DIA

Q1 2021
RESULTS PRESENTATION

13TH MAY 2021

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AGENDA

Q1 2021
Key Highlights

Cada DIA más cerca
Cada DIA mais próximo

- Continued strategic progress focused on **new commercial offer, rollout of updated franchise model, light store remodeling, online expansion and operational improvements**
- **Q1 2021 Sales performance affected by comparison** with extraordinary Q1 2020
- **Improved Gross Margin and Adjusted EBITDA** driven by operational improvements **narrowing losses by 55%** year-on-year
- **Flat cashflow from operations & stable trade working capital** support solid liquidity position in a quarter typically affected by seasonality
- Agreement with syndicated lenders, bondholders and reference shareholder establishes **sustainable long-term capital structure**

NET LOSSES REDUCED BY 55% YEAR-ON-YEAR

(€ million)	Q1 2021	Q1 2020	Change (%)
Net Sales	1,571.6	1,696.1	-7.3%
Gross Profit	344.6	358.2	-3.8%
EBITDA	56.2	60.7	-7.4%
Adjusted EBITDA[1]	7.1	(0.5)	n/a
Net Result	(63.8)	(142.6)	55.2%
Total Stores	6,100	6,506	-6.2%
(€ million)	**Q1 2021**	**FY 2020**	**Change**
Trade Working Capital (negative)	600.2	609.2	9 outflow
Net Financial Debt[2]	1,344.3	1,276.3	5.3%

1. See APMs for definition.
2. Excluding IFRS16.

Key Highlights

- **Net Sales** impacted by 6% fewer stores and currency effects in Brazil and Argentina
- **Gross Profit** up 81bps as percentage of sales on positive operational improvements
- **Adj. EBITDA** positive thanks to improved gross margin supported by continued cost discipline
- **Financial Results** improved 78% driven by effective FX risk management
- **Net Result** show a 55% cut in losses compared to same period last year on the back of operational and financial improvements
- **Net financial debt** up 68m due to seasonal effects resulting in flat cash flow from operations, controlled CAPEX and stable Trade Working Capital

EMPOWERED COUNTRY LEADERSHIP SUPPORTED BY STRATEGIC CORPORATE CENTER

PLACING THE CUSTOMER AT THE HEART OF EVERYTHING

MORE LOCAL, MORE RESPONSIVE - EMPOWERED TO ADAPT COMMERCIAL MODEL TO LOCAL NEEDS

Ricardo Álvarez
CEO Spain
February 2020

Eneas Pestana
CEO Brazil
January 2021

Martin Tolcachir
CEO Argentina
September 2020

Miguel Guinea
CEO Portugal
April 2017

José Mª Jiménez
CEO Clarel
August 2020

STRATEGIC SUPPORT FROM LEAN CORPORATE CENTRE

Stephan Ducharme
Executive Chairman

STRATEGY | CORPORATE COMMUNICATION | CORPORATE FINANCE | DIGITAL TRANSFORMATION | INSTITUTIONAL RELATIONS | SENIOR LEADERSHIP DEVELOPMENT

EXPERIENCED MEMBERS: 3 INDEPENDENT; 1 PROPRIETARY; 1 EXECUTIVE; 1 OTHER

BOARD OF DIRECTORS[1]

1. Proposal for the appointment of new Independent Board Member to be approved by AGM on May 31st, 2021

CONTINUED FOCUS ON INITIATIVES TO SET THE BASIS FOR FUTURE GROWTH

ATTRACTIVE COMMERCIAL VALUE PROPOSITION

- Improved Freshness
- Store Remodeling
- New Private Label
- Optimized Assortment
- New Loyalty Program
- Promotion Strategy
- Online & Express Delivery

NEW FRANCHISE MODEL

- Closer to Franchisee
- Experienced Support Team
- Mutually beneficial model
- Sales incentives system
- Improved payment terms for franchisee
- Standardized in store operations and customer service across network
- Reduced Stock out

OPERATIONS EXCELLENCE

- Optimized Logistics
- Reduce Complexity
- Supply Chain Improvements
- Inventory Reduction

CORPORATE FUNCTIONS

FINANCE

- Stable Long Term Capital Structure
- Preserve Liquidity
- Improve Internal Controls and Processes
- Risk Management Plan

INSTITUTIONAL

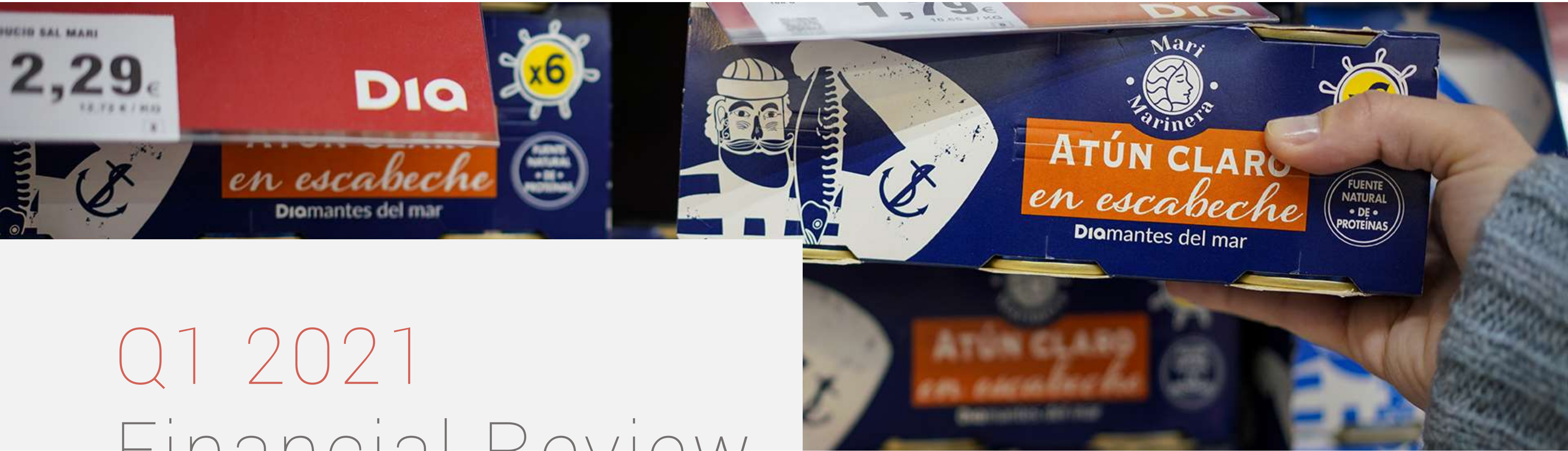
- Cultural & Digital Transformation
- Reinforce Institutional Relations /Communication
- ESG Strategy

PEOPLE & CULTURE

- Attract and Retain Talent
- Organizational efficiency

DIA

1Q 2021
RESULTS PRESENTATION



Q1 2021
Financial Review

IMPROVEMENT IN ADJUSTED EBITDA ON THE BACK OF OPERATIONAL CHANGES

P&L Summary (€ million)	Q1 2021	Q1 2020	Change (%)
Net Sales	1,571.6	1,696.1	-7.3%
Gross Profit	344.6	358.2	-3.8%
EBITDA	56.2	60.7	-7.4%
Adjusted EBITDA[1]	7.1	(0.5)	n/a
EBIT	(42.6)	(54.8)	22.2%
Financial results	(19.8)	(88.9)	77.7%
Net Result	(63.8)	(142.6)	55.2%

1. See APMs for definition

Key Highlights

- **Net Sales** impacted by fewer store number and FX effects in Brazil and Argentina. Net Sales increased 2.3% in constant euro basis
- **Gross Profit** (as a % of Net Sales) up 0.8% to 21.9% despite increased logistic costs to support enhanced fresh offer
- **Adj. EBITDA** positive to 0.5% as a percentage of Net Sales, driven by increased Gross Margin and continued cost discipline
- **Financial Results** improved 78% driven by effective FX risk management
- **Net Result** show significant improvement narrowing losses by 55% thanks to operational and financial improvements

NET SALES IMPACTED BY STREAMLINED STORES NETWORK AND CURRENCY EFFECTS

	Net Sales			Like-for-Like[1]
(€ million)	Q1 2021	Q1 2020	Change (%)	vs Q1 2020
Spain	1,044.5	1,059.9	-1.5%	-0.9%
Portugal	150.0	148.9	0.7%	-2.5%
Brazil	179.7	251.5	-28.5%	7.0%
Argentina[2]	197.4	235.8	-16.3%	-2.3%
Total Group	1,571.6	1,696.1	-7.3%	-0.4%
Total Stores[3]	6,100	6,506	-6.2%	

1. See APMs for definition
2. Net Sales expressed at IAS29
3. At end of period

- Strong Like-for-Like in January and February on improved commercial and operational performance
- March performance affected by comparison with period of exceptional Covid-19 pre-lockdown stockpiling in 2020 in all markets

NET SALES AFFECTED BY STREAMLINED STORE NETWORK AND CURRENCY EFFECTS

Key Highlights

SPAIN

Net Sales growth and Like-for-Like growth showed solid trend in January and February despite 6.1% fewer stores. March performance affected by challenging comparison base in Q1 20 during pre-lock down stockpiling

PORTUGAL

Good performance in January and February despite opening hours restrictions. March affected by challenging Q1 20 comparison

BRAZIL

Brazil´s Like-for-Like performance resilient in the quarter. Net Sales down 4.1% in local currency(1) despite 14.2% fewer stores following sale of underperforming locations

ARGENTINA

Net Sales up 27.2% in local currency(2) on the back of improved operational performance in a challenging macroeconomic environment

1. 26% devaluation of Brazilian Real in the period.
2. 36% devaluation of Argentinean Peso in the period.

IMPROVEMENT IN ADJUSTED EBITDA DRIVEN BY BUSSINESS TRANSFORMATION

Adjusted EBITDA[1] (€ million)	Q1 2021	Q1 2020	Change (%)
Total Group	**7.1**	(0.5)	n/a
Spain	**9.9**	1.8	450.0%
Portugal	**2.3**	0.8	187.5%
Brazil	**(8.0)**	(5.3)	50.9%
Argentina	**2.9**	2.2	31.8%

1. See APMs for definition

POSITIVE GROUP ADJUSTED EBITDA

Key Highlights

SPAIN

Increased 70bps (as % of Net Sales) on the back of transformational measures adopted since early 2020

PORTUGAL

Increased 90bps thanks to implementation of operational excellence measures

BRAZIL

Q1 negatively affected by resolving legacy franchisee issues

ARGENTINA

Increased 60bps, supported by cost reduction plan

BALANCE SHEET - STABLE TRADE WORKING CAPITAL

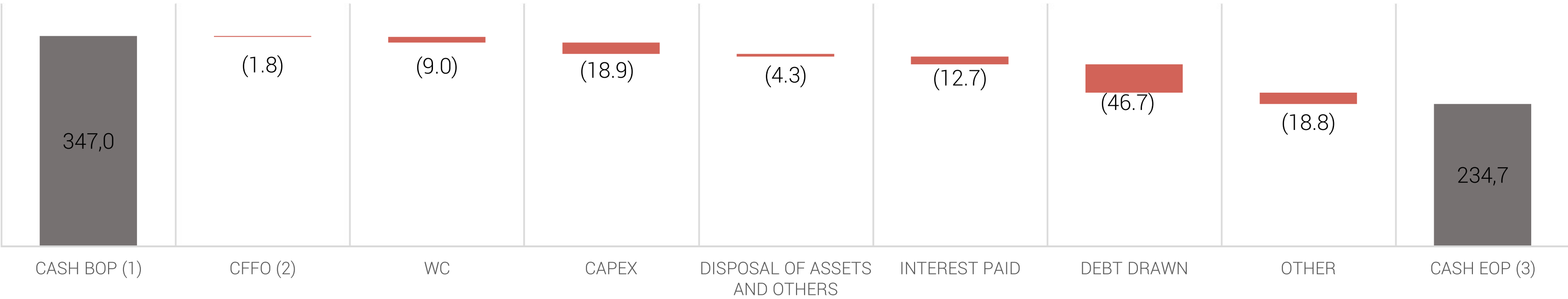
(€ million)	Q1 2021	2020
Non-current assets	**2,011.1**	2,044.6
Inventories	**431.5**	445.8
Trade & Other receivables	**138.2**	128.4
Other current assets	**67.4**	69.3
Cash & Cash equivalents	**234.7**	347.0
Non-current assets held for sale	**0.2**	0.4
Total Assets	**2,883.1**	3,035.4
Total equity	**(758.7)**	(697.2)
Long-term debt	**1,608.6**	1,625.8
Short-term debt	**558.4**	589.0
Trade & Other payables	**1,169.9**	1,183.4
Provisions & Other liabilities	**304.9**	334.4
Liabilities associated with assets held for sale	**-**	-
Total Equity & Liabilities	**2,883.1**	3,035.4

Key Highlights

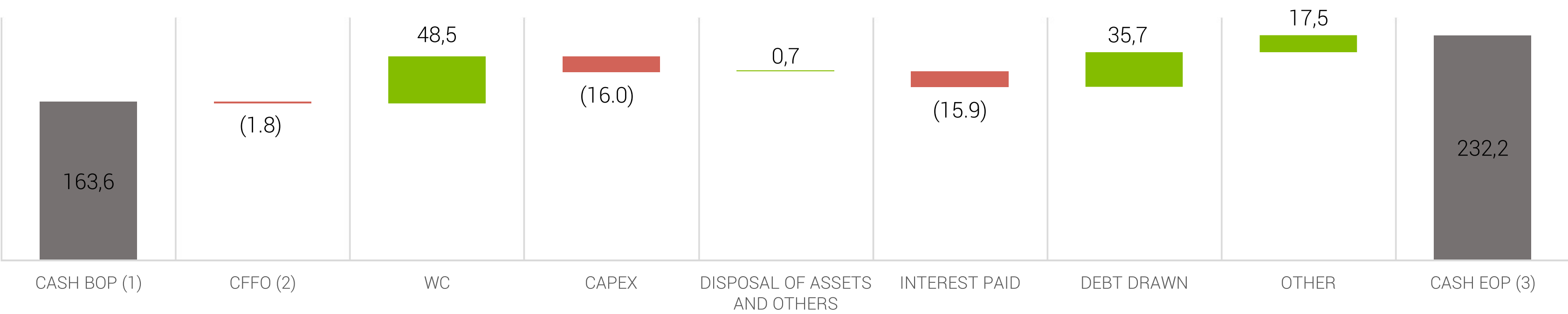
- **Trade Working Capital** stable during the quarter; improved relationships with credit insurance agencies and suppliers
- **Shareholders' equity balance of Parent Company** of negative 47.9m (negative 41.8m as of December 2020)
- **Recapitalization and refinancing transaction** in progress to strengthen Balance Sheet and provide long term sustainable capital structure

SEASONAL CASH FLOW EFFECTS AND STABLE TRADE WORKING CAPITAL

Q1 2021 Cash Flow Evolution (€ million)



Q1 2020 Cash Flow Evolution (€ million)



1. Beginning of Period
2. CFFO calculated as "Net Cash from Operations before changes in Working Capital" less "Payment of Financial Leases"
3. End of Period

RECAPITALIZATION AND REFINANCING AGREEMENT – KEY TERMS

- **Capital increase for a total amount of c. €1,028m** in two tranches:
  - **L1R to convert c. €769m debt into equity:** €200m L1R Super Senior Facility; €293m 2021 Bonds; €7m loan; €269m 2023 Bonds
  - **Cash tranche of c. €259m** reserved for shareholders other than L1R
- **Amendment of c. €902m syndicated facilities** to extend maturity to December 2025, among others
- **Amendment of remaining c. €31m 2023 Bonds** to extend maturity to June 2026 and increase the interest to 3.5%
- **Extension of maturities** of certain bilateral facilities and credit lines
- Closing expected **at the beginning of Q3 2021** and no later than end of October 2021

REDUCES FINANCIAL INDEBTEDNESS

STRENGTHENS NET EQUITY POSITION

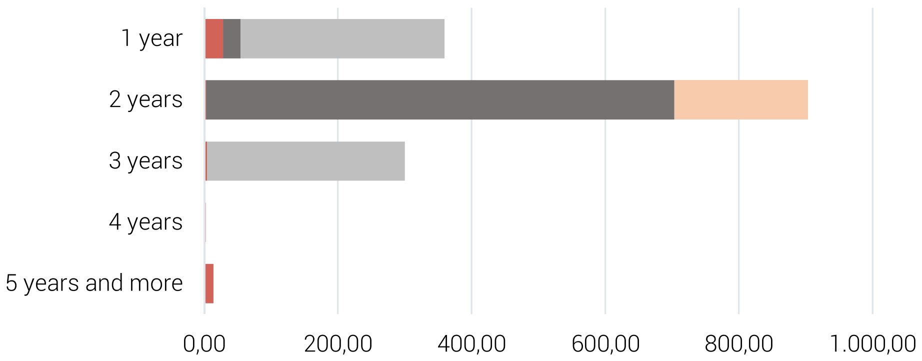
ELIMINATES MID-TERM REFINANCING RISK

ENSURES OPERATIONAL FINANCING

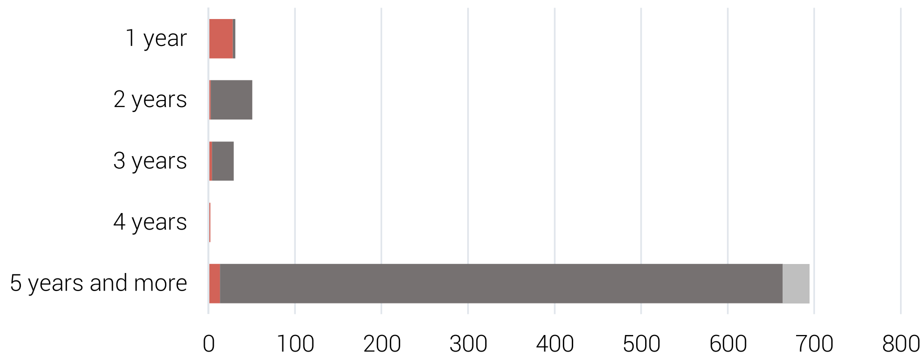
SOLID LONG-TERM CAPITAL STRUCTURE

SOLID LONG TERM CAPITAL STRUCTURE

Debt Maturity Profile(1)



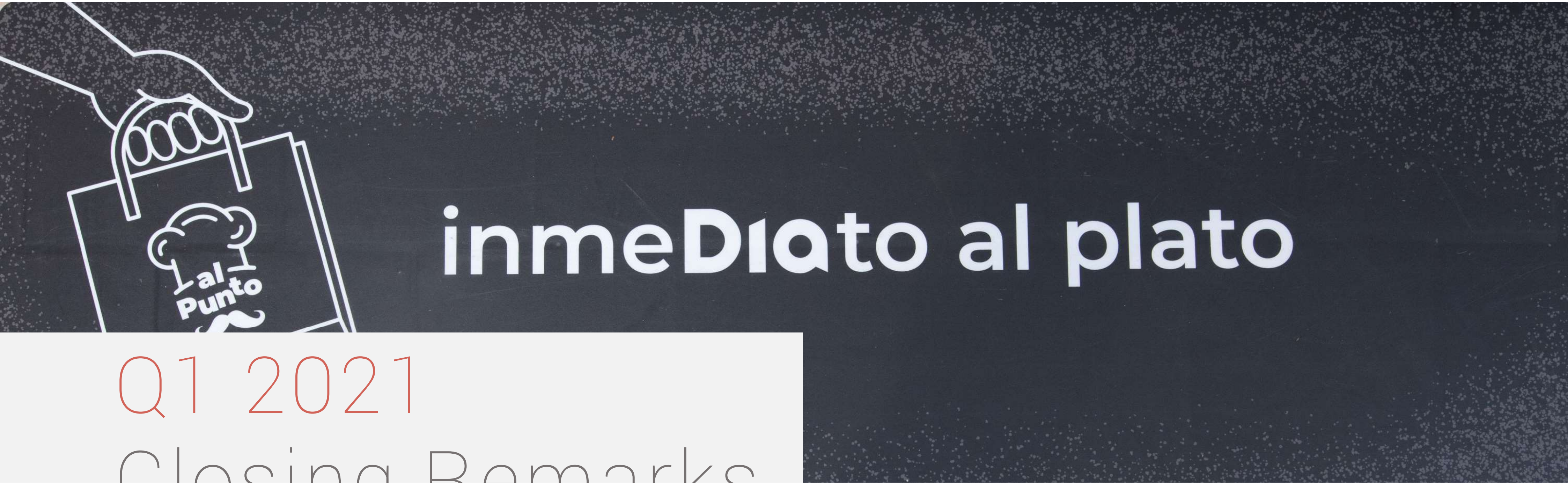
Post-Transaction Debt Maturity Profile(1)



Non syndicate facilities & Others
Financing from Syndicated Lenders
Bonds & equivalent debt
L1R Super Senior Loan

- Net financial debt of 1.34bn at March 2021 (which excludes 588m related to the application of IFRS16), increased 68m compared to December 2020
- Liquidity 293.4m at the end of March 2021 vs 397.0m at year end 2020, 80.0% in the form of Cash & Cash equivalents
- Recapitalization and refinancing transaction will reduce net financial debt in c.55-75% and extend maturities to years 2025/2026

(1) Excluding IFRS16



Q1 2021
Closing Remarks

CLOSING REMARKS

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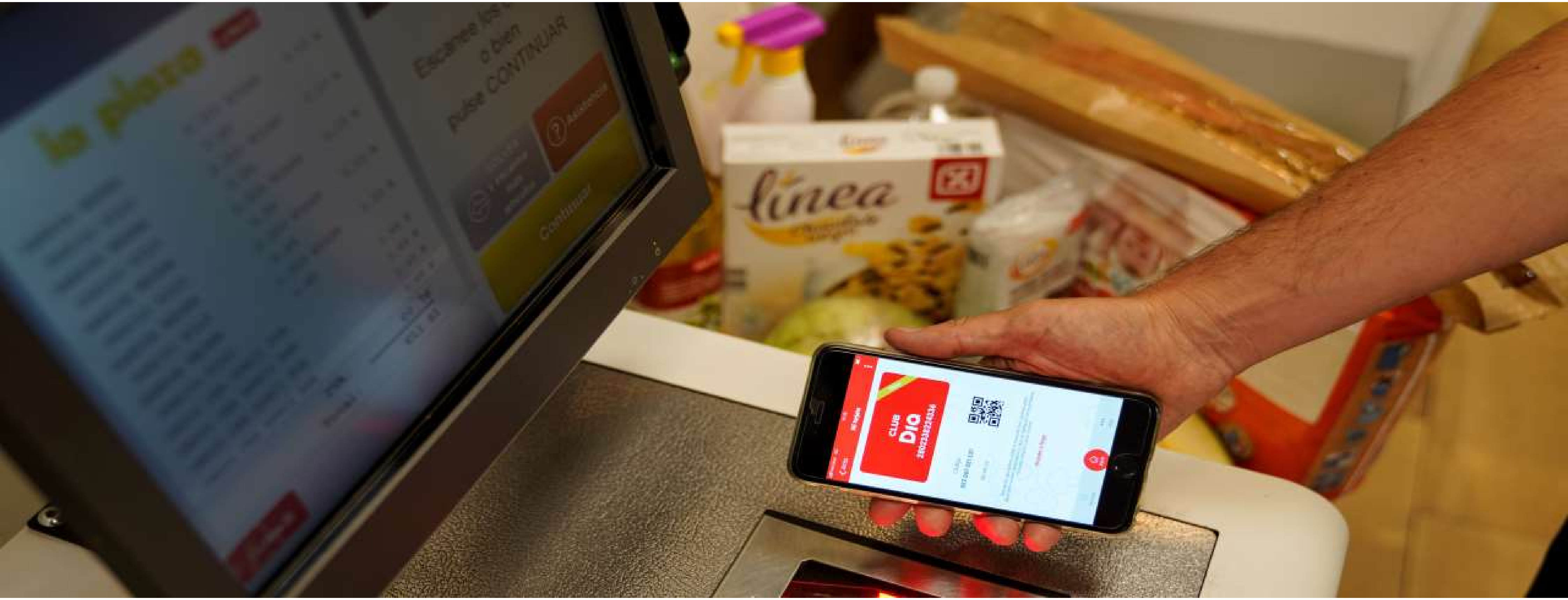
2021 – challenging performance comparison for the grocery retail industry due to comparison with extraordinary 2020 in-home consumption levels related to Covid-19 restrictions. Cautious about post-Covid environment

2021 Priorities focused on continued evolution of customer centric modern proximity retailer, supported by the strengthened franchise model and innovative online and express delivery solutions, showing Adjusted EBITDA improvement

Clear strategic roadmap driving DIA's purpose – to become closer to our Customers, Franchisees, Suppliers and Employees



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