

CNOVA N.V. Third Quarter 2022 activity & update

Cnova posted a -15% like-for-like GMV decrease in Q3 vs. 2021 with a resilient marketplace at -3 % in a persistent context of macro-economic uncertainties and disruptions:

- Marketplace GMV: -3% vs. 3Q21 (+7% vs. 3Q19)
- Marketplace GMV share: 52% on average in 3Q22 (+9pts vs. 3Q21, +12pts vs. 3Q19)
- Marketplace supported by an increase in express delivery share up to 52% (+7 pts vs. 3Q21)

Long-term growth strategic pillars well-oriented:

- Marketplace revenues: €45m in 3Q22 stable vs. 2021 (+26% vs. 3Q19)
- Advertising services: €17m in 3Q22, 2.6% GMV take rate (+0.5pt vs. 3Q21, +1.4pt vs. 3Q19)
- B2B expansion: 25 clients signed for Octopia's marketplace solutions at end 3Q22

Efficiency plan to recalibrate SG&A and CAPEX by 2023 is on track confirming year-end target of +€30m

Cnova reinforces its industrial partnership with Group La Poste/GeoPost:

- Acquisition by GeoPost of a 95% majority stake in CchezVous, subsidiary dedicated to the transportation of bulky products, for €64m¹
- Extend collaboration to deliver small parcels throughout Europe

Cnova's ESG performance outlined concretely by:

- 12% of Cdiscount's Product GMV were made on "more sustainable" products
- C-Logistics continues implementing solutions to reduce the environmental impact of its logistics
- Cdiscount was again awarded for its Gender Parity policy

AMSTERDAM – October 20, 2022, 07:45 CET Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) ("Cnova") today announced its third quarter 2022 activity.

During the 3rd quarter of 2022, in a context still marked by uncertain macro-economic conditions and inflation headwinds, **Cnova's overall GMV decreased by -15% on a like-for-like basis**, compared to a high comparison base in 2021, with a strong mix improvement towards marketplace driving advertising services revenues expansion.

Marketplace GMV decreased by -3% in the 3rd quarter of 2022 but increased by +7% vs. pre-pandemic level of 2019 while its revenues increased by +26% over the last 3 years. The strategic mix improvement towards marketplace brought its GMV share up to 52% in the 3rd quarter, a more than +9pts increase in just a year. This result was supported by the Fulfilment by Cdiscount and Cdiscount Express Seller marketplace GMV share reaching a record high level of 52% in the 3rd quarter, increasing by +7pts vs. 2021, and dedicated co-financed promotions from top sellers.

Advertising services revenues reached €17m in the 3rd quarter of 2022 now representing nearly 2.6% of Product GMV, an increase of +0.5pt vs. 2021, driven by Cnova's in-house bidding platform: *Cdiscount Ads Retail Solution* ("CARS") revenues increased by +22% in the 3rd quarter compared to 2021.

B2B investments began to yield positive results with Octopia Marketplace and Merchants-as-a-Service solutions gaining traction and now accumulating 25 clients of which 9 are already live, proving the quality and competitiveness of its all-in-one solution.

Last quarter, Cnova announced the implementation of an **Efficiency Plan** aiming at swiftly **recalibrating its cost structure & capex level** to the current volume of activity. The plan triggered **€75m of projected savings** on a full-year basis by the end of 2023, at the end of the 3rd quarter, the execution is on-track to deliver the expected savings of €30m in the 2nd half of the year.

Emmanuel Grenier, Cnova's CEO, commented:

"In the 3rd quarter of 2022, while facing continuous adverse market conditions, Cnova's priority was to successfully deliver its Efficiency Plan, which is on-track with targets, and to keep investing in its core strategic pillars: marketplace share has increased tremendously and reached a record high, advertising services are fast increasing their penetration in GMV. Octopia is dynamic and developing well."

¹ Amount subject to potential closing adjustments.

Third Quarter 2022 Key Figures

Cnova N.V.	Third Quarter ²		Change	
	2022	2021	Reported	L-f-L ³
Key operational metrics				
Traffic (million visits)	228.3	247.4	-7.7%	
Orders ⁴ (million)	5.3	6.4	-16.8%	
o/w Marketplace	4.0	4.2	-4.3%	
Items sold (million)	8.7	11.0	-21.5%	
o/w Marketplace	6.0	6.1	-1.5%	
Key financial figures (€m)				
Total GMV	778.8	1,006.4	-22.6%	-15.3%
Ecommerce platform	755.2	984.1	-23.3%	-15.8%
o/w Direct sales	305.0	450.7	-32.3%	
o/w Marketplace	332.4	342.2	-2.9%	
Marketplace share ⁵	52.2%	43.2%	+9.0pts	
o/w Advertising services	19.8	19.8	-0.2%	
o/w Services	33.7	75.2	-55.2%	+36.5%
o/w Other revenues	64.4	96.2	-33.1%	+8.1%
B2B activities	23.6	22.3	+5.9%	
o/w Octopia	22.4	22.1	+1.1%	
o/w C-logistics ⁶	1.3	0.2	x6.9	
Total Net Sales	378.8	525.6	-27.9%	-23.4%

Third Quarter 2022 Highlights

GMV	3Q22
Total like-for-like ² growth	-15.3%
Marketplace growth	-2.9%
Travel growth	+37.9%
Octopia growth	+1.1%

GMV posted a resilient -15.3% like-for-like decrease in the 3rd quarter 2022 in line with market trends. This year-on-year change was driven by:

- **Direct Sales** contributing -14.5pts (-32.3% y-o-y), as a result of **the on-going voluntary strategic shift to marketplace, mostly for low contribution margin non-technical goods**, but preserving and still benefiting from strengthened relationships with top international brands.

² All figures are unaudited

³ Like-for-like figures exclude cross-canal sales and Cdiscount Energy GMV for 3Q21 and 3Q22

⁴ Total placed orders before cancellation due to fraud detection and/or customer non-payment

⁵ Calculated as marketplace GMV divided by total product GMV (Marketplace GMV + Direct sales GMV)

⁶ ChezVous B2B net sales not included after disposal to Geopost of a 95% majority stake

- **Marketplace** contributing -1.0pt (-2.9% y-o-y) while delivering +9pts in GMV share. Cnova raised quality standards through better delivery services with 52% free express delivery share in the 3rd quarter and co-financed promotion initiatives with top sellers.
- **B2C Services** contributing +1.0pt (+36.5% y-o-y), among which Travel alone brought +0.8pt to Cnova growth (+37.9% y-o-y).
- **Octopia** has neutral contribution (+1.1% y-o-y). Products-as-a-Service historical retail offer was impacted by current ecommerce market headwinds in Europe (-15.7% vs. 2021) compensated by Fulfilment-as-a-Service offer which continued to accelerate (+79.5% vs. 2021 compared to a year-on-year increase of +26.1% in the 2nd quarter 2022).

Marketplace	3Q22	Change vs. 3Q21
Marketplace product GMV share ⁴	52.2%	+9.0 pts
Marketplace Fulfilment + Express sellers GMV share	52.4%	+7.2 pts
Marketplace revenues	€44.7m	+0.2%
Advertising services Product GMV take rate ⁷	2.6%	+0.5 pt

Marketplace posting a 30pts growth differential against first party sales vs. the same period last year, decreasing overall by -2.9%. Raised quality standards, with NPS up 1.6pts y-o-y to 51 in the 3rd quarter, led to a fast-increasing marketplace GMV share this quarter up to 52.2%. As part of this strategy, Fulfilment by Cdiscount and Express seller program continued to be very dynamic now representing 52.4% of marketplace GMV in the 3rd quarter, an increase of 7.2 pts vs. last year.

Clients	3Q22	Change vs. 3Q21
Active clients	8.8	-14.5%
CDAV subscribers base (m)	2.5	+2.9%
CDAV GMV share	44.4%	+3.1pts

Our loyalty program Cdiscount à Volonté (CDAV) customer base grew by +2.9%, reaching 2.5 million members. CDAV represented 44.4% of total GMV in the 3rd quarter 2022, an increase of +3.1pts vs. 2021. CDAV members show three times more purchase recurrence and loyalty than non-CDAV clients.

Net Sales	3Q22
Total like-for-like ² growth	-23.4%

Net Sales amounted to €378.8m, i.e. a -23.4% like-for-like decrease vs. 3rd quarter 2021. This decrease is primarily driven by the voluntary mix improvement towards marketplace especially for non-technical goods categories with negative contribution margin.

⁷ Calculated as advertising services revenues divided by total product GMV (Marketplace GMV + Direct sales GMV)

Business Highlights

Fast expanding marketplace GMV share and stable Marketplace revenues with accelerated positive trends compared to pre-pandemic level

- The Marketplace decreased by -2.9% in the 3rd quarter vs. last year but grew by 7.1% over the last 3 years with raised quality standards applied to merchants and a record high NPS of 51 in the 3rd quarter (+1.6pts vs. 2021).
- This led to a 52.2% Marketplace GMV share in the 3rd quarter 2022, and record-high increase of +9.0pts.
- Marketplace revenue generation, supported by Advertising services, was stable year-on-year but grew by **+25.7%** over the past three years, reaching **€44.7m in the 3rd quarter** and **€189m** at end September over the last twelve months.

Expansion of marketplace SKUs eligible to express delivery is a key driver of growth, customer satisfaction and contributes to the development of our loyalty program, *Cdiscount à Volonté* (CDAV), that now encompasses 2.5 million members. It is also determinant to support the product mix re-orientation towards the marketplace

- **Fulfilment by Cdiscount** kept growing at a fast pace, with a +21.4% increase in the assortment fulfilled for our marketplace sellers supporting a 38% marketplace GMV share. A consequent effort is made to provide always more quality by recruiting top sellers with now a wider assortment than traditional retail sales.
- **Cdiscount Express Seller**, launched in 2019 for sellers able to offer express delivery to CDAV customers, extended its offering compared to the previous quarter, to reach 3.4 million eligible SKUs, a +65% increase compared to last year.

B2C Services showed solid performance while the offer was expanded

- **B2C Services** GMV, excluding Energy, amounted to €33m in the 3rd quarter 2022, up +36% vs. last year.
- **Cdiscount Voyages** (travel) experienced a significant growth, posting a strong +38% GMV growth vs. 2021.
- **Cdiscount Mobile** (cell phone plans) experienced a significant acceleration, posting a strong +50% GMV growth vs. 2021 and improved margin thanks to product mix evolution.

Dynamic Advertising services powered by Cdiscount Ads Retail Solution

- **Advertising services revenues** was stable in the 3rd quarter, despite product GMV decreasing by -16.4%, with a take rate over product GMV increasing fast to represent now 2.6%, +0.5 pt compared to last year, reinforcing Cnova's most profitable activity.
- The resilient revenues were supported by Cnova's proprietary solution launched in the 2nd quarter 2020, **Cdiscount Ads Retail Solution (CARS)**, a 100% self-care advertising platform enabling both sellers and suppliers to promote their products and brands. Cdiscount was ranked top five as one of the most relevant French national brands in 2022 for targeted advertising services by a Kantar media study. This is the result of Cdiscount's native sponsored products customer experience driven by AI-powered algorithms.

Acceleration of Octopia, the turnkey marketplace solution for EMEA retailers and e-merchants

- Octopia GMV was stable in the 3rd quarter as decreasing historical Products-as-a-Service offer was compensated by strong performance from Fulfilment-as-Service solution
- The commercial ramp-up is very promising and still accelerating:
 - **Merchants-as-a-Service** and **Marketplace-as-a-Service** solutions already convinced several international players, now accumulating 25 clients of which 9 are already live.
 - **Fulfilment-as-a-Service** activity is accelerating with +79.5% growth in the 3rd quarter compared to 2021 multiplying by 3 its year-on-year growth rate compared to the 2nd quarter of 2022.

C-Logistics reinforces its industrial partnership with Group La Poste/GeoPost through the acquisition by GeoPost of a majority stake in C Chez Vous, C-Logistics' subsidiary dedicated to the transportation of bulky products, for a consideration of 64 million euros. Both parties agreed to extend their collaboration to deliver small parcels throughout Europe, enabling C-logistics to accelerate its international expansion, reinforcing Cnova's B2B strategic pillar.

Cnova continues its action plan in favour of a more sustainable e-commerce:

- "More sustainable" products (energy-efficient and more repairable products, products certified by recognised labels, Made in France and refurbished products) continue to appeal to consumers and reached 12% of Cdiscount's product sales in Q3 2022.
- C-logistics continues implementing solutions to reduce the environmental impact of its logistics:
 - Deliveries made with alternative means of transportation increased by x1.7 yoy for the last kilometers on light parcels
 - More than 70k SKUs are now eligible to Hipli's packaging solution, a French start-up developing reusable packaging
- Cdiscount has reduced its energy consumption by -13.5% in 2021 compared to 2019 and announced a -21% reduction by 2023. Measures to reach this goal will range from reduced energy consumptions in the offices and warehouses to employee awareness campaigns.
- Cdiscount was awarded the #1 price on gender parity by LSA's 2022 ranking. This trophy rewards the company's gender parity policy as well as its 3-years partnership with Make.org.

About Cnova N.V.

Cnova N.V., the French ecommerce leader, serves 8.8 million active customers via its state-of-the-art website, Cdiscount. Cnova N.V.'s product offering provides its 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. 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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