

**REPORT OF THE BOARD OF DIRECTORS OF ETN. FR. COLRUYT NV OF 8 JUNE 2023 TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF 10 OCTOBER 2023**

Subject:

- Waiver of the pre-emptive right pursuant to article 7:191 of the Companies and Associations Code.

- Capital increase reserved for employees of Colruyt Group under the provisions of article 7:204 of the Companies and Associations Code.

- Justification of the issue of new Colruyt shares and of the deviation from the pre-emptive right.

Every year since 1987, the Colruyt Group employees have been given the opportunity to subscribe to a capital increase of Etn. Fr. Colruyt NV.

Each time such a capital increase without pre-emptive right was carried out, the Board of Directors pointed out one of its main objectives, i.e. to in time create a large group of employee-shareholders in the capital structure of Etn. Fr. Colruyt NV and thus to closely involve them in the corporate life of the company and of Colruyt Group.

The capital increases carried out in this context in recent years have shown that there is great interest in this among the members of personnel.

In accordance with article 7:204 §1 of the Companies and Associations Code, the new shares may be issued at an issue price that is up to 20 % lower than the current price for these shares.

Employees who subscribe to new shares in the framework of the capital increase reserved for Colruyt Group employees qualify for a "tax credit for the subscription to and payments for purchasing employers' shares" (cf. pension savings schemes under the former Monory bis system). The tax credit for the purchase of employers' shares amounts to 30 % with a maximum of EUR 780,00 (income year 2023, tax assessment year 2024). Every employee can opt for the application of either the tax credit for employer's shares or the tax credit for bank-managed pension savings funds. Combining both is not allowed.

As a result of the proposed capital increase, the number of shares may be increased by a maximum of 1.000.000, raising the number from 134.077.688 equities to 135.077.688; which means a maximum dilution of 0,746 %.

Taking into account the identical capital increases undertaken from 1987 to now, this brings the total dilution for all similar operations together to 18,06 %<sup>1</sup>.

The financial dilution from a maximum of 1.000.000 shares to be issued is the difference between the average stock market price over the last 30 days prior to the

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<sup>1</sup>This calculation is subject to the destruction of treasury shares.

Extraordinary General Meeting of 10 October 2023 and the issue price. The amount of the dilution and percentage per share shall be determined at the Extraordinary General Meeting of 10 October 2023.

Taking all this into account, it has been proposed to the Extraordinary General Meeting of Shareholders of 10 October 2023 to proceed to an increase of the capital of Etn. Fr. Colruyt NV under the provisions of art. 7:204 of the Companies and Associations Code, and under the terms and conditions stated below. This capital increase is reserved exclusively for employees of Colruyt Group.

- Terms and conditions

a. Issue of a maximum of 1.000.000 new registered shares with no stated face value; these shares may not be transferred for 5 years as of the time of subscription, in accordance with article 7:204 §1 of the Companies and Associations Code. Exceptions to the five-year share blocking period are: dismissal by the employer, retirement, death or disability of the beneficiary or his/her spouse.

b. Subscription to the new shares is reserved solely for employees of Colruyt Group who have worked for at least six months in one of the Colruyt Group companies on 17 October 2023 (commencement date of the subscription period) and who are not serving a period of notice at that time.

Every employee has the possibility to subscribe to a maximum of 5.000 new shares.

c. The new shares will be issued as shares subject to withholding tax of 30 % on dividends. They shall enjoy the same rights as the outstanding ordinary shares; in accordance with article 7:204 § 1 of the Companies and Associations Code, these shares shall however not be transferable for a five-year period as from the time of subscription; they will become transferable pursuant to article 7:204 § 1 of the Companies and Associations Code in the event of the employee-owner's dismissal or retirement, his/her death or that of his/her spouse, or his/her disability or that of his/her spouse. As of 1 April 2023, the new shares shall participate in the profit of the company. The new shares shall be registered in the share register as registered shares.

d. The new shares shall be fully paid up in cash at the time of subscription, at the issue price to be determined by the Extraordinary General Meeting deciding on this agenda.

e. The admission to listing on the Euronext Brussels Continuous Market shall be applied for.

f. During the period of non-transferability referred to in a., the shares will be recorded in the register of shareholders in the name of the subscriber. By the fact of his subscription, the subscriber asks for these shares to be converted into dematerialised shares after the expiry of the said 5-year period and to be transferred to his securities account at that time. At the time of subscription, the subscriber shall undertake to open a securities account to that effect before the expiry of the 5-year period.

g. The costs of these operations shall be at the expense of the company; any taxes shall be borne by the subscribers.

h. Determination of the issue price: the issue price is set based on the average stock exchange price of the ordinary Colruyt share during a period of 30 days prior to the Extraordinary General Meeting of 10 October 2023, whereby the price shall not be lower than 80 % of that justified in the report of the management body and in the auditor's report (i.e. after the application of a maximum discount of 20%).

i. In accordance with art. 7:191 of the Companies and Associations Code and in the interests of the company, the pre-emptive right to subscribe to these shares shall be waived in favour of the employees, as specified above.

j. Subscription period and subscription terms: the subscription period shall commence on 17 October 2023 and end on 17 November 2023.

A special letter, accompanied by a subscription form and an information note shall be forwarded to each Colruyt Group employee entitled thereto.

Every employee has the possibility to subscribe to a maximum of 5.000 new shares.

If the total number of shares subscribed to exceeds the maximum number of 1.000.000, there shall be a distribution. The terms and conditions of the distribution shall in the first instance take into account the possibility for each employee to obtain the maximum tax benefit. At a next stage, a proportionate reduction will be applied, taking into account the number of shares subscribed to per employee.

The maximum amount by which the subscribed capital shall be increased shall be determined by the Extraordinary General Meeting of Shareholders by multiplying the issue price by the maximum number of new shares to be issued.

The Board of Directors requests authorisation to take the necessary steps to effect the capital increase under the terms and conditions determined by the Extraordinary General Meeting of Shareholders.

Halle, 8 June 2023

The Board of Directors,

Jef Colruyt,  
Director

Korys Business Services III NV  
Director  
Represented by Wim COLRUYT  
Permanent representative