

**Chairman's statement  
at the General Meeting of Shareholders  
of Etn. Fr. Colruyt NV of 28 September 2022**

Dear shareholders,

Like the previous one, the 2021/22 financial year was a challenging period, with the worldwide pandemic impacting our business in various ways. In this uncertain context, we also had to cope with the consequences of the July 2021 flood and the conflict in Ukraine. Given these trying circumstances, we take pride in having shown sufficient flexibility and creativity to continue to function properly.

Despite raw material shortages, disrupted production chains and logistical obstacles, we continued to fulfil our **social role**, with food supplies never really compromised. In doing so, we also maintained our role as guardian of customers' purses, despite higher wholesale prices and lengthier negotiations with suppliers at the end of the financial year. We did this with a continuing focus on simplicity and efficiency.

I am proud of our employees who were there, day in, day out, to serve our customers to the best of their ability, both on the front line and behind the scenes. During periods of illness and quarantine, we noted a heart-warming wave of **solidarity** among the stores. Moreover, headquarters staff jumped in en masse to handle the end-of-year peak. In the wake of the widespread flooding in mid-2021, our technical department ensured that the stores concerned were able to reopen in record time. In addition, we took many initiatives benefiting the victims of the catastrophic events here and abroad.

In a complex and challenging context, we were still able to close the financial year in a satisfactory way. Our Colruyt Lowest Prices, OKay and Spar formulas were able to consolidate their combined market share in Belgium. The divergent performance of our diversified brand portfolio resulted in a slight increase in group sales of 1,2% to just over 10 billion euros. The net result closed significantly lower at 2,9% of sales. In the coming financial year, Colruyt Lowest Prices will be continuing its longstanding lowest price strategy, while all of our brands remain committed to efficiency, service, friendly staff, quality products and services.

Colruyt Group continued to **invest** heavily in the **future**, spending 488 million euros on new stores and renovations, production buildings, machines, rolling stock and a wide range of IT software and platforms. Examples include the new Collect&Go distribution centre in Londerzeel, the Fine Food salad factory, the office building in Zwijnaarde and some fifteen transformation programmes preparing us for the digital future through even more efficient systems and processes. In addition, we continued to expand the Colruyt Group ecosystem through a number of acquisitions, inter alia Newpharma, Foodbag, Roelandt Group, JIMS and Culinoa, thereby strengthening our ambitions in such areas as e-commerce, vertical integration, health and sustainability.

In an ever-faster digitalisation context, we are responding to evolving customer needs with innovative digital concepts and services. For example, OKay Direct is the first self-service store where customers can shop completely autonomously 24/7. And since mid-2022, Collect&Go has been offering home deliveries in densely populated cities like Brussels and Antwerp.

As a Belgian retailer, we continued to help **promote** domestic production, often in close cooperation with various partners throughout the chain. Following the acquisition of the Roelandt industrial bakery, we are now able to offer our customers a wider range of bread and pastries. We started construction of a sea farm where we intend to harvest the first Belgian mussels by summer 2023. Furthermore, we have established a unique chain for organic Belgian bread wheat, the basis for Bio-Planet's delicious bread.

We have also taken extra initiatives in the field of **sustainability**. We are particularly proud of our afforestation project in the Democratic Republic of Congo. Together with the local population and NGOs, we are planting 12 million trees there, meaning that by 2030 we as a group will absorb more CO<sub>2</sub> than we emit. We are also pleased with the growing support for the Eco-Score, an easy-to-understand label showing a product's environmental footprint. The label is already available online for half of the foods offered at Bio-Planet and Colruyt Lowest Prices. In addition, our new water-saving crate-washing facility is now in operation, while all wastewater and rainwater from our headquarters buildings is being treated on-site, reducing our consumption of mains water by up to 90%.

Finally, we continued to invest strongly in the production and distribution of **renewable energy**. Through our participation in the energy holding company Virya Energy, we are pioneering the industrial production of green hydrogen and helping to build large-scale wind farms at home and abroad. At our headquarters, we opened Belgium's largest battery charging bay, where as many as one hundred cars can be recharged simultaneously.

Relying on the skills and entrepreneurship we so cherish with our 33.000 employees, we have accomplished a great deal as a group in yet another exceptional financial year. I am convinced that, with dedication and perseverance, our efforts will bear fruit in the years to come.

We want to take this opportunity to put out a message to our governments. We expect our policymakers to effectively support the Belgian economic fabric and thus to enable us to provide Belgian added value in an international context, now more than ever. Specific measures we are thinking in this respect include setting up an agile work organisation for e-commerce, lowering the tax burden for companies and tackling border trade. Furthermore, we call for a smart, customer-friendly litter management system, at no additional cost. Limit energy costs and focus on more renewable energy and energy efficiency. Make sustainable choices and address the challenges that the Belgian food chain is facing, for instance by maximising the own potential in the area of agriculture and agri-food in a sustainable way. Also, invest in mental well-being, in providing solutions and avoiding further polarisation. And finally, show greater appreciation for the essential role of the Belgian retailer in the food chain.

Colruyt Group expects the challenging macroeconomic context of high inflation, substantial cost increases and a negative business and consumer confidence to continue. In recent months, Belgium's Federal Planning Bureau has regularly revised the annual economic forecasts for 2022 and 2023. The inflation forecasts have been revised significantly upward and economic growth is expected to stagnate this winter.

The Belgian retail market is marked by declining volumes in the food stores and thus remains highly competitive. As a retailer, and as the market leader in Belgium, we want to continue to actively fulfil our role in society. We do this by ensuring that customers can find a qualitative and affordable offering both in the stores and online. In doing so, Colruyt Lowest Prices continues to consistently implement its lowest prices strategy so that customers can count on us to help them stay on top of their budgets. All this implies that price inflation is not fully passed on to the customer.

Inflationary pressure also causes the group's expenses to increase significantly, with an expected impact of over EUR 200 million. This mainly affects energy, transport and employee benefit expenses. The latter have a major impact, given the automatic wage indexation system in place in Belgium.

Results are under pressure due the combination of inflationary pressure on expenses, food inflation - which is lower than general inflation - and the competitive market environment.

Colruyt Group expects the consolidated result, excluding possible one-off effects in 2022/23, to decrease considerably compared to 2021/22.

Excluding possible one-off effects, Colruyt Group does not expect the acquisition of Roelandt Group and the increase of the stake in Newpharma to have a material impact on Colruyt Group's net result in 2022/23.

Colruyt Lowest Prices will consistently implement its lowest prices strategy. Thanks to its longstanding focus on operational cost control as well as on simplicity and efficiency, Colruyt Lowest Prices can continue to live up to its brand promise.

In view of the current market conditions, Colruyt Group will maximise its operational cost control and cash management. In addition, the group maintains its long-term focus and will pursue its investments in innovation, sustainability, digital transformation, efficiency, high-quality house-brand products and its employees in a targeted manner.

The combination of the above circumstances and the targeted and consistent implementation of the long-term strategy will lead to an increase of the net financial debt.

The group points out that the uncertainty arising from the geopolitical situation and the energy crisis may impact the 2022/23 outlook.

In early July 2022, Colruyt Group communicated that Virya Energy would assess strategic options for offshore wind energy. The reason being that the recent energy market situation, the Green Deal and geopolitical tensions are having an impact on the speed of the evolution of the offshore industry. This results in:

- a substantial increase in the size of offshore wind projects, resulting in a higher financial exposure of investors as from the early stage of the projects;
- an increased focus on renewable energy, resulting in fierce competition and thus requiring higher investments (for example in the form of entry tickets for investors) for new offshore wind projects.

Several possible strategic development options have been explored. The option of a partial divestment of the subsidiary Parkwind NV will be developed further. A banker has been appointed in this respect.

We continue to invest in our people, in their entrepreneurship and skills, as key components within the group's long-term strategy. I would like to explicitly thank all staff for their efforts and contribution to offer social added value day after day. The investments in both people and a sustainable infrastructure will allow us to continue to be there for millions of customers, day in, day out, in the years to come. I also extend a warm thank-you to all the customers who continue to choose us, and to the partners with whom we hope to continue our lasting collaborations.

Jef Colruyt

Chairman of the Board of Directors

#### **About Colruyt Group**

*Colruyt Group operates in the food and non-food distribution sector in Belgium, France and Luxembourg with more than 700 own stores and around 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 a majority shareholder of The Fashion Society, which includes the fashion retail chains ZEB, PointCarré and The Fashion Store. JIMS runs 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), and printing and document management solutions (Symeta Hybrid). The group employs over 32.000 employees and recorded a EUR 10,0 billion revenue in 2021/22. Colruyt is listed on NYSE Euronext Brussels (COLR) under ISIN code BE0974256852.*

#### **Risks relating to forecasts**

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

*Deze informatie is ook beschikbaar in het Nederlands.  
Ces informations sont également disponibles en français.*

*Only the Dutch version is the official version.  
The French and English versions are translations of the original Dutch version.*