3Q20 & 9M20 Financial Results

Continued positive topline and Adjusted EBITDA performance supported by ongoing group wide business transformation delivering over 25 per cent growth in average basket size

Improved financial position with ample liquidity, trade working capital inflows, positive cash flow generation and reduced net debt

Rollout of updated and mutually beneficial franchise model well advanced in Spain and Portugal

DIA ready to serve our customers during Covid-19 second wave thanks to expansion of online and express delivery in all four countries - Spain express delivery now available to 90 per cent of population in major cities

MADRID, November 11th 2020: DIA Group, ("DIA" or "The Group") an international food retailer that operates in Spain, Portugal, Brazil and Argentina, today issued its financial results for the third quarter and nine months 2020.

3Q20 FINANCIAL HIGHLIGHTS (all figures in €)

- **Net Sales:** 1,679m (3Q19: 1,638m), up 2.5% thanks to ongoing transformation efforts and despite smaller store network and significant currency effects.
- **Like-for-Like:** continued strong growth of 6.3% driven by 25.3% increase in average basket size, more than offsetting 15.1% decrease in number of tickets.
- **Gross Profit:** 366m (3Q19: 344m) up 0.8% as a percentage of Net Sales, supported by increased sales volumes and positive operational improvements.
- **Labor Costs**: 178m (3Q19: 175m) stable year-on-year as 2019 workforce rationalization measures continue to offset Covid-19 related staffing costs.
- **Operating Expenses:** up slightly to 0.8% as a percentage of Net Sales, driven by store defranchising process in preparation of the strategic roll out of new franchise model.
- **Restructuring Costs and LTIP:** 11m (3Q19: 7m) including some costs related to strategic sale of Rio Grande do Sul operations in Brazil.
- **Adjusted EBITDA:** 32m (3Q19: 16m), boosted by increased sales volume and improved gross margin supported by continued cost discipline.
- **Net Profit:** -58m (3Q19: -86m) primarily impacted by currency effects in Brazil.
- **Available Liquidity:** Ample levels at 439m (December 2019: 421m) with 94.4% in the form of Cash or Cash equivalents.
- **Net Financial Debt:** 1,250m down 72m versus December 2019 thanks to positive Cash Flow from Operations, controlled Capital Expenditures and improved Trade Working Capital.

9M20 FINANCIAL HIGHLIGHTS

[€ million]	9M 2020	9M 2019	Change (%)
Like-for-like sales growth (%)	7.9%	-8.2%	-
Net Sales	5,194.5	5,082.9	2.2%
Gross Profit	1,127.0	1,016.5	10.9%
Adjusted EBITDA	91.2	(39.7)	n/a
EBIT	(82.8)	(363.4)	-77.2%
Net attributable profit	(245.9)	(504.3)	-51.3%

[€ million]	9M 2020	FY19	Change (m)
Trade Working Capital (negative)	644.4	608.0	36.4
Net Financial Debt	1,250.1	1,322.2	(72.1)

9M 2020 TRANSFORMATION ROADMAP UPDATE

- **Optimized assortment:** Roll out to approximately 1,200 stores in Spain by year end with priority focus on fresh fruit and vegetable offer. Ongoing implementation in Portugal, supported by light refurbishment, and new assortment implemented in 65% of Argentinian stores.
- **Private Label:** Ready-made and new products now in store in Spain and Brazil as part of new offer combining quality, value-for-money and more attractive packaging.
- **Online & Express Delivery:** Ongoing expansion on online and express delivery in all four countries to meet new customer purchasing trends. Spain express delivery offer now covers 90% of population in cities over 50,000 inhabitants.
- **Franchise:** Improved incentive-driven franchise model rolled out to over 700 locations in Spain and 150 in Portugal ahead of launch of tailored offer in other markets.
- **Operations:** Continued focus on cost efficiencies and reduced complexity. Sale of underperforming operations in Brazil's Rio Grande Do Sul Region driven by strategic focus on sustainable growth and profitability in the state of Sao Paulo - southeast Brazil.

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

"DIA had a good quarter in terms of topline performance as our ongoing business transformation continues to deliver a real improvement in what customers see and experience in store with more fresh produce, better run stores and an attractive private label range. In addition to an evolving commercial value proposition, the quarter saw a positive inflection point in DIA`s relations with franchisees in Spain and Portugal based on the roll out of a new model that aligns DIA with its franchisees, stabilizes the outflow of franchisees and introduces an improved culture of engagement with these important partners.

We are closely monitoring the impact of new lockdown restrictions related to Covid-19, benefitting from lessons learnt during the first wave, and are ready to support the changing needs of our customers in terms of increased at-home consumption and demand for our expanded e-commerce and express delivery offer. In this sense, we are delivering on DIA´s purpose to be closer to our customers and communities, and are working harder, every day, to make this happen with the support of our neighborhood stores."

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3Q20 - GROUP FINANCIAL RESULTS OVERVIEW

[€ million]	Q3 2020	Q3 2019 (*)	Change (%)
Gross sales under banner	**2,042.9**	**2,235.6**	**-8.6%**
Like-for-like sales growth (%)	6.3%	-8.8%	
Net Sales	**1,679.2**	**1,638.3**	**2.5%**
Cost of goods sold & other income	(1,313.4)	(1,294.5)	1.5%
Gross Profit	**365.9**	**343.9**	**6.4%**
Labour costs	(178.3)	(174.8)	2.0%
Other operating expenses & leases	(95.8)	(80.8)	18.6%
Restructuring costs and LTIP	(10.7)	(6.6)	62.8%
EBITDA	**81.1**	**81.8**	**-0.8%**
D&A	(104.7)	(126.7)	-17.4%
Impairment of non-current assets	1.4	(0.1)	n/a
Write-offs	(8.6)	3.4	n/a
EBIT	**(30.8)**	**(41.6)**	**-25.9%**
Net financial results	(28.2)	(43.3)	-34.9%
EBT	**(59.0)**	**(84.9)**	**-30.5%**
Corporate Taxes	0.8	0.4	137.3%
Consolidated Profit	**(58.2)**	**(84.5)**	**-31.2%**
Discontinuing operations	-	(1.1)	-100.0%
Net attributable profit	**(58.2)**	**(85.6)**	**-32.1%**

(*) Q3 2019 restated to present the cost of logistics platforms according to their nature.

9M20 - GROUP FINANCIAL RESULTS OVERVIEW

[€ million]	9M 2020	9M 2019 (*)	Change (%)
Gross sales under banner	**6,336.1**	**6,858.0**	**-7.6%**
Like-for-like sales growth (%)	7.9%	-8.2%	
Net Sales	**5,194.5**	**5,082.9**	**2.2%**
Cost of goods sold & other income	(4,067.5)	(4,066.4)	0.0%
Gross Profit	**1,127.0**	**1,016.5**	**10.9%**
Labour costs	(560.2)	(558.6)	0.3%
Other operating expenses & leases	(284.2)	(280.3)	1.4%
Restructuring costs and LTIP	(24.8)	(82.4)	-70.1%
EBITDA	**258.0**	**95.2**	**171.1%**
D&A	(328.2)	(392.0)	-16.3%
Impairment of non-current assets	0.3	(11.6)	n/a
Write-offs	(13.0)	(54.9)	-76.4%
EBIT	**(82.8)**	**(363.4)**	**-77.2%**
Net financial results	(159.8)	(124.9)	27.9%
EBT	**(242.7)**	**(488.3)**	**-50.3%**
Corporate Taxes	(3.2)	5.8	n/a
Consolidated Profit	**(245.9)**	**(482.5)**	**-49.0%**
Discontinuing operations	-	(21.8)	-100.0%
Net attributable profit	**(245.9)**	**(504.3)**	**-51.3%**

(*) 9M 2019 restated to present the cost of logistics platforms according to their nature.

EBITDA to Adjusted EBITDA Reconciliation	9M 2020	9M 2019	Change (m)
Gross Operating Profit (EBITDA)	**258.0**	**95.2**	**162.8**
Restructuring and LTIP Costs	24.8	82.4	(57.6)
IFRS16 lease effect	(206.5)	(242.8)	36.3
IAS29 hyperinflation effect	14.9	25.5	(10.6)
Adjusted EBITDA	**91.2**	**(39.7)**	**130.9**

- **Group Net Sales** increased 2.2% despite lower tourist traffic in some areas in Spain and Portugal as a result of Covid-19 restrictions, 7.6% fewer stores and the currency impact of Brazilian Real and Argentinean Peso (depreciation of 22.9% and 34.6%, respectively since September 2019).
- **Group Comparable Sales (Like-for-Like)** reached 7.9%, continuing the positive momentum since the first quarter supported by ongoing transformation efforts.
- **Gross Profit (as a percentage of Net Sales)** increased to 21.7% from 20.0% during 9M20 thanks to the increase in the volume effects and positive operational improvements.
- **Labor costs** decreased 0.2% as a percentage of Net Sales, as 2019 rationalization measures continued to offset Covid-19 related staffing requirements.
- **Other operating expenses (as a percentage of Net Sales)** stable at 5.5% despite negative Covid-19 related costs including protective material which have been offset by cost cutting initiatives.
- **EBITDA** increased significantly to 258.0m in the period, thanks to improved Gross Profit and a continued cost discipline as well as a decrease in Restructuring Costs.
- **Adjusted EBITDA** improved to 1.8% as a percentage of Net Sales.
- **Depreciation and Amortization** decreased 63.8m on strategic closures of stores and warehouses.
- **Net Profit** amounted to negative 245.9m, impacted by foreign exchange losses recognized (90.1m during the period) mainly related to the depreciation of the Brazilian Real.

9M20 GROUP OPERATIONAL UPDATE

In line with the roadmap presented at the 1Q20 financial results in May, Phase Two of DIA's business transformation is underway and defined actions are being implemented by country leadership with strategic guidance, performance oversight and capital allocation provided by the corporate centre.

During 9M20, business transformation priorities included the continued development of DIA's commercial value proposition, private label and online offer, and continued operational efficiencies.

3Q20 saw the comprehensive roll out of an updated franchise model in Spain and Portugal. The program, which includes, payment and operational support, a new merchandise payment and sales incentive system as well as a simplified cost structure was presented to all franchisees in Spain and Portugal and has now been activated for over 700 of DIA's franchise partners in Spain (49% of franchisees) and 150 partners in Portugal (49% of franchisees) while a tailored offer is being prepared to launch in Brazil and Argentina.

Key highlights of the initiatives implemented during the year are listed below.

ASSORTMENT & STORE LAYOUT

- **Spain:** optimized assortment and store layout in 1,200 stores by year end. Ready-to-eat and new private label products now in store.
- **Portugal:** service frequency improved in 450 stores. Continuing implementation of optimized assortment and light refurbishments.

- **Brazil:** stores clustering model testing underway based on demographics, purchasing power and competitor presence. Over 400 new private label products by year end. Sale of underperforming operations in Rio Grande Do Sul Region driven by strategic focus on sustainable growth and profitability in the state of Sao Paulo – southeast Brazil.
- **Argentina**: new assortment implemented in over 65% of the stores.

ONLINE / E-COMMERCE

- **Spain:** ongoing expansion of express delivery to 440 stores covering 90% of population in main cities (cities over 50,000 inhabitants).
- **Portugal:** online delivery covering Greater Lisbon and express delivery available in 78 stores with partnerships in different regions.
- **Argentina:** on-going expansion with over 240 pick-up stores and 180 stores with last-mile service.

STORE NETWORK

SUMMARY OF GROUP STORES	Owned	Franchised	Total
Total Stores at 31 December 2019	3,725	2,901	6,626
New openings	3	2	5
Owned to franchised net transfers	105	-105	0
Closings	-249	-175	-424
Total Stores at 30 September 2020	**3,584**	**2,623**	**6,207**
Spain	**2,512**	**1,439**	**3,951**
Portugal	**313**	**254**	**567**
Brazil	**462**	**316**	**778**
Argentina	**297**	**614**	**911**

- **Closings:** 76 DIA stores closed in Spain (39 franchised and 37 owned) as well as 1 La Plaza store, 10 franchised stores in Portugal, 24 in Argentina (13 franchised and 11 owned) and 104 in Brazil (80 owned and 24 franchised including the strategic sale of Rio Grande do Sul stores). In addition, as part of a previously announced exit strategy for this specific type of franchisees, a total of 89 Cada Dia stores were closed during the period. Additionally, 120 Clarel stores were closed in Spain.
- **Openings:** 1 owned store in Spain, 1 franchised store in Portugal, 2 owned stores in Brazil and 1 franchised store in Argentina.
- **Net changes in format:** 98 stores were transferred from franchised to owned in Spain including 23 Clarel stores, and 7 locations were transferred from franchised to owned in Brazil. Net change of format in Portugal resulted in 15 additional owned stores, including 19 transfers to owned stores and 4 transfers from owned to franchised stores. Net change of format in Argentina resulted in 15 additional franchised stores, including 11 transfers to owned stores and 26 transfers from owned to franchise stores.

9M20 COUNTRY PERFORMANCE OVERVIEW

Spain	9M 2020	%	9M 2019	%	Change
Gross Sales Under Banner	**4,014.3**		**3,808.1**		**5.4%**
Like-for-like sales growth	11.8%		-6.8%		
Net Sales	**3,365.6**		**3,128.8**		**7.6%**
Adjusted EBITDA	**73.9**	**2.2%**	**38.8**	**1.2%**	**90.4%**

- Positive **Net Sales** trend continues strongly year on year despite 8.5% fewer stores and negative seasonal effects.
- **Adjusted EBITDA** increased 100bps offsetting increased Operating Expenses to support enhanced fresh offer, Covid-19 related costs and 6.8m legal contingency recognition as highlighted in the Interim Consolidated Financial Statements for the six months ended June 30, 2020.

Portugal	9M 2020	%	9M 2019	%	Change
Gross Sales Under Banner	**650.1**		**629.6**		**3.3%**
Like-for-like sales growth	6.4%		-4.7%		
Net Sales	**472.3**		**447.3**		**5.6%**
Adjusted EBITDA	**10.9**	**2.3%**	**6.6**	**1.5%**	**65.9%**

- **Net Sales** increased by 5.6% during the nine months, mainly driven by local transformation measures and refurbishments focused on supporting fresh product offer that offset the effect of lower tourist numbers in main cities during the peak holiday season.
- **Adjusted EBITDA** increased 80bps on the back of operational excellence measures implemented.

Brazil	9M 2020	%	9M 2019	%	Change
Gross Sales Under Banner	**806.1**		**1,014.3**		**-20.5%**
Like-for-like sales growth	7.4%		-10.3%		
Net Sales	**716.9**		**862.8**		**-16.9%**
Adjusted EBITDA	**(9.8)**	**-1.4%**	**(96.3)**	**-11.2%**	**-89.8%**

- **Net Sales** up 8% in local currency year on year despite 12% fewer stores following closure of underperforming locations.
- **Adjusted EBITDA** recovered significantly achieving a 9.8% improvement in margin but still impacted by a 23% currency effect.

Argentina	9M 2020	%	9M 2019	%	Change
Gross Sales Under Banner	**865.5**		**1,406.0**		**-38.4%**
Like-for-like sales growth	-1.7%		-10.4%		
Net Sales	**639.6**		**644.0**		**-0.7%**
Adjusted EBITDA	**16.2**	**2.5%**	**11.2**	**1.7%**	**44.5%**

- **Net Sales** up strongly on the back of improved operational performance in a challenging macroeconomic environment and despite the 35% devaluation of Argentinean Peso.
- **Adjusted EBITDA (*)** increased 80bps driven by costs reduction plan and despite negative volume effect on sales and currency effect.

(*) Adjusted EBITDA margin to Net Sales calculated without inflation in Argentina is not materially different than the reported figures.

9M20 FINANCIAL RESULTS

[€ million]	9M 2020	9M 2019	Change
Finance income	4.6	2.3	2.3
Interest expense	(36.6)	(51.9)	15.3
Other financial expenses	(19.1)	(54.9)	35.8
FX differences	(90.1)	(14.6)	(75.5)
IFRS16 related financial costs	(46.2)	(53.1)	6.9
Gains from monetary positions (IAS 29)	27.5	46.9	(19.4)
P&L from companies accounted under the equity method	0.1	0.4	(0.3)
Net Financial Results	**(159.8)**	**(124.9)**	**(34.9)**

- **Interest expense** decreased 15.3m as a result of the improved financing conditions achieved following the refinancing process in July 2019.
- **Other financial expenses** decreased to 19.1m thanks to lower refinancing costs.
- **Foreign Exchange differences** include 83.4m of negative currency effect resulting from the devaluation of the Brazilian Real in the period, of which 63.6m (76.3%) came from Euro denominated intra-Group long-term structural financing provided to DIA Brazil primarily by the Group, and the remaining 19.8m (23.7%) from USD and Euro denominated bank loans held by the Brazilian affiliate.
- The drop in the number of stores and lower inflation in Argentina drove the reduction in IFRS16 and IAS29 effects, respectively.

SUMMARY CASH FLOW

[€ million]	3Q 2020	9M 2020	9M 2019
Net cash from operations before changes in working capital	**88.7**	**295.7**	**137.7**
Changes in trade working capital	**0.5**	**36.5**	**(53.3)**
Changes in other receivables and payables	(7.6)	3.6	(3.1)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**81.6**	**335.8**	**81.4**
Investment in fixed assets	(20.1)	(63.9)	(143.7)
Disposals of fixed assets & other	29.0	47.0	27.8
CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**8.9**	**(17.0)**	**(115.9)**
CASH FLOW BEFORE FINANCING ACTIVITIES (A+B)	**90.5**	**318.8**	**(34.5)**
Debt drawdowns & repayments	(18.3)	179.2	287.0
Interest paid and other financial expenses	(12.7)	(36.7)	(129.6)
Payment of financial leases	(70.9)	(216.1)	(245.9)
Other	8.8	20.9	0.4
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(93.0)**	**(52.7)**	**(88.1)**
CHANGES IN CASH FLOW FOR THE PERIOD (A+B+C)	**(2.5)**	**266.2**	**(122.6)**
Exchange differences	(3.0)	(15.3)	6.1
Cash and Cash equivalents as at beginning of period	**420.0**	**163.6**	**239.8**
Cash and cash equivalents as at end of period	**414.4**	**414.4**	**123.3**

- **Trade Working Capital** improved to 644.4m, thanks to a 5.7% decrease in inventories facilitated by improved stock management, an increase of 7.6m of Trade and Other Receivables linked to the increase in Net Sales and an increase of 15.7m in Trade and other Payables.
- **Non-Recourse Factoring** amounted to 0 in the period (December 2019: 14.1m) and stable **Confirming** amount of 241.0m (December 2019; 250.3m).
- **Capital Expenditure** down 27.5% due to investment control measures implemented in the early stages of the business transformation plan.

- **Available Liquidity** stable at 439.0m (December 2019: 420.8m) out of which 414.4m relates to cash and cash equivalents and 24.6m to undrawn banking facilities.
- Decrease in **Total Net Debt** of 72.1m since end 2019, down to 1,250.1m driven by positive Cash Flow from Operations, improved Trade Working Capital and limited Capital Expenditures.

CAPITAL EXPENDITURES

Capex per Country	9M 2020	9M 2019	Change (%)
Spain	37.9	29.8	27.3%
Portugal	4.2	3.7	14.8%
Argentina	5.3	6.6	-19.0%
Brazil	5.3	32.8	-83.7%
Total Group	**52.8**	**72.9**	**-27.5%**

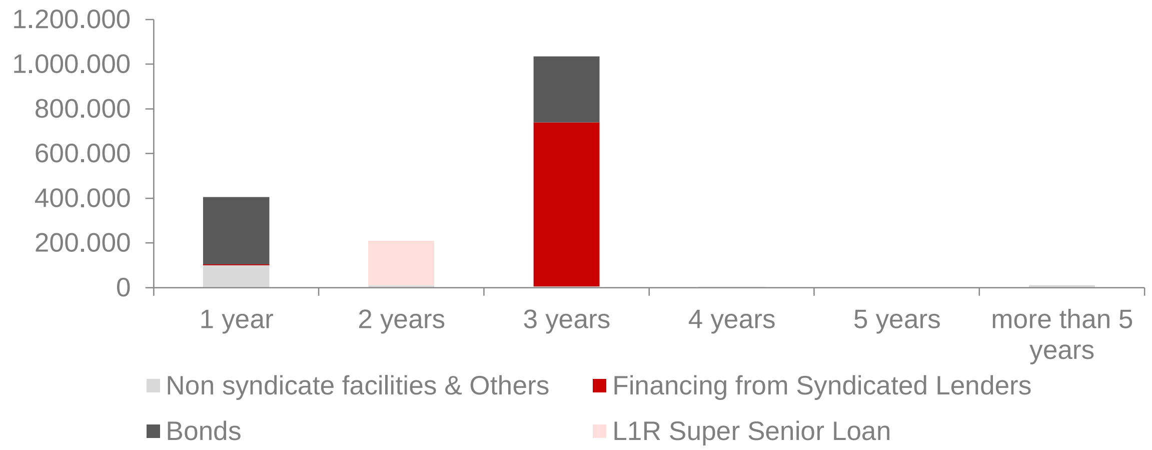
BALANCE SHEET

[€ million]	9M 2020	FY 2019
Non-current assets	2,111.6	2,448.2
Inventories	468.1	496.5
Trade & Other receivables	118.6	111.0
Other current assets	83.7	100.2
Cash & Cash equivalents	414.4	163.6
Total Assets	**3,196.5**	**3,319.4**
Total equity	(572.6)	(350.5)
Long-term debt	1,670.4	1,865.7
Short-term debt	594.4	325.5
Trade & Other payables	1,231.1	1,215.4
Provisions & Other liabilities	273.2	262.0
Liabilities associated with assets held for sale	0.0	1.3
Total Equity & Liabilities	**3,196.5**	**3,319.4**

- At 30 September 2020, the shareholders' equity balance in the individual financial statements of the Parent Company (which are those used for the purpose of computing the legal dissolution or capital increase obligation) amounted to 194.6m (222.7m as of December 2019).

- **Debt maturity profile**

    - **Actual Gross Debt Maturity Profile as of 30 September 2020:** 1,664.6m
    - **Non-Syndicated Facilities & Others:** 100.7m (September 2020-September 2021), 10.2m (September 2021-September 2022), 19.7m (September 2022 onwards).
    - **L1R Super Senior Loan facility:** 198.3m (July 2022).
    - **Bonds:** 302.2m (April 2021), 295.1m (April 2023).
    - **Financing from Syndicated Lenders:** 3.2m (September 2020-September 2021) and 735.2m (September 2022-September 2023).



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

- At 10 August 2020, DEA Finance S.à r.l. (the "Offeror"), a company ultimately controlled by Letterone Holdings S.A. and the sole lender under the €200m L1R Super Senior Facility, launched an offer addressed to the eligible holders of the 2021 and 2023 Bonds to purchase a significant portion of the Bonds. As a result of the transaction settled during the month of

September, the Offeror held as of 30 September 2020 an aggregate principal amount of 97.53% of 2021 Bonds and 89.73% of 2023 Bonds. The Offeror announced in the tender offer memorandum that following settlement date, it may seek to engage with the Company to discuss and implement options to address the Company's capital structure on a long-term basis.

EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- On 9th October 2020 **Standard & Poor's Financial Services ("S&P")** announced its decision to upgrade the long-term issuer credit rating to 'CCC-' from 'SD' (*selective default)* and the issue rating on DIA's senior unsecured notes to 'C' from 'D' on completion of the bond tender offer launched by DEA Finance S.à.r.l. The outlook remains negative.

- On 13th October 2020 the Company announced, as part of the business transformation process, a round table discussion with the employees' legal representatives in order to agree the parameters for an **incentivized voluntary departure program** and propose certain benefit changes linked to a new organizational model. The program is focused on around 400 positions at a head office level and does not impact store or warehouse staff.

- On 9th November 2020 DIA hereby informed that the Company is in discussions with LetterOne Group, DEA Finance S.a.r.l. and its lenders in relation to a **global agreement to address a long-term financing and capital structure** that would allow the management to focus on the implementation of the Company's business plan. As of the date hereof, no agreement has been reached yet. DIA will timely inform of the progress, if any, of such discussions.

CHANGE IN CURRENCY RATES

Change in Currency Rates	Argentinean Peso / €	Brazilian Real / €
9M 2019 average	0.0203	0.1695
9M 2020 average	0.0133	0.1308
9M 2020 Change	**-34.6%**	**-22.9%**

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

DEFINITION OF APMS

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

PURPOSE

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

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

CHANGES TO APMs

The Adjusted EBITDA definition was updated in 2019 to:

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

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

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

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

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

Net Sales to Gross Sales Under Banner	9M 2020	9M 2019	Change (%)
Net Sales	5,194.5	5,082.9	2.2%
VAT and Other	1,141.6	1,775.1	-35.7%
Gross Sales Under Banner	**6,336.1**	**6,858.0**	**-7.6%**

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

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

EBIT to Adjusted EBITDA Reconciliation	9M 2020	9M 2019	Change
Operating Profit (EBIT)	(82.8)	(363.4)	280.5
Depreciation & Amortization	328.2	392.0	(63.8)
Losses on write-off of fixed assets	13.0	54.9	(41.9)
Impairment of fixed assets	(0.3)	11.6	(12.0)
Gross Operating Profit (EBITDA)	**258.0**	**95.2**	**162.8**
Restructuring costs	15.9	82.4	(66.5)
Long-term incentive program	8.9	-	8.9
IFRS16 lease effect	(206.5)	(242.8)	36.3
IAS29 hyperinflation effect	14.9	25.5	(10.6)
Adjusted EBITDA	**91.2**	**(39.7)**	**130.9**

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

Net Debt Reconciliation	9M 2020	FY 2019	Change
Long-Term debt	1,258.5	1,377.5	(119.0)
Short-Term debt	406.1	108.3	297.8
Cash & Cash equivalents	414.4	163.6	250.8
NET FINANCIAL DEBT	**1,250.1**	**1,322.2**	**(72.1)**
IFRS16 Lease Debt Effect	600.2	705.4	(105.2)
TOTAL NET DEBT	**1,850.3**	**2,027.6**	**(177.3)**

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