



Securities Note

Distribuidora Internacional de Alimentación, S.A.

9 July 2021

SHARE CAPITAL INCREASE FOR AN EFFECTIVE AMOUNT OF UP TO €1,027,751,102, IN TWO SEPARATE TRANCHES (I) CONVERSION OF DEBT INTO EQUITY, AND (II) CASH CONTRIBUTIONS, WITH RECOGNITION OF THE PREFERENTIAL SUBSCRIPTION RIGHT

The following securities note (the “**Securities Note**”) has been approved and registered by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “**CNMV**”) on 9 July 2021.

This Securities Note has been drafted in accordance with the model established in Regulation (EU) 2017/1129, of the European Parliament and of the Council of 14 June 2017 and Annex XII of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

This Securities Note is only a part of the prospectus drawn up by Distribuidora Internacional de Alimentación, S.A. (the “**Company**”, and together with its subsidiaries, the “**Group**” or “**DIA**”) in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, and is complemented by the summary note (the “**Summary Note**”) included in Section I of this Securities Note, and by the Company’s registration document (the “**Registration Document**”). The Registration Document and the Securities Note were filed with the official registries of the CNMV on 9 July 2021, which can be consulted on the Company’s corporate website (<https://diacorporate.com/operaciones-corporativas/>)¹ and on the website of the CNMV (www.cnmv.es).

¹ The information contained on such website does not form part of the Securities Note unless that information is incorporated by reference into the Securities Note.

WARNING

The Prospectus, comprised of this Securities Note, the Summary Note included in this document, and the Registration Document, which have been registered in the official registries of the CNMV on 9 July 2021, have a maximum validity date of 12 months from their date of approval (the Registration Document, the Securities Note and the Summary Note shall be jointly referred to as the “**Prospectus**”). However, as this Securities Note refers to the issuance of the New Shares, it shall be valid until their admission to trading.

Please be advised that the obligation to incorporate a supplement to this Prospectus in the event of material new factors, material errors or serious inaccuracies shall not apply in the event that the Prospectus is no longer valid.

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I. SUMMARY NOTE (ARTICLE 7 OF REGULATION (EU) 2017/1129)

Prepared in accordance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

This Securities Note is only a part of the Prospectus and is completed by (i) the following Summary Note, and (ii) the Registration Document of the Company, drawn up in accordance with the model established in Regulation (EU) 2017/1129, of the European Parliament and of the Council of 14 June 2017 and on Annex 3 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, approved and registered in the official registry of the CNMV on 9 July 2021, and that may be consulted through the corporate website of the Company (<https://diacorporate.com/operaciones-corporativas/>)² and on the website of the CNMV (www.cnmv.es).

SECTION A – INTRODUCTION AND WARNINGS

A.1	Warnings
	<p>This summary (the “Summary Note”) should be read as an introduction to the securities note (the “Securities Note”), the risk factors and the registration document (the “Registration Document”) of Distribuidora Internacional de Alimentación, S.A. (the “Company” or the “Issuer” and, together with its subsidiaries, “DIA” or the “Group”). The Summary Note, the Securities Note and the Registration Document, shall be jointly referred to as the “Prospectus”.</p> <p>Any decision to invest in the securities to be issued (“the New Shares”) should be based on a consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital.</p> <p>Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus, is brought before a court, the plaintiff investor might, under Spanish law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Under Spanish law, civil liability attaches only to those persons who have tabled this Summary Note, including any translation thereof, but only if the Summary Note is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether or not to invest in the New Shares.</p>
A.2	Name and international securities identification number (ISIN) of the securities
	<p>The legal name of the Issuer is Distribuidora Internacional de Alimentación, S.A. The commercial name of the Issuer is “DIA”.</p> <p>Except for the 51,387,555,100 New Shares, which, if fully subscribed, will be issued in the share capital increase approved by the General Shareholders’ Meeting of the Company on 31 May 2021 (the “Capital Increase”), all of the Company’s shares are currently listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the “Spanish Stock Exchanges”), through the Spanish Stock Exchanges and are quoted through the Automated Quotation System (AQS (“<i>Sistema de Interconexión Bursátil or Mercado Continuo</i>”). The ISIN number allocated to the existing shares of the Company is ES0126775032, and the New Shares will bear the same ISIN as the current Company shares upon admission to listing of the New Shares.</p>
A.3	Identity and contact details of the Issuer, including its legal entity identifier (LEI)
	<p>The Company, with C.I.F. A-28164754, and with phone number +34 91 398 54 00, is registered in the Commercial Registry of Madrid in volume 22,265, sheet 75, section 8, page M-183.762. The Company’s Legal Entity Identifier (LEI) code is 54930063C6K2TNFL6H10.</p>

² The information contained on such website does not form part of the Securities Note unless that information is incorporated by reference into the Securities Note.

A.4	Identity and contact details of the competent authority
	The Spanish Securities Market Commission (“ <i>Comisión Nacional del Mercado de Valores</i> ”) (the “ CNMV ”) is the competent authority in Spain on this Prospectus. Investors can contact the CNMV through its investor helpline on +34 900 535 015.

A.5	Date of approval of the Prospectus
	The Prospectus has been approved and registered by the CNMV on 9 July 2021.

SECTION B – KEY INFORMATION OF THE ISSUER

B.1	Who is the Issuer of the securities?
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1. Domicile and legal form; legal entity identifier, the law under which it operates and its country of incorporation

The Company is incorporated as a public limited company (“*sociedad anónima*”) in Spain under the Royal Legislative Decree 1/2010 approving the restated text of the Spanish Companies Act (the “**Spanish Companies Act**”). The Company has its registered office at Las Rozas (Madrid), Parque Empresarial de Las Rozas, Edificio Tripark, calle Jacinto Benavente nº 2-A, Madrid, Spain. The Company is incorporated for an unlimited term and it operates mainly in Spain, Portugal, Brazil and Argentina.

2. Principal activities of the Company

DIA is a leading proximity grocery retailer with an average of 2 million tickets per day and over 16.6 million active members worldwide as of 31 March 2021. As at 31 March 2021, the Group had 6,100 stores across Spain, Portugal, Brazil and Argentina and had approximately 40,249 full-time employees.

3. Significant shareholders in the Company

The following table sets forth publicly available information with respect to the significant shareholders of the Company as of the date of this Securities Note:

Significant shareholders	% Direct	% Indirect	Total no. of voting rights through financial instruments	% Total	Total no. of voting rights
Letterone Investment Holdings S.A.	0.00	74.819	0	74.819%	4,996,412,348
Total of voting rights owned by significant shareholders	0.00	74.819	0	74.819%	4,996,412,348

4. Identity of the key managing directors of the Company

As at the date of this Securities Note, the key directors of the Company are the seven members of the Board of Directors:

Name	Title	Category
Mr. Stephan DuCharme	Executive Chairman	Executive
Mr. Sergio Dias	Director	Proprietary
Ms. Basola Vallés Cerezuola	Director	Independent
Mr. Jaime García-Legaz Ponce	Director	Independent
Mr. José Wahnon Levy	Director	Independent

	Mr. Marcelo Maia	Director	Other external																																																												
	<p>The appointment of Ms. Luisa Deplazes de Andrade Delgado as independent member of the Board of Directors was approved by the General Shareholders' Meeting of DIA held on 31 May 2021, but will only become effective as of 1 November 2021.</p> <p>In addition to the above, the non-director Secretary of the Board of Directors is Mr. Álvaro López-Jorrín Hernández and the non-director Vice-secretary of the Board of Directors is Ms. Sagrario Fernández Barbé.</p> <p>5. Identity of the statutory auditors of the Company</p> <p>The individual and consolidated annual accounts and management reports of DIA for the last audited financial year ended 31 December 2020 have been audited by Ernst & Young, S.L.</p>																																																														
B.2	What is the key financial information regarding the Issuer?																																																														
	<p>The table below shows a summary of the most relevant financial magnitudes of the Group, included in the consolidated financial statements corresponding to financial years 2020 and 2019 and to the first quarter of financial year 2020 and the first quarter of financial year 2021.</p> <p><i>Summary of Consolidated Income Statement</i></p> <table border="1"> <thead> <tr> <th>INCOME STATEMENT</th> <th>FY 2020</th> <th>FY 2019</th> <th>Q1 2020</th> <th>Q1 2021</th> </tr> </thead> <tbody> <tr> <td>Total income</td> <td>6,882.4</td> <td>6,870.4</td> <td>1,696.1</td> <td>1,571.6</td> </tr> <tr> <td>Operating results ("Resultados de explotación")</td> <td>-182.1</td> <td>-580.2</td> <td>-54.8</td> <td>-42.6</td> </tr> <tr> <td>Total income before taxes</td> <td>-351.9</td> <td>-676.9</td> <td>-143.7</td> <td>-62.4</td> </tr> </tbody> </table> <p><i>Summary of Consolidated Statement of Financial Position</i></p> <table border="1"> <thead> <tr> <th>BALANCE SHEET</th> <th>FY 2020</th> <th>FY 2019</th> <th>Q1 2020</th> <th>Q1 2021</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>3,035.4</td> <td>3,319.4</td> <td>3,257.4</td> <td>2,883.1</td> </tr> <tr> <td>Total equity</td> <td>-697.2</td> <td>-350.5</td> <td>-466.6</td> <td>-758.7</td> </tr> <tr> <td>Total net debt</td> <td>1,867.8</td> <td>2,027.6</td> <td>1,945.1</td> <td>1,932.3</td> </tr> </tbody> </table> <p><i>Summary of Consolidated Statement of Cash Flows</i></p> <table border="1"> <thead> <tr> <th>CASH FLOW STATEMENT</th> <th>FY 2020</th> <th>FY 2019</th> <th>Q1 2020</th> <th>Q1 2021</th> </tr> </thead> <tbody> <tr> <td>Net cash flows from/(used in) operating activities</td> <td>390.5</td> <td>60.3</td> <td>130.8</td> <td>40.6</td> </tr> <tr> <td>Cash flows used in investing activities</td> <td>-23.7</td> <td>-108.7</td> <td>-15.3</td> <td>-23.2</td> </tr> <tr> <td>Cash flows used in financing activities</td> <td>-163.7</td> <td>-28.8</td> <td>-46.9</td> <td>-129.7</td> </tr> </tbody> </table>			INCOME STATEMENT	FY 2020	FY 2019	Q1 2020	Q1 2021	Total income	6,882.4	6,870.4	1,696.1	1,571.6	Operating results ("Resultados de explotación")	-182.1	-580.2	-54.8	-42.6	Total income before taxes	-351.9	-676.9	-143.7	-62.4	BALANCE SHEET	FY 2020	FY 2019	Q1 2020	Q1 2021	Total assets	3,035.4	3,319.4	3,257.4	2,883.1	Total equity	-697.2	-350.5	-466.6	-758.7	Total net debt	1,867.8	2,027.6	1,945.1	1,932.3	CASH FLOW STATEMENT	FY 2020	FY 2019	Q1 2020	Q1 2021	Net cash flows from/(used in) operating activities	390.5	60.3	130.8	40.6	Cash flows used in investing activities	-23.7	-108.7	-15.3	-23.2	Cash flows used in financing activities	-163.7	-28.8	-46.9	-129.7
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B.3	Pro-forma financial information																																																														
	No pro forma financial information is included in the Prospectus.																																																														
B.4	Qualifications in the audit report relating to the historical financial information																																																														
	The audit reports of the Company corresponding to the consolidated and individual accounts for the year ended 31 December 2020 do not contain any qualifications.																																																														
B.5	What are the key risks that are specific to the Issuer?																																																														
	<ul style="list-style-type: none"> - The Company is currently in a negative equity situation due to accumulated losses incurred during the last 3 financial years. If the Capital Increase is not completed at all and the Company's results for the 2021 financial year show losses 																																																														

that reduce its net equity to less than half of its share capital, the Company would be in a legal dissolution cause.

- The Group is highly indebted and a failure to execute the Capital Increase may result in the Group being unable to continue as a going concern.
- If the Capital Increase is completed, but the rest of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled, the Group may fail to achieve a stable long-term capital and financial structure.
- The Group is subject to negative covenants and financial covenants.
- The Group operates with a negative working capital, and if the Capital Increase is not implemented its ability to perform its short term liquidity requirements may be adversely affected.
- The Group has consolidated net losses for the quarter ended 31 March 2021 and for the year ended 31 December 2020.
- The Group could face a delay in the implementation of its Current Business Plan in case of an incomplete subscription of the Second Tranche of the Capital Increase.
- The Group is subject to risks associated with foreign currency.
- The Group is subject to variable interest rate risks.
- The Group is subject to risks associated with its international markets volatility.

SECTION C – KEY INFORMATION ON THE NEW SHARES

C.1 What are the main features of the New Shares?

1. Type, class and ISIN

The New Shares will be of nominal value of €0.01 each with temporary ISIN number ES0126775057. The ISIN number allocated to the existing Company shares is ES0126775032, and the New Shares will bear the same ISIN as the current Company shares upon admission to listing.

The New Shares will be of the same class as the existing Company shares and the Company currently has no other class of shares. The New Shares will rank *pari passu* with the existing Company shares, including in respect of the right to receive dividends approved by the shareholders after the date on which ownership of such New Shares has been registered in the book entry registries of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”). The Company’s shares grant their owners the rights set forth in the bylaws of the Company and under the Spanish Companies Act.

2. Currency, denomination, par value and number of securities issued

New Shares in the Capital Increase amount to a maximum of 51,387,555,100 New Shares to be issued at a nominal value of €0.01 per New Share plus share premium of €0.01 per New Share.

3. Rights attached to the securities

The New Shares will be ordinary shares that will give their holders, once they are registered in their name in the corresponding accounting records, the same political and economic rights as the other shares of the Company in accordance with the provisions of the bylaws of the Company and the Spanish Companies Act.

4. Any restrictions on the free transferability of the securities

The bylaws of the Company do not contain any restrictions on the free transferability of the shares. There are no shareholders’ agreements that restrict the free transferability of shares nor any commitments to divest.

5. Dividend or pay-out policy

The dividend distribution policy and the amount of dividends is set by the General Shareholders’ Meeting of the Company upon proposal of the Board of Directors. However, at the moment, the Company’s ability to distribute dividends is limited by (i) the Company’s €73.2 million amended facilities agreement (currently in force) until 31 March 2023 and (ii) the new facilities agreement (which will become effective once the conditions precedent for the effectiveness of the Comprehensive Transaction (as defined below) have been fulfilled) which extends the maturity until 31 December 2025.

C.2	Where will the New Shares be traded?
	The Company will request trading of the New Shares in the Spanish Stock Exchanges and through the Automated Quotation System (AQS (“ <i>Sistema de Interconexión Bursátil or Mercado Continuo</i> ”)), and expects the New Shares to start trading on the Spanish Stock Exchanges around 12 August 2021.
C.3	What are the key risks that are specific to the New Shares?
	<ul style="list-style-type: none"> - There could be an incomplete subscription of the Second Tranche of the Capital Increase, as the Company’s majority shareholder has not underwritten or communicated its intention whether or not to subscribe for New Shares in the Second Tranche of the Capital Increase. - Shareholders who do not acquire New Shares in the Capital Increase will experience dilution in their ownership of the Group - The market price for the New Shares may decline below the subscription price and shareholders may not be able to sell their Shares and/or preferential subscription rights at a favourable price during or after the Capital Increase. - The Group’s ability to pay dividends to its shareholders is restricted. - The majority shareholder of the Company can exercise significant control over it, and its interests may conflict with those of other shareholders.
SECTION D – KEY INFORMATION ON THE SHARE CAPITAL INCREASE AND THE ADMISSION OF THE NEW SHARES	
D.1	Under which conditions and timetable can I invest in the New Shares?
	<p>The Capital Increase is part of the recapitalisation and global refinancing agreement that the Company has entered into with all of its syndicated financial creditors (the “Comprehensive Transaction”), the effectiveness of which requires, inter alia, that the Company’s majority shareholder, LetterOne, capitalises certain credits against the Company for a total amount of €769,200,000 (the “LetterOne Credits”).</p> <p>The Comprehensive Transaction, once effective, will involve the amendment and restatement of the Group’s current €73.2 million syndicated facilities agreement (the “Amended Facilities Agreement”), into a new and restated syndicated facilities agreement (the “New Facilities Agreement”), in order to essentially extend the maturity date of certain facilities amounting to €02.4 million (the “Senior Facilities”) from 31 March 2023 to 31 December 2025, as well as amend other terms and conditions of the Amended Facilities Agreement. The effectiveness of the Comprehensive Transaction (and as such of the New Facilities Agreement), is subject to the fulfilment of the certain conditions precedent on or before 29 October 2021. In this regard, those conditions precedent which have not yet been fulfilled are expected to be mere formalities, which the Company expects to be fulfilled in the first half of August 2021 or shortly thereafter, shortly after the completion of the Capital Increase.</p> <p>On 31 May 2021 the General Shareholders’ Meeting of the Company passed a resolution approving the Capital Increase to raise the Company’s equity in an effective amount of €1,027,751,102 through the issue of up to 51,387,555,100 New Shares at a subscription price of €0.02 per New Share, as follows:</p> <ul style="list-style-type: none"> (i) First Tranche: capital increase to be executed by means of a capitalisation of the credit rights that LetterOne holds against the Company under the LetterOne Credits in a total amount of €769,200,000, through the issue of 38,460,000,000 New Shares of €0.01 nominal value each, with a share premium of €0.01 per share (the “First Tranche”). The First Tranche is approximately equal to the pro rata portion of the total amount of the Capital Increase which LetterOne would be entitled to subscribe in exercising its preferential subscription rights, on the basis of its current shareholding in the Company (74.819%), assuming a single Capital Increase for an effective amount of €1,027,926,402.17. (ii) Second Tranche: capital increase to be carried out by means of cash contributions, with preferential subscription rights (the “Preferential Subscription Rights”), and is addressed in first instance to all the shareholders of the Company, other than LetterOne and the Company with regard to the treasury shares held by it, that is, to holders of existing Company shares representing 25.166% of the Company’s share capital, for a maximum amount of €258,551,102 through

the issue of a maximum of 12,927,555,100 New Shares of €0.01 nominal value each, with a share premium of €0.01 per share (the “**Second Tranche**”). In order to allow Eligible Shareholders (other than LetterOne) to fully subscribe the Second Tranche if they wish in order to preserve their pro-rata stake in the Company’s share capital. LetterOne has formally waived its Preferential Subscription Rights for the preferential subscription period of the Second Tranche (the “**Preferential Subscription Period**”), considering that its pro rata share of the Capital Increase is already covered under the First Tranche, except that, in order to achieve a workable exchange ratio, LetterOne does not formally waive 12 Preferential Subscription Rights in the Second Tranche (in order to achieve a number of shares targeted by the Second Tranche that will be divisible by 13). In addition to the above, LetterOne has committed not to acquire Preferential Subscription Rights in the market during the Preferential Subscription Period of the Second Tranche.

For clarification purposes, while the effective amount of the Second Tranche that would theoretically correspond to the minority shareholders other than LetterOne according to their participation in the share capital of the Company (25.166%) would be of €258,726,402.17, that effective amount shall be reduced by an amount of €175,300.17 for purely technical reasons, in order to obtain a workable ratio of the number of Preferential Subscription Rights to be allocated to shareholders for each share of the Company held by them. Consequently, the effective amount of the Second Tranche is established at €258,551,102.

The Second Tranche may eventually not be fully subscribed during the Preferential Subscription Period, the Additional Allocation Period (as defined below), or the Discretionary Allocation Period (as defined below), in which case, the Capital Increase would be implemented only up to the subscribed amount.

Subject to the terms and conditions set out herein, the Company is granting, with regard to the Second Tranche, Preferential Subscription Rights to holders of the Company’s shares who acquired their shares on or before 12 July 2021 (the expected date of publication of the Capital Increase in the Spanish Commercial Registry Official Gazette (“*Boletín Oficial del Registro Mercantil*”) (“**BORME**”)) and whose acquisition transactions have been settled within the two trading days immediately following such date (i.e. on or before 14 July 2021 at 23:59) (the “**Eligible Shareholders**”). Each share held by the Eligible Shareholders (excluding the 984,480 treasury shares held by the Company and the 4,996,412,336 shares held by LetterOne – all except for 12 Preferential Subscription Rights as explained above–), shall be entitled to one (1) Preferential Subscription Right, with thirteen (13) Preferential Subscription Rights being required for subscribing one hundred (100) New Shares in the Second Tranche. Therefore, 1,680,582,163 existing shares in the Company will have Preferential Subscription Rights in the Second Tranche.

The subscription price, which must be paid in euros, is €0.02 per New Share (the “**Subscription Price**”). The Subscription Price represents an implied discount of 19.03% on the theoretical ex rights price (TERP) (€0.0247 based on the Share’s price at market close on 8 July 2021 of €0.0609), 77.6% discount to the average market share price of the second quarter of 2021 (i.e. from 31 March 2021 to 30 June 2021), and a 82.3% discount to the average market share price of the last year (i.e. from 1 January 2020 to 31 December 2020).

If only the New Shares in the First Tranche are subscribed (and the Second Tranche is not subscribed at all), the Capital Increase will result in the issuance of 38,460,000,000 New Shares, and the shares in the Company would increase from 6,677,978,979 shares to 45,137,978,979 shares, corresponding to an increase of 575.9% with respect to the current number of Company shares.

If all the New Shares are fully subscribed (First and Second Tranche), the Capital Increase would result in an the issuance of 51,387,555,100 New Shares, and the shares in the Company would increase from 6,677,978,979 shares to 58,065,534,079 shares, corresponding to an increase of 769.5% with respect to the current number of Company shares.

Subscription of New Shares in the Second Tranche

- (i) The Preferential Subscription Period will commence on the first calendar day following the publication of the Capital Increase in the BORME and will last up to and including the 15th calendar day thereafter. During the Preferential Subscription Period, Eligible Shareholders (other than LetterOne) will be able to sell all or part of their Preferential Subscription Rights or, alternatively, to subscribe, in whole or in part, for New Shares in the Second Tranche, subject to any applicable restrictions on transfer, while any Eligible Shareholder (other than LetterOne, who has committed not to do so) or other investors may acquire Preferential Subscription Rights in the market in the required proportion and subscribe for the corresponding New Shares in the Second Tranche.
- (ii) Both Eligible Shareholders (including LetterOne) and other investors that acquire Preferential Subscription Rights and exercise them, in whole or in part, may also subscribe for additional New Shares during the additional allocation period, which is expected to end on 4 August 2021 (the “**Additional Allocation Period**”). For the avoidance of doubt, LetterOne shall be considered to have exercised its Preferential Subscription Rights by subscribing the First Tranche and could, as any other Eligible Shareholder or investor could, participate in the Additional Allocation Period.

- (iii) Preferential Subscription Rights not exercised within the Preferential Subscription Period or the Additional Allocation Period will expire without value.
- (iv) Any New Shares in the Second Tranche that are not subscribed during the Preferential Subscription Period or the Additional Allocation Period may then be offered to qualified investors (including LetterOne) showing interest in acquiring New Shares in the Second Tranche during a discretionary allocation period which is expected to begin at any time after the end of the Additional Allocation Period and end no later than 08:00 p.m. CET on 5 August 2021 (the “**Discretionary Allocation Period**”).
- (v) New Shares in the Second Tranche that remain unsubscribed after such Discretionary Allocation Period will not be issued.
- (vi) For clarification purposes, LetterOne shall only be entitled to subscribe New Shares in the Second Tranche in the Additional Allocation Period or in the Discretionary Allocation Period by means of cash contributions, and provided always that there are unsubscribed shares following the end of the Preferential Subscription Period.

Expected timetable

The summary timetable set forth below lists certain important dates relating to the Capital Increase:

<u>Principal event</u>	<u>On or about</u>
Commencement of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period.....	13 July 2021
End of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period.....	27 July 2021
Additional Allocation Period (if applicable)	4 August 2021
Commencement of the Discretionary Allocation Period (if applicable).....	4 August 2021
End of the Discretionary Allocation Period (if applicable).....	5 August 2021
Registration with the Commercial Registry of the public deed of Capital Increase.....	10 August 2021
Expected commencement of trading of the New Shares on the Spanish Stock Exchanges	12 August 2021

D.2 Why is this Prospectus being produced?

The Prospectus has been prepared in order to execute the Capital Increase and start the Preferential Subscription period for the New Shares in the Second Tranche, as well as to apply for the admission to trading of the Company’s New Shares on the Spanish Stock Exchanges, as well as their incorporation into the Automated Quotation System (AQS (“*Sistema de Interconexión Bursátil or Mercado Continuo*”)).

The Capital Increase is being undertaken within the context of a number of refinancing and recapitalisation measures that the Group has implemented and/or is seeking to implement (or, as the case may be, has commenced the implementation thereof), as part of the Comprehensive Transaction.

The Capital Increase serves the purpose of (i) contributing to the fulfilment of the conditions precedent to which the Comprehensive Transaction is subject, and (ii) allowing the Company to (a) reinforce its net equity, (b) significantly reduce its financial indebtedness (by discharging the €769.2 million LetterOne Credits), and (c) obtain liquidity through the Second Tranche (if subscribed), which would in turn allow the Company to accelerate the implementation of its Current Business Plan.

II. RISK FACTORS

Description of the material risks that are specific to the New Shares being admitted to trading

Before taking an investment decision, the risk factors described below should be analysed, as well as the risk factors contained in the Registration Document, and registered today in the official registers of the CNMV. Any of these risks could adversely affect the business, operating results or financial position of DIA. It should also be taken into account that these risks could affect the price of the shares, which could result in a partial or total loss of the investment.

The Summary Note, the Securities Note and the Registration Document jointly constitute the Prospectus.

The main risk factors to which the Group is exposed are described in the Registration Document.

Although it is considered that all the main risk factors have been described, there could be additional risks or uncertainties that have not been identified as of today or are not considered significant, and which could adversely affect the business or financial position of the Group and the evolution of the shares.

There could be an incomplete subscription of the Second Tranche of the Capital Increase, as the Company's majority shareholder has not underwritten or communicated its intention whether or not to subscribe for New Shares in the Second Tranche of the Capital Increase

The share capital increase approved by the General Shareholders' Meeting of the Company on 31 May 2021 (the "**Capital Increase**") will be in respect of a maximum of 51,387,555,100 new shares (the "**New Shares**") at a subscription price of €0.02 (€0.01 nominal value plus €0.01 share premium) per New Share (the "**Subscription Price**").

Pursuant to the Capital Increase resolution which was approved by the Company's General Shareholders' Meeting on 31 May 2021, the Company's controlling shareholder, L1R Invest1 Holdings S.à r.l. ("**LetterOne**") will fully subscribe a first tranche of €769.2 million (€0.01 nominal plus €0.01 share premium), representing 38,460,000,000 New Shares, through the capitalization of certain credits it currently holds against the Company (the "**First Tranche**").

The second tranche of the Capital Increase shall be paid up by means of cash contributions, for a maximum amount of €258.6 million, representing up to 12,927,555,100 New Shares, with preferential subscription rights ("**Preferential Subscription Rights**"), and is addressed in first instance to those shareholders who (i) have acquired Company shares on or before 12 July 2021 (*Last Trading Date*), which is the date on which the Company expects to announce the Capital Increase in the Spanish

Commercial Registry Official Gazette (“*Boletín Oficial del Registro Mercantil*”) (“**BORME**”) and the Spanish Stock Exchanges Official Gazette, and (ii) are registered with the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (“**Iberclear**”) on or before 14 July 2021 at 23:59 (*Record Date*) (“**Eligible Shareholders**”), other than LetterOne and the Company with regard to the treasury shares held by the Company, that is, to holders of shares representing 25.166% of the Company’s share capital (the “**Second Tranche**”).

LetterOne has (i) formally waived its Preferential Subscription Rights in the Second Tranche (other than for 12 Preferential Subscription Rights in order to achieve a workable exchange ratio), considering that its pro rata share of the Capital Increase is covered already under the First Tranche, and (ii) has committed not to acquire any Preferential Subscription Rights in the market, in order to allow Eligible Shareholders (or investors) to fully subscribe the Second Tranche in the preferential subscription period (the “**Preferential Subscription Period**”).

If Eligible Shareholders (other than LetterOne) do not exercise their rights to subscribe for New Shares in the Second Tranche at all, and the whole Capital Increase was subscribed by LetterOne (since LetterOne may subscribe for shares in the Additional Allocation Period (as defined below) and/or the Discretionary Allocation Period (as defined below)), LetterOne would hold a 97.10% stake in the Company. Additionally, if Eligible Shareholders do not exercise their rights to subscribe for New Shares in the Second Tranche at all, no investors exercise any Preferential Subscription Rights acquired in the market, and LetterOne does not subscribe for any New Shares in the Second Tranche, and the Second Tranche is therefore left completely unsubscribed, LetterOne would hold a 96.27% stake in the Company’s share capital. The dilution which Eligible Shareholders (other than LetterOne) would experience under each of these situations is further detailed in the risk factor “*Shareholders who do not acquire New Shares in the Capital Increase will experience dilution in their ownership of the Group*”. The consequences in case of incomplete subscription of the Second Tranche of the Capital Increase are detailed in the risk factor “*The incomplete subscription of the Second Tranche of the Capital Increase could result in the Group facing a delay in the implementation of its Current Business Plan*”

Since the Second Tranche of the Capital Increase is not underwritten and LetterOne has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe New Shares in the additional allocation period (the “**Additional Allocation Period**”) or the discretionary allocation period (the “**Discretionary Allocation Period**”) of the Second Tranche, there is the risk that the Second Tranche is not subscribed, whether totally or partially.

Shareholders who do not acquire New Shares in the Capital Increase will experience dilution in their ownership of the Group

If only the New Shares in the First Tranche are subscribed (and the Second Tranche is

not subscribed at all), the Capital Increase will result in an increase of 38,460,000,000 shares, and the shares in the Company would increase from 6,677,978,979 existing shares to 45,137,978,979 shares, corresponding to an increase of 575.9% with respect to the number of existing shares.

Additionally, if all the New Shares are fully subscribed (First and Second Tranche), the Capital Increase would result in an increase of 51,387,555,100 shares. The shares in the Company would increase from 6,677,978,979 existing shares to 58,065,534,079 shares, corresponding to an increase of 769.5% with respect to the existing number of shares.

If Eligible Shareholders do not participate or only participate partially in the Second Tranche of the Capital Increase, either because (i) a relevant Eligible Shareholder is in any jurisdiction where their participation is restricted for legal, regulatory and other reasons, (ii) the relevant Eligible Shareholder does not respond to the Capital Increase by 27 July 2021 (the expected latest time and date for the exercise of that Eligible Shareholder's Preferential Subscription Rights), or (iii) the relevant Eligible Shareholders only exercises part of its Preferential Subscription Rights, the Eligible Shareholder's proportionate ownership and voting interests as well as the percentage that its shares will represent of the total share capital of the Company would be reduced accordingly.

Even if an Eligible Shareholder elects to sell unexercised Preferential Subscription Rights, or such Preferential Subscription Rights are sold on their behalf, the consideration that the Eligible Shareholder would receive may not be sufficient to compensate fully for the dilution of its percentage ownership in the Company's share capital that may be caused as a result of the Capital Increase.

If Eligible Shareholders do not exercise their rights to subscribe for New Shares in the Second Tranche at all, and the whole Capital Increase was fully subscribed by LetterOne or other investors, the rest of Eligible Shareholders' proportionate ownership and voting interest in the Company's shares (upon the issue of New Shares) would, accordingly, be reduced, and, as a result of this, such Eligible Shareholders would suffer a dilution of 88.5% of their stake in the share capital of the Company prior to the Capital Increase.

Additionally, if the Second Tranche was left completely unsubscribed (and only the First Tranche was subscribed by LetterOne), the rest of Eligible Shareholders' proportionate ownership and voting interest in the Company's shares (upon the issue of New Shares) would, accordingly, be reduced, and, as a result of this, such Eligible Shareholders would suffer a dilution of 85.2% of their stake in the share capital of the Company prior to the Capital Increase.

The incomplete subscription of the Second Tranche of the Capital Increase could result in the Group facing a delay in the implementation of its Current Business Plan

As mentioned in the first risk factor *“There could be an incomplete subscription of the Second Tranche of the Capital Increase, as the Company’s majority shareholder has not underwritten or communicated its intention whether or not to subscribe for New Shares in the Second Tranche of the Capital Increase”* since the Second Tranche of the Capital Increase is not underwritten and LetterOne has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe for New Shares in the Additional Allocation Period or the Discretionary Allocation Period of the Second Tranche, it may be the case that the Second Tranche is not subscribed, whether totally or partially.

Under the Company’s current business plan, which has not been made public and which was last updated on December 2020 (the **“Current Business Plan”**), the Company is expected to face CAPEX expenses for financial year 2021 in an amount ranging from €175 million to €225 million. In the event of a complete subscription of the Second Tranche of the Capital Increase, the Company would be able to timely execute its Current Business Plan and the CAPEX expenses would be accelerated.

However, in the event of an incomplete subscription of the Second Tranche of the Capital Increase, the Company’s ability to carry out the projected CAPEX investments required to execute its Current Business Plan timely could be adversely affected, especially if the level of subscription under the Second Tranche of the Capital Increase is low or very low, in which case the implementation of the Company’s Current Business Plan could be delayed or impaired.

If the Capital Increase is completed, but the rest of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled, the Group may fail to achieve a stable long-term capital and financial structure

On 25 March 2021, the Company reached an agreement with Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bank of America Europe, DAC, Bankia, S.A., Barclays Bank, PLC, Barclays Bank Ireland, PLC, Caixabank, S.A., Deutsche Bank, S.A.E., Ing Bank N.V. Sucursal en España, J.P. Morgan AG, Morigan Lending DAC, Burlington Loan Management DAC, Cross Ocean AGG Company I, S.à r.l, Deutsche Bank AG, Luxembourg branch – Acting as Postbank Luxembourg – a brand of Deutsche Bank AG, Luxembourg branch and Société Générale, Sucursal en España (the **“Syndicated Lenders”**) providing a path for a comprehensive refinancing and recapitalization transaction aimed at ensuring achieving a stable long-term capital and financial structure for the Company and its group (the **“Comprehensive Transaction”**).

As further detailed in section 11.4.3(B) of the Registration Document, the Comprehensive Transaction, once effective, will involve the amendment and restatement of the Group’s current €73.2 million syndicated facilities agreement (the **“Amended Facilities Agreement”**), into a new and restated syndicated facilities

agreement (the “**New Facilities Agreement**”), which will imply an extension of the maturity date of certain facilities amounting to €02.4 million (the “**Senior Facilities**”) from 31 March 2023 to 31 December 2025, as well as an amendment of other terms and conditions of the Amended Facilities Agreement.

As further detailed in section 11.4.3(B) of the Registration Document, the effectiveness of the Comprehensive Transaction (and as such of the New Facilities Agreement), is subject to the fulfilment of certain conditions precedent on or before the 29 October 2021 longstop date. In this regard, those conditions precedent which have not yet been fulfilled as of the date hereof are expected to be mere formalities, which the Company expects to be fulfilled shortly after the completion of the Capital Increase, expected for 12 August 2021.

However, if the Capital Increase is completed, but any of the conditions precedent for the effectiveness of the Comprehensive Transaction are not fulfilled before the 29 October 2021 longstop date and the Comprehensive Transaction (and therefore the New Facilities Agreement) does not become effective, the Company would be able to continue as a going concern but, (i) the Company may fail to achieve a stable long-term capital and financial structure, (ii) the Company would not benefit from the provisions of the New Facilities Agreement, and in particular from the maturity extension and the additional credit line (as further detailed in section 11.4.3(B) of the Registration Document), (iii) the Company would not eliminate its medium term refinancing risk (as it would have to face significant maturities during financial year 2023), and (iv) the Company may not be able to access debt financing markets on normalised terms.

The market price for the New Shares may decline below the Subscription Price and shareholders may not be able to sell their shares and/or Preferential Subscription Rights at a favourable price during or after the Capital Increase.

The Subscription Price of €0.02 (nominal value plus share premium) per New Share represents a discount of 19.03% on the theoretical ex rights price (“**TERP**”) (€0.0247 based on the Share’s closing price of €0.0609 as of 8 July 2021), a 77.6% discount to the average market share price of the second quarter of 2021 (i.e. from 31 March 2021 to 30 June 2021), and a 82.3% discount to the average market share price of the last year (i.e. from 1 January 2020 to 31 December 2020).

As a result of the abovementioned discount, the Capital Increase may result in a decline of the trading price of the Company’s shares. In fact, from the date of announcement of the terms and conditions of the Capital Increase (28 April 2021) to the date of this Securities Note, the trading price of the Company’s shares has dropped from €0.116 per share to €0.0609 per share, representing a 47.50% drop.

Given that the trading price of the Preferential Subscription Rights depends on the price of the Company’s shares, a significant decline in the public market trading price of the

Company's shares would negatively affect the trading price of the Preferential Subscription Rights. In addition, there can be no assurance that the public market trading price of the Company's shares will not decline below the Subscription Price following such holders' exercise of their Preferential Subscription Rights. Should this occur, such holders will have committed to buy the New Shares at a price above the prevailing market price of the Company's shares, and such holders will suffer an immediate unrealised loss as a result. In addition, there can be no assurance that, following the exercise of such Preferential Subscription Rights, holders of Preferential Subscription Rights will be able to sell their New Shares at a price equal to or greater than the Subscription Price.

In addition to the effects of the Capital Increase in the market price of the Company's shares, such market price (including the rights to subscribe for such New Shares) could be subject to significant fluctuations due to a change in perception in the market regarding these securities. The Company's share price has been affected by a significant level of volatility during the twelve (12) months prior to this Securities Note. In this regard, in such period of time (i.e. from 30 June 2020 to 30 June 2021) the Company's shares' market price has ranged from a maximum of €0.144 on 30 November 2020 to a minimum of €0.0609 on 8 July 2021, representing a 57.77% drop from the maximum share price during the referred period.

The factors which may affect the Company's shares' market price, and the price of the New Shares, include (but are not limited to):

- COVID-19 health-crisis;
- the Group's expected and actual performance and the performance of the industries in which it operates;
- regulatory changes affecting the Group's operations;
- the sale or purchase of a significant stake in the share capital of the Company by a shareholder (the significant shareholder of the Company (LetterOne) has not assumed a lock-up commitment);
- divergence in financial results from stock market expectations; and
- future issuances of Company shares.

Any of these events could result in a decline in the market price of the Company's shares or the New Shares (including the rights to subscribe for such New Shares).

The Group's ability to pay dividends to its shareholders is restricted

The Company has not distributed dividends to its shareholders since 18 July 2018, when it distributed a dividend of €0.18 per share, which amounted to a total of €110.3 million.

The Amended Facilities Agreement (currently in force) and the New Facilities Agreement (whose effectiveness is subject to those conditions precedent indicated in section 11.4.3(B) of the Registration Document) restrict the ability of the Company to declare or pay any dividend or make any other payment or distribution on or in respect of its share capital, until the amounts due thereunder are fully repaid (which, under the Amended Facilities Agreement will be on 31 March 2023, and under the New Facilities Agreement will be on 31 December 2025). The Company may only distribute dividends to its shareholders before such dates if it obtains the prior consent from Syndicated Lenders whose commitments aggregate more than 75% of the total commitments. Any dividend distribution made without said prior consent would result in an event of default under the Amended Facilities Agreement and the New Facilities Agreement.

In addition to the above, pursuant to the Spanish Companies Act, the Company may not distribute dividends if the value of its net equity is lower than its share capital, or if as a result of such dividend distribution the Company's net equity would be lower than its share capital. Moreover, the Company does not currently have any amount allocated to its legal reserve and, pursuant to the Spanish Companies Act, prior to distributing any dividends against profits, at least 10% of the Company's annual profit would need to be allocated to its legal reserve, until it reaches 20% of the Company's share capital.

In any event, the Company's ability to distribute dividends would also depend on a number of additional circumstances and factors including, but not limited to, the amount of net profit generated by the Company in any financial year (in this regard, the Company has incurred losses for the past 3 financial years), the amount of distributable reserves, the future cash flow levels, liquidity and investment needs and the Company's growth strategy.

The majority shareholder of the Company can exercise significant control over it, and its interests may conflict with those of other shareholders

The Company's majority shareholder (LetterOne) is a member of the LetterOne Investment Holdings S.A. ("LIHS") group of companies, which is an international investment business headquartered in Luxembourg. The principal shareholder is a part of the retail division within LIHS, which may carry out investments in other businesses within the retail industry, either competitors of the Company or not, as part of the investment strategy of LetterOne.

As of the date of this Securities Note, LetterOne holds shares representing 74.819% of DIA's share capital. As further explained in the risk factor "*There could be an incomplete subscription of the Second Tranche of the Capital Increase, as the Company's majority shareholder has not underwritten or communicated its intention whether or not to subscribe for New Shares in the Second Tranche of the Capital Increase*" LetterOne is, and will continue to be following the completion of the Capital Increase, in a controlling position through its ability to influence or determine the outcome of votes at the General Shareholders' Meetings regarding, among other things,

the appointment and dismissal of the members of the Board of Directors, and other actions requiring approval by ordinary resolution, simple majority or qualified majority vote of the General Shareholders' Meeting under Spanish law.

As such, the interests of the LetterOne may conflict with those of other shareholders, who do not have a sufficient stake in the Company's share capital to affect the decisions approved by the Company's Board of Directors and General Shareholders' Meeting.

III. INFORMATION ON THE SECURITIES IN THE CAPITAL INCREASE

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. Persons responsible for the information or any parts of it, given in the Securities Note.

Mr. Jesús Soto Cantero, with Spanish identification (D.N.I.) number 07490850-A, by virtue of the power of attorney granted by the Board of Directors of the Company dated 8 July 2021, in the name and on behalf of the Company, assumes the responsibility for the content of this Securities Note, whose format is contained in Annex 12 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

1.2. Declaration by those responsible for the Securities Note.

Mr. Jesús Soto Cantero declares that, as far as he is aware of, the information contained in this Securities Note is in accordance with the facts and that this Securities Note makes no omission likely to affect its content.

1.3. Expert statement or report.

In accordance with the provisions of Article 301.3 (in relation to Article 301.1) of the Royal Legislative Decree 1/2010 approving the restated text of the Spanish Companies Act (the “**Spanish Companies Act**”) in the event of a capital increase by means of capitalization of credits, the Company must make available to all shareholders a certificate from the company’s auditor confirming that:

- (i) after having verified the company’s accounting books, the information in the report issued by the company’s Board of Directors on the credits to be capitalised in the capital increase is accurate; and
- (ii) at least 25% of the credits to be capitalised in the capital increase are liquid, due, and payable on demand, and that the remainder mature in no more than five years.

On 28 April 2021, the Company’s auditor (Ernst & Young, S.L.) issued a certificate stating that, as of 28 April 2021, the requirement that at least 25% of the credits to be capitalized must be liquid, due, and payable on demand had not been met, but that the Board of Directors of the Company had confirmed that on the date on which it decides to execute the Capital Increase, the credits to be capitalised in the First Tranche of the Capital Increase will be liquid, due, and payable on demand, as required by Article 301 of the Spanish Companies Act.

This certification is available to Eligible Shareholders and other investors together with the Board of Directors' report and may be consulted through the corporate website of the Company (<https://diacorporate.com/operaciones-corporativas/>)³.

Immediately prior to the granting of the Capital Increase public deed (currently expected for 6 August 2021), Ernst & Young, S.L. will have to issue a new certificate indicating that the total amount of the credits to be capitalized in the First Tranche of the Capital Increase are liquid, due and payable on demand at the date of their capitalization.

The additional certification will be made publicly available on or before the date on which the public deed documenting the execution of the Capital Increase is granted through the corporate website of the Company (<https://diacorporate.com/operaciones-corporativas/>)⁴.

1.4. Information sourced from a third party.

This Securities Note does not contain any information sourced from a third party.

1.5. Approval of the Securities Note by the competent authority.

- a. This Securities Note has been approved by the CNMV, as competent authority under Regulation (EU) 2017/1129.
- b. The CNMV only approves the Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.
- c. Such approval shall not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note.
- d. The Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

2. RISK FACTORS

This Section 2, related to the material risks that are specific to the New Shares, is set forth in part II of the Securities Note.

³ The information contained on such website does not form part of the Securities Note unless that information is incorporated by reference into the Securities Note.

⁴ The information contained on such website does not form part of the Securities Note unless that information is incorporated by reference into the Securities Note.

3. ESSENTIAL INFORMATION

3.1. Interest of natural and legal persons involved in the issue

The Company contacted its significant shareholder, LetterOne, on 14 June 2021 regarding its intention with respect to the Capital Increase. LetterOne sent a response to the Company's request, stating the following:

“LetterOne can confirm that it is supportive of facilitating the participation of those current minority shareholders in DIA who decide to participate in the Preferential Subscription Period and who may also participate in the Additional Allocation Period:

- (i) LetterOne fully supports the Capital Increase, and will subscribe in full the First Tranche of the Capital Increase by means of set-off of credits rights vis-à-vis DIA in an amount of €769.2 million.*
- (ii) LetterOne has the intention (and will commit) to waive all its preferential subscription rights in the Preferential Subscription Period of the €259 million Second Tranche of the Capital Increase, in order to allow the rest of shareholders, if they wish, to subscribe shares up to a number which would allow them to maintain their current percentage in the share capital of DIA.*
- (iii) LetterOne has the intention (and will commit) to waive its right to acquire preferential subscription rights in the Preferential Subscription Period of the €259 million Second Tranche, in order to ensure that LetterOne will not be able to increase in any manner its percentage in the share capital of DIA in case that the rest of shareholders (or investors) subscribe all the shares in the Preferential Subscription Period of the Second Tranche of the Capital Increase.*
- (iv) Should the €259 million Second Tranche not be fully subscribed in the Preferential Subscription Period by minority shareholders (or investors), LetterOne will consider supporting the Company further by participating in the Additional Allocation Period and/or the Discretionary Allocation Period of the Capital Increase. However, as of today, LetterOne has not made any decision in this regard. As soon as a decision is taken, LetterOne will communicate it to DIA so that it can publicly announce it immediately. For the avoidance of doubt, LetterOne does not assume any commitment to subscribe any shares or to underwrite the capital increase in case of incomplete subscription.”*

The Company is not aware of the existence of any other interest of any other individuals and legal entities participating in the issue and admission to listing and trading of the New Shares.

3.2. Reasons for the Capital Increase and use of proceeds

Reasons for the Capital Increase

As further detailed in section 11.4.3(B) of the Registration Document, on 25 March 2021, the Company reached an agreement with its Syndicated Lenders regarding the Comprehensive Transaction.

The Comprehensive Transaction, once effective, will involve the amendment and restatement of the Amended Facilities Agreement into a new and restated New Facilities Agreement, in order to essentially extend the maturity date of the €902.4 million Senior Facilities from March 31, 2023 to December 31, 2025, as well as amend other terms and conditions of the Amended Facilities Agreement.

The effectiveness of the Comprehensive Transaction (and as such of the New Facilities Agreement), is subject to the fulfilment of certain conditions precedent on or before 29 October 2021. One of the conditions precedent to which the Comprehensive Transaction is subject, is the implementation of the Capital Increase in two tranches:

- (i) First Tranche: the First Tranche of the Capital Increase shall be executed by means of a capitalisation of the following credit rights amounting to €769.2 million that LetterOne currently holds against the Company (the “**LetterOne Credits**”), for a maximum amount of €769,200,000 (€384,600,000 in nominal value and €384,600,000 in share premium), which involves the issuance of up to 38,460,000,000 New Shares:
 - (a) credit for an amount of €200,000,000 that the Company owes to LetterOne as principal under the super senior term loan facility, which was originally granted by DEA Finance S.à r.l. to DIA Finance, S.L.U. on 31 January 2020 and with maturity on 17 July 2022;
 - (b) credit for an amount of €292,600,000 that the Company owes to LetterOne as principal amount under the Euro Medium Term Notes maturing on April 28, 2021 (the “**2021 Notes**”);
 - (c) credit for an amount of €7,400,000 that LetterOne has provided the Company with as principal under the bilateral credit facility for the purpose of financing (or refinancing) the repayment by the Company of the principal amount of those 2021 Notes that are not held by LetterOne; and
 - (d) credit for an amount of €69,200,000 that the Company owes to LetterOne under the private debt instrument which was (i) initially issued in favour of DEA Finance in exchange for the Euro Medium Term Notes maturing on April 6, 2023 which were held by DEA Finance, and (ii) subsequently transferred by DEA Finance to LetterOne.
- (ii) Second Tranche: the Second Tranche of the Capital Increase shall be executed by means of cash contributions, for a maximum amount of €258,551,102

(€129,275,551 in nominal value and €129,275,551 in share premium), which involves the issuance of up to 12,927,555,100 New Shares, with Preferential Subscription Rights, and is addressed to all the Eligible Shareholders of the Company other than LetterOne and the Company with regard to the treasury shares held by it, that is, to holders of Company shares representing 25.166% of the Company's share capital.

In light of the above, the Capital Increase serves the purpose of (i) contributing to the fulfilment of the conditions precedent to which the Comprehensive Transaction is subject, and (ii) allowing the Company to (a) reinforce its net equity, (b) significantly reduce its financial indebtedness (by discharging the €769.2 million LetterOne Credits), and (c) obtain liquidity through the Second Tranche (if subscribed), which would in turn allow the Company to accelerate the implementation of its Current Business Plan, as further detailed below.

Use of proceeds

Assuming full subscription of the New Shares, the Group expects to receive gross proceeds from the Capital Increase of up to €1,027,751,102. The maximum estimated expenses payable by the Group in relation to the Capital Increase amount to approximately €1,190,000.

The net proceeds of the Capital Increase (net of expenses) will be used to to accelerate the implementation of the Group's Current Business Plan, which involves CAPEX investments and the renovation of stores.

A successful implementation of the Capital Increase is expected to have the following effects on the net equity of the Group as of 31 March 2021 (negative €758.7 million at a consolidated level and negative €47.9 million at an individual level):

- (i) net equity amounting to a positive amount of €269.1 million at a consolidated level and a positive amount of €979.9 million at an individual Company level in the event of a full subscription of the €1,027.8 Capital Increase; and
- (ii) net equity amounting to a positive amount of €10.5 million at a consolidated level and a positive amount of €721.3 million at an individual level if the Second Tranche of the Capital Increase is not subscribed at all (which would result in a €769.2 million equity increase corresponding to the First Tranche).

Since the Second Tranche of the Capital Increase is not underwritten and its majority shareholder (LetterOne) has communicated to the Company that, at this stage, it has not yet taken any decision regarding its intention to subscribe for New Shares in the Second Tranche, it may be the case that the Second Tranche is not subscribed, whether totally or partially. In the event of an incomplete subscription of the Second Tranche of the

Capital Increase, the Company's ability to carry out the projected CAPEX investments required to execute its Current Business Plan timely could be adversely affected.

3.3. Working capital statement

Current assets and current liabilities as of 31 March 2021 amount to €871.8 million and €1,919.3 million, respectively. Although the Company's Working Capital⁵ is negative, this is due to the nature of the retail business, whereby the Company receives cash from customers without delay, but defers its payment obligations to suppliers for several months.

Taking only into account the committed part of the Capital Increase, that is, the €769.2 million First Tranche of capitalization of credits, following the Capital Increase, the Company's Working Capital would be negative in €747.5 million⁶.

Notwithstanding the foregoing, in the Company's opinion, its Working Capital is sufficient to meet its present requirements over at least the next twelve (12) months. For the purposes of such opinion, the Company has only taken into consideration the committed part of the Capital Increase, that is, the €769.2 million First Tranche of capitalization of credits by LetterOne.

3.4. Capitalisation and indebtedness

The following table sets forth the Company's capitalisation as at 31 May 2021, to give effect to the Capital Increase.

<i>(In thousands of €)</i>	As at 31 December (audited)	As at 31 May 2021 (audited)	Adjustments for First Tranche and expenses	As at 31 May 2021 adjusted with the First Tranche Increase (only First Tranche subscribed) (not audited)
Total current debt (including current portion of non-current debt)	589,032	537,441	(300,000)	237,441
Guaranteed ⁽¹⁾	36,490	5,404	-	5,404
Secured ⁽²⁾	11,453	3,153	-	3,153
Unguaranteed/unsecured ⁽³⁾	541,089	528,884	(300,000)	228,884
Total non-current debt (excluding current portion of non-current debt)	1,625,790	1,662,674	(469,200)	1,193,474

⁵ Working Capital is an APM. The definition/conciliation, explanation of use and consistency of the criteria used in the APMs are set forth in section 15 of the Registration Document.

⁶ Working Capital figures differ from the "Trade Working Capital" figures included in the 2020 and Q1 2021 Financial Statements, since they are calculated differently.

<i>(In thousands of €)</i>	As at 31 December 2020 (audited)	As at 31 May 2021 (audited)	May (not audited)	Adjustments for First Tranche and expenses	As at 31 May 2021 adjusted with the Capital Increase (only First Tranche subscribed) (not audited)
Guaranteed ⁽⁴⁾	11,055	43,058	-	-	43,058
Secured ⁽⁵⁾	903,974	913,955	(200,000)	(200,000)	713,955
Unguaranteed/unsecured ⁽⁶⁾	710,761	705,661	(269,200)	(269,200)	436,461
Shareholder equity	(697,195)	(781,006)	768,010	(12,996)	(12,996)
- Share capital	66,780	66,780	384,600	384,600	451,380
- Legal reserves	-	-	-	-	-
- Other reserves ⁽⁷⁾	(400,187)	(757,315)	383,410 ⁽⁸⁾	383,410 ⁽⁸⁾	(373,905)
Total	1,881,415	1,509,580	(1,190)	1,508,390	1,508,390

⁽¹⁾ Current "guaranteed" debt at 31 May 2021 includes guarantees granted to third parties amounting to €53 thousand and the repayment of the Société Generale loan in Portugal for €4,451 thousand. This loan includes a pledge on assets. The majority of guarantees which have been granted to third parties correspond to commitments assumed for lease payments.

⁽²⁾ Current "secured" debt at 31 May 2021 includes €3,153 thousand which correspond to part of the debt under the Amended Facilities Agreement which is secured by (i) pledges over the shares of the Group's main operating companies and (i) pledges over Group assets, as detailed in note 14.1 of the 2020 Financial Statements.

⁽³⁾ Current "unsecured/unguaranteed" debt at 31 May 2021 mainly includes €292,600 thousand of debt corresponding to the 2021 Notes held by LetterOne, the €7,400 thousand bilateral loan granted by LetterOne to finance (or refinance) the repayment of the principal amount under those 2021 Notes not held by LetterOne and €205,909 thousand corresponding to creditors for finance leases. It also includes €8,876 thousand of bank loans and €3,151 thousand of credit lines granted by local banks to DIA Brasil. The remaining items amounting to €10,948 thousand correspond mainly to accrued interest.

⁽⁴⁾ Non-current "guaranteed" debt at 31 May 2021 includes guarantees granted to third parties amounting to €12,070 thousand and the repayment of the €30,988 thousand Société Generale loan in Portugal, which matures in September 2022. This loan has a pledge over assets.

⁽⁵⁾ Non-current "secured" debt at 31 May 2021 includes €200,610 thousand corresponding to the Super Senior Facility owed to LetterOne, €705,045 thousand corresponding to part of the debt under the Amended Syndicated Facilities, which is secured by pledges over the shares of the Group's main operating companies and pledges over assets, as detailed in note 14.1 of the 2020 Financial Statements. It also includes debt for commercial paper granted to DIA Portugal amounting to €3,300 thousand.

⁽⁶⁾ Non-current "unsecured/unguaranteed" debt at 31 May 2021 includes the debt under the private debt instrument entered into with LetterOne and those 2023 Notes not held by LetterOne, amounting to an aggregate of €296,407 thousand and €393,046 thousand corresponding to creditors for finance leases. It also includes other loans granted to DIA Brazil amounting to €15,670 thousand and other loans amounting to €38 thousand.

⁽⁷⁾ Other reserves correspond to the sum of: (i) share premium (amounting to €44,997 thousand as of 31 December 2020 and as of 31 May 2021), (ii) other reserves (amounting to negative 815,387 thousand as of 31 December 2020 and negative €1,179,175 thousand as of 31 May 2021), (iii) own shares (amounting to negative €5,763 thousand as of 31 December 2020 and as of 31 March 2021), (iv) other own equity

instruments (amounting to negative €250 thousand as of 31 December 2020 and negative €354 thousand as of 31 March 2021), and (v) translation differences (amounting to negative €124,284 thousand as of 31 December 2020 and negative €117,728 thousand as of 31 March 2021).

⁽⁸⁾ Total amount of other reserves following the implementation of the First Tranche of the Capital Increase takes into account the €1,190 thousand expected expenses relating to the Capital Increase.

The following table sets forth the Company's indebtedness as at 31 May 2021, to give effect to the Capital Increase.

<i>(In thousands of €)</i>	As at December (audited)	31 2020	As at 31 2021 (audited)	May (not audited)	Adjustments for First Tranche and expenses	As at 31 2021 with the Increase (only First Tranche subscribed) (not audited)	May adjusted Capital Increase (only First Tranche subscribed) (not audited)
(A) Cash	290,915		208,452		(1,190) ⁽¹⁾	207,262	
(B) Cash equivalents ⁽²⁾	56,070		50,484		-	50,484	
(C) Other current financial assets	-		-		-	-	
(D) Liquidity (A+ B+C)	346,985		258,936		(1,190)	257,746	
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	589,032		537,441		(300,000)	237,441	
(F) Current portion of non-current financial debt	-		-		-	-	
(G) Current financial indebtedness (E+F)	589,032		537,441		(300,000)	237,441	
(H) Net current financial indebtedness (G-D)	242,047		278,505		(298,810)⁽¹⁾	(20,305)	
(I) Non-current financial debt (excluding current portion and debt instruments)	1,330,191		1,366,267		(200,000)	1,166,267	
(J) Debt instruments	295,599		296,407		(269,200)	27,207	
(K) Non-current trade and other payables	22,463		27,564		-	27,564	
(L) Non-current financial indebtedness (I+J+K)⁽³⁾	1,648,253		1,690,238		(469,200)	1,221,038	
(M) Total financial indebtedness (H+L)⁽⁴⁾	1,890,300		1,968,743		(768,010)⁽¹⁾	1,200,733	

<i>(In thousands of €)</i>	As at December (audited)	31 2020	As at 2021 audited)	31 May (not audited)	Adjustments for Tranche expenses	First and Tranche	As at 2021 with Increase First Tranche subscribed)	31 May adjusted Capital Tranche (only (not audited)
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(5)

(1) Total cash following the implementation of the First Tranche of the Capital Increase takes into account the €1,190 thousand expected expenses relating to the Capital Increase.

(2) Cash equivalents at 31 May 2021 of €50,484 thousand correspond to temporary placement of surplus cash flow in the short term, with a maturity of less than 3 months. Cash equivalents are available without any kind of restrictions.

(3) At 31 May, the non-current trade and other payables include deferred tax liabilities amounting to €25,258 thousand and other non-current financial liabilities amounting to €2,306 thousand (Notes 14.2 and 16 of the 2020 Financial Statements include a more detailed description of the nature of these non-current debts).

(4) Current financial indebtedness and non-current financial indebtedness at 31 May 2021 corresponding to creditors for finance leases amount to €205,909 thousand and €93,046 thousand, respectively.

(5) The Group's indirect indebtedness essentially corresponds to the advance payment of invoices to suppliers by means of confirming lines which have been granted to various companies in the Group, and which amount to €250,304 thousand at 31 December 2020 and €245,611 thousand at 31 May 2021.

4. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

4.1. A description of the type, class and amount of the New Shares being admitted to trading, including the international security identification number (ISIN).

The New Shares will be ordinary Company shares with a nominal value of €0.01 each, all of the same class and series as the existing Company shares, represented in book-entry form and registered in the accounting records of Iberclear, with registered office at Plaza de la Lealtad 1, 28014, Madrid, and of its participant entities. The Company's shares are currently listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**") and are quoted on the AQS (*Sistema de Interconexión Bursátil or Mercado Continuo*) of the Spanish Stock Exchanges.

The New Shares will be issued for a maximum amount of €1,027,751,102, through the issue of up to 51,387,555,100 New Shares.

The ISIN Code of the existing Company's shares is ES0126775032. The National Numbering Agency, an entity within the CNMV, has allocated the provisional ISIN code ES0626775912 for the Preferential Subscription Rights and the provisional ISIN code ES0126775057 for the New Shares. Notwithstanding the foregoing, once the New Shares are listed, they will be allocated the same ISIN code as the existing Company shares.

4.2. Currency of the New Shares.

The New Shares will be issued in Euros.

4.3. Resolutions, authorisations and approvals by virtue of which the New Shares have been issued.

On 31 May 2021 the General Shareholders' Meeting of the Company passed a resolution, under item 12 of the agenda, approving the Capital Increase to raise the Company's share capital in an amount of €13,875,551 through the issue of up to 51,387,555,100 New Shares at a Subscription Price of €0.02 per New Share (0.01 of nominal value and €0.01 of share premium) this is, for an effective amount of equity of €1,027,751,102, in two separate tranches of (i) capitalisation of credits, and (ii) cash contributions with recognition of Preferential Subscription Rights and incomplete subscription provision (the resolutions passed by the General Shareholders' Meeting of the Company held on 31 May 2021 may be consulted through the corporate website of the Company (<https://diacorporate.com/operaciones-corporativas/>)⁷).

A total of 5,545,755,842 shares representing 83.05% of the share capital of the Company were present or represented at the General Shareholders' Meeting held on 31 May 2021. The share capital increase resolution proposed by the Board of Directors to the General Shareholders' Meeting received 5,084,258,761 votes in favour, representing 91.69% of the shares present or represented at the meeting, and 460,455,696 votes against, representing 8.30% of the shares present or represented at the meeting.

On 8 July 2021, the Board of Directors of the Company passed a resolution executing the Capital Increase approved by the General Shareholders' Meeting of the Company. Insofar as the Capital Increase is being offered on equal terms to all Eligible Shareholders, no potential conflict of interest is considered to arise. Notwithstanding the above, as LetterOne is expected to participate at least in the First Tranche by capitalizing the LetterOne Credits, it has been deemed appropriate that the resolution is approved in first instance by unanimity of the independent and other external directors, with the subsequent adherence, of all of the remaining directors, all of them expressly stating their consent to the contents of the report issued by the Board of Directors.

The issue of the New Shares that are the object of the Capital Increase is subject to the general regime of approval and registration by the CNMV, as established in the applicable regulations.

4.4. A description of any restrictions on the transferability of the New Shares

The bylaws of the Company do not contain any restrictions on the free transferability of shares. Therefore, the New Shares will be freely transferable in accordance with the

⁷ The information contained on such website does not form part of the Securities Note unless that information is incorporated by reference into the Securities Note.

provisions of the Spanish Companies Act, the Securities Market Act approved by Royal Legislative Decree 4/2015, dated October 23 (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (the “**Securities Market Act**”) and other implementing legislation. However, the acquisition, exercise and holding of Preferential Subscription Rights and shares by an investor may be affected by legal or regulatory requirements of its own jurisdiction, which may include restrictions on the free transferability of such securities. Investors should consult their own advisors prior to making any investment in the Preferential Subscription Rights and/or the New Shares.

4.5. A warning that the tax legislation of the investor’s Member State and of the issuer’s country of incorporation may have an impact on the income received from the securities. Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.

Please note that the tax laws of the country of the relevant investor and of the country of incorporation of the Company (i.e. Spain) may affect the income derived from the New Shares.

4.6. If different from the issuer, the identity and contact details of the offeror, of the securities and/or the person asking for admission to trading including the legal entity identifier (‘LEI’) where the offeror has legal personality.

Not applicable.

4.7. A description of the rights attached to the New Shares, including any limitations of those rights, and procedure for the exercise of those rights.

The New Shares will be ordinary Company shares. There are no other type of shares in DIA.

The issue of the New Shares will be governed by, and construed in accordance with, Spanish law. The issue and admission to listing of the New Shares does not require any authorisation or administrative pronouncement other than the general provisions on the CNMV’s approval and registration of the Prospectus, and the registration of the public deed of capital increase with the Commercial Registry of Madrid according to the provisions established in the Securities Market Act and its implementing regulations and the Spanish Companies Act.

The New Shares will confer the following rights:

4.7.1. Dividend rights:

(i) *Fixed date(s) on which the entitlement arises.*

The New Shares will enjoy the same economic and voting rights and will rank *pari passu* with the existing Company shares, including in respect of the right to receive dividends approved by the General Shareholders' Meeting after the date on which ownership of such New Shares is registered in the book-entry registries of Iberclear.

The New Shares will grant their owners the same right to participate in the distribution of corporate earnings and net assets resulting from liquidation under the same conditions as the existing Company shares. The New Shares will give shareholders a right to participate in the dividends, remuneration and any other form of distribution that DIA might agree or pay to its shareholders from the date on which ownership of such New Shares is registered in the book-entry registries of Iberclear.

(ii) *Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates.*

According to Article 947 of the Spanish Commercial Code, the right to receive payment of an already declared and paid out dividend lapses and reverts to the Company if it is not claimed within five years from the date it becomes payable.

(iii) *Dividend restrictions and procedures for non-resident holders.*

The Company is not aware of any legal restrictions in Spain on the collection of dividends by non-resident holders, without prejudice to any withholdings which may be required under the non-resident income tax.

(iv) *Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.*

The New Shares will not give their holders any right to receive a minimum dividend. The right to a dividend for the Company's shares shall only arise from the moment that the General Shareholders' Meeting or the Board of Directors, as the case may be, agrees a distribution of earnings (or reserves).

In addition, the Amended Facilities Agreement (currently in force) and the New Facilities Agreement (whose effectiveness is subject to those conditions precedent set out in section 11.4.3(B) of the Registration Document) also restrict the ability of the Company to declare or pay any dividend or make any other payment or distribution on or in respect of its share capital until the amounts due under such agreements have been repaid in full, that is, until 31 March 2023 for the Amended Facilities Agreement and 31 December 2025 for the New Facilities Agreement. Any dividend distribution made without the prior consent from Syndicated Lenders whose commitments aggregate more

than 75% of the total commitments would result in an event of default under the Amended Facilities Agreement and/or the New Facilities Agreement.

4.7.2. Voting rights.

The New Shares will be Company shares with voting rights. Their owners will be entitled to attend and vote at any General Shareholders' Meeting, and also to contest corporate resolutions, as provided for under the general regime of the Spanish Companies Act, but subject to the provisions set forth under the bylaws of DIA, and the applicable law, as the case may be, as set out below.

With regard to the right to attend any General Shareholders' Meeting, the Company's bylaws do not establish any minimum shareholding, and thus shareholders with one Company share who are duly registered in the book-entry records maintained by Iberclear and its participant entities at least 5 days prior to the day on which a General Shareholders' Meeting is scheduled may, in the manner provided in the notice for such meeting, attend and vote at such meeting.

The Company's shareholders may be represented by another person, whether another shareholder or not. The bylaws of DIA do not establish any restrictions on the maximum number of votes which a given shareholder or companies belonging to the same group may cast. The attendees at the General Shareholders' Meeting are entitled to one vote for every share held.

Notwithstanding the above, in certain circumstances mandatory restrictions on voting may be applicable to the Company's shares to the extent that the holders thereof may be affected by certain conflicts of interest as provided for under article 190.1 of the Spanish Companies Act.

4.7.3. Pre-emption rights in offers for subscription of securities of the same class.

Pursuant to the Spanish Companies Act, all shares generally grant their holders a preferential subscription right in capital increases with issue of new shares (ordinary and preferred) and in the issue of bonds convertible into shares, for cash consideration, except in the event of the total or partial exclusion of such preferential subscription rights as provided for under Articles 308, 504, 505 and 506 (for capital increases), and 417 and 511 (for issues of convertible bonds) of the Spanish Companies Act.

Holders of Company shares are also entitled to the free allocation right set forth in the Spanish Companies Act in the case of increases in the fully-paid up share capital of the Company.

As of the date of this Securities Note, the Company does not have any issued convertible securities.

However, the General Shareholders' Meeting held on 31 July 2020 authorized the Board of Directors of the Company, during a maximum of five years, to issue securities convertible into new shares in the Company and/or exchangeable for outstanding shares in the Company, as well as warrants. The authorized amount is limited to a maximum of 20% of the Company's share capital at the authorization date (which amounted to €66.7 million).

4.7.4. Right to share in the issuer's profits.

All of the Company's shares grant their owners the right to share in the Company's profits, in proportion to their nominal value.

4.7.5. Rights to share in any surplus in the event of liquidation.

The New Shares will be ordinary shares of the Company, and belong to the same class and series as the shares currently outstanding. Therefore, the New Shares will grant the right to share in any surplus resulting from liquidation, in the same terms and conditions as the existing Company shares, pursuant to the Spanish Companies Act and the Company's bylaws.

4.7.6. Redemption provisions.

Not applicable.

4.7.7. Conversion provisions.

Not applicable.

4.8. Statement on the existence of national legislation on takeovers applicable to the issuer which may frustrate such takeovers, if any.

DIA is a company listed in the Spanish Stock Exchanges, and, therefore, the regulations on takeover bids contained in Article 128 et seq. of the Spanish Securities Market Law and its implementing regulations (currently, Royal Decree 1066/2007, of July 27, 2007, on the rules governing takeover bids for securities (the "**Royal Decree 1066/2007**") are applicable for the Company.

Pursuant to the provisions of the aforementioned regulations, in the event of a takeover bid over the shares of the Company, the shareholders of DIA will have the right (and may, if applicable, have the obligation, subject to the provisions of Royal Decree 1066/2007) to accept the offer and sell their shares at the price offered in such takeover bid.

4.9. An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

There have been no takeover bids for DIA's share capital during the previous and the current financial year.

5. TERMS AND CONDITIONS OF THE OFFER

5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer

5.1.1. Conditions to which the offer is subject.

Conditions of the Capital Increase

As mentioned in section 3.2 above, the capitalization of the LetterOne Credits in the Capital Increase is a condition precedent for the effectiveness of the Comprehensive Transaction.

However, the Capital Increase, in accordance with the resolutions approved by the General Shareholders' Meeting and the Board of Directors of the Company, is not subject to any conditions for its effectiveness.

General terms of the Capital Increase

On 31 May 2021, the General Shareholders' Meeting of the Company approved the Capital Increase, with the following structure:

- (i) First Tranche: the First Tranche of the Capital Increase shall be executed by means of a capitalisation of the €769.2 million LetterOne Credits. The First Tranche (€384.6 million in nominal value and €384.6 million in share premium), involves the issuance of 38,460,000,000 New Shares in favour of LetterOne. The First Tranche is approximately equal to the pro rata portion of the total amount of the Capital Increase which LetterOne would be entitled to subscribe in exercising its Preferential Subscription Rights, on the basis of its current shareholding in the Company (74.819%).
- (ii) Second Tranche: the Second Tranche of the Capital Increase shall be executed by means of cash contributions, for a maximum amount of €258,551,102 (€129,275,551 in nominal value and €129,275,551 in share premium), which involves the issuance of up to 12,927,555,100 New Shares, with Preferential Subscription Rights, and is addressed to all the Eligible Shareholders of the Company other than LetterOne and the Company with regard to the treasury

shares held by it, that is, to holders of Company shares representing 25.166% of the Company's share capital.

LetterOne has formally waived its Preferential Subscription Rights for the Preferential Subscription Period of the Second Tranche, considering that its pro rata share of the Capital Increase is covered under the First Tranche, except that, in order to achieve a workable exchange ratio LetterOne does not formally waive 12 Preferential Subscription Rights to be allocated to it in the Second Tranche (thus, as explained below, achieving a number of shares targeted by the Second Tranche that will be divisible by 13). In addition to the above, LetterOne has committed not to acquire any preferential subscription rights in the market, in order to allow Eligible Shareholders (or investors) to fully subscribe the Second Tranche in the Preferential Subscription Period.

The economic terms of the Capital Increase are identical for the First Tranche and the Second Tranche, being the Subscription Price per share of €0.02 (nominal value of €0.01 plus share premium of €0.01).

For ease of reference, the effective amount of the Second Tranche that would theoretically correspond to the minority Eligible Shareholders other than LetterOne according to their participation in the share capital of the Company (25.166%) and not taking into account the Company's treasury shares (which are not allocated Preferential Subscription Rights) would be of €258,726,402.17. However in order to obtain a workable exchange ratio (without decimals) of the number of Preferential Subscription Rights required to subscribe New Shares in the Second Tranche of the Capital Increase, that effective amount shall be reduced by €175,300.17. This adjustment has been calculated with the aim of minimizing the impact on the theoretical amount of the Second Tranche and obtaining the lowest practicable exchange ratio (which has resulted in 13 Preferential Subscription Rights being required for the subscription of 100 New Shares in the Second Tranche of the Capital Increase). Consequently, the effective amount of the Second Tranche has been established at €258,551,102. Treasury shares held by the Company will not be granted Preferential Subscription Rights.

Each existing share of the Company (excluding the 984,480 treasury shares held by the Company and 4,996,412,336 existing shares held by LetterOne –all of its shares except for 12 of them as explained above–), shall be entitled to, and will receive, one (1) Preferential Subscription Right, with thirteen (13) Preferential Subscription Rights being required for subscribing one hundred (100) New Shares in the Second Tranche. Therefore, each Eligible Shareholder or investor will need a minimum number of thirteen (13) Preferential Subscription Rights in order to subscribe one hundred (100) New Shares. In the Second Tranche of the Capital Increase, 1,680,582,163 existing shares in the Company will have Preferential Subscription Rights.

For the avoidance of doubt, LetterOne shall be considered to have exercised its Preferential Subscription Rights by subscribing the First Tranche and therefore could, as any other shareholder or investor who has exercised Preferential Subscription Rights in the Preferential Subscription Period of the Second Tranche, participate in the Additional Allocation Period of the Capital Increase.

If LetterOne requests New Shares in the Additional Allocation Period of the Second Tranche, the contribution shall be by cash contributions. In the event LetterOne places an order for additional New Shares in the Additional Allocation Period of the Second Tranche, the Company will promptly publish a regulatory information notice disclosing this fact (and in any event, before the end of such period). If LetterOne is allocated New Shares in the Discretionary Allocation Period, the directors which have been appointed by LetterOne will abstain from taking part in such decision, in order to avoid any conflict of interest.

5.1.2. The time period, including any possible amendments, during which the offer will be open and a description of the application process together with the issue date of new securities.

The summary timetable set forth below lists certain important dates relating to the Capital Increase:

Principal event	On or about
General Shareholders' Meeting resolution approving the Capital Increase	31 May 2021
Board of Directors' resolution executing and setting the terms of the Capital Increase.....	8 July 2021
Approval of the Registration Document, Summary Note and Securities Note by the CNMV.....	9 July 2021
Filing of regulatory information notice (<i>otra información relevante</i>) announcing the registration of the Registration Document, Summary Note and Securities Note with the CNMV.....	9 July 2021
Announcement of the Capital Increase in the BORME and last trading date of shares "with rights"	12 July 2021
Commencement of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period.....	13 July 2021
First date of the Company shares without rights (ex-date) and first date of trading of the Preferential Subscription Rights	13 July 2021
Record Date (the date on which those persons or entities registered in Iberclear as shareholders become Eligible Shareholders)	14 July 2021

Principal event	On or about
End of trading of the Preferential Subscription Rights.....	27 July 2021
End of the Preferential Subscription Period and the period to request New Shares to be allocated (if applicable) during the Additional Allocation Period	27 July 2021
Additional Allocation Period (if applicable)	4 August 2021
Filing of regulatory information notice (<i>otra información relevante</i>) announcing results of the Preferential Subscription Period and Additional Allocation Period (if applicable)	4 August 2021
Commencement of the Discretionary Allocation Period (if applicable).....	4 August 2021
End of the Discretionary Allocation Period (if applicable)	5 August 2021
Filing of regulatory information notice (<i>otra información relevante</i>) announcing results of the Capital Increase and number of New Shares subscribed for in each period.....	5 August 2021
Payment by the Participant Entities to the Agent Bank of the New Shares subscribed for during the Preferential Subscription Period, Additional Allocation Period and Discretionary Allocation Period (if applicable).....	5 August 2021
Approval of the resolution regarding the Capital Increase to be closed and executed.....	5 August 2021
Execution of the capital increase public deed in front of a public notary.....	6 August 2021
Registration with the Commercial Registry of the public deed of capital increase.....	10 August 2021
Filing of regulatory information notice (<i>otra información relevante</i>) announcing the registration of the public deed of capital increase with the Commercial Registry.....	10 August 2021
Registration of the New Shares with Iberclear	10 August 2021
Admission to listing and trading of the New Shares by the CNMV and the Spanish Stock Exchanges.....	11 August 2021
Filing of regulatory information notice (<i>otra información relevante</i>) announcing the admission to listing of the New Shares	11 August 2021
Expected commencement of trading of the New Shares on the Spanish Stock Exchanges.....	12 August 2021

The specific dates for actions to occur in connection with the Capital Increase that are set forth above and throughout this Securities Note are indicative only. There can be no assurance that the indicated actions will in fact occur on the cited dates or at all. If that is the case, the Company will as soon as possible publicly announce, via a regulatory information notice, such new dates and a revised expected timetable of principal events.

Information will also be made available on the Company's website (<https://diacorporate.com/operaciones-corporativas/>).

Notice

The Company expects to announce the Capital Increase on 12 July 2021 in the BORME and the Spanish Stock Exchanges Official Gazette. The Company will communicate significant developments in the Capital Increase via a regulatory information notice through the CNMV website in accordance with Spanish law. Information will also be made available on the Company's website (<https://diacorporate.com/operaciones-corporativas/>).

Subscription of New Shares

The Company has established a three-staged procedure for the subscription of New Shares in the Second Tranche.

The Capital Increase, including the exercise of Preferential Subscription Rights, the request for additional New Shares during the Additional Allocation Period and subscription requests for New Shares during the Discretionary Allocation Period shall be governed and interpreted in accordance with Spanish law. By exercising Preferential Subscription Rights, or requesting additional New Shares and making subscription requests for New Shares, Eligible Shareholders and investors irrevocably and unconditionally accept that the Courts and Tribunals of the city of Madrid, Spain, shall have exclusive jurisdiction to resolve any disputes that might arise in relation to the Capital Increase.

Preferential Subscription Period

Allocation of Preferential Subscription Rights

Those shareholders who have acquired Company shares on or before 12 July 2021, which is the date on which the Company expects to announce the Capital Increase in the BORME and the Spanish Stock Exchanges Official Gazette (*Last Trading Date*), and who are registered in Iberclear on or before 14 July 2021 at 23:59 (*Record Date*) (this is, the Eligible Shareholders) will be allocated Preferential Subscription Rights.

For the avoidance of doubt, LetterOne waives the Preferential Subscription Rights it would be entitled to exercise in the Preferential Subscription Period of the Second Tranche (except of 12 Preferential Subscription Rights, in order to obtain a workable exchange ratio between Preferential Subscription Rights and New Shares in the Second Tranche), since it considers that its Preferential Subscription Rights will have already been exercised through the full subscription of the First Tranche, by virtue of which it will have subscribed the portion of the Capital Increase that would correspond to it in proportion to its shareholding. In addition to the above, LetterOne has committed not to acquire any Preferential Subscription Rights in the market, in order to allow Eligible

Shareholders (or investors) to fully subscribe the Second Tranche in the Preferential Subscription Period.

In addition to the above, as of the date of this Securities Note, the Company directly holds 984,480 treasury shares, which have not been taken into account when determining the number of Company shares entitled to be allocated Preferential Subscription Rights.

As such each Eligible Shareholder or investor will need a minimum number of thirteen (13) Preferential Subscription Rights in order to subscribe one hundred (100) New Shares. The calculations performed to determine the number of Preferential Subscription Rights necessary in order to subscribe the New Shares are included below:

- (i) Total number of Company shares prior to the Capital Increase: 6,677,978,979.
- (ii) Number of directly held treasury shares as of the date of this Registration Document: 984,480.
- (iii) Number of Company shares which have waived their Preferential Subscription Rights: 4,996,412,336. As detailed above, the shareholder LetterOne has waived all of its Preferential Subscription Rights (except for 12 of them).
- (iv) Number of Company shares which have not waived their Preferential Subscription Rights: 1,680,582,163.
- (v) Number of New Shares in the Second Tranche of the Capital Increase: 12,927,555,100.
- (vi) Ratio of Company shares which have not waived their Preferential Subscription Rights / New Shares in the Second Tranche = $1,680,582,163 / 12,927,555,100 = 13 / 100$.

In any event, each New Share subscribed after exercising Preferential Subscription Rights will need to be subscribed and paid-up at the Subscription Price of €0.02.

Transfer of Preferential Subscription Rights

The Preferential Subscription Rights are securities to subscribe for, and purchase, New Shares in the Second Tranche and may be sold, subject to applicable laws and the restrictions set forth herein, to third parties, which the Company refers to as purchasers of Preferential Subscription Rights. In accordance with Article 306.2 of the Spanish Companies Act, the Preferential Subscription Rights will be freely transferable on the same terms as the New Shares in respect of which they are exercisable and will be tradeable on the Spanish Stock Exchanges. Eligible Shareholders may, therefore, subscribe for New Shares in the Second Tranche at the Subscription Price, sell their

Preferential Subscription Rights through participant entities in Spain, subject, in each case, to applicable laws and the restrictions set forth herein or a combination of both.

Duration of Preferential Subscription Period

The period during which the Eligible Shareholders may exercise their Preferential Subscription Rights in the Second Tranche, or Preferential Subscription Period, will last 15 calendar days, beginning on the first calendar day following the publication of the notice of the Capital Increase in the BORME.

According to the envisaged timetable, this period will commence on 13 July 2021 and last until 27 July 2021 (in each case inclusive of the start and end dates). Eligible Shareholders may exercise their Preferential Subscription Rights in the Second Tranche during the AQS trading days of this period. In accordance with the envisaged timetable, the AQS trading days are expected to begin on and include 8:30 a.m. CET on 13 July 2021 and end on and include 5:30 p.m. CET on 27 July 2021. Alternatively, Eligible Shareholders may sell their Preferential Subscription Rights in the Second Tranche in the market during the AQS trading days within such period, and purchasers of those Preferential Subscription Rights may subscribe for the corresponding number of New Shares, in each case, in compliance with applicable laws and regulations.

Procedure to exercise Preferential Subscription Rights

To exercise Preferential Subscription Rights, Eligible Shareholders and purchasers of Preferential Subscription Rights during the Preferential Subscription Period should contact the Participant Entity in whose registry such securities are deposited, (i) indicating their intention to exercise some or all of their Preferential Subscription Rights, (ii) their bank account number and securities account number, and (iii) indicating whether they request additional New Shares in the Additional Allocation Period and, if so, specifying the whole number. Holders of Preferential Subscription Rights may exercise all or part of their rights at their discretion.

Subscription orders which are carried out by exercising Preferential Subscription Rights will be deemed to be firm, unconditional and irrevocable, cannot be revoked or modified by holders of Preferential Subscription Rights (unless a supplement to the Prospectus is published in the terms set forth in article 23 of Regulation (EU) 2017/1129), and entail the subscription of the number of New Shares in the Second Tranche which have been included in such subscription order.

Preferential Subscription Rights which are not exercised during the Preferential Subscription Period will automatically expire on the date on which the Preferential Subscription Period ends (expected for 27 July 2021).

Requests for additional New Shares

Holders of Preferential Subscription Rights who have exercised all or part of their Preferential Subscription Rights in the Preferential Subscription Period may request the allocation of additional New Shares in the Additional Allocation Period in excess of their pro rata entitlement (in case that after the Preferential Subscription Period there were New Shares which have not been subscribed). Requests for additional New Shares are not subject to any maximum number, and must be made at the same time as when Preferential Subscription Rights are exercised.

For the avoidance of doubt, it is considered that LetterOne has exercised its Preferential Subscription Rights by subscribing New Shares in the First Tranche, which equal its pro rata share of the Capital Increase, so that LetterOne may request additional New Shares in the Additional Allocation Period of the Second Tranche, which will have to be paid up on the same terms as the remaining New Shares in the Second Tranche. If LetterOne places an order for additional New Shares in the Additional Allocation Period of the Second Tranche, the Company will promptly publish a regulatory information notice disclosing this fact (and in any event, before the end of such period).

Depending on the number of New Shares in the Second Tranche taken up in the Preferential Subscription Period and the applications the Company receives for additional New Shares, holders of Preferential Subscription Rights may receive fewer additional New Shares than they have requested or none at all (but, in any event, not more additional New Shares than those requested by them).

To request additional New Shares, holders of Preferential Subscription Rights in the Second Tranche should contact the Participant Entity with whom their Preferential Subscription Rights are deposited. The Participant Entities will be responsible for verifying that each holder of Preferential Subscription Rights taking up additional New Shares has exercised its Preferential Subscription Rights in respect of part or all of the Preferential Subscription Rights deposited by such holders with such Participant Entity, with the exception of LetterOne that will be allowed as it is considered that it has exercised its Preferential Subscription Rights by subscribing New Shares in the First Tranche, which equal its pro rata share of the Capital Increase.

While requests for additional New Shares may not be satisfied in full or at all, such requests shall nevertheless be considered firm and unconditional, and cannot be revoked by holders of Preferential Subscription Rights (unless a supplement to the Prospectus is published in the terms set forth in article 23 of Regulation (EU) 2017/1129).

As further detailed below, a pro rata allocation will have to be carried if the requests for additional New Shares in the Additional Allocation Period exceed the number of New Shares which are available after the end of the Preferential Subscription Period.

Communication from the Participant Entities to the Agent Bank

During the Preferential Subscription Period, the Participant Entities will notify Banco Bilbao Vizcaya Argentaria, S.A., as the agent bank (the “**Agent Bank**”) of the

aggregate total number of New Shares in respect of which subscription orders have been made in accordance with the exercise of Preferential Subscription Rights by their holders and the number of additional New Shares requested since the start of the Preferential Subscription Period on each day of such period, no later than 5:00 p.m. CET by email.

The Participant Entities should communicate to the Agent Bank, on behalf of their clients or in their own name (as applicable), the aggregate amount of subscription orders for New Shares received by them in accordance with the exercise of Preferential Subscription Rights and, separately, the total volume of additional New Shares requested, no later than 10:00 a.m. CET on the sixth AQS trading day following the end of the Preferential Subscription Period (which, according to the envisaged timetable, is expected to be 4 August 2021) in accordance with the operational instructions established by the Agent Bank.

The communications to be sent by the Participant Entities to the Agent Bank containing (i) the details of the New Shares in the Second tranche subscribed for during the Preferential Subscription Period, and (ii) the request for additional New Shares, must comply with the Practical Guide for Communication between Depositary Entities and the Agent Entity for the Processing of Corporate Events produced by AEB-CECA (*Guía práctica de actuación de eventos corporativos elaborada por AEB-CECA*) on 1 September 2017 (the “**Practical Guide**”). The files must be received by the Agent Bank with the breakdown of investors described in the aforementioned Practical Guide, without the Agent Bank being responsible under any circumstances for verifying the integrity and accuracy of the data provided by the Participant Entities. Only the Participant Entities will be responsible for errors or omissions in the information provided by Participant Entities, defects in the files or electronic transmissions sent and, in general, any failure on the part of the Participant Entities to comply with the provisions of this section, without the Agent Bank assuming any responsibility in this regard.

The Agent Bank is entitled to not accept communications from the Participant Entities that are submitted after the relevant deadline, or which do not comply with relevant current legislation or the relevant requirements set out in the Prospectus. If this occurs, neither the Agent Bank nor the Company accepts any responsibility, without prejudice to the potential responsibility of the relevant Participant Entity towards parties who have submitted their orders within the required timeframe or in the correct format.

Additional Allocation Period

To the extent that at the expiration of the Preferential Subscription Period there are New Shares in the Second Tranche that have not been subscribed for, the Company will allocate them to holders of Preferential Subscription Rights that have exercised all or part of their Preferential Subscription Rights and have indicated at the time of such exercise their agreement to subscribe for additional New Shares in the Second Tranche

in excess of the New Shares in the Second Tranche corresponding to their Preferential Subscription Rights.

For the avoidance of doubt, it is considered that LetterOne has exercised its Preferential Subscription Rights by subscribing New Shares in the First Tranche, which equals its pro rata share of the Capital Increase. If LetterOne requests New Shares in the Additional Allocation Period of the Second Tranche, such New Shares shall be paid up by means of cash contributions. In the event LetterOne places an order for additional New Shares in the Additional Allocation Period of the Second Tranche, the Company will promptly publish a regulatory information notice disclosing this fact (and in any event, before the end of such period).

The Company does not have knowledge of, or the ability to determine, the number of additional New Shares that its shareholders would request in the Second Tranche, if any. The determination of such number, if any, lies entirely at the discretion of each individual shareholder. The Company does not expect any current significant shareholder to request additional New Shares in the Second Tranche in excess of such number as represents such shareholder's current shareholding percentage multiplied by the total number of New Shares in the Second Tranche.

No later than 5:00 p.m. CET on the sixth AQS trading day immediately following the end of the Preferential Subscription Period (which, according to the envisaged timetable, is expected to be 4 August 2021), on the date of the Additional Allocation Period, the Agent Bank will determine the number of New Shares in the Second Tranche that have not been taken up in the Preferential Subscription Period. The Agent Bank will allocate the New Shares in the Second Tranche not taken up on the date of the Additional Allocation Period subject to the following allocation criteria:

- If the number of additional New Shares in the Second Tranche requested by holders of Preferential Subscription Rights who have exercised in part or in full their Preferential Subscription Rights (for this purpose, it is considered that LetterOne has exercised its Preferential Subscription Rights by subscribing the First Tranche) is equal to or less than the additional New Shares in the Second Tranche available, then the additional New Shares in the Second Tranche will be allocated to the holders of Preferential Subscription Rights who requested additional New Shares in the Second Tranche until their requests are fully satisfied.

- If the number of additional New Shares in the Second Tranche requested by holders of Preferential Subscription Rights who have exercised in part or in full their Preferential Subscription Rights (for this purpose, it is considered that LetterOne has exercised its Preferential Subscription Rights by subscribing the First Tranche) is greater than the additional New Shares in the Second Tranche available, the Agent Bank will apply the following pro rata allocation:
 - The number of New Shares in the Second Tranche will be allocated pro rata to the volume of additional New Shares in the Second Tranche requested by each holder of Preferential Subscription Rights. To this end, the Agent Bank will calculate the percentage, which will be rounded down to three decimals, of the number of additional New Shares in the Second Tranche that a given holder of Preferential Subscription Rights has requested, divided by the aggregate of additional New Shares requested in the Second Tranche.
 - The Agent Bank will then allocate to the holders of Preferential Subscription Rights the number of additional New Shares in the Second Tranche that this percentage represents on the additional New Shares in the Second Tranche available, rounded down to the nearest whole number of additional New Shares in the Second Tranche.
 - If after the pro rata allocation, all available additional New Shares in the Second Tranche have not been allocated due to rounding, the Agent Bank will allocate these remaining additional New Shares in the Second Tranche, one by one, starting with the holder of Preferential Subscription Rights who has solicited the greatest number of additional New Shares in the Second Tranche. If two or more holders of Preferential Subscription Rights have requested the same number of additional New Shares in the Second Tranche, the Agent Bank will determine allocations by alphabetical order, taking the first letter of the field “name and last name or corporate name”.

Allocation of the additional New Shares in the Second Tranche will take place by no later than 5:00 p.m. CET on the date of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be 4 August 2021). Any additional New Shares in the Second Tranche allocated to holders of Preferential Subscription Rights during the Additional Allocation Period will be deemed subscribed during the Additional Allocation Period, not the Preferential Subscription Period. In no circumstances shall additional New Shares in the Second Tranche be allocated to Eligible Shareholders or investors in excess from those requested. The Agent Bank will inform the relevant Participant Entities of the definitive allocation of the additional New Shares in the Second Tranche during the Additional Allocation Period on the day of the Additional Allocation Period.

If there are no New Shares in the Second Tranche remaining unsubscribed at the end of the Additional Allocation Period, the Discretionary Allocation Period will therefore not

open and the Agent Bank will notify the Participant Entities accordingly. Likewise, promptly after the end of the Additional Allocation Period, the Company will publicly announce, via a regulatory information notice, the results of subscriptions during the Preferential Subscription Period and, as applicable, the number of additional New Shares in the Second Tranche requested in the Additional Allocation Period, results of prorating (if relevant) and the number of additional New Shares in the Second Tranche allocated.

Once the Preferential Subscription Period has ended and in the event that all New Shares in the Second Tranche are fully subscribed for during such Preferential Subscription Period, the Company may early terminate the Capital Increase.

Discretionary Allocation Period

If, following the Preferential Subscription Period and the Additional Allocation Period any New Shares in the Second Tranche remain unsubscribed, the Agent Bank will notify the Company by no later than 5:00 p.m. CET on the sixth AQS trading day following the end of the Preferential Subscription Period (which, in accordance with the envisaged timetable, is expected to take place on 4 August 2021) of the number of New Shares in the Second Tranche to be allocated during the Discretionary Allocation Period. The Discretionary Allocation Period, if any, is expected to begin at any time after the end of the Additional Allocation Period (which, according to the envisaged timetable, is expected to be 4 August 2021) and end no later than 08:00 a.m. CET on 5 August 2021. The Company may declare the Discretionary Allocation Period finished at any moment before its scheduled expiration.

During the Discretionary Allocation Period, those persons who have the status of qualified investors in Spain, as this term is defined in Article 2(e) of the Prospectus Regulation, and those persons who have the status of qualified investors outside Spain pursuant to the applicable legislation in each country (so that complying with the relevant regulations, the subscription and payment of the New Shares in the Second Tranche do not require registration or approval of any kind) may submit proposals to the Company to subscribe for New Shares in the Second Tranche. For the avoidance of doubt LetterOne may also submit proposals to the Company to subscribe for New Shares in the Second Tranche in the Discretionary Allocation Period.

The Company will carry out, if appropriate, the promotion and diffusion activities it deems necessary for the purpose of achieving the subscription by potential qualified investors, national or foreign, of New Shares in the Discretionary Allocation Period.

It is hereby stated that no action shall be carried out by the Company which may lead to the Company's obligation to file a Prospectus or equivalent document with the relevant authorities of a country where this Capital Increase has the consideration of a public offer (including, but not limited to, the United States of America, Canada, South Africa, Australia and Japan).

The subscription proposals will be deemed to be firm, unconditional and irrevocable and shall include the number of New Shares in the Second Tranche that each investor is willing to subscribe at the Subscription Price.

In the event that LetterOne is to be allocated New Shares in the Discretionary Allocation Period, the directors who have been appointed by LetterOne will abstain from taking part in such decision, in order to avoid any conflict of interest.

The qualified investors (including LetterOne) interested in subscribing for New Shares in the Second Tranche during the Discretionary Allocation Period must communicate their proposals to the relevant Participating Entity through which they will carry out the payment to the Company prior to 8:00 a.m. CET on the day corresponding to the end of the Discretionary Allocation Period. The Company shall determine the definitive allocation of the Discretionary New Shares to subscribers on the basis of their subscription requests notified by the interested investors, which shall be communicated to the Agent Bank no later than 9:00 a.m. CET on 5 August 2021.

The Company will communicate to the Agent Bank the Participant Entity of each investor who has been allocated New Shares in the Discretionary Allocation Period. The Agent Bank shall notify the relevant participating entities so that they may communicate to investors the New Shares allotted to them in the Discretionary Allocation Period no later than 12:00 a.m. (noon) CET on the seventh AQS trading day following the end of the Preferential Subscription Period (that is, on 5 August 2021).

Incomplete subscription

If after the Preferential Subscription Period, the Additional Allocation Period and the Discretionary Allocation Period some or all of the New Shares to be issued in the Second Tranche of the Capital Increase have not been subscribed, the Company's share capital, pursuant to Article 311 of the Spanish Companies Act, will only be increased in the amount of New Shares effectively subscribed in the First Tranche and Second Tranche of the Capital Increase.

5.1.3. A description of any possibility to reduce subscriptions and the manner for refunding amounts paid in excess by applicants.

The subscription proposals will be deemed to be firm, unconditional and irrevocable and shall include the number of New Shares in the Second Tranche that each investor is willing to subscribe at the Subscription Price. Notwithstanding the foregoing, although the requests for additional New Shares in the Additional Allocation Period will not be subject to any limit (other than the total number of New Shares available in the Second Tranche), the maximum number of additional New Shares in the Additional Allocation Period to be finally subscribed by Eligible Shareholders or investors will depend on the number of available additional New shares and the pro rata rules.

If the number of additional New Shares finally allocated to such requesting holder of Preferential Subscription Rights is less than the number of additional New Shares requested and prefunded by the requesting holder of Preferential Subscription Rights or investor, the Participant Entity will return to such holder of Preferential Subscription Rights, without deduction for expenses and fees and without any interests, the amount corresponding to the excess subscription monies or, as the case may be, the whole Subscription Price for any additional New Shares (if no additional New Shares are finally allocated to the relevant holder of the Preferential Subscription Rights), all in accordance with the procedures applicable to such Participant Entity.

The possibility of reducing subscription orders already submitted in the Preferential Subscription Period has not been envisaged. Orders to take up New Shares received during the Preferential Subscription Period and requests to subscribe for New Shares in the Additional Allocation Period or the Discretionary Allocation Period will be deemed to be irrevocable, firm and unconditional and may not be cancelled or modified (except where a supplement to the Prospectus is published in the terms set forth in article 23 of Regulation (EU) 2017/1129, in which case investors who have already agreed to subscribe for New Shares shall only have the right, exercisable within three AQS trading days after the publication of the supplement, to withdraw their orders in case a supplement to this Prospectus is published before the closing of the Capital Increase (i.e., when the Company declares the Capital Increase complete and proceeds to the granting of the corresponding Capital Increase public deed, which is expected to take place on 6 August 2021). In the event that a supplement to the Prospectus is published, investors who had acquired Preferential Subscription Rights in the Second Tranche and revoke such subscriptions will lose such investment.

5.1.4. Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest).

Such Eligible Shareholders will be allocated one (1) Preferential Subscription Right for each share owned.

The exercise of thirteen (13) Preferential Subscription Rights entitles the exercising holder to subscribe for one hundred (100) New Shares in the Second Tranche against payment of the Subscription Price in cash.

5.1.5. Method and time limits for paying up the securities and for delivery of the securities

New Shares subscribed by LetterOne by means of compensation of credits

On 23 April 2021, the Company and LetterOne signed certain documents whereby they agreed that the LetterOne Credits, inasmuch as it was necessary for their capitalisation, would automatically become liquid, due and payable on the date of their capitalisation, in accordance with the terms and conditions set forth in the Prospectus.

LetterOne shall capitalise the LetterOne Credits, amounting to €769,200,000, corresponding to 38,460,000,000 New Shares in the First Tranche.

The Participant Entity acting on behalf of LetterOne as its custodian shall provide the Agent Bank with the data required in order to communicate to Iberclear the corresponding information for the allocation of the relevant New Shares related to the capitalisation of the LetterOne Credits.

New Shares subscribed during the Preferential Subscription Period

Subscribers must pay in full the Subscription Price, comprising the nominal value and premium value, upon subscription for each New Share in the Second Tranche subscribed for during the Preferential Subscription Period. Subscribers should pay to the Participant Entity through which they have filed their subscription orders. Applications for New Shares in the Second Tranche in exercise of Preferential Subscription Rights for which payment is not received in accordance with the foregoing shall be deemed not to have been made. Preferential Subscription Rights not exercised or sold during the Preferential Subscription Period will lapse automatically and holders will not be compensated.

The Participant Entity with whom orders for the subscription of New Shares in the Second Tranche in exercise of Preferential Subscription Rights have been placed, shall pay in an account with the Agent Bank all amounts payable with respect to such New Shares, for same-day value, such that they are received by the Company no later than 16:00 p.m. CET on the payment date, which is on 5 August 2021 (the “**Payment Date**”).

If any of the Participant Entities, having paid up the amounts corresponding to these subscriptions within the aforementioned period, does not report the list of subscribers to the Agent Bank under the terms envisaged in this Securities Note, the Agent Bank will allocate the New Shares paid on behalf of the aforementioned Participant Entity to such Participant Entity, without any liability whatsoever to the Agent Bank or the Company without prejudice to any possible liability that may be incurred by the defaulting Participant Entity with regard to the holders that have timely placed their subscription orders for New Shares with such Participant Entity.

New Shares in the Second Tranche subscribed during the Additional Allocation Period

Full payment of the Subscription Price for each New Share requested during the Additional Allocation Period of the Second Tranche will be made by each holder of Preferential Subscription Rights at the time of such request, through the Participant Entity through which it has requested for additional New Shares.

If the number of additional New Shares finally allocated to such requesting holder of Preferential Subscription Rights is less than the number of additional New Shares

requested and prefunded by the requesting holder, the Participant Entity will return to such holder of Preferential Subscription Rights, without deduction for expenses and fees, the amount corresponding to the excess subscription monies or, as the case may be, the whole Subscription Price for any additional New Shares (if no additional New Shares are finally allocated to the relevant holder of the Preferential Subscription Rights), all in accordance with the procedures applicable to such Participant Entity.

The Participant Entities receiving requests for additional New Shares in the Additional Allocation Period shall pay to the Agent Bank all amounts payable, for same-day value, through the channels made available by Iberclear, such that they are received by the Company in an account with the Agent Bank no later than 16:00 p.m. CET on the Payment Date (expected for 5 August 2021).

If any of the Participant Entities that has made the payment in full of the Subscription Price subsequently fails to confirm to the Agent Bank the list of subscribers on behalf of whom such payment has been made, the Agent Bank shall allocate the New Shares subscribed to such Participant Entity, without any liability whatsoever for the Agent Bank or the Company, without prejudice to any claim the holder of Preferential Subscription Right(s) in question may have against the defaulting Participant Entity.

New Shares in the Second Tranche subscribed during the Discretionary Allocation Period

Full payment of the Subscription Price for each New Share requested during the Discretionary Allocation Period of the Second Tranche will be made by each investor, at the time of such request, to the relevant Participant Entity.

If the number of additional New Shares finally allocated to such investor is less than the number of additional New Shares requested and prefunded by the requesting investor, the Participant Entity will return to such investor, without deduction for expenses and fees, the amount corresponding to the excess subscription monies or, as the case may be, the whole Subscription Price for any additional New Shares (if no additional New Shares are finally allocated to the relevant investor), all in accordance with the procedures applicable to such Participant Entity.

The Participant Entities receiving requests for additional New Shares in the Discretionary Allocation Period shall pay to the Agent Bank all amounts payable, for same-day value, through the channels made available by Iberclear, such that they are received by the Company in an account with the Agent Bank no later than 16:00 p.m. CET on the Payment Date (expected for 5 August 2021).

If any of the Participant Entities that has made the payment in full of the Subscription Price subsequently fails to confirm to the Agent Bank the list of subscribers on behalf of whom such payment has been made, the Agent Bank shall allocate the New Shares subscribed to such Participant Entity, without any liability whatsoever for the Agent

Bank or the Company, without prejudice to any claim the relevant investor in question may have against the defaulting Participant Entity.

Delivery of the New Shares

Once LetterOne has delivered to the Company the relevant confirmation regarding the subscription of the First Tranche through the capitalization of the LetterOne Credits (declaring them to be liquid, due and payable), and the Second Tranche of the Capital Increase has been paid up (and the certificate or certificates evidencing the payment of the funds corresponding to all of the subscribed New Shares in the Second Tranche have been issued), the Capital Increase will be declared closed and subscribed and the corresponding Capital Increase public deed will be granted (expected for 6 August 2021), for its subsequent filing with the Commercial Registry of Madrid.

Once the Capital Increase public deed has been registered with the Commercial Registry of Madrid (which is expected to take place on 10 August 2021), it will be immediately delivered to the CNMV, Iberclear and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Once the Capital Increase public deed has been registered, the Company will request the admission to trading of the New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Exchange Automated Quotation System (AQS (*Sistema de Interconexión Bursátil or Mercado Continuo*)). The New Shares will be created by their registration in Iberclear's Central Registry once the Capital Increase public deed has been registered with the Commercial Registry of Madrid. In this regard, the Agent Bank will communicate to Iberclear the information relating to the Eligible Shareholders or investors who have been allocated New Shares, so that the corresponding New Shares are allocated to them.

On the same day of the registration of the New Shares in Iberclear, the Participating Entities will make the corresponding entries in their accounting records in favour of those who have subscribed for New Shares.

The admission to trading of the New Shares on the Spanish Stock Exchanges is expected for 11 August 2021. Notwithstanding the foregoing, the dates indicated above may not be met and, consequently, the execution of the transactions described above may eventually be delayed.

Each of the subscribers of the New Shares shall be entitled to obtain from the Participating Entity with which the subscription has been processed, a signed copy of the subscription form with the content required by Article 309 of the Spanish Companies Act, within a maximum period of one week from the date of the subscription request. Said subscription bulletins shall not be negotiable and shall be valid until the corresponding registration references are assigned to those New Shares which have been subscribed, without prejudice to their validity in the event of potential claims or incidents.

Holders of the New Shares shall be entitled to obtain from the Participating Entities the corresponding *certificados de legitimación*. The Participating Entities shall issue such *certificados de legitimación* before the end of the business day following that on which they were requested by the subscribers.

5.1.6. A full description of the manner and date in which results of the offer are to be made public.

The Company will report the results of the Preferential Subscription Period and the Additional Allocation Period through the publication of the related regulatory information notice (*otra información relevante*) on or around 4 August 2021.

If applicable, the Company will report the results of the Discretionary Allocation Period for New Shares through the publication of the related regulatory information notice (*otra información relevante*) on or around 5 August 2021.

5.1.7. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

Eligible Shareholders shall have Preferential Subscription Rights in accordance with the provisions of Section 5.1.2 above.

The Capital Increase provides Eligible Shareholders with Preferential Subscription Rights to subscribe for New Shares in the Second Tranche in order to, among other things, maintain their current level of ownership in the Company, if they so choose. The Preferential Subscription Rights are securities to subscribe for, and purchase, New Shares in the Second Tranche and may be sold, subject to applicable laws and the restrictions set forth herein, to third parties, which the Company refers to as purchasers of Preferential Subscription Rights. In accordance with Article 306.2 of the Spanish Companies Act, the Preferential Subscription Rights will be freely transferable on the same terms as the New Shares in respect of which they are exercisable and will be tradeable on the Spanish Stock Exchanges. Eligible Shareholders may, therefore, subscribe for New Shares in the Second Tranche at the Subscription Price, sell their Preferential Subscription Rights through Participant Entities in Spain, subject, in each case, to applicable laws and the restrictions set forth herein or a combination of both.

Pursuant to Article 304 of the Spanish Companies Act, Eligible Shareholders may exercise, during the Preferential Subscription Period, their right to subscribe a number of New Shares in the Second Tranche in proportion to the nominal value of the Company's shares they hold.

DIA owned, directly, 984,480 treasury shares, representing approximately 0.015% of its share capital, as of the date of this Securities Note. Pursuant to Article 148 of the Spanish Companies Act, directly held treasury shares do not generate Preferential Subscription Rights. The rights that would have accrued to these treasury shares, accrue directly to the other Eligible Shareholders. So as not to alter the calculation of the

Preferential Subscription Rights needed for the subscription of the New Shares, DIA shall hold, directly, the same number of treasury shares from the registration date of this Securities Note until the end of the Preferential Subscription Period.

Additionally, LetterOne has formally waived all the Preferential Subscription Rights it would be entitled to exercise in the Preferential Subscription Period of the Second Tranche (except for 12 Preferential Subscription Rights, in order to obtain a workable exchange ratio between Preferential Subscription Rights and New Shares in the Second Tranche), since it is considered that its Preferential Subscription Right has already been exercised through the full subscription of the First Tranche, by virtue of which it has subscribed the portion of the Capital Increase that would correspond to it in proportion to its shareholding.

Each existing share of the Company (excluding the 984,480 treasury shares held by the Company and the 4,996,412,336 existing shares held by LetterOne –all of its shares except for 12 of them–), shall be entitled to one (1) Preferential Subscription Right, with thirteen (13) Preferential Subscription Rights being required for subscribing one hundred (100) New Shares in the Second Tranche. Therefore, 1,680,582,163 existing shares of the Company will have Preferential Subscription Rights in the Second Tranche.

The calculations performed to determine the number of Preferential Subscription Rights necessary in order to subscribe the New Shares are included below:

- (vii) Total number of Company shares prior to the Capital Increase: 6,677,978,979.
- (viii) Number of directly held treasury shares as of the date of this Securities Note: 984,480.
- (ix) Number of Company shares which have waived their Preferential Subscription Rights: 4,996,412,336. As detailed above, the shareholder LetterOne has waived all of its Preferential Subscription Rights (except for 12 of them).
- (x) Number of Company shares which have not waived their Preferential Subscription Rights: 1,680,582,163.
- (xi) Number of New Shares in the Capital Increase: 51,387,555,100.
- (xii) Number of New Shares in the Second Tranche: 12,927,555,100.
- (xiii) Ratio of Preferential Subscription Rights allocated to each Share: 1 Share: 1 Preferential Subscription Right.

Each share subscribed by exercising the Preferential Subscription Right shall be subscribed and paid-up at the price of €0.02 (the “**Subscription Price**”). As further

explained above, the shareholder LetterOne has waived its Preferential Subscription Rights over 4,996,412,336 of the shares it holds (all except for 12 of them).

Based on the value of each share prior to the Capital Increase, amounting to €0.0609 per share (the closing price per share on the Spanish Stock Exchanges on 8 July 2021), and taking into account that thirteen (13) Preferential Subscription Rights are required to subscribe one hundred (100) New Shares, the underlying carrying amount of the Preferential Subscription Rights would be €0.0362, which is the result of applying the following formula:

$$UCA = \frac{(CPS - SPE) \times MSI}{ANS + MSI}$$

Where:

- (i) UCA: Underlying carrying amount of the Preferential Subscription Rights.
- (ii) CPS: Closing price per share on the AQS on 8 July 2021 (i.e. €0.0609 per share).
- (iii) SPE: Subscription price per New Share (€0.02).
- (iv) ANS: Number of Company shares prior to the Capital Increase excluding treasury shares and shares attributable to LetterOne (except for 12 of them) (1,680,582,163 Shares).
- (v) MSI: Maximum number of New Shares in the Second Tranche to be issued (12,927,555,100 Shares).

Nevertheless, Preferential Subscription Rights will be freely traded and it is therefore impossible to anticipate the future market value of these rights.

Trading of Preferential Subscription Rights

Trading of Preferential Subscription Rights will take place on the AQS of the Spanish Stock Exchanges during the period from 8:30 a.m. (Madrid time) on 13 July 2021 to 5:30 p.m. (Madrid time) on 27 July 2021, both inclusive.

If an Eligible Shareholder does not exercise or sell any or all of the Preferential Subscription Rights by way of payment by 5:30 p.m. (Madrid time) on 27 July 2021, such Preferential Subscription Rights to subscribe for New Shares will lapse with no value and the holder will not be entitled to compensation.

5.1.8. Total amount of the issue.

If only the New Shares in the First Tranche are subscribed (and the Second Tranche is not subscribed at all), the Capital Increase will result in the issuance of 38,460,000,000

New Shares, and the shares in the Company would increase from 6,677,978,979 existing shares to 45,137,978,979 shares, corresponding to an increase of 575.9% with respect to the number of existing shares.

Additionally, if all the New Shares are fully subscribed (First and Second Tranche), the Capital Increase will result in an issuance of 51,387,555,100 New Shares, and the shares in the Company would increase from 6,677,978,979 existing shares to 58,065,534,079 shares, corresponding to an increase of 769.5% with respect to the number of existing shares.

5.1.9. An indication of when, and under which circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.

As of today, there are no grounds for termination or revocation of the Capital Increase that is the subject matter of this Securities Note are envisaged other than those that may arise from the application of the law or compliance with a court or administrative ruling.

Therefore, the Capital Increase is not foreseen to be revoked or suspended except by judicial pronouncement, and there is no record of any legal proceedings in connection with the share capital increase resolution.

If the Capital Increase is revoked and terminated, the monies paid by subscribers who have exercised Preferential Subscription Rights or have been allocated New Shares during the Additional Allocation Period or the Discretionary Allocation Period would be returned to them. However, any investors who had acquired Preferential Subscription Rights from existing holders of Preferential Subscription Rights would not receive any amount paid for such Preferential Subscription Rights from the Company.

5.1.10. An indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.

The possibility of withdrawing subscription orders already submitted in the Preferential Subscription Period has not been envisaged. Orders to take up New Shares received during the Preferential Subscription Period and requests to subscribe for New Shares in the Additional Allocation Period or the Discretionary Allocation Period will be deemed to be irrevocable, firm and unconditional and may not be withdrawn.

Notwithstanding the foregoing, where a supplement to the Prospectus is published in the terms set forth in article 23 of Regulation (EU) 2017/1129 before the closing of the Offering (i.e., when the Company declares the share capital increase complete and proceeds to the granting of the corresponding capital increase deed before a Spanish public notary, which is expected to take place on 6 August 2021), investors who have already agreed to subscribe for New Shares shall have the right to withdraw their orders for New Shares, exercisable within three AQS trading days after the publication of the supplement.

5.2. Plan of distribution and allotment

5.2.1. Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.

See Section 5.1.2 above.

5.2.2. To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.

The Company contacted its significant shareholder, LetterOne, on 14 June 2021 regarding their intentions with respect to the Capital Increase. LetterOne sent a response to the Company's request, stating the following:

“LetterOne can confirm that it is supportive of facilitating the participation of those current minority shareholders in DIA who decide to participate in the Preferential Subscription Period and who may also participate in the Additional Allocation Period:

- (i) LetterOne fully supports the Capital Increase, and will subscribe in full the First Tranche of the Capital Increase by means of set-off of credits rights vis-à-vis DIA in an amount of €769.2 million.*
- (ii) LetterOne has the intention (and will commit) to waive all its preferential subscription rights in the Preferential Subscription Period of the €259 million Second Tranche of the Capital Increase, in order to allow the rest of*

shareholders, if they wish, to subscribe shares up to a number which would allow them to maintain their current percentage in the share capital of DIA.

- (iii) LetterOne has the intention (and will commit) to waive its right to acquire preferential subscription rights in the Preferential Subscription Period of the €259 million Second Tranche, in order to ensure that LetterOne will not be able to increase in any manner its percentage in the share capital of DIA in case that the rest of shareholders (or investors) subscribe all the shares in the Preferential Subscription Period of the Second Tranche of the Capital Increase.*
- (iv) Should the €259 million Second Tranche not be fully subscribed in the Preferential Subscription Period by minority shareholders (or investors), LetterOne will consider supporting the Company further by participating in the Additional Allocation Period and/or the Discretionary Allocation Period of the Capital Increase. However, as of today, LetterOne has not made any decision in this regard. As soon as a decision is taken, LetterOne will communicate it to DIA so that it can publicly announce it immediately. For the avoidance of doubt, LetterOne does not assume any commitment to subscribe any shares or to underwrite the capital increase in case of incomplete subscription.”*

As of the date of this Securities Note, the only members of the Company’s Board of Directors who hold shares in the Company are Mr. José Wahnón Levy (who holds 17,804 shares) and Mr. Jaime García-Legaz Ponce (who holds 40,717 shares). No other director holds shares in the Company.

Mr. José Wahnón Levy and Mr. Jaime García-Legaz Ponce have notified the Company that they intend to subscribe all of the Preferential Subscription Rights which they are allocated in the Preferential Subscription Period of the Second Tranche of the Capital Increase.

5.3. Pricing

- 5.3.1. An indication of the price at which the securities will be offered and the amount of any expenses and taxes charged to the subscriber or purchaser.

The New Shares will be issued with a nominal amount of €0.01, plus premium of €0.01.

The Subscription Price, which must be paid in euros, is €0.02 per New Share in the Second Tranche (nominal of €0.01 and share premium of €0.01). The Subscription Price represents an implied discount of 19.03% on the theoretical ex rights price (TERP) (€0.0247 based on the Share’s closing price of €0.0609 as of 8 July 2021), a 77.6% discount to the average market share price of the second quarter of 2021 (i.e. from 31 March 2021 to 30 June 2021) (€0.1198), and a 82.3% discount to the average market share price of the last year (i.e. from 1 January 2020 to 31 December 2021) (€0.1132).

The Company will not charge subscribers any expenses for the subscription of the New Shares. No expenses will be charged to the subscribers for the first registration of the New Shares in the accounting records of the Participating Entities. However, the Participating Entities may establish, in accordance with the applicable legislation, the administration fees and expenses that they may freely determine, arising from the maintenance of the securities in the accounting records and the exercise, if applicable, of the Preferential Subscription Rights.

Likewise, the Participating Entities through which the subscription is made may establish, in accordance with the applicable legislation, the fees and expenses for the processing of orders for the subscription of securities and the purchase and sale of Preferential Subscription Rights that they may freely determine. The fees and commissions applied by these entities are published in their prospectuses and reported to the Bank of Spain and the CNMV.

5.3.2. Process for the disclosure of the offer price.

Not applicable.

5.3.3. If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn, an indication of the basis for the issue price if the issue is for cash, together with the reasons for and beneficiaries of such restriction or withdrawal.

LetterOne has formally waived its Preferential Subscription Right for the Preferential Subscription Period of the Second Tranche, considering its proportionate share of the capital increase covered under the First Tranche, except that, in order to achieve a workable exchange ratio, in addition to certain adjustments to the amounts of the tranches, LetterOne does not formally waive 12 Preferential Subscription Rights to be allocated to it in the Second Tranche (thus achieving a number of shares targeted by the Second Tranche that will be divisible by 13).

5.4. Placing and underwriting

5.4.1. Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known by the issuer or to the offeror, of the placers in the various countries where the offer takes place

Not applicable.

5.4.2. Name and address of any paying agents and depository agents in each country.

Banco Bilbao Vizcaya Argentaria, S.A., registered in the Special Register of Banks and Bankers under code number 0182, and with tax identification number (N.I.F.) A-48265169, will carry out the banking procedures and transactions necessary for the delivery of the New Shares.

5.4.3. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission

Not applicable.

5.4.4. When the underwriting agreement has been or will be reached.

Not applicable.

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1. Admission to trading.

Pursuant to the Capital Increase resolution which was approved by the Company's General Shareholders' Meeting on 31 May 2021, the Company will request the admission to trading of the New Shares in the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Exchange Automated Quotation System (AQS (*Sistema de Interconexión Bursátil or Mercado Continuo*)), as well as their inclusion in the registries of Iberclear and the Participant entities.

For this purpose, the Company will carry out the corresponding requests, prepare and submit all the appropriate documents in the terms it deems appropriate and carry out all the necessary actions for the admission to trading of the New Shares in the shortest possible time. The estimated timetable foresees that the New Shares will be admitted to trading on or around 11 August 2021.

In any event, if the New Shares have not been admitted to trading on the Stock Exchanges on such date, the Company will proceed to notify such circumstance and the reasons for the delay by means of the corresponding regulatory information notice.

6.2. All the regulated markets equivalent third country markets or SME Growth Markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading

As indicated above, the New Shares to be issued pursuant to the Capital Increase will be of the same class and series as the currently listed Company shares, which are admitted to trading on the Spanish Stock Exchanges through the Spanish Stock Exchange Automated Quotation System (AQS (*Sistema de Interconexión Bursátil or Mercado Continuo*)).

6.3. If simultaneously or almost simultaneously with the application for admission of the securities to a regulated market, securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number, characteristics and price of the securities to which they relate.

Not applicable.

6.4. Details of the entities which have given a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.

Not applicable.

7. SELLING SECURITIES HOLDERS

7.1. Lock-up agreements.

Not applicable.

8. EXPENSE OF THE ISSUE/OFFER

8.1. The total net proceeds and an estimate of the total expenses of the issue/offer.

The estimated costs of the issue and admission to trading of the New Shares (excluding VAT) borne in full by DIA amount to €1,190,000, broken down as follows:

Capital Increase statistics

Estimated total fees and expenses of the Capital Increase €1,190,000

Estimated fees for advisors, Commercial Registry, Public Notary, Agent Bank..... €90,000

Estimated fees for CNMV, Iberclear and Spanish Stock Exchanges..... €200,000

If only the First Tranche of the Capital Increase was subscribed, the Company expects the net proceeds from the Capital Increase to amount to €768,010,000.

If the Capital Increase was fully subscribed (both First and Second Tranches), the Company expects the net proceeds from the Capital Increase to amount to €1,026,561,102.

9. DILUTION

9.1. **A comparison of (a) participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the New Shares; (b) the net asset value per share as of the date of the latest balance sheet before the public offer (selling offer and/or capital increase) and the Capital Increase price per share within that public offer.**

The Eligible Shareholders will receive Preferential Subscription Rights to subscribe for New Shares in the Second Tranche and, thus, if they exercise such rights in full, they will suffer a dilution representing 0.010%, being due to the calculation of the exchange ratio, as further explained above.

Eligible Shareholders who do not subscribe for New Shares in the percentage to which their Preferential Subscription Rights entitle them, and further assuming that the New Shares were entirely subscribed for by investors other than the Eligible Shareholders, or by LetterOne, the total aggregate holdings of the Eligible Shareholders, excluding LetterOne, would represent approximately 2.894% of the total number of shares following the Capital Increase, which would represent a dilution in ownership percentage of approximately 88.5%.

Additionally, Eligible Shareholders who do not subscribe for New Shares in the percentage to which their Preferential Subscription Rights entitle them, and further assuming that Second Tranche was not subscribed at all, the total aggregate holdings of the Eligible Shareholders, excluding LetterOne, would represent approximately 3.723% of the total number of shares following the Capital Increase, which would represent a dilution in ownership percentage of approximately 85.2%.

The net asset value per share as of the most recent balance sheet date prior to the Capital Increase (calculated based on the Company's financial statements as of 31 March 2021) was *negative* €0.007 (-0.007 euros) and the Subscription Price in the Capital Increase is €0.02.

9.2. **Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience should also be presented on the basis that they do take up their entitlement (in addition to the situation where they do not).**

Not applicable.

10. ADDITIONAL INFORMATION

10.1. If advisors connected with an issue are referred to in the securities note, a statement of the capacity in which the advisors have acted.

Pérez-Llorca Abogados S.L.P. has acted as legal advisor in all Spanish law aspects of the Capital Increase.

10.2. An indication of other information in the securities note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.

Please refer to section 1.3 above.

IV. SPANISH TRANSLATION OF THE SUMMARY

Redactada de conformidad con el artículo 7 del Reglamento (UE) 2017/1129, del Parlamento Europeo y del Consejo, de 14 de junio de 2017, sobre el folleto que debe publicarse en caso de oferta pública o admisión a cotización de valores en un mercado regulado y por el que se deroga la Directiva 2003/71/CE.

La presente Nota sobre las Acciones es solo una parte del Folleto y se complementa con (i) la Nota de Síntesis incluida a continuación, y (ii) el Documento de Registro de la Sociedad, preparado de conformidad con el modelo establecido en el Reglamento (UE) 2017/1129, del Parlamento Europeo y del Consejo, de 14 de junio de 2017 y el Anexo 3 del Reglamento Delegado (UE) 2019/980 de la Comisión, de 14 de marzo de 2019, aprobado e inscrito en los registros oficiales de la CNMV el 9 de julio de 2021, que puede consultarse en la página web corporativa de la Sociedad (<https://diacorporate.com/operaciones-corporativas/>)⁸ y en la página web de la CNMV (www.cnmv.es).

SECCIÓN A – INTRODUCCIÓN Y ADVERTENCIAS	
A.1	Advertencias <p>Esta nota de síntesis (la “Nota de Síntesis”) debe leerse como una introducción a la nota sobre las acciones (la “Nota sobre las Acciones”), los factores de riesgo y el documento de registro (el “Documento de Registro”) de Distribuidora Internacional de Alimentación, S.A. (la “Sociedad” o el “Emisor” y, junto con sus filiales, “DIA” o el “Grupo”). La Nota de Síntesis, la Nota sobre las Acciones y el Documento de Registro, se denominarán conjuntamente como el “Folleto”.</p> <p>Toda decisión de invertir en los valores que se emitirán (las “Nuevas Acciones”) debe estar basada en la consideración del conjunto del Folleto por parte del inversor. El inversor puede perder la totalidad o parte del capital invertido.</p> <p>Cuando se presente ante un tribunal una demanda sobre la información contenida en el Folleto, el inversor demandante podría, en virtud del Derecho español, tener que soportar los gastos de traducción del Folleto antes de que dé comienzo el procedimiento judicial. Conforme Derecho español, la responsabilidad civil solo se exigirá a las personas que hayan presentado esta Nota de Síntesis, incluida cualquier traducción del mismo, pero únicamente cuando la Nota de Síntesis sea engañosa, inexacta o incoherente en relación con las demás partes del Folleto, o no aporte, cuando sea leído junto con las demás partes del Folleto, información fundamental para ayudar a los inversores a la a la hora de decidir si invertir o no en las Nuevas Acciones.</p>
A.2	Denominación y número internacional de identificación (ISIN) de los valores <p>La denominación social del Emisor es Distribuidora Internacional de Alimentación, S.A. El nombre comercial del Emisor es “DIA”.</p> <p>A excepción de las 51.387.555.100 Nuevas Acciones que, si se suscriben en su totalidad, se emitirán en el aumento de capital aprobado por la Junta General de Accionistas de la Sociedad el 31 de mayo de 2021 (el “Aumento de Capital”), la totalidad de las acciones de la Sociedad están actualmente admitidas a negociación en las Bolsas de Valores de Barcelona, Bilbao, Madrid y Valencia (las “Bolsas de Valores Españolas”), a través de las Bolsas de Valores Españolas y se negocian a través del Sistema de Interconexión Bursátil español (Mercado Continuo). El número ISIN asignado a las acciones existentes de la Sociedad es ES0126775032, y las Nuevas Acciones tendrán el mismo ISIN que el de las acciones actuales de la Sociedad una vez hayan sido admitidas a cotización.</p>
A.3	Identidad y datos de contacto del Emisor, incluyendo su Código de Identificación Legal (CIL) <p>La Sociedad, con C.I.F. A-28164754, y con el número de teléfono +34 91 398 54 00, está inscrita en el Registro Mercantil de Madrid en el tomo 22.265, folio 75, sección 8, página M-183.762. El Código de Identificación Legal (CIL) de la</p>

⁸ La información contenida en dicho sitio web no forma parte de la Nota sobre las Acciones, a excepción de aquella información que ha sido incorporada por referencia a esta Nota sobre las Acciones.

	Sociedad es el 54930063C6K2TNFL6H10.
A.4	Identidad y datos de contacto de la autoridad competente
	La Comisión Nacional del Mercado de Valores (la “CNMV”) es la autoridad competente en España sobre este Folleto. Los inversores pueden contactar con la CNMV a través de su servicio de atención telefónica al inversor en el número de teléfono +34 900 535 015.
A.5	Fecha de aprobación del Folleto
	El Folleto ha sido aprobado y registrado por la CNMV con fecha 9 de julio de 2021.

SECCIÓN B – INFORMACIÓN FUNDAMENTAL SOBRE EL EMISOR

B.1	¿Quién es el Emisor de los valores?																											
	<p>1. Domicilio y forma jurídica; su identificador de entidad jurídica, el Derecho al amparo del cual opera y su país de constitución</p> <p>La Sociedad está constituida en España como una sociedad anónima o S.A. conforme al Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital (la “Ley de Sociedades de Capital”). La Sociedad tiene su domicilio social en Las Rozas (Madrid), Parque Empresarial de Las Rozas, Edificio Tripark, calle Jacinto Benavente nº 2-A, Madrid, España. La Sociedad está constituida por tiempo indefinido y opera principalmente en España, Portugal, Brasil y Argentina.</p> <p>2. Actividades principales de la Sociedad</p> <p>DIA es uno de los líderes de la distribución de alimentación con una media de 2 millones de tickets diarios y más de 16.6 millones de miembros de su programa de fidelización por todo el mundo a 31 de marzo de 2021. A 31 de marzo de 2021, el Grupo operaba 6.100 tiendas en España, Portugal, Brasil y Argentina y contaba con aproximadamente 40.249 empleados a tiempo completo.</p> <p>3. Principales accionistas en la Sociedad</p> <p>En la siguiente tabla se presenta información pública disponible con respecto a los accionistas significativos de la Sociedad a la fecha de la presente Nota sobre las Acciones:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Principales accionistas</th> <th style="text-align: center;">% Directo</th> <th style="text-align: center;">% Indirecto</th> <th style="text-align: center;">No. total de derechos de voto a través de instrumentos financieros</th> <th style="text-align: center;">% Total</th> <th style="text-align: center;">No. total de derechos de voto</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">LetterOne Investment Holdings S.A.</td> <td style="text-align: center;">0,00</td> <td style="text-align: center;">74,819</td> <td style="text-align: center;">0</td> <td style="text-align: center;">74,819</td> <td style="text-align: center;">4.996.412.348</td> </tr> <tr> <td style="text-align: center;">Total de derechos de voto propiedad de principales accionistas</td> <td style="text-align: center;">0,00</td> <td style="text-align: center;">74,819</td> <td style="text-align: center;">0</td> <td style="text-align: center;">74,819</td> <td style="text-align: center;">4.996.412.348</td> </tr> </tbody> </table> <p>4. Identidad de los directivos más importantes de la Sociedad</p> <p>A fecha de la presente Nota sobre las Acciones, los directivos fundamentales de la Sociedad son los siete miembros del Consejo de Administración:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Nombre</th> <th style="text-align: center;">Cargo</th> <th style="text-align: center;">Categoría</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">D. Stephan DuCharme</td> <td style="text-align: center;">Presidente Ejecutivo</td> <td style="text-align: center;">Ejecutivo</td> </tr> <tr> <td style="text-align: center;">D. Sergio Dias</td> <td style="text-align: center;">Consejero</td> <td style="text-align: center;">Dominical</td> </tr> </tbody> </table>	Principales accionistas	% Directo	% Indirecto	No. total de derechos de voto a través de instrumentos financieros	% Total	No. total de derechos de voto	LetterOne Investment Holdings S.A.	0,00	74,819	0	74,819	4.996.412.348	Total de derechos de voto propiedad de principales accionistas	0,00	74,819	0	74,819	4.996.412.348	Nombre	Cargo	Categoría	D. Stephan DuCharme	Presidente Ejecutivo	Ejecutivo	D. Sergio Dias	Consejero	Dominical
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D. Sergio Dias	Consejero	Dominical																										

Dña. Basola Vallés Cerezueta	Consejero	Independiente
D. Jaime García-Legaz Ponce	Consejero	Independiente
D. José Wahnnon Levy	Consejero	Independiente
D. Marcelo Maia	Consejero	Otro externo

El nombramiento de Dña. Luisa Deplazes de Andrade Delgado como consejera independiente del Consejo de Administración fue aprobado por la Junta General de Accionistas de DIA que tuvo lugar el 31 de mayo de 2021, pero solo será efectivo el 1 de noviembre de 2021.

Además de los anteriores, el Secretario no consejero del Consejo de Administración es D. Álvaro López-Jorrín Hernández y la Vicesecretaria no consejera del Consejo de Administración es Dña. Sagrario Fernández Barbé.

5. Identidad de los auditores legales de la Sociedad

Las cuentas anuales individuales y consolidadas y los informes de gestión de DIA correspondientes al último ejercicio auditado cerrado a 31 de diciembre de 2020 han sido auditados por Ernst & Young, S.L.

B.2 ¿Cuál es la información financiera fundamental relativa al Emisor?

En la siguiente tabla se muestra un resumen de las magnitudes financieras más relevantes del Grupo, incluidas en los estados financieros consolidados correspondientes a los ejercicios 2020 y 2019 y al primer trimestre del ejercicio 2020 y al primer trimestre del ejercicio 2021.

Resumen de la cuenta de resultados consolidada

CUENTA DE RESULTADOS	Ejercicio 2020	Ejercicio 2019	1T 2020	1T 2021
Total ingresos	6.882,4	6.870,4	1.696,1	1.571,6
Resultados de explotación	-182,1	-580,2	-54,8	-42,6
Ingresos totales antes de impuestos	-351,9	-676,9	-143,7	-62,4

Resumen de estado de situación financiera consolidado

BALANCE DE SITUACIÓN	Ejercicio 2020	Ejercicio 2019	1T 2020	1T 2021
Total activo	3.035,4	3.319,4	3.257,4	2.883,1
Total patrimonio neto	-697,2	-350,5	-466,6	-758,7
Total deuda neta	1.867,8	2.027,6	1.945,1	1.932,3

Resumen de estado de flujos de efectivo consolidado

ESTADO DE FLUJOS DE EFECTIVO	Ejercicio 2020	Ejercicio 2019	1T 2020	1T 2021
Flujos de efectivo neto de/(utilizados en) las actividades de explotación	390,5	60,3	130,8	40,6
Flujos de efectivo utilizados en actividades de inversión	-23,7	-108,7	-15,3	-23,2
Flujos de efectivo utilizados en actividades de financiación	-163,7	-28,8	-46,9	-129,7

B.3 Información financiera pro forma

En el Folleto no se incluye información financiera pro forma.

B.4 Salvedades del informe de auditoría relacionadas con la información financiera histórica

	Los informes de auditoría de la Sociedad correspondientes a las cuentas consolidadas e individuales del ejercicio cerrado a 31 de diciembre de 2020 no contienen salvedades.
B.5	<p>¿Cuáles son los principales riesgos específicos del Emisor?</p> <ul style="list-style-type: none"> - La Sociedad se encuentra actualmente en una situación de patrimonio neto negativo debido a las pérdidas acumuladas en los últimos 3 ejercicios. Si el Aumento de Capital no se ejecuta y los resultados de la Sociedad en el ejercicio 2021 arrojan pérdidas que reduzcan su patrimonio neto a menos de la mitad de su capital social, la Sociedad se encontraría en causa de disolución legal. - El Grupo está muy endeudado y si no se ejecuta el Aumento de Capital, el Grupo podría ser incapaz de continuar como empresa en funcionamiento. - Si el Aumento de Capital se lleva a cabo, pero no se cumplen el resto de las condiciones precedentes para la efectividad de la Operación Global, el Grupo podría no conseguir una estructura financiera y de capital estable a largo plazo. - El Grupo está sujeto a covenants negativos y covenants financieros. - El Grupo opera con un capital circulante negativo, y si el Aumento de Capital no se lleva a cabo, su capacidad para atender sus necesidades de liquidez a corto plazo puede verse afectada negativamente. - El Grupo tiene pérdidas netas consolidadas para el trimestre finalizado el 31 de marzo de 2021 y para el año finalizado el 31 de diciembre de 2020. - El Grupo podría enfrentarse a un retraso en la ejecución de su Plan de Negocio Actual en caso de una suscripción incompleta del Segundo Tramo del Aumento de Capital. - El Grupo está sujeto a los riesgos asociados a las divisas extranjeras. - El Grupo está sujeto a riesgos de tipo de interés variable. - El Grupo está sujeto a riesgos asociados a la volatilidad de sus mercados internacionales.
SECCIÓN C – INFORMACIÓN FUNDAMENTAL SOBRE LOS VALORES	
C.1	¿Cuáles son las principales características de las Nuevas Acciones?

	<p>1. Tipo, clase e ISIN</p> <p>Las Nuevas Acciones tendrán un valor nominal de 0,01 euros cada una y un número ISIN temporal ES0126775057. El número ISIN asignado a las acciones existentes de la Sociedad es ES0126775032, y las Nuevas Acciones llevarán el mismo ISIN que las actuales acciones de la Sociedad en el momento de su admisión a cotización.</p> <p>Las Nuevas Acciones serán de la misma clase que las acciones existentes de la Sociedad y la Sociedad no tiene actualmente otra clase de acciones. Las Nuevas Acciones tendrán el mismo rango que las acciones existentes de la Sociedad, incluso en lo que se refiere al derecho a percibir dividendos aprobados por los accionistas una vez inscrita la titularidad de dichas Nuevas Acciones en los registros de anotaciones en cuenta de la Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“Iberclear”). Las acciones de la Sociedad otorgan a sus propietarios los derechos establecidos en los Estatutos Sociales de la Sociedad y en la Ley de Sociedades de Capital.</p> <p>2. Moneda, denominación, valor nominal y número de valores emitidos</p> <p>Las Nuevas Acciones del Aumento de Capital ascienden a un máximo de 51.387.555.100 Nuevas Acciones que se emitirán a un valor nominal de 0,01 euros por Nueva Acción más una prima de emisión de 0,01 euros por Nueva Acción.</p> <p>3. Derechos inherentes a los valores</p> <p>Las Nuevas Acciones serán acciones ordinarias que otorgarán a sus titulares, una vez inscritas a su nombre en los correspondientes registros contables, los mismos derechos políticos y económicos que las restantes acciones de la Sociedad de acuerdo con lo previsto en los Estatutos Sociales de la Sociedad y en la Ley de Sociedades de Capital.</p> <p>4. Eventuales restricciones a la libre negociabilidad de los valores</p> <p>Los Estatutos Sociales de la Sociedad no contienen ninguna restricción a la libre transmisibilidad de las acciones. No existen acuerdos de accionistas que restrinjan la libre transmisibilidad de las acciones ni compromisos de desinversión.</p> <p>5. Política de dividendos y de distribución de resultados</p> <p>La política de distribución de dividendos y el importe de los mismos son fijados por la Junta General de Accionistas de la Sociedad a propuesta del Consejo de Administración. Sin embargo, en este momento, la capacidad de la Sociedad para distribuir dividendos está limitada por (i) los 973,2 millones de euros del <i>Amended Facilities Agreement</i> de la Sociedad (actualmente en vigor) hasta el 31 de marzo de 2023 y (ii) el <i>New Facilities Agreement</i> (que entrará en vigor una vez que se hayan cumplido las condiciones previas para la efectividad de la Operación Global (según se define más adelante)) que extiende el vencimiento hasta el 31 de diciembre de 2025.</p>
C.2	<p>¿Dónde se negociarán las Nuevas Acciones?</p> <p>La Sociedad solicitará la negociación de las Nuevas Acciones en las Bolsas de Valores Españolas y a través del Sistema de Interconexión Bursátil o Mercado Continuo, y espera que las Nuevas Acciones comiencen a cotizar en las Bolsas de Valores Españolas alrededor del 12 de agosto de 2021.</p>
C.3	<p>¿Cuáles son los principales riesgos específicos de las Nuevas Acciones?</p> <ul style="list-style-type: none"> - Podría producirse una suscripción incompleta del Segundo Tramo del Aumento de Capital, ya que el accionista mayoritario de la Sociedad no ha suscrito ni comunicado su intención de suscribir o no Nuevas Acciones en el Segundo Tramo del Aumento de Capital. - Los accionistas que no adquieran Nuevas Acciones en el Aumento de Capital experimentarán una dilución en su participación en el Grupo. - El precio de mercado de las Nuevas Acciones puede descender por debajo del precio de suscripción y los accionistas pueden no ser capaces de vender sus Acciones y/o derechos de suscripción preferente a un precio favorable durante o después del Aumento de Capital. - La capacidad del Grupo para pagar dividendos a sus accionistas está restringida. - El accionista mayoritario de la Sociedad puede ejercer un control significativo sobre ella, y sus intereses pueden entrar en conflicto con los de otros accionistas.

SECCIÓN D – INFORMACIÓN FUNDAMENTAL SOBRE EL AUMENTO DE CAPITAL Y LA ADMISIÓN A COTIZACIÓN DE LAS NUEVAS ACCIONES

D.1 ¿En qué condiciones y plazos puedo invertir en las Nuevas Acciones?

El Aumento de Capital forma parte del acuerdo de recapitalización y refinanciación global que la Sociedad ha suscrito con todos sus acreedores financieros sindicados (la “**Operación Global**”), cuya efectividad requiere, entre otras cosas, que el accionista mayoritario de la Sociedad, LetterOne, capitalice determinados créditos contra la Sociedad por un importe total de 769.200.000 euros (los “**Créditos LetterOne**”).

La Operación Global, una vez que sea efectiva, implicará la modificación y reformulación del actual *Amended Facilities Agreement* del Grupo por importe de 973,2 millones de euros (el “**Amended Facilities Agreement**”), en un nuevo y refundido *New Facilities Agreement* (el “**New Facilities Agreement**”), con el fin de ampliar esencialmente la fecha de vencimiento de determinados créditos por importe de 902,4 millones de euros (los “**Créditos Senior**”) del 31 de marzo de 2023 al 31 de diciembre de 2025, así como modificar otros términos y condiciones del *Amended Facilities Agreement*. La efectividad de la Operación Global (y como tal del *New Facilities Agreement*), está sujeta al cumplimiento de ciertas condiciones suspensivas en o antes del 29 de octubre de 2021. En este sentido, las condiciones suspensivas que aún no se han cumplido se prevén como meros trámites, que la Sociedad espera que se cumplan en la primera mitad de agosto de 2021 o poco después, poco después de la finalización del Aumento de Capital.

El 31 de mayo de 2021, la Junta General de Accionistas de la Sociedad aprobó el Aumento de Capital, para aumentar los fondos propios de la Sociedad por un importe efectivo de 1.027.751.102 euros mediante la emisión de hasta 51.387.555.100 Nuevas Acciones a un precio de suscripción de 0,02 euros por Nueva Acción, según se indica a continuación:

- (iii) **Primer Tramo:** ampliación de capital a ejecutar mediante la capitalización de los derechos de crédito que LetterOne ostenta frente a la Sociedad en virtud de los Créditos LetterOne por un importe total de 769.200.000 euros, mediante la emisión de 38.460.000.000 de Nuevas Acciones de 0,01 euros de valor nominal cada una, con una prima de emisión de 0,01 euros por acción (el “**Primer Tramo**”). El Primer Tramo es aproximadamente igual a la parte proporcional del importe total del Aumento de Capital que LetterOne tendría derecho a suscribir en el ejercicio de su derecho de suscripción preferente, sobre la base de su actual participación en la Sociedad (74,819%), suponiendo un único Aumento de Capital por un importe efectivo de 1.027.926.402,17 euros.
- (iv) **Segundo Tramo:** ampliación de capital que se realizará mediante aportaciones dinerarias, con derecho de suscripción preferente (los “**Derechos de Suscripción Preferente**”), y que se dirige en primer lugar a todos los accionistas de la Sociedad, distintos de LetterOne y de la Sociedad en cuanto a las acciones que tiene en autocartera, es decir, a los titulares de acciones existentes de la Sociedad que representan el 25,166% del capital social de la Sociedad, por un importe máximo de 258.551.102 euros mediante la emisión de un máximo de 12.927.555.100 Nuevas Acciones de 0,01 euros de valor nominal cada una, con una prima de emisión de 0,01 euros por acción (el “**Segundo Tramo**”). Con el fin de permitir a los Accionistas Elegibles (distintos de LetterOne) suscribir íntegramente el Segundo Tramo si así lo desean, para preservar su participación proporcional en el capital social de la Sociedad, LetterOne ha renunciado formalmente a sus Derechos de Suscripción Preferente para el periodo de suscripción preferente del Segundo Tramo (el “**Periodo de Suscripción Preferente**”), considerando que su participación a prorrata en el Aumento de Capital ya está cubierta en el Primer Tramo, con la salvedad de que, con el fin de lograr una relación de canje viable, LetterOne no renuncia formalmente a 12 Derechos de Suscripción Preferente en el Segundo Tramo (con el fin de lograr un número de acciones objetivo del Segundo Tramo que sea divisible por 13). Además de lo anterior, LetterOne se ha comprometido a no adquirir Derechos de Suscripción Preferente en el mercado durante el Periodo de Suscripción Preferente del Segundo Tramo.

A efectos aclaratorios, si bien el importe efectivo del Segundo Tramo que teóricamente correspondería a los accionistas minoritarios distintos de LetterOne en función de su participación en el capital social de la Sociedad (25,166%) sería de 258.726.402,17 euros, dicho importe efectivo se reducirá en un importe de 175.300,17 euros por razones puramente técnicas, con el fin de obtener una proporción factible del número de Derechos de Suscripción Preferente a asignar a los accionistas por cada acción de la Sociedad de la que sean titulares. En consecuencia, el importe efectivo del Segundo Tramo se establece en 258.551.102 euros.

El Segundo Tramo puede eventualmente no ser suscrito en su totalidad durante el Periodo de Suscripción Preferente, el Periodo de Asignación Adicional (tal y como se define más adelante) o el Periodo de Asignación Discrecional (tal y como se define más adelante), en cuyo caso, el Aumento de Capital se ejecutaría únicamente hasta el importe suscrito.

Sujeto a los términos y condiciones aquí establecidos, la Sociedad concede, en relación con el Segundo Tramo, Derechos de

Suscripción Preferente a los titulares de acciones de la Sociedad que hayan adquirido sus acciones en o antes del 12 de julio de 2021 (fecha prevista de publicación del Aumento de Capital en el Boletín Oficial del Registro Mercantil (“**BORME**”)) y cuyas operaciones de adquisición se hayan liquidado dentro de los dos días hábiles de cotización inmediatamente posteriores a dicha fecha (es decir, en o antes del 14 de julio de 2021 a las 23:59) (los “**Accionistas Elegibles**”). Cada acción en poder de los Accionistas Elegibles (excluyendo las 984.480 acciones que tiene la Sociedad en autocartera y las 4.996.412.336 acciones que tiene LetterOne – todas excepto los 12 Derechos de Suscripción Preferente explicados anteriormente-), dará derecho a un (1) Derecho de Suscripción Preferente, siendo necesarios trece (13) Derechos de Suscripción Preferente para suscribir cien (100) Nuevas Acciones en el Segundo Tramo. Por lo tanto, 1.680.582.163 acciones existentes de la Sociedad tendrán Derechos de Suscripción Preferente en el Segundo Tramo.

El precio de suscripción, que debe pagarse en euros, es de 0,02 euros por Nueva Acción (el “**Precio de Suscripción**”). El Precio de Suscripción representa un descuento implícito del 19,03% sobre el valor teórico del derecho de suscripción preferente (*theoretical ex rights price* o TERP) (0,0247 euros sobre la base de la cotización de la Acción al cierre del mercado el 8 de julio de 2021 de 0,0609 euros), un descuento del 77,6% sobre la cotización media de mercado del segundo trimestre de 2021 (es decir, del 31 de marzo de 2021 al 30 de junio de 2021), y un descuento del 82,3% sobre la cotización media de mercado del último año (es decir, del 1 de enero de 2020 al 31 de diciembre de 2020).

Si sólo se suscriben las Nuevas Acciones del Primer Tramo (y no se suscribe en absoluto el Segundo Tramo), el Aumento de Capital dará lugar a la emisión de 38.460.000.000 Nuevas Acciones, y las acciones de la Sociedad pasarían de 6.677.978.979 acciones a 45.137.978.979 acciones, lo que corresponde a un incremento del 575,9% con respecto al número actual de acciones de la Sociedad.

Si se suscriben íntegramente las Nuevas Acciones (Primer y Segundo Tramo), el Aumento de Capital daría lugar a la emisión de 51.387.555.100 Nuevas Acciones, y las acciones de la Sociedad pasarían de 6.677.978.979 acciones a 58.065.534.079 acciones, lo que supone un incremento del 769,5% respecto al número actual de acciones de la Sociedad.

Suscripción de Nuevas Acciones en el Segundo Tramo

- (vii) El Período de Suscripción Preferente comenzará el primer día natural siguiente a la publicación del Aumento de Capital en el BORME y durará hasta el 15º día natural posterior, inclusive. Durante el Período de Suscripción Preferente, los Accionistas Elegibles (distintos de LetterOne) podrán vender la totalidad o parte de sus Derechos de Suscripción Preferente o, alternativamente, suscribir, total o parcialmente, Nuevas Acciones del Segundo Tramo, con sujeción a las restricciones de transmisión que resulten aplicables, mientras que cualquier Accionista Elegible (distinto de LetterOne, que se ha comprometido a no hacerlo) u otros inversores podrán adquirir Derechos de Suscripción Preferente en el mercado en la proporción requerida y suscribir las correspondientes Nuevas Acciones del Segundo Tramo.
- (viii) Tanto los Accionistas Elegibles (incluyendo a LetterOne) como otros inversores que adquieran Derechos de Suscripción Preferente y los ejerzan, total o parcialmente, podrán también suscribir Nuevas Acciones adicionales durante el periodo de asignación adicional, que está previsto que finalice el 4 de agosto de 2021 (el “**Periodo de Asignación Adicional**”). Para evitar dudas, se considerará que LetterOne ha ejercido sus Derechos de Suscripción Preferente al suscribir el Primer Tramo y podrá, como cualquier otro Accionista Elegible o inversor, participar en el Periodo de Asignación Adicional.
- (ix) Los Derechos de Suscripción Preferente no ejercidos dentro del Periodo de Suscripción Preferente o del Periodo de Asignación Adicional caducarán sin valor.
- (x) Las Nuevas Acciones del Segundo Tramo que no sean suscritas durante el Periodo de Suscripción Preferente o el Periodo de Asignación Adicional podrán ser ofrecidas a inversores cualificados (incluyendo LetterOne) que muestren interés en adquirir Nuevas Acciones en el Segundo Tramo durante un periodo de asignación discrecional que está previsto que comience en cualquier momento tras la finalización del Periodo de Asignación Adicional y que finalice no más tarde de las 08:00 p.m. CET del 5 de agosto de 2021 (el “**Periodo de Asignación Discrecional**”).
- (xi) Las Nuevas Acciones del Segundo Tramo que permanezcan sin suscribir después de dicho Periodo de Asignación Discrecional no se emitirán.
- (xii) A efectos aclaratorios, LetterOne sólo tendrá derecho a suscribir Nuevas Acciones del Segundo Tramo en el Periodo de Asignación Adicional o en el Periodo de Asignación Discrecional mediante aportaciones dinerarias, y siempre que existan acciones no suscritas tras la finalización del Periodo de Suscripción Preferente.

Calendario previsto

El calendario resumido que figura a continuación enumera algunas fechas importantes relacionadas con el Aumento de Capital:

	Hecho principal	En o en torno a
	Inicio del Periodo de Suscripción Preferente y del periodo para solicitar la asignación de Nuevas Acciones (si procede) durante el Periodo de Asignación Adicional	13 de julio de 2021
	Fin del Período de Suscripción Preferente y del plazo para solicitar la asignación de Nuevas Acciones (si procede) durante el Período de Asignación Adicional	27 de julio de 2021
	Periodo de Asignación Adicional (si procede)	4 de agosto de 2021
	Comienzo del Período de Asignación Discrecional (si procede)	4 de agosto de 2021
	Fin del Período de Asignación Discrecional (si procede)	5 de agosto de 2021
	Inscripción en el Registro Mercantil de la escritura pública de Aumento de Capital.....	10 de agosto de 2021
	Previsión del inicio de cotización de las Nuevas Acciones en las Bolsas de Valores Españolas.....	12 de agosto de 2021
D.2	¿Por qué se ha elaborado este Folleto?	
	<p>El Folleto se ha elaborado con el fin de ejecutar el Aumento de Capital y empezar el Período de Suscripción Preferente de las Nuevas Acciones en el Segundo Tramo, así como para solicitar la admisión a negociación de las Nuevas Acciones de la Sociedad en las Bolsas de Valores Españolas, así como su incorporación al Sistema de Interconexión Bursátil o Mercado Continuo.</p> <p>El Aumento de Capital se lleva a cabo en el contexto de una serie de medidas de refinanciación y recapitalización que el Grupo ha puesto en marcha y/o pretende poner en marcha (o, en su caso, ha iniciado su puesta en marcha), como parte de la Operación Global.</p> <p>El Aumento de Capital tiene por objeto (i) contribuir al cumplimiento de las condiciones suspensivas a las que está sujeta la Operación Global, y (ii) permitir a la Sociedad (a) reforzar sus fondos propios, (b) reducir significativamente su endeudamiento financiero (mediante la cancelación de los Créditos LetterOne de 769,2 millones de euros), y (c) obtener liquidez a través del Segundo Tramo (en caso de ser suscrito), lo que a su vez permitiría a la Sociedad acelerar la ejecución de su Plan de Negocio Actual.</p>	