

25 June 2024

**Western Gate calls for transparency and will vote against resolutions at DIA
General Meeting**

- Western Gate calls for transparency and value creation for all shareholders, including minorities
- DIA's valuation potential unrecognised – improved market engagement would benefit all stakeholders
- Repeated offers of collaboration and request for minority representative rejected
- Recent dilutive transactions only appear to have benefitted the majority shareholder
- Request for Board to publish public responses to its questions
- Western Gate to vote against conduct of business by the Board of Directors at DIA General Meeting on 28 June

Ahead of the Annual Shareholder General Meeting (“GM”) of Distribuidora Internacional de Alimentación, S.A. (“DIA” or the “Company”), which is due to be held on 28 June 2024, Western Gate Private Investments Limited (“Western Gate”), a long-term, supportive shareholder of DIA, has again written to the Company’s Board of Directors raising serious concerns around governance, transparency and advocating for the protection of the Company’s minority shareholders. DIA is legally required to provide a response ahead of the General Meeting. The Company received Western Gate’s letter on 13 June, and Western Gate is yet to receive a response.

The letter is a continuation of communications Western Gate has sent the Board over the last few months regarding these important issues and as of 24 June 2024 there has been no adequate response. The Board of Directors appear to be unconcerned about fostering transparency and value creation for all shareholders.

Western Gate strongly believes in the value potential of DIA and in the capabilities of its employees. In recent years, the Company has made a significant effort to focus on its core business of convenience stores and the sale of non-strategic assets. As a result, the business has entered a new period of growth and in their 2023 financial statements reported improvements in the majority of markets in which they operate. However, despite this, DIA continues to be significantly undervalued by the market and in recent years the minority shareholders have been subjected to continuous dilutive transactions that have only appear to have benefitted the majority shareholder.

For the past three years, Western Gate has repeatedly called on the Board to improve its engagement with the market and analysts to increase awareness of DIA’s turnaround and valuation potential. This has not transpired, and as a result DIA remains considerably undervalued. In the letter, Western Gate requests clarification on why repeated offers of collaboration and working alongside to DIA to represent minority shareholders and raise the Company’s profile have been rejected, and whether the Board plans to adopt a genuine shareholder engagement policy, including steps they have taken to encourage the involvement of minority shareholders.

As required by art. 13.4 of the Regulations of the General Meeting of Shareholders of the Company, Western Gate have requested the Board of Directors publish the letter as soon as possible on the corporate website and include answers to the requests for information and clarification and questions.

Francisco Jose Valente Hipolito dos Santos, Director of Western Gate, said:

“It is incredibly disappointing that, despite improvements to the Company’s financial performance, DIA continues to be significantly undervalued by the market. In recent years, minority shareholders have been subjected to continuous dilutive transactions that have only appeared to benefit the majority shareholder. Despite making a number of offers to collaborate to improve minority shareholder representation and raise awareness of DIA’s value potential for the benefit of all shareholders, we have repeatedly rebuffed, with unsatisfactory responses.

“Following our most recent letter, we sincerely hope that as the law obliges a response, the Board will do so with the utmost honesty and professionalism. We also hope each of the directors acts in the best common interest of all of the shareholders and not just the majority shareholder.”

Western Gate’s voting intentions for the upcoming Annual General Shareholder’s Meeting. They will be voting against the following resolutions:

- Resolution 4 – Approval of the conduct of business by the Board of Directors in fiscal year 2023.
- Resolution 12 – Ratification of the appointment by co-optation and reappointment of Mr. Alberto Gavazzi as an external proprietary director of the Company.
- Resolution 14 – Approval, until the holding of the Annual Shareholders’ Meeting next year, of the reduction to fifteen days of the period for calling Special Shareholders’ Meetings, in accordance with Article 515 of the Capital Companies Law.

Western Gate plan to abstain from voting for the following resolutions:

- Resolution 6 – Reappointment of Mr. José Wahnnon Levy as an independent director of the Company.
- Resolution 7 – Reappointment of Ms. Gloria Hernández García as an independent director of the Company.
- Resolution 8 – Reappointment of Ms. Luisa Deplazes de Andrade Delgado as an independent director of the Company.
- Resolution 9 – Reappointment of Mr. Vicente Trius Oliva as an independent director of the Company.
- Resolution 10 – Reappointment of Mr. Sergio Antonio Ferreira Dias as an external director of the Company.

- Resolution 11 – Reappointment of Mr. Marcelo Maia Tavares de Araújo as an external director of the Company.

-ENDS-

Notes to editors:

About Western Gate

Western Gate Private Investments Limited is an investment branch belonging to the Family Office of Luis Amaral and invests in private and listed companies principally in the retail and consumer goods sector.

Media enquiries

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