

Summary of the General Meeting of Shareholders of Etn. Fr. Colruyt NV of 27 September 2023

The General Meeting of Etn. Fr. Colruyt NV was held today, 27 September 2023.

The General Meeting approved, among other things, the proposed gross dividend of EUR 0,80 per share for financial year 2022/23, as well as various (re)appointments. The mandate of independent director Chantal De Vrieze, permanent representative of 7 Capital NV, was renewed for a term of two years. The lapsed mandate of independent director Dirk Van den Berghe was not renewed. The Board of Directors thanked Mr. Van den Berghe for his contribution to helping to implement the group's long-term strategy. Mr. Rudi Peeters, permanent representative of Rudann BV, was appointed as new independent director, with a mandate that will lapse after the General Meeting in 2025. As previously announced, Chairman Jef Colruyt has handed over the day-to-day management of the group to CEO Stefan Goethaert as of 1 July 2023. Jef Colruyt has since been serving as a non-executive director, yet still in the capacity of Chairman of the Board of Directors.

For an overview of all voting results, please refer to the minutes of the Ordinary General Meeting that will be published on our website in the next few days.

At the General Meeting, the annual results and accomplishments of the financial year 2022/23 as reported in the annual report and the press release on the annual results, were summarised.

Chairman Jef Colruyt looked back: "2022/23 was an eventful, challenging financial year, in which we have continued to evolve, based on our belief that we create added value for society today, tomorrow and in the long term. Over the past thirty years, Colruyt Group has evolved to a large, diverse group of companies. In the past financial year, we experienced a context of high inflation that was seriously challenging all retailers and sharply increased our costs, among other things for energy and remuneration. These cost increases severely impacted our net result, but we are proud that, despite all this, we achieved good revenue growth and consolidated our market share. For that, I want to extend my sincere thanks to all employees, customers and partners. They continued to trust in Colruyt Group even in difficult times and are today building the future with us."

CEO Stefan Goethaert underlined that numerous steps were again taken in the past financial year to ensure the group's sustainable continued existence and that he, as CEO, will continue on this course with great enthusiasm. "We continue to expand our smart ecosystem, with products and services in four areas of expertise, where a significant portion of family budgets is spent. In this way, we aim to meet the ever-evolving customer needs in the best possible way: customers seek solutions that fit their budgets, are sustainable, bring convenience and help them make conscious, healthy choices. In the future, we will mainly achieve growth by seeking strong cooperation across these four areas of expertise in order to offer our customers optimal solutions. Xtra is enabling us to know our customers ever better, and to tailor our offering even closer to their needs based on the four areas of expertise. Also in the current financial year, we will thus continue to consistently implement our long-term strategy. In doing so, we will regularly assess whether our activities are sustainably contributing to this strategy and to Colruyt Group's consolidated results. We will of course adjust where necessary."

The CEO also addressed several messages to Belgium's political bodies. He stated, inter alia, that the Belgian retail landscape continues to noticeably internationalise. "As the only 100% Belgian retailer, we continue to invest in our own country, thus seeking to make a maximum contribution to Belgium's employment levels and to a strong, sustainable Belgian food system, together with our many local suppliers. That system being under pressure, we are asking that the wage cost differential with our neighbouring countries be reduced. Also with a view to a fair competitive landscape, we are calling for a major reduction and harmonisation of the number of joint employer-employee negotiating committees in the trading area." The CEO also called on politicians not to get carried away by election fever in the coming months. "In these times, we expect politicians to have the courage to make sustainable and positive choices together and to nurture connection rather than polarisation. As we are facing significant challenges such as budget and climate, we must avoid a standstill as much as possible."

COO Jo Willemys commented on the growth in the **area of expertise food**. "We strengthened our presence in France with the acquisition of the Degrenne Distribution group, completed in early July 2023. This major player in the French convenience store market perfectly complements our existing Codifrance wholesale arm. Our retail network also continued to grow in Belgium and Luxembourg, with 13 new food stores and 22 renovations. Our Colruyt Lowest Prices formula proved more relevant than ever with its unique lowest price guarantee. With food price inflation continuing, Colruyt attracted new customers and increased its market share."

The COO concluded by informing that, on 21 September 2023, Colruyt Group reached an agreement with Match NV and Profi NV, subsidiaries of the Louis Delhaize NV group, to acquire 28 Match and 29 Smatch stores. The acquisition fits in perfectly with the group's long-term strategy and enables it to accelerate its growth plans. Completion of the transaction is expected to take place in the first quarter of 2024.

There was also quite a lot happening in the **area of expertise health**. Our Jims fitness chain boosted its muscle by acquiring six fitness clubs and Colruyt Group took a shareholding in digital health platform yoboo. With its new distribution centre, our online pharmacy Newpharma is ready for future growth.

CFO Stefaan Vandamme focused on recent developments within the **non-food area of expertise**, in particular the restructuring of Dreamland and Dreambaby, the intention of which was announced in April 2023. The restructuring must help both brands to progress towards a sustainable future. The Dreamland toy formula will meet future challenges alongside a strong partner: the sale of 75% of the shares of Dreamland to the Belgian toy specialist ToyChamp will be completed within the next few days. Furthermore, Stefaan Vandamme stressed that Dreambaby remains an integral part of Colruyt Group. The bicycle specialist Bike Republic and the fashion group The Fashion Society, for their part, continued to expand and increase revenue.

The sustainable course the company is pursuing, thereby scaling up sustainability goals, was also addressed. In this respect, a moment was taken to look back on the success of the very first Green Retail Bond of the group. CFO Stefaan Vandamme: "The targeted 250 million euros was easily raised and will be used to finance existing and new sustainable projects in the coming years. This success only reinforces us in the sustainable course we have been following for several years now."

Lastly, Chairman Jef Colruyt indicated that the group has also set a new course in the **energy area of expertise**. The energy holding company Virya Energy reached an agreement to sell its offshore wind energy platform Parkwind to the Japanese group JERA Green. Moreover, the group completed the sale of its fuel specialist DATS 24 to Virya Energy in June 2023.

During the General Meeting, the outlook for the financial year 2023/24 was also explained in further detail.

Colruyt Group expects the operating profit and the net result (i.e. excluding one-off effects, DATS 24 and Dreamland) to increase sharply in the financial year 2023/24 compared to last financial year (on a comparable basis, in line with the key figures of 2022/23), namely an increase above 50%.

Being a retailer and the market leader in Belgium, Colruyt Group continues to actively fulfil its role in society by ensuring that customers receive a quality and affordable offer in stores and online. In doing so, Colruyt Lowest Prices continues to consistently implement its lowest prices strategy so that customers can count on us to help them stay on top of their budgets. This is appreciated by our customers and results in an increase in market share in Belgium (Colruyt Lowest Prices, Okay and Spar) by more than 100 basis points to 32,2% (period April to August 2023).

The expected sharp increase of the result can be explained by a number of factors including:

- market share gains in Belgium;
- the normalisation of the balance between sales price inflation and cost price inflation after cost price inflation had exceeded sales price inflation for more than one year;
- the increased focus on processes and on operational cost control since financial year 2022/23.

The group wishes to point out that the macroeconomic context remains challenging and uncertain, and that the fierce competitiveness in the Belgian retail market persists and may even increase:

- Today we note that the evolution of sales price inflation versus cost price inflation has normalised after cost price inflation had exceeded sales price inflation for more than one year. Such normalisation is essential to allow further investments in promotions, lowest prices, as well as expansion, sustainability, digitalisation, and so on. It remains very uncertain whether this dynamic will continue over the entire financial year.
- Colruyt Group is experiencing increased promotional pressure in the Belgian retail market. This can be an indication that competitiveness will further intensify in the weeks and months to come.

The uncertainty associated with the macroeconomic context and the high competitiveness in the Belgian retail market may significantly impact the outlook and have a negative effect on the group's results.

The group continues to maximise the management of its operating costs and its cash position. Thanks to its permanent focus on efficiency as well as operational cost control, Colruyt Lowest Prices can continue to live up to its promise to its customers. In addition, the group maintains its long-term focus and pursues its investments in sustainability and efficiency, digital transformation and innovation, employees and high-quality house-brand products in a targeted manner.

The financial year 2023/24 will include several **one-off effects**:

- On 26 July 2023, the sale of Parkwind to JERA by Virya Energy was successfully completed. The final price was approximately EUR 1,6 billion (net of debt and transaction costs) at the level of Virya Energy. This leads to a one-off positive effect in Colruyt Group's consolidated net result in the financial year 2023/24 that is roughly estimated at EUR 680 million. Following his transaction, Virya Energy will pay EUR 750 million to Colruyt Group in the financial year 2023/24.

Colruyt Group will use the incoming cash towards the consistent implementation of its long-term strategy. Part of the cash inflow will be used to acquire 57 Match and Smatch stores from Match NV and Smatch NV (see press release dated 22 September 2023).

Furthermore, an additional investment budget of over EUR 100 million will be provided and will, amongst other things, be allocated to transformation costs for the acquired Match and Smatch stores.

In addition, Colruyt Group intends to distribute approximately one fifth of the capital gain resulting from the Parkwind transaction to the shareholders before the end of the calendar year, in the form of an **interim dividend** of EUR 1,00 (gross). This will be examined further in the coming weeks and Colruyt Group will, as the case may be, communicate on further developments in accordance with the applicable regulations.

- The restructuring of Dreamland and Dreambaby, the intention of which was announced on 19 April 2023, will give rise to a restructuring charge in the financial year 2023/24. That cost is estimated at approximately EUR 8 million.
- Completion of the transaction with ToyChamp, whereby ToyChamp will acquire 75% of Dreamland's shares, is expected in early October 2023. From that point on, Dreamland will no longer be fully consolidated but will be accounted for using the equity method. This transaction is expected to result in a limited one-off impact on the net result of the financial year 2023/24. At the end of September, a capital increase between EUR 15 million and EUR 20 million will be carried out at Dreamland to finance restructuring costs as well as to settle outstanding balances with the group.
- The sale of DATS 24 to Virya Energy was completed in the beginning of June 2023. This will result in a limited positive one-off effect on the net result of the financial year 2023/24 (excluding a potential earn-out consideration).

Furthermore, Colruyt Group intends to sell part of its stake in the **energy holding company Virya Energy** to Korys, the investment company of the Colruyt family. As a result, Colruyt Group's stake in Virya Energy would drop from 59,94% (as of 31 March 2023) to approximately 30%, and Korys' stake in Virya Energy would increase to approximately 70%.

With a new shareholder structure, Colruyt Group wants to give Virya Energy the opportunity to continue to execute its ambitious growth plans. Colruyt Group considers it important to retain a minority stake to be able to, on the one hand, contribute to this story of growth and, on the other, continue building know-how and expertise together as regards the renewable energy transition and energy supply, for instance as part of the ambition to make its freight transport zero-emission by 2035.

Colruyt Group will in that case act and communicate further in accordance with the applicable regulations.

As communicated in June 2023, Colruyt Group's legal structure has been adapted in the last few months to be better aligned with the four areas of expertise on which the group's long-term strategy is based ('Food', 'Health and Well-being', 'Non-Food' and 'Energy'). In view thereof, the food activities will be centralised under a separate subsidiary (Colruyt Food Retail NV) as of 1 October. From that point on, all Colruyt Group activities will thus be centralised by area of expertise. The parent company serves all these areas of expertise and connects them with each other in order to create and exploit synergies, ensure smooth and efficient management and achieve the group's long-term objectives. Subject to the approval of the Extraordinary General Meeting to be held on 10 October 2023, the name of the parent company would change to Colruyt Group NV.

Contact

For questions on this press release or for further information, please send an email to investor@colruytgroup.com.

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 approximately 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 and DATS 24 filling stations, there are also affiliated Coccinelle, Coccimarket, Panier Sympa and PointCarré stores. Jims operates fitness clubs in Belgium and Luxembourg. Newpharma is the Belgian online pharmacy of Colruyt Group. 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 printing and document management solutions (Symeta Hybrid) and, until June 2023, energy supply by DATS 24 in Belgium (fuels, natural gas and green energy). The group employs more than 33.000 employees and recorded a EUR 10,8 billion revenue in 2022/23. Etn. Fr. Colruyt NV is listed on Euronext Brussels (COLR) under ISIN code BE0974256852.

Risks relating to forecasts

Statements by Colruyt Group included in this press release, along with references to this press release in other written or verbal statements of the group which refer to future expectations with regard to activities, events and strategic developments of Colruyt Group, are predictions and as such contain risks and uncertainties. The information communicated relates to information available at the present time, which can differ from the final results. Factors that can generate a variation between expectation and reality are: changes in the micro- or macroeconomic context, changing market situations, changing competitive climate, unfavourable decisions with regard to the building and/or extension of new or existing stores, procurement problems with suppliers, as well as all other factors that can impact the group's result. Colruyt Group does not make any commitments with respect to future reporting that might have an influence on the group's result or which could bring about a deviation from the forecasts included in this press release or in other group communication, whether written or oral.

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Cette information est également disponible en français.

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