Report on Limited Review

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.
AND SUBSIDIARIES
Condensed Interim Consolidated Financial Statements
and Consolidated Interim Management Report
for the six months ended
June 30th, 2024

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REPORT ON LIMITED REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. at the request of the Company's directors:

Report on the condensed interim consolidated financial statements

Introduction

We have carried out a limited review of the accompanying condensed interim consolidated financial statements (hereinafter the interim financial statements) of Distribuidora Internacional de Alimentación, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the statement of financial position at June 30th, 2024, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the explanatory notes thereto, all of which have been condensed and consolidated, for the six months then ended. The parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," as adopted by the European Union for the preparation of condensed interim financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists in making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim financial statements for the six months ended June 30th, 2024 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of condensed interim financial statements.

Emphasis-of-matter paragraph

We draw attention to the matter described in Note 2 of the accompanying explanatory notes, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31st, 2023. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying consolidated interim management report for the six months ended June 30th, 2024 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six months ended June 30th, 2024. Our work is limited to verifying the consolidated interim management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of Distribuidora Internacional de Alimentación, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Company's directors with regard to the publication of the semi-annual financial report required by article 100 of Law 6/2023 on Securities Market and Investment Service on March 17.

ERNST & YOUNG, S.L.

(Signed on the original Spanish version)

María del Tránsito Rodríguez Alonso

July 29, 2024

Cada día
más cerca

Condensed Interim Consolidated Financial Statements and Condensed Interim Consolidated Management Report for the six months ended 30 June 2024

30/06/2024

Distribuidora Internacional de Alimentación, S.A. and Subsidiaries

(Together with the Limited Review Report)

Free translation from the original in Spanish. In the event of discrepancy, the spanish-language version prevails.

Condensed Consolidated Statement of Financial Position

At 30 June 2024
(Thousands of euros)

ASSETS	Note	30/06/2024	31/12/2023
NON-CURRENT ASSETS:			
Property, plant and equipment	4	703,760	634,973
Goodwill	5.1	285,179	285,179
Right-of-use assets	6.1	397,991	391,609
Other intangible assets	5.2	29,206	30,574
Investments accounted for using the equity method		338	338
Trade debtors and other receivables	7.1	252	10,799
Other financial assets	7.2	47,314	60,168
Tax assets	15	—	63,618
Income tax assets	15	43,490	—
Total non-current assets		**1,507,530**	**1,477,258**
CURRENT ASSETS			
Inventories	9	293,716	315,005
Trade debtors and other receivables	7.1	148,791	161,189
Tax assets	15	15,570	36,973
Income tax assets	15	30,537	71,900
Other financial assets	7.2	2,977	14,496
Other assets	8	13,220	9,596
Cash and cash equivalents	10	106,814	131,061
		611,625	**740,220**
Non-current assets held for sale	11	—	409,857
Total current assets		**611,625**	**1,150,077**
TOTAL ASSETS		**2,119,155**	**2,627,335**

EQUITY AND LIABILITIES	Note	30/06/2024	31/12/2023
EQUITY:			
Capital	12,1	580,655	580,655
Share premium	12.2	1,058,873	1,058,873
Reserves and retained earnings	12.3	(1,597,637)	(1,567,395)
Own shares	12.4a)	(3,150)	(3,150)
Other own equity instruments	12.4b) and 16	1,433	1,075
Net result for the period	12.3	(93,502)	(30,242)
Translation differences	12.5	(15,479)	(107,182)
Value adjustments due to hedging transactions		(634)	(761)
Equity attributable to holders of the parent company's equity instruments		**(69,441)**	**(68,127)**
NON-CURRENT LIABILITIES:			
Financial debt	13,1	407,142	457,570
Lease liabilities	6.2 and 13.1	288,682	285,408
Provisions	14	53,988	92,680
Other financial liabilities	13,2	368	193
Deferred tax liabilities	15	78,629	43,136
Total non-current liabilities		**828,809**	**878,987**
CURRENT LIABILITIES:			
Financial debt	13,1	15,705	77,287
Lease liabilities	6.2 and 13.1	145,451	143,665
Trade creditors and other accounts payable	13.3	1,023,040	1,091,471
Tax liabilities	15	38,167	41,446
Income tax liabilities	15	4,101	10,377
Other financial liabilities	13,4	133,323	149,778
		1,359,787	**1,514,024**
Liabilities directly associated with non-current assets held for sale	11	—	302,451
Total current liabilities		**1,359,787**	**1,816,475**
TOTAL LIABILITIES AND EQUITY		**2,119,155**	**2,627,335**

Notes 1 to 22 in the explanatory notes form part of the condensed interim consolidated financial statements for the six months ended 30 June 2024.

Condensed Consolidated Income Statement

For the six-month period ended 30 June 2024
(Thousands of euros)

	Note	30/06/2024	Restated (*) 30/06/2023
Revenues	3 and 17.1	2,816,419	2,649,514
Other income	18.1	8,358	8,896
TOTAL INCOME		**2,824,777**	**2,658,410**
Goods and other consumables used	18.2	(2,159,017)	(1,989,026)
Personnel expenses	18.3	(270,328)	(282,202)
Other operating expenses	18.4	(273,153)	(283,849)
Depreciation of right-of-use assets	18.5	(75,313)	(72,056)
Depreciation and amortisation	18.5	(72,229)	(65,775)
Net impairment losses	18.5	(502)	1,185
Result of non-current asset derecognition	18.6	(7,934)	(12,684)
RESULTS FROM OPERATING ACTIVITIES		**(33,699)**	**(45,997)**
Financial income	18.7	21,636	32,264
Financial expenses of leases	18.7	(28,300)	(20,839)
Other financial expenses	18,7	(44,486)	(32,967)
Result from net monetary position	18.9	102,192	64,170
FINANCIAL RESULT		**51,042**	**42,628**
Result of companies accounted for using the equity method		—	(5)
NET RESULT BEFORE TAX FROM CONTINUING OPERATIONS		**17,343**	**(3,374)**
Income tax	15	(1,763)	(27,040)
RESULT AFTER TAX FROM CONTINUING OPERATIONS		**15,580**	**(30,414)**
Result from discontinued operations	11	(109,082)	(36,789)
NET RESULT FOR THE PERIOD		**(93,502)**	**(67,203)**
Attributed to:			
Holders of the parent company's equity instruments		(93,502)	(67,203)
Basic and diluted result per share, in euros			
Continuing operations		0.0003	(0.0005)
Discontinued operations		(0.0019)	(0.0006)
Result for the period		(0.0016)	(0.0011)

Notes 1 to 22 in the explanatory notes form part of the condensed interim consolidated financial statements for the six months ended 30 June 2024.

(*) Data restated as a result of the classification of discontinued operations of the Brazil business (Note 11).

Condensed Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2024
(Thousands of euros)

	2024 30 June	2023 30 June
Net result for the period	**(93,502)**	**(67,203)**
Other comprehensive income:		
Items not to be reclassified to the income statement	—	—
Items that may be reclassified to the income statement		
Translation differences of financial statements of foreign operations	91,703	8,481
	91,703	**8,481**
Value adjustments due to hedging transactions	127	(674)
	127	**(674)**
Other comprehensive income for the period, net of taxes	**91,830**	**7,807**
Total comprehensive income for the period, net of taxes	**(1,672)**	**(59,396)**
Attributed to:		
Holders of the parent company's equity instruments	(1,672)	(59,396)
	(1,672)	**(59,396)**

Notes 1 to 22 in the explanatory notes form part of the condensed interim consolidated financial statements for the six months ended 30 June 2024.

Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2024
(Thousands of euros)

	Equity attributable to holders of equity instruments in the parent company									
	Issued capital	Share premium	Reserves and retained earnings	Own shares	Other own equity instruments	Result for the period attributed to the parent company	Translation differences	Value adjustments due to hedging transactions	Equity attributable to the Parent Company	Total equity
At 1 January 2023	**580,655**	**1,058,873**	**(1,443,547)**	**(3,150)**	**250**	**(123,848)**	**(64,960)**	**3,284**	**7,557**	**7,557**
Net result for the period	—	—	—	—	—	(67,203)	—	—	(67,203)	(67,203)
Other comprehensive income for the period, net of taxes	—	—	—	—	—	—	8,481	(674)	7,807	7,807
Total comprehensive income for the period, net of taxes	**—**	**—**	**—**	**—**	**—**	**(67,203)**	**8,481**	**(674)**	**(59,396)**	**(59,396)**
Share-based payments	—	—	—	—	545	—	—	—	545	545
Transfer of previous year's result	—	—	(123,848)	—	—	123,848	—	—	—	—
At 30 June 2023	**580,655**	**1,058,873**	**(1,567,395)**	**(3,150)**	**795**	**(67,203)**	**(56,479)**	**2,610**	**(51,294)**	**(51,294)**
At 1 January 2024	**580,655**	**1,058,873**	**(1,567,395)**	**(3,150)**	**1,075**	**(30,242)**	**(107,182)**	**(761)**	**(68,127)**	**(68,127)**
Net result for the period	—	—	—	—	—	(93,502)	—	—	(93,502)	(93,502)
Other comprehensive income for the period, net of taxes	—	—	—	—	—	—	91,703	127	91,830	91,830
Total comprehensive income for the period, net of taxes	**—**	**—**	**—**	**—**	**—**	**(93,502)**	**91,703**	**127**	**(1,672)**	**(1,672)**
Share-based payments	—	—	—	—	358	—	—	—	358	358
Transfer of previous year's result	—	—	(30,242)	—	—	30,242	—	—	—	—
At 30 June 2023	**580,655**	**1,058,873**	**(1,597,637)**	**(3,150)**	**1,433**	**(93,502)**	**(15,479)**	**(634)**	**(69,441)**	**(69,441)**

Notes 1 to 22 in the explanatory notes form part of the condensed interim consolidated financial statements for the six months ended 30 June 2024.

Condensed Consolidated Cash Flow Statement

For the six-month period ended 30 June 2024
(Thousands of euros)

	Notes	30/06/2024	Restated (*) 30/6/2023
Operating activities			
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		17,343	(3,374)
RESULT BEFORE TAX FROM DISCONTINUED OPERATIONS	11	(108,491)	(22,833)
Result before tax		**(91,148)**	**(26,207)**
Adjustments to result:		**221,958**	**159,716**
Depreciation of right of-use assets	18.5	75,313	72,056
Depreciation and amortisation	18.5	72,229	65,775
Net result on impairment of assets	18.5	502	(1,185)
Impairment of trade debtors	7.1	(664)	(784)
Result of non-current asset derecognition	18.6	6,682	12,684
Financial income	18.7	(21,636)	(32,264)
Financial expenses for leases	18.7	28,300	20,839
Other financial expenses	18.7	44,486	32,967
Changes in provisions		5,956	(3,039)
Other adjustments from discontinued operations		104,566	(3,972)
Other adjustments to profit and loss		(93,776)	(3,366)
Share in result of companies accounted for using the equity method, net of dividends		—	5
Adjustments to working capital:		**88,430**	**(10,475)**
(Increase)/Decrease trade debtors and other accounts receivables		(7,934)	14,699
(Increase)/Decrease in inventories		20,045	31,993
Increase/(Decrease) trade debtors and other accounts payables		99,157	(16,608)
(Increase)/Decrease in other assets		(4,124)	(7,846)
Increase/(Decrease) in other liabilities		(9,692)	(5,142)
Change in working capital from discontinued operations		—	(9,230)
Current income tax collected (paid)		(9,022)	(18,341)
Net cash flow from operating activities		**219,240**	**123,034**
Investment activities			
Payments due to investments in intangible assets	5.2	(3,426)	(7,475)
Development expenses	5.2	(1,774)	(1,107)
Payments due to investments in property, plant and equipment	4	(45,144)	(122,444)
Payments due to investments in financial instruments		(19,719)	(3,241)
Disposals of property, plant and equipment assets		55	3,362
Payments from other financial assets		10,550	(1,316)
Proceeds/ (payments) from the sale of discontinued operations		(25,305)	244,334
Interest collected		15,740	9,238
Net cash flows of investment activities from discontinued operations		16,911	(830)
Net cash flows of investment activities		**(52,112)**	**120,521**
Financing activities			
Lease payments	6.2	(98,156)	(111,945)
Amounts (repaid) of financial debt		(98,297)	(159,746)
Amounts coming from financial debt		3,857	20,683
Collections (payments) from other financial liabilities		16,017	4,692
Interests paid		(33,440)	(20,360)
Net cash flow of financing activities from discontinued operations		(10,554)	(24,081)
Net cash flow from financing activities		**(220,573)**	**(290,757)**
Net change in cash and cash equivalents		**(53,445)**	**(47,202)**
Effect of exchange rate changes on cash and cash equivalents		(5,056)	20,095
Cash and cash equivalents at 1 January		**131,061**	**215,819**
Cash and cash equivalents at 1 January from discontinued activities		**34,254**	**—**
Cash and cash equivalents at 30 June		**106,814**	**156,579**
Cash and cash equivalents at 30 June from discontinued activities		**—**	**32,133**

Notes 1 to 22 in the explanatory notes form part of the condensed interim consolidated financial statements for the six months ended 30 June 2024.

(*) Data restated as a result of the classification of discontinued operations of the Brazil business (Note 11)..

Explanatory notes to the Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2024

1. CORPORATE INFORMATION

Distribuidora Internacional de Alimentación, S.A. (hereinafter the Parent Company, the Company or Dia) was incorporated in Spain on 24 June 1966 as a public limited company ("sociedad anónima") for an unlimited period of time. Its registered office is located in Las Rozas, Madrid.

The Company is the head of a Group of subsidiary companies which, along with Distribuidora Internacional de Alimentación, S.A., form the Dia Group (hereinafter, the Group or Dia Group), whose main activity is retail sale of food products at self-service store, either owned or franchised. The Group opened its first establishment in Madrid in 1979.

The Company's shares have been admitted for trading on the Continuous Market of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges since 5 July 2011.

Currently, Distribuidora Internacional de Alimentación, S.A. and subsidiaries use the Dia brand and operate in the markets in Spain and Argentina.

1.1. Relevant events during the six-month period

a) Impact of the conflict in Ukraine

The Group does not have any operations or assets in Ukraine, Russia or Belarus and exposure to said markets is not considered material.

In a publication of Other Relevant Information dated 12 August 2023, the Parent Company notified the National Securities Market Commission (CNMV) that within the framework of the new international sanctions imposed by the Office of Foreign Assets Control ("OFAC") in the USA on certain persons, the Company, in accordance with the information received from the Luxembourg company LetterOne Investment Holdings, S.A. ("LIHS") and referring back to previous reports of Other Relevant Information and to the OFAC itself (FAQ 1131 of LetterOne Investment Holdings, S.A.) accessible through the following link at https://ofac.treasury.gov/faqs/1131, reiterated that no natural person shareholder of LIHS holds, either individually or jointly with other shareholders, control of LIHS and consequently the Company considers that it is not affected in any way by the aforementioned sanctions. This communication of Other Relevant Information is in complement to others of a similar nature published previously by the Company, dated respectively 28 February 2022, 15 March 2022 and 22 March 2022.

b) Corporate operations

Clarel

On 5 December 2023, the Company notified the CNMV of the sale of Beauty by Dia, S.A.U. (Clarel) to Grupo Trinity S.A.S. Completion of the transaction was, as regulated in the agreement, subject to the purchaser obtaining merger control clearance from the European Commission and/or the National Markets and Competition Commission (hereinafter CNMC) on or before 30 April 2024.

On 14 February 2024, the Dia Group received notification of compliance from CNMC, and on 1 April 2024, the sale transaction was closed and control was handed to the purchaser. At the time of handing over control, the Dia Group received 11.5 million euros, pending the potential accrual of certain additional amounts to this closing price in accordance with the Agreement. The accounting impacts on the condensed consolidated income statement at 30 June 2024 are detailed in Note 11.

Portugal

On 3 August 2023, the Parent Company notified the CNMV that, together with its indirectly wholly-owned subsidiary Luxembourg Investment Company 322 S.à r.l., it has signed a share sale agreement, under which, among others, 100% of the share capital of Dia Portugal Supermercados, S.A. will be sold to Auchan Portugal, S.A. (purchaser). The conclusion of the operation was subject to the fulfilment or renunciation, as regulated by the Agreement, of certain Conditions Precedent by 31 May 2024.

On 30 April 2024, the Parent Company notified the CNMV that, having fulfilled the Conditions Precedent, the Operation was consummated on that day and, therefore, control was transferred to the Purchaser. The amount received, net of financial debt and considering other adjustments in accordance with the terms of the Contract, was 72.7 million euros. At the date of preparing these condensed interim consolidated financial statements, the Group has received and reviewed the final price settlement from the purchaser and is currently in discussion with the purchaser to arrive at the final value. The accounting impacts on the condensed consolidated income statement at 30 June 2024 are detailed in Note 11.

Brazil

On 14 March 2024, the Parent Company informed the CNMV that as a consequence of the persistent negative results of Dia Brasil Sociedade Limitada ("Dia Brasil"), a wholly owned subsidiary of the Company, approval was given to implement a restructuring process in Dia Brasil that envisaged the strategic closure of 343 underperforming stores and three warehouses as the most urgent measure.

On 21 March 2024, the Parent Company informed the CNMV that, on 20 March 2024, Dia Brasil's application for a 'recuperaçao judicial', a restructuring process under Brazilian law, was approved in order to try to overcome its economic and financial situation.

On 31 May 2024, the Parent Company announced the sale of 100% of the share capital of Dia Brasil to MAM Asset Management through Lyra II Fundo de Investimento em Participaçoes Multiestratégia).. The sale was made at a symbolic price of 100 euros. In addition, with the aim of providing Dia Brasil with additional financial means for the continuity of its business during the recuperaçao judicial it is currently undergoing, and after the commitment made to the Purchaser, the Parent Company contributed 37 million euros for the benefit of Dia Brasil. In addition, the Parent Company has cancelled financial debts of Dia Brasil, which were guaranteed, amounting to 30.4 million euros.

On 25 June 2024, the Parent Company announced that the sale of 100% of the share capital of Dia Brasil to Lyra II Fundo de Investimento em Participações Multiestratégia had been completed following fulfilment of the condition precedent, which consisted of the authorisation by the creditors of the Parent Company's syndicated financing for the completion of the Operation. The accounting impacts on the condensed consolidated income statement at 30 June 2024 are detailed in Note 11.

2. BASIS OF PRESENTATION

2.1. Basis of preparation of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements are presented in accordance with International Accounting Standard (IAS) 34 on Interim Financial Reporting and were prepared by the Directors of the Parent Company on 29 July 2024. In accordance with IAS 34, the interim financial information is prepared solely for the purpose of updating the content of the latest consolidated annual accounts prepared by the Group, with emphasis on new activities, events and circumstances that occurred during the first half of the year and not duplicating the information previously published in the 2023 consolidated annual accounts. Therefore, the condensed interim consolidated financial statements at 30 June 2024 do not include all the information that would be required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and for a proper understanding of the information included in these condensed interim consolidated financial statements, they should be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2023.

The Dia Group has adopted the latest version of all applicable standards issued by the IASB and adopted by the European Union Regulatory Commission, whose application is mandatory from 30 June 2024. Relating to the modification of IAS 7 and IFRS 7, Dia Group has chosen not to breakdown this information in these condensed interim financial statements.

The comparison of the condensed interim consolidated financial statements is for the half-year periods ended 30 June 2024 and 2023, except for the condensed consolidated statement of financial position that compares 30 June 2024 with 31 December 2023.

The condensed consolidated income statement and the condensed consolidated cash flow statement for the six months ended 30 June 2023 have been restated due to the classification of the Brazil business to discontinued operations as indicated in Note 11.

The subsidiaries that form part of the Dia Group have been consolidated using the full consolidation method or the equity method. The subsidiaries that currently form the Group differ from those that formed part of the Group at 31 December 2023 as a result of the exit of Clarel, Dia Portugal and Dia Brasil, as mentioned in Note 1.1.b).

On a half-yearly basis, the Group's activity does not generally show a seasonal behaviour that differs from the historical pattern of consolidated results, according to which there is no differential behaviour of sales in the first half of each financial year compared to the second half (50.12% in the first half compared to 49.88% in the second half).

The figures contained in the documents comprising these condensed interim consolidated financial statements are expressed in thousands of euros unless otherwise stated. The euro is the Parent Company's functional and presentation currency.

2.2. Accounting principles

The accounting policies used in preparing these condensed interim consolidated financial statements are the same as those applied in the consolidated annual accounts for the year ended 31 December 2023.

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB – which are mandatory in the European Union – when they become effective, if applicable. Although the Group is currently analysing their impact, based on the analyses performed to date, the Group estimates that their initial application will not have a material impact on its consolidated annual accounts or on its condensed interim consolidated financial statements.

2.3. Going concern

The Parent Company's Directors have prepared these interim consolidated financial statements in accordance with the going concern principle.

At 30 June 2024, consolidated equity was negative at 69.4 million euros (positive at 68.1 million euros at 31 December 2023) and consolidated working capital, calculated as current assets less current liabilities, excluding assets and liabilities held for sale, was negative, amounting to 748 million euros (negative at 774 million euros at 31 December 2023). The consolidated result for the first half of 2024 amounts to a loss of 93.5 million euros (consolidated loss of 67.2 million in the same period of 2023), consisting of a positive result after tax from continuing operations of 15.6 million euros and a loss from discontinued operations of 109.1 million euros. In addition, the Group has a net consolidated negative change in cash and cash equivalents of 6million euros (-27 million euros in the first half of 2023).

Regarding the Parent Company, at 30 June 2024, equity was 441 million euros positive (534 million euros positive at 31 December 2023).

However, it should be noted that losses in recent years were mainly generated by impairments and operations in business units from which the Dia Group has divested as part of the strategy of simplifying its activities to focus on strategic businesses. The Group is therefore complying with the roadmap focused on returning to the path of positive results that can be shown in the Parent Company's equity, showing a profit after tax from continuing activities for the first half of 2024 of 15.6 million euros.

Additionally, at 30 June 2024, the Group had available liquidity of 327 million euros at the consolidated level (319.5 million euros at 31 December 2023), which includes the available balances of the financing obtained and the cash and cash equivalents at that date. Finally, it should be noted that as of June 30, 2024 (as in the previous period), the Group was in compliance with the covenants of the syndicated financing agreement (Note 13.1) and estimates that it will continue to comply in the next twelve months. Within this context, the Directors consider the Group will continue to operate on a going concern basis.

3. INFORMATION ABOUT OPERATING SEGMENTS

Note 4 of the notes to the Group's consolidated accounts for the year ended 31 December 2023 details the criteria used by the Group to define its operating segments. There have been no changes in the segmentation criteria.

The detail of the main figures expressed by segment is as follows:

Thousands of euros	Spain	Portugal (3)	Argentina	Brazil (3)	Consolidated
At 30 June 2024					
Turnover (1)	2,049,543	—	766,876	—	2,816,419
Adjusted EBITDA	113,741	—	14,444	—	128,185
% of revenues	5.55 %	— %	1.88 %	— %	4.55 %
Net result for the period	24,945	(2,013)	(9,585)	(106,849)	(93,502)
At 30 June 2023 - Restated (*)					
Turnover (1)	1,948,108	—	701,406	—	2,649,514
Adjusted EBITDA	62,436	—	17,206	—	79,642
% of revenues	3.20 %	— %	2.45 %	— %	3.01 %
Net result for the period	6,294	(8,347)	3,850	(69,000)	(67,203)
Gain (loss) of companies accounted for using the equity method	(5)	—	—	—	(5)

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

Thousands of euros	Spain	Portugal (3)	Argentina	Brazil (3)	Consolidated
At 30 June 2024					
Total assets	1,610,099	—	509,056	—	2,119,155
Liabilities	1,842,472	—	346,124	—	2,188,596
Fixed asset acquisitions (2)	29,974	—	9,434	—	39,408
Number of commercial establishments	2,308	—	1,045	—	3,353
Total number of commercial establishments	2,308	—	1,045	—	3,353
At 31 December 2023					
Total assets	1,647,276	—	340,866	229,336	2,217,478
Assets held for sale (Note 11)	98,849	311,008	—	—	409,857
Liabilities	1,921,737	—	237,168	234,106	2,393,011
Liabilities associated with assets held for sale (Note 11)	43,874	258,577	—	—	302,451
Fixed asset acquisitions (2)	65,159	789	35,725	4,873	106,546
Number of commercial establishments	2,334	460	1,029	602	4,425
Total number of commercial establishments	3,344	460	1,029	602	5,435

(1) Eliminations in revenues resulting from the consolidation are included in the Spain segment.
(2) Right-of-use assets are not included.
(3) Exits from the consolidation perimeter. See Note 11.

The reconciliation of adjusted EBITDA to the consolidated income statement headings is as follows:

Thousands of euros	Spain	Argentina	Total June 2024
Result from operations (EBIT)	**61,390**	**(95,089)**	**(33,699)**
Depreciation and Amortisation	120,065	27,477	147,542
Net Gain/(loss) on impairment of assets	(61)	563	502
Results of non-current asset derecognitions	3,241	4,693	7,934
EBITDA	**184,635**	**(62,356)**	**122,279**
Restructuring costs and Long-Term Incentive Plans	**9,567**	**1,022**	**10,589**
Expenses (Income) related to the closure of stores and warehouses	(1,046)	—	(1,046)
Expenses related to efficiency processes	7,477	425	7,902
Other special projects			
Other expenses	762	—	762
Expenses related to Long-Term Incentive Plans	2,374	597	2,971
NIIF 16 effect on leases	(80,461)	(14,044)	(94,505)
IAS 29 hyperinflationary effect	—	89,822	89,822
Adjusted EBITDA	**113,741**	**14,444**	**128,185**

Thousands of euros	Spain	Argentina	Total June 2023 - Restated (*)
Result from operations (EBIT)	**2,757**	**(48,754)**	**(45,997)**
Depreciation and Amortisation	114,852	22,979	137,831
Net Gain/(loss) on impairment of assets	(2,023)	838	(1,185)
Results of non-current asset derecognitions	4,410	8,274	12,684
EBITDA	**119,996**	**(16,663)**	**103,333**
Restructuring costs and Long-Term Incentive Plans	**16,953**	**678**	**17,631**
Expenses related to the transfer of own stores to franchises	10,758	—	10,758
Expenses related to the closure of stores and warehouses	—	—	—
Expenses related to efficiency processes	3,673	—	3,673
Other special projects			
Other expenses (income)	—	74	74
(Income) related to Long-Term Incentive Plans	2,522	604	3,126
NIIF 16 effect on leases	(74,513)	(12,694)	(87,207)
IAS 29 hyperinflationary effect	—	45,886	45,886
Adjusted EBITDA	**62,436**	**17,207**	**79,643**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

The effect of applying IFRS 16 and IAS 29 is shown separately in the table and completes the explanation of the evolution of the items excluded from Adjusted EBITDA. Adjusted EBITDA is defined in the Alternative Performance Measures section of the Consolidated Management Report at 31 December 2023.

4. PROPERTY, PLANT AND EQUIPMENT

The evolution during the first half of the year was as follows:

Net book value	30/06/2024	30/06/2023
At 1 January	**634,973**	**904,315**
Additions	34,208	97,964
Depreciation (Note 18.5) (*)	(63,586)	(58,840)
Net impairment (note 18.5) (*)	(502)	1,185
Derecognitions	(1,979)	(7,422)
Transfers to non-current assets held for sale	—	(105,314)
Translation differences	99,612	9,110
Other movements (*)	1,034	(33,739)
At 30 June	**703,760**	**807,259**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

Grupo Dia follows the criteria of evaluating on each year-end date, as of December 31, the existence of signs that could reveal the potential impairment in value of non-financial assets subject to amortization, in order to verify whether the net book value of the aforementioned assets exceeds their recoverable value. As of June 30, 2024, Dia Group has no relevant evidence that show that the aforementioned analysis should be anticipated.

5. INTANGIBLE ASSETS

5.1. Goodwill

The allocation of "Goodwill", corresponding to Spain in its entirety, amounted to 285,179 thousand euros at 30 June 2024, the same as at 31 December 2023.

Goodwill and intangible assets that have an indefinite useful life are not subject to depreciation and are tested for impairment annually as of December 31, or more frequently in the case of events or changes in circumstances that indicate that they could have suffered impairment in value. Dia Group has no relevant evidence that shows that the aforementioned analysis should be anticipated.

5.2. Other intangible assets

The evolution during the first half of the year was as follows:

Net book value	30/06/2024	30/06/2023
At 1 January	**30,574**	**37,289**
Additions/Internal development	5,200	8,582
Depreciation (Note 18.5) (*)	(8,643)	(6,935)
Derecognitions	(177)	60
Transfers to non-current assets held for sale	—	(5,089)
Translation differences	2,272	419
Other movements (*)	(20)	(1,119)
At 30 June	**29,206**	**33,207**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

6. LEASES

6.1. Right-of-use assets

The evolution during the first half of the year was as follows:

Net book value	30/06/2024	30/06/2023
At 1 January	**391,609**	**492,677**
Additions	57,449	81,625
Depreciation (Note 18.5) (*)	(75,313)	(72,056)
Derecognitions	(1,314)	(6,006)
Value update	25,682	12,524
Transfers to non-current assets held for sale	—	(57,136)
Translation differences	(1,034)	(204)
Other movements (*)	912	(41,579)
At 30 June	**397,991**	**409,845**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

6.2. Lease liabilities

The composition of and movements during the first six months were as follows:

Thousands of euros	Current	Non-current	Total
At 1 January 2024	**143,665**	**285,408**	**429,073**
Additions	—	57,449	**57,449**
Derecognitions	—	(1,317)	**(1,317)**
Application	(3,543)	—	**(3,543)**
Interest expenses	28,300	—	**28,300**
Transfers	77,868	(77,868)	**—**
Value update	—	25,682	**25,682**
Other movements	(2,362)	1,034	**(1,328)**
Amounts paid	(98,156)	—	**(98,156)**
Translation differences	(321)	(1,706)	**(2,027)**
At 30 June 2024	**145,451**	**288,682**	**434,133**

Thousands of euros	Current	Non-current	Total
At 1 January 2023	**185,526**	**371,643**	**557,169**
Additions	—	81,634	**81,634**
Derecognitions	—	(6,909)	**(6,909)**
Interest expenses (*)	20,839	—	**20,839**
Transfers	81,241	(81,241)	**—**
Transfers to liabilities linked to assets held for sale	(14,830)	(49,029)	**(63,859)**
Value update	—	12,524	**12,524**
Other movements (*)	(18,945)	(11,558)	**(30,503)**
Amounts paid (*)	(91,891)	—	**(91,891)**
Translation differences	(20)	455	**435**
At 30 June 2023	**161,920**	**317,519**	**479,439**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

At 30 June 2024, 6,934 thousand euros is included in long term (8,370 thousand euros at 31 December 2023) and 4,627 thousand euros in short term (5,270 thousand euros at 31 December 2023), corresponding to the debt on assets under finance leases already in place at 31 December 2018, which relate to certain commercial premises, technical facilities, machinery and other fixed assets (transport items).

7. FINANCIAL ASSETS

The detail of financial assets is as follows:

Thousands of euros	30/06/2024	31/12/2023
Non-current assets		
Trade debtors and other receivables	252	10,799
Other non-current financial assets	48,384	60,168
Current assets		
Trade debtors and other receivables	148,791	161,189
Other current financial assets	1,907	14,496
Total	**199,334**	**246,652**

7.1. Trade debtors and other receivables

The detail of "Trade debtors and other receivables" is as follows:

Thousands of euros	30/06/2024	31/12/2023
Accounts receivable	252	10,799
Total non-current	**252**	**10,799**
Accounts receivable (net of impairment)	133,722	154,166
Other debtors (net of impairment)	5,479	3,887
Receivables from suppliers (net of impairment)	826	3,013
Advances to suppliers	8,764	123
Total current	**148,791**	**161,189**

In the first six months of 2024, there have been no transactions generating trade debtors with related parties. At 30 June 2024 and 31 December 2023, there is no balance receivable on trade debtors with other related parties (see Note 20).

a) Accounts receivable

This heading includes trade receivables for sales of goods to its franchisee customers. The composition of these receivables is as follows:

Thousands of euros	30/06/2024	31/12/2023
Non-current accounts receivable	252	10,799
Current accounts receivable	150,795	200,130
Total trade receivables	**151,047**	**210,929**
Value impairment	(17,073)	(45,964)
Total	**133,974**	**164,965**

Trade credit balances, both current and non-current, have decreased due to the exit from Brazil.

b) Receivables from suppliers

This heading includes balances with suppliers that have become debtors as a result of the charge notes issued for discounts of various kinds in accordance with the trade conditions agreed with them, as well as returns of goods.

The Group did not enter into non-recourse supplier trade receivables assignment contracts in the first six months of 2024 or 2023.

c) Value impairment

The movements in valuation corrections for impairment in the first six months were as follows:

2024

Thousands of euros	Accounts receivable (Note 7.1 a))	Other payables	Receivables from suppliers	Total
At 1 January	**(45,964)**	**(1,921)**	**(2,854)**	**(50,739)**
Provisions	(468)	(68)	(1)	(537)
Applications	126	—	1	127
Reversals	628	24	549	1,201
Exit from the perimeter	13,554	745	—	14,299
Other movements (*)	14,519	439	—	14,958
Translation differences	532	23	2	557
At 30 June 2024	**(17,073)**	**(758)**	**(2,303)**	**(20,134)**

(*) Other movements include provisions and applications in the Brazil business up to the time of its exit from the group, amounting to 77 thousand euros and 15,035 thousand euros respectively.

2023

Thousands of euros	Accounts receivable (Note 7.1 a))	Other payables	Receivables from suppliers	Total
At 1 January	**(53,795)**	**(1,613)**	**(4,311)**	**(59,719)**
Provisions (*)	(915)	(89)	—	(1,004)
Applications	301	—	—	301
Reversals (*)	752	67	969	1,788
Transfers to assets held for sale	6,406	16	348	6,770
Other movements (*)	(4,022)	(434)	(1,095)	(5,551)
Translation differences	(514)	(70)	(5)	(589)
At 30 June 2023	**(51,787)**	**(2,123)**	**(4,094)**	**(58,004)**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

7.2. Other financial assets

All the Group's other financial assets are measured at amortised cost. The detail of "Other financial assets" is as follows:

Thousands of euros	30/06/2024	31/12/2023
Equity instruments	36	36
Guarantees and other deposits	36,346	60,102
Other loans	10,932	30
Total non-current	**47,314**	**60,168**
Franchise deposits	137	151
Loans to personnel	946	1,354
Other loans	1,136	77
Interest rate hedging derivatives (Note 13.5)	612	2,530
Other financial assets	146	10,384
Total current	**2,977**	**14,496**

The heading of non-current "Guarantees and other deposits" mainly records the amounts delivered to lessors as a guarantee for the lease contracts. These amounts are presented at their current value and any difference with their nominal value is recognised as current or non-current prepayments. In addition, at 31 December 2023 this heading included judicial deposits made in Brazil. Following the exit of Brazil, this heading has reduced significantly.

The Group considers the guarantees constituted in the lease agreements to be assets with a low credit risk, as in most lease agreements the lessor is obliged to deposit the guarantee with the relevant public body.

Other non-current loans mainly include a loan with Beauty by Dia, S.A.U. for the sale of inventories on warehouses following its exit from the Group (Note 1.1. b)) that matures in April 2027 and bears interest at EURIBOR 3M + 4%. .

At 30 June 2024 and 31 December 2023, the Group evaluated and decided to apply hedge accounting to contracts arranged to hedge against the interest rate risk that the Group has contracted on its debt.

Other financial assets at 31 December 2023 included tax credits in Brazil (ICMS), which have been derecognised following the exit from Brazil.

8. OTHER ASSETS

The detail of "Other assets" is as follows:

Thousands of euros	30 June 2024 Current	31 December 2023 Current
Prepayments for leases	52	421
Prepayments for insurance contracts	609	1,629
Other prepayments	12,559	7,546
Total "Other assets"	**13,220**	**9,596**

The increase in other prepayments was due to payments made for annual maintenance payments in Spain.

9. INVENTORIES

The detail of "Inventories" is as follows:

Thousands of euros	30/06/2024	31/12/2023
Goods for resale	291,106	312,973
Other supplies	2,610	2,032
Total "Inventories"	**293,716**	**315,005**

At 30 June 2024 there were no restrictions of any kind on the availability of inventory.

The exit from Brazil resulted in a reduction in inventories amounting to 25,402 thousand euros.

10. CASH AND CASH EQUIVALENTS

The detail of "Cash and cash equivalents" is as follows:

Thousands of euros	30/06/2024	31/12/2023
Cash and current account balances	85,702	79,913
Cash equivalents	21,112	51,148
Total	**106,814**	**131,061**

The balance of "Cash equivalents" reflects the deposits that mature in less than three months.

The Dia Group has pledged certain bank accounts. However, there are no restrictions on the availability of such bank accounts to extent that the guarantee is not effective..

11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2023 the Group entered into sale agreements for the shareholdings in Beauty by Dia, S.A.U. (Clarel) and Dia Portugal Supermercados, S.A.U. (Portugal) with Grupo Trinity, S.A.S and Auchan Portugal, S.A. respectively.

At 31 December 2023, the assets and liabilities related to the Clarel and Portugal businesses were classified in the Group's consolidated financial statements as held for sale and the results generated from them as discontinued operations as the requirements of IFRS 5 were met. With effect from 1 April 2024 and 30 April 2024 respectively, the conditions precedent stipulated between the parties were fulfilled and the effective transfer of control of these businesses to the purchasers took place.

Accordingly, the Group has derecognised the assets and liabilities related to the two businesses, and the profit or loss generated up to the date of loss of control of 220 thousand euros (3 months) and -2,013 thousand euros (4 months), respectively, has been included in profit or loss from discontinued operations in the condensed consolidated income statement at 30 June 2024.

Furthermore, as explained in note 5.1 of the consolidated annual accounts at 31 December 2023, taking into account the financial performance of the business in Brazil (Dia Brasil Sociedade Limitada), the Group was analysing various strategic alternatives with a view to making a decision in 2024. Neither at the reporting date nor at the date of preparing the aforementioned consolidated annual accounts were the conditions required by IFRS 5 for the classification of assets and liabilities related to the Brazil business as held for sale met.

The Group has been duly informing the National Securities Market Commission (Note 1.1.b) of the actions carried out in relation to the business in Brazil.

In this regard, on 31 May 2024, following approval of the operation by the Board of Directors on 29 May 2024, the contract for the sale of the Brazil business to Lyra II Fundo de Investimento em Participaçoes Multiestratégia was signed, involving the total divestment from Brasil by the Dia Group.

On 25 June 2024, upon fulfilment of the condition precedent for the completion of this transaction, which consisted of the Group obtaining authorisation from the financial institutions of the syndicated financing, the Operation was completed and, with it, the transfer to the purchaser. The sale was carried out at a symbolic price of 100 euros. The result of discontinued operations at 30 June 2024 is a loss of 106.8 million euros, which includes (i) the negative results generated by the Brazilian company in 2023 until its separation from the Group (loss of 88.5 million euros) and (ii) the negative result of the transaction, amounting to 18.3 million euros. Considering that the negative equity of the Brazilian company at 1 January 2024 was offset by the corresponding contribution that the Sole Shareholder made in January, thereby starting from equity close to zero at the beginning of the year, the result of discontinued operations reflected in Note 11 is made up of the loss for the year amounting to 88.5 million euros, the derecognition of the net assets existing at the date of unbundling with a positive effect of 21.1 million euros (which includes the loss generated in the year of 88.5 million euros, net of 37 million euros corresponding to contributions of funds by the Sole Shareholder and 30.4 million euros of financial debts guaranteed by the parent company assumed by it), the loss of 3.7 million euros relating to the derecognition of intercompany balances, the reclassification of the negative translation differences associated with the subsidiary for 26.7 million euros due to the reclassification, and, finally, 9 million euros of expenses arising from the transaction.

As detailed in Note 2.1 above, the condensed consolidated income statement at 30 June 2023 and the condensed consolidated cash flow statement for the six months ended 30 June 2023 have been restated to facilitate the comparison of the half-yearly figures following the classification of the Brazil business to discontinued operations in 2024.

The results of the Group's discontinued operations for the six months ended 30 June are as follows:

Thousands of euros	30 June 2024	Clarel business	Brazil Business	Portugal Business	30 June 2023	Clarel business	Large format stores business	Portugal Business	Brazil Business
Income	492,844	62,763	245,308	184,773	960,509	133,701	159,397	296,102	371,309
Depreciation and Amortisation	(8,553)	(2,718)	—	(5,835)	(42,056)	—	—	(17,556)	(24,500)
Net Gain/(loss) on impairment of assets	1,332	(377)	1,709	—	(31,852)	(1,108)	—	56	(30,800)
Gain/(Loss) on derecognition of non-current assets	(108)	(33)	—	(75)	82,062	16	81,736	(134)	444
Result of the operation	(18,601)	(214)	(18,390)	3	—	—	—	—	—
Expenses	(567,184)	(59,230)	(331,020)	(176,934)	(973,379)	(131,056)	(186,673)	(281,827)	(373,823)
Gross gain/(loss)	**(100,270)**	**191**	**(102,393)**	**1,932**	**(4,716)**	**1,553**	**54,460**	**(3,359)**	**(57,370)**
Financial income	2,001	—	2,001	—	—	—	—	—	—
Financial expenses	(10,222)	(411)	(6,443)	(3,368)	(17,781)	(988)	(687)	(4,489)	(11,617)
Loss before taxes from discontinued operations	**(108,491)**	**(220)**	**(106,835)**	**(1,436)**	**(22,497)**	**565**	**53,773**	**(7,848)**	**(68,987)**
Income tax of discontinued companies	(591)	—	(14)	(577)	(14,292)	(336)	(13,443)	(499)	(14)
Result from discontinued operations	**(109,082)**	**(220)**	**(106,849)**	**(2,013)**	**(36,789)**	**229**	**40,330**	**(8,347)**	**(69,001)**

The effect on cash flows from activities discontinued by the Group is presented in the consolidated cash flow statement.

12. EQUITY

12.1. Capital

The share capital of Dia at 30 June 2024 was 580,655,340.79 euros represented by 58,065,534,079 shares with a par value of 0.01 euros each, fully subscribed and paid up, with no restrictions on their free transferability.

The shares are freely transferable. The Company's shares are listed on the Spanish stock markets. According to public information filed with the CNMV, the members of the Board of Directors control, at the date of formulation, approximately 0.00544% of the Parent Company's share capital.

The most significant shareholding reflected in the public information registered with the National Securities Market Commission corresponds to the indirect shareholding of LetterOne Investment Holdings, S.A. of 77.704% (the direct shareholding is held by L1R Invest1 Holding S.à.r.l. in the same percentage).

12.2. Share premium

Dia's share premium at 30 June 2024 amounted to 1,058,872,572.94 euros corresponding to 6,055,522,466 shares with an issue premium of 0.09 euros and 51,387,555,100 shares with an issue premium of 0.01 euros.

12.3. Reserves and retained earnings

The detail of reserves and retained earnings is as follows:

Thousands of euros	30/06/2024	31/12/2023
Other non-distributable reserves	1,867	1,867
Other reserves	(1,599,504)	(1,569,262)
Result attributable to holders of the parent company's equity instruments	(93,502)	(30,242)
Total	**(1,691,139)**	**(1,597,637)**

The application of the Parent Company's losses for 2023 approved by the 2024 Ordinary General Shareholders' Meeting, which was held on 28 June 2024, consists of the full transfer of 133,876,976.07 euros to prior years losses.

12.4. Own shares and other own equity instruments

a) Treasury shares

At 30 June 2024, the Parent Company held 23,699,636 own shares with a rounded off average purchase price of 0.1329 euros per share, representing a total amount of 3,149,788.91 euros, which is the same as at 31 December 2023.

During the first six months of 2024, no operation with own shares has taken place.

b) Other own equity instruments

At 30 June 2024, "Other own equity instruments" includes the reserve for the deferred remuneration in shares for non-proprietary directors amounting to 673 thousand euros. This heading also includes the reserve corresponding to the Long Term Incentives Plan 2023-2027 amounting to 760 thousand euros (Notes 16 and 20).

12.5. Translation differences

The detail of this heading is:

Thousands of euros	30/06/2024	31/12/2023
Argentina	(15,479)	(80,666)
Brazil	—	(26,516)
Total	**(15,479)**	**(107,182)**

13. FINANCIAL LIABILITIES

The detail of financial liabilities included in the condensed consolidated statement of financial position is:

Thousands of euros	30/06/2024	31/12/2023
Non-current financial debt	407,142	457,570
Non-current lease liabilities	288,682	285,408
Other non-current financial liabilities	368	193
Non-current liabilities	**696,192**	**743,171**
Current financial debt	15,705	77,287
Current lease liabilities	145,451	143,665
Trade creditors and other accounts payable	1,023,040	1,091,471
Other financial liabilities	133,323	149,778
Current liabilities	**1,317,519**	**1,462,201**
Total financial liabilities	**2,013,711**	**2,205,372**

13.1. Financial debt

The detail of "Financial debt" items is as follows:

	30/06/2024		31/12/2023	
Thousands of euros	Non-current	Current	Non-current	Current
Debentures and bonds	31,205	—	31,046	—
Interest debt	—	331	—	802
Debentures and bonds (Notes 13.1 a) and 13.5)	**31,205**	**331**	**31,046**	**802**
Syndicated credits (Term Loan)	306,936	6,796	330,828	7,435
Syndicated credits (Revolving credit facilities)	—	—	54,293	2,406
Credit facilities	54,527	—	25,389	15,159
Debt on interest and formalisation expenses	(2,656)	6,262	(3,262)	7,195
Syndicated financing (Note 13.1 b))	**358,807**	**13,058**	**407,248**	**32,195**
Bank borrowings	—	—	119	20,116
Confirming	—	—	—	13,199
Other credit facilities	—	—	—	6,341
Interest debt	—	—	1	229
Other loans and credit facilities (Note 13.1 c))	**—**	**—**	**120**	**39,885**
Guarantees and deposits received	13,823	150	12,759	672
Other financial debt	3,307	1,557	6,397	1,971
Derivatives (Note 13.5)	—	609	—	1,762
Other financial debt (Note 13.1 d))	**17,130**	**2,316**	**19,156**	**4,405**
Total financial debt	**407,142**	**15,705**	**457,570**	**77,287**

a) Debentures and bonds

The details of the bond issues at 30 June 2024 that remained listed on the Irish Stock Exchange under a Euro Medium Term Note debt issue programme were as follows:

Issuer	Issue date	Amount (thousands of euros)	PIK-amount (thousands of euros)	Coupon	PIK	Maturity date
Dia, S.A.	07.04.2017	30,800	405	3.00%	0,5%-1,5%	30/6/2026

On 6 April 2024, the Parent Company paid the interest corresponding to the sixth coupon of the 2017 Euro Medium Term Notes amounting to 931 thousand euros as well as the capitalisation of the interest corresponding to the PIK margin of 0.50% accrued from 06.04.2023 to 01.04.2024 and the margin of 1.5% accrued from 01.04.2024 to 06.04.2024 amounting to 159 thousand euros.

b) Syndicated financing

On 31 December 2018, the Parent Company formalised a Syndicated Financing Agreement ("SFA") with various Syndicated Creditors, which has been successively amended and redrafted on subsequent dates, the last amendment being 2 September 2021. The terms and conditions of this syndicated financing are described in Note 15 of the notes to the consolidated annual accounts for the year ended 31 December 2023.

The expiration date of the Syndicated Financing Agreement is December 31, 2025. Dia Group will work actively on the refinancing of the aforementioned debt in the second half of 2024.

During the first half of 2024, a total of 51,255 thousand euros have been paid down.

Details of the syndicated financing facilities at 30 June 2024 and 31 December 2023 are shown below:

At 30 June 2024	Limit	Drawn down	Confirming drawn down	Factoring drawn down (non recourse)	Amount available
Loans (Term loan) - Syndicated Financing	**313,732**	**313,732**	**—**	**—**	**—**
Tranche B	62,644	62,644	—	—	—
Tranche D	251,088	251,088	—	—	—
Revolving Credit Facility (RCF) - Syndicated Financing	**72,664**	**—**	**—**	**—**	**72,664**
Tranche B	15,965		—	—	15,965
Tranche D	31,699		—	—	31,699
Tranche F	25,000		—	—	25,000
Credit Facility - Syndicated Financing	**247,541**	**54,527**	**47,625**	**—**	**145,389**
Credit Facilities	**9,879**	**9,707**	**—**	**—**	**172**
Tranche D	9,879	9,707	—	—	172
Credit Facilities balanceable with Confirming	**193,439**	**44,819**	**47,625**	**—**	**100,995**
Tranche B	92,439	23,303	25,943	—	43,192
Tranche C	101,000	21,516	21,682	—	57,802
Credit Facilities balanceable with Factoring	**44,222**	**—**	**—**	**—**	**44,222**
Tranche D	44,222	—	—		44,222
Confirming Syndicated Financing	**145,034**	**—**	**143,668**	**—**	**1,366**
Tranche C	141,687		140,325	—	1,362
Tranche F	3,347		3,343	—	4
Total syndicated financing (*)	**778,971**	**368,259**	**191,293**	**—**	**219,419**
Dia, S.A.	2,000	—	—	—	2,000
Dia Retail España, S.A.	459,304	107,464	191,293		160,548
Dia Finance, S.L.	317,667	260,795	—	—	56,871

(*) Excludes debt on interest and formalisation expenses

At 31 December 2024	Limit	Drawn down	Confirming drawn down	Factoring drawn down (non recourse)	Amount available
Loans (Term loan) - Syndicated Financing	**338,263**	**338,263**	**—**	**—**	**—**
Tranche B	87,175	87,175	—	—	—
Tranche D	251,088	251,088	—	—	—
Revolving Credit Facility (RCF) - Syndicated Financing	**77,352**	**56,699**	**—**	**—**	**20,653**
Tranche B	20,653	—	—	—	20,653
Tranche D	31,699	31,699	—	—	—
Tranche F	25,000	25,000	—	—	—
Credit Facility - Syndicated Financing	**269,577**	**40,689**	**50,131**	**11,559**	**167,199**
Credit Facilities	**9,879**	**9,704**	**—**	**—**	**175**
Tranche D	9,879	9,704	—	—	175
Credit Facilities balanceable with Confirming	**215,476**	**30,985**	**50,131**	**—**	**134,361**
Tranche A	15,160	—	10,585	—	4,575
Tranche B (*)	99,316	10,686	32,846	—	55,785
Tranche C	101,000	20,299	6,700	—	74,001
Credit Facilities balanceable with Factoring	**44,222**	**—**	**—**	**11,559**	**32,663**
Tranche D	44,222	—	—	11,559	32,663
Confirming Syndicated Financing	**145,034**	**—**	**144,910**	**—**	**124**
Tranche C	141,687	—	141,568	—	119
Tranche F	3,347	—	3,342	—	5
Total syndicated financing (**)	**830,227**	**435,651**	**195,041**	**11,559**	**187,976**
Dia, S.A.	2,000	—	—	—	2,000
Dia Retail España, S.A.	508,560	118,019	195,041	11,559	183,941
Dia Finance, S.L.	317,667	317,491	—	—	176
Beauty by Dia, S.A. (*)	2,000	141	—	—	1,859

(*) This drawdown of the syndicated credit facilities amounting to 141 thousand euros is reclassified to Liabilities directly associated with non-current assets held for sale (Notes 11 and 13.1 e)) for the Clarel Business.

(**) Excludes debt on interest and formalisation expenses

Other terms and conditions: Hive Down, guarantees and other commitments.

Note 15 to the notes to the consolidated annual accounts for the year ended 31 December 2023 describes the Hive Down obligations, the package of guarantees in favour of the Syndicated Creditors and the other commitments to which the Group is obliged under the syndicated financing agreement.

During the first six months of 2024, the companies Beauty By Dia, S.A.U., Dia Portugal Supermercados, S.A. and Dia Brasil Sociedade Ltda. left the Dia Group, and therefore the guarantees related to these companies have been extinguished.

Financial Covenants

Financial Leverage Ratio:

The Group commits to the following financial leverage ratios in each year (measurement will be half-yearly):

Thousands of euros	2023	2024	2025
Total Adjusted Net Debt / Adjusted EBITDA (*)	4,8x	3,7x	2,9x

(*) Total adjusted net debt and Adjusted EBITDA figures used for calculating the covenants are determined based on the definition included in the Financing Agreement and, therefore, these figures do not agree with the figures included in Section e) and Note 3.

Investment ratio (Capex) and restructuring costs:

The Group undertakes that, in aggregate, during the period from 1 January 2023 to 31 December 2025, total Capex will not exceed 759 million euros for this period and restructuring expenses will not exceed the amount provided for in the Covenants Plan by more than 26 million euros, establishing the overall limit for restructuring expenses for this period at 152 million euros.

At of June 30, 2024, the Group complies with the required covenant (leverage ratio) at that date in the Syndicated Financing Agreement, and it is estimated that the applicable covenants will be met in the next twelve months.

c) Other loans and other credit facilities

At 30 June 2024, following the divestment and the Dia Group's exit from Brazil, no other loans or credit facilities are included under this heading.

d) Other financial debt

Other financial debt includes the following:

	30/06/2024		31/12/2023	
Thousands of euros	Non-current	Current	Non-current	Current
Guarantees and deposits received (1)	13,823	150	12,759	672
Other financial debts (2)	3,307	1,557	6,397	1,971
Derivatives (Note 7.2)	—	609	—	1,762
Other financial debt	**17,130**	**2,316**	**19,156**	**4,405**

(1) Guarantees and deposits includes the guarantees received from franchisees in Spain.

(2) Other non-current financial debts mainly include the financing of equipment for the new warehouses in Spain and collections made on behalf of third parties in Spain. In 2023, it included the debt for payments to be made to the National Institute of Social Security ("INSS") in Brazil, payable in several years.

e) Net debt

The detail of net debt without IFRS 16 is as follows:

Thousands of euros	30/06/2024	31/12/2023
Cash and cash equivalents (Note 10)	106,814	131,061
Interest rate hedging derivatives (Note 7.2)	612	2,530
Financial debt (current and non-current) (Note 13.1)	(422,847)	(534,857)
Finance lease liabilities (Note 6.2)	(11,561)	(13,640)
Net Debt	**(326,982)**	**(414,906)**

f) Reconciliation of net cash flows from financing activities

The reconciliation between financial liabilities on the consolidated statement of financial position and the cash flows from financing activities is as follows:

Thousands of euros	Non-current financial liabilities	Current financial liabilities	Total
Balance at 31 December 2023	**742,978**	**220,952**	**963,930**
Cash flows from financing (payments)	(42,367)	(55,930)	(98,297)
Cash flows from financing (collections)	3,852	5	3,857
Cash flows from financing (financial lease payments)	—	(98,156)	(98,156)
Cash flows from discontinued operations	(5,883)	(4,671)	(10,554)
Non-monetary changes:			
Reclassification to short term	(84,664)	84,664	—
Foreign currency exchange gains/(losses)	(669)	114	(555)
Transfers to liabilities linked to assets held for sale	—	—	—
Other non-monetary changes	82,577	14,178	96,755
Balance at 30 June 2024	**695,824**	**161,156**	**856,980**

13.2. Other non-current financial liabilities

Other non-current financial liabilities at 30 June 2024 amounting to 368 thousand euros (193 thousand euros at 31 December 2023) include advances for franchises by way of the entry fee in Argentina.

13.3. Trade creditors and other accounts payable

The breakdown of "Trade creditors and other accounts payable" is as follows:

Thousands of euros	30/06/2024	31/12/2023
Suppliers	799,979	887,932
Suppliers, other related parties	38	91
Advances from customers	877	637
Creditors	222,145	202,811
Total Trade creditors and other accounts payable	**1,023,039**	**1,091,471**

"Suppliers" and "Creditors" essentially comprise short-term debt with suppliers of goods and services, whether or not represented by accepted bills of exchange and promissory notes. This heading decreased mainly due to the exit from Brazil and the evolution of the exchange rate in Argentina, which, although higher in local currency, decreased in euros.

The balances included in "Trade creditors and other accounts payable" do not accrue interest.

At 30 June 2024, the Group had confirming facilities with a limit of 199,712 thousand euros (31 December 2023: 270,053 thousand euros) of which 197,482 thousand euros has been used (31 December 2023: 206,257 thousand euros).

	30/6/2024			31/12/2023		
Thousands of euros	Limit	Drawn down	Amount available	Limit	Drawn down	Amount available
Confirming senior syndicated financing (1)	192,712	191,293	1,419	195,348	195,041	307
Confirming not included in the syndicated financing (2)	7,000	6,190	810	11,705	11,216	489
Total	**199,712**	**197,482**	**2,229**	**207,053**	**206,257**	**796**

(1) Included in the senior syndicated financing confirming limit at 31 December 2023 is 53 thousand euros corresponding to the limits of the shared tranche A, B and C lines (31 December 2023: 183 thousand euros).

(2) The confirming not included in syndicated financing at 30 June 2024 includes other confirming relating to Spain, with a limit of 7,000 thousand euros, of which 6,190 thousand euros has been drawn down; at 31 December 2023, this facility included 7,000 thousand euros from Spain (of which 6,617 thousand euros was drawn down) and 4,705 thousand euros from Brazil (of which 4,599 thousand euros was drawn down)

13.4. Other financial liabilities

The breakdown is:

Thousands of euros	30/6/2024	31/12/2023
Personnel	45,751	54,784
Suppliers of fixed assets	30,967	41,634
Other current liabilities	56,605	53,360
Total other financial liabilities	**133,323**	**149,778**

"Other current liabilities" mainly includes deposits received from franchisees amounting to 54,574 thousand euros (51,792 thousand euros in 2023). Upon termination of the contractual relationship with Dia, the amounts already paid and deposited as security shall be deducted from the franchisee's final debt.

13.5. Estimates of fair value

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in an arm's length transaction rather than in a forced or settlement transaction.

At 30 June and 31 December, the Group's position is as follows:

30/6/2024	Level 1	Level 2	Level 3	Carrying amount	Measurement method
Debentures and bonds (Note 13.1)	27,627	—	—	31,536	Amortised cost
Derivative instrument assets (Note 7.2)	—	612	—	612	Fair value
Derivative instrument liabilities (Note 13.1)	—	609	—	609	Fair value

31/12/2023	Level 1	Level 2	Level 3	Carrying amount	Measurement method
Debentures and bonds (Note 13.1)	26,622	—	—	31,848	Amortised cost
Derivative instrument assets (Note 7.2)	—	2,530	—	2,530	Fair value
Derivative instrument liabilities (Note 13.1)	—	1,762	—	1,762	Fair value

For Level 2 instruments, the Group allocates the assets and liabilities related to its over-the-counter (OTC) derivative positions to this hierarchy level and measures them using observable market data.

The book value of other financial assets and liabilities does not differ significantly from their fair value.

There have been no transfers among valuation levels of financial assets or liabilities measured at fair value.

14. PROVISIONS

The detail and evolution of "Provisions" are as follows:

Thousands of euros	Provisions for long-term employee benefits under defined benefit plans	Tax provisions	Social security provisions	Legal provisions	Other provisions	Total long-term provisions
At 1 January 2024	**6,659**	**48,104**	**20,031**	**16,778**	**1,108**	**92,680**
Provisions	2,957	323	2,891	3,023	207	9,401
Applications	—	—	(3,124)	(285)	—	(3,409)
Reversals	(105)	—	(1,202)	(1,764)	(51)	(3,122)
Exit from the perimeter	—	(17,395)	(13,653)	(5,213)	—	(36,261)
Other movements (*)	(599)	(7,644)	3,857	177	4	(4,205)
Translation differences	(113)	(397)	(322)	(252)	(12)	(1,096)
At 30 June 2024	**8,799**	**22,991**	**8,478**	**12,464**	**1,256**	**53,988**

(*) Other movements mainly include the provisions and applications recorded in the Brazil business up to the time of its exit from the group, amounting to 4,721 thousand euros and 9,493 thousand euros respectively.

At 1 January 2023	**2,603**	**46,394**	**14,075**	**19,048**	**1,395**	**83,515**
Provisions (*)	2,762	305	2,694	4,419	264	10,444
Applications	—	(153)	(999)	(661)	—	(1,813)
Reversals (*)	(851)	—	(1,372)	(1,256)	—	(3,479)
Transfers	—	—	14	(14)	—	—
Transfers held for sale	(933)	(2,100)	(81)	(1,382)	—	(4,496)
Other movements (*)	412	482	700	17	3	1,614
Translation differences	15	1,489	(390)	(497)	(144)	473
At 30 June 2023	**4,008**	**46,417**	**14,641**	**19,674**	**1,518**	**86,258**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

At 30 June 2024, as at year-end 2023, the Group's main provisions are of a tax, social and legal nature. During the first half of 2024, a provision of 9,401 thousand euros (10,444 thousand euros in the first six months of 2023) was recognised, which was mostly related to social litigation in progress mainly in Argentina, long-term employee remuneration obligations and other legal matters for which a probable outflow of resources is expected. On the other hand, in the first half of 2024 there were applications for 3,409 thousand euros and reversals for 3,122 thousand euros, the latter for contingencies that ultimately did not materialise (1,813 thousand euros and 3,479 thousand euros in the first six months of 2023, respectively).

Included in the line, exit from the perimeter, are the balances derecognised from the sale of the Brazil business.

Note 16 of the notes to the consolidated annual accounts for the year ended 31 December 2023 describes the main legal disputes affecting the Group at that date. The following are updates to the information detailed in the aforementioned annual accounts:

Legal proceedings in Argentina

In May 2024, the Economic Criminal Chamber confirmed the termination of the criminal action against the former directors who were jointly and severally sued (with the exception of one of them, who did not appear in the case). It also validated the entry into the tax amnesties and the timely payments made by the former franchisees in terms of Social Security. On the other hand, it partially revoked the previous resolution with respect to Dia Argentina, S.A., on the grounds that this company did not comply with all the formal requirements for joining the aforementioned regime, in order to avail itself of its tax benefits.

In June 2024, both Dia Argentina, S.A. and the lawyers of the Federal Administration of Public Revenues (AFIP) lodged an appeal before the Criminal Cassation against the Economic Criminal Chamber's ruling.

There is no provision in respect of this litigation in these condensed interim consolidated financial statements, as no likely outflow of resources is estimated.

Civil proceedings brought by minority shareholders

The judgment of second instance dismissed the claimant's appeal and confirmed the judgment of first instance. The claimant has lodged an appeal in Cassation against the judgment of second instance, requesting the Supreme Court set aside the judgment handed down by the Provincial Court. The Provincial Court has allowed the appeal and summoned the parties to appear before the Supreme Court on 15 March 2024. Dia appeared before the Supreme Court and argued the grounds on which it considers that the action should be dismissed as inadmissible.

There is no provision in respect of this litigation in these condensed interim consolidated financial statements, as no likely outflow of resources is estimated.

Other civil proceedings: Proceedings brought by Mr Ricardo Currás de Don Pablos against Dia

On 10 July 2024, the Supreme Court (Civil Division) issued a Ruling by which it agreed to dismiss the extraordinary appeals for breach of procedure and cassation brought by Dia, with an order for costs, resulting in the Judgment of the Madrid Provincial Court of 25 February 2022 becoming final.

In these condensed interim consolidated financial statements, no provision has been made in relation to this litigation as no outflow of resources is estimated (the Provincial Court judgment was already executed at the provincial level at the time). This is without prejudice to any awarding of costs that may be made against Dia .

15. INCOME TAX

The companies comprising the Dia Group have calculated the provision for Corporation Tax at 30 June 2024 by applying the regulations in force in each of the countries in which it operates, and specifically with respect to companies resident in Spain, by applying the rules contained in Law 27/2014 of 27 November.

During June 2024, the company received the answer to a consultation from the Directorate General of Taxes that allows the Tax Consolidation Group to generate additional tax losses amounting to 72.2 million euros in 2023.

In the first half of 2024, the negative tax bases consumed amounted to 17.3 million euros, including the amount of the reversal of Additional Provision 19 of the Corporation Tax Law. This consumption of negative tax bases has no impact on the company's expense accounts, as the tax loss carryforwards are not recorded.

43.5 million euros related to the asset registered at 31 December 2023 have been reclassified to Non-current income tax assets, in relation to the appeal that the Group maintains in the National Court for unconstitutionality of RD 3/2016. This appeal derives from 2020 when the Group challenged the the corporate tax returns corresponding to the years 2016, 2017 and 2018. Even though in January 2024 the unconstitutionality of this RD3/2016 was declared, as of the date of these financial statements, the Group does not foresee a resolution of the appeal within a period of less than one year.

The change in deferred tax liabilities corresponds to the increase in Argentina, mainly as a result of the increase in value of property, plant and equipment due to the application of IAS 29.

Pillar 2

The Group has reviewed its corporate structure in light of the Pillar 2 Model regulation, determining that it is not subject to Pillar 2 "top-up" taxes, by application of the routine profit test. Therefore, the condensed interim consolidated financial statements do not include the information required by IAS 12.

15.2. Main inspection actions

Note 17 of the notes to the consolidated annual accounts for the year ended 31 December 2023 describes the main inspection actions in force at that date.

General audits are currently being carried out on three Group companies in Spain. It is not expected that any additional material liabilities will arise for the Group as a result of these audits, nor those that may be carried out in the future in relation to periods for which the statute of limitations has not expired.

16. LONG-TERM INCENTIVE PLANS AND SHARE-BASED PAYMENT TRANSACTIONS

Note 18 of the notes to the consolidated annual accounts for the year ended 31 December 2023 describes the incentive plans in force at that date. The following are updates to the information detailed in the aforementioned annual accounts.

At 30 June 2024 for the 2023–25 LTI, there is a long-term provision of 7,796 thousand euros.

At 30 June 2024, an expense of 235 thousand euros was recorded against Equity instruments for the 2023–2027 LTI.

In addition, in application of the approved remuneration policy, deferred share-based remuneration of 123 thousand euros (144 thousand in the first six months of 2023) was accrued in the first half of 2024 for non-executive directors (Notes 18.3 and 20).

17. NET TURNOVER

17.1. Breakdown of ordinary income from contracts with customers

Net turnover corresponds to sales income in own stores, sales and services rendered to franchisees and online sales derived from the Group's activity, which is essentially focused on the markets of Spain and Argentina. The distribution of net sales for the year is as follows:

				Restated (*)		
	30/06/2024			30/06/2023		
	Ordinary income in the segment	Ordinary income between segments	Ordinary income from external customers	Ordinary income in the segment	Ordinary income between segments	Ordinary income from external customers
Sales in own stores	**1,423,702**	**65**	**1,423,637**	**1,413,093**	**80**	**1,413,013**
Spain	814,853	65	814,788	831,391	80	831,311
Argentina	608,849	—	608,849	581,702	—	581,702
Sales in franchise stores	**1,283,313**	**—**	**1,283,313**	**1,156,534**	**—**	**1,156,534**
Spain	1,135,609	—	1,135,609	1,041,902	—	1,041,902
Argentina	147,704	—	147,704	114,632	—	114,632
Online sales	**109,070**	**—**	**109,070**	**79,394**	**—**	**79,394**
Spain	98,747	—	98,747	74,322	—	74,322
Argentina	10,323	—	10,323	5,072	—	5,072
Other sales	**399**	**—**	**399**	**573**	**—**	**573**
España	399	—	399	573	—	573
Total	**2,816,484**	**65**	**2,816,419**	**2,649,594**	**80**	**2,649,514**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18. OTHER INCOME AND EXPENSES

18.1. Other income

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Fees and interest from financial companies	—	19
Transfer of right of use and other income from franchises	2,804	3,545
Income from information services to suppliers	1,778	1,778
Income from the sale of packaging	1,808	1,946
Other income	1,968	1,608
Total other operating income	**8,358**	**8,896**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.2. Goods and other consumables used

This heading includes purchases, less rebates and other trade discounts as well as changes in inventories.

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Purchases of goods and other consumables	2,353,887	2,188,364
Discounts	(250,662)	(231,841)
Change in inventory	36,949	11,355
Other costs of sale	18,843	21,148
Total use of goods and other consumables	**2,159,017**	**1,989,026**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.3. Personnel expenses

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Salaries and wages	203,251	206,559
Social Security	51,439	53,672
Severance payments	10,026	18,120
Defined benefit plans	4,146	3,249
Other social expenses	1,108	56
Subtotal personnel expenses	**269,970**	**281,656**
Expenses for share-based payment transactions (Notes 16 and 20)	358	546
Total personnel expenses	**270,328**	**282,202**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.4. Other operating expenses

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Repairs and maintenance	51,169	49,077
Utilities	32,726	31,935
Fees	28,029	31,918
Advertising	19,156	18,169
Taxes	10,333	11,392
Property leases	8,095	15,226
Furniture rentals	3,328	2,812
Transport	84,106	75,761
Travel expenses	3,622	4,970
Security	11,824	11,731
Other general expenses	20,765	30,858
Total other operating expenses	**273,153**	**283,849**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.5. Amortisation and impairment

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Amortisation of right-of-use assets (Note 6.1)	75,313	72,056
Total amortisation of right-of-use assets	**75,313**	**72,056**
Amortisation of intangible assets (Note 5.2)	8,643	6,935
Depreciation of property, plant and equipment (Note 4)	63,586	58,840
Total amortisation of property, plant and equipment and amortisation of other intangible assets (Notes 4 and 5.2)	**72,229**	**65,775**
Impairment of property, plant and equipment (Note 4)	502	(1,185)
Total impairment	**502**	**(1,185)**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.6. Results of non-current asset derecognitions

The detail of the main items in this heading is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Net book value of non-current assets	(6,985)	(14,566)
Proceeds obtained form the disposal of non-current asset	(949)	1,882
Result of non-current asset derecognitions	**(7,934)**	**(12,684)**

The losses recorded in the first six months of 2024 and 2023 correspond mainly to the derecognitions associated with the refurbishments carried out in Spain and Argentina.

Proceeds obtained from the disposal of non-current assets during the first six months of 2024 and 2023 mainly relate to the sale of assets in Spain.

18.7. Financial result

The detail of "Financial income" is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Interest on other loans and receivables	19,159	20,113
Foreign currency exchange gains (Note 18.8)	78	151
Other financial income	2,399	12,000
Total financial income	**21,636**	**32,264**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

The detail of "Other financial expenses" and "Financial expenses for leases" is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Interest on bank loans	18,092	17,693
Interest on debentures and bonds	627	537
Foreign currency exchange losses (Note 18.8)	3,820	3,017
Sundry finance expenses	21,947	11,720
Total other financial expenses	**44,486**	**32,967**
Financial expenses for leases	28,300	20,839
Total financial expenses for leases	**28,300**	**20,839**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.8. Foreign currency transactions

The detail of exchange gains/(losses) on foreign currency transactions is as follows:

Thousands of euros	30/06/2024	Restated (*) 30/06/2023
Financial exchange losses (Note 18.7)	(3,820)	(3,017)
Financial exchange gains (Note 18.7)	78	151
Trade exchange losses	175	(2,244)
Trade exchange gains	4	431
Total	**(3,563)**	**(4,679)**

(*) Data restated as a result of the classification of the Brazil business to discontinued operations (Note 1.1.b)).

18.9. Result from net monetary position

Due to the application of IAS 29, a gain arose from the net monetary position amounting to 102.2 million euros in first six months of 2024 (64.2 million euros in the first half of 2023). The causes of this increase are mainly due to the change in the inflation index (79.80% at 30 June 2024 and 50.68% at 30 June 2023) and the change in net monetary position. Given the nature of the business, the monetary position is negative.

19. COMMITMENTS AND CONTINGENCIES

a) Commitments

At 30 June 2024, the Group has delivered commitments of 24,082 thousand euros relating to bank guarantees, purchase options and other commitments linked to commercial contracts (at 31 December 2023: 65,765 thousand euros relating to bank guarantees, mortgage guarantees, purchase options and other commitments linked to commercial contracts). The main changes were due to the Group's exit from the businesses in Portugal and Brazil.

During the first half of 2024, guarantees have been executed for 30,343 thousand euros corresponding to the financing of Dia Brasil in Dia España.

In thousands of euros - 30 June 2024	In 1 year	In 2 years	3 to 5 years	+5 years	Total
Guarantees	1,562	2,239	1,733	6,221	11,755
Liquid assets	**1,562**	**2,239**	**1,733**	**6,221**	**11,755**
Purchase options	7,075	550	—	—	7,625
Commercial contract commitments	462	28	—	—	490
Other commitments	4,212	—	—	—	4,212
Operations / real estate / expansion	**11,749**	**578**	**—**	**—**	**12,327**
Total	**13,311**	**2,817**	**1,733**	**6,221**	**24,082**

In thousands of euros - 31 December 2023	In 1 year	In 2 years	3 to 5 years	+5 years	Total
Guarantees	569	3,604	2,309	6,468	12,950
Mortgage security	27,275	—	—	—	27,275
Liquid assets	**27,844**	**3,604**	**2,309**	**6,468**	**40,225**
Purchase options	15,125	—	550	—	15,675
Commercial contract commitments	2,284	542	702	11	3,539
Other commitments	—	—	—	6,326	6,326
Operations / real estate / expansion	**17,409**	**542**	**1,252**	**6,337**	**25,540**
Total	**45,253**	**4,146**	**3,561**	**12,805**	**65,765**

At 30 June 2024, the Group has commitments delivered amounting to 277,237 thousand euros (at 31 December 2023: 257,376 thousand euros), relating to syndicated financing, undrawn confirming facilities (not included in syndicated loans (Note 13)) and guarantees received for commercial contracts. The main changes were due to the Group's exit from the businesses in Portugal and Brazil.

In thousands of euros - 30 June 2024	In 1 year	In 2 years	3 to 5 years	+5 years	Total
Syndicated financing (Notes 13.1 b) and 13.3)	219,419	—	—	—	219,419
Unused confirming facilities (not used in syndicated credits) (Note 13.3)	810	—	—	—	810
Liquid assets	**220,229**	**—**	**—**	**—**	**220,229**
Guarantees received for commercial contracts	9,399	4,487	5,059	38,063	57,008
Operations / real estate / expansion	**9,399**	**4,487**	**5,059**	**38,063**	**57,008**
Total	**229,628**	**4,487**	**5,059**	**38,063**	**277,237**

In thousands of euros - 31 December 2023	In 1 year	In 2 years	3 to 5 years	+5 years	Total
Syndicated financing (Notes 13.1 b) and 13.3)	187,976	—	—	—	187,976
Unused confirming facilities (not used in syndicated credits) (Note 13.3)	489	—	—	—	489
Liquid assets	**188,465**	**—**	**—**	**—**	**188,465**
Guarantees received for commercial contracts	11,326	2,402	6,346	48,752	68,826
Other commitments	—	—	7	78	85
Operations / real estate / expansion	**11,326**	**2,402**	**6,353**	**48,830**	**68,911**
Total	**199,791**	**2,402**	**6,353**	**48,830**	**257,376**

Moreover, minimum payments under non-cancellable leases are as follows:

Thousands of euros	30/06/2024	31/12/2023
Less than one year	920	449
One to five years	2,324	—
Over five years	1,380	—
Total real estate lease payments in the non-cancellable period	**4,624**	**449**
Less than one year	705	663
One to five years	641	720
Over five years	5	12
Total lease payments for furniture and equipment in the non-cancellable period	**1,351**	**1,395**

At 30 June 2024 and 31 December 2023, only are listed the minimum payments linked to lease agreements not included in the scope of IFRS 16 or which are not provisioned for as onerous contracts.

The majority of the lease agreements for stores signed by the Group contain clauses allowing them to be terminated at any time throughout their useful lives, once the mandatory tie-in period has elapsed, by informing the lessor of this decision with the agreed period of notice, which is generally less than three months.

b) Contingencies

The Group is subject to legal proceedings and tax audits in various jurisdictions, some of which have already been carried out at 30 June 2024 by the tax authorities and appealed by the Group companies. If it is probable that an obligation exists at year-end that will result in an outflow of resources, a provision is recognised if the amount can be reliably estimated. As a result, management exercises significant judgement in determining whether it is probable that an outflow of resources will result from the resolution of these proceedings and in estimating the amount.

20. INFORMATION ON RELATED PARTIES

The detail of transactions and balances with related parties is as follows:

Transactions and balances with related companies

During the six months ended 30 June, the Group has entered into transactions with its related companies of the LetterOne Group relating to commercial operations. The trade debtors balance at 30 June 2024 and 31 December 2023 is shown in Note 13.3. The transactions carried out in both periods totalled 75 thousand euros.

Thousands of euros	30/06/2024	30/06/2023
LetterOne Group (*)	(75)	(75)
Total transactions	**(75)**	**(75)**

(*) The impact on the consolidated income statement in the first six months of 2023 was (24) thousand euros with LetterOne Group entities and corresponds to transactions amounting to (75) thousand euros in relation to the service contract, and 51 thousand euros to the difference between the provision of 300 thousand euros allocated at 31 December 2022 and the number of subsequent charges received prior to 31 December 2022, which amounted to 249 thousand euros.

Transactions with Directors and Senior Management

During the six months ended 30 June 2024, the Directors of the Parent Company have accrued 389 thousand euros in remuneration for their work as directors (357 thousand euros during the first six months of 2023).

As mentioned in Note 16, as a result of the applicable remuneration policy, there is deferred remuneration in shares for non-proprietary directors, the accrual of which for the shares initially allocated has been estimated at 123 thousand euros at 30 June 2024 (144 thousand euros in the first six months of 2023) (Notes 16 and 18.3). No shares were delivered during the first half of 2024 or 2023.

During the six month periods ended 30 June 2024 and 2023, the Group's Directors and Senior Management have not entered into any operations with the parent company or Group companies outside the ordinary course of business or on other than arm's length terms.

During the six months ended 30 June 2024, the Group has recorded salary remuneration accrued to senior management amounting to 6,726 thousand euros (5,656 thousand euros during the first six months of 2023).

At 30 June 2024 and 2023 there were no advances or loans granted to senior management or directors, nor were there any obligations assumed on their behalf by way of guarantee.

21. OTHER INFORMATION

Information on employees

The average number of full-time equivalent personnel, distributed by professional category, is as follows:

	30/06/2024	30/06/2023
Directors	125	143
Middle management	2,188	2,352
Other employees	21,342	27,464
Total	**23,655**	**29,959**

The average number of employees includes 7,452 from the Clarel, Portugal and Brasil businesses in June 2024 (12,721 employees in the Clarel, large format stores, Portugal and Brazil businesses in 2023), whose personnel expenses are presented in the result of discontinued operations in the consolidated income statement.

22. SUBSEQUENT EVENTS

At the date of preparing these interim financial statements, there are no significant subsequent events not disclosed in the accompanying notes.

Cada día
más cerca

Condensed Interim Consolidated Management Report for the six months ended 30 June 2024

30/06/2024

Distribuidora Internacional de Alimentación, S.A. and Subsidiaries

Free translation from the original in Spanish. In the event of discrepancy, the spanish-language version prevails.

COMPANY POSITION

Dia Group (Distribuidora Internacional de Alimentación S.A.) is the leading network of proximity stores with over 3,350 establishments in Spain and Argentina. Founded in 1966 in Madrid, Dia opened its first store in Madrid in 1979. Its head office is located in Las Rozas de Madrid. The company has been listed on the continuous market of the Spanish stock exchange since 2011.

With its history spanning 45 years, the Dia Group's extensive experience in local food distribution has allowed it to become what it is today:

- The neighbourhood and online store that affords an easy, fast and comprehensive shopping experience, with a wide range that gives prominence to fresh and locally sourced products and high-quality Dia products at affordable prices.
- Another neighbour in the communities where we operate, working towards a positive impact on the economy and society by boosting the local economy with employment and entrepreneurship opportunities.
- A team that is diverse by nature, committed to an inclusive environment with equal opportunities for all, free of labels and prejudices and that shares Dia's purpose and values. Together, we are moving forward with the aim of being our customers' favourite neighbourhood and online store.

Corporate operations

During the first half of 2024, Dia Group completed the process to transform and simplify the business, closing the sale of Clarel, Portugal and Brazil (Note 1.1.b of the Condensed Interim Consolidated Financial Statements).

For the Clarel business, the home and personal care business unit, the Group reached an agreement with the Trinity Group for the sale of 1,000 stores. The operation was approved in February 2024 by the Spanish competition authorities and closed on 1 April 2024, with the condition precedent having been met by the purchaser.

For the Portugal business, the Group reached an agreement with Auchan for the sale of 485 shops (including Mais Perto), and the transaction was consummated on 30 April 2024, with the conditions precedent having been fulfilled by the purchaser and seller.

With respect to the Brazil business, a business restructuring process was carried out during the first half of 2024 that involved the 343 underperforming stores and three warehouses closing as well as the request to start a Judicial Recovery process. In this regard, on 31 May 2024, following approval of the operation by the Board of Directors on 29 May 2024, the agreement for the sale of the Brazil business to Lyra II Fundo de Investimento em Participaçoes Multiestratégia was signed, involving the total divestment from Brazil by the Dia Group. On 25 June 2024, upon fulfilment of the condition precedent for the completion of this transaction, which consisted of the Group obtaining authorisation from the financial institutions of the syndicated financing, the Operation was completed and, with it, the transfer to the purchaser.

Organisational Structure

Dia Group's corporate governance is structured through the following institutional and operational bodies and mechanisms:

- General Shareholders' Meeting
- Board of Directors
- Audit and Compliance Committee
- Appointments and Remunerations Committee

Additionally, the Group has a Management Committee, aligned with the vision of the Board of Directors, that builds a culture of closeness, breaks down silos, and works in a close and honest manner.

RESULTS FOR THE FIRST HALF OF THE YEAR

The completion of the exit operations from Brazil, Portugal and Clarel – unprofitable markets for the Group – enabled it to focus on strategic businesses: Spain and Argentina. In the first half of the year, the solid performance of Dia España and the resilience of the business in Argentina stand out.

The investments made in both markets have enabled the Dia Group to renew its value proposition, grow the number of customers, NPS and market share (in Spain, market share growth has been achieved on a like-for-like basis, i.e. excluding the impact of store closures and sales), as well as improve its financial results.

The results from Spain improved significantly, helping the Group deleverage and build a profitable, cash generating business with high growth potential.

Particularly in Argentina, despite the difficult macroeconomic context, Dia performs better than its competitors and obtains a positive profitability that allows it to be self-financing.

Gross sales under banner (GSUB) of the continuing Group increased by 73.4 million in the first half versus the previous year, in particular due to the performance in Spain, offsetting the fall in consumption and the devaluation of the Argentine peso. The Group's net sales from continuing operations were 6.3% higher than at the end of the first half of 2023.

In addition, the Group's Adjusted EBITDA and profitability improved, confirming the consolidation of the improvements implemented. .

The Dia Group returns to a profit after tax from continuing operations after six years, in the first half of 2024, of 16 million euros.

Net financial indebtedness fell 99 million euros in the first half of 2024 compared to the same half of the previous year.

Dia Group also continues to promote its ESG strategy with the implementation of the Strategic Sustainability Plan 2024-25, 'Every day counts', focused on four strategic axes: developing the local economy; promoting a diverse culture; caring for the natural environment and gaining traction for a more sustainable value chain.

The Group's main economic figures are presented below:

			Restated (*)		
(Millions of euros)	30/06/2024	%	30/06/2023	%	Variación (%)
Gross sales under banner	**3,311**		**3,237**		**2.3%**
Like-for-like sales growth (%)	-5.0%		7.2%		
Net sales	**2,816**	**100.0%**	**2,650**	**100.0%**	**6.3%**
Cost of sales and other income	(2,315)	-82.2%	(2,145)	-80.9%	7.9%
Gross profit	**501**	**17.8%**	**505**	**19.1%**	**-0.8%**
Personnel expenses	(209)	-7.4%	(214)	-8.1%	-2.3%
Other operating expenses and leases	(160)	-5.7%	(169)	-6.4%	-5.3%
Restructuring and LTIP costs	(11)	-0.4%	(18)	-0.7%	-38.9%
EBITDA	**122**	**4.3%**	**103**	**3.9%**	**18.4%**
Depreciation and Amortisation	(148)	-5.3%	(138)	-5.2%	7.2%
Net Gain/(loss) on impairment of assets	(1)	—%	1	—%	-200.0%
Result of non-current asset derecognitions	(8)	-0.3%	(13)	-0.5%	-38.5%
EBIT	**(34)**	**-1.2%**	**(46)**	**-1.7%**	**-26.1%**
Net financial results	51	1.8%	43	1.6%	18.6%
Result before tax from continuing operations	**17**	**0.6%**	**(3)**	**-0.1%**	**-666.7%**
Income tax	(2)	-0.1%	(27)	-1.0%	-92.6%
Result after tax from continuing operations	**16**	**0.6%**	**(30)**	**-1.1%**	**-153.3%**
Discontinued operations	(109)	—	(37)	-1.4%	n/a
Net attributable Result	**(94)**	**-3.3%**	**(67)**	**-2.5%**	**40.3%**

(*) Data restated as a result of the classification to discontinued operations of the Brazil business (Condensed Interim Consolidated Financial Statements - Note 11).

The reconciliation between the EBITDA included in the Condensed Consolidated Financial Statements and the one indicated in the previous table, due to the allocation, according to their nature, of the logistics costs charged to the warehouses and the restructuring costs for the six-months ended 30 June 2024 and 2023, is explained below:

(Millions of euros)	Income statement	Logistics costs	Restructuring costs	Result 30/06/2024
Net sales	**2,816**	**—**	**—**	**2,816**
Cost of sales and other income	**(2,151)**	**(165)**	**—**	**(2,315)**
Goods and other consumables used	(2,159)	(165)	—	(2,324)
Other income	8	—	—	8
Gross profit	**665**	**(165)**	**—**	**500**
Personnel expenses	(270)	51	11	(208)
Other operating expenses	(265)	112	1	(152)
Furniture rentals	(8)	2	(1)	(7)
Restructuring and LTIP costs	—	—	(11)	(11)
EBITDA	**122**	**—**	**—**	**122**

(Millions of euros)	Income statement	Logistics costs	Restructuring costs	Result 30/06/2023
Net sales	**2,650**	**—**	**—**	**2,650**
Cost of sales and other income	**(1,980)**	**(165)**	**—**	**(2,146)**
Goods and other consumables used	(1,989)	(165)		(2,155)
Other income	9	—	—	9
Gross profit	**669**	**(165)**	**—**	**504**
Personnel expenses	(282)	50	18	(214)
Other operating expenses	(268)	114		(154)
Furniture rentals	(15)	1		(14)
Restructuring and LTIP costs	—	—	(18)	(18)
EBITDA	**103**	**—**	**—**	**103**

The reconciliation between the income statement reclassifying the impacts derived from the Clarel business, the business in Portugal and the large format stores sold to Alcampo (hereinafter Discontinued Operations) as presented in the Condensed Interim Consolidated Financial Statements and the income statement resulting from including all the activities of the Dia Group is presented below.

(Millions of euros)	30 June 2024 with reclassification to discontinued operations	Clarel	Portugal	Brazil	30 June 2024 without reclassification to discontinued operations
Gross sales under banner	**3,311**	**79**	**251**	**308**	**3,949**
Like-for-like sales growth (%)	-5.0%	—%	-2.4%	-15.1%	-5.4%
Net sales	**2,816**	**63**	**184**	**243**	**3,306**
Cost of sales and other income	(2,315)	(40)	(147)	(217)	(2,721)
Gross profit	**501**	**23**	**37**	**25**	**585**
Personnel expenses	(209)	(15)	(17)	(30)	(270)
Other operating expenses and leases	(160)	(5)	(12)	(44)	(218)
Restructuring and LTIP costs	(11)	—	—	(37)	(48)
EBITDA	**122**	**3**	**8**	**(86)**	**48**
Depreciation and Amortisation	(148)	(3)	(6)	—	(156)
Net Gain/(loss) on impairment of assets	(1)	—	—	2	1
Result of non-current asset derecognitions	(8)	—	—	(18)	(26)
EBIT	**(34)**	**—**	**2**	**(102)**	**(134)**
Net financial results	51	—	(3)	(4)	43
Losses before tax from continuing operations	**17**	**—**	**(1)**	**(107)**	**(91)**
Income tax	(2)	—	(1)	—	(3)
Losses after tax from continuing operations	**16**	**—**	**(2)**	**—**	**(94)**
Discontinued operations	(109)	—	2	107	—
Net attributable Result	**(94)**	**—**	**—**	**—**	**(94)**

The reconciliation between adjusted EBITDA to profit or loss for the six-month periods ending 30 June 2024 and 2023 considering all activities of the Dia Group, i.e. including Discontinued Operations, is as follows:

30 June 2024 (Millions of euros)	Spain	Portugal	Argentina	Brazil	Group Total
Adjusted EBITDA	**114**	**—**	**14**	**—**	**128**
IAS 29 hyperinflationary effect	—	—	(90)	—	(90)
NIIF16 effect on leases	80	—	14	—	95
Expenses related to the closure of stores and warehouses	1	—	—	—	1
Expenses related to efficiency processes	(7)	—	—	—	(8)
Other Expenses	(1)	—	—	—	(1)
Expenses related to long-term incentive plans	(2)	—	(1)	—	(3)
Restructuring costs	**(10)**	**—**	**(1)**	**—**	**(11)**
EBITDA	**185**	**—**	**(62)**	**—**	**122**
Results of non-current asset derecognitions	(3)	—	(5)	—	(8)
Impairment of non-current assets	—	—	(1)	—	(1)
Depreciation and Amortisation	(120)	—	(27)	—	(148)
EBIT	**61**	**—**	**(95)**	**—**	**(34)**
Results from monetary position	—	—	102	—	102
Profit/loss from discontinued operations	—	(2)	—	(107)	(109)
Income tax	(2)	—	—	—	(2)
Net financial results	(35)	—	(17)	—	(51)
Result for the period	**25**	**(2)**	**(10)**	**(107)**	**(94)**

30 June 2023 (Millions of euros)	Spain	Portugal	Argentina	Brazil	Group Total
Adjusted EBITDA	**62**	**—**	**17**	**—**	**80**
IAS 29 hyperinflationary effect	—	—	(46)	—	(46)
NIIF16 effect on leases	75	—	13	—	87
Expenses related to the transfer of own stores to franchises	(11)	—	—	—	(11)
Expenses related to the closure of stores and warehouses	—	—	—	—	—
Expenses related to efficiency processes	(4)	—	—	—	(4)
Other Expenses	—	—	—	—	—
Expenses related to long-term incentive plans	(3)	—	(1)	—	(4)
Restructuring costs	**(17)**	**—**	**(1)**	**—**	**(18)**
EBITDA	**120**	**—**	**(17)**	**—**	**103**
Results of non-current asset derecognitions	(4)	—	(8)	—	(12)
Impairment of non-current assets	2	—	(1)	—	1
Depreciation and Amortisation	(115)	—	(23)	—	(138)
EBIT	**3**	**—**	**(49)**	**—**	**(46)**
Results from monetary position	—	—	64	—	64
Profit/loss from discontinued operations	41	(8)	—	(69)	(37)
Income tax	(7)	—	(20)	—	(27)
Net financial results	(30)	—	8	—	(22)
Result for the period	**8**	**(8)**	**4**	**(69)**	**(67)**

Information by country

Spain

Spain (Millions of euros)	30/06/2024	%	30/06/2023	%	Change
Gross sales under banner	**2,449**		**2,330**		**5.1%**
Like-for-like sales growth	5.1%		13.3%		
Net sales	**2,050**		**1,948**		**5.2%**
Adjusted EBITDA	**114**	**5.6%**	**62**	**3.2%**	**83.9%**

- Gross sales under banner rose 5.1% to 2,449 million euros, with like-for-like sales growth of 5.1%, linking two consecutive years of LFL growth. Volume, driven by the acquisition of new customers, was the driver of this growth, offsetting the slowdown in inflation.

- Dia's value proposition continues to prove its success through the increase in the number of receipts (+7.3% in like-for-like sales compared to the first half of 2023). In addition, we continue to focus on a balance between the manufacturer's brand and private label (57.6% compared to 54.4% in the first half of 2023), giving the customer freedom of choice.

- NPS (Net Promoter Score) of 47 (all-time high and +7 points compared to the first half of 2023). The increase in customer satisfaction also confirms the success of our commitment to a strategy focused on proximity, easy and fast shopping and the best value for money. The perception of freshness together with price and Club Dia obtain the best ratings in the whole historical series.

- Online business continues to grow, gaining digital customers and with e-commerce accounting for a larger share of total sales. The digital customer base doubles and the weight of online sales grows 1.3 pp to 4.7% compared to the first half of 2023.

- Spain consolidates improvements with sales growth and doubling Adjusted Ebitda vs 2023 (and tripling vs 2022).

- Despite the reduction in the number of stores, Spain has been able to grow its total sales and LfL sales. In addition to sales growth, operational improvements have led to a significant increase in Adj. EBITDA and profitability. These improvements are reflected in a positive net result as well as positive cash generation.

- Cash generation has been positive with a significant reduction in Capex following the investments made over the last few years as part of the transformation plan, as well as a significant improvement in operational cash flow.

Argentina

Argentina (Millions of euros)	30/06/2024	%	30/06/2023	%	Change
Gross sales under banner	**862**		**907**		**-5.0%**
Like-for-like sales growth	-11.3%		-0.8%		
Net sales	**767**		**701**		**9.4%**
Adjusted EBITDA	**14**	**1.8%**	**17**	**2.4%**	**-17.6%**

- Argentina has been impacted by the strong adjustment in consumption as a consequence of the macroeconomic situation. Dia Argentina has managed to gain market share in the first half of 2024, growing ahead of the competition, despite a complex macroeconomic context in the country in the first half of 2024 that has strongly impacted sales.
- Despite the fall in consumption, growth in receipts continues, with the Dia brand gaining relevance in a context of customer savings. Private labels gain weight versus the first half of 2023 after the renewal of most of the range. The number of receipts continued to grow, despite the fall in consumption (+2.7% like-for-like sales compared to the first half of 2023).
- The satisfaction of our customers continues to increase year after year, confirming the success of the strategy implemented. During the first half of 2024 we achieved the highest NPS score in the historical series in Argentina. The main aspects most valued by our customers are the attention and service in the store. NPS of 69 (+3 points compared to the first half of 2023).
- The online business is gaining customers and weight in total sales thanks to the improvements implemented in recent months. Progress in omni-channelling is also notable. Digital customers accounted for 34.6% of total customers and online sales accounted for 1.3% of total sales.
- Despite the drop in sales, the impact on Adjusted EBITDA and margin was reduced thanks to strong cost control, maintaining profitability above 2% of net sales. Adjusted EBITDA also fell by 1.8% to 14 million euros.
- The devaluation of the peso also impacted Argentina's net result.
- During the first half of 2024, an effort was made to protect cash by reducing the Capex volume.

Store overview

Dia Group	Owned	Franchises	Total
Total stores at 31 December 2023	2,471	2,937	5,408
New openings	1	6	7
Net transfers of owned stores to franchises	-1	1	—
Closings	-323	-48	-371
Sale of Clarel business	-772	-220	-992
Sale of the Portugal business	-189	-265	-454
Sale of the Brazil business	-129	-116	-245
Total Dia Group stores at 30 June 2024	**1,058**	**2,295**	**3,353**

Spain (excluding Clarel)	Owned	Franchises	Total
Total stores at 31 December 2023	836	1,482	2,318
New openings	1	3	4
Net transfers of owned stores to franchises	-16	16	—
Closings	-9	-5	-14
Total Dia España stores at 30 June 2024	**812**	**1,496**	**2,308**

The total portfolio reached 2,308 stores after a net reduction of 10 stores. The franchise mix reached 65% of the network (+0.9 pp compared to 2023).

Argentina	Owned	Franchises	Total
Total stores at 31 December 2023	252	796	1,048
New openings	—	3	3
Net transfers of owned stores to franchises	-2	2	—
Closings	-3	-3	-6
Total Dia Argentina stores at 30 June 2024	**247**	**798**	**1,045**

In Argentina, the total portfolio reached 1,045 stores after a net reduction of 3 stores. The franchise mix reached 76% of the network (+0.4 pp compared to 2023).

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The available liquidity at 30 June 2024 and 31 December 2023 is as follows:

(Millions of euros)	30/06/2024	31/12/2023	Change
Cash and cash equivalents	107	131	(24)
Available credit facilities	220	188	32
Available liquidity	**327**	**320**	**7**

Financial debt

(Millions of euros)	30/06/2024	31/12/2023	Change
Non-current financial debt	407	458	(51)
Current financial debt	16	77	(61)
Non-current lease liabilities	289	285	4
Current lease liabilities	145	144	1
Cash and cash equivalents	(107)	(131)	24
Interest rate hedging derivatives	(1)	(3)	2
Total net debt	**750**	**830**	**(81)**
IFRS 16 lease effect (debt)	(423)	(415)	(8)
Net financial debt	**327**	**415**	**(89)**

The actual gross drawn down debt maturity profile at 30 June 2024, excluding IFRS 16, was 434 million euros.

(Millions of euros)	2024	2025	2026	2027	2028 onward	Total
Debentures and bonds	—	32	—	—	—	32
Syndicated financing	7	361	—	—	—	368
Other loans and other credit facilities	—	—	—	—	—	—
Other current financial debts	2	—	—	—	17	19
Interest debt	1	—	—	—	—	1
Effect of debt renegotiation IFRS 9	1	—	—	—	—	1
Formalisation expenses	4	(3)				2
Gross debt	**15**	**391**	**—**	**—**	**17**	**423**
Lease liabilities	5	3	2	1	—	11
Total gross financial debt	**20**	**394**	**2**	**1**	**17**	**434**

Trade Working Capital

The Group's overall trade working capital balances and evolution are as follows:

(Millions of euros)	30/06/2024	31/12/2023	Change with Discontinued Activities
Inventories	294	315	(21)
Trade debtors and other receivables	149	161	(12)
Trade creditors and other accounts payable	(1,023)	(1,092)	69
Trade working capital	**(580)**	**(616)**	**36**

The Group has not entered into non-recourse supplier trade receivables assignment contracts in 2024 (the Group entered into non-recourse supplier trade receivables assignment contracts in 2023 amounting to 11.6 million euros). At 30 June 2024, the amount of confirming used by the Group stood at 197.5 million euros (December 2023: 206.3 million euros).

Analysis of contractual obligations and off-balance sheet operations

Commitments delivered and received by the Group but not recognised in the Condensed Consolidated Statement of Financial Position comprise contractual obligations that have not yet been executed. At 30 June 2024, commitments delivered amounted to 24 million euros (30 June 2023: 57 million euros). The details and nature of these commitments are set out in Note 19 a) to the Condensed Interim Consolidated Financial Statements.

SUBSEQUENT EVENTS TO THE CLOSE OF THE PERIOD

At the date of preparing these Condensed Interim Consolidated Financial Statements, there are no significant subsequent events that have not been disclosed in the notes to them.

INFORMATION ABOUT THE FORESEEABLE EVOLUTION OF THE GROUP

The Dia Group's future outlook involves:

1 Continuing organic growth in Spain:

- Strengthening loyalty through Club Dia.
- Increasing the frequency and average basket thanks to a large assortment of fresh local products and a balance between manufacturer brand and Dia products of the highest quality.
- Expanding e-Commerce coverage and services.
- Implementing operational improvements to improve profitability (logistics, IT and head office).
- Preparing for expansion (net openings) from 2025 onwards.

2 Continuing to gain market share in Argentina:

- Leveraging the strength of the local business based on proximity to navigate the current macroeconomic context, defend the profitability and gain market share.

3 Consolidating the improved financial profit/loss of the business:

- Further improving profitability and increasing cash generation.

4 Implementing the 2024-25 sustainability plan "Every day counts"

5 Strengthening the capital structure through debt refinancing

ALTERNATIVE PERFORMANCE MEASURES (APMs)

The Alternative Performance Measures (Gross Sales under Banner, Gross Profit, Adjusted EBITDA, Net Financial Debt, Available Liquidity, Trade Working Capital) are defined in the Consolidated Management Report for 2023, which is available alongside the Consolidated Annual Accounts at 31 December 2023.

The reconciliation of net sales to gross sales under banner is presented below.

(Millions of euros)	30/06/2024	30/06/2023	Change (%)
Net sales (Net turnover)	**2,816**	**2,650**	6.3%
VAT	384	369	4.1%
Others	110	219	-49.8%
Gross sales under banner	**3,311**	**3,237**	2.3%