 2006, and Brazil in 2015.

Under the ClubDIA card program, customers who sign up at the store are given a free loyalty card and two key ring cards, each of which contains the same bar code on the reverse, so that members of the same household are identified by a single code. By presenting any of these cards at the cash register, customers can enjoy a basic discount program for products that would otherwise not be available to non-members. The discount varies from 10% to 50% of the non-discounted price, and the products involved are regularly updated to reflect customers' preferences.

A key benefit of the ClubDIA card program is that it allows the Group to evaluate by means of advanced analytics the preferences of its customers and observe their shopping behavior. This process involves the construction of a customer data base, which the Group then uses to develop a personalized marketing program, categorizing its customers on the basis of their purchasing profiles and offering personalized discount coupons on a wide variety of products. These discounts apply to both own-brand products and supplier brand products, whether or not they are products typically purchased by the customer.

(b) of any significant changes impacting the issuer's operations and principal activities since the end of the period covered by the latest published audited financial statements, including the following:

(i) an indication of any significant new products and services that have been introduced;

No significant products or services have been introduced as of December 31, 2020.

(ii) the status of the development of new products or services to the extent that they have been publicly disclosed;

There are no developments of new products or services that have been publicly disclosed as of December 31, 2020.

(iii) any material changes in the issuer's regulatory environment since the period covered by the latest published audited financial statements.

There has not been any material change in the issuer's regulatory environment since December 31, 2020.

5.2 Investments

5.2.1 A description of the issuer's material investments made since the date of the last published financial statements and which are in progress and/or for which firm commitments have already been made, together with the anticipated source of funds.

There are no material investments made since the date of the last published financial statements and which are in progress and/or for which firm commitments have already been made, together with the anticipated source of funds.

6. TREND INFORMATION

6.1 A description of:

(a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.

The Group

The Group's first quarter 2021 sales performance was in line with the Group's internal forecasts, although the year-to-year comparison for the first quarter of 2021 (specially the month of March) was negatively affected by exceptional COVID-19 pre-lockdown stockpiling buying seen in March 2020, which had an extraordinary impact in sales.

In the first quarter of 2021, sales reached €1,571.6 million, which represented a 7.3% reduction compared to same period last year. The Group experienced an increase of 9.2% in average basket size (the amount of money each consumer spends on its basket) in the first quarter 2021 compared to first quarter 2020. However, the Group experienced an 8.7% drop in tickets (total number of transactions with customers) in the first quarter 2021 compared to first quarter 2020.

Group sales in the first quarter of 2021 were also impacted by 6% fewer stores compared to first quarter 2020 and negative currency effect in Brazil and Argentina as described below.

EBITDA[14] remained stable in the first quarter 2021 as a 3.6% of sales thanks to improved gross margin and continued cost discipline. Adjusted EBITDA[15] turned positive in the first quarter 2021 to 0.5% as a percentage of sales.

Spain

In Spain, positive sales trend continued strongly in January and February 2021 despite 6.1% fewer stores compared to March 31, 2020. March 2021 performance was affected by challenging comparison base in first quarter 2020 during pre-lockdown stockpiling. Overall, sales decreased 1.5% in the first quarter of 2021 compared to same period last year

Portugal

Portugal sales experienced a positive trend in January and February 2021 despite restrictions in opening hours and March 2021 performance was affected by a challenging comparison base in the first quarter of 2020 during pre-lockdown stockpiling. Overall, sales increased 0.7% in the first quarter 2021 compared to same period last year.

Brazil

Sales in Brazil went down 28.5% in the first quarter 2021 compared to same period last year, with 14.2% fewer stores following closure of underperforming locations and strongly impacted by a 26% currency devaluation for the period from March 2020 to March 2021.

[14] EBITDA is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.
[15] Adjusted EBITDA is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

Argentina

Argentina experienced a 16.3% reduction in sales in the quarter compared to first quarter 2020 in a challenging macroeconomic environment and negatively affected by a 36% currency devaluation for the period from March 2020 to March 2021.

(b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.

There has not been any significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Registration Document.

Notwithstanding the foregoing, since the end of the last financial period, the Company has entered into certain transactions which are not yet reflected in the Company's balance sheet or profit and loss account as they are not yet effective, but which are expected to have a significant effect on the financial performance of the Group once they become effective. These transactions are:

(i) the amendment and restatement of the Amended Facilities Agreement into the New Facilities Agreement, which entails the extension of the maturity of the €902 million Senior Facilities from March 31, 2023 to December 31, 2025 and the amendment of other terms and conditions. This amendment is expected to become effective once all the conditions precedent for the effectiveness of the Comprehensive Transaction are met currently estimated for the first half of August 2021 or shortly thereafter);

(ii) certain preparatory transactions required to enable the proposed capitalization of €769.2 million of financial debt by LetterOne in the context of the Capital Increase. The Capital Increase was approved by the General Shareholders' Meeting of the Company on May 31, 2021, and is expected to be completed and become effective the first half of August 2021, once the relevant Capital Increase public deed has been granted in front of a notary public (for more information regarding these transactions, please see section 10.1; and

(iii) extension of the maturity date of those 2023 Notes not held by LetterOne from April 6, 2023 to June 30, 2026 (these notes will remain listed in the Irish Stock Exchange). On April 20, 2021 the 2023 Notes noteholder's meeting approved the amendment of the 2023 Notes. As of today, this agreement is not yet effective. It will become effective if and once the Comprehensive Transaction has been closed).

(c) information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

Comparing sales performance during 2021 compared to 2020 performance will be challenging in the food retail sector, given the unprecedented surge in demand experienced by food retailers in 2020 as consumers around the world prepared for lockdown measures deriving from the COVID-19 pandemic outbreak. The unprecedented sales growth experienced in year 2020 establishes a hard comparison base and will likely deteriorate Like-for-Like Growth of Gross Sales Under Banner[16] the sales growth during 2021.

While current COVID-19 related mobility restrictions in all markets continue to benefit at-home consumption, the Group remains cautious about the post-COVID-19 environment given existing uncertainties about the path to normalization. There is no visibility on the impact that the easing of mobility restrictions may affect the HORECA (Hotel Restaurants and Cafeteria) activity and at-home consumption, and therefore the trend in food retailers´ sales performance in each of the markets where the company operates.

Outline of the Company's Current Business Plan

The Group's current 2021 strategy is focused on three core areas:

ATTRACTIVE COMMERCIAL VALUE PROPOSITION	NEW FRANCHISE MODEL	OPERATIONS EXCELLENCE
▪ Improved Freshness	▪ Closer to Franchisee	▪ Optimized Logistics
▪ Store Remodeling	▪ Experienced Support Team	▪ Reduce Complexity
▪ New Private Label	▪ Mutually beneficial model	▪ Supply Chain Improvements
▪ Optimized Assortment	▪ Sales incentives system	▪ Inventory Reduction
▪ New Loyalty Program	▪ Improved payment terms for franchisee	
▪ Promotion Strategy	▪ Standardized in store operations and customer service across network	
▪ Online & Express Delivery	▪ Reduced Stock out	

(i) Continued development of DIA´s commercial value proposition

[16] Like-for-Like Growth of Gross Sales Under Banner is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

In relation to the continued development of DIA's commercial value proposition, DIA is working in all the markets in which operates in developing an improved assortment with a focus on fresh produce and the development of a new private label offer (new products), including ready-made products, combining quality, value-for-money and more attractive packaging.

Light in-store remodeling has been launched in Spain and Portugal with 58 and 13 stores upgraded during first quarter 2021, featuring an improved look and feel and a more customer-friendly layout to support fresh produce offer.

The expansion of online and express delivery continues in all four countries to meet new customer purchasing trends accelerated during pandemic restrictions. In Spain, 14 stores were converted into dark stores during year 2020 (i.e. online fulfillment only) and the Company reached agreements with a number of partners to improve last mile delivery which is now available from 440 stores (as of December 31, 2020) covering 90% of population in main cities in Spain (with over 50,000 inhabitants) from our own website as well as through partnerships. In Portugal, online delivery now covers the Greater Lisbon and Oporto areas, with express delivery available in 95 stores via regional partnerships.

(ii) Development of an updated franchise model and operations excellence

In relation to an updated franchise model, in the first months of 2021 DIA continued the comprehensive implementation that began in Spain and Portugal back in the second half of 2020. The model is based on a long-term partnership, transparent margin and payment terms, as well as opportunities for selected franchisees to manage multiple locations. It further includes payment and operational support through an experienced support team, a new merchandise payment system and a sales incentive system, as well as a simplified cost structure through standardization of in-store operation and customer service across the network as well as stock out reduction.

The model has already been activated for more than 970 DIA franchise partners in Spain (65% of franchisees, including Clarel) and more than 185 partners in Portugal (68% of franchisees). An updated franchise model is also being implemented in Argentina, while a tailor-made offer is being prepared for launch in Brazil.

(iii) Operations excellence

The company is also fully committed to achieving operational excellence by reducing complexity thanks to the ongoing redesign of our operations model across the whole supply chain and our logistics activity.

The implementation of the Current Business Plan has been a part of the Group’s restructuring costs during the 2020 financial year. These restructuring costs included:

(i) expenses relating to the closure of stores and warehouses totalling €7.9 million, mainly comprising costs generated on the strategic sale of the operations of Rio Grande do Soul in Brazil;

(ii) expenses for efficiency projects and indemnity payments totalling €44.9 million accrued mainly on the layoff scheme carried out in Spain;

(iii) expenses relating to the Company’s Long-Term Incentive Plans (2020-22 LIP) for a total of €11.6 million (detailed in Note 17 of the 2020 Financial Statements); and

(iv) other expenses relating to financial and corporate advisory fees in Spain amounting to €5.3 million, mainly related to legal advisor fees related with the refinancing process and strategic consultancy fees.

Under the New Facilities Agreement (once it becomes effective) the Company has an obligation to deliver to the Syndicated Lenders an updated business plan (to include financial years 2023, 2024 and 2025) no later than December 31, 2022 (the “**Updated Business Plan**”).

In addition to the above, in June 2021, the Group published the key elements of its Sustainability Programme. This Plan is based on 3 categories: (i) Environmental Sustainability; (ii) Social Sustainability and (iii) Investment in the Community. The Plan will be implemented in the four countries in which the Group operates and it will be further detailed in the coming months.

7. PROFIT FORECASTS OR ESTIMATES

As of the date of the Registration Document, the Company does not have any profit forecasts or estimates, since the forecasts disclosed in the inside information regulatory disclosure dated May 12, 2020 with registry number 235, are no longer in force, as disclosed in the privileged information regulatory disclosure dated June 28, 2021 with registry number 956. In particular, such forecasts are no longer in force mainly due to the following reasons:

(i) the Like-for-Like Growth of Gross Sales Under[17] banner target published on May 12, 2020 has been undermined by the exceptional stockpiling purchases seen during year 2020, driven by mobility restrictions imposed during the pandemic in all markets where DIA operates;

(ii) the devaluation suffered by the Brazilian Reais and the Argentinian Peso in the last 18 months affects the Company's sales target published on May 12, 2020 since the sales of the group in Brazil and Argentina are converted into Euro and integrated in the sales target of the Company; and

(iii) the Comprehensive Transaction (and in particular the Capital Increase) that is currently under implementation will, if and when it becomes effective, significantly reduce the Company's Adjusted Leverage Ratio[18] targets published on 12 May 2020.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

8.1 Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:

(a) *members* of the administrative, management or supervisory bodies;

Directors

As of the date of this Registration Document, the Board of Directors was comprised of three independent members, one proprietary external director, one other external director and one executive director and there is one unfilled vacancy. The table below shows the current composition of the Board of Directors as of the date hereof(1):

Name	Title	Member of the Board of Directors since	Term expires	Shareholder represented	Category / status
Stephan DuCharme	Executive Chairman	May 20, 2019 (by co-optation)	August 30, 2022	LetterOne	Executive
Sergio Dias	Director	May 20, 2019 (by co-optation)	August 30, 2022	LetterOne	Proprietary

[17] Like-for-Like Growth of Gross Sales Under Banner is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document

[18] Adjusted Leverage Ratio is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document

Name	Title	Member of the Board of Directors since	Term expires	Shareholder represented	Category / status
Basola Vallés Cerezuela	Director	January 14, 2020 (by co-optation)	July 31, 2023	N/A	Independent
Jaime García-Legaz Ponce	Director	December 28, 2018 (by co-optation)	March 20, 2022	N/A	Independent
José Wahnon Levy	Director	May 20, 2019 (by co-optation)	August 30, 2022	N/A	Independent
Marcelo Maia	Director	December 11, 2020 (by co-optation)	August 30, 2022	N/A	Other external[(2)]

[(1)] Ms Luisa Deplazes de Andrade Delgado was appointed by the General Shareholders' Meeting of the Company as independent member of the Board of Directors on May 31, 2021. However, due to incompatibility issues, her appointment will only become effective on November 1, 2021.

[(2)] Mr Marcelo Maia holds the category of "other external" director as a consequence of being employed as Chief Executive Officer of DIA Brasil Supermercados S.A. (a Group subsidiary), something which, according to the Spanish Companies Act, prevents him from holding the position of "independent" director.

The Chairperson of the Board of Directors is Mr. Stephan DuCharme. The Board of Directors currently has no Vice-Chairpersons.

Mr. Jaime García-Legaz Ponce holds the position of lead independent director.

The non-director Secretary of the Board of Directors is Mr. Álvaro López-Jorrín Hernández and the non-director Vice-secretary of the Board of Directors is Ms. Sagrario Fernández Barbe.

All members of the Board of Directors designate the Company's registered address as their professional address for the purpose of this Registration Document.

Biographical information for each of the current members of the Board of Directors, including a brief description of each director's business experience and education, is presented below.

Stephan DuCharme

Mr. DuCharme is a graduate in Economics and Political Sciences from the University of California Berkeley. He also has a Master's in Business Administration (MBA) from INSEAD.

He has held a number of positions during his career, including Chief Executive Officer of X5 Retail Group, Chief Financial Officer, Control and Corporate Development of Alfa Group and Chairman of SUN Group.

He is currently a member of the Supervisory Board of X5 Retail Group, a member of the Board of Directors of Holland & Barrett and the Managing Partner of the retail division of the LIHS Group.

Sergio Dias

Mr. Dias is a graduate in Business Administration, Finance and Marketing from Fundação Armando Alvares Penteado.

He has held a number of positions during his career, including consultant and Senior Manager at Arthur Andersen & Co. São Paulo, Global Financial Controller, Finance Director and E-Commerce Director of Groupe Carrefour (from 1988-2001), CFO of the Moët Hennessy divisions of the LVMH Group and CEO of the Millenium Division of Moët Hennessy.

He is currently a Partner of the retail division of the LIHS Group.

Basola Vallés

Ms. Basola has a degree in Business Administration from the European Business School and an MBA from the Leonard N. Stern School of Business in New York.

Ms. Basola began her professional career in the financial world in the United Kingdom at Nomura Securities and Morgan Stanley. She then joined McKinsey London where she worked, for 6 years, mainly with companies in the distribution sector in Europe. Most recently, Ms. Basola was the head of the books, music and entertainment divisions at Amazon Spain and CEO of Entradas Eventim (entradas.com). She is currently an independent director at Aegon Spain, a member of the advisory board of ING Spain and the innovation board of Prosegur Cash.

Jaime García-Legaz Ponce

Mr. Jaime García-Legaz holds a Degree in Business Administration from the University College of Financing Studies (CUNEF). In addition, Mr. García-Legaz holds a PhD in Economics from the Madrid Complutense University. He is a Commercial Technician (*Técnico Comercial*) and State Economist of the State since 1994.

Mr. García-Legaz has mainly developed his career in the public sector. Between 2011 and 2015, he worked for the Ministry of Economic Affairs in the following positions: Spanish Commerce Representative in the European Union and in the G-20 Council of Ministers and Secretary of State for Commerce, International Commerce and Foreign Investment.

Currently, Mr. García-Legaz is a member of the Board of Directors of Aena Desarrollo Internacional, SME, S.A., Canal de Isabel II, S.A. and of Ahorro Corporación Financiera, S.V., S.A.U.

José Wahnon Levy

Mr. Wahnon is a graduate in Economics from Universidad de Barcelona and in Law from Universidad Complutense de Madrid. He also has a PMD from Harvard Business School.

He has held a number of positions during his career, including Equity Partner and Managing Partner of the Audit division of PriceWaterhouseCoopers, S.L. and has been a member of the Board of Directors of Dexia Sabadell, S.A. and Grupo Ezentis, S.A.

Marcelo Maia

Mr. Maia is a Civil Engineer and has a Master in Business Administration from London Business School. He is a specialist in commerce and services, with C-level experience in large distribution chains and in the management of large companies, including mergers and acquisitions, internationalization processes and business start-ups. Maia founded and managed one of the main distribution chains in the northeast of Brazil Lonjas Maia until it was bought by Magazine Luiza where he held the position of regional director. Later, he was appointed Secretary of State for Trade and Services of the Ministry of Industry, Foreign Trade and Services of Brazil and member of the Board of Participações S.A. - BNDESPAR.

***Directors' managerial positions and shareholdings*.**

The table below sets out all entities or associations in which the members of the Board of Directors —according to the information that said persons have provided to the Company— have been appointed as members of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner.

Director	Company(1)	Position / title	Sector	In office
Stephan DuCharme	LetterOne	Managing Partner of retail division	Retail Investment	Yes
	X5 Retail Group	Chairman of the Supervisory Board	Food retail	No

Director	Company[(1)]	Position / title	Sector	In office
		Member of the Supervisory Board		Yes
		CEO		No
	Holland & Barrett	Chairman of the Board of Directors	Health Retail	Yes
		Member of the Board of Directors		Yes
Sergio Dias	LetterOne	Partner of retail division	Retail Investment	Yes
	Heavensake	CEO	Beverages	No
	SecretSales.com	Chairman	Retail	No
	Banks Rums	Senior Advisor and Member of the Board	Beverages	No
Jaime García-Legaz Ponce	AENA, SME, S.A.	Chairperson and CEO	Airport operation	No
	Informa Dun & Bradstreet, S.A. SME	Chairperson	Information and communication	No
	AENA Desarrollo Internacional SME, S.A.	Chairperson	Airport operation	Yes
	Invest in Spain	Chairperson	Consulting	No
	ICEX	Chairperson	Foreign trade promotion	No
	CESCE	Executive Chairperson	Insurance and finance	No
	Consorcio Internacional de Aseguradores de Crédito	Chairperson	Insurance	No
	Fundación Padre Garralda Horiz. AB.	Member of the Board of Trustees	NGO	Yes
	Ahorro Corporación Financiera, S.V., S.A.U.	Member of the Board of Directors	Financial Intermediaries	Yes
	Canal de Isabel II, S.A.	Member of the Board of Directors	Water supply	Yes

Director	Company[(1)]	Position / title	Sector	In office
Basola Vallés	Aegon España	Independent Director	Health Retail	Yes
	ING España	Member of the Advisory Board	Credit and Finance	Yes
	Prosegur Cash	Member of the Innovation Board	Investment Banking	Yes
	Entradas Eventim	Chief Executive Officer	Retail of entertainment tickets	Yes
José Wahnon Levy	PriceWaterhouseCoopers, S.L.	Equity and Managing Partner of Audit Division	Audit	No
	Dexia Sabadell S.A.	Member of the Board of Directors	Credit and finance	No
	Grupo Ezentis S.A.	Member of the Board of Directors	Infrastructure	No
	Industrias Cárnicas Loriente Piqueras, S.A.	Member of the Board of Directors	Meat products	No
	Aernnova Aerospace Corporation, S.A.	Member of the Board of Directors	Aerospace	No
	Desarrollos Aeronáuticos Castilla-La Mancha S. A.	Member of the Board of Directors	Aerospace	No
	Las Cabezadas de Aranjuez, S.L.	Member of the Board of Directors	Real Estate	No
	Abengoa, S.A.	Member of the Board of Directors	Energy	No
Marcelo Maia	Lonjas Maia	Founder and Regional Director	Distribution	No
	Government of Brazil	Secretary of State for Trade and Services of the Ministry of Industry, Foreign Trade and Services of Brazil	Trade and services	No
	BNDES Participações S.A. - BNDESPAR	Member of the Board	Credit and finance	No

[1] The Company considers that the term “company” refers to all types of entities other than family owned asset-holding companies and merely instrumental non-operative companies.

Board Committees

In compliance with the Company’s bylaws and the Board of Directors Regulations, the Board of Directors has an audit and compliance committee (the “**Audit and Compliance Committee**”), a nominations and remunerations committee (the “**Nominations and Remunerations Committee**”), which are governed by the Company’s bylaws, Board of Directors Regulations and/or Audit and Compliance Committee Regulations (just applicable to the Audit and Compliance Committee).

Although the General Shareholders’ Meeting of the Company held on May 31, 2021 approved certain amendments to the Company’s bylaws in order to adapt them to Law 5/2021 of 12 April 2021, these amendments simplified the Company’s bylaws but did not affect the composition of the Board of Directors, its committees or the Company’s Board of Directors’ Regulations. º

The following is a brief description of the main characteristics of the committees of the Board of Directors.

Audit and Compliance Committee

The composition, responsibilities and rules of the Audit and Compliance Committee are set forth in the Company’s bylaws, the Board of Directors Regulations and the Audit and Compliance Committee Regulations.

The Audit and Compliance Committee shall be comprised of a minimum of three directors and a maximum of five, appointed by the board of directors itself from among its outside directors. The majority of the members of the Audit and Compliance Committee will be independent and, at least, one of them will be appointed based on his knowledge and experience in accounting or auditing matters, or both. As a group, the members of the audit and compliance committee shall have pertinent technical knowledge relating to the industry to which the Company belongs. Competence and experience in the fields of financial, internal control and business management shall also be valued, as well as knowledge, skills and experience relating to the Audit and Compliance Committee’s other tasks.

The Audit and Compliance Committee’s chair must necessarily be appointed from among the independent directors holding seats, in view of his/her expertise and experience in the fields of accounting, audit and risk management. The Chair shall be replaced every four years but may be re-elected after a period of one year has elapsed since his/her removal, notwithstanding his/her continued membership of the Audit and Compliance Committee. The Audit and Compliance Committee will appoint a secretary and may appoint a vice-secretary, neither being required to be a member thereof. If these appointments are not made, those holding those positions on the Board of Directors will act as such.

In the event of absence, the independent director with the longest service on the Audit and Compliance Committee, or by default the oldest independent director and Audit and Compliance Committee member, will stand in for the Chair. Mr. José Wahnon Levy was appointed as Chairman of the Audit and Compliance Committee on May 29, 2019.

The members of the Audit and Compliance Committee are the following:

Name	Category	Title
José Wahnon Levy	Independent	Chairman
Jaime García-Legaz Ponce	Independent	Member
Sergio Dias	Proprietary external	Member

The non-director Secretary of the Audit and Compliance Committee is that of the Board of Directors, i.e. Mr. Álvaro López-Jorrín Hernández.

Nominations and Remunerations Committee

The composition, responsibilities and rules of the Nominations and Remunerations Committee are set forth in the Company's bylaws and the Board of Directors Regulations.

The Nominations and Remunerations Committee shall be comprised of a minimum of three directors and a maximum of five, appointed by the board of directors itself from among its outside or non-executive directors (two of which shall be independent). The appointment of the members of the Nominations and Remunerations Committee shall be made on the basis of their knowledge, aptitude and experience in relation to the duties they are to perform.

The Committee's Chair must necessarily be appointed from among the independent directors holding seats. The Chair shall be replaced every four years but may be re-elected after a period of one year has elapsed since his/her removal, notwithstanding his/her continued membership of the Committee.

The members of the Nominations and Remunerations Committee are the following:

Name	Category	Title
Jaime García-Legaz Ponce	Independent	Chairman
Basola Vallés	Independent	Member
Marcelo Maia	Other external	Member

The non-director Secretary of the Nominations and Remunerations Committee is that of the Board of Directors, i.e. Mr. Álvaro López-Jorrín Hernández.

Senior Management

The following table lists DIA's senior management team members as of the date of this Registration Document:

Name	Title	Member of Management since	Employee of the Company since
Ricardo Álvarez	Chief Executive Officer DIA Spain	February 2020	February 2020
Jesús Soto	Chief Financial Officer	January 2021	December 2020
Sagrario Fernández	General Counsel	October 2019	October 2019
Alejandro Grande	Human Resources Officer	October 2018	December 2005
Miguel Guinea	Chief Executive Officer DIA Portugal	December 2018	August 1995
Santiago Martínez-Lage	Corporate Director	July 2020	July 2020
Enéas Pestana	Chief Executive Officer Brazil	January 2021	January 2021
Martín Tolcachir	Chief Executive Officer DIA Argentina	September 2020	September 2020
Rachel Uzan Muriel	Chief Internal Audit	March 2020	March 2020

In addition to the above, the following persons will become members of the Company's senior management team shortly after the date of this Registration Document:

- Mr. Carlos Valero Alcantara has been appointed as Chief Information Officer, effective before September 1, 2021.
- Mr. Luis Paulo Maia Andrade dos Santos has been appointed as Chief of Product, effective from July 26, 2021.

Senior management managerial positions and shareholdings

The table below sets out all entities or associations in which the senior managers — according to the information that said persons have provided to the Company— have been appointed as members of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner.

Director	Company(1)	Position / title	Sector	In office
Ricardo Álvarez	LIDL Spain and USA	Executive Vice-President	Retail	No
Ricardo Álvarez	LIDL Spain and USA	Director of Operations	Retail	No
Jesús Soto	Sigla, S.A.	Group CFO	Restaurants	No
Jesús Soto	Starbucks España, S.L.	Board Member	Restaurants	No
Sagrario Fernández	Prosegur	General Counsel	Private security	No
Sagrario Fernández	Prosegur	Secretary to the Board of Directors	Private security	
Sagrario Fernández	Codere	General Counsel	Gambling	No
Alejandro Grande	DIA Argentina	CEO	Retail	No
Alejandro Grande	DIA Argentina	Hr, Franchises & Expansion Director	Retail	No
Alejandro Grande	Eki Discount Argentina	Sales Manager	Retail	No
Miguel Guinea	DIA Spain	COO	Retail	No
Santiago Martínez-Lage	Inditex	Deputy Secretary of the Board	Retail	No
Enéas Pestana	EPA Consultoria Empresarial Ltda.	Partner	Services	Yes
Enéas Pestana	Liotécnica Tecnologia em Alimentos S/A	Advisor	Food Industry	Yes
Martín Tolcachir	Electrolux	General Manager Cono Sur	Home Appliance	No
Martín Tolcachir	Electrolux	General Manager Argentina	Home Appliance	No
Martín Tolcachir	Carrefour	Commercial Director Argentina	Retail	No
Martín Tolcachir	Carrefour	Private Label Groupe Director (Francia)	Retail	No
Muriel Rachel Uzan	FM Logistic	Group Internal Audit Director	Logistics	No

Director	Company[1]	Position / title	Sector	In office
	Telefónica S.A.	Head of Financial, Tax and Operational Audit	Telecommunications	No
	CGIAR	Non-Executive Director of the Assurance Oversight Committee of the System Council	International Organization	Yes

(1) The Company considers that the term "company" refers to all types of entities other than family owned asset-holding companies and merely instrumental non-operative companies.

(b) partners with unlimited liability, in the case of a limited partnership with a share capital;

Not applicable.

(c) founders, if the issuer has been established for fewer than five years;

Not applicable.

(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

Apart from the directors and managers identified in section 8.1 (a), there are no other senior managers who are relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.

Details of the nature of any family relationship between any of the persons referred to in points (a) to (d).

There are no family relationships and no "close relatives" (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of September 15, 2004, on information to be disclosed by listed companies regarding related party transactions) among the directors, the directors and other members of the Company's senior management or the members of the Company's senior management.

To the extent not already disclosed, and in the case of new members of the administrative, management or supervisory bodies of the issuer (since the date of the latest audited annual financial statements) and of each person referred to in points (b) and (d) of the first subparagraph the following information:

(a) **the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;**

These companies and partnerships are detailed in section 8.1(a)above.

(b) **details of any convictions in relation to fraudulent offences for at least the previous five years;**

Insofar as is known to the Company, none of the members of the Board of Directors or members of its senior management have, in the five years preceding the date of this Registration Document been convicted in relation to fraudulent offenses.

(c) **details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years;**

Mr. José Wahnon Levy, was a director of Abengoa, S.A. at the time of its filing for voluntary bankruptcy proceedings on February 22, 2021.

Other than the foregoing, in so far as is known to the Company, none of the members of the Board of Directors or members of its senior management have, in the five years preceding the date of this Registration Document acted as directors of entities affected by bankruptcy, receivership or liquidation.

(d) **details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.**

If there is no such information required to be disclosed, a statement to that effect is to be made.

Insofar as is known to the Company, none of the members of the Board of Directors or members of its senior management have, in the five years preceding the date of this Registration Document been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

8.2 Potential conflicts of interest between any duties carried out on behalf of the issuer by the persons referred to in item 8.1 and their private interests or other duties must be clearly stated. In the event that there are no such conflicts a statement to that effect must be made.

Insofar as is known to the Company, as of the date of this Registration Document, there are no actual or potential conflicts of interest between any duties carried out on behalf of the issuer by the persons referred to in item 8.1 and their private interests or other duties.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 8.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Mr. Stephan DuCharme and Mr. Sergio Días were appointed proprietary directors and represent LetterOne, the major shareholder of the Company. Mr. Stephan DuCharme is currently an executive director.

Details of any restrictions agreed by the persons referred to in item 8.1 on the disposal within a certain period of time of their holdings in the issuer's securities.

Insofar as is known to the Company, as of the date of this Registration Document, there are no restrictions, other than those set forth under applicable laws, agreed by the persons referred to in item 8.1 on the disposal within a certain period of time of their holdings in the Issuer's securities.

As of the date of this Registration Document Mr. José Wahnon Levy holds 17,804 shares in the Company and Mr. Jaime García-Legaz Ponce holds 40.717 shares in the Company. Both Mr. José Wahnon Levy and Mr. Jaime García-Legaz Ponce have received the aforementioned shares as part of the directors' remuneration scheme. No other directors hold shares in the Company.

Additionally, as of the date of this Registration Document, no member of the senior management holds shares in the Company.

The Company has a Long-Term Incentive Plan (2020-22 LIP), which is detailed in Note 17 of the 2020 Financial Statements. Such Long-Term Incentive Plan does not provide for any share-based compensation.

9. MAJOR SHAREHOLDERS

9.1 In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as of the date of the registration document or, if there are no such persons, an appropriate statement to that that effect that no such person exists.

At the date of this Registration Document, the issued share capital of the Company amounts to €66,779,789.79 divided into a single class of 6,677,978,979 shares registered in book-entry form, with a nominal value of €0.01 per share.

The following table sets forth certain information concerning the voting rights held by the Company's significant shareholders as available on the CNMV website as of the date hereof:

Significant shareholders	% Direct	% Indirect	Total No. of voting rights through financial instruments	Total No. of voting rights	% Total
Letterone Investment Holdings S.A. (1)	0.00	74.819	0	4,996,412,348	74.819
Total of voting rights owned by significant shareholders	**0.00**	**74.819**	**0**	**4,996,412,348**	**74.819**

Notes:

(1) Letterone Investment Holdings S.A. is the full and direct owner of Letterone Core Investments S.à r.l., which in turn is the full and direct owner of L1R Holdings S.à r.l, which in turn is the full and direct owner of over 99% of L1 Retail Portfolio S.C.Sp and is the sole owner of L1R General Partner S.à r.l. (general partner of L1 Retail Portfolio S.C.Sp.). L1 Retail Portfolio S.C.Sp. is the full and direct owner of L1R Invest1 Holdings S.à r.l., the direct holder of 4,996,412,348 voting rights attached to Shares, which represent 74.819% of the share capital of DIA.

9.2 Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.

All the shares into which the Company's share capital is divided have the same political rights and therefore do not have different voting rights.

9.3 To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.

Controlling shareholder

As of the date of this Registration Document, LetterOne controls the Company with a stake of 74.819% in the share capital of the Company.

LetterOne is a Luxembourg limited liability company (*société à responsabilité limitée*), with corporate address at 1-3 Boulevard de la Foire, L-1528, Luxembourg and registered in the Commercial Registry of Luxembourg (*Registre de Commerce et des Sociétés*) under the number B215109.

LetterOne is indirectly controlled, through a limited partnership with a share capital and other Luxembourg companies, by LIHS. LIHS is a Luxembourg public limited company (*société anonyme*), with corporate address at 1-3 Boulevard de la Foire, L-1528, Luxembourg and registered in the Commercial Registry of Luxembourg (*Registre de Commerce et des Sociétés*) under the number B181082.

On May 31, 2021, the General Shareholders' Meeting of Company approved to carry out the Capital Increase. LetterOne will subscribe the €769.2 million First Tranche of the Capital Increase, by means of the capitalization of credits held against the Company

The Second Tranche has been initially reserved for those shareholders other than LetterOne so that all shareholders (or investors) other than LetterOne can subscribe shares maintain their current shareholding percentage if they wish. For that purpose, LetterOne has committed not to exercise its preferential subscription rights in the preferential subscription period of the Second Tranche and not to acquire preferential subscription rights in the market. Finally, LetterOne has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe shares in the Second Tranche.

If LetterOne places an order for additional shares in the additional allocation period of the Second Tranche, the Company will promptly publish a regulatory information notice disclosing this fact (and in any event, before the end of such period).

If (i) those shareholders other than LetterOne do not exercise their rights to subscribe for new shares in the Second Tranche at all (and no investors exercise any preferential subscription rights acquired in the market), and the Second Tranche is therefore left completely unsubscribed, and (ii) LetterOne does not subscribe for any additional shares, LetterOne would hold a 96.27% stake in the Company's share capital.

Additionally, if those shareholders other than LetterOne do not exercise their rights to subscribe for new shares in the Second Tranche at all (and no investors exercise any preferential subscription rights acquired in the market), and the whole Capital Increase was subscribed by LetterOne, LetterOne would hold a 97.10% stake in the Company's share capital.

Anti-abuse measures in place

Concerning the measures in place to ensure that such control is not abused, as of the date of this Registration Document, three out of the six members of the Board of Directors of the Company are independent directors. Furthermore, in November 2021, once the appointment of Ms. Luisa Deplazes de Andrade Delgado as independent director has become effective, four out of the seven members of the Board of Directors of the Company will be independent directors.

9.4 A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

According to the information available to the Company, as of the date of this Registration Document, there is no agreement whose implementation may, at a later date, result in a change in the control of the Company.

10. RELATED PARTY TRANSACTIONS

10.1 Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with Regulation (EC) No 1606/2002), that the issuer has entered into since the date of the last financial statements, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable.

Profit and loss account

The table below details the related party transactions reflected in the Company's profit and loss account as of December 31, 2020 and May 31, 2021 (not audited):

As of and for the period ended December 31, 2020 (million €)	Income	Expenses
Horizon (commercial transactions)	1.2	-
ICDC (commercial transactions)	11.8	-
LetterOne (commercial transactions)	-	5.3

Total	**13.0**	**5.3**

As of and for the period ended May 31, 2021 (million €) (not audited)	**Income**	**Expenses**
Horizon (commercial transactions)	1.2	-
LetterOne (commercial transactions)	-	1.8
LetterOne (financing transactions)	-	1.4
Total	**1.2**	**3.2**

Balance sheet

The table below details the amounts payable or receivable and borrowings with related parties as reflected on the Company's balance sheet as of December 31, 2020 and as of May 31, 2021:

As of December 31, 2020 (million €)	**Receivables**	**Payables**
Horizon (trade receivables)	1.8	-
ICDC (trade receivables)	0.1	-
LetterOne (trade payables)	-	2.7
Total	**1.9**	**2.7**

As of May 31, 2021 (million €) (not audited)	**Receivables**	**Payables**	**Borrowings**
Horizon (trade receivables)	0.4	-	-
LetterOne (trade payables)	-	2.1	-
LetterOne (principal amount in current and non-current borrowings)	-	-	769.2
LetterOne (interest and fees in current and non-current borrowings)	-	-	6.8

Total Transactions	**0.4**	**2.1**	**776**

Credits held with LetterOne represent approximately 35% of the Company´s total borrowings as of May 31, 2021.

As of the date of this Registration Document, there have been no additional significant related party transactions.

Description of the related parties

(i) LetterOne – LetterOne is the majority shareholder in Company with a stake of 74.819% in the share capital of the Company.

LetterOne is a Luxembourg limited liability company (*société à responsabilité limitée*), with corporate address at 1-3 Boulevard de la Foire, L-1528, Luxembourg and registered in the Commercial Registry of Luxembourg (*Registre de Commerce et des Sociétés*) under the number B215109.

LetterOne is indirectly controlled, through a limited partnership with a share capital and other Luxembourg companies, by LIHS. LIHS is a Luxembourg public limited company (*société anonyme*), with corporate address at 1-3 Boulevard de la Foire, L-1528, Luxembourg and registered in the Commercial Registry of Luxembourg (*Registre de Commerce et des Sociétés*) under the number B181082.

(ii) Horizon – Horizon International Services S.à r.l. is a Swiss joint venture where the Company holds a 25% minority stake (the other shareholders are the French food retail companies Auchan, Metro and Casino). This company negotiates the terms and conditions for the purchase of products with international services with main national brands suppliers on behalf of its shareholders.

(iii) ICDC – ICDC Services S.à r.l. is a Swiss joint venture where the Company held a 50% minority stake. This company also negotiates the terms and conditions for the purchase of products with international services with main national brands suppliers on behalf of its shareholders. As of July 16, 2020 ICDC has been liquidated, so the Company no longer has any related party transactions with this company.

Description of the agreements with LetterOne:

(i) Management services agreement – this agreement was entered into on June 12, 2019 between the Company and L1 Retail (UK) LLP and L1 Retail (Jersey) LLP, two companies within the LIHS Group. In this regard, the management services agreement is aimed at benefitting DIA from their experience in the retail industry and by providing consultancy and advisory services in order to help to improve DIA's performance. In exchange of the services rendered, DIA has agreed to pay up to €0.417 million per month, which amounts to up to €5 million per year. This agreement has an indefinite duration and may be terminated by a mutual agreement of the parties, by means of a 6-month prior notice by either party or by DIA if LetterOne ceases to be a controlling shareholder of DIA.

(ii) SS Facility – On April 23, 2021 the Company, DIA Finance, S.L.U., LetterOne and DEA Finance S.à r.l. entered into a deed of amendment, transfer, assumption and release relating to the €200 million SS Facility (included under the term "other loans" in the indebtedness table), providing for: (i) the assignment of the creditor position under the SS Facility from DEA Finance S.à r.l. to LetterOne, (ii) the assignment of the debtor position under the SS Facility from DIA Finance, S.L.U. to the Company, and (iii) the amendment of the terms of the SS Facility in order to become due and payable upon capitalization in the First Tranche of the Capital Increase. The interest payable under the SS Facility is 7% per annum.

(iii) Letter-agreement regarding the credit under the 2021 Notes held by LetterOne - On April 23, 2021, LetterOne and the Company agreed that the credit right of LetterOne under the 2021 Notes it holds (€292.6 million of principal amount) shall continue to exist, accrue interest and survive the maturity date of April 28, 2021, and the principal amount owed thereunder will be due and payable upon and for purposes of its capitalization in the Capital Increase as part of the First Tranche. The interest payable under the 2021 Notes is 1.000% per annum.

(iv) Notice of assignment regarding the 2023 Notes private debt instrument - On April 23, 2021, the Company received a notice of assignment of the creditor position in favor of LetterOne under private debt instrument which was originally issued in exchange for the 2023 Notes held by DEA Finance S.à r.l. (principal amount of €269.2 million). The interest payable under the private debt instrument is 0.875% per annum.

(v) LetterOne Loan agreement - On April 23, 2021, LetterOne and the Company entered into the LetterOne Loan agreement (amounting to €7.4 million) in order to finance (or refinance) the payment by DIA of the principal amount owed by DIA under the 2021 Notes not held by LetterOne (€7.4 million). The LetterOne Loan is projected to be capitalized in the Capital Increase as part of the First Tranche.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES

11.1 Financial statements

Financial statements (annual and half-yearly) are required to be published covering the period of 12 months prior to the approval of the prospectus.

The limited financial statements for the first quarter of 2021 ("**Q1 2021 Financial Statements**") and the 2020 Financial Statements, which include the comparative information as of and for the year ended December 31, 2019 are included and incorporated by reference, respectively, into this Registration Document and are available on the Group's website (www.diacorporate.com/es/accionistas-e-inversores/informacion-financiera/) and, on the CNMV's website (www.cnmv.es). Other information contained on the Group's website is not incorporated by reference into this Registration Document and should not be considered to be a part of this Registration Document.

The Q1 2021 Financial Statements and the 2020 Financial Statements have been prepared in accordance with IFRS and other provisions of the financial reporting framework applicable in Spain.

The Company has submitted a consultation to the Spanish Institute of Accounting and Account Audits (ICAC) regarding the Spanish law accounting treatment to be applied to the capitalization of credits by a shareholder in the individual accounts of the Company.

In accordance with ICAC's interpretation of the accounting treatment of capital increase transactions by capitalization of credits, as set out in Consultation 5 of BOICAC 79 and Consultation 4 of BOICAC 89, these transactions are recorded at the reasonable value of the credits being cancelled. However, ICAC resolution dated March 5, 2019, which develops the criteria for the presentation of financial instruments and other accounting aspects related to the commercial regulation of companies, and which came into force on January 1, 2020, introduces in the third paragraph of article 33, the treatment to be applied in the case where the company's shares are publicly listed. In this case, the equity increase by way of capitalization of credits will be recorded at the reasonable value of the shares delivered in exchange, and the result of the difference with the net book value of the credits being cancelled will be recorded as a financial result in the profit and loss account.

As of the date of this Registration Document, the consultation has not been resolved.

11.2 Auditing of annual financial information

11.2.1 Audit report

The 2020 Financial Statements have been audited by EY with a favorable opinion.

11.2.2 Indication of other information in the registration document which has been audited by the auditors.

No other information in the Registration Document has been audited by the auditors.

11.2.2.1 Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited.

The financial information of the interim period between December 31, 2020 and March 31, 2021 has been extracted from the Company's interim accounting records and has not been subject to any type of review by the auditors.

11.3 Legal and arbitration proceedings

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

The Group is subject to the following relevant legal proceedings:

<u>Legal proceedings</u>

(i) administrative proceedings initiated against the Company for an amount of €6.8 million related to alleged serious infringements under Law 12/2013 of August 2 on measures to improve the functioning of the food chain, for which the Company has provisioned an amount of €6.8 million;

(ii) court proceedings in Argentina initiated against DIA Argentina, S.A. for alleged tax evasion in relation to Social Security payment obligations (for an amount of approximately €7 million), for which DIA Argentina, S.A. has provisioned an amount of €1.7 million;

(iii) civil proceedings brought by a minority shareholder against the Company whereby such shareholder is claiming €110,605 in damages suffered alleging a breach by the Company of the obligation to reflect a true and fair view of its equity in the 2016 and 2017 annual accounts, for which the Company has not provisioned any amount.

(iv) criminal proceedings related to the irregular accounting practices in Spain and Brazil allegedly committed by DIA's former executives having the Company the condition of subsidiary civilly liable party (no amount has yet been determined), for which the Company has not provisioned any amount;

A description of such proceedings, including their respective amounts, are detailed in Note 15 of the Group's audited consolidated annual accounts and related notes as of the 2020 Financial Statements.

<u>Tax proceedings</u>

(i) Ongoing tax proceedings initiated against DIA Brazil. The aggregate amount claimed by Brazilian tax authorities (between all proceedings) amount to a total of €145.7 million as of December 31, 2020. As of the date of approval of this document, this amount has increased by approximately €4 million.

    Based on reports drawn up by the Company's local legal advisors, the Company has deemed the risk of loss of the items disputed in these proceedings as follows: (a) €72.1 million are considered as "remote", (b) €71.8 are considered as "remote/possible", and (c) €1.8 million are considered as "probable".

    Since the Group only provisions the part of its proceedings whose risk of loss is considered as "probable", at December 31, 2020 the Group had only recorded a provision of €1.8 million (11.8 million Brazilian Reais) for the ongoing tax proceedings initiated against DIA Brazil.

    A description of such tax proceeding is detailed in Note 16.3 of the 2020 Financial Statements.

The Company does not believe that there is a relevant chance that any of the aforementioned legal and tax proceedings will have a significant effect on the Company and/or Group's financial position or profitability.

11.4 Significant change in the issuer's financial position

11.4.1 <u>Equity of the Group</u>

As of December 31, 2020, the consolidated net equity of the Group amounted to a negative amount of €697 million and to €759 million as of March 31, 2021, as detailed as follows:

Concept	At December 31, 2020	At March 31, 2021 (not audited)
Capital	67 million	67 million
Share premium	545 million	545 million
Reserves	(815 million)	(1,179 million)
Own shares	(6 million)	(6 million)
Other own equity instruments	0.3 million	0.3 million
Net losses for the period	(364 million)	(64 million)
Translation differences	(124 million)	(122 million)
Total net equity	**(697 million)**	**(759 million)**

As of March 31, 2021, the individual net equity of the Company amounted to a negative amount of €41.7 million and to €48 million as of March 31, 2021, as detailed as follows:

Concept	At December 31, 2020	At March 31, 2021 (not audited)
Capital	67 million	67 million
Share premium	545 million	545 million
Reserves	(383 million)	(648 million)
Own shares	(6 million)	(6 million)
Other own equity instruments	0.3 million	0.3 million
Net losses for the period	(265 million)	(6 million)
Total equity	**(41.8 million)**	**(47.9 million)**

In accordance with the Spanish Companies Act, when losses bring a company's individual net equity down to less than half of its share capital, unless the share capital is increased or reduced to offset losses to a sufficient extent, the company is deemed to be in mandatory dissolution cause, in which case its directors must call a General Shareholder's Meeting within two months to approve the dissolution or any other resolution that may be necessary to remove the mandatory dissolution cause. However, article 13 of Law 3/2020, of September 18, 2020, on procedural and organization measures to tackle COVID-19 in the justice system establishes that, solely for the purpose of determining the existence of a mandatory dissolution cause due to losses reducing the Company's net equity below half of the share capital – as stipulated in the Spanish Companies Act (Article 363.1) – those losses incurred in 2020 will not be considered. Consequently, the Company is not currently immerse in a mandatory dissolution cause due to losses.

Nonetheless, such article 13 of Law 3/2020, of September 18, 2020, also provides that if the results for the 2021 financial year show losses that reduce the company's equity to less than half of its share capital, the directors must call a General Shareholder's Meeting within two months to approve the dissolution, unless the share capital is increased or reduced to offset losses to a sufficient extent or other measures are taken to remove the mandatory dissolution cause.

As previously indicated, on May 31, 2021, the General Shareholders' Meeting of Company approved, within the framework of the Comprehensive Transaction, to carry out the Capital Increase up to a maximum effective amount of €1,027.8 million, including nominal and share premium.

A successful implementation of the Capital Increase would result in the pro-forma net equity of the Group as of March 31, 2021 amounting to (i) a positive amount of €269.1 million at a consolidated level and a positive amount of €979.9 million at an individual Company level in the event of a full subscription of the €1,027.8 million Capital Increase, and (ii) a positive amount of €10.5 million at a consolidated level and a positive amount of €721.3 million at an individual level if the Second Tranche of the Capital Increase is not subscribed at all (which would result in a €769.2 million equity increase corresponding to the First Tranche). Since the Second Tranche of the Capital Increase is not underwritten and its majority shareholder (LetterOne) has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe shares in the Second Tranche, it may be the case that the Second Tranche is not subscribed, whether totally or partially. In any case, if the Capital Increase is completed, the Company would not be in a mandatory dissolution cause, even if the Second Tranche is not subscribed at all.

On the contrary, in the event that the aforementioned Capital Increase is not implemented at all, the consolidated pro-forma equity and the Company's net equity at an individual level would not change and would therefore continue to be negative, as a consequence of the losses incurred by the Company during the last 3 financial years. As indicated above, pursuant to article 13 of Law 3/2020 of September 18, 2020, if the Company's individual results of the 2021 financial year show losses that reduce its net equity to less than half of its share capital, the directors would be obliged to call a General Shareholder's Meeting within two months in order to approve the dissolution, unless the share capital is increased or reduced to offset losses to a sufficient extent or other measures are taken to remove the mandatory dissolution cause. In this regard, as indicated in the risk factor *The Group has consolidated net losses for the quarter ended March 31, 2021 and for the year ended December 31, 2020*, there can be no assurance that losses will not continue or that any profits will be generated in the future.

11.4.2 Financial Indebtedness of the Group

A. Financial Indebtedness

As of December 31, 2020, the Group had a total financial indebtedness of €2,215 million and a Net Financial Debt[19] of €1,276 million, consisting in a Adjusted Leverage Ratio[20] of 10.4. In addition, as of March 31, 2021, the Group had a total financial indebtedness of €2,167 million and a Net Financial Debt of €1,344 million, consisting in an Adjusted Leverage Ratio of 10.3x.

The Group's total financial indebtedness and commercial debt as of March 31, 2021 is detailed as follows:

At March 31, 2021 (not audited)	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
2021 Notes and 2023 Notes(1)	601.4 million	305.3 million	-	296.1 million	-	-	-
Senior Facilities – Term Loan and RCF(2)	524.0 million	-	524.0 million	-	-	-	-
Senior Facilities – Credit Lines drawn(2)	176.5 million	-	176.5 million	-	-	-	-
Super Senior Supplier Facility - RCF(2)	3.2 million	3.2 million	-	-	-	-	-
Activated fees	(3.3) million	-	(3.3) million	-	-	-	-
Other loans	233.6 million	10.4 million	223.2 million	-	-	-	-

[19] Net Financial Debt is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.
[20] Adjusted Leverage Ratio is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

At March 31, 2021 (not audited)	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
Other credit facilities drawn down	3.0 million	3.0 million	-	-	-	-	-
Finance lease payables	607.1 million	203.8 million	170.7 million	116.1 million	50.0 million	16.5 million	50.0 million
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.5 million
Other financial debt	9.1 million	8.5 million	0.5 million	-	-	-	-
TOTAL FINANCIAL INDEBTEDNESS	**2,167.1 million**	**535.3 million**	**1,091.6 million**	**412.2 million**	**50.0 million**	**16.5 million**	**61.5 million**
Senior Facilities – Confirming lines	145.0 million	-	145.0 million	-	-	-	-
Super Senior Supplier Facility – Confirming lines	67.6 million	67.6 million	-	-	-	-	-
Other bilateral confirming lines	34.0 million	22.2 million	11.8 million	-	-	-	-
TOTAL CONFIRMING (COMMERCIAL DEBT)	**246.6 million**	**89.8 million**	**156.8 million**	-	-	-	-

(1) The 2021 and 2023 Notes include (a) €600 million in principal, (b) €5.3 million in interest expenses, and (c) -€3.9 million in activated fees.

(2) In addition to the abovementioned €703.7 million of syndicated financial debt, the Amended Facilities Agreement also includes the following items:

(i) Senior Facilities confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €145.0 million and Super Senior Supplier Tranche confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €67.6 million; and

(ii) Undrawn credit lines amounting to €56.9 million.

(i) Notes: As of March 31, 2021, the Company had outstanding notes with a nominal value of €300 million under the 1.000% Euro Medium Term Notes maturing on April 28, 2021 (the "**2021 Notes**") and outstanding notes with a nominal value of €300 million under the 0.875% Euro Medium Term Notes maturing on April 6, 2023 (the "**2023 Notes**"). Details of the 2021 Notes and 2023 Notes pending repayment at March 31, 2021 are as follows:

2021 Notes						
Issue date	Term (years)	Coupon	Maturity date	Principal amount outstanding	Interest expenses	Activated costs

April 28, 2016	5	1.000%	April 28, 2021	€300 million	€2.7 million	-
2023 Notes						
Issue date	**Term (years)**	**Coupon**	**Maturity date**	**Principal amount outstanding**	**Interest expenses**	**Activated costs**
April 7, 2017	6	0.875%	April 6, 2023	€300 million	€2.6 million	(€3.9 million)

On April 28, 2021 the Company repaid those 2021 Notes which were held by noteholders other than LetterOne, which amounted to a principal amount of €7.4 million. Those 2021 Notes held by LetterOne, which amount to a principal amount of €292.6 million were not repaid on their maturity date, as they are expected to be capitalized in the Capital Increase.

On April 20, 2021 the 2023 Notes noteholder meeting approved, subject to the completion of the Comprehensive Transaction, the extension of the maturity date of the 2023 Notes to June 30, 2026 and an increase in the coupon from the date of the amendment (the date of completion of the Comprehensive Transaction, currently estimated for the first half of August 2021 or shortly thereafter) to 3.5% per annum (3% in cash and 0.50% PIK) plus an additional increase in interest of 1% PIK in circumstances where it is applicable under the New Facilities Agreement.

Considering the exchange of the 2023 Notes for a private debt instrument to enable the capitalization by LetterOne of its credit rights in the Capital Increase, following completion of the Comprehensive Transaction, only those 2023 Notes not held by LetterOne (amounting to €30.8 million) will remain listed in the Irish Stock Exchange, and will be subject to the terms referred to in the foregoing paragraph.

(ii) Amended Facilities Agreement: The €973.2 million debt under the Amended Facilities Agreement includes:

(a) the €902.4 million Senior Facilities, which in turn include:

- €524.0 million in revolving credit facilities (RCF) and term loans;
- €176.5 million in drawn credit lines;
- €145.0 million in confirming lines (which is not financial debt, as it is registered as commercial debt); and
- €56.9 million in undrawn credit lines.

(b) the €70.8 million Super Senior Supplier Facility which in turn includes:

- €3.2 million in revolving credits facilities (RCF); and
- €67.6 million in confirming lines (which is not financial debt, as it is registered as commercial debt).

See section 11.4.3A of this Registration Document, which includes a summary of the main terms and conditions of the Amended Facilities Agreement as well as Note 14.1b) of the 2020 Financial Statements. The debt under the Amended Facilities Agreement represented 32.3% of the Group's total financial indebtedness as of March 31, 2021.

At March 31, 2021 the Group's financial and commercial debt under the Amended Facilities Agreement is as follows:

At March 31, 2021 (not audited)	Limit	Draw down	No draw down	Current 1 year	2 years	3 years	4 years	5 years
Senior Facilities – Term Loans (a)	387.3 million	387.3 million	-	-	387.3 million	-	-	-
Senior Facilities – RCF (b)	136.7 million	136.7 million	-	-	136.7 million	-	-	-
Senior Facilities – Credit Lines (c)	233.4 million	176.5 million	56.9 million	-	176.5 million	-	-	-
Super Senior Supplier Facility – RCF (d)	3.2 million	3.2 million	-	3.2 million	-	-	-	-
Total syndicate agreement debt	**760.6 million**	**703.7 million**	**56.9 million**	**3.2 million**	**700.5 million**	-	-	-
Activated fees	-	(3.3) million	-	-	(3.3) million	-	-	-
Total syndicate agreement debt net of fees	**760.6 million**	**700.4 million**	**57 million**	**3.2 million**	**697.2 million**	-	-	-
Super Senior Supplier Facility – Confirming lines (e)	67.6 million	67.6 million	-	67.6 million	-	-	-	-
Senior Facilities – Confirming lines (f)	145.0 million	145.0 million	-	-	145.0 million	-	-	-
Total confirming facilities	**212.6 million**	**212.6 million**	-	**67.6 million**	**145.0 million**	-	-	-

TOTAL UNDER AMENDED FACILITIES AGREEMENT	**973.2 million**	**913.0 million**	**56.8 million**	**70.8 million**	**842.2 million**	-	-	-
Super Senior Supplier Facility *(RCF and Confirming) (d)+(e)*	**70.8 million**	**70.8 million**	-	**70.8 million**	-	-	-	-
Senior Facilities (A to F) *(TL, RCF and Confirming) (a)+(b)+(c)+(f)*	**902.4 million**	**845.5 million**	**56.8 million**	-	**845.5 million**	-	-	-

(iii) Other loans: Details of the maturity of the Group's other loans, grouped by type of transaction and company, at March 31, 2021 are as follows:

Type	Borrower	Lender(s)	Currency	Total	Current 1 year	2 years
Loan	DIA Finance	DEA Finance S.à r.l.	Euros	200.0 million	-	200.0 million
Commercial paper	DIA Portugal	Banco Santander Totta, S.A.	Euros	8.3 million	-	8.3 million
Loans	DIA Brasil	Daycoval, Bradesco, Banco do Brasil and Banco Santander, S.A.	Euros	25.3 million	10.5 million	14.8 million
Total	-	-	**Euros**	**233.6 million**	**10.5 million**	**223.1 million**

In addition to the financial indebtedness indicated in the table above, on April 1, 2021, DIA Portugal (as borrower) and Société General (as lender) entered into a €35.4 million facility agreement.

The Group's principal under the loan with DEA Finance S.à r.l. will be capitalized in the Capital Increase, as part of the Comprehensive Transaction. In preparation for such capitalization, on April 23, 2021 the lender position under this loan was transferred from DEA Finance S.à r.l. to LetterOne and the debtor position was transferred from DIA Finance, S.L. to the Company.

(iv) Other credit facilities drawn down: At March 31, 2021 the debt of the credit facilities drawn down is as follows:

At March 31, 2021 (not audited)	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
Credit facilities drawn down	3.0 million	3.0 million	-	-	-	-	-

The credit facilities drawn down are essentially a €3 million bilateral credit line drawn by DIA Brasil.

(v) Finance lease payables: On January 1, 2019, IFRS 16 Leases was applied for the first time. The Group chose to apply IFRS 16 using the modified retroactive method, recognizing the right-of-use asset for an amount equal to the lease liability (see Note 6.2 of the 2020 Financial Statements for further explanations).

Details of finance lease payables during as of March 31, 2021 are as follows:

Concept	Short-term debt	Long-term debt	Total
At January 1, 2021	197.4 million	414.6 million	612.0 million
Additions	-	60.9 million	60.9 million
Disposals	-	(4.2 million)	(4.2 million)
Interest expenses	13.4 million	-	13.4 million
Transfers	64.9 million	(64.9 million)	-
Transfers IFRS16	-	1.1 million	1.1 million
Payments	(70.1 million)	(1.1 million)	(71.2 million)
Translations differences	(1.8 million)	(3.1 million)	(4.9 million)
At March 31, 2021	**203.8 million**	**403.3 million**	**607.1 million**

(vi) Guarantees and deposits received: At March 31, 2021 the debt of the guarantees and deposits received is as follows:

At March31, 2021	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.4 million

These guarantees and deposits received relate mainly to guarantees (*avales*) granted in favour of landlords in those stores where the Company is a lessee.

(vii) Other financial debt: At March 31, 2021 Company's other financial debt is as follows:

At March 31, 2021 (not audited)	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
Other financial debt	9.0 million	8.5 million	0.5 million	-	-	-	-

Other financial debt includes €0.5 million of debt with suppliers of fixed assets, €5.1 million of interests due to financial entities, €2.1 million of amounts owed to franchisees for collections made on their behalf, and €1.3 million of other suppliers.

11.4.3 **Refinancing of the Company**

A. Background

On December 31, 2018, the Company entered into a syndicated facilities agreement (as amended from time to time, the "**Original Facilities Agreement**") with the Syndicated Lenders for an amount of €895 million. The maturity date of the Original Facilities Agreement was set at May 31, 2019, with the exception of some of the revolving credit facility tranches for which the maturity date was set in 2020 and 2022. In January 2019, certain additional financial institutions joined the Original Facilities Agreement increasing the total amount by €17 million, that is, to a total amount of €912 million. On March 25, 2019, the Original Facilities Agreement was amended for the purposes of redistributing certain tranches, the total financing amount remaining the same.

On July 17, 2019, once the takeover bid launched by LetterOne was settled, the Company renegotiated the Original Facilities Agreement with its Syndicated Lenders and entered into the Amended Facilities Agreement increasing the total amount by €61 million, that is, to a total amount of €973.2 million. The Amended Facilities Agreement provided for, among others:

(i) the extension of the maturity dates of the €902.4 million Senior Facilities (with €9 million under the Original Facilities Agreement having been allocated to the Super Senior Supplier Tranche), until March 31, 2023;

(ii) the granting of the €70.8 million Super Senior Supplier Facility by the Syndicated Lenders (of which, as stated above, €9 million previously corresponded to the Original Facilities Agreement), which matured on July 17, 2021, with the possibility to extend its maturity for one more year;

(iii) the execution of a hive down transaction (the "**Hive Down**"), whereby the Company committed, subject to certain exceptions, to transfer its business, assets, liabilities and contracts (both in Spain and in Portugal, Brazil and Argentina) to certain indirectly fully-owned subsidiaries, which were to be indirectly held by several Luxembourg and Spanish intermediate holding companies, whose shares, bank accounts and receivables were to be pledged in favor of the Syndicated Lenders;

(iv) the assignment by the Company of the debtor position under the Super Senior Facility and certain tranches of the Senior Facilities to the Company's indirectly owned Spanish subsidiary DIA Retail España, S.A.U. and the assignment by the Company of the debtor position under the remaining tranches of the Senior Facilities (which were not assigned to DIA Retail España, S.A.U.) to the Company's indirectly owned Spanish subsidiary DIA Finance, S.L. ("**DIA Finance**");

(v) a commitment by LetterOne to provide, or procure a third party to provide, to DIA Finance a super senior term loan (the "**Super Senior Term Loan**") in an aggregate amount of €200 million, with a 7% annual applicable interest, which was finally provided by DEA Finance on January 30, 2020, and which matures on July 17, 2022; and

(vi) the execution of the share capital increase carried out on November 25, 2019, which finally amounted to €605.5 million (of which approximately €60.5 million corresponded to share capital and approximately €544.9 million corresponded to share premium).

On November 30, 2020, the Company and its Syndicated Lenders entered into a lock-up agreement regarding a comprehensive recapitalization and refinancing transaction, in order to provide a stable long-term capital and financial structure for the Company and its Group, whose effectiveness was subject to the fulfillment of certain conditions precedent by no later than (i) December 18, 2020 in some cases and (ii) April 28, 2021 in other cases.

On December 18, 2020, all the conditions precedent that needed to be satisfied by that date were met.

B. New Facilities Agreement

Overview

On March 25, 2021, the Company reached an agreement with Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bank of America Europe, DAC, Bankia, S.A., Barclays Bank, PLC, Barclays Bank Ireland, PLC, Caixabank, S.A., Deutsche Bank, S.A.E., Ing Bank N.V. Sucursal en España, J.P. Morgan AG, Morrigan Lending DAC, Burlington Loan Management DAC, Cross Ocean AGG Company I, S.à r.l, Deutsche Bank AG, Luxembourg branch – Acting as Postbank Luxembourg – a brand of Deutsche Bank AG, Luxembourg branch and Société Générale, Sucursal en España (the "**Syndicated Lenders**") providing a path for a comprehensive refinancing and recapitalization transaction aimed at ensuring achieving a stable long-term capital and financial structure for the Company and its group (the "**Comprehensive Transaction**"), which superseded the previous agreements dated November and December 2020.

The Comprehensive Transaction, once effective, involves the amendment and restatement of the Group's current €973 million Amended Facilities Agreement into a restated New Facilities Agreement.

Conditions precedent

The effectiveness of the New Facilities Agreement is subject to the fulfillment or waiver of the following conditions precedent by the long-stop date indicated further below:

(i) evidence of the amendment of the terms and conditions of the Company's outstanding notes 2023 Notes (0.875% Euro Medium Term Notes maturing on April 6, 2023) which are held by noteholders other than LetterOne, and which amount to €30.8 million, to

a) extend their maturity date from April 6, 2023 to no earlier than June 30, 2026; and

b) increase the coupon from the date of the amendment to 3.5% per annum, that is, 3% in cash and 0.50% PIK (payment in kind which is only due on the maturity date of the notes) plus an additional increase in interest of 1% PIK in certain circumstances where it is applicable under the New Facilities Agreement.

On April 20, 2021, the 2023 Notes noteholder's meeting approved the aforesaid amendment of the 2023 Notes (which will only become effective if and once the Comprehensive Transaction has been closed), which will remain listed in the Irish Stock Exchange.

As such, this condition precedent has already been satisfied;

(ii) evidence that the Company has repaid the outstanding principal amount in respect of the 2021 Notes not held by LetterOne (amounting to €7.4 million). On April 28, 2021, DIA repaid the outstanding principal amount in respect of the 2021 Notes not held by LetterOne.

As such, this condition precedent has been satisfied;

(iii) evidence of the discharge through the issuance of new shares in the Capital Increase (in the First Tranche) of the following debt held by LetterOne against the Company:

(a) €200 million debt currently owed by DIA to LetterOne (as of March 31, 2021 it was owed by DIA Finance, S.L. to DEA Finance S.à r.l.) as the principal amount outstanding under a super senior term loan;

(b) €292.6 million debt currently owed by DIA to LetterOne as principal amount under those 2021 Notes were not repaid on their April 28, 2021 maturity date;

(c) €269.2 million debt owed by DIA to LetterOne under the private debt instrument that (a) was initially issued to DEA Finance S.à r.l. in exchange for the 2023 Notes that were held by DEA Finance, and (b) was subsequently transferred by DEA Finance to LetterOne;

(d) €7.4 million debt owed by DIA to LetterOne under a credit facility aimed at financing (or refinancing) the repayment by DIA of the principal amount of the 2021 Notes that are not held by LetterOne.

This condition precedent has not been fulfilled. However, the Capital Increase, whose effectiveness is not subject to any conditions precedent, is expected to be completed and become effective around the first half of August 2021, once the relevant Capital Increase public deed has been granted in front of a notary public;

(iv) evidence, to the satisfaction of the Company, that each Syndicated Lender under the bilateral facilities and credit lines (which are not part of the debt under the Amended Facilities, but rather of the Group's "other loans") entered into by the Company or its affiliates with certain Syndicated Lenders or their affiliates (the "**Bilateral Facilities**") has committed to consider and negotiate in good faith a potential further extension of the maturity date from its current maturity date.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(v) evidence that the ancillary facilities under the Senior Facilities (which are a part of the RCF lines) are documented have been amended to reflect the amendments agreed in the New Facilities Agreement.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(vi) execution of an ad hoc refinancing framework agreement for the sole purposes of filing (after the effectiveness of the Comprehensive Transaction) for the *homologación judicial* in Spain of such ad hoc refinancing agreement.

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter);

(vii) extension and ratification of the Group’s existing security package in favor of the Syndicated Lenders (such security package is further detailed in section 11.4.3C).

This condition precedent is expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter); and

(viii) other customary conditions precedent in this type of agreements (such as execution, notarization and delivery of certain documentation and confirmation that no event of default has occurred and is continuing).

These conditions precedent are expected to be fulfilled shortly after the completion of the Capital Increase (currently estimated for the first half of August 2021 or shortly thereafter).

The longstop date for the fulfillment or waiver of the conditions precedent is October 29, 2021.

<u>New terms and conditions</u>

The New Facilities Agreement will only become effective once all of the conditions precedent described in the above section have been met (which is expected for the first half of August 2021 or shortly thereafter).

The main new terms and conditions of the New Facilities Agreement which were agreed in the framework of the Comprehensive Transaction, are the following:

(i) extension of the maturity date of the €902.4 million Senior Facilities (which include €524.0 million in revolving credit facilities (RCF) and term loans, €176.5 million in drawn credit lines, €145.0 million in confirming lines and €56.9 million of undrawn credit lines) from March 31, 2023 to December 31, 2025;

(ii) repayment of (a) €35 million of the Super Senior Supplier Facility (€1.6 million in Super Senior Supplier Facility RCF and €33.4 million in Super Senior Supplier Facility confirming lines) upon effectiveness of the Comprehensive Transaction (expected for the first half of August 2021 or shortly thereafter), and (b) the rest of the Super Senior Supplier Facility (€1.6 million in Super Senior Supplier Facility RCF and €34.2 million in Super Senior Supplier Facility confirming lines) by no later than July 17, 2022, with the amount of the repayments that each Syndicated Lender is entitled to being reduced on a Euro-for-Euro basis if a Bilateral Facility in respect of which it is a lender is permanently reduced and/or cancelled on or before the date on which each repayment falls due for payment. The Company expects that the repayments indicated in items (a) and (b) above will be funded with the Company's current treasury;

(iii) extension of the maturity date of the Bilateral Facilities owed by the Company or any of its affiliates to a Syndicated Lender or its affiliates to a later date that is satisfactory to the Company, and otherwise on terms and conditions materially consistent with the relevant Bilateral Facility agreement. These Bilateral Facilities with Syndicated Lenders are part of the €33.6 million of "other loans";

(iv) increase in the total amount of the Syndicated Facilities available to be utilized by way of confirming lines or bilateral credit facilities by (a) an amount equal to the amount by which the Super Senior Supplier Facility are reduced and cancelled from time to time (such increase not resulting in an increase in the total aggregate amount of under the New Facilities Agreement) and conversion of certain RCF (revolving credit facilities) commitments into Term Loan commitments, and (b) a super senior incremental facility (the "**SS Incremental Facility**"), which, subject to reaching an agreement with the Syndicated Lenders on the provision of such SS Incremental Facility and on its terms, may be made available in the form of confirming lines, bilateral facilities, revolving credit facilities, or term loans (should certain institutions not be able to provide ancillary facilities), up to an amount depending on the amount of cash proceeds received by the Company in the Second Tranche of this capital increase, based on the following grid:

Cash proceeds received by the Company in the Capital Increase	Incremental Facility commitments
Equal to or less than €50 million	-
Greater than €50 million but less than €100 million	€15 million
Equal to or greater than €100 million but less than €150 million	€30 million
Equal to or greater than €150 million but less than €200 million	€40 million
Equal to or greater than €200 million	€50 million

such SS Incremental Facility of up to €50 million (x) ranking super senior (this is, it would rank senior to the Senior Facilities and the Super Senior Supplier Facility), (y) being subject to a 7% margin cap, and (z) with the rest of its terms and conditions to be negotiated with the Syndicated Lenders;

(v) elimination of the annual cash sweep from a proportion of free cash flow, which would otherwise apply from the second quarter of 2022;

(vi) fixed amortization of €25 million of the Senior Facilities on March 31, 2023 and €25 million on March 31, 2024 (that is, a total of €50 million of the Senior Facilities RCF and term loans) (the "**Early Repayments**"), with the amount of Early Repayments that each Syndicated Lender is entitled to being reduced on a Euro-for-Euro basis if a Bilateral Facility in respect of which it is a lender is permanently reduced and/or cancelled on or before the date on which each Early Repayment falls due for payment. Such potential reduction to the Early Repayments will not apply if the Restated EBITDA (as defined in the New Facilities Agreement) for the financial year ending immediately prior to the date on which that Early Repayment falls due exceeds €300 million. The Company expects that these Early Repayments will be funded with the Company's current treasury;

(vii) initial reduction of the super senior secured facilities basket (i.e. permitted indebtedness capacity) currently existing under the Amended Facilities Agreement, which was originally agreed with the Syndicated Lenders in order to allow the Company to incur new indebtedness on a super senior secured basis for the purposes of, amongst other things, refinancing the 2021 Notes (the "**SS Facility Basket**") from €380 million to €75 million plus any amount of the Super Senior Supplier Facility which had not yet been repaid by the Company (as per paragraph (ii) above). Any amounts borrowed under the SS Incremental Facility would utilize capacity under the €75 million SS Facility Basket. For a more detailed description of the Company's SS Facility Basket please see Note 14.1(b) of the 2020 Financial Statements;

(viii) elimination of the €400 million additional senior and junior debt basket (i.e. permitted indebtedness capacity), which was intended for the purposes of, amongst other things, refinancing the 2021 Notes. For a more detailed description of the Company's additional senior and junior debt basket please see Note 14.1(b) of the 2020 Financial Statements;

(ix) increase in the applicable margin for Syndicated Lenders under the Senior Facilities from 250 basis points per annum to the lower of (a) 325 basis points per annum, or (b) 300 basis points per annum if (y) an aggregate principal amount of 2023 Notes originally held by DEA Finance (which were subsequently transferred by DEA Finance to LetterOne and later replaced by a private debt replacement instrument for purposes of its capitalization in the First Tranche of the Capital Increase) in an amount of €269 million has been capitalized in the Capital Increase, and (z) the amount of cash proceeds received by DIA in the Second Tranche of the Capital Increase is equal to or greater than €125 million:

(x) increase in 125 basis points per annum (in PIK) of the applicable margin for Syndicated Lenders if (a) the restated leverage ratio (calculated differently to the Company's Adjusted Leverage Ratio) for the relevant 12-month period ending on each of December 31, 2022 and/or June 30, 2023 is greater than 3.25:1, and/or (b) the restated leverage ratio for each 12 month period ending on each of December 31 and June 30 thereafter is greater than 2.50:1, such increase ceasing to apply if the restated leverage ratio falls below the relevant threshold on any subsequent test dates;

(xi) obligation to deliver to the Syndicated Lenders a budget for financial years 2021 and 2022 as a condition to the completion of the Comprehensive Transaction, and an updated business plan (to include financial years 2023, 2024 and 2025) no later than December 31, 2022 (the "**Updated Business Plan**");

(xii) roll forward of the Company's financial covenants, based on the Updated Business Plan, with the Company's restated leverage covenant for financial years 2023 to 2025 being equal to or lower than the restated leverage covenant included for financial year 2022 in the Company's Current Business Plan (5.60:1);

(xiii) extension of permitted intragroup debt and equity increases to allow certain investments by the Group in Portugal and Argentina (in addition to Brazil);

(xiv) increase of the maximum limit of permitted disposals by the Group, which means that from financial year 2021 to financial year 2025, the Group will be able to sell a maximum of €40 million in assets per year;

(xv) elimination of certain obligations of upstreaming cash from foreign operating subsidiaries exceeding certain minimum agreed levels of cash which are currently contemplated under the New Facilities Agreement;

(xvi) acknowledgement that the Company's Hive Down obligations under the Amended Facilities Agreement have been fully satisfied and that the Company is under no further obligation to take further actions with respect to the Hive Down save for:

(a) the transfer of any asset of the Company (other than shares in any other subsidiary) which has not been transferred to DIA Retail, S.A. because of one or more of the restrictions agreed under the Amended Facilities Agreement applying, which the Company must procure to execute if and to the extent that all applicable restrictions cease to apply at any time;

(b) the transfer of the Company's shares in its Brazilian and Argentinean subsidiaries, which the Company must procure to execute if and to the extent there is a change in law or the applicable tax regime(s) that would allow the relevant shares to be transferred without any cost; and

(c) the transfer of the Company's shares in its Portuguese subsidiary, in respect of which the Company must use best endeavors to effect such transfer as soon as reasonably practicable after the relevant legal, regulatory or taxation impediment to the transfer ceases to apply;

(xvii) obligation to (a) submit a petition for the *homologación judicial* to the relevant Spanish court of an ad hoc refinancing agreement to be entered into between, among others, the Company and the Syndicated Lenders, and (b) use its reasonable endeavors to pursue the successful sanction (*auto de homologación*) of the ad hoc refinancing agreement by the relevant Spanish court, but without guaranteeing or committing to any result.

C. <u>Other terms and conditions</u>

Other than the update of the Company's restated leverage covenant for financial years 2023 to 2025 (which is further described below), the general terms and conditions which are described below have remained unchanged between the Amended Facilities Agreement and the New Facilities Agreement.

Guarantees

The security obligations of the Company will remain unchanged from the Amended Facilities Agreement to the New Facilities Agreement, and are the following:

- Personal guarantee from DIA, DIA Retail España, S.A.U., Beauty By DIA, S.A.U., Pe-Tra Servicios a la Distribución, S.L., Grupo El Árbol Distribución y Supermercados, S.A.U.
- Pledge on shares owned by DIA 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.
- Pledge on shares owned by DIA Finance 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 DIA Retail España, S.A.U. in Beauty By DIA, S.A.U., Grupo El Árbol Distribución y Supermercados, S.A.U., Pe-Tra Servicios a la Distribución, S.L. and DIA World Trade SA.
- Pledge on shares owned by DIA and Luxembourg Investment Company 322 S.à r.l. in DIA Portugal Supermercados, S.A.
- Pledge on shares owned by DIA and Pe-Tra Servicios a la Distribución S.L. in DIA Argentina, S.A.
- Pledge on current accounts held by the DIA, DIA Retail España, S.A.U., Beauty By DIA, S.A.U., and Pe-Tra Servicios a la Distribución, S.L.
- Personal guarantee by DIA World Trade, S.A.

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

As indicated above, this security package in favor of the Syndcated Lenders will have to be ratified and extended as a condition precedent to the effectiveness of the Comprehensive Transaction (and the New Facilities Agreement).

Negative covenants and undertakings

The Company's negative covenants will remain unchanged from the Amended Facilities Agreement to the New Facilities Agreement. Such negative covenants include, but are not limited to, restrictions on the Company's ability to grant liens or security interests on assets, sell or dispose certain assets, enter into sale/leaseback transactions, change the Group's line of business, merge and consolidate with other companies, enter into transactions with affiliates, and make restricted payments (including dividends, redemptions, repayments and prepayments of loans with members of the Group). If the Company wanted to breach any of these negative covenants it would require the prior consent from Lenders whose commitments aggregate more than 75% of the total commitments

The New Facilities Agreement also contains customary undertakings, including, but not limited to (i) authorizations, (ii) compliance with laws, (iii) sanctions and anti-corruption, (iv) taxation, (v) environmental compliance and (vi) applicable registration requirements.

Financial covenants

Other than the update of the restated leverage covenant under the Amended Facilities Agreement (which is calculated differently to the Adjusted Leverage Ratio) for financial years 2023 to 2025, the Company's negative covenants will remain unchanged from the Amended Facilities Agreement to the New Facilities Agreement. Such financial covenants are:

(i) a capex covenant, under which the Company's capex allocation cannot exceed more than 112.5% of the aggregate amounts of capex decided by the Company and included in its Current Business Plan, that is, a maximum deviation of €187 million in total capex allocation for the period from January 1, 2020 to December 31, 2023 (as of December 31, 2020, the Company complied with this covenant);

(ii) a restructuring costs covenant, which is fixed at 120% of the aggregate amounts of restructuring costs decided by the Company and included in its Current Business Plan, that is, a maximum deviation of €23.3 million for the period from 1 January 2020 to December 31, 2023 (as of December 31, 2020, the Company met such ratio); and

(iii) a maximum restated leverage ratio covenant (calculated in a different manner to the Company's Adjusted Leverage Ratio), which is measured on June 30 and December 31 of each year. Deviation is set at up to 35% of the Restated Total Net Debt / Restated EBITDA (as these terms are defined in the Amended and New Facilities Agreements) ratio forecast in the Current Business Plan (as of December 31, 2020, the Company complied with this covenant). The Current Business Plan included the following limits:

Thousands of Euro	2020	2021	2022	2023
Covenant Level	1,025.9x[1]	14.2x	5.6x	4.2x

[1] In the 2020 financial year, the Company's Restated EBITDA (as this term is defined in the Amended and New Facilities Agreements) was very low, which is the reason why the 2020 restated leverage ratio covenant was so high in comparison with other financial years.

As mentioned above, the Company has an obligation to deliver to the Syndicated Lenders the Updated Business Plan no later than December 31, 2022, which will serve as a basis for, among other, the roll forward of the Company's financial covenants, with the Company's restated leverage covenant for financial years 2023 to 2025 being equal to or lower than the restated leverage covenant included for financial year 2022 in the Company's Current Business Plan.

Events of default

The New Facilities Agreement provides that, upon the occurrence of certain events of default, the obligations thereunder may be accelerated and the lending commitments terminated. Such events of default, subject to certain agreed exceptions, include, among other events of default:

- non-payment of amounts due under the applicable finance documents;
- breach of restated leverage ratio covenant (subject to certain equity cure rights).;
- inaccuracy of a representation or statement when made or deemed to be made;
- failure to satisfy covenants, undertakings and other obligations under the applicable finance documents;
- cross-acceleration of certain financial indebtedness of the Group;
- unlawfulness and repudiation or enforceability of the finance documents entered into in connection with the New Facilities Agreement;

- cessation of business of any obligor or material company;
- expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction in relation to an obligor or a material company or any of its assets;
- failure of any party (other than a secured party) to comply with its obligations under the intercreditor agreement related to the New Facilities Agreement (such obligations are a remission to the rest of the financing documents included in the New Facilities Agreement);
- a material qualification from the Group's auditors in the audited annual consolidated financial statements;
- the occurrence of any event of circumstance which has or is reasonably likely to have a material adverse effect; and

Applicable law

The New Facilities Agreement are governed by English law and subject to the jurisdiction of English courts (save where local law is appropriate for security documents).

D. Expected effects of the Comprehensive Transaction

The successful implementation of the Comprehensive Transaction is expected to have the following effects on the Group's financial situation:

(i) reduction of (a) €769.2 million of the Group's Net Financial Debt[21] as of March 31, 2021 if the Second Tranche of the Capital Increase is not subscribed at all (reduction from €1,344.3 million to €575.1 million, and (b) €1,027.8 million of the Group's Net Financial Debt as of March 31, 2021, in case of a full subscription of the Second Tranche (reduction from €1,344.3 million to €316.5 million);

(ii) reduction of (a) the Adjusted Leverage Ratio[22] from 10.3x as of March 31, 2021 to a maximum of 4.4x in case that the Second Tranche is not subscribed at all, and (b) the Adjusted Leverage Ratio from 10.3x as of March 31, 2021 to a maximum of 2.4x in case of a full subscription of the Second Tranche;

(iii) significant extension of the maturity of the €902 million Senior Facilities (which include €524.0 million in RCF and term loans, €176.5 million in drawn credit lines, €145.0 million in confirming lines and €56.9 million of undrawn credit lines) until December 31, 2025 (except for the €25 million Early Repayments in 2023 and 2024);

[21] Net Financial Debt is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.
[22] Adjusted Leverage Ratio is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of this Registration Document.

(iv) repay, subject to certain events, (a) €35 million of the Super Senior Supplier Tranche (€1.6 million in Super Senior Supplier Facility RCF and €33.4 million in Super Senior Supplier Facility confirming lines) upon the effectiveness of the Comprehensive Transaction (expected to happen in the first half of August 2021 or shortly thereafter), and (b) the rest of the Super Senior Supplier Tranche (that is, €1.6 million in Super Senior Supplier Facility RCF and €34.2 million in Super Senior Supplier Facility confirming lines) by no later than July 17, 2022;

(v) increase in the Group's liquidity in up to €258.6 million, depending on the subscription of the Second Tranche of the Capital Increase; and

(vi) availability of new facilities under the Incremental Facility Commitments of up to €50 million, depending on the subscription of the Second Tranche of the Capital Increase.

The Group's financial and commercial debt situation would be as follows after the successful implementation of the Comprehensive Transaction[23]:

Completion of the Comprehensive Transaction	**Total**	**Current 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**>5 years**
2023 Notes	30.8 million	-	-	-	-	-	30.8 million
Senior Facilities – Term Loan and RCF(1)	524.0 million	-	25.0 million	25.0 million	-	474.0 million	-
Senior Facilities – Credit Lines drawn(1)	176.5 million	-	-	-	-	176.5 million	-
Super Senior Supplier Facility - RCF(1)(2)	1.6 million	-	1.6 million	-	-	-	-
Activated fees	(3.3) million	-	-	-	-	(3.3) million	-
Other loans	33.5 million	10.4 million	23.1 million	-	-	-	-
Other credit facilities drawn down	3.0 million	3.0 million	-	-	-	-	-
Finance lease payables	607.1 million	203.8 million	170.7 million	116.1 million	50.0 million	16.5 million	50.0 million
Guarantees and deposits received	12.5 million	1.1 million	-	-	-	-	11.5 million
Other financial debt	9.1 million	8.5 million	0.5 million	-	-	-	-
TOTAL FINANCIAL	**1,394.8 million**	**226.8 million**	**220.9 million**	**141.1 million**	**50.0 million**	**663.7 million**	**92.3 million**

[23] The financial indebtedness indicated in the table does not include the €35.4 million facility granted to DIA Portugal on April 1, 2021.

Completion of the Comprehensive Transaction	Total	Current 1 year	2 years	3 years	4 years	5 years	>5 years
INDEBTEDNESS							
Senior Facilities – Confirming lines	145.0 million	-	-	-	-	145.0 million	-
Super Senior Supplier Facility – Confirming lines	34.2 million	-	34.2 million	-	-	-	-
Other bilateral confirming lines	34.0 million	22.2 million	11.8 million	-	-	-	-
TOTAL CONFIRMING (COMMERCIAL DEBT)	**213.2 million**	**22.2 million**	**46.0 million**	-	-	**145.0 million**	-

(1) In addition to the abovementioned €702.1 million of syndicated financial debt (after the amortization of €1.6 million of Super Senior Supplier Tranche RCF lines upon the completion of the Comprehensive Transaction), the Amended Facilities Agreement also includes the following items:

(i) Senior Facilities confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €145.0 million and Super Senior Supplier Tranche confirming lines (which is not financial debt, as it is registered as commercial debt) amounting to €34.2 million (after the amortization of €33.4 million of Super Senior Supplier Tranche confirming lines upon the completion of the Comprehensive Transaction); and

(ii) Undrawn credit lines amounting to €56.9 million.

(2) On June 17, 2021, the Syndicated Lenders extended the maturity of the Super Senior Supplier Facility to July 2022. Notwithstanding the foregoing, the Company and the Syndicated Lenders agreed, as part of the Comprehensive Transaction, the early amortization of €35 million of the Super Senior Supplier Tranche upon the effectiveness of the Comprehensive Transaction.

In addition to the foregoing, the Comprehensive Transaction would have the following effects on the Company's financial costs:

(i) increase in the applicable margin for Syndicated Lenders under the €902.4 million Senior Facilities (which include €524.0 million in RCF and term loans, €176.5 million in drawn credit lines, €145.0 million in confirming lines and €56.9 million of undrawn credit lines) from 250 basis points per annum to the lower of (a) 325 basis points per annum, or (b) 300 basis points per annum if (y) the private debt instrument amounting to a principal of €269.2 million currently held by LetterOne has been capitalized in the Capital Increase, and (z) the amount of cash proceeds received by DIA in the Second Tranche of the Capital Increase is equal to or greater than €125 million:

(ii) increase in 125 basis points per annum (in PIK) of the applicable margin for Syndicated Lenders if (a) the restated leverage ratio (which is calculated differently to the Company's Adjusted Leverage Ratio) for the relevant 12-month period ending on each of December 31, 2022 and/or June 30, 2023 is greater than 3.25:1, and/or (b) the restated leverage ratio (which is calculated differently to the Company's Adjusted Leverage Ratio) for each 12 month period ending on each of December 31 and June 30 thereafter is greater than 2.50:1, such increase ceasing to apply if the restated leverage ratio falls below the relevant threshold on any subsequent test dates; and

(iii) increase of the coupon of the 2023 Notes from 0.875% per annum to 3.5% per annum, that is, 3% in cash and 0.50% PIK (plus an additional increase in interest of 1% PIK in circumstances where it is applicable under the New Facilities Agreement).

11.5 Pro forma financial information

Not applicable.

11.6 Dividend policy

Holders of the Company's shares will be entitled to receive future dividends and in respect of any subsequent period, provided dividends are declared. The Company has not distributed dividends to its shareholders since July 18, 2018, when it distributed a dividend of €0.18 per share, which amounted to a total of €110.3 million.

The Amended Facilities Agreement (currently in force) and the New Facilities Agreement (whose effectiveness is subject to those conditions precedent indicated in section 11.4.3B above) restrict the ability of the Company to declare or pay any dividend or make any other payment or distribution on or in respect of its share capital, until the syndicated facilities have been repaid in full (which, under the Amended Facilities Agreement will be on March 31, 2023, and under the New Facilities Agreement will be on December 31, 2025). The Company may only distribute dividends to its shareholders before the repayment in full of the syndicated facilities if it obtains the prior consent from Lenders whose commitments aggregate more than 75% of the total commitments. Any dividend distribution made without said prior consent will result in an event of default under the Amended Facilities Agreement and the New Facilities Agreement.

In addition to the above, pursuant to the Spanish Companies Act, the Company may not distribute dividends if the value of its net equity is lower than its share capital, or if a result of such dividend distribution the Company's net equity value will be lower than its share capital. Also, the Company does not have any amount attributed to its legal reserve (20% of its share capital), so at least 10% of its annual profit will need to be allocated to its legal reserve, until it reached 20% of the Company's share capital.

In any event, the Company's ability to distribute dividends would also depend on a number of circumstances and factors including, but not limited to, the amount of net profit attributable to the Company in any financial year (the Company has incurred losses for the past 3 financial years), the amount of distributable reserves and the Company's growth strategy.

Furthermore, any dividend policy that the Company may choose to implement, and the amounts of any dividend payments, must be approved by the General Shareholders' Meeting upon proposal from the Board of Directors. Any interim dividends must be approved by the General Shareholders Meeting or by the Board of Directors and subsequently be notified by the General Shareholders Meeting.

11.6.1 The amount of the dividend per share for the last financial year adjusted, where the number of shares in the issuer has changed, to make it comparable.

The Company has not distributed dividends as of December 31, 2020.

12. ADDITIONAL INFORMATION

12.1Share capital

The information in items 12.1.1 and 12.1.2 in the annual financial statements as of the date of the most recent balance sheet.

12.1.1 The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

As of the date of this Registration Document, there are no convertible securities, exchangeable securities or securities with warrants.

12.1.2 Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.

The General Shareholders' Meeting held on July 31, 2020 authorized the Board of Directors of the Company, during a maximum of five years, to issue securities convertible into new shares in the Company and/or exchangeable for outstanding shares in the Company, as well as warrants. The authorized amount is limited to a maximum of 20% of the Company's share capital at the authorization date (which amounted to €66.7 million).

The General Shareholders' Meeting held on July 31, 2020 authorized the Board of Directors of the Company, during a maximum of five years, to increase the share capital in accordance with article 297.1.b) of the Spanish Companies Act, up to 50% of the share capital at the date of the authorization (which amounted to €66.7 million), and expressly empowering the board to exclude the preferential subscription rights, although this latter power is limited to 20% of the share capital at the authorization date.

Lastly, as part of the conditions precedent for the effectiveness of the Comprehensive Transaction detailed in section 11.4.3B of this Registration Document, on May 31, 2021 the Company's General Shareholders' Meeting approved the Capital Increase.

13. REGULATORY DISCLOSURES

13.1 A summary of the information disclosed under Regulation (EU) No 596/2014 over the last 12 months which is relevant as at the date of the prospectus. The summary shall be presented in an easily analyzable, concise and comprehensible form and shall not be a replication of information already published under Regulation (EU) No 596/2014.

The summary shall be presented in a limited number of categories depending on their subject.

13.1.1 Corporate Governance:

A. **Changes in the Board of Directors, April 14, 2020**: Following the successful completion of the first phase of the transformation of DIA, the Company announced that, by mutual agreement with the Company, Mr. Karl-Heinz Holland, will step down from DIA, both from his Group CEO and board roles, effective May 20, 2020. The Company communicated that Mr. Stephan at that time non-executive Chairman of DIA's board of directors, would become Executive Chairman as from May 21, 2020. Register number: 164. Additionally, the Company informs of the appointment of Mr. Ricardo Álvarez and Mr. Marcelo Maia, respectively, as local CEOs of Spain and Brazil.

B. **Calling for Ordinary General Shareholders' Meeting, dated June 24, 2020**: The Company called for the Ordinary General Shareholders' Meeting. Change in the Nomination and Remuneration Committee, dated June 24, 2020: As a consequence of Mr. Stephan DuCharme's change to the category of executive director due to his appointment as Executive Chairman of DIA, the Company informed that the Board of Directors approved his replacement by the independent director Mr. Jaime García-Legaz Ponce, as member of the Nomination and Remuneration Committee. Register number: 2981.

C. **Resolutions adopted at the General Shareholders' Meeting, dated July 31, 2020:** The Company informs that the General Shareholders' Meeting of the Company, validly held on July 31, 2020, approved, with a sufficient majority, all the resolutions proposed by the Board of Directors, except for the resolution related to item 4 (Approval of the management of the Board of Directors during the period from January 1 to May 20, 2019) of the agenda, that did not achieve the sufficient majority for its approval. Register number: 3887.

D. **Changes in the financial Management Board, dated September 14, 2020**: The Company informed that the then CFO of DIA Group, Mr. Enrique Weickert Molina, left the Company on September 18, 2020. Register number: 4394.

E. **DIA Group appointments, dated November 12, 2020**: The Company communicated the appointment, by co-optation (*cooptación*), of Mr. Marcelo Maia Tavares as new member of the Board of Directors, with the category of other external director of the Company, effective from January 1, 2021; and the appointment of Mr. Jesús Soto Cantero as new Chief Financial Officer of the Group (Group CFO), effective from January 1, 2021. Register number: 6140.

F. **Changes in the Board of Directors, dated February 17, 2021**: The Company informed about the passing of the board member Mr. Christian Couvreux. Register number: 7131.

G. **2021 Annual General Shareholders Meeting Call, dated April 29, 2021**: The Company informed that the Board of Directors of the Company resolved to call the General Shareholders' Meeting to be held exclusively by telematic means on May 31, 2021 at 10:00 am. The agenda of such General Shareholders' Meeting include, among others, approval of the Share Capital Increase and the amendment of certain articles of the Company's bylaws in order to reflect the amendments resulting from Law 5/2021 of April 12, which modifies the Spanish Companies Act. The Company did not include in such agenda the issuing of any fidelity share in accordance with such possibility set forth in Law 5/2021.

H. **Finance and Capital Structure Committee Dissolution, dated April 29, 2021**: The Company informed that the Board of Directors of the Company resolved to dissolve the Finance and Capital Structure Committee, considering that it had satisfactorily completed its functions as a result of the agreement reached in relation to the global recapitalization and refinancing transaction referred to in the insider information notice dated March 25, 2021, the implementation of which will allow for a stable long-term capital and financial structure for the DIA Group.

I. **Appointments of the Appointments And Remuneration Committee, dated May 26, 2021**: The Company informed that the Board of Directors of the Company agreed to appoint the independent director Mr. Jaime García-Legaz Ponce as Chairman of the Appointments and Remuneration Committee and Lead

Independent Director (positions that became vacant due to Mr. Christian Couvreux's passing) and the external director Mr. Marcelo Maia Tavares de Araujo as a new member of the Appointments and Remuneration Committee.

J. **Resolutions adopted at the Annual General Shareholders Meeting, dated May 31, 2021**: The Company informed that the General Shareholders' Meeting of the Company, validly held on 31 May 2021, approved, with a sufficient majority, all the resolutions proposed by the Board of Directors.

13.1.2 Financing agreements and financial instruments

A. **Offer to noteholders, dated August 10, 2020**: The Company disclosed that DEA Finance, a private limited liability company (*société à responsabilité limitée*), organized under the laws of Luxembourg, and the sole lender under the €200 million additional super senior credit facility granted in favor of DIA Finance, had launched an offer addressed to (i) the eligible holders of the notes issued by the Company for an aggregate principal amount of €300 million, with a 1.000% coupon, due April 28, 2021 (ISIN: XS1400342587; Common Code: 140034258), and (ii) the eligible holders of the notes issued by the Company for an aggregate principal amount of €300 million, with a 0.875% coupon, due April 6, 2023 (ISIN: XS1589970968; common code: 158997096), to purchase for cash up to €225 million in aggregate principal amount of the notes due April 28, 2021 and up to €225 million in aggregate principal amount of the notes due April 6, 2023. Register number: 420.

B. **Information regarding the offer to noteholders, dated September 15, 2020**: In relation to the communication of inside information dated August 10, 2020 (with registry number 420), the communication of other relevant information dated August 24, 2020 (with registry number 4108) and the communication of other relevant information dated September 7, 2020 (with registry number 4246), the Company communicated that it had received the following information from DEA Finance: "DEA Finance, (i) owner of 76.00% of the aggregate outstanding amount of the €300 million 0.875% notes issued by the Company due April 2023, (ii) owner of 97.53% of the aggregate outstanding amount of the €300 million 1.000% notes issued by the Company due April 2021, and (iii) sole lender under the €200 million additional super senior credit facility granted in favor of DIA Finance, had launched an offer addressed to eligible holders of the 2023 Notes to purchase for cash any and all of the outstanding 2023 Notes not owned by the DEA Finance". Register number: 448.

13.1.3 Capital structure

A. **About DIA's Group capital structure (a correction on the CNMV's information was made regarding this point), dated November 30, 2020**: Further to the communication of inside information published by the Company on November 9, 2020 (registration number 564), DIA informed and disclosed to the market that, following negotiations among LetterOne, DEA Finance, DIA and its syndicated financial lenders, DIA had reached an agreement with all of its Syndicated Lenders which provides a path for a comprehensive recapitalization and refinancing transaction which would provide a stable long-term capital and financial structure for the DIA group that would allow the management to focus fully on the implementation of the Current Business Plan. Register numbers: 612 and 613.

B. **Information about the fulfillment of the initial conditions precedent, dated December 18, 2020**: The Company informed that the agent in respect of the Company's Senior Facilities has confirmed to the Company that all the initial conditions precedent have been fulfilled. Register number: 6297.

C. **Capital increase announcement, dated March 25, 2021**: The Company informed the market that it had reached a new agreement with all of its syndicated lenders providing a path for a more comprehensive recapitalization and refinancing transaction which would ensure achieving a stable long-term capital and financial structure for the DIA group that would allow the management to focus fully on the implementation of its Current Business Plan.

D. **Noteholders' meeting announcement, dated March 29, 2021**: The Company informed that on the date thereof, it had launched the consent solicitation process addressed to all the 2023 Notes holders to approve an amendment to the 2023 Notes, through the call of the 2023 Notes holders meeting to be held, presumably at first call, on April 20, 2021.

E. **Noteholders' meeting results, dated April 20, 2021**: The Company informed that the noteholders' meeting of the 2023 Notes held on April 20, 2021 approved the Amendment to the 2023 Notes, and that, in order to implement such noteholders' meeting resolution, the Company signed an amendment to the final terms of the 2023 Notes in accordance with the Amendment to the 2023 Notes. The Amendment to the 2023 Notes will become effective upon the satisfaction or waiver of the rest of conditions to which the effectiveness of the Comprehensive Transaction is subject and of other customary conditions in this type of amendments.

F. **Capital Increase Price, dated April 29, 2021**: The Company informed the market that the Board of Directors of the Company approved to convene the 2021 General Shareholders' Meeting to whose approval it will submit, among other resolutions, the Capital Increase, at an issue price, applicable to both tranches of the Capital Increase, of €0.02 per new share (€0.01 nominal value and €0.01 share premium).

13.1.4 Financial information

A. **On financial targets published in May 2020, dated June 28, 2021**: The Company informed that, in light of the evolution of the comparable results in April and May 2021, the financial targets published on 12 May 2020 are not currently a valid reference to assess the performance of the Company, due mainly to the following facts: (i) the Like-for-Like Sales growth target published on 12 May 2020 has been undermined by the exceptional stockpiling purchases seen during year 2020, driven by mobility restrictions imposed during the pandemic in all markets where the Company operates; (ii) the devaluation suffered by the Brazilian Reais and the Argentinian Peso in the last 18 months affects the Company's Net Sales target published on 12 May 2020 since the sales of the group in Brazil and Argentina are converted into Euro and integrated in the Net Sales target of the Company; and (iii) the Comprehensive Transaction will, if and when it becomes effective, significantly reduce the Company's Net Debt and Leverage targets published on 12 May 2020.

B. **Q1 2020 Results Presentation, dated May 12, 2020**: The Company informed that it had approved the Group's Q1 2020 financial statements and attached the Q1 2020 Results Presentation, which included financial objectives for years 2021, 2022 and 2023. For further detail regarding these objectives please see section 7.

C. **On credit ratings, dated March 11, 2021**: The Company informed that the services in respect of the Company´s long-term corporate issuer rating, its probability of default rating, its senior unsecured long term rating and its senior unsecured MTN program rating provided by Standard & Poor´s Financial Services and Moody's Investors Service had been cancelled. Register number: 7936.

D. **2020 financial year results presentation, dated February 23, 2021**: The Company informed that it had approved its 2020 financial statements and attached the 2020 financial year results presentation.

E. **Q1 2021 results presentation, dated May 13, 2021**: The Company informed that it had approved the Group's Q1 2021 financial statements and attached the Q1 2021 Results Presentation.

14. MATERIAL CONTRACTS

A brief summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.

A brief summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.

Original Facilities Agreement

See section 11.4.3A of this Registration Document, which includes a summary of the main terms and conditions of the Original Facilities Agreement.

Amended Facilities Agreement

See section 11.4.3A of this Registration Document, which includes a summary of the main terms and conditions of the Amended Facilities Agreement.

New Facilities Agreement

See section 11.4.3B of this Registration Document, which includes a summary of the main terms and conditions of the New Facilities Agreement.

Super Senior Term Loan (and its amendment)

See section 10.1 of this Registration Document, which includes a summary of the main terms and conditions of the Super Senior Term Loan.

2023 Notes exchange agreement

On April 23, 2021, DEA Finance and the Company agreed to exchange the 2023 Notes held by DEA Finance for appropriate debt instruments in order to allow its capitalization as part of the First Tranche of the Capital Increase. Additionally, on April 23, 2021, DEA Finance notified the Company of the assignment of such debt instruments to LetterOne.

15. ALTERNATIVE PERFORMANCE MEASURES

This Registration Document contains certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which the Group considers to be alternative performance measures ("**APMs**"). These APMs are prepared in addition to the figures that are prepared in accordance with IFRS. The Group uses APMs to provide additional information about the underlying performance of the activity and financial position of the Group. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Such APMs are non-IFRS financial measures and have not been audited or reviewed and are not recognized measures of financial performance or liquidity under IFRS. These non-IFRS financial measures may not be indicative of the Group's historical results, nor are such measures meant to be predictive of the Group's future results. These measures may not be comparable to measures used by other companies under the same or similar names and, as a result, they may not be comparable to similar metrics calculated by the Group's peers. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Registration Document and they should not be considered as a substitute for financial measures computed in accordance with IFRS.

Each of the non-IFRS financial measures presented as APMs is defined below:

- **Like-for-Like Growth of Gross Sales Under Banner:** Gross Sales Under Banner represents total turnover value obtained in stores, including indirect taxes (sales receipt value) in all the Group's stores, both owned and franchised. Like-for-Like Growth of Gross Sales Under Banner represents the growth rate of sales at constant currency of the stores that have been operating for more than thirteen months under the same conditions. To be more conservative in applying this definition, Like-for-Like Growth of Gross Sales Under Banner figures reported exclude from the comparison base of calculation only those stores that have been closed for significant remodelling activities or severely impacted by external objective reasons. Additionally, the Like-for-Like Growth of Gross Sales Under Banner figures corresponding to Argentina have been deflated using internal inflation to reflect volume Like-for-Like Growth of Gross Sales Under Banner, avoiding misleading nominal calculations in relation to hyperinflation.

- **Adjusted EBITDA:** calculated after adding back to net losses, the income tax, losses of companies accounted for using the equity method, gain from monetary positions, finance expenses, finance income, depreciation & amortization, losses on the write-down of fixed assets, impairment of fixed assets, restructuring costs, gains and losses on disposals of fixed assets, the effect related to the application of IAS 29 and IFRS 16, and the costs related to LTIP programs, as shown in note 4 of the 2020 Group´s annual consolidated accounts.

- **Net Financial Debt:** Is the result of subtracting from the total value of the Company's current and non-current borrowings, the total value of its cash and cash equivalents and the finance lease liability resulting from the application of IFRS 16, as disclosed in note 14.1 of the Group´s consolidated annual accounts.

Net Financial Debt is a metric used as an indication of the Group´s net financial indebtedness level excluding liabilities related to financial leases resulting from the application of IFRS16.

- **Average Gross Debt:** is calculated as the arithmetic mean of the total financial liabilities considering financing cost capitalized plus accrued interests and overdraft, including both non-current and current financial liabilities between the beginning and the end of the current year.

For reconciliations of the APMs to the nearest corresponding IFRS measure in the 2020 Group´s annual consolidated accounts, see "Consolidated Director´s Report 2020 – Definition of APMs". For reconciliation of the APMs as of 31 March 2021, see "Q1 2021 Financial Results – Definition of APMs".

The Group believes that the APMs contained in this Prospectus comply with the "European Securities and Markets Authority Guidelines on Alternative Performance Measures" published in June 2015 and the "Q&A on Alternative Performance Measures Guidelines" published in October 2017 (the "**ESMA Guidelines**") especially as it relates to the reasons for their use and to the reconciliation to the most directly reconcilable item presented in the 2020 Financial Statements of the Group.

Additionally, this Registration Document includes the following APM´s which are not defined in the 2020 Financial Statements of the Group:

- **EBITDA:** Is the result of adding back to Result From Operating Activities, Depreciation & Amortization, losses on the write-down of fixed assets and impairment of fixed assets.

EBITDA	**At December 31, 2020**	**At March 31, 2021**
Result from Operating Activities	-182,1	-42,6
Depreciation & Amortization	426,5	96,2
Losses on write-off of fixed assets	31,1	2,2
Impairment of fixed assets	26,4	0,4
Gross Operating Profit (EBITDA)	**301,9**	**56,2**

EBITDA is used as an indicator of the operational performance of the Company.

- **Working Capital:** is calculated as current assets less current liabilities, excluding assets and liabilities held for sale.

Working Capital	**At December 31, 2020**	**At March 31, 2021**

Current Assets	990.8	872.1
Current Liabilities	2,000.0	1,919.3
Assets Held for Sale	0.4	0.2
Liabilities Held For Sale	0	0
Working Capital	**-1,009.6**	**-1,047.5**

Working capital is a metric used to measure the short term financial position of the Company.

- **Adjusted Leverage Ratio:** calculated as Net Financial Debt divided by Adjusted EBITDA for the last 12 months.

Adjusted Leverage Ratio	**At December 31, 2020**	**At March 31, 2021**
Net Financial Debt	1.276,3	1.344,3
Adjusted EBITDA (last 12 months)	122,9	130,5
Leverage Ratio (12 months basis)	**10,4**	**10,3**

At March 31, 2021, Adjusted EBITDA for the last twelve months was calculated by subtracting from €122.9 million Adjusted EBITDA as of December 31, 2020, the Adjusted EBITDA as of March 31,2020 amounting €-0.5 million and adding the Adjusted EBITDA as of March 31, 2021 for an amount of €7.1 million.

Adjusted Leverage Ratio is a financial metric used to measure the indebtedness of the Group and its ability to repay financial debt excluding liabilities related to financial leases resulting from the application of IFRS16.

16. DOCUMENTS AVAILABLE

During the period of effectiveness of this Registration Document, the following documents (or copies of them) may be inspected at the points provided herein:

Document*	DIA's registered address	DIA's web page**	CNMV's web page***	Commercial Registry of Madrid
Current by-laws	Yes	Yes	No	Yes
Regulations of the Board of Directors	Yes	Yes	Yes	Yes
Internal Conduct Regulations	Yes	Yes	Yes	No
Individual and consolidated annual accounts of DIA, together with the	Yes	Yes	Yes	Yes

Document*	DIA's registered address	DIA's web page**	CNMV's web page***	Commercial Registry of Madrid
corresponding audit report and management report, for the financial year closed on December 31, 2020				
Annual Corporate Governance Report for the financial year 2020	Yes	Yes	Yes	No
Annual Report on Directors' Remuneration for the financial year 2020	Yes	Yes	Yes	No

*Except for that information that has been incorporated by reference into this Registration Document, the documentation detailed below is not part of this Registration Document and has not been reviewed or approved by the CNMV.

** https://diacorporate.com/operaciones-corporativas

*** www.cnmv.es