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DIA Q1 2021 Financial Results
DIA narrowed losses by 55% year-on-year

Improved Gross Margin and Adjusted EBITDA driven by operational improvements

2021 priorities focused on continued improvement of commercial offer, rollout of updated franchise model, light remodelling in stores, online expansion and operational improvements

Group sales performance impacted by currency effects in Brazil and Argentina and fewer stores and, with full year-on-year comparison affected by Covid-19 stockpiling in March 2020

Agreement with syndicated lenders, bondholders and reference shareholder establishes sustainable long-term capital structure

MADRID, May 13th 2021: DIA Group, ("DIA" or "The Group") the international food retailer that operates in Spain, Portugal, Brazil and Argentina, today issued its financial results for the first quarter 2021.

Q1 2021 FINANCIAL HIGHLIGHTS (all figures in € million)

	Q1 2021	Q1 2020	Change (%)
Like-for-like sales growth (%)	-0.4%	2.6%	n/a
Net Sales	1,571.6	1,696.1	-7.3%
Gross Profit	344.6	358.2	-3.8%
Adjusted EBITDA	7.1	(0.5)	n/a
EBIT	(42.6)	(54.8)	22.2%
Net attributable Result	(63.8)	(142.6)	55.2%
	Q1 2021	**2020**	**Change (m)**
Trade Working Capital (negative)	600.2	609.2	9 outflow
Total Net Financial Debt	1,344.3	1,276.3	68.0

- **Group Net Sales** impacted by devaluation of Brazilian Real (26%) and Argentinean Peso (36%); resilient comparative local currency performances with Group Net Sales figure up 2.3% on a constant euro basis, and based on 6.2% fewer stores.
- **Group Comparable Sales (Like-for-Like)** were strong in January and February thanks to improved commercial and operational performance. March performance affected by comparison with period of exceptional Covid-19 pre-lockdown stockpiling in 2020.
- **Gross Profit (as a percentage of Net Sales)** increased to 21.9% from 21.1% year-on-year thanks to operational improvements implemented since late 2019.
- **Adjusted EBITDA** turned positive to 0.5% as a percentage of Net Sales.
- **Net Result** experienced an improvement representing less than half of the losses recognized during same period last year, driven by improved Adjusted EBITDA and effective foreign currency risk management.
- **Available Liquidity** of 293m (December 2020: 397m) with 80% in the form of Cash or Cash equivalents.
- **Net Financial Debt (ex IFRS16):** 1,344m up 68m versus December 2020 due to flat Cash Flow from Operations, controlled Capital Expenditures and stable Trade Working Capital.

Commenting on the results, Stephan DuCharme, Executive Chairman, said:

"Improved gross margin and adjusted EBITDA for the period demonstrate the continued positive impact of our commercial and operational enhancements already in place which are centered on building long-term relationships with all external stakeholders, especially our customers.

The extraordinary demand experienced by food retailers worldwide during lockdown months in 2020 will have an industry-wide impact on year-on-year comparative performance in 2021, we remain cautious about the trading environment going forward.

Thanks to the landmark agreement reached with syndicated lenders, bondholders and our reference shareholder, DIA is in a position to both substantially reduce leverage and accelerate its transformational business plan, ultimately improving our position as a modern proximity food retailer to create future value for all stakeholders."

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Q1 2021 - GROUP FINANCIAL RESULTS OVERVIEW

(€ million)	Q1 2021	Q1 2020	Change (%)
Gross sales under banner	**1,888.3**	**2,069.5**	**-8.8%**
Like-for-like sales growth (%)	-0.4%	2.6%	
Net Sales	**1,571.6**	**1,696.1**	**-7.3%**
Cost of goods sold & other income	(1,226.9)	(1,337.7)	-8.3%
Gross Profit	**344.6**	**358.2**	**-3.8%**
Labour costs	(177.7)	(190.6)	-6.8%
Other operating expenses & leases	(101.1)	(101.3)	-0.1%
Restructuring costs and LTIP	(9.6)	(5.6)	71.4%
EBITDA	**56.2**	**60.7**	**-7.4%**
D&A	(96.2)	(115.6)	-16.8%
Impairment of non-current assets	(0.4)	-	n/a
Write-offs	(2.2)	0.1	n/a
EBIT	**(42.6)**	**(54.8)**	**-22.2%**
Net financial results	(19.8)	(88.9)	-77.7%
EBT	**(62.4)**	**(143.7)**	**-56.6%**
Corporate Taxes	(1.4)	1.1	n/a
Consolidated Profit	**(63.8)**	**(142.6)**	**-55.2%**
Discontinuing operations	-	-	n/a
Net attributable Result	**(63.8)**	**(142.6)**	**-55.2%**

EBITDA to Adjusted EBITDA Reconciliation	Q1 2021	Q1 2020	Change (m)
Gross Operating Profit (EBITDA)	**56.2**	**60.7**	**(4.5)**
Restructuring and LTIP Costs	9.6	5.6	4.0
IFRS16 lease effect	(65.1)	(72.4)	7.3
IAS29 hyperinflation effect	6.4	5.6	0.8
Adjusted EBITDA	**7.1**	**(0.5)**	**7.6**

- **Group Net Sales** affected by 6.2% fewer stores and the currency impact of Brazilian Real and Argentinean Peso (depreciation of 26% and 36% respectively, year-on-year).
- **Group Comparable Sales (Like-for-Like)** reached -0.4%, continuing the positive momentum seen since the first quarter 2020 in January and February 2021, driven by an increase of 9.2% in average basket size and offsetting a 8.7% decrease in number of tickets.
- **Gross Profit (as a percentage of Net Sales)** increased to 21.9% from 21.1% year-on-year thanks to positive operational improvements including optimized logistics and reduction of food waste.
- **Labor costs** up slightly 0.1% as a percentage of Net Sales, as 2019 rationalization measures continued to offset Covid-19 related staffing requirements.
- **Other operating expenses (as a percentage of Net Sales)** increased to 6.4% from 6.0% impacted by the defranchising process carried out during 2019 and 2020, which have been partially offset by cost cutting initiatives.
- **EBITDA** remained stable as a 3.6% of Net Sales thanks to improved Gross Margin and continued cost discipline and despite an increase in Restructuring Costs due to the rationalization of the organizational structure and new store franchising process launched since Q3 2020.
- **Adjusted EBITDA** turned positive to 0.5% as a percentage of Net Sales.
- **Depreciation and Amortization** decreased by 19.4m on strategic closures of stores and warehouses.

- **Net Result** amounted to negative 63.8m (-55.2%), thanks to improved Adjusted EBITDA and reduced Financial Losses benefited from an active foreign exchange currency risk management.

Q1 2021 GROUP OPERATIONAL UPDATE

Key priorities during Q1 2020 remained focused on the **continued development of DIA's commercial value proposition**, improved assortment with a focus on fresh produce and the development of a new private label offer combining quality, value-for-money and more attractive packaging.

During Q1 2021, DIA has continued with the comprehensive roll out of an **updated franchise model** that began in Spain and Portugal in the second half of the year 2020. The program, which includes payment and operational support, a new merchandise payment and sales incentive system as well as a simplified cost structure has now been activated for over 970 of DIA's franchise partners in Spain (65% of franchisees including Clarel) and over 185 partners in Portugal (68% of franchisees). In Argentina an updated franchise model is also being rolled out while a tailored offer is being prepared to launch in Brazil.

Light in-store remodellings have been launched in Spain and Portugal with 58 and 13 stores upgraded during the period.

The expansion of online and express delivery continues in all four countries to meet new customer purchasing trends accelerated during pandemic restrictions. In Spain, 14 stores were converted into dark stores during year 2020 (i.e. online fulfilment only) and the Company reached agreements with a number of partners to improve last mile delivery which is now available from 440 stores[1] covering 90% of population in main cities[2] from our own website as well as through partnerships. In Portugal, online delivery now covers the Greater Lisbon and Oporto areas, with express delivery available in 95 stores via regional partnerships.

In addition, the Group maintains a strict focus on **cost efficiencies and delivering reduced complexity.** This is primarily being achieved thanks to the on-going enhancement of our operational model across the entire supply chain, as well as more efficient logistics processes.

A key driver of the Group's improved performance has been the implementation, during year 2020, of a **new organisational structure** aligned to DIA's long-term vision, resulting in greater country autonomy to develop compelling, relevant offers for local customers, led by an empowered CEO and supported by a strategic and lean corporate centre.

[1] As of 31/12/20
[2] Over 50,000 inhabitants

STORE NETWORK

SUMMARY OF GROUP STORES	Owned	Franchised	Total
Total Stores at 31 December 2020	3,487	2,682	6,169
New openings	2	0	2
Owned to franchised net transfers	88	-88	0
Closings	-47	-24	-71
Total Stores at 31 March 2021	**3,530**	**2,570**	**6,100**
Spain	**2,407**	**1,480**	**3,887**
Portugal	**279**	**273**	**552**
Brazil	**558**	**196**	**754**
Argentina	**286**	**621**	**907**

- DIA reached an inflection point during Q4 2020, initiating the conversion of owned stores into franchised stores in Spain and Portugal, following the completion of a two year franchisee network rationalization process.
- In Spain, 20 net stores were transferred from owned to franchised stores during the quarter with newly selected entrepreneurs attracted by DIA's strategic vision. 2 stores were opened and 33 closed during the period.
- In Portugal, 13 stores were closed including 11 Clarel stores. Net transfers from owned to franchised stores amounted to 7.
- Brazil is managing legacy problems with franchisees and is in the process of optimizing its store network that resulted in a net conversion of 115 stores from franchised to owned stores during the period. 25 stores were closed (19 owned and 6 franchised).
- Number of stores remained stable in Argentina during the quarter.

Q1 2021 COUNTRY PERFORMANCE OVERVIEW

Spain	Q1 2021	%	Q1 2020	%	Change
Gross Sales Under Banner	**1,240.9**		**1,274.3**		**-2.6%**
Like-for-like sales growth	-0.9%		7.8%		
Net Sales	**1,044.5**		**1,059.9**		**-1.5%**
Adjusted EBITDA	**9.9**	**0.9%**	**1.8**	**0.2%**	**450.0%**

- Positive **Net Sales** trend continued strongly in January and February despite 6.1% fewer stores. March performance affected by challenging comparison base in Q1 2020 during pre-lockdown stockpiling.
- **Adjusted EBITDA** increased 70bps offsetting increased Operating Expenses to support enhanced fresh offer.

Portugal	Q1 2021	%	Q1 2020	%	Change
Gross Sales Under Banner	**201.7**		**209.6**		**-3.8%**
Like-for-like sales growth	-2.5%		9.3%		
Net Sales	**150.0**		**148.9**		**0.7%**
Adjusted EBITDA	**2.3**	**1.5%**	**0.8**	**0.6%**	**187.5%**

- **Net Sales** positive trend seen in January and February despite restrictions in opening hours. March affected by challenging Q1 2020 comparison.
- **Adjusted EBITDA** increased 90bps on the back of operational excellence measures implemented.

Brazil	Q1 2021	%	Q1 2020	%	Change
Gross Sales Under Banner	**202.8**		**282.5**		**-28.2%**
Like-for-like sales growth	7.0%		-7.8%		
Net Sales	**179.7**		**251.5**		**-28.5%**
Adjusted EBITDA	**(8.0)**	**-4.5%**	**(5.3)**	**-2.1%**	**50.9%**

- **Net Sales** down 4.1% in local currency year on year, with 14.2% fewer stores following closure of underperforming locations. Like-for-like performance resilient in the quarter.
- **Adjusted EBITDA** impacted by resolving legacy franchisee issues and increased opex and labor costs.

Argentina	Q1 2021	%	Q1 2020	%	Change
Gross Sales Under Banner	**242.9**		**303.1**		**-19.9%**
Like-for-like sales growth	-2.3%		-5.4%		
Net Sales	**197.4**		**235.8**		**-16.3%**
Adjusted EBITDA	**2.9**	**1.5%**	**2.2**	**0.9%**	**31.8%**

- **Net Sales** up 27.2% in local currency on the back of improved operational performance in a challenging macroeconomic environment.
- **Adjusted EBITDA (*)** increased 60bps driven by ongoing cost reduction efforts and despite negative volume effect on sales.

(*) Adjusted EBITDA margin to Net Sales calculated without inflation in Argentina is not materially different than the reported figures.

Q1 2021 FINANCIAL RESULTS

(€ million)	Q1 2021	Q1 2020	Change
Finance income	3.2	3.1	0.1
Interest expense	(12.7)	(12.5)	(0.2)
Other financial expenses	(4.8)	(5.7)	0.9
Refinancing expenses	-	-	-
FX differences	(3.0)	(66.5)	63.5
IFRS16 related financial costs	(13.5)	(16.1)	2.6
Gains from monetary positions (IAS 29)	11.0	9.6	1.4
Change in Fair Value of Financial Instruments	-	(0.9)	0.9
P&L from companies accounted under the equity method	-	0.1	(0.1)
Net Financial Results	**(19.8)**	**(88.9)**	**69.1**

- **Interest expenses are stable** due to improved financing conditions achieved following the refinancing process in July 2019.
- **Foreign Exchange differences** improved 95% due to an active foreign currency risk management.

Q1 2021 CASH FLOW STATEMENT

[€ million]	Q1 2021	2020	Q1 2020
Net cash from operations before changes in working capital	**69.3**	**371.9**	**72.0**
Changes in trade working capital	**9.0**	**1.3**	**48.5**
Changes in other receivables and payables	(37.8)	17.3	10.3
CASH FLOW FROM OPERATING ACTIVITIES (A)	**40.6**	**390.5**	**130.8**
Investment in fixed assets	(18.9)	(83.3)	(16.0)
Disposals of fixed assets & other	(4.3)	59.6	0.7
CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(23.2)**	**(23.7)**	**(15.3)**
Debt drawdowns & repayments	(46.7)	140.5	35.7
Interest paid and other financial expenses	(12.7)	(48.3)	(15.9)
Payment of financial leases	(71.2)	(284.6)	(73.7)
Capital Increase	-	-	-
Other	0.9	9.1	7.0
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(129.7)**	**(183.4)**	**(46.9)**
CHANGES IN CASH FLOW FOR THE PERIOD (A+B+C)	**(112.3)**	**183.4**	**68.6**
Cash and Cash equivalents as at beginning of period	**347.0**	**163.6**	**163.6**
Cash and cash equivalents as at end of period	**234.7**	**347.0**	**232.2**

- **Trade Working Capital** stable at 600.2m, thanks to an improved stock management and within a normalized relationship with suppliers and credit insurance agencies.
- **Non-Recourse Factoring** amounted to 0 as of Q1 2021 and at year end. **Confirming** amount of 246.7m as of March, 31st 2021 (December 2020; 248.1m).
- **Capital Expenditure** up 18.1% due to progressive reactivation of investment for store remodeling.
- **Available Liquidity** down to 293.4m (December 2020: 397.0m) out of which 234.7m relates to cash and cash equivalents and 58.7 to undrawn banking facilities.
- Increase in **Total Net Financial Debt** of 68.0m since end 2020 to 1,344.3m driven by flat Cash Flow from Operations, stable Trade Working Capital and limited Capital Expenditures.

TRADE WORKING CAPITAL

Trade Working Capital	Q1 2021	2020	Change
Non-Recourse Factoring	-	-	-
Inventories (A)	431.5	445.8	(14.3)
Trade & Other receivables (B)	138.2	128.4	9.8
Trade & Other payables (C)	1,169.9	1,183.4	(13.5)
Trade Working Capital	**(600.2)**	**(609.2)**	**9.0**

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

CAPITAL EXPENDITURE

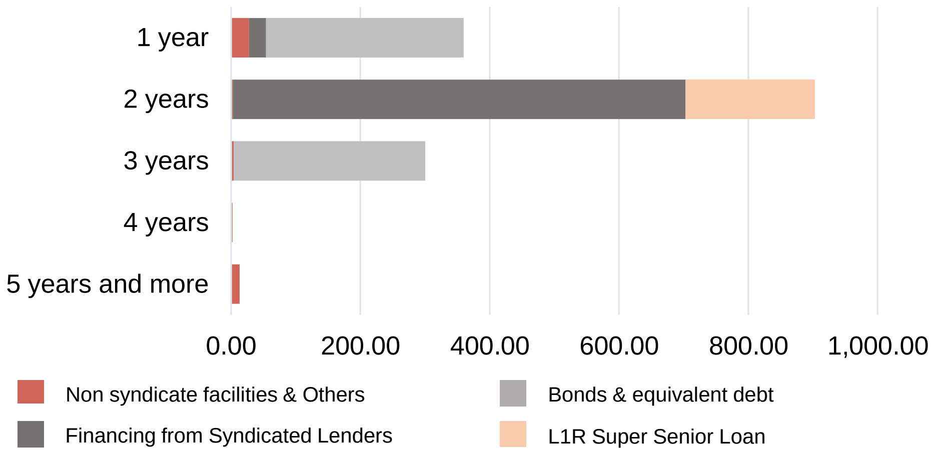
Capex per Country	Q1 2021	Q1 2020	Change (%)
Spain	13.1	12.9	1.7%
Portugal	1.6	0.4	340.9%
Argentina	2.3	1.1	107.6%
Brazil	1.9	1.6	16.4%
Total Group Capex	**18.9**	**16.0**	**18.1%**

BALANCE SHEET

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

- At 31 March 2021, the shareholders' equity balance in the individual financial statements of the Parent Company (which are those used for the purpose of computing the legal dissolution or capital increase obligation) amounted to negative 47.9m (negative 41.8m as of December 2020).

- **Debt maturity profile:**
  - **Actual Gross Debt Maturity Profile as of 31st March 2021 (exc. IFRS16):** 1,578.9m
  - **Non-Syndicated Facilities & Others:** 28.0m (April 2021-March 2022), 2.7m (April 2022-March 2023), 20.0m (April 2023 onwards).
  - **L1R Super Senior Loan facility:** 200.0m (July 2022).
  - **Bonds:** 305.3m (April 2021), 296.1m (April 2023).
  - **Financing from Syndicated Lenders:** 3.2m (April 2021-March 2022) and 723.6 (April 2022-March 2023).



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

- On 10th August 2020, DEA Finance S.à r.l. ("DEA Finance"), a company ultimately controlled by Letterone Holdings S.A. and the sole lender under the 200m L1R Super Senior Facility, launched an offer addressed to the eligible holders of the 2021 and 2023 Bonds to purchase a significant portion of the Bonds. As a result of the transaction settled during the month of September, the offeror held as of 30th September 2020 an aggregate principal amount of 97.53% of 2021 Bonds and 89.73% of 2023 Bonds.

- On 30th November 2020, the company announced an agreement reached with its majority shareholder L1R Invest1 Holdings S.à.r.l. ("L1R"), DEA Finance and its syndicated financial lenders to implement a recapitalization and refinancing transaction (the "Transaction") which would allow the management to focus fully on the implementation of the DIA group business plan.

- On 25th March 2021, the Company informed the market that it had reached a new agreement that replaced the previous agreement with all of its syndicated lenders providing a path for a more comprehensive global recapitalisation and refinancing transaction (the "Comprehensive Transaction") and of the main terms and conditions of such transaction.

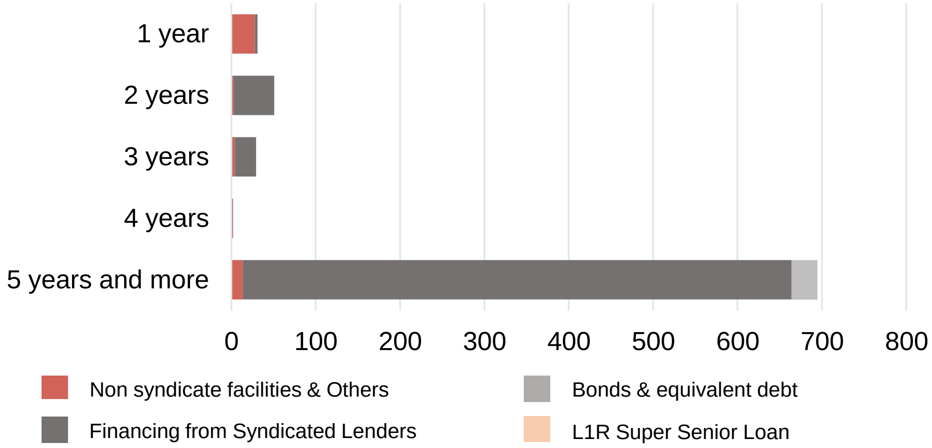
- The Comprehensive Transaction involves:

    - a capital increase of up to 1,028m at DIA in two tranches (the "Capital Increase") :
        i. a first tranche of debt capitalisation by the majority shareholder L1R of c.769m, to discharge an equivalent amount of financial debt including the 200m L1R Super Senior Facility, c. 7m loan, c.293m 2021 Bonds due on 28th April 2021 and c.269m 2023 Bonds both originally held by DEA Finance, and;
        ii. a second tranche of cash contributions, reserved in first instance to the rest of shareholders of c. 259m;
    - an amendment and restatement of the existing 902m syndicated facilities agreement to extend the maturity date of certain facilities to 31st December 2025 and amend other terms and conditions;
    - an amendment of terms and conditions of remaining 31m 2023 Bonds to extend the maturity date from 6th April 2023 to 30th June 2026 and increase the interest to 3.5% per annum; and
    - an extension of the maturity dates of certain bilateral facilities and credit lines entered into with certain syndicated financial lenders ("Bilateral Facilities").

- The recapitalization of the DIA Group, together with the discharge of a significant amount of Net Financial Debt, as well as the extension of the maturity dates of the senior facilities, the remaining 2023 Bonds and the Bilateral Facilities, will materially reduce net financial indebtedness of the DIA Group by 55-75%, eliminate refinancing risk over the medium term, ensure operational financing requirements are in place, and provide a stable long-term capital structure for DIA.

- The effectiveness of the Transaction is subject to the fulfillment or waiver of certain conditions precedent by no later than 29th October 2021.

For informational purposes, find below a **proforma debt maturity profile** once the Transaction is closed:



EVENTS FOLLOWING THE CLOSE OF THE PERIOD

- One of the conditions to be satisfied for the effectiveness of the Comprehensive Transaction is the amendment of the terms and conditions of the 300m 0.875% Bonds which mature on 6th April 2023 (the "2023 Notes") as follows: (a) extending their maturity date from 6th April 2023 to no earlier than 30th June 2026 and (b) increasing the coupon from the date of the amendment to 3.50% per annum (3% in cash and 0.50% PIK) plus an additional increase in interest of 1% PIK in certain circumstances (the "Amendment to the 2023 Notes").
- On 20th April 2021, the Company informed the market that the noteholders' meeting of the 2023 Notes held on that date approved the Amendment to the 2023 Bonds, and that, in order to implement such noteholders' meeting resolution, the Company signed an amendment to the final terms of the 2023 Bonds, fulfilling one of the main conditions precedent to which the effectiveness of the Comprehensive Transaction is subject to.
- On 28th April 2021, the Company repaid the 2021 Bonds to the minority bondholders for a total principal amount of 7.4m. The majority 2021 Bonds held at maturity by L1R for a principal amount of 292.6m will be converted into equity as part of the Comprehensive Transaction.
- On 29th April 2021, the Board of Directors of the Company approved to convene the 2021 General Shareholders' Meeting to whose approval it will submit, among other resolutions, a c.1,028m Capital Increase in two tranches at an issue price of €0.02 per new share (€0.01 nominal value and €0.01 share premium).
- The full text of the proposed Capital Increase resolution can be consulted as part of the General Shareholders' Meeting documentation available in the Company's website (www.diacorporate.com).

CHANGE IN CURRENCY RATES

Change in Currency Rates	Argentinean Peso / €	Brazilian Real / €
Q1 2020 average	0.015	0.204
Q1 2021 average	0.009	0.152
2021 variation	**-36.4%**	**-25.8%**

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

DEFINITION OF APMS

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

PURPOSE

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

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

CHANGES TO APMs

The Adjusted EBITDA definition was updated in 2019 to:

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

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

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

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

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

Net Sales to Gross Sales Under Banner	Q1 2021	Q1 2020	Change (%)
Net Sales	1,571.6	1,696.1	-7.3%
VAT and Other	316.7	373.4	-15.2%
Gross Sales Under Banner	**1,888.3**	**2,069.5**	**-8.8%**

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

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

EBIT to Adjusted EBITDA Reconciliation	Q1 2021	Q1 2020	Change
Operating Profit (EBIT)	(42.6)	(54.8)	12.2
Depreciation & Amortization	96.2	115.6	(19.4)
Losses on write-off of fixed assets	2.2	(0.1)	2.3
Impairment of fixed assets	0.4	-	0.4
Gross Operating Profit (EBITDA)	**56.2**	**60.7**	**(4.5)**
Restructuring costs	5.8	1.0	4.8
Long-term incentive program	3.8	4.6	(0.8)
IFRS16 lease effect	(65.1)	(72.4)	7.3
IAS29 hyperinflation effect	6.4	5.6	0.8
Adjusted EBITDA	**7.1**	**(0.5)**	**7.6**

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

Net Debt Reconciliation	Q1 2021	2020	Change
Long-Term debt	1,217.8	1,224.6	(6.8)
Short-Term debt	361.2	398.7	(37.5)
Cash & Cash equivalents	234.7	347.0	(112.3)
NET FINANCIAL DEBT	**1,344.3**	**1,276.3**	**68.0**
IFRS16 Lease Debt Effect	588.1	591.5	(3.4)
TOTAL NET DEBT	**1,932.3**	**1,867.8**	**64.5**

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