Alternative performance indicators

Management believes that alternative indicators which are not defined in any IFRS standard provide additional information that is useful to shareholders when analysing the Group's underlying trends as well as its performance and financial position. These indicators are used by management to analyse performance. As they are not defined in any IFRS standard, they are not directly comparable with indicators with similar names reported by other companies. Furthermore, they are not intended to replace the IFRS indicators presented in the financial statements, nor should they be seen as more important.

This document has been drawn up in line with Position no. 2015-12 issued by France's securities regulator (*Autorité des marchés financiers* – AMF) on alternative performance indicators.

Alternative performance indicators not published in the financial statements

Changes in accounting policies and restatement of comparative information as of 01 January 2023

The European Union has adopted the following texts, which are mandatory for the Group's fiscal year beginning 1 January 2023 and have no material impact on the Group's consolidated financial statements:

- *Amendments to IAS 1 and to the practical application guide to materiality - Disclosure of accounting policies*
- *Amendments to IAS 8 - Definition of an accounting estimate*
- *Amendments to IAS 12 - Deferred taxes on assets and liabilities arising from the same transaction.*
- *Amendment to IAS 12 - International tax reform (Pillar 2 model rules)*

The 2022 financial statements have been restated to reflect the treatment as discontinued operations of Sendas, GPA, Grupo Éxito and the French Hypermarkets and Supermarkets segment in application of IFRS 5.

Underlying financial income/(expense)

Underlying financial income/(expense) corresponds to net financial income/(expense) restated for changes in the fair value of equity derivatives (such as total return swaps and forward contracts on GPA shares) and the effects of discounting tax liabilities in Brazil. The Group uses this indicator to measure recurring financial income/(expense).

Following the transfer of GPA and Assai to discontinued operations, there is no longer any restatement of net financial income. Normalized net financial income therefore corresponds to net financial income.

Underlying net profit
Underlying profit, Group share
Non-controlling interests in underlying profit
Underlying earnings per share

Underlying net profit corresponds to net profit from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments and the application of IFRIC 23 “Uncertainty over Income Tax Treatments”.

Non-recurring financial items result from restatements made to calculate underlying financial income/(expense) (see above).

Non-controlling interests in underlying profit represent the attributable share of underlying profit. This indicator is therefore equal to net profit from continuing operations attributable to non- controlling interests, adjusted for non-controlling interests in other operating income and expenses and the impact of non-recurring financial items, as well as income tax expense/benefits related to these adjustments and the application of IFRIC 23 “Uncertainty over Income Tax Treatments”.

Basic underlying earnings per share corresponds to underlying net profit, Group share for the period divided by the weighted average number of shares outstanding during the period that make up the share capital. Diluted underlying earnings per share is calculated by adjusting underlying profit, Group share and the weighted average number of shares outstanding, for the impact of all potentially dilutive instruments.

The Group uses these indicators to measure changes in recurring profit from operations. The table below reconciles underlying net profit to the aggregates reported in the consolidated financial statements:

	31 December	
(Euros in millions)	**2022** *restated*	**2023**
Net profit/(loss) from continuing operations	**(201)**	**(2,577)**
Plus/(minus):		
Other operating income and expenses	(86)	1,157
Other financial income and expenses (1)	-	-
Tax effect realted to the above restatements and IFRIC 23	(52)	(50)
Underlying net profit/(loss)	**(339)**	**(1,470)**
o/w attributable to non-controlling interests	*(16)*	*(19)*
o/w Group share	***(323)***	**(1,451)**

(1) See "normalized net financial income" indicator above.

Group free cash flow (FCF) excluding disposals

This aggregate corresponds to cash flows from operating activities as presented in the consolidated statement of cash flows less net CAPEX, IFRS 16 rental payments and restated for the effects of the disposal plan.

This indicator allows the Group to measure cash flow arising from and used in operating activities. Management believes that free cash flow provides investors with critical perspective on the liquidity available to shareholders and for debt repayments and acquisitions, after the necessary investments have been made in fixed assets to support ongoing business operations, interest on borrowings and long-term value creation. Free cash flow is used to measure Group performance and overall liquidity.

Free cash flow is also monitored by segment.

Free cash flow from continuing operations excluding Group disposals corresponds to free cash flow as defined above less free cash flow from discontinued operations.

The following table reconciles free cash flow excluding Group disposals with the aggregates of the consolidated financial statements:

	31 December	
(Euros in millions)	**2022** *restated*	**2023**
Operating cash flow from continuing operations	**474**	**(35)**
Cash outflows on acquisitions of property, plant and equipment, intangible assets and investment property	(520)	(352)
Repayment of and interest paid on lease liabilities	(429)	(423)
Other repayments	(18)	(23)
Restatements related to disposal plan	107	69
Adjusted operating cash flow from continuing operations	**(386)**	**(765)**
o/w France (including Cdiscount), excluding GreenYellow	*(230)*	*(765)*

Gross and net capex

Gross capex corresponds to "Cash outflows related to acquisitions of property, plant and equipment, intangible assets and investment property", as presented in the consolidated statement of cash flows.

Net capex corresponds to gross capex plus (i) "disposals of intangible assets, property, plant and equipment and investment property" as presented in the consolidated statement of cash flows and excluding those relating to the Strategic Disposal Plan, and (ii) business disposals included in the "change in scope of consolidation" line as presented in the consolidated statement of cash flows.

Net financial investment in continuing operations

Net financial investments are derived from the cash flow statement and correspond to the sum of acquisitions of financial assets, changes in loans and advances granted and the impact of changes in scope of consolidation with change of control or in connection with joint ventures and associates, less disposals of financial assets as well as transactions between the Group and non-controlling interests. Adjustments are also made to isolate the effects of the impact of the disposal plan.

This aggregate may also be used under the heading "Other financial investments".

This indicator measures non-operational investments.

The table below reconciles the net financial investment in continuing operations to the aggregates reported in the consolidated financial statements:

(Euros in millions)	31 December 2022 *restated*	31 December 2023
Cash outflows from acquisitions of financial assets	(231)	(161)
Cash inflows from sales of financial assets	710	96
Impact of changes in scope of consolidation with change of control	587	(32)
Impact of changes in scope of consolidation related to joint ventures and associates	294	22
Change in loans and advances	(13)	(5)
Change in escrow accounts	(468)	56
Transactions between the Group and non-controlling interests	(21)	(1)
Effects of the disposal plan	(955)	(88)
Net financial investment in continuing operations	**(97)**	**(112)**
o/w France (including Cdiscount), excluding GreenYellow	*(46)*	*(112)*

Adjusted EBITDA after lease payments

Adjusted EBITDA after lease payments is defined as operating income before non-recurring items (EBIT), plus depreciation and amortization expense included in EBIT, less repayments of lease liabilities and net interest paid on lease liabilities.

In France, this aggregate is used to calculate certain banking covenants to which Casino, Guichard-Perrachon is subject.

(Euros in millions)	31 December 2022 *restated*	31 December 2023
Current operating income	**316**	**124**
+ Current operating depreciation and amortization	662	640
Adjusted EBITDA	**978**	**765**
+ Repayment of lease liabilities from continuing operations	(329)	(308)
+ Interest paid on lease liabilities from continuing operations	(101)	(115)
Adjusted EBITDA after lease payments	**549**	**341**
o/w France (including Cdiscount), excluding GreenYellow	*516*	*341*

Adjusted operating cash flow after leases from continuing operations

Adjusted operating cash flow after leases from continuing operations corresponds to the Group's total cash flow (see definition below) less (i) pre-tax income from discontinued operations, (ii) income from disposals and restatements related to discontinued operations, (iii) repayment of lease liabilities and interest on lease liabilities from continuing activities, (iv) other repayments from continuing operations, and (v) other restatements (impact of the disposal plan).

(Euros in millions)	31 December 2022 *restated*	31 December 2023
Operating cash flow	**1,887**	**273**
Pre-tax income from discontinued operations	351	4,676
Results of disposal and restatements related to discontinued operations	(1,500)	(4,490)
Repayment of lease liabilities from continuing operations	(329)	(308)
Interest paid on rental liabilities of continuing operations	(101)	(115)
Other repayments from continuing operations	(18)	(23)
Restatements related to disposal plan	35	116
Operating cash flow after leases from continuing operations after lease payments	**326**	**130**
o/w France (including Cdiscount), excluding GreenYellow	*333*	*130*

The Group also occasionally tracks the "Cash flow less net CAPEX" aggregate, corresponding to Cash flow less net CAPEX.

Non-GAAP indicators published in the financial statements

The indicators presented below are included in the consolidated financial statements. Only the definitions of these indicators are provided. The corresponding reconciliation tables can be found in the notes to the financial statements.

EBIT

EBIT (earnings before interest and taxes) is defined as operating profit before (i) items which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income/(expenses) related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests) and (ii) non-recurring items that would distort analyses of the Group's recurring profitability [defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs (such as reorganisation costs and the costs of converting stores to new concepts) and provisions and expenses for litigation and risks (including discounting adjustments)].

EBIT margin corresponds to EBIT expressed as a percentage of net sales.

Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense included in trading profit.

Adjusted EBITDA margin corresponds to adjusted EBITDA expressed as a percentage of net sales.

Operating cash flow

Net cash from operating activities before change in working capital, net finance costs and income tax (operating cash flow), as presented in the statement of cash flows, corresponds to net cash from/(used in) operating activities before changes in working capital, interest paid net of interest received and income tax paid. It is calculated based on consolidated net profit excluding non-cash items or items unrelated to operating activities (such as depreciation, amortisation, provisions other than on current assets, fair value adjustments, expenses related to share-based payments, gains/losses on disposal of non-current assets, and gains/losses due to changes in percentage ownership of subsidiaries resulting in the acquisition/loss of control or changes in non-controlling interests), adjusted for cost of debt, non-drawdown costs, cost of non-recourse receivables and similar transactions, financial interest on leases and dividends received from associates and joint ventures.

Net cash

Net cash corresponds to cash and cash equivalents less bank overdrafts.

Net financial debt

Net financial debt comprises borrowings, including fair value hedging derivatives and trade payables, less (i) cash and cash equivalents, (ii) cash management assets and financial investments, (iii) fair value hedging derivatives, and (iv) financial assets arising from the disposal of non-current assets.

Net financial debt is also monitored by segment.

Other terms

Constant exchange rates

The expression "at constant exchange rates" means applying prior-year exchange rates to the current year, with all other things being equal.

Same-store net sales

Same-store net sales include e-commerce sales and sales of merchandise excluding fuel from stores open for at least 12 months. The figure is calculated at constant exchange rates.

Organic net sales

Organic net sales correspond to consolidated net sales at constant scope of consolidation and exchange rates.

Gross merchandise volume (GMV)

The gross merchandise volume of e-commerce sites corresponds to sales including tax made directly on the Cdiscount group websites and by independent marketplace merchants. For all other retailing activities (excluding fuel), gross merchandise volume corresponds to the total net sales generated by each banner from integrated stores and franchises, excluding fuel.

Food sales

Food sales are defined as net sales before tax of fast-moving consumer goods, fresh produce and processed products.

Calendar effect

The calendar effect measures the theoretical impact on net sales growth of calendar differences from one year to the next. It includes the impact of:

- ✓ the change in the number of selling days per calendar week from one year to the next (increase/decrease in number of days compared to Y-1 over a given period: month, quarter or year);
- ✓ calendar differences concerning selling days that traditionally see a significant surge or drop in net sales (public holidays, school holidays, long weekends, major promotional campaigns, seasonal sale periods and key holidays).

Customer traffic

Customer traffic corresponds to the number of check-out transactions.

Organic trading profit

Organic trading profit corresponds to consolidated EBIT at constant scope of consolidation and exchange rates.