

Dia Group Results Report 2022

February 23rd, 2023



*Cada día
más cerca*

Legal disclaimer

This presentation contains forward-looking statements and information relating to Distribuidora Internacional de Alimentación, S.A. (DIA) and its subsidiaries that are based on the current beliefs of DIA's management, key expectations and assumptions, as well as information currently available to DIA and projections of future events. These forward-looking statements speak only as of the date they are made based on the information, knowledge and views available on the date on which they are made; such knowledge, information and views may change at any time. These forward-looking statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "anticipates", "forecasts", "plans," "projects," "continuing," "ongoing," "expects," "intends" and other similar words or phrases. Other forward-looking statements can be identified in the context in which the statements are made or by the forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements, as well as those included in any other material discussed at any management presentation, reflect the current views of DIA with respect to future events and are subject to known and unknown risks, uncertainties and key assumptions about DIA and its subsidiaries and investments, including, among other things, the development of their businesses, trends in their operating industry, and future capital expenditures. In light of these risks, uncertainties and assumptions, the events or circumstances referred to in the forward-looking statements may not occur. None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the presentation.

Current and future analysts, brokers and investors must operate only on the basis of their own judgment taking into account this disclaimer, and must bear in mind that many factors could cause the actual results, performance or achievements of DIA and its subsidiaries and any information included in this presentation to be materially different from any information, future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which DIA and its subsidiaries do business; changes in interest rates; changes in inflation rates; changes in prices; trends affecting DIA and its subsidiaries businesses, financial condition, results of operations or cash flows; the impact of current, pending or future legislation and regulation in countries in which DIA and its subsidiaries do business; acquisitions, investments or divestments which DIA and its subsidiaries may make in the future; DIA and its subsidiaries capital expenditures plans; their estimated availability of funds; their ability to repay debt with estimated future cash flows; security threats worldwide and losses of customer valuables; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts; public perception of DIA and its subsidiaries businesses and reputation; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorized use of the DIA's intellectual property and claims of infringement by DIA or its subsidiaries of others' intellectual property; changes in business strategy and various other factors. The foregoing risks and uncertainties that could affect the information provided in the presentation are almost impossible to anticipate and predict. Should one or more of these risks or uncertainties materialize, or should any other unknown risk occur, or should any of the underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

No one intends, or assumes any obligations, to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise nor to update the reasons why actual results could differ from those reflected in the forward-looking statements. DIA provides information on these and other factors that could affect the business and the results in the documents it presents to the CNMV (Comisión Nacional del Mercado de Valores) in Spain. This information is subject to, and must be read in conjunction with, all other publicly available information. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise, and the directors are not responsible for any possible deviation that could arise in terms of the different factors that influence the future performance of the DIA. Neither DIA, nor its directors, nor its representatives shall have any liability whatsoever for any loss arising from any use of this document or its contents, or otherwise arising in connection with this document.

Not for general release, publication or distribution in any Jurisdiction in which the distribution or release would be unlawful.

These materials do not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for any securities in any jurisdiction. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. There is no intention to register any portion of any offering in the United States or to conduct a public offering of securities in the United States

Disclaimer regarding results presented in this presentation

The strategic asset sales of large store formats to Alcampo and the sale of Clarel, require, for statutory reporting purposes, that these activities are classified as “discontinued” (both for year 2022 and for year 2021). This means that all its financial metrics (revenue, expenses, EBITDA...) will not appear in the consolidated equivalent P&L lines, but combined into a separate line labelled “Results from Discontinued Activities”.

To help explain the performance of 2022, unless otherwise stated, this presentation shows results without reclassification to “Results from Discontinued Activities”. In the information uploaded to Dia’s Corporate Site we have listed all the equivalences between the results with and without reclassification to help bridge between this note and statutory reporting.



index

- 1** Letter from the Non-Executive Chairman
- 2** Letter from the CEO
- 3** Dia Group at a glance
 - 3.1** Visual summary of 2022
 - 3.2** Key milestones of 2022
 - 3.3** Summary of results 2022
- 4** Progress of strategic priorities during 2022
- 5** Dia Group consolidated results in 2022
 - 5.1** Operating and financial results
 - 5.2** Debt management and financing
 - 5.3** Cash flow generation
- 6** Operating and financial performance by country
 - 6.1** Spain
 - 6.2** Argentina
 - 6.3** Portugal
 - 6.4** Brazil
- 7** ESG
- 8** Relevant events of the period and post closure events
- 9** Dia Group on the Stock Exchange
- 10** Appendix

01.

Letter from the Non-Executive Chairman



*Cada día
más cerca*





2022, a turning point

Dia Group has closed a **key** year in the **deployment of its proximity strategy**. 2022 has presented us a complex economic scenario, marked by inflation and the rising cost of raw materials, fuel and energy. Despite this, **the progress achieved in the business, together with the positive recognition of our customers and franchisees, and the support we received from our shareholders**, show that this year full of geopolitical and economic challenges has also been a turning point for the company that allows us to affirm that we are in a **new phase of acceleration towards growth**.

Dia Group has more than 40 years of history, decades of

learning and experience in proximity food retail, the heart of its business. With nearly 5,700 company-owned and franchised stores in Spain, Argentina, Brazil and Portugal, we are a leading network of proximity stores with a great team of over 33,400 people who offer our best version every day to offer great quality within everyone's reach.

We have fulfilled a roadmap that is committed to the essence of Dia, proximity, and that, by placing the customer at the center, has achieved a **profound redirection of the business** that has consolidated a winning model and value proposition that **brings us closer to the end of the company's turnaround process**.

A New Dia

We ended the year with growth in both **Net Sales and number of tickets**, data that confirms that customers value and trust in this **New Dia**. We closed the year with an **adjusted EBITDA of 200 million euros**, 76 million euros more than 2021, and an adjusted EBITDA margin of 2.8% on Net Sales, 0.9pp better than 2021, which shows that the efforts of the last three years have served to consolidate the positive evolution of the business, supported by a **solid and sustainable capital structure and with the support and industrial vision of our majority shareholder**. ▶

1 Letter from the Non-Executive Chairman (II)

It is also appropriate to highlight the **successes achieved through the improvement in quality of our Dia brand**, an option that consumers already recognize for its value proposition at affordable prices, which is even more important in complex moments such as the one households are going through right now. The recognition of its quality by independent experts and the **increase in the share of the shopping basket** shows that our execution has been the right one. The Dia brand has a very important place in the pantries of our more than **14 million loyal customers worldwide** and we are proud to be part of the daily lives of families with options tailored to changing market trends and consumer needs.

Proximity strategy

During 2022 we announced **two relevant corporate deals for the Group affecting the Spanish**

market: the sale of a group of large-format stores to Alcampo and the sale of Clarel, the business unit dedicated to personal and home care. Both decisions are **aligned with our proximity strategy** and allow us to focus on the core of our business, proximity food retail, reinforcing what we do well: being the neighborhood store where the customer can make a complete, easy and quick purchase, with fresh products and a high-quality Dia brand available to everyone.

Along with these business developments, in August 2022, we made another key decision for the future of the Group: **to define a new, strengthened and renewed governance model** in line with the new needs of the company. Thus, the role of Executive Chairman, which I assumed in May 2020, has evolved to that of Non-Executive Chairman of the Group, and Martín Tolcachir, former CEO of Dia Argentina, was appointed Global CEO of the Group with a clear

mission: to increase results based on an updated strategy and redefined priorities. This differentiation of roles, common in listed companies, will serve to give overall continuity to the strategy that has managed to redirect the course of the company and will give an additional momentum to achieve our objectives set for the short and medium term.

I would like to close this letter with my sincere **thanks** to our employees who have made this possible. Also, to our customers; store, warehouse and office collaborators; franchisees and their collaborators; suppliers and investors. Thank you for trusting in our vision and helping us build this **New Dia**.

In 2023, a year that looks to be no less challenging than the previous one, we will continue to work on **accelerating Dia Group's growth** and become our customers' favorite neighborhood and online store. To achieve this, we will focus

on completing the transformation of the store network in Spain and Argentina, growing hand in hand with our franchisees and continuing to develop a first-class customer experience, in order to offer solutions to our customer needs, leveraging the online channel to take our high-quality products at affordable prices even further.



Stephan DuCharme
Non-Executive Chairman
Dia Group

02.

Letter from the CEO



*Cada día
más cerca*





Commitment to proximity

2022 has been **a challenging and a clear turning point for Dia Group's business**. For a company with more than four decades of experience in proximity food retail, a complex context such as the one we are going through is, more than ever, the time to show our customers that we are **closer every day to offer high quality products within everyone's reach**.

The profound **redirection of the business** that we started in 2019 has brought us to today, to this **New Dia**, a moment that allows us to confirm that we are at the end of the company's *turnaround process*.

With our **purpose as our guide, and committed to our essence, proximity**, we have strengthened our operation thanks to solid pillars.

The customer is our passion. We are the neighborhood store that millions of people rely on to do their shopping every day. We work every day to ensure that their experience and satisfaction is first class. That is

why **the first pillar of this New Dia is to offer a differential value proposition**: our new store model, already operational in 60% of the proximity network globally, which allows a complete, easy and fast shopping experience, is strengthened by the optimization of our assortment, the large presence of fresh products from local suppliers and our Dia brand, with which we offer high quality products at affordable prices, responding to the needs of our customers. We want everyone, no matter where they live or their budget, to be able to **eat better every day**.

The **second pillar is the strengthening of our relationship with our franchisees**, strategic allies in the development of our proximity strategy. Nearly half of our global store network is managed by local franchisees who share our commitment to the customer and our values. And thanks to the new partnership model deployed across the network

since 2020, we have forged mutually beneficial trust relationships we are proud of.

The **third pillar is the digital and technological transformation of the company** to make the operation more efficient and to drive value generation from our online channel, a key lever for our proximity strategy. ▶

2 | Letter from the CEO (II)

And to build this shared dream, we have a large and diverse team of more than 33,400 people in four countries. Professionals who are passionate about the customer, committed to results and who, in a spirit of collaboration and simplifying what is complex, offer their best version of themselves every day to achieve continuous growth. These are the **renewed values that drive us in this New Day** and that, as **Global CEO of the Group since last August**, I have the privilege of seeing it in our daily work.

2022, a year of growth and transformation.

Year-end figures show consistent growth that endorses the success of our value proposition. In **Spain**, we have remodeled over 800 stores during 2022 and we already have 88% of the proximity network operating under the new model; in addition, we have opened 23 new

stores and the first new-generation distribution center in Illescas, showing that we are ready to recover ground ceded in this market. This is supported by the gain in market share at the end of the year in terms of comparable surface area. Our e-commerce now reaches 82% of the population and the satisfaction of our franchisees shows the success of the new *partnership relationship*, a win-win situation for both parties.

The good performance of the business in **Argentina**, with refurbished stores outperforming non-refurbished stores by 18%, has allowed us to accelerate and open 101 stores last year, bringing the total network to 994 stores and increasing our market share in Greater Buenos Aires. In addition, in our online channel, available in 56% more stores, we have activated new shipping options to further improve our customers' experience and offer them service solutions tailored to their needs.

In **Portugal**, on the other hand, it has been a very relevant year in terms of customer and franchisee satisfaction, where in a complex context and with a reduction in the number of stores, sales have remained in line to 2021's level.

In **Brazil**, despite almost 130 closures at the beginning of 2022, sales advanced by 11% to 890 million euros, and the value proposition for our customers was updated with the design of a prototype store and the promotion of store pilots that already show a clear improvement in performance.

To close, I would like to thank our **teams, franchisees and suppliers** for their enormous efforts during this time. This New Dia has been achieved thanks to their commitment and clear strategic guidance. I would also like to thank our **customers and investors** for their **trust**. Dia has overcome a turbulent period and we are aware that there is still a lot of work ahead

but knowing that we are on the right path to accelerate the company's growth encourages us to face the challenges ahead.

Great challenges require the **right leadership, and Dia Group has it**. This new stage in which we are immersed invited us to be even closer to the business and to reflect on how we can accelerate growth. The need to be **more strategic, agile and less bureaucratic made us consider a change in the structure of the Global team** and adjust the teams, starting with the Management Board itself. The company's focus is on delivering results and, as always, the Management Board finds the necessary support in the Board of Directors, a body made up of a majority of independent members with a multidisciplinary background and vision capable of challenging them to drive the company forward.

This year the focus of Dia Group **will**

be to close the turnaround process. Our essence is proximity and in 2023, in addition to seeking the growth of our store network, we will continue to grow in expanding our online channel to be closer to our customers every day, with our high-quality assortment available to everyone, wherever and whenever they need it.



Martin Tolcachir
Global CEO
Dia Group

03.

Dia Group at a glance



*Cada día
más cerca*



3 | Dia Group at a glance

3.1 | Visual summary of 2022 (I)

Evolution Stores¹



Total number of Dia Group stores

5,699

2021: 5.937

Spain

Total number of stores:

3,634 2021: 3,789

809 Remodeled stores

27 New openings

Portugal

Total number of stores:

463 2021: 499



Brazil

Total number of stores:

608 2021: 737

6 Remodeled stores

Argentina

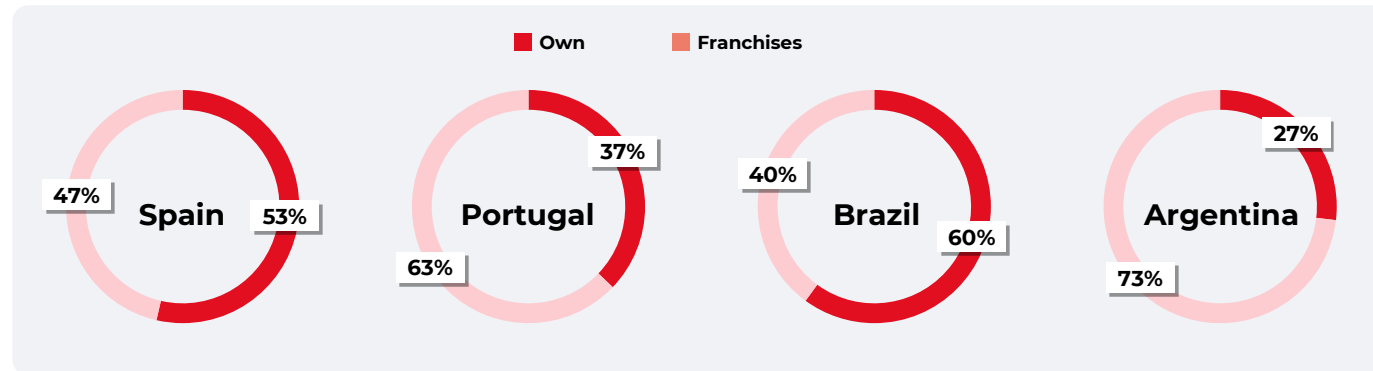
Total number of stores:

994 2021: 912

255 Remodeled stores

101 New openings

Company-owned stores vs. franchises



Dia Group total sales area: 2,146 m²

Figures in thousands m²



1. During fiscal year 2022, including Crelar and large format stores transferred to Alcampo

Data as of December 31, 2022

3 | Dia Group at a glance

3.1 | Visual summary of 2022 (II)



Total Stores

5,699

Var. 2021: **(4.0%)**



Openings

128

Var. 2021: **54.2%**



Refurbishments

1,070

Var. 2021: **(1.5%)**



Like-for-Like
growth

5.7%

Var. 2021: **9.3 p.p.**



Net Sales

7,286 M€

Var. 2021: **9.6%**



Adjusted EBITDA

200 M€

Var. 2021: **61.2%**



Adjusted EBITDA
Margin

2.8%

Var. 2021: **0.9 p.p.**



Net Results
improvement

51.9%

Var. 2021: **133 M€**

- **Net sales grew** by 9.6% compared to 2021, to 7,286 million euros, accelerating during the year, with a 7.3% like-for-like sales in Q4 (5.7% for the full year).
- **In Spain, gross sales under banner increased** 6.3% to 5,317 million euros with **like-for-like sales growth** of 11.6% in Q4 (7.3% for the full year), gaining market share.
- **Adjusted EBITDA** reached 200 million euros, with a margin of 2.8% (0.9pp better than 2021).
- **Dia Group improved Net Income by 133 million euros**, reducing losses by half, from 257 million euros to 124 million euros.
- **Spain and Argentina are in the final phase of their transformation.**
- **The company's deleverage continues**, reducing leverage ratio to 2.7x despite the investment efforts to transform the business in Spain and Argentina.

3 | Dia Group at a glance

2022 has confirmed Dia Group's turnaround, with an improvement in all operational and financial metrics. All actions implemented to transform the company are having their effect and this New Dia is already a reality in Spain and Argentina, which have reported excellent results in sales and EBITDA margin.

The company's strategy is focused on proximity food retail. The objective is to become the favorite neighborhood store in which to make a complete purchase, easily and quickly, and to do this means offering the right assortment of FMCG brands, fresh products from local suppliers and a high-quality Dia brand. This differentiating value proposition has proven to be the right one even within a macroeconomic environment such as the current one, as reflected in customer satisfaction and market share.

The inflationary effect has been one

of the factors that have marked the 2022 fiscal year, reaching 5.7% in Spain; 9.6% in Portugal; 5.8% in Brazil and 94.8% in Argentina. This scenario of high inflation began in 2021 as a result of the aftermath from the Covid-19 pandemic and disruptions in the supply chain. These have worsened in 2022 as a result of the war in Ukraine.

In this environment, the Group's Net Sales have increased 9.6% from 2021, with positive like-for-like growth in all markets in which the company operates and with an improvement in adjusted EBITDA margin reaching 2.8%, compared to 1.9% in the previous year.

The Group's Net Income improved by 133 million euros, reducing losses by more than 50%, to -124 million euros after considering the impairment of investments in Clarel and Brazil amounting to 32 million euros.

Net financial debt increased by 35% during the year, reaching 544

million euros, mainly as a result of the investment efforts made during the year.

These efforts have translated into almost 1,100 store remodelings and 128 new store openings, mainly in Spain and Argentina. In addition, in Brazil, during the last quarter of the year, several pilot stores have been implemented under the new value proposition.

With these openings and renovations, 88% of the proximity network in Spain and 55% of the network in Argentina have been fully transformed, and the remodeling process is expected to be completed in 2023.

3.3 | Summary of results 2022

Dia Group store footprint evolution	2022	2021	% Var.
Total Stores	5,699	5,937	(4.0)
Total Owned Stores	2,752	3,227	(14.7)
Total Franchises	2,947	2,710	8.7
Number of remodeled stores during 2022	1,070	1,080	(1.5)

Financial figures¹	2022	2021	% Var.
Gross Sales Under Banner	8,900	8,767	1.5
Net Sales	7,286	6,648	9.6
Adjusted EBITDA	200	124	61.2
EBIT	(123)	(176)	(30.3)
Net Income	(124)	(257)	(51.9)

Financial indicators¹	2022	2021	Var p.p.
Adjusted EBITDA Margin %	2.8	1.9	0.9
EBIT margin %	(1.7)	(2.6)	1.0
Net income margin %	(1.7)	(3.9)	2.2
Net Financial Debt¹/ Adjusted EBITDA	2.7x	3.2x	(0.5x)

(1) Excluding IFRS16

04.

Progress of strategic priorities during 2022



*Cada día
más cerca*



4 | Progress of strategic priorities during 2022 (I)

2022 represented the consolidation of a change that began in 2019 with a profound review of the strategy, operating model and customer value proposition around the Group's number one strength: proximity.

Since May 2020 the company, has systematically followed the strategic roadmap at a commercial and operational level, in its relationship with franchisees and its digital and technological transformation. This has allowed it to achieve, during 2022, improvements in all operational and financial metrics. Last year, significant progress was made which allowed us to confirm that the *turnaround* process is close to completion:

- Of the 5,699 Dia Group stores at the end of 2022, the company has 2,323 operating under the new model, 60% of its global proximity network. In Spain there are 1,660 stores operating under the new model, 88% of its proximity network¹; in Argentina there are

551 new model stores and 112 in Portugal, which with their positive performance show the success of Dia's commitment to the neighborhood store.

- The year has been marked by the increase in the price of raw materials, fuel and energy, a scenario of political and economical uncertainty that has influenced customer behavior, increasing frequency of shopping trips while reducing basket sizes. The number of tickets has maintained a growth trend throughout the year, with an annual increase of 6.7% at Group level, confirming the success of Dia's proximity model. The size of the average shopping basket fell by 0.9% over the year at a global level.
- The company has continued to work on the ongoing development of an ideal assortment, with a clear commitment to fresh products and local suppliers, responding to consumer needs and changing

trends, offering a high-quality value proposition within everyone's reach at national, regional and even local level within each country it operates.

- Progress has also been made in renewing the quality of the Dia brand, adding 690 new SKUs in Spain in 2022, bringing the total number to 1,810 since 2020, equivalent to the renewal of 83% of the private label assortment, and 2,700 products globally. The increase in the weight of the Dia brand in our customers' shopping baskets confirms its perception as a modern, quality brand that, thanks to its affordable prices, has become the ally of households in complex times such as these.

Original Store



Remodeled Store



(1) Excluding Maxi, La Plaza and Clarel stores.

4 | Progress of strategic priorities during 2022 (II)

- The new partnership model between Dia and its franchisees announced in 2020 is fully deployed in Spain, Argentina and Portugal, and advancing in Brazil. This win-win relationship has enabled the Group to improve franchisee satisfaction and continue to grow its franchise network to 2,947 stores globally, 52% of the network compared to 46% in 2021.
- With regards to digital and technological transformations, the company has made progress in optimizing its processes and in the deployment of its online channel. It already represents 2.4% of total sales, and is also a key lever for the deployment of the proximity strategy in order to fulfill our purpose of being closer to our customers every day.
- It is worth highlighting the reinforced presence in Spain of the online channel, where online sales is available to 82% of the

population; The implementation of new express delivery services in Argentina; and the opening of the WhatsApp shopping channel in Brazil are initiatives promoted to guarantee a first-class shopping experience.

- Club Dia has registered more than 14.3 million customers, to whom it offers targeted promotions by profile and type of consumer, allowing us to respond to the needs of each customer.

During 2022, two relevant corporate deals have been announced at Group level that affect the Spanish market and that further orient the strategy towards its strength, proximity: the sale of a group of large format stores to Alcampo and the sale of Clarel, the business unit dedicated to personal and home care. Both operations are awaiting the fulfillment of a series of milestones, with the expectation of closing both processes during 2023.

Aware that there are still challenges to be addressed, the Group sees the challenges posed by the current environment as an opportunity to leverage its purpose of proximity and achieve its ambition to be the customers' favorite neighborhood and online store thanks to its distinctive value proposition. With renewed and strengthened leadership following the appointment of Martín Tolcachir as the Group's Global CEO in August 2022, the company is moving forward with a renewed strategy with the goal of accelerating business growth and completing the turnaround in 2023.



05.

Dia Group
Consolidated results
in 2022



*Cada día
más cerca*



5 | Dia Group consolidated results in 2022

The **Group's Net Sales** have increased 9.6%, growing in all markets. Revenues from company-owned stores represent 60.2% of the Group's Net Sales, compared to 35.5% from franchised stores and 4.3% from online and other activities.

The Group's **Like-for-Like sales** increased 5.7%, showing a consistent growth of our businesses supported by a distinctive value proposition for our customers. This outcome was achieved as a result of three consecutive quarters of like-for-like sales growth reaching positive results in the last 9 months of the year (on an accumulated basis) in all the markets in which it operates.

Gross Profit, despite growing 6.1% versus 2021, declined (as a percentage of Net Sales) to 21.7% from 22.4% year-on-year impacted by inflation, increase in franchised stores and the growth of our private label share of basket.

Labour costs decreased by 0.9pp to 9.5% as a percentage of Net Sales, despite wage increases driven by inflation and a higher share of

franchise stores.

Other operating expenses and leases increased from 6.5% to 6.7% as a percentage of Net Sales, strongly impacted by the increase in the cost of electricity, which accounted for an additional 20 million euros in Spain, and fuel, which represented a cost increase of 17 million euros compared to 2021 in Spain alone.

EBITDA grew 16.3% compared to 2021 and improved to 4.8% of Net Sales (0.3pp better than 2021) due to cost reductions from less profitable store closures and store transfers, as well as a reduction in restructuring costs, which offset the impact of lower Gross Profit margin.

Adjusted EBITDA reached 2.8% as a percentage of Net Sales, an improvement of 0.9pp vs. 2021. In absolute terms, Adjusted EBITDA was 200 million euros, an increase of 76 million euros, reflecting the positive improvements in operations and cost control.

Net Income reached -124 million euros, which represents an improvement of 133 million euros compared to year-end 2021. This improvement is mainly due to the higher EBITDA and the positive net financial result explained by the improvement in financial income together with a reduction in financial expenses and a positive effect of inflation on monetary assets.

5.1 | Operating and financial results

Income statement excluding reclassifications of discontinued operations

(In millions of euros)	2022	2021	% Var.
Like-for-Like sales growth (%)	5.7%	(3.6%)	9.3pp
Gross sales under Banner	8,900	8,767	1.5
Net Sales	7,286	6,646	9.6
Gross Profit	1,580	1,489	6.1
Adj. EBITDA	200	124	61.2
EBITDA	348	299	16.3
EBIT	(123)	(176)	30.3
Net Income	(124)	(257)	51.9

5 | Dia Group consolidated results in 2022

Income statement excluding reclassifications of discontinued operations

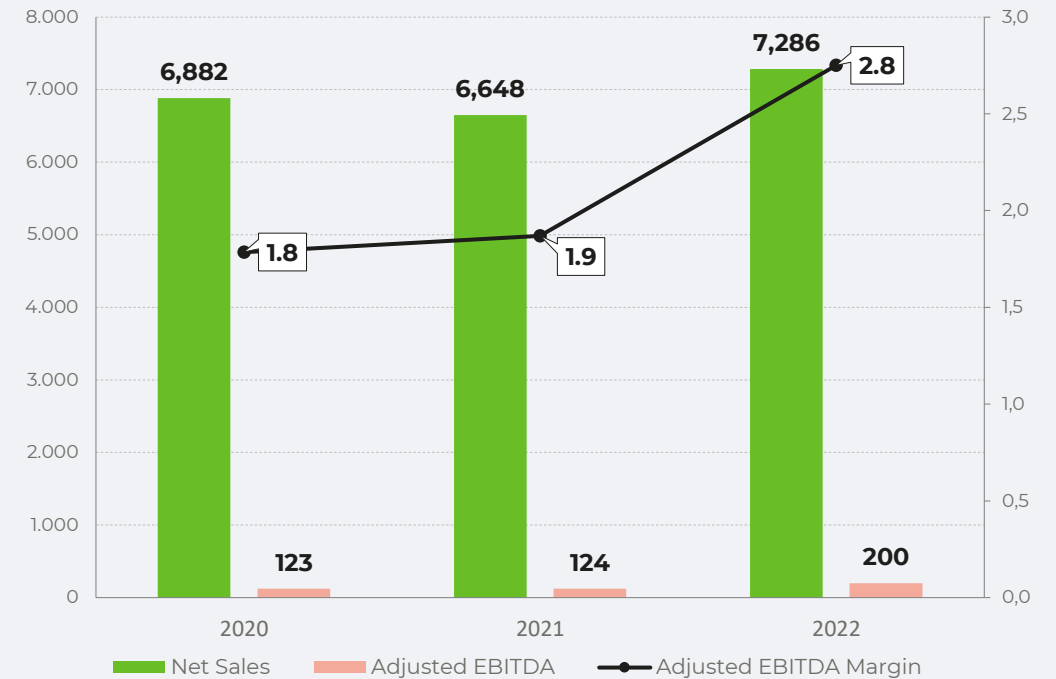
(In millions of euros)

	2022	% Net sales	2021	% Net sales	% Var.
Gross sales under banner	8,900		8,767		1.5
Like-for-Like sales growth (%)	5.7%		(3.6%)		
Net sales	7,286	100.0%	6,648	100.0%	9.6
Cost of goods sold and other income	(5,706)	(78.3%)	(5,159)	(77.6%)	(10.6)
Gross profit	1,580	21.7%	1,489	22.4%	6.1
Labour costs	(693)	(9.5%)	(693)	(10.4%)	0.0
Other operating expenses and leases	(490)	(6.7%)	(431)	(6.5%)	(13.8)
Restructuring costs and LTIP	(49)	(0.7%)	(67)	(1.0%)	26.0
EBITDA	348	4.8%	299	4.5%	16.3
Amortization	(396)	(5.4%)	(393)	(5.9%)	(0.8)
Impairment of non-current assets	(50)	(0.7%)	(59)	(0.9%)	15.4
Results from disposal of non-current assets	(24)	(0.3%)	(23)	(0.3%)	(6.1)
EBIT	(123)	(1.7%)	(176)	(2.6%)	30.3
Net financial income	33	0.4%	(68)	(1.0%)	148.4
EBT	(90)	(1.2%)	(244)	(3.7%)	63.0
Income tax	(34)	(0.5%)	(14)	(0.2%)	(143.9)
Corporate taxes	(124)	(1.7%)	(257)	(3.9%)	51.9
Discontinued operations	-	0.0%	-	0.0%	n/a
Net Attributable Income	(124)	(1.7%)	(257)	(3.9%)	51.9

5.1 | Operating and financial results

Net Sales, Adjusted EBITDA and Adjusted EBITDA Margin %

In millions of euros and percentage of Net Sales



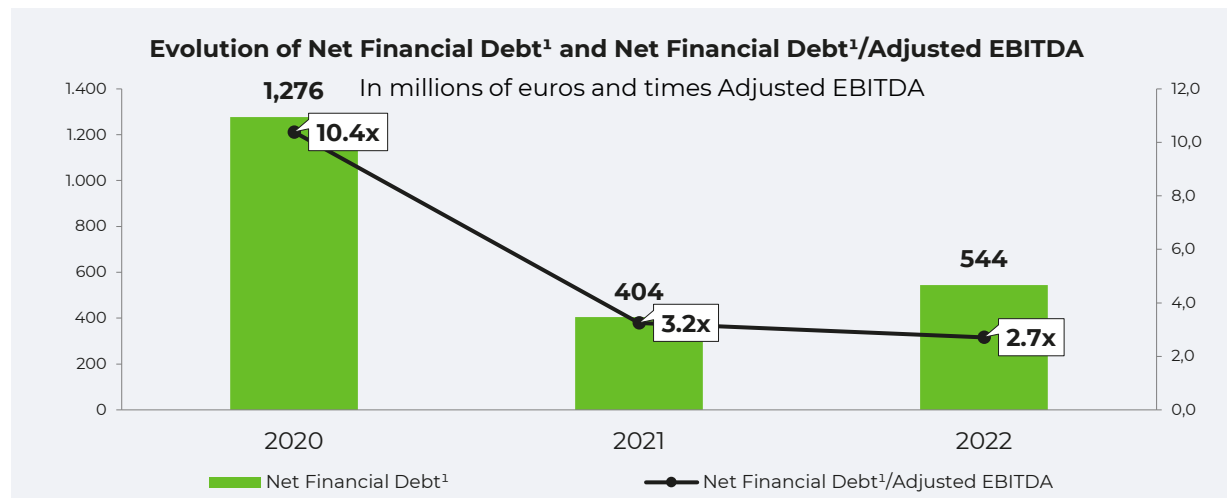
5 | Dia Group consolidated results in 2022

As of December 31st, 2022, 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 **667 million euros** (834 million euros as of December 2021) impacted by an impairment of 180 million euros from the investment in the Brazilian subsidiary.

Total Net Financial Debt¹ increased by 140 million euros during 2022 reaching 544 million euros at year end, due to increased

investment efforts to transform the business, partially offset by positive cash flow from operations and working capital improvements.

The Group's Leverage Ratio¹ (Net Financial Debt/Adjusted EBITDA) at year-end **2022 is 2.7x**, an improvement over the previous year's ratio (**3.2x at 12/31/2021**).



(1) Excluding IFRS16 effect

(2) Excluding reclassifications of discontinued operations (classified as non-current/liabilities held for sale)

5.2 | Debt management and financing (I)

Net Financial Debt Reconciliation

(In millions of euros)	12/31/2022	12/31/2021	% Var.
Non-current financial debt	1,010	1,023	(1.3)
Current financial debt	279	273	2.3
Cash and cash equivalents	(216)	(361)	(40.2)
Interest rate hedging derivatives	(4)	-	n/a
Total Net Financial Debt	1,068	935	14.3
Effect of leases (debt) (IFRS16)	(524)	(530)	(1.2)
Net Financial Debt (excl. effect of IFRS16)	544	404	34.6

Balance sheet

(In millions of euros)	12/31/2022	12/31/2021	% Var.
Non-current assets	1,903	2,018	(5.7)
Stocks	418	452	(7.6)
Trade and other receivables	199	178	11.9
Other current assets	76	62	23.9
Cash and cash equivalents	216	361	(40.2)
Non-current assets held for sale	309	-	n/a
Total assets	3,121	3,071	1.6

Total equity	8	94	(91.9)
Non-current financial debt	1,010	1,023	(1.3)
Current financial debt	279	273	2.3
Trade and other payables	1,329	1,275	4.3
Provisions and other liabilities	418	407	2.7
Liabilities linked to assets available for sale	78	-	n/a
Total equity and liabilities	3,121	3,071	1.6

5 | Dia Group consolidated results in 2022

Gross debt maturity profile as of December 31st, 2022 (excl. IFRS16) at a total of 764 million euros.

As of December 31st, 2022, the most relevant maturity of the gross financial debt corresponds to syndicated financing (73% of the overall gross debt) and matures in three years (December 31st, 2025) and 15% of the gross financial debt matures in less than one year:

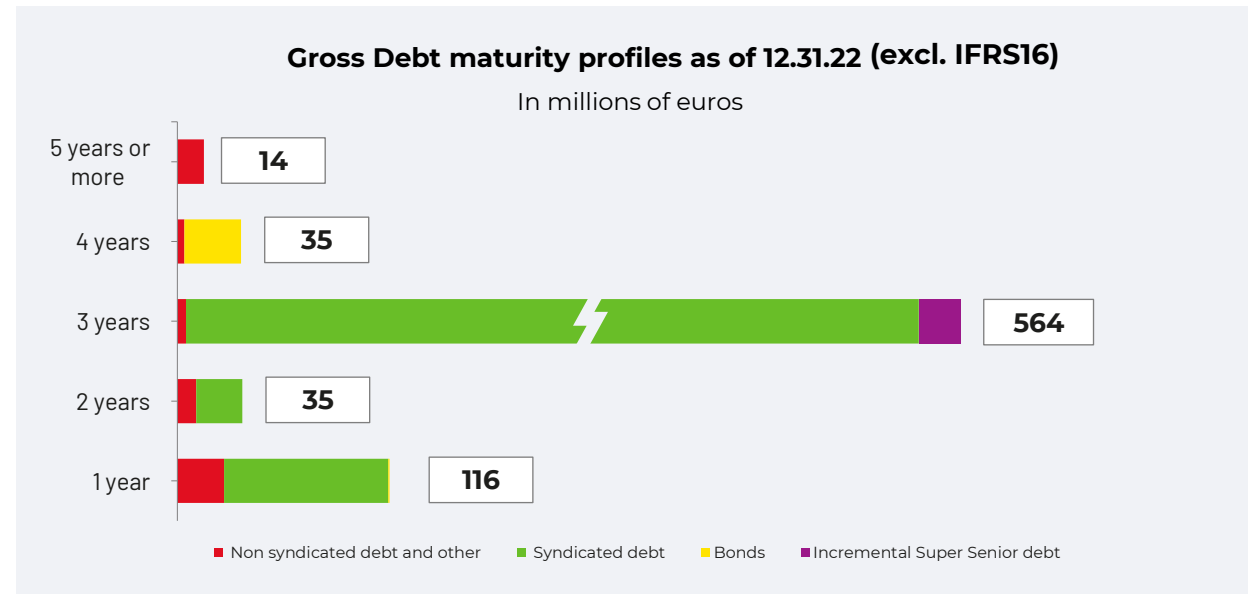
- Syndicated Lender Financing: 90 million euros during 2023, 25 million euros in March 2024 and 537 million in December 2025.
- Non-syndicated financing and others: 25 million euros in 2023, 10 million euros in 2024 and thereafter, 23 million euros.
- Super Senior Financing: 23 million euros in December 2025.
- Bonds: 31 million in June 2026. Average maturity: 3.5 years

In November 2022, the Group reached an agreement with the syndicated lenders to repay an additional 97 million euros upon completion of the transaction for the sale of large format stores to Alcampo, which may be increased up to a maximum of an additional 11 million euros depending on the stores that are finally transferred.

5.2 | Debt management and financing (II)

Gross debt maturity profile

(In millions of euros)	2023	2024	2025	2026	From 2027 onwards	Total
Non-syndicated financing and others	25	10	5	4	14	59
Financing from syndicated lenders	90	25	537	-	-	651
Bonds	1	-	-	31	-	32
Incremental SS financing	-	-	23	-	-	23
Total	116	35	564	35	14	764

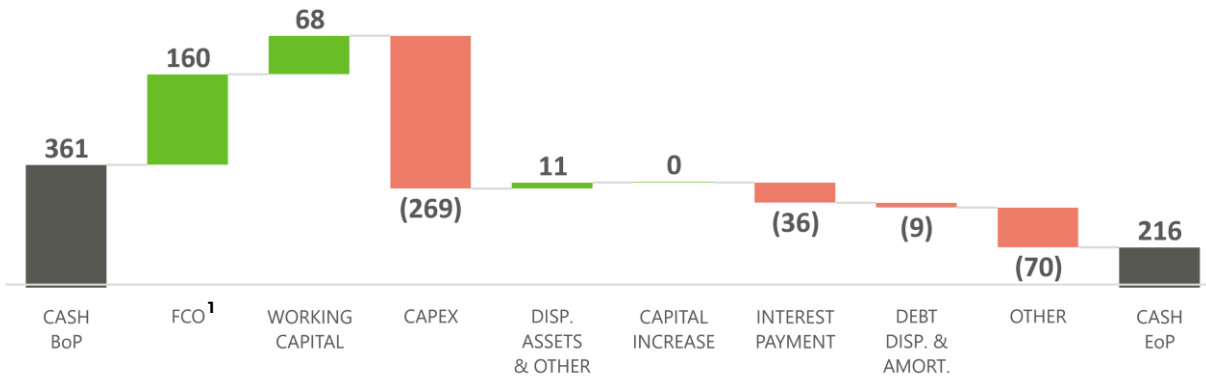


5 | Dia Group consolidated results in 2022

Cash flow during 2022 had a consumption of 145 million euros compared to 243 million euros in 2021, excluding the capital increase carried out the previous year. This translates into a decrease in the use of cash by 98 million euros explained by:

- The increase in cash flow from operating activities by 114 million euros
- An improvement in financing activities of 87 million euros (excluding capital increases), mainly due to a reduction in financial expenses and the lower drawdown of financing facilities.
- All this managed to offset the 86 million euro increase in CAPEX (including disposal of assets and others) compared to 2021, in line with the business transformation and expansion process.

Evolución flujos de caja 2022
En millones de euros



5.3 | Cash flow generation (I)

Summary of Cash Flows

(In millions of euros)

Cash flows from operating activities	2022	2021	Var. in €M
Net cash from operations before changes in working capital	430	347	83
Change in working capital	68	35	33
Changes in other accounts receivable and payable	(30)	(28)	(2)
Total Cash flows from operating activities	468	354	114

Cash flows from investing activities	2022	2021	Var. in €M
Payments for investment in fixed assets	(269)	(246)	(24)
Disposals of fixed assets and other	11	74	(64)
Total cash flows from investing activities	(259)	(172)	(87)

Cash flows from financing activities	2022	2021	Var. in €M
Capital increase	-	257	(257)
Provisions and debt repayments	(9)	(91)	82
Interest paid and other financial expenses	(36)	(65)	30
Lease payments	(270)	(273)	2
Others	(3)	14	(17)
Total Cash flows from financing activities	(318)	(157)	(160)
Net exchange differences	(37)	(11)	(26)
Net increase/decrease in cash or cash equivalents	(145)	14	(159)
Cash and cash equivalents at beginning of period	361	347	14
Cash or cash equivalents at end of period	216	361	(145)

(1) FCO calculated as Cash Flow From Operations before changes in Working Capital minus Financial Leases

5 | Dia Group consolidated results in 2022

During 2022 Working capital at Group level

remained stable with a slight improvement of 9 million euros. The increase in net sales in the period represents an improvement of 62 million euros in trade and other accounts payable. This result was partially offset by the increase of 32 million euros in trade and other accounts receivable (mainly due to the higher number of franchises in 2022), as well as the higher level of inventories (21 million euros) impacted by inflation.

As of December 2022, and December 2021, the Group had no non-recourse factoring lines used. At year-end 2022, the amount of confirming used by the Group stood at 247 million euros on December 31st, 2022 (December 2020: 244 million euros).

CAPEX in 2022 increased by 9.6% due to the continuation of the remodeling and store expansion plan in Spain and Argentina, linked to DIA's new proximity concept. The investment has allowed the remodeling of 809 stores in Spain and 255 stores in Argentina as well as 23 openings in Spain and 101 in Argentina.

Available liquidity at year-end was 351 million euros

(December 2021: 515 million euros), of which 216 million euros correspond to cash and cash equivalents and 135 million euros to undrawn bank financing and confirming facilities.

5.3 | Cash flow generation (II)

Working Capital

(In millions of euros)	2022	2021	% Var.	Var. in €M
Inventories (A)	473	452	4.6	21
Trade and other accounts receivable (B)	210	178	18.1	32
Trade and other accounts payable (C)	1,337	1,275	4.9	62
Working Capital (A+B-C)	(653)	(645)	1.3	(9)

Investment (CAPEX)

(In millions of euros)	2022	2021	% Var.	Var. in €M
Spain	181	160	13.5	22
Portugal	5	22	(76.9)	(17)
Argentina	74	36	107.6	38
Brazil	9	28	(68.0)	(19)
Group Total	269	246	9.6	24

Available liquidity

(Millions €)	12/31/2022	12/31/2021	% Var.	Var. in €M
Cash and cash equivalents	216	361	(40.2)	(145)
Available lines of credit	135	154	(12.7)	(20)
Total Liquidity	351	515	(32.0)	(165)

06.

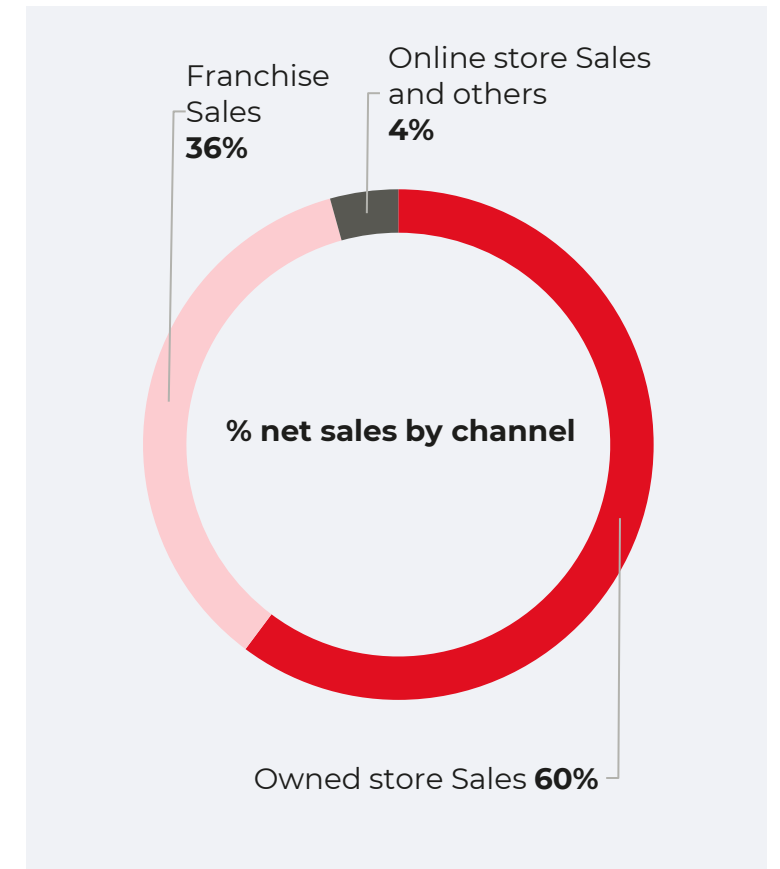
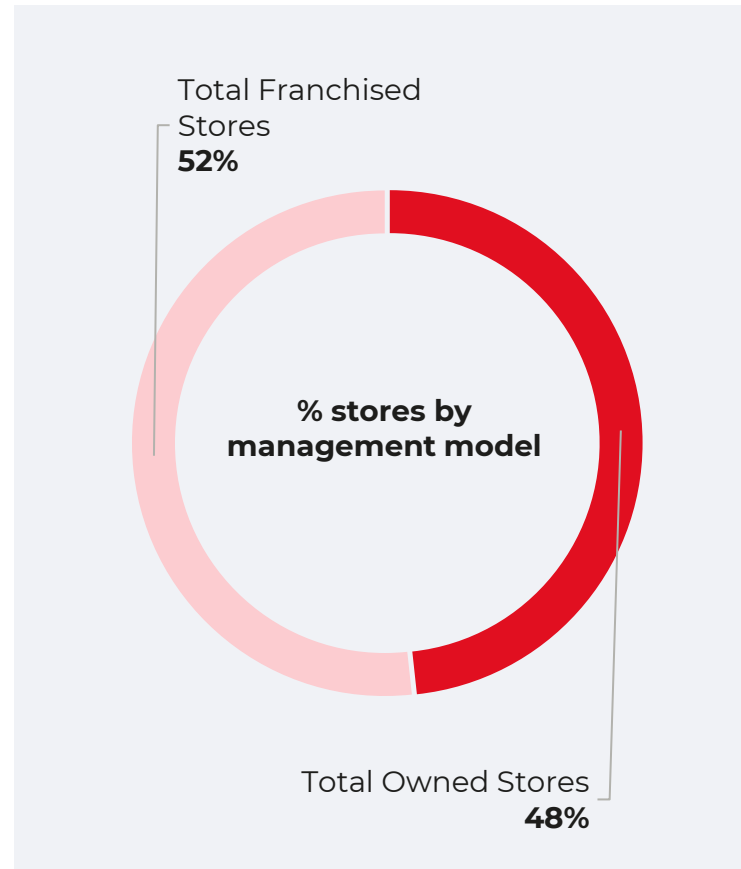
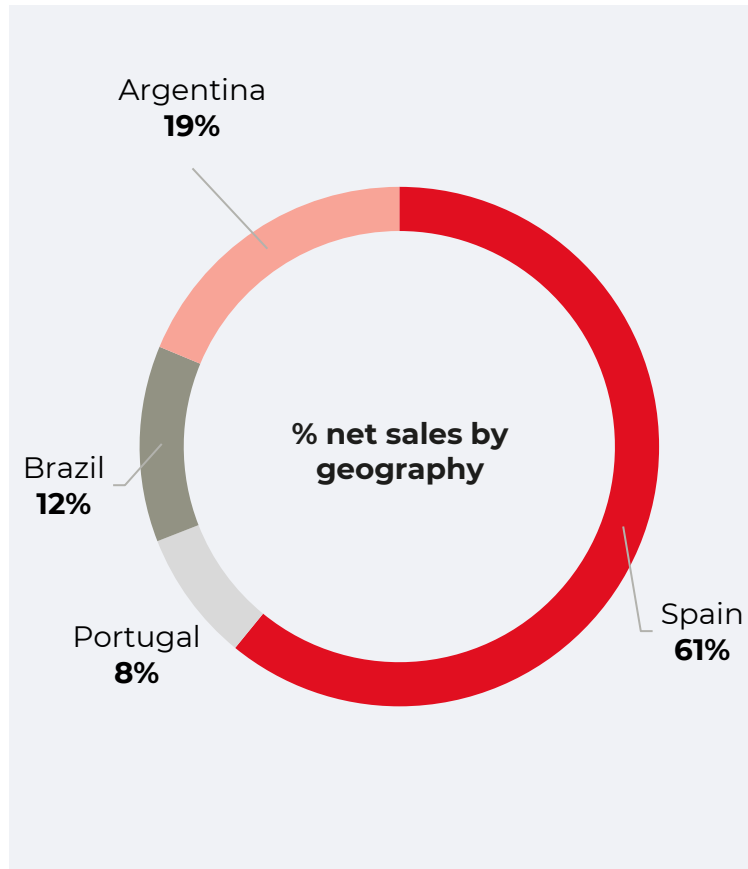
Operating and financial
performance by country



*Cada día
más cerca*



6 | Operating and financial performance by country



6 Operating and financial performance by country

Net sales increased by 5.4% despite having 155 fewer stores (down 4.1%). Like-for-Like sales growth was 7.3%, reverting the negative trend of 2021 (-5.2%). In the second half of the year, after a slow start, we achieved an acceleration in sales leveraged by the good result of remodelings (with Like-for-Like of 12.2%) and an increase in the number of tickets (+6%) that allowed us to gain market share¹.

Adjusted EBITDA reached 148 million euros, 55 million euros above 2021. This improvement is due to a 226 million euro increase in net sales, a margin improvement of 0.6pp due to the store and assortment mix effect. The improved store mix (increased transfer of owned stores to franchises and closure of unprofitable stores), as well as strict cost management has led to an adjusted EBITDA margin of 3.3%, compared to 2.2% in 2021. This improvement in profitability made it possible to absorb the strong inflationary pressures with particularly high growth in energy costs (20 million euros more than in 2021) and fuel (17 million euros more than in 2021). It should be noted that this headwind has been

partially offset thanks to the energy contracts signed during 2021 and 2022, which in 2022 have covered 93% of Dia Spain's consumption and where there are forward contracts covering 100% of consumption until 2026.

In 2022, two corporate operations took place in Spain, fully aligned with the Group's strategy: focus on proximity stores and food retail.

On the one hand, the sale of large format stores to Alcampo. This transaction, pending approval by the competition authorities, involves the sale of 235 stores and 2 warehouses, for a maximum amount of 267 million euros. The closing of the transaction may mean that some of the stores will not be transferred, but it does not significantly affect the transaction.

On the other hand, the sale of Clarel, the Group's hygiene and beauty business, to C2 Private Capital. This transaction, which is pending the completion of several events, involves the transfer of 1,014 stores and an amount that may vary depending on different parameters and reach the figure of 60 million euros.

6.1 Spain (I)

The announcement of these operations has made these assets appear in the statutory accounts as "discontinued operations", as well as their corresponding sales and results in 2022, having an impact on the income statement for 2021 which has also been restated².

Stores footprint evolution (Incl. Clarel)	Own	Franchises	Total
Total stores as of 12-31-2021	2,191	1,598	3,789
New openings	12	15	27
Net transfers of owned stores to franchises	(126)	126	-
Closings	(129)	(53)	(182)
Total stores as of 12-31-2022	1,948	1,686	3,634
Refurbishments during 2022	426	404	830

Stores footprint evolution (Excl. Clarel)	Own	Franchises	Total
Total stores as of 12-31-2021	1,315	1,423	2,738
New openings	8	15	23
Net transfers of owned stores to franchises	(126)	126	0
Closings	(90)	(51)	(141)
Total stores as of 12-31-2022	1,107	1,513	2,620
Refurbishments during 2022	405	404	809

Spain excluding reclassifications of discontinued operations

(In millions of euros)	2022	2021	% Var.
Gross sales under banner	5,317	5,003	6,3
Like-for-Like sales growth (%)	7.3%	(5.2%)	12.5pp
Net Sales	4,436	4,210	5.4
Adjusted EBITDA	148	93	59.5
Adjusted EBITDA Margin	3.3%	2.2%	1.1pp

(1) At constant area (adjusting for the number of square meters opened/closed).

(2) Appendix has all equivalences between results shown in this section (without reclassification) and statutory reporting (with reclassification)

6 Operating and financial performance by country

During 2022, excluding the Clarel business, more than 800 remodelings were carried out and 23 stores were opened, which means that 88% of the proximity network¹ is now remodeled, and the entire network is expected to be completed during 2023. In addition, 141 unprofitable stores have been closed and 126 net transfers.

This network remodeling involved a significant investment by the Group, generating favorable returns, with paybacks for openings of approximately 2.7 years and approximately 3.3 years for refurbishments. Closures have paybacks of 2.2 years and franchises of around 1.0-1.7 years, depending on the format.

Our commitment to developing a strong private label continues to be a key pillar for Dia, having launched 690 SKUs in 2022, reaching 1,810

renewed SKUs since May 2020 and receiving the support of our customers by raising their share in the basket from 48.7% in 2021 to 52.6% in 2022 (excluding fresh products).

The weight of franchisees has increased by 5pp with respect to 2021, now representing 57% of the network. Dia Group's commitment to this model has been rewarded with greater trust from franchisees, with 157 transfers from owned to franchised stores and a significant increase in their satisfaction levels compared to 2021.

In March 2022, Dia inaugurated a new distribution center in Illescas, Toledo. A next generation warehouse with more than 68,000 square meters to serve more than 500 stores in Madrid, Castilla-La Mancha and Castilla y León. In addition to representing a step

6.1 Spain (II)

forward in the consolidation of the logistics network, it represents a step change in efficiency and the sustainability of our platform, with 100% circular waste management and allocating up to 95% of waste to non-landfill destination.



(1) Excluding Maxi, La Plaza and Clarel stores.

6 Operating and financial performance by country

On December 1st, 2022, Dia signed its collective labour agreement that applies until December 31st, 2024. The agreement, signed with labour union representatives, ratifies the responsibility and confidence in Dia's future and represents the company's firm commitment to its people, guaranteeing a historical salary increase for about 15,000 employees in Spain.

Following the aforementioned agreements, the Group in Spain can rest assured that it has two of the most important cost items on its income statement (energy and labour costs) under control and can focus its attention on executing its strategy.

Finally, the online business continues to be a major focus for the Group in Spain and a source of growth. The Like-for-Like of the e-commerce segment has grown at 11% and has led to an improvement in market share within the segment.

6.1 Spain (III)



6 Operating and financial performance by country

Argentina ended 2022 with a very positive result in terms of net sales, market share and profitability, demonstrating that the model and strategy followed in the country are the right ones.

Net sales increased by 30.8% (in euros), leveraging the good results of store renovations and openings during the year. The evolution of the Argentine peso, with a lower-than-expected devaluation below inflation, has generated a currency gain for the Group. Measured in Argentine pesos, Net Sales growth was 87.5%, obviously impacted by inflation in the country.

Like-for-Like sales growth in Argentina was 2.0%¹, which has allowed us to accelerate our growth ahead of the competition and gain market share in the country for 6 consecutive quarters.

Adjusted EBITDA reached 52 million euros and a margin as percentage of Net Sales of 3.8%. This represents an improvement in profitability of 0.9pp compared to 2021 and is proof of good

management of commercial margins and fixed costs.

During 2022, 255 refurbishments were carried out, with performance 17.7% above non-refurbished stores (in units), confirming the success of the model. There have also been 101 openings, elevating the transformation to almost 1,000 stores in the country. The results of these investments were very positive, with *paybacks* of 2.1 years for renovations and 2.3 years for openings.

The new franchise model has been deployed during 2022, with a great acceptance (more than 98% of the stores in the province of Buenos Aires already operate under this model) strengthening the operation. The franchises represent about 75% of the store network for Dia Argentina, so its relevance to the business is critical and the excellent collaboration with the franchisees is proof of our commitment to them and this operating model.

(1) Measured in Like-for-Like growth in volume (units).

6.2 Argentina

Stores footprint evolution

	Own	Franchises	Total
Total stores as of 12-31-2021	264	648	912
New openings	6	95	101
Net transfers of proprietary stores to franchises	5	(5)	-
Closings	(8)	(11)	(19)
Total stores as of 12-31-2022	267	727	994
Refurbishments during 2022	62	193	255

Results

(In millions of euros)

	2022	2021	% Var.
Gross sales under banner	1,770	2,072	(14.6)
Like-for-Like sales growth (%)	2.0%	(0.5%)	2.5pp
Net Sales	1,364	1,043	30.8
Adjusted EBITDA	52	30	69.7
Adjusted EBITDA Margin	3.8%	2.9%	0.9pp



6 Operating and financial performance by country

Net Sales in Portugal reached 596 million euros, a growth of 0.5%, affected by a 7.2% lower store base. Like-for-Like sales growth in Portugal was 3.7%, a result that stopped the negative trend of 2021 (-4.3% Like-for-Like).

The entry of new players in the market, as well as the strong investment and expansion of incumbents, have created a challenging scenario for Dia, which, together with the inflationary situation experienced in the country, has put pressure on margins and business profitability.

The private label has been one of Dia's biggest priorities in Portugal, with the renewal of more than 600 SKUs, already representing 43.6% of the average basket of its customers.

Adjusted EBITDA closed 2022 at 10 million euros, 2 million euros below 2021, with a 0.2pp drop in the adjusted EBITDA margin as percentage of Net Sales. This drop is partly due to the competitive pricing policy maintained during the year and the increase in supplies and maintenance costs.



6.3 Portugal

Stores footprint evolution

	Own	Franchises	Total
Total stores as of 12-31-2021	202	297	499
New openings	-	-	-
Net transfers of owned stores to franchises	(3)	3	-
Closings	(27)	(9)	(36)
Total stores as of 12-31-2022	172	291	463
Refurbishments during 2022	-	-	-

Results

(In millions of euros)

	2022	2021	% Var.
Gross sales under banner	818	806	1.5
Like-for-Like sales growth (%)	3.7%	(4.3%)	8.0pp
Net Sales	596	593	0.5
Adjusted EBITDA	10	12	(11.8)
Adjusted EBITDA Margin	1.8%	2.0%	(0.2pp)



6 Operating and financial performance by country

Net Sales grew 10.9% year-on-year despite a 17.5% decrease in the number of stores following the strategic closure of unprofitable locations (129 closures in 2022). Like-for-Like sales growth in Brazil was 7.4%, up 6.8pp vs. 2021. This increase is largely due to the inflation observed in the country as well as the price competitiveness maintained despite inflationary pressure.

During 2021, a revision of the franchise model was carried out, leading to a total of 89 new transfers from owned to franchised stores during the year. This model has generated an increase in the level of satisfaction of our franchisees.

Adjusted EBITDA improved by 2 million euros and also improved in terms of margin (0.3pp better than 2021), despite the inflation in costs, through good management of fixed costs and control of investments.

The online business has evolved positively during 2022, highly leveraged on technology partners and focused on *express delivery*. It is worth highlighting the launch of

the sales channel through WhatsApp, where customers can place their orders through the mobile app.

6.4 Brazil



Stores footprint evolution

	Own	Franchises	Total
Total stores as of 12-31-2021	570	167	737
New openings	-	-	-
Net transfers of owned stores to franchises	(89)	89	-
Closings	(116)	(13)	(129)
Total stores as of 12-31-2022	365	243	608
Refurbishments during 2022	2	4	6

Results

(In millions of euros)	2022	2021	% Var.
Gross sales under banner	995	887	12.3
Like-for-Like sales growth (%)	7.4%	0.6%	6.8pp
Net Sales	890	802	10.9
Adjusted EBITDA	(9)	(11)	(12.3)
Adjusted EBITDA Margin	(1.0%)	(1.3%)	0.3pp



07.

ESG



*Cada día
más cerca*



The 2022 fiscal year, the second year of execution of the 2021-23 Sustainability Plan, has enabled the company to make progress in the overall improvement of the satisfaction of its main stakeholders.

Dia Group believes that a balanced, quality diet should be available to all families. The company's ambition is for all its customers to be able to Eat Better Every Day, regardless of where they live or their budget. For this reason, one of its priorities in terms of sustainability is to fight the food gap, both geographically and socioeconomically.

During 2022, progress was made in both areas:

- The weight of fresh product sales continues to grow in all countries. The expansion of the online channel in all

geographies allows more and more people to have access to high-quality food at affordable prices.

- In Spain, in partnership with a third party, a rural last-mile project is still active guaranteeing access to fresh products to 14,500 people living in villages with no organized retail stores and 5,000 people living in nutritional deserts.
- In Portugal, 48 franchisees deliver online purchases to neighbors in the last rural mile within a radius of 20 to 30 kilometers.
- In addition, the company has deepened its understanding of the barriers that hinder access to a healthy diet among the poorest socioeconomical groups, presenting its results to the

scientific community, and has tested programs to address this challenge in Argentina and Portugal.

Dia Group's workforce, where 96% of people have a permanent contract, is made up of professionals of all generations from 81 nationalities. In 2022, more than 5,900 young people under the age of 25 and around 5,000 people who were unemployed joined this team. These figures support the opportunity in terms of diversity and labor inclusion that the Company can capitalize on and the work that is being done in this area.

- In the area of diversity, we have worked on country-specific diagnoses and have promoted diversity committees involving top-level managers with the

mission of setting ad hoc objectives and plans.

- Around 34,000 people have completed formal training at Dia, which gives them the opportunity to work as cashiers, warehouse workers or section managers in our Company as well as in any other company in the sector. In addition, collaboration with different NGOs has allowed us to incorporate 292 people belonging to vulnerable groups to the team in Spain and Portugal (in addition to the 160 already incorporated in Spain alone in 2021). Moreover, 578 people from these groups (compared to 205 in the previous year) have completed internships in stores and warehouses as part of the training processes

to improve their employability.

In the environmental area, the milestones for 2022 are:

- Elimination of nearly 8 million kilograms of virgin plastic from the packaging of Dia branded products (in addition to the 5 million kilograms already avoided in the market in 2021).
- The important work carried out in the area of waste management, which has resulted in 5 more warehouses with Zero Waste certification.

08.

Relevant events of the period and
post closure events



*Cada día
más cerca*



8 | Relevant events of the period and post closure events

Corporate Governance

- February 18, 2022. Resignation of Ms. Basola Vallés as member of Dia Group's Board of Directors due to incompatibility with her appointment as Senior Vice President Strategic Customer Partner (SEMEA) at the Salesforce group.
- February 28, February 15 and March 22, 2022. Through the publication of Other Relevant Information, the company informs that its main shareholder is the Luxembourg company LetterOne Investment Holdings S.A. (LIHS) with 77% of the share capital and that, according to the information available and coming from LIHS, no individual shareholder of LIHS holds, neither individually nor through agreement with other shareholders, control of LIHS. Consequently, neither its main shareholder nor, therefore, the Dia Group is affected by the international sanctions adopted in response to the crisis in Ukraine.

- August 30, 2022. Resignation of Mr. Stephan DuCharme as CEO of Dia Group, continuing as proprietary director and non-executive Chairman of the Board of Directors, and appointment of Mr. Martín Tolcachir as Global CEO of Dia Group.
- June 7, 2022. The General Shareholders' Meeting of Dia Group ratifies the appointment of Ms. Gloria Hernández as independent director.
- February, 2023. Board of Directors appoints Ms. Gloria Hernández as Chairwoman of the Audit and Compliance Committee in substitution of Mr. José Wahnnon Levy.

Corporate Operations

- August 2, 2022. Dia Group and Alcampo reach an agreement for the sale of 235 stores in Spain.
- December 23, 2022. Dia Group agrees with C2 Private Capital S.L. the sale of Clarel, the business unit dedicated to personal and home care.

Milestones for the year Corporate and appointments

- April 6, 2022. Ms. Pilar Hermida, new Global Communications Director of Dia Group. In December, she also takes over the Group's Sustainability Department.
- May 19, 2022. Mr. Antonio Serrano, new Chief Strategy Officer of Dia Group
- September 13, 2022. Mr. Agustín Ibero, new CEO of Dia Argentina.
- November 22, 2022. Dia Group opens a new stage of acceleration towards growth and presents its new brand image with the unification of its commercial and corporate logo.

Dia Team

In Spain,

- Almost 1.2 million euros were allocated to employee training. Over 380,000 hours of training focused on product knowledge, development of trades, occupational health and safety and food hygiene, as well as digital skills, ethics, compliance, energy efficiency, leadership and team management.
- In December, Dia Spain and the trade unions Fetico, CCOO and UGT FeSMC signed the 5th collective labour agreement, with a wage increase of 8 to 12% until 2024.

In Argentina,

- Over 45,000 hours have been allocated to employee training, focusing on development, leadership and digital training.

In Portugal,

- The Dia Academy is launched to promote the training of Minipreço employees.

Stores, online channel and logistics

- More than half of the global proximity store network operates under the new value proposition.

In Spain,

- March 2022. Dia Group inaugurated the logistics warehouse in Illescas, its first large logistics center nationwide and the first built by Green Logistics by Aquila Capital. This center serves Dia stores in the Community of Madrid, Castilla-La Mancha and part of Castilla y León.

8 | Relevant events of the period and post closure events

- The delivery of online orders to homes throughout the Spanish coast was reinforced and the 1-hour and 24-hour delivery service was extended, ending the year with a coverage of 80% of the population of peninsular Spain.

In Argentina

- Dia Argentina launches its express delivery service so that customers receive their purchases at home in less than 1 hour. In addition, during the year it has reached a maximum number of stores open with e-commerce sales (590 pick-up points available).

In Brazil

- Dia Brazil launches online sales channel through WhatsApp and enters marketplaces such as Mercado Livre and Shopee to expand coverage to other states in the country.

In Portugal

- Minipreço unifies its two commercial sites, promotes the digital brochure and expands the coverage of its e-commerce with

57 stores with their own online and 185 with express delivery.

Franchisees

- In Spain, Dia Campus, a training and advisory platform for franchisees, has been launched, providing more than 56,000 hours of training to more than 2,000 people. In addition, this year Dia has exceeded 1,000 franchisees in Spain.

In Argentina,

- The Dia Franchise Academy has exceeded 121,000 hours of training for its franchisees and teams.

Dia Brand Launches

- In Spain, over 690 new Dia brand products were added, bringing the renewed own-brand assortment to 1,810 items. Customers have highlighted products such as Arom'arte coffee capsules, Dia Láctea natural yogurt and Zumosfera functional juices, and external organizations have rewarded the quality of two DO Ribera del Duero red wines from Heredad Barán and a DO

Rioja Castillo de Haro reserve red wine. Another noteworthy addition was the Ramblers range of craft beers.

- In Argentina, over 80 new products have been added to the Dia brand assortment, including the innovative Delicious Raspberries and the sunscreens and the Puska line of wines and sparkling wines. At the end of the year, the Ramblers range of craft beers was also launched in this market.
- In Brazil, 150 Dia brand new products were added to the assortment.
- In Portugal, more than 200 new Dia brand references were added, with products such as cheese bread and natural yogurt standing out for their innovation, and 14 Dia products won the Flavor of the Year award. In addition, its 'O Preço da Realidade' campaign, which addresses inequality between men and women, won third prize (bronze) at the Prémios Eficácia, which

honors the best campaigns in the country, in the Low Budget category.

ESG

- July 22, 2022. Dia Group presents its first Sustainability Report with the progress achieved in the first year of implementation of its Sustainability Plan 2021-2023.
- July 2022. Dia Group joins Codespa, a group of companies committed to the inclusive economy that come together to learn and contribute to the resolution of social challenges from their business.
- September 2022. Dia's warehouse in Santiago de Compostela (Spain) obtains the 'Zero Waste' seal from Saica Natur. This recognition joins the one already achieved by Dia at its platforms in Getafe, Orihuela, Miranda de Ebro, Sabadell and Illescas.

2023

- February 2023. Mr. Mendrugo, the craft beer brewed with surplus bread created by Cervezas Mica, Pascual Innoventures and RobinGood, arrives in the stores of Castilla y León with a unique variety for Dia brewed with surplus bread from its stores.
- February 2023. Dia Group subscribes key alliances in ESG matters with its adherence to Corporate Excellence for Reputation Leadership, Club de Excelencia en Sostenibilidad, Fundación Seres and Forética.
- February 2023. Dia partners with Just Eat in Spain to add home delivery options for its customers.

09.

Dia Group on the Stock Exchange



*Cada día
más cerca*

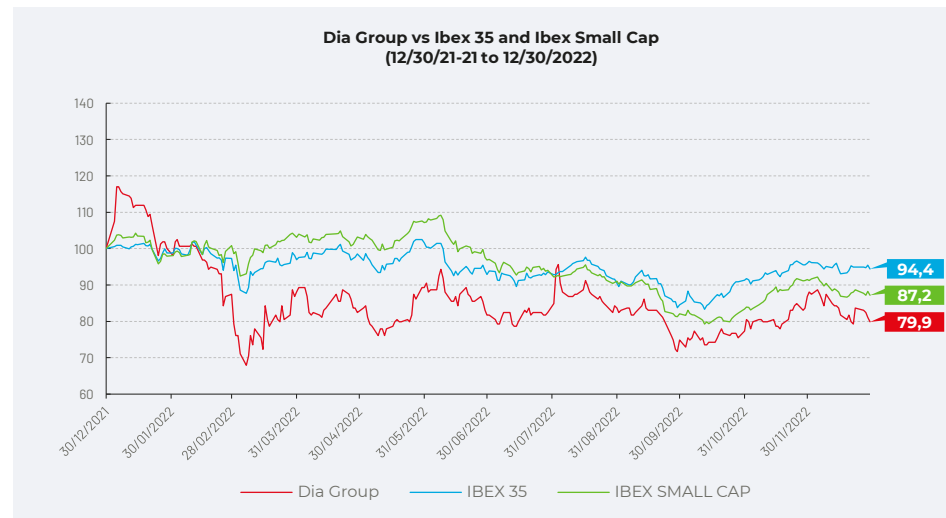
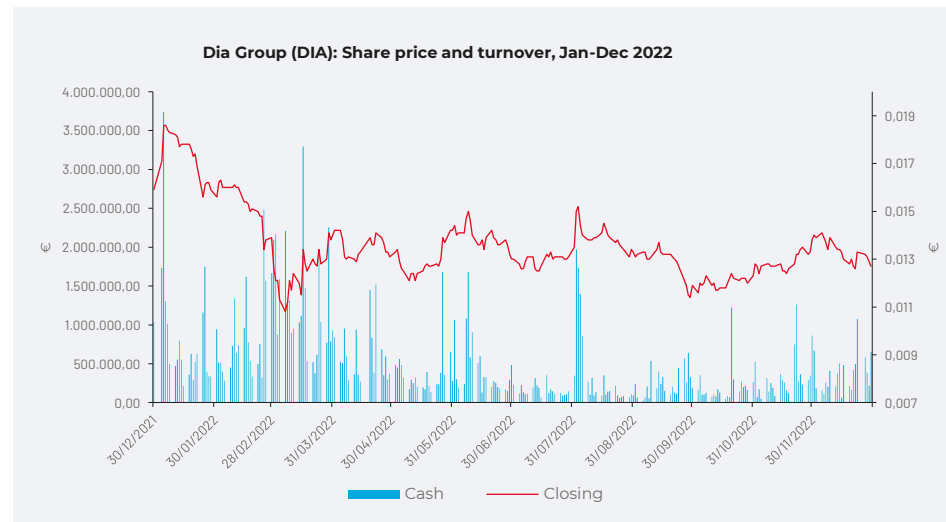


9 | Dia Group on the Stock Exchange

Throughout the 2022 fiscal year, Dia Group's share showed a heterogeneous behavior, reaching the annual minimum of 0.009 euros in the first quarter of the year. After two quarters of relative stability, in the fourth quarter it started to recover and continues to do so in 2023 (as of market close February 22nd, 2023 reaching a price of 0.0177 euros).

In 2022 as a whole, share price fell by 20%, as did the benchmark stock market indexes, Ibex 35 and Ibex Small Cap, which fell by 5.6% and 12.8%, respectively. However, in terms of liquidity, Dia shares recorded accumulated volumes in both securities and cash very close to 2021 levels and ended the year with a market capitalization of 737 million euros, although at closing of this report this amount was already above 1,000 million euros.

It is worth recalling the complex environment in which the global economy evolved, as well as the financial markets affected by the war in Ukraine, the significant increase in inflation, mainly as a result of the rise in energy and raw material prices and also the mismatches in the supply chain. For their part, central banks are trying to curb this inflationary scenario with tighter monetary policies characterized by interest rate hikes at different maturities not seen for many years, all in a climate of slowing economic activity in general.



Stock Price (euros)	2022	2021
Beginning	0.0159	0.0158
Minimum	0.0094	0.0138
Maximum	0.0190	0.0595
Period end	0.0127	0.0159
Average	0.0136	0.0330

Other market KPIs	2022	2021
Stock market capitalization (thousands of euros)	737,432	923,242
Number of shares (in thousands)	58,065,534	58,065,534
Nominal share value (euros/share)	0.01	0.01
Accumulated con. vol. (shares)	9,712,943,021	10,635,601,386
Average daily con. vol. (shares)	37,793,553	41,545,318
Real accumulated con. vol. (euros)	133,500,054	241,225,123
Avg. daily real con. vol. (euros)	519,455	942,286

Dia Group vs Share price index ¹	2022	2021
Grupo Dia	(20.1%)	(69.3%)
Ibex 35	(5.6%)	7.9%
Ibex Small Cap	(12.8%)	1.8%

10.

Appendix



*Cada día
más cerca*



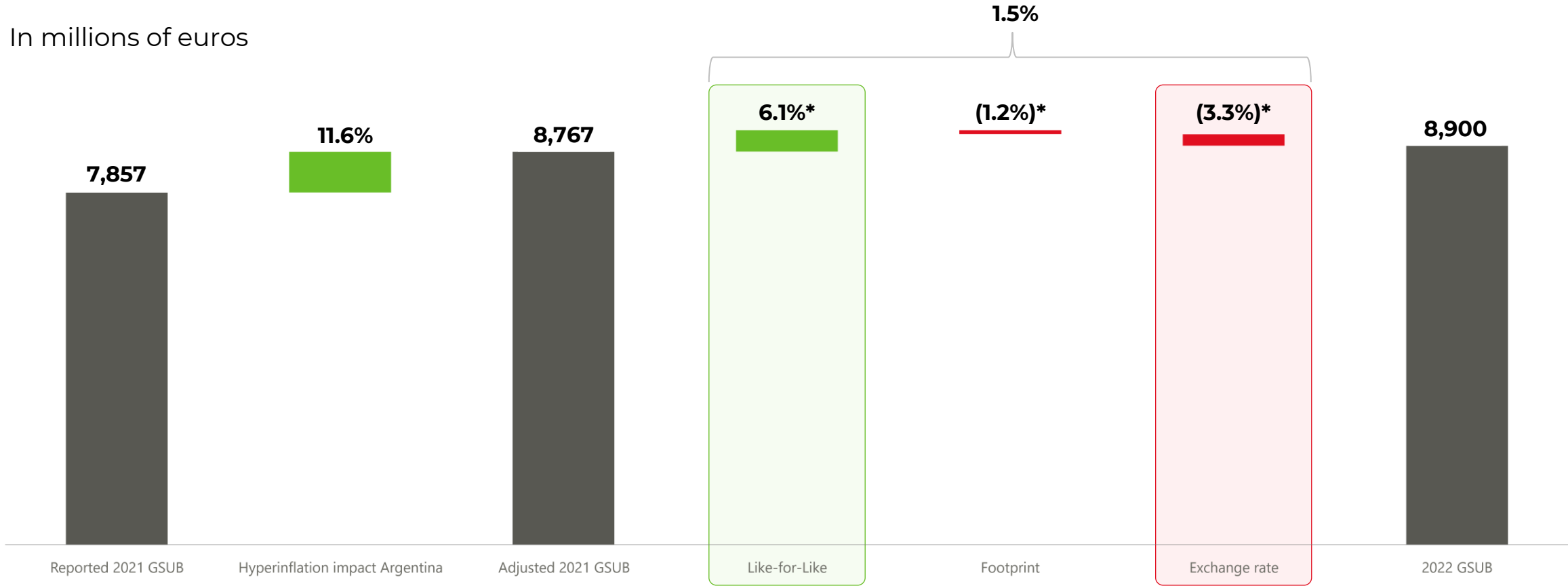
1 | Proforma analysis of sales performance

Proforma analysis of sales performance (In millions of euros)	GSUB ¹			Net Sales ²			Like-for-Like ³ Sales	
	2022	2021	% Var.	2022	2021	% Var.	4T22 vs 4T21	12M22 vs 12M21
Spain	5,317	5,003	6.3	4,436	4,210	5.4	11.6	7.3
Excl. stores sale ⁵	4,762	4,455	6.9	3,936	3,720	5.8	12.1	8.0
Excl. Clarel sales	4,986	4,689	6.3	4,175	3,952	5.6	11.9	7.5
Excl. stores and Clarel sales ⁵	4,431	4,141	7.0	3,675	3,462	6.1	12.5	8.3
Portugal	818	806	1.5	596	593	0.5	8.2	3.7
Brazil	995	887	12.3	890	802	10.9	8.3	7.4
Argentina	1,770	2,072	(14.6)	1,364	1,043	30.8	(1.2)	2.0
Total Group	8,900	8,767	1.5	7,286	6,648	9.6	7.3	5.7
Total Group Excl. Stores and Clarel Sales⁵	8,015	7,906	1.4	6,524	5,900	10.6	7.3	6.1
Total Stores⁴	5,699	5,937	(4.0)					
Excl. Stores sale ⁵	5,473	5,702	(4.0)					
Excl. Stores and Clarel Sales ⁵	4,459	4,651	(4.1)					

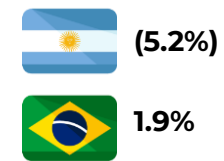
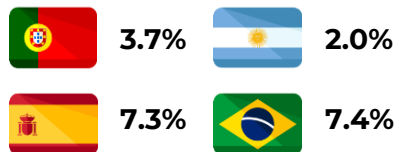
1. Gross Sales under Banner as defined in the Consolidated Management Report for the first half of 2022. Total value of revenue earned in stores at current exchange rates, including all indirect taxes (cash receipt value) and in all of the Company's stores, both company-owned and franchised. In the case of Argentina, the Gross Sales Under Management are adjusted using internal price inflation, thus isolating the hyperinflationary effect, although it does reflect the devaluation effect.
2. Net sales expressed at current exchange rates and applying IAS 29 "Financial Reporting in Hyperinflationary Economies" in Argentina.
3. Represents the growth rate of Like-for-Like Gross Sales at constant exchange rates of those stores that have operated for a period of more than twelve months and one day under similar business conditions. Figures corresponding to Like-for-Like sales in Argentina have been adjusted using internal inflation to reflect the variation in volume (units), avoiding miscalculations because of hyperinflation.
4. At the end of the period.
5. Excluding the sale of the 235 stores of the asset sale agreement reached with Alcampo announced by the company on August 2, 2022.

2 | Reconciliation of Gross Sales under Banner

In millions of euros



Like-for-Like Group 5.7%



* % contribution to growth

Reconciliation of Dia Group Income Statement (including and excluding reclassifications of discontinued operations)

Income statement excluding reclassifications of discontinued operations

(In millions of euros)

	2022	% Net sales	2021	% Net sales	% Var.
Gross sales under banner	8,900		8,767		1.5
Like-for-Like sales growth (%)	5.7%		(3.6%)		
Net sales	7,286	100.0%	6,648	100.0%	9.6
Cost of goods sold and other income	(5,706)	(78.3%)	(5,159)	(77.6%)	(10.6)
Gross profit	1,580	21.7%	1,489	22.4%	6.1
Labour costs	(693)	(9.5%)	(693)	(10.4%)	0.0
Other operating expenses and leases	(490)	(6.7%)	(431)	(6.5%)	(13.8)
Restructuring costs and LTIP	(49)	(0.7%)	(67)	(1.0%)	26.0
EBITDA	348	4.8%	299	4.5%	16.3
Amortization	(396)	(5.4%)	(393)	(5.9%)	(0.8)
Impairment of non-current assets	(50)	(0.7%)	(59)	(0.9%)	15.4
Results from disposal of non-current assets	(24)	(0.3%)	(23)	(0.3%)	(6.1)
EBIT	(123)	(1.7%)	(176)	(2.6%)	30.3
Net financial income	33	0.4%	(68)	(1.0%)	148.4
EBT	(90)	(1.2%)	(244)	(3.7%)	63.0
Income tax	(34)	(0.5%)	(14)	(0.2%)	(143.9)
Corporate taxes	(124)	(1.7%)	(257)	(3.9%)	51.9
Discontinued operations	-	0.0%	-	0.0%	n/a
Net Attributable Income	(124)	(1.7%)	(257)	(3.9%)	51.9

Income statement including reclassifications of discontinued operations

(In millions of euros)

	2022	% Net sales	2021	% Net sales	% Var.
Gross sales under banner	8,015		7,906		1.4
Like-for-Like sales growth (%)	6.1%		(3.0%)		
Net sales	6,524	100.0%	5,900	100.0%	10.6
Cost of goods sold and other income	(5,199)	(79.7%)	(4,640)	(78.6%)	(12.0)
Gross profit	1,326	20.3%	1,260	21.4%	5.2
Labour costs	(558)	(8.6%)	(558)	(9.5%)	(0.0)
Other operating expenses and leases	(427)	(6.5%)	(385)	(6.5%)	(11.0)
Restructuring costs and LTIP	(50)	(0.8%)	(61)	(1.0%)	17.1
EBITDA	290	4.4%	256	4.3%	13.1
Amortization	(354)	(5.4%)	(341)	(5.8%)	(3.9)
Impairment of non-current assets	(41)	(0.6%)	(51)	(0.9%)	19.5
Results from disposal of non-current assets	(24)	(0.4%)	(23)	(0.4%)	(5.3)
EBIT	(129)	(2.0%)	(158)	(2.7%)	18.4
Net financial income	37	0.6%	(62)	(1.1%)	158.9
EBT	(92)	(1.4%)	(221)	(3.7%)	58.1
Income tax	(34)	(0.5%)	(14)	(0.2%)	(143.9)
Corporate taxes	(126)	(1.9%)	(234)	(4.0%)	46.2
Discontinued operations	2	0.0%	(22)	(0.4%)	110.5
Net Attributable Income	(124)	(1.9%)	(257)	(4.4%)	51.9

Reconciliation of Spain's Income Statement (including and excluding reclassifications of discontinued operations)

Reconciliation Spain *excluding reclassifications of discontinued operations*

(In millions of euros)

	2022	2021	% Var.	Var. in M€
Loss of the period	(62)	(186)	66.9	125
Net financial income	55	78	(29.1)	(23)
Results from financial instruments	-	(0)	100.0	0
Income tax	1	(1)	141.0	2
Amortizations	263	278	(5.4)	(15)
Loss of discontinued operations	-	-	-	-
Result from net monetary position	-	-	-	-
Profit/(loss) of companies accounted for by the equity method	0	(0)	600.0	0
Impairment of non-current assets	33	53	(38.1)	(20)
Results from disposal of non-current assets	9	5	92.0	4
Restructuring Costs and Long-Term Incentive Plans	26	50	(48.8)	(25)
Expenses for store remodeling	-	-	-	-
Expenses related to the transfer of company-owned stores to franchises	23	14	65.2	9
Expenses related to store and warehouse closures	-	15	(100.0)	(15)
Expenses related to efficiency processes	12	11	14.3	2
Other special projects	-	-	-	-
Other expenses	(0)	5	(101.3)	(5)
Expenses related to long-term incentive plans	(9)	7	(221.7)	(16)
Lease effect (IFRS16)	(177)	(184)	3.7	7
Hyperinflationary effect (IAS 29)	-	-	-	-
Adjusted EBITDA	148	93	59.5	55

Reconciliation Spain *including reclassifications of discontinued operations*

(In millions of euros)

	2022	2021	% Var.	Var. in M€
Loss of the period	(62)	(186)	66.9	125
Net financial income	51	73	(29.6)	(22)
Results from financial instruments	-	(0)	100.0	0
Income tax	0	(1)	141.0	2
Amortizations	221	226	(2.2)	(5)
Loss of discontinued operations	(2)	23	-	(25)
Result from net monetary position	-	-	-	-
Profit/(loss) of companies accounted for by the equity method	0	(0)	600.0	0
Impairment of non-current assets	24	45	(47.1)	(21)
Results from disposal of non-current assets	8	5	88.6	4
Restructuring Costs and Long-Term Incentive Plans	27	45	(39.7)	(18)
Expenses for store remodeling	-	-	-	-
Expenses related to the transfer of company-owned stores to franchises	23	14	65.2	9
Expenses related to store and warehouse closures	-	15	(100.0)	(15)
Expenses related to efficiency processes	13	5	172.7	8
Other special projects	-	-	-	-
Other expenses	(0)	5	(101.3)	(5)
Expenses related to long-term incentive plans	(9)	7	(221.7)	(16)
Lease effect (IFRS16)	(145)	(148)	2.5	4
Hyperinflationary effect (IAS 29)	-	-	-	-
Adjusted EBITDA	124	80	54.3	44

Reconciliation of Profit for the period to adjusted EBITDA (excluding reclassifications of discontinued operations)

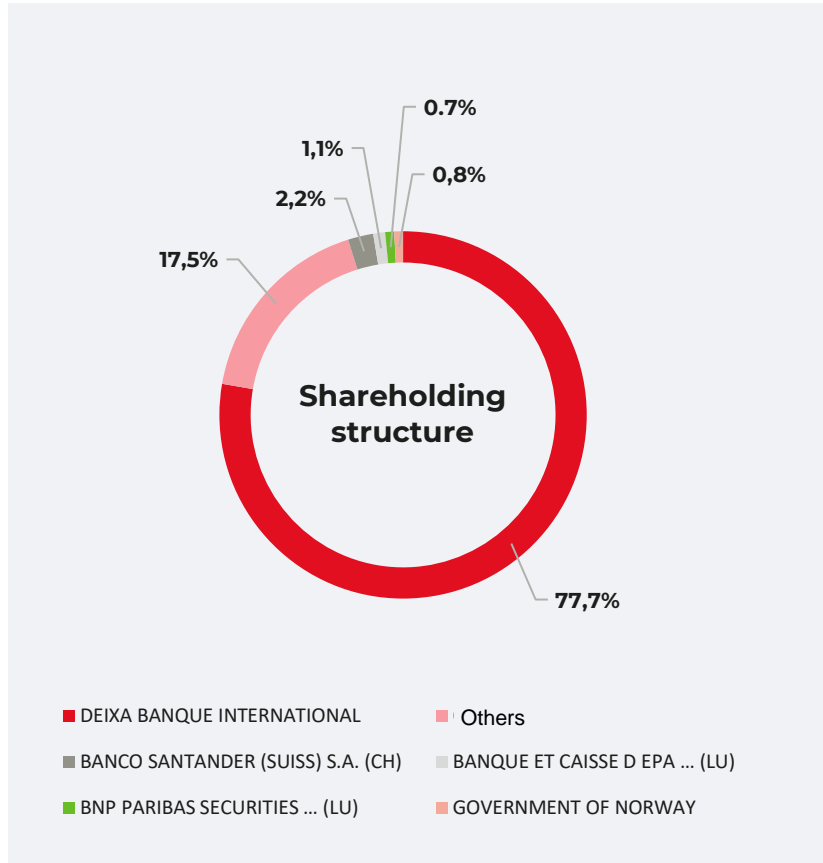
Period Result Reconciliation to Adjusted EBITDA					
(In millions of euros)	Spain	Portugal	Argentina	Brazil	Group Total
Period result	(62)	(20)	30	(72)	(124)
Net financial result	55	8	(18)	23	68
Income tax	1	1	30	2	34
Amortizations	263	37	43	53	396
Results from monetary position	-	-	(101)	-	(101)
Profit/(loss) of companies accounted for by the equity method	0	-	-	-	0
Impairment of non-current assets	33	0	1	16	50
Results from disposal of non-current assets	9	(0)	18	(3)	24
Restructuring costs	26	6	1	16	49
Expenses related to the transfer of company-owned stores to franchises	23	5	-	-	28
Expenses related to the closing of stores and warehouses	-	-	-	18	18
Expenses related to the efficiency processes	12	1	1	-	14
Other special projects	-	-	-	-	-
Other expenses	(0)	-	2	1	3
Expenses related to long-term incentive plans	(9)	(0)	(2)	(3)	(14)
Effect of IFRS 16 on rents	(177)	(22)	(23)	(45)	(267)
Effect of IAS 29 on hyperinflationary regulations	-	-	70	-	70
Adjusted EBITDA	148	10	52	(9)	200

6 | Exchange Rate Variation

Exchange Rate Variation	2022	2021	% Var.
EURO / Argentine Peso (annual closing rate)	188.67925	116.27907	62.3
EURO / Brazilian Real (average rate of the period)	5.35417	6.38490	(16.1)

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

7 Shareholding Structure and Board of Directors



Board of Directors

Members	Position
Mr. Stephan DuCharme	Non-Executive Chairman
Mrs. Luisa Desplazes de Andrade Delgado	Member - Independent Director
Mr. José Wahnnon Levy	Member - Independent Director
Mr. Sergio Antonio Ferreira Dias	Member - External Proprietary Director
Mr. Marcelo Maia Tavares de Araújo	Member - Other Outside Director
Mr. Vicente Trius Oliva	Member - Independent Director
Mrs. Gloria Hernández García	Member - Independent Director

8 | Glossary

Gross Profit: Profit resulting mainly from Net Sales and Other Income less, (i) Consumption of merchandise 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 2022 “Dia Group consolidated results in 2022” section of this Results Report. This metric is used as an indicator of the yield obtained from the value of merchandise sales after deducting the acquisition costs of the merchandise sold, including the logistics costs to get 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 exigibility to meet the payment of its 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 does not form part of the basis for calculating LFL, if it has been temporarily closed

during the period considered to carry out remodeling 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: 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: Adjusted EBITDA results from adding depreciation and amortization, impairment of non-current assets, results from the disposal of non-current assets, restructuring costs (as described below), 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: 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.

Investor Relations

investor.relations@diagroup.com

Media and Communications

ainhoa.murga@diagroup.com



Access details to Results Presentation:

Date: February 23, 2023, at 10:00 a.m. CET

Webcast Link: [2nd Half and FY 2022 Results](#)