



Changes in the Presidency of the Board of Directors of Dia Group



/Stephan DuCharme has announced his departure as Chairman from the Board of Directors of Dia Group

/Benjamin J. Babcock, external proprietary director, will become Chairman of the Board of Directors.

/This departure coincides with the company's turning point towards a new stage of growth consolidation and takes place one year after the appointment of Martín Tolcachir, Group CEO

/As a reference shareholder of Dia Group, LetterOne, has reaffirmed its support for the continued strategy of creating value for all the company's stakeholders over the years and underlines the construction of a relevant player in the local food distribution markets where Dia operates

September 22, 2023, Las Rozas de Madrid. Stephan DuCharme, Chairman of the Board of Directors of Dia Group, announced today his resignation from the company following the termination of his relationship with LetterOne as Managing Partner of LIRetail

The Board of Directors has elected Benjamin J. Babcock, who was appointed as Proprietary Director by co-option in May 2023, as Chairman. Mr. Babcock is Managing Director of Corporate Finance at LetterOne.

"I am delighted to support Dia as Chairman in this period when LetterOne is actively looking for a new proprietary representative," declares Benjamin B. Babcock. "I would like to thank Stephan DuCharme on behalf of Dia's Board of Directors, and LetterOne for his important work over the years highlighting his valuable contribution to the Group's transformation and consolidation towards business growth."

The new Chairman added: *"I would like to underline LetterOne's continued commitment to Dia Group value creation strategy for all of the company's stakeholders over the years, and to building a relevant player in proximity food distribution in the markets in which Dia operates. The strategy is showing results and we are confident that they will continue to do so in the future".*

Stephan DuCharme joined Dia Group in 2019 when LetterOne became the company's main shareholder, at which time he assumed the role of Non-Executive Chairman and later became Executive Chairman. After these 5 years at the helm of Dia Group, he has led the profound strategic and cultural transformation that the organization has undergone. DuCharme became Chairman of the Board of Directors in September 2022 with the promotion of Martín Tolcachir as CEO of Dia Group.

As Stephan DuCharme says, *"We have implemented the roadmap of our strategy, with patience and hard work. We have focused on offering a differentiated value proposition vis-à-vis our competitors, a new store concept, revising our assortment and accelerating the development of our own brand".* He also emphasizes that *"we have simplified Dia's portfolio, which will allow us to focus our efforts on the strengths of the business with the medium-term objective of being a relevant player in any of the markets in which Dia operates".* Thus, the recent agreement with Auchan for the sale of the operation in Portugal, the sale of Clarel and the simplification of the network in Spain have been strategic decisions that follow this roadmap.

"These results would not have been possible without the commitment and hard work of our employees, management team, franchisees, suppliers and other partners on the Dia Group journey. I would also like to thank our financial and commercial partners for their support of the company over the past 5 years."

Martín Tolcachir says that *"we can proudly state that after a phase of redirection and acceleration towards growth, we have moved on to a phase of business consolidation. This would not have been possible without Stephan's work. His leadership in Dia Group has allowed us to drive our purpose and redirect our business".* He adds, *"Our commitment is to proximity and our strategy is clear. With Ben's support as Chairman, we will continue with our roadmap, which is bearing results".*



He concludes that "the appointment of Benjamin J. Babcock as Chairman reflects the continued commitment of the core shareholders and the continuity of the strategy for the next phase of the Dia Group".

Benjamin J. Babcock Profile

Benjamin J. Babcock holds a BA in East Asian Studies from the University of Toronto (Canada), an MSc from the London School of Economics and is a Chartered Accountant. Prior to joining LetterOne, he worked for a decade for Morgan Stanley as a Managing Director in London. Previously, he worked for Merrill Lynch and Lazard in London and Canada.

Babcock joined Dia Group's Board of Directors after analyzing the experience and skill needs required for the governance of the company in the final phase of the *turnaround process* and determining that his background brings valuable knowledge in corporate finance and strategy.

During his career, Babcock has advised companies and investors on a number of recapitalization, refinancing and M&A transactions in the energy, transportation, telecommunications, infrastructure and manufacturing sectors in Europe and the Middle East

About Dia Group

Closer every day

We are Dia Group, the leading network of proximity stores with more than 5,400 stores in Spain, Argentina, Brazil and Portugal. We are the neighborhood store, the one that facilitates an easy, fast and complete shopping experience, close to home and with high quality products at an affordable price, both through our physical stores and our online channel.

Our first Dia store opened its doors in Madrid in 1979. Today, four decades later, with proximity as our strength and diversity as our banner, the more than 33,400 people who make up our team in the store, warehouse and office, and the 19,500 in our franchisee network are driven by the same purpose: to be closer every day to offer great quality within everyone's reach. Together, we have built a company that has been listed on the Spanish stock exchange since 2011 and achieved a turnover of 7,286 million in 2022.

To achieve our purpose, we rely on a solid network of suppliers, with 96% of our purchases made locally. This allows us to offer our more than 14 million loyal customers around the world an accessible and affordable food product, with a complete assortment, a clear commitment to fresh products and a renewed Dia brand. In addition, we also work to make a positive impact wherever we operate. Thanks to the employment and self-employment opportunities we promote in each neighborhood, we generated more than 151,000 direct and indirect jobs in 2021 and our contribution to the GDP of the four countries exceeded 9.2 billion euros.

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