

27 January 2025

Western Gate reiterates call for transparency at DIA

Western Gate was pleased to see a strong performance from DIA's Spanish business in the company's Q4 trading statement, released on 24 January 2025. Net Sales in the region grew by +5.4% and DIA captured additional market share in the region. The fact that DIA's shares closed down on Friday despite this positive performance shows how much work still needs to be done to improve investor interest in the business.

Western Gate also notes Jonathan Muir's recent interview with Cinco Días, where the CEO of LetterOne discussed the challenges the investment firm has faced in making certain investments due to concerns from potential partners. This comes as no surprise. Good governance is essential in enhancing corporate reputations and minority investors have long challenged DIA's lack of transparency and communication with the market.

Jonathan Muir's comments that LetterOne has no intention of selling any of its stake in DIA starkly contradicts earlier comments from a member of DIA's investor relations team, who, during a call with analysts and investors, suggested that the majority shareholder was considering selling part of its holding to improve liquidity in the shares. The Coalition has long advocated for liquidity and Western Gate is both surprised and concerned that this initiative, which would benefit all shareholders, appears to have been taken off the table.

Furthermore, Western Gate is concerned by the cost of the recent financing agreement DIA has secured with HPS Investment Partners. It is considerably more expensive than the previous syndicated loan, which was obtained from a consortium of banks, and carries a high annual interest rate of 675 basis points over Euribor. This increase in the cost of debt does not reflect the improved operational performances at DIA, and Western Gate would like to know why the company chose this financing agreement and what other options were available.

Western Gate and the Coalition of minority shareholders in DIA are calling for better corporate governance, transparency and communication with existing and potential investors. They look forward to DIA providing greater detail regarding the recent financing, including the decision-making process, and hearing how the Company plans to drive engagement and bring about a meaningful transformation. The Coalition remains committed to working with LetterOne and the Company to realize DIA's full market potential and ensure that all shareholder interests are properly represented, not just those of the largest shareholder.

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.

About the Coalition

The Coalition, led by Western Gate, is a group of independent shareholders, without any commitments on how to vote, who are seriously concerned about DIA's languishing share price and a lack of action from DIA's Board to address the fact that the Company is woefully undervalued vs. its peers. The Coalition is calling for the Board to act in the interests of all stakeholders and not just the majority shareholder by taking steps to better engage with the market and appoint an independent Board member with expertise directly relevant to DIA's business model, to represent minority shareholders.

Media enquiries

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