

Colruyt Group has the intention to restructure Dreamland and Dreambaby and also reaches a principle agreement with ToyChamp regarding a partnership for Dreamland

Dreamland NV ("Dreamland") and Dreambaby NV ("Dreambaby") are experiencing, despite their leading market positions, decreasing volumes with a substantial negative impact on their profitability. This is the result of the challenging markets in which both non-food activities are operating and is strengthened by the current macro-economic environment. These past months, corrective measures have been taken such that Dreamland and Dreambaby could contribute in a sustainable way to the long-term strategy and to the consolidated results of Colruyt Group within a reasonable period. The desired results and the expected perspective have not been achieved. In this respect, the management has announced during an extraordinary works council its intention to restructure Dreamland and Dreambaby, to which the Procedure Renault applies.

Furthermore, Colruyt Group also has the intention to bring on board a strong partner for Dreamland. The group believes that ToyChamp Holding NV ("ToyChamp"), a Belgian family company and a prominent, profitable player in the toy market, would be the right partner in that respect. Both parties reached a principle agreement for ToyChamp to obtain 75% of the shares of Dreamland.

Dreamland and Dreambaby: strong market players in very challenging markets

For some time now, both Dreamland and Dreambaby have been operating in challenging markets, characterised by increasing competition, volumes that are under pressure, a shift for offline to online consumption and changing customer behaviour. This results in Dreamland and Dreambaby experiencing decreasing volumes, despite their leading market positions, with a substantial negative impact on their profitability. This trend is strengthened by the current macro-economic context.

Colruyt Group retains its focus on its long-term strategy. This implies that the group's activities are regularly critically evaluated, both in terms of their business model and their profitability. These past months, several corrective measures have been taken such that Dreamland and Dreambaby could consolidate their market position and could turn profitable in a sustainable way. The online assortment of Dreamland has, for instance, been reviewed recently, as have the delivery rates for online orders.

Intention to restructure for a healthy, sustainable future

Colruyt Group believes additional measures are necessary for Dreamland and Dreambaby to face a healthy, sustainable future. In this respect, the management has informed the works council today of its intention to restructure Dreamland and Dreambaby (which together form one technical business unit). The execution of this plan would have an impact on the employment whereby the Procedure Renault with regard to collective redundancies would be applied. Jef Colruyt, CEO of Colruyt Group, elaborates: *"Assessing all options, this has been a difficult consideration for us as management. We are fully aware of the human and social consequences of this restructuring intention, and we will do our utmost to work together constructively with the parties involved and to offer the employees the necessary support. We are convinced that such an intention can ensure that the strong brands of Dreamland and Dreambaby have a future in this rapidly evolving market context."*

Dreamland and Dreambaby employ about 1.100 employees altogether. The intention to restructure could have an impact on 192 employees and also implies the intention to close a limited number of stores (1 Dreamland store and 5 Dreambaby stores). As a people-oriented employer, Colruyt Group constructively works together with all parties involved. In the coming weeks, the restructuring intention will be further discussed with the social partners during a series of extraordinary works councils.

The restructuring of Dreambaby should give this non-food activity a new boost to further grow and to contribute to the long-term strategy of the group on its own in a sustainable manner.

Dreamland: facing challenges, side by side with a strong partner

The challenges Dreamland faces are of such nature that they are realised ideally side by side with a strong partner. Colruyt Group believes ToyChamp, a Belgian family company with more than 30 toy stores in Belgium and The Netherlands and a distribution centre in Genk (Belgium), would be the ideal partner.

ToyChamp not only has extensive knowledge of the toy market, but it also has a proven record of exploiting a store network profitably. Both Colruyt Group and ToyChamp share their strategic focus on experience and passion for the craft, and both are family companies with solid Belgian roots. By combining their knowledge and expertise, Dreamland and ToyChamp would become the number 1 toys retailer in Belgium, that is also active in The Netherlands. Colruyt Group is convinced this would make Dreamland stronger in the future in order to face the different challenges in the market.

The transaction with ToyChamp

Colruyt Group and ToyChamp have reached a principle agreement whereby ToyChamp would obtain 75% of the shares of Dreamland and thus, as a consequence, would obtain control over Dreamland. Dreamland will continue to exist; as brand, as legal entity and as an employer. The current management of Dreamland remains on board.

The agreement will be further developed in the coming months and the intention is to close the transaction by the end of 2023.

Both parties have agreed not to disclose any details regarding the principle agreement.

At closing of the transaction, Dreamland will no longer be fully consolidated in the consolidated figures of Colruyt Group.

The group will in that case act in accordance with the applicable regulations and communicate on further developments.

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About Colruyt Group

Colruyt Group operates in the food and non-food distribution sector in Belgium, France and Luxembourg with more than 700 own stores and over 580 affiliated stores. In Belgium, this includes Colruyt Lowest Prices, OKay, Bio-Planet, Cru, Dreamland, Dreambaby, Bike Republic, ZEB, PointCarré, The Fashion Store and the affiliated stores Spar and PointCarré. In France, in addition to Colruyt stores, there are also affiliated Coccinelle, CocciMarket, Panier Sympa and PointCarré stores. JIMS operates fitness clubs in Belgium and Luxembourg. Solucious and Culinoa deliver food service and retail products to professional customers in Belgium (hospitals, SMEs, hospitality sector, etc.). The activities of Colruyt Group also comprise energy supply by DATS 24 in Belgium (fuels, natural gas and green energy) and France (fuels), and printing and document management solutions (Symeta Hybrid). The group employs nearly 33.000 employees and recorded a EUR 10,0 billion revenue in 2021/22. Etn. Fr. Colruyt NV is listed on Euronext Brussels (COLR) under ISIN code BE0974256852.

About Dreamland

Dreamland, a Colruyt Group subsidiary since 1994, is a family and seasonal store, offering an extensive range of toys (including the own Dreamland brand), outdoor toys, garden furniture, school supplies, multimedia and gaming, books and comic books, and much more. All at competitive prices. Under the motto 'Unpack your dreams', DreamLand aims to inspire children and their families to have more fun together through play. Besides the webshop, Dreamland currently has 48 stores and employs about 800 people.

About Dreambaby

Dreambaby is Colruyt Group's baby specialist store. Dreambaby currently has 32 stores and five DreamLand stores have a Dreambaby Shop. Dreambaby is the largest national player in the Belgian baby market, with a quality, wide offer for babies and toddlers up to 30 months. The physical stores and the online shop offer a choice of most major brands and the own brand Dreambee. Customers can put together and manage online and in-store baby gift lists. Online reservations can be collected from more than 400 collection points at Colruyt and OKay, or delivered to the customer's home. Dreambaby stands out through its personal guidance and advice from experienced staff. It employs more than 300 people.

About ToyChamp

ToyChamp, founded in 2001 by CEO Koen Nolmans and his brothers, is a Belgian family company with 33 toy stores: 9 in Belgium (in Antwerp and Limburg) and 24 in The Netherlands. The surface of the stores varies between 1.400 and 2.000 m² and the stores have a large assortment of indoor and outdoor toys, gadgets, multimedia and school supplies. ToyChamp strongly focuses on the shopping experience with its own mascotte Champy, shop-in-shop concepts of well-known toy brands, meet&greet with kids' heroes and interactive demo's. Both the head office and the distribution centre of 20.000 m² are located in Genk. ToyChamp employs about 450 people in Belgium and The Netherlands.