

CNOVA N.V.

Preliminary financial performance at the end of June

AMSTERDAM – July 26, 2023, 21:30 CEST Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”), in the context of the conciliation procedure in which the Company’s controlling shareholder Casino, Guichard-Perrachon S.A. (“Casino”) is engaged¹ and is currently negotiating a term sheet with the Consortium, today provides an update on its GMV, net sales, EBITDA and EBIT performance in the first half of 2023².

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-like³ 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 two new clients 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**

Preliminary GMV performance (€m)	2023	2022	Change vs. 2022	
	Half year	Half year ⁴	Reported	L-f-L ⁵
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

¹ Refer for more context to <https://www.groupe-casino.fr/en/announcements/> and <https://www.cnova.com/investor-relations/press-releases/>, especially the press release & associated presentation published by Cnova and Casino on June 26th, 2023 <https://www.cnova.com/wp-content/uploads/2023/06/2023-06-26-Cnova-NV-PR-Information-re-Conciliation-and-Activity.pdf> <https://www.groupe-casino.fr/wp-content/uploads/2023/06/2023-06-26-CP-Communication-Groupe-Casino.pdf>

² All figures contained herein are unaudited and may differ from the figures that will be presented in our 2023 half-year report. The Company intends to update these figures in the course of its ordinary quarterly and (semi) annual reporting.

³ Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22

⁴ 2022 figures have been restated to consider CChezVous disposal (discontinued operations)

⁵ Like-for-like figures exclude CChezvous, Géant and Cdiscount Energy for 1H22

Preliminary financial performance at the end of June - unaudited

Cnova N.V. (€m)	Half Year		Change vs. 2022
	2023	2022 ⁶	
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%
<i>As a % of Net sales</i>	<i>29.7%</i>	<i>22.6%</i>	<i>+7.0pts</i>
<i>As a % of GMV</i>	<i>13.2%</i>	<i>11.1%</i>	<i>+2.1pts</i>
SG&A (excl. D&A)	147.8	-183.1	-19.3%
<i>As a % of Net sales</i>	<i>-24.1%</i>	<i>-20.9%</i>	<i>-3.2pts</i>
<i>As a % of GMV</i>	<i>-10.7%</i>	<i>-10.3%</i>	<i>-0.4pts</i>
EBITDA	33.9	14.6	+131.8%
<i>As a % of Net sales</i>	<i>5.5%</i>	<i>1.7%</i>	<i>+3.9pts</i>
<i>As a % of GMV</i>	<i>2.5%</i>	<i>0.8%</i>	<i>+1.6pts</i>
Operating EBIT	-14.3	-33.5	-57.4%

Net sales amounted to €612m in the 1st half 2023, a -30% decrease compared to 2022 and a -23% like-for-like⁷ 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 services⁸ 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 2 new clients 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 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 highest inventory turnover to adjust inventories to current level of activity. Destocking initiatives on direct sales had an impact of -4.4pts on gross margin.

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), decreasing 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. Approximately 50k sqm of warehouses were closed in June 2023, with further capacity optimization planned for the 2nd half 2023

⁶ 2022 figures have been restated to consider CChézVous disposal (discontinued operations)

⁷ Like-for-like figures exclude CChézvous, Géant and Cdiscount Energy for 1H22

⁸ Excluding Energy

- **Marketing costs (excluding D&A)** represented 5.6% of net sales (+0.1pt vs. 22), decreasing 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), decreasing 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 GMV⁹ (-0.5pt vs. 22). The 1st semester 2022 was impacted by positive non-recurring items. Adjusted from these impacts, General & Administrative costs would amount to €2m vs. 22 (-8%) despite inflation

Consequently, **EBITDA** amounted to €34m, increasing 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, increasing by €19m vs. 22, with steady Depreciation & Amortization compared to last year.

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⁹ E-commerce GMV is equal to direct sales GMV combined to marketplace GMV

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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 Groupe Casino, 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.

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