Alternative Performance Indicators

Management believes these indicators, which are not defined by IFRS standards, provide additional relevant information for shareholders when analyzing underlying trends, performance, and the Group's financial position. These indicators are used by Management for performance analysis. Since they are not defined by IFRS, they are not directly comparable to similar indicators used by other companies. Furthermore, they are not intended to replace or be presented with more importance than IFRS indicators as presented in the financial statements.

This note has been prepared in accordance with AMF position No. 2015-12 on alternative performance indicators.

Alternative Performance Indicators Not Presented in the Financial Statements

Changes in Accounting Methods and Restatement of Comparative Information on 1 January 2024

The European Union has adopted the following texts, which are mandatory for the Group's financial year starting on January 1, 2024, without significant impact on the Group's consolidated financial statements:

- Amendments to IAS 1 – classification of liabilities as current and non-current liabilities;
- Amendments to IAS 1 – Non-current liabilities with covenants;
- Amendments to IFRS 16 – Lease liabilities arising from a sale and leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier financing arrangements.

The 2023 first half accounts were restated to reflect the treatment of GPA, Grupo Exito, and the French Hypermarkets and Supermarkets segment as discontinued operations in accordance with IFRS 5.

Normalized Financial Result

The normalized financial result corresponds to the financial result adjusted for non-recurring financial items. This indicator is used by the Group to assess recurring financial performance.

(Euros in millions)	30 June 2024	30 June 2023 restated
Net cost of financial debt	3,349	(130)
To increase/(decrease) by:		
Adjustment for fair value on converted and reinstated debts	*(3,486)*	-
Other financial income	25	25
Other financial expenses	(112)	(112)
Normalized financial result	**(223)**	**(218)**

Normalized Net Result,
Group Share,
Minority Interests,
Normalized EPS

The normalized net result corresponds to the net result of continuing operations adjusted for: *(i)* the effects of other operating income and expenses as defined in the "accounting principles" section of the annual consolidated accounts annex, *(ii)* the effects of non-recurring financial elements, and *(iii)* the tax effects related to these adjustments and the application of IFRIC 23 "Uncertainty over Income Tax Treatments."

Non-recurring financial elements correspond to the adjustments made to determine the normalized financial result (see above).

Normalized minority interests correspond to the share of non-controlling interests in the normalized net result. They thus correspond to the share of non-controlling interests in the net result of continuing operations, adjusted for the effects of non-controlling interests on other operating income and expenses and on non-recurring financial elements, as well as tax effects related to these adjustments and the application of IFRIC 23.

The basic normalized net earnings per share corresponds to the normalized net result, Group share, divided by the weighted average number of shares outstanding during the period. The diluted normalized net earnings per share are calculated by adjusting the result attributable to shareholders and the weighted average number of shares outstanding to account for the effects of all potentially dilutive instruments.

The Group uses these indicators to measure the recurring result evolution of its activities. The table below presents the reconciliation of the normalized net result with the consolidated financial statement aggregates:

(Euros in millions)	30 June 2024	30 June 2023 restated
Net result from continuing operations	**2,550**	**(929)**
To increase/(decrease) by:		
Other operating income and expenses	609	41
Other non-recurring financial income and expenses [(1)]	(3,486)	-
Tax effects related to adjustments and IFRIC 23	(21)	(15)
Normalized net result	**(348)**	**(903)**
o/w Non-controlling interests	-	*(11)*
o/w Group share of normalized result	***(349)***	***(892)***

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

Restated Free Cash Flow After Leases from Continuing Operations

Restated free cash flow after leases corresponds to the Group's total cash flow from operations (CAF), adjusted for the following: (i) pre-tax result from discontinued operations, (ii) result on disposal and other adjustments related to discontinued operations, (iii) lease liability repayments and interest payments on lease liabilities from continuing operations, (iv) other repayments from continuing operations, and (v) other adjustments such as restructuring and divestment plan effects (up to the end of 2023).

(Euros in millions)	30 June 2024	30 June 2023 restated
Cash flow from operations	**(39)**	**194**
- Pre-tax result from discontinued operations	2,548	1,930
- Non-cash adjustments related to discontinued operations	(2,373)	(1,884)
Cash flow from continuing operations	**135**	**239**
+ Lease liability repayments from continuing operations	(159)	(161)
+ Interest payments on lease liabilities from continuing operations	(64)	(53)
+ Other repayments from continuing operations	(7)	(9)
Cash flow from continuing operations after adjustments	**(94)**	**16**
Adjustments related to restructuring and divestment plan	81	17
Restated free cash flow from continuing operations	**(13)**	**33**

Gross and Net CAPEX

Gross CAPEX corresponds to cash outflows related to acquisitions of intangible assets, property, plant, and equipment, as presented in the consolidated cash flow statement. Net CAPEX includes the gross CAPEX adjusted for cash inflows from the disposal of intangible assets, property, plant, and equipment. From 2024 onwards, the strategic disposal plan no longer affects these figures.

(Euros in millions)	30 June 2024	30 June 2023 restated
Cash outflows for asset acquisitions	(164)	(172)
Cash inflows from asset disposals	6	34
Adjustments related to the disposal plan	-	(28)
Net CAPEX from continuing operations	**(159)**	**(166)**

Restated Change in Working Capital Requirement (WCR)

The restated change in working capital requirement corresponds to the "change in working capital" as presented in the consolidated cash flow statement, adjusted for the effects of the 2023 disposal plan and financial restructuring.

(Euros in millions)	30 June 2024	30 June 2023 restated
Change in WCR from continuing operations	**(255)**	**(584)**
Adjustments related to the disposal plan, conciliation fees, and financial restructuring	29	(10)
Restated change in WCR	**(227)**	**(594)**

Free Cash Flow (FCF)

Free cash flow represents the cash flow generated by operations as presented in the consolidated cash flow statement, minus net CAPEX, lease payments subject to IFRS 16, and adjusted for the effects of the strategic disposal plan (until 2023) and financial restructuring. It provides the Group with insight into the cash generation/consumption resulting from its activities. Free cash flow indicates the liquidity available after making necessary capital investments and servicing financial liabilities. This measure is used to assess the Group's performance and overall liquidity.

Free cash flow excluding operational financing corresponds to the free cash flow adjusted for the impact of operational financing losses during the conciliation procedure in 2023 and for the payment of deferred tax and social liabilities from the 2023 fiscal year that had been postponed during financial restructuring.

The following table reconciles free cash flow with the consolidated financial statement aggregates:

(Euros in millions)	30 June 2024	30 June 2023 restated
Cash flow generated by operations from continuing activities	**(136)**	**(353)**
Net CAPEX	(158)	(167)
Lease liability repayments (*)	(159)	(161)
Interest payments on lease liabilities (*)	(64)	(53)
Other repayments	(7)	(9)
Adjustments for the effects of the disposal plan and financial restructuring	110	7
Free cash flow	**(413)**	**(735)**
Impact of operational financing loss	153	488
Free cash flow excluding operational financing loss	**(260)**	**(248)**

(*) In application of IFRS 16

Net Financial Investments from Continuing Operations

Net financial investments are derived from the consolidated cash flow statement and correspond to the sum of acquisitions of financial assets, changes in loans and advances, and the effects of perimeter changes involving control changes or related to joint ventures and associates, minus financial asset disposals and transactions between the Group and non-controlling interests. Adjustments are also made to isolate the impact of the strategic disposal plan and the variation in escrow accounts related to these disposals.

This aggregate may also be referred to as “Other Financial Investments.”

This indicator reflects investments other than operational investments.

The following table reconciles net financial investments from continuing operations with the consolidated financial statement aggregates:

(Euros in millions)	30 June 2024	30 June 2023 restated
Cash outflows for financial asset acquisitions	(7)	(77)
Cash inflows from financial asset disposals	100	91
Effects of perimeter changes with a control change	(2)	(47)
Effects of perimeter changes related to joint ventures and associates	47	14
Change in loans and advances granted	(7)	-
Transactions between the Group and non-controlling interests	(2)	-
Adjustments related to the disposal plan	(45)	(60)
Adjustment for escrow account variations	(96)	(18)
Net financial investments from continuing operations	**(12)**	**(96)**

Indicateurs non-GAAP présentés dans les états financiers

The following indicators are included in the consolidated financial statements. Here, we only recall their definitions, noting that their reconciliations are presented in the notes to the financial statements.

EBIT (Earnings before Interest and Taxes)

Operating income recurring (EBIT) corresponds to operating income before items which, by their very nature, are not included in the assessment of the recurring operating performance of business units, such as disposals of non-current assets, impairment of non-current assets and the impact of changes in scope of consolidation (notably costs and fees relating to takeovers, results of loss of control, revaluations of previously-held equity interests) and major items occurring during the accounting period which are likely to distort the reading of the performance of the company's recurring business (these are income and expenses which are limited in number, unusual, abnormal or infrequent, and of significant amounts, such as restructuring costs (including reorganization and change-of-concept costs) and provisions and charges for litigation and risks (including the effect of discounting)).

Operating margin before non-recurring items corresponds to operating income before non-recurring items divided by sales.

Adjusted EBITDA

Adjusted EBITDA is defined as EBIT plus current depreciation and amortization presented in EBIT.

The adjusted EBITDA margin corresponds to adjusted EBITDA divided by net sales.

Adjusted EBITDA After Lease Payments

Adjusted EBITDA after rent paid is defined as EBIT plus depreciation and amortization expense reported under EBIT, less repayments of lease liabilities and net interest paid on lease liabilities.

(Euros in millions)	30 June 2024	30 June 2023 restated
EBIT	**(56)**	**17**
+ Operating depreciation and amortization	311	318
Adjusted EBITDA	**255**	**334**
+ Lease liabilities repayments of continuing operations (*)	(159)	(161)
+ Financial interest paid on lease liabilities of continuing operations (*)	(64)	(53)
+ Other repayments from continuing operations	(7)	(9)
Adjusted EBITDA after lease payments	**26**	**112**

(*) In accordance with IFRS 16

Operating Cash Flow

Cash flow from operations as shown in the cash flow statement corresponds to cash generated (used) by operating activities before changes in working capital requirements and tax paid. It is calculated on the basis of pre-tax income, from which are deducted expenses and income which have no impact on cash or which are unrelated to operations (such as depreciation, amortization and provisions, excluding those relating to current assets, changes in fair value, expenses relating to share-based payments, gains and losses on disposals of fixed assets, etc.), losses/(gains) relating to changes in interests in subsidiaries with/without control or non-controlling interests) and is restated for the cost of debt, non-drawing costs, the cost of mobilizing 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 (NFD) 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.

NFD is also monitored by segment.

Other definitions

Constant exchange rates

The term "constant exchange rate" refers to the application of the previous year's exchange rates to the current year, all other things being equal.

Comparable sales (or comparable sales)

Comparable sales include e-commerce sales and sales of merchandise excluding petrol in stores open for at least 12 months. It is expressed at constant exchange rates.

Organic sales (or organic sales)

Organic sales correspond to consolidated sales on a like-for-like basis.

Gross Merchandise Volume (GMV)

For e-commerce, GMV ("Gross Merchandise Volume") corresponds to sales, including taxes, generated directly on the Cdiscount Group's websites and by independent sellers on marketplaces. For other retail activities (excluding petrol), it corresponds to sales generated by each banner for all its stores (integrated and franchised), excluding petrol.

Food sales

Food sales correspond to sales of convenience goods, industrial fresh produce and processed materials, excluding VAT.

Calendar effect

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

- the impact generated by the variation in days of the week from one year to the next (number of days more or less vs. N-1 over a given period: month, quarter, year),
- the impact generated by the calendar shift of days with very strong upward or downward variations in sales (public holidays, school vacations, bridging periods, major promotions, sales, major festivals).

Customer traffic

Customer traffic corresponds to the number of checkouts.

Organic EBIT

Organic EBIT corresponds to consolidated EBIT on a like-for-like basis.