



# Word from the Chairman

2022/23 was an eventful, **challenging financial year**, in which we have continued to evolve, based on our belief that we create added value for society today, tomorrow and in the long term. Over the past thirty years, Colruyt Group has evolved from a family business to a large, diverse group of companies. After years of double-digit growth, we are now experiencing a period of slowdown. This is not uncommon, especially in a context of high inflation that is seriously challenging all retailers and has sharply increased our costs, among other things for energy and employee pay. In retrospect, we are proud that, despite all this, we achieved good revenue growth and consolidated our market share.

Continuing to consolidate our long-term strategy required us to take a number of difficult decisions, which after careful consideration of various scenarios proved to be unavoidable. Thus, we published our decision for Dreamland to structurally join forces with Belgian toy specialist ToyChamp in April. In addition, we announced our intention to restructure Dreamland and Dreambaby, applying the 'Renault Act' collective redundancy scheme to a number of employees, and closing one Dreamland and five Dreambaby stores. We are convinced that these actions can contribute to the continued existence of Dreamland (now together with ToyChamp) and to that of Dreambaby as an integral part of the group. We are working towards this together, in constructive consultation with our trade union partners. We are and remain incredibly grateful and proud of the people who give the best of themselves for these attractive brands in our non-food area.

During the past financial year we also implemented numerous small and large cost saving, optimisation and efficiency measures. The sales, logistics, production and support services focused on

controlling their operational costs and specifically on energy efficiency. Energy prices started falling again from the beginning of 2023, while the joint market share of Colruyt Lowest Prices, Okay and Spar in Belgium increased to 31,0% at the end of the financial year. Partly as a result of this, we were able to slightly **adjust in a positive direction** our outlook for the full-year results. Ultimately, our revenue for the financial year increased by 7,7%, to over 10,8 billion euros. The net result decreased by one percentage point to 1,9% of revenue.

In the coming financial year, we will maintain our increased focus on efficiency and continue to implement our **strategic plan**. We are convinced that we will emerge stronger from the current period. We therefore continue to expand our **smart ecosystem**, with products and services in four areas, where a significant portion of family budgets is spent. In the fields of nutrition and health, in particular, we have taken major steps through investments, participations and acquisitions. Our Jims fitness chain boosted its muscle by acquiring six high-quality clubs from the Oxygen chain. We also took a shareholding in digital health platform yoboo, strong in personal counselling towards healthier lifestyles. Finally, our Newpharma online pharmacy expanded its storage space to over 20.000 m<sup>2</sup>, with potential for future growth. At the beginning of 2023, we concluded an agreement in principle to acquire 100% of the Degrenne Distribution group, a significant regional player in the French convenience store market. The company perfectly complements our Codifrance wholesale branch and will significantly strengthen our presence in France. Our retail network also continued to grow in Belgium and Luxembourg, with 13 new food stores and 22 renovations, representing 13.400 m<sup>2</sup> of additional retail space.

Our **Colruyt Lowest Prices** format experienced its greatest expansion. With its unique lowest price guarantee, it is clearly **more relevant** than ever. With food price inflation continuing, Colruyt attracted many new customers from autumn 2022 onwards and increased its market share. We continued to protect our customers' purses and purchasing power, even during the often challenging annual negotiations with suppliers. We nonetheless succeeded in devising solutions acceptable to all parties, with a view to our lowest price guarantee (which celebrates its 50th anniversary this year) and our long-term supplier relationships.

We have also set a new course in the energy field. Our energy holding company Virya Energy reached an agreement to sell its offshore wind energy platform **Parkwind** to Japanese energy group JERA Green. The takeover offers Parkwind the potential to develop further as a leading international energy player, based in our country. This was a necessary step in an increasingly competitive offshore industry with substantially larger projects and higher investment risks. At the beginning of June 2023, we completed the sale of fuel specialist **DATS 24** to Virya Energy. In a rapidly greening energy market, the holding company will gain a lot of clout from this pooling of expertise. For our customers, nothing changes: DATS 24 remains part of the Xtra ecosystem.

In the past financial year, we again worked hard on numerous **innovation** and **sustainability** initiatives. These include new technologies to speed up checkout flow, while making work more ergonomic for our employees. We have experimented with unmanned vehicles for home delivery from Collect&Go and further digitised our processes and systems. To help consumers in making more sustainable choices, we are continuing steadily to roll out the **Eco-score** we launched in 2021. This sustainability label is linked to a unique, low-entry threshold points saving programme that allows customers to support great ecological initiatives. And we are pleased to report that international manufacturers are also starting to apply the Eco-score to their A-brand products.

## Level playing field

As the only 100% Belgian retailer, we continue to invest in logistics and production in our own country. We buy as much as possible from Belgian producers, contribute to the sustainability of agriculture and the anchoring of craftsmanship. In so doing, we create lots of jobs and support entrepreneurship in our country. Through our activities, we also make a significant contribution to the public purse, while our leadership in sustainability and innovation helps put our country on the map.

We therefore want to make a plea here for the continued existence of integrated trading in Belgium. For this, we are calling in the first place for a major reduction of the number of joint employer-employee negotiating committees in the trading area. In this way, a fair and competitive landscape can be created in which integrated and independent stores continue to coexist perfectly, without unfair competition in wages and working conditions. This ultimately benefits both employees and the entire retail sector, from small independents to franchisees to integrated chains.

We continued to invest in our in-house production and in our own agricultural land, which we make available to independent farmers on a long-term basis, with part of it earmarked for innovative, more sustainable crops.

We expect a first harvest of Belgian mussels from our sea farm in summer 2023, for sale in our Cru markets. At the end of 2022, we announced our ambition to make our freight transport completely **emission-free** by 2035 by switching to battery and hydrogen-electric vehicles. In the meantime, we have already commissioned various electric vehicles, including one 44-tonne truck and five refrigerated trucks.

We feel confirmed in the sustainable course we have been following for a number of years now, including the success

of our very first **Green Retail Bond**. With it, we easily raised the intended 250 million euros to finance existing and new sustainable projects in the coming years.

In the past financial year, we have taken many steps to ensure the sustainable continued existence of our group. Spring 2023 saw some important internal changes. General manager of Colruyt Lowest Prices Chris Van Wettere went into well-deserved retirement, and a milestone also followed for myself. On 1 July 2023, I handed over the day-to-day management of Colruyt Group to Stefan Goethaert, who has been the new CEO since then. Stefan combines strong international management experience with the required leadership skills and a values-driven vision. Timing and preparation are right: together we came through both the corona crisis and the shock wave of the war in Ukraine. We have taken important structural and organisational decisions and our strategy for the next few years is clear and under implementation. The day-to-day management and future of Colruyt Group are in good hands with Stefan and his executive committee, while I also remain closely involved as Chairman of the Board of Directors.

Finally I want to extend my sincere thanks to all employees, customers and partners who, with their continued trust in Colruyt Group even in difficult times, are today building the future with us.



**Jef Colruyt**  
CEO Colruyt Group

# Who are we?

## A family business

Colruyt Group is a family business that has grown over three generations into a retail group with over 33.000 employees and a diverse portfolio of food and non-food formats, in Belgium and abroad. The biggest activity remains our supermarket Colruyt, which has delivered on its brand promise of "Lowest Prices" day after day for 50 years. Over the last half a century, we have diversified our activities substantially. However, we remain true to **retail**, which still accounts for four fifths of our revenue. Today, we are active in retail with around ten business formats, with both physical outlets and online shops in Belgium, Luxembourg and France. In addition, we operate in foodservice and **wholesale**, for instance as a dedicated partner for the independent Spar stores. In recent years, we have also grown strongly as a producer and supplier of **renewable** wind and solar **energy**. Finally, it is typical of Colruyt Group that we continue to do many things ourselves. We possess a wealth of experience and expertise in areas such as technology, IT and communication, as well as production and packaging of meat, coffee, cheese and wine, for example.

## Complementary brands, shared values

At Colruyt Group, we want to make a positive difference with everything we do. At every stage of life and at all important moments in our customers' lives, we want to be there for them in a suitable way. For this reason, we aim for maximum complementarity between our different brands. One by one, they differentiate themselves with simple solutions for specific requirements. Each in their own, authentic way, our brands express the '**simplicity in retail**' that we represent as Colruyt Group. In this way, each brand helps achieve our common mission. Each business format also embodies the same group values. Together, they form the foundation on which we continue to build as a group and a point of reference in this rapidly changing world. For ourselves, for our partners and for our customers. So they all know what they can expect of us, and that creates trust in turn.

## Working towards our goals

In stormy times, it is the roots that determine how firmly our tree stands. The fruits on our tree are our results. But results are merely a consequence. They merely tell us something about how we performed in a given context. That's why, at Colruyt Group, we don't focus on results but on goals. That means setting a goal and doing the right thing towards it in the here and now. We are focussed, have confidence in our own ability and hope for the best possible outcome. Not by concentrating on the fruits, but by staying focussed on our orchard and looking after our 'terroir'.



“  
**To make a positive  
difference with  
everything we do**”



## Firm roots

Knowing where you come from helps you understand where you are going. At Colruyt Group, we greatly value the insights and experience that three generations of entrepreneurship have brought us. We know who we are, what we stand for together, we appreciate our own strengths, identity and culture. In this way, we manage to keep a family atmosphere and an SME attitude, as a company that now has more than 33.000 employees.

## Faith in people

At Colruyt Group, we always start with a positive view of people. We believe in people's creative power to see and seize opportunities. We assume that every employee is driven to deliver quality and can add something to the greater whole. So, we do all we can to allow our employees' natural life energy to flow as effectively as possible. That stimulates their **entrepreneurship** and **growth**, in their craft and as people. After all, as the people grow, our company will grow. Our positive view of people stems from a wider, more positive worldview and our optimistic nature. We are convinced that through our enterprise, we help build a world in which we all want to live. Step by step, together with colleagues, customers and partners.

## Common purpose

Our group mission is to channel the creative power of our people. That is our shared 'why'.  
At Colruyt Group we want to:

# Create sustainable added value together through value-driven craftsmanship in retail.

- **Together.** Only together with our colleagues, suppliers, business partners, investors and customers can we make a positive difference.
- **Added value.** Creating social added value gives our work meaning, generates satisfaction and makes us wiser. Those are the true, lasting 'rewards'. Money, on the other hand, is merely a resource that we invest to realise our common dream.
- **Sustainable creation.** Every day, we start with a blank page. We gaze in amazement at the world to see what is possible, conscious of our strengths and limitations. And we don't waste energy needlessly from ourselves, our environment or nature.
- **Value-driven.** Our values form a common frame of reference that determines how we behave and cooperate with one another. They ensure that we act coherently and consistently, in everything we do.
- **Craftsmanship.** Living craftsmanship is a source of joy and pride. Our company's success is determined by the skills, attitudes and knowledge of our employees and their teams.
- **In retail.** Our craft is still retail, even though, over time, our entrepreneurship and creative drive have spawned many other initiatives.



## Driven by values

At Colruyt Group, we identify nine core attitudes that we consider valuable in helping us realise our mission. They have grown historically and capture the essence of what we all stand for. These values form, so to speak, the roots that feed our tree and determine who we are. Our values inspire us and give meaning to what we do. But they only 'live' insofar as we actually apply them in our everyday work. In order to focus on that, at Colruyt Group we also link nine focus points to our values. These help us act consistently and authentically.

## Our values story

We have **Respect** for every individual. That is the basis for our interaction. Every person is equal, despite the great differences in appearance, culture, background, skills, knowledge, interests, etc. Our **Togetherness**, the realisation that we all rely on one another to be able to work well, is the basic attitude that enables us to work together as a team. We love to serve others. Our **Readiness to serve** is therefore the basic attitude required to be able to deliver quality day after day. In this, we aim for **Simplicity** by reducing things to essentials. That helps us work efficiently and essentially.

To be able to produce good work, we need several other things. Starting with our **Faith** in people's positive intentions. That is essential if we are to trust. Our **Hope** then invites us to

invest the necessary time and resources, to be clear in our expectations and eventually to let go and be open to the results that follow. It is essential here that we allow ourselves the **Space** to pause, take a step back and consider what we are doing. As soon as our head is too 'full', that consciousness vanishes and we fall behind.

Finally, we demonstrate inner **Courage** in showing enterprise. With a positive attitude and a fresh, creative view, constantly working hard and mastering our craft, step by step. That is where our **Strength** lies, through which we experience satisfaction and fulfilment in our job.





# Our strategy

To be able to fulfil our mission, we have developed a long-term strategy and formulated clear ambitions and objectives. The common thread is and remains that we want to do business sustainably and at the same time facilitate conscious consumption, as a strong and constantly innovative local player.

Our starting point at all times is our customers and their evolving needs, including greater control over their budgets, their desire to live healthier and more sustainable lives, their need for greater convenience, or the right offer at the right time.

We intend to meet these needs in three ways. We want to make our customers' lives easier with relevant, simple solutions (*Simplify*), offer them opportunities to make more (environmentally) conscious choices (*Empower*) and to connect more with each other, society and our company (*Connect*).

To be truly relevant in our customers' lives, we offer them products and services in four areas: **food, health and well-being, non-food** and **energy**. In these areas, we are active with a wide range of complementary brands, together representing around a quarter of an average household budget.

## Food

Food retailing is our profession, which we pursue via strong physical and online store formats and efficient logistics. We continue to renew and enrich our range, for example with OTC pharmacy, meal boxes and flowers. About a third of our sales revenues from private-label products is produced by us.

## Health & well-being

We want to positively impact the health of employees, customers and society. For this, we are building an ecosystem that promotes a preventative approach to wellness and health, among others through the Jims fitness clubs and our Newpharma online pharmacy.

## Non-food

Non-food remains an essential component of our total offering. We are well represented on the Belgian non-food market with strong brands such as Zeb, Bike Republic, Dreambaby and our share in Dreamland.

## Energy

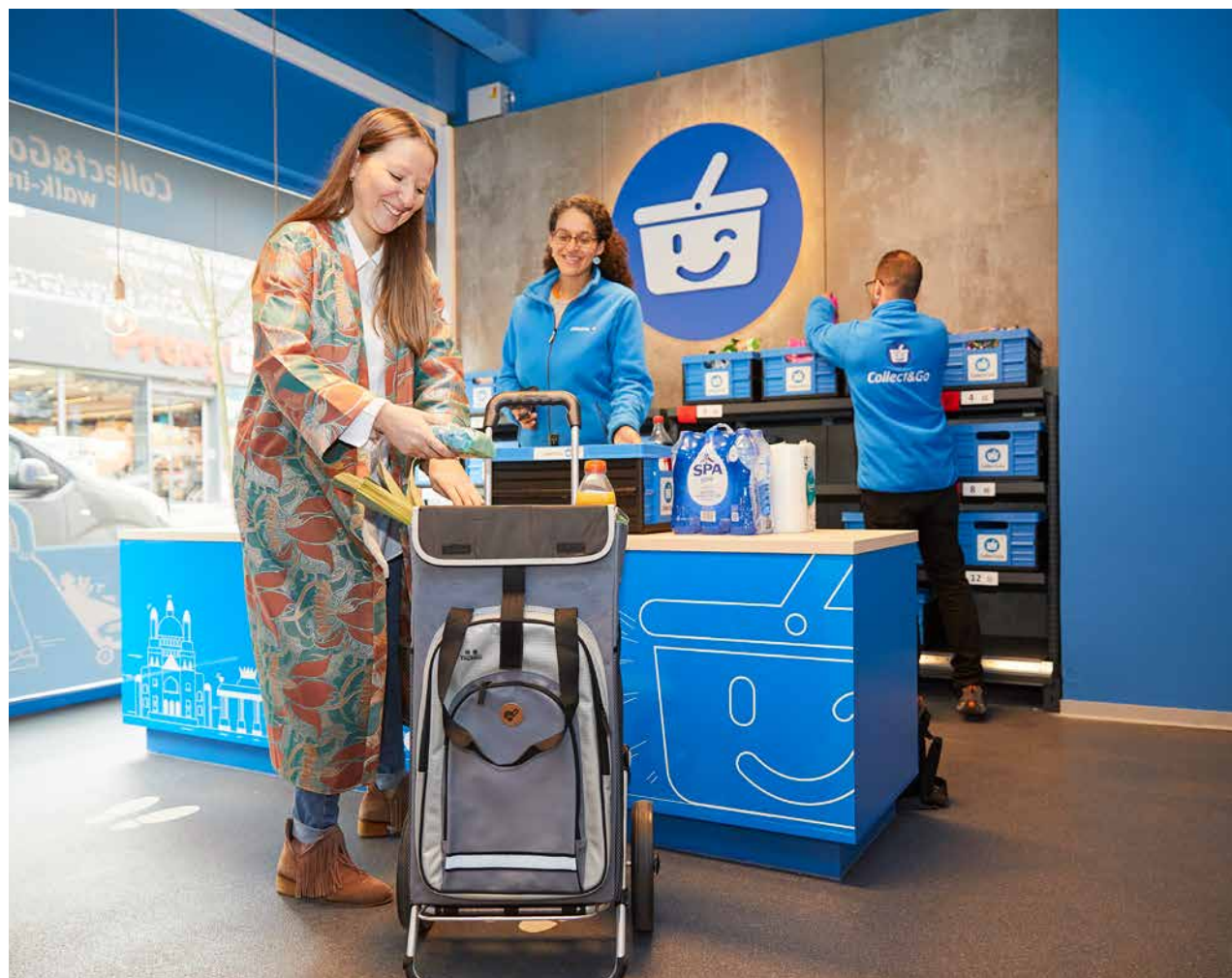
We have considerable expertise in producing renewable energy from wind and solar sources, and in distributing it to private and professional customers.

We are keen to accumulate further specialist skills in these areas of expertise in the coming years, and continue to grow. In each area of expertise, we group several brands and activities, so as to manage them in a targeted and professional manner. Of course, we will seek strong cooperation across these areas of expertise and develop synergies to offer our customers optimal solutions. Our Xtra app is enabling us to know our customers ever better, and therefore tailor our offering even closer to their needs.

To give more concrete form to our ambitions and objectives, we have formulated four strategic changes, on which we will be focusing strongly in the coming years.

- Being the most **cost-efficient** retailer, in our stores, logistics and support services, by focusing on economies of scale, automation and digitalisation. In this way, we can offer a high-quality, correctly priced basic range on a permanent basis.
- Being a **'phygital'** retailer, in which the physical and the digital reinforce each other. Using data to lead the way in online shopping.
- Being the **best retailer** for our customers, through skills excellence in all our activities.
- **Growing** further by responding to opportunities for new synergies and commercial formats, including in city concepts, in France and Luxembourg, in B2B, in digital business, etc.

To bring these changes to a successful conclusion, we will continue to focus, among other things, on committed and skilled employees, strong leadership and an agile organisation. Naturally, true to our mission, we want to continue to create added value in a value-driven, economically sustainable manner, with respect for people and the environment.



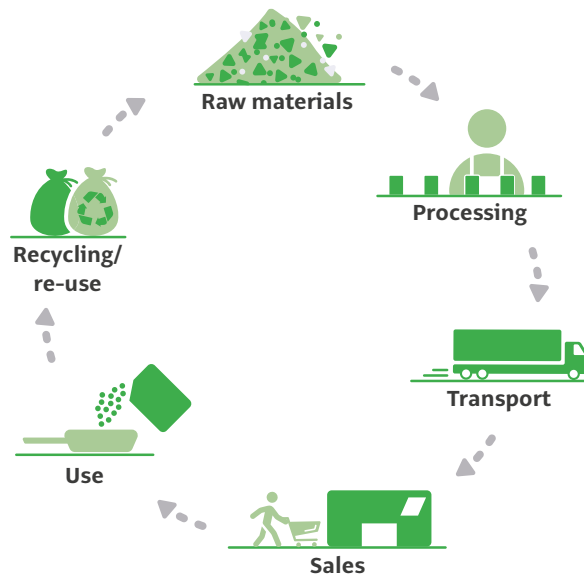
# Our vision on sustainability

Sustainability has been a common thread through all our activities for many years. For us, sustainability is no longer just a collective name for various social themes, but rather **the basis for long-term success and growth**. Essential for responding quickly and flexibly to the complex challenges of an ever-changing world. Doing business sustainably is more important than ever.

We recently sharpened our sustainability strategy with clear ambitions and objectives. In the coming months, we will flesh out in concrete terms how we will realise these. One thing is certain: we are joining forces with all our partners in the supply chain. Because **together we are so much stronger** for creating a sustainable positive impact.

## Sustainability right across the value chain

As a retailer with our own production departments, we have an impact throughout the entire supply chain. With this come many opportunities to make our activities more sustainable. We are committed to innovation and collaboration to continuously reduce our ecological footprint, based as far as possible on scientific methodologies. Moreover, our unique position in the chain enables us to connect the various partners in it, to inspire them and to act as a driver for a sustainable evolution.



- **Raw materials.** As a retailer, we use our economic drive to stimulate positive social, environmental and animal-friendly practices at the producers, farmers and suppliers from whom we purchase our raw materials and products.

- **Processing.** Our goal is to both reduce the environmental footprint of our products and increase our positive social impact. We are also working to improve the nutritional values of our private-label products.

- **Transport.** We organise our goods transport as efficiently and safely as possible, with respect for the environment and our neighbours.

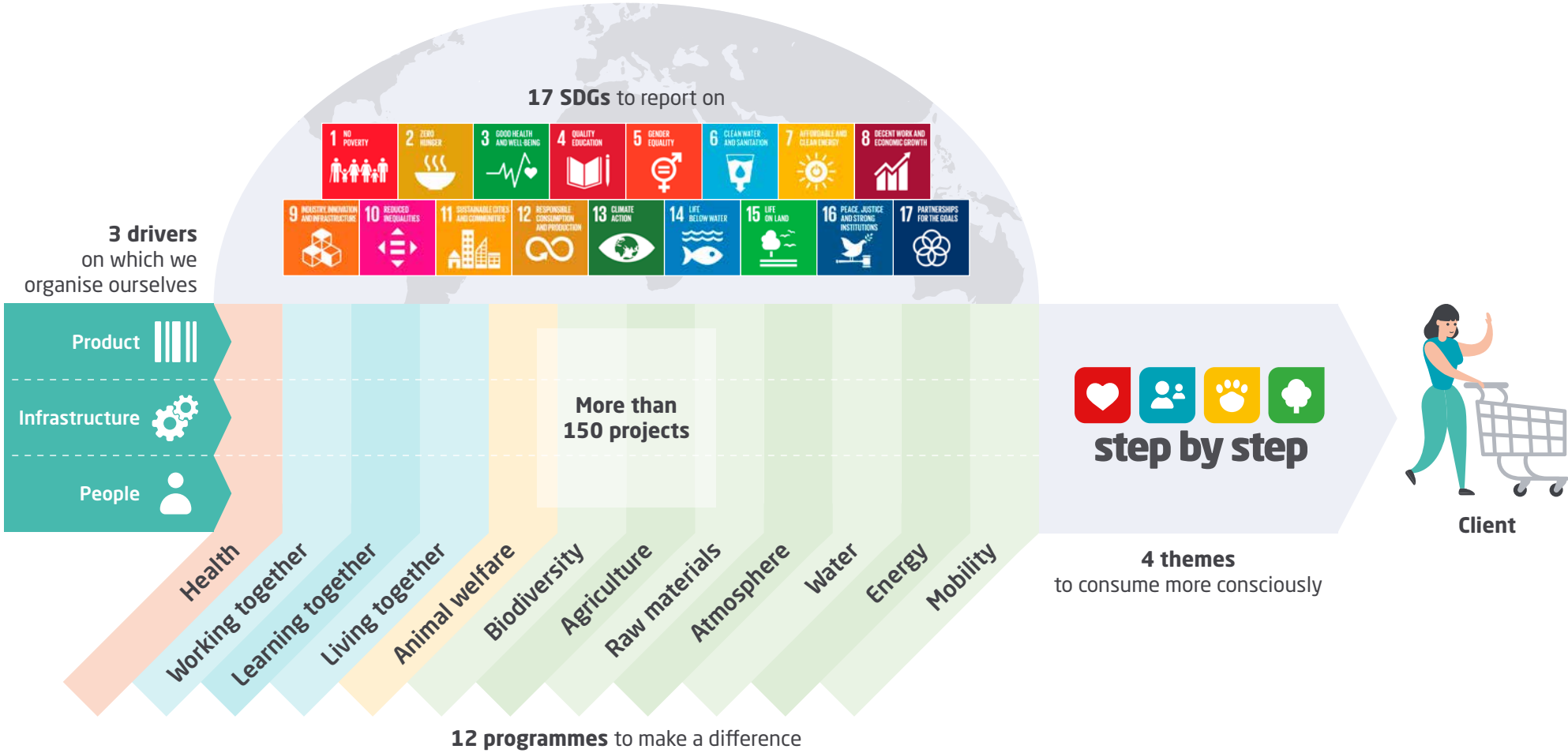
- **Sales.** We are always looking for the most sustainable solutions for keeping our products cool, for energy consumption in our stores, for customer and employee mobility, and more.

- **Use of products.** With 'Step by step', we inform and activate our customers towards consciously making more sustainable choices.

- **Recycling/re-use.** Following the principles of the circular economy, we want to reuse, upgrade or recycle the residual flows of our products and packaging as much as possible.



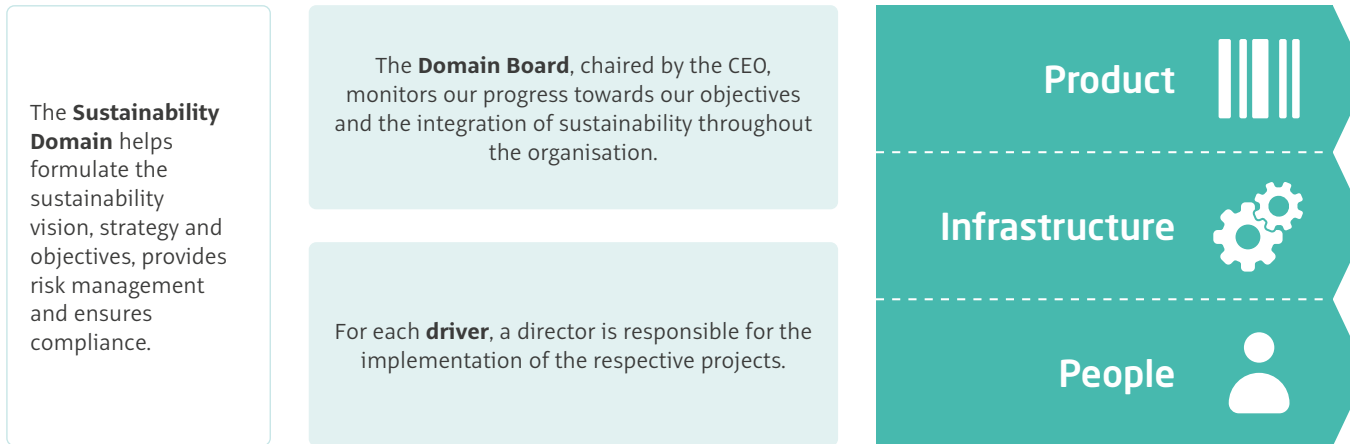
# Our approach to sustainable business



### 3 drivers on which we organise ourselves

Our sustainability policy is guided by three drivers. To start with: our **products and services**, the core of our activity as a retailer. A second driver is the **infrastructure** we use to bring those products and services to our customers. **People** are our third driving force. We implement our sustainability projects together with our employees, our business partners, our customers, our investors, knowledge institutions, governments, sector federations and other social organisations.

With the Sustainability Domain and the Domain Board as overarching bodies, our organisational structure guarantees an ecosystem in which sustainability is deeply rooted.



### 12 programmes to make a difference

In our sustainability strategy, we focus on a number of themes. These form our **12 sustainability programmes**. For each programme, we believe we can achieve a concrete positive impact, in every link of the chain. The term 'programme' indicates that our work is never finished: once we achieve our goals, we set new ambitions. In this way, over time we achieve more than we ever thought possible.

Health	Animal welfare	Atmosphere
Working together	Biodiversity	Water
Learning together	Agriculture	Energy
Living together	Raw materials	Mobility



## step by step

### 4 themes to consume more consciously

To make it easier for our customers to consume consciously, we communicate very transparently about our sustainability efforts. Products, services and initiatives with strong ambitions and a demonstrable impact on **health, society, animal welfare** or **environment** receive one or more colourful icons corresponding to these four themes. In this accessible way, we seek to encourage our customers to consciously make more sustainable choices.



### 17 Sustainable Development Goals to report on

Our efforts for a more sustainable world align seamlessly with the 17 United Nations Sustainable Development Goals (SDGs). Together they form a common sustainability agenda with concrete objectives, not only for society, the economy and the environment, but also for human rights and world peace. As an 'SDG Voice', we attach great importance to this ambitious agenda, because it offers us:

- an external view of what sustainability entails and can entail,
- a common language to use with external stakeholders,
- and a common base from which to tackle a whole range of societal challenges.

We use the 17 Sustainable Development Goals as a **compass for our sustainability strategy** and a **reporting framework** for our achievements.

## Materiality analysis to determine our focus points

### Where do we have the most impact?

Sustainability goes a long way. To determine our focus points, we performed a materiality analysis in March 2022. The term 'materiality' indicates how important or 'material' a certain sustainability theme is for an organisation and its stakeholders. Themes that score high on both axes of a so-called 'materiality matrix' are close to the heart of both the organisation and stakeholders. It is these themes where as a company you can have the greatest impact.

This financial year, we use last year's materiality matrix as our baseline. We shall prepare a new matrix in the 2024/25 financial year. In this way, we keep our finger on the pulse.

### Three-dimensional materiality matrix

Our materiality matrix on p. 21 is the visual representation of three dimensions.

- **First dimension** (the vertical y-axis): based on international frameworks (GRI, SASB, SDGs) and our own sustainability strategy, we selected 21 topics where we as a company can make a difference. We asked 355 stakeholders which topics have the highest priority for them. We plotted these results on the vertical axis.
- **Second dimension** (the horizontal x-axis): Colruyt Group's impact on the environment and society. Based on input from recognised sources like SASB, MSCI and GRI, we analysed the risks and opportunities in the retail sector. We plotted these results on the horizontal axis.
- **Third dimension** (the size of the circles): the financial impact of the topics on Colruyt Group. With this, we comply with the principle of double materiality: we weigh both the impact by our business and the impact on our company.





## 7 material sustainability topics and 6 respective SDGs

The result is a matrix that shows how 'material' each topic is for Colruyt Group. Highest-scoring topics are **healthy products, product safety and quality, working conditions in the chain, emissions, energy management, responsible sourcing** and **fair and sustainable trade**. We link these seven material topics to the matching Sustainable Development Goals, our chosen framework for reporting on our achievements.

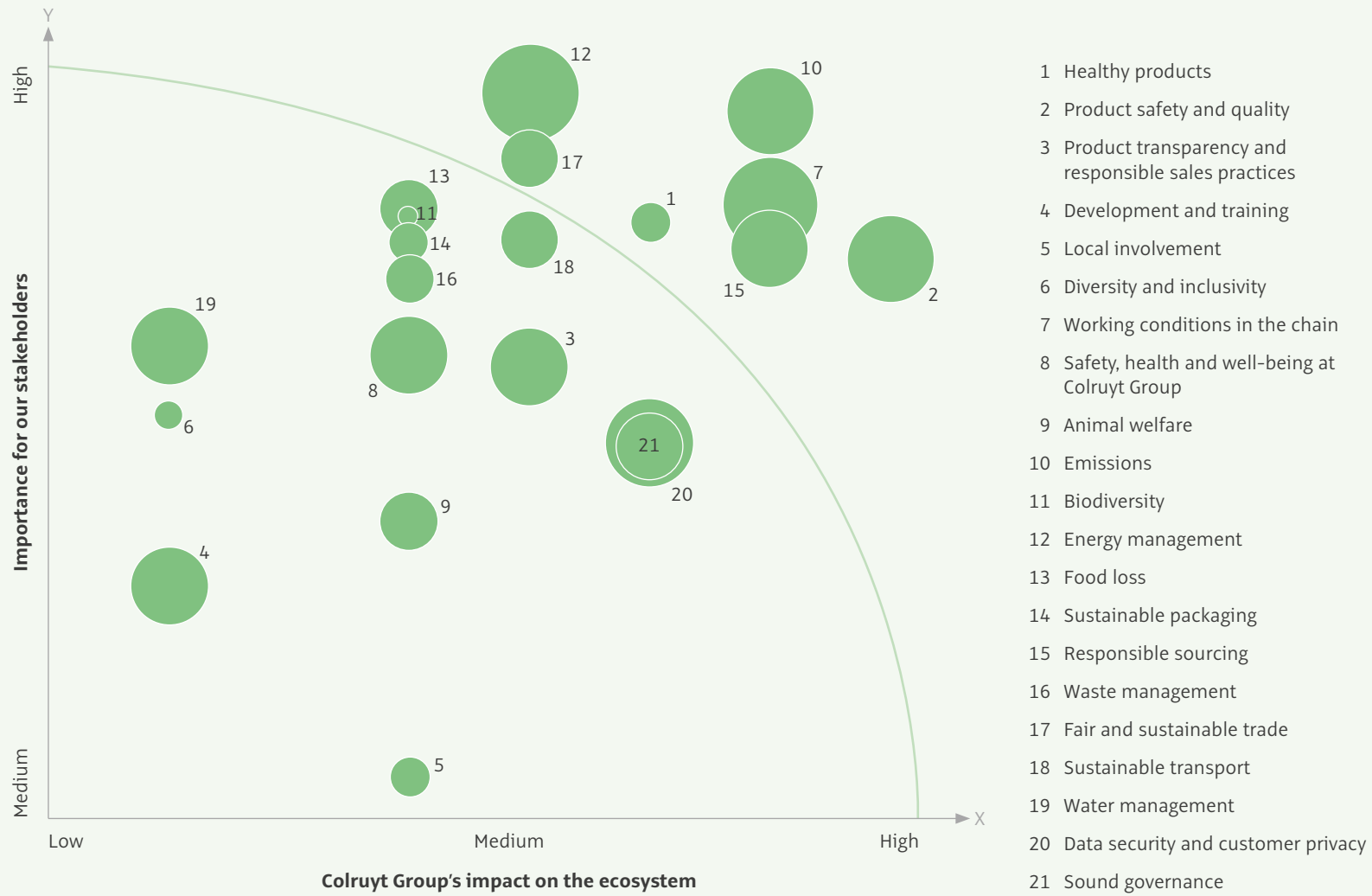
Topic	SDG
Healthy products	SDG 3 – Good health and well-being
Product safety and quality	SDG 12 – Responsible consumption and production
Working conditions in the chain	SDG 8 – Decent work and economic growth
Emissions	SDG 13 - Climate action
Energy management	SDG 7 – Affordable and clean energy
Responsible sourcing	SDG 12 – Responsible consumption and production
Fair and sustainable trade	SDG 2 – Zero hunger and SDG 12 – Responsible consumption and production

We also report on **SDG 6 – Clean water and sanitation** given the importance we attach to this in our business strategy.

We will of course continue to focus on the other SDGs. For example, we consider **Peace, justice and strong institutions (SDG 16)** and **Partnerships for the goals (SDG 17)** as levers for reaching all the other SDGs. We work closely with our partners and suppliers, always with mutual respect and on the basis of dialogue and trust.



# Materiality matrix



Y Importance for our stakeholders  
 X Colruyt Group's impact on the environment and society  
 ● Size of the circles: the financial impact of the material topics on our business activities

## 7 objectives for the future and 27 sub-objectives to achieve them

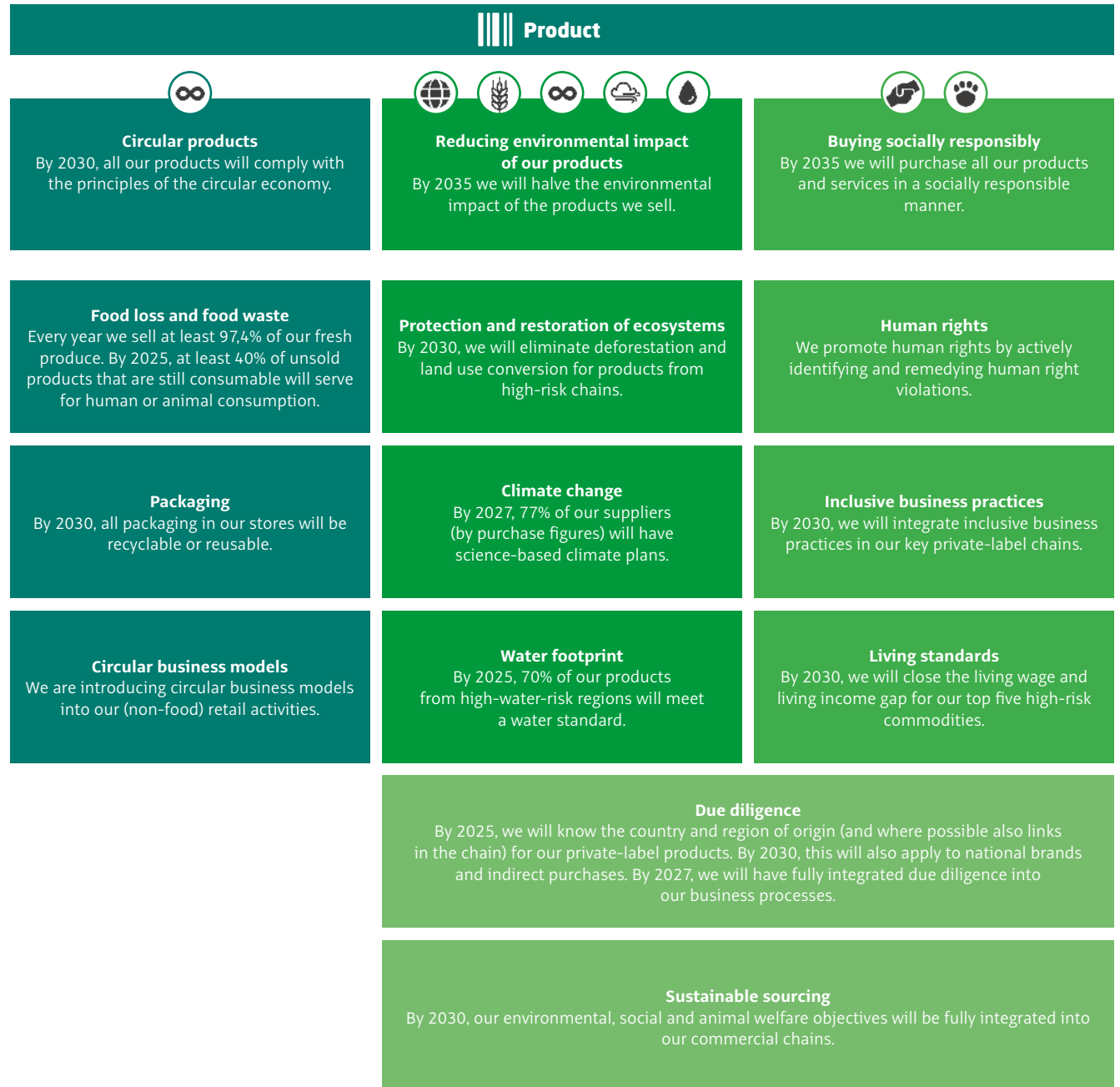
We have recently sharpened our sustainability strategy with seven objectives. These respond to the most important sustainability challenges facing us and the material sustainability topics. To efficiently achieve these objectives, we classify them according to our three drivers: **product**, **infrastructure** and **people**.

### The environment and society are the common thread running through our objectives:

- In the **ecological** area, we intend to reduce our environmental footprint as much as possible and promote the circularity of raw materials, materials and products. Our products are responsible for 95% of our environmental impact. So we can make a big difference here.
- In the **social** area, we want to make a positive contribution by focusing on safeguarding human rights in the chain, actively promoting balanced and sustainable lifestyles and supporting target groups in a vulnerable context.

We consciously set objectives for the **entire supply chain**: from the sourcing of raw materials, through our own retail activities, to our customers. We hope that our new objectives will also inspire others and are convinced that collaboration is the key to creating a lasting positive impact.

To concretely realise our seven overarching objectives, we have formulated **27 sub-objectives**. At the time of publication of this annual report, these (sub-)objectives are still new. Because we want to be transparent, we already share them here. We have already incorporated a number of them into our sustainability reporting. From next year, we will integrate all (sub-)objectives in our reporting and communicate clearly about our progress.



**Infrastructure**

**Reducing environmental impact of our own operations**  
 We are working towards the lowest possible environmental impact of our business operations and infrastructure.

**Reducing and recycling waste**  
 We strive for an annual decrease of the waste tonnage/million euros of revenue and a minimum recycling rate of 85%.

**Circular water consumption**  
 By 2030, 50% of our total water consumption (excl. bottled water for sale) will come from rain- and wastewater.

**Circular building**  
 By 2050, we will take a 100% circular approach to construction and furnishing materials under our own management.

**Direct greenhouse gas emissions**  
 By 2030, we will reduce our greenhouse gas emissions for scopes 1 and 2 by 4.2% compared to 2021. By 2030, we will also have net-zero emissions in scopes 1 and 2.

**Energy consumption**  
 By 2030, we will reduce our energy consumption by 20% (per million euros of revenue) compared to 2009.

**People**

**Promoting sustainable consumption**  
 By 2030, 50% of our recognised customers will display more sustainable consumption patterns.

**Protein shift**  
 By 2028, 60% of the proteins in our sold products will come from plant sources and 40% from animal sources.

**Eco-score**  
 By 2026, we will generate 34,5% of our revenue from Eco-score A and B products.

**Nutri-Score**  
 By 2026, we will generate 46% of our revenue from Nutri-Score A and B products.

**Sustainable savings programme**  
 By 2025, 15% of our recognised customers will be actively using our sustainable savings programme.

**Employees as ambassadors**  
 All our employees actively contribute to sustainable business practices and conscious consumption.

**No one left behind**  
 We are using our leverage to support target groups in a vulnerable context.

**Access to balanced, sustainable diet**  
 We make balanced, sustainable diet accessible by focusing on, among other things, an affordable, high-quality product offering, information and awareness-raising, and appropriate infrastructure.

**Increasing opportunities**  
 We promote the integration of target groups in a vulnerable context, both in society and the labour market.

**Every customer feels welcome and respected**  
 Our digital and physical touchpoints are accessible and our communication is inclusive.

**Workable and meaningful jobs**  
 We provide and promote workable and meaningful work for every employee.

**Healthier employees**  
 Every year, 25% of our employees participate in a health-related learning initiative. We also continue to monitor workplace safety.

**Committed and satisfied employees**  
 Employees feel seen, heard and involved. This is also reflected in constructive social dialogue.

**Equal opportunities**  
 By 2030, all employee-related processes will be inclusive. We are also increasing diversity within our workforce and management.

**Our objectives are linked to our 12 programmes**

- Raw materials
- Biodiversity
- Agriculture
- Atmosphere
- Water
- Working together
- Animal welfare
- Energy
- Mobility
- Learning together
- Living together
- Health

## Sustainability reporting

Our full sustainability reporting can be found in the 'Corporate sustainability' chapter, starting on page 153. This presentation of non-financial information and diversity is based on Articles 96, §4 or 119, §2 of the Belgian Code on Companies and Associations, implemented by the Belgian Law of 03/09/2017 transposing EU Directive 2014/95/EU.

### More sustainable stories

Scan the QR code and discover our sustainable achievements, through the eyes of our passionate colleagues and partners.



# Management report

Revenue grows 7,7%

Market share increases to 31,0%

Lower operating result and net result

## Headlines financial year 2022/23 <sup>(1)</sup>

The financial year 2022/23 was marked by a challenging macroeconomic context with high inflation, substantial cost increases and a negative business and consumer confidence.

This context translates into a 7,7% increase of the Colruyt Group revenue (7,4% excluding fuels and 6,9% excluding fuels and Newpharma). The revenue increase is mainly driven by inflation, partially offset by lower volumes. The Belgian retail market is characterised by volume declines in food stores and high competitiveness. In this context, Colruyt Lowest Prices continues to consistently implement its lowest price strategy. This implies that Colruyt Group has not been able to fully pass on cost price inflation to the customer, bringing down the gross profit margin.

In addition, today's context causes Colruyt Group's operating expenses to increase markedly. This increase is mainly attributable to rising inflation, with a large impact on energy, transport costs and employee benefit expenses. The latter are heavily impacted by Belgium's automatic wage indexation system. The group succeeded in limiting the increase in operating expenses in part through an increased focus on cost control and (energy) efficiency.

Impairment charges rose by EUR 27 million to EUR 33 million. This is mainly due to the valuation of

tangible and intangible fixed assets related to the loss-making operations of Dreamland and Dreambaby.

This results in a decrease of the group's operating profit and net result to, respectively, EUR 279 million (2,6% of revenue) and EUR 201 million (1,9% of revenue) in 2022/23.

In October 2022, Colruyt Group further increased its stake in Newpharma from 61 to 100%. Since then, Newpharma has been fully consolidated (period from October to December 2022). This has contributed to the consolidated revenue. The impact on the operating profit and the net result is limited.

Colruyt Group's investments amounted to EUR 463 million in the financial year 2022/23 (4,3% of revenue) and related mainly to new stores and the modernisation of existing stores, to the expansion of logistics capacity in Belgium and France, to innovation and digital transformation programmes, and to renewable energy and energy efficiency.

The combination of the above elements results in an increase of the net financial debt (excluding IFRS 16) to EUR 691 million compared to 31 March 2022 (EUR 523 million excluding IFRS 16).

CEO Jef Colruyt:

*"We look back on a challenging financial year that ended in a strong decrease in result. We intensified our efforts and increased our focus on operational cost control and efficiency, as well as cash management. Partly thanks to these efforts, the results declined less than initially feared in the financial year 2022/23. Together with our employees, who give their best day in day out, we as a group purposefully continue to work towards building a healthy, sustainable future. And - thanks to the successful issuance of our green retail bond in February 2023 - we also feel supported in this effort by investors. We maintain a critical mindset and adjust where needed, while always holding firm to our long-term strategy."*

(1) The headlines have been formulated based on the key figures and thus include DATS 24 NV. For a reconciliation between the key figures and the consolidated income statement (in which DATS 24 NV is presented as a discontinued operation), we refer to the annex on page 33 'Reconciliation of key figures and consolidated income statement'.

## Consolidated key figures <sup>(1)</sup>

(in million EUR)	01/04/2022 - 31/03/2023	% of revenue	01/04/2021 - 31/03/2022	% of revenue	Variance
<b>Revenue</b>	<b>10.820</b>		<b>10.049</b>		<b>+7,7%</b>
<b>Gross profit</b>	<b>2.931</b>	<b>27,1%</b>	<b>2.752</b>	<b>27,4%</b>	<b>+6,5%</b>
<b>Operating cash flow (EBITDA)</b>	<b>685</b>	<b>6,3%</b>	<b>741</b>	<b>7,4%</b>	<b>-7,5%</b>
<b>Operating profit (EBIT)</b>	<b>279</b>	<b>2,6%</b>	<b>375</b>	<b>3,7%</b>	<b>-25,8%</b>
<b>Profit before tax</b>	<b>270</b>	<b>2,5%</b>	<b>383</b>	<b>3,8%</b>	<b>-29,5%</b>
<b>Profit for the financial year</b>	<b>201</b>	<b>1,9%</b>	<b>288</b>	<b>2,9%</b>	<b>-30,4%</b>
<b>Earnings per share (in EUR) <sup>(2)</sup></b>	<b>1,57</b>		<b>2,16</b>		<b>-27,6%</b>

(1) The key figures are inclusive of DATS 24 NV. For a reconciliation between the key figures and the consolidated income statement (in which DATS 24 NV is presented as a discontinued operation), we refer to the annex on page 33 'Reconciliation of key figures and consolidated income statement'.

(2) The weighted average number of outstanding shares equalled 127.967.641 in 2022/23 and 132.677.085 in 2021/22.

## Consolidated income statement

Colruyt Group's **revenue** rose by 7,7% to EUR 10,8 billion in 2022/23. Revenue was positively impacted by the revenue increase from the fuel distribution activities of DATS 24 (excluding petrol, revenue improved by 7,4%), the full consolidation of Roelandt Group and Newpharma and increased food inflation. On the other hand, revenue evolution was negatively affected by the declining volumes.

Colruyt Group's market share in Belgium (Colruyt Lowest Prices, Okay and Spar) rose to 31,0% in the financial year 2022/23 (30,8% in 2021/22). At the start of the financial year 2023/24, the market share maintains its upward trend

The **gross profit margin** decreased to 27,1% of revenue. Excluding petrol, the gross margin declined by 40 basis points. The Belgian retail market remains highly competitive. As a retailer and as the market leader, Colruyt Group continues to fulfil its role in society, whereby customers can count on the group to help them stay on top of their household budgets. This implies that Colruyt Group has not been able to fully pass on cost price inflation to the customer.

Net operating expenses climbed from 20,0% to 20,8% of revenue. This significant increase is mainly attributable to rising inflation, with a large impact on energy costs, transport costs and employee benefit expenses. The latter are heavily impacted by the automatic wage indexation system in place in Belgium. In view of the current market conditions, Colruyt Group monitors to a maximum extent cost management and improvements in efficiency. The group succeeded in

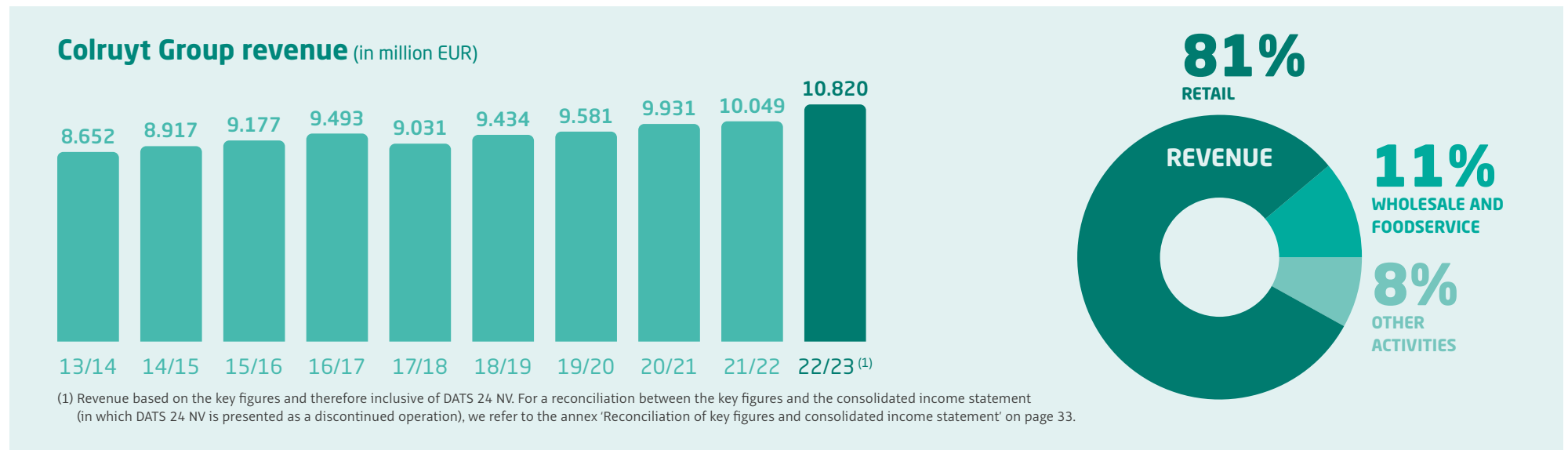
limiting the increase in operating expenses in part through an increased focus on cost control and (energy) efficiency. In addition, the group maintains its long-term focus and pursues its investments in sustainability and efficiency, digital transformation and innovation, employees and high-quality house-brand products in a targeted manner.

The **operating cash flow (EBITDA)** reached 6,3% of revenue (7,4% in 2021/22).

The depreciation, amortisation and impairment charges rose by EUR 41 million. Depreciation and amortisation charges rose by EUR 15 million, mainly as a result of the continuous investments in stores, distribution and production centres and transformation programmes. Impairment charges rose by EUR 27 million to EUR 33 million. This is mainly due to the evaluation of tangible and intangible fixed assets related to the loss-making operations of Dreamland and Dreambaby.

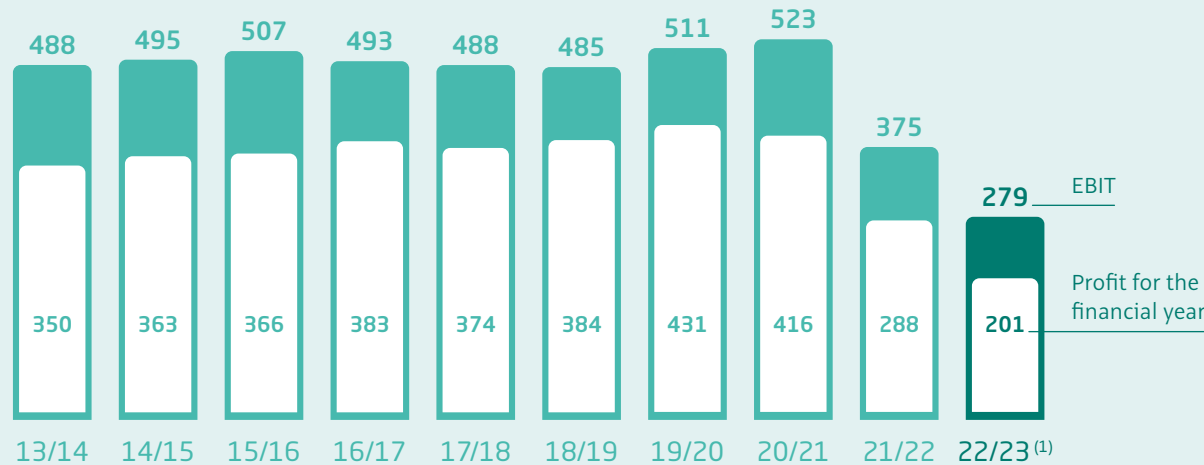
The **operating profit (EBIT)** totalled EUR 279 million or 2,6% of revenue in 2022/23 (3,7% in 2021/22).

Taking into account an effective tax rate of 25,8%, the **profit for the financial year** amounted to EUR 201 million (1,9% of revenue), a decrease by 30,4% compared to 2021/22 (EUR 288 million or 2,9% of revenue).

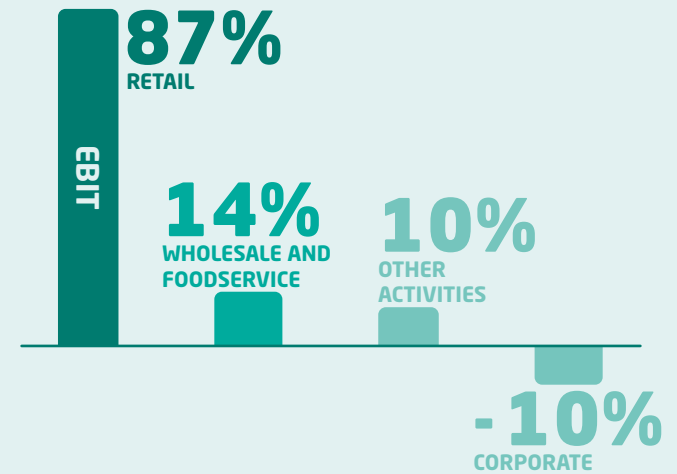




## Colruyt Group results (in million EUR)



(1) Results based on the key figures and therefore inclusive of DATS 24 NV. For a reconciliation between the key figures and the consolidated income statement (in which DATS 24 NV is presented as a discontinued operation), we refer to the annex 'Reconciliation of key figures and consolidated income statement' on page 33.



## Income statement per segment

### Retail

Revenue from the retail activities grew by 7,2% to EUR 8.750 million. The retail activities accounted for 80,9% of the consolidated revenue in 2022/23.

In a highly competitive market environment, **food retail revenue** increased by 6,6%. This increase is a result of food inflation and the full consolidation of Roelandt Group in January 2022, partially offset by volume declines in food stores.

As from this financial year, the online revenue of Dreamland and Dreambaby is reported in the non-food retail revenue section, regardless of which store realised the revenue. As a result, the related comparative figures have been reclassified.

Revenue of Colruyt Lowest Prices in Belgium and Luxembourg increased by 6,9% for the reasons mentioned above. Colruyt Lowest Prices continues to consistently implement its lowest prices strategy and delivers on its commitment to its customers day after day. This implies that Colruyt Group has not been able to fully pass on cost price inflation to the customer.

During the financial year 2022/23, eleven stores were renewed and five new Colruyt stores opened, one of which is located in Luxembourg.

Colruyt Lowest Prices once again won several prizes this year. It was presented with the Best Brands Award 2023 in the Best Retail Food Brand category and ranked first in the GfK summer and winter reports in 2022.

Okay, Bio-Planet and Cru reported an aggregate revenue growth of 2,4%. Revenue is im-pacted by price inflation, which is partly offset by volume declines.

As a neighbourhood discounter, Okay continues to commit to providing a quick, cheap and easy shopping experience. Okay's store network expanded with three stores in the financial year 2022/23, while the renewed store concept was rolled out in several stores. In addition, a second Okay Direct was opened, which targets an audience that wants to shop faster, also outside traditional opening hours and on Sundays. Okay was voted best store chain in the category Convenience in 2022/23.

Bio-Planet remains a pioneer in sustainability with a large range of organic, eco-friendly and local products and healthy food. In the past financial year, the energy crisis and inflation caused a contraction of the organic market, resulting in a revenue decrease. During the financial year 2022/23, two new stores featuring a renewed store concept opened their doors, one in St. Denijs-Westrem and one in Tournai.

At the end of September 2022, Cru opened its fourth market on the Eylenbosch site in Dilbeek. A passion for tasty

artisan products and customer experience combined with craftsmanship remain at the forefront for the Cru multi-experience markets. In the meantime, they pursue their efforts to improve operational efficiency.

The revenue of Colruyt in France (including the fuel distribution activities of DATS 24 in France) rose by 10,5%. Excluding petrol, the revenue of Colruyt in France increased by 9,3%. The French retail market is also facing high food inflation and volumes that are under pressure. Three new stores opened in France during the financial year 2022/23. Colruyt Prix-Qualité is a clearly laid-out neighbourhood supermarket, where customers can find everything they need for their daily and weekly shopping. Colruyt Group will continue to make targeted investments in its French retail activities by opening new stores, renewing existing stores and doubling the logistics capacity in the years ahead.

**Non-food retail revenue** increased by 15,5% compared to last year and comprises the store revenue and online revenue of Dreamland, Dreambaby, Bike Republic, The Fashion Society and Jims. Since October 2022, Newpharma has also been fully consolidated (period from October to December 2022). As from this financial year, the online revenue of Dreamland and Dreambaby is also reported in the non-food retail revenue section, regard-less of which store realised the revenue. As a result, the related comparative figures have been reclassified.

Despite their leading market positions, **Dreamland and Dreambaby** are experiencing de-creasing volumes with a substantial negative impact on their profitability. This is the result of the challenging markets in which both non-food activities operate and is strengthened by the current macroeconomic environment. Over the past months, several corrective measures have been taken to allow Dreamland and Dreambaby to consolidate their market position and become profitable in a sustainable way. The online assortment of Dreamland has been reviewed recently, as have the delivery rates for online orders. Colruyt Group believes additional measures are necessary for Dreamland and Dreambaby to progress to-wards a healthy, sustainable future. In April 2023, the management informed the works council of its intention to restructure Dreamland and Dreambaby (which together form one technical business unit). The execution of this plan would have an impact on the employment whereby the Procedure Renault with regard to collective redundancies would be applied.

In addition, Colruyt Group has reached a principle agreement with ToyChamp whereby ToyChamp would obtain 75% of the shares of Dreamland and thus gain control over Dreamland. Upon completion of the transaction, Dreamland would no longer be fully consolidated in the consolidated figures of Colruyt Group.

The revenue of Bike Republic, The Fashion Society and Jims grew strongly in 2022/23 by, respectively, 84,6%, 14,5% and 66,4%.

Bike Republic expanded its store estate with no fewer than six stores and is a leading play-er in its respective market.

The Fashion Society, the holding that comprises the fashion chains Zeb, PointCarré and The Fashion Store, expanded its store estate with five stores.

Jims has 34 fitness centres (30 in Belgium and four in Luxembourg) and also offers group exercise classes and digital coaching. In the first half of the year, a new Jims fitness opened in Kuurne. In the second half of the year, six Oxygen Fitness gyms were acquired and a new Jims was opened in Kirchberg (Luxembourg).

In October 2022, Colruyt Group's stake in the online pharmacy specialist Newpharma was increased from 61% to 100%. Newpharma was accounted for using the equity method from January 2022 to September 2022 and was fully consolidated from October 2022 to December 2022.

Colruyt Group invests in and innovates its **online store concepts and digital applications** in a targeted way.

In 2022/23, Colruyt Group's online sales amounted to 6,8% of the retail revenue, excluding petrol. Colruyt Group's online revenue is primarily generated by Collect&Go. The shopping service of the Colruyt and Bio-Planet stores is the market leader in the Belgian online food market. In June 2022, Colruyt Group launched a home delivery service via Collect&Go, with orders being delivered by its own employees in Brussels and Antwerp.

In February 2023, a second Collect&Go Walk-in collection point, equipped to meet the needs of city dwellers who collect their shopping on foot or by bicycle or scooter, opened in Sint-Gillis.

In September 2022, Colruyt Group's Xtra app was revamped. Customers can use the app to make payment, to put together shopping lists, to save receipts, warranty certificates and vouchers, and to look up product characteristics by means of a

bar code scanner. New, use-ful features will regularly be added in the coming months.

**Innovation and sustainability** remain the common threads running through all Colruyt Group's activities. Smart Technics, Colruyt Group's **innovation** hub, focuses on the introduction of robotics in distribution centres and the integration of technologies in the stores. Smart Technics developed the Product Finder technology and the 'easy check-out', which are both being tested by the store employees of the Colruyt Lowest Prices store in Halle. The Product Finder technology shows store employees immediately where on the shelves a product needs to go. In the 'easy check-out', the products in the shopping cart are scanned automatically by a camera that uses artificial intelligence. Both innovations lead to time savings in the store. Since February 2023, the Okay Compact in Ghent has been testing the 'assisted self check-out', a new check-out system that enables customers to scan and settle their groceries themselves.

Colruyt Group is a reference point for **sustainable** entrepreneurship and a source of inspiration for conscious consumption. The group works towards this objective step by step, through a wide array of initiatives and partnerships. Since early November 2022, customers can save points through the Xtra app by buying food products with Eco-score A or B. These points can then be exchanged to support projects that contribute to a better environment. To this end, Colruyt Group cooperates with local partners by, for example, having them plant trees or sow flower meadows. In this way, we contribute to a better environment, step by step.

In late November, the group announced its ambition to make its freight transport zero-emission by 2035, both for its own transports to and from the stores and for the transports to the distribution centres via suppliers. The group relies on the expertise of Virya Energy and DATS 24 and on its years of experience in transport to achieve this. Moreover, the group actively enters into dialogue on these matters with its network of (transport) partners and suppliers. This ambition will have a significant impact on Colruyt Group's direct and indirect greenhouse gas emissions. In this context, Solucious invested in five electric, refrigerated trucks, a major step towards the 2035 target.

Colruyt Group is collaborating with The Seaweed Company in a project on soil health. The product TopHealth Plants, an

organic seaweed-based biostimulant that naturally improves soil quality and health is used. It also increases plant growth and resilience and thus indirectly reduces the use of artificial fertilisers and pesticides. Colruyt Group will work with The Seaweed Company, in which Colruyt Group holds a minority stake, to study the applicability and benefits of using this biostimulant during the growing season. The use of seaweed as a biostimulant is increasing rapidly worldwide because it can play an important role in improving the sustainability of agriculture. In the years ahead, the group will continue to invest in [making its patrimony more sustainable](#) in various areas such as circularity, energy efficiency and greenhouse gas emission reduction.

### Wholesale and Foodservice

Revenue from the wholesale and foodservice segment increased by 9,0% to EUR 1.161 million. These activities accounted for 10,7% of the consolidated revenue in 2022/23.

**Wholesale** revenue rose by 3,7% as a result of food inflation, partly offset by lower volumes. The Spar Colruyt Group stores in Belgium position themselves as friendly neighbourhood supermarkets for daily grocery shopping, with a wide range of fresh products and personal service.

Colruyt Group continues to focus on a close, long-term collaboration with the independent entrepreneurs and intends to further expand its efficient independent store network in Belgium and France over the coming years. The acquisition of the French distribution group Degrenne Distribution, which has been completed at the beginning of July 2023, is in line with that ambition. Degrenne Distribution is a family-owned business that was founded in 1960 and specialises in the distribution of food products to a network of about 1.800 neighbourhood stores in the northwest of France and in the Ile-de-France region.

Revenue from the **foodservice** activities of Colruyt Group increased by 40,8% in 2022/23. The revenue was realised mainly by Solucious, Colruyt Group's foodservice specialist that delivers foodservice and retail products to professional customers, including hospitals, SMEs and the hospitality sector. Solucious stands out by its convenience, its wide product range, its smooth and reliable deliveries and its fair and consistent pricing.

### Other activities

Revenue from the other activities grew by 10,9% to EUR 908 million. These activities accounted for 8,4% of the consolidated revenue.

This segment basically comprises the revenue of the Belgian **DATS 24** filling stations, which was positively impacted by price increases.

DATS 24's ambitions include promoting greener mobility and raising the level of public acceptance of the sustainable energy transition. Today, this translates into investments in renewable energy, such as the expansion of the electric charging infrastructure and the construction of additional public hydrogen filling stations.

Since 1 June 2023 (after the balance sheet date), DATS 24 has been acquired by Virya Energy, which means that it will no longer be fully consolidated.

Colruyt Group is the majority shareholder of **Virya Energy**. Virya Energy is active in the development, financing, construction, operation and maintenance of sustainable energy sources, with a particular focus on offshore and onshore wind energy. Virya Energy, which groups several energy expertise companies (including Parkwind, Eurowatt and Eoly Energy), is also working towards developing a service offering in offshore renewable energy (with stakes in GEOxyz, DotOcean and Fluves). Virya Energy has the ambition to continue to invest in other technologies besides onshore wind energy, such as solar and hydrogen, and to extend its scope to new activities and new geographies.

On 22 March 2023, Virya Energy signed an agreement with JERA to sell 100% of the shares of Parkwind, a 100% subsidiary of Virya Energy and the largest offshore wind energy platform in Belgium. The transaction is expected to close later this year and is subject to the approval by the relevant competition and other regulatory authorities.

The final price can still vary depending on the exact closing date but is expected to amount to at least EUR 1,55 billion (net of debt) at the level of Virya Energy. JERA invites Virya Energy to re-invest part of the expected proceeds from the transaction in a minority stake in Parkwind's Belgian wind farms. The terms of such potential re-investment will be negotiated in good faith between both parties between signing and closing of the transaction.

The completion of the transaction will lead to a very large one-off positive effect in the consolidated net result of Colruyt Group in the financial year 2023/24. As per 31 March 2023, the net carrying amount of Virya Energy in the consolidated figures of Colruyt Group amounted to EUR 466 million (to a large extent attributable to Parkwind).

The revenue from **printing and document management solutions** relates to the activities of Symeta Hybrid.

## Consolidated balance sheet <sup>(1)</sup>

The net carrying amount of the **tangible and intangible fixed assets** increased by EUR 303 million to EUR 3.535 million. The increase is primarily the net effect of new investments (EUR 463 million), business combinations and changes in the consolidation scope (EUR 232 million, mainly due to the increase of the stake in Newpharma), depreciation charges (EUR 373 million), impairment charges (EUR 33 million) and the reclassification of the tangible and intangible fixed assets of DATS 24 to assets held for sale (EUR 64 million).

Colruyt Group continues to make targeted investments in its distribution channels, logistics and production departments, in renewable energy and in digital transformation programmes.

Investments accounted for using the equity method rose by EUR 78 million, mainly due to:

- An increase resulting from the convertible bonds which were issued by **Virya Energy** in the financial year 2020/21 and were converted in June 2022. The same transaction led to a decrease in current financial assets.
- An increase reflecting the revaluation of interest swap contracts within **Virya Energy**.
- Partly offset by a decrease due to the change in consolidation method resulting from the increase of the stake in **Newpharma**.

**Cash and cash equivalents** amounted to EUR 359 million at 31 March 2023.

The **net financial debt** (excluding IFRS 16) increased compared to 31 March 2022 and amounted to EUR 691 million on 31 March 2023. In February 2023, a green retail bond with a five-year maturity for an amount of EUR 250 million was issued with a 4,25% coupon per annum (gross).

Colruyt Group's **equity** totalled EUR 2.510 million at 31 March 2023, accounting for 40,8% of the balance sheet total.

## Treasury shares

In 2022/23, 3.169.026 treasury shares were purchased for an amount of EUR 94,8 million.

After year-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.

## Events after the balance sheet date

### Dreamland and Dreambaby

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).

Upon completion 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.

### DATS 24

On 1 June 2023, Colruyt Group and Virya Energy reached an agreement to fully integrate DATS 24 NV into Virya Energy.

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. 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 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 requisite measures were taken in the context of the conflict of interest rules.

(1) In the consolidated balance sheet DATS 24 NV is presented as 'Assets from discontinued operations' and 'Liabilities from discontinued operations'.

## Degrenne Distribution

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.

Colruyt Group does not expect the acquisition of Degrenne Distribution to have a material impact on the net result of the financial year 2023/24.

## Outlook

Colruyt Group expects the macroeconomic context to remain challenging and uncertain and the fierce competitiveness in the Belgian retail market to continue.

The group continues to maximise the management of its operating costs and its cash position. In addition, the group maintains its long-term focus and pursues its investments in sustainability and efficiency, digital transformation and innovation, employees and high-quality housebrand products in a targeted manner.

As a retailer and market leader in Belgium, Colruyt Lowest Prices will continue to fulfil its role in society and to consistently deliver on its lowest price promise. Thanks to its permanent focus on efficiency as well as operational cost control, Colruyt Lowest Prices can continue to live up to its promise to its customers.

Colruyt Group expects the operating profit and the net result (i.e. excluding one-off effects in the financial year 2023/24 and excluding DATS 24) to increase significantly in the financial year 2023/24.

The group points out that the uncertainty associated with the macroeconomic context and the high competitiveness in the Belgian retail market may impact the 2023/24 outlook.

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

- Upon completion, the sale of Parkwind to JERA by Virya Energy will result in a very significant one-off positive effect in the consolidated net result of Colruyt Group in the financial year 2023/24. That effect is estimated at EUR 600 million to EUR 700 million (based on Virya Energy's last closing date, i.e. 31 December 2022). The final price can still vary depending on the exact closing date but is expected to amount to at least EUR 1,55 billion (net of debt) at the level of Virya Energy.
- The restructuring of Dreamland and Dreambaby will give rise to a restructuring charge in the financial year 2023/24.
- Completion of the transaction with ToyChamp, whereby ToyChamp will acquire 75% of the shares of Dreamland, is expected to 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).
- The sale of DATS 24 to Virya Energy is expected to result in a limited one-off effect on the net result of the financial year 2023/24 (still subject to the customary post-closing purchase price adjustments).

Colruyt Group will present its full-year 2023/24 guidance at the General Meeting of Shareholders on 27 September 2023.

Colruyt Group retains its focus on its long-term strategy which is based on four areas of expertise – 'Food', 'Health and Well-being', 'Non-Food' and 'Energy' – that are supported by a physical component on the one hand (stores, distribution centres, etc.) and are inter-connected by a digital component on the other (Xtra). Colruyt Group has the ambition to continue to grow, gain further expert knowledge and provide a sustainable offering in each of those four areas of expertise in the years to come. This will enable the group to create sustainable added value for the customer, provide them the best possible service and re-pond to their needs. To provide more clarity and boost our strength and effectiveness as a group, the legal structure will be adapted to be better aligned with these four areas of expertise. This led to the establishment of Virya Energy NV in late 2019 and the recent integration of DATS 24 NV into Virya Energy NV with a view to centralising the energy activities of the group. Also, the non-food activities of the group were centralised under the entity Darzana NV in April 2022. The activities related to 'Health

and Well-being' were centralised under the entity Sukhino NV at the end of March 2023. Further changes to the legal structure will be implemented in the coming months. The food retail activities of Etn. Fr. Colruyt NV will be transferred to a separate subsidiary and the activities of the listed parent company will be structured with a focus on a wide range of service and group support activities, which include but are not limited to private label management, strategy development, HR policy, customer services, financing activities and technical support. Eventually all Colruyt Group activities will be centralised by area of expertise – 'Food', 'Health and Well-being', 'Non-Food' and 'Energy'. The parent company will serve all these areas of expertise and connect them with each other in order to create and exploit synergies, ensure smooth and efficient management and achieve the group's long-term objectives.

## Reconciliation of key figures and consolidated income statement (annex)

Following the announcement made on 25 October 2022, and subsequently on 2 June 2023, that DATS 24 NV ('DATS 24') has been sold to Virya Energy NV, DATS 24 is presented as a discontinued operation in the consolidated income statement. In the financial report however, the key figures

are presented and reported inclusive of DATS 24. The table below shows the reconciliation between the key figures (including DATS 24) and the consolidated income statement (with DATS 24 presented as a discontinued operation).

	Reconciliation of key figures and consolidated income statement <b>2022/23</b> (in million EUR)		
	Key figures	DATS 24	Consolidated income statement
<b>Revenue</b>	<b>10.820</b>	<b>886</b>	<b>9.934</b>
<b>Gross profit</b>	<b>2.931</b>	<b>72</b>	<b>2.859</b>
% of revenue	27,1%	8,1%	28,8%
<b>Operating cash flow (EBITDA)</b>	<b>685</b>	<b>35</b>	<b>650</b>
% of revenue	6,3%	4,0%	6,5%
<b>Operating profit (EBIT)</b>	<b>279</b>	<b>28</b>	<b>251</b>
% of revenue	2,6%	3,1%	2,5%
<b>Profit before tax</b>	<b>270</b>	<b>28</b>	<b>242</b>
% of revenue	2,5%	3,1%	2,4%
<b>Profit for the financial year from continuing operations</b>			<b>180</b>
% of revenue			1,8%
Profit from the financial year from discontinued operations			21
<b>Profit for the financial year</b>	<b>201</b>	<b>21</b>	<b>201</b>
% of revenue	1,9%	2,4%	2,0%
<b>Earnings per share (in EUR)</b>	<b>1,57</b>	<b>0,16</b>	<b>1,57</b>
From continuing operations			1,40
From discontinued operations			0,16

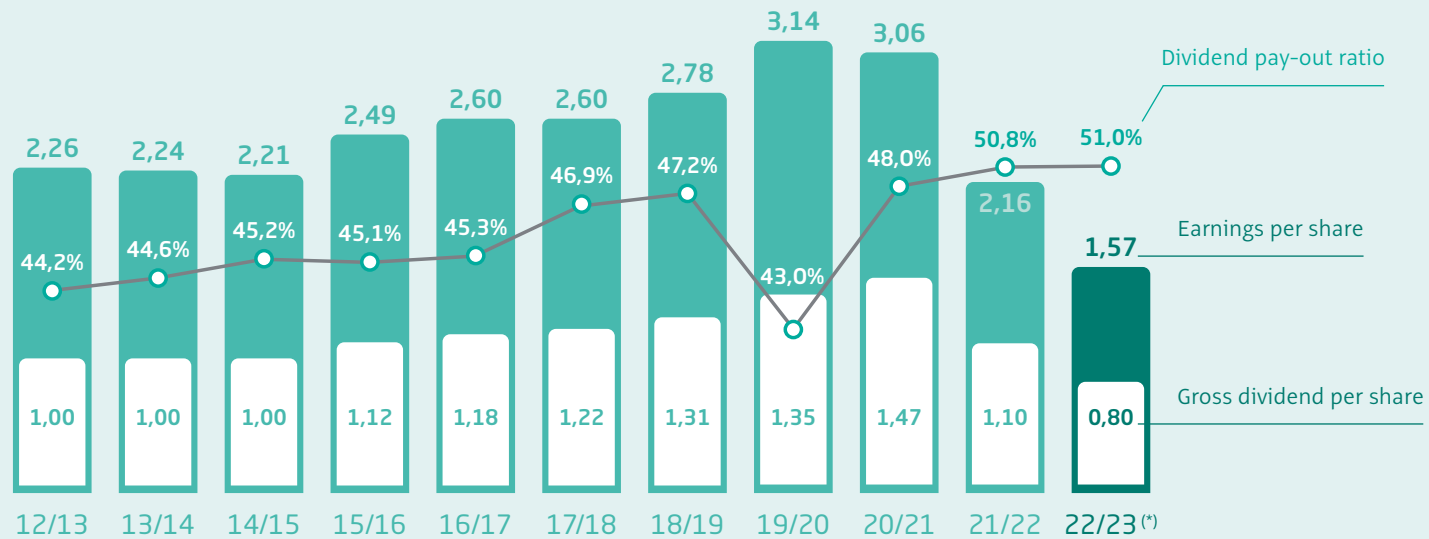
	Reconciliation of key figures and consolidated income statement <b>2021/22</b> (in million EUR)		
	Key figures	DATS 24	Consolidated income statement
	<b>10.049</b>	<b>798</b>	<b>9.251</b>
	<b>2.752</b>	<b>47</b>	<b>2.705</b>
	27,4%	5,9%	29,2%
	<b>741</b>	<b>21</b>	<b>720</b>
	7,4%	2,6%	7,8%
	<b>375</b>	<b>12</b>	<b>363</b>
	3,7%	1,5%	3,9%
	<b>383</b>	<b>12</b>	<b>371</b>
	3,8%	1,5%	4,0%
			<b>278</b>
			3,0%
			10
	<b>288</b>	<b>10</b>	<b>288</b>
	2,9%	1,3%	3,1%
	<b>2,16</b>	<b>0,07</b>	<b>2,16</b>
			2,09
			0,07

Consolidated income statement with DATS 24 presented as discontinued operation in the financial year 2022/23 and in the financial year 2021/22 (in million EUR)		
1/04/2022 - 31/03/2023	1/04/2022 - 31/03/2023	Variance
<b>9.934</b>	<b>9.251</b>	<b>+7,4%</b>
<b>2.859</b>	<b>2.705</b>	<b>+5,7%</b>
28,8%	29,2%	
<b>650</b>	<b>720</b>	<b>-9,7%</b>
6,5%	7,8%	
<b>251</b>	<b>363</b>	<b>-30,9%</b>
2,5%	3,9%	
<b>242</b>	<b>371</b>	<b>-34,7%</b>
2,4%	4,0%	
<b>180</b>	<b>278</b>	<b>-35,4%</b>
1,8%	3,0%	
21	10	+109,0%
<b>201</b>	<b>288</b>	<b>-30,4%</b>
2,0%	3,1%	
<b>1,57</b>	<b>2,16</b>	<b>-27,6%</b>
1,40	2,09	-32,8%
0,16	0,07	+116,7%

## Dividend

The Board of Directors will propose a **gross dividend** of EUR 0,80 per share to the General Meeting of Shareholders.

### Earnings and gross dividend per share (in EUR)



(\*) Earnings per share based on the key figures and therefore inclusive of DATS 24 NV. For a reconciliation between the key figures and the consolidated income statement (in which DATS 24 NV is presented as a discontinued operation), we refer to the annex 'Reconciliation of key figures and consolidated income statement' on page 33.

## Segment information

(In million EUR)	Revenue	EBITDA	EBIT
<b>Retail <sup>(1)</sup></b>	<b>8.822</b>	<b>569</b>	<b>243</b>
Retail Food	8.146		
• Colruyt Belgium and Luxembourg <sup>(2) (3) (4)</sup>	6.436		
• Okay, Bio-Planet and Cru	1.056		
• Colruyt France and DATS 24 France	654		
Retail Non-food <sup>(1) (4) (5)</sup>	604		
Transactions with other operating segments	72		
<b>Wholesale and Foodservice <sup>(1)</sup></b>	<b>1.183</b>	<b>61</b>	<b>38</b>
Wholesale	944		
Foodservice	217		
Transactions with other operating segments	22		
<b>Other activities</b>	<b>929</b>	<b>39</b>	<b>27</b>
DATS 24 Belgium	886		
Printing and document management solutions	22		
Transactions with other operating segments	20		
<b>Eliminations between operating segments</b>	<b>- 114</b>	<b>-</b>	<b>-</b>
<b>Corporate (not allocated)</b>	<b>0</b>	<b>17</b>	<b>- 29</b>
<b>Total Colruyt Group consolidated (including DATS 24 NV)</b>	<b>10.820</b>	<b>685</b>	<b>279</b>

(1) Including transactions with other operating segments.

(2) The revenue from the webshops Dreamland and Dreambaby realised by Colruyt, Okay and Bio-Planet stores is presented under Retail Non-food as from financial year 2022/23. The figures of financial year 2021/22 were adapted accordingly.

(3) Including the revenue from the webshops Collect&Go and Bio-Planet realised by the Colruyt stores.

(4) Including the revenue from Roelandt Group as from January 2022.

(5) Including the revenue from Dreamland, Dreambaby, Bike Republic, The Fashion Society, Jims (as from May 2021) and Newpharma (three months from October through December 2022).



# Key figures

## Investments realised <sup>(1)</sup>

(In million EUR)	01/04/2022	01/04/2021
	31/03/2023	31/03/2022
<b>I. Retail</b>	<b>336</b>	<b>369</b>
Colruyt (Belgium and Luxembourg) <sup>(2)</sup>	72	158
Okay, Bio-Planet and Cru	20	24
Dreamland, Dreambaby, Bike Republic, The Fashion Society, Jims and Newpharma <sup>(3)</sup>	22	16
Colruyt France and DATS 24 France	18	18
Other retail and real estate	204	154
<b>II. Wholesale and Foodservice</b>	<b>23</b>	<b>26</b>
Wholesale	5	15
Foodservice	2	1
Real estate	16	9
<b>III. Other activities</b>	<b>18</b>	<b>21</b>
<b>IV. Unallocated corporate activities</b>	<b>86</b>	<b>72</b>
<b>Total Colruyt Group consolidated (including DATS 24 NV)</b>	<b>463</b>	<b>488</b>

EUR **463**  
million  
investments

(1) Exclusive of acquisitions through business combinations, right-of-use assets and change in consolidation method.

(2) Including Roelandt Group since January 2022

(3) Including Newpharma since October 2022

The investments in 2022/23 mainly related to:

- the expansion and the renovation of stores in Belgium and France;
- the expansion of logistics capacity in Belgium and France (for example, the new distribution centre in Ollignies for the non-food range in the food stores and the new distribution centre near Dôle in France);
- production capacity in Belgium, focusing on vertical integration;
- renewable energy (such as solar panels, hydrogen filling stations and charging stations) and energy efficiency (for example, the sustainable renovation of buildings and making the vehicle fleet more sustainable);
- innovative change programmes and digital transition.

Excluding any acquisitions or interests, Colruyt Group expects to carry out an investment programme of between EUR 440 million and EUR 460 million in financial year 2023/24. The group will continue to invest in:

- new stores and the renovation of existing stores in Belgium and France;
- the expansion of logistics capacity in Belgium and France (for example, the further development of the new distribution centre in Ollignies for the non-food range in the food stores and the new distribution centre near Dôle in France);
- automation and innovation (such as automated machinery and installations in the distribution centres and innovations in the stores);
- innovative change programmes and digital transition;
- renewable energy (such as solar panels and charging squares) and energy efficiency (for example, the sustainable renovation of buildings and making the vehicle fleet more sustainable).

## Production and distribution centres

	m <sup>2</sup>	number
<b>Production and distribution centres</b>		
Belgium and Luxembourg	637.739	33
France	64.417	4

The freehold percentage (based on m<sup>2</sup>) of production and distribution centres in Belgium, Luxembourg and France combined is approximately 85%.



## Company-operated stores of Colruyt Group

		2022/23	2021/22	2020/21	2019/20	2018/19
<b>BELGIUM AND LUXEMBOURG</b>						
<b>Colruyt</b>	- number	259	254	252	248	243
	- of which leased externally	24	23	22	19	19
	- in '000 m <sup>2</sup>	460	454	444	437	426
<b>Okay</b>	- number	159	156	150	145	141
	- of which leased externally	33	31	32	29	30
	- in '000 m <sup>2</sup>	93	92	89	86	82
<b>Bio-Planet</b>	- number	33	31	31	31	29
	- of which leased externally	16	14	15	15	15
	- in '000 m <sup>2</sup>	21	20	20	20	19
<b>Cru</b>	- number	4	3	3	3	3
	- of which leased externally	2	2	2	2	2
	- in '000 m <sup>2</sup>	2	2	2	2	2
<b>Dreamland</b>	- number	48	47	47	45	42
	- of which leased externally	15	15	16	15	15
	- in '000 m <sup>2</sup>	82	80	83	80	76
<b>Dreambaby</b>	- number	32	31	30	29	29
	- of which leased externally	15	16	15	15	15
	- in '000 m <sup>2</sup>	20	19	18	17	17
<b>Bike Republic</b>	- number	27	21	15	13	
	- of which leased externally	26	21	15	13	
	- in '000 m <sup>2</sup>	24	24	18	16	
<b>The Fashion Society</b> <sup>(1)</sup>	- number	117	109	101		
	- of which leased externally	116	109	100		
	- in '000 m <sup>2</sup>	120	108	99		
<b>FRANCE</b>						
<b>Colruyt</b>	- number	95	92	91	87	85
	- of which leased externally	2	2	4	4	3
	- in '000 m <sup>2</sup>	94	90	89	85	81

(1) The Fashion Society includes the fashion retail chains Zeb, The Fashion Store and PointCarré. In addition to the integrated stores, there are stores in Belgium and France that are operated by franchisees.

## Key figures over five years

(In million EUR)	2022/23 <sup>(1)</sup>	2021/22	2020/21	2019/20 <sup>(2)</sup>	2018/19
Revenue	10.820	10.049	9.931	9.581	9.434
Retail	8.822	8.233	8.373	7.956	7.837
Wholesale and foodservice	1.183	1.082	1.088	969	958
Other activities	929	833	557	731	713
Intersegment	-114	-99	-87	-75	-73
Gross profit	2.931	2.752	2.792	2.565	2.471
EBITDA	685	741	850	807	758
EBITDA margin	6,3%	7,4%	8,6%	8,4%	8,0%
EBIT	279	375	523	511	485
EBIT margin	2,6%	3,7%	5,3%	5,3%	5,1%
Profit before tax	270	383	521	561	519
Taxes	69	95	105	130	135
Net profit	201	288	416	431	384
Net profit margin	1,9%	2,9%	4,2%	4,5%	4,1%
Cash flow from operating activities	705	499	708	830	565
Free cash flow	153	-108	114	462	260
Total equity	2.510	2.462	2.527	2.359	2.208
Balance sheet total	6.148	5.614	5.195	4.565	4.147
Investments <sup>(3)</sup>	463	488	469	410	378
ROIC <sup>(4)</sup>	8,9%	13,4%	17,6%	18,5%	17,3%

(1) The key figures are inclusive of DATS 24 NV. For a reconciliation between the key figures and the consolidated income statement (in which DATS 24 NV is presented as a discontinued operation), we refer to the annex 'Reconciliation of key figures and consolidated income statement' on page 33.

(2) Including the impact of IFRS 16 and the full consolidation of Bike Republic as from financial year 2019/20.

(3) Exclusive of acquisitions through business combinations, right-of-use assets and change in consolidation method.

(4) The calculation of the ROIC was refined as from financial year 2021/22. In addition, the acquisitions made in the financial year in question (Culinoia, Jims and Roelandt Group in financial year 2021/22 and Newpharma in financial year 2022/23) were not included in the calculation.

## Key figures over five years (sequel)

	2022/23	2021/22	2020/21	2019/20 <sup>(1)</sup>	2018/19
Market capitalisation at year-end (In million EUR)	3.609	5.019	6.925	6.821	9.460
Weighted average number of outstanding shares	127.967.641	132.677.085	135.503.424	137.279.011	137.758.364
Number of outstanding shares on 31/3	134.077.688	133.839.188	136.154.960	138.432.588	143.552.090
Earnings per share (EPS) (in EUR)	1,57	2,16	3,06	3,14	2,78
Gross dividend per share (in EUR)	0,80	1,10	1,47	1,35	1,31
Dividend yield	2,97%	2,93%	2,89%	2,74%	1,99%
Number of employees <sup>(2)</sup>	33.384	32.996	32.945	30.631	29.903
Number of employees in FTE <sup>(2)</sup>	31.535	31.210	31.189	29.056	28.339
Number of own stores in Belgium, Luxembourg and France <sup>(3)</sup>	774	744	720	601	572
Store area of own stores in '000 m <sup>2</sup> <sup>(3)</sup>	917	889	861	743	704
Number of independent storekeepers in Belgium, affiliated stores in France (excluding independent retailers) and franchisees of the multi-brand chain The Fashion Society.	576	588	591	583	579

(1) Including the impact of IFRS 16 and the full consolidation of Bike Republic as from financial year 2019/20.

(2) Including the employees of Newpharma as per 31 March 2023 (304 heads / 298 FTE's)

(3) Exclusive of the fitness facilities of Jims.

# Contributions paid to the Belgian treasury in proportion to the added value

In the last financial year, all Belgian companies of Colruyt Group together passed on **EUR 974,5 million** in social, fiscal and product-related taxes to the Belgian treasury. In addition, the net VAT payment (difference between payable and deductible VAT) to the tax authorities amounted to EUR 300,3 million.

Payments made to the Belgian treasury	(in million EUR)
Social security <sup>(1)</sup>	386,6
Withholding tax on wages <sup>(1)</sup>	151,3
Income tax on profits	61,4
Product-related taxes (customs, excise)	334,2
Withholding tax on income from investments	17,1
Property withholding tax	12,9
Registration duties, provincial and municipal taxes and other federal taxes	11,1
<b>Total</b>	<b>974,5</b>

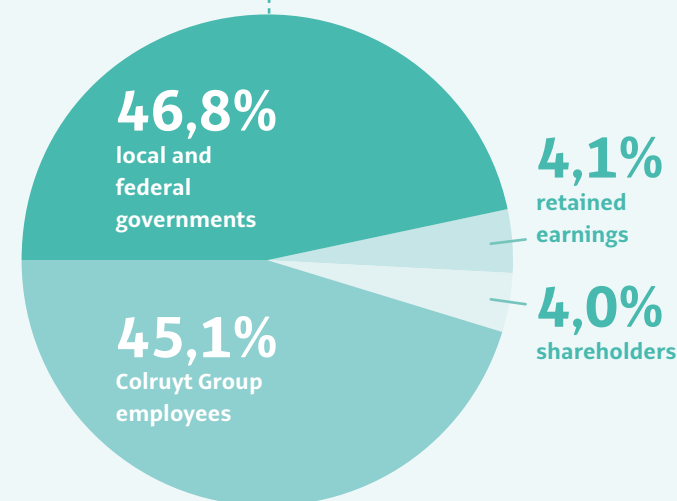
(1) Including charge reductions obtained at federal and regional level.

## Distribution of the net added value generated by Colruyt Group in Belgium

All these taxes are the result of the creation by the group of added value. The net added value<sup>(1)</sup> generated by Colruyt Group in Belgium amounts to EUR 2,08 billion. Of this, 46,8% goes as taxes to the various local and federal governments and 45,1% is paid to employees for services rendered. 4,0% is distributed to shareholders<sup>(2)</sup> and the remaining 4,1% is invested back into the group to finance future projects.

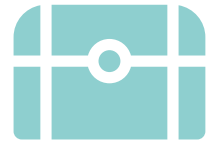
(1) The excise duties paid have been integrated into the net added value so as to be able to express the total contribution to the treasury of EUR 974,5 million as a percentage of the net added value corrected in this way.

(2) This calculation method takes no account of purchases or cancellations of treasury shares.





**917.000 m<sup>2</sup>**  
retail space of  
own stores



EUR **974,5** million  
contributed to the  
Belgian treasury



**774**  
own stores

**576**  
independent  
storekeepers

in Belgium, affiliated stores in  
France (excluding independent  
retailers) and franchisees of  
The Fashion Society

**33.384**  
employees

