

Dia Group reaches 4,642 million euros in net sales⁶ for the first nine months of the year, with like-for-like⁶ sales growth of 4.5% and consolidates its position in Spain and Argentina

Third quarter and September year-to-date 2023 Trading Update:

- **Dia Group's net sales⁶** totalled 1,626.6 million euros in the third quarter, 3.7% less than in the same period of 2022, as a result of the impact of the devaluation of the Argentine peso in Argentina, partially offset by the solid performance in Spain. The Group's net sales⁶ grew 3.0% from January to September, reaching 4,641.6 million euros.
- The **Group's like-for-like⁶ sales** increased by 3.1% in the third quarter with growth in all markets except Brazil. In the first nine months of 2023, they grew by 4.5%.
- In **Spain**, gross sales under banner⁶ reached 1,280.2 million euros in the third quarter, 8.3% above last year. Like-for-like⁶ sales increased by 9.7% in the same period. In the first nine months of the year, like-for-like⁶ sales grew by 12.0%. Spain's good performance continues to be evidenced by the growth of market share (at comparable sales areas) for over 12 months, proof of the strength of the transformation carried out.
- In **Argentina**, net sales increased by 3% in euros during the third quarter but suffered a negative exchange rate effect of -23%, thus closing the quarter at -20% to reach 377.0 million euros. Like-for-like sales in the third quarter increased by 1.0% (measured in number of units), despite the negative macroeconomic context of the Argentine market. In these first nine months of the year, Dia continues to gain market share, consolidating its position as the second largest player in the country and market leader within the city of Buenos Aires.
- In **Brazil**, net sales contracted by 22.4% to 182.1 million euros. The tough market context with falling food retail sales and the shift in product mix that Dia has implemented since the beginning of the year (focused on reducing the weight of categories with lower margins and far from our concept of proximity), is affecting commercial performance.
- In **Portugal**, like-for-like sales increased by 1.1% in the third quarter. Net sales reached 163.4 million euros (+2.5% vs. 3Q22), offsetting the 2% reduction in the store network.

THIRD QUARTER AND ACCUMULATED 9 MONTHS 2023 TRADING UPDATE

Q3 2023 Sales Breakdown	GSUB ¹			Net Sales ²			Like-for-Like ³ Sales
	3Q23	3Q22	Var. (%)	3Q23	3Q22	Var. (%)	3Q23 vs. 3Q22
(in millions of euros)							
Spain	1,371.6	1,411.6	(2.8%)	1,139.0	1,174.1	(3.0%)	9.3%
Excl. Stores under disposal ⁵ and Clarel	1,280.2	1,182.3	8.3%	1,067.5	981.0	8.8%	9.7%
Argentina	465.5	1,084.1	(57.1%)	377.0	473.3	(20.3%)	1.0%
Brazil	228.3	263.3	(13.3%)	182.1	234.6	(22.4%)	(18.4%)
Portugal	221.4	223.0	(0.7%)	163.4	159.4	2.5%	1.1%
Group Total	2,286.8	2,982.0	(23.3%)	1,861.5	2,041.4	(8.8%)	3.0%
Group Total Excl. stores under disposal⁵, Clarel and Portugal	1,973.9	2,529.7	(22.0%)	1,626.6	1,688.9	(3.7%)	3.1%

9M 2023 Sales Breakdown	GSUB ¹			Net Sales ²			Like-for-Like ³ Sales
	9M23	9M22	Var. (%)	9M23	9M22	Var. (%)	9M23 vs. 9M22
(in millions of euros)							
Spain	4,045.3	3,913.0	3.4%	3,379.9	3,269.6	3.4%	11.6%
Excl. Stores under disposal ⁵ and Clarel	3,610.3	3,265.5	10.6%	3,015.6	2,713.9	11.1%	12.0%
Argentina	1,372.7	2,699.7	(49.2%)	1,078.4	1,125.3	(4.2%)	(0.1%)
Brazil	682.9	743.3	(8.1%)	547.5	669.2	(18.2%)	(11.9%)
Portugal	623.4	609.9	2.2%	458.0	442.4	3.5%	5.3%
Group Total	6,724.2	7,965.8	(15.6%)	5,463.9	5,506.6	(0.8%)	4.7%
Group Total Excl. stores under disposal⁵, Clarel and Portugal	5,665.8	6,708.5	(15.5%)	4,641.6	4,508.4	3.0%	4.5%

Store Breakdown (in number of stores)	9M23	9M22	Var.	Var. (%)
Spain	3,338	3,680	(342)	(9.3%)
Excl. Stores under disposal ⁵ and Clarel	2,328	2,432	(104)	(4.3%)
Argentina	1,042	958	84	8.8%
Brazil	598	613	(15)	(2.4%)
Portugal	459	469	(10)	(2.1%)
Group Total	5,437	5,720	(283)	(4.9%)
Group Total Excl. stores under disposal⁵, Clarel and Portugal	3,968	4,003	(35)	(0.9%)

Operational evolution between January and September 2023

Out of the 3,968 Dia Group stores at the end of the third quarter (excluding 1,010 Clarel stores and 459 Dia Portugal stores), 2,808 are already operating under the new model, equivalent to 71% of our network led by Spain and Argentina. During the period, 58 stores were refurbished and 28 stores were opened. By country, Spain has 1,971 stores operating under the new model (85% of its network); Argentina has 822 (79% of its network) and Brazil 15 (3% of its network), all of them showing positive and sustainable returns in the current challenging environment.

The number of tickets maintained a positive trend, with an increase of 6.1% between January and September at Group level, with a 1.3% reduction in the size of the average basket. This performance is aligned with the change in consumer habits, and highlights the success of betting on a local store that offers a complete assortment, fresh products and high-quality Dia brand products at affordable prices. Dia is an ally of household savings and, even moreso in contexts such as the current one, confidence in Dia brand products is evidenced by their weight in the shopping basket, which rose to 54% in Spain, 29% in Argentina and 23% in Brazil.

Corporate transactions update

In 2022, the company announced two relevant operations for store footprint in Spain with the aim of advancing its strategy focused on proximity food retail. The sale of a group of large-format stores to Alcampo, which has already been fully executed, and the sale of Clarel, the business unit devoted to personal and home care.

Regarding the Clarel transaction, on August 1st, 2023, the company announced to the CNMV that the buyer did not comply with the precedent conditions agreed upon. Therefore, the transaction has been terminated. Grupo Dia continues to evaluate strategic options for the sale of the Clarel business.

Likewise, on August 3rd, 2023, the company communicated to the CNMV that an agreement was reached with Auchan, subject to the fulfillment of certain precedent conditions, for the sale of its business in Portugal for an estimated value of 155 million euros.

Assessment by Martín Tolcachir, Global CEO of Dia Group:

"Dia Groups ends the third quarter of the year with a solid performance in Spain and Argentina, as shown by positive like-for-like sales, and a year-to-date figure that confirms the strength of our proximity strategy in this challenging environment.

The business in Spain is progressing at a good pace, reaping the benefits of the new value proposition and growing positively in gross, net and comparable sales. The strength of the Spanish market has made it possible to offset part of the negative impact of the Argentine currency, a business unit in which we continue to advance in market share and whose operational performance is very positive considering the complex macroeconomic context.

Performance in Brazil continues to be affected by a market that is losing volume in all formats.

I want to thank the effort and daily commitment of our team and our network of franchisees. Together we realize our ambition to be our customers' favorite neighborhood and online store. We are closer to our customers every day and this allows us to continue growing."

NOTES:

1. Gross Sales Under Banner (GSUB) as defined in the Consolidated Management Report for the first half of 2022. Total value of the turnover obtained in the stores at current exchange rates, including all indirect taxes (cash ticket value) and in all the Company's stores, both owned and franchised. In the case of Argentina, Gross Sales Under Banner are penalized twice over, since the inflation between the two periods is not considered, but the devaluation effect is taken into account.
2. Net sales expressed at current exchange rates and applying IAS 29 "Financial reporting in hyperinflationary economies" in Argentina, i.e. sales affected by devaluation and exchange rates.
3. Represents the growth rate of Gross Sales Under Banner (GSUB) at a constant exchange rate of those stores that have operated for a period greater than twelve months and one day under similar business circumstances. The figures corresponding to Like-for-Like sales in Argentina have been adjusted to reflect the variation in volume (units), avoiding erroneous calculations due to the effect of hyperinflation.
4. At the end of the period.
5. Excluding the sale of the 223 stores of the asset sale agreement reached with Alcampo, announced by the company on August 2nd, 2022 and fully executed during the first half of 2023.
6. Excludes the store sales which refers to the store transfers to Alcampo in Spain, the sale of the Clarel business and the sale of the Dia Portugal business.

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