CNOVA N.V.
First Half Financial performance & Second Quarter 2023 activity
Update on Conciliation Proceedings

Cnova accelerated its shift towards a more profitable model, as illustrated by the sharp increase in gross margin rate which stands at 29.7% in 1H23 (+7pts vs. 22) and the doubling of its EBITDA:

- **Overall GMV decreased** by -14% like-for-like[1] **in a still challenging market environment** marked by a decreasing trend in High Tech and Domestic Appliances categories
- **Growing Marketplace revenues** at €91m in 1H23 (+2% vs. 22, +28% vs. 19) with a slightly decreasing GMV by -3.1% compared to last year, along with a record high GMV share in 1H23 at 58% (+9pts vs. 22, +20pts vs. 19)
- **Growing Advertising revenues** at €35m in 1H23 with a regular growth (+5% vs. 22, x2.1 vs. 19) and an increase in GMV take rate standing at 3.8% for 1H23 (+0.8pt vs. 22, +2.4pts vs. 19)
- **B2C Services** GMV at €80m (+21% vs. 22) mostly driven by Travel activities (+16% vs. 22)
- **Octopia B2B** revenues at €9m (+43% vs. 22) with 6 clients launched for Marketplace solutions and increasing number of parcels shipped for Fulfilment clients such as Adeo and Too Good to Go
- **C-Logistics B2B** revenues at €6m in 1H23 (x8 vs. 22), with the launch of one new client and an increase in the number of shipped parcels for external clients (x6 vs. 22)

Doubling EBITDA in 1H23 amounting to €34m (+€19m vs. 22) thanks to our focus on profitable sales for the direct sales business, growing Advertising and Marketplace revenues along with cost-saving plan.

Efficiency plan to recalibrate SG&A and CAPEX by the end of 2023 is on track to reach the July 2022 guidance (€75m savings target vs. 21) reinforced by a €15m ad-on savings plan announced in April 2023:

- **SG&A** (excluding D&A) amounted to €148m, improving by €35m vs. 22 and by €38m vs. 21
- **Capital expenditures** stood at €31m, improving by €16m vs. 22 and €22m vs. 21

Free cash-flows from continuing activities before financial interest and other products & charges amounted to €-183m in the 1st semester 2023, mostly impacted by business seasonality and the decrease in trade payables driven by credit insurers guarantees reductions, partly offset by voluntary destocking and rationalization of capital expenditures.

Continuous development of Cnova's ESG policy:

- "*More sustainable products*" SKUs: 15.8% of Cdiscount's Product GMV in 2Q23 (+4.7pts vs. 22)
- C-Logistics decrease in energy consumption by -26% vs. last year (from January to April)

AMSTERDAM – July 28, 2023, 19:00 CEST Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) ("Cnova") today announced its second quarter activity and first half unaudited financial results for 2023.

Thomas Métivier, Cnova's CEO, commented:

"In the 1st semester 2023, Cnova has pursed its transformation plan focusing on shifting towards a profitable model with the voluntary evolution from direct sales to marketplace revenues. All Cnova's teams have been concentrated on improving the profitability of our direct sales assortment, accelerating the growth of our advertising and marketplace revenues and developing our B2B activities with Octopia and C-Logistics.

Combined with the Efficiency plan, these priorities lead to a strong improvement in our EBITDA from last year and from 2019, proving the relevance of our business model and of our transformation plan.

We have also started to deploy Generative Artificial Intelligence in our operations to improve customer and partner experience and enhance process efficiency with first results already visible and huge opportunities to accelerate our platform model."

[1] Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22

Financial highlights

Financial performance (€m)	2023 Half year	2022 Half year[2]	Change vs. 2022 Reported	Change vs. 2022 L-f-L[3]
Total GMV	**1,380**	**1,785**	**-23%**	**-14%**
Ecommerce platform	**1,337**	**1,734**	**-23%**	**-14%**
o/w Direct sales	464	679	-32%	
o/w Marketplace	647	668	-3%	
Marketplace share	*58.3%*	*49.6%*	*+8.7pts*	
o/w B2C services	80	150	-46%	+21%
o/w Other revenues	146	237	-39%	+1%
B2B activities	**43**	**50**	**-14%**	
o/w Octopia B2B revenues	11	8	+43%	
o/w Octopia Retail & others	25	41	-39%	
o/w C-Logistics	7	1	x8	
Total Net sales	**612.5**	**874.3**	**-29.9%**	**-23.1%**
EBITDA[4]	**33.9**	**14.6**	**+€19.3m**	
% of Net sales	*5.5%*	*1.7%*	*+3.9pts*	
Operating EBIT	-14.3	-33.5	+€19.2m	
% of Net sales	*-2.3%*	*-3.8%*	*+1.5pts*	
Net Financial Result	-26.8	-42.5	+€15.6m	
Net Profit from continuing operations	-65.4	-69.4	+€4.0m	
Net Profit from continuing operations before change in DTA[5] related to tax losses (non-cash)	**-47.4**	**-69.4**	**+€22.0m**	

Free cash-flows (€m)	1H23	1H22	Change vs. 22
EBITDA	**33.9**	**14.6**	**+19.3**
(-) IFRS 16 rents	-17.7	-17.8	+0.1
(+/-) Change in working capital	-169.8	-66.7	-103.1
(-) Income taxes paid	-1.7	-1.8	+0.1
(-) Capital expenditures	-32.3	-47.6	+15.4
(+) Cash from disposals	4.8	20.5	-15.7
Free cash-flows[6]	**-182.8**	**-98.7**	**-84.0**
Free cash-flows excluding one-offs[7]	**-170.5**	**-195.8**	**+25.4**
Net Financial Debt	**-582.5**	**-469.6**	**-112.9**

[2] 2022 figures have been restated to consider CChezVous disposal (discontinued operations)
[3] Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22
[4] EBITDA: operating profit/(loss) from ordinary activities (EBIT) adjusted for operating depreciation & amortization
[5] Deferred Tax Assets
[6] Free cash-flows from continuing operations before financial interest and other products & charges
[7] Free cash-flows from continuing operations before financial interest and other products & charges adjusted from one-offs

Information on Casino group and Cnova liquidity

On June 26, 2023, the Casino group communicated on the implementation of various measures to ensure its liquidity throughout the entire conciliation period.

On July 17, 2023, the Casino group communicated on the revised offer, received on July 15, 2023, from EP Global Commerce a.s., Fimalac and Attestor (the "Consortium"), to strengthen the Casino Group equity capital. Cnova is part of the perimeter of the transaction.

On July 28, 2023, Casino Group announces that it has, under the aegis of the conciliators and of the Comité Interministériel de restructuration industrielle (CIRI), entered into an agreement in principle on 27 July 2023 with the Consortium and some of its main creditors aiming at strengthening the Group's equity structure and restructuring its financial debt (the "Agreement in Principle"). The Agreement in Principle confirmed Cnova being part of the perimeter.

The semi-annual accounts of Cnova for the period ended on June 30, 2023, have been prepared based on the going concern principle. This principle relies on the assessment of liquidity risk at Cnova and Casino group level in light of the cash flow projections for 2023, reviewed by the Accuracy firm, and the need of the successful implementation of the Agreement in Principle. Those cash flow projections also rely among other factors, on the current level of business activity and the existing payment terms with suppliers.

In view of the legal steps still to be taken to implement the Agreement in Principle (as specified on page 11 in the Casino group presentation of the Agreement in Principle on restructuring plan[8]), the situation as of today is still uncertain as to the Casino group and/or Cnova ability to continue as a going concern and, therefore, Cnova may be unable to realize its assets and discharge its liabilities in the normal course of business.

Based on the above, as part of their report issued on July 28, 2023, Cnova's Auditors referred as an observation to the business material uncertainty as an area of emphasis and concluded an unqualified opinion on their review of the 2023 half year report and financial statements.

Conciliation: information on Casino group and Cnova liquidity

As of June 30, 2023, net financial debt reached €582m and net current liabilities are €189m (excluding cash and cash equivalents and current financial debt). As per June 30, 2023 Cnova has a negative equity of €442m. The negative equity is mainly caused by the accumulated losses for €605m, the decrease of capital and share exchange between Cnova NV and Cnova Brazil in 2016. For the first six months of 2023, the net loss amounts to €70m and the negative free cash flow before financial expenses to €183m.

As per June 30, 2023, Cnova had a credit line of €700m with its parent, Casino Guichard-Perrachon set in order to cover the needs of Cnova. As part of the cash pool agreement with Cnova and its subsidiaries, unused credit lines amounted to €253m as of June 30, 2023.

The term of the cash pool agreement is July 31, 2026 and can be terminated by mutual consent.

In addition, Casino Guichard-Perrachon confirmed through a letter dated March 28, 2023 that it will provide financial support to Cnova N.V. to assist Cnova in meeting its liabilities as and when they fall due up to a maximum of €100m in addition to the abovementioned amount of €700m and only to the extent that funds are not otherwise available to Cnova N.V. to meet such liabilities for a period of at least 18 months from the date of Cnova's 2022 consolidated financial statement approval, March 30, 2023.

The cash pool arrangement (Current Account Agreement) immediately terminates if Casino no longer controls, directly or indirectly, Casino Finance or Cnova or its European subsidiaries, as the case may be, or in case of bankruptcy of a party.

[8] https://www.groupe-casino.fr/wp-content/uploads/2023/07/20230727_Presentation_cleansing_vENG.pdf

The sequential degradation of the rating of Casino group by rating agencies implied net financial debt deterioration at Cnova level since April 2023. Working capital of Cnova is significantly impacted due to reductions by credit insurers, implying earlier payments to suppliers and consequently deterioration of net cash flows.

On 25 May, 2023, a conciliation proceeding for the benefit of the French subsidiaries of Cnova (Cdiscount, Maas, C-Shield, C-Technology, C-Logistics, Carya and CLR) was opened. These conciliation proceedings are part of the more global context of the conciliation proceedings opened for the benefit of the Casino Group.

As part of the conciliation proceeding, Casino group received on July 15, 2023 a revised offer from EP Global Commerce a.s., Fimalac and Attestor (the "Consortium") to strengthen the Casino group's equity capital. Cnova is part of the perimeter of the transaction.

On July 28, 2023, Casino Group announces that it has, under the aegis of the conciliators and of the Comité Interministériel de restructuration industrielle (CIRI), entered into an agreement in principle on 27 July 2023 with the Consortium and some of its main creditors, especially the ones holding more than two-thirds of the Term Loan B, aiming at strengthening the Group's equity structure and restructuring its financial debt (the "Agreement in Principle"). The Agreement in Principle confirmed Cnova being part of the perimeter of the transaction.

In view of the legal steps still to be taken to implement the Agreement in Principle (as specified on page 11 in the Casino group presentation of the Agreement in Principle on restructuring plan[7]), the situation as of today is still uncertain as to the Casino group and/or Cnova ability to continue as a going concern and, therefore, Cnova may be unable to realize its assets and discharge its liabilities in the normal course of business.

Also, it should be noted that on June 26, 2023, the Casino group communicated on the implementation of various measures to ensure its liquidity throughout the entire conciliation period (lasting until September 25, 2023 and extended, if necessary, until October 25, 2023 at the latest), including:

- Conclusion of an agreement in principle with the French government to defer payment of the Group's tax and social security liabilities due between May and September 2023, representing an amount of circa €300m; and
- A standstill request, for the duration of the conciliation proceedings (i.e. until the October 25, 2023 at the latest), of any payment of interests and other fees (i.e. circa €130m) and instalments of principal (i.e. circa €70m). The conciliators sent to the relevant creditors the standstill requests and asked them to waive their right to claim any accelerated payment on the basis of any event of default under the financial covenants as of June 30, 2023 and September 30, 2023, and more generally, any event of default or cross-default event that may arise as a result of the suspension of the above-mentioned payments

Based on the items mentioned above and the sale by Casino of its residual stake in Assaí, which was completed on June 23, 2023 for net proceeds after costs and taxes estimated at €326m (cf. press release of June 23, 2023), Casino group does not anticipate any liquidity issue until the end of the conciliation period (i.e. until October 25, 2023). Assuming the continuation of the standstill in respect of financial charges and debt repayments after the conciliation period, and based on the sale by Casino to Groupement Les Mousquetaires of the first group of sales outlet representing a turnover of €549m excluding VAT (cf. press release dated May 26, 2023), Casino group anticipates that there should be no liquidity issue until the end of the 2023 financial year assuming the level of activity of the brands remain the same in the coming months (notably the recovery of hypermarkets/supermarkets) and on the continuation of suppliers terms of payment (as is currently the case).

In the context of the conciliation, Cnova has undertaken various measures to mitigate the cash consumption: (i) the acceleration of its transformation towards a marketplace oriented business model, (ii) the reinforcement of the Efficiency plan launched in 2022 with additional measures in 2023, (iii) an inventory reduction plan to adapt as per new direct sales volumes, and (iv) the request of the standstill of the state guaranteed loan ("PGE") which was accepted by the bank syndicate as of July 27, 2023 for the conciliation period.

Up to the date of the authorization by the Board of Directors of these interim financial statements, Cnova has had unrestricted access to the defined financing facilities of the Casino group. In relation to the going concern assessment the continued unrestricted access to these defined financing facilities for the coming year including, if and when required, additional funding under the comfort letter provided by the Casino group, is a significant judgement and will depend on the successful implementation of the Agreement in Principle, as part of the conciliation proceedings.

In addition, as part of the going concern assessment, management of Cnova assumes no significant deterioration in performance compared to the business plan and cash forecast (as published on June 26, 2023) for the coming twelve months and no significant deterioration compared to current terms of payment for the key suppliers of Cnova.

It should be noted that these cash flow forecasts inherently involve significant assumptions and uncertainties at Cnova level, as they depend among other factors, on the level of business activity, the expected payment terms with suppliers in the coming months, the successful implementation of the Agreement in Principle agreed upon on July 27, 2023 between Casino group, the Consortium and some of the main creditors aiming at strengthening the Group's equity structure and restructuring its financial debt.

The aforementioned events and conditions indicate a material uncertainty exist that may cast notable doubt on Cnova’s ability to continue as a going concern and, therefore, Cnova may be unable to realize its assets and discharge its liabilities in the normal course of business.

Despite the identified material uncertainty towards Cnova’s going concern assumption, taking into account the assumptions in the cash forecast of Cnova and the positive expected outcome of the conciliation process at the level of Casino Group and Cnova, the Board of Directors considers it appropriate to prepare the interim financial statements on the going concern assumption and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Operational highlights

Operational highlights of the 1st half of 2023 demonstrate the successful shift towards Cnova's marketplace platform with a GMV share increasing by +8.7pts, dynamic Advertising services revenues increasing by +5% in the 1st semester 2023 and a steady NPS above +50, amongst the best satisfaction rates on the market.

Number of orders and items sold decreased by 15% and 19% respectively compared to last year, with a slightly increasing average number of items sold per order, while gross margin as a % of net sales grew by +7pts vs. 22, illustrating the positive impacts of our various actions to improve profitability.

Facing challenging market conditions, Cnova overall GMV decreased by -14% like-for-like[9] in the 1st semester 2023 confirming Cnova's strategic choice to accelerate its platform revenues with the development of its marketplace, advertising services and B2B activities with Octopia and C-Logistics. In this context of strong inflation headwinds, Cnova has launched dedicated offers and discounts to take part in the fight against inflation.

Furthermore, the 1st semester 2022 benefited from a strong base compared to the 1st semester 2023: 1H22 was before the drop in consumption index which occurred in April and May 2022 and GMV was boosted by a higher 4X payment take rate.

Business KPIs	2023 Half year	2022 Half year[10]	Change vs. 2022
Marketplace GMV share	58.3%	49.6%	+8.7pts
Marketplace revenues *(€m)*	91.4	89.7	+1.8%
Advertising services revenues *(€m)*	34.8	33.2	+5%
Traffic (million visits)	433.1	494.2	-12%
Number of orders *(millions)*	9.6	11.3	-15%
o/w Marketplace orders	*7.6*	*8.0*	*-5%*
Items sold *(millions)*	15.3	18.8	-19%
o/w Marketplace items sold	*11.6*	*11.9*	*-2%*

2nd quarter highlights

GMV	2Q23 vs. 22
Total like-for-like[5] GMV evolution	-13%
Net sales like-for-like[5] evolution	-22%
Marketplace GMV evolution	-2%
Travel GMV growth	+3%

[9] Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22

[10] 2022 figures have been restated to consider CChezVous disposal (discontinued operations)

In the 2nd quarter 2023, Cnova overall GMV decreased by -13% like-for-like[11], with positive dynamics compared to the 1st quarter 2023 (+2pts vs. 1Q23). This year-on-year evolution was driven by:

- **Direct sales** contributing -12.3pts (-30.8% y-o-y), as a result of the on-going voluntary strategic evolution from direct sales to marketplace, mostly for non-technical goods with low margins, as illustrated by the improvement of profitability for Domestic Appliances and Home categories in the 1st semester 2023. Direct sales were also impacted by a decreasing marketing intensity, as part of the Efficiency Plan, which supported GMV growth
- **Marketplace** contributing -1.0pt (-2.5% y-o-y) with the progressive shift towards a marketplace model offset by savings plans reducing marketing intensity which supported GMV growth. Marketplace delivered +8.4pts in GMV share in 2Q23 and Fulfilment marketplace GMV share has increased by +0.5pt, standing at 51.3% in 2Q23
- **B2C Services**[12] contributing +0.5pt (+9.5% y-o-y) especially due to Cdiscount Travel (+3% vs. 22)
- **B2B activities** contributing +0.8pt (x2 y-o-y) with:
    - **C-Logistics B2B** contributing +0.5pt (x9 y-o-y) notably driven by an increasing number of shipped parcels for external clients
    - **Octopia B2B** contributing +0.3pt (+54.0% y-o-y) driven by Merchants-as-a-Service and Marketplace-as-a-Service (x5 vs. 22) and Fulfilment-as-a-Service (+39% vs. 22)

Clients	2Q23
Active clients over the last 12 months (#m)	8.0
CDAV subscriber base[13] (#m)	1.7
CDAV GMV share	40.1%

The loyalty program *Cdiscount à Volonté* (CDAV) represented a 40.1% of total GMV in the 2nd quarter 2023, compared to 38.5% of total GMV in the 1st quarter 2023. Cdiscount loyalty program encompasses 1.7m members as at end of June 2023, with discounts and funds offered to clients enabling to strengthen customer loyalty. In the 1st semester 2023, the loyalty program was marked by a decreasing share of clients with free subscription.

Marketplace	2Q23	vs. 2022
Marketplace product GMV share	60.0%	+8.4pts
Cdiscount express seller GMV share	*15.8%*	*+1.4pts*
Fulfilment by Cdiscount GMV share	*35.5%*	*-0.9pts*
Total Fulfilment GMV share	51.3%	+0.5pts
Marketplace revenues (€m)	45.5	+2.3%
Advertising services revenues (€m)	18.0	+1.1%

[11] Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22
[12] Excluding Cdiscount Energy
[13] Subscriber base as of June 30th, 2023

First Half 2023 financial performance

Cnova N.V. (€m)	Half Year 2023	Half Year 2022[14]	Change vs. 2022
GMV	**1,380.2**	**1,784.7**	**-22.7%**
Net sales	612.5	874.3	-29.9%
Gross margin	**181.7**	**197.7**	**-8.1%**
As a % of Net sales	*29.7%*	*22.6%*	*+7.0pts*
As a % of GMV	*13.2%*	*11.1%*	*+2.1pts*
SG&A (excl. D&A)	-147.8	-183.1	+€35.3m
As a % of Net sales	*-24.1%*	*-20.9%*	*-3.2pts*
As a % of GMV	*-10.7%*	*-10.3%*	*-0.4pts*
EBITDA	**33.9**	**14.6**	**+€19.3m**
As a % of Net sales	*5.5%*	*1.7%*	*+3.9pts*
As a % of GMV	*2.5%*	*0.8%*	*+1.6pts*
Operating EBIT	-14.3	-33.5	+€19.2m
Net financial income / (expenses)	-26.8	-42.5	+€15.6m
Net profit / (loss) from cont. operations	-65.4	-69.4	+€4.0m
Net Profit from cont. op. before change in DTA[15] related to tax losses (non-cash)	**-47.4**	**-69.4**	**+€22.0m**

Net sales amounted to €612m in the 1st half 2023, a -30% decrease compared to 2022 and a -23% like-for-like[16] decrease compared to 2022. Net sales evolution has been impacted by the product mix shift from direct sales towards commission-based activities, leading to an improvement of profitability: Marketplace revenues have increased by +1.8% vs. 22 and B2C services[17] revenues showed a record performance (+27.2% vs. 22), mostly driven by Travel activities. Octopia B2B revenues have grown by +43%, mainly with 6 clients launched for its Marketplace-as-Service solutions and an increase in the number of parcels shipped by +30% vs. 22 for Fulfilment-as-a-Service clients such as Adeo and Too Good to Go. C-Logistics B2B revenues have increased by x8 vs. 22, driven by the launch of one new client and the increase in the number of shipped parcels. Advertising services revenues have increased by +5% vs. 22, amounting to €35m in the 1st semester 2023.

Gross margin was €182m in the 1st half 2023, representing 29.7% of net sales, increasing by +7pts vs. 22 and by +12pts compared to the pre-pandemic level (1st half of 2019). This gross margin rate increase over the past years demonstrates the success of the implementation of the strategic plan, with Marketplace revenues growing by +2% compared to last year (+28% vs. 19) and Advertising revenues increasing by +5% compared to last year (x2 vs. 19). Compared to 2022, direct sales margin was negatively impacted by an additional destocking initiative focused on SKUs with the most unfavorable inventory turnover to adjust inventories to current level of activity. Destocking initiatives on direct sales had a negative impact of -4.4pts on gross margin rate.

[14] 2022 figures have been restated to consider CChezVous disposal (discontinued operations)
[15] Deferred Tax Assets
[16] Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22
[17] Excluding Energy

SG&A (excluding D&A) costs amounted to €-148m in the 1st semester 2023, representing 24.1% of net sales, decreasing by -3pts vs. 22. During the 2nd quarter 2022, an Efficiency plan to recalibrate SG&A structure to current level of activity was launched.

- **Fulfilment costs (excluding D&A)** stood at 7.7% of net sales (-0.6pt vs. 22), improving by €15m compared to last year. Variable fulfilment costs (logistics, after sales and payment processing) were favourably impacted by lower volumes in the 1st semester 2023 compared to the 1st semester 2022. Fixed fulfilment costs benefited from the Efficiency Plan launched during the 2nd quarter 2022. Fulfilment costs are also positively impacted by initiatives aiming at optimizing costs associated to warehouses: improvement of warehouses productivity, simplification of warehouses network and close monitoring of warehouses capacity to adapt to business levels. Approximatively 50k sqm of warehouses were closed in June 2023, with further capacity optimization planned for the 2nd half 2023

- **Marketing costs (excluding D&A)** represented 5.6% of net sales (+0.1pt vs. 22), improving by €16m compared to last year, mostly due to lower volumes in the 1st semester 2023 driving down variable acquisition marketing costs along with benefits from the Efficiency Plan, notably savings on media campaigns and tools

- **Technology & Content costs (excluding D&A)** stood at 6.9% of net sales (-1.4pt vs. 22), improving by €6m compared to last year, mainly impacted by the Efficiency Plan launched in the 2nd quarter 2022 to slow down Octopia's commercial ramp-up and associated staff costs incurred, rationalize the Direct Sales dedicated FTEs while continuing to reinforce marketplace workforce, notably teams dedicated to sellers' care and support

- **General & Administrative expenses (excluding D&A)** represented 3.9% of net sales (-1.3pt vs. 22) and 2.2% of e-commerce GMV[18] (-0.5pt vs. 22). The 1st semester 2022 was impacted by positive non-recurring items. Adjusted from these impacts, General & Administrative costs would improve by €2m vs. 22 (-8%) despite inflation, thanks to the Efficiency Plan

Consequently, **EBITDA** amounted to €34m, improving by €19m compared to last year, representing 5.5% of net sales (+3.9pts vs. 22).

Depreciation & Amortization (D&A) amounted to €-48m in the 1st semester 2023. In accordance with IFRS 16, Depreciation & Amortization include the amortization of the right-of-use asset which represents lessees' right to exploit leased elements over the duration of a lease agreement, which were impacted by the rationalization of warehousing capacities to adapt to business levels, with significant impacts expected in the 2nd half of 2023 and full impacts expected in 2024.

Operating EBIT amounted to €-14m, improving by €19m vs. 22, with steady Depreciation & Amortization compared to last year.

Other non-recurring income / (expenses) amounted to €-3m in the 1st half 2023, decreasing by €-13m compared to last year. The 1st half of 2022 was impacted by costs related to the Efficiency plan and asset impairments partly offset by a positive gain on Floa assets disposal. In comparison, the 1st half of 2023 was mainly impacted by conciliation, transformation and restructuring costs.

[18] E-commerce GMV is equal to direct sales GMV combined to marketplace GMV

Net financial expenses - mainly related to 4-installment payment solutions offered to customers ("4X" - amounted to €-27m, improving by €16m compared to last year, mostly due to the decrease in 4X take rate from 47% in 1H22 to 44% in 1H23, with the optimization of customers' risk profiles which enabled a reduction in costs of risk, partly offset by higher financial interests.

Net loss amounted to €-66m, improving by €4m compared to last year. Adjusted for change in deferred tax assets related to tax losses (non-cash items at C-logistics level), net loss amounts to €-47m, an increase of €22m compared to last year mainly driven by positive impacts from EBITDA and Net financial expenses.

Free cash-flows *(€m)*	1H23	1H22	Change vs. 22
EBITDA	**33.9**	**14.6**	**+19.3**
(-) IFRS 16 rents	-17.7	-17.8	+0.1
(+/-) Change in working capital	-169.8	-66.7	-103.1
(-) Income taxes paid	-1.7	-1.8	+0.1
(-) Capital expenditures	-32.3	-47.6	+15.4
(+) Cash from disposals	4.8	20.5	-15.7
Free cash-flows[19]	**-182.8**	**-98.7**	**-84.0**
Free cash-flows excluding one-offs [20]	**-170.5**	**-195.8**	**+25.4**
Net Financial Debt	**-582.5**	**-469.6**	**-112.9**

Free cash-flows from continuing operations before financial interest and other products & charges amounted to €-183m in 1H23, decreasing by €84m compared to the same period last year.

This year-on-year negative change primarily stems from (i) the decrease in trade payables induced by credit insurers guarantees reduction and (ii) impacts from one-offs in 1H22 and 1H23:

- 1H22 benefitted from the sale of Géant inventories to Casino group, from the disposal of Floa Bank assets to BNP Paribas and from the deferred payment of tax and social liabilities
- 1H23 was mostly impacted by La Banque Postale receivables factoring punctual suspension, partly offset by remaining proceeds from the sale of CChezVous

Excluding these one-offs, Free cash-flows from continuing operations before financial interest and other products & charges increased by €25m, despite trade payables negative impact.

The variation of working capital stands at €-170m in the 1st semester 2023, mostly related to:

- The deterioration of trade payables mostly related to business seasonality and guarantees reductions by credit insurers implying earlier payments to suppliers
- The decrease in inventories driven by voluntary destocking, assortment rationalization and its evolution towards products with more favorable inventory turnover
- The reduction of trade receivables despite the punctual suspension of La Banque Postale factoring line

Limited **capital expenditures** amounted to €-32m in the 1st semester 2023, decreasing by +€15m compared to the 1st semester 2022, thanks to the strategic decisions taken since the 2nd quarter 2022 within the framework of the Efficiency plan aiming to adapt capital expenditures to the level of activity.

[19] Free cash-flows from continuing operations before financial interest and other products & charges
[20] Free cash-flows from continuing operations before financial interest and other products & charges adjusted from one-offs

Business Highlights

A record high marketplace GMV share with positive trends compared to pre-pandemic level:

- Marketplace recorded its all-time highest marketplace GMV share in 1H23 at 58.3% (+8.7pts vs. 22, +20.0pts vs. 19), confirming the mix evolution towards more marketplace revenues
- During the 1st semester 2023, marketplace GMV has decreased (-3.1% vs. 22), in a challenging market environment
- Marketplace revenues amounted to €91m in the 1st semester 2023, increasing by +1.8% vs. 22 (+27.8% vs. 19)
- Many new strategic partnerships with Marketplace sellers were formed, including companies specialized in childcare, consumer goods, automobile spare parts, electronic household appliances, connected home solutions, cycling and scooters and numerous others
- A specific strategic partnership has been established with a company dedicated to offering a second life to electronic devices such as scooters
- Expansion of express delivery eligible marketplace SKUs is a key driver of growth and customer satisfaction:
    - Fulfilment by Cdiscount marketplace GMV share stands at 35.2% for the 1st semester 2023
    - Cdiscount Express Seller, launched in 2019 for sellers able to offer express delivery to CDAV customers, covered 15.6% of marketplace GMV in the 1st semester 2023, increasing by +2.8pts compared to the 1st semester 2022

Cnova continues the **rationalization of its direct sales** assortment along with **actions towards inventories optimization**, including an additional destocking initiative focused on SKUs with the most unfavorable inventory turnover. Inventories have been closely monitored and adjusted to business levels over the last twelve months following the implementation of the Transformation plan focusing on shifting towards a profitable model with the voluntary evolution from direct sales to marketplace.

B2C services showed a record performance:
B2C Services GMV[21], excluding Energy, amounted to €80m in the 1st semester 2023, growing by +21% vs. 22. Cdiscount Voyages (travel) GMV has increased by 16% vs. 22:

- In a context of strong inflation, travel business has significantly grown particularly on recreation parks (+58% vs. 22), foreign packages (+10% vs. 22) and transport (+21% vs. 22)
- Cdiscount Voyages launched a pioneering commercial initiative named "*Travel Days*" which occurred from April 26th to May 9th
- Cdiscount Voyages also proposed multiple commercial offers during this semester with airline companies illustrating the reinforcement of airline companies' trust in Cdiscount Voyages

Steady NPS above +50, amongst the best satisfaction rates on the market and rewarding our focus on customers despite the financial constraints.

[21] Excluding Energy

Artificial intelligence-powered algorithms were implemented all along the customer journey over the past months, significantly enhancing the relevance of the Cdiscount.com search engine (+4.5pts in the search engine click rate in June 2023 compared to June 2022) with a continuous ramp-up of SKUs crawled since the beginning of 2022 from c. 1 million in January 2022 to c. 2 million as of today.

Cnova is **developing Generative Artificial Intelligence to improve customer and partner experience** and **enhance process efficiency**, leveraging on its +10 years Artificial Intelligence expertise and +30 data scientists. Over the 1st semester 2023:

- 2 use cases combining in-house algorithms with generative Artificial Intelligence models were successfully launched for product classification and customer chatbot
- A new dedicated steering team was assembled to accelerate Generative Artificial Intelligence deployment
- +30 use cases were already identified across all our business lines

Advertising services driven by Retail Media dynamics:

- Advertising services revenues reached €35m in 1H23 (+5% vs. 22), with growing GMV take rate standing at 3.8% (+0.8pts vs. 22)
- Advertising services growth is mainly supported by Retail Media (+16% vs. 22)
  - Marketplace sellers generated a €20m margin in 1H23 (+30% vs. 22)
  - Retail Media share on total Advertising revenues increased from 71% in the 1st semester 2022 to 79% in the 1st semester 2023
- Sponsored products performed well in the 1st semester 2023, growing by +14% vs. 22, with a strong increase in revenues generated for 1,000 pages viewed
- Actions have been implemented to boost Advertising services such specific "*Discover*" offers to recruit sellers and new algorithms to maximize sellers' GMV

Octopia B2B activities recorded a strong commercial expansion, with its turnkey marketplace solution for EMEA retailers and e-merchants:

- On the 14th and 15th of June 2023, Octopia Days were organized in Paris aiming to promote Octopia brand, generate business and federate Marketplace ecosystem, with 350 participants representing 24 distribution channels, 200 sellers and over 30 partners and sponsors
- Merchants-as-a-Service and Marketplace-as-a-Service B2B revenues stood at €1m in 1H23 (x2 vs. 22)
  - 6 clients were launched for Marketplace-as-Service and Merchants-as-a-Service solutions
  - The number of sellers onboarded on Octopia's platforms increased by x2 since end of December 2022
- Fulfilment-as-a-Service B2B revenues accounted for €8m in 1H23 (+36% vs. 22)
  - The number of parcels shipped increased by +30% in 1H23 vs. 22
  - Octopia has accelerated its recruitment of sellers which aim to outsource their fulfilment solutions
  - Octopia has also launched partnerships with marketplaces such as Adeo (in France and in Spain) and Too Good to Go in early 2023 for them to provide an improved service quality and end-to-end solutions to final clients

C-Logistics pursues the development of its B2B activities. C-Logistics B2B revenues amounted to €6m in 1H23 (x8 vs. 22) with an increase in the number of shipped parcels for external clients (x6 vs. 22)

- Since the successful launch of its third-party logistic solution for a European sportswear company in February 2023, C-Logistics has fulfilled approximatively 314k parcels for its new client
- C-Logistics has also pursued the implementation of another new client, specialized in luxury goods, aiming to start providing its services in early 2024

C-Logistics is also optimizing its costs and adapting its structure with the resizing of its transportation offers. Regarding warehouses, C-Logistics has improved its warehouses productivity by +6% between 1H22 and 1H23, has simplified its warehouses network and is closely monitoring its warehouses capacity to adapt to business levels.

C-Logistics ESG approach has been pursued with specific actions related to packaging. C-Logistics has decreased its energy consumption by -26% vs. the same period last year (from January to April).

Cnova is committed to **promoting a more responsible consumption** through its direct sales and marketplace product offer. Actions carried out by Cdiscount and Octopia aiming to develop "*more sustainable products*" (e.g., increasing the visibility of these products and guaranteeing affordable prices) enable a continuous acceleration of this offer. "*More sustainable products*" account for 15.8% of Cdiscount's Product GMV in the second quarter of 2023 (+4.7pts vs. 2022).

In order to strengthen its offer on the second-life market (smartphones, tablets, consoles and even baby strollers), Cdiscount is **positioning itself as a pioneer on the reconditioned electric scooter market**: C-Logistics collects the scooters returned by Cdiscount customers, sends them to our partner Envie where their teams repair them, test them, clean them before reconditioning them. These scooters are then put back on the market, via the Cdiscount marketplace at a reduced price.

Cnova is also taking action to **reduce the impact of its operations**:

- Cdiscount and C-Logistics have joined the study group dedicated to the writing of an AFNOR SPEC "*E-commerce: information to consumers on the environmental impact of their delivery choice*", aiming to define a reference framework for environmental display when the consumer chooses its delivery method on Cdiscount's website. This should be deployed on Cdiscount's website in 2023
- C-Logistics reinforced its successful initiatives to delete cardboard waste and optimize its delivery efficiency. All the actions/investments in terms of reducing packaging (3D/2D machines, reusable packaging, non-packaging, etc.) have made it possible to have a reduction of the parcel emptiness on more than 86% of our less than 30kg shipments in the first half of 2023

Cnova pursues its **social and societal commitment in favor of gender parity**:

- Cnova initiated a 3-year partnership with Make.org (an independent platform promoting the engagement of the civil society to address social matters) to tackle the inequalities suffered by women. Within this frame, Cnova widely relayed Make.org's citizen consultation across its communication channels, contributing to its success (over 250k French citizens participated). As the result of this consultation, Cnova will develop job mentoring for women in the tech sector
- CNova is also a sponsor of the "*Quartiers Numériques*" program of Bordeaux Mécènes Solidaires (a territorial foundation supporting companies in their sponsorship policy in Gironde) which aims to develop training in computer tools and allow digital autonomy to people in difficulty, in priority suburbs but also in rural areas. Since 2020, 2000 people have been trained in this way in the Bordeaux region thanks to this program

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Cnova publishes today on its website, Friday July, 28th, its 2023 semi-annual report.

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About Cnova N.V.

Cnova N.V., the French ecommerce leader, serves 8.0 million active customers via its state-of-the-art website, Cdiscount. Cnova N.V.'s product offering provides its B2C clients with a wide variety of very competitively priced goods, fast and customer-convenient delivery options, practical and innovative payment solutions as well as travel, entertainment and domestic energy services. Cnova N.V. also serves B2B clients internationally through Octopia (Marketplace-as-a-Service solutions), Cdiscount Advertising (advertising services for sellers and brands) and C-Logistics (end-to-end logistic ecommerce solution). Cnova N.V. is part of Casino group, a global diversified retailer. Cnova N.V.'s news releases are available at www.cnova.com. Information available on, or accessible through, the sites referenced above is not part of this press release.

This press release contains regulated information (gereglementeerde informatie) within the meaning of the Dutch Financial Supervision Act (Wet op het financieel toezicht) which must be made publicly available pursuant to Dutch and French law. This press release is intended for information purposes only.

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Cnova Investor Relations Contact:
investor@cnovagroup.com
Tel : +33 6 79 74 30 94

Media contact:
directiondelacommunication@cdiscount.com
Tel: +33 6 18 33 17 86
cdiscount@vae-solis.com
Tel: +33 6 17 76 79 71

Appendices

Cnova N.V. Half-year 2023 Consolidated Financial Statements[1]

Consolidated Income Statement (€m)	Half Year 2023	Half Year 2022*	*Change*
Net sales	**612.5**	**874.3**	**-29.9%**
Cost of sales	-430.8	-676.5	-36.3%
Gross margin	**181.7**	**197.7**	**-8.1%**
% of net sales	*29.7%*	*22.6%*	*+7.0pts*
SG&A[2]	**-196.0**	**-231.3**	**-15.3%**
% of net sales	*-32.0%*	*-26.5%*	*-5.5pts*
Fulfilment costs	-61.2	-77.5	-21.1%
Marketing costs	-34.7	-50.3	-31.1%
Technology & Content costs	-74.1	-78.4	-5.5%
General & Administrative costs	-26.0	-25.0	+3.9%
Operating EBIT[3]	**-14.3**	**-33.5**	**-57.4%**
% of net sales	*-2.3%*	*-3.8%*	*+1.5pts*
Other expenses	-3.0	10.1	-129.8%
Operating profit / (loss)	**-17.3**	**-23.4**	**-26.1%**
Net financial income / (expense)	-26.8	-42.5	-36.8%
Profit / (loss) before tax	**-44.1**	**-65.9**	**-33.0%**
Income tax gain / (expense)	-21.3	-3.5	n.m.
Net profit / (loss) from continued operations	**-65.4**	**-69.4**	**-5.8%**
Net profit /(loss) from discontinued operations[4]	-0.2	-0.4	-59.4%
Net profit/(loss) for the period	**-65.6**	**-69.8**	**-6.1%**
% of net sales	*-10.7%*	*-8.0%*	*-2.7pts*
Attributable to Cnova equity holders[6]	-63.9	-70.3	-9.1%
Attributable to non-controlling interests[6]	-1.6	0.5	n.m.
Adjusted EPS (€)[5]	**-0.19**	**-0.20**	**-5.0%**

**re-presented to consider CChezVous financials reclassified in discontinued activities*

1) *Unaudited financial statements*
2) *SG&A: selling, general and administrative expenses*
3) *Operating EBIT: operating profit/(loss) before other expenses (strategic and restructuring expenses, litigation expenses and impairment and disposal of assets expenses)*
4) *In accordance with IFRS5 (Non-current Assets Held for Sale and Discontinued Operations), HALTAE (formerly Stootie)'s post-tax net profit for the half-year ended June 30, 2023 and 2022 are reported under "Net profit/(loss) from discontinued operations"*
5) *Adjusted EPS: net profit/(loss) attributable to equity holders of Cnova before other expenses and the related tax impacts, divided by the weighted average number of outstanding ordinary shares of Cnova during the applicable period*
6) *Including discontinued*

Consolidated Balance Sheet (€m)	2023 End June	2022 End December
ASSETS		
Cash and cash equivalents	9.7	13.7
Trade receivables, net	60.8	83.0
Inventories, net	111.4	145.9
Current income tax assets	2.0	2.9
Other current assets, net	162.1	319.2
Total current assets	**346.0**	**564.6**
Other non-current assets, net	12.3	12.6
Deferred tax assets	22.7	42.2
Right of use, net	103.8	115.8
Property and equipment, net	18.3	19.1
Intangible assets, net	228.3	233.2
Goodwill	60.7	60.7
Total non-current assets	**446.1**	**483.7**
Assets held for sale	**0.0**	**0.0**
TOTAL ASSETS	**792.1**	**1,048.3**
EQUITY AND LIABILITIES		
Current provisions	6.1	9.1
Trade payables	227.1	428.9
Current financial debt	100.2	127.9
Current lease liabilities	35.8	35.8
Current tax and social liabilities	76.6	67.0
Other current liabilities	179.9	210.5
Total current liabilities	**625.7**	**879.2**
Non-current provisions	5.6	6.0
Non-current financial debt	493.9	414.5
Non-current lease liabilities	91.5	105.3
Other non-current liabilities	15.8	18.1
Deferred tax liabilities	1.2	1.3
Total non-current liabilities	**608.1**	**545.2**
Share capital	17.3	17.3
Reserves, retained earnings & additional paid-in capital	-529.2	-465.2
Equity attributable to equity holders of Cnova	**-512.0**	**-448.0**
Non-controlling interests	**70.3**	**71.8**
Total equity	**-441.7**	**-376.1**
TOTAL EQUITY AND LIABILITIES	**792.1**	**1,048.3**

Consolidated Cash Flow Statement *(€m, ended June)*	Half-year 2023	Half-year 2022
Net profit (loss) attributable to equity holders of the Parent	-63.7	-68.2
Net profit (loss) attributable to non-controlling interests	1.6	0.5
Net profit (loss) from continuing operations	**-65.4**	**-67.7**
Depreciation and amortization expense	48.5	48.2
(Gains) losses on disposal of non-current assets and impairment of assets	0.8	-18.4
Other non-cash items	-3.3	1.9
Financial expense, net	26.8	42.4
Current and deferred tax expenses	21.3	3.3
Income tax paid	-1.7	-1.8
Change in operating working capital	-169.8	-66.7
Inventories of products	34.5	86.1
Trade payables	-202.7	-205.8
Trade receivables	24.6	68.7
Others	-26.2	-15.6
Net cash from / (used in) continuing operating activities	**-142.8**	**-58.8**
Net cash from / (used in) discontinued operating activities	**0.2**	**-2.3**
Purchase of property, equipment & intangible assets	-32.2	-47.6
Purchase of non-current financial assets	-0.1	-0.1
Proceeds from disposal of prop., equip., intangible assets	4.8	20.5
Changes in loans granted (including to related parties)	155.6	-8.8
Net cash from / (used in) continuing investing activities	**128.1**	**-35.9**
Net cash from / (used in) discontinued investing activities	**-0.1**	**-0.1**
Dividends paid to the non-controlling interests	-	-0.0
Additions to financial debt	79.4	90.6
Repayments of financial debt	-10.2	-3.7
Repayments of lease liability	-13.9	-13.8
Interest paid on lease liability	-3.8	-3.9
Interest paid, net	-27.2	-40.5
Net cash from / (used in) continuing financing activities	**24.2**	**28.6**
Net cash from / (used in) discontinued financing activities	-0.4	**-**
Effect of changes in foreign currency translation adjustments	0.0	0.0
Change in cash and cash equivalents from continuing operations	**9.6**	**-66.1**
Change in cash and cash equivalents from discontinued operations	**-0.3**	**-2.5**
Cash and cash equivalents, net, at period begin	**-54.3**	**17.1**
Cash and cash equivalents, net, at period end	**-45.0**	**-51.4**

Upcoming Event

Tuesday, August 1st, 2023 at 9:30 am Central European Summer Time (CEST)	Cnova 2023 Half-Year Results Conference Call & Webcast

Conference Call and Webcast connection details

Conference Call Dial-In:
https://register.vevent.com/register/BIff151965f90c4719824aa306b027ace1

Webcast:
https://edge.media-server.com/mmc/p/2h63zwiw

An archive of the webcast will be available for 12 months with the usage of the webcast link