

CNOVA N.V. Third Quarter 2021 activity & update

Cnova posted a resilient business performance despite softer market conditions than anticipated in the particular context of reopening

- **+8% GMV growth**
- **+11% GMV growth of the Marketplace vs. 2019 and +2% vs. 2020**
- **Marketplace revenues, €45m in Q3 to reach €201m on a LTM basis (+20%)**
- **Continued expansion of Digital Marketing revenues €17m in Q3 (+31% y-o-y) to reach €66m on a LTM basis (+42%)**
- **Acceleration of Octopia: 5 major contracts signed in Q3**

In view of Q3 soft market demand and related necessary price investments, Cnova is no longer in position to confirm its guidance released on June 1st and June 7th (GMV, Sales, EBITDA).

Long-term growth strategy is confirmed: strong ecommerce platform and B2B acceleration

AMSTERDAM – October 8, 2021, 07:45 CET Cnova N.V. (Euronext Paris: CNV; ISIN: NL0010949392) (“Cnova”) today announced its third quarter 2021 activity.

3rd quarter 2021 Highlights

During the 3rd quarter 2021, **Cnova posted a resilient +8% GMV growth** in a soft ecommerce market in the particular context of reopening. Despite softer market conditions than anticipated our loyal customer base increased, with *Cdiscount A Volonté* (CDAV) members growing **+10.8%** vs. last year to reach **2.4 million**. The group also continued to accelerate on its strategic pillars with growing **marketplace revenues (+8.0%)**, **digital marketing (+31%)** as well as its B2B initiatives with **Octopia (+15.4%)** and **C-Logistics**.

Our **customer loyalty** has increased thanks to a **record high customer satisfaction** measured by the **NPS (+5.6pts)**, in particular for new customers, with a focus on express delivery and enhanced customer experience on Cdiscount.com.

Marketplace revenues reached €44.7m, growing by **+8.0%**, despite a slower growth pace of the GMV (+1.9%) with a negative effect from Chinese sellers being impacted by new VAT regulation. On LTM, marketplace revenues reached **€201m**, growing **+14.8%** vs. last year LTM period.

Digital marketing revenues increased by +31% at €16.9m in the 3rd quarter driven by the development of Cnova’s in-house digital marketing bidding platform *Cdiscount Ads Retail Solution* (“CARS”). CARS nearly doubled its revenues in just one year, enhancing the monetization of Cnova’s ecommerce platform. CARS turnkey white label offer is now live for commercialization in the 4th quarter.

Octopia GMV grew by **+15.4%** in the 3rd quarter (**€22.1m**). GMV grew by **+41.1% on a year-to-date basis** with a strong growth of **Products-as-a-Service** offer at **+36.5% (€65m)** and **Fulfilment-as-a-Service** activity at **+149.3%**. The commercial ramp-up of Merchants- and Marketplace-as-a-Service offers is accelerating. 5 contracts with leading retailers and e-commerce players have been signed during Q3, leading to 7 contracts signed in the last 9 months in different countries. This trend is expected to further accelerate, given the continuously growing pipeline.

C-Logistics third party offers benefited from a strong commercial ramp-up: **25 clients signed** with 15 already launched.

In a soft French ecommerce environment in the 3rd quarter, Cnova reinforced its pricing competitiveness on the ecommerce platform, posting resilient growth in a soft market. The 3rd quarter context led to expected GMV, Sales and EBITDA for the full year below the previously announced guidance.

Besides, due to current market conditions and despite interest mentioned by possible investors, we believe Cnova’s raising of funds cannot be pursued in satisfactory conditions and is therefore deferred.

Emmanuel Grenier, Cnova CEO, commented:

"In a timid 3rd quarter market, we confirmed our relevant positioning with a strong ecommerce platform benefiting from a growing loyal customer base and the acceleration of our digital marketing solutions.

In this soft market, we have launched several actions to maintain our growth dynamics. In light of this situation, Cnova is no longer in position to confirm its guidance released in June.

On the B2B side, C-Logistics and Octopia confirmed their commercial dynamic, notably with contracts signed with major e-commerce players and retailers confirming our strategic route on this segment."

Third Quarter 2021 Key Figures

Cnova N.V.	Third Quarter ⁽¹⁾		Change
	2021	2020	
Key operational metrics			
Traffic (million visits)	246.3	252.7	-2.5%
Orders ⁽²⁾ (million)	6.4	6.6	-2.1%
o/w Marketplace	4.2	4.4	-5.4%
Items sold (million)	11.0	11.4	-3.5%
o/w Marketplace	6.1	6.6	-6.7%
Key financial figures (€m)			
Total GMV	1,006.4	936.2	+7.5%
Ecommerce platform	984.3	917.0	+7.3%
o/w Direct sales	450.7	426.1	+5.8%
o/w Marketplace ⁽³⁾	342.2	335.9	+1.9%
o/w Services	75.2	48.8	+53.9%
o/w Other revenues	116.3	106.2	+9.5%
Octopia	22.1	19.2	+15.4%
Total Net Sales	528.0	484.6	+9.0%

Third Quarter 2021 Highlights

GMV	3Q21
Total growth	+7.5%
Marketplace growth	+1.9%
Octopia growth	+15.4%

GMV posted a resilient +7.5% increase in the 3rd quarter 2021.

¹ All figures are unaudited

² Total placed orders before cancellation due to fraud detection and/or customer non-payment

³ Including CARS digital marketing

GMV growth was driven by:

- Direct Sales for 2.6 points (+5.8% y-o-y), benefiting from strengthened relationship with top international brands.
- Marketplace for 0.7 point (+1.9% y-o-y). Cnova raised quality standards through tighter control and selection of merchants and products resulting in a record high NPS above 50.
- B2C Services for 2.8 points (+53.9% y-o-y), among which Energy brought 2.1 points to Cnova growth
- Octopia for 0.3 point (+15.4% y-o-y). Products-as-a-Service offer benefited from a resilient growth in EMEA while Fulfilment-as-a-Service offer continued to accelerate (+59.3%).

Marketplace	3Q21	Change vs. 3Q20
Marketplace product GMV share	43.2%	-0.9 pt
Marketplace Fulfilment GMV share	38.3%	+2.8 pts
Marketplace revenues	€44.7m	+8.0%

Marketplace grew by +1.9% vs. the same period last year. Raised quality standards led to a stabilized marketplace GMV share this quarter at 43.2%. As part of this strategy, Fulfilment by Cdiscount continued to be very dynamic with a +35% growth in the 3rd quarter vs. last year.

Net Sales	3Q21
Total growth	+9.0%

Net Sales amounted to €528.0m, i.e. a +9.0% increase vs. 3rd quarter 2020. This increase is mainly explained by a solid growth of Fulfilment by Cdiscount (+35.0%) and Octopia (+15.4%) as well as dynamic Direct Sales (+5.8%) contributing +2.6 pts to Cnova Net Sales growth.

Business Highlights

Increasing Marketplace revenues and stable Marketplace GMV share

- Direct Sales grew by +5.8% in the 3rd quarter 2021 vs. last year, driven by reinforced relations with top international brands;
- The Marketplace grew by +1.9% in the 3rd quarter vs. last year, with raised quality standards applied to merchants and a record high NPS of 50;
- This led to a 43.2% Marketplace GMV share in the 3rd quarter 2021, stable vs. the same period last year;
- Marketplace revenue generation, supported by CARS digital marketing, grew by +8.0% in the 3rd quarter vs. last year, reaching **€44.7m** and **€201m** over the last twelve months, growing +20% vs. the previous last twelve months period.

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). It is also determinant to support the product mix re-orientation towards recurring products categories.

- **Fulfilment by Cdiscount** kept growing at a fast pace, with a +35% GMV increase, reaching €18.8m. A consequent effort is made to provide always more quality by recruiting Top sellers and sign sellers with low quality.
- **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 2.1 million eligible SKUs.

Our loyalty program Cdiscount A Volonté (CDAV) grew by +10.8%, reaching 2.4 million members. CDAV represented 41.9% of total GMV in the 3rd quarter 2021. CDAV members show more purchase recurrence and loyalty than non-CDAV clients.

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

- Cnova initiated in 2020 a strategic product mix evolution towards non-technical goods. This category brings higher recurring purchase rates as well as higher margins. Consequently, the product mix evolution aims at generating more loyalty, repurchases and profitability. Share of non-technical goods in GMV reached 59.9% in the 3rd quarter 2021 (+1.3 pt compared to the same period last year).

B2C Services showed solid performance while widening its offer

- **B2C Services** GMV amounted to €75m in the 3rd quarter 2021, up +54% vs. last year.
- **Cdiscount Energie** (home energy) GMV grew by +62.3% in the 3rd quarter 2021 vs. N-1, supported by a strong subscriber growth of +60% compared to last year.
- **Cdiscount Mobile** (cell phone plans) activity performed well during the 3rd quarter 2021 with +37.9% GMV vs. N-1 and a strong subscriber growth of +44%
- **Cdiscount Voyages & Billetterie** (travel & ticketing) experienced a significant acceleration, posting a strong +38.4% GMV growth vs. N-1.

Enhanced customer experience and record high NPS

- To meet new client needs, we launched a “**free shipping**” program with **free delivery for all basket amounts and all clients** as well as **free express delivery whatever the basket amount for CDAV members**.
- Cnova achieved a strong **+5.6 points NPS** improvement this quarter compared to the same period last year, thanks to intensified efforts to improve customer experience before, during and after the sale.
- **Cnova reduced delivery time** thanks to the **increase of the express delivery share**. This was supported by the development of Marketplace express delivery options through *Fulfilment by Cdiscount* and *Cdiscount Express Seller*.
- Cnova also carried on its “say yes to the customer” policy, with now **90% positive and immediate answers** to *Cdiscount à Volonté* customers claims and proactive preventive actions for every abnormal event happening during the customer journey. The goal is to reach 100% by the end of the year.

Dynamic digital marketing powered by Cdiscount Ads Retail Solution

- **Digital marketing revenues** increased by **+31%** in the 3rd quarter compared to last year, reinforcing Cnova's most profitable activity.
- It was 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. The number of users on the platform has grown very quickly to reach **6,670**.
- Cnova also continues to develop its digital marketing features to reinforce its offer:
 - **Google Shopping** campaign management for suppliers and marketplace sellers, benefiting from a x2.0 y-o-y increase in the 3rd quarter 2021
 - **Live Commerce** gives merchants and suppliers the possibility to provide customers with qualitative content and live shopping experience with influencers. The service posted a strong growth, both in terms of videos released and views.

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

- Octopia GMV experienced a **+15.4%** growth, bringing +0.3 pt of growth to Cnova, representing a **growth of +41.1%** since the beginning of the year
- To meet the needs of its international customers, Octopia is now available in English and Spanish
- 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** and have consequent order backlogs.
 - **Fulfilment-as-a-Service** activity more than doubled in GMV and parcels delivery outside of Cdiscount.com.

With 25 clients signed and 15 already launched, C Chez Vous and C-Logistics are in line to become leading transportation and logistics service providers in Europe

- **C Chez Vous** aims at becoming the French leader in delivery of heavy and bulky products, reaching record high NPS of 79 for its first months of activity.
- **C-Logistics** aims at being a leading e-commerce third-party logistics player.

A true and recognized innovation leadership with a focus on disruptive supply-chain innovation through blockchain

Through its collaboration with the start-up Ownest, Cnova is considerably enhancing products traceability along its entire supply-chain by using blockchain technology to control each step of the delivery process. This approach allows to track any default until the parcels are handed over to the final customers.

3 innovation Awards received by Cnova subsidiaries at the 41st edition of the LSA Innovation Trophies:

- Environmental responsibility award for our action on reusable packaging

- Diversity Award action in favor of the inclusion of handicap
- Committed Product Award for the eco-designed Ewen bed, conceived and designed by the Cdiscount Maison teams

About Cnova N.V.

Cnova N.V., the French ecommerce leader, serves 10.3 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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