

## Dia Spain delivered an excellent performance in the first quarter of the year (+6.3% LfL) and Argentina maintained its positive market share momentum in a challenging context

Sales breakdown (in millions of euros)	Gross Sales Under Banner <sup>1</sup>				Net Sales <sup>2</sup>		
	1Q24	Like-for-Like <sup>3</sup>	Total variation		1Q24	Total variation	
			At current exchange rates	At constant exchange rates		At current exchange rates	At constant exchange rates
Spain continued <sup>5</sup>	1,181.7	6.3%	6.3%	6.3%	988.5	6.1%	6.1%
Argentina pre-IAS29	420.8	(7.3%)	(5.9%)	313.4%	333.9	(5.6%)	313.4%
<b>Subtotal</b>	<b>1,602.5</b>	<b>(2.2%)</b>	<b>2.8%</b>	<b>94.3%</b>	<b>1,322.4</b>	<b>2.9%</b>	<b>90.7%</b>
Brazil	201.4	(10.4%)	(10.6%)	(13.8%)	161.3	(11.7%)	(14.8%)
<b>Group total continued<sup>5</sup></b>	<b>1,803.9</b>	<b>(2.8%)</b>	<b>1.1%</b>	<b>80.7%</b>	<b>1,483.7</b>	<b>1.1%</b>	<b>77.6%</b>
Spain discontinued <sup>6</sup>	79.3	(0.1%)	(62.7%)	(62.7%)	62.8	(66.3%)	(66.3%)
Portugal	186.4	(1.3%)	(2.9%)	(2.9%)	136.5	(2.9%)	(2.9%)
<b>Group total pre-IAS29</b>	<b>2,069.6</b>	<b>(2.6%)</b>	<b>(5.5%)</b>	<b>59.4%</b>	<b>1,683.0</b>	<b>(6.2%)</b>	<b>56.4%</b>
IAS29					37.7	-	-
<b>Group total post-IAS29</b>					<b>1,720.7</b>	<b>(3.4%)</b>	<b>57.5%</b>

### Grupo continued<sup>5</sup>

- Q1 2024 was characterized by the strength of our business in Spain, the resilience of Dia Argentina, gaining market share despite the context, and the restructuring process that led to Dia Brazil's request for a Judicial Recovery, as has already been communicated to the market.
- Group continued<sup>5</sup> **like-for-like sales<sup>3</sup>** for 1Q24 decreased 2.8% vs. 1Q23 impacted by the consumption contraction in Argentina and Brazil's results, partially offset by Spain's growth.
- Net sales<sup>2</sup>** reached 1,484 million euros, up 1.1% vs. 1Q23.
- The Group's positive performance was affected by the sharp devaluation of the Argentine peso, negatively impacting sales.

### Spain continued<sup>5</sup>

- In **Spain, Gross sales under banner<sup>1</sup>** reached 1,182 million euros in 1Q24, 6.3% more than in 1Q23, with the online channel growing at 25.8%.
- Like-for-like sales (LfL)** increased by 6.3% in the same period. The good performance of the business in Spain has allowed us to link two consecutive years of growth in like-for-like sales.
- Net sales** increased 6.1% vs. 1Q23 to reach 988 million euros.
- The **gain in market share at comparable surfaces** continues, ratifying the solidity of the transformation carried out.
- The good performance of the 30 store openings (carried out within the last 12 months) has compensated for the closure of 77 stores (excluding the sale of stores to Alcampo).

### Argentina

- In **Argentina, Gross sales under banner** reached 421 million euros in 1Q24, impacted by the exchange rate correction.
- Like-for-like sales (LfL)** in 1Q24 fell by 7.3% (measured in number of units), explained by the macroeconomic market context, where a contraction in consumption continues to be evidenced. Despite this reduction, Dia continues to **gain market share** nationwide, and **lead** in the city of Buenos Aires, where it focuses its operations.
- Net sales** fell by 5.6% to 334 million euros.
- The devaluation of the exchange rate has been partially offset by the network's expansion by 39 stores (3.9% growth).

## Brazil

- In **Brazil, Gross sales under banner** contracted by 10.6% to 201 million euros in 1Q24, with **LfL** of -10.4% and **net sales** of 161 million euros.
- The network contraction of 19 stores (3.1% reduction) has been partially offset by the benefit of exchange rate appreciation.
- The persistent negative results in the country have led Dia Brazil to initiate a **restructuring** process that has led to Dia Brazil's request for a Judicial Recovery, as has already been communicated to the market.

## 2024 Operational Evolution: Spain and Argentina progress through their roadmap as Brazil focuses on the restructuring (and Judicial Recovery)

- **Spain:**
  - The number of tickets and the frequency of purchases maintained a positive trend, with an increase of 7.3% in 1Q23 and a decrease in the average basket size of 1.0%, ratifying the success of the commitment to proximity. The success of the strategy has also resulted in the sustained gain of market share on a like-for-like basis.
  - Having completed the fundamental elements of Dia Spain's transformation, our priority for 2024 is focused on organic growth. During 1Q24 we have increased our sales density by +12.3% vs. 1Q23, demonstrating the power of the actions implemented. This growth has been possible thanks to the following four strategic levers:
    - The improvements of Club Dia and the digitalization of customers, increasing customer loyalty.
    - Work on the assortment of fresh products, increasing the frequency of visits.
    - The renewal of the assortment, combining the best national brands with the new Dia brand (which already represents 57.5% of the basket, +2.9pp vs. 1Q23).
    - The improvements implemented in the online platform (with a renewed website and app), which have managed to increase digital sales by 25.8% vs. 1Q23, in addition to earning great recognition for the quality of the service.
  - During the first quarter of 2024, there has been 1 opening and 8 closings. Thus, of the 2,311 stores at the end of 1Q24 (excluding 992 Clarel stores), 2,003 stores have been refurbished since 2021 and are already operating under the new model (87% of our network).
- **Argentina:**
  - In a market context of consumption contraction, Dia Argentina has managed to gain market share at the national level, consolidating its leadership position in the Buenos Aires region, where it focuses its operations.
  - Dia Argentina's value proposition has been rewarded in this period thanks to price differentiation and its commitment to a high-quality own labelled brand that has allowed our customers to better cope with widespread inflation. Thus, the weight of the private label has increased by +1.7pp vs. 1Q23 (up to 33.3%).
  - Inflation and generalized uncertainty have caused consumers to increase the number of store visits by making smaller purchases. Our proximity model has been favored by this change in habits, responding positively with an increase in the number of tickets of +7.9% vs. 1Q23.
  - Despite Dia Argentina's strong operating performance, its contribution to the Group's sales has been impacted by the devaluation of the peso (76% vs. 1Q23).
  - At the end of 1Q24, 865 of the 1,048 stores in the country operate under the new model, 83% of the network. Given the difficult and uncertain macroeconomic context, and with the aim of protecting cash during 1Q24, the strategic selection of new locations has been prioritized and only 2 openings have been made.
- **Brazil:**
  - As communicated to the market in March, Dia Brazil is immersed in a restructuring process and Judicial Recovery.
  - During 2Q24 Dia Brazil will continue to focus on its restructuring process (and Judicial Recovery), negotiating with suppliers to normalize the activity of operating stores, as well as reorganizing the business to adapt it to its new reality.

## Clarel & Portugal corporate operations update

In 2023, the company announced two relevant corporate operations in line with its strategy to focus on local food distribution where it has growth potential:

- As communicated to the market through the publication of Other Relevant Information, complementary to another Inside Information, dated December 5<sup>th</sup>, 2023, the sale of Clarel to the Trinity Group occurred on April 1<sup>st</sup>, 2024.
- Likewise, on August 3<sup>rd</sup>, 2023, the company communicated, through a publication of Inside Information to the CNMV, that an agreement had been reached with Auchan, subject to the fulfillment of certain conditions precedent, for the sale of its business in Portugal. This agreement is pending approval by the Portuguese competition authorities. The company estimates that the closing of this agreement and the transfer of the business in Portugal will take place during the first half of 2024.

## Priorities for 2024:

1. Spain. Organic growth driven by the strengths of the value proposition, reducing Capex needs. This growth will be underpinned by 4 defined strategic levers:
  - Increasing loyalty through Club Dia.
  - Increased frequency and number of visits thanks to an improved assortment of fresh products.
  - The increase in the size of the average basket thanks to the continuous review and innovation within the assortment, combining the best national brands with a renewed Dia brand.
  - The improvement and growth of the online channel and the digitalization of our customers.
2. Argentina. Leveraging the value proposition (quality and price), Dia brand gaining weight and increasing the number of visits thanks to the proximity model that allows it to continue gaining market share.
3. Brazil. Completion of the restructuring process (and Judicial Recovery), giving continuity to the operations in the stores and financial stability to the business.

## Assessment by Martín Tolcachir, Global CEO of Dia Group:

*"The strength of Dia Spain's business was once again demonstrated in the first quarter of the year, with a like-for-like increase in sales that allows us to link two consecutive years of growth, and net sales that endorse the success of our unique value proposition in proximity. We are the neighborhood and online store where you can make a quick and easy purchase. We offer a complete assortment, with fresh products and a balance between national brands and excellent Dia products at affordable prices. A proposal that completes our Club Dia, a key savings lever for households, which also allows us to personalize offers and promotions and adapt the shopping experience to the needs of each customer to strengthen their loyalty.*

*In Argentina, the excellent operational performance has allowed us to advance in market share in the first quarter of the year, in a context of falling consumption and with a result impacted by the exchange rate correction.*

*As for Dia Brazil, the persistent negative results of this business unit have led to the start of a restructuring process that has led to Dia Brazil's request for a Judicial Recovery as has been communicated to the market, with the aim of trying to overcome its current economic and financial situation.*

*I want to thank the entire Dia team, our franchisees and suppliers. Their commitment and confidence to face a complex context such as the current one is essential to continue promoting a winning value proposition that shows our passion for the customer. Together, we have built a strong business, capable of consolidating the progress made with the renewed ambition to be our customers' favorite neighborhood and online store."*

## NOTES:

1. *Gross Sales Under Banner as defined in the 2023 Consolidated Annual Accounts. 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.*
2. *Net sales expressed at current exchange rates. In certain totals and subtotals, IAS 29 "Financial Information in Hyperinflationary Economies" corresponding to Argentina is applied, i.e. sales affected by devaluation and exchange rate.*
3. *Represents the growth rate of Gross Sales Under Banner at constant exchange rates 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).*
4. *At the end of the period.*
5. *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.*
6. *It exclusively represents the sale of the 223 stores of the asset sale agreement reached with Alcampo, concluded during the first half of 2023, and the sale of the Clarel business.*

## STORE BREAKDOWN FOR 1Q 2024

Store breakdown <sup>4</sup> (in number of stores)	1Q23	1Q24	Var.	Var. (%)
Spain continued <sup>5</sup>	2,358	2,311	(47)	(2.0%)
Argentina	1,009	1,048	39	3.9%
Brazil	606	587	(19)	(3.1%)
<b>Group total continued<sup>5</sup></b>	<b>3,973</b>	<b>3,946</b>	<b>(27)</b>	<b>(0.7%)</b>
Spain discontinued <sup>6</sup>	1,152	992	(160)	(13.9%)
Portugal	462	456	(6)	(1.3%)
<b>Group total</b>	<b>5,587</b>	<b>5,394</b>	<b>(193)</b>	<b>(3.5%)</b>

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