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Western Gate Private Investments Limited

Western Gate sees DIA's management proposal as the best alternative for the Company

Western Gate believes that DIA's management proposal is the alternative that best provides value to shareholders in the short, medium and long-term.

The investment branch belonging to the Family Office of Luís Amaral, which now holds c.2% of DIA's capital, believes that the Voluntary Tender Offer (VTO) of €0,67 per share announced by Letterone undermines the share value of DIA and that Letterone has made use of the confusion from the significant write-offs and FX effects of 2018 to launch their voluntary tender offer for DIA for a low price. It is Western Gate's belief that Letterone's Offer does not adequately reflect the value of the company and that the capital increase will allow Letterone to benefit from significant upside potential at the expense of the remaining shareholders.

On the other hand, in Western Gate's opinion, DIA's management proposal of a cash injection from the €600M rights issue is the one that best provides value to stakeholders in the short, medium and long-term. This solution will, in its view, restore company credibility from the banking system, bondholders and suppliers, and will, therefore, provide a solid foundation for implementing the strategy of the new management team and also take care of the negative equity situation.

The management's solution will allow the shareholders to capture the upside in the short and long term. Rather than receiving €0.67 per share from Letterone, Shareholders could themselves benefit from the large upside and increase their value in the very short term.

Western Gate will support management's rights issue of €600M on the condition that, before the General Meeting, they provide clarity on the nature and particulars of the capital increase.

A complete presentation of Western Gate's views on Dia, as well as relevant news articles, available at www.westerngate.eu

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