Press release 22 February 2024

2023 Annual Results

RESULTS DOWN IN A CHALLENGING ENVIRONMENT
ACCELERATING THE ROLL-OUT OF VISION 2032 FOR AUCHAN RETAIL
CONFIRMATION OF THE VALIDITY OF THE REAL ESTATE STRATEGY

- **Revenue** stable at constant exchange rates (+0.3%)
- **Gross profit up** 3.6%[1] in value (+0.8 pp[1] in percentage terms) thanks to the rise in income excluding fuel from the Group's two core business lines (+2.9%[1])
- **EBITDA** down (-7.3%[1]), penalised by a challenging environment, marked by high inflation and the Russia/Ukraine war
- With shareholder support, **financial situation** remains solid, with debt ratios **under control**

- **Disappointing** but **very mixed results**:
  - **countries experiencing difficulties** (France and, because of the war, Ukraine and Russia)
  - **countries with strong commercial and financial momentum** (Poland, Spain, Portugal, Hungary, etc.)
- **Confidence in the future** by accelerating the roll-out of Vision 2032:
  - **Consolidation** in strategic markets (operations in France, Spain and Portugal)
  - **Repositioning** on prices
  - Adaptation of the **organisational model**
  - Strengthening of the **People Plan**
  - A stronger commitment to the **environment**

- **Significant growth** in **revenue** and **EBITDA**
- **Fair value** of assets **resilient** in a challenging environment
- A coherent **mixed-use** strategy to support retail

[1] At constant exchange rates

KEY FIGURES for 2023

In € millions	2023	2022	Change at current exchange rates	Change at constant exchange rates
Revenue	**32,902**	**33,485**	***-1.7%***	***+0.3%***
Gross profit	**8,082**	**7,963**	***+1.5%***	***+3.6%***
Gross profit margin	*24.6%*	*23.8%*	*+0.8 pp*	*+0.8 pp*
EBITDA	**1,528**	**1,697**	***-10.0%***	***-7.3%***
EBITDA margin	*4.6%*	*5.1%*	*-0.4 pp*	*-0.4 pp*
Operating profit	**-14**	**366**	***n.a.***	***n.a.***
Net income	**-378**	**42**	***n.a.***	***n.a.***

RESULTS DOWN IN A CHALLENGING ENVIRONMENT

In 2023, ELO's **revenue** amounted to €32,902 million, stable at constant exchange rates (+0.3%) compared with the 2022 financial year, in an unfavourable environment marked by the continuing Russia-Ukraine war and high inflation. Excluding fuel, the Group's two business lines grew (+2.9%[2] excluding fuel for ELO).

Gross profit increased to €8,082 million (+3.6%)[2]. The profit margin improved by 0.8 pps[2], driven by growth in food and non-food revenues, which contributed more to the margin than fuel sales, which fell sharply.

These gross profit increase partially absorbed the increase in operating expenses (+€288 million), under conditions of strong inflation.
Over 2023 as a whole, **EBITDA** amounted to €1,528 million, compared with €1,697 million in 2022, a fall of 7.3%[2].
By business line, Auchan Retail's EBITDA was €1,140 million (-12.1%[2]) and New Immo Holding's EBITDA was €392 million (+9.5%[2]).
The EBITDA margin was 4.6%, down 0.4 pps.

Provisions for depreciation, amortisation and impairment rose by €112 million, in line with the investment drive of the last two years.

Operating profit amounted to -€14 million, compared with €366 million in 2022. It includes a negative impact of €383 million from **other operating income and expenses**, mainly comprising

[2] At constant exchange rates

an impairment charge of €225 million on the goodwill and assets of Auchan France, and the accounting impact of the war in Ukraine (including €122 million of impairment losses on assets in Russia in 2023).

The **net cost of financial debt** was -€180 million versus -€117 million in 2022. This increase was due to the rise in interest rates. Other financial income and expenses showed an expense of €133 million, down €39 million (mainly the impact of hedges).

The **tax expense** was €6 million, compared with -€147 million a year earlier, against a backdrop of falling operating profit.

The **share of net profit (loss) of associates** was -€56 million, and corresponds to the share of net profit of Oney, which is impacted by the rise in the cost of risk and refinancing costs.

Overall, **net profit** amounted to -€378 million, compared with €42 million in 2022. Restated for non-recurring items, normalised profit remained positive at €44 million (vs. €293 million in 2022).

FINANCIAL PROFILE REMAINS SOLID DESPITE THE INCREASE IN NET FINANCIAL DEBT

At 31 December 2023, ELO's **net financial debt** stood at €2,917 million, compared with €2,579 million at 31 December 2022 (+€338 million). This increase essentially reflects the fall in EBITDA and continued investment (including the strengthening of Auchan Retail's distribution network in Spain). In addition, property disposals are higher than in 2022, but have been slowed by the lower liquidity of the property market.
The contained increase in net financial debt is the result of an improvement in working capital, linked in particular to more optimised inventory management at Auchan Retail. This favourable trend, in value terms, comes against a backdrop of high inflation in the cost of stock purchasing, and takes into account the integration of Dia stores in Spain.

Debt ratios remain solid, with a net financial debt/EBITDA multiple of x1.91.

ELO's liquidity remains very healthy. ELO benefits from €7.6 billion in financing, including €1.7 billion of confirmed undrawn credit lines. The financing repayment schedule is well spread out, with an average maturity of 3.7 years. In total, 42% of the group's financing incorporates climate change objectives.

At ELO's next General Meeting, it will be proposed that no dividend be paid in 2024 in respect of the 2023 financial year.
This decision, which comes on top of the decision to finance the bulk of the Casino store acquisition through a capital increase, illustrates the shareholders' ongoing support for the ELO Group and the transformation of its business lines.

CONDITIONS IMPACTED ON TWO FRONTS...

In 2023, Auchan Retail's business suffered the double impact of:

- **the ongoing Russia-Ukraine war**

Auchan Retail's business in both countries has seen a marked slowdown in store traffic.
In Ukraine, activity has been particularly impacted by people moving to the west of the country, where Auchan Retail's presence is less dense that in Kyiv, as well as the maintenance of strict safety rules, which are not implemented by the local competition, to protect employees and customers during bomb alerts. The Ukrainian population has also been affected by very high inflation, which has significantly reduced its purchasing power.
In Russia, consumers are more cautious about their spending and travelling, impacting foot traffic in large shopping malls.

Overall in the two countries at war, revenue fell by 4.2%[3] and EBITDA fell by 29%[3].

- **high inflation**

The impact of high inflation in 2023, particularly on food products, was twofold. Firstly on revenue, since it significantly reduced consumers' purchasing power. As a result, consumers cut their expenditure, leading to an unprecedented reduction in consumer spending. In France, for example, free-service FMCG volumes have returned to their 2018 levels. The inflationary context has also led consumers to make spending decisions to the detriment of non-food products, which are not considered to be a priority. Group-wide, volumes of non-food products fell by 7% in 2023. High inflation then weighed on the company's operating costs (energy, payroll expenses, fees, etc.), which were up by €348 million in 2023 (excluding Russia-Ukraine).

...WEIGHING ON AUCHAN RETAIL'S PERFORMANCE

- **Like-for-like revenue growth**

Excluding countries at war, **like-for-like store revenues rose by 2.5% in 2023**, including +1.3% in France and +4.4% in other countries.
Despite the conditions described above, all Auchan countries are experiencing growth (excluding Russia/Ukraine). While the increase in sales prices was partially offset by the fall in the number of items sold, there has been an increase in traffic (+1%) – a sign of the attractiveness of the retailer's offer, in particular for food.

Across the Group, customer confidence is also reflected in the increased penetration of loyalty cards. 42% of customers are now inscribed in the programme (+5% in one year). Lastly, customer satisfaction has led to an increase in the NPS, which has gained 4 points over the year.

Fuel sales amounted to €3,529 million, a sharp decrease of 17.7%[3] year-on-year.

Overall, with the fall in activity in the two countries at war, Auchan Retail's **revenue** came to €32,258 million, flat at constant exchange rates (+0.1%).

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[3] At constant exchange rates

- **Improvement in gross profit**

In 2023 as a whole, Auchan Retail's **gross profit** reached €7,533 million, up by €103 million (+3.6%[4]). It has benefited from growth in food and non-food revenues, while fuel sales, down sharply, have low margins.
The gross profit margin was thus 23.4%, up 0.8% year-on-year.

- **A fall in EBITDA due to the war and high inflation**

Auchan Retail's total **EBITDA came** to €1,140 million, compared with €1,336 million in 2022. This fall was due to the drop in business in the two countries at war (EBITDA down by €82 million[4] in Russia and Ukraine), the effects of inflation on costs and competitive pressure in France (-€175 million) and the negative impact of exchange rates (-€31 million - mainly the rouble and hryvnia). In the other countries, EBITDA rose by €92 million[4], reflecting strong sales momentum and cost control.

As a proportion of turnover, the **EBITDA rate** was 3.5%, i.e. down 0.5 pp in one year.

MIXED PERFORMANCES BY REGION

Performance in 2023 varied from country to country and from region to region. In France, Ukraine and Russia, for example, results fell short of expectations. In the case of Ukraine and Russia, these difficulties are obviously due to the war, its impact on consumers in these two countries, and the growth momentum of local competitors.
In the other countries (particularly Poland, Spain, Portugal and Romania), performance was very satisfactory, meeting or exceeding targets and demonstrating the solidity of Auchan Retail's positions in these countries.

- **France: results down sharply**

In 2023, Auchan Retail **France**'s **same-store revenues** were up by 1.3%. The trend was marked by an increase in food revenues (+3.2%) across all formats, in a market characterised by an intense price war. Non-food sales were down 8.5%.
Penalised by a sharp drop in fuel sales (-21.5%), **total revenue** at Auchan Retail France fell by 2.7% to €16,221 million.

EBITDA was down sharply, impacted by difficult operating conditions in a highly competitive environment, particularly in the 2nd half.

- **Western Europe (excluding France): continued strong sales**

Like-for-like revenues in **Western Europe** (excluding France) rose by 4.7% year-on-year, driven by strong performances in each of the region's three countries.

Alcampo, **Spain**'s cheapest retailer for the 15th year running, is taking advantage of its price positioning in an inflationary environment to increase footfall in its stores.
Auchan Retail also continued to grow in **Portugal**, with like-for-like revenue up, driven by the strong increase in foot traffic (+7%).
Auchan continued to gain market share in **Luxembourg**, where foot traffic rose sharply (+10%).

[4] At constant exchange rate

Total revenue in Western Europe (excluding France) came to €6,674 million, up 5.8%. Revenue growth on a like-for-like basis and the integration of the 217 Dia supermarkets acquired in Q2 2023 (see below) partially offset the sharp decline in fuel sales.
Thanks to this strong sales momentum, **EBITDA** for the region was up year-on-year.

- **Central and Eastern Europe: growth excluding countries at war**

Like-for-like revenues in **Central and Eastern Europe** were down by 0.1% compared with 2022, due to the very significant impact of the war on business in Ukraine and Russia. Excluding countries at war, they grew by 3.9%.
In this region, the Auchan countries (**Poland, Romania, Ukraine, Hungary, Russia**) are renowned for their attractive price positioning (notably leader in Poland) and the quality of their offer.
Overall, revenue in Central and Eastern Europe came to €8,587 million, down 6.6% (+7.0% excluding countries at war).

EBITDA for the region fell sharply due to the drop in activity in Ukraine and Russia. However, it grew outside countries at war.

- **Africa: continued expansion**

In 2023, revenue in **Africa** grew strongly to reach €266 million, a sharp increase of 22.1%.

In **Senegal**, Auchan Retail is the leading modern food retailer and benefits from its status as price leader. In **Côte d'Ivoire**, Auchan Retail is continuing to expand since its launch in June 2022, with a total of 16 stores opened (including 7 in 2023).

CONFIDENCE IN THE FUTURE BY ACCELERATING THE ROLL-OUT OF VISION 2032

- **Strengthening in strategic markets**

Despite the unfavourable environment, Auchan Retail stepped up its policy of strengthening its strategic markets in 2023.

In Spain, Alcampo acquired **217 Dia supermarkets** during the second quarter of 2023. Thanks to the excellent fit with existing stores in Spain, this transaction will accelerate Alcampo's growth in the country. Alcampo now has a presence in 16 of Spain's 17 autonomous communities, consolidating its position as the retailer with the largest sales area in zones such as La Rioja and Burgos. This is even the case in the autonomous community of Aragon.

Auchan Retail has also announced the acquisition of a **100% stake in the Dia activities** in Portugal, thereby contributing to the consolidation of the Portuguese market and extending its store network. The scope of the transaction includes the 489 stores operated under the *Minipreço* and *Mais Perto* brands, both owned and franchised, and three warehouses.
The transaction is currently being reviewed by the Portuguese Competition Authority and is expected to be finalised in Q2 2024.
Following this transaction, Auchan Portugal will become a key player in the Portuguese convenience store sector thanks to the presence of *Minipreço* stores throughout the country. It will have the largest network in terms of number of stores and will strengthen its omnichannel offering (physical and digital). Finally, it will develop a significant franchise business.

Lastly, in France, Auchan Retail and Les Mousquetaires announced the signature of a firm agreement with Casino for the takeover of 288 stores in France. As part of this joint approach,

Auchan France will integrate **98 points of sale** (including 70 supermarkets), mainly located in regions experiencing economic and demographic growth (South of France, Rhône Alpes, Île-de-France). Of the 26 hypermarkets acquired, only 5 are “large” hypermarkets exceeding 9,000 m². They will be incorporated into the current review of the resizing of sales areas.
With this latest merger, which will be profitable from the third year, Auchan France will:

- accelerate its development in the supermarket format (+20% increase in the number of stores),
- expand its catchment areas thanks to the complementarity of Casino stores,
- increase its national market share, with a target of 10%.

The transaction is currently being reviewed by the French Competition Authority and is expected to be finalised in several stages over the second and third quarters.

- **Repositioning on pricing in France**

Against a backdrop of high inflation weighing on household purchasing power, Auchan Retail has taken strong measures to improve its attractiveness in terms of pricing in France:

- with immediate effect

Auchan France launched a massive price-cutting campaign in December 2023, with a targeted approach per catchment area. Depending on the store, prices were cut on 1,000 to 24,000 products, resulting in a **-1.2-point improvement** in Auchan France's national price index (up to -4.7 points for some stores).

In other countries, Auchan Retail already benefits from a solid positioning, which it set out to consolidate over the course of 2023. In particular, Auchan Retail is the market **leader** in Spain (for the 15th consecutive year), Poland and Senegal.

- in the short term

Auchan Retail and Les Mousquetaires have taken steps towards a **very long-term purchasing alliance** (10 years), the aim of which is to capitalise on the strengths and complementary aspects of the two groups and enable each group to improve its costs and selling prices. The aim of this project is to create France's **leading central purchasing group**.

The scope of the alliance is very broad, and could include negotiation for the purchase of consumer food products from the major national brands, negotiation for the purchase of non-food products, as well as elements relating to non-commercial purchasing, energy or the manufacture of distributor-brand products. This alliance could be extended to other areas such as retail media, real estate, etc.

- **Adapting the organisational model**

At the same time, Auchan Retail has continued its transformation and turnaround by accelerating ongoing projects:

- strengthening **governance**

The deadlines and transformations to which experienced by Auchan Retail in the coming years (consolidation on the French market, implementation of the elements of the alliance with Intermarché, roll-out of Vision 2032, etc.) require the strengthening of the Group's general management and the faster recovery of Auchan France.

It is for this reason that Yves Claude, Chairman and CEO of Auchan Retail, invited Guillaume Darrasse to join him as Deputy Chief Executive Officer of Auchan Retail and Chairman of Auchan Retail France.
His main tasks will be to simplify the organisation of certain functions between Auchan France and the Group's central services, to boost commercial activity and to develop the offering to customers at all the Group's locations.

- downsizing **hypermarkets** (a format accounting for 21% of sales outlets)

In order to meet consumers' new expectations, a plan to reduce store surface areas (sales areas + reserves) was launched during the second half of 2023. With the support of Foncière Ceetrus and the property services company Nhood on shared sites, Auchan Retail is working to resize around **one third of its hypermarkets** in all the European countries in which it operates (excluding Russia). In total, this plan will lead to an average **25% reduction** in sales area.

- development of **supermarkets** (34% of outlets) and **convenience stores** (33% of outlets)

Supermarket and convenience formats will remain at the heart of Auchan Retail's strategy. They complement the "platform" hypermarkets, which can supply them with fresh produce as part of a catchment area-based structure. They also meet the expectations of consumers living in urban areas. In total, the number of supermarkets and convenience stores increased by **290 points of sale** in 2023 (excluding Dia Portugal and Casino operations still in progress).

- continued investment in **digital**

In Spain and Poland, the **partnership with Ocado** is being rolled out according to schedule. It should enable the implementation of *in-store picking* (already in place in Spain), the development of an e-commerce platform (already established in Spain) and the use of a robotic warehouse (scheduled to open in Spain at the end of the first half of 2024).
In France, Auchan Retail's initiatives in terms of data, loyalty, customer experience and product offering have enabled Auchan.fr to enter the **top 20 most visited e-commerce sites** (third largest food distributor). In addition, Auchan Retail (Auchan Drive + Chronodrive) is the **second largest** drive-throughs retailer in France.
Overall, digital sales (excluding fuel) accounted for 7.3% of total revenue in 2023, up 0.4 points year-on-year. Digital revenues grew by 8% in 2023.

- **Renewed focus on the People Plan**

As the quality and commitment of any transformation depends on the quality and attention paid to employees, Auchan Retail's People Plan has been given renewed importance. As part of its Vision 2032, the company aims to become the preferred brand of its current and future employees. The actions undertaken since 2022 (launch of the Vision initiative) have strengthened their support for the company's projects. As a result of this focus on the People Plan, Auchan Retail was awarded **Top Employer 2024** certification in France (for the first time), Spain (for the sixth year running), Portugal (for the second year running) and Romania (for the second year running).
The Group's 2023 **Engagement and Satisfaction Barometer** shows an average employee engagement rate of **80%**, eight points above the average for the European retail sector. Auchan

Retail employees are particularly enthusiastic about cooperation, the working environment, autonomy at work and the company's management practices.

- **<u>Strengthening environmental commitment</u>**

In 2023, the international organisation, the Science Based Target Initiative (SBTi), supported by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), has just approved the objectives of Auchan Retail's 2030 Climate Plan:

- **a 46% reduction by 2030 i**n emissions from stores ("**scopes 1 and 2**") vs. 2019; i.e. global warming limited to 1.5°C.
- **a 25% reduction by 2030** for emissions relating to products and transport ("**scope 3**") vs. 2020. i.e. global warming limited to "well below 2°C".

Auchan Retail continued the rollout of its climate action plan in 2023. Roadmaps have been assigned for all EU subsidiaries.
On **scopes 1 and 2**, Auchan Retail has already almost reached its target, with a **44% drop in emissions** since 2019. This performance is due to the significant use of renewable energies for electricity consumption. 34% of the electricity consumed is of renewable origin, including 100% in Poland, Spain, Portugal and Luxembourg.
For **scope 3** commitments, the Group has launched its Supplier Engagement programme, "**Partners for Decarbonation 2030**", which initiates dialogue with suppliers and kick-start their commitment to decarbonising their products. A first wave of suppliers has already joined in 2023, covering around 30% of Auchan Retail's greenhouse gas emissions. The programme aims to cover 100% of product-related emissions.

Auchan Retail's proactive approach to combating global warming and the progress made in implementing it have led the Carbon Disclosure Project to give Auchan Retail a **B rating** for climate change and a B- rating for the Forestry Plan for the first time (at the same time, the ELO Group's rating has been upgraded from B to A- for climate change and to B- for the Forestry Plan).

Auchan Retail has also made the fight against food waste a core component of its business plan, with the goal of zero wasted products by 2032 – a target that will also help reduce its carbon impact. By the end of 2023, the **food waste rate is 1.40%**, down from 1.43% in 2022.
The widespread rollout of in-store "anti-waste" corners is a part of this process, and the retailer is deploying AI-based solutions in all the countries where it operates. This innovative system is already up and running in France, Poland, Hungary, Russia, Romania, Spain, Luxembourg and Portugal.

The fight against plastic pollution is one of Auchan Retail's priorities, as expressed in its Vision 2032 initiative. Initially a signatory of the European Plastics Pact, the Group joined the **Ellen MacArthur Foundation** network to pursue its activities and achieve its objectives. At the same time, Auchan Retail joined the Business Coalition for a Global Plastics Treaty. This reinforces the company's commitment to its policy of combating plastic pollution. The group has deployed practices on an international scale that will enable it to offer **74% reusable, recyclable or compostable packaging** for its Auchan products by the end of 2023. These practices have led to a reduction in the annual volume of plastic used for Auchan-branded food products and the market section of 8% compared with 2021 (with a target of -12% in 2025 vs. 2021).

At the time of the publication of the 2023 results, **Yves Claude, Chairman and Chief Executive Officer of Auchan Retail**, said:

"*2023 was a paradoxical year for the Auchan Retail teams, with real economic difficulties in France, Russia and Ukraine, but good results in other countries, demonstrating that the work undertaken is leading to success.*
On the strength of this situation and these confirmations, we have decided to accelerate the deployment of our Vision 2032 with conviction and determination.
We have continued to invest, while maintaining our financial strength (thanks to the support of our shareholders, we remain totally debt-free); we have strengthened our omnichannel presence in 3 strategic markets (Spain, Portugal and France); together with Les Mousquetaires, we have implemented a strategic review that represents a real turning point in the French retail sector; we have continued our work to combat global warming, which has received an encouraging rating from CDP; and lastly, we plan to adapt our organizational model while maintaining our human project.
As we enter 2024, our major strategies, contained in our Vision 2032, are very clear. I am confident that they are preparing our future to enable all our stakeholders to live better."

NEW IMMO HOLDING SUPPORTS THE TRANSFORMATION OF SINGLE-USE SITES INTO MIXED-USE AREAS, TO THE BENEFIT OF RETAILERS, RESIDENTS AND LOCAL COMMUNITIES

In an environment that remains complex in 2023, ELO's real estate division is continuing its commitment to transforming spaces for “new living mood”. It has also confirmed the improvement in its business indicators and the solidity of its portfolio.

BUSINESS INDICATORS CONTINUE TO IMPROVE

Although 2023 remained a difficult year for the property and retail sectors, New Immo Holding's business indicators showed continued improvement. The vacancy rate fell significantly to 4.4% at 31 December 2023, compared with 6.3% at the end of 2022. Site foot traffic continues to grow, up by more than 1%, while rental income is showing a positive reversionary rate of 2.3% and rental income is up by 10% on the previous year. This growth has been driven by the expansion of the scope of consolidation and by rent indexation and revaluation.

SPECIALTY LEASING, A BUSINESS THAT CONTINUES TO GROW

Specialty Leasing, which offers space on a short-term basis within sites, grew by 17% in 2023 compared with 2022. In various formats, from a motor show or a pop-up store in a vacant unit generating greater local ties - e.g designer markets - this activity seems popular with visitors and meets their expectations.

IMPROVED FINANCIAL PERFORMANCE AND CONTROLLED INVESTMENT

In 2023, New Immo Holding's consolidated gross income reached €658 million, representing an increase of 11% compared with 2022. As a result of this growth, EBITDA rose to €392 million, an increase of 6.6% compared with 2022.
Note that the fair value of assets fell by less than the market at -1.5% compared with 2022 (like-for-like).
These indicators are encouraging, even if we need to remain vigilant about the economic environment, and take account of the rise in interest rates in our investment strategy.
Net debt is up and the LTV ratio is under control at 39.6%.

SUSTAINABLE DEVELOPMENT AT THE HEART OF NEW IMMO HOLDING'S AMBITIONS

Nhood and Ceetrus have set 6 environmental criteria and 6 societal criteria for their respective activities. These criteria will apply from 2024 and will be monitored throughout the 2024-2028 strategic plan.
For Nhood, the criteria are based on its real estate services business, with a social and an environmental component. The former includes initiatives to support diversity, inclusion and equal opportunities, and to enhance the professional development of our employees. For the

latter, this will involve, among other things, taking action on the company's decarbonisation trajectory or developing the positive impact of our customers through a range of ESG (social and environmental governance) services.
For Ceetrus, these criteria are based on its desire to become an positive-impact property company and are framed by the UN's Sustainable Development Goals.
On the societal front, this means, for example, facilitating access to health services on the sites or promoting sports and well-being activities. On the environmental front, these include a commitment to a Net Carbon trajectory by 2040 and the promotion of the renaturation of sites and the preservation of nature on land.

OUTLOOK FOR 2024: THROUGH CEETRUS AND NHOOD, NEW IMMO HOLDING SUPPORTS ITS PARTNERS AND THE TRANSFORMATION OF THEIR PREMISES

In 2024, the company will be supporting the resizing of hypermarkets and providing differentiating property services to as many property owners as possible.
It will also continue its policy of asset rotation to support the transformation of sites into spaces for new living mood.

At the time of the publication of the 2023 results, **Antoine Grolin, Chairman of New Immo Holding**, said:

"This year 2023, the consolidated performances of Nhood and Ceetrus have seen their economic results increase, demonstrating the resilience of the real estate and services companies, in a complex inflationary and real estate context.
The teams of the 2 companies are continuing their commitment to transforming single-use sites into mixed-use sites with a triple positive impact, to the direct benefit of local retailers and residents. Nhood and Ceetrus are respectively translating their vision into complementary actions: for Nhood, by continually anticipating the challenges of local areas and their inhabitants, for new living mood, and for Ceetrus, by making its assets a lever for regenerating human links and nature.
Our challenges are great, and our determination and desire to work together in synergy with elected representatives and our partners is all the more important, which is why we continue to call for collaboration between public authorities and businesses."

APPENDICES

Definition of alternative performance indicators

EBITDA

Since 1 January 2022, the group has included in its EBITDA the change in impairments of trade receivables, as well as allocations and reversals of provisions for risks and expenses. EBITDA hence now corresponds to operating income from continuing operations, from which depreciation and amortisation and other operating income and expenses are deducted.

Other operating income and expenses

Non-recurring transactions of significant amounts, and which could affect current operating performance, are classified as other operating income and expenses, in accordance with recommendation no. 2020-R.01 of the French Accounting Standards Authority. This item notably includes impairment of goodwill, impairment of property, plant and equipment, and gains and losses on asset disposals. Also included are items that are both unusual, abnormal, significant and not related to current operations, such as major restructuring costs or exceptional termination benefits.

Net financial debt

Net financial debt consists of:

- current and non-current borrowings and financial liabilities,
- the fair value of derivatives qualifying as hedging instruments for an item of net financial debt,
- accrued interest relating to these items,
- less net cash and margin calls on derivatives qualifying as hedging instruments for an item of net financial debt.

Margin call liabilities (which correspond to margins received from counterparties) are included in current borrowings and financial debts.

The concept of financial debt used by ELO consists of net financial debt and the fair value of derivatives not qualifying as hedging instruments for an item of financial debt.

It also includes margin calls on derivatives not qualifying as hedging instruments, and short-term liquidity investment instruments not meeting the definition of "Cash and cash equivalents". It does not include liabilities related to put options granted to minority interests.

ELO consolidated balance sheet as at 31 December 2023

ASSETS (in € millions)	31/12/2023	31/12/2022	Change in
Goodwill	1,553	1,743	-190
Other intangible assets	128	155	-27
Property, plant and equipment	4,954	5,181	-227
Right-of-use assets	1,235	1,082	+153
Investment property	3,454	3,555	-101
Investments in associates	647	625	+22
Other non-current financial assets	410	327	+83
Non-current derivative instruments	140	152	-12
Deferred tax assets	371	319	+52
Non-current financial assets	104	97	+7
NON-CURRENT ASSETS	**12,998**	**13,236**	**-238**
Inventories	2,533	2,709	-176
Trade receivables	433	507	-74
Current tax assets	60	71	-11
Trade and other receivables	1,369	1,312	+57
Current financial assets	419	603	-184
Current derivative instruments	80	87	-7
Cash and cash equivalents	2,741	2,006	+735
Assets classified as held for sale	150	98	+52
CURRENT ASSETS	**7,786**	**7,393**	**+393**
TOTAL ASSETS	**20,784**	**20,628**	**+156**

LIABILITIES (in € millions)	31/12/2023	31/12/2022	Change in
Share capital	580	574	+6
Share premiums	2,007	1,914	+93
Reserves and profits attributable to owners of the parent	3,039	3,642	-603
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**5,626**	**6,130**	**-504**
Non-controlling interests	178	194	-16
TOTAL EQUITY	**5,804**	**6,324**	**-520**
Non-current provisions	198	166	+32
Non-current borrowings and other financial liabilities	4,927	4,332	+595
Non-current derivative instruments	147	262	-115
Non-current lease liabilities	1,099	1,121	-22
Deferred tax liabilities	47	167	-120
Other non-current liabilities	164	157	7
NON-CURRENT LIABILITIES	**6,583**	**6,206**	**+377**
Current provisions	184	194	-10
Current borrowings and other financial liabilities	1,070	698	+372
Current derivative instruments	15	21	-6
Current lease liabilities	324	302	+22
Trade payables	4,979	5,033	-54
Current tax liabilities	58	46	+12
Other current liabilities	1,752	1,796	-44
Liabilities classified as held-for-sale	14	8	+6
CURRENT LIABILITIES	**8,397**	**8,098**	**+299**
TOTAL LIABILITIES	**20,784**	**20,628**	**+156**

ELO consolidated income statement for 2023

In € millions	2023	2022	Change at current exchange rates	Change at constant exchange rates
Operating profit from continuing operations	**32,902**	**33,485**	**-1.7%**	**+0.3%**
Costs of sales	-24,821	-25,522	-2.7%	-0.8%
Gross profit	**8,082**	**7,963**	**+1.5%**	**+3.6%**
Gross profit margin	24.6%	23.8%	+0.8 pp	+0.8 pp
Payroll expenses	-4,325	-4,215	+2.6%	+4.2%
External expenses	-2,248	-2,108	+6.6%	+9.5%
Amortisation, depreciation, and impairment	-1,128	-1,016	+11.0%	+12.9%
Other recurring profit and expenses	-12	39	n.a.	n.a.
Operating income from continuing operations	**369**	**664**	**-44.5%**	**-45.2%**
Current operating margin rate	*1.1%*	*2.0%*	*-0.9 pp*	*-0.9 pp*
Non-recurring income and expenses	-383	-298	+28.3%	+35.2%
Operating income	**-14**	**366**	**n.a.**	**n.a.**
Net cost of financial debt	-180	-117	+54.3%	+57.3%
Other financial income and expenses	-133	-172	-22.7%	-40.3%
Tax expenses	6	-147	n.a.	n.a.
Share of net profit/(loss) of associates	-56	-6	n.a.	n.a.
Net income from continuing operations	**-377**	**-74**	**n.a.**	**n.a.**
Net income from assets held for sale and discontinued operations	-1	117	n.a.	n.a.
Net income	**-378**	**42**	**n.a.**	**n.a.**
Net income attributable to owners of the parent	-379	33	n.a.	n.a.
Net income attributable to non-controlling interests	1	9	n.a.	n.a.
EBITDA	**1,528**	**1,697**	**-10.0%**	**-7.3%**
EBITDA margin	4.6%	5.1%	-0.4 pp	-0.4 pp

Find financial information at
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