

## **Colruyt Group acquires stake in SMARTMAT NV and strengthens its market leadership in Belgian food e-commerce**

**Halle, 4 February 2022 - On 3 February 2022, Colruyt Group acquired a 41,36% stake in Smartmat NV, a company specialised in meal boxes under the brands Foodbag and 15gram. The retail group thus becomes a shareholder of this dynamic food e-commerce company, together with the founders and with Korys, the investment company of the Colruyt family, which already held a stake in Smartmat NV. With the investment in meal boxes and the development of the new online grocery concept Rayon, Colruyt Group wants to further expand its customer oriented offering on the Belgian online food market.**

### **Smartmat, a major player in Belgian food e-commerce**

Smartmat NV is a key Belgian player in the online food market. The company mainly specialises in the composition and delivery of meal boxes under the brand names Foodbag and 15gram. On 24 January of this year, Smartmat also launched the Rayon concept: an online supermarket with home delivery across Belgium.

Colruyt Group and Smartmat NV have already been working together since 2019. The "One Meal Box" of Foodbag is sold at the OKay stores and Foodbag meal boxes can be collected at a number of Collect&Go pick-up points. Stéphane Ronse, Smartmat's general manager, explains: *"To us, Colruyt Group acquiring a stake in our company is a logical step: the anchoring of our partnership will enable us to extend and strengthen our existing relationship. Our next step now is to further explore and deepen the complementarity with existing products and services. For us, this opens up a host of interesting and valuable opportunities"*.

### **Building on market leadership in online food**

Smartmat's activities are a strategic fit with Colruyt Group, they complement the existing services and enhance the positioning of the various brands of the retail group. Tom De Prater, Responsible for E-Commerce Food at Colruyt Group, looks ahead: *"Joining forces with a dynamic high-growth company like Smartmat marks a new, significant step for Colruyt Group in driving further growth by offering convenience solutions to our customers. It allows us to complete our product range and to grow in home deliveries. With this new partnership, we will continue to expand our online market leadership via the meal box market and take further steps towards the development of sustainable grocery home delivery services"*.

Colruyt Group and Smartmat also see opportunities in exchanging expertise in various areas including logistics and distribution, to enhance the (cost) efficiency of the online services. In addition, Colruyt Group continues to invest in its existing online formulas in food (Collect&Go) and non-food (Dreamland, Dreambaby, The Fashion Society, Newpharma, MyComfort24 and Collishop collection points in the stores).

Marc Hofman, COO Retail at Colruyt Group, sees various other opportunities to invest in together with Smartmat: *"Besides the strategic online match, we share the same value-driven vision on local sourcing, the focus on seasonal products and the commitment to promoting sustainable packaging, avoiding food waste and providing customer-oriented services"*.

Stéphane Ronse adds: *"We are for instance particularly proud of our drivers: (early) retirees who bring our meal boxes to our customers' doorsteps with a smile."* Smartmat will continue to be led by the experienced and hands-on management team that remains on board with a view to further expanding the various branches in the business.

## The transaction

Colruyt Group acquires a 41,36% stake in Smartmat NV by taking over shares from the founders and from Korys, which already had a stake in the company since 2016. Colruyt Group and Korys now each hold 41,36% of the shares, while the founders retain the remaining shares. Because of this transaction, the cash flow statement of Colruyt Group will include a cash outflow between EUR 26 million and EUR 28 million, mainly in financial year 2021/22. Arm's length principles were applied for the valuation. Smartmat will be accounted for using the equity method. Colruyt Group does not expect this transaction to have a material impact on the net result of the financial year 2021/22 and the upcoming financial year.

The necessary measures have been taken in view of the conflict of interest rules. The public announcement in accordance with article 7:97, §4/1 of the Belgian Companies and Associations Code regarding the increase of the stake in Smartmat, can be found on the next page.

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## About Colruyt Group

About Colruyt Group Colruyt Group operates in the food and non-food distribution sector in Belgium, France and Luxembourg with more than 600 own stores and over 580 affiliated stores. In Belgium, this includes Colruyt Lowest Prices, OKay, Bio-Planet, Cru, Dreamland, Dreambaby, Bike Republic and the affiliated Spar stores. In France, in addition to Colruyt stores, there are also affiliated Coccinelle, Coccimarket and Panier

Sympa stores. The group is majority shareholder of The Fashion Society, which includes the fashion retail chains ZEB, PointCarré, The Fashion Store and ZEB For Stars. JIMS operates fitness clubs in Belgium and Luxembourg. Solucious and Culinoa deliver food service and retail products to professional customers in Belgium (hospitals, SMEs, hospitality sector, etc.). The activities of Colruyt Group also comprise energy supply by DATS 24 in Belgium (fuels, natural gas and green energy) and France (fuels), printing and document management solutions (Symeta Hybrid). The group employs over 32.000 employees and recorded a EUR 9,9 billion revenue in 2020/21. Colruyt is listed on Euronext Brussels (COLR) under ISIN code BE0974256852.

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("Colruyt" or the "Company")

**Public announcement in accordance with article 7:97, §4/1 of the Belgian Companies and Associations Code concerning the acquisition of 41,36% of the shares in Smartmat NV and the conclusion of a shareholders' agreement**

Korys Investments NV ("**Korys Investments**"), a subsidiary of Colruyt's parent company within the meaning of Article 1:15 of the Belgian Companies and Associations Code (the "**BCAC**") and thus a related party of Colruyt within the meaning of IFRS, owns 52.59% of the shares in Smartmat NV ("**Smartmat**"). The remaining shares in Smartmat are owned by the four founders of Smartmat (the "**Founders**") and by a number of minority shareholders (the "**Minority Shareholders**").

At its meeting of 2 February 2022, the board of directors of Colruyt resolved to acquire 1.396 shares in Smartmat, representing 41,36% of the total share capital, from the current shareholders (the "**Investment**"), by entering into a sale and purchase agreement with the current shareholders in Smartmat, whereby Korys Investments and the Founders will each sell a part of their shares in Smartmat to the Company, and the Minority Shareholders will sell all of their shares to the Company (the "**Acquisition Agreement**").

The Acquisition Agreement provides that the total provisional acquisition price amounts to EUR 27.248.328 (of which EUR 7.397.648 is due to Korys Investments). This provisional acquisition price will be adjusted, if applicable, on the basis of the net financial debt as at 31 December 2021, as soon as the audited accounts for this period are available.

Following the Acquisition Agreement, Colruyt and Korys Investments will each own 1.396 shares in Smartmat, each representing 41,36% of the total share capital. The remaining 17,28% of the shares in Smartmat will be owned by the Founders.

The board of directors of Colruyt further resolved to enter into a shareholders' agreement with Korys Investments and the Founders, in order to govern their mutual relationship as shareholders in Smartmat (the "**Shareholders' Agreement**"). The realisation of the Investment and the entering into of the Shareholders' Agreement will be referred to below as the "**Transaction**".

The Acquisition Agreement provides that Korys Investments, the Founders and the Minority Shareholders will transfer their respective shares to Colruyt on equal terms. The Acquisition Agreement does not contain any provisions or conditions which are manifestly not in line with the provisions and conditions which one would normally expect in similar agreements between third parties.

The most important provisions of the Shareholders' Agreement are described below.

The board of directors of Smartmat shall consist of six members: two directors appointed upon nomination by Korys Investments (the "**Korys Directors**"), two directors appointed upon nomination by Colruyt (the "**Colruyt Directors**"), one director appointed upon nomination by the Founders (the "**Founders Director**") and the CEO of Smartmat. The Shareholders' Agreement further provides that the board of directors can only validly meet if at least one Korys Director, one Colruyt Director and the Founders Director are present.

The Shareholders' Agreement contains a list of matters that require a special majority at the level of the board of directors. Certain of these matters always require the consent of both one Colruyt Director and

one Korys Director. These matters include, among others, capital transactions and determining Smartmat's long-term strategy. In addition, certain matters require the consent of either (i) one Colruyt Director and one Korys Director, or (ii) one Colruyt Director and the Founders Director, or (iii) one Korys Director and the Founders Director. It concerns operational matters, including the appointment and remuneration of the management of Smartmat and entering into important agreements. The Shareholders' Agreement further contains a number of matters that require the approval of Colruyt and Korys Investments at the general shareholders' meeting. These include, among others, restructuring, capital transactions, the approval of the annual accounts and determining the remuneration of the directors.

As to transfers of shares, the shareholders may not transfer shares in Smartmat during the first two years after the conclusion of the Shareholders' Agreement, with the exception of certain permitted transfers (which do not include transfers between Colruyt and Korys Investments). For transfers after this date, Colruyt has a pre-emption right. The Shareholders' Agreement further stipulates that if 50% or more of the shares in Smartmat would be sold, each shareholder will have the right to also sell his shares. If one or more shareholders that together own at least 75% of the shares in Smartmat wish to accept an offer from a third party to acquire all shares in Smartmat, the selling shareholders will have the right to oblige the other shareholders to sell their shares to such third party. If the drag along obligation is exercised before 30 June 2025, the price offered per share must be at least equal to the exit value of the share, whereby the shareholder invoking the drag along obligation will pay to the other shareholders the difference between the exit value and the price offered per share. The exit value is calculated using a formula based on the sum of the turnover of Smartmat's three activities for the previous financial year, multiplied by a certain multiple applied per activity, from which the net financial debt is then deducted, and subsequently divided by the number of shares. For the amount of the multiple, the current common valuation methods and valuations of Smartmat's (listed) peers, as well as the market positions held by these peers, have been taken into account. In the framework of the drag along obligation, a certain multiple will be guaranteed to the shareholder against whom the drag along obligation is invoked.

Finally, with effect from 30 June 2025, each of Korys Investments and the Founders have the right to sell all (but no less) of their respective shares in Smartmat to the Company at the exit value of the shares. From 30 June 2026, the Company shall have the right to acquire all shares in Smartmat owned by Korys Investments and the Founders (but not less) from Korys Investments and the Founders at the exit value of the shares.

A committee of three independent directors of Colruyt has assessed the transaction described above, in accordance with Article 7:97 BCAC, and has issued a written and substantiated opinion on this matter to the board of directors of Colruyt. In this opinion, the committee deems the Transaction not to be manifestly illegitimate in nature and considers it unlikely that the Transaction would result in disadvantages for Colruyt that would not be outweighed by the Transaction-related advantages for Colruyt. The committee has therefore delivered a favourable opinion on the Investment and the conclusion of the Shareholders' Agreement. Finally, the assessment made by Colruyt's auditor in accordance with Article 7:97 BCAC reads as follows: *“Based on our review, performed in accordance with the International Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, nothing has come to our attention that causes us to believe that the accounting and financial data included in the minutes of the Board of Directors meeting held on 2 February 2022 and in the opinion of the independent directors dated 2 February 2022, both prepared in accordance with the requirements of article 7:97 of the Companies and Associations Code, would contain material inconsistencies when compared with the information available to us in the context of our engagement. We do not express an opinion on the suitability or appropriateness of the transaction or on whether it is lawful and fair (“no fairness opinion”).*