

Western Gate Private Investments Limited
1 Bartholomew Lane, London, England, EC2N 2AX
1 April 2023

Board of Directors
Distribuidora Internacional de Alimentación, S.A.
C/ Jacinto Benavente 2A
28232 Las Rozas de Madrid

Dear Board of Directors,

As you are aware, Western Gate has been advocating for the enhancement of minority shareholder interests, the promotion of board independence, and the diversification of the Board's skill matrix since September 2019.

Our recent engagement with the Board, including discussions held in early September 2023 and subsequent communications, aimed to address these concerns. However, we have been disappointed by the Board's handling of the vacant board seat and its failure to consider our proposed candidate, Mr. Luis Amaral, as a director.

Mr. Amaral's distinguished track record in the retail sector, highlighted by his role in building two of the top 5 largest retail companies in Poland, would undeniably enhance the Board's skill matrix in crucial areas such as Vision, Strategy, Retail, FMCG, Entrepreneurship, and Growth. His accolades, including recognition as "Personality in the retail business for the last 30 years" and various Forbes awards, further attest to his qualifications and potential contributions to DIA.

Moreover, we find it perplexing that the Board proceeded to appoint a new proprietary director without considering Mr. Amaral's candidacy or providing any explanation for their decision. This lack of transparency and disregard for qualified candidates raise serious doubts about whether the Board ever actually considered the candidacy and raise further concerns of whether Letterone actually wants to increase the market value.

For context, since Letterone first managed a board seat in DIA, the company has suffered a massive profit warning, a tender offer at a discount to market price and a (even larger) discount to fair value, and two extremely dilutive capital increases that were effectively two further attempts to delist the company. At each capital increase, existing shareholders had to double the investment they had already put into DIA, or they would have no chance of ever recovering their investment. To conclude, in our view, Letterone has tried to delist the company three times at the expense of squeezing minority investors and reducing the value of their shares to almost nothing.

Western Gate and other shareholders have supported DIA throughout these events as we believe in the value of the company. However, since then there seems to have been no effort at all to increase the value of the company.

Apart from the corporate governance issues, Western Gate has consistently suggested more engagement with analysts and investors and/or the organization of capital markets days, or a roadshow, however, none of these suggestions were taken into account.



DIA is currently trading at an EV/EBITDA multiple of 6x, where food retail in Europe is trading at 9.3x – 11.8x, according to Equidam and Statista. The company is still clearly undervalued, so why is there no action being taken?

We call on the Board to address the following questions:

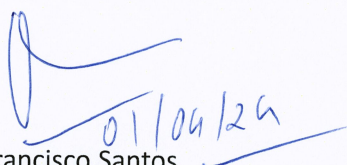
1. What steps will the Board take to increase liquidity, transparency, and market value?
2. How does the Board plan to ensure the inclusion of external voices and diverse expertise in its decision-making processes?
3. Will the Board reconsider Mr. Amaral's candidacy and provide a transparent explanation for its previous decision?

It is our sincere hope that the Board will heed our concerns and take proactive steps to address governance deficiencies and restore shareholder confidence in DIA's future prospects. We remain committed to constructive dialogue and collaboration towards the mutual benefit of all stakeholders.

We will be releasing a press release explaining our views to which we will be attaching this letter.

We also attach Mr Amaral's CV to this letter.

Sincerely,



01/04/24

Francisco Santos
Director