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a tu lado
ayer, hoy y mañana

— 2020 ANNUAL REPORT —

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Index

Chairman's statement	4
1.1 Our history.....	8
1.2 Our figures.....	10
1.3 Our business model during the pandemic	16
2.1 Commercial Management	20
2.2 International Programme	24
2.3 Logistics and Operations	26
2.4 Centralised Payment	28
2.5 2020 Economic Performance.....	32
2.6 2021-2025 Strategic Plan	38
2.7 Stakeholders and Sustainable Development Goals (SDGs)	40
3.1 Mission, vision and values.....	50
3.2 Corporate Management.....	54
3.3 Affiliates' directory	64
3.4 Financial figures IFA Retail, S.A	66
3.5 Audit report	70



Jerónimo Martín Rodríguez
 Chairman and CEO
 of IFA Retail, S.A.

Chairman's statement

When I wrote my first Chairman Statement back in 2019, little did I know that only a year after our lives and business were to change so drastically. The year 2020 has undoubtedly involved a **life learning and unforgettable experience** for all of us, and specially for our industry.

Our regional and proximity distribution in Spain, so distinctive and unique in Europe, was put to the test in 2020 like never before. During the most difficult times, business and employees did their very best, teaching all of us a lesson of professionalism, dedication, courage and good work, for which they have achieved the recognition of society as a whole.

Our sector, sometimes undermined despite the invaluable work it carries out and its contribution to society in crucial aspects such as employment, where it ranks as the first sector of activity, has seen its reputation grow as a result of being deemed as essential during the toughest times of the pandemic.

We must all agree that the year 2020 has not been a year for economic performance. Nonetheless, **the outstanding efforts of our Group, Head Office and affiliates deserve to be highlighted.** Both the good work and dedication have paid back and customers numbers and loyalty levels have increased after the months of lockdown. We have been rewarded with customer satisfac-

After such an extraordinary year, we are very proud of the work carried out by our sector and particularly by our companies during the pandemic.

tion and trust thanks to a business model which has been built upon the pillars of variety, proximity, quality, fresh produce and professionalised customer service.

IFA's business figures and key performance have both reached very high levels. However, the Group greatest growth has been that of **solidarity, mutual support, proactiveness, effort and teamwork.** More than ever before, we have managed to work as cohesive family which has remained united during the hardest times.

We cannot but take pride of the **International alliance** developed in 2015 with our Portuguese family at Sonae Modelo Continente, which was later reinforced by our partnership with the Italian Gruppo Végé In 2018. These years of partnership have drafted the best chapters in the history of the Company, as all the countries forming part of the Group have been nothing but supportive amongst themselves, allowing for invaluable learning experiences in effective pandemic management.

All the difficulties experienced in a year such as this one have not hindered but rather encouraged our optimistic outlook towards the future. Nothing reflects this spirit

IFA has overcome the 32,000 million euros barrier of consolidated turnover, but most importantly, it has won the solidarity race as a group in moments of truth.

better than the joint work carried out by the Board of Directors and the Head Office, which has resulted in the approval of the **2021-2025 Strategic Plan**, a roadmap that involves taking a qualitative leap to face the challenging future that lays ahead. The new Strategic Plan comprises a full array of essential strategic actions, which will be undertaken with a speed boost in order to respond to the current and future turmoil faced by our sector.

Inevitably, the last words of my statement this year must go for all of those relatives and friends that we have lost along the way and who will always be remembered, specially our dearest Paco, our long-time Secretary of the Board of Directors for over twenty years. Also, I must express my most sincere gratitude to all those who have made our effort to serve our citizens possible, that is, our employees, suppliers, logistics and transport teams, amongst others. Thank you very much for such a demonstration of professional service and commitment.

Best regards,



1

1.1 Our history	8
1.2 Our figures	10
1.3 Our business model during the pandemic	16

Our history

■ **1967**

IFA ESPAÑOLA, S.A. is founded on Friday 2 June 1967 with a company capital of 2,800,000 pesetas.

■ **1968**

Grupo IFA opens the first Cash and Carry in Spain through its associate, Almacenes Paquer (Tarrasa).

■ **1972**

The Cash and Carry Network opens its fiftieth outlet.

■ **1976**

Launching of CIBON and BAJEL own brands labels for food products and canned fish respectively.

■ **1978**

Grupo IFA started the concept of CHAIN OUTLETS in Spain with an expansion plan to develop its retail channel by opening supermarkets.

Cabrero e Hijos opened its first “discount supermarket” in Spain under the ALDI brand.

■ **1980**

Grupo IFA receives the “European Food leader of the year” award.

■ **1984**

Grupo IFA is defined as the image for both brand and communication purposes.

■ **1987**

As IFA develops its own-brand, the number of stores reaches 1,000.

■ **1990**

Grupo IFA is once more pioneering the implementation of Electronic Data Exchange (EDI) in Spanish distribution.

Broad presence in advertising and the media thanks to sponsorships such as “La Vuelta Ciclista a España” and the Spanish Basketball league (ACB).

■ **1992**

The number of associates grows some 50% with the addition of the PENTA purchasing center.

■ **1994**

Grupo IFA structure transformation to meet current market demands takes a decisive step with the integration of the UNAGRAS and CMD purchasing centers.

■ **1998**

Grupo IFA’s turnover exceeds one trillion pesetas.

■ **2005**

Start of NAOR Program, which we joined through the Spanish Agency for Food Safety and Nutrition (AESAN) to commit to healthy and natural foods.

■ **2012**

IFA is awarded the Trade Merit Plaque by the Ministry of Economy and Competitiveness through the Secretary of State for Trade. The companies in the Group total 60,000 employees.

■ **2013**

Launch of the Group’s new 2013-2016 Strategic Plan, as part of the vision to turn the Grupo IFA into the best distribution group in Spain.

Launch of IFA’s Own Brand Project and development of the first 1,000 items under the ELIGES, UNNIA and SABE brands.

■ **2015**

Unide joins Grupo IFA resulting in a significant increase in the store network.

An alliance with the Gasol Foundation I signed to develop healthy habits among the Spanish population.

■ **2016**

Sonae MC joins Grupo IFA to start the Group’s internationalization plan. Turnover reaches 16 billion euros.

■ **2017**

Grupo IFA celebrates its 50th Anniversary with its associates, suppliers and employees.

The 2020 Strategic Plan is approved

■ **2018**

Italian Gruppo VEGÉ joins the International Purchasing Centre and consolidates GRUPO IFA as the distribution leader in the South of Europe.

■ **2019**

GRUPO IFA joins EUROCOMMERCE to foster fair relations and commercial practices with both clients and providers in the European sphere.

General Director of GRUPO MAS, Jerónimo Martín Rodríguez, is appointed Chairman and CEO of GRUPO IFA.

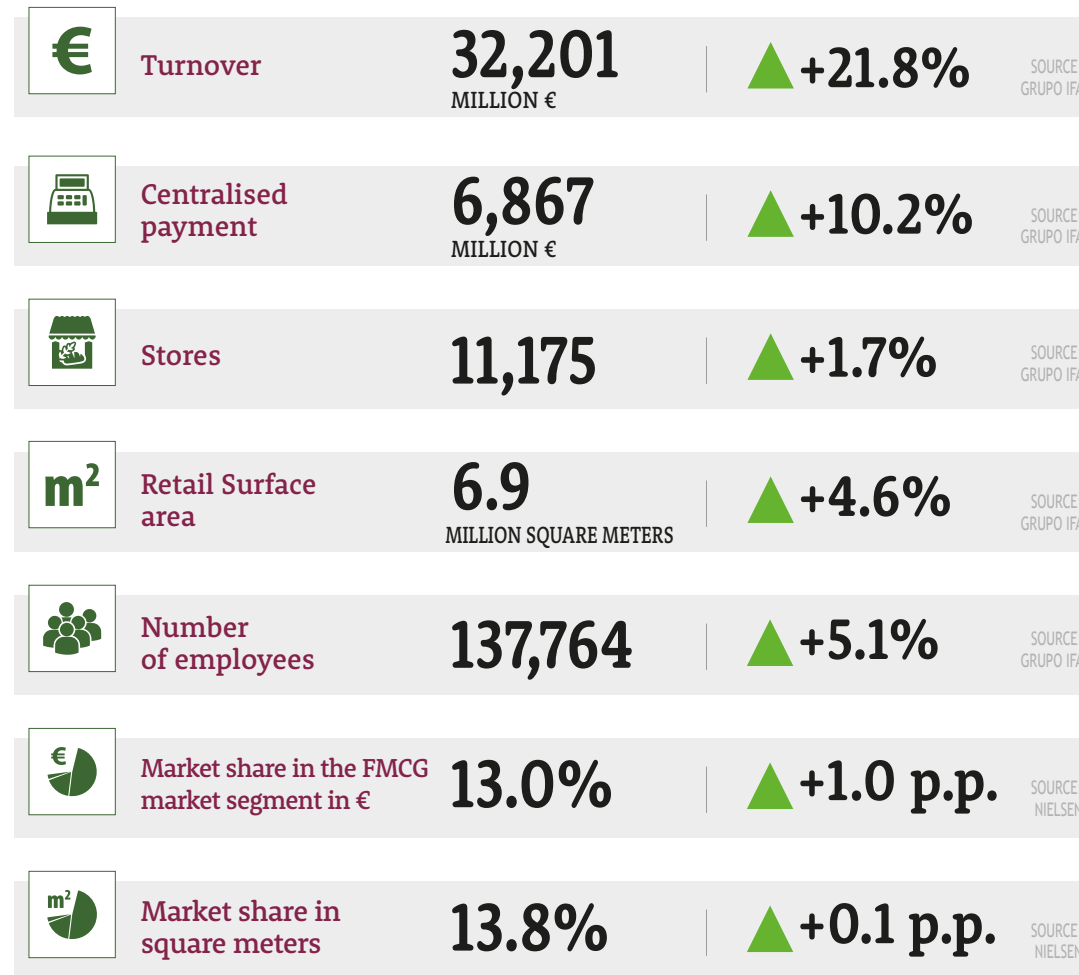
■ **2020**

Grupo IFA launches its new corporate identity: a new image for a shared future.



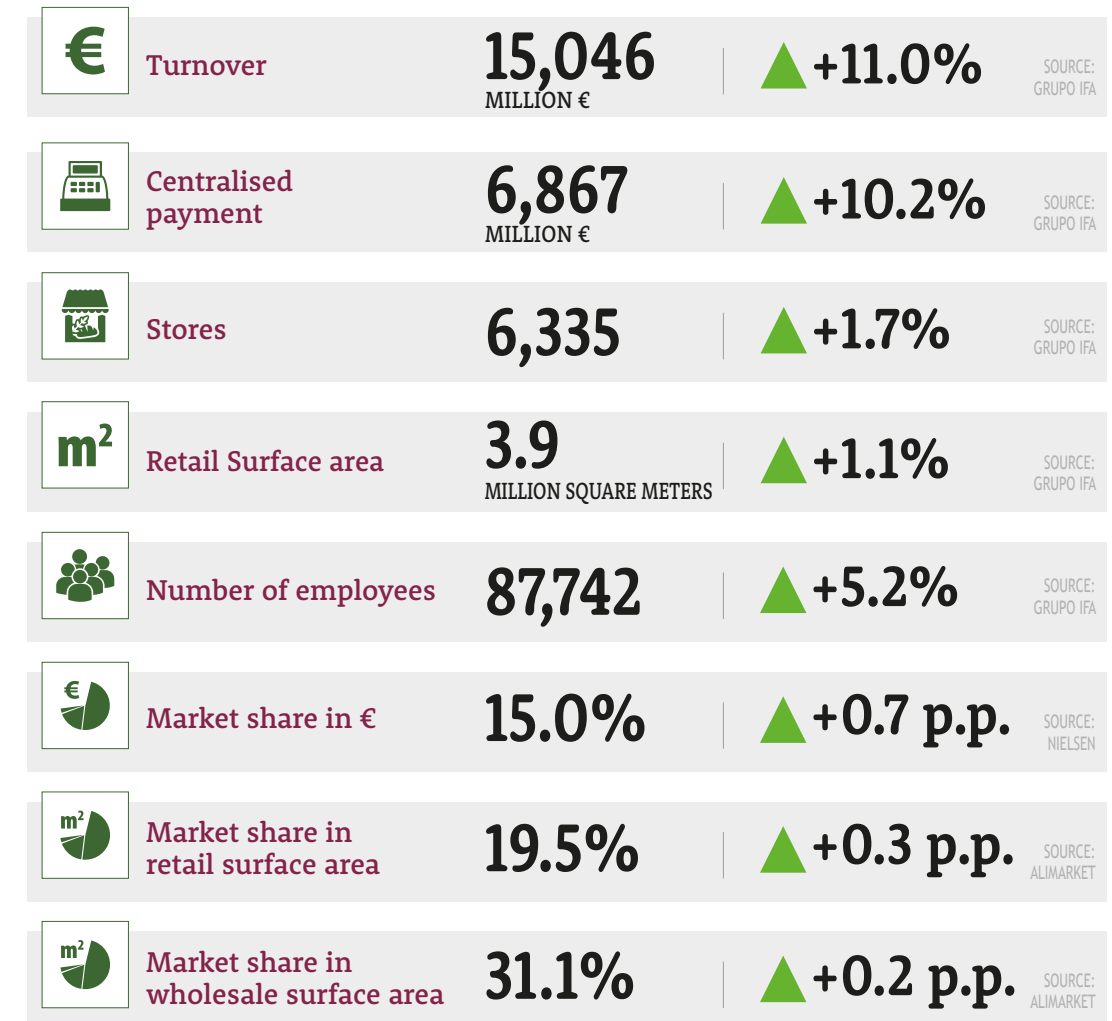
Overall figures

2020 Grupo IFA overall figures in Spain, Portugal and Italy.

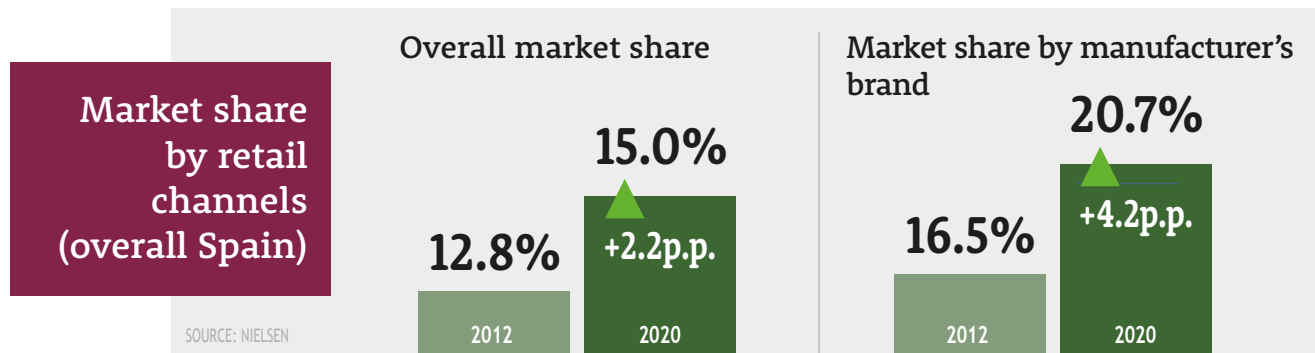
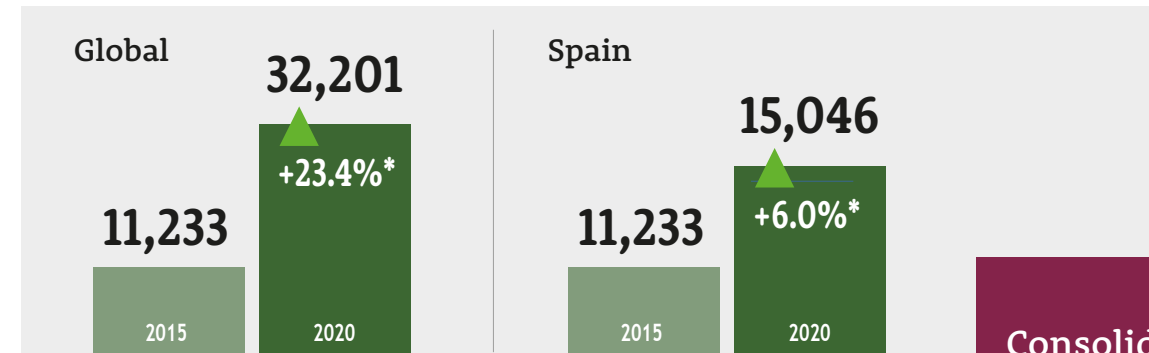
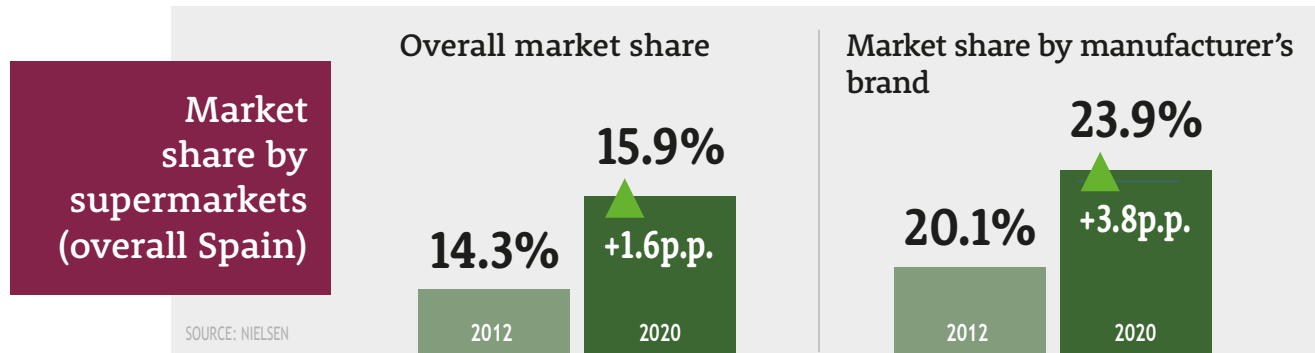


Grupo IFA figures in Spain

2020 Grupo IFA overall figures in Spain.



Sales and market share



We are consistently leading the sector and the supermarket channel in alliance with the manufacturer brand



We have grown by some 224% globally and by 51% in the Spanish market over the last 8 years



We are leaders in retail surface area



Market share by retail surface area:

1º First position

- | | |
|------------|-------------|
| Madrid | Huelva |
| Barcelona | Ciudad Real |
| Sevilla | León |
| Las Palmas | Lugo |
| A Coruña | Guadalajara |
| Tenerife | Huesca |
| Asturias | Cuenca |
| Girona | Ávila |
| Toledo | |

2º Second position

- | | |
|------------|-----------|
| Vizcaya | Lleida |
| Córdoba | Álava |
| Guipúzcoa | Salamanca |
| Navarra | Teruel |
| Valladolid | Soria |

MAIN PROVINCIAL MARKET SHARE BY RETAIL SURFACE AREA IN THE FIELD OF ORGANISED DISTRIBUTION (FOOD BASED) AS OF 31-12-2020.
SOURCE: RETAIL DATA



Our market share by retail surface area increased by 19.5%

The response of our business model during the pandemic

Grupo IFA represents a unique model in Europe comprised by very relevant and committed regional leaders. Proximity, fresh produce and variety remain to be the foundations that underpin our permanent Identity, and as such, it has proved to be of the utmost importance to our customers owing to the Impact of mobility restrictions and the need to ensure supply in times of pandemic.

The fact that our sector was deemed essential from the outset of the Covid-19 crisis not only did it involve a huge challenge for both all of our associates and our Head Office, but in turn, it contributed to the consolidation of our business model. The Group Companies demonstrated their professionalism and ability to adapt effectively to

such difficult circumstances In record time. They managed from the very beginning to secure supply while guaranteeing the safety of their customers and employees. Being the biggest store network in the country, with over 6,000 retail outlets in Spain, IFA made life easier to many people, particularly across the less inhabited areas and the smaller municipalities.

Our associates, who have remained in permanent contact with Public Administrations through our associations, led the adoption of safety measures from the very first moment. This had a direct Impact on how quickly the partitions were installed at the tills, the implementation of access flow control, the reduction of working hours, the use

of masks, gels and gloves, as well as on how effectively the cleaning and disinfection tasks were implemented. All this when no protocols had been yet established and a notable increase in costs and investment had to be faced.

Furthermore, our Head Office and the Group, who behaved as our greatest allies, worked very closely to guarantee supply. IFA was determined to spread best practices in the most agile way. Personal protective equipment purchases were centralised, logistics support as well as business Intelligence services were provided, and a daily monitoring of sales and behaviour was arranged by categories in order to anticipate future demand. In addition, permanent coordination with our Italian partner Gruppo VéGé allowed us to forecast many of the situations that subsequently took place both in our country and in Portugal.

Our Group is getting prepared to face a demanding and competitive

Proximity, fresh produce and the wide range of products we offer have been key during the health crisis



Thank you

for pulling together



scenario brought by the country's economic crisis, for which proximity will continue to be key, as it was before the pandemic. The fact that our country shows an increasingly aging population and urban mobility is being compro-

mised makes our model the most convenient and sustainable, as over 80% of our customers come to our stores on foot. Therefore, we will continue to uphold our Identity foundations (proximity, fresh produce and wide range of pro-

ducts) at the same time that we will endeavour to strengthen our competitive stance with current purchase trends. As in previous occasions, we aim to become a key driver for the country's recovery from this crisis.

2

2.1 Commercial Management	20
2.2 International Programme	24
2.3 Logistics and Operations	26
2.4 Centralised Payment.....	28
2.5 2020 Economic Performance.....	32
2.6 2021-2025 Strategic Plan	38
2.7 Stakeholders and Sustainable Development Goals (SDGs)	40



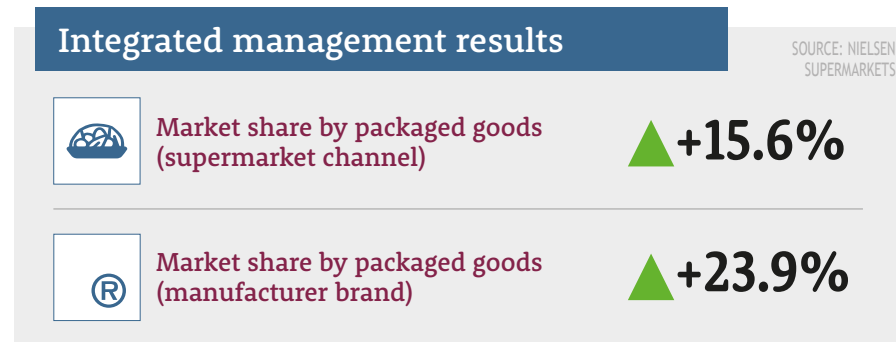
“By your side”, the promotional initiative designed to support families through the toughest times of the pandemic, engaged 45 suppliers

the Ifamilia vertical promotional programme, in which 45 suppliers have taken part as well as the launch of the “By your side” Initiative, which was designed to help families during the toughest times of the pandemic.

The reorganisation of the commercial area has already been consolidated. It has been structured in four different areas: Food, Beverage, DPH products and Own Brand. Each of them comprises Commercial and Quality teams that make use of management and business intelligence tools in order to analyse consumer trends and to embrace them in a more agile and accurate way. We continue to improve product segmentation by gradually incorporating Big Data as well as new technologies into our business. Through this, customized sales and communication channels can be offered to our customers, as it is paramount that we get to know them better every day in order for our category management team to build valuable commercial propositions for.

A leading retail platform for the manufacturer brand

As a purchasing and service center, improving the competitive stance of our associates is at the forefront of our commercial strategy. For this reason, the Centralised Procurement Committee, which is made up of affiliates and Head Office representatives, fosters a commercial model based on a more comprehensive approach to



categories. With this new model in place, more vertical actions with leading manufacturers can be undertaken, should a specific requirement or opportunity be identified for a particular category area.

Our manufacturers have become our greatest allies in a very complicated year due to the Covid-19 crisis, and the Group has continued to be a leading commercial platform for the manufacturer brands. Our model supports their growth in a decisive way by boosting their key commercial launches. It also

supports the implementation of their innovation programmes and we jointly deploy promotional initiatives focused on consumer preferences and trends.

Our model has thus allowed for the development of over twenty vertical levers, 200 commercial initiatives and the promotion of more than 6,200 products. In addition, we have reinforced our annual negotiations with suppliers, thus helping our partners maintain a competitive leadership in the manufacturer brand segment. A good example of this has been the launch of

Own brand commitment to health and sustainability

Although 2020 has been a challenging year for our own brand, the strength of the project has been demonstrated by the fact that we have been able to ensure supply in our consumers' households. All this combined with our determination to continue supporting our associates on the supermarket shelves by widening the range of manufacturer brand products and by offering greater choice to consumers.

This year our main goal has been to guarantee supply to all the families. We have also worked extensively to increase new range of products to meet the requirements emerged from the pandemic, such as cleaning, personal care or food products, which have acquired a predominant role in the supermarket shelves.

KADÔ, our personal care and cosmetic brand has kept its presence and continues making progress

2020 Own Brand Figures

€ VOLUME OF CENTRALISED PURCHASES:
690 MILLION EUROS

PRODUCT RANGE OVER
2,200 products

Over **150** SUPPLIERS WITH TURNOVER

Over **150** REGISTERED BRANDS

despite the current difficult times the sector is going through. The consolidated facial and body cosmetic care lines of work have been completed, and product ranges continue being developed to meet current consumer demands.

Our brand strategic thinking process has been completed this year. To follow the ongoing path of health and sustainability already in force, we have been working on new projects which involve new brands and which will be coming into being in 2021. One of these projects

is the adaptation of our recipes to the specific requirements of NAOS strategy (nutrition, physical activity and obesity prevention strategy), based on the promotion of a healthier diet, particularly amongst children. To this end, over 100 product recipes have been reformulated to reduce salt, lower sugar levels as well as saturated fat contents.

Our own brand department has continued making progress on both the commercial and quality sides of the business respectively in an effort to improve the service provided to our affiliates, as well as to increase their

“
We have strived to meet product demands emerging from the pandemic

competitive stance and supply while maintaining quality, which is measured by our strict standards and through controls that allow for potential deviations to be analysed in such way that the ongoing improvement of our proposals is ensured. Our standards are based on both onsite and desk audits (BRC and IFS) and on the numerous analysis we have continued to undertake on our product range - despite the current difficulties - to ensure the sustainability of our quality through time.



IFA international: leading sustainable growth in an exceptional context

Recognition must be given to our associates for their efforts, commitment and solidarity during such a harsh year. They have fully met the demands of a society that has pushed them to the limit in many areas of work, especially in their logistical, operational and resource management capacity. All this while putting both employees and customer's health at the forefront of their priorities throughout 11,000 stores spread across Southern Europe.

Once again, the International Programme has played a key role in putting together the different lessons learnt and in analysing the foreseeable future based on the experience of the Spanish, Portuguese and Italian markets involved. By means of this report, we would like to thank all our as-

sociates in Spain, SONAE MC and Gruppo VEGÉ, for their generosity, exchange of experiences and joint collaboration. They have been key to reinforcing our unique model in Europe.

Our International Programme has continued advocating for our manufacturer's brand, upon which our value model has been built, and we have managed to achieve outstanding results with a double-digit increase that exceeds 16%. Thus, our position in the South of Europe has been strengthened, and so has our credibility,

as we embody a sustainable model for growth. We have become the main alternative against short assortment trends focused on own brand products with scarce innovation development.

Our International Programme is attracting more manufacturer's each year, because it upholds a sustainable model that advocates for national brands. Moreover, investment is being made by manufacturers to increase our competitive stance and to provide us with the necessary tools to continue facing the challenges of a permanently

We represent the main alternative against short assortment trends focused on own brand products



evolving sector. We work every day to develop joint initiatives that will promote growth and innovation as a differential value.

As a result, IFA International reached a market share in excess of 15.5% in the year 2020, which represented a percentage point higher from last year. In addition, the markets where we operate doubled their growth. There is no doubt that together we are stronger.

SOURCE: NIELSEN. IFA GROWTH IN MARKET SHARE BY MANUFACTURER BRAND (SPAIN, PORTUGAL AND ITALY). PGC (TAM DECEMBER)

Key indicators and performance

€	IFA's consolidated turnover:	32,201 MILLION EUROS	▲ +21.8%
📊	Market share by Manufacturer Brand ² :	15.5%	▲ +1.3 p.p.
m ²	Retail surface area:	6.9 MILLION SQUARE METERS	▲ +4.6%
🏪	Stores:	11,175	▲ +1.7%

SOURCE: GRUPO IFA. / (2) NIELSEN.MARKET SHARE BY MANUFACTURER BRAND (SPAIN, PORTUGAL AND ITALY). PGC. (TAM DECEMBER)

Consolidation platform

+55% of total volume shipped

Energy

1 TWH CONTRACT
20% savings from year 2019

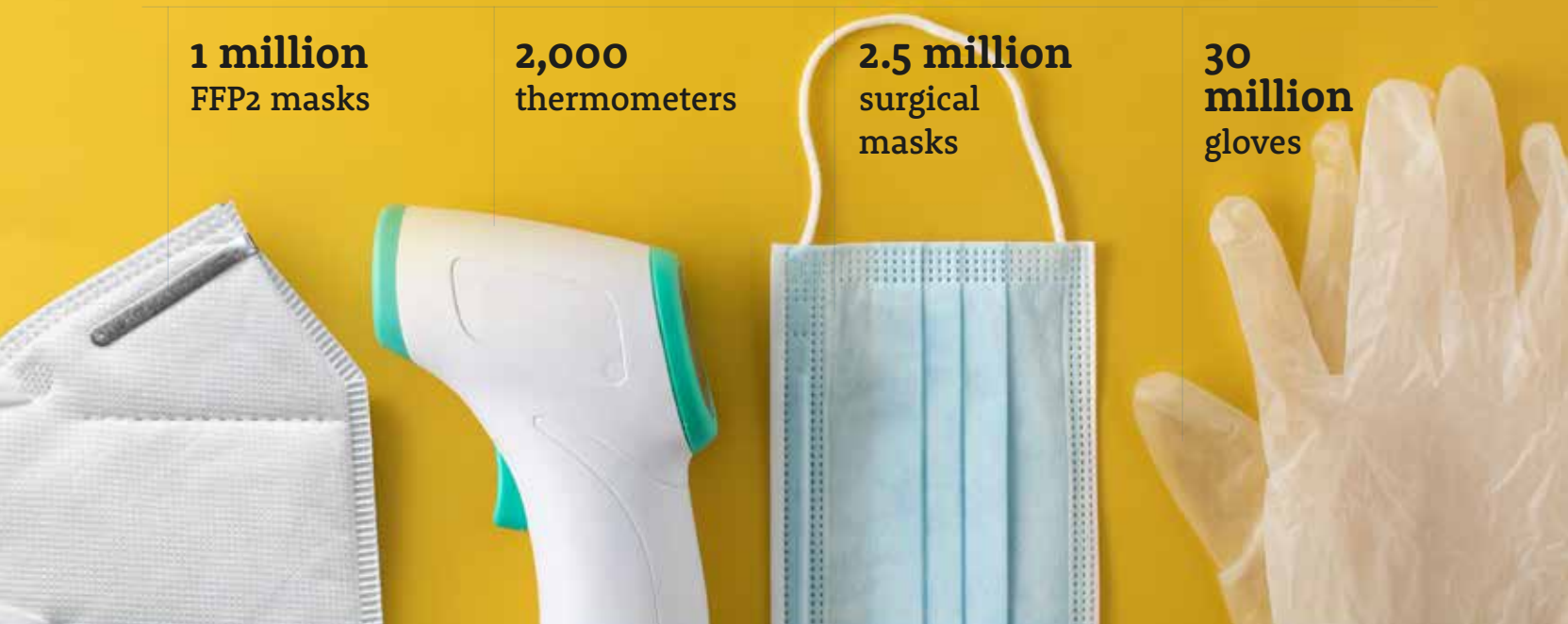
Health crisis

1 million
FFP2 masks

2,000
thermometers

2.5 million
surgical
masks

30 million
gloves



Operations focused on fighting the health crisis

The operations department has been through a hard year marked by the pandemic of Covid-19. April was particularly the toughest month, as hardly no personal equipment was available throughout the world. That is why the Purchasing Center prioritised obtaining equipment to make it available to our associates as it was arriving from Asia. We even took care of customs to ensure delivery to all destinations.

The joint work carried out with ASEDAS and the Public Administrations served to clarify the protocols for the imports and physical distribution of protection equipment, allowing for all our associates' employees to work safely. In addition, in record time, we reached a collaboration agreement with a Riojan company that produces insoles for footwear to design, approve and start up a production line that would ensure the supply of hygienic masks.

Despite this context, increasing the competitive stance of our

Our logistics operations maximised efficiency to prevent stock-outs of essential product ranges

associates and promoting price suppression was not neglected at any time, as they both remain a main priority for this company. In addition, with regards to logistics, we took the opportunity to maximise efficiency to prevent stock-outs of essential product ranges, whose demand rose exponentially due to lockdowns.

With regards to energy, in our determination to offer the best savings opportunities for our associates, we aimed for aggressive contracting formulas,

reaching savings in excess of 20% from previous year in the daily market closings. This fact represents very relevant savings if we take into account that the annual contracting volume is 1Twh.

On the other hand, sustainability continues to be one of our priorities. Work has been carried out by the Purchasing Center to keep our associates up to date with regulatory changes on materials, thanks to which the composition of shopping bags was completely adjusted by the end of 2020, and therefore, the year 2021 will begin with every guarantee of service and satisfaction.

During the year 2020 we have continued taking part in different work forums within Ecoembes, AECOD and ASEDAS in order to uphold our associates interests in relevant issues such as the waste Law- which has a strong impact on anything related to plastics- as well as the climate change and energy transition Law, which covers every aspect of urban distribution and energy.

The strength of our administrative process during the pandemic



Both reducing transaction costs for our affiliates and suppliers and streamlining our billing, collection and payment operations are the objectives pursued by IFA's management of administrative processes. Through a centralized mechanism for the reception, validation and processing of invoices, IFA Retail guarantees suppliers a single payment for all the purchases carried out by the different member companies, thus providing visibility to payment deadlines and allowing for

an homogeneous, transparent and efficient management of invoice settlements, charges, payments and troubleshooting.

The development of continuous improvement projects, through the collaboration of the financial and IT teams, is aimed at standardising the mechanisms for the exchange of information with partners and suppliers and at increasing the level of digitization and automation of the billing and collection processes. Over the

last two years, IFA has displayed over 300 improvement actions in our management systems. These kind of improvements have been key for the Head Office to be able to meet the demands of a very complex environment emerged from the COVID-19 crisis. To this respect, **the company was able to transfer the whole of its operations to a digital platform from April onwards**, allowing for the smooth running of operations and for the execution of business process, thus preventing any ad-

Main figures and milestones



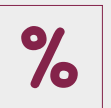
3.9 million
OF HANDLED
INVOICES



PAYMENTS
TOTTALLING
6,867 million
euros



776 promotional initiatives
WITH OVER
190 suppliers



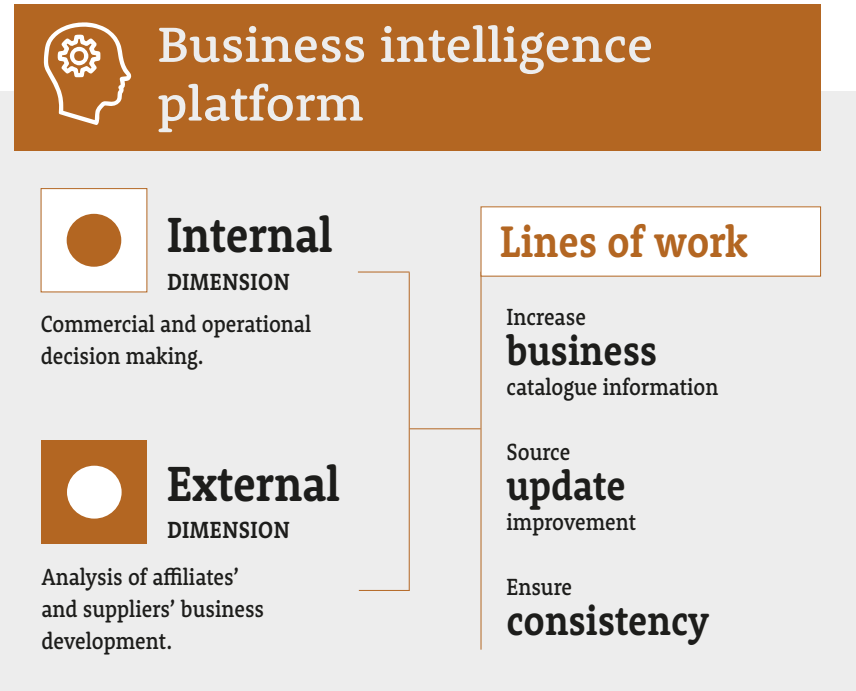
ADDITIONAL
DISCOUNTS ON
6,200 promotional products

verse impact on our associates and suppliers.

Carrying out all the operations in a teleworking environment was a challenge but, at the same time, became an opportunity to emphasize the robustness of both the processes and the control mechanisms of each transaction. In this sense, total availability of our company's systems was provided to our collaborators. The use of collaborative tools by all teams became widespread and the daily office routine shifted from a face-to-face traditional environment to a 100% teleworking environment, which evolved to a mixed model once conditions permitted.

Furthermore, the potential of new technologies aimed at improving process efficiency, such as the ones provided by robotic process automation (RPA) for the execution of accounting and administrative tasks or the implementation of specialised digitalisation tools for end to end business processes have been analysed throughout this year.

Particularly, IFA is through the final phase of implementing a



contract management tool for the automation of the drafting, negotiation, signing, filing and management of all company contracts, with a focus both on workflow security and traceability as well as on ensuring a smooth communication between signatories. All this automation of processes, in addition to reducing potential errors and enhancing the robustness of the procedures in force, help reduce the time that is spent in low value tasks in order

to focus on tangible and added value ones.

Additionally, the Head Office has continue developing the existing business intelligence platform for it to become a reference tool both internally (for operational and commercial decision-making processes) and externally (to facilitate the analysis of suppliers' and partners' business development). Our main priority areas of work are to enhance the amount

of information comprising our business catalogue by combining both internal indicators with external ones related to the sector's development, and to improve the frequency and consistency of the updates coming from different sources.

With regards to the communication channels used with our associates, new improvement and maintenance measures continue to be implemented on the Affiliates' site. Through a secure access to the site, our affiliates enjoy a web-based repository of information that collects all necessary documents and reports regarding their operational activity exchange with the Head Office and with the centralised suppliers.

During the year 2020, different studies have been carried out to substantially improve this tool, so that more functionalities are incorporated and to be able to increase its capabilities and scalability. As a result of these works, initiatives, which will be implemented gradually, have been identified and activated to improve the service delivered to our associates and suppliers.

Our business model as an example of resilience during the pandemic

In 2020, IFA Retail's business model has been an example of resilience, as it has been able to improve its market position with solid financial results. All this in a highly competitive environment such as that of the Spanish market, which has put even greater pressure on the operations of our associates due to the disruption caused by the COVID-19 health crisis.

Our associates total market share by supermarket channel this year has increased by 0.7 percentage points and stands at 15.9% at the year-end date, according to Nielsen consulting. This growth involves surpassing the 21 basic points of cumulative improvement registered over the last five years and it demonstrates the ability of our business model to adapt to the challenge posed by the 2020 health crisis. We have been able

to provide a rapid response to the needs of our consumers in a very restrained environment in terms of mobility. Our commercial offer characterised by proximity, the density of our store network, fresh produce and the variety of our product range has made it possible for our customers to do their shopping when required throughout this difficult year. This is also the result of having reinforced the on-line shopping channels while delivering a safe shopping experience for both our customers and employees in our retail outlets.

Furthermore, a collaborative approach amongst our suppliers has been carried out in an effort to guarantee supply at a time of growing demand for essential products. Focusing our strategy on meeting these demands has allowed for our market share by manufacturer brand to increase by 1.6 percentage points from January to December 2020, thus closing the financial year with a total market share of 23.9%. It is worth highlighting the Group sales figures for the manufacturer brand in the whole Spanish supermarket channel, as it has

”
The Group continues to strengthen its commercial network bringing the total number of stores throughout Spain to 6,335 at the year end



increased by 2.4 points over the last five years. This makes IFA the leading sustainable growth platform for Spanish manufactured products.

Despite the 2020 crisis, the Group has continue investing on the development of its commercial network. The year closed with 6,335 stores in Spain over a retail surface area of 3.9 million square meters, which accounts for a year-on-year growth in excess of a percentage point. **This makes the Company the leading retail distribution operator with a market share by retail surface area of 19.5% for the supermarket channel.** The density of our store network is one of the most relevant identity features of Grupo IFA's commercial network. It provides coverage to 2,039 towns, that is, 39% over the figure of the leading independent operator in Spain, and accounts for a market share by retail surface area of 19.5% in the supermarket channel. This way, IFA is in a privileged position to guarantee access to basic food service, even in less populated areas, where it has become an essential agent for the improvement of the quality of life.

The robustness of the Group commercial stance is depicted by a consolidated turnover of 15,046 million euros, which accounts for a 11% year-on-year growth thanks to a 8.1% like for like sales increase in the supermarket channel. This new boost in sales has not had an impact on profitability. Despite cost overruns emerged from the pandemic in terms of logistics, safety, health and on-line offer, operating margins increased

The Group consolidates its position as one of the main national employers by creating 4,500 new jobs

during the year thanks to a boost in sales.

Regarding the specific results of IFA as a purchasing and services centre, the company has managed payments to suppliers totalling 6,867 million euros, which accounts for 10.2% from previous year. In addition, the implementation of projects led by the Head Office aimed at improving efficiency and cost optimization

has allowed for synergies to be undertaken, mainly for the supply of consumer goods and auxiliary related materials. The same for our logistics expenditure through the smooth progress of our platform for the consolidation of low rotation items withing both our own and the manufacturer's brand product range.

The expansion of our business in 2020 and the demands brought by

the pandemic has consolidated the Group as one of the leading national employers. We have created 4,500 new jobs at the year-end date and our consolidated workforce amounts to 87,000 employees.

And as for the international sphere, we have continued to strengthen our manufacturers' growth and development platform throughout the South of Europe in conjunction with the leading

Portuguese retailer, Sonae MC, and Gruppo VEGÉ, the leading Italian distributor. This has resulted in the consolidation of over 20 agreements, a retail surface area of 6.9 million square meters throughout 11,175 stores across Spain, Portugal and Italy. Thanks to them the total gross consolidated turnover amounted to 32,201 million euros and the year-on-year growth stands at 21.8%



2020 Financial results



2.7. 2020 Strategic Plan: Looking ahead to the 2025 horizon

Our three-year strategic plan has successfully come to an end. These times of pandemic have not prevented us from developing our 2025 horizon, which will be built upon our fundamental pillars, but will also contemplate the sector's current trends and priorities. We continue to reassure our solid strategic foundations, what makes the consistency and coherence of our business model apparent.

As we have assessed the 2020 strategic plan, we cannot but emphasise again the competitive axis of our strategy, **which is still based on our determination to remain the manufacturers' first choice regardless of their size or location (either big or small, national or international) and to focus on value creation and on improving choice for our clients and consumers.**

Above this fundamental pillar of competitiveness, we have conti-

nued strengthening verticality, as a means for the Group to take on its leading role in the sector as an integrated operator. All of it without jeopardising the flexibility and autonomy of our affiliates. In this respect, in a year as complicated as the year 2020, we endeavoured to work as a team with the manufacturers, as it was crucial for society as a whole to be able not only to guarantee supply but also to provide a wide assortment of products to successfully meet the demands of our consumers even during the worst moments of lockdown. In the same way, our own brand strategy has worked hand in hand with the manufacturers'. This

has been deeply acknowledged by our customers, especially by those who did not visit our stores prior to the health crisis.

On the other hand, **fostering efficiency by helping to reduce business costs to our associates remains paramount for a sector which is increasingly competitive and characterised by low margins.** Projects devoted to ensure savings on energy and consumables or the ones involving our Purchasing Centre have continued to make progress in 2020 despite the difficulties. Undoubtedly, the master-plan that has taken a leading role in 2020 has been **our logistics project**

The year 2020 will always be remembered. We have strengthened cooperation and therefore we have grown stronger



for the consolidation of our low rotation platform, which has set the basis for an initiative which will be conducted both by our associates and suppliers and which aims to comply with the 2025 sustainability goals of the Group.

On this note, **our commitment to comply with the Sustainable Development Goals** is completely integrated in our strategic plan,

and this year it has been reinforced with the creation of a new department of Public Affairs and Institutional Relations. The importance of the regulatory framework plays a key role nowadays, as it has an impact on our business in a cross-cutting fashion. Therefore, we will continue working hard during 2021 to improve engagement across all the areas where we have a presence. The year 2020

will always be remembered. We have strengthened cooperation like never before, and so, we have grown stronger. We aim for a horizon 2025 to be built by all of us, so that we can continue to compete in the creation of value in an ever more challenging environment for our sector. We shall do this by fostering sustainable employment and a more healthy and sustainable planet.



New corporate identity and consumer communication

In terms of branding, the year 2020 has become a significant milestone for our Group, as our **new company's identity was launched** in September. Our new image upholds the values we believe in and makes us ready to face the future that is already knocking at our door. We walk side by side with our consumers, delivering society the **added value of proximity, flexibility and quality**.

We have revamped our image from the inside out in an effort to evolve and do things in the right way. A modernised structure has been consolidated by our expertise as a company and our capacity to meet tomorrow's challenges. Our new image, more modern and dynamic is consistent with a company with a solid track record and a future to lead. In the area of communication, COVID-19 has marked our actions. During

the month of April, we launched a campaign with a message of support for all the professionals within the sector who have had their work cut out during the most difficult moments of the pandemic. The **promotional campaign "By your side yesterday, today and tomorrow" provided recognition and sent a message of support in the first months of the pandemic**, when we all needed encouragement.



Social media channels for our consumers

www.haycosasmuynuestras.com



Our promotional campaigns are good proof that we have remained by our customers' side when most needed. For example, in July we offered very competitive prices to over 200 top brand products. Also, as every September, we launched the traditional Ifamilia promotion, aimed at offering 800 top brand products at very attractive prices to support families after the holiday period and with the back to school purchases. In addition, from June to November, IFA Imagina campaign, which is designed to offer children entertainment activities including handing out 430.000 PlayDoh gifts was also launched.

In a year in which the use of online environments has grown expo-

Our promotional campaigns are good proof that we have remained by our customers' side when needed the most.

nentially, making progress on our digital communication projects has been of the utmost importance. Followers of our social media channels increase daily, as we take a great deal of effort to meet their information demands. During the months of the pandemic, we carried out special initiatives, such as the Instagram Live, which hosted Pau Gasol and our General Director as "Supermarket Heroes".

Furthermore, our website www.haycosasmuynuestras.com offers content of interest for the consumer, such as food related matters, recipes to make the most of ingredients and other curiosities. We also use these channels to keep the consumers up to date with our promotional campaigns.



Solidarity and commitment to society in unprecedented times

The health crisis has had a strong impact on our stakeholders' relations. Some external on-site activities aimed at the promotion of healthy habits amongst children and young people had to be cancelled. Nonetheless, digital channels were used instead to implement initiatives such as "The Healthy Eating Workshop" with the colla-

boration of FUNDAL (Sport Foundation in Alcobendas) and some schools where our Head Office is located. In addition, IFA hosted the well renown Menina Tennis Base tournament to raise funds for UNICEF at the end of the year.

We reached another milestone thanks to our partnership

with the Gasol Foundation, which is devoted to developing educational and training habits by promoting and nurturing a healthy lifestyle through eating, sports and psychological wellbeing. It was with them that a pioneering project in Spain called PRESAFALÍN, aimed at preventing obesity amongst



children who come from families with limited resources, was implemented. A pilot was put into force throughout 8 different socio-educational centres across the Madrid region and Catalonia. Over 160 families with children aged 0-3 years took part in this pilot project.

On the other hand, with regards to internal actions, "The Safe Office Plan" was implemented at our Head Office. It involved basic hygiene, social distance, organisational and spread



prevention measures, focusing above all among high-risk population. In order to bolster these actions COVID-19 tests were carried out amongst all employees upon their return to the workplace.

Likewise, in the last quarter of 2020 the negotiating committee for the **First Equality Plan of IFA Retail** was created, whose objective is to guarantee equal opportunities for both men and women. To prepare the mandatory diagnostic report, a survey was conducted to all employees and their contributions will be included in this plan, which will come into force in 2021.

Associates and Head Office employees have become the best version of themselves by demonstrating solidarity and a strong social commitment

At Group level, there is no doubt that 2020 has been a year where associates' and Head Office employees have gone the extra mile to show their social commitment and solidarity. The sector was deemed as essential from the very beginning of the health crisis and our employees set an extraordinary example for many others within the industry.

In addition, associates and employees made numerous financial and food donations to the entire network of the Spanish Federation of Food Banks, the Red Cross and many other non-governmental organizations. They also provided protective equipment against COVID-19 both to a wide range of organisations as well as to judiciary and law enforcement bodies.

The number of actions carried out has been so outstanding that they would not fit in these lines. Therefore, we would like to thank all of the people involved by means of this report and to take pride of being part of this Group in such a difficult year for the Spanish society.

Our Institutional Relations

Grupo IFA is committed to foster multi-stakeholder dialogue and to that end, we maintain ongoing conversations with our interest groups. We play an active role in civil society and for that reason, we have activated the necessary mechanisms to ensure constant communication, active listening and permanent interaction with some of the most relevant organisations both in Spain and in Europe. Together we aim to make progress in the UN Sustainable Development Goals (SDGs).

In the European sphere, we are active members of Eurocommerce, which is the voice for retail, wholesale, and other trading companies in Europe. From a more global perspective, we belong to The Consumers Goods Forum, supporting as members some of their initiatives designed to look after our planet and the human beings.



In Spain, we belong to the Executive Committee of The Spanish Confederation of Employers' Organisations (CEOE) and hold the Vice-presidency of ASEDAS, the association representing the interest of the supermarket sector. We are also engaged in the Board of Directors of the Manufacturers and Distributors Association (AECOC) and form part of the Advisory Board of San Telmo International Institute.

Additionally, we participate in a cross-sectional dialogue with organizations such as Ecoembes, the Spanish-Portuguese Chamber of Commerce, the association of purchasing centres, ANCECO, and several local associations, amongst other interest groups, such as the Alcobendas Entrepreneurs Association, the municipality where our headquarters is located. This helps to portray our commitment to the areas in which we are present.

Our model contribution to the SDGs

At IFA we are determined to contribute to the achievement of a sustainable development for the prosperity of future generations. The best way to accomplish this globally is by aligning business and government strategies to the United Nations 2030 Agenda for Sustainable Development.



At the heart of this initiative are 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet and ensure the wellbeing of human lives. Our Group is already accomplishing some of these SDGs and so we will persevere working hand in hand with our associates, Head Office and stakeholders.

Goal 1: End poverty in all its forms everywhere.
 Covid-19 and the subsequent economic crisis have generated significant food needs in Spain. Both the Head Office and our associates have carried out numerous food donations in areas hardest hit by the pandemic.

Goal 3: Ensure healthy lives and promote well-being for all at all ages.
 Our alliance with the Gasol Foundation, which is devoted to developing healthy habits by promoting and nurturing a healthy lifestyle through eating, sports and psychological wellbeing continues making progress.

Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all. From our Head Office we seek to achieve energy efficiency for our associates by generating savings through

renewable energies, which are increasingly acquiring a more prominent role.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. We promote sustainable growth by fostering employment and product supply across less populated and aging areas.

Goal 11: Make cities inclusive, safe, resilient and sustainable. Proximity, fresh produce and freedom of choice are the foundations upon which our permanent identity is built. Our wide network of stores offers proximity to our consumers, therefore reducing the need for transport and gas emissions. Over 80% of our customers come to our stores on foot.

Goal 12: Ensure sustainable consumption and production patterns. We continue fostering sustainable packaging with a higher percentage of recycled material which at the same time is able to prevent food waste. Besides, sales of food product account for 40% of our total sales, as our companies are great allies of local producers.

Goal 17: Revitalize the global partnership for sustainable development. We are committed to hold a permanent dialogue and an active listening with our stakeholders in order to continue making progress on the SDGs. We have fostered an alliance with several strategic international groups, such as Eurocommerce and The Consumer Goods Forum. In Spain we play an active role in associations such as CEOE, ASEDAS, AECOC, Ecoembes, ANCECO o Gasol Foundation, among others.

3

3.1 Mission, vision and values	50
3.2 Corporate Management.....	54
3.3 Affiliates' directory.....	64
3.4 Financial figures IFA Retail, S.A.	66
3.5 Audit report	70

Three features that underpin our character

We are committed to achieving **EXCELLENCE**, because this is the only way of ensuring that our customers will increasingly rely on us each day.

Our conciliatory approach always seeks **BALANCE** between the independence of our members and our common goals, fostering a happy co-existence between our regional, national and international suppliers.

We are also firmly committed to **INNOVATION** throughout the whole value chain, with freedom of choice at the forefront of our priorities.

Our aim

The objective of Grupo IFA is to become **THE BEST DISTRIBUTION GROUP IN THE SOUTH OF EUROPE** made up of Affiliate companies, all of which are leaders in their respective regions, and supported by a Head Office that provides services development, innovation and added value for every element of the chain.

We have embarked on an ambitious project that will turn the purchasing centre into **A TRUE RETAIL AND WHOLESALE GROUP** which operates in areas where, together, we are able to offer the greatest value, without losing sight of those features that make each company within the Group unique.

Our ultimate goal is to become a true agent for change within a sector that requires impetus and balance, setting our sights on **CREATING VALUE AND ONWORKING TO ENSURE GROWTH AND EMPLOYMENT** in our market.



Mission

Vision

Values

Proximity

A good reflection of this value is that **our customers can always find a store at hand**, either in big cities or smaller towns and the true significance of this is complemented by **our in-depth understanding of our consumers as well as of their needs and desires**. This is revealed by the alliances undertaken by Grupo IFA with local suppliers, especially those specialised on fresh produce.

Variety

We are committed to responding to every need, so we offer a **universal range of products**, manufacturers and prices, representing everything from the most innovative of products to major brands and our own-brand.

We do this because we are determined to achieve **the highest level of satisfaction in our customers' shopping experience**, and we believe that freedom of choice is key to meet their needs and preferences.

Quality

We have been working hard for almost 50 years to meet the demands of the market. This is why **we work hand in hand with our suppliers and brands that best meet the quality standards that our customers demand**.

Our stores mainly showcase fresh produce, guaranteeing top-quality raw ingredients which come from intense negotiations with the best fish markets to ensure the freshest of fish, with local markets to obtain recently-harvested fruit and vegetables, and with leading livestock farms in each region.

Balance

The Group's consistency entitles us to balance the autonomy and independent management of our affiliates within a cohesive framework that is beneficial for all.

We also know how to keep the balance between our local and national suppliers to offer our consumers the greatest choice in their shopping experience.

Trust

This is one of the values that underpins the most genuine and lasting of relationships, and we work hard to encourage it every day through our friendly nature and **the quality of the products available**, which ensures our suppliers and **affiliates' trust in IFA's model of leadership**.

Versatility

Our stores come in all sizes. **We can be found both in large cities and in small towns**. We have international, national and local suppliers because what defines us is not where we come from nor does our size, but rather **a shared way of being** and understanding of the nature of our work.

Innovation

Innovation has always been part of the DNA of Grupo IFA. **We were the first to develop the multiple chain and cash & carry concepts in Spain**, as well as pioneering the use of bar code readers and implementation of the EDI system.

Since our inception, we have supported product launches and the work of suppliers in a bid to **add value within the various categories**, and we are working to develop a distribution model that will meet the expectations of current and future generations.

As of June 1st, 2021

Board of Directors

The Board of Directors comprises 14 Directors and a Secretary, who is not a Director. It also includes a Chairman and a Vice-chairman - who are also CEO's - and a CEO.



D. Jerónimo Martín Rodríguez
GRUPO HERMANOS MARTÍN S. A.
President and CEO



D. Eusebio Rubio Martín
AHORRAMAS S. A.
Vicepresident and CEO



D. Alejandro Fernández González
ALIMERKA S. A.
CEO

D. José María Martín Jiménez
Secretary of The Board of Directors (Non-Voting Member)



D. Joan Font i Fabregó
BON PREU S.A.U.
Member of the Board



D.ª Manuela Bella Díaz Orta
CASH LEPE S.A.
Member of the Board



D. Manel Romero Romagosa
CONDIS SUPERMERCATS, S.A.
Member of the Board



D. José Abraham Domínguez Santana
DINOSOL SUPERMERCADOS S. L.
Member of the Board



D. Roberto Tojeiro Rodríguez
GADISA RETAIL, S.L.U.
Member of the Board



D. Josep Saperas Vergara
HD COVALCO S.L.
Member of the Board



D. Gregorio Gilarranz Sánchez
HIPER USERA, S.L.
Member of the Board



D. Luis Mesquita Soares Moutinho
MODELO CONTINENTE HIPERMERCADOS, S.A.
Member of the Board



D. Rafael Ruíz Alonso
TEÓGENES RUÍZ S.L.
Member of the Board



D. Juan Antonio Gómez Pérez
UNAGRAS S.A.
Member of the Board



D. José Ramon Fernández de Barrena Bermejo
UVESCO S.A.
Member of the Board

As of June 1st, 2021

Centralised Procurement Committee

The Centralised Procurement Committee is made up of affiliates and Head Office managers. It carries out the continuous market and sector analysis and has decision-making power.

It also provides information and makes recommendations to the Board of Directors about measures to be taken for which the Board must give final approval.



**D. Fernando
Romero Casado**
AHORRAMAS S.A.



**Dña. María
Barrado Franco**
ALIMERKA S.A.



**D. Joan
Sabartes i Pardo**
BON PREU S.A.



**Dña. Alicia Pujol
Martínez**
CONDIS
SUPERMERCATS S.A.



**Dña. Olivia
Llorca Afonso**
DINOSOL
SUPERMERCADOS S.L.



**D. Santiago
Codesido Barreiro**
GADISA RETAIL S.L.U.



**D. Adolfo
Martínez Carnero**
GRUPO HERMANOS
MARTÍN S.A.



D. Pere Kaiser Cozar
HD COVALCO S.A.
UNIPERSONAL



**D. Francisco José
Sánchez del Arco**
HIPER USERA S.L.



**D. Jaime
Femenias Dols**
UNAGRAS, S.A. -
HIPER MANACOR, S.A.



**Dña. Paz
Fernández Vega**
UNIALCO S.L.



**D. Juan Manuel
Morales Alonso**
IFA RETAIL S.A.



**D. Víctor
Pérez Díez**
IFA RETAIL S.A.

As of June 1st, 2021

International Procurement Committee

The International Procurement Committee is made up of affiliate members in Spain, Portugal and Italy and Head Office managers. The Committee ensures the operational management involving decision making processes and tactical follows-up of the International Program. Furthermore, it is responsible for ensuring the compliance of the terms and conditions reached by any agreements being undertaken.



D. Tomás Lince Fernandes
 MODELO CONTINENTE
 HIPERMERCADOS, S.A.
 Member



D. Juan Antonio Gómez Pérez
 UNAGRAS S.A.
 Member



Dña. Paz Fernández Vega
 UNIALCO S.L.
 Member



D. Edoardo Gamboni
 VÉGÉ RETAIL S.R.L.
 SOCIETÀ UNIPERSONALE
 Member



D. Juan Manuel Morales Alonso
 IFA RETAIL S. A.
 President



D. Víctor Pérez Díez
 IFA RETAIL S. A.
 Secretary



Dña Raquel Beneítez Tejón
 IFA RETAIL S. A.
 International Director

As of June 1st, 2021

Executive Team



D. Juan Manuel Morales Alonso
Managing Director



D. Diego Maus Lizariturry
Chief Financial Officer



D. Juan Ramón González Cristos
Operations Manager



D. José Javier Romero Esteban
IT Manager



D. Pablo Cegarra Bulnes
Head Of Human Resources



D.ª Raquel Beneítez Tejón
International Director



D. Víctor Pérez Díez
Sales And Marketing Director



D.ª Ana Lorenzo Morales
Institutional Relations Director

Our commitment to good governance

At IFA Retail we are committed to the highest standards of legal compliance, including abidance to the rules of competition protection. In this sense, specialised external audits of our operations are carried out from the perspective of the Competition Defense Law. **The whole of the company's activity in terms of its relations with third parties, including partners and suppliers, is subject to compliance with our Code of Ethics.** This code of reference for our business practice is based on the respect for legality, honesty in business relationships, mutual respect, transparency and integrity of all IFA personnel, including the Board of Directors, the Executive Management team, the company's employees and any associates' representatives that are part of IFA's operational bodies.

In addition, **we are committed to extending our ethical principles to the third parties with**



whom we interact in the field of our activity, for which we have confidentiality and ethical behaviour clauses in all our contracts. Permanent evaluation of our good governance and compliance standards are carried out in an attempt for our corporate governance model to be in line with current legal requirements as well as to extend best practices to all our internal decision-making processes.

We also enjoy strict internal protocols to avoid “antitrust” risks. Through the application of these protocols, **the Group always behaves as an independent third party which safeguards the information received both by suppliers and member companies.** We have established the necessary organisational and technological related procedures to avoid access to confidential information from the competition. Periodical assessments from the perspective of the Competition Defense Law are also carried out through specialised external audits so as to assess the

“
IFA fosters an ethical and compliance culture within the company as well as with our stakeholders relationships”

an ethical and compliance culture within the company, as well as to prevent, detect and react to any illegal behaviour patterns that may arise. All this in line with the legal requirements of the Criminal Law. By this, IFA Retail aims to protect the corporate reputation of our Head Office.

This model contemplates the execution of a total of 83 controls to mitigate activity risks. These controls are fully monitored through a systematic 3-year testing plan (2019-2021 period). Thirty-six tests have been carried out and so far no deviations have been detected across the year 2020 evaluations. Likewise, **the impact of COVID-19 on the scope and application of the Criminal Risk Prevention Model has been analysed and the outcomes yielded that the specific measures adopted by the company have been sufficient to mitigate the associated criminal risks,** in particular those regarding the protection of workers' rights and their privacy.

efficiency of our risk management model and to strive for its continuous improvement. Independent auditors analyse the internal operations of the Head Office, and In particular, the treatment of sensitive commercial information, negotiation processes, commercial behaviour as well as the management of project synergies between partners.

Lastly, IFA Retail developed a Criminal Risk Prevention Model which was formally approved by the Board of Directors and implemented in 2019. Its aim is to promote

As of June 1st, 2021

Affiliates' Directory

IFA Retail comprises 34 full-fledged member companies with identical shareholding structure, 29 of which are shareholders



Ahorramas, S.A.



Cadena de Empresas detallistas, S.A.



Comercial Piedra Trujillo, S.L.U.



Gadisa Retail, S.L.U.



Hermanos Ayala Sousa, S.L.U.



Román García Romo, S.A.



Superficies de Alimentación, S.A.



Unagras, S.A.



Alimentación Peninsular, S.A.

AFFILIATES:

- ALMACENES EGUREN, S.A.
- AYESA IMPORT-EXPORT, S.L.
- D. Y P. MIGUEZ S.L.
- DISPREU LOGÍSTICA, S.L.
- DROGUERÍA ALBIZU, S.L.
- EBRO DROPER, S.L.
- HERMANOS GAVIRA, S.L.
- HIJOS DE FIDEL GARCÍA, S.L.
- ORENCIO MATAS Y HNOS., S.L.
- PERFUMERÍA MIRALLS, S.L.
- SUPER BONILLA, S.A.
- S. SÁNCHEZ ROMERO, S.L.
- SUPERMERCADOS INPESCASA, S.L.
- UDATA, S.C.L.



Compañía Nacional de Comercio, S.A.



Grupo Hermanos Martín, S.A.



Hiper Usera, S.L.



Sánchez Vázquez Hnos., S.A.U.



Supermercados Bolaños, S.L.



Unialco, S.L.



Alimerka S.A.



Condis Supermercats, S.A.



HD Covalco, S.L.



Ibercudis, S.L.



Scaber, S.C.



Supermercados Dani, S.L.



Unión Detallistas Españoles, S.Coop.



Bon Preu, S.A.U.



Dinosol Supermercados, S.L.

GROUP COMPANIES:

- 7 ALIMENTACIÓN 7, S.A.
- ALIMENTACIÓN ALCIRA, S.A.U.
- CARO RUIZ, S.A.
- COALIMENT ANDALUCÍA, S.L.
- COALIMENT ARAGÓN, S.A.U.
- COALIMENT CASTILLA, S.A.U.
- COALIMENT GRANOLLERS, S.A.U.
- COALIMENT MALLORCA, S.L.
- COALIMENT PENEDÉS, S.A.U.
- COALIMENT VALENCIA, S.A.U.
- DISTRIBUIDORA GENERAL ALAVESA, S.A.U.
- ETNIC FOODS, S.L.
- VALENCIANA DE SUPERMERCADOS, S.A.U.



Jose Bernabeu Pic, S.A.



Modelo Continente Hipermercados, S.A.



Moya Saus e Hijos, S.A.

AFFILIATES:

- SUPERMERCADOS COP, S.A.

GROUP COMPANIES:

- ACA, S.A.U
- ALCANTADIS, S.L.
- ALMENDIS, S.L.
- CARBADIS, S.L.
- EUROHIPER DISTRIBUCIÓN, S.L.
- IRUÑADIS, S.L.
- MAJADADIS, S.L.
- MIRANDADIS, S.L.
- NOVARANDIS, S.L.
- PINTODIS, S.L.
- PUERTOLLANODIS, S.L.
- SORIADIS, S.L.
- TORIODIS, S.L.
- TRUJILLODIS, S.L.
- VALDEMODIS, S.L.
- VITORIADIS, S.L.



Supermercados Dani, S.L.



Vicente Alonso, S.L.



Teógenes Ruiz, S.L.



Cafés Mora, S.L.



Cabrerero e Hijos, S.A.



Cash Lepe, S.L.

AFFILIATES:

- MANUEL VALLEJO, S.A.



Franco-Mor, S.A.

Member of the International Procurement Committee:



VéGé Retail S.r.l. Società Unipersonale

Balance sheet as of December 31st, 2020

THOUSAND OF EUROS

ASSETS	2020 FY	2019 FY	NET EQUITY AND LIABILITIES	2020 FY	2019 FY
NON-CURRENT ASSETS:	4,647	3,562	NET EQUITY:	34,495	32,496
Intangible fixed assets	127	343	INTERNAL FUNDS	34,495	32,496
Tangible fixed assets	1,977	2,251	Capital	1,849	1,849
Investments in Group companies	62	62	Reserves	30,970	29,135
Long-term financial investments	40	44	Legal and statutory	4,431	4,431
Long-term accruals	1,531	-	Other reserves	26,539	24,704
Tax-deferred assets	910	862	Group shares	(1,591)	(1,591)
			Profit	3,267	3,103
			NON-CURRENT LIABILITIES:	1,250	300
			Long-term debts	100	300
			Debts with credit institutions	100	300
			Long-term accruals	1,150	-
			CURREN LIABILITIES:	839,398	827,762
CURRENT ASSETS:	870,496	856,996	Short-term provisions	1,760	1,760
Inventory	519	26	Short-term debts	5,909	105,138
Trade debtors and other accounts receivable	807,554	855,617	Debts with credit institutions	5,909	105,138
Associate members	707,265	768,800	Short-term debt with Group companies	52	-
Accounts receivable	100,283	86,810	Trade creditors and other accounts payable	831,629	720,831
Personnel	6	7	Debts from purchases or services	564,417	481,356
Short-term financial investments	1	1	Accounts payable to associate members for various reasons	260,354	234,020
Short-term financial investments with Group companies	-	10	Salaries outstanding	1,928	1,605
Short-term accruals	132	1,085	Current tax liabilities	147	111
Cash and cash equivalents	62,290	257	Other government debts	4,783	3,739
Cash	62,290	257	Short-term accruals	48	33
TOTAL ASSETS	875,143	860,558	TOTAL NET EQUITY AND LIABILITIES	875,143	860,558

Profit and Loss Statement 2020 FY

THOUSAND OF EUROS

	2020 FY	2019 FY
Net turnover:	930,321	822,350
Sales	9,016	631
Services rendered	921,305	821,719
Raw materials and consumables:	(913,668)	(806,043)
Consumption of goods	(9,029)	(588)
Other supplies	(904,639)	(805,455)
Personnel expenses:	(7,682)	(7,491)
Wages, salaries and similar	(6,463)	(6,307)
Social expenses	(1,219)	(1,184)
Other operating expenses:	(4,099)	(4,200)
External services	(4,042)	(4,142)
Taxes	(58)	(58)
Loss, impairment and change in provisions from commercial operations	1	2
Amortization of fixed assets	(572)	(672)
OPERATING RESULT	4,300	3,946
Revenue:	307	219
From marketable securities and other financial third-party instruments	307	219
Financial expenses:	(249)	(188)
From third-party debts	(249)	(188)
FINANCIAL RESULTS	58	31
PRE-TAX RESULT	4,358	3,977
Income tax	(1,091)	(874)
RESULT FOR THE YEAR	3,267	3,103

Statement of Changes in Equity for 2020 FY

Statement of recognised income and expense

THOUSAND OF EUROS

	2020 FY	2019 FY
RESULT OF PROFIT AND LOSS STATEMENT	3,267	3,103
Total revenue and expenses charged directly to net equity	-	-
Total transfers to profit and loss statement	-	-
TOTAL RECOGNISED REVENUE AND EXPENSES	3,267	3,103

Statement of changes in total equity

THOUSAND OF EUROS

	CAPITAL	LEGAL RESERVE	STATUTORY RESERVE	OTHER RESERVES	GROUP SHARES	RESULT FOR THE YEAR	TOTAL
BALANCE AT START OF 2019 FY	1,849	370	4,061	23,086	(1,591)	2,874	30,649
Total recognised revenue and expenses	-	-	-	-	-	3,103	3,103
Application of funds	-	-	-	1,618	-	(1,618)	-
Operations with shareholders:							
Dividend payouts	-	-	-	-	-	(1,256)	(1,256)
BALANCE AT THE END OF 2019 FY	1,849	370	4,061	24,704	(1,591)	3,103	32,496
Total recognized revenue and expenses	-	-	-	-	-	3,267	3,267
Application of funds	-	-	-	1,835	-	(1,835)	-
Operations with shareholders:							
Dividend payouts	-	-	-	-	-	(1,268)	(1,268)
BALANCE AT THE END OF 2020 FY	1,849	370	4,061	26,539	(1,591)	3,267	34,495

Statement of Cash Flows for 2020 FY

THOUSAND OF EUROS

	2020 FY	2019 FY
CASH FLOWS OPERATING ACTIVITIES:	162,512	234
Result for the year before taxes	4,358	3,977
Adjusted result	719	639
Amortization of fixed assets	572	672
Change in provisions	205	(2)
Financial Revenue	(307)	(219)
Financial expenses	249	188
Changes in current capital	158,480	(3,534)
Inventory	(493)	-
Debtors and other accounts receivable	47,972	(35,771)
Other current assets and liabilities	587	(602)
Creditors and accounts payable	110,414	32,834
Other liabilities	-	5
Other cash flows from operating activities	(1,045)	(848)
Interest payments	(249)	(188)
Collection of interest	307	219
Income tax revenue / (expense)	(1,103)	(879)
CASH FLOWS FROM THE INVESTMENT ACTIVITIES:	(66)	(271)
Payments for investments	(81)	(309)
Intangible fixed assets	(30)	(13)
Tangible fixed assets	(51)	(289)
Other fixed assets	-	(7)
Investment revenues	15	38
Other financial assets	5	-
Group companies and associated companies	10	38
CASH FLOWS FROM FINANCING ACTIVITIES:	(100,411)	216
Collections and payments for financial liability instruments	(99,143)	1,472
Other debt emissions	(98,933)	1,672
Group's and associated companies debt repayments	(10)	-
Repayment and amortisation of bank debt	(200)	(200)
Dividend payments and remunerations for other equity instruments	(1,268)	(1,256)
Dividends	(1,268)	(1,256)
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS	62,033	179
Cash or cash equivalents at start of period	257	78
Cash or cash equivalents at end of period	62,290	257

Audit report on Annual Accounts

Deloitte.

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INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de IFA Retail, S.A.:

Opinión

Hemos auditado las cuentas anuales de IFA Retail, S.A. (la Sociedad), que comprenden el balance a 31 de diciembre de 2020, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2020, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2.1 de la memoria) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección Responsabilidades del auditor en relación con la auditoría de las cuentas anuales de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre estas, y no expresamos una opinión por separado sobre esos riesgos.

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Reconocimiento de ingresos

Descripción

Tal y como se indica en la Nota 1, la actividad principal de la Sociedad es la prestación de servicios a fabricantes y distribuidores para la obtención de sinergias operativas, comerciales y financieras para sus miembros asociados mediante la gestión unificada de las plantillas de condiciones de compra y administración centralizada de los pagos a proveedores de bienes y servicios.

El reconocimiento de estos ingresos, bajo las condiciones y términos normales de la Sociedad, implican una casuística específica asociada a las distintas condiciones firmadas con los fabricantes. Asimismo, el reconocimiento de ingresos entraña cierto grado de complejidad debido a la multitud y variedad de términos contractuales con los diferentes proveedores con los que opera la Sociedad. Estos hechos motivan que este aspecto sea un área de atención significativa para nuestra auditoría.

Procedimientos aplicados en la auditoría

Nuestros procedimientos de auditoría incluyeron la comprobación del diseño e implementación, así como la eficacia operativa de los controles relevantes (incluyendo los controles de sistemas de información) que soportan los ingresos, para lo que hemos involucrado a nuestros expertos internos en tecnología y sistemas.

Adicionalmente, hemos analizado si los ingresos se encuentran debidamente registrados teniendo en consideración los términos y obligaciones contractuales con los fabricantes y asociados y hemos evaluado la razonabilidad de los volúmenes de ventas y márgenes del ejercicio 2020 respecto a las tendencias de los ejercicios anteriores, cotejando estos datos con la información proporcionada por fuentes internas de la Sociedad.

Las notas 4.8 y 13.1 de las cuentas anuales adjuntas, contienen los desgloses e información relativa a los ingresos por prestación de servicios de la Sociedad.

Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2020, cuya formulación es responsabilidad de los administradores de la Sociedad y no forma parte integrante de las cuentas anuales.

Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas, así como en evaluar e informar de si el contenido y presentación del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2020 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales, los administradores son responsables de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

En el Anexo I de este informe de auditoría se incluye una descripción más detallada de nuestras responsabilidades en relación con la auditoría de las cuentas anuales. Esta descripción es parte integrante de nuestro informe de auditoría.

DELOITTE, S.L.
Inscrita en el R.O.A.C. nº 50692

Victoria López Téllez
Inscrita en el R.O.A.C. Nº 21238

20 de abril de 2021

AUDITORES
Sociedad de Auditoría de Cuentas Anuales
de Dependencia de Deloitte

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