Dia Group
Results Report 1H 2023

August 3rd, 2023

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The strategic asset sales of large store formats to Alcampo announced in 2022, the sale of Clarel and the agreement announced over the sale of the Dia Portugal business, require, for statutory reporting purposes, that these activities are classified as "discontinued" (both for year 2023 and for year 2022). This means that all its financial metrics (Income Statement and Balance Sheet) will not appear in the consolidated equivalent P&L and Balance Sheet lines, but combined into separate lines labelled "Results from Discontinued Activities", "Non-current assets held for sale" and "Liabilities linked to assets available for sale".

To help explain the performance of 2023, unless otherwise stated, this presentation shows results without reclassification to "Results from Discontinued Activities". In the information uploaded to Dia's Corporate website we have listed all the equivalences between the results with and without reclassifications to help bridge between this note and statutory reporting.

índice

01.

Letter from the CEO

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Dia Group has closed a positive period and begins a phase of growth consolidation. This has been possible thanks to the work of a great team that, strongly committed, always puts the customer at the center of the strategy. The first half of 2023 has been a challenging environment, marked by the loss of consumer confidence in the economy and the consequential adaptation of their purchasing habits. Inflation, which started the year at high levels, is gradually recovering to pre Ukraine war and energy crisis levels, but is still putting pressure on the value chain.

The positive trend of our business underscores the fact that Dia Group's focus on proximity food retail is the right one. Spain has increased its market share at comparable surfaces and Argentina has improved its global market share thanks to a value proposition that is committed to being our customers' preferred neighborhood and online store.

Physical and online proximity is the essence of Dia and the guide for the deployment of our strategy. This vision coupled with a committed leadership has enabled us to make key progress in the first half of 2023. The data proves our consistent growth and supports the success of our value proposition.

During this period we have refurbished 264 stores in Spain and 157 in Argentina, where 16 and 41 openings have been made, respectively. In addition to boosting our network of physical stores, we have continued to grow our online channel, which is vital to our proximity strategy. Online sales are an essential lever to fulfill our purpose of being closer to our customers every day. Thus, in the first half of the year we have achieved two milestones of great relevance for the omnichannel future of our business: the launch of the new app in Argentina and the new website and app in Spain.

In the case of Argentina, the new Dia app is another example of our leadership position: it is the first in the retail sector in the country that combines online sales and the advantages of our ClubDia loyalty program.

In Spain, the new app and the new website Dia.es form an omnichannel platform that offers a first-class shopping experience and allows Dia customers to enjoy all their personalized advantages, regardless of whether they buy in store, in Dia.es or through the app.

In addition, during the semester we have advanced in the renewal of the quality of Dia's private label products, adding 300 new SKUs globally. The great feedback from customers, reflected in a greater mix within the shopping basket, as well as the external recognition received by a wide variety of products, endorse our commitment to offer a modern and high quality private label brand, which caters to the vibe and local tastes at affordable prices. And by combining our own brand with a tool like ClubDia, households find in Dia an indisputable ally in saving money.

The improvement in our sales, the progress made in store refurbishments and openings, the clear commitment to quality and a first-class customer experience with our advances towards the omnichannel show that Dia is consolidating the growth achieved in recent quarters.

Letter from the CEO (II)

This first half of the year has been the time to move forward on key decisions for the business. Therefore, we have announced the agreement to sell our business in Portugal with the aim of focusing our efforts on the relevant markets for the Group. I take this opportunity to reiterate my gratitude towards the Portuguese team for their effort and commitment to make Minipreço the favorite store of our customers in Portugal and for sharing for three decades our passion for the client.

Additionally, as is publicly known, in 2022 we made two key decisions for our proximity strategy: the sale of a group of large-format stores in Spain to Alcampo and the sale of Clarel, the business unit dedicated to personal and home care. They were the right decisions to focus on what Dia does best: proximity food retail. The sale of stores to Alcampo in Spain has been fully executed and we are searching for strategic sale options for Clarel.

I also want to highlight a work stream linked to our Sustainability Plan whose launch has been greatly appreciated during this first semester: Eat better every day (Comer mejor cada Dia), our social cause at a global level to help mitigate food barriers and help make high quality food available to everyone.

This program connects our purpose and the heart of Dia's business with the social tensions of the countries in which we operate. It is based on the pillar of our strategy that makes us unique, the physical and online proximity of our network of stores, and deploys a stream of knowledge through dissemination with which we want to be an additional support for all those people who want to lead healthier lifestyle habits. It is an exciting challenge that allows us to bring affordable foods regardless of the budget or where our client is, and thus generate a valuable impact on society.

Another work stream of great relevance in this first semester involves our team. Dia is diverse by nature. We are more than 33,400 people of 81 nationalities, many more including our franchise network, driven by a purpose and values that move us forward. Therefore, an additioinal key pillar of our Sustainability Plan for this year is to promote an inclusive environment for the different diversities and to advance in terms of equality in a proactive way. In the first semester, we have analyzed the social tensions of the countries in which we operate and the position and actions that need to be promoted in terms of Diversity, Equality and Inclusion (DEI). This work has made it possible to define the priorities of what will be our Diversity Plan: gender and socioeconomic diversity, as well as LGTBI diversity.

Milestone after milestone, we have fulfilled a roadmap that has allowed us to finish the turnaround in Spain and Argentina, and begin to define the path for Brazil. In the second half of the year, our focus will be the consolidation of these advances supported by our great strength, proximity, and with an eye on the transformation towards omnichannel to continue offering a first level service to our customers.

We are aware that there is still work to be done, but knowing that we are taking the right steps gives us the momentum to achieve our goal of making Dia a profitable company in the short term.

Martin Tolcachir

Martin Tolcachir
Global CEO
Dia Group

02.

Dia Group at a glance

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Store Evolution[1]

Total number of Dia Group stores

5,435

2022: **5,699**

Spain

Total number of stores:

3,344 2022: **3,634**

264 Refurbishments

16 Openings

Portugal

Total number of stores:

460 2022: **463**

Brazil

Total number of stores:

602 2022: **608**

9 Refurbishments

Argentina

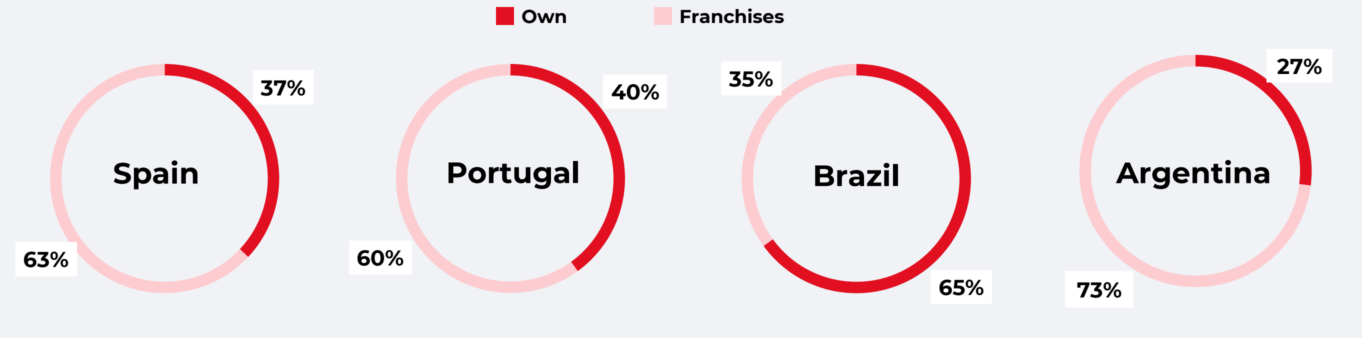
Total number of stores:

1,029 2022: **994**

157 Refurbishments

41 Openings

Company-owned stores vs. franchises[2]



Dia Group total sales area: 1,934 m^2

Figures in thousands m^2

(1) As of H1 2023 closing, including Clarel but excluding large-format stores sold to Alcampo in Spain.
(2) The percentages calculated exclude Clarel and large-format stores sold to Alcampo in Spain.

2.1 | Visual summary of H1 2023 (II)

Total Stores
5,435
Var. H1 2022: **(5.2%)**

Openings
57
Var. H1 2022: **+32.6%**

Refurbishments
430
Var. H1 2022: **(30.5%)**

Like-for-Like growth
5.7%
Var. H1 2022: **+3.1 p.p.**

Net Sales
3,602 M€
Var. H1 2022: **+4.0%**

Adjusted EBITDA
65 M€
Var. H1 2022: **+27.0%**

Adjusted EBITDA Margin
1.8%
Var. H1 2022: **+0.3 p.p.**

Net Result
(67) M€
Var. H1 2022: **+38 M€**

Operational and business milestones:

- *Completion of the turnaround in Spain and Argentina, beginning of the consolidation towards growth.*
- *Business simplification: focus on proximity food retail (sale of large-format stores to Alcampo in Spain and search for strategic options for the sale of Clarel) and agreement reached for the sale of Dia Portugal to Auchan to focus on our relevant markets.*
- *Customer satisfaction improvement through the evolution of the Group's commercial proposal.*
- *Acceleration of e-commerce and omnichannel in Spain and Argentina.*
- *Launched Dia Group's social cause "Eat better every day" ("Comer mejor cada día").*

Main financial results:

- *Net Sales increased by 4%, reaching 3,602 million euros.*
- *Like-for-Like grew 5.7%, led by Spain with growth of 12.8% (13.3% excluding stores sold to Alcampo and the Clarel operation).*
- *Adjusted EBITDA grew 27% from 51 to 65 million euros, improving profitability by 0.3pp.*
- *Financial leverage improvement reaching a ratio of 2.0x Net Financial Debt[1] / Adjusted EBITDA[2].*

(1) Excluding IFRS16.
(2) Adjusted EBITDA used to calculate 1H 2023 leverage ratio considers last twelve months figures.

2.3 | Summary of results H1 2023

Dia Group faces 2023 with a strategy focused on proximity food retail and with the objective of continuing.g to improve operational and financial figures to make the company profitable again in the short term. One of the milestones set for the year was the completion of the turnaround in Spain and Argentina, achieved in the first half of 2023 evidenced by the good performance of the business and the gain of market share in Argentina and at comparable surfaces in Spain.

We have, simultaneously, made progress in simplifying our businesses with the agreement reached over the sale of our business in Portugal, which adds to the decisions announced in 2022 for the sale of assets in Spain (large format stores and Clarel).

Dia's ambition is to be the customers' favorite neighborhood and online store. A place within the neighborhood in which to make a complete purchase, fast and easy, leveraging on a wide assortment in which manufacturer brands, fresh products from local suppliers and a Dia's high quality brand coexist at affordable prices. The company drives this differentiating value proposition by placing the customer at the center of the strategy. The performance of the business and client satisfaction prove to us that the decision we made to face the changes in consumer behavior and the conditioning factors of a complex environment, such as the current one, was right.

The Group's Net Sales grew 4% compared to the first half of 2022, with a positive like-for-like of 5.7% at Group level and with an improved Adjusted EBITDA margin reaching 1.8%, compared to 1.5% at the end of the first half of the previous year. The Net Loss in the first half of 2023 stands at -67 million euros, 35.8% less than at the end of the first half of 2022.

Net financial debt has been reduced in the first half of the year by 22% (equivalent to 118 million euros), reaching 426 million euros, as a result of the amortization of 139 million euros in debt and the generation of cash from the business that compensates the investment effort of the period.

In this regard, during the first half of the year there have been 57 openings and 430 refurbishments globally. By country, Spain opened 16 stores and refurbished 264 stores; and Argentina opened 41 stores, and made 157 refurbishments. In addition, in Brazil, 9 stores have been refurbished during the first semester, reaching a total of 15 stores operating under the new value proposition in the country. With these openings and refurbishments, the Group closed the semester with 5,435 stores. Excluding Clarel, 62% of them are franchises and 64% operate under the new concept.

Dia Group store footprint evolution	1H 2023	1H 2022	Var.
Total Stores	**5,435**	**5,733**	**(5.2%)**
Total Owned Stores	2,501	2,970	(15.8%)
Total Franchises	2,934	2,763	6.2%
Number of refurbished stores during the period	430	619	45.9%

Financial figures	1H 2023	1H 2022	Var.
Gross sales under banner	4,437	4,984	(11.0%)
Net Sales	3,602	3,465	4.0%
Adjusted EBITDA	65	51	27.0%
EBIT	(51)	(98)	48.5%
Net Income	**(67)**	**(105)**	**35.8%**

Financial indicators	1H 2023	1H 2022	Var.
Adjusted EBITDA Margin %	1.8%	1.5%	0.3pp
EBIT Margin %	(1.4%)	(2.8%)	1.4pp
Net Income Margin %	(1.9%)	(3.0%)	1.2pp
Net Financial Debt[1] / Adjusted EBITDA[2]	**2.0x**	**4.3x**	**(2.3x)**

(1) Excluding IFRS16.
(2) Considering last 12 months figures.

03.

Progress of strategic priorities during H1 2023

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Progress of strategic priorities during H1 2023 (I)

During the first semester of 2023, Dia has continued to advance in the execution of its strategy, consolidating the progress made in 2022 and taking clear steps in the next phases of its value creation roadmap.

Actions taken during this period are aligned to the strategic pillars defined in may 2022. These pillars were defined after a deep review of our operating and commercial model, and set to create a differential value proposition for our customers. This value proposition was supported by our biggest strengths: proximity and our franchise network, together with a digital and technological transformation in order to make our operations more efficient and to enable our online channel, a key lever in our proximity strategy.

The main areas of focus during H1 2023 were:

Finishing our turnaround:

- 2.836 stores (out of the 4.425 total excluding Clarel) operate under the new model, a 64% of our network, driven by Spain (84%) and Argentina (73%). In his semester we have remodeled 430 stores and opened 57. Spain has already 1.957 stores in the new model, while Argentina has 751, Portugal 113 and Brazil 15, all showing sustainable results above market average.
- The number of tickets continues to show a positive trend, with a 4.8% growth between January and June. Our focus on proximity, combined with a full assortments, have enabled our consumers to cover their full purchasing needs at Dia, with more frequent visits to our stores. The assortment renewal and the improvement of our private label offering has enabled Dia to offer a basket with affordable prices, helping our consumers navigate the current macroeconomic context.
- Net sales grew 4.0% vs 22H1, reaching 3.602,4 million euros. Adjusted EBITDA improved 27%, from 51 to 65 million euros. Net result grew 36%, reducing net losses to 67 million from 105 million net losses in 22H1.
- Taking into consideration the progress made and the financial and operational results, we consider Spain and Argentina have completed their turnaround process and have moved into a phase of consolidation and growth.

Development of the value proposition in Brazil:

- During the semester 9 new stores were remodeled, reaching a total of 15 stores under the new model. These stores have shown strong performance with like-for-like sales of 22%, which gives us confidence about the proximity opportunity for Brazil. We are also working on redefining our assortment to better suit the value proposition and our business profitability.

Assortment and private label:

- We have continued to work in our assortment, with a clear focus on fresh products and local sourcing, aligning our offering to our consumer needs and changing consumption trends. We continue to work towards a great quality at everyone's reach, nationally, regionally and even locally in all the geographies were we operate.
- We have also progressed in the renovation of our private label assortment, adding 184 SKUs of Marca Dia in Spain, reaching 91% of all our assortment under the new brand. Argentina also advanced in their renewal of the portfolio with 60 new SKUs, Brazil 34 and Portugal 51. The gain in share of basket of our private label, together with the awards and external recognitions, prove the decision to renew our brand was a successful one. ▸

Progress of strategic priorities during H1 2023 (II)

Franchisees:

- The new franchise partnership model defined in 2020 is fully deployed in Spain, Argentina and Portugal, and progressing in Brazil. This win-win relation has allowed Dia to improve franchisee satisfaction and continue to grow the network reaching 2.934 stores globally, 54% of the entire network (62% excluding Clarel) vs the 52% at the end of 2022.

Growth of e-commerce:

- With regards to our digital and technological transformation, Dia has progressed in levering technology to optimize many of its processes and in deploying its new online channel. Ecommerce represents already 2.7% of all sales, becoming a key lever in our proximity strategy and our commitment to becoming closer every day to our consumers.
- During H1 2023, Dia has achieved two important milestones in our journey to becoming a full omnichannel retailer: the launch of the new Dia app in Argentina, and the renewal of the Dia.es and Dia app in Spain, creating a platform that unites the three available channels (store, web and app).

Customer:

- Customer satisfaction continues to grow, reaching record high figures in Spain and Argentina. Marca Dia products continue to increase their share of our customer baskets, proof of the increased appreciation for the new quality and modernization of our brand.
- Today, ClubDia has more than 11 million customer across all the geographies in which it operates.

Simplification:

- The Group's goal is to focus on food retail distribution around proximity and in those markets where it can be relevant. That is the reason why we have announced a deal with Auchan to sell our business in Portugal.
- During the first semester of 23 we have also completed the full transfer of large-format stores to Auchan in Spain from the deal agreed last year.
- The deal for Clarel has been terminated as the precedent conditions of the deal have not been met in time. Dia will continue to look for strategic options to divest Clarel.

Business with a purpose:

- During the first semester Dia launched its social initiative "Eat better every day" ("Comer major cada día") globally.
- Dia has also progressed in the analysis and definition of the priorities of its Equality Plan.

In the first six months of 2023, in an equally challenging environment as 2022, Dia has been able to meet key milestones in its strategic roadmap. The positive balance of the semester, helps us enter the second half of the year with optimism and with the aim of finishing the turnaround by year end and progressing towards our goal of making Dia a profitable company in the short term.

We are aware there is still work to do: continue to progress in Spain and Argentina's roadmap, complete the definition of Brazil's value proposition, and work on the exit of Portugal and Clarel. Additionally, the focus will be in the modernization of our technological solutions to become more flexible without losing the core foundations required to operate our business.. The digital transformation will work to increase the omnichannel proposition for our consumers, as progress done in Spain and Argentina show.

Second half of the year is going to be challenging, with a strong 2022 comparable, but the progress to date allow us to be optimistic about the next months, entering a phase of consolidation in Spain and Argentina, and to have the certainty that we have the right strategy to meet our goals in the short and long term.

04.

Dia Group H1 2023 consolidated results

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4.1 | Operating and financial results (I)

The Group's **Like-for-Like Sales** reached 5.7%, driven by growth in Spain (13.3% excluding stores sold to Alcampo and the Clarel operation). The number of tickets sustains a positive trend, with an increase of 4.8% between January and June at Group level, with a 2.9% reduction in the size of the basket. Once again, commitment to the proximity store model, combined with a complete assortment and high quality Dia brand products at affordable prices, have allowed the company to endorse its strategy in a complex economic context in which households opt for smaller sized baskets, although shopping more frequently and in which the private label brand continues to be an ally for our customers.

The Group's **Net Sales** increased by 4.0%, offsetting the negative currency effect in Argentina and the 5% reduction in the store network during the period. Revenues from own stores represent 55.9% of the Group's Net Sales, compared to 39.3% from franchised stores and 4.9% from online and other activity. The revenue share of franchised stores has advanced 5.3pp compared to the first half of 2022, evidencing the focus on expanding the franchise network.

Gross profit decreased by 3.3% and has fallen to 20.2%, as a percentage of Net Sales, from 21.8% year-on-year impacted by inflation, not having passed through to customers all of our suppliers' prices increases, the increase in franchised stores and the weight increase of our private label in the basket.

Labor costs decreased by 1.0pp to 9.2% as a percentage of Net Sales, sustaining the reductions observed during 2022, despite the salary increases agreed with the Unions but offset by the volume of outsourcing and the closure of less profitable stores.

Other operating expenses and leases were also reduced, from 7.0% to 6.8% as a percentage of Net Sales, due to the decrease in the cost of electricity (where we have hedged energy prices until 2026).

Adjusted EBITDA improved by 27% reaching 65 million euros versus 51 million euros in the previous year. Adjusted EBITDA margin reached 1.8% as a percentage of Net Sales, improving by 0.3pp vs the previous year. This reflects the positive results of the progress of ongoing operational management and cost control.

EBITDA has decreased 20.4% compared to the same period of 2022 and falls to 2.7% of Net Sales (0.8pp below H1 2022) due to the increase in restructuring costs, mainly derived from the transfer of stores to Alcampo in Spain.

Net Income closed at -67 million euros, representing an improvement of 38 million euros compared to the end of the first half of 2022. This loss reduction is due to the results of the business as well as the sale of stores to Alcampo in Spain.

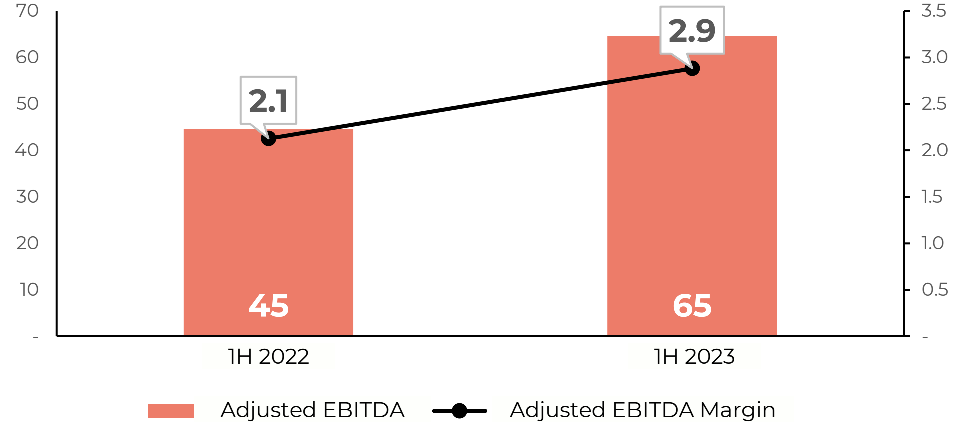
Income statement excluding reclassifications of discontinued operations

(In millions of euros)	1H 2023	1H 2022	Var.
Like-for-Like sales growth %	5.7%	2.6%	3.1pp
Gross Sales Under Banner	4,437	4,984	(11.0%)
Net Sales	3,602	3,465	4.0%
Gross Profit	729	754	(3.3%)
Gross Profit Margin %	*20.2%*	*21.8%*	*(1.5pp)*
Adjusted EBITDA	**65**	**51**	**27.0%**
Adjusted EBITDA Margin %	*1.8%*	*1.5%*	*0.3pp*
EBITDA	98	123	(20.4%)
EBITDA Margin	*2.7%*	*3.6%*	*(0.8pp)*
EBIT	(51)	(98)	48.5%
Net Result	**(67)**	**(105)**	**35.8%**

4.1 | Operating and financial results (II)

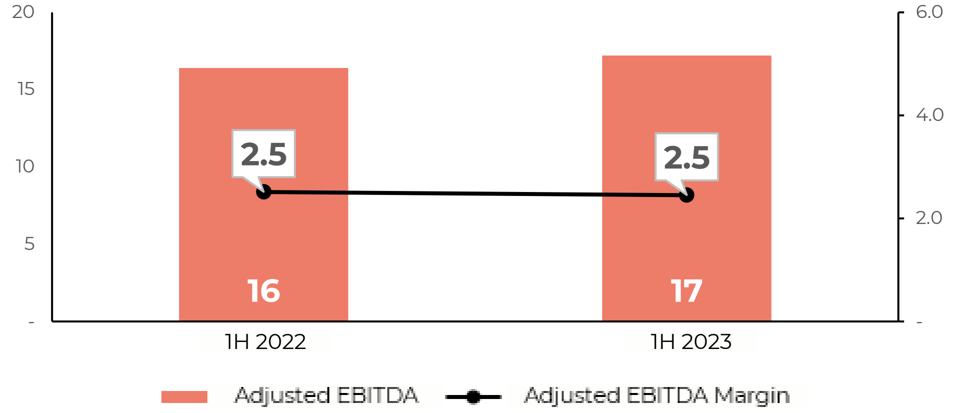
Adjusted EBITDA and Adjusted EBITDA Margin % for Spain

In millions of euros and as % of Net Sales



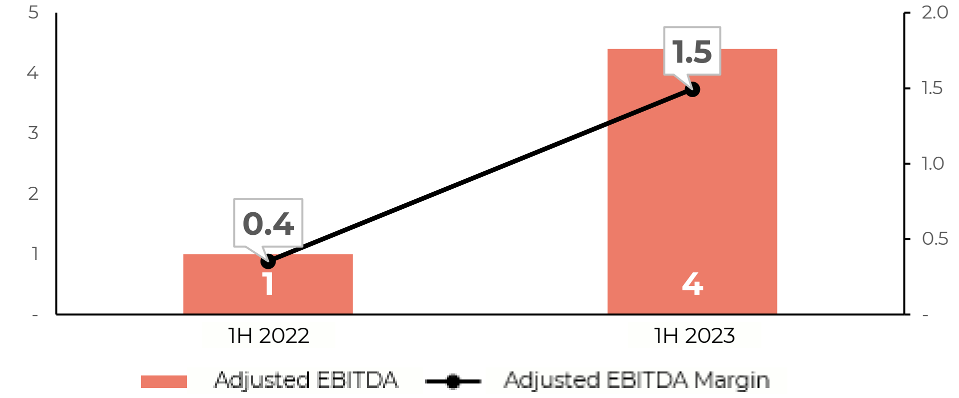
Adjusted EBITDA and Adjusted EBITDA Margin % for Argentina

In millions of euros and as % of Net Sales



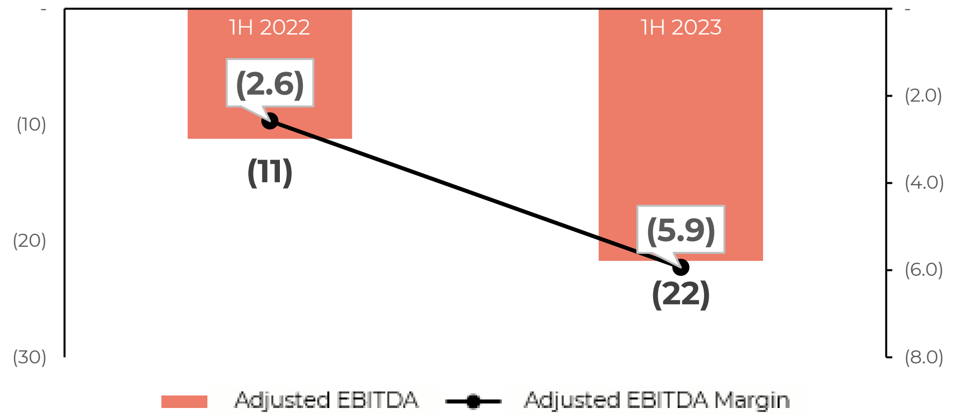
Adjusted EBITDA and Adjusted EBITDA Margin % for Portugal

In millions of euros and as % of Net Sales



Adjusted EBITDA and Adjusted EBITDA Margin % for Brazil

In millions of euros and as % of Net Sales



Income statement excluding reclassifications of discontinued operations

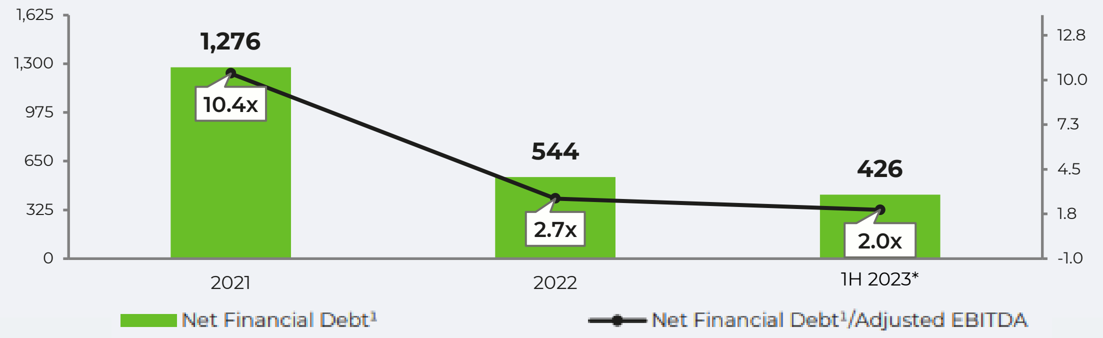
(In millions of euros)	1H 2023	% Venta Neta	1H 2022	% Venta Neta	Var. vs 1H 2022
Gross Sales Under Banner	**4,437**		**4,984**		**(11.0%)**
Like-for-Like sales growth (%)	5.7%		2.6%		
Net Sales	**3,602**	**100.0%**	**3,465**	**100.0%**	**4.0%**
Cost of goods sold and other income	(2,874)	(79.8%)	(2,711)	(78.2%)	(6.0%)
Gross Profit	**729**	**20.2%**	**754**	**21.8%**	**(3.3%)**
Labor costs	(332)	(9.2%)	(355)	(10.3%)	6.4%
Other operating expenses and leases	(246)	(6.8%)	(243)	(7.0%)	(1.3%)
Restructuring costs and LTIP	(52)	(1.5%)	(33)	(0.9%)	(60.7%)
EBITDA	**98**	**2.7%**	**123**	**3.6%**	**(20.4%)**
Amortization	(188)	(5.2%)	(202)	(5.8%)	7.1%
Impairment of non-current assets	(31)	(0.9%)	(5)	(0.1%)	(553.2%)
Results from disposal of non-current assets	69	1.9%	(15)	(0.4%)	562.7%
EBIT	**(51)**	**(1.4%)**	**(98)**	**(2.8%)**	**48.5%**
Net financial income	25	0.7%	4	0.1%	520.0%
EBT	**(26)**	**(0.7%)**	**(94)**	**(2.7%)**	**72.6%**
Income tax	(41)	(1.1%)	(10)	(0.3%)	(301.0%)
Income after taxes	**(67)**	**(1.9%)**	**(105)**	**(3.0%)**	**35.8%**
Discontinued operations	-	-	-	-	N/A
Net Income	**(67)**	**(1.9%)**	**(105)**	**(3.0%)**	**35.8%**

4.2 | Debt management and financing (I)

- As of June 30, 2023, the equity balance in the Parent Company's individual financial statements (which are those used to calculate the legal dissolution or capital increase obligations) amounted to 615 million euros (667 million euros as of December 2022).
- The Group's strong deleveraging continues. Total Net Financial Debt (excl. IFRS 16 effect) decreased by 118 million euros down to 426 million euros (excluding reclassifications of discontinued operations), mainly due to the payment of debt to our financial creditors, the positive cash contribution of the business and working capital, as well as the sale of assets in Spain to Alcampo, partially offset by the strong Capex investment effort.
- 139 million euros of debt have been amortized in the first half of 2023, of which 122 million euros correspond to syndicated financing (25 million euros correspond to ordinary amortization and 97 million euros correspond to the extraordinary amortization agreed with the banks for the Alcampo transaction in Spain).
- The Group's leverage ratio (Total Net Financial Debt[1] / Adjusted EBITDA*) stood at 2.0 times at the end of June 2023, an improvement of 0.7 times compared to the previous year's debt (2.7 times as of December 31st, 2022).

Evolution of Net Financial Debt[1] and Net Financial Debt[1] / Adjusted EBITDA

In millions of euros and times Adjusted EBITDA



Balance Sheet

(In millions of euros)	06/30/2023 (2)	06/30/2023 (3)	12/31/2022 (3)	2023 vs 2022 (3)
Non-current assets	1,927	1,889	1,903	(15)
Stocks	443	386	418	(32)
Trade and other receivables	194	180	199	(19)
Other current assets	79	79	76	3
Cash and cash equivalents	192	189	216	(27)
Non-current assets held for sale	-	112	309	(197)
Total assets	**2,834**	**2,834**	**3,121**	**(287)**
Total equity	(51)	(51)	8	(59)
Non-current financial debt	864	852	1,010	(157)
Current financial debt	295	283	279	5
Trade and other payables	1,305	1,297	1,329	(32)
Provisions and other liabilities	422	406	418	(12)
Liabilities linked to assets available for sale	-	46	78	(32)
Total equity and liabilities	**2,834**	**2,834**	**3,121**	**(287)**

Net Financial Debt Reconciliation

(In millions of euros)	06/30/2023 (2)	06/30/2023 (3)	12/31/2022 (3)	2023 vs 2022 (3)
Non-current financial debt	497	496	648	(153)
Current financial debt	125	124	116	8
Cash and cash equivalents	(192)	(189)	(216)	27
Interest rate hedging derivatives	(5)	(5)	(4)	(0)
Net Financial Debt (excl. effect of IFRS16)	**426**	**427**	**544**	**(118)**
Effect of leases (debt) (IFRS16)	536	516	524	(8)
Total Net Financial Debt	**962**	**942**	**1,068**	**(126)**

(*) Adjusted EBITDA used to calculate H1 2023 leverage ratio considers last twelve months figures. Figures include Clarel.
(1) Excluding IFRS16 effects.
(2) Figures exclude reclassificatonis from discontinued operations.
(3) Figures include reclassifications from discontinued operations for the Clarel business (Classified as assets/liabilities of assets held for sale).

4.2 | Debt management and financing (II)

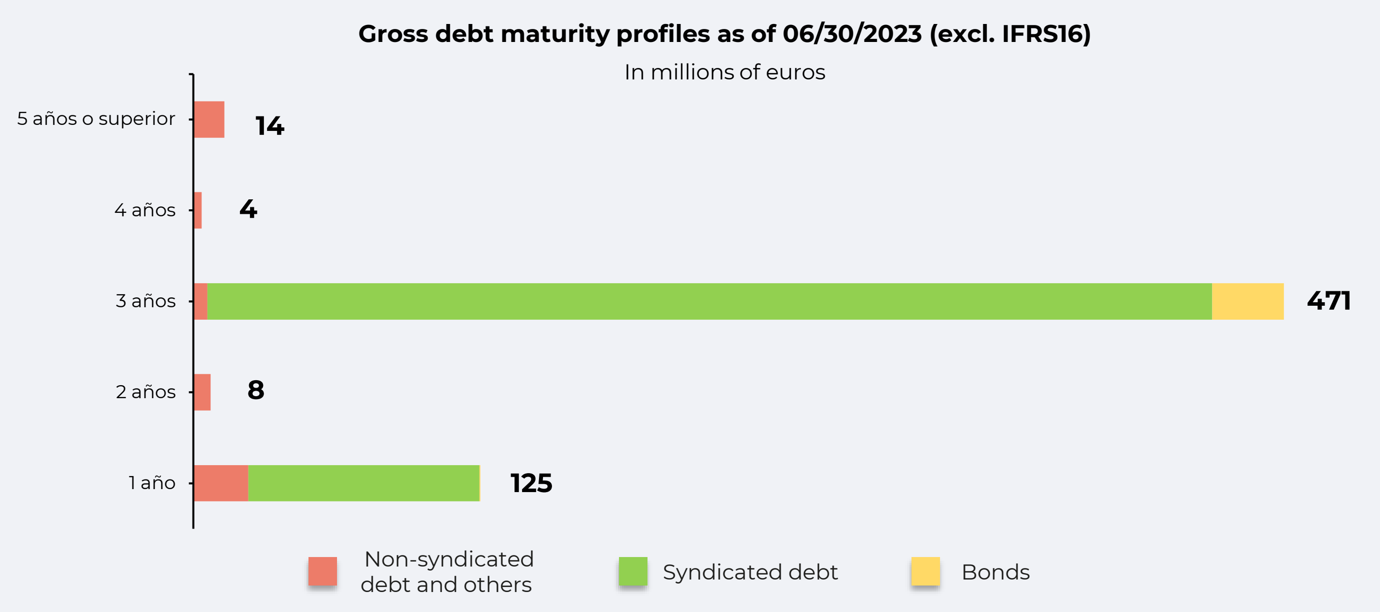
Gross debt maturity profile as of June 30th, 2023 (excl. IFRS-16) at a total of 622 million euros with the following maturities:

- Financing from syndicated lenders: 100 million in the next 12 months and 434 million in December 2025.
- Non-syndicated financing and others: 25 million in the next 12 months, 8 million in the next 2 years and thereafter, 25 million.
- Bonds: 31 million in June 2026. Average maturity: 3 years.

As of June 30th, 2023, the most relevant maturity of the gross financial debt corresponds to syndicated financing (70% of the overall gross debt) and matures on December 31st 2025 (average maturity of 2.5 years). A total of 20% of the gross financial debt matures in the next 12 months and mainly consists of local financing from syndicated lenders which is renewed annually.

Gross debt maturity profile

(In millions of euros)	1 year	2 years	3 years	4 years	5 years or more	Total
Non-syndicated financing and others	25	8	6	4	14	57
Financing from syndicated lenders	100	-	434	-	-	534
Bonds	0	-	31	-	-	31
Incremental SS financing	-	-	-	-	-	-
Total	**125**	**8**	**471**	**4**	**14**	**622**



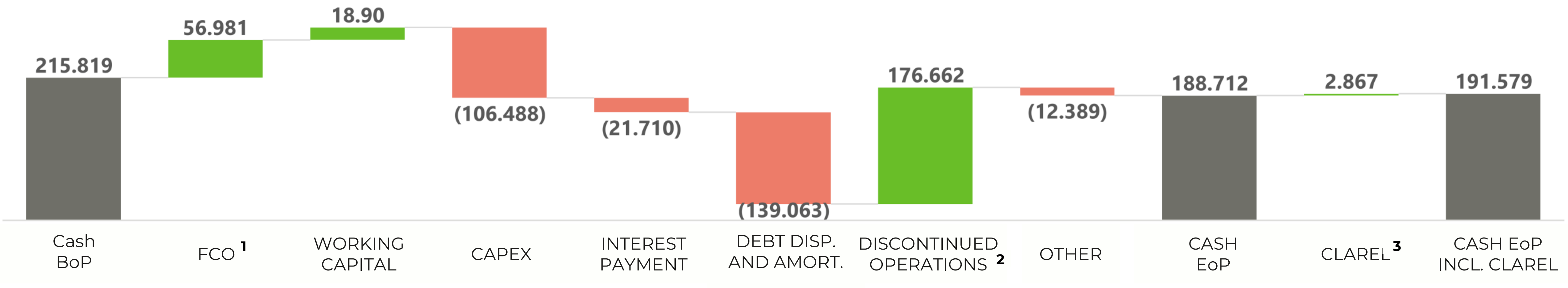
1H 2023 cash flow variations:

Cash Flow during the first half of the year decreased by 27 million, mainly explained by:

- Cash flow from operations[1] contributed positively with 57 million euros, an increase of 32 million euros compared to H1 2022.
- The change in working capital contributed positively by 19 million euros due to sales growth and the reduction of stocks.
- The Capex carried out during H1 2023 amounted to 106 million euros due to the continuous investment effort made by the Group to complete the implementation plan of the new store model as well as for the expansion of the business.
- Debt repayments amounted to 139 million euros, of which 122 million euros were used to repay syndicated financing lines.
- Net cash flow from discontinued operations, which only include the sale of large format stores to Alcampo, had a positive impact of 177 million euros.

Cash Flow evolution in 1H 2023

In millions of euros



(1) FCO calculated as Cash Flow From Operations before changes in Working Capital minus Financial Leases excluding the impact of stores sold to Alcampo in Spain
(2) To show a precise cash evolution from the business during 1H 2023, cash flows from discontinued operations are grouped in a specific category and only include the sale of large format stores sold to Alcampo in Spain and exclude Clarel.
(3) Clarel's cash position at the end of 1H 2023.

4.3 | Cash Flow generation (II)

Summary of Cash Flows

(In millions of euros)

Cash flows from operating activities	**1H 2023**	**1H 2022**	**Var.**
Net cash from operations before changes in working capital	134	166	(32)
Change in working capital	19	57	(38)
Changes in other accounts receivable and payable	(30)	12	(41)
Total Cash flows from operating activities	**123**	**235**	**(112)**

Cash flows from investing activities	**1H 2023**	**1H 2022**	**Var.**
Payments for investment in fixed assets	(106)	(132)	26
Disposals of fixed assets and other	227	0	227
Total cash flows from investing activities	**121**	**(132)**	**253**

Cash flows from financing activities	**1H 2023**	**1H 2022**	**Var.**
Capital increase	-	-	-
Provisions and debt repayments	(139)	37	(176)
Interest paid and other financial expenses	(22)	(16)	(6)
Lease payments	(135)	(137)	2
Others	5	3	2
Total Cash flows from financing activities	**(291)**	**(113)**	**(178)**
Net exchange differences	20	(22)	42
Net increase/decrease in cash or cash equivalents	**(27)**	**(33)**	**6**
Cash and cash equivalents at beginning of period	216	361	(145)
Cash or cash equivalents at end of period (1)	**189**	**328**	**(139)**
Cash and cash equivalents from Clarel	3	4	(1)
Cash or cash equivalents at end of period including Clarel	**192**	**332**	**(141)**

(1) Considering Clarel as a discontinued operation for both years.

Working Capital

- Working capital for the first half of 2023 improved by 19 million euros, mainly due to: 1) the optimization of the level of stocks as a result of the store network reduction in Spain partially offset by inflation for a total amount of 32 million euros; 2) the improvement of trade and other accounts receivable by 19 million euros. Both were partly offset by lower trade and other accounts payable amounting to 32 million euros due to sales deceleration in Brazil.
- As of June 2023 and December 2022, the Group had no non-recourse factoring lines used. At the end of June 2023, the amount of confirming used by the Group stood at 209 million euros (December 2022: 247 million euros).

Working Capital

(In millions of euros)	1H 2023 (2)	1H 2023 (3)	2022 (3)	2023 vs 2022 (3)
Inventories (A)	443	386	418	(32)
Trade and other accounts receivable (B)	194	180	199	(19)
Trade and other accounts payable (C)	1,305	1,297	1,329	(32)
Working Capital (A+B-C)	**(668)**	**(732)**	**(713)**	**(19)**

Investment (Capex)

- Capex in the first six months of the year decreased by 27 million euros mainly due to the lower number of refurbishments in Spain, given the effort of previous years, with 84% of the network already operating under the new model.
- The overall investment in refurbishment has been 49 million euros. The 57 new store openings carried out in the first half of the year have required an investment of 21 million euros and the investment in technology amounts to 10 million euros. The remaining investment of 27 million euros corresponds to Capex for recurring maintenance of the business.

Investment (Capex)

(In millions of euros)	1H 2023 (2)	1H 2023 (3)	2022 (3)	2023 vs 2022 (3)
Spain	65	64	93	(28)
Portugal	1	1	1	(1)
Argentina	36	36	35	0
Brazil	5	5	3	2
Group Total	**107**	**106**	**132**	**(27)**

Available liquidity

- Available Liquidity at the end of the semester reached 375 million euros, 25 million euros better than at the end of 2022, of which 192 million euros correspond to cash and cash equivalents and 184 million euros to undrawn bank financing and confirming facilities.

Available liquidity

(In millions of euros)	06/30/2023 (2)	12/31/2022 (3)	% Var.	Valor Var.
Cash and cash equivalents	192	216	(11,2%)	(24)
Available lines of credit	184	135	(36.4%)	49
Total Liquidity	**375**	**351**	**7.1%**	**25**

(2)) To show the correct evolution of the business during H1 2023, the figures presented only show the sale of stores to Alcampo in Spain (already executed) as discontinued operations and do not consider the reclassifications of Clarel to discontinued operations.
(3) Figures consider the Clarel business as a discontinued operation.

05.

Operating and financial performance by country

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5.1 Spain (I)

Net sales grew by 6.9% in the first half of 2023, reaching 2,241 million euros, with a like-for-like sales growth of 12.8% (13.3% excluding transferred stores to Auchan and Clarel stores) and sales density increase of 20%.

This growth in sales allowed Dia to grow market share at comparable sales surface, leveraging its proximity model and the increased frequency and smaller basket trend in Spain (growth in like-for-like tickets at 9.8%).

Focus on our private label continues to be a key pillar for Dia, having launched 184 new SKUs in the semester, and reaching a total of 2.049 renewed SKUs in the assortment since may 2020.

The improvement of the quality of our private label at affordable prices continues to be a crucial element in our value proposition, and is obtaining the recognition of our customers, who are increasing the share of Marca Dia in their baskets (from 52.6% in dec 2022 to 54.1% in jun 2023 – excluding fresh).

This strong performance was done despite a reduction of 12.3% of our store network (excluding Clarel). A significant part of the footprint reduction is a result of the transfer of 223 large-format stores to Auchan and to the closure of 79 non-performing stores during the first half of the year.

Regarding to our network improvement, we remodeled 264 stores, opened 16 new stores and transferred (net) 13 stores to our franchisees partners. This means, 84% of Dia's network in Spain is operating under the new model.

Spain (excluding reclassifications of discontinued operations)

(In million euros)	1H 2023	1H 2022	Var.
Gross sales under banner	2,674	2,501	6.9%
Like-for-Like sales growth %	12.8%	2.4%	10.4pp
Net Sales	2,241	2,096	6.9%
Adjusted EBITDA	65	45	44.8%
Adjusted EBITDA Margin %	**2.9%**	**2.1%**	**0.8pp**

Store footprint evolution (excl. Clarel)	Owned	Franchised	Total
Number of stores Dec. 31st, 2022	1,139	1,481	2,620
Openings	5	11	16
Net transfers (owned to franchised)	(13)	13	-
Closings	(59)	(20)	(79)
Stores transferred to Alcampo	(217)	(6)	(223)
Number of stores June 30th, 2023	**855**	**1,479**	**2,334**
Refurbishments during 1H 2023	94	170	264

Store footprint evolution (incl. Clarel)	Owned	Franchised	Total
Number of stores Dec. 31st, 2022	1,948	1,686	3,634
Openings	5	11	16
Net transfers (owned to franchised)	(20)	20	-
Closings	(63)	(20)	(83)
Stores transferred to Alcampo	(217)	(6)	(223)
Number of stores June 30th, 2023	**1,653**	**1,691**	**3,344**
Refurbishments during 1H 2023	94	170	264

5.1 Spain (II)

The share of franchises has increased 11 percentual points since June 2022, to 63% of the network (71% considering only the proximity network), and reaching 1.479 franchises and more tan 1,000 franchisees.

The growth of the model has been possible thanks to the trust and satisfaction of our franchisees. This is measured through our NPS surveys, which has reached 44 points in June 2023 (+5 points vs June 2022), a new series record-high.

Adjusted EBITDA reached 65 million euros, 20 million more than 22H1. This growth is due to the increase of 145 million in net sales and an Adjusted EBITDA margin improvement of 0.8pp. The Adjusted EBITDA margin improvement comes from a better store mix (higher share of franchisees and closure of non-performing stores) together with a strict control over costs, allowing margin to grow from 2.1% to 2.9% between June 2022 and June 2022.

In the second semester of 2023, Dia Spain enters a phase of consolidation of the improvements achieved and a start of its growth. This new phase will leverage the developments done in the digital space, where Dia was able to launch its new website Dia.es which, together with an updated App, form the new ecommerce platform, offering customers a unique shopping experience with an omnichannel approach.

In addition, after the sale of a group of large-format stores to Auchan, we are confident we will be able to recover the lost market share by continue to outperform the market in like-for-like sales and through new openings.

5.2 Argentina (I)

During the first semester of 2023, Dia has been able to successfully navigate the complex macroeconomic context of Argentina and its impact in the food retail distribution sector.

Net sales grew 7.6% (in euros) during the first semester of 2023, and despite a decline in like-for-like sales of 0.8% (measured in units), Dia has continued to grow market share, consolidating its position in the country.

During the first six months, we remodeled 157 stores and opened 41 new stores, reaching the milestone of 1,000 store in February (finishing 23H1 with 1,029 stores).

Dia was a pioneer in franchising in the food distribution sector in Argentina, and accounts today for 75% of its network under this model. The satisfaction level of our franchisees also continues to grow, reaching an NPS of 72 points (5 better tan in 2022 – a record-high figure for the series).

Adjusted EBITDA reached 17 million euros and a margin over net sales of 2.5% from good management of commercial margins and fixed costs, helping offset inflationary impacts.

Dia Argentina starts the second semester of 2023 with more than 70% of its network operating under the new model of store. In addition, the launch of the new Dia app, the first omnichannel platform for a supermarket in Argentina, allows customers to make their purchases from their phone while enjoying the advantages of ClubDia.

Results

(In million euros)	1H 2023	1H 2022	Var.
Gross sales under banner	907	1.616	(43.9%)
Like-for-Like sales growth %	(0.8%)	3.4%	(4.2pp)
Net Sales	701	652	7.6%
Adjusted EBITDA	17	16	4.9%
Adjusted EBITDA Margin %	**2.5%**	**2.5%**	**0.0pp**

Store footprint evolution	Owned	Franchised	Total
Number of stores Dec. 31st, 2022	267	727	994
Openings	-	41	41
Net transfers (owned to franchised)	7	(7)	-
Closings	-	(6)	(6)
Number of stores June 30th, 2023	**274**	**755**	**1,029**
Refurbishments during 1H 2023	87	70	157

Net sales grew in the first semester of 2023 4.1% with a like-for-like of 7.8%, despite the challenging environment in the country from the fierce competition of local incumbents and the significant investment pressure from new entrants.

Private label continued its growth reaching 54.7% share of basket, 11 percentual points above December 2022, proof of the appreciation of its quality ana affordable prices by consumers.

By June 2022, we had renewed 1,300 SKUs from the Dia brand, more tan 80% of the full assortment.

Adjusted EBITDA grew to 4 million euros, 4 times higher tan the first semester of 2022, with a 1.1 pp margin improvement over net sales (reaching 1.5%).

Results

(In million euros)	1H 2023	1H 2022	Var.
Gross sales under banner	402	387	3.9%
Like-for-Like sales growth %	7.8%	(1.8%)	9.6pp
Net Sales	295	283	4.1%
Adjusted EBITDA	4	1	340.0%
Adjusted EBITDA Margin %	**1.5%**	**0.4%**	**1.1pp**

Store footprint evolution[1]	Owned	Franchised	Total
Number of stores Dec. 31st, 2022	172	291	463
Openings	-	-	-
Net transfers (owned to franchised)	12	(12)	-
Closings	-	(3)	(3)
Number of stores June 30th, 2023	**184**	**276**	**460**
Refurbishments during 1H 2023	-	-	-

(1) Excluding 29 Mais Perto FOFO stores.

Brazil is going through a transition period to a more profitable model, with an assortment and a store model aligned to our concept of proximity. With the aim of curating our assortment we reduced our share of less profitable categories and less aligned with the proximity proposal, like commodities. In addition, we tested a total of 15 new pilot store, where we implemented our renewed proximity model, achieving strong performance improvements of like-for-like sales of 22%. This gives us confidence that there is an opportunity to expand the proximity model in Brazil, specially in big urban areas like Sao Paulo.

Net sales declined by 16%, mainly from the assortment change impacts and the reduction of 2% in our store footprint. This has also impacted our Adjusted EBITDA by 11 million euros with a margin decline of 3.4pp. We expect this trend to revert once the value proposition is stablished.

Results

(In million euros)	1H 2023	1H 2022	Var.
Gross sales under banner	455	480	(5.3%)
Like-for-Like sales growth %	(8.6%)	6.9%	(15.5pp)
Net Sales	365	435	(15.9%)
Adjusted EBITDA	(22)	(11)	(93.8%)
Adjusted EBITDA Margin %	**(5.9%)**	**(2.6%)**	**(3.4pp)**

Store footprint evolution	Owned	Franchised	Total
Number of stores Dec. 31st, 2022	365	243	608
Openings	-	-	-
Net transfers (owned to franchised)	26	(26)	-
Closings	(1)	(5)	(6)
Number of stores June 30th, 2023	390	212	602
Refurbishments during 1H 2023	5	4	9

06.

ESG

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The first half of 2023 has enabled us to advance key edges of our Sustainability strategy that bring us even closer to our customers, teams, franchisees, suppliers and society at large.

The company is immersed in the execution of the last year of the 2021-23 Sustainability Plan, for which the focus has been on two material issues, access to food and diversity, and the analysis and definition of the new framework for the fiscal years 2024-25 has already begun with a renewed look and with the ambition that our goals will be a higher level of impact for all of our interested audiences and with high beams by 2030.

In line with this, the main milestones from the first half of the year have been:

- **Launch of Dia Group's social cause "Eat Better Every Day" programme**. The goal of this programme is to help mitigate food barriers and make quality food accessible to everyone. Eating better every day connects our purpose to the heart of our business, the proximity food distribution, with social tensions of great relevance to households in Spain, Argentina, Brazil and Portugal.
The global initiative was presented to the media, associations and other key stakeholders in the Dia ecosystem on 11 May in Madrid, achieving a remarkable global impact. The programme, which is based on a deep understanding of the food barriers of families conducted with the University of Zaragoza and other academic partners and NGOs in the previous years, is driven on three differentiating a central themes for Dia (accessibility, knowledge and frequency) and is aligned with a key SDG such as Zero Hunger. Right now, customers can check out the first disclosure materials about healthy habits at dia.es and throughout the second half of the year the different business units will develop their own content and other actions with which to drive the objective of the programme: that everyone, no matter where they live or their budget, can access assorted, quality foods and facilitate a change in eating habits for everyone interested through social awareness.

- **Diversity Plan.** In the last year of execution of the current Sustainability Plan, the material issue 'Job Diversity and Inclusion' is raised to strategic issue and special emphasis is being placed on working on in all four geographies, in addition to addressing this vision in the material nature of the new framework being designed. During the first half of the year, the social tensions of the four countries in which Dia operates and the position and actions carried out by other actors in the retail food sector in matters of Diversity, Equity and Inclusion (DEI) have been analysed. After conducting an internal analysis of the company from different sources, the Group's priorities in this matter have been defined based on their relevance to the team and external impact and the company's ability and competence to address the actions that make it tangible. The work priorities defined are: gender and socioeconomic diversity, as well as LGTBI diversity. The strategy will focus on three central themes: Diversity (to achieve a diverse culture that raises and heightens awareness and celebrates differences); Inclusion (to foster an inclusive environment through the development of social-labour inclusion policies, protocols and programmes); and Action (by publicly demonstrating Dia's commitment through alliances with key DEI stakeholders).

- **Alliances with relevant actors in the ESG ecosystem.** During the first half of the year, the company has entered into key partnerships with partnerships and foundations such as Forética, Corporate Excellence for Reputation Leadership, Sustainability Excellence Club, Seres Foundation and the LGBTI Enterprise Diversity and Inclusion Network (REDI).

07.

Notable events of the period and post closure events

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Corporate Governance

- February 23rd, 2023. Given that the expiration of the maximum term of four years as chairman of the Audit and Compliance Committee provided for in Article 529 quaterdecies.2 of the Capital Companies Act for the current chairman, Mr. José Wahnon Levy, will take place soon, the Board of Directors has agreed to replace him, appointing Mrs. Gloria Hernández García as the new Chairwoman of the Audit and Compliance Committee.
- April 1st, 2023. Mr. Sergio Dias, who was currently a director representing substantial shareholder LetterOne Investment Holdings, becomes qualified as “Other External Director” after communicating to the Board his decision to voluntarily retire from his executive positions within the LetterOne Group.
- May 24th, 2023. The Board of Directors agreed to the co-opted appointment of Mr. Benjamin J. Babcock as member of the Board, under the position of External Proprietary Director covering the existing vacant position held by the General Shareholders’ Meeting on June 7th, 2022, that was created after the resignation of Mrs. Basola Vallés Cerezuela in April 2022.
- June 28th, 2023. Dia Group’s Ordinary General Shareholders Meeting ratifies the appointment by co-optation and re-elects Mr. Benjamin J. Babcock as External Proprietary Director.
- Also, in connection with the celebration of the General Shareholders’ Meeting, the company published its 2022 Annual Report, a document that it had not edited in the last three years and through which it wants to share the achievements made by the business and to thank its customers, team, franchisees, suppliers, investors for the support and effort dedicated during this time to make this New Dia a reality.

Corporate Operations

- 3 March 2023. The National Commission on Markets and Competition (CNMC) authorized the sale of a group of stores in Spain to Alcampo. On 29 June, the transfer of the 223 stores and the distribution center that are part of the perimeter of the finally agreed operation was completed. The final amount of the operation amounts to €252 million that will be used to boost the business in Spain to fulfil our ambition to be the customers’ favorite online and neighborhood store, in addition to having amortized debt in the amount of €97.2 million.
- May 10th, 2023. The Spanish National Markets and Competition Commission (CNMC) authorized the sale of the personal and home care chain Clarel. On August 1st, 2023, the company informed the CNMV of the buyer's non-compliance with the precedent conditions and, therefore, the operation has been terminated.
- August 2023. Dia Group signs the agreement for the sale of its operation in Portugal to Alcampo at a value of 155 million euros (Enterprise Value post IFRS-16). The transaction, subject to the fulfilment of certain precedent conditions, is expected to be closed during 2023.

Appointments

- July 1st, 2023. Patricio Morenés is appointed new General Counsel of Dia Group and joins the company's Management Committee. Specializing in "Corporate" commercial law, corporate mergers and acquisitions (M&A), he assumes the position after three years as Deputy General Counsel of the group, where he has acquired a deep knowledge of its domestic and international operations.

Dia Team

- July 10th, 2023. Dia Spain signs its "II Plan of Equality between men and women" with the unions FETICO, CCOO and UGT with the objective of continuing to guarantee gender equality in its team and contributing to the progress towards a society in which equality is real and effective.
- The training hours given during the first semester amount to 243,000 globally.

Stores, e-commerce and ClubDia

- More than 64% of the store network operates under the new value proposition globally (84% of the network in Spain and 73% in Argentina).

Spain:

- The coverage of the online channel already reaches 84% of the population and delivery services through partners have been reinforced, adding Just Eat to the services offered by Amazon, Glovo and UberEats to Dia's customers.
- In the second quarter, the new ClubDia App and the new Dia.es website were launched, unifying the e-commerce service and the benefits of ClubDia into a single platform. This is a strong step towards omnichannel to improve the experience for customers who can already shop in store, online and through the app by enjoying all the personalized benefits that Dia has to offer.
- In the second quarter, the spread of its digital brochure through WhatsApp was expanded, an action that prevents the consumption of 6,000 tons of paper and the emission of 35 tons of CO_2 into the atmosphere per year.
- Galp joins the partner alliance program, of which large companies like Endesa are already a part of, together with Securitas Direct and Mapfre, to offer new benefits to ClubDia customers.

Argentina:

- February 28th, 2023. Dia Argentina opens its 1,000th store in the country.
- The e-commerce service has 95% coverage in the Buenos Aires metropolitan area, with 730 stores offering a pick-up point (pick-up in store) and 40 with the option of car pick-up. Furthermore, Dia is present in various marketplaces such as PedidosYa and Rappi, which allows it to reach a large number of locations in the interior of the country.
- In Q2, it launches its new app, unifying its e-commerce and ClubDia as well as other features that enhance the customer's shopping experience such as quick product search, order tracking, or checking stores, brochures and savings earned through ClubDia. This launch is a major milestone for Dia in the country – it's the first supermarket app to allow customers to make mobile purchases.
- In this period, actions have been driven by ClubDia to build loyalty and support other company initiatives such as 'Eating Better Every Day' (coupons for perishable items provided to customers and non-customers to encourage consumption of this type of food).

Brazil:

- The coverage of the online channel in Brazil reaches 27% of the population in Greater São Paulo and during the first half of the year, actions such as the 'Prêmio Todo Dia' campaign have been intensified to encourage online shopping and loyalty through ClubDia with a positive result.

Portugal:

- Minipreço's online channel marks its third anniversary and covers 62% of the population and, thanks to its presence in 360hyper, 100% of the Portuguese population. Alliances with 'partners' also include Glovo and UberEats so Dia customers have options and delivery facilities.
- During the period, various campaigns have been promoted to drive online sales and loyalty with positive results.

Dia private label product launches

Spain:

- More than 2,000 Dia product SKUs have been renewed since 2020, 184 in the first half of 2023. New arrivals this year include Mr. Mendrugo craft beer, a unique variety made with Dia's bread surpluses created by Cervezas Mica, Pascual Innoventures and RobinGood.
- In the second quarter, 72 new products have been launched, including ice cream innovations such as mango and coconut 'mochis' or vegan ice cream, and the sugar-free tiger nut drink.
- Among the products most valued by customers in the first half of the year are Dia Dairy whole milk, Dia Temptation 'dulce de leche' ice cream, Fidias stracciatella Greek-style yoghurt, Dia al Punto 6-cheese pizza or El Molino de Dia mini-breadsticks.

Argentina:

- The assortment has more than 1,000 Dia brand product SKUs, and nearly 600 renewed products over the past two years.
- The more than 40 new arrivals of the year include products such as soy shnitzel and powdered sweeteners. Moreover, Malbec and Cabernet wine cases from Puska and limited-edition packs with four varieties of Rambler's beer have been added, both with positive perceptions among Dia customers.

Brazil:

- Since 2020, more than 1,700 SKUs have been renewed with a change in their packaging to include the local claim 'Melhor a Cada Dia' ('Better Every Day').
- In the first half, 42 new arrivals have been launched, including products such as panko flour, potato flakes, infant cereals or new coffee capsule flavors introduced throughout the second quarter.

Portugal:

- The company has revamped more than 1,300 Dia branded products since 2020 and has a branded assortment of more than 1,600 SKUs. Customer favorites include Fornada do Dia garlic bread, Dia Dairy semi-skimmed milk, Temptation ice cream and the Fidias Greek range of yoghurts.

Franchisees

- The company has closed the semester with a total of 5,435 stores in the four countries in which it operates, of which 54% are franchises (62%, if Clarel is excluded).
- In Spain, the company has reached and consolidated a network of more than 1,000 franchisees who manage 1,479 stores. This ratio raises the number of multi-franchisees to 28% of the total, supporting the appeal of the new 'partnership' model and the positive impact of initiatives such as Campus Dia for the development of talent for franchisees and their teams.
- In Argentina, Dia is the only supermarket franchisor. 750 stores in the country, 72% of the network, are managed by 456 local entrepreneurs, raising the weight of multi-franchisees to 41% of the total.

ESG

- April 2023. Dia Group adheres to REDI to promote diversity, inclusion and LGBTI visibility in the work environment. This alliance adds to those made during the first quarter of the year to other associations such as Corporate Excellence, Fundación Seres, Forética and Excellence in Sustainability Club.
- May 11th, 2023. Launch of the Eat Better Every Day programme with an event held in Madrid with assistance from national and international press and representatives from associations, universities and other relevant organizations from the ESG ecosystem. Within the framework of this programme, awareness-raising actions have been carried out with vulnerable groups in Portugal (along with the CAIS foundation, in Porto) and in Argentina.
- June 2023. Activation of the 'Your Purchase Helps' campaign with Unilever to support FESBAL food banks and soup kitchens in Spain.

Awards and Recognitions

- Martín Tolcachir, Global CEO of Dia Group has been recognized with the 2023 Annual Retailer Award in Argentina.

Spain:

- Dia brand products have earned the following awards:
- Taste of the year 2023 for Dia natural Dairy yoghurt;
- 100 Best Current Economic Ideas Award for Vegedia Desserts.
- Marine Stewardship Council (MSC) recognized for the second year Dia Spain's support of sustainable fishing with the 'Sea forever' award in the 'Communication' category.
- Eating better every day, the social cause of the group, has been recognized with the 'Your Economy' award presented by La Razón newspaper in Spain, in the category of 'Best CSR Policy'.
- Grupo Dia is a finalist at the 2023 Dircom Ramón del Corral Awards for the 'There's a New Day' campaign.

Brazil:

- Dia has been included for the first time, reaching the 15th position in the ABRAS ranking, which values the top 30 supermarkets in the country.

Portugal:

- Minipreço has received the award for 'Best Store in Portugal' in the category of proximity supermarket and online supermarket.
- Dia brand products have earned the following awards:
- Product Award for Year 2023: Vegetarian hamburger Mr. Veg; Dia Bakery's turmeric bread; Dia Bakery's wholemeal spelt bread; Red Ale Ramblers craft beer; IPA Ramblers craft beer.
- 2023 Flavour of the Year Award: VivOliva organic oil; Temptation Salt and Caramel, Chocolate Pettals; Mari Marinheira Extra Atumvirgem Fillets; Queijos 3 leites OR Chocalho; Deli Salgado Fishing Rissois.

08.

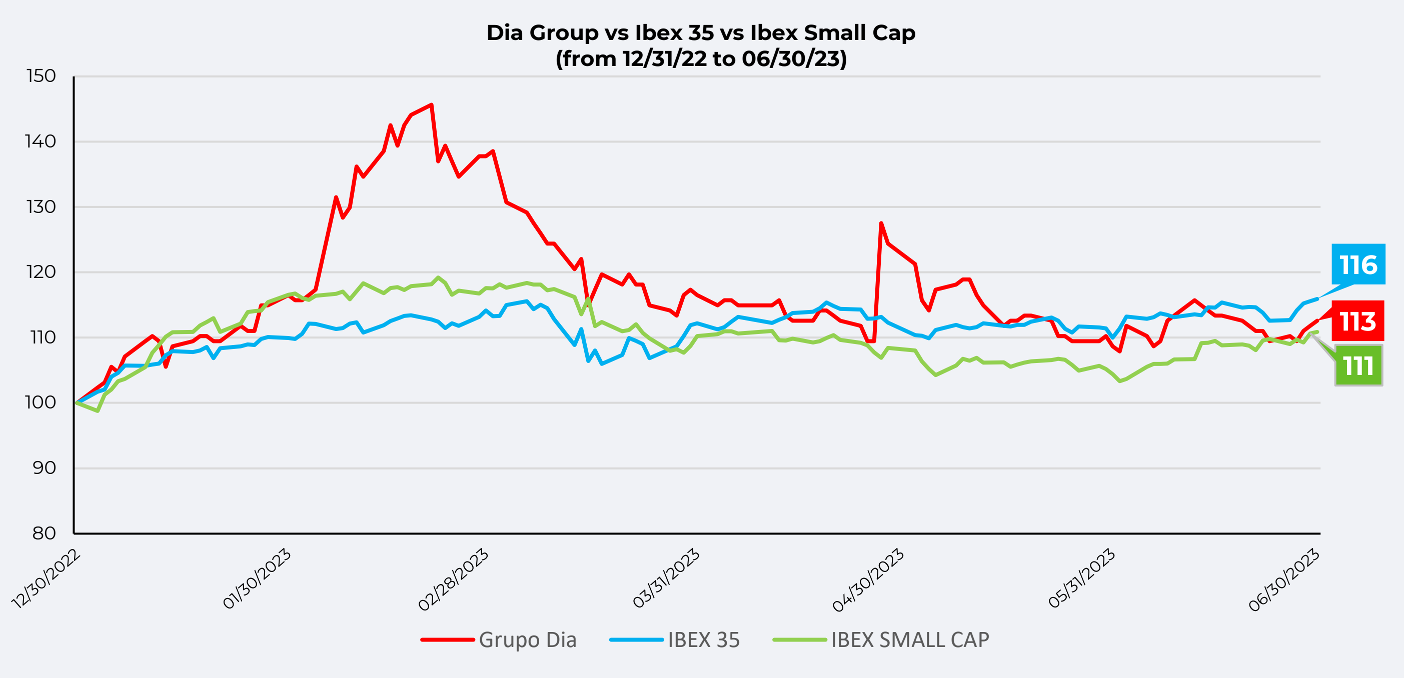
Dia Group on the stock exchange

Cada día más cerca

8 | Dia Group on the stock exchange

During the first half of 2023, Dia Group's share price evolved favorably, reaching a maximum of 0.0185 euros and closing the semester at a price of 0.0143 euros. Since the beginning of the year, the price has increased 12.6%, managing to remain 1.7pp ahead of the growth of the Ibex Small Cap index (main stock index benchmark). Performance can be attributed in part to the stabilization of external factors, but the strength and consistency of recent results had a considerable impact as well.

In terms of liquidity, Dia's share recorded cumulative volumes (in number of shares) slightly below the levels of the first half of 2022. Market capitalization reached 830 million euros on June 30th, 10.0% higher than the capitalization reached a year ago.



Stock Price (euros)	1H 2023	1H 2022
Beginning	0.0127	0.0159
Minimum	0.0130	0.0108
Maximum	0.0185	0.0186
Period end	0.0143	0.0130
Average	0.0149	0.0142

Other market KPIs	1H 2023	1H 2022
Stock market capitalization (thousands of euros)	830,337	754,852
Number of shares (in thousands	58,065,534	58,065,534
Nominal share value (euros/share)	0.01	0.01
Accumulated con. vol. (shares)	4,542,744,354	6,880,805,141
Average daily con. vol. (shares)	35,769,641	54,179,568

Dia Group vs Share price index	1H 2023 (1)	1H 2022 (2)
Dia Group	12.6%	(18.2%)
Ibex 35	15.9%	(7.1%)
Ibex Small Cap	10.9%	(3.1%)

(1) Stock Price and index variaitons between 12-31-2022 and 30-06-2023.
(2) Stock Price and index variaitons between 12-31-2021 and 30-06-2022.

9.

Appendix

Cada día
más cerca

9.1 Dia Group sales area evolution (in m2)

Dia Group sales area ('000m²)	1H 2023	1H 2022	Var.
Spain	1,193.4	1,437.0	(17%)
Portugal	186.0	198.4	(6%)
Brazil	278.6	284.5	(2%)
Argentina	275.9	259.4	6%
Dia Group Total	**1,933.9**	**2,179.3**	**(11%)**

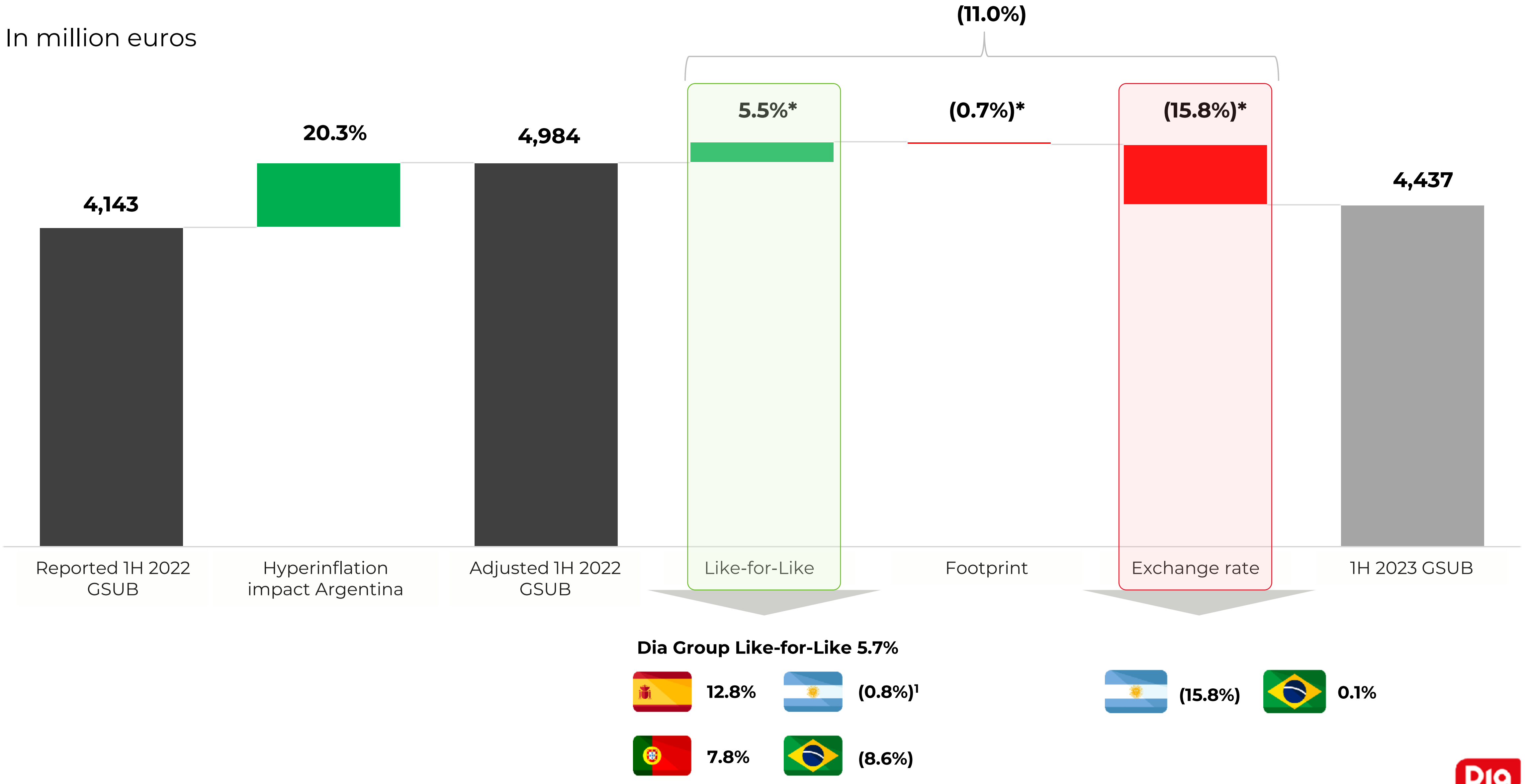
1H 2023 sales breakdown	Gross Sales[1]			Net Sales[2]			Like-for-Like[3]
(in millon euros)	1H23	1H22	Var. (%)	1H23	1H22	Var. (%)	1H23 vs. 1H22
Spain	**2,673.7**	**2,501.3**	**6.9%**	**2,241.0**	**2,095.5**	**6.9%**	**12.8%**
Excl. Stores sale[5]	2,498.2	2,239.4	11.6%	2,081.9	1,859.4	12.0%	12.9%
Excl. Clarel sale	2,505.5	2,345.1	6.8%	2,107.2	1,968.9	7.0%	13.2%
Excl. Stores sale[5] and Clarel	2,330.1	2,083.2	11.9%	1,948.1	1,732.9	12.4%	13.3%
Argentina	907.2	1,616.1	(43.9%)	701.4	652.0	7.6%	(0.8%)
Portugal	401.9	386.9	3.9%	294.6	283.1	4.1%	7.8%
Brazil	454.6	479.9	(5.3%)	365.4	434.7	(15.9%)	(8.6%)
Group Total	**4,437.4**	**4,984.3**	**(11.0%)**	**3,602.4**	**3,465.2**	**4.0%**	**5.7%**
Group Total Excl. Stores sale[5] and Clarel	**4,093.8**	**4,566.2**	**(10.3%)**	**3,309.5**	**3,102.6**	**6.7%**	**5.5%**
Group Total Excl. Stores sale[5], Clarel and Portugal	**3,691.9**	**4,179.3**	**(11.7%)**	**3,014.9**	**2,819.5**	**6.9%**	**5.3%**

Total Number of Stores[4]	**5,435**	**5,733**	**(5.2%)**
Excl. Stores sale[5]	5,435	5,510	(1.4%)
Excl. Stores sale[5] and Clarel	4,425	4,485	(1.3%)
Excl. Stores sale[5], Clarel and Portugal	3,965	3,991	(0.7%)

(1) Gross Sales Under Banner (GSUB) as defined in the Consolidated Management Report for the first half of 2022. Total value of the turnover obtained in the stores at current exchange rates, including all indirect taxes (cash ticket value) and in all the Company's stores, both owned and franchised. In the case of Argentina, Gross Sales Under Banner are penalized twice over, since the inflation between the two periods is not considered, but the devaluation effect is taken into account.
(2) Net sales expressed at current exchange rates and applying IAS 29 "Financial reporting in hyperinflationary economies" in Argentina, i.e. sales affected by devaluation and exchange rates.
(3) Represents the growth rate of Gross Sales Under Banner (GSUB) at a constant exchange rate of those stores that have operated for a period greater than twelve months and one day under similar business circumstances. The figures corresponding to Like-for-Like sales in Argentina have been adjusted to reflect the variation in volume (units), avoiding inaccurate calculations due to the effect of hyperinflation.
(4) At the end of the period.
(5) Excluding the sale of the 223 stores of the asset sale agreement reached with Alcampo in Spain, announced by the company on August 2nd, 2022.
(6) Excluding Maxi (Spain and Portugal), La Plaza and Clarel stores.

Gross Sales Under Banner reconciliation

In million euros



(1) Measured in number of units.
(*) % contribution to growth.

9.4 | Like-for-like sales evolution per quarter

Like-for-like sales evolution per quarter	% Like-for-Like[3]					
(in millions of euros)	2Q 2023 vs 2Q 2022	1Q 2023 vs 1Q 2022	4Q 2022 vs 4Q 2021	3Q 2022 vs 3Q 2021	2Q 2022 vs 2Q 2021	1Q 2022 vs 1Q 2021
Spain	**13.2%**	**12.4%**	**11.6%**	**12.8%**	**6.6%**	**(1.8%)**
Excl. Stores sale	13.1%	12.7%	12.1%	13.5%	7.5%	(1.2%)
Excl. Clarel sale	13.7%	12.6%	11.9%	13.5%	6.5%	(1.9%)
Excl. Stores sale and Clarel	13.6%	13.0%	12.5%	14.2%	7.4%	(1.2%)
Portugal	7.3%	8.3%	8.2%	10.2%	3.2%	(6.8%)
Brazil	(13.3%)	(2.8%)	8.3%	7.4%	9.5%	4.2%
Argentina	(2.0%)	0.7%	(1.2%)	4.0%	4.5%	2.2%
Group Total	**4.6%**	**7.0%**	**7.3%**	**9.9%**	**6.1%**	**(1.0%)**
Group Total Excl. Stores sale and Clarel	**4.4%**	**6.8%**	**7.3%**	**10.3%**	**6.5%**	**(0.5%)**
Group Total Excl. Stores sale, Clarel and Portugal	**4.1%**	**6.6%**	**7.2%**	**10.3%**	**6.9%**	**0.2%**

9.5 Reconciliation of EBITDA to Adjusted EBITDA (excluding reclassificaiton of discontinued operations)

Adjusted EBITDA results from adding to the net operating result (EBIT) depreciation and amortization, impairment of non-current assets, results from write-offs of non-current assets, restructuring costs (as described below), costs related to long-term incentive plans (LTIP) and impacts arising from the application of IAS 29 and IFRS 16.

Reconciliation of EBITDA to Adjusted EBITDA

(in millions of euros)	Spain	Portugal	Argentina	Brazil	Group Total
EBITDA	**103**	**14**	**(17)**	**(3)**	**98**
Restructuring costs	**48**	**1**	**1**	**3**	**52**
Expenses related to the transfer of company-owned stores to franchises	11	1	0	2	14
Expenses related to the closing of stores and warehouses	0	0	0	0	0
Expenses related to the efficiency processes	12	0	0	0	13
Other special projects	0	0	0	0	0
Other expenses[1]	22	0	0	0	22
Expenses related to long-term incentive plans	3	0	1	1	4
Effect of IFRS 16 on rents	(86)	(11)	(13)	(22)	(132)
Effect of IAS 29 on hyperinflationary regulations	0	0	46	0	46
Adjusted EBITDA	**65**	**4**	**17**	**(22)**	**65**

(1) Cost related to the sale of large-format stores to Alcampo and Clarel.

9.6 Exchange Rate Variation

Exchange Rate Variation	1H 2023	1H 2022	Var.
EURO / Argentine Peso (annual closing rate)	280,05970	131,24510	113%
EURO / Brazilian Real (average rate of the period)	5,47748	5,54473	(1%)

(*) Bloomberg average exchange rates (a negative change in rates implies an appreciation against the Euro).

9.7 Income statement (including and excluding reclassifications of discontinued operations)

Income statement excluding reclassifications of discontinued operations

(In millions of euros)	1S 2023	% Venta Neta	1S 2022	% Venta Neta	Var.
Gross Sales Under Banner	**4.437**		**4.984**		**(11,0%)**
Like-for-Like sales growth (%)	5,7%		2,6%		
Net Sales	**3.602**	**100,0%**	**3.465**	**100,0%**	**4,0%**
Cost of goods sold and other income	(2.874)	(79,8%)	(2.711)	(78,2%)	(6,0%)
Gross Profit	**729**	**20,2%**	**754**	**21,8%**	**(3,3%)**
Labor costs	(332)	(9,2%)	(355)	(10,3%)	6,4%
Other operating expenses and leases	(246)	(6,8%)	(243)	(7,0%)	(1,3%)
Restructuring costs and LTIP	(52)	(1,5%)	(33)	(0,9%)	(60,7%)
EBITDA	**98**	**2,7%**	**123**	**3,6%**	**(20,4%)**
Amortization	(188)	(5,2%)	(202)	(5,8%)	7,1%
Impairment of non-current assets	(31)	(0,9%)	(5)	(0,1%)	(553,2%)
Results from disposal of non-current assets	69	1,9%	(15)	(0,4%)	562,7%
EBIT	**(51)**	**(1,4%)**	**(98)**	**(2,8%)**	**48,5%**
Net financial income	25	0,7%	4	0,1%	520,0%
EBT	**(26)**	**(0,7%)**	**(94)**	**(2,7%)**	**72,6%**
Income tax	(41)	(1,1%)	(10)	(0,3%)	(301,0%)
Income after taxes	**(67)**	**(1,9%)**	**(105)**	**(3,0%)**	**35,8%**
Discontinued operations	-	-	-	-	N/A
Net Income	**(67)**	**(1,9%)**	**(105)**	**(3,0%)**	**35,8%**

Income statement including reclassifications of discontinued operations

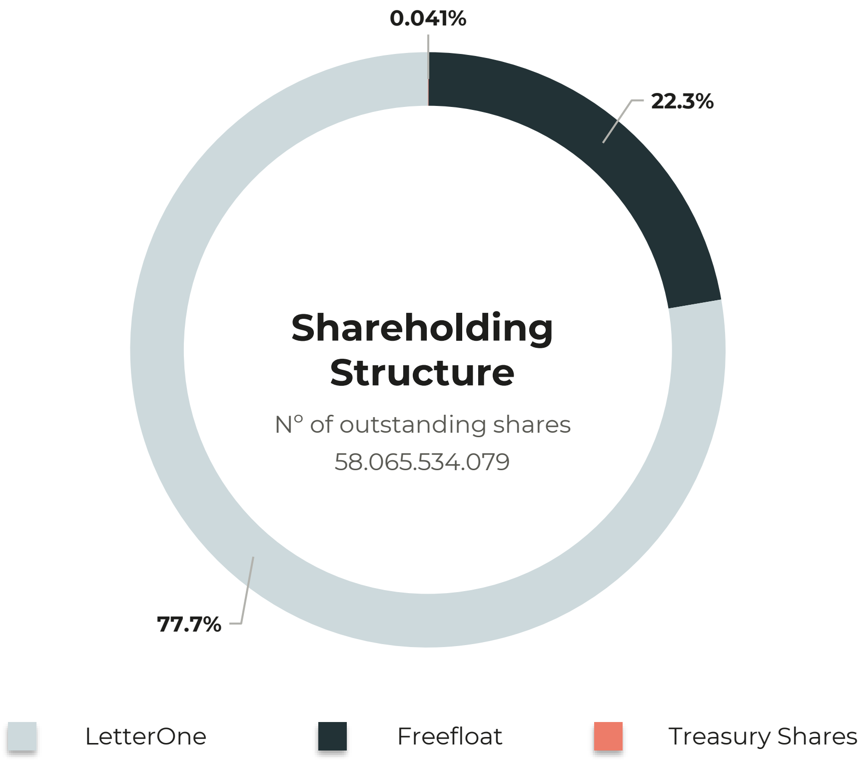
(In millions of euros)	1S 2023	% Venta Neta	1S 2022	% Venta Neta	Var.
Gross Sales Under Banner	**3.692**		**4.179**		**(11,7%)**
Like-for-Like sales growth (%)	5,5%		-0,8%		
Net Sales	**3.015**	**100,0%**	**2.820**	**100,0%**	**6,9%**
Cost of goods sold and other income	(2.458)	(81,5%)	(2.259)	(80,1%)	(8,8%)
Gross Profit	**557**	**18,5%**	**561**	**19,9%**	**(0,7%)**
Labor costs	(242)	(8,0%)	(260)	(9,2%)	6,8%
Other operating expenses and leases	(194)	(6,4%)	(183)	(6,5%)	(6,3%)
Restructuring costs and LTIP	(21)	(0,7%)	(27)	(1,0%)	24,1%
EBITDA	**101**	**3,3%**	**92**	**3,3%**	**9,5%**
Amortization	(162)	(5,4%)	(160)	(5,7%)	(1,2%)
Impairment of non-current assets	(30)	(1,0%)	(4)	(0,2%)	(588,4%)
Results from disposal of non-current assets	(12)	(0,4%)	(15)	(0,5%)	19,7%
EBIT	**(103)**	**(3,4%)**	**(88)**	**(3,1%)**	**(17,6%)**
Net financial income	31	1,0%	10	0,3%	216,3%
EBT	**(72)**	**(2,4%)**	**(78)**	**(2,8%)**	**7,4%**
Income tax	(27)	(0,9%)	(10)	(0,4%)	(162,1%)
Income after taxes	**(99)**	**(3,3%)**	**(88)**	**(3,1%)**	**(12,4%)**
Discontinued operations	32	1,1%	(16)	(,6%)	298,8%
Net Income	**(67)**	**(2,2%)**	**(105)**	**(3,7%)**	**35,8%**

9.8 Period Result reconciliation to Adjusted EBITDA

Period Result Reconciliation to Adjusted EBITDA

(in millions of euros)	Spain	Portugal	Argentina	Brazil	Group Total
Resultado del periodo	**6**	**(8)**	**4**	**(69)**	**(67)**
Net financial result	31	4	(8)	12	39
Income tax	21	0	20	0	41
Amortizations	122	18	23	25	188
Results from monetary position	0	0	(64)	0	(64)
Profit/(loss) of companies accounted for by the equity method	0	0	0	0	0
Impairment of non-current assets	(1)	(0)	1	31	31
Results from disposal of non-current assets	(77)	0	8	(0)	(69)
Restructuring costs	**48**	**1**	**1**	**3**	**52**
Expenses related to the transfer of company-owned stores to franchises	11	1	0	2	14
Expenses related to the closing of stores and warehouses	0	0	0	0	0
Expenses related to the efficiency processes	12	0	0	0	13
Other special projects	0	0	0	0	0
Other Expenses	22	0	0	0	22
Expenses related to long-term incentive plans	3	0	1	1	4
Effect of IFRS 16 on rents	(86)	(11)	(13)	(22)	(132)
Effect of IAS 29 on hyperinflationary regulations	0	0	46	0	46
Adjusted EBITDA	**65**	**4**	**17**	**(22)**	**65**

9.9 Shareholding Structure and Board of Directors



Board of Directors

Members	Position
Mr. Stephan DuCharme	Chairman
Mrs. Luisa Desplazes de Andrade Delgado	Member – Independent Director. Chairwoman of the Nomination and Remuneration Committee
Mrs. Gloria Hernández García	Member – Independent Director. Chairwoman of the Audit and Compliance Committee
Mr. Benjamin Babcock	Member – External Proprietary Director
Mr. José Wahnon Levy	Member – Independent Director
Mr. Sergio Antonio Ferreira Dias	Member – Other External Director
Mr. Marcelo Maia Tavares de Araújo	Member - Other External Director
Mr. Vicente Trius Oliva	Member – Independent Director

Gross Profit: is the Profit resulting mainly from Net Sales and Other Income less, (i) Consumption of goods and other consumables; (ii) impairment of trade receivables; and (iii) personnel expenses, other operating expenses and leases related to the logistics activity, as detailed in the reconciliation presented in the 2023 "Dia Group consolidated results in 1H 2023" section of this Results Report. This metric is used as an indicator of the yield obtained from the value of sold merchandise after deducting the acquisition costs of the merchandise sold, including the logistics costs to deliver the merchandise to the point of sale, regardless of their nature of cost (personnel, other operating costs, etc.).

Working Capital (trade): is the amount resulting from subtracting Trade and other payables from the sum of Inventories and Trade and other receivables. Working Capital is a metric used to measure the level of demand to meet the payment of a company's short-term commercial commitments..

Like-for-Like (LFL) sales growth: the calculation of like-for-like sales growth is performed on a daily basis and is based on the growth in gross sales under banner of that day with respect to the same day of the period being compared and at constant exchange rates, of all those stores that have operated for a period of more than twelve months and one day under similar business conditions. A store is not considered to have operated under similar business conditions, and therefore is not included as part of the basis for calculating LFL, if it has been temporarily closed during the period considered to carry out refurbishment work or if it has been significantly affected by objective external causes (for example, force majeure events such as floods, among others).

Net financial debt: is the Financial position of the company resulting from subtracting from the total value of current and non-current financial debt, the total value of cash and cash equivalents, the asset derived from interest rate hedging, as well as the liability derived from the application of IFRS 16.

Available liquidity: is the sum of cash and cash equivalents and the available amount of undrawn financing and confirming facilities. Available liquidity is a metric used to measure the Group's ability to meet its payment commitments with available liquid assets and financing.

Adjusted EBITDA: results from adding depreciation and amortization, impairment of non-current assets, results from the disposal of non-current assets, restructuring costs, costs related to long-term incentive plans (LTIP) and impacts from the application of IAS 29 and IFRS 16 to net operating income (EBIT).

Gross sales under banner (GSUB): is the total value of the turnover obtained in the stores, including all indirect taxes (cash receipt value) and in all the Company's stores, both company-owned and franchised. In the case of Argentina, gross sales under banner are adjusted using internal price inflation, thus isolating the hyperinflationary effect. Gross sales under banner is a metric used to monitor the evolution of the activity in the Group's points of sale with respect to its competitors in terms of market share and total sales to the final consumer.

Net Promoter Score (NPS): is a score calculated from a questionnaire that is sent to customers and stakeholders to see if they would recommend a company or brand. This measurement is based on the scores given by the users, ranging from 0 to 10 or 0 to 100 based on a simple calculation. The NPS is a simplified but very effective insight into how satisfied customers are and whether they are promoters or detractors of a brand or company, i.e. their loyalty level.

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Access details to Results Presentation:

Date: August 3rd, 2023, at 10:00 a.m. CET

Webcast Link