TO THE NATIONAL SECURITIES' MARKET COMMISSION

Pursuant to Article 226 of the consolidated text of the Securities' Market Act and its development regulation, **DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.** ("**DIA**" or the "**Company**") hereby communicates and discloses the following

INSIDE INFORMATION

The board of directors of the Company has approved the Q1 2020 group financial results. It is hereby attached the Q1 2020 Results Presentation, which includes privileged information within slide 16.

Q1 2020 Financial Results and Strategic Update release is also attached, which includes privileged information in page 3, and that has also been published by means of interim financial reports (*trámite de información financiera intermedia*).

Madrid, 12th May, 2020.

Distribuidora Internacional de Alimentación, S.A.

Enrique Weickert
Chief Financial Officer

Q1 2020 Results Presentation

12TH MAY 2020

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.

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Agenda

Q1 Highlights & Strategic Update

Stephan DuCharme - Chairman

Country Spotlight

Ricardo Alvarez - CEO, Spain

Marcelo Maia - Executive Chairman, Brazil

Q1 2020 Financial Review

Enrique Weickert - Group CFO

DIA

Q1 Highlights

Stephan DuCharme
Chairman

- **Stable Q1 financial performance** - early positive topline results, supported by continued cost discipline, and strengthened financial foundations

- **Effective response to COVID-19 crisis** - stores open and well-stocked thanks to smooth supply chain operation, primary focus on protecting employees, customers and communities

- **Phase 1 of business transformation now complete** - world-class retail talent, return to retail basics and new group operating model

- **Phase 2 now well underway** - driven by devolved empowered country leadership with strategic support from lean corporate center

- **Clear ambition** - financial targets defined in full alignment with all stakeholder interests, renewed community purpose through DiaContribuye2020 and strengthened corporate governance

DIA

Stable topline performance with currency effect and COVID-19 cost impact

[€ million]	Q1 2020	Q1 2019[1]	Change (%)
Net Sales	1,696.0	1,732.8	-2.1%
Gross Profit	358.2	370.0	-3.2%
EBITDA	60.7	16.6	266.3%
Adjusted EBITDA[2]	(0.5)	11.8	n/a
Net Profit	(142.6)	(151.2)	-5.7%

	Q1 2020	FY2019	Change (%)
Trade Working Capital	(656.4)	(608.0)	8.0%
Net Financial Debt[3]	1,286.0	1,322.2	-2.7%

Key Highlights

- **Net Sales** broadly stable despite fewer stores and Brazil currency effect
- **Gross Profit** down on increased logistics costs to support shift to enhanced fresh offer and COVID-19 costs
- **EBITDA** improvement driven by restructuring cost reductions
- **Adj. EBITDA** impacted by COVID-19 costs
- **Net Profit** impacted by FX in Brazil

Performance underpinned by strengthened financial structure - positive cash flow, lower net debt, lower financial expenses, and improved trade working capital

1. Q1 2019 restated to include Clarel as continued operations
2. See APMs for definition
3. Excluding IFRS16

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Business transformation delivering early positive like-for-like improvement in Spain and Portugal

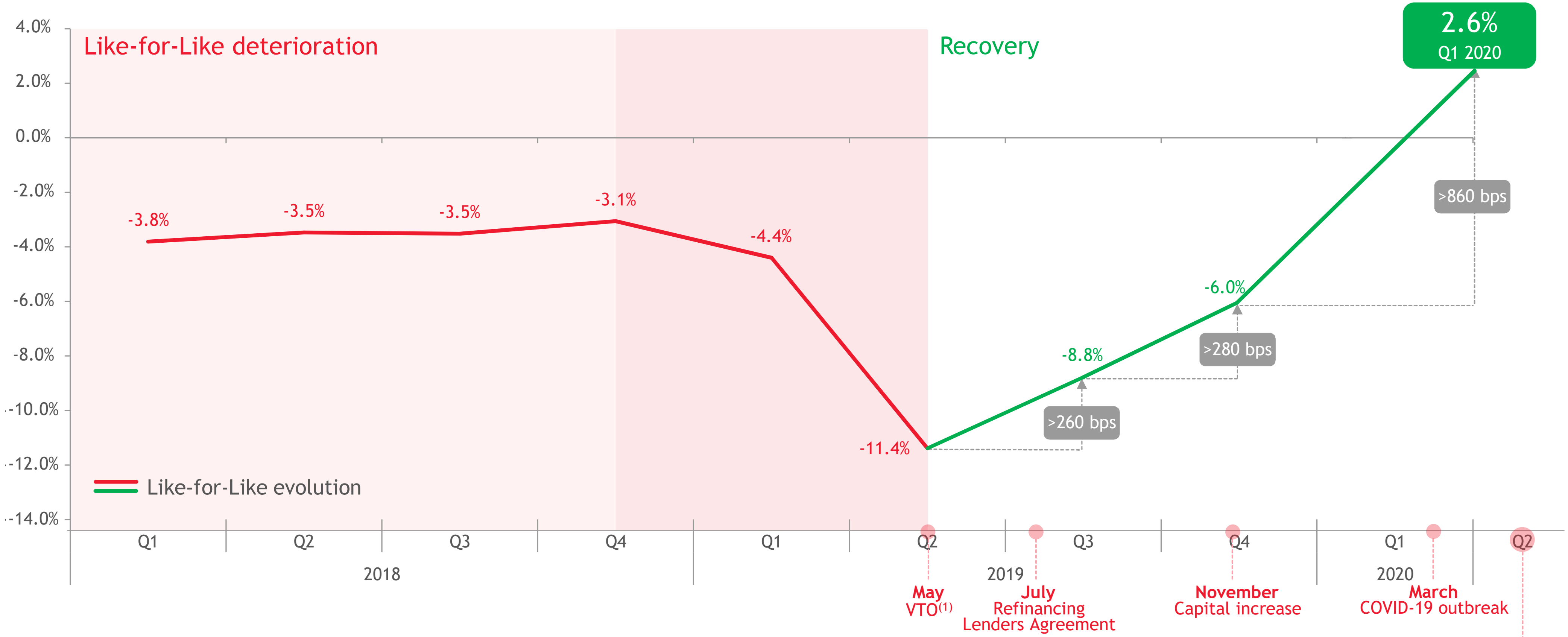
[€ million]	Net Sales Q1 2020	Net Sales Q1 2019	Net Sales Change (%)	Like-for-Like vs Q1 2019
Spain(1)	1,060	1,040	1.9%	**7.8%**
Portugal(1)	149	143	4.3%	**9.3%**
Brazil	251	327	-23.1%	**-7.8%**
Argentina(2)	236	223	5.6%	**-5.4%**
Total Group	**1,696**	**1,733**	**-2.1%**	**2.6%**
Total Stores (3)	**6,506**	**7,367**	**-11.7%**	

Key Highlights

- **Spain & Portugal** – Underlying Like-for-Like growth before COVID-19 outbreak thanks to ongoing business transformation; March Net Sales increase on lockdown related stock piling and higher volumes
- **Brazil** - Net Sales down following store network streamlining as well as currency effect; new commercial strategy rolled out at end of February
- **Argentina** - Positive Net Sales in an already challenging macroeconomic environment, thanks to supply chain improvements and new perishables assortment offer

1. All Spain and Portugal figures include Clarel (Q1 2019 has been re-stated to consolidate Clarel)
2. Net Sales expressed at IAS29
3. At end of period

Third consecutive quarter of positive Like-for-Like Sales evolution



- **Q2 current trading -** Momentum in Like-for-Like recovery has continued in Q2 in all countries.

1. Voluntary Tender Offer

Effective COVID-19 response - protecting employees, customers and communities

- **95% of DIA stores open throughout** COVID-19 pandemic[1], limited short-term closures
- **Comprehensive protective measures -** over 4m masks, 260,000l of hand sanitizer, 10m gloves, 48,000 visors and 10,000 protective screens for cashiers and employees
- **Employees** - Full pay for all self-isolating colleagues and one-off COVID-19 bonus for all Group and Franchisee employees to recognize commitment and dedication
- **Franchisees** - Further support in terms of advanced technical cleaning services, protective equipment; and staffing support at no charge
- **Community** - Donations including food, personal protective equipment and warehousing space to national and local institutions in all markets

1. Time period: From March 14th to April 30th

Strategic Update

Stephan DuCharme

Chairman

DIA

Transformation Phase 1 complete: Capabilities, culture and trust

	1 Investment in capabilities	2 Focus on culture and trust
Priorities	• Bringing in world class leadership, retail and management talent • Development of best-in-class operational standards	• Rebuilding trust and fostering long-term relationships with all stakeholders • Creating a new performance-based culture
Key Highlights	• Strengthened Board of Directors with experienced independent members • Enhanced top management layers across countries and functions – 87 new additions to date • Critical functions and positions filled by recruits from leading retail companies and internal promotions	Stakeholders: **Customers**: • Offering the best value-for-money proposition • Effective COVID-19 response **Employees**: • New performance-oriented culture • Signature of DIA CEA[1] (2019-2021) in Jan-2020 **Franchisees**: • New franchisee model based on long-term sustainability, attractiveness and entrepreneurship **Suppliers**: • Alignment of all supplier relationships • New agreements based on transparency **Trade insurers**: • Positive reaction to recapitalization and refinancing of the Group (risk limits uplifts) **Banks**: • Syndicated Facility Agreement signed in July 2019 • Hive-Down execution in December 2019 **Shareholders & Investors**: • Successfully completed VTO and Capital Increase • Long-term commitment of majority shareholder
Outcome	• **New lean Group operating model with devolved empowered country leadership**	• **Improving relations with all key stakeholders critical to DIA's future**

1. Collective Employee Agreement

DIA

Transformation Phase 1 complete: Re-established retail basics to drive future growth

3 **Rebuild DIA**

Priorities	• New commercial value proposition • Active management of stores • Improved franchise model valuing entrepreneurship

Key Highlights

Not Exhaustive

- **Commercial**
  - Optimization of assortment
    - Defined by store cluster, balanced (national & own brands), regional component
  - Improved of private label
    - Focus on value-for-money/Increased quality/innovative packaging
  - New approach to promotions
  - Enhanced fresh categories
    - Focus on quality, presentation, freshness, and pricing, to drive in-store traffic
  - Launched loyalty program
- **Franchise**
  - Strengthened franchise network
    - Transfer in 2019 of 385 COFO stores to COCO to streamline the network
  - Redesigned franchise model
    - New franchise model defined in Spain. Win-Win model, incentive driven with higher store standards and customer focus

Not Exhaustive

- **Operational**
  - New store layouts and planograms
  - Operational excellence program
  - F&V Time to market
    - Reduce time from farms to stores of F&V to improve freshness and reduce losses
  - Logistic optimization program
  - Stop loss-making
    - Closing of 861 unprofitable stores and 3 under-utilized Warehouses
  - Operational simplicity(1)
- **Finance**
  - Working capital improvement
    - Stock management optimization to reduce inventory days
  - Investment optimization
  - Cost-optimization initiatives
    - OPEX-reduction initiatives in place with specific plans by cost nature

Outcome

- **Key drivers of improved Q1 performance**
- **Retail basics as basis for Phase 2 growth**
- **Effective COVID-19 response from position of strength**

1. Discontinuation of non-core businesses that creates complexity in the system: Bahia and Minipreço in Brazil, Cada DIA, e-shopping, Max Descuento (Cash & Carry Business) and Wholesale (Import-Export) lines of businesses in Spain

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Phase 2 driven by devolved country leadership supported by lean corporate center

- **Placing the customer at the heart of everything**

- **Devolved country leadership with full P&L responsibility**
- **More local, more responsive - empowered to adapt commercial model to local needs**

- **Lean Group corporate center providing strategic guidance, performance oversight and capital allocation**
- **Key functions:** Strategy, strategic communications, institutional relations, senior leadership development, corporate finance, digital transformation etc.

1. Executive Chairman
2. Interim assignment
3. Effective at 20th May

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Post COVID-19: Opportunity to accelerate business transformation

- **New operating model allows for tailored response to post COVID-19 "new normal" -** with sharing of best practices at corporate center

- **Sustainable online / express delivery development -** in addition to integrated proximity store and customer offering

- **DIA network of 6,506 stores -** offers safe access to the store, proximity and modern technology, fully focused on grocery

- **Emerging DIA commercial value proposition and new concept to reflect customer behavior post COVID-19 -** appropriate choice, value for money, freshness with an integrated store and on-line offering

- **Operations to be further simplified** – allows for faster and lower cost solutions

DIA

Phase 2: Clear roadmap to achieve business objectives - Spain

	Key initiatives	2020	2021	2022 & 2023
Commercial	New commercial value proposition	• New store concept based on phase 1 learnings and post-COVID-19 needs • Initiate testing	• Complete testing of new store concept and start roll-out • Initiate refurbishment and relocation program	• Full rollout of refurbishment and relocation program • Initiate new store openings
	New private label program	• Complete program	• Continuous improvement • Support new store concept	
	On-line and express delivery program	• Further development of the program	• Continued roll-out to support new concept	
	Optimized assortment	• Complete roll-out • Refreshed store lay-out	• Further improvement of assortment as part of new store concept	
	New loyalty program	• Development	• Support new store concept	
Franchise	Franchise model	• Complete roll-out	• Accelerate move back to franchise stores based on new concept	
Operations	Operations Excellence program	• Further focus on reduction of complexity in operations	• Working Capital: inventory reduction and supply-chain improvements	• Continue optimization

- **Significant portion of network refurbished**
- **Integrated store-digital-based modern proximity network**
- **Sustainable balance achieved between franchise and owned stores**

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Phase 2: Clear roadmap to achieve business objectives – Other countries

	Key initiatives	2020	2021	2022 & 2023
Commercial	New commercial value proposition	• Participate in development of new store concept based on phase 1 learnings and reflecting post-COVID-19 needs	• Start testing • Initiate roll-out of new store concept • Initiate refurbishment program	• Accelerate refurbishment and relocations program • Initiate new store openings
	Optimized assortment	• Initiate roll-out • Refreshed store lay-out	• Complete roll-out	• Significant portion of network refurbished • Integrated store-digital-based modern proximity network • Accelerate move back to franchise stores based on new concept
	New private label program	• Further development of the program	• Continuous improvement • Support new store concept	
	New loyalty program	• Development	• Support new store concept	
	On-line and express delivery program	• Initial development	• Further development	
Franchise	Franchise model	• Initiate roll-out	• Complete roll-out	
Operations	Operations Excellence program	• Focus on operational excellence and reduction of complexity	• Working Capital: inventory reduction and supply-chain improvements	• Continue optimization

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Financial targets aligned to strategic roadmap

	2021	2022	2023
Like-For-Like Sales (%)	5 - 7%		
Net Sales[1] (€) Key Drivers	7.0 - 7.5bn • Like-for-Like Growth • Initiate refurbishment • Initiate relocation program	7.7 - 8.3bn • Like-for-Like Growth • Full refurbishment • Relocation rollout and openings	8.7 - 9.3bn • Like-for-Like Growth • Refurbishment ongoing • Relocation and openings ongoing
Adjusted EBITDA Margin (%)	2.5 - 3.0%	3.5 - 4.5%	5 - 6%
CAPEX (as % of Net Sales)	3 - 4%	4 - 5%	5 - 6%
Trade Working Capital	Stable and improving with a moderate reduction in number of days of inventory		
Free Cash flow	Positive throughout the years		
Net Debt	Flat	Flat	Decreasing
Leverage[2]	<7.5x	<4.5x	<3x

1. LATAM exchange rates calculated based on long-term inflation differences between EURO and LATAM countries
2. Net Financial Debt / Adjusted EBITDA

DIA

Renewed community focus through DIAContribuye2020

DIAContribuye2020

- New social program to support communities impacted by the COVID-19 pandemic
- Elements that underpin DIAContribuye2020:
  - **Public Service:** collaborating across the entire food value chain to supply food on a daily basis to those in need
  - **Proximity:** DIA's neighbourhood presence reinforces closeness to the customer in times of need
  - **Society:** DIA acts in every neighbourhood, community, and town
- Core role of DIA to feed "Rural Spain or España vaciada" and commercial initiatives to support local producers

Initial activities:

- Donation of 250,000 masks and 2,500 liters of hand sanitizer
- Sale of protective masks at cost price
- Commitment to match any Franchisee donation
- More than 16,000 kilos of food distributed throughout Spain
- 50,000 Easter products for at risk groups - Galicia, Aragon & Madrid
- The use of 1,500 m2 of distribution center space for public authorities to stock clinical materials

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Country Spotlight

Ricardo Álvarez
CEO Spain

Marcelo Maia
Executive Chairman Brazil

DIA

Country spotlight - Spain

2020	2021 Onwards

2020

- Commercial
  - New assortment presentation (planograms and layout) roll-out
  - Revamp the Private Label offering
- Cost-optimization initiatives
- New franchise model roll-out
- New logistics and transportation model

2021 Onwards

- E-Commerce
- Improve the different franchise models
- Commercial value proposition (assortment, national brands – private label balance, pricing & promo, new store concept, loyalty)
- Build capacity to deliver refurbishment plan
- Refranchising
- Improve working capital

DiA

Country spotlight - Brazil

2020

- Strengthen management team with new talent
- Improve profitability and cash flow: cost-optimization initiatives / ZBB
- Improve supply chain, reduction of out-of-stock and losses
- Commercial
  - Improve assortment and its structure
  - Re-set pricing & promo
  - New assortment presentation: planograms and layout
  - Complete new Private Label programme
- Develop new, attractive franchise model

2021 Onwards

- E-commerce
- Improve the different franchise models
- Commercial value proposition (assortment, national brands – private label balance, pricing & promo, new store concept, loyalty)
- Build capacity for expansion
- Continue to improve working capital

DIA

Q1 2020 Financial Review

Enrique Weickert
DIA Group CFO

DIA

Group Financial Results overview
Q1 2020 Results summary

P&L summary (€ million)	Q1 2020	Q1 2019	Change (%)
Net Sales	**1,696.0**	1,732.8	*(2.1%)*
Gross Profit	**358.2**	370.0	*(2.1%)*
EBITDA	**60.7**	16.6	*266.3%*
ADJ. EBITDA	**(0.5)**	11.8	*(104.1%)*
EBIT	**(54.8)**	(127.0)	*56.9%*
Financial results	(88.9)	(36.4)	*(144.6%)*
Net attributable profit	**(142.6)**	**(151.2)**	***5.7%***

Key Highlights

- **Net Sales** stable Q1 performance built on renewed operational foundations
- **Gross Profit (as % of sales)** decreased in Q1 2020 to 21.1% (Q1 2019 21.4%) impacted by increased logistics costs to support strategic shift to enhanced fresh offer, COVID-19 costs and FX effect
- **Labour Costs** down 1.3% despite higher COVID-19 related staff activities
- **Opex** up 6% on COVID-19 costs including group wide protective materials
- **EBITDA & Adjusted EBITDA** negatively impacted by COVID-19 related costs
- **Financial Results** Lower interest expenses and FX negative impact in Brazil

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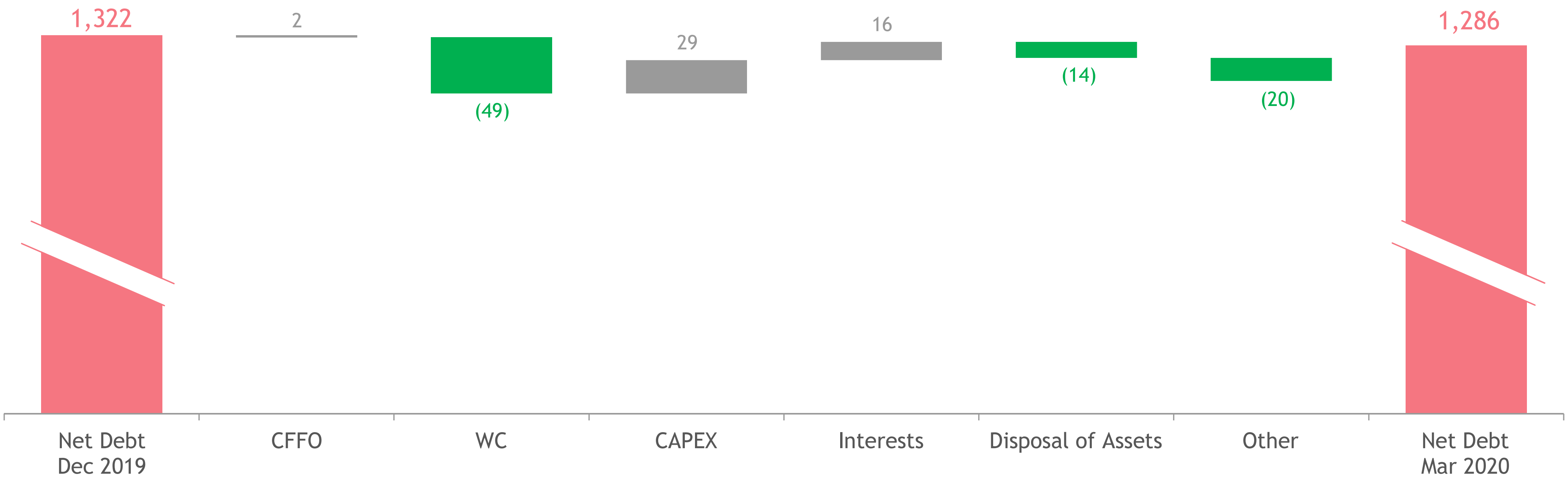
Net Financial Debt decreased notwithstanding negative seasonality

Key Highlights: Net Financial Debt(1) evolution [€ million]

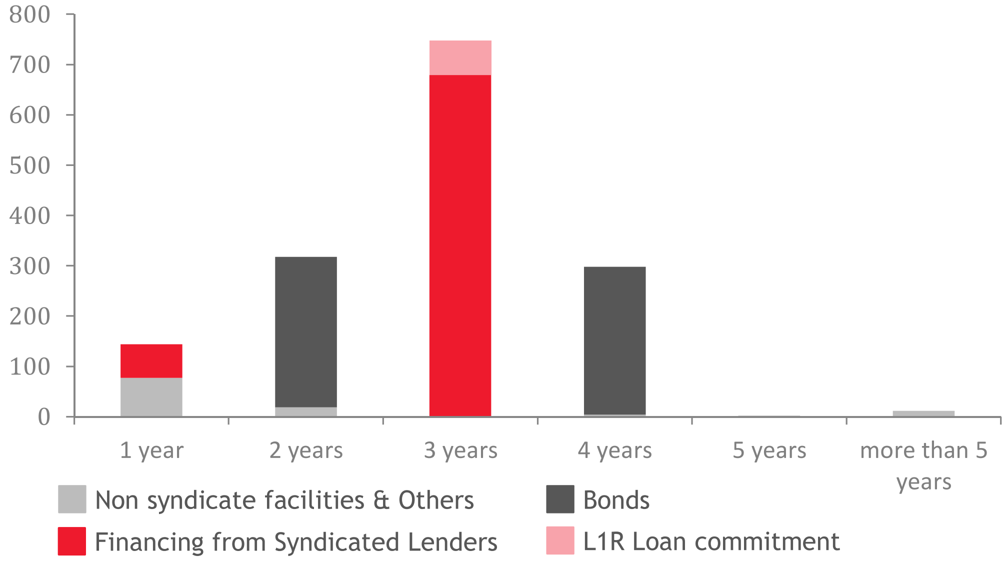


- Net Financial Debt down 36m on the back of no operational cash burn, working capital improvement, low capex and low financing costs
- Trade Working Capital: 49m improvement despite negative seasonal effect thanks to sales increase and a small improvement in days of trade working capital

1. Total Net debt (excluding IFRS16)

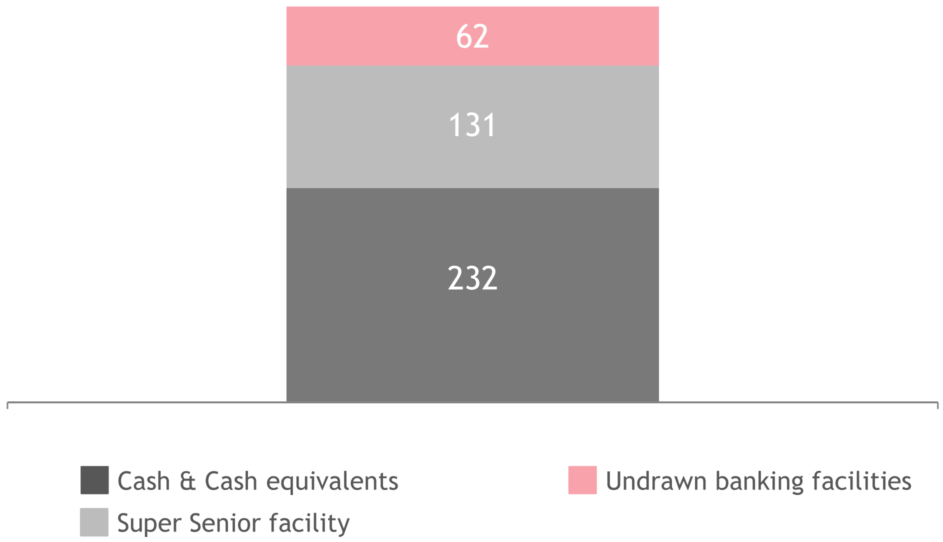
Improved debt maturity profile and stable liquidity

Debt Maturity Profile [€ million]



- Net financial debt of 1.3bn (which excludes 659.2m related to the application of IFRS16), down 36m.

Available Liquidity [€ million]



- Stable liquidity despite seasonality
- 425m vs.421m as of 31st December 2019

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Balance Sheet

Balance Sheet [€ million]	Q1 2020	FY2019
Non-current assets	2,303.9	2,448.2
Inventories	511.9	496.5
Trade & Other receivables	100.1	111.0
Other current assets	109.3	100.2
Cash & Cash equivalents	232.2	163.6
Non-current assets held for sale	0.0	0.0
TOTAL ASSETS	**3,257.4**	**3,319.4**
Total equity	(466.7)	(350.5)
Long-term debt	1,828.0	1,865.7
Short-term debt	349.4	325.5
Trade & Other payables	1,268.4	1,215.4
Provisions & Other liabilities	278.3	262.0
Liabilities associated with assets held for sale	0.0	1.3
TOTAL EQUITY & LIABILITIES	**3,257.4**	**3,319.4**

Trade Working Capital [€ million]	Q1 2020	FY2019	Change
Non-recourse factoring	24.4	14.1	10.3
Inventories (A)	511.9	496.5	15.3
Trade & Other receivables (B)	100.1	111.0	(10.8)
Trade & Other payables (C)	1,268.4	1,215.4	53.0
Trade Working Capital [(1)]	**(656.4)**	**(608.0)**	**(48.5)**

Key Highlights

- **Working Capital inflow of 49m thanks to increase in net sales and small improvement in days of Trade Working Capital**
- **Shareholders Equity at Parent Company of 206m as of March 31st 2020**

1. Trade working capital defined as (A+B-C)

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Conclusion

Stephan DuCharme
Chairman

DIA

DIA Closing Remarks

- **Fully on track with strategic, operational and financial transformation**
- **Phase 1 completed ahead of schedule - world-class team, return to retail basics and improved stakeholder trust**
  - Phase 2 well underway
  - Central focus on commercial value proposition
  - Driven by devolved and empowered country leadership
  - Strategic support from lean corporate center
  - Clear roadmap with tangible and measurable milestones and objectives
  - Senior management now fully aligned with all stakeholder interests
- **DIA - the preferred proximity shopping experience with effective online and home delivery service**

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Q1 2020 Financial Results & Strategic Update

Stable Q1 performance - early positive top line results, supported by continued cost discipline and strengthened financial foundations

Effective response to COVID-19 crisis: focus on protecting employees, customers and communities; stores open and well-stocked; supply chain operating smoothly

Business transformation initial phase completed: recruitment of world class retail talent, return to retail basics and launch of new group operating model

Next phase of business transformation driven by empowered country leadership with strategic support from lean corporate center

Clear roadmap in place to meet tangible business objectives and deliver financial targets balancing measured growth and careful cashflow management

MADRID, May 12th, 2020: DIA Group, ("DIA" or "The Group") an international distributor of food and household items operating in Spain, Portugal, Brazil and Argentina, today issued its first quarter 2020 financial results as well as a progress update on its strategic business transformation plan.

Q1 2020 FINANCIAL HIGHLIGHTS (all figures in € million)

- **Net Sales:** 1,696m (Q1 19: 1,733m) broadly stable despite 12% fewer stores and adverse currency effect in Brazil[1].
- **Like-for-Like:** +3% with underlying pre-COVID-19 growth in Spain and Portugal driven by business transformation effect.
- **Gross Profit:** 358m (Q1 19: 370m) down on increased logistics costs to support strategic shift to enhanced fresh offer and one-off COVID-19 costs.
- **Labour Costs**: down 1% notwithstanding higher COVID-19 related staff activities.
- **Operating Expenses**: up 6% on COVID-19 costs including Group-wide protective materials.
- **Restructuring Costs:** 6m (Q1 19: 67m), business transformation first phase completed.
- **EBITDA:** 61m (Q1 19: 17m), driven by the Restructuring Costs reduction; **Adjusted EBITDA:** -0.5m (Q1 19: 12m) impacted by COVID-19 costs.
- **Net Financial Debt:** improved by 36m despite negative seasonality, with enhanced debt maturity profile following long-term refinancing agreement and bond repayment in July 2019.
- **Trade Working Capital**: better than expected inflow of 49m thanks to Net Sales increase and small improvement in days of Trade Working Capital.
- **Available Liquidity:** stable at 425m (December 2019: 421m).

Commenting on the results, Stephan DuCharme, Chairman, said: *"DIA delivered stable top line performance in the first quarter with Like-for-Like improvement also continuing into the first months of Q2, showing early positive results of our business transformation plan which is now into its second phase. This performance was supported by continued cost discipline and underpinned by a strengthened financial structure with positive cash flow, lower net debt with an enhanced maturity profile and improved trade working capital.*

"The core foundations are in place thanks to our success last year in attracting world-class talent to the business, re-establishing retail basics and creating a new Group operating model based on strengthened and devolved country leadership, strategically supported by a lean corporate center.

[1] 18.6% depreciation of the Brazilian Real in the period.

"During the COVID-19 crisis our team worked tirelessly and effectively to serve our customers and I am very proud of their efforts, underpinned by our renewed strong fundamentals. Our crisis response very much showed the important role DIA plays within our communities. We will further reinforce this thanks to DIAContribuye2020, our recently launched community support program created to help mitigate the negative consequences of this unprecedented situation.

"Looking ahead, we will focus on the evolution of DIA's commercial offer to address rapidly evolving consumer behaviors, offering our customers proximity, simplicity and digital solutions in partnership with an entrepreneurial group of Franchisees."

DIA has completed the first phase of its business transformation initiated in May 2019, with key achievements linked to the three key strategic pillars of the plan:

Investment in capabilities – attracting and retaining talent at all levels
- Country leadership strengthened by appointment of Ricardo Alvarez as CEO Spain; Marcelo Maia new Executive Chairman Brazil supported by a newly created DIA Brazil advisory board.
- As a result, new Group operating model in place, based on devolved and empowered country leadership with full P&L responsibility, strategically supported by a lean Group corporate center.
- Expanded and reinforced Group Board of Directors with four independent members, including digital and retail specialist Basola Valles appointed on January 15th, 2020.

Focus on Culture & Trust - rebuilding trust and fostering long-term relationships
- **Customers**: New value-for-money proposition and effective COVID-19 response positively repositioning DIA within its communities.
- **Employees**: Collective Employee 2019-2021 Agreement signed in January 2020 and new performance-based culture introduced.
- **Franchisees**: New model in roll-out phase based on long-term partnership, transparent margin and payment terms, and opportunities for selected Franchisees to manage multiple locations.
- **Suppliers**: Alignment of all relationships and simplification of negotiations and agreements based on transparent approach.

Rebuild DIA - re-establishing core retail practices
- **Commercial**: Optimized assortment offering enhanced product visibility and shopping experience rolled out in around 500 stores so far.
- **Franchise**: Strengthened network with 468 Group stores transferred from Franchise to Owned since January 1st, 2019, in line with Group strategy.
- **Operational**: Excellence program implemented including store layout improvements, product display planograms and logistic optimization measures; productivity ratios up with Net Sales/FTE growing 5.9% in Spain in January and February, ahead of COVID-19 lockdown.
- **Finance**: Focus on OPEX reduction and disciplined CAPEX allocation; Working Capital improvement following stock optimization efforts.

Phase 2 of DIA's business transformation is now underway and a defined roadmap[2] will be actively implemented by the country leadership teams, with strategic guidance, performance oversight and capital allocation provided by the corporate center. Immediate priorities for 2020 include the continued development of DIA's commercial value proposition and new store concept based on Phase 1 learnings and post-COVID-19 consumer behaviors as well as further expansion of online and express delivery programs.

[2] See investor presentation for further details.

The Group also announced targets aligned with the strategic roadmap, with net sales growth driven consistently by Like-for-Like Sales and the gradual roll-out of store refurbishments and relocations, as well as new openings from 2022 onwards.

Financial Targets	2021	2022	2023
Like-for-Like Sales (%)	5 - 7%		
Net Sales(*) (€bn)	7 - 7.5	7.7 - 8.3	8.7 - 9.3
Key Drivers	- Like-for-Like Growth - Initiate refurbishment - Initiate relocation program	- Like-for-Like Growth - Full refurbishment - Relocation rollout and openings	- Like-for-Like Growth - Refurbishment ongoing - Relocations and openings ongoing
Adjusted EBITDA Margin (%)	2.5 - 3.0%	3.5 - 4.5%	5 - 6%
Capital Expenditure (as of % of Net Sales)	3 - 4%	4 - 5%	5 - 6 %
Trade Working Capital	Stable and improving with a moderate reduction in number of days of Inventory		
Free Cash Flow	Positive throughout the years		
Net Debt	Flat	Flat	Decreasing
Leverage (Net Financial Debt / Adjusted EBITDA)	< 7.5x	< 4.5x	< 3x

(*) LATAM exchange rates calculated based on long-term inflation differences between EURO and LATAM countries

COVID-19 UPDATE

DIA delivered an effective operational response to COVID-19, protecting employees and customers, while ensuring stores remained open and well-stocked and maintaining the smooth operation of the supply chain. The Group's response was focused on the following areas:

Protecting our people

- Comprehensive employee protective measures across all DIA stores and facilities including over 4 million masks, 260,000 liters of hand sanitizer, 10 million gloves, 48,000 visors and 10,000 cashier protective screens.
- Full pay for all self-isolating colleagues and a one-off COVID-19 bonus for all Group and Franchisee employees to recognize commitment and dedication.
- Further Franchisee support in terms of advanced technical cleaning services, protective equipment and staffing support at no charge.
- Free telematics healthcare launched, initially in Spain, for all employees and their families.

Serving our customers

- 95% of DIA stores open throughout the COVID-19 lockdown, with only limited short-term closures for deep cleaning purposes.
- **Spain**: Proactively increased online ordering capacity to meet customer demand, now reaching 500 cities, served by additional 2,200 staff members. Opened 13 new dark stores and reached agreement with Glovo to improve home delivery service, improving time-to-market capacity.

Contributing to our communities

- Donations including food, personal protective equipment and warehousing space for national and local institutions in all markets where DIA operates.
- Launched DIAContribuye2020 social program to mitigate the negative consequences of the crisis on the communities where DIA operates.
- **Initial DIAContribuye2020 activities include**: the donation of 250,000 masks and 2,500 liters of hand sanitizer; the sale of protective masks at cost; a capped commitment to match any Franchisee donation; the distribution of more than 16,000 kilos of food throughout Spain; 50,000 Easter products for at risk groups in Galicia, Zaragoza & Madrid; and the use of 1,500 m^2 of distribution center space for public authorities to stock clinical materials.

INVESTOR PRESENTATION DETAILS FOR PARTICIPANTS

Date: May 12th, 2020 at 10:00 a.m. CEST

Webcast link: https://edge.media-server.com/mmc/p/e25aquvp

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GROUP FINANCIAL RESULTS OVERVIEW

(€ million)	Q1 2020	Q1 2019 (*)	Change (%)
Gross sales under banner	**2,069.5**	**2,358.7**	**-12.3%**
Like-for-like sales growth (%)	***2.6%***	***-4.4%***	
Net Sales	**1,696.0**	**1,732.8**	**-2.1%**
Cost of goods sold & other income	(1,337.7)	(1,362.8)	-1.8%
Gross Profit	**358.2**	**370.0**	**-3.2%**
Labour costs	(190.6)	(193.1)	-1.3%
Other operating expenses & leases	(101.3)	(93.4)	8.4%
Restructuring costs and LTIP	(5.6)	(67.0)	-91.7%
EBITDA	**60.7**	**16.6**	**266.1%**
D&A	(115.6)	(133.8)	-13.6%
Impairment of non-current assets	0.0	(5.9)	-100.4%
Write-offs	0.1	(3.8)	-103.4%
EBIT	**(54.8)**	**(127.0)**	**-56.9%**
Net financial results	(88.9)	(36.4)	144.6%
EBT	**(143.7)**	**(163.4)**	**-12.1%**
Corporate Taxes	1.1	14.8	-92.7%
Consolidated Profit	**(142.6)**	**(148.6)**	**-4.1%**
Discontinuing operations	0.0	(2.6)	-100.0%
Net attributable profit	**(142.6)**	**(151.3)**	**-5.7%**

(*) Q12019 restated to include Clarel as continued operations and present the cost of logistics platforms according to their nature.

- **Group Net Sales** only decreased 2.1% despite 11.7% fewer stores and the 18.6% depreciation of the Brazilian Real in the period, showing progress of DIA's business transformation as well as the effect of one-off COVID-19 trading in March. **Sales density** increased by 7.3%.
- **Group Comparable Sales (Like-for-Like)** up 2.6%, driven by a 6.9% increase in the average basket which more than offset a 4.0% decrease in tickets.
- **Gross Profit (as a percentage of Net Sales)** decreased to 21.1% (Q1 2019: 21.4%) reflecting COVID-19 costs (including extra hours, additional workforce and bonus payment to logistics employees and Franchisees personnel) and to a lesser extent early-year prudent recognition of supplier conditions.
- **Other operating expenses** up 6.0% due to COVID-19 related costs including protective materials
- **EBITDA** increased primarily thanks to lower Restructuring Costs, down significantly on the completion of key restructuring initiatives in 2019.
- **Adjusted EBITDA,** which excludes IAS29 (hyperinflation), IFRS 16 (lease effect), restructuring costs and the cost accrual related to the Group's LTIP[3] for 2020-22, amounted to negative 0.5m (Q1 2019: 11.8m)[4] negatively impacted by 22.0m of costs related to COVID-19 crisis.
- **Depreciation and Amortization** decreased by 13.6% due to the decrease in stores held by the Group (861 stores closed in 2019).
- **Income for Corporate taxes** decreased by 92.7% due more prudent recognition of deferred tax assets during the period.

[3] New program approved in March 2020. .
[4] See APM for full details.

GROUP OPERATIONAL UPDATE

SUMMARY OF GROUP STORES	Owned	Franchised	TOTAL
Total stores at 31 December 2019	3,725	2,901	6,626
New openings	1	0	1
Owned to franchised net transfers	83	-83	0
Closings	-27	-94	-121
Total stores as at 31 March 2020	3,782	2,724	6,506

- New store operational processes fully deployed in **Spain** in Q1 2020, aimed at simplifying store processes and delivering improved freshness, reduced inventory losses and overall superior customer service and experience. Productivity ratios improved in Spain with Net Sales/FTE growing 5.9% in January and February, ahead of the COVID-19 lockdown.
- Optimized assortment, enhanced product visibility and shopping experience have been rolled out in around 500 stores in **Spain** resulting in Like-for-Like uplift. Further key initiatives include the simplification of supplier negotiations, improved stock management and more flexible store delivery.
- As part of the **enhanced franchise model**, more than 570 franchised stores in Spain have transferred to a “payment-after-sales” model, resulting in improved stock levels and substantial Like-for-Like uplift.
- In supply chain, all stores in Spain now operate a 6 times/week **delivery frequency** (Q1 2019: average of 2-3 times/week) with the guaranteed delivery of fresh products to stores before 08:00 am. Similar improvements have also been made in Portugal and Argentina.
- **Portugal** saw a positive impact thanks to increased stock delivery frequency, in-store equipment upgrades to support an improved fresh offering, cost reductions and efficiency plans including property rentals re-negotiation.
- In **Brazil,** a new commercial strategy was rolled out end of February, significantly increasing the assortment offer.
- **Argentina** improved supply chain capacity and delivery frequency, together with new perishables assortment and improvements in its online business in order to meet the heightened customer expectations during COVID-19 lockdown.

STORE NETWORK

- Q1 2020 94 franchised store closures include 58 Cada Dia outlets closed as a result of the 2019 strategic decision to discontinue this non-core format.
- Following the substantial 2019 store network streamlining, closures and levels of de-franchising are now largely back to organic levels.

COUNTRY PERFORMANCE OVERVIEW

SPAIN	Q1 2020	%	Q1 2019	%	Change
Gross sales under banner	**1,274.3**		**1,262.8**		**0.9%**
Like-for-like sales growth	7.8%		-4.0%		
Net sales	**1,059.9**		**1,039.9**		**1.9%**
Adjusted EBITDA	**1.8**	**0.2%**	**14.0**	**1.3%**	**-87.3%**

- **Net Sales** up on business transformation progress including enhanced assortment, updated franchise model and operational improvements. March up on one-off COVID-19 trading.
- **Adjusted EBITDA** decreased by 87.3% impacted by higher operating expenses due to COVID19. This resulted in a 110bps margin decrease.
- **Number of Stores** reduced by 97 since 31st December 2019 (from 4,236 to 4,139), including 21 owned and 76 franchised. 57 net stores transferred from Franchised to Owned during the period in line with Group strategy to seek higher-quality franchise partners.

PORTUGAL	Q1 2020	%	Q1 2019	%	Change
Gross sales under banner	**209.6**		**198.4**		**5.7%**
Like-for-like sales growth	9.3%		-3.6%		
Net sales	**148.9**		**142.7**		**4.3%**
Adjusted EBITDA	**0.8**	**0.6%**	**2.5**	**1.7%**	**-66.4%**

- **Net Sales** up, driven by increased stock delivery frequency and in-store equipment upgrades to support fresh offering. March Net Sales up on one-off COVID-19 trading.
- **Adjusted EBITDA** decreased by 66.4%, impacted by an increase of other operating expenses due to COVID19 crisis, leading to a 110bps margin decrease.
- **Number of Stores** reduced by seven since 31st December 2019 (from 576 to 569). The net number of stores transferred from Franchised to Owned was 14.

BRAZIL	Q1 2020	%	Q1 2019	%	Change
Gross sales under banner	**282.5**		**381.8**		**-26.0%**
Like-for-like sales growth	-7.8%		-0.8%		
Net sales	**251.5**		**327.0**		**-23.1%**
Adjusted EBITDA	**(5.3)**	**-2.1%**	**(7.5)**	**-2.3%**	**-29.6%**

- **Net Sales** was down 23.1%, heavily impacted by planned closures of underperforming locations and negative currency effect.
- **Adjusted EBITDA** improved 29.6%, but remains negative due to negative volume effect, leading to a 20bps improvement in margin.
- **Number of Stores** down by one since 31st December 2019 (from 880 to 879), with the closure of two stores (one Owned, one Franchise), one transfer from Franchised to Owned and the opening of one new point of sale.

ARGENTINA	Q1 2020	%	Q1 2019	%	Change
Gross sales under banner	**303.1**		**515.7**		**-41.2%**
Like-for-like sales growth	-5.4%		-6.7%		
Net sales	**235.8**		**223.2**		**5.6%**
Adjusted EBITDA	**2.2**	**0.9%**	**2.8**	**1.3%**	**-22.2%**

- **Net Sales** were up 5.6% including IAS 29, affected by the challenging macroeconomic environment and COVID-19.
- **Adjusted EBITDA** decreased due to lower volumes, leading to a 40bps decrease in margin.
- **Number of Stores** reduced by 15 since 31st December 2019 (from 934 to 919), with the closure of 5 owned and 10 franchised locations. The net number of stores transferred from Franchised to Owned was 11.

FINANCIAL RESULTS

(€ million)	Q1 2020	Q1 2019	Change
Finance income	3.1	0.8	2.3
Interest expense	(12.5)	(18.7)	6.2
Other financial expenses	(5.7)	(13.4)	7.7
FX differences	(66.5)	(3.7)	(62.8)
IFRS16 related financial costs	(16.1)	(18.0)	1.9
Gains from net monetary position (IAS 29)	9.6	16.5	(6.9)
Change in Fair Value of Financial instruments	(0.9)	0.0	(0.9)
P&L from companies accounted under equity method	0.1	0.1	0.0
Net Financial Results	**(88.9)**	**(36.4)**	**(52.5)**

- **Interest expense** decreased in Q1 2020 reflecting the improved conditions achieved in the long-term refinancing of the Syndicated Facility Agreement in July 2019.
- **Other financial expenses** down in comparison with higher refinancing costs incurred in Q1 2019.
- **Foreign Exchange differences** include 65.0m of negative currency effect resulting from the -18.6% devaluation of the Brazilian Real in the period, of which 49.4m came from Euro denominated intra-Group long-term structural financing provided to DIA Brazil primarily by the Parent Company, and the remaining 15.6m from USD and Euro denominated bank loans held by the Brazilian affiliate.
- The drop in the number of stores and lower inflation in Argentina drive the reduction in the effects associated with IFRS16 and IAS29, respectively.

SUMMARY CASH FLOW

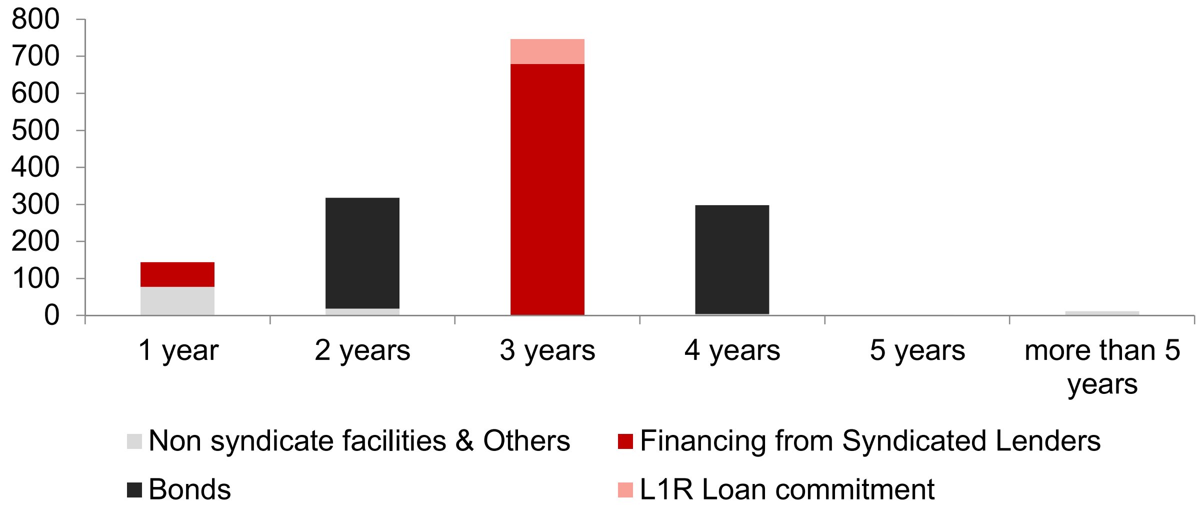
(€ million)	Q1 2020	Q1 2019
Net cash from operations before changes in working capital	**72.0**	**32.6**
Changes in trade working capital	**48.5**	**(102.0)**
Changes in other receivables and payables	10.3	16.2
CASH FLOW FROM OPERATING ACTIVITIES (A)	**130.8**	**(53.2)**
Investment in fixed assets	(29.0)	(77.9)
Disposals of fixed assets & other	13.7	6.0
CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(15.3)**	**(71.9)**
Debt drawdowns & repayments	35.7	117.6
Interest paid and other financial expenses	(15.9)	(29.5)
Payment of financial leases	(73.7)	(83.2)
Other	7.0	(1.4)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(46.9)**	**3.5**
CHANGES IN CASH FLOW FOR THE PERIOD (A+B+C)	**68.6**	**(121.6)**
Cash and cash equivalents as at 31 December 2019	**163.6**	**239.8**
Cash and cash equivalents as at 31 March 2020	**232.2**	**118.2**

- Negative **Trade Working Capital** increased by 8.0% from December 2019 to March 2020, to 656.4m primarily driven by a 4.4% increase in Trade Payables for stocking during lockdown, while the 3.1% increase in **Inventory** to ensure continued supply during the COVID-19 crisis was largely offset by a 9.7% decrease in **Trade Receivables**.
- **Capital Expenditure** down significantly as a result of tight investment control following completion of the first phase of DIA's business transformation, with over 90% focused on ongoing and maintenance activities.
- Non-Recourse Factoring from Trade Receivables amounted to 24.4m at the end of March 2020, having a material impact on the evolution of the Trade Working Capital figures, which compares with 14.1m as of December 2019. As of March 2020, Confirming remained stable at 248.1m compared to 250.3m as of December 2019.
- **Liquidity** stable at 425.0m composed by 62m of undrawn banking facilities, 131m super senior facility and 232m cash & cash equivalents.
- Decrease in **Total Net Debt** 82.6m since year end 2019, driven by improved Cash Flow from Operations and Trade Working Capital.

BALANCE SHEET

(€ million)	Q1 2020	FY 2019
Non-current assets	2,303.9	2,448.2
Inventories	511.9	496.5
Trade & Other receivables	100.1	111.0
Other current assets	109.3	100.2
Cash & Cash equivalents	232.2	163.6
Non-current assets held for sale	0.0	0.0
Total Assets	**3,257.4**	**3,319.4**
Total equity	(466.7)	(350.5)
Long-term debt	1,828.0	1,865.7
Short-term debt	349.4	325.5
Trade & Other payables	1,268.4	1,215.4
Provisions & Other liabilities	278.3	262.0
Liabilities associated with assets held for sale	0.0	1.3
Total Equity & Liabilities	**3,257.4**	**3,319.4**

- At 31 March 2020, the shareholders' equity balance in the individual financial statements of the Parent Company (which are those used for the purpose of computing the legal dissolution or capital increase obligation) amount to 205.5m, thereby providing a sufficient equity buffer.
- **Debt maturity profile improved** after the July 2019 long-term refinancing agreement and bond repayment.
  - **Actual Gross Debt Maturity Profile as of 31 March 2020:** 1,518.2m.
  - **Non-Syndicated Facilities & Others:** 77.2m (April 2020-March 2021), 18.2m (April 2021-March 2022) and 17.9m (April 2022 onwards).
  - **L1R Loan commitment- Super Senior Loan facility:** 65.6m (July 2022).
  - **Bonds:** 299.4m (April 2021) and 294.1m (April 2023).
  - **Financing from Syndicated Lenders:** 66.9m (April 2020-March 2021) and 678.9m (April 2023/March 2024).



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

- On April 14th 2020 the Company announced that, in light of the unprecedented current market conditions and the Group's current challenges in accessing debt funding markets, alternatives to address the maturity of its medium term notes due in April 2021 are being prioritized including a debt-for-debt exchange offer and consent solicitation.

EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- **14 April 2020:** The Company announced that following the successful completion of the first phase of the transformation of the Company, Mr. Karl-Heinz Holland, will step down both from his Group CEO and board roles, effective 20th May 2020. Mr. Stephan DuCharme, currently non-executive Chairman of DIA's board of directors, will become Executive Chairman as of May 21st, 2020.

- **28 April 2020:** Moody's Investors Service announced its decision to downgrade: (i) the long-term corporate family rating (CFR) of DIA to Caa2 (from Caa1), (ii) its probability of default rating (PDR) to Caa3-PD (from Caa1-PD), (iii) DIA's senior unsecured long-term rating to Ca (from Caa2), and (iv) its senior unsecured MTN program rating to (P)Ca (from (P)Caa2). The outlook remains negative. This decision follows DIA's announcement on April 14th as part of its Q1 2020 Trading Update, in relation to alternatives being prioritized to address the maturity of its medium term notes due in April 2021, including a potential debt-for-debt exchange offer and consent solicitation, and reflects that Moody's would likely consider such a transaction as a default under their rating methodology.

CHANGE IN CURRENCY RATES

Change in Currency Rates	Argentinean Peso / €	Brazilian Real / €
Q1 2019 average	0.226	0.251
Q1 2020 average	0.147	0.204
Q1 2020 Change	**-35.0%**	**-18.6%**

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

DEFINITION OF APMS

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

PURPOSE

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

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

CHANGES TO APMs

The Adjusted EBITDA definition was updated in 2019 to:

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

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

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

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

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

Net Sales to Gross Sales Under Banner Reconciliation	Q1 2020	Q1 2019	Change (%)
Net Sales	1,696.0	1,732.8	-2.1%
VAT and other	373.5	625.9	-40.3%
Gross Sales Under Banner	**2,069.5**	**2,358.7**	**-12.3%**

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

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

EBIT to Adjusted EBITDA Reconciliation	Q1 2020	Q1 2019	Change
Operating Profit (EBIT)	(54.8)	(127.0)	72.3
Depreciation & Amortization	115.6	133.8	(18.2)
Losses on write-off of fixed assets	(0.1)	3.8	(3.9)
Impairment of fixed assets	(0.0)	5.9	(6.0)
Gross Operating Profit (EBITDA)	**60.7**	**16.6**	**(44.1)**
Restructuring costs	1.0	67.0	(66.0)
Long-term incentive program	4.6	0.0	4.6
IFRS16 lease effect	(72.4)	(80.5)	8.1
IAS 29 hyperinflation effect	5.6	8.7	(3.1)
Adjusted EBITDA	**(0.5)**	**11.8**	**(12.3)**

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

Net Debt Reconciliation	Q1 2020	2019	Change
Long-Term debt	1,371.5	1,377.5	(6.0)
Short-Term debt	146.6	108.3	38.3
Cash & Cash equivalents	232.2	163.6	68.6
NET FINANCIAL DEBT	1,286.0	1,322.2	(36.2)
IFRS16 lease debt effect	659.2	705.4	(46.2)
TOTAL NET DEBT	**1,945.1**	**2,027.6**	**(82.5)**

DIA

Disclaimer

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