

CNOVA N.V. First Quarter 2019 Activity

AMSTERDAM – April 12, 2019, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter ended March 31, 2019.

- **GMV: 906 million euros, acceleration of organic¹ growth vs previous year**
 - 1Q19: +9.2% vs 1Q18: +6.1%
 - More diversified organic growth
 - Driven by marketplace (+3.7pts growth contribution), B2C services (+2.9pts contribution) and showrooms (+2.9pts contribution)
- **Drawing more loyal and engaged customers**
 - 22m UMV² driven by the highest market mobile growth in January (+28%)
 - CDAV: +16% y-o-y membership, 34.8% GMV share (+1.1 pts vs 1Q18)
- **Solid expansion of the marketplace and its associated services**
 - 1Q19 Marketplace GMV share³: 35.8% (+3.2 pts)
 - *Fulfillment by Cdiscount*: +46% GMV growth; +5.2 pts marketplace GMV share
- **Ramp-up of the B2C services platform driven by travel expansion**
 - *Cdiscount Voyages* expanding very fast: x3 GMV vs 4Q18
 - *Cdiscount Energie* still dynamic: x2.4 GMV vs 1Q18
- **Expansion of Europe-wide deliveries with an ambitious growth plan**
 - 11 marketplaces directly connected (+8 vs end 2018) delivering 20 countries
- **Innovation in constant progress across all fields**
 - x2 IT teams dedicated to Artificial Intelligence in the last 2 years
 - x3 enhancement in profitability of real-time personalized promotions
 - NoMagic.AI self-learning picking arm 100% operational
 - Success of logistics & marketing incubators (*The Warehouse & Le Lab*) with 100+ applications

Emmanuel Grenier, Cnova CEO, commented:

“Beginning of the year continued along the same dynamic and supported by the trends observed in Q4 which again shows the relevance of our 2018 strategic initiatives: a booming marketplace, very strong performance of B2C services platform especially travel, development of international sales and roll-out of showrooms.

This first quarter also marked a significant acceleration in innovation across all our business lines with the launch of “Le Lab” marketing incubator, the success of Agrikolis partnership among the 2nd round selection of The Warehouse and Nomagic.AI self-learning arm which is now fully operational. Throughout the rest of 2019, we intend to push our artificial intelligence technological edge with a focus on customer experience enhancement and operational performance improvement.”

¹ Organic growth: figures include showroom sales and services; exclude technical goods and home category sales made in Casino Group’s hypermarkets and supermarkets (total exclusion impact of +4.4 pt on GMV growth) and 1001Pneus/Stootie GMV, companies acquired in 4Q18, (total exclusion impact of -1.3pt on GMV growth)

² Unique Monthly Visitors, source Médiamétrie in January 2019

³ Marketplace GMV shares have been adjusted to take into account coupons and warranties and exclude CDAV subscription fee. 1Q18 GMV share has therefore been adjusted by +0.1pt for comparison purposes

1st Quarter 2019 Highlights

Organic GMV (gross merchandise volume) posted an increase of +9.2% in the 1st quarter 2019 versus the same period in 2018. GMV growth was notably driven by the marketplace (+3.7 pts contribution to organic growth), B2C services such as travel and energy (+2.9 pts contribution) and Géant showrooms (+2.9 pts contribution). The 1st quarter also benefited from successful winter sales and the 3 “Cdiscount Days” weeks in March with more than 700 attractive deals. Among B2C services, the popularity of travel services exceeded expectations with a GMV that nearly tripled over the 1st quarter 2019 compared to the previous quarter.

The marketplace acceleration remains a **key priority for 2019** to achieve Cdiscount’s profitable growth objectives. Marketplace GMV share reached 35.8% in the 1st quarter 2019, an increase of +3.2 points. The GMV fulfilled by Cdiscount again experienced a very high +46% growth and gained +5.2 points in marketplace GMV.

Net sales amounted to €527 million in the 1st quarter 2019, a +4.4% organic growth compared to the same period in 2018. The profitable marketplace strategic expansion, which displaces a certain amount of direct sales revenue (essentially only marketplace commission fees are included in total revenue) and the structural decrease in Géant non-food sales⁴ have been more than compensated by the successful introduction of new revenue streams coming from showrooms and more diversified monetization initiatives.

Traffic at Cdiscount totaled 255 million visits in the 1st quarter 2019, representing the increasing use of **mobile**, where traffic grew by +15% y-o-y, representing 68% share of total traffic (+5.7 points) and 45.5% of the GMV (+5.0 points). Since the beginning of 2019, Cdiscount consolidated its #2 status in terms of unique monthly visitors (“UMV”) on both desktop and mobile platforms, supported by the highest market growth at +11% y-o-y overall and +28% on mobile. The gap over the #3⁵ increased up to 2 million UMV. In addition, the Cdiscount app downloads increased by +18% y-o-y.

Cdiscount’s loyalty program, **Cdiscount à Volonté** (“CDAV”) grew its subscriber base by +16% and reached 34.8% of the GMV.

As part of its marketing strategy and best-in-class client experience, Cdiscount is always strengthening its bond with customers. On the **main social media**, in addition to its extensive 2.9 million fan base (+27% y-o-y), Cdiscount continues to work on developing its specialized communities, with thematic pages successfully developed around Gaming (210k fans, x2 y-o-y), Home & Decoration (600k fans) and more recently, Travel (already more than 80k fans).

⁴ From June 2017, Cdiscount has been managing the Hi-tech and Home Furnishing product categories of Géant hypermarkets and Casino integrated supermarket as part of their multichannel strategy

⁵ January Médiamétrie study.

Key Business Highlights

Development of the marketplace and its associated services

- The marketplace is at the heart of our **profitable growth strategy**, being a key component of our **platform of products** and an essential contributor to our **monetization initiatives**.
- The marketplace gained **+3.2 points in total GMV share** to reach 35.8%. This double-digit growth was supported by the strong performance of Hi-Tech (+20% GMV) and small Home products (+33%).
- The number of SKUs available was up +30% to reach 52 million at the end of March 2019.
- The **Fulfillment by Cdiscount** service pursued its fast development: GMV fulfilled by Cdiscount increased by 46% and gained +5.2 points in marketplace GMV share.
- **Marketplace vendor value added services** are still progressing at a fast pace, enhancing vendors' loyalty and boosting their sales while improving customer satisfaction:
 - **Premium Packs** (bundled offers of services) revenue grew by +83%.
 - **Marketing activity** (Cdiscount Ads) experienced a strong +60% growth, with the launch of two new client acquisition products, based on machine learning algorithms.
 - **Cdiscount Transport** now gives access to Cdiscount's most loyal CDAV clients, while leaving the inventory management in the hands of the vendors.

Ramp-up of the B2C services platform

- **Cdiscount Energie** subscriptions continued to expand at a double-digit rate in the 1st quarter 2019. GMV increase represented a multiplying factor of 2.4 compared to the same period last year.
- **Cdiscount Voyages** (travel) posted an outstanding performance, tripling its GMV in the 1st quarter 2019 compared to the previous one.
- **Cdiscount Billeterie** (ticketing), launched at the end of 3Q18, keeps expanding its offer through new partnerships with Billetreduc and Funbooker.
- Creating synergies with its recently acquired company **Stootie**, whose extensive service offerings are now available on Cdiscount website (booking of peer-to-peer **day-to-day services** from handiwork assistance to gardening).

Enhanced customer experience and multichannel strategy

- CDAV experienced a +16% membership growth and kept **expanding** its **CDAV-eligible SKUs**.
- **9 new Cdiscount showrooms** opened in Géant hypermarkets in the 1st quarter 2019, bringing the total network to 58 at the end of March.

Monetization initiatives well advanced

- **Marketplace B2B services**, such as Premium Packs and Cdiscount Marketing, grew by +35%.
- **Commission-based B2B2C services** brought five times more revenues than last year, driven by the expansion of *Cdiscount Energie*, *Cdiscount Voyages* (travel) et *Cdiscount Billeterie* (ticketing).
- **Financial services** experienced a great success in 1Q19: +34% y-o-y for new credit cards granted and +14% y-o-y for *Coup de Pouce* instant short-term credit new clients.

Rapid expansion of Europe-wide deliveries now covering 20 countries

- **Direct deliveries in neighboring countries:** growing at a fast pace driven by Belgium performance and an extensive assortment of 32 million products.
- **European marketplaces:** 11 marketplaces (+8 vs end 2018) are now operated directly through Cdiscount as a vendor with an ambitious mid-year target.

Innovation in constant progress across all fields

- **Artificial Intelligence acceleration plan** first achievements:
 - IT teams dedicated solely dedicated to **Artificial Intelligence** development were multiplied by 2 in the last 2 years among a solid pool of more than 700 engineers.
 - Customer experience & personalization: **real-time personalized promotions**, which improved by 3 times the profitability of Cdiscount vouchers.
 - Operational performance: the startup **NoMagic.AI** has completed its acceleration phase within The Warehouse (Cdiscount's logistics incubator) and is now fully operational. NoMagic.AI is a robotic arm powered by AI, self-learning how to recognize and adapt to the shape and material of the object to be picked.
- **Attractivity and success of Cdiscount's incubators**
 - The **warehouse logistics incubator:** after a 2018 promotion which proved to be very successful with 3 out of 5 selected startups already implementing their solution, 2019 promotion of 5 new startups started with the early success of Agrikolis and other achievements to come.
 - Launch of **Le Lab**, a **marketing innovation lab** dedicated to startups in the areas of purchase experience, new consumption habits and community-based trade, with a transversal focus on data. The call for projects was launched in February 2019 and has already **attracted a record number of more than 100 applicants**. Selected projects will benefit from Cdiscount's expertise as well as a whole data eco-system to experiment, build and test their solutions.
- **Logistics:** rolling-out of a new **3D packing machine**, bringing the total to 4. These machines reduce parcel wasted space and cardboard usage by 30% reducing at the same time transport cost by optimizing shipping space. Cdiscount now manages to pack 85% of its orders without any empty space.
- **Corporate Social Responsibility:** opening of 7 farm picking-points in partnership with **Agrikolis**, a startup part of The Warehouse second promotion. This new kind of picking points is used to deliver heavy products in remote rural areas while adding revenue to farmers and fostering social bonds between customers and local producers. Cdiscount plans on rolling-out its Agrikolis network throughout 2019.

First Quarter Activity

Cnova N.V.	First Quarter ⁽¹⁾		Change	
	2019	2018	Reported ⁽¹⁾⁽²⁾	Organic ⁽³⁾
GMV⁽⁴⁾ (€ millions)	906.3	853.9	+6.1%	+9.2%
Marketplace share ⁽⁵⁾	35.8%	32.6%	+319 bp	
Mobile share	45.5%	40.6%	+495 bp	
CDAV share	34.8%	33.7%	+109 bp	
Net sales⁽⁵⁾ (€ millions)	527.0	524.2	+0.5%	+4.4%
Traffic (visits in millions)	255.3	242.7	+5.2%	
Mobile share	68.4%	62.7%	+574 bp	
Active customers⁽⁶⁾ (millions)	9.1	8.6	+5.2%	
Orders⁽⁷⁾ (millions)	6.5	6.5	+0.1%	
CDAV share	35.9%	33.6%	+226 bp	
Number of items sold (millions)	12.2	12.2	+0.0%	

- 1) All figures are unaudited.
- 2) Reported figures present all revenue generated by Cdiscount, including the technical goods sales realized in Casino Group's hypermarkets and supermarkets.
- 3) Organic growth: figures exclude (i) sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact of +4.4 pts and +5.6 pts, respectively, on GMV and net sales in 1Q19), and (ii) 1001Pneus & Stootie acquisitions during 4Q18 (total exclusion impact of -1.3 pt and -1.7 pt on GMV and net sales in 1Q19) but take into account showroom sales.
- 4) GMV (gross merchandise volume) is defined as: all taxes included, product sales + other revenue + marketplace business volumes (calculated based on approved and sent orders) + GMV services.
- 5) Marketplace GMV shares have been adjusted to take into account coupons and warranties and exclude CDAV subscription fee. 1Q18 GMV share has therefore been adjusted by +0.1pt for comparison purposes.
- 6) Active customers at the end of December having purchased at least once through Cdiscount sites and app during the previous 12 months.
- 7) Total placed orders before cancellation due to fraud detection and/or customer non-payment.

About Cnova N.V.

Cnova N.V., one of the leading e-Commerce companies in France, serves 9.1 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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