

CNOVA N.V. Third quarter 2020 Activity

AMSTERDAM – October 29, 2020, 18:00 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter ended September 30, 2020.

- **Stable GMV (+0.2%¹) along with a solid increase in profitability drivers**
 - Direct sales margin improvement through our product mix strategy towards higher-margin categories
 - Marketplace: strong volume growth, increased GMV share and acceleration of revenues
 - Strong digital marketing growth driving monetization development
- **Improved direct sales margin driven by a product mix strategy towards high-margin categories**
 - +16% GMV growth of high-margin categories: Home & Deco, DIY & Gardening, Sport, Beauty, Food ...
- **Marketplace: +9% growing activity, along with +17% revenues acceleration**
 - +9% marketplace GMV to reach very high levels GMV share, at 45.0% (+5.9 pts)
 - Accelerating revenues: €41m in 3Q20 (+17%), €163m on a LTM basis (+13%)²
 - Fulfillment by Cdiscount: 36% marketplace GMV share, +2.3 points
- **Strong digital marketing growth: +30%³**
- **Fast-growing international sales: +79%**
 - 157 websites connected (+69 vs 2Q20),
 - 27 European countries delivered (+2 vs 2Q20)
- **Ambitious and clear strategic priorities to further improve profitability**
 - Fast expansion of the marketplace and its associated revenues
 - Digital marketing acceleration
 - New B2B development, supported by accelerated tech investments

Emmanuel Grenier, Cnova CEO, commented:

“This quarter, we focused on three axes: providing our customers with a best-in-class experience, increasing our profitability and scaling up our international activities.

Regarding our clients, our main objective is to boost loyalty. Our first move was to successfully accelerate on recurring categories, such as Beauty, DIY and Sport, to increase purchase frequency by answering our growing customer demand. Second, we implemented a whole set of measures to provide best-in-class customer experience, along with delivery time dropping to record high level and a “yes to customers” policy, aiming at immediately give our customers a positive answer to their claims. This has resulted in a sharp increase of our NPS by 4 points over the quarter.

Regarding profitability, our development relies on three main pillars: a product mix strategy focused on higher-margin categories, the marketplace and digital marketing. We accelerated the shift towards more marketplace share, generating strong revenue growth. As for digital marketing, it was boosted by the success

¹ Organic growth. Figures include showroom sales and services but exclude technical goods and home category sales made in Casino Group’s hypermarkets and supermarkets (total exclusion impact of +1.0 pts on GMV growth)

² Includes marketplace commissions after price discounts, marketplace subscription fee, as well as revenues from services to sellers (marketing services, financial services, ...)

³ Includes both revenues from marketing services to suppliers and marketing services to marketplace sellers (the latter being also included in total marketplace revenues)

of our new proprietary advertising platform, Cdiscount Ads Retail Solution, with more features to come in the next quarters.

Last but not least, our international sales grew fast, leveraging our extended product catalog and soon our merchant base and technology.

In a current fast-evolving environment in Europe marked by increasingly digitalized sales and home delivery, we have proven to be well positioned to face the challenges ahead and draw more and more customers to our website, while the acceleration of the shift towards a platform model has already been driving profitability and is reinforcing the foundations for future value creation ”

3rd Quarter 2020 Highlights

<i>GMV</i>	3Q20
Total Organic Growth	+0.2%
Marketplace Growth	+8.8%
International Growth	+78.8%

Organic GMV (gross merchandise volume) was stable in the 3rd quarter of 2020:

- First, Cnova confirmed its strategic orientations regarding product sales, with a successful product mix shift towards high-margins and recurring products, focused on 5 priority categories: Home, Sport, Beauty & Food, DIY & Gardening and IT accessories and components, driving more purchase frequency and margin while decreasing the average product price.
- Second, Cnova faced two conjunctural circumstances: first, COVID-19 measures in France and abroad strongly impacted the travel activity and, second, summer sales shortened by two weeks. Added to the reduced activity of Cdiscount’s showrooms in Casino hypermarkets, in particular related to the hypermarkets network evolution, it represented a total impact of -4 points on GMV growth⁴.

<i>Marketplace</i>	3Q20
Marketplace total GMV share	45.0%
Marketplace GMV share evolution	+5.9 pts
FFM marketplace GMV share	+2.3 pts

The marketplace of products key indicators were again well-oriented in the 3rd quarter of 2020. Marketplace GMV share increased to 45.0%, +5.9 points year-on-year. The marketplace GMV fulfilled by Cdiscount increased by 16% and its marketplace GMV share grew by +2.3 points.

<i>Traffic</i>	3Q20
Unique Monthly Visitors⁵	+10%

Regarding **traffic**, Cdiscount was #2 in France in average over the quarter with more than 22m Unique Monthly Visitors, a 10% growth overall and a +15% growth on mobile. It represented a total of 253 million visits in the 3rd quarter of 2020.

⁴ Summer sales impact calculated by comparing equivalent weeks in 2019 and 2020: from 26/06 to 06/08 in 2019 and from 15/07 to 25/08 in 2020
⁵ According to latest Mediametrie studies (July and August 2020)

Clients	3Q20
Total growth	+3.7%
CDAV subscriber base growth⁶	+8.9%

Total number of clients experienced a +3.7% growth this quarter, with good dynamics of loyal and returning clients illustrated by a record-high NPS.

Cdiscount’s loyalty program, **Cdiscount à Volonté** (“CDAV”), kept growing (+8.9%), driven by a strong +36% eligible express delivery SKUs increase, a brand new cashback program and a dedicated customer service.

Other Business Highlights

Product mix evolution towards recurring products building strong loyalty as well as increased profitability

- Cnova’s **recurring categories** (Home & Deco, DIY & Gardening, Sport, Beauty, Food) showed a solid **+16%** growth this quarter, with Cnova willing to address a fast-growing demand for those products and doing so, increasing purchase frequency and therefore loyalty. It is also a move towards **more profitability** as those categories are higher-margin than technical products.
- To support this product mix evolution, Cnova **extended free home delivery**, now available from €25 basket for non-CDAV customers and €10 for CDAV customers.

Marketplace of products driving profitability with a double-digit revenue growth

- The marketplace GMV grew by **+9%** this quarter, with its GMV share jumping by **+5.9 points** to reach **45.0%**.
- In addition to volume growth, the revenues generation accelerated this quarter with a **+17%** increase to reach **€41m**, for a total of **€163m** on a last-twelve-months basis (+13%), strongly contributing to Cnova’s increased profitability.
- **Expansion of express delivery eligible marketplace SKUs** is a key driver of growth, customer satisfaction, CDAV development and is determinant to support Cnova’s product mix re-orientation towards recurring products. CDAV eligible SKUs reached **1.6m⁷**, a **+36%** growth, including 122k Fulfillment By Cdiscount SKUs, 1.3m Cdiscount Express seller⁸ SKUs and 113k owned SKUs.
 - **Fulfillment by Cdiscount** enjoyed a strong **+16%** GMV increase, increasing by **+2.3 points** its marketplace GMV share compared to last year, along with a **+70%** assortment extension.
 - **Express Seller** gained **+3.1 points** of marketplace GMV share, driven by a **+40%** extension of its offering

Dynamic digital marketing powered by Cdiscount Ads Retail Solution

- **Digital marketing** increased by **+30%** in 3Q20 compared to last year, reinforcing our more profitable business model.
- It was supported by Cnova’s proprietary solution launched last quarter, **Cdiscount Ads Retail Solution (CARS)**, a 100% self-care advertising platform enabling both sellers and suppliers to bid to promote their products in the search engine, that already led to a **tripling** of Search revenues (when a seller

⁶ Subscriber base on 31/09/2020

⁷ At end September 2020

⁸ Marketplace sellers able to provide express delivery can offer their SKUs within the CDAV program

pays to push up its product in Cdiscount's search engine results). Besides, Cnova kept building complementary digital marketing features to reinforce its offer, such as the launch of Google Shopping campaign management for suppliers and marketplace sellers.

Providing our customers with best-in-class service through quicker delivery and improved aftersales

- Cnova experienced a solid **+4 points NPS** improvement this quarter compared to the same period last year, as a result of intensified efforts to improve customer experience before, during and after the sale.
- First, **Cnova reduced delivery time** thanks to a **10-point increase in express delivery share** compared to last year. It was supported by the development of marketplace express delivery options through Fulfillment by Cdiscount and Cdiscount Express Seller (CXS), which respectively gained +2.3 points and +3.1 points of marketplace GMV share.
- Second, Cnova put an emphasis on building a **best-in-class customer journey**, driven by this motto: saying "**yes to customers**". To do that, Cnova implemented a whole set of new measures and processes, both on direct and marketplace sales, with the ambition to provide 100% of positive and immediate answers to customers claims and proactive preventive actions for every abnormal event happening during the customer journey.

Fast-expanding international sales

- International GMV experienced a significant **+79% GMV** growth in the third quarter 2020.
- The international platform encompassed **157 directly connected websites** as of end September, +69 compared to the year before.

Following two quarters of solid profitability increase, Cnova plans on carrying its shift towards a platform model with 3 ambitious and clear strategic priorities:

- Fast expansion of the marketplace and its revenues, supported by the strong growth in the express delivery assortment
- Marketing digital acceleration with the ambition to become the reference platform for suppliers and sellers online marketing campaigns
- New B2B offers supported by significant tech investment, with a focus on monetizing Cnova's marketplace assets, a large and qualitative seller base as well as a front-edge technological platform, with the ambition to become a reference marketplace player in Europe

Third Quarter Activity

Cnova N.V.	Third Quarter ⁽¹⁾		Change	
	2020	2019	Reported ⁽¹⁾⁽²⁾	Organic ⁽³⁾
GMV⁽⁴⁾ (€ millions)	936.4	944.0	-0.8%	+0.2%
Marketplace share	45.0%	39.1%	+5.9 pts	
Mobile share	51.8%	50.4%	+1.4 pt	
CDAV share	41.2%	42.3%	-1.1 pt	
Net sales⁽⁵⁾ (€ millions)	484.8	521.9	-7.1%	-5.9%
Traffic (visits in millions)	252.7	245.4	+3.0%	
Mobile share	72.2%	73.1%	-0.9 pt	
Active customers⁽⁶⁾ (millions)	9.7	9.2	+5.2%	
Orders⁽⁷⁾ (millions)	6.6	6.3	+4.5%	

- 1) All figures are unaudited
- 2) Reported figures present all revenues generated by Cdiscount, including the technical goods sales realized in Casino Group's hypermarkets and supermarkets
- 3) Organic growth: figures include showroom sales and services but exclude technical goods and home category sales made in Casino Group's hypermarkets and supermarkets (total exclusion impact of +1.0 pts on GMV growth)
- 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) The acceleration of the profitable shift towards more marketplace GMV share (+ 6 points) had a straightforward impact on net sales, at -5.9% this quarter, as only marketplace commissions are recognized as net sales (versus the whole basket amount for direct sales)
- 6) Active customers at the end of September 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 9.7 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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