Financial report

Consolidated income statement

(in million EUR)	Note	2022/23	2021/22[1]
Revenue	3.	9.933,6	9.251,1
Cost of goods sold	3.	(7.074,2)	(6.546,4)
Gross profit	**3.**	**2.859,4**	**2.704,7**
Other operating income	4.	148,5	135,5
Services and miscellaneous goods	5.	(717,4)	(611,9)
Employee benefit expenses	6.	(1.611,3)	(1.473,1)
Depreciation, amortisation and impairment of non-current assets		(399,3)	(356,9)
Other operating expenses	4.	(29,0)	(35,2)
Operating profit (EBIT)		**250,9**	**363,1**
Finance income	7.	10,7	11,3
Finance costs	7.	(21,5)	(9,8)
Net financial result	**7.**	**(10,8)**	**1,5**
Share in the result of investments accounted for using the equity method	12., 13.	1,7	6,0
Profit before tax		**241,8**	**370,6**
Income tax expense	8.	(62,2)	(92,6)
Profit for the financial year from continuing operations		**179,6**	**278,0**
Profit for the financial year from discontinued operations	16.	20,9	10,0
Profit for the financial year		**200,5**	**288,0**
Attributable to:			
Non-controlling interests		(0,1)	0,7
Owners of the parent company		200,6	287,3
Earnings per share - basic and diluted (in EUR) - from continuing operations	22.	1,40	2,09
Earnings per share - basic and diluted (in EUR) - from discontinued operations	22.	0,16	0,07
Earnings per share – basic and diluted (in EUR)	22.	1,57	2,16

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

Consolidated statement of comprehensive income

(in million EUR)	Note	2022/23	2021/22
PROFIT FOR THE FINANCIAL YEAR		**200,5**	**288,0**
ITEMS OF OTHER COMPREHENSIVE INCOME FROM FULLY CONSOLIDATED SUBSIDIARIES			
Items that will not be reclassified to profit or loss			
Revaluation of liabilities related to long-term post-employment benefits, after taxes(1)	8., 24.	13,8	20,8
Net change in fair value of financial assets at fair value through other comprehensive income, after taxes	14.	(4,1)	(1,1)
Total of the items that will not be reclassified to profit or loss		**9,7**	**19,7**
Items that may be reclassified subsequently to profit or loss			
Profit/(loss) from currency translation of foreign subsidiaries, after taxes		(0,9)	0,3
Net change in fair value of derivative financial instruments, after taxes	8.	(2,0)	6,2
Total of the items that may be reclassified subsequently to profit or loss		**(2,9)**	**6,5**
ITEMS OF OTHER COMPREHENSIVE INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Items that will not be reclassified to profit or loss			
Revaluation of liabilities related to long-term post-employment benefits, after taxes	8.	(0,3)	-
Total of the items that will not be reclassified to profit or loss		**(0,3)**	**-**
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of derivative financial instruments, after taxes(2)	12., 13.	88,5	16,4
Total of the items that may be reclassified subsequently to profit or loss		**88,5**	**16,4**
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**95,0**	**42,6**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**295,5**	**330,6**
Attributable to:			
Non-controlling interests		(0,1)	0,7
Owners of the parent company		295,6	329,9

(1) Mainly reflects the impact of increased discount rates, partly offset by salary indexation.
(2) Mainly relates to the interest rate swap contracts held by Virya Energy NV.

Consolidated statement of financial position

(in million EUR)	Note	31.03.23	31.03.22
Goodwill	9.	374,5	157,6
Intangible assets	10.	340,0	329,4
Property, plant and equipment	11.	2.820,8	2.745,0
Investments accounted for using the equity method	12., 13.	542,6	464,3
Financial assets	14.	10,8	14,7
Deferred tax assets	17.	18,2	17,5
Other receivables	19.	38,3	46,0
Total non-current assets		**4.145,2**	**3.774,5**
Inventories	18.	826,5	815,6
Trade receivables	19.	534,7	602,4
Current tax assets		22,7	35,2
Other receivables	19.	97,8	81,4
Financial assets	14.	31,3	128,3
Cash and cash equivalents	20.	358,6	176,2
Assets from discontinued operations	16.	130,8	-
Total current assets		**2.002,4**	**1.839,1**
TOTAL ASSETS		**6.147,6**	**5.613,6**
Share capital		370,2	364,7
Reserves and retained earnings		2.140,1	2.097,4
Total equity attributable to owners of the parent company		**2.510,3**	**2.462,1**
Non-controlling interests		0,1	-
Total equity	**21.**	**2.510,4**	**2.462,1**
Provisions	23.	8,5	15,4
Liabilities related to employee benefits	24.	87,9	107,2
Deferred tax liabilities	17.	86,3	91,6
Interest-bearing and other liabilities(1)	25., 26.	880,9	650,7
Total non-current liabilities		**1.063,6**	**864,9**
Provisions	23.	0,9	0,7
Bank overdrafts	20.	8,4	0,2
Interest-bearing liabilities(2)	25.	471,1	349,8
Trade payables	26.	1.295,8	1.283,6
Current tax liabilities		20,4	24,9
Liabilities related to employee benefits and other liabilities	26.	687,8	627,4
Liabilities from discontinued operations	16.	89,2	-
Total current liabilities		**2.573,6**	**2.286,6**
Total liabilities		**3.637,2**	**3.151,5**
TOTAL EQUITY AND LIABILITIES		**6.147,6**	**5.613,6**

(1) Includes, among other things, the green retail bond in the amount of EUR 250 million on 31 March 2023.
(2) Includes, among other things, EUR 299 million of short-term financing at 31 March 2023 (EUR 207 million at 31 March 2022). The short-term financing includes a committed credit facility for a 5-year term amounting to EUR 530 million with an outstanding position of EUR 150 million at 31 March 2023.

Consolidated statement of cash flows

The amounts shown below include both continuing and discontinued operations.

	(in million EUR)		Note	2022/23[1]	2021/22
OPERATING ACTIVITIES	**Profit before tax**			**269,7**	**382,7**
	Adjustments for:	Depreciation, amortisation and impairment of non-current assets		406,8	365,4
		Finance income and finance costs	7.	10,5	(1,5)
		Share in the result of investments accounted for using the equity method	12., 13.	(1,7)	(6,0)
		Losses/(gains) on the sale of property, plant and equipment, intangible and financial assets	4.	(9,2)	(4,5)
		Discount on capital increase reserved for personnel		1,2	1,3
		Other[2]		(0,1)	(13,3)
	Cash flow from operating activities before changes in working capital and provisions			**677,2**	**724,1**
	Decrease/(increase) in trade and other receivables			26,5	(47,7)
	Decrease/(increase) in inventories			(17,2)	(60,3)
	(Decrease)/increase in trade payables and other liabilities			74,8	(49,3)
	(Decrease)/increase in provisions and liabilities related to employee benefits			8,1	(6,4)
	Dividends received			5,5	4,9
	Income tax paid			(70,2)	(69,5)
	Cash flow from operating activities			**704,7**	**495,8**
INVESTING ACTIVITIES	Acquisition of property, plant and equipment and intangible assets			(463,0)	(484,5)
	Business combinations (net of cash and cash equivalents acquired)			(111,5)	(65,0)
	Business disposals (net of cash and cash equivalents disposed of)			0,6	-
	Increase in investment in capital of associates and joint ventures		12., 13.	(4,1)	(74,8)
	Proceeds from capital reimbursements of associates and joint ventures		12., 13.	0,1	0,7
	(Purchases)/sales of financial assets		14.	0,2	13,1
	(Payment of)/proceeds from repayment of loans granted			3,7	(13,7)
	Proceeds from sale of property, plant and equipment and intangible assets			22,7	17,2
	Cash flow from investing activities			**(551,3)**	**(607,0)**
FINANCING ACTIVITIES	Proceeds from the issue of share capital		21.	5,4	7,3
	Acquisition of non-controlling interests			0,1	0,1
	Purchase of treasury shares			(95,0)	(199,1)
	New borrowings		25.	637,2	655,7
	Repayment of borrowings		25.	(326,0)	(215,7)
	Interest paid			(11,1)	(2,3)
	Interest received			7,0	5,3
	Payment of lease liabilities		25.	(58,8)	(51,2)
	Dividends paid		21.	(139,9)	(196,3)
	Cash flow from financing activities			**18,9**	**3,8**
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS				**172,3**	**(107,4)**
Cash and cash equivalents at 1 April				176,0	283,3
Effect of changes in foreign currency rates				(0,1)	0,1
Effect of changes in consolidation scope				4,5	-
CASH AND CASH EQUIVALENTS AT 31 MARCH			**20.**	**352,7**	**176,0**

(1) Profit before tax is inclusive of discontinued operations. For 2022/23, this is the sum of the profit for the financial year for the continuing operations (EUR 241,8 million) and the profit for the financial year for the discontinued operations (EUR 27,8 million) as specified in note 16.

(2) At 31 March 2022, the category 'Other' includes impairments and reversals of impairments on inventories, trade receivables and other receivables.

Consolidated statement of changes in equity

(in million EUR, except number of shares)	Note	Attributable to the owners of the parent company										Non-controlling interests	Total equity
						Other reserves							
		Number of shares	Share capital	*Number of treasury shares*	Treasury shares	Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets through Other comprehensive income	Retained earnings	Total		
AT 1 APRIL 2022		***133.839.188***	**364,8**	***3.518.954***	**(143,8)**	**(21,3)**	**(1,8)**	**(8,4)**	**8,6**	**2.264,0**	**2.462,1**	**-**	**2.462,1**
Total comprehensive income for the financial year		-	-	-	-	13,5	(0,9)	86,5	(4,1)	200,6	295,6	(0,1)	295,5
Profit for the financial year		-	-	-	-	-	-	-	-	200,6	200,6	(0,1)	200,5
Other comprehensive income for the financial year		-	-	-	-	13,5	(0,9)	86,5	(4,1)	-	95,0	-	95,0
Transactions with the owners		*238.500*	5,4	*3.169.026*	(94,8)	-	-	-	-	(158,0)	(247,4)	0,2	(247,2)
Capital increase	21.	*238.500*	5,4	-	-	-	-	-	-	1,2	6,6	0,2	6,8
Treasury shares purchased		-	-	*3.169.026*	(94,8)	-	-	-	-	(0,1)	(94,9)	-	(94,9)
Transactions with non-controlling interests at associated companies		-	-	-	-	-	-	-	-	(20,6)	(20,6)	-	(20,6)
Dividends	21.	-	-	-	-	-	-	-	-	(139,9)	(139,9)	-	(139,9)
Other		-	-	-	-	-	-	-	-	1,4	1,4	-	1,4
AT 31 MARCH 2023		***134.077.688***	**370,2**	***6.687.980***	**(238,6)**	**(7,8)**	**(2,7)**	**78,1**	**4,5**	**2.306,6**	**2.510,3**	**0,1**	**2.510,4**

Consolidated statement of changes in equity (continued)

(in million EUR, except number of shares)	Attributable to the owners of the parent company										Non-controlling interests	Total equity
					Other reserves							
	Number of shares	Share capital	*Number of treasury shares*	Treasury shares	Revaluation reserves of liabilities related to long-term post-employment benefits	Cumulative translation adjustments	Cash flow hedge reserves	Fair value reserves of financial assets through Other comprehensive income	Retained earnings	Total		
AT 1 APRIL 2021	***136.154.960***	**357,4**	***1.368.388***	**(65,3)**	**(42,1)**	**(2,0)**	**(31,1)**	**9,7**	**2.296,4**	**2.523,0**	**4,2**	**2.527,2**
Total comprehensive income for the financial year	-	-	-	-	20,8	0,3	22,6	(1,1)	287,3	329,9	0,7	330,6
Profit for the financial year	-	-	-	-	-	-	-	-	287,3	287,3	0,7	288,0
Other comprehensive income for the financial year	-	-	-	-	20,8	0,3	22,6	(1,1)	-	42,6	-	42,6
Transactions with the owners	*(2.315.772)*	7,3	*2.150.566*	(78,5)	-	-	-	-	(319,6)	(390,8)	(4,9)	(395,7)
Capital increase	*184.228*	7,3	-	-	-	-	-	-	1,3	8,6	-	8,6
Treasury shares purchased	-	-	*4.650.566*	(198,2)	-	-	-	-	(1,1)	(199,3)	-	(199,3)
Cancellation of treasury shares	*(2.500.000)*	-	*(2.500.000)*	119,7	-	-	-	-	(119,7)	-	-	-
Change in ownership percentage	-	-	-	-	-	-	-	-	(7,5)	(7,5)	(4,0)	(11,5)
Dividends	-	-	-	-	-	-	-	-	(195,4)	(195,4)	(0,9)	(196,3)
Other	-	-	-	-	-	-	-	-	2,8	2,8	-	2,8
AT 31 MARCH 2022	***133.839.188***	**364,7**	***3.518.954***	**(143,8)**	**(21,3)**	**(1,7)**	**(8,5)**	**8,6**	**2.264,1**	**2.462,1**	**-**	**2.462,1**

Management responsibility statement

Jef Colruyt, Chairman of the Board of Directors, and Stefaan Vandamme, Chief Financial Officer, declare in the name and on behalf of the company, that to the best of their knowledge:

- the consolidated financial statements for the financial years 2022/23 and 2021/22, prepared in accordance with 'International Financial Reporting Standards' (IFRS) as adopted by the European Union up until 31 March 2023, give a true and fair view of the net assets, the financial position and the results of Etn. Fr. Colruyt NV and the entities included in the consolidation scope.
- the annual report related to the consolidated financial statements gives a true and fair view of the development and the results of Colruyt Group's activities, as well as of the position of the company and the entities that are included in the consolidation scope, together with a description of the main risks and uncertainties that Colruyt Group faces.

Jef Colruyt
Chairman of the Board of Directors

Stefaan Vandamme
Chief Financial Officer

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Independent auditor's report to the general meeting of Etn. Fr. Colruyt NV for the year ended 31 March 2023

In the context of the statutory audit of the Consolidated Financial Statements of Etn. Fr. Colruyt NV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 March 2023, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2023, and notes to the financial statements, including a summary of significant accounting policies, and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 28 September 2022, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 March 2025. We performed the audit of the Consolidated Financial Statements of the Group during 7 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Etn. Fr. Colruyt NV, that comprise of the Consolidated statement of the financial position on 31 March 2023, the Consolidated income statement and the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 6.147,6 million and of which the consolidated income statement shows a profit for the year of € 200,5 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 March 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and

Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Compensations received from suppliers

Description of the key audit matter
The Group receives significant amounts of discounts and compensations from its suppliers, mainly for promotions in the stores, joint publicity, introduction of new products, and volume-based incentives. The determination of such supplier discounts is mainly based on the actual supplier purchases of the related period, which are also confirmed by the Group with the concerned suppliers.

In order to be able to determine these discounts accurately and completely, management needs to have a detailed insight in the contractual arrangements and extent to which any conditions of certain promotional programs are fulfilled. A change in these contracts and/or conditions could have a material impact on the Consolidated Financial Statements. For these reasons and because of the size of the related amounts, the recognition of the compensations from suppliers is a key audit matter. We refer to note 1 of the Consolidated Financial Statements for the valuation rules in this respect.

Summary of the procedures performed

- We gained an insight in the company's internal processes around supplier interventions.
- Substantive procedures on settled compensations from suppliers; this work consists of a reconciliation, on a sample basis, to supplier contracts and/or equivalent supporting documentation such as invoices, credit notes, receipts or supplier confirmations of the received compensations from suppliers.
- Substantive procedures regarding the correctness and completeness of the outstanding compensations from suppliers; these tests include the evaluation of the appropriateness of applied purchase or sales volumes, as well as the discount rates applied by reconciling these, on a sample basis, to the Group's underlying supplier agreements and accounting records.

- Evaluation of the presentation of the compensations from suppliers in accordance with the valuation rules included in note 1 of the Consolidated Financial Statements.

Impairment of goodwill and property, plant and equipment

Description of the key audit matter

The Group operates stores in Belgium, France and Luxembourg. The carrying amount of the property, plant and equipment mainly relates to the stores and related assets as detailed in note 11 of the Consolidated Financial Statements. The total net book value amounts to € 2.820,8 million as of 31 March 2023. In addition, as a result of various acquisitions in the past, the Group recorded goodwill. The book value of this goodwill amounts to € 374,5 million as at 31 March 2023. The valuation of goodwill is described in note 9 of the Consolidated Financial Statements; the valuation of property, plant and equipment in note 11.

In accordance with IAS36 'Impairment of assets', these assets are reviewed by management at least once a year by cash-generating unit and examined for indications of impairment. This review is heavily influenced by the future expectations of the management regarding the expected growth, in particular the turnover and the operating result, and by other assumptions, such as the discount rate and long-term growth rate. A change in these assumptions or the use of inappropriate future expectations could have a material impact on the Consolidated Financial Statements. For these reasons, the impairment of goodwill and property, plant and equipment are a key audit matter.

Summary of the procedures performed

- We gained an insight in the company's internal processes around the goodwill impairment exercise, more specifically management's review process of the discounted cashflow model.
- Evaluation of the mathematical accuracy and conformity with IAS36 of the valuation model used by the Group, with the support of a valuation expert from our firm.
- Evaluation of the most important assumptions used (long-term growth rate and discount rate), with the support of a valuation expert from our firm.
- Evaluation of the reasonableness of the projected cash flows, as well as the estimated future revenue growth and growth of the operating result by comparing with, and an evaluation of, the budget approved by the Board of Directors, and an assessment of the Group's historical forecasting accuracy.
- Verification of the existence of any additional impairment indicators, through reading the minutes of the Board of Directors, through an independent evaluation of publicly available market data, and through regular discussions with the management.

- Evaluation of the adequacy and completeness of notes 9 and 11 of the Consolidated Financial Statements.

Valuation of transformation programs with a long-term character

Description of the key audit matter

The Group invests significant amounts in transformation programs with a long-term character, which are developed internally. The book value of the capitalized transformation programs with a long-term character amount to € 264,8 million as of 31 March 2023. The valuation is described in note 10 of the Consolidated Financial Statements. Development costs are only capitalized in accordance with IAS38 if several conditions are met, including the capacity of the transformation program to generate future economic benefits that exceed the costs incurred. Management's estimates with respect to these expected future economic benefits are inherently complex. Changes in these estimates or the use of inappropriate future expectations could have a material impact on the Consolidated Financial Statements. For these reasons, the valuation of change programs with a long-term character is a key audit matter.

Summary of the procedures performed

- We gained an insight in the company's internal processes around the transformation programs with long-term character;
- Substantive testing, on a sample basis, for each of these programs regarding the determination and allocation of the relevant development expenditure to the assets.
- Evaluation of the model used by the Group to determine the future economic benefits of these programs, in accordance with the conditions of IAS38, and of the main underlying assumptions.
- Periodical discussion of the estimated future economic benefits with management, as set out in the individual business cases of the relevant change programs, and comparison of earlier estimates with historical achievements afterwards.
- Verification of the existence of any impairment indicators, among others by reading minutes of the Board of Directors and through regular discussions with management.
- Evaluation of the adequacy and completeness of note 10 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Key figures

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Sustainable Development Goals. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Sustainable Development Goals.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

N/A English is not an official language in Belgium

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 27 July 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Eef Naessens *
Partner
*Acting on behalf of a BV/SRL

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Notes to the consolidated financial statements

Notes to the consolidated financial statements

1. Significant accounting policies

Etn. Fr. Colruyt NV (hereinafter referred to as the 'Company') is domiciled in 1500 Halle, Belgium and is publicly traded on NYSE Euronext Brussels under the code COLR. The consolidated financial statements for the 2022/23 financial year, which closed on 31 March 2023, cover the Company, its subsidiaries and its interests in associates and joint ventures (hereinafter referred to collectively as 'Colruyt Group').

Colruyt Group is a family business which, over three generations, has grown into a retail group with a diverse portfolio of food and non-food formulas, in Belgium and abroad. Its main activity is the operation of supermarkets under the brand name 'Colruyt Lowest Prices'. Colruyt Group operates in the retail sector and has many different store formulas, both physical and online, each with its own brand promise, mainly in Belgium, Luxembourg and France, though it is also active on the African continent. Colruyt Group also engages in food services and wholesale trade. Finally, certain aspects of technology, IT and communication are handled by Colruyt Group itself, as is the case with the processing and/or packaging of meat, coffee, cheese and wine.

The consolidated financial statements for the 2022/23 financial year were authorised for issue on 9 June 2023 by the Board of Directors, subject to the approval of the statutory non-consolidated financial statements by the shareholders during the Annual General Meeting of Shareholders, which will be held on 27 September 2023. In accordance with Belgian law, the consolidated financial statements will be presented for information purposes to the shareholders of Colruyt Group during that same meeting. The consolidated financial statements are not subject to changes, unless decisions of the shareholders regarding the statutory non-consolidated financial statements impact the consolidated financial statements.

1.1. Basis of presentation

The consolidated financial statements are expressed in millions of EUR rounded to one decimal place. As a result of rounding, the totals of certain figures in the tables may differ from those in the main statements or between disclosure notes. The consolidated financial statements include comparative figures from the previous financial year.

The consolidated financial statements describe the financial position as of 31 March and are prepared using the historical cost method, with the exception of certain line items, including derivative financial instruments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are measured at fair value. Net liabilities related to Belgian defined contribution plans with a legally guaranteed minimum return, which are accounted for as defined benefit plans, are not measured at historical cost either but are measured using the projected unit credit method. Colruyt Group has prepared the consolidated financial statements on the assumption that it will continue its operations as a going concern, as there are no material uncertainties and there are sufficient resources to continue operations. In the income statement, the figures for financial year 2021/22 were restated in line with IFRS 5, '*Non-current Assets Held for Sale and Discontinued Operations*'. For more information, see note 16. *Assets held for sale, disposal of subsidiaries and discontinued operations*.

The consolidated financial statements are prepared before any distribution of profits of the Company as proposed to the Annual General Meeting of Shareholders.

The significant accounting policies listed below have been applied consistently for all the periods presented in these consolidated financial statements.

1.2. Significant accounting estimates and assumptions

Preparing the consolidated financial statements requires Colruyt Group's management to make judgements, estimates and assumptions. In most cases, estimates and related assumptions are based on past experience and various other factors that are believed to be reasonable given the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are assessed and adjusted annually. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision affects only that period, or in the period of the revision and future period(s) when the revision affects both current and future period(s).

Key sources of estimation uncertainty incurring a risk of material adjustments in the next financial year are:

Impairment of assets

Each year, and also whenever there are indications that their net carrying amount may exceed their recoverable amount, cash-generating units to which goodwill or intangible assets with indefinite useful lives are assigned are tested for impairment. This analysis requires management to calculate the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The value in use is the present value of estimated future cash flows using a relevant discount rate (WACC) and terminal growth rate. For more information on the assumptions used and the sensitivity of the carrying amounts to the assumptions, please see note 9. *Goodwill*.

Recognition and measurement of internally developed intangible assets

Colruyt Group invests in internally developed innovative change programmes and IT investments. An important condition for the recognition of intangible assets related to this is the future economic benefits of these programmes. These future economic benefits are based on estimates by management and programme managers, which are validated and discussed on a regular basis. For more information on the carrying amount of these programmes, see note 10. *Intangible assets*.

Income tax and deferred taxes

Deferred tax assets are recognised only to the extent that it is probable that future profits will be available against which the tax losses carried forward and any unused tax credits able to be carried forward can be offset. Colruyt Group sets a time horizon of five years for these estimates. The carrying amount of deferred tax assets is reviewed at each reporting date, based on estimates of future profits. For more information on the carrying amount of deferred tax assets and unrecognised deferred tax assets (or liabilities), see note 17. *Deferred tax assets and liabilities.*

Employee benefits – IAS 19

Each year, the defined contribution plan liabilities and annual costs are determined on the basis of actuarial assumptions. Discount rates and inflation rates are set at group level by management. The other assumptions (such as expected future wage increases and the chances of employees leaving) are determined at local level. All employee benefit plans are reviewed annually by independent actuaries. For additional information regarding the assumptions and the sensitivity of the carrying amount of the liabilities to the assumptions, see note 24. *Non-current liabilities related to employee benefits*.

Key sources of assumptions in the next financial year are:

Calculating the present value of lease payments and determining the lease term of contracts with renewal options

Determining the lease term requires a certain degree of assessment. Factors considered relate to the probability that early termination options or renewal options will be exercised. All facts and circumstances relevant to assessing the lease terms are considered. Lease terms are determined with the help of the departments with relevant knowledge thereof. Based on past experience and the fact that it is commercially important to be present in a location for a longer period of time, the lease term is typically set at 9 years.

Colruyt Group cannot readily determine the interest rate implicit in the leases. As a result, the Incremental Borrowing Rate (IBR) is used to measure lease liabilities. The IBR is the interest rate that Colruyt Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset. Colruyt Group estimates the IBR using observable data (such as market interest rates) and certain entity-specific parameters.

Consolidation principles

Determining whether Colruyt Group has control, joint control or significant influence is based on the specific facts and circumstances. These conclusions can differ from judgements purely based on the ownership percentage held by Colruyt Group.

Colruyt Group owns the majority of the shares in Virya Energy NV and considers it an associate, as in previous years. As Korys Investments NV and Colruyt Group are related parties, Colruyt is of the opinion that it exercises only significant influence on Virya Energy NV and not joint control, as Korys Investments NV has the power to influence decisions at Colruyt Group level.

1.3. Statement of compliance

Colruyt Group's consolidated financial statements are prepared in accordance with the 'International Financial Reporting Standards (IFRS)', as issued by the 'International Accounting Standards Board (IASB)' and adopted by the European Union.

A. New standards and interpretations effective in 2022/23

While the following (amended) standards and improvements are effective for Colruyt Group as of 1 April 2022, none has any significant impact on Colruyt Group's consolidated financial statements:

- IAS 16 (Amendment), '*Property, Plant and Equipment - Proceeds before Intended Use*'. The amendment prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such proceeds and the cost of producing those items in profit or loss.
- IAS 37 (Amendment), '*Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — Cost of Fulfilling a Contract*'. The amendment specifies which costs an entity needs to include when assessing whether a contract is onerous or loss-making. A 'directly related cost approach' is applied.
- IFRS 3 (Amendment), '*Business Combinations - References to the Conceptual Framework*'. The amendments replace references to an old version of the IASB's Conceptual Framework with references to the current version issued in March 2018. An exception was also added to the recognition criteria in IFRS 3 with respect to liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21. The amendment further added an explicit statement that an acquirer cannot recognise contingent assets acquired in a business combination.

B. Standards and interpretations published but not yet effective for 2022/23

Colruyt Group did not early adopt the following published (amended) standards, interpretations and improvements relevant to the group and effective only after 31 March 2023. Colruyt Group intends to apply these standards when they become effective; none of them, however, has any significant impact on Colruyt Group's consolidated financial statements.

- IAS 1 (Amendment), '*Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*' (effective date for Colruyt Group 1 April 2024). The amendments clarify the criteria for determining whether to classify a liability as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The amendments clarify that classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments clarify that there is an exception to the requirement that settlement of liabilities by way of own equity instruments impacts the classification of liabilities. The amendments further require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has the right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months.

- IAS 1 (Amendment), '*Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*' (effective date for Colruyt Group 1 April 2023). The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. The Practice Statement includes guidance and illustrative examples that assist in applying the materiality concept when making judgements about accounting policies.

- IAS 8 (Amendment), '*Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*' and IAS 1 (Amendment), '*Presentation of Financial Statements*' (effective date for Colruyt Group 1 April 2023). This amendment clarifies how a company should distinguish between changes in accounting estimates and changes in accounting policies. A company is also required to disclose information about 'material' accounting policies rather than 'significant' accounting policies.

- IAS 12 (Amendment), '*Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*' (effective date for Colruyt Group 1 April 2023). This amendment clarifies that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

- IFRS 16 (Amendment), '*Leases - Lease Liability in a Sale and Leaseback*' (effective date for Colruyt Group 1 April 2024). The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognise any amount of the gain or loss that relates to the right of use retained. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining `lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8, '*Accounting Policies, Changes in Accounting Estimates and Errors*'.

- IFRS 17 (Amendment), '*Insurance Contract - Initial Application of IFRS 17 and IFRS 9 - Comparative Information*' (effective date for Colruyt Group 1 April 2023). For some insurers, temporary accounting mismatches could arise, during the transition period, between financial assets and insurance contract liabilities in the comparative information they are required to present in their financial statements. This amendment will help avoid temporary accounting mismatches and in this way increase the usefulness of comparative information for investors.

- IFRS 17 (Publication), '*Insurance Contracts*' (effective date for Colruyt Group 1 April 2023). This new standard will replace the existing standard IFRS 4, '*Insurance Contracts*'. It will apply to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

1.4. Consolidation principles

Colruyt Group's consolidated financial statements include the financial statements of the Company, its subsidiaries after elimination of intragroup transactions and balances and Colruyt Group's interest in associated entities and joint ventures.

A. Subsidiaries

Subsidiaries are those entities over which Colruyt Group has control. Control exists if Colruyt Group is exposed or has rights to variable returns from its involvement with the investee and if Colruyt Group has the ability to use its power over the investee to affect the amount of these returns. In assessing whether control exists, all facts and circumstances are considered. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Non-controlling interests in subsidiaries are identified separately from Colruyt Group's equity. The interest of non-controlling shareholders can initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a case-by-case basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total result is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Colruyt Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions between owners. The carrying amounts of Colruyt Group's interests and the non-controlling interests are subsequently adjusted directly in equity to reflect the changes in their relative interests in the subsidiary.

When Colruyt Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

- the previously recognised carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner (i.e. reclassified to profit or loss or transferred directly to retained earnings) as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, '*Financial Instruments*' or, if applicable, the cost on initial recognition of an investment in an associate or joint venture.

B. Associates

Associates are those entities in which Colruyt Group has significant influence on the financial and operational policies but which it does not control or jointly control.

The initial recognition of these investments is at cost including transaction costs. These investments are incorporated into the consolidated financial statements using the equity method from the date on which the significant influence begins until the date on which the significant influence ceases. In the event an indication of impairment arises after the application of the equity method, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the associate. If Colruyt Group's share of the associate's losses exceeds the carrying amount of Colruyt Group's interests in the associate, the carrying amount is reduced to nil in Colruyt Group's statement of financial position and no further losses are taken into account, except to the extent that Colruyt Group incurred obligations in respect of that associate. When the associate becomes profitable again, the group's share of the associate's profit is recognised only when the profit cancels out the unrecognised losses.

C. Joint ventures

Joint ventures are those entities in which Colruyt Group has joint control and where such control is established by an agreement, conferring upon Colruyt Group rights to the net assets of the agreement, but no rights to the assets of the agreement and no liabilities arising from debts of the agreement. Joint control implies that the decisions about the relevant activities require the unanimous consent of all parties sharing control.

The initial recognition of these investments is at cost including transaction costs. Colruyt Group's interests in joint ventures are accounted for using the equity method, from the date that joint control first exists until the date it ceases. In the event an indication of impairment arises after the application of the equity method, Colruyt Group calculates the amount of the impairment loss as the difference between the recoverable amount and the carrying amount of the investment in the joint venture. If Colruyt Group's share of the joint venture's loss exceeds the carrying amount of Colruyt Group's interest in the joint venture, the carrying amount is reduced to nil in Colruyt Group's statement of financial position and no further losses are taken into account, except to the extent that Colruyt Group incurred obligations on behalf of that joint venture. When the joint venture becomes profitable again, the group's share of the joint venture's profit is recognised only when the profit cancels out the unrecognised losses.

D. Transactions eliminated on consolidation

Intragroup balances and transactions, including unrealised results on intragroup transactions, are eliminated when preparing the consolidated financial statements.

Unrealised gains from transactions with associates or joint ventures are eliminated in proportion to Colruyt Group's interest in the associates or joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, except that they are only eliminated to the extent that there is no evidence of impairment.

E. Business combinations

Acquisitions of businesses (as defined by IFRS 3, '*Business Combinations*') are accounted for using the acquisition method. The consideration for each business combination is measured as the aggregate of the fair values at acquisition date of the assets transferred by the acquirer, the liabilities incurred to former owners of the acquiree, and equity instruments issued by the acquirer in exchange for control.

Acquisition-related costs are recognised in profit or loss as incurred, except when they relate to the issue of debt or equity instruments. In this case, these costs are deducted from the debt instruments and from equity respectively.

If applicable, the consideration for the business combination includes any asset or liability resulting from a contingent consideration arrangement, measured at its fair value at the acquisition date. Subsequent changes in such fair values are adjusted retroactively within the measurement period against the cost of acquisition when they qualify as adjustments due to additional facts and circumstances existing at acquisition date. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRS. If an obligation to pay contingent consideration meets the definition of a financial instrument classified as equity, it is not remeasured and its subsequent settlement is accounted for within equity.

Where a business combination is achieved in stages, Colruyt Group's previously held interest in the acquired entity is remeasured to fair value at the acquisition date (i.e. the date the group obtains control) and the resulting gain or loss, if any, is recognised directly in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are recognised on the same basis as would be required if that interest were disposed of.

The identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, '*Business Combinations*' are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12, '*Income Taxes*' and IAS 19, '*Employee Benefits*' respectively;

- liabilities or equity instruments related to the replacement by Colruyt Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2, '*Share-based Payment*';

- assets (or disposal groups) that are classified as held for sale at acquisition date in accordance with IFRS 5, '*Non-current Assets Held for Sale and Discontinued Operations*', are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, Colruyt Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see paragraph below), and/or additional assets and/or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the acquisition date to the date Colruyt Group obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

F. Financial statements of foreign companies in foreign currencies

To consolidate Colruyt Group and each of its subsidiaries, the financial statements of the individual subsidiaries are translated into euro, the functional currency of the Company and the presentation currency of the group. The translation is performed as follows:

- assets and liabilities, including goodwill and fair value adjustments arising from acquisitions, at the closing exchange rate of the European Central Bank at the reporting date;
- income, expenses and cash flows at the average exchange rate for the financial year (which approximates the exchange rate at the date of the transaction);
- components of shareholders' equity at the historical exchange rate.

Exchange rate differences arising from the translation of net investments in foreign subsidiaries, associates and joint ventures at the closing exchange rate at the reporting date are recorded as part of the consolidated other comprehensive income, under 'Cumulative translation adjustments' in 'Other reserves', except for the part attributed to non-controlling interests.

Upon the disposal of a foreign operation (i.e. a disposal of Colruyt Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the cumulative translation adjustments in equity in respect of that foreign operation attributable to Colruyt Group are reclassified to profit or loss as part of the consolidated financial results.

In the case of a partial disposal of a subsidiary (i.e. with no loss of control over the subsidiary by Colruyt Group), the proportionate share of cumulative translation adjustments is reattributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. the partial disposal of associates or joint ventures not resulting in Colruyt Group losing significant influence or joint control), the proportionate share of the cumulative translation adjustments is reclassified to the consolidated financial results.

G. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates prevailing at the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date.

Gains and losses resulting from transactions in foreign currency and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies and valued on a historical cost basis are translated at the exchange rate at the transaction date. Non-monetary assets and liabilities in foreign currencies at fair value are translated at the exchange rate applicable at the date on which the fair value was determined.

1.5. Other significant accounting policies

A. Goodwill

Goodwill resulting from business combinations is recognised as an asset as from the date control is obtained (the acquisition date). Colruyt Group measures goodwill as the difference between:

- the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and in a business combination achieved in stages, the fair value of the previously held equity interest in the acquiree; and
- the net amount of the identifiable assets acquired and the liabilities incurred at the acquisition date.

If, after consideration, this difference is negative, the resulting gain from a bargain purchase is recognised immediately in profit or loss.

For investments in associates and joint ventures, the goodwill is included within the carrying amount of the investment.

Goodwill is recognised at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment. Impairment is tested annually or earlier if indications of impairment exist.

B. Intangible fixed assets

Research and development

Expenses from research activities are recognised in the consolidated income statement when incurred.

Expenditure related to development activities whereby the results are used for a plan or design intended for the production of new or substantially improved products or processes are capitalised if the following conditions are met:

- the technical and commercial feasibility of the product or process has been demonstrated and the product or process will be commercialised or will be used internally;
- the product or process will generate future economic benefits;
- Colruyt Group has the necessary technical, financial and other resources to complete and use or sell the development; and
- the product or process has been carefully described and the expenses can be separately identified and can be measured reliably.

The capitalised expenditure is valued at full cost and therefore includes the cost of materials, direct labour and an appropriate proportion of overheads.

Development costs that do not satisfy these conditions are recognised in the consolidated income statement when incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets are recognised at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it results in an increase of future economic benefits derived from the use of the specific asset to which the subsequent expenditure is related. All other expenditure is expensed as incurred.

Amortisation

Intangible assets with a finite useful life are subject to straight-line amortisation over their estimated useful lives. Amortisation of intangible assets only begins when assets are available for intended use.

Intangible assets that are not yet ready for their intended use and intangible assets with an indefinite useful life are tested for impairment at least annually. For internally developed intangible assets, this evaluation is made at least twice a year.

For intangible assets, Colruyt Group makes a distinction between software, licences, permits, customer portfolios, internally developed intangible assets and other intangible assets.

This distinction is expressed in a different useful life per type of intangible asset:

- externally purchased software, licences and permits: contractually defined period;
- customer portfolios arising from the acquisition of points of sale: indefinite useful life;
- internally developed intangible assets: 3, 5, 7 or 10 years;
- other intangible assets: 3 to 5 years.

The amortisation method and useful life are reviewed annually and amended if necessary.

C. Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes direct labour costs in addition to the direct cost of material and a reasonable proportion of indirect manufacturing costs which are necessary to bring the asset into its location and state that are required for the asset to function in the intended way. The depreciation method, the residual value and the useful life are reviewed annually and amended if necessary.

Colruyt Group has opted to recognise capital grants as a deduction to the cost of property, plant and equipment. Grants are recognised when there is reasonable assurance that the grants will be received and that the group will comply with the conditions attached to them. These grants are taken into profit or loss over the useful life of the asset by reducing the depreciation charge.

In certain circumstances obligations exist to dismantle and restore items of property, plant and equipment in their original state; these are therefore included in the cost or acquisition value of the item of property, plant and equipment. A provision is recognised in the statement of financial position.

Subsequent expenditure

Costs for the replacement of a component of property, plant and equipment are capitalised provided that the cost to be capitalised can be reliably determined and that the expenditure will result in a future economic benefit.

Costs which do not meet these conditions are immediately recognised in the consolidated income statement when incurred.

Depreciation

Property, plant and equipment are subject to straight-line depreciation in profit or loss based on the estimated useful life of each component.

Tangible assets with an indefinite useful life are not depreciated but tested for impairment annually.

The estimated useful lives are defined as follows:

- land: indefinite;
- buildings: 20 to 30 years;
- fixtures: 9 to 15 years;
- fittings, machinery, equipment, furnishings and vehicles: 3 to 20 years;
- IT equipment: 3 to 5 years;
- right-of-use assets: useful life of the asset or, if shorter, the lease term.

Retirements

An item of property, plant and equipment and any significant part initially recognised is derecognised on disposal (i.e. on the date when the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

D. Leases

For all leases with a lease term of more than 12 months, a right-of-use asset and a corresponding lease liability are recognised on the date on which the leased asset is made available for use. Right-of-use assets are recognised as part of property, plant and equipment and lease liabilities are reported as part of interest-bearing liabilities, recognised at cost less accumulated depreciation and impairment losses and adjusted for remeasurement of lease obligations.

The lease liability is measured at the present value of the remaining lease payments, discounted at a predetermined discount rate. Colruyt Group uses the interest rate implicit in the lease contract or, when the latter is not available, the 'incremental borrowing rate' which is revised annually for new contracts.

At initial recognition of the lease, the right of use of the assets is measured at an amount equal to the lease liability. Under certain conditions the initial direct costs for concluding the lease are included in the value of the right-of-use asset.

The lease term is determined as the non-cancellable period of the lease, taking into account the option to extend the lease if that option is reasonably certain to be exercised, or the option to terminate the lease early if that option is reasonably certain not to be exercised.

Lease payments are apportioned between reduction of the outstanding lease liability and finance expenses, whereby the finance expenses are recognised in profit or loss, so as to achieve a constant rate of interest on the remaining balance of the lease liability. The right-of-use asset is depreciated over the shorter of its useful life and the lease term.

Payments made for short-term leases or leases of low-value assets are recognised in profit or loss on a straight-line basis over the term of the lease.

A limited number of premises that Colruyt Group leases are subleased to third parties (the so-called 'sublease agreements'). When the right of use of these assets is not fully transferred to the sublessee (which is the case, amongst others, when the rental period of the sublease is significantly shorter than the one of the head lease), these 'sublease agreements' are classified as operating sublease agreements and the rental income is recognised in profit or loss under 'Other operating income', on a straight-line basis over the lease term.

Rental income under a finance sublease is treated in accordance with IFRS 16, whereby a lease receivable is recognised in the consolidated statement of financial position. This lease receivable is equal to the discounted value of the future lease payments plus any residual value accruing to the lessor, at the interest rate implicit in the lease. Lease receivables are presented in the consolidated statement of financial position under 'Other receivables'. Any differences between the right-of-use asset and the lease receivable are accounted for in profit or loss at initial recognition.

E. Financial assets

Classification

Colruyt Group classifies its financial assets at initial recognition in different categories. The classification of financial assets depends on:

- The characteristics of the contractual cash flows of the financial assets (SPPI test). The SPPI test is designed to determine whether or not the contractual cash flows relate to payments of principal and interest on the principal amount outstanding.

- The business model used for managing the financial assets determines whether the cash flow results from:

  - a contractual cash flow;

  - a sale of financial assets; or

  - a combination of both.

The classification of a financial asset determines the measurement of this financial asset and whether the income and expenses are recognised in profit or loss, or directly in equity. The financial assets are classified as follows:

- financial assets at amortised cost;

- financial assets at fair value through other comprehensive income ('FVOCI');

- financial assets at fair value through profit or loss ('FVTPL').

Financial assets at amortised cost

Financial assets are recognised at amortised cost when the business model's objective is to hold financial assets in order to collect contractual cash flows and the contractual cash flows represent (re)payments of principal and interest on the principal amount outstanding and on specified dates.

These financial assets are initially recognised at fair value, including any transaction costs that are directly attributable to these financial assets. After initial recognition these assets are measured at amortised cost using the effective interest method, net of impairment. Each reporting period, the amount of the impairment is determined as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income

Financial assets are recognised at fair value through other comprehensive income when the business model's objective is to hold financial assets in order to collect contractual cash flows as well as to sell financial assets. The contractual cash flows represent (re)payments of principal and interest on the principal amount outstanding and on specified dates. In addition, Colruyt Group may irrevocably choose to recognise at fair value through other comprehensive income equity instruments that would otherwise be measured at fair value through profit or loss. This choice is irrevocable and can only apply if the equity instrument is not held for trading or if it is not recognised as contingent consideration by an acquirer in a business combination. Colruyt Group makes this choice for equity instruments which it has currently no intention to sell in the short term.

These financial assets are initially recognised at fair value, including any transaction costs that are directly attributable to these financial assets. After initial recognition these financial assets are measured at fair value through other comprehensive income. In the event of a disposal of these equity instruments within this category of financial assets, the cumulative revaluations recognised through other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

Financial assets are recognised at fair value through profit or loss when the conditions of the above categories are not met or when Colruyt Group has made the irrevocable choice to recognise through profit or loss debt instruments measured at fair value through other comprehensive income. This choice is irrevocable and may only be used to eliminate or reduce inconsistencies in the measurement at initial recognition.

These financial assets are initially recognised at fair value. After initial recognition the assets are measured at fair value through profit or loss.

Expected credit losses

Financial assets are recognised according to the above accounting principles. At the end of every reporting period Colruyt Group assesses whether a provision for expected credit losses needs to be recognised for financial assets at amortised cost and for financial assets at fair value through other comprehensive income.

Colruyt Group has identified two categories of financial assets to which the requirements of expected credit losses apply: trade receivables and other receivables. Expected credit losses are calculated using a model based on expected losses which represents the weighted average of credit losses with the respective default risks as weighting factors.

To determine the expected credit losses Colruyt Group applies the simplified approach based on a provision matrix, and the general approach, under which credit losses are determined at the level of the individual receivable. The choice depends on the type of asset and the associated risk characteristics.

The simplified approach always applies to trade receivables. These do not generally contain a significant financing component. Under the simplified approach, credit losses are estimated over the full lifetime of receivables. The calculation of percentages for historical credit losses is done by categories of debtors with similar risk characteristics. In addition to historical credit losses, the provision matrix used takes into account forward-looking and macroeconomic factors. See note 27.2. '*Other risks*' for macroeconomic factors taken into account.

The general approach applies to other receivables, i.e. to a category of receivables of limited materiality, where credit losses are determined at the level of the individual receivable. See note 27.1.c. '*Credit Risk*' for more information on how expected credit losses are calculated at the level of other receivables.

F. Assets held for sale and discontinued operations

An asset or a disposal group (groups of assets and related liabilities) that is being disposed of, is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a sale to be highly probable, the Company should be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and to complete the sale should be initiated. The asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

When classified as 'held for sale', assets or disposal groups are valued at the lower of their carrying amount and their fair value less costs to sell, including any impairment that might be required and which is recognised through profit or loss. Impairment on an asset or a disposal group is initially allocated to goodwill and then pro rata to the remaining assets and liabilities. Such an impairment loss is not allocated to inventories, financial assets or deferred tax assets which continue to be recognised in line with the other significant accounting policies of the group. As from the moment that property, plant and equipment and intangible assets are classified as held for sale, they are no longer depreciated or amortised. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the consolidated statement of financial position.

A discontinued operation is a component of an entity that either has been disposed of or has been classified as held for sale, which represents a separate major line of business or geographical area of operations that can be distinguished operationally as well as for financial reporting purposes from the rest of the entity. The profit or loss after taxes which arises from discontinued operations is separately reported in the consolidated income statement. When operations are labelled as discontinued operations, the comparative figures in the consolidated income statement are restated to reflect a situation as if the operations had been discontinued as of the beginning of the comparative period, while no comparative figures are prepared for the balance sheet.

G. Impairment

The carrying amount of all assets, with the exception of inventories and deferred tax assets, is reviewed at least once a year and examined for any indications of impairment. If such indications exist, the related asset's recoverable amount is estimated.

Goodwill, tangible and intangible assets with indefinite useful lives and tangible and intangible assets not available for use are tested for impairment at least annually (irrespective of whether indications of impairment exist or not). For internally developed intangible assets, this review is completed at least twice a year. The recoverable amount is the higher of the fair value less costs to sell (corresponds to the money that Colruyt Group would receive as a result of a sale) and the value in use (corresponds to the cash flows that Colruyt Group expects to receive through the continuing use of the assets). For an asset for which no independent cash flows are available, the recoverable amount is determined for the cash-generating unit to which the asset belongs. For impairment testing, goodwill is always allocated to (a group of) cash-generating units.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Colruyt Group defines a 'cash-generating unit' as the operating unit to which the asset can unequivocally be allocated. An operating unit can include a branch of the business or a business entity.

If the recoverable amount of an asset or of the cash-generating unit to which it belongs is lower than the carrying amount, an impairment loss is recognised in profit or loss for the amount of the difference. Impairment losses relating to cash-generating units are first deducted from the carrying amount of any goodwill attributed to the cash-generating (or groups of) units and then deducted pro rata from the carrying amount of the other assets of the (groups of) cash-generating units.

A recognised impairment may be reversed if it ceases to exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill impairment is not reversed.

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the normal course of business, less the estimated cost of completion and costs to sell.

The cost of inventories is based on the 'first in, first out' (FIFO) principle and includes all direct and indirect costs that are required to bring the goods to their state at the reporting date, less discounts and compensations received from suppliers. The indirect costs are made up of distribution costs, i.e. handling costs at the distribution centre and transport costs, and stowage costs, i.e. the costs for store employees to fill the shelves with the goods. These respective costs are updated on a periodic basis.

Rebates and incentives that Colruyt Group receives from its suppliers, mainly for promotions in stores, joint publicity, introductions of new products and volume incentives, are included in the inventory cost and are recognised in profit or loss as and when the product is sold, except when it relates to a repayment of specific, additional and identifiable costs which Colruyt Group incurred in order to sell the supplier's product. In that case the rebates and incentives are immediately recognised as a decrease of the respective costs incurred. Estimating such supplier rebates is predominantly based on the actual revenue figures of the related period, but in certain cases requires the use of assumptions and estimations regarding specific purchasing or sales levels.

I. Contract assets

Contract assets relate to expenses made to satisfy performance obligations under a contract and are recognised at cost, less a provision for expected losses and less amounts of project progress billings.

The expenses are recognised when the following conditions are met:

- the expenses are directly or indirectly attributable to a specifically identifiable contract;
- resources are generated which Colruyt Group will use to satisfy a performance obligation; and
- the expenses can be earned back.

Expenses that can be attributed directly to a specifically identifiable project include direct labour costs and direct material costs. In addition, the cost includes an allocation of fixed and variable indirect expenses made and this based on a normal production capacity.

J. Equity

Capital and retained earnings

Dividends proposed by the Board of Directors are only recognised as liabilities after approval by the Annual General Meeting of Shareholders. Until such formal approval, the proposed dividends are included in Colruyt Group's consolidated equity. Transaction costs of capital transactions, net of tax impact, are deducted from equity.

Treasury shares

Shares of Colruyt Group purchased by the Company or entities belonging to Colruyt Group, including directly attributable transaction costs, net of tax impact, are recognised as a deduction from equity. In case of a cancellation or sale of treasury shares, the result of the transaction is directly included in equity (retained earnings).

Revaluation reserves of liabilities related to long-term post-employment benefits

The revaluation reserves contain the cumulative actuarial profits and losses related to:

Belgian entities:

- unemployment regime with company supplement;
- long-service benefits;
- defined contribution plans with a legally guaranteed minimum return.

Other entities:

- legal compensations

The revaluation reserves comprise the experience adjustments and the effects of changes in actuarial assumptions.

Cumulative translation adjustments

The cumulative translation adjustments represent the cumulative currency translation differences that arise due to subsidiaries, associates and joint ventures that have a functional currency that is different from the euro.

Cash flow hedge reserves

This reserve contains the effective portion of the cumulative net change in the fair value of cash flow hedge instruments related to hedged transactions.

Reserves for financial assets at fair value through other comprehensive income

This reserve contains unrealised fair value changes of financial assets at fair value through other comprehensive income.

Non-controlling interests

Non-controlling interests in subsidiaries not fully owned by the group are presented separately from Colruyt Group's equity. The interest of non-controlling shareholders can initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a case-by-case basis. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. The total result is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

K. Provisions

Provisions are only recognised in the consolidated statement of financial position when Colruyt Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that a future outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at the reporting date.

If the effect of discounting the future cash outflows is material, the provisions are annually discounted using discount rates that reflect current market assessments of the time value of money at the reporting date.

Restructuring provisions are recognised when Colruyt Group approved a detailed, formalised restructuring plan and made a start on restructuring or made it publicly known before reporting date. These provisions only include direct expenditures that are necessarily entailed by the restructuring and that are not associated with the ongoing activities of the Company.

Environmental provisions are established in accordance with legal requirements on the one hand and the environmental policy established by Colruyt Group on the other.

For onerous contracts, a provision is recognised in the consolidated statement of financial position for the difference between the unavoidable cost of meeting the obligations under the contract and the expected benefits to be derived from the contract. Before a provision for an onerous contract is established, Colruyt Group recognises any impairment loss that has occurred on assets dedicated to that contract.

L. Employee benefits

Post-employment benefits

There are different types of post-employment benefits within Colruyt Group:

- **Defined contribution plans with a legally guaranteed minimum return**

In Belgium, the Law regarding supplementary pensions ('WAP') requires employers to guarantee a minimum return on defined contribution plans over the course of the career. For amounts until 31 December 2015, this minimum return was 3,25% on employer contributions and 3,75% on employee contributions. As a result of a law change in December 2015, the interest rate to be guaranteed is variable starting from 1 January 2016, based on a mechanism linked to the return of the Belgian OLO bond with a minimum of 1,75% and a maximum of 3,75%.

Owing to these legal changes, and also to the fact that a clear position was taken by the regulatory instances during 2016, and given that reliable estimates can be made for these retirement benefit plans, the Belgian defined contribution plans have been considered as defined benefit plans since financial year 2016/17. They are measured in accordance with IAS 19 based on the 'projected unit credit' method.

- **Unemployment regime with company supplement**

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment regime with company supplement' applicable in Belgium. The unemployment regime with company supplement and the conditions regarding the required age and performed service period are described in general terms in collective labour agreement No. 17 (Collectieve Arbeidsovereenkomst/Convention Collective de Travail or cao/CCT), as established by the National Labour Council (Nationale Arbeidsraad/Conseil National du Travail) and in the Royal Decree of 3 May 2007 which regulates the unemployment regime with company supplement (Belgian Official Gazette 8 June 2007). Other collective labour agreements negotiated by the National Labour Council or within Colruyt Group for specific entities or industries may be applicable, but have benefits similar to those of collective labour agreement No. 17.

These benefits must be paid if a company decides to terminate an employee's employment before the normal retirement date. Given that a reasonable expectation is created towards the employees at the moment of their recruitment or during the period of service, that they are entitled to join the unemployment regime with company supplement before the legal retirement age, these benefits are treated as post-employment benefits (defined benefit plan).

- **Other**

Other post-employment benefits include departure benefits as a result of retirement or as a result of the application of the 'Unemployment regime with company supplement' (Belgian entities) and legal compensations (French and Indian entities). These benefits are also treated as defined benefit plans.

The liabilities arising from these systems and the related costs are determined using the 'projected unit credit' method, based on actuarial calculations that are executed at the end of each financial year. A comprehensive actuarial measurement based on updated personnel information is performed at least every three years. In the years in which no comprehensive actuarial measurement is performed, actuaries use forecasts based on the previous year but including updated assumptions (discount rate, pay rise and inflation). These liabilities, recorded in the consolidated statement of financial position, are calculated as the present value of estimated future cash outflows, based on a discount rate at the reporting date which corresponds to the market yield of high quality corporate bonds with a remaining maturity that approaches the maturity of these liabilities, decreased with the fair value of the plan assets. The liabilities related to the unemployment regime with company supplement are recognised for the population of employees for which can be reliably assumed that it will join the unemployment regime with company supplement. The liabilities for the defined contribution plans with a legally guaranteed minimum return are recognised for all Colruyt Group employees entitled thereto.

The costs related to these systems consist of the following items:

- the current service cost, which is the increase in the present value of the obligation resulting from employee service in the current reporting period;
- the past service cost, which is the change in the present value of the benefit obligation for employee service in prior periods, resulting from an amendment or a curtailment of the existing benefit plan;
- gains or losses on settlement of the benefit obligation, if any;
- the net interest on the net liability arising from the passage of time;

- the actuarial gains and losses, which comprise the effect of differences between the previous actuarial assumptions and what has actually occurred and the effect of changes in actuarial assumptions.

The first three items are recognised in profit or loss as 'Employee benefit expenses'. The net interest on the net liability is included in profit or loss in the 'Net financial result'. Actuarial gains and losses are recognised in other comprehensive income.

Profit participation

In accordance with the Law of 22 May 2001 concerning employee participation in the capital of entities and the establishment of a profit bonus for employees, Colruyt Group offers its personnel based in Belgium a share in the profits in the form of a profit participation, paid in cash. The profit participation is recognised in the financial year in which the profit is realised.

Discounts on share capital increases

In accordance with article 7:204 of the Code on Companies and Associations, Colruyt Group offers a discount on its yearly share capital increase which is reserved for its employees. This discount is recognised as an employee benefit expense in the period of the share capital increase.

M. Financial liabilities

Financial liabilities are subdivided as follows:

- financial liabilities at amortised cost; and

- financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities of Colruyt Group measured at amortised cost comprise interest-bearing loans, trade payables and other liabilities. Financial liabilities are initially measured at fair value, net of transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities of Colruyt Group measured at fair value through profit or loss comprise derivative financial instruments that are concluded by Colruyt Group in order to hedge its exposure to currency risks resulting from its operational activities. Colruyt Group does not conduct speculative transactions.

These financial liabilities are initially recognised at fair value including any transaction costs that are directly attributable to these financial liabilities. After initial recognition these financial liabilities are measured at fair value through profit or loss.

N. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. After initial recognition these derivative financial instruments are remeasured at fair value at the end of every reporting period. Derivative financial instruments can be subdivided into cash flow hedges, fair value hedges and hedges of net investments. Colruyt Group designates the derivative financial instruments as cash flow hedges.

At the inception of the transaction, Colruyt Group documents the relationship between the hedging instrument and the hedged instrument, as well as the risk management objectives and strategy for undertaking the hedge. Derivative financial instruments are presented according to their non-current or current nature.

The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges is included as a separate component in equity, under 'Cash flow hedge reserves'. The gain or loss in respect of the ineffective portion is immediately recognised in profit or loss under 'Finance income' or 'Finance costs'.

The cumulative amounts included under 'Cash flow hedge reserves' are reclassified to profit or loss in the period during which the hedged instrument affects profit or loss. The cumulative amounts of the hedging instrument are included under the same line item as the hedged instrument.

A cash flow hedge accounting relationship is discontinued when:

- the hedge accounting relationship fails the effectiveness test;

- the hedging instrument is sold, terminated or exercised;

- management decides to revoke the hedge accounting designation of the instrument; or

- the forecast transaction is no longer highly probable.

When the forecast transaction is no longer highly probable but still expected to occur, the hedge gains and losses that were previously recognised in other comprehensive income remain in equity until the transaction affects profit or loss. As soon as the forecast transaction is no longer expected to occur, any gain or loss is immediately recognised in profit or loss as a reclassification adjustment.

Certain derivative financial instruments do not qualify for hedge accounting. Changes to the fair value of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in profit or loss under 'Finance income' or 'Finance costs'.

O. Revenue

Revenue is recognised based on a five-step model. Revenue from the supply of goods or services is recognised in an amount that reflects the consideration to which Colruyt Group expects to be entitled.

Colruyt Group supplies goods, either food or non-food, through different sales channels.

Revenue from the sale of goods – 'Retail'

The sale of goods in the 'Retail' segment, at the cash desk or online, is limited to one single transaction, i.e. the sale of goods at the cash desk or online. There is only one performance obligation within this context and revenue is recognised when control over the goods is transferred to the customer.

For certain products or services, such as phone cards and tickets for amusement parks, Colruyt Group acts as an agent. Therefore, only the commission is included in the revenue.

Revenue from the sale of gift cards and gift certificates is recognised when the gift card or gift certificate is redeemed by the customer.

The transaction price is affected by a number of rebate mechanisms, which are recognised as variable considerations and are included in profit or loss at the time of the sale of the goods.

Revenue from the sale of goods – 'Wholesale and Foodservice'

Revenue from the sale of goods in the 'Wholesale and Foodservice' segment is recognised upon delivery to, or pick-up by, the 'Wholesale and Foodservice' customer. To determine the transaction price Colruyt Group uses collaboration arrangements. Any rebates granted to the 'Wholesale and Foodservice' customer are deducted from the sales price.

Revenue from the sale of goods – 'Other activities'

Revenue from the 'Other activities' segment mainly relates to revenue from the sale of fuel, the supply of printing and document management solutions and energy-related activities.

The sale of fuels is limited to one single transaction that is settled at the pump. Any rebates granted are immediately deducted from the transaction price.

Revenue from services rendered

Revenue from services rendered other than those included under 'Revenue from the sale of goods – 'Other activities'', is assessed on a contractual basis to decide whether the performance obligations are performed over time or at a specific moment in time.

P. Other operating income

Rental income

Rental income generated by ordinary leases or by operating subleases are recognised in 'Other operating income' on a straight-line basis over the term of the lease.

Dividend income from financial assets and finance income

Dividends received from financial assets are recognised in the consolidated income statement at the time of allocation. Finance income is recognised using the effective interest method. Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in the consolidated income statement.

Other operating income from remuneration received

Colruyt Group does not consider income from renewable energy, services rendered to third parties and revenue from waste recycling as part of its ordinary business activities. This item relates mainly to B2B revenues from the sale of energy, from the cleaning of transport containers and from sales of waste products (mainly plastic and cardboard).

Q. Expenses

Incentives from suppliers

Incentives from suppliers are recognised net of expenses.

If such incentives are specifically received for the reimbursement of specific publicity expenses incurred, the reimbursements are deducted from those specific expenses. In all other cases the reimbursements are recognised as a deduction from cost of goods sold.

Rental payments

Payments made for short-term leases or leases of low-value assets are recognised in profit or loss on a straight-line basis over the term of the lease.

Finance costs

Finance costs relate to interest on loans, interest on repayments of lease liabilities, fair value adjustments of financial assets at fair value through profit or loss and adjustments for the time value of liabilities. Interest expenses are recognised using the effective interest method.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in the consolidated income statement.

All other finance costs are recognised when incurred.

R. Income tax expense

Income tax for the financial year comprises current and deferred taxes and is presented in accordance with IAS 12, '*Income Taxes*'. Taxes are presented in profit or loss, except for taxes that relate to transactions not recognised in the consolidated income statement or that relate to a business combination.

Current tax is the expected tax payable on the taxable profit for the financial year, using tax rates and tax laws enacted or enacted substantively at the end of the reporting period, and any adjustment to tax payable (or receivable) in respect of previous years. These taxes are calculated in accordance with the respective tax laws applicable in all countries in which Colruyt Group operates.

Deferred taxes are calculated using 'the balance sheet liability method', providing for temporary differences between the tax base of the assets and liabilities and the carrying amount of assets and liabilities in the consolidated statement of financial position. The following differences are however not provided for: the initial recognition of goodwill, the initial recognition of differences on assets or liabilities that are not resulting from a business combination and that do not affect profit before tax or taxable profit and the differences relating to investments in subsidiaries, associates and joint ventures to the extent that the group is able to assess the timing of the expiration of the temporary differences and that it is probable that they will not be reversed in the near future.

Deferred taxes are calculated using tax rates and tax laws enacted or substantively enacted at the reporting date. A deferred tax asset is recognised in the consolidated statement of financial position only to the extent that it is probable that taxable profits will be available in the near future against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends or gains on shares in subsidiaries are only recognised respectively at the moment of the decision to pay the related dividend and at the moment of the decision of the realisation of the gain.

S. Transfer pricing

The prices for transactions between subsidiaries, associates, joint ventures and therefore also between operating segments are conducted on an objective, at arm's length basis.

T. Events after the reporting date

Events after the reporting date, which provide additional information concerning the situation of Colruyt Group at the reporting date ('adjusting events') are recognised in the consolidated financial statements. Other events after the reporting date ('non-adjusting events') are only mentioned in the notes to the consolidated financial statements if they are considered to be important.

2. Segment information

Colruyt Group reports its operating segments based on the nature of its activities. In addition to the information on the operating segments, Colruyt Group also provides geographical information on the regions in which it operates.

2.1. Operating segments

Colruyt Group distinguishes three operating segments within its activities.

Since Colruyt Group refers to its CEO as the 'chief operating decision maker' (CODM), the operating segments, taking into account the operating characteristics of each activity, are based on the information provided to the CEO. Colruyt Group calculates its earnings from operating activities (EBIT) at segment level and recognises it in accordance with international financial reporting standards (IFRS). Assets and liabilities are not reported to the CODM by segment.

Two key business segments have been identified: 'Retail' and 'Wholesale and Foodservice'. The difference between both operating segments can be found in differences in markets and business models. The other identifiable segments do not meet the quantitative thresholds determined by IFRS 8, '*Operating segments*', and were therefore reported together under the operating segment '*Other activities*'. The group support activities combine various departments and supply services to the different brands within Colruyt Group. These activities include marketing and communication, IT, human resources and recruitment, finance and other central services. The costs of group support activities and the result of their internal cross-charging are, to the extent possible, allocated to the reported segments.

Given that in 2022/23 the CODM monitored the performance for the full year and allocated resources including the discontinued operations as part of the 'Other activities', the discontinued operations are reported as part of the segment '*Other activities*' in line with previous financial years.

Retail

Stores under Colruyt Group's own management which directly sell to retail customers and bulk consumers. The filling stations in France are also included in this segment as they are inseparably connected to, and therefore an integral part of, the stores in France.

Wholesale and foodservice

Supply to wholesalers, commercial customers and affiliated independent merchants.

Other activities

Filling stations in Belgium, printing and document management and sustainable energy. The filling stations in Belgium are presented in a separate segment, as opposed to the filling stations in France, the reason being that the former, which have their own commercial objectives and energy strategy, can be identified separately from the stores in Belgium.

The results of an operating segment contain elements which are directly attributable or which are reasonably attributable to the operating segments.

The revenues of each operating segment include revenues from sales to external customers and revenues from transactions with other operating segments. More information can be found under note *3.1. Revenue by cash-generating unit*.

The results of the operating segments are evaluated based on operating profit (EBIT).

The financial result and income taxes are managed at Colruyt Group level and are not allocated to the operating segments.

Non-cash items in the income statement consist mainly of depreciation and amortisation, impairment of non-current assets, provisions and impairment of current assets. The line items '*Depreciation and amortisation*' and '*Impairment of non-current assets*' are the most significant ones and are therefore included in the segment information.

The operating segment information and Colruyt Group's consolidated figures can be reconciled by adding the information in the different operating segments with the non-allocated elements - including group support activities - eliminations within Colruyt Group and reclassification to discontinued operations.

Given the nature of its activities, Colruyt Group does not rely on a limited number of major customers.

(in million EUR)	Retail 2022/23[1]	Wholesale and Foodservice 2022/23	Other activities 2022/23	Operating segments 2022/23
Revenue - external	**8.749,9**	**1.161,3**	**908,4**	**10.819,6**
Revenue – internal	**72,3**	**21,6**	**20,5**	**114,4**
Operating profit (EBIT)	**242,7**	**37,9**	**26,9**	**307,5**
Share in the result of investments accounted for using the equity method	(4,9)	-	3,7	(1,2)
Acquisition of property, plant and equipment and intangible assets[2]	**335,8**	**22,9**	**18,0**	**376,7**
Depreciation and amortisation	293,3	23,1	11,6	328,0
Impairment of non-current assets	32,8	0,1	0,3	33,2

(in million EUR)	Operating segments 2022/23	Unallocated 2022/23	Eliminations between operating segments & reclassification to discontinued operations[3] 2022/23	Consolidated 2022/23
Revenue - external	**10.819,6**	**-**	**(886,0)**	**9.933,6**
Revenue – internal	**114,4**	**-**	**(114,4)**	**-**
Operating profit (EBIT)	**307,5**	**(29,0)**	**(27,6)**	**250,9**
Share in the result of investments accounted for using the equity method	(1,2)	2,9	-	1,7
Net financial result				(10,8)
Income tax expense				(62,2)
Profit for the financial year from continuing operations				**179,6**
Acquisition of property, plant and equipment and intangible assets[2]	**376,7**	**86,3**	**-**	**463,0**
Depreciation and amortisation	328,0	45,4	(7,5)	365,9
Impairment of non-current assets	33,2	0,2	-	33,4

(1) Includes Roelandt Group since January 2022, Jims since May 2021 and Newpharma for the period from October to December 2022. Since October 2022, Newpharma has been fully consolidated and no longer accounted for as an associate using the equity method.
(2) Acquisition of property, plant and equipment and intangible assets does not include acquisitions through business combinations, right-of-use assets and changes in consolidation method.
(3) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

Impairments amounting to EUR 27,9 million were realised on property, plant and equipment and intangible assets, mainly related to the loss-making activities of Dreamland and Dreambaby.

(in million EUR)	Retail 2021/22[1]	Wholesale and Foodservice 2021/22	Other activities 2021/22	Operating segments 2021/22
Revenue - external	**8.164,9**	**1.065,0**	**819,4**	**10.049,3**
Revenue – internal	**68,4**	**17,2**	**13,5**	**99,1**
Operating profit (EBIT)	**351,7**	**51,1**	**14,1**	**416,9**
Share in the result of investments accounted for using the equity method	(0,7)	-	4,6	3,9
Acquisition of property, plant and equipment and intangible assets[2]	**369,1**	**25,5**	**20,8**	**415,4**
Depreciation and amortisation	274,1	20,7	12,2	307,0
Impairment of non-current assets	6,1	-	0,1	6,2

(in million EUR)	Operating segments 2021/22	Unallocated 2021/22	Eliminations between operating segments & reclassification to discontinued operations[3] 2021/22	Consolidated 2021/22
Revenue – external	**10.049,3**	**-**	**(798,2)**	**9.251,1**
Revenue – internal	**99,1**	**-**	**(99,1)**	**-**
Operating profit (EBIT)	**416,9**	**(41,7)**	**(12,1)**	**363,1**
Share in the result of investments accounted for using the equity method	3,9	2,1	-	6,0
Net financial result				1,5
Income tax expense				(92,6)
Profit for the financial year from continuing operations				**278,0**
Acquisition of property, plant and equipment and intangible assets[2]	**415,4**	**72,1**	**-**	**487,5**
Depreciation and amortisation	307,0	51,8	(8,5)	350,3
Impairment of non-current assets	6,2	0,4	-	6,6

(1) Includes Roelandt Group as of January 2022 and Jims as of May 2021.
(2) Acquisition of property, plant and equipment and intangible assets does not include acquisitions through business combinations, right-of-use assets and changes in consolidation method.
(3) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

2.2. Geographical information

As customers are mostly serviced in their own geographical areas, the geographical information is based on the location of the Company and its subsidiaries. The geographical information represents the contribution in Colruyt Group of the countries in which the entities are domiciled and contains all of Colruyt Group's entities which are active in the operating segments, as well as in the group support activities.

The main geographical locations are Belgium (location of the Company and many of its subsidiaries; these are active in all operating segments and in the group support activities), France (these entities are active in the operating segments 'Retail', 'Wholesale and Foodservice' and in the group support activities) and other countries. See note 34. *List of consolidated entities* for the location of entities.

Geographical information

	Belgium		France		Other		Total	
(in million EUR)	2022/23	2021/22(1)	2022/23	2021/22(1)	2022/23	2021/22(1)	2022/23	2021/22(1)
Revenue	9.076,1	8.467,9	780,7	712,0	76,8	71,2	9.933,6	9.251,1
Acquisitions of property, plant and equipment and intangible assets	391,3	438,1	67,2	44,5	4,5	4,9	463,0	487,5

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

3. Revenue and gross profit

(in million EUR)	2022/23	2021/22[1]
Revenue	9.933,6	9.251,1
Cost of goods sold	(7.074,2)	(6.546,4)
Gross profit	2.859,4	2.704,7
As a % of revenue	**28,8%**	**29,2%**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

3.1. Revenue by cash-generating unit

(in million EUR)	2022/23	2021/22[1][2]
Retail Food[3]	8.145,5	7.642,3
Colruyt Belgium and Luxembourg[4][5]	*6.435,7*	*6.019,4*
Okay, Bio-Planet and Cru	*1.056,3*	*1.031,3*
Colruyt France and DATS 24 France	*653,5*	*591,6*
Retail Non-food[3][6]	604,4	522,6
Transactions with other operating segments	72,3	68,4
Retail	**8.822,2**	**8.233,3**
Wholesale	944,5	911,0
Foodservice	216,8	154,0
Transactions with other operating segments	21,6	17,2
Wholesale and Foodservice	**1.182,9**	**1.082,2**
DATS 24 Belgium	886,0	798,2
Printing and document management solutions	22,4	21,2
Transactions with other operating segments	20,5	13,5
Other activities	**928,9**	**832,9**
Total operating segments	**10.934,0**	**10.148,4**
Eliminations between operating segments	(114,4)	(99,1)
Reclassification to discontinued operations[1]	(886,0)	(798,2)
Consolidated	**9.933,6**	**9.251,1**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.
(2) The revenue from the Dreamland and Dreambaby webshops realised by Colruyt, Okay and Bio-Planet stores is presented under Retail Non-food as of financial year 2022/23. The figures for financial year 2021/22 were also adjusted accordingly.
(3) The subtotals 'Food' and 'Non-food' within the operating segment 'Retail' are for information purposes only.
(4) Including the revenue from the Collect&Go and Bio-Planet webshops realised by Colruyt stores.
(5) Including the revenue from Roelandt Group (as of January 2022).
(6) Including the revenue from Dreamland and Dreambaby, Bike Republic, The Fashion Society, Jims (since May 2021) and Newpharma (period from October to December 2022).

4. Other operating income and expenses

(in million EUR)	2022/23	2021/22[1]
Rental and rental-related income	14,3	13,2
Gains on disposal of non-current assets	10,0	6,9
Remuneration received	97,5	87,2
Other	26,7	28,2
Total other operating income	**148,5**	**135,5**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

Remuneration received includes, amongst others, income from services rendered to third parties and revenue from waste recycling.

(in million EUR)	2022/23	2021/22[1]
Operating taxes	10,2	13,1
Property withholding tax	15,6	15,0
Losses on disposal of non-current assets	0,7	2,4
Other	2,5	4,7
Total other operating expenses	**29,0**	**35,2**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

5. Services and miscellaneous goods

(in million EUR)	2022/23	2021/22[1]
Rental and rental-related charges	35,4	25,3
Maintenance and repairs	86,1	79,1
Utilities	102,5	73,3
Logistic expenses	177,6	138,6
Fees, IT and IT-related expenses	210,1	194,6
Administration, marketing and other expenses	104,8	101,3
Impairment of current assets	0,9	(0,3)
Total services and miscellaneous goods	**717,4**	**611,9**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

High and volatile energy prices impact utilities and logistics expenses.

6. Employee benefit expenses

(in million EUR)	2022/23	2021/22[1]
Wages and salaries[2]	1.277,7	1.163,9
Social security contributions	252,8	250,8
Consultants and interim personnel	120,7	105,5
Profit-sharing schemes for employees[3]	1,1	27,5
Contributions to defined contribution plans with a legally guaranteed minimum return	16,4	17,8
Other post-employment benefits	1,4	1,6
Discount on capital increase reserved for personnel	1,2	1,3
Other personnel costs	46,4	43,6
Compensatory amounts	(106,4)	(138,8)
Total employee benefit expenses	**1.611,3**	**1.473,2**
Number of employees (FTEs) at reporting date[4]	**31.461**	**31.134**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.
(2) Of which the Belgian salary pool for the financial year 2022/23 amounts to EUR 1.185,2 million (EUR 1.082,0 million for the financial year 2021/22).
(3) This line item consists of the full cost of the profit-sharing schemes, including the employer social security contributions.
(4) At 31/03/2023, there are 31.535 employees in FTE, discountinued operations included.

Capital increase reserved for employees

Colruyt Group offers its employees the opportunity to subscribe to an annual capital increase of the parent company Etn. Fr. Colruyt NV. The discount granted on this capital increase complies with Article 7:204 of the Code on Companies and Associations. During the most recent capital increase 1.489 employees subscribed to 238.500 shares, corresponding to a capital contribution of EUR 5,4 million. The discount granted on this transaction was EUR 1,2 million and is accounted for as an employee benefit.

	2022/23	2021/22
Number of shares subscribed	238.500	184.228
Discount per share (in EUR)	5,2	6,8
Total discount granted (in million EUR)	**1,2**	**1,3**

Compensatory amounts

Employee benefit expenses are presented free of compensatory amounts. Compensatory amounts relate mainly to employee costs capitalised in the context of non-current assets produced internally by Colruyt Group.

Number of employees

The number of employees in full-time equivalents (FTE) includes only employees on permanent employment contracts. As a result, the members of the Board of Directors, interim personnel, consultants and students working under specific student conditions are not included in these full-time equivalents.

7. Net financial result

(in million EUR)	2022/23	2021/22[1]
Interest income on customer and other loans	1,9	1,7
Dividends received	4,1	4,7
Interest income on short-term bank deposits	1,1	0,2
Interest income on fixed-income securities and compound instruments at fair value through profit or loss	0,4	1,7
Fair value adjustments to financial assets and liabilities at fair value through profit or loss	1,7	1,6
Gains on disposal of financial assets	0,2	0,8
Adjustments for the time value of assets	0,3	0,2
Exchange gains	0,3	0,3
Other	0,7	0,1
Finance income	**10,7**	**11,3**
Interest expense on current and non-current loans	11,8	1,5
Fair value adjustments to financial assets and liabilities at fair value through profit or loss	1,9	2,4
Losses on disposal of financial assets	0,9	0,7
Adjustment for the time value of liabilities	5,4	4,7
Exchange losses	0,4	0,3
Other	1,1	0,2
Finance costs	**21,5**	**9,8**
Net financial result	**(10,8)**	**1,5**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

8. Income tax expense

8.1. Income taxes recognised in profit or loss

(in million EUR)	2022/23	2021/22[1]
A) Effective tax rate		
Profit before tax (excluding share in the result of investments accounted for using the equity method)	240,1	364,6
Income tax expense	62,2	92,6
Effective tax rate[2]	**25,90%**	**25,40%**
B) Reconciliation between the effective tax rate and the applicable tax rate[3]	**24,35%**	**24,68%**
Profit before tax (excluding share in the result of investments accounted for using the equity method)	240,1	364,6
Income tax expense (based on applicable tax rate)	**58,5**	**90,0**
Non-taxable income/non tax-deductible expenses	5,7	6,2
Permanent differences	0,3	0,6
Impact of tax deductions	(1,5)	(3,1)
Other	(0,8)	(1,1)
Income tax expense	**62,2**	**92,6**
Effective tax rate	**25,90%**	**25,40%**
C) Income tax expense recognised in profit or loss		
Current year taxes	73,3	80,4
Deferred taxes	(9,5)	12,5
Adjustments relating to prior years	(1,6)	(0,3)
Total income tax expense	**62,2**	**92,6**

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.
(2) Includes the effects of, amongst others, the dividends-received deduction, the deduction for risk capital, the deduction for compensatory losses, the deduction for innovation and the increased deduction for investment.
(3) The applicable tax rate is the weighted average tax rate for the Company and all its consolidated subsidiaries in different jurisdictions.

8.2. Tax impacts recognised in other comprehensive income

Certain tax effects have not been recognised in the income statement, but are included in the statement of comprehensive income for the financial year.

(in million EUR)	2022/23	2021/22
Tax impact on revaluation of liabilities related to long-term post-employment benefits	(4,2)	(6,0)
Tax impact on cash flow hedge reserves	0,9	(2,3)
Total tax impacts recognised in other comprehensive income	**(3,3)**	**(8,3)**

9. Goodwill

The recognised goodwill relates to goodwill arising from the acquisition of complete business entities. For more information regarding the definition, recognition and valuation of goodwill we refer to note 1. *Significant accounting policies*.

As described in the policies, goodwill is not amortised but tested annually for impairment at the level of the cash-generating unit (CGU) in line with the provisions in IAS 36. Colruyt Group considers the business segments or business entities as CGUs. The impairment test of goodwill consists of comparing the recoverable amount of each CGU with its carrying amount, including goodwill, with an impairment recognised if the carrying amount is higher than the recoverable amount. Recoverable amounts are based on value in use. The latter is equal to the present value of the forecast cash flows of each CGU or group of CGUs and is determined using the following data:

- cash flows based on the latest forecasts, including detailed planning for revenue, EBITDA and investment planning through capital expenditure or leasing. When preparing cash flow forecasts, Colruyt Group uses estimated growth rates and expected future margins derived from the actual figures of the most recent financial year and from forecasts;
- a residual value determined from an extrapolation of the cash flow of the last year of the forecast, influenced by a long-term growth rate. To determine the residual value using the discounted cash flow method, the 'Gordon growth model' was used;
- discounting of expected cash flows at a rate determined using the weighted average cost of capital (WACC) formula. To determine the discount rate, Colruyt Group uses the 'Capital Asset Pricing Model'. For its impairment testing, Colruyt Group uses a minimum WACC of 8,0% or, if higher, a WACC calculated on the basis of the 'Capital Asset Pricing Model'.

Given the importance of these assumptions for calculating value in use, a) they are monitored closely at a central level through alignment and validation processes, and b) external sources of information are used to determine them. The principal assumptions for calculating value in use for the CGUs with material goodwill are shown in the following table:

	Discount rate used in test		long-term growth %		Time horizon business plan	Discount rate based on Capital Asset Pricing Model	
	31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.23	31.03.22
Retail Food	8,0%	8,0%	1,0%	1,0%	5 years	6,3% - 6,7%	5,0% - 6,3%
Retail Non-food	8,0%	8,0%	1,0%	1,0%	5 years	6,3% - 6,7%	5,0% - 6,3%

Given all CGUs are active in retail activities in Belgium, the same WACC was calculated for all CGUs based on the 'Capital Asset Pricing Model'. The WACC has risen to a range of 6,3% to 6,7% (versus 5,0% to 6,3% last year) as a result of an increasing risk-free rate partially offset by a decreasing Equity to Capital ratio for Colruyt Group. We also see a limited WACC increase for the peer group as a result of the decline in the beta.

In determining the long-term growth rate, Colruyt Group takes into account internal sources of information, the evolution and expectations of the Belgian retail market and long-term inflation. In line with last year, the long-term growth rate for all CGUs was retained at 1%, with Colruyt Group expecting long-term growth to normalise.

The impairment tests were performed in February 2023. For Newpharma Group NV, the purchase price allocation of the business combination has not yet been finalised on the reporting date. We therefore only include the provisional goodwill. Newpharma Group NV is currently being integrated into Colruyt Group's operations. At the time of impairment testing, no forecasts existed for the integrated CGU. A value in use was calculated based on a WACC of 8,0% and a long-term growth rate of 2,0% (based on external information and internal expectations for e-commerce and the relevant sector). Based on these tests and the sensitivity analysis, no impairment risk was identified.

As a result of the impairment tests performed, no impairments were identified and there was sufficient headroom for all CGUs, with a minimum headroom in relation to the carrying amount of 32,1%. Colruyt Group is of the opinion that the above-described assumptions used for calculating the value in use provide the best estimation of future evolutions.

Colruyt Group's models also include sensitivity analyses for gross margins, sales growth, increased operating costs, long-term growth rate, WACC and a combination of various parameters. Based on these sensitivity analyses, no impairment risk was identified for the various CGUs and consequently these sensitivity analyses indicate that a reasonably possible change in these assumptions would not result in an impairment.

Goodwill by cash-generating unit can be presented as follows:

(in million EUR)	31.03.22	Acquisitions[2]	Other[1]	31.03.23
Retail Food[2]	57,8	6,0	-	63,8
Retail Non-food [2]	77,4	209,6	1,3	288,3
Foodservice	13,6	-	-	13,6
Printing and document management solutions	8,8	-	-	8,8
Consolidated	**157,6**	**215,6**	**1,3**	**374,5**

(1) Goodwill adjustment to reflect changes in estimates within the measurement period.
(2) For acquisitions, see note 15. *Business combinations*.

The changes in 'Goodwill' can be explained as follows:

(in million EUR)	Gross carrying amount 2022/23	Impairments 2022/23	Net carrying amount 2022/23	Gross carrying amount 2021/22	Impairments 2021/22	Net carrying amount 2021/22
At 1 April	**181,9**	**(24,3)**	**157,6**	**149,1**	**(24,2)**	**124,9**
Acquisitions	215,6	-	215,6	24,6	-	24,6
Other[1]	1,3	-	1,3	8,2	(0,1)	8,1
At 31 March	**398,8**	**(24,3)**	**374,5**	**181,9**	**(24,3)**	**157,6**

(1) Goodwill adjustment to reflect changes in estimates within the measurement period.

10. Intangible assets

(in million EUR)	Internally developed intangible assets	Externally purchased software, licences and similar rights	Acquired customer lists	Other intangible assets	Intangible assets under development	Total
Acquisition value						
At 1 April 2022	**206,0**	**104,9**	**8,9**	**12,7**	**195,6**	**528,1**
Acquisitions through business combinations	-	-	-	0,7	-	0,7
Acquisitions	5,1	5,0	0,1	0,6	58,8	69,6
Sales and disposals	(2,9)	(11,0)	(1,6)	-	-	(15,5)
Other reclassification/Other	55,7	0,1	-	-	(55,8)	-
Reclassification to assets from discontinued operations(1)	(1,3)	(1,3)	-	-	(0,7)	(3,3)
At 31 March 2023	**262,6**	**97,7**	**7,4**	**14,0**	**197,9**	**579,6**
Amortisation						
At 1 April 2022	**(99,9)**	**(79,9)**	**-**	**(0,1)**	**-**	**(179,9)**
Amortisation	(24,5)	(9,9)	-	(0,4)	-	(34,8)
Sales and disposals	1,8	11,2	-	-	-	13,0
Reclassification to assets from discontinued operations(1)	0,9	1,0	-	-	-	1,9
At 31 March 2023	**(121,7)**	**(77,6)**	**-**	**(0,5)**	**-**	**(199,8)**
Impairment						
At 1 April 2022	**(12,1)**	**(0,1)**	**(4,4)**	**-**	**(2,2)**	**(18,8)**
Impairment	(2,2)	-	-	-	(20,0)	(22,2)
Sales and disposals	1,1	-	0,1	-	-	1,2
Other reclassification/Other	(1,3)	-	-	-	1,3	-
At 31 March 2023	**(14,5)**	**(0,1)**	**(4,3)**	**-**	**(20,9)**	**(39,8)**
Net carrying amount at 31 March 2023	**126,4**	**20,0**	**3,1**	**13,5**	**177,0**	**340,0**

(1) As adjusted due to discontinued operations. See Note 16 for more information.

(in million EUR)	Internally developed intangible assets	Externally purchased software, licences and similar rights	Acquired customer lists	Other intangible assets	Intangible assets under development	Total
Acquisition value						
At 1 April 2021	**199,4**	**99,3**	**5,9**	**12,6**	**136,9**	**454,1**
Acquisitions through business combinations	-	0,6	-	-	-	0,6
Acquisitions	3,6	9,0	3,0	0,1	72,5	88,2
Sales and disposals	(10,8)	(4,0)	-	-	-	(14,8)
Other reclassification/Other	13,8	-	-	-	(13,8)	-
At 31 March 2022	**206,0**	**104,9**	**8,9**	**12,7**	**195,6**	**528,1**
Amortisation						
At 1 April 2021	**(86,6)**	**(71,4)**	**-**	**(0,1)**	**-**	**(158,1)**
Amortisation	(20,3)	(12,5)	-	-	-	(32,8)
Sales and disposals	7,0	4,0	-	-	-	11,0
At 31 March 2022	**(99,9)**	**(79,9)**	**-**	**(0,1)**	**-**	**(179,9)**
Impairment						
At 1 April 2021	**(10,7)**	**(0,2)**	**(4,4)**	**-**	**(3,6)**	**(18,9)**
Impairment	(2,9)	-	-	-	-	(2,9)
Sales and disposals	2,9	0,1	-	-	-	3,0
Other reclassification/Other	(1,4)	-	-	-	1,4	-
At 31 March 2022	**(12,1)**	**(0,1)**	**(4,4)**	**-**	**(2,2)**	**(18,8)**
Net carrying amount at 31 March 2022	**94,0**	**24,9**	**4,5**	**12,6**	**193,4**	**329,4**

To clarify the breakdown between internally developed intangible assets and externally purchased intangible assets, the table in note 10. *Intangible assets* has been adjusted for both financial years. The categories 'Intangible assets under development and other intangible assets' and 'Concessions, software, licences and similar rights' in the 2021/22 annual report have been broken down into 'Internally developed intangible assets', 'Externally purchased software, licences and similar rights', 'Other intangible assets' and 'Intangible assets under development'.

The externally purchased, software, licences and similar rights totalling EUR 20,0 million (previous reporting period EUR 24,9 million) consist mainly of purchased IT security software. The internally generated software still under development (mainly transformation programs) at the end of the current financial year totals EUR 177,0 million (compared to EUR 193,4 million for the previous financial year). During the current financial year the group acquired intangible assets for an amount of EUR 69,6 million (compared to EUR 88,2 million during the previous financial year), of which EUR 63,9 million were developed internally (compared to EUR 76,1 million during the previous financial year).

Impairments amounting to EUR 22,2 million were realised, mainly related to the loss-making operations of Dreamland and Dreambaby.

Non-capitalised costs related to research and development amount to EUR 55,9 million. These costs consist of externally purchased goods and services as well as internal transactions and cost allocations.

11. Property, plant and equipment

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right-of-use assets	Other property, plant and equipment	Assets under construction	Total
Acquisition value							
At 1 April 2022	**3.139,8**	**880,0**	**556,3**	**361,5**	**223,4**	**94,7**	**5.255,7**
Revaluation(1)	-	-	-	62,3	-	-	62,3
Acquisitions through business combinations	6,0	1,8	0,1	1,9	4,7	2,1	16,6
Acquisitions	143,1	50,7	70,9	13,2	19,0	109,7	406,6
Sales and disposals	(29,7)	(22,8)	(39,6)	(1,8)	(5,9)	(0,1)	(99,9)
Other reclassification/Other	40,7	7,7	3,4	(0,6)	1,3	(53,0)	(0,5)
Reclassification to assets from discontinued operations(2)	(1,4)	(118,5)	(0,7)	(5,6)	-	(6,3)	(132,5)
Currency translation adjustments	(0,3)	0,1	(0,3)	-	-	-	(0,5)
At 31 March 2023	**3.298,2**	**799,0**	**590,1**	**430,9**	**242,5**	**147,1**	**5.507,8**
Depreciation							
At 1 April 2022	**(1.369,1)**	**(541,4)**	**(395,9)**	**(97,0)**	**(99,5)**	**-**	**(2.502,9)**
Revaluation(1)	-	-	-	17,4	-	-	17,4
Depreciation	(133,2)	(65,0)	(71,8)	(51,7)	(16,9)	-	(338,6)
Sales and disposals	22,4	21,6	32,1	1,8	5,4	-	83,3
Other reclassification/Other	(0,2)	(0,4)	-	0,3	0,3	-	-
Reclassification to assets from discontinued operations(2)	0,2	66,2	0,4	2,1	-	-	68,9
Currency translation adjustments	0,1	-	0,2	-	-	-	0,3
At 31 March 2023	**(1.479,8)**	**(519,0)**	**(435,0)**	**(127,1)**	**(110,7)**	**-**	**(2.671,6)**
Impairment							
At 1 April 2022	**(6,1)**	**(1,4)**	**-**	**-**	**(0,3)**	**-**	**(7,8)**
Impairment	(7,8)	(1,0)	(0,3)	-	(2,9)	-	(12,0)
Sales and disposals	2,2	0,5	0,1	-	0,1	-	2,9
Reversal of impairments	0,7	-	-	-	-	-	0,7
Reclassification to assets from discontinued operations(2)	-	0,7	-	-	-	-	0,7
At 31 March 2023	**(11,0)**	**(1,2)**	**(0,2)**	**-**	**(3,1)**	**-**	**(15,5)**
Net carrying amount at 31 March 2023	**1.807,4**	**278,8**	**154,9**	**303,8**	**128,7**	**147,1**	**2.820,7**

(1) Includes the effect of the revaluation of right-of-use assets as a result of indexations (only for the acquisition values) on the one hand, and changes to the lease portfolio (extension/termination/new leases) on the other hand.
(2) As adjusted due to discontinued operations. See note 16 for more information.

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right-of-use assets	Other property, plant and equipment	Assets under construction	Total
Acquisition value							
At 1 April 2021	**2.957,3**	**847,2**	**548,2**	**284,7**	**202,9**	**83,1**	**4.923,4**
Revaluation(1)	-	-	-	45,8	-	-	45,8
Acquisitions through business combinations	17,3	4,3	1,1	27,8	6,6	0,2	57,3
Acquisitions	185,9	60,4	58,7	3,9	21,9	68,6	399,4
Sales and disposals	(48,3)	(52,8)	(54,9)	(0,2)	(13,8)	(0,5)	(170,5)
Other reclassification/Other	27,5	20,8	3,1	(0,5)	5,8	(56,7)	-
Currency translation adjustments	0,1	0,1	0,1	-	-	-	0,3
At 31 March 2022	**3.139,8**	**880,0**	**556,3**	**361,5**	**223,4**	**94,7**	**5.255,7**
Depreciation							
At 1 April 2021	**(1.279,0)**	**(530,0)**	**(377,4)**	**(59,1)**	**(94,3)**	**-**	**(2.339,8)**
Revaluation(1)	-	-	-	7,0	-	-	7,0
Depreciation	(129,2)	(63,1)	(71,0)	(45,5)	(17,3)	-	(326,1)
Sales and disposals	39,9	50,8	53,0	0,3	12,0	-	156,0
Other reclassification/Other	(0,8)	0,9	(0,5)	0,3	0,1	-	-
At 31 March 2022	**(1.369,1)**	**(541,4)**	**(395,9)**	**(97,0)**	**(99,5)**	**-**	**(2.502,9)**
Impairment							
At 1 April 2021	**(5,3)**	**(1,4)**	**-**	**-**	**(0,3)**	**-**	**(7,0)**
Impairment	(2,0)	(0,3)	(0,3)	-	(0,9)	-	(3,5)
Sales and disposals	1,3	0,3	0,3	-	0,9	(0,1)	2,7
Other reclassification/Other	(0,1)	-	-	-	-	0,1	-
At 31 March 2022	**(6,1)**	**(1,4)**	**-**	**-**	**(0,3)**	**-**	**(7,8)**
Net carrying amount at 31 March 2022	**1.764,6**	**337,2**	**160,4**	**264,5**	**123,6**	**94,7**	**2.745,0**

(1) Includes the effect of the revaluation of right-of-use assets as a result of indexations (only for the acquisition values) on the one hand, and changes to the lease portfolio (extension/termination/new leases) on the other hand.

Collateral has been provided for contracted liabilities, mainly at The Fashion Society (note 25. *Interest-bearing liabilities*).

During financial year 2022/23, Colruyt Group acquired property, plant and equipment totalling EUR 406,6 million (EUR 399,4 million in financial year 2021/22). These acquisitions include the expansion and modernisation of the store network, investments in the logistical infrastructure and production departments, and in sustainable energy.

The net carrying amount of the line item 'Right-of-use assets' for the current financial year amounts to EUR 303,8 million (compared to EUR 264,5 million for the previous reporting period) and consists of leases in respect of buildings (EUR 286,0 million), land (EUR 1,5 million), vehicles, machinery, ICT equipment and other tangible fixed assets (EUR 16,4 million).

On property, plant and equipment an impairment loss of EUR 12,0 million was recognised, mainly relating to the loss-making operations of Dreamland and Dreambaby, and the expansion, relocation and renovation of existing stores. The impairment loss is included in the income statement of the current reporting period under 'Depreciation, amortisation and impairment of non-current assets' within the operating segments 'Retail', 'Wholesale and Foodservice' and 'Other activities'.

The grants received are included in the net carrying amount of the property, plant and equipment item concerned. These grants amount (net) to:

(in million EUR)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Right-of-use assets	Other property, plant and equipment	Assets under construction	Total
At 31 March 2022	(6,0)	(5,0)	(0,2)	-	-	(0,3)	(11,4)
At 31 March 2023	**(5,3)**	**(3,6)**	**(0,1)**	**-**	**-**	**-**	**(9,1)**

The grants recognised in profit or loss amount to EUR 1,4 million (EUR 1,3 million in the previous financial reporting period).
The grants consist mainly of the grant awarded for the construction of the logistics site in Ath/Lessines.

12. Investments in associates

(in million EUR)	2022/23	2021/22
Carrying amount at 1 April	**452,3**	**313,4**
Acquisitions/capital increases	97,6	115,2
Transactions with non-controlling interests	(20,6)	-
Disposals/capital decreases	(94,6)	(0,7)
Share in the result for the financial year	3,2	5,8
Share in other comprehensive income	88,2	16,4
Dividend	(1,4)	(0,2)
Other	1,3	2,4
Carrying amount at 31 March	**526,0**	**452,3**

The investments in associates for the financial year 2022/23 relate to the non-quoted entities AgeCore SA (25,00%), First Retail International 2 NV (4,73%), Vendis Capital NV (10,87%), Smartmat NV (41,36%), Scallog SAS (23,73%), The Seaweed Company BV (21,30%), and Virya Energy NV (59,94%). These investments are considered as associates and are accounted for using the equity method given that Colruyt Group has a significant influence based on indicators as defined under paragraph 6 of IAS 28, '*Investments in Associates and Joint Ventures*'.

Acquisitions and transactions with non-controlling interests mainly concern Virya Energy NV. After conversion of the convertible loan between Colruyt Group and Virya Energy NV, Colruyt Group's stake in Virya Energy NV increased from 59,78% to 59,94%. Transactions with non-controlling interests include the initial recognition of put options on non-controlling interests agreed by Virya Energy NV with the respective shareholders. This liability will be revalued at each closing date, with subsequent changes recognised in equity.

The investment in Newpharma Group NV has been fully consolidated as a subsidiary since October 2022. This change in consolidation method is included in this note under the line item 'Disposals'. Through the acquisition of the remaining 39% of the shares of Korys Investments NV on 14 October 2022, Colruyt Group's stake in Newpharma Group NV increased to 100%. The requisite measures were taken in the context of the conflict of interest rules.

The share of other comprehensive income mainly relates to interest rate swap contracts within Virya Energy NV.

On 22 March 2023, Virya Energy NV announced that it had entered into an agreement with JERA Green Ltd., a subsidiary of JERA Co. Inc., to sell 100% of the Parkwind NV shares. The transaction is expected to be closed in the course of financial year 2023 and is subject to approval by the relevant competition and other regulatory authorities. This will lead to a very large one-off positive effect in Colruyt Group's consolidated net result in financial year 2023/24. That effect is estimated at EUR 600 million to EUR 700 million (based on Virya Energy NV's last closing date, i.e. 31 December 2022). The final price may still vary depending on the exact date the transaction is completed, and is expected to be at least EUR 1,55 billion (net of debt) at the level of Virya Energy NV.

For transactions decided by the Board of Directors after year-end with regard to Virya Energy NV, we refer to note 32. *Events after the reporting date*.

The investments in Scallog SAS, Smartmat NV and The Seaweed Company BV are presented under the operating segment 'Retail', the investment in Virya Energy NV under the operating segment 'Other activities' and the investments in AgeCore SA, First Retail International 2 NV and Vendis Capital NV under the segment 'Unallocated'.

The consolidated figures of the material associates are as follows:

2022 (in million EUR)	**Virya Energy NV**(1)(2)	**Smartmat NV**(1)
Non-current assets	497,0	5,0
Current assets(2)	2.484,4	4,8
Non-current liabilities	240,8	1,7
Current liabilities(2)	1.558,2	5,0
Net assets	1.182,5	3,0
of which non-controlling interests	110,8	-
of which equity attributable to owners of the parent company	1.071,7	3,0
Share of Colruyt Group in net assets	**642,4**	**1,2**
Adjustment for Colruyt Group(3)	(176,1)	26,2
Revenue(3)	111,0	30,7
Profit from continuing operations	9,3	0,6
Loss from discontinued operations(2)	(19,2)	-
Other comprehensive income	192,6	-
Total comprehensive income	182,7	0,6
of which non-controlling interests	47,3	-
of which equity attributable to owners of the parent company	135,4	0,6
Share of Colruyt Group in total comprehensive income	**81,2**	**0,3**
Adjustment for Colruyt Group(3)	11,2	-

(1) Virya Energy NV and Smartmat NV are in turn sub-consolidations. Late statutory adjustments not recognised by Colruyt Group are not material and will be accounted for in the next financial year.
(2) As a result of the announced transaction to sell 100% of the shares of Parkwind NV, the requirements for IFRS 5, '*Assets Held for Sale and discontinued Operations*' were met.
Consequently, within the sub-consolidation of Virya Energy NV, the entire Parkwind Group is presented as such in the balance sheet and income statement per 31 December 2022. The assets of the discontinued operation amount to EUR 2.352,6 million, its liabilities to EUR 1.458,8 million.
(3) The adjustments for Colruyt Group at Virya Energy NV are explained mainly by the fact that Colruyt Group recognises the Parkwind and Eurowatt entities in Virya Energy NV at historical value.
These adjustments to the net assets relate to energy contracts within the 'Non-current assets' category. In addition, effects in the consolidated figures of Virya Energy NV resulting from a change in the consolidation method of the underlying entities, are offset by Colruyt Group as these effects are not applicable to Colruyt Group. The adjustment for Colruyt Group at Smartmat NV relates to goodwill.

2021 (in million EUR)	**Virya Energy NV[2][4]**	**Newpharma Group NV[2][3]**	**Smartmat NV[2]**
Non-current assets	2.102,4	89,1	3,0
Current assets	251,0	17,4	7,9
Non-current liabilities	1.068,9	17,0	2,3
Current liabilities	399,5	24,4	6,8
Net assets	885,0	65,1	1,8
of which non-controlling interests	72,7	-	-
of which equity attributable to owners of the parent company	812,3	65,1	1,8
Share of Colruyt Group in net assets	**485,6**	**39,7**	**0,7**
Adjustment for Colruyt Group[1]	(187,4)	57,9	26,5
Revenue	179,3	156,5	-
Profit from continuing operations	18,9	(1,1)	-
Loss from discontinued operations[4]	(6,9)	-	-
Other comprehensive income	34,2	-	-
Total comprehensive income	46,2	(1,1)	-
of which non-controlling interests	8,1	-	-
of which equity attributable to owners of the parent company	38,1	(1,1)	-
Share of Colruyt Group in total comprehensive income	**22,8**	**(0,4)**	**-**
Adjustment for Colruyt Group[1]	(1,8)	-	-

(1) The adjustments for Colruyt Group at Virya Energy NV are explained mainly by the fact that Colruyt Group recognises the Parkwind and Eurowatt entities in Virya Energy NV at historical value. These adjustments to the net assets relate to energy contracts within the 'Non-current assets' category. In addition, effects in the consolidated figures of Virya Energy NV resulting from a change in the consolidation method of the underlying entities, are offset by Colruyt Group as these effects are not applicable to Colruyt Group. The adjustment for Colruyt Group at Newpharma Group NV and at Smartmat NV relates to goodwill.

(2) Virya Energy NV, Newpharma Group NV and Smartmat NV are in turn sub-consolidations. Late statutory adjustments not recognised by Colruyt Group are not material and will be accounted for in the next financial year.

(3) The figures of Newpharma Group NV in the tables have been adjusted to IFRS.

(4) The result of Parkwind NV at 31 December 2021 included in the sub-consolidation of Virya Energy NV.

13. Investments in joint ventures

(in million EUR)	2022/23	2021/22
Carrying amount at 1 April	**12,0**	**6,9**
Acquisitions/capital increases	6,1	5,0
Disposals	(0,2)	-
Change in ownership percentage	0,1	-
Share in the result for the financial year	(1,5)	0,1
Carrying amount at 31 March	**16,5**	**12,0**

The investments in joint ventures for the financial year 2022/23 consist of the non-quoted entities Achilles Design BV (24,70%), Kriket BV (43,82%), Daltix NV and Daltix Unipessoal LDA (78,76%), We Connect Data BV (16,03%), Ticom NV (90,00%), Digiteal NV (26,84%), Some BV (24,97%), De Leiding BV (51,99%) and Pluginvest BV (25,00%). As Colruyt Group shares the control over these entities with other parties, these joint ventures are included in the consolidated financial statements using the equity method.

An interest in the company Pluginvest BV was acquired during the financial year (May 2022).

Through the exercise of a put option by a minority shareholder, Colruyt Group's investment in Daltix NV and Daltix Unipessoal LDA was increased to 78,76% in the current financial year.

On 27 December 2022, Colruyt Group made an additional cash contribution to De Leiding BV, increasing the investment from 46,23% to 51,99%.

On 28 March 2023, Colruyt Group sold its stake in Hyve BV. Colruyt Group held 16,67% of the shares.

The investments in Kriket BV, Daltix NV and Daltix Unipessoal LDA, Ticom NV, Digiteal NV, and De Leiding BV are presented in the operating segment 'Retail', the investments in Some BV and Pluginvest BV in the operating segment 'Other activities' and the investments in Achilles Design BV and We Connect Data BV in the segment 'Unallocated'.

These companies have their main activities in Belgium.

In both the current financial year 2022/23 and the previous financial year 2021/22, there were no material joint ventures.

14. Financial assets

14.1. Non-current assets

(in million EUR)	31.03.23	31.03.22
Financial assets at fair value through other comprehensive income	10,8	14,7
Total	**10,8**	**14,7**

The non-current financial assets evolved as follows during the financial year:

(in million EUR)	2022/23	2021/22
At 1 April	**14,7**	**111,6**
Acquisitions	-	0,9
Capital increases	0,2	0,9
Capital decreases	-	(2,3)
Fair value adjustments through other comprehensive income	(4,1)	(1,1)
Reclassification	-	(95,0)
Other	-	(0,3)
At 31 March	**10,8**	**14,7**

The financial assets at fair value through other comprehensive income consist mainly of the investment in the holding company Sofindev IV NV (9,42%), the investment in North Sea Wind CV (7,19%) and the holdings in investment funds Good Harvest Belgium I SRL (4,61%) and Blue Horizon Ventures I SCSp RAIF (1,09%). The investments in the various companies are measured at fair value, calculated as the share of Colruyt Group in the equity of these companies, corrected, in the case of the investment funds, for the fair value of their own investment portfolios.

During the current reporting period, the non-current financial assets decreased by a net EUR 3,9 million. This is mainly explained by the fair value adjustments of Sofindev IV NV of EUR -3,5 million.

During the previous reporting period, non-current financial assets decreased by net EUR 96,9 million. This was mainly explained by the reclassification of the convertible bonds of Virya Energy NV (EUR 95,0 million) from non-current to current assets, the capital decreases for Sofindev IV NV (EUR -2,3 million) and the fair value adjustment for Sofindev IV NV (EUR -1,1 million).

14.2. Current assets

(in million EUR)	31.03.23	31.03.22
Equity instruments at fair value through profit or loss	9,4	9,3
Fixed-income securities at fair value through profit or loss	17,4	15,9
Compound instruments at fair value through profit or loss	–	95,0
Financial assets at amortised cost	4,5	7,8
Derivative financial instruments – cash flow hedging instruments	–	0,3
Total	**31,3**	**128,3**

The current financial assets evolved as follows during the financial year:

(in million EUR)	2022/23	2021/22
At 1 April	**128,3**	**36,4**
Acquisitions	6,5	6,4
Sales and disposals	(7,5)	(17,8)
Fair value adjustments through profit or loss	(0,4)	(0,9)
Fair value adjustments through other comprehensive income	(0,3)	9,0
Currency translation adjustments	(0,3)	0,2
Reclassification	(95,0)	95,0
At 31 March	**31,3**	**128,3**

The equity instruments and fixed-income securities at fair value through profit or loss relate mainly to financial assets held by the Luxembourg reinsurance company Locré SA (EUR 26,5 million for the current period). The equity instruments and fixed-income securities are measured at their closing rates on 31 March 2023. Fair value adjustments are recognised through profit or loss. The fair value adjustment to the current assets at 31 March 2023 resulted in a net loss of EUR 0,4 million for the current financial year (compared to a net loss of EUR 0,9 million for the financial year 2021/22). The return on the fixed-income securities is 0,9% on average, with a maximum of 4,9%.

The compound instruments measured at fair value through profit and loss in the previous financial year relate to the convertible bonds (EUR 95,0 million) issued by the associate Virya Energy NV. At the beginning of June 2022, Colruyt Group converted these convertible bonds into shares.

The financial assets at amortised cost relate to a term deposit held by Colruyt IT Consultancy India Private Limited. The derivative financial instruments are related to the fair value of the outstanding currency hedges for cash flow hedging purposes.

The cash flow hedging instruments are measured at their fair value at 31 March 2023. Fair value adjustments are accounted for through other comprehensive income owing to the classification as hedge accounting.

More information on Colruyt Group's risk management approach to investments can be found in note 27. *Risk management*.

15. Business combinations

On 14 October 2022, Colruyt Group increased its stake in Newpharma Group NV from 61% to 100%. Newpharma Group NV is a leading Belgian online pharmacy based in Liege and active in six countries. Since 1 October 2022, the investment in Newpharma Group NV has been fully consolidated as a subsidiary, and no longer as an associate using the equity method.

The transaction resulted in goodwill of EUR 203,5 million. In determining this goodwill, an acquisition price of EUR 96,5 million was taken into account for the remaining 39% of the shares and equity of EUR -23,1 million. The fair value of the 61% held in the associate's capital was valued at EUR 85,7 million as at the acquisition date, which means that the resulting gain compared to the carrying amount of the associate can be considered negligible. Hence, the increased stake in Newpharma Group NV in financial year 2022/23 will have no effect on the result.

The allocation of the acquisition price to the underlying assets of Newpharma Group NV has not yet been finalised at the reporting date and will be finalised in the course of financial year 2023/24. Part of the goodwill (estimated impact EUR 25,1 million) currently recorded is still expected to be allocated to amortisable intangible assets, mainly including the brand name. The remaining goodwill is underpinned by future synergies that will be generated by the integration of Newpharma Group NV into Colruyt Group. These synergies are generated, among other things, by new business opportunities and cost efficiencies in administrative costs.

The requisite measures were taken in the context of the conflict of interest rules. We refer to the Corporate Governance section for more details.

The acquisition balance sheet can be summarised as follows:

(in million EUR)	**01.10.2022**
Non-current assets	9,5
Current assets	20,0
Non-current liabilities	16,6
Current liabilities	36,0
Net assets	**(23,1)**

There were no other material business combinations in financial year 2022/23.

16. Assets held for sale, disposal of subsidiaries and discontinued operations

16.1. Assets held for sale

(in million EUR)	31.03.23
Intangible assets	1,3
Property, plant and equipment	62,8
Other receivables	0,4
Total non-current assets from discontinued operations	**64,5**
Inventories	20,4
Trade receivables	40,5
Current tax assets	0,2
Other receivables	2,6
Cash and cash equivalents	2,6
Total current assets from discontinued operations	**66,3**
Total assets from discontinued operations	**130,8**
Liabilities related to employee benefits	0,1
Deferred tax liabilities	1,2
Interest-bearing and other liabilities	3,0
Total non-current liabilities from discontinued operations	**4,3**
Interest-bearing liabilities	0,6
Trade payables	79,6
Liabilities related to employee benefits and other liabilities	4,7
Total current liabilities from discontinued operations	**84,9**
Total liabilities from discontinued operations	**89,2**
Net carrying amount from discontinued operations	**41,6**

In October 2022, Colruyt Group communicated its intention to transfer the activities of DATS 24 NV to the associate Virya Energy NV. In March 2023, the conditions for presenting the related assets and liabilities as 'discontinued operations' were met. Consequently, Colruyt Group made the necessary reclassifications for the balance sheet positions of DATS 24 NV at the end of the financial year 2022/23. The activities of DATS 24 NV are presented under the operating segment '*Other activities*'. The above amounts exclude receivables and liabilities of DATS 24 NV vis-à-vis fully consolidated companies within Colruyt Group. On 1 June 2023, Colruyt Group reached an agreement for the sale of DATS 24 NV. For more information on the transaction in financial year 2023/24, we refer to note 32. *Events after the reporting date*.

No assets were classified as 'Assets held for sale' in financial year 2021/22.

16.2. Disposal of subsidiaries

No material disposals of subsidiaries occurred in either financial year 2022/23 or financial year 2021/22.

16.3. Discontinued operations

Consolidated income statement from discontinued operations

(in million EUR)	2022/23	2021/22
Revenue	886,2	798,2
Costs	(938,1)	(846,7)
Other operating income	79,4	60,6
Operating profit (EBIT)	27,5	12,1
Profit before tax	27,8	12,1
Income tax expense	(6,9)	(2,1)
Profit for the financial year from discontinued operations	**20,9**	**10,0**
Attributable to:		
Owners of the parent company	20,9	10,0

The discontinued operations relate to DATS 24 NV. As the conditions for classification as 'discontinued operations' were met in financial year 2022/23, the figures for financial year 2021/22 were also restated.

The income statement related to the operations of DATS 24 NV was reclassified from continuing to discontinued operations for both the previous (DATS 24 NV and Eoly NV) and the current financial year (DATS 24 NV). As Colruyt Group intends to continue to purchase services and products from DATS 24 NV after the latter's contribution into Virya Energy NV, the intra-group transactions between continuing operations and discontinued operations were not eliminated.

No profit or loss was recognised related to fair value adjustments or to the disposal of assets from discontinued operations as this is not applicable.

Consolidated cash flows from discontinued operations

(in million EUR)	2022/23	2021/22
Cash flow from operating activities	**75,2**	**10,2**
Cash flow from investing activities	**(14,9)**	**4,2**
Cash flow from financing activities	**(30,4)**	**(19,1)**
Net increase/(decrease) of cash and cash equivalents	**29,9**	**(4,8)**

17. Deferred tax assets and liabilities

Deferred tax assets and liabilities can be detailed as follows:

17.1. Net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.22
Intangible assets	9,6	7,5	(0,1)	-	9,5	7,5
Property, plant and equipment	1,9	2,1	(140,7)	(134,9)	(138,8)	(132,8)
Inventories	-	0,1	(0,5)	(3,2)	(0,5)	(3,1)
Receivables	3,3	1,9	(6,7)	(6,6)	(3,4)	(4,7)
Liabilities related to employee benefits	12,0	18,6	-	-	12,0	18,6
Other provisions	1,1	1,4	(12,0)	(11,6)	(10,9)	(10,2)
Other liabilities	77,5	64,3	(25,3)	(25,2)	52,2	39,1
Tax loss carry-forwards, deductible items and reclaimable tax paid	73,0	74,0	-	-	73,0	74,0
Gross deferred tax assets/(liabilities)	**178,4**	**169,9**	**(185,3)**	**(181,5)**	**(6,9)**	**(11,6)**
Unrecognised tax assets/liabilities	(87,6)	(75,6)	26,4	13,0	(61,2)	(62,6)
Offsetting tax assets/liabilities	(72,7)	(76,9)	72,7	76,9	-	-
Net deferred tax assets/(liabilities)	**18,1**	**17,4**	**(86,2)**	**(91,6)**	**(68,1)**	**(74,2)**

On 31 March 2023, Colruyt Group had unrecognised deferred tax assets and liabilities in an amount of EUR 61,2 million (EUR 62,6 million on 31 March 2022).
This amount relates to temporary differences, as well as tax losses and unused tax assets carried forward totalling EUR 244,8 million (EUR 244,8 million for the 2021/22 financial year).

Colruyt Group only recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Colruyt Group sets a time horizon of five years for these estimates.

The other liabilities on the asset side mainly relate to IFRS 16 lease liabilities and on the liability side to deferred tax liabilities that cannot be allocated to the other headings.

17.2. Change in net carrying amount

(in million EUR)	Assets		Liabilities		Balance	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Net carrying amount at 1 April	**17,4**	**12,3**	**(91,6)**	**(66,0)**	**(74,2)**	**(53,7)**
Changes recognised in profit or loss[1]	0,7	5,1	7,8	(16,7)	8,5	(11,6)
Changes recognised in other comprehensive income	–	–	(3,3)	(8,3)	(3,3)	(8,3)
Acquisitions through business combinations	–	–	–	(0,5)	–	(0,5)
Changes in the consolidation method	–	–	(0,3)	(0,1)	(0,3)	(0,1)
Reclassification as liabilities from discontinued operations[2]	–	–	1,2	–	1,2	–
Net carrying amount at 31 March	**18,1**	**17,4**	**(86,2)**	**(91,6)**	**(68,1)**	**(74,2)**

(1) Includes both the changes in continuing operations and in discontinued operations.
(2) As adjusted due to discontinued operations. See note 16 for more information on liabilities from discontinued operations.

18. Inventories

(in million EUR)	2022/23	2021/22
Trade goods	707,4	695,2
Raw materials, packaging materials, finished goods and spare parts	119,1	120,4
Total inventories	**826,5**	**815,6**

The inventory valuation has been updated in 2021/22 and had a one-off effect of EUR 26,1 million. The accumulated impairment on inventories of trade goods amounted to EUR 49,7 million in the current financial year compared to EUR 47,4 million in the previous financial year.

The amount of inventories recognised as an expense in the 2022/23 income statement amounts to EUR 7.074,2 million and was reported under 'Cost of goods sold'. Last year this expense was EUR 6.546,4 million.

In financial year 2022/23, EUR 20,4 million was transferred to assets from discontinued operations. See note 16.1 for more information on the assets from discontinued operations.

19. Trade and other receivables

19.1. Other non-current receivables

(in million EUR)	31.03.23(1)	31.03.22
Loans to customers	4,9	4,7
Loans to associates	1,0	12,7
Loans to joint ventures	2,9	1,9
Guarantees granted	7,6	7,4
Lease receivables	20,4	17,1
Other receivables	1,5	2,2
Total other non-current receivables	**38,3**	**46,0**

(1) In financial year 2022/23, EUR 0,4 million was reclassified as assets from discontinued operations. See note 16 for more information on the assets from discontinued operations.

Loans granted to customers mainly comprise loans to independent storekeepers of Retail Partners Colruyt Group NV. The loans are usually granted for a maximum period of 15 years.

The 'Guarantees granted' have been provided in respect of purchase obligations.

The lease receivables (EUR 20,4 million) relate to finance subleases in respect of buildings.

Guarantees were received for the total outstanding lease receivables (current and non-current) for a total of EUR 16,0 million. The guarantees received exceed the expected credit losses.

Other non-current receivables are presented net of any impairments. Recognised impairments for expected credit losses on the total of other non-current receivables amount to EUR 1,0 million (comparative reporting period EUR 2,5 million). To calculate the impairments, the general approach under IFRS 9 was used, whereby assets are assessed on an individual basis, with any impairments recorded on the basis of expected credit losses. The credit risk assessment for loans to associates and joint ventures is linked to the analysis of impairment indicators. The result of this analysis is that there are no expected credit losses for loans to associates and joint ventures. See also note 1.5.E - *Financial assets - Expected credit losses*.

19.2. Current trade and other current receivables

(in million EUR)	31.03.23[1]	31.03.22
Retail	401,7	432,6
Wholesale and Foodservice	115,2	94,1
Other activities	17,8	75,8
Total trade receivables	**534,7**	**602,5**
VAT	16,2	12,7
Prepaid expenses	39,6	36,9
Loans granted to customers that expire within 1 year	1,1	1,2
Interest	0,6	3,4
Lease receivables	5,0	4,3
Other receivables	35,3	22,9
Total other current receivables	**97,8**	**81,4**

(1) In financial year 2022/23, EUR 43,1 million was reclassified as assets from discontinued operations. See note 16 for more information on the assets from discontinued operations.

Trade receivables

Trade receivables are presented net of impairments. These impairments amount to EUR 11,7 million at 31 March 2023 (compared to EUR 15,6 million at 31 March 2022). Trade receivables also include accrued compensations from suppliers.

The simplified approach always applies to trade receivables, see also note 1.5.E - *Financial Assets - Expected Credit Losses*.

Colruyt Group classifies debtors and the related receivables in different categories based on common risk characteristics and the age of outstanding receivables. For all still due receivables, Colruyt Group applies a percentage between 0,0% and 0,5% (dependent on the category), while for receivables less than six months overdue, Colruyt Group applies percentages between 1% and 5%, dependent on the category. For receivables older than six months, Colruyt Group applies a percentage of 25% to 100%, again dependent on the category.

For the wholesale segment, bank guarantees were received for EUR 22,2 million as well as credit insurance. These credit insurance policies cover 4,8% of the gross value of outstanding trade receivables (as at 31 March 2022, it was 2,8%).

Other receivables

'Other receivables' consist mainly of claims for damages and miscellaneous advances.

Other receivables are presented net of impairments. These impairments amount to EUR 0,5 million at 31 March 2023 (compared to EUR 0,8 million at 31 March 2022).

To calculate the impairments, the general approach under IFRS 9 was used, whereby assets are assessed on an individual basis, with any impairments recorded on the basis of expected credit losses. This methodology is in line with the provisions for other non-current receivables, as listed in Section 19.1 'Other non-current receivables'. Guarantees were received for the total outstanding lease receivables (current and non-current) for a total of EUR 16,0 million.

The guarantees received exceed the expected credit losses.

The ageing of trade receivables is as follows:

(in million EUR)	31.03.23 Gross	31.03.23 Impairment	31.03.22 Gross	31.03.22 Impairment
Not past due	490,1	(0,2)	566,7	-
Past due between 1 and 6 months	41,2	(0,9)	30,7	(0,7)
Past due for more than 6 months	15,1	(10,6)	20,7	(14,9)
Total	**546,4**	**(11,7)**	**618,1**	**(15,6)**

The movement in impairments on trade and other receivables is as follows:

(in million EUR)	Impairment trade receivables 2022/23	Impairment trade receivables 2021/22	Impairment other receivables 2022/23	Impairment other receivables 2021/22
At 1 April	**(15,6)**	**(17,6)**	**(0,8)**	**(0,7)**
Addition	(14,3)	(18,3)	(0,1)	(0,1)
Reversal	12,7	18,7	0,2	-
Use	4,5	1,6	0,2	-
Reclassification to assets from discontinued operations(1)	1,0	-	-	-
At 31 March	**(11,7)**	**(15,6)**	**(0,5)**	**(0,8)**

(1) See note 16 for more information on assets from discontinued operations.

More information on how trade and other receivables are monitored can be found under note 27.1.c. *Credit risk*.

20. Cash and cash equivalents

(in million EUR)	31.03.23	31.03.22
Cash at banks and cash equivalents(1)	347,9	167,5
Cash on hand	10,7	8,7
Cash and cash equivalents	**358,6**	**176,2**
Bank overdrafts	8,4	0,2
Total liabilities	**8,4**	**0,2**
Net cash and cash equivalents	**350,2**	**176,0**

(1) Cash at banks and cash equivalents also include term deposits of EUR 176,2 million (EUR 10,1 million in financial year 2021/22) and cash in transit of EUR 42,7 million (EUR 39,1 million in financial year 2021/22).

Term deposits are convertible into cash within a period of less than 3 months.

Cash intended for reinsurance activities amounts to EUR 6,3 million in financial year 2022/23 (EUR 11,9 million in financial year 2021/22).

21. Equity

21.1. Capital management

Colruyt Group's aim in managing its equity is to maintain a healthy financial structure with a minimal dependency on external financing as well as to create shareholder's value. The Board of Directors aims to allow the dividend per share to evolve in proportion to the group profit on an annual basis. The pay-out ratio for this financial year is 51,0%(1). According to the bylaws, at least 90% of the distributable profits are reserved for shareholders and a maximum of 10% can be reserved for the directors. Furthermore, Colruyt Group seeks to increase shareholders' value by purchasing treasury shares. The Board of Directors was authorised by the Extraordinary General Meeting of 10 October 2019 to acquire up to 27.610.418 of the company's treasury shares. This authorisation is valid for a period of five years. As employee commitment to the group's growth is also one of Colruyt Group's priorities, an annual capital increase reserved for employees has been organised since 1987.

(1) More details can be found under note 21.4 *Dividends*.

21.2. Share capital

As a result of the resolution of the Extraordinary General Meeting of 6 October 2022, the capital was increased by 238.500 shares on 19 December 2022; this corresponds to a capital contribution of EUR 5,4 million.

The Company's share capital on 31 March 2023 amounted to EUR 370,2 million divided into 134.077.688 fully paid up ordinary shares without par value. All shares, except treasury shares, participate in the profits.

The Board of Directors is authorised to increase the share capital in one or more instalments by a total amount of EUR 357,0 million, within the limits of the authorised capital.

Capital increases undertaken under this authorisation may be by contribution in cash or kind, conversion of any reserves or issue of convertible bonds, and can be organised in any way compliant with legal prescriptions. The conditions of the capital increases undertaken under this authorisation, and the rights and obligations attached to the new shares, are determined by the Board of Directors, taking legal prescriptions into account.

This authorisation is valid for a period of three years starting from the day of the publication of the authorisation granted by the Extraordinary General Meeting of Shareholders in the Annexes to the Belgian Official Gazette. This authorisation can be extended once or multiple times, each time for a maximum period of five years, by means of a decision of the General Meeting of Shareholders, deliberating according to the guidelines that apply for changes in bylaws. The current authorisation will end in October 2024.

21.3. Treasury shares

Treasury shares are recognised at the cost of the treasury shares purchased. At 31 March 2023, Colruyt Group held 6.687.980 treasury shares; this represents 4,99% of the shares issued at the reporting date. During the financial year, 3.169.026 treasury shares were repurchased for an amount of EUR 94,8 million. We refer to the Corporate Governance section for more details on the purchase of treasury shares.

21.4. Dividends

On 9 June 2023, a gross dividend of EUR 101,6 million or EUR 0,80 per share was proposed by the Board of Directors. In the previous financial year the gross dividend amounted to EUR 139,9 million or EUR 1,10 per share. The gross dividend takes into account the number of treasury shares held on 9 June 2023. The dividend was not incorporated in the consolidated financial statements for the financial year 2022/23.

21.5. Shareholder structure

Based on the most recent transparency notification of 24 March 2023 and taking into account the companies' treasury shares held by the company at 31 March 2023, the shareholder structure of Etn. Fr. Colruyt NV is as follows:

	Shares
Colruyt family and relatives	82.969.340
Etn. Fr. Colruyt NV (treasury shares)[1]	6.687.980
Total of parties acting in concert	**89.657.320**

(1) Situation at 31 March 2023.

The remainder of the total shares issued (134.077.688 shares at 31 March 2023), i.e. 44.420.368 shares or 33,13%, are publicly held. We refer to the Corporate Governance section for more details.

22. Earnings per share

	2022/23	2021/22[1]
Total operating activity		
Profit for the financial year (group share), including discontinued operations (EUR million)	200,6	287,3
Profit for the financial year (group share), excluding discontinued operations (EUR million)	179,7	277,3
Weighted average number of outstanding shares	127.967.641	132.677.085
Earnings per share – basic (in EUR) – including discontinued operations	1,57	2,16
Earnings per share – diluted (in EUR) – including discontinued operations	1,57	2,16
Earnings per share – basic (in EUR) – excluding discontinued operations	1,40	2,09
Earnings per share – diluted (in EUR) – excluding discontinued operations	1,40	2,09

(1) As adjusted due to discontinued operations. See note 16 for more information on the restatement of comparative information.

Weighted average number of outstanding shares

	2022/23	2021/22
Number of outstanding shares at 1 April	**130.320.234**	**134.786.572**
Effect of capital increase	66.913	53.733
Effect of shares purchased	(2.419.506)	(2.163.220)
Weighted average number of outstanding shares at 31 March	**127.967.641**	**132.677.085**

23. Provisions

(in million EUR)	Environmental risks	Ongoing disputes	Other risks	Total
Non-current provisions	1,8	5,0	1,7	8,5
Current provisions	–	–	0,9	0,9
At 31 March 2023	**1,8**	**5,0**	**2,6**	**9,4**
At 1 April 2022	**2,5**	**8,9**	**4,8**	**16,2**
Addition	1,1	1,6	1,3	4,0
Use	(1,8)	(1,6)	(2,9)	(6,3)
Reversal	–	(3,9)	(0,6)	(4,5)
At 31 March 2023	**1,8**	**5,0**	**2,6**	**9,4**
Non-current provisions	2,5	8,9	4,0	15,4
Current provisions	–	–	0,8	0,8
At 31 March 2022	**2,5**	**8,9**	**4,8**	**16,2**
At 1 April 2021	**3,1**	**12,7**	**11,2**	**27,0**
Addition	1,1	3,0	1,4	5,5
Use	(1,2)	(3,1)	(1,7)	(6,0)
Reversal	(0,5)	(3,7)	(6,1)	(10,3)
At 31 March 2022	**2,5**	**8,9**	**4,8**	**16,2**

To provide a better understanding of the provisions, the table in note 23 has been adjusted for both financial years. The 'Other risks' category in the annual report 2021/22 was split into 'Ongoing disputes' and 'Other risks'.

The provision for environmental risks primarily relates to site remediation costs.

The other provisions consist mainly of provisions for vacant properties and reinsurance.

24. Non-current liabilities related to employee benefits

(in million EUR)	31.03.23	31.03.22
Defined contribution plans with a legally guaranteed minimum return	74,4	90,6
Benefits related to the 'Unemployment regime with company supplement'	6,4	8,8
Other post-employment benefits	7,1	7,8
Total	**87,9**	**107,2**

Colruyt Group offers various types of post-employment benefits. These include retirement benefit plans and other arrangements in respect of post-employment benefits. In accordance with IAS 19, '*Employee Benefits*', the post-employment benefits are subdivided into either defined contribution plans or defined benefit plans.

24.1. Defined contribution plans with a legally guaranteed minimum return

In Belgium, the Law regarding supplementary pensions ('WAP') requires employers to guarantee a minimum return on defined contribution plans over the course of the career. For amounts until 31 December 2015, this minimum return was 3,25% on employer contributions and 3,75% on employee contributions. As a result of a law change in December 2015, the interest rate to be guaranteed is variable starting from 1 January 2016, based on a mechanism linked to the return of the Belgian OLO bond with a minimum of 1,75% and a maximum of 3,75%. Since 2016 the minimum return has been 1,75%. For more details on the actuarial assumption used, we refer to the summary of the main actuarial assumptions used in calculating the liabilities related to the defined contribution plans with a legally guaranteed minimum return.

Owing to these legal changes, and also to the fact that a clear position was taken by the regulatory instances during 2016, and given that reliable estimates can be made for these retirement benefit plans, the Belgian defined contribution plans have been considered as defined benefit plans since financial year 2016/17. They are measured in accordance with IAS 19 based on the 'projected unit credit' method.

The amount resulting from the group's liabilities related to its defined contribution plans with a legally guaranteed minimum return, as recorded in the consolidated statement of financial position, is as follows:

(in million EUR)	31.03.23	31.03.22
Present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return	278,8	283,2
Fair value of plan assets	204,4	192,6
Deficit/(surplus) of funded plans	**74,4**	**90,6**
Total liability for employee benefits, of which:		
Portion recognised as non-current liabilities	74,4	90,6
Portion recognised as non-current assets	-	-

The evolution in the present value of the gross obligation under the defined contribution plans with a legally guaranteed minimum return can be summarised as follows:

(in million EUR)	2022/23	2021/22
At 1 April	**283,2**	**294,4**
Current service cost	16,4	17,9
Interest expense	5,2	2,8
Experience adjustments	17,5	2,5
Change of financial assumptions	(35,5)	(28,4)
Benefit payments from plan assets	(9,4)	(7,2)
Participant contributions	4,0	3,9
Expenses and taxes paid	(2,6)	(2,7)
At 31 March	**278,8**	**283,2**

Experience adjustments also include the effects of wage index adjustments that occurred during the financial year. In financial year 2022/23, these were higher than expected.

Plan assets (EUR 204,4 million) are held with a third-party insurance company and consist of reserves accumulated by employer and employee contributions. They consist entirely of insured contracts with guaranteed returns.

The evolution of the fair value of the plan assets is as follows:

(in million EUR)	2022/23	2021/22
At 1 April	**192,6**	**178,7**
Employer contributions	19,5	19,6
Interest income	3,7	1,8
Return on plan assets	(3,5)	(1,6)
Benefit payments from plan assets	(9,4)	(7,2)
Participant contributions	4,1	3,9
Expenses and taxes paid	(2,6)	(2,6)
At 31 March	**204,4**	**192,6**

In the next financial year, employer contributions of EUR 19,9 million are expected to be made to the defined contribution plans with a legally guaranteed minimum return.

The average term of the liabilities for defined contribution plans with a legally guaranteed minimum return is 16,03 years vs 16,82 years in the previous year.

The amounts relative to these defined contribution plans with a legally guaranteed minimum return that are recognised in the consolidated income statement and in the consolidated statement of comprehensive income can be summarised as follows:

(in million EUR)	31.03.23	31.03.22
Total service cost(1)	16,4	17,9
Net interest cost(2)	1,5	1,0
Components recorded in the income statement	**17,9**	**18,9**
Experience adjustments	17,5	2,5
Change of financial assumptions	(35,5)	(28,4)
Return on plan assets	3,5	1,6
Components recorded in other comprehensive income	**(14,5)**	**(24,3)**

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial result' in the consolidated income statement.

The main actuarial assumptions that were used in the calculation of the liabilities related to the defined contribution plans with a legally guaranteed minimum return can be summarised as follows:
• discount rate: 3,75% vs 1,85% in previous financial year;
• price inflation: 2,20% vs 1,80% in previous financial year;
• salary inflation: 2,70% vs 2,30% in previous financial year.
• expected future minimum WAP return: 2,80% vs 1,75% in previous financial year.

Application of the formula for calculating the WAP return has consistently led to a rate below the minimum rate since 2016. Since January 2022, the 10-year OLO rate has increased from 0,29% to 3,00% at 31 March 2023. Based on OLO rates at longer maturities, the minimum legal yield is estimated at 2,80% at 31 March 2023.

Description of the main risks

Colruyt Group is exposed by its defined benefit plans to a number of risks, of which the most important ones are explained below:

Volatility of plan assets - investment risk

The retirement benefit liabilities are calculated using a discount rate determined by prime company returns. In the event the plan assets do not reach this level of return, the defined benefit liabilities on account of Colruyt Group may increase. Colruyt Group reduces the investment risk by investing in insurance contracts instead of equity instruments.

Interest risk

A decrease in returns will increase the retirement benefit liabilities; however this will be partly compensated by an increase in value of bonds held by the retirement benefit plans.

Life expectancy

The retirement benefit liabilities mainly concern benefits that are provided to the participant during his or her lifetime. An increase in life expectancy will therefore lead to an increase in retirement benefit liabilities.

Salary expectancy

The fair value of retirement benefit liabilities is calculated based on the current and estimated future salary of the participants in the retirement benefit plans. As a result, an increase in salary of the participants in the retirement benefit plan will lead to an increase in the retirement benefit liabilities.

24.2. Benefits related to 'Unemployment regime with company supplement'

(in million EUR)	2022/23	2021/22
At 1 April	**8,8**	**9,2**
Addition[(1)]	0,5	0,5
Use	(0,5)	(0,8)
Net interest expense[(2)]	0,1	0,1
Experience adjustments[(3)]	0,1	0,7
Change of financial assumptions[(3)]	(2,6)	(0,9)
At 31 March	**6,4**	**8,8**

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial result' in the consolidated income statement.
(3) Included in the consolidated statement of comprehensive income.

The possibility to retire early, as it exists within Colruyt Group for employees of its Belgian entities, is based on the 'Unemployment regime with company supplement' applicable in Belgium. The accounting policies in respect of the liabilities and costs related to this system are included under note 1.5. *Other significant accounting policies.*

Colruyt Group regularly reviews the long-term assumptions in respect of these liabilities. For this financial year the following assumptions were used:

- discount rate: 3,75% vs 1,80% in previous financial year;
- salary inflation: 2,70% vs 2,30% in previous financial year.

The weighted average duration of the liability for benefits under the 'Unemployment regime with company supplement' is 13,86 years, as compared to 15,39 years in the previous year.

24.3. Other post-employment benefits

(in million EUR)	2022/23	2021/22
At 1 April	**7,8**	**9,5**
Addition(1)	0,8	1,0
Use	(0,6)	(0,6)
Net interest expense(2)	0,1	0,2
Experience adjustments(3)	0,3	(0,3)
Change of financial assumptions(3)	(1,3)	(0,6)
Change of demographic assumptions(3)	-	(1,4)
At 31 March	**7,1**	**7,8**

(1) Included under 'Employee benefit expenses' in the consolidated income statement.
(2) Included under 'Net financial result' in the consolidated income statement.
(3) Included in the consolidated statement of comprehensive income.

Other post-employment benefits payable at retirement consist of long-service benefits (Belgian entities) and legal compensations (French and Indian entities).

For the long-service benefits (Belgian entities), Colruyt Group uses the following parameters:
• discount rate: 3,75% vs 1,80% in previous financial year;
• salary inflation: 2,70% vs 2,30% in previous financial year.

For the legally established benefits, the following parameters are used:

French entities:
• discount rate: 3,75% vs 1,90% in previous financial year;
• salary inflation: 2,00% (same as previous financial year).

Indian entities:
• discount rate: 7,40% vs 6,90% in previous financial year;
• salary inflation: 10,00% (same as previous financial year).

Changes to the main assumptions impact the group's main employee benefits-related liabilities as follows:

(in million EUR)	Defined contribution plans with a legally guaranteed minimum return		Benefits related to the 'Unemployment regime with company supplement'		Long-service benefits (Belgian entities)		Legally established benefits (French and Indian entities)	
	31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.22	31.03.23	31.03.22
Base scenario	74,4	90,6	6,4	8,8	3,2	3,9	3,9	3,9
Discount rate + 0,5%	65,4	72,3	6,0	8,2	3,0	3,7	3,8	3,5
Discount rate - 0,5%	89,2	111,3	6,8	9,5	3,4	4,2	4,0	4,1
Salary inflation + 0,5%	82,3	98,9	7,2	9,6	3,4	4,2	4,2	4,1
Salary inflation - 0,5%	66,6	83,0	5,9	7,9	3,0	3,7	3,6	3,5

The above are purely hypothetical changes in individual assumptions, keeping all other assumptions unchanged: economic factors and their changes will often impact more than one assumption at a time and the impact of changes in assumptions is not linear. As a result, the information above does not necessarily provide a reasonable reflection of future results.

25. Interest-bearing liabilities

25.1. Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Lease and similar liabilities	60,5	180,2	87,7	328,4
Bank borrowings	410,5	295,0	55,8	761,3
Fixed-rate green retail bond	-	251,1	-	251,1
Other	0,1	5,8	-	5,9
Total at 31 March 2023(1)	**471,1**	**732,1**	**143,5**	**1.346,7**
Lease and similar liabilities	50,9	151,1	82,0	284,0
Bank borrowings	298,3	378,8	1,0	678,1
Other	0,6	6,0	-	6,6
Total at 31 March 2022	**349,8**	**535,9**	**83,0**	**968,7**

(1) As adjusted due to discontinued operations. See note 16 for more information on liabilities from discontinued operations.

Interest-bearing liabilities consist mainly of lease liabilities, bank borrowings and the fixed-rate green retail bond. The increase compared to the previous reporting period is due to withdrawals under short- and long-term financing arrangements as well as the issuance of a green retail bond that was successfully completed in February 2023, raising the maximum amount of EUR 250 million. Repayment of the green retail bond is scheduled for February 2028. Interest coupons worth EUR 10,6 million are due annually.

25.2. Repayment schedule lease liabilities

(in million EUR)	31.03.23[1]	31.03.22
< 1 year	63,8	53,4
1-5 years	188,5	158,0
> 5 years	91,8	85,8
Total non-discounted lease payments	**344,1**	**297,2**

(1) As adjusted due to discontinued operations. See note 16 for more information on liabilities from discontinued operations.

25.3. Repayment schedule bank borrowings and others

(in million EUR)	Total 31.03.23[1]	Interest 31.03.23	Principal 31.03.23	Total 31.03.22	Interest 31.03.22	Principal 31.03.22
< 1 year	416,7	6,1	410,6	301,1	2,2	298,9
1-5 years	314,8	14,0	300,8	389,0	4,2	384,8
> 5 years	59,6	3,8	55,8	1,0	-	1,0
Total	**791,1**	**23,9**	**767,2**	**691,1**	**6,4**	**684,7**

(1) As adjusted due to discontinued operations. See note 16 for more information on liabilities from discontinued operations.

Part of the outstanding balance of non-current and current interest-bearing liabilities is covered by collateral provided, mainly at The Fashion Society.

25.4. Changes in liabilities arising from financing activities

(in million EUR)	31.03.22	Cash flow	Changes in lease portfolio(1)	Business combinations	Reclassi-fication	Other(2)	31.03.23
Lease liabilities and similar liabilities	**284,0**	**(58,8)**	**55,0**	**2,0**	**-**	**46,2**	**328,4**
Current	50,9	(58,8)	3,4	0,5	55,4	9,1	60,5
Non-current	233,1	-	51,6	1,5	(55,4)	37,1	267,9
Bank borrowings	**678,1**	**70,8**	**-**	**12,4**	**-**	**-**	**761,3**
Current	298,3	(1,9)	-	1,9	112,2	-	410,5
Non-current	379,8	72,7	-	10,5	(112,2)	-	350,8
Fixed-rate green retail bond	**-**	**250,0**	**-**	**-**	**-**	**1,1**	**251,1**
Non-current	-	250,0	-	-	-	1,1	251,1
Other	**6,6**	**(9,6)**	**-**	**8,3**	**-**	**0,6**	**5,9**
Total	**968,7**	**252,4**	**55,0**	**22,7**	**-**	**47,9**	**1.346,7**

(1) Changes in lease portfolio include both new leases and terminations.
(2) For lease liabilities and similar liabilities, this includes the effect of renewing existing leases and revaluing leases due to indexations, as well as reclassifications to liabilities from discontinued operations.

(in million EUR)	31.03.21	Cash flow	Changes in lease portfolio(1)	Business combinations	Reclassi-fication	Other(2)	31.03.22
Lease liabilities and similar liabilities	**242,8**	**(51,2)**	**43,7**	**29,6**	**-**	**19,1**	**284,0**
Current	41,2	(51,2)	3,7	5,7	46,1	5,4	50,9
Non-current	201,6	-	40,0	23,9	(46,1)	13,7	233,1
Bank borrowings	**221,1**	**441,0**	**-**	**22,0**	**(6,0)**	**-**	**678,1**
Current	189,3	(7,4)	-	18,7	97,7	-	298,3
Non-current	31,8	448,4	-	3,3	(103,7)	-	379,8
Other	**-**	**(1,0)**	**-**	**1,6**	**6,0**	**-**	**6,6**
Total	**463,9**	**388,8**	**43,7**	**53,2**	**-**	**19,1**	**968,7**

(1) Changes in lease portfolio include both new leases and terminations.
(2) For lease liabilities and similar liabilities, this includes the effect of renewing existing leases and revaluing leases due to indexations.

26. Trade payables, liabilities related to employee benefits and other liabilities

(in million EUR)	31.03.23[1]	31.03.22
Trade payables (non-current)	1,7	1,7
Total trade payables (non-current)	**1,7**	**1,7**
Other liabilities (non-current)	3,7	30,0
Total other liabilities (non-current)	**3,7**	**30,0**
Trade payables	1.267,4	1.252,7
Guarantees received and advances on work in progress	28,4	30,8
Total trade payables (current)	**1.295,8**	**1.283,5**
Current liabilities related to employee benefits	568,3	547,8
VAT, excise duties and other operating taxes	59,1	51,5
Dividends	0,6	0,5
Deferred income and accrued costs	19,0	11,1
Derivative financial instruments – cash flow hedging instruments	0,2	0,2
Other	40,6	16,3
Total liabilities related to employee benefits and other liabilities (current)	**687,8**	**627,4**

(1) As adjusted due to discontinued operations. See note 16 for more information on liabilities from discontinued operations.

Terms and repayment schedule

(in million EUR)	< 1 year	1-5 years	> 5 years	Total
Trade payables (non-current)	-	1,7	-	1,7
Other liabilities (non-current)	-	3,7	-	3,7
Trade payables (current)	1.295,8	-	-	1.295,8
Liabilities related to employee benefits and other liabilities (current)	687,8	-	-	687,8
Total at 31 March 2023	**1.983,6**	**5,4**	**-**	**1.989,0**
Trade payables (non-current)	-	0,6	1,1	1,7
Other liabilities (non-current)	-	30,0	-	30,0
Trade payables (current)	1.283,5	-	-	1.283,5
Liabilities related to employee benefits and other liabilities (current)	627,4	-	-	627,4
Total at 31 March 2022	**1.910,9**	**30,6**	**1,1**	**1.942,6**

27. Risk management

27.1. Risks related to financial instruments

A. Currency risk

Colruyt Group's operational entities are mainly located in the euro zone, except for its activities in India, Hong Kong and Africa.

The exchange rate risk incurred when consolidating revenues and costs of subsidiaries not reporting in euro is not hedged.

In addition, Colruyt Group incurs a transactional currency risk on purchases in foreign currency. Colruyt Group uses derivative financial instruments to hedge its exposure to this type of currency risk, with no speculative purposes.

Colruyt Group's exposure to exchange rate fluctuations is based on the following positions in foreign currencies:

(in million EUR)	Net position	
	31.03.23	31.03.22
EUR/INR	4,4	0,9
USD/EUR	3,6	2,7
NZD/EUR	0,1	0,1
Total	**8,1**	**3,7**

The net positions per currency are presented before intra-group eliminations. A positive amount implies that entities of Colruyt Group have a net receivable in the first currency. The second currency of the pair is the functional currency of the Colruyt Group entity concerned.

The impact of exchange rate changes compared to the euro is relatively limited.

B. Interest rate risk

Loans with maturities exceeding one year were always concluded with a fixed interest rate in order to limit interest rate risk.

At 31 March 2023 the total amount of bank and other borrowings as well as the fixed-rate green retail bond was EUR 1.018,3 million (long-term and short-term together) (EUR 684,7 million at 31 March 2022) or 16,6% of the balance sheet total and 291% of the net cash and cash equivalents. New long- and sort- term loans were taken out in 2022/23. Given that EUR 410,6 million of the bank and other loans matures within the year, a possible refinancing of these loans will incur higher interest rates, given the sharp rise in interest rates in recent months.

Colruyt Group's lease liabilities total EUR 328,4 million in the current financial year, as against EUR 284,0 million in the previous financial year. The lease liabilities are concluded under IFRS 16 with a fixed interest rate so that a change in the market interest rate cannot impact the future cash flows of Colruyt Group's current lease liabilities, nor the results to be realised.

A change in interest rates may have an effect on the consolidated income statement or on future cash flows of Colruyt Group.

C. Credit risk

Colruyt Group is subject to credit risk in its operating activities, its liquidity management and, to a limited extent, in other and other financial activities.

To limit the credit risk for its liquidity management (term deposits, cash and cash equivalents, and bank guarantees), Colruyt Group ensures that its liquidities and transactions are spread over several financial institutions with good credit ratings. Colruyt Group proactively monitors the stability and associated credit rating of these financial institutions, adjusting its liquidity management strategy where necessary.

The credit risk in relation to trade receivables from its operational activities is limited since most of Colruyt Group's customers pay cash. The main part of Colruyt Group's receivables is linked with the retail and wholesale activity for which Colruyt Group uses the payment terms customary in the industry. The risks minimised by regularly monitoring the creditworthiness of debtors and limiting outstanding receivables through credit limits. Where necessary, Colruyt Group requests bank guarantees or covers credit risk through credit insurance. The credit risk is spread over a large number of debtors.

The credit risk for other current and non-current receivables from its other and other financial activities is low for Colruyt Group due to the limited amount of outstanding amounts. These receivables consist mainly of loans to customers, associates and joint ventures or receivables arising from sublease agreements. The credit risk of the sublease receivables is further reduced by the bank guarantees received and the collateral on the leased building. The credit risk for loans to customers and associates is controlled through regular monitoring of the credit risk on an individual basis. To monitor the credit risk of loans to associates, Colruyt Group can rely on the additional information obtained as a related party.

Colruyt Group's maximum credit risk is represented by defaulting counterparties, with a maximum exposure equal to the net carrying amount of these assets. For the net carrying amount of the various assets with credit risk, see 27.1.F – Financial assets and liabilities per category and per class. From certain customers, bank guarantees are received or credit insurance policies taken out with a view to securing the collectability of receivables and limiting the real credit risk at the level of trade receivables. However, these bank guarantees or credit insurance policies are not taken into account when assessing the creditworthiness of the parties involved, in line with the provisions under IFRS 9, '*Financial Instruments*'.

Colruyt Group considers a financial asset in default when internal or external information indicates that it is unlikely that the outstanding contractual amounts will be received in full, prior to observance of any credit protection.

Credit losses are recognised using a model based on 'expected credit losses' in line with IFRS 9, '*Financial Instruments*', taking into account the impact of changes in economic factors on expected losses. To calculate expected credit losses, Colruyt Group makes use of the simplified approach based on a provision matrix for trade receivables and of the general approach under which credit losses are determined at the level of the individual receivable. For receivables from associates or joint ventures, an assessment is made as to whether an expected credit loss should be recorded as part of an indication of impairment on the carrying amount of an equity pick-up. See also note 1.5.E – '*Financial Assets: Expected credit losses*'.

D. Liquidity risk

Finco NV and Finco France SARL, Colruyt Group's financial coordinators, ensure that all entities of Colruyt Group have access to the financial resources they need and apply a cash pooling system, i.e. any excess in cash and cash equivalents within entities of the group is used for shortages in other entities of the group. Finco NV and Finco France SARL are also responsible for the investment of Colruyt Group's cash and cash equivalents. Finco NV and Finco France SARL use cash projections to follow up on Colruyt Group's liquidity.

In addition, Colruyt Group always strives to have sufficient credit lines and capital market instruments (including commercial paper) available as back-up to further minimise the Group's liquidity risk. As part of this, a committed revolving credit facility for EUR 530 million was concluded with a banking syndicate in September 2022. At 31 March 2023, EUR 150 million had been drawn on this credit facility. Colruyt Group also makes use of several other bilateral lines of credit. In addition, a green retail bond issue was successfully completed in February 2023, with the full maximum amount of EUR 250 million raised. The 4,25% green retail bond, ISIN BE0002920016, is listed on the regulated Euronext Brussels market.

E. Other market risks

Colruyt Group's current financial assets total EUR 31,3 million at 31 March 2023 (EUR 128,3 million at 31 March 2022). This decrease is mainly due to the convertible loan to Virya Energy NV (EUR 95,0 million) that was converted into shares in the course of the current financial year. Until the conversion date, this compound instrument was measured at fair value and included in the category 'Financial assets at fair value through profit or loss'. Colruyt Group's reinsurance company, Locré SA, manages a portfolio of securities (fixed-income securities and shares). This is held to cover the reinsurance risk and includes EUR 26.5 million financial current assets (EUR 25.2 million at 31 March 2022).

Fluctuations in market values and other market parameters of these instruments can therefore have an impact on Colruyt Group's financial result. A total net write-down of EUR -0,7 million (previous reporting period a net upward revaluation of EUR 8,1 million) was recorded for the current financial year, of which a net write-down was realised through the profit or loss of EUR -0,4 million and an unrealised result of EUR -0,3 million.

The ratio of the current investment portfolio to net cash and cash equivalents of Colruyt Group amounts to 8,7% (72,9% for the previous reporting period).

F. Financial assets and liabilities per category and per class

In accordance with IFRS 7, '*Financial Instruments: Disclosures*' and IFRS 13, '*Fair Value Measurement*', financial instruments measured at fair value are classified using a fair value hierarchy.

(in million EUR)	Measurement at fair value Quoted prices Level 1	Observable market prices Level 2	Non-observable market prices Level 3	Carrying amount
Financial assets at fair value through other comprehensive income				
Equity investments	-	-	10,8	10,8
Cash flow hedging instruments	-	0,1	-	0,1
Financial assets at fair value through profit or loss				
Equity investments	9,1	-	0,3	9,4
Fixed-income securities	17,3	-	-	17,3
Financial assets at amortised cost				
Non-current assets				
Other non-current receivables(1)	-	38,3	-	38,3
Current assets(2)				
Term deposits	-	-	-	4,5
Trade and other receivables	-	-	-	632,5
Cash and cash equivalents	**-**	**-**	**-**	**358,6**
Total financial assets as of 31 March 2023	**26,4**	**38,3**	**11,1**	**1.071,5**
Financial liabilities at fair value through other comprehensive income				
Cash flow hedging instruments	-	0,2	-	0,2
Financial liabilities (excluding lease liabilities) at amortised cost				
Non-current liabilities				
Fixed-rate green retail bond	252,7	-	-	251,1
Bank borrowings and other(1)	-	361,9	-	361,9
Current liabilities(2)				
Bank borrowings, bank overdrafts and other	-	-	-	447,0
Trade payables	-	-	-	1.295,8
Lease liabilities at amortised cost(3)	**-**	**-**	**-**	**328,4**
Total financial liabilities at 31 March 2023	**252,7**	**362,1**	**-**	**2.684,4**

(1) The carrying amounts of non-current bank borrowings and other, and other non-current receivables are not materially different from their fair values.
(2) The carrying amounts of current financial assets and liabilities measured at amortised cost is estimated to reasonably approximate their fair value due to their short maturity.
(3) Fair value disclosures are not required in respect of lease liabilities at amortised cost.

(in million EUR)	Measurement at fair value Quoted prices Level 1	 Observable market prices Level 2	 Non-observable market prices Level 3	Carrying amount
Financial assets at fair value through other comprehensive income				
Equity investments	–	–	14,7	14,7
Cash flow hedging instruments	–	0,3	–	0,3
Financial assets at fair value through profit or loss				
Equity investments	9,3	–	–	9,3
Fixed-income securities	15,9	–	–	15,9
Compound instruments	–	–	95,0	95,0
Financial assets at amortised cost				
Non-current assets				
Other non-current receivables	–	46,0	–	46,0
Current assets(1)				
Term deposits	–	–	–	7,8
Trade and other receivables	–	–	–	683,9
Cash and cash equivalents	**–**	**–**	**–**	**176,2**
Total financial assets at 31 March 2022	**25,2**	**46,3**	**109,7**	**1.049,1**
Financial liabilities at fair value through other comprehensive income				
Cash flow hedging instruments	–	0,2	–	0,2
Financial liabilities (excluding lease liabilities) at amortised cost				
Non-current liabilities				
Bank loans and other(2)	–	417,6	–	417,6
Current liabilities(1)				
Bank borrowings, bank overdrafts and other	–	–	–	309,1
Trade payables	–	–	–	1.283,4
Lease liabilities at amortised cost(3)	**–**	**–**	**–**	**284,0**
Total financial liabilities at 31 March 2022	**–**	**417,8**	**–**	**2.294,4**

(1) The carrying amounts of current financial assets and liabilities measured at amortised cost are estimated to reasonably approximate their fair value due to their short maturity.
(2) The carrying amounts of non-current bank borrowings and other, and other non-current receivables are not materially different from their fair values.
(3) Fair value disclosures are not required in respect of lease liabilities at amortised cost.

The fair value hierarchy is based on the inputs used to measure financial assets and liabilities at measurement date. The following three levels are distinguished:

- Level 1: inputs used for measurement of fair value are officially quoted (unadjusted) prices for identical assets or liabilities in an active market.
- Level 2: the fair value of financial instruments not traded on an active market is determined using valuation techniques. These techniques use inputs of observable market prices, if available, as much as possible and avoid reliance on entity-specific estimations.
- Level 3: financial instruments for which the fair value is determined with valuation techniques using certain parameters not based on observable market data.

For the amounts recognised at 'Amortised cost' we can conclude that the carrying amount equals the fair value in most cases due to the nature of the instrument or due to the short-term character. Those cases whereby the amortised cost deviates from the fair value are not material.

For the amounts measured at fair value we refer to note 14. *Financial assets*, which describes how the fair value is measured.

On 12 June 2020, Colruyt Group subscribed to a first tranche of convertible bonds with a 24-month maturity, issued by the associate Virya Energy NV in an amount of EUR 63,9 million. On 15 January 2021, this amount was increased to EUR 97,4 million with the subscription of a second tranche of convertible bonds with the same maturity date as the first tranche (12 June 2022). In early June 2022, all convertible bonds were converted by Colruyt Group into shares of Virya Energy NV, increasing the stake in Virya Energy NV from 59,78% to 59,94%. Consequently, the carrying amount of the associate Virya Energy NV on Colruyt Group's balance sheet increased by EUR 95,0 million. Until the conversion date, this compound instrument was measured at fair value and included in the category '*Financial assets at fair value through profit or loss*'.

The financial assets classified under level 3 include, amongst others, the investments in the holding company Sofindev IV NV, in the investment funds Good Harvest Belgium I SRL and Blue Horizon Ventures I SCSp RAIF and in North Sea Wind CV, a cooperative in which Colruyt Group has no significant influence.

The opening and closing balance of the investments classified under level 3 can be reconciled as follows:

(in million EUR)	2022/23	2021/22
At 1 April	**109,7**	**111,6**
Acquisitions	0,3	0,9
Capital increases	0,2	0,9
Capital decreases	-	(2,3)
Fair value adjustments through other comprehensive income	(4,1)	(1,1)
Other	(95,0)	(0,3)
At 31 March	**11,1**	**109,7**

27.2. Other risks

A. Financial consequences of the macroeconomic environment

Colruyt Group is affected by the macroeconomic consequences of the war in Ukraine and the disrupted supply chain, with (in)direct consequences for the financial statements:

- High and volatile energy costs impacting normal operating activities and logistics costs, but also increasing revenues from the supply of energy through DATS 24 NV (accounted for using the equity method as of June 2023);
- Higher revenue and increased labour costs, operating costs and cost of goods sold due to rising inflation;
- Rising interest rates affecting the discount rates for the impairment test and the non-current liabilities related to employee benefit expenses. In view of the current interest rate environment, there is a risk that short-term loans are refinanced at higher interest rates.

Colruyt Group continues to closely monitor and assess the macroeconomic consequences and the operational and supply chain aspects and, where possible, taken appropriate measures to limit the impact of these events and the (in)direct consequences. Colruyt Group examines on a case-by-case basis whether it is appropriate to hedge its exposure to the interest rate risk on existing (or future) loans. This can be done either by taking out longer-term loans with a fixed interest rate or by entering into a financial derivative instrument.

B. Financial impact of the Ukraine war

Colruyt Group has no direct operations in Russia or Ukraine. Apart from the financial consequences mentioned above, the conflict has no impact on Colruyt Group's financial statements.

C. Climate

When identifying and monitoring the risks impacting on the financial statements, Colruyt Group also takes into account the impact of potential operational risks arising from climate-related events. In the medium term, we assume that there will be no material financial impact on Colruyt Group's activities. There is a reasonable chance of an impact from flooding and heavy rainfall on some of our individual assets. These buildings have been identified and appropriate measures are being taken to minimise the likelihood and impact. For other climate-related events, a recent study involving scenarios until 2050 confirms that the impact would not be material. For those buildings that would have a critical impact on the process across all business operations, the necessary business continuity plans have been developed; these are also tested on a regular basis, thus also limiting the impact on Colruyt Group's overall business process.

D. Other

Colruyt Group is further exposed to various other risks that are not necessarily financial in nature, but nevertheless have the potential to impact Colruyt Group's financial position. For a description of risks other than the ones mentioned above and of how Colruyt Group manages its exposure to these risks, we refer to the Corporate Governance section. In this respect, we also refer to the Audit Committee, which regularly discusses the risk reports of the Risk Management department (internal audit).

28. Off-balance sheet rights and commitments

Colruyt Group has a number of commitments which are not recognised in the statement of financial position. These are mainly contractual obligations related to future acquisitions of property, plant and equipment and future purchases of goods and services.

The amounts due in respect of these commitments are as follows:

(in million EUR)	31.03.23	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee[1]	3,5	1,4	2,1	-
Commitments relating to the acquisition of property, plant and equipment	115,7	103,0	12,7	-
Commitments relating to purchases of goods	253,6	234,1	19,5	-
Other commitments	39,5	24,7	14,8	-

(in million EUR)	31.03.22	< 1 year	1-5 years	> 5 years
Lease arrangements as lessee[1]	3,4	1,5	1,9	-
Commitments relating to the acquisition of property, plant and equipment	108,0	101,6	6,4	-
Commitments relating to purchases of goods	171,7	161,2	10,5	-
Other commitments	36,7	18,0	18,7	-

(1) Leases outside the scope of IFRS 16.

The off-balance sheet commitments for lease arrangements in a lessee capacity amount to EUR 3,5 million (EUR 3,4 million at 31 March 2022) and relate to short-term leases or leases of low-value assets. In addition, these off-balance sheet commitments also contain arrangements that do not meet the definition of a lease.

The income statement includes rental and rental-related charges in respect of movables totalling EUR 24,6 million (EUR 18,5 million for the previous reporting period). These rental charges mainly result from cancellable lease arrangements that do not meet the definition of a lease.

The commitments relating to the acquisition of property, plant and equipment totalling EUR 115,7 million (EUR 108,0 million in the previous reporting period) consist mainly of contractual commitments for the acquisition of land and buildings.

The commitments relating to purchases of goods for an amount of EUR 253,6 million (EUR 171,7 million in the previous reporting period) are the result of forward contracts concluded with suppliers in order for Colruyt Group to ensure the sufficient supply of certain trade goods, clothing collections and raw materials for production. This includes purchase commitments related to electricity from discontinued operations (EUR 56,6 million).

The line 'Other commitments' mainly relates to commitments arising from various non-cancellable forward contracts regarding ICT services (mainly for software maintenance and development) for an amount of EUR 36,6 million (EUR 33,7 million in the previous reporting period).

In addition to these commitments Colruyt Group also has certain rights which are not recognised in the statement of financial position. Occasionally Colruyt Group leases out certain immovable assets under lease arrangements.

The amounts to be received in relation to these rights are to be classified as follows:

(in million EUR)	31.03.23	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	16,0	9,3	6,7	-

(in million EUR)	31.03.22	< 1 year	1-5 years	> 5 years
Lease arrangements as lessor	14,7	8,1	6,6	-

The off-balance sheet commitments for lease arrangements amount to EUR 16,0 million (EUR 14,7 million as per 31 March 2022) and mainly relate to operating lease arrangements as lessor in respect of subleased assets.

The rights resulting from non-cancellable agreements in respect of movables are not material.

29. Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are all those items in relation to third parties which are not recognised in the statement of financial position, in accordance with IAS 37, *'Provisions, Contingent Liabilities and Contingent Assets'.*

The table below gives an overview of all contingent liabilities of Colruyt Group.

(in million EUR)	31.03.23	31.03.22
Disputes	3,8	7,1
Other	0,1	0,6

At the reporting date there were a limited number of legal actions outstanding against Colruyt Group which, although disputed, constitute a contingent liability of EUR 3,8 million (compared to EUR 7,1 million in the previous reporting period). The pending cases primarily concern commercial law claims. As was the case last year, there are no contingent liabilities for pending cases in respect of taxation law, common law or social law.

'Other' contingent liabilities represent guarantees provided by Colruyt Group towards financial institutions. These guarantees consist of buyback commitments supplied as an additional guarantee for the financing of affiliated independent storekeepers for an amount of EUR 0,1 million (compared to EUR 0,6 million in the previous reporting period).

When acquiring interests and determining goodwill, a conditional variable compensation is applied, with the most accurate estimate possible of the amount to be finally calculated at the end of the valuation period.

Colruyt Group expects no significant financial disadvantages to be derived from these liabilities.

There are no material contingent assets to be reported.

30. Dividends paid and proposed

On 4 October 2022 a gross dividend of EUR 1,10 per share was paid to the shareholders.

For the financial year 2022/23, the Board of Directors has proposed a gross dividend of EUR 0,80 per share, which will be declared payable from 3 October 2023. As the decision to distribute a dividend is to be considered an event after reporting date which is not to be included in the statement of financial position, this dividend, which is still to be approved at the Annual General Meeting of Shareholders of 27 September 2023, is therefore not recorded as a liability in the statement of financial position.

Taking into account that the distribution proposed by the Board of Directors relates to 126.991.787 shares (after deduction of treasury shares), as determined on 9 June 2023, the total amount of proposed dividends is EUR 101,6 million.

31. Related parties

An overview of related party transactions is given below. In this note, only the transactions which were not eliminated in the consolidated financial statements are presented.

Colruyt Group identifies, in accordance with IAS 24, '*Related Party Disclosures*', different categories of related parties:

a) key managers of Colruyt Group and relatives. Key management is formed by the members of the Board of Directors and the Management Committee (see Corporate Governance section);
b) entities that control Colruyt Group: Korys NV controlled by Stichting Administratiekantoor Cozin (see Corporate Governance section);
c) associates (see note 12. *Investments in associates*);
d) joint ventures (see note 13. *Investments in joint ventures*); and
e) entities controlled by persons belonging to the key management of Colruyt Group. Last year, Colruyt Group had no material transactions with these entities. There were however transactions with Smartmat NV, now an associate.

31.1. Related party transactions excluding key management personnel compensation

(in million EUR)	2022/23	2021/22
Revenue	**4,0**	**9,2**
Associates	3,4	9,1
Joint ventures	0,6	0,1
Costs	**21,8**	**18,1**
Key managers of Colruyt Group and relatives	0,2	0,3
Associates	17,1	12,0
Joint ventures	4,5	3,6
Entities controlled by persons belonging to the key management of Colruyt Group	-	2,2
Receivables	**8,9**	**115,1**
Entities that control Colruyt Group	0,1	-
Associates	5,1	113,2
Joint ventures	3,7	1,9
Liabilities	**4,9**	**0,9**
Key managers of Colruyt Group and relatives	0,1	0,1
Entities that control Colruyt Group	0,1	0,1
Associates	3,9	0,4
Joint ventures	0,8	0,2
Entities controlled by persons belonging to the key management of Colruyt Group	-	0,1
Dividends paid	**89,7**	**116,1**
Key managers of Colruyt Group and relatives	9,4	12,5
Entities that control Colruyt Group	80,3	103,6

The amounts disclosed above result from transactions made on terms equivalent to those that prevail in arm's length transactions between independent parties.

Transactions with various related parties generated revenue for an amount of EUR 4,0 million (EUR 9,2 million in the previous reporting period).

Colruyt Group and Korys took the requisite measures in the context of the conflict of interest rules. We refer to the Corporate Governance section for more details.

The costs arising from transactions with various related parties amount to EUR 21,8 million and mainly relate to the purchase of energy-related products (EUR 14,3 million).

Outstanding receivables from related parties decreased from EUR 115,1 million to EUR 8,9 million due to the termination of compound instruments with an associate.

31.2. Key management personnel compensation

The compensation awarded to key management personnel is summarised below. All amounts are gross amounts before taxes. Social security contributions were paid on these amounts.

(in million EUR)	Remuneration 2022/23	Number of persons/shares 2022/23	Remuneration 2021/22	Number of persons/shares 2021/22
Board of Directors		**10**		**9**
Fixed remuneration (directors' fees)	1,0		0,9	
Senior management		**12**		**13**
Fixed remuneration	4,5		4,1	
Variable remuneration	1,9		2,8	
Payments into defined contribution plans and other components	0,7		0,8	

More information regarding the different components of compensation for key management personnel can be found in the remuneration report (see section Corporate Governance) as prepared by the Remuneration Committee.

32. Events after the reporting date

During an extraordinary works council held on 19 April 2023, Dreamland and Dreambaby announced their intention to restructure, to which the Procedure Renault applies. Dreamland and Dreambaby together employ about 1.100 employees. The intention to restructure affected 192 employees and also implied the closure of a limited number of stores (1 Dreamland store and 5 Dreambaby stores). The first stage (information and consultation stage) of the Procedure Renault was completed at the end of May. Subsequently, on 26 May 2023, the Board of Directors of Dreamland and Dreambaby decided to proceed with the collective dismissal of 151 employees in total. As a people-oriented employer, Colruyt Group will make maximum efforts to provide professional reorientation within the group to reduce the number of redundancies.

In addition, on 19 April 2023, Colruyt Group reached a principle agreement with ToyChamp whereby ToyChamp would obtain 75% of the shares of Dreamland and thus gain control over Dreamland. Dreamland will continue to exist; as a brand, as a legal entity and as an employer. The current management of Dreamland remains on board. The principle agreement was recently developed further and converted into a final agreement. Completion of the transaction is expected in the third quarter of the financial year 2023/24 and will have a limited one-off effect on the net result of the financial year 2023/24 (still highly subject to further developments between the closing of the financial year, i.e. 31 March 2023, and the completion of the transaction).

In the current annual report relating to the financial year 2022/23, Dreamland is not presented as a discontinued operation with assets and related liabilities reclassified as held for sale as required by IFRS 5, *'Assets Held for Sale and Discontinued Operations'*. As per 31 March 2023 important conditions have not been met, management states that the assets and liabilities to be held for sale are not yet available for immediate sale in their present condition.

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.

On 1 June 2023, Colruyt Group and Virya Energy NV reached an agreement to fully integrate DATS 24 NV into Virya Energy NV. The transaction is based on an enterprise value of EUR 56 million, plus a potential earn-out consideration of up to EUR 11 million. Following this transaction, Colruyt Group's cash flow statement is expected to include a cash inflow of approximately the same order of magnitude (inter alia after settlement of intragroup positions and net of cash and cash equivalents disposed of, which in total are estimated at approximately EUR 25 million – based on preliminary figures per 31 March 2023). Furthermore, this transaction is expected to result in a limited one-off impact on the net result of the financial year 2023/24. Both are subject to the customary post-closing purchase price adjustments. Additionally, certain assets have been transferred from Colruyt Group for a total of EUR 6 million. Arm's length principles were applied for the valuation.
As of June 2023, DATS 24 will no longer be fully consolidated by Colruyt Group, but by Virya Energy NV. This means that as of June 2023, the results of DATS 24 will be accounted for in Colruyt Group's consolidated figures via Virya Energy NV using the equity method.
The fuel distribution activities in France are inseparably connected to, and therefore an integral part of, the stores in France and are not included in this transaction.
The necessary measures have been taken in view of the conflict of interest rules.

On 2 February 2023, Colruyt Group reached agreement to acquire 100% of the shares of Degrenne Distribution, owned by the Degrenne family. The acquisition is subject to the suspensive condition of approval by the French Competition Authority as well as by the French Ministry of Economy and Finance under the international investment law.
The necessary approvals have been obtained and the transaction has been finalised at the beginning of July 2023. Degrenne Distribution will be fully consolidated in the course of financial year 2023/24. Both parties have agreed not to disclose any details regarding the price or any other terms of the transaction. Arm's length principles were applied for the valuation. At the date of approval of the annual report, Colruyt Group did not yet have all the information to determine goodwill.

After period-end, 397.921 treasury shares were purchased for an amount of EUR 12,2 million. On 9 June 2023, Colruyt Group held 7.085.901 treasury shares, which represented 5,28% of the total number of shares issued.

There were no further significant events after the balance sheet date.

33. Independent auditor's remuneration

The table below provides an overview of remuneration paid to the independent auditor and its associated parties for services rendered to Colruyt Group.

(in million EUR)	2022/23	2021/22
Audit assignments	1,2	1,0
Total	**1,2**	**1,0**

The consideration paid for audit services was EUR 1,2 million, of which EUR 0,3 million was recognised at the level of the Company and EUR 0,9 million was recognised at the level of its subsidiaries.

For non-audit services, such as other audit assignments, tax advice and other assignments, the costs are negligible.

34. List of consolidated entities

34.1. Company

Etn. Fr. Colruyt NV	Edingensesteenweg 196	1500 Halle, Belgium	0400 378 485	-

34.2. Subsidiaries

AB Restauration BV	Avenue du Levant 13	5030 Gembloux, Belgium	0475 405 017	100%
Agripartners NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 417	100%
Banden Deproost BV	Zinkstraat 6	1500 Halle, Belgium	0424 880 586	100%
Banketbakkerij Mariman NV	Warandestraat 5	9240 Zele, Belgium	0874 422 336	100%
Bavingsveld NV	Edingensesteenweg 196	1500 Halle, Belgium	0441 486 194	100%
Bio-Planet Luxembourg SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B262737	100%
Bio-Planet NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0472 405 143	100%
Buurtwinkels OKay NV	Victor Demesmaekerstraat 167	1500 Halle, Belgium	0464 994 145	100%
Codevco II RDC SASU	Av. Pierre Mulele 17, office 203, Infinity Center, Commune de Gombe	Kinshasa, Democratic Republic of the Congo	CD/KNG/ RCCM/21-B-01809	100%
Codevco IV NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 615	100%
Codevco IX BV	Edingensesteenweg 196	1500 Halle, Belgium	0779 301 067	100%
Codevco VII BV	Edingensesteenweg 196	1500 Halle, Belgium	0760 300 252	100%
Codevco VIII NV	Edingensesteenweg 196	1500 Halle, Belgium	0760 300 846	100%
Codevco X NV	Edingensesteenweg 196	1500 Halle, Belgium	0779 300 572	100%
Codevco XIII NV	Edingensesteenweg 196	1500 Halle, Belgium	0779 443 696	100%
Codevco XIV NV	Edingensesteenweg 196	1500 Halle, Belgium	0795 538 570	100%
Codevco XV NV	Edingensesteenweg 196	1500 Halle, Belgium	0795 538 669	100%
Codevco XVI NV	Edingensesteenweg 196	1500 Halle, Belgium	0795 538 768	100%
Codex BV	Edingensesteenweg 196	1500 Halle, Belgium	0453 365 924	100%
Codifrance SAS	Zone Industrielle, Rue de Saint Barthélémy 66	45110 Châteauneuf-sur-Loire, France	824 116 099	100%
Colim NV	Edingensesteenweg 196	1500 Halle, Belgium	0400 374 725	100%
Colimpo NV	Edingensesteenweg 196	1500 Halle, Belgium	0685 762 581	100%
Colimpo Private Limited	Unit 08-09, 13th floor, New Mandarin Plaza, Tower A 14, Science Museum Road, Tsimshatsui East	Kowloon, Hong Kong	59139630 000 11 18 0	100%

Colruyt Afrique SAS	Sacre Coeur III VDN, Villa numéro 10684, Boîte Postal 4579	Dakar, Senegal	SN DKR 2020 B 13136	100%
Colruyt Cash and Carry NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 318	100%
Colruyt Gestion SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B137485	100%
Colruyt Group Services NV	Edingensesteenweg 196	1500 Halle, Belgium	0880 364 278	100%
Colruyt IT Consultancy India Private LTD	Building N°21, Mindspace, Raheja IT Park, Survey nr 64 (Part) HITEC City	Madhapur, Hyderabad, Telangana State, India - 500081	U72300TG2007 PTC053130	100%
Colruyt Luxembourg SA	Z.I. Um Woeller 6	4410 Sanem, Grand Duchy of Luxembourg	B124296	100%
Colruyt Retail France SAS	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	789 139 789	100%
Comans NV	Edingensesteenweg 196	1500 Halle, Belgium	0462 732 956	100%
Comant NV	Edingensesteenweg 196	1500 Halle, Belgium	0604 984 743	100%
Combru NV	Edingensesteenweg 196	1500 Halle, Belgium	0442 944 956	100%
Comgen NV	Edingensesteenweg 196	1500 Halle, Belgium	0404 020 638	100%
Comgil NV	Edingensesteenweg 196	1500 Halle, Belgium	0739 995 974	100%
Comjan NV	Edingensesteenweg 196	1500 Halle, Belgium	0783 195 915	100%
Comkro NV	Edingensesteenweg 196	1500 Halle, Belgium	0693 920 677	100%
Comlie NV	Edingensesteenweg 196	1500 Halle, Belgium	0560 926 056	100%
Commol NV	Edingensesteenweg 196	1500 Halle, Belgium	0684 490 495	100%
Comnie NV	Edingensesteenweg 196	1500 Halle, Belgium	0715 711 530	100%
Comnik NV	Edingensesteenweg 196	1500 Halle, Belgium	0741 814 626	100%
Cycles IMP SRL	Tramstraat 63	9052 Zwijnaarde, Belgium	0444.947.017	100%
Darzana NV	Edingensesteenweg 196	1500 Halle, Belgium	0779 443 795	100%
DATS 24 NV	Edingensesteenweg 196	1500 Halle, Belgium	0893 096 618	100%
Davytrans NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 920 972	100%
Do Invest Lux SA	Rue de Beggen 233-241	1121 Luxembourg, Grand Duchy of Luxembourg	B181441	100%
Do Invest NV	Edingensesteenweg 196	1500 Halle, Belgium	0817 092 663	100%
Dreambaby NV	Edingensesteenweg 196	1500 Halle, Belgium	0472 630 817	100%
Dreamland NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 746 645	100%
E-Logistics NV	Edingensesteenweg 196	1500 Halle, Belgium	0830 292 878	100%
Enco Retail NV	Edingensesteenweg 196	1500 Halle, Belgium	0434 584 942	100%
EW 738/740 BV	Kerkstraat 13	2840 Rumst, Belgium	0505 738 994	100%
FD Company 2 BV	Edingensesteenweg 196	1500 Halle, Belgium	0770 767 542	100%
Finco France SARL	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	848 012 209	100%
Finco NV	Edingensesteenweg 196	1500 Halle, Belgium	0429 127 109	100%
Fleetco NV	Edingensesteenweg 196	1500 Halle, Belgium	0423 051 939	100%
Het Taartenhuis NV	Warandestraat 5	9240 Zele, Belgium	0889 841 277	100%
Het Zilverleen BV	Izenbergestraat 175	8690 Alveringem, Belgium	0715 775 767	100%
Heylen-Engels BV	Morkhovenseweg 92	2200 Noorderwijk, Belgium	0428 695 359	100%
Immo Colruyt France SAS	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	319 642 252	100%

Immo Colruyt Luxembourg SA	Rue F.W. Raiffeisen 5	2411 Luxembourg, Grand Duchy of Luxembourg	B195799	100%
Immo De CE Floor BV	Edingensesteenweg 196	1500 Halle, Belgium	0446 434 580	100%
Immoco SARL	Zone Industrielle, Rue des Entrepôts 4	39700 Rochefort-sur-Nenon, France	527 664 965	100%
Izock BV	Kerkstraat 132-134	1851 Humbeek, Belgium	0426 190 284	100%
Jims NV	Edingensesteenweg 196	1500 Halle, Belgium	0423 644 035	100%
Jims Oost BV(1)	Edingensesteenweg 196	1500 Halle, Belgium	0863 735 312	100%
Joma Sport BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0823 778 933	100%
Juliette BV	Edingensesteenweg 196	1500 Halle, Belgium	0753 439 679	100%
Locré SA	Rue de Neudorf 534	2220 Luxembourg, Grand Duchy of Luxembourg	B59147	100%
Myreas BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0733 909 522	85%
Newpharma Group NV(1)(2)	Rue du Charbonnage 10, bus 2	4020 Liège, Belgium	0684 465 652	100%
Northlandt NV	Moortelstraat 9	9160 Lokeren, Belgium	0459 739 517	100%
N'Situ Pelende SASU	Av. Pierre Mulele 17, office 203, Infinity Center, Commune de Gombe	Kinshasa, Democratic Republic of the Congo	CD/KNG/ RCCM/21-B-01787	100%
Okay Compact NV	Edingensesteenweg 196	1500 Halle, Belgium	0820 198 247	100%
Puur NV	Edingensesteenweg 196	1500 Halle, Belgium	0544 328 861	100%
Retail Partners Colruyt Group NV	Edingensesteenweg 196	1500 Halle, Belgium	0413 970 957	100%
Roecol NV	Spieveldstraat 4	9160 Lokeren, Belgium	0849 963 488	100%
Roelandt NV	Warandestraat 5	9240 Zele, Belgium	0412 127 858	100%
Saro BV	Edingensesteenweg 196	1500 Halle, Belgium	0451 082 662	100%
Smart Technics NV	Edingensesteenweg 196	1500 Halle, Belgium	0716 663 516	100%
SmartRetail BV	Edingensesteenweg 196	1500 Halle, Belgium	0640 760 224	100%
SmartWithFood BV	Edingensesteenweg 196	1500 Halle, Belgium	0739 913 228	100%
Société Agricole de Meester BV	Albertlaan 210	1190 Vorst, Belgium	0429 662 290	100%
Solucious NV	Edingensesteenweg 196	1500 Halle, Belgium	0448 692 207	100%
Sukhino NV	Edingensesteenweg 196	1500 Halle, Belgium	0779 443 302	100%
Supermarkt De Belie BV	Edingensesteenweg 196	1500 Halle, Belgium	0433 756 581	100%
Supermarkt Magda NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 180 523	100%
Symeta Hybrid NV	Interleuvenlaan 50	3001 Heverlee, Belgium	0867 583 935	100%
The Fashion Society NV(2)	Brusselsesteenweg 185	1785 Merchtem, Belgium	0553 548 910	100%
Van der Veken BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0465 176 069	100%
VDV-Lease BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0698 812 150	100%
Vlevico NV	Edingensesteenweg 196	1500 Halle, Belgium	0422 846 259	100%
Walcodis SA	Rue Du Parc Industriel 34	7822 Ath, Belgium	0829 176 784	100%
Witeb 1 BV	Edingensesteenweg 196	1500 Halle, Belgium	0697 694 571	100%
Witeb 2 BV	Edingensesteenweg 196	1500 Halle, Belgium	0699 852 426	100%
Witeb 3 BV	Edingensesteenweg 196	1500 Halle, Belgium	0726 754 187	100%
Witeb 4 BV	Edingensesteenweg 196	1500 Halle, Belgium	0747 601 566	100%
Witeb 5 BV	Edingensesteenweg 196	1500 Halle, Belgium	0761 776 335	100%

WV1 BV	Guldensporenpark 100, blok K	9820 Merelbeke, Belgium	0627 969 585	100%
WV2 BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0627 973 149	100%
WV3 BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0477 728 760	100%
Yaleli BV	Tramstraat 63	9052 Zwijnaarde, Belgium	0672 981 941	100%
Zeeboerderij Westdiep BV	Edingensesteenweg 196	1500 Halle, Belgium	0739 918 869	80%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements as of that date.

(2) These companies are in a sub-consolidation.

34.3. Joint ventures

Achilles Design BV(1)	Borchtstraat 30	2800 Mechelen, Belgium	0691 752 926	24,70%
Daltix NV(1)	Ottergemsesteenweg-Zuid 808, bus 160	9000 Ghent, Belgium	0661 713 511	78,76%
Daltix Unipessoal LDA(1)	Avenida Antonio Augusto De Aguiar 130 Piso 1	1050-020 Lisbon, Portugal	0514 607 769	78,76%
De Leiding BV(1)	Kerkstraat 108	9050 Gentbrugge, Belgium	0694 734 685	51,99%
Digiteal NV(1)	Rue Emile Francqui 6	1435 Mont-Saint-Guibert, Belgium	0630 675 588	26,84%
Kriket BV(1)	Brogniezstraat 172 BIO7	1070 Anderlecht, Belgium	0692 761 033	43,82%
Pluginvest BV	Plantin and Moretuslei 289	2140 Borgerhout, Belgium	0665 554 711	25,00%
Some BV(1)	Hooilaar 40	2230 Herselt, Belgium	0829 249 337	24,97%
Ticom NV	Bilkensveld 1, bus A	1500 Halle, Belgium	0820 813 505	90,00%
We Connect Data BV(1)	Wiedauwkaai 23, bus S	9000 Ghent, Belgium	0650 599 388	16,03%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements as of that date.

34.4. Associates

AgeCore SA(1)	Rue de la Synagogue 33	1204 Genève, Switzerland	CHE-222 427 477	25,00%
First Retail International 2 NV(1)	Pontbeekstraat 2	1702 Dilbeek, Belgium	0644 497 494	4,73%
Scallog SAS(2)	Rue Raymond Barbet 105	92000 Nanterre, France	791 336 076	23,73%
Smartmat NV(1)	Dock-North 4, bus E	9000 Ghent, Belgium	0841 142 626	41,36%
The Seaweed Company BV(1)	Lange Haven 132	3111 CK Schiedam, Netherlands	72339225	21,30%
Vendis Capital NV(1)	Jan Emiel Mommaertslaan 22	1831 Machelen, Belgium	0819 787 778	10,87%
Virya Energy NV(1)(3)	Villalaan 96	1500 Halle, Belgium	0739 804 548	59,94%

(1) These companies close their financial year on 31 December and are included in the consolidated financial statements as of that date.
(2) This company closes its financial year on 30 June and is included in the consolidated financial statements based on intermediate financial statements as of 31 March.
(3) This companies is in a sub-consolidation.

34.5. Changes in consolidation scope

a. New investments

On 30 June 2022, Colruyt Group acquired 100% of the shares of Cycles IMP BV. The acquisition of Cycles IMP BV is part of Bike Republic's expansion within Brussels.

In July 2022, Colruyt Group fully acquired FD Company 2 BV. FD Company 2 BV in turn holds 100% of the shares of Heylen-Engels BV. Both companies have, since the acquisition date, been accounted for as subsidiaries and are fully consolidated.

On 31 August 2022, Colruyt Group acquired 100% of the shares of Yaleli BV. Yaleli BV operates 2 bicycle stores, one in Aalst and one in Ninove.

On 30 November 2022, Colruyt Group acquired 100% of the shares of Oyxgen Clubs BV. Oxygen Clubs BV operates 6 fitness clubs in East Flanders, in locations complementary to the existing Jims network in Flanders. In January 2023, the company's corporate name was changed to Jims Oost BV.

On 29 December 2022, Colruyt Group acquired 100% of the shares of Société Agricole de Meester BV (SAM for short). The company owns approximately 373 hectares of agricultural land. This acquisition fits with Colruyt Group's agricultural activities (Agripartners NV).

During the financial year, a 25% stake was acquired in the company Pluginvest BV (May 2022). Pluginvest BV offers various charging solutions for businesses and private individuals through an offering of charging stations and associated services with a view to building a long-term relationship in which Pluginvest BV aims to unburden its customers as an integrator. This company is accounted for as a joint venture using the equity method.

On 16 March 2023, Colruyt Group acquired 100% of the shares of EW 738/740 BV. The acquisition is part of a redevelopment project in which an Okay Compact and several residential units will be developed.

b. Mergers

The companies Eoly NV and DATS 24 NV merged with effect from 1 April 2022.

Furthermore, a silent merger took place between the companies Smartmat NV and 15gram BV, with retrospective effect from 2 June 2022.

There also was a silent merger between Colim NV and the companies Gecaro NV, Onroerende Beleggingsmaatschappij Van Brabant NV and Grimbergen Retail Property BV. These mergers occurred with retroactive effect from 1 April 2022.

c. Newly established companies

In Belgium, the companies Codevco XIV NV, Codevco XV NV, Codevco XVI NV were established (December 2022).

d. Other changes

On 13 September 2022, Colruyt Group increased its stake in Daltix NV from 77,55% to 78,76%. This company is accounted for as a joint venture using the equity method.

On 14 October 2022, Colruyt Group increased its stake in Newpharma Group NV from 61% to 100%. Since then, Newpharma Group NV has been an integral part of Colruyt Group, as a result of which the investment in Newpharma Group NV is fully accounted for as a subsidiary, and no longer as an associate company using the equity method. The requisite measures were taken in the context of the conflict of interest rules. At acquisition date, the fair value of the 61% stake in the associate's capital already held was set at EUR 85,7 million, whereby the resulting gain can be considered negligible in relation to the carrying amount of the associate. Consequently, the gain of control over Newpharma Group NV has no impact on the result of the financial year 2022/23.

On 27 December 2022, Colruyt Group increased its stake in De Leiding BV from 46,23% to 51,99%. This company is accounted for as a joint venture using the equity method.

The corporate name of Codevco XI NV was changed to Darzana NV in April 2022. On 30 August 2022, Codevco I RDC SASU changed its name to N'Situ Pelende SASU. At the end of March 2023, the names of Codevco VI BV, Codevco XII NV, Comels NV and Wieleke BV were changed to SmartWithFood BV, Sukhino NV, Okay Compact NV and WV3 BV, respectively.

At the beginning of June 2022, Colruyt Group and its family majority shareholder Korys converted their convertible bonds issued by Virya Energy NV into shares. The conversion increased Colruyt Group's stake from 59,78% to 59,94%.

On 30 June 2022, the companies Puurgen NV and Puurwijn NV were dissolved and liquidated.

By deed of 6 September 2022, it was decided to change the legal form of Finco France from SAS to SARL.

On 15 February 2023, it was decided to proceed with the dissolution of the French company R.H.C. SAS. From an accounting viewpoint, the dissolution without liquidation has a tax effect at 1 April 2022.

On 29 March 2023, the agreement was signed for the sale of the shares in Hyve BV to Hyve BV itself.

For transactions decided by the Board of Directors after year-end with regard to Virya Energy NV, we refer to note 32. *Events after the reporting date*.

35. Condensed (non-consolidated) financial statements of Etn. Fr. Colruyt NV, in accordance with Belgian accounting standards

The financial statements of Etn. Fr. Colruyt NV are presented below in condensed form.

For the individual financial statements of Etn. Fr. Colruyt NV an unqualified audit opinion was delivered by the auditor. The statutory report of the auditor confirms that the individual financial statements of Etn. Fr. Colruyt NV for the financial year ending 31 March 2023, prepared according to Belgian accounting standards, give a true and fair view of the financial position of Etn. Fr. Colruyt NV in accordance with all legal and regulatory dispositions. In the report no attention was drawn to any matter in particular.

The annual report, the annual financial statements of Etn. Fr. Colruyt NV and the independent auditor's report are filed with the National Bank of Belgium, in accordance with art. 3:10 and art. 3:12 of the Code on Companies and Associations. A copy of these documents can be obtained there on request.

These documents can also be obtained on request at the Company's registered office:

Etn. Fr. Colruyt NV – Edingensesteenweg 196, 1500 Halle
Tel. +32 (2) 363 55 45
Internet: www.colruytgroup.com
Email: contact@colruytgroup.com

Condensed statement of financial position of Etn. Fr. Colruyt NV

(in million EUR)	31.03.23	31.03.22
Non-current assets	**8.459,1**	**6.262,9**
I. Formation expenses	0,4	-
II. Intangible assets	209,6	188,1
III. Property, plant and equipment	384,6	285,5
IV. Financial non-current assets	7.864,5	5.789,3
Current assets	**1.339,1**	**1.266,4**
V. Receivables exceeding one year	2,7	8,0
VI. Inventories and work in progress	434,2	434,0
VII. Receivables for less than one year	605,8	659,3
VIII. Cash investments	249,0	132,0
IX. Cash and cash equivalents	36,7	29,0
X. Prepayments and accrued income	10,7	4,1
Total assets	**9.798,2**	**7.529,3**

Equity	**3.473,5**	**1.757,0**
I. Share capital	370,2	364,8
IV. Reserves	220,7	172,2
V. Profit carried forward	2.882,3	1.219,7
VI. Capital grants	0,3	0,3
Provisions and deferred taxes	**1,5**	**2,8**
Liabilities	**6.323,2**	**5.769,5**
VIII. Liabilities exceeding one year	4.298,6	4.089,8
IX. Liabilities for less than one year	1.999,4	1.657,3
X. Accruals and deferred income	25,2	22,4
Total liabilities	**9.798,2**	**7.529,3**

Condensed income statement of Etn. Fr. Colruyt NV

(in million EUR)	2022/23	2021/22
I. Operating income	7.805,1	7.351,6
II. Operating expenses	(7.643,6)	(7.177,4)
III. Operating profit	**161,5**	**174,2**
IV. Finance income	1.927,9	209,0
V. Financial costs	(273,9)	(149,8)
VI. Profit for the financial year before tax	**1.815,5**	**233,4**
VIII. Income tax	(4,9)	(6,8)
IX. Profit for the financial year	**1.810,6**	**226,6**
X.A. Transfer from the tax exempt reserves	0,2	0,9
X.B. Transfer to the tax exempt reserves	-	(0,3)
XI. Profit for the financial year available for appropriation	**1.810,8**	**227,2**

Profit appropriation of Etn. Fr. Colruyt NV

For the 2022/23 financial year, the Board of Directors will propose the following profit distribution to the General Meeting of Shareholders on 27 September 2023:

(in million EUR)	2022/23	2021/22
Profit for the financial year available for appropriation	1.810,8	227,2
Profit carried forward from previous financial year	1.219,7	1.320,6
Profit available for appropriation	**3.030,5**	**1.547,8**
Transfer to the legal reserve	0,5	0,7
Addition to/(transfer from) other reserves	48,1	186,3
Result to be carried forward	2.882,3	1.219,7
Dividend to owners(1)	99,6	139,8
Other debts	-	1,3

(1) This item was calculated on the basis of the treasury share repurchase situation at 9 June 2023.

Definitions

Acquisitions of property, plant and equipment and intangible assets

Acquisitions of property, plant and equipment and intangible assets are exclusive of acquisitions through business combinations, contributions by third parties and rights of use under IFRS 16.

Capital employed

The value of the assets and liabilities that contribute to generating income.

Dividend yield

Gross dividend per share divided by the share price at the reporting date.

Dividend pay-out ratio

Gross dividend per share divided by the profit for the financial year (group share) per share.

EBIT margin

EBIT divided by revenue.

EBITDA

Earnings before interest, taxes, depreciation and amortisation, or operating profit (EBIT) plus depreciation, amortisation and impairments.

EBITDA margin

EBITDA divided by revenue.

Free cash flow

Free cash flow is defined as the sum of the cash flow from operating activities and the cash flow from investing activities.

FTE

Full-time equivalent; unit of account with which the number of personnel is expressed by dividing the contractual working time by full-time working time.

Gross added value

The realisable value of the manufactured goods less the value of the raw materials and the auxiliary materials used in the production process and the procured services.

Gross profit

Revenue minus cost of goods sold.

Gross profit margin

Gross profit divided by revenue.

Market capitalisation

Closing price multiplied by the number of issued shares at the reporting date.

Net added value

Consists of the gross added value less depreciation, amortisation, impairments on fixed assets, provisions and write-offs of current assets.

Net profit

Profit for the financial year (after tax).

Net profit margin

Net profit divided by revenue.

Operating profit (EBIT or earnings before interest and taxes)

The operating income less all operating costs (cost of goods sold, services and miscellaneous goods, employee benefit expenses, depreciation, amortisation, impairments and other operating expenses).

Revenue

Revenue comprises the sale of goods and services provided to our own customers, affiliated customers and wholesale customers, after the deduction of discounts and commissions allocated to these customers.

ROIC

Return on invested capital, or operating profit (EBIT) after tax in relation to invested capital.

Share of the group

Interest that can be attributed to the owners of the parent company.

SPPI ('Solely Payments of Principal and Interests')

The SPPI test requires that the contractual terms of the financial asset give rise to cash flows that only include principal and interest payments on the principal amount outstanding.

Weighted average number of outstanding shares

The number of outstanding shares at the beginning of the period, adjusted for the number of shares cancelled, treasury shares purchased or shares issued during the period multiplied by a time-correcting factor.