

CNOVA N.V. Second Quarter 2018 Activity

AMSTERDAM – July 12, 2018, 07:45 CEST — Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced unaudited operating data for the quarter ended June 30, 2018.

- **GMV: €760 million (+14.3% y-o-y)¹**
 - Accelerating organic growth: +9.0% vs +6.1% in 1Q18
 - Multichannel strategy contribution: +5.3 pts²
 - Monetization revenues grew by 29% y-o-y
- **Commercial success of Cdiscount showrooms in Géant hypermarkets**
 - Contribution to organic GMV growth: +0.9 pt
 - Showroom network to cover most Géant hypermarkets by end 2018
- **Continued expansion of the marketplace and its ecosystem**
 - Marketplace GMV share: 36% (+123 bp y-o-y)
 - Fulfillment by Cdiscount GMV share: +8.2 pts vs June 17
- **Fast-growing loyalty program, at the heart of the marketing strategy**
 - Cdiscount à Volonté (“CDAV”) GMV share: 35% (+282 bp)
 - Launch of CDAV Pass: enriched loyalty program with exclusive offers
- **Launch of new services**
 - Cdiscount Voyages & Cdiscount Assistance
- **Success of bold marketing campaigns**
 - 2018 World Cup campaign: 4.7m views for the viral video “Le Cri”
 - Most commented publication among e-retailers on social media in 2018
- **Delivery innovations**
 - On-Demand delivery within a 30-min slot in Paris
 - Real-time geolocation of large-product delivery now widespread
- **Expansion of delivery footprint to other countries**
 - Cdiscount now delivers its products to Belgium, Germany, Italy and Spain

Emmanuel Grenier, Cnova CEO, commented:

“This second quarter was marked by an accelerated organic growth as well as fast-growing monetization revenues.

We also launched initiatives that will support our development over the next quarters: international delivery, two new travel and assistance services for our customers and the enrichment of our loyalty program, Cdiscount à Volonté, the key pillar of our marketing strategy.

The continuous investments in our supply chain, in particular the unique on-demand 30-min slot delivery in Paris, keep improving the customer experience.”

¹ GMV (gross merchandise volume) is defined as, all included taxes, product sales, other revenues, marketplace business volumes (calculated based on approved and sent orders), services GMV which contributed to growth for +1.2 pt in the 2nd quarter 2018 and +0.01 pt in the 2nd quarter 2017

² Non-food sales in Géant hypermarkets on Home et Technical goods, excluding sales generated in showrooms

2nd Quarter 2018 Highlights

GMV (gross merchandise volume) totaled €760 million in the 2nd quarter 2018, an increase of 14.3% versus the same period in 2017. Organic growth of +9.0% accelerated quarter over quarter (+6.1% in the 1st quarter 2018) and included a 0.9 point contribution from Géant corners. The Casino Group's multichannel revenue streams, primarily related to the June 2017 agreement with Géant, contributed another 5.3 points to total GMV growth. Overall, GMV was positively impacted by the French Days (a commercial event gathering numerous French e-merchants during 5 days at the end of April) and the 2018 World Cup event, which supported a high growth for the Audio-Visual category over the quarter.

The **marketplace** GMV increased by 10.7%, bringing its total GMV share to 36.0% in the 2nd quarter 2018, an acceleration of 123 basis points compared to the same period in 2017.

Net sales amounted to €445 million in the 2nd quarter 2018, up 14.0% compared to the same period in 2017 and included a 29.4% increase in monetization revenue stream. Organic growth was 6.4% while the Casino Group's multichannel sales contributed to 7.5 points to the reported net sales growth.

Traffic at Cdiscount totaled 212 million visits in the 2nd quarter 2018 and was **driven by mobile** (especially by application), with a +12.4% y-o-y growth and 64.0% of all traffic. According to Médiamétrie, Cdiscount consolidated its #2 status in terms of unique monthly visitors ("UMV") on both desktop and mobile, and, for the first time in April the number of UMV on mobile overtook desktop.

During the 2nd quarter 2018, Cdiscount continued to reinforce its leadership on **social media** through **gamification**. Leveraging on the 2018 World Cup, the "shouting" marketing campaign went viral and gathered 4.7m views. During **summer sales**, Cdiscount shared the most commented post on social media among e-merchants in 2018.

As part of Cdiscount marketing strategy and true to its bold DNA, "le Casse du Siècle" promotional campaign won the 2018 Brand Experience Award, presenting impressive results: +1.7m video views and +687,000 views on Facebook Live.

Key Business Highlights

Services offering: enriched loyalty program and dynamic growth of new services

- Cdiscount's loyalty program, **Cdiscount à Volonté** ("CDAV") is the key pillar of the marketing strategy and continues to attract more customers through additional dedicated services and offers. CDAV clients now account for 34.8% of the GMV (+282 bp). After the launch of the unlimited press offer in the 1st quarter 2018, CDAV program has been enriched with "**Pass à Volonté**" (exclusive offers from commercial partners), including a 5% discount in Géant hypermarkets and Casino supermarkets through Casino Max mobile payment app for members.
- Increase of CDAV annual subscription fee from 19€ to €29 in March 2018 has not negatively impacted the membership base.
- Services provided to customers experienced dynamic growth: **Cdiscount Energie** experienced a 47% subscriber increase in the 2nd quarter 2018 while **Cdiscount Voyages** (Cdiscount travel), launched mid-May 2018 to offer exclusive flights and holiday rentals, experienced a promising commercial start. In addition, **Cdiscount Assistance**, guaranteeing rapid repair in case of electrical failures or water leaks, was launched on June 21.

Multichannel strategy: growth driver and acceleration of showroom openings

- Technical goods and Home category sales in Géant hypermarkets and Casino supermarkets, managed by Cdiscount, generated **revenues of €35 million³** in the 2nd quarter 2018.
- **10 new Cdiscount showrooms opened** in Géant hypermarkets, building on the success of the first 11 showrooms launched since the 2nd half of 2017. These showrooms contribute to increase Cdiscount's brand awareness, especially in the strategic Home category. The network is to be extended to most Géant hypermarkets by the end of the year.

Marketplace: focus on growth, quality and value-added services

- The marketplace confirmed its **revived growth dynamics** and reached a 36.0% GMV share (+123 bp).
- The marketplace achieved **best-in-class quality standards** for both **customers** (with a claim rate sustainably below 1%) and **vendors**.
- The **Fulfillment by Cdiscount** service has been rolled out with a +36% growth in SKUs covered and a marketplace GMV share 8.2 points higher than June 2017. It also contributes to quality for customers and vendors.

Strong growth in monetization revenues

- **Monetization revenues** amounted to €15 million in the 2nd quarter 2018 (+ 29.4% y-o-y) and are a key pillar of Cdiscount profitable growth strategy. These B2B revenues include, in addition to the marketplace value-added services (Premium Packs, transport, foreign exchange services): a data-driven advertising agency, B2C service commissions received from third parties (Cdiscount Voyages, Cdiscount Energie, ...) and financial services (credit cards, long-term leasing).

Launch of delivery abroad

- Cdiscount now offers **small products delivery** (around 200,000 SKUs) to **Belgium, Germany, Italy and Spain** (a new 200 million customer base). Belgium and Spain can be delivered within 48 hours, and Italy and Germany within 72 hours.
- This Autumn, all 250,000 products stored by Cdiscount will also be sold on local marketplaces in these countries.
- In addition, Cdiscount has partnered with ColisExpat to offer its customers delivery all around the world at preferential prices.

Supply chain and delivery innovations

- **Real-time geolocation** of large-product deliveries is now available for 97% of orders.
- Launch of the **On-Demand delivery** in June 2018 in Paris, which enables customers to activate a delivery within a 30-minute slot at any time starting the day after the order. Cdiscount is the only company to offer this innovative delivery service in France.
- Cdiscount strengthened its position as the **fast delivery specialist** with the opening of a new 80,000 sqm warehouse for small products in Moissy, near Paris, bringing the total DC capacity up to 533,000 sqm at end June 2018.

³ Excluding showroom sales

- **Exotec Solutions**, the complete automated order preparation systems based upon fleets of 3-D robots, proved to be a success in Cestas warehouse and won several prizes at the end of 2017 and beginning of 2018. This solution will be deployed in the Réau warehouse, near Paris, with a fleet of 50 robots in the months to come.

Commitment to best-in-class Corporate Social Responsibility

- The CNIL (French data protection authority) granted the **“Governance” label** to Cdiscount, which attests the quality of its procedures and use of collected personal data.
- Through 3W Regie, Cdiscount becomes the **first e-merchant** to receive the **“Digital Ad Trust” label**, awarding the website with responsible advertising practices regarding brand safety, fraud, user experience and use of personal data.
- Cdiscount is the **second largest job creator** in Bordeaux region among private companies⁴.
- Cdiscount has engaged in several initiatives related to **education and training**:
 - MasterClass IT: creation of an IT development program mixing theory courses and professional experience for 20 students.
 - Partnerships with secondary schools near Bordeaux to promote IT development and responsible use of social networks.

⁴ « La Tribune » 2018 ranking of the most active recruiters in Bordeaux region

Second Quarter Activity

Cnova N.V.	Second Quarter ⁽¹⁾		Change	
	2018	2017	Reported ⁽¹⁾⁽²⁾	Organic ⁽³⁾
GMV⁽⁴⁾⁽⁵⁾ (€ millions)	759.8	664.9	+14.3%	+9.0%
Marketplace share	36.0%	34.8%	+123 bp	
Mobile share	43.3%	37.3%	+601 bp	
CDAV share	34.8%	32.0%	+282 bp	
Net sales⁽⁵⁾ (€ millions)	444.6	390.2	+14.0%	+6.4%
Traffic (visits in millions)	212.4	203.3	+4.5%	
Mobile share	64.0%	59.5%	+450 bp	
Active customers⁽⁶⁾ (millions)	8.7	8.4	+3.4%	
Orders⁽⁷⁾ (millions)	5.8	5.7	+2.2%	
CDAV share	35.3%	29.5%	+576 bp	
Number of items sold (millions)	11.0	11.1	-0.3%	

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 in relation with the multichannel agreement effective since June 19, 2017.

3) Organic growth: figures exclude sales realized in Casino Group's hypermarkets and supermarkets on technical goods and home category (total exclusion impact of -5.3 pts and -7.5 pts on GMV and net sales growth, respectively) but take into account showroom sales.

4) GMV (gross merchandise volume) is defined as, all included taxes, product sales + other revenues + marketplace business volumes (calculated based on approved and sent orders) + services GMV which contributed to growth for +1.2 pt in the 2nd quarter 2018 and +0.01 pt in the 2nd quarter 2017.

5) IFRS 15 (new standard on revenues) came into force on January 1, 2018. The main impact is that some suppliers' contributions are now recognized progressively (in proportion to merchandises being sold) vs. one-shot before. Consequently, GMV and net sales were adjusted in 2017 by respectively -€24 million and -€20 million to present comparable data.

6) Active customers at the end of June 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 8.7 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, several fast and customer-convenient delivery options as well as practical payment solutions. 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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