2023

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

FNAC DARTY

Contents

The items of the Annual Financial Report are shown in the pictogram section headings AFR

The items related to the Non-financial Performance Declaration are shown in the pictogram section headings NFPD

FNAC DARTY

2023 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

All our publications can be found on the website www.fnacdarty.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This is a translation into English of the 2023 Universal Registration Document and the Annual Financial Report of the Company issued in French and it is available on the website of the Issuer. It is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.
This Universal Registration Document is a PDF copy of the French official version of the Universal Registration Document including the 2023 Annual Financial Report, which was prepared in the European Single Electronic Format (ESEF).
The Universal Registration Document was filed with the French Markets Authority (Autorité des Marchés Financiers – AMF) in its capacity as the competent authority under Regulation (EU) 2017/1129 on March 11, 2024, without prior approval in accordance with Article 9 of that Regulation.
The Universal Registration Document may be used for the purposes of a public offer of financial securities or for admitting financial securities for trading on a regulated market if it is supplemented by a Securities Note and, if applicable, a summary and all amendments made to the Universal Registration Document. The resulting documents are then approved by the AMF in accordance with Regulation (EU) 2017/1129.

The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.
The Annual Financial Report is a translation into English of the official version in French of the Annual Financial Report, which was prepared in XHTML format and is available on the AMF (www.amf-france.org) and Fnac Darty (www.fnacdarty.com) websites.

Message
from the Chief Executive Officer

Enrique MARTINEZ,
Chief Executive Officer of Fnac Darty

In 2023, Fnac Darty continued to roll out and put in place the strategic plan Everyday, in a context strongly marked by inflationary pressure. However, this tricky economic climate has not prevented us from outperforming our respective markets, achieving some outstanding successes and continuing to innovate, all with the same goal of continuing our transformation to better serve our customers.

Darty Max, our repair subscription service, illustrates this commitment as we now have over one million subscribers. And this major success story highlights our progress in the area of high added-value services. Following on from our success, this year we launched "Fnac Vie Digitale," a comprehensive service to help French consumers keep on top of digital developments and their growing need for support in this area. Offered as a monthly subscription, Fnac Vie Digitale is a perfect example of our endeavors to speed up our transformation and move toward a service-based model. It ties in perfectly with our goal to become a vital ally to consumers in day-to-day life and for the long term, helping them in their daily household tasks.

Another key event was the signing of an agreement to acquire MediaMarkt in Portugal. This acquisition will allow us to consolidate our technological expertise and strengthen our sales force to offer our Portuguese customers the most relevant range of products and services. We are therefore opening a new chapter of expansion in this dynamic market, where we have been established for 25 years.

The ambitious agreement signed with Ceva Logistics, a subsidiary of CMA CGM, to create a joint venture dedicated to e-commerce logistics and the SaaS Marketplace is one of the major developments for our Group in recent years. Designed to meet all the needs of e-commerce players, this partnership highlights our shared ambition to strengthen our positioning in this strategic market.

As a pioneer of the circular economy, in recent months we have continued to pursue high-impact initiatives aimed at boosting sustainable consumption. And this positioning is primarily focused on assisting our customers in their daily lives. This was illustrated by the sixth edition of our After-Sales Service Barometer, which was published this year and confirmed its role as a benchmark and decision-making tool to help customers before making a purchase. The barometer offers a unique insight into the repairability and reliability of over 150 brands, as demonstrated by their sustainability scores.

In line with our goal to raise awareness, and encourage and reward responsible behavior, we have developed a new set of benefits with the Fnac & Moi loyalty card. The scheme rewards a wide range of actions such as purchasing second life products, using click&collect, repairing products via the Group's after-sales service, buying sustainable products, signing up to a subscription or even returning products to a store so they can be given a second life.

Since the creation of a dedicated department in 2020, our second life offering is continuing to assume its rightful place within our Group. This investment is paying off and is in line with our move to support a more circular economy, with the same standards of quality, trust and service our brands are known for. Two workshops opened at the end of 2022 in Saint-Pierre-des-Corps and Chilly-Mazarin unlocked their full potential and significantly increased the operational capacity of the Second Life Department, enabling it to further align its activities to those of the after-sales service for products requiring repair.

As a responsible retailer, in 2023 Fnac Darty was committed to reducing its energy consumption. Our commitments in this area have been formalized in a comprehensive energy policy. This is another step in helping us achieve the target of reducing energy consumption, while cutting costs and reducing our exposure to fluctuating prices on the energy markets.

Elsewhere, our cultural activities have fully demonstrated our ability to spread Fnac's influence and democratize culture. In 2023, around 7,000 cultural events were organized within our network in France and abroad. For us, an even greater source of pride has been our revamping of a number of formats, especially in terms of exclusive outside-store events held at iconic venues across France. Our role as a cultural mover and shaker has also been highlighted by our literary events, which are eagerly awaited by the book world as well as by the general public in the form of awards such as the Prix du Roman Fnac, the Prix Goncourt des Lycéens and the Prix BD Fnac France Inter. Equally, the Fnac Live Paris Festival has continued to deliver thanks to a ground-breaking and popular program showcasing the best of current music during two days of free concerts, held in the square in front of the Paris Hôtel de Ville as well as in its reception halls. L'ÉclaireurFnac.com, a recommendations website, is also helping an increasing number of internet users demystify the latest cultural, technological and societal developments, and providing guidance to help them make "more educated" choices.

In 2023, Fnac Darty demonstrated that it was a group close to its customers, as well as being innovative and resolutely focused on the future. And this future includes making a major contribution to the Paris 2024 Olympic and Paralympic Games. As an Official Supporter, we are proud to be teaming up with the athletes Élodie Lorandi and Enzo Lefort. We will also play a key role in supporting those involved in Paris 2024, at the very heart of the Olympic and Paralympic sites, by providing 25,000 large and small domestic appliances that will be given a second life after the competitions are over. This large-scale initiative is in keeping with our commitment to a circular economy. We are also proud to announce that CTS EVENTIM and France Billet have been chosen as Official Supporters of the Olympic and Paralympic Games Paris 2024 Ticketing System. Through our consortium, over the coming months we will continue to deliver a high-performance system to provide a seamless user experience for these events, consolidating our role as the leader in France for ticketing solutions. Finally, 2024 will mark 70 years of Fnac and 50 years of Darty's "Contrat de confiance". These two anniversaries provide us with an opportunity to involve our customers and all those who love our brands in a celebration of our unique status in the European retail landscape.

Fnac Darty

EUROPEAN LEADER IN OMNICHANNEL RETAIL

MAJOR PLAYER IN E-COMMERCE IN FRANCE

>27m unique visitors/month [1] to our websites in France

PRESENT IN **13 countries**

71m CHECKOUT TRANSACTIONS

≈ €8 billion of revenue

1,010 STORES WORLDWIDE (of which 43% are franchises)

≈25,000 EMPLOYEES

11m SUBSCRIBERS/MEMBERS

LEADING POSITIONS IN FRANCE

#1	#1	#1	#1
Bookstore	Record store	Repairer	Player in ticketing

Strategic plan Everyday

In its day-to-day work and for the long haul, to be the key ally for consumers, helping them to be sustainable in their consumption habits and daily household tasks.

3 clear ambitions by 2025:

- embodying new standards for **successful digital and human omnichannel retail in the future;**
- helping consumers adopt **sustainable behaviors;**
- becoming the **reference subscription-based home assistance service**.

→ Generation of cumulative recurring free cash-flow from operations of €500 million between 2021 and 2024 and > €240 million from 2025.

→ Regular return for shareholders with a > 30% payout ratio in the medium term.

ESG commitments

Raison d'être: **committed to providing an educated choice and more sustainable consumption.**

- **Environment:**
  - 2.5 million products repaired in 2023;
  - more than 42,000 metric tons of waste electrical and electronic equipment (WEEE) collected in 2023;
  - 26% reduction in CO_2 emissions related to transportation and energy in 2023 compared to 2019.
- **Social:**
  - 94% of employees received training in 2023;
  - 33% of women in leadership positions in 2023;
  - gender equality index of 88/100 at Group level in 2023.
- **Governance:**
  - 50% of women on the Board [2] and an independence rate of 92% in 2023;
  - 98% attendance rate for Board members in 2023;
  - CSR governance that is robust and decentralized, with specialist committees comprising Executive Committee sponsors who deal with specific topics, and CSR point persons appointed in each management team.

(1) *Fevad, average for Fnac and Darty in Q4 2023.*

(2) *Excluding employee Directors; 43% of all Directors are women and there is an independence rate of 79%.*

Presentation of the Group

1.1 / A European leader in omnichannel retail

Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics, domestic appliances and services.

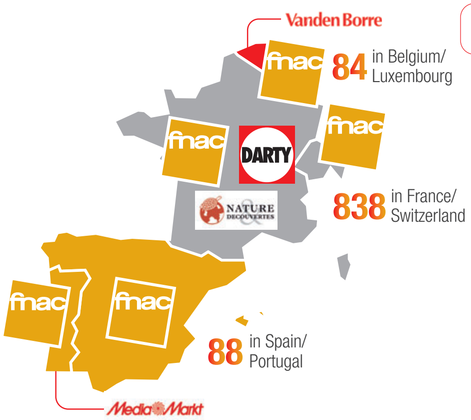
With close to 25,000 employees, Fnac Darty generated revenue of almost €8 billion in 2023. The relevance of its omnichannel model is based on a dense geographical coverage combined with sustained momentum on digital platforms. As of the end of 2023, the Group has a multi-format network of 1,010 stores. It is France's second largest e-commerce retailer in terms of audience with its three commercial websites: fnac.com, darty.com and natureetdecouvertes.com. In 2023, Fnac Darty recorded more than 70 million checkout transactions in its stores and a cumulative average of more than 27 million unique online visitors per month in France (1). Online sales now account for 22% of total revenue, with omnichannel sales accounting for 50% of online sales in 2023, an increase of +2 points compared to the previous year.

The Group operates primarily in Europe via three regions: France and Switzerland, Belgium and Luxembourg and the Iberian peninsula. The Group is also developing its franchise business internationally and now has 16 stores in Africa and the Middle East, and 18 stores in French overseas departments and territories.

In these geographic regions, Fnac Darty reproduces the strategy implemented in France, adjusted to the local context. This is mainly through a strong network of directly owned stores, as well as franchise development and strong e-commerce platforms and Marketplaces.

By bringing together its in-store and digital offerings, the Group can provide services such as "click&mag," "click&collect" and the express or by-appointment delivery services. These services guarantee a seamless, hybrid purchasing experience, combining in-store and online shopping.

The Group's omnichannel experience is outlined below.



A DENSE NETWORK OF STORES	A GROWING FRANCHISE NETWORK	STRONG DIGITAL PLATFORMS	OMNICHANNEL & SERVICES
84 stores: • 13 Fnac • 71 Vanden Borre	**28 Vanden Borre Kitchen** stores, as franchises	Fnac.be and Marketplace Vandenborre.be	**4 logistics platforms** Click&collect After-sales service
407 stores: • 91 Fnac France • 8 Fnac Switzerland • 219 Darty • 89 Nature & Découvertes	**431 stores:** • 140 Fnac • 273 Darty • 1 Fnac Darty • 17 Nature & Découvertes	Fnac.com and Marketplace Darty.com and Marketplace Fnac.ch Natureetdecouvertes.com and Marketplace	**8 logistics platforms** Click&collect Click&mag After-sales service
82 stores: • 35 Fnac Spain • 37 Fnac Portugal • 10 MediaMarkt	**6 Fnac stores**	Fnac.es and Marketplace Fnac.pt and Marketplace Mediamarkt.pt	**2 logistics platforms** Click&mag After-sales service

Store network as of December 31, 2023.

(1) *Fevad, average for Fnac and Darty in Q4 2023.*

1.1.1 / A galaxy of brands orbiting Fnac and Darty

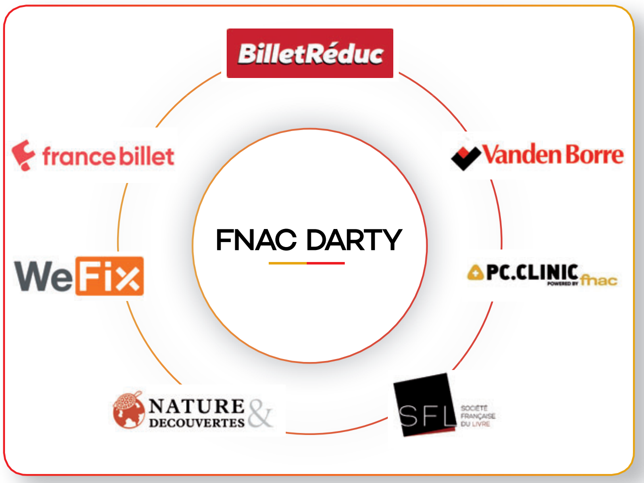
Fnac Darty was created in 2016 through the merger of Fnac and Darty, two iconic and popular brands with a history of more than 60 years. Synergies naturally arose between the two entities, which share complementary positions and missions in terms of their focus on customers.

Three strong values make up the essence of the Fnac brand: independence, passion and the spirit of discovery. These values are reflected in the expertise of its salespeople and in the unique place that Fnac occupies in French culture (Fnac Live Paris, the BD Fnac France Inter comic prize in association with French national radio, the Prix Goncourt des Lycéens literary prize for senior high school students, and more recently L'Éclaireur Fnac).

As for Darty, its identity is anchored in four key values: confidence, service, accessibility and sustainability. Darty, a heritage brand, leads the way when it comes to delivering services, especially in terms of its after-sales services.

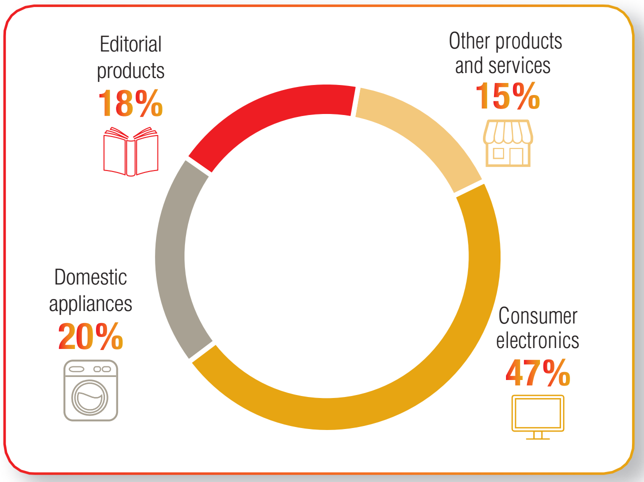
Since the merger between Fnac and Darty, the Group has expanded to include new brands to form a major specialized retail group. These acquisitions reflect the Group's expectations regarding societal changes, and in particular the more sustainable business future that it anticipates.

Today, these complementary brands are all driven by a shared *raison d'être:* "committed to providing an educated choice and more sustainable consumption."



1.1.2 / A diverse, balanced range of products and services

The Group proposes a balanced offering, built around product and service categories with complementary growth and margin profiles.



(as a % of 2023 revenue)

The product and services offering is described in section 1.5.4 "A diversified product and services offering" of this Universal Registration Document.

1.1.3 / A CSR policy at the heart of our strategy

Fnac Darty is keenly aware of its responsibilities. The Group is committed to transforming itself to meet the challenges of a changing market, while at the same time developing its people and making a positive impact on society.

The Corporate Social Responsibility policy aims to address the four main CSR challenges identified through the materiality analysis conducted in 2022 and continued in 2023. Section 1.3, "A business model that creates sustainable value for our stakeholders" of this Universal Registration Document explains how these challenges are integrated into Fnac Darty's business model:

- sustainability of the business model and new patterns of consumption;
- climate change and its consequences;
- business line development and the organization of work, in a context of a shortage of technical profiles and a talent war;
- the ethics of all parties in an ecosystem of partnerships.

The challenges associated with these risks have been placed on a materiality matrix, given in Chapter 2 "Non-financial Performance Declaration" of this Universal Registration Document.

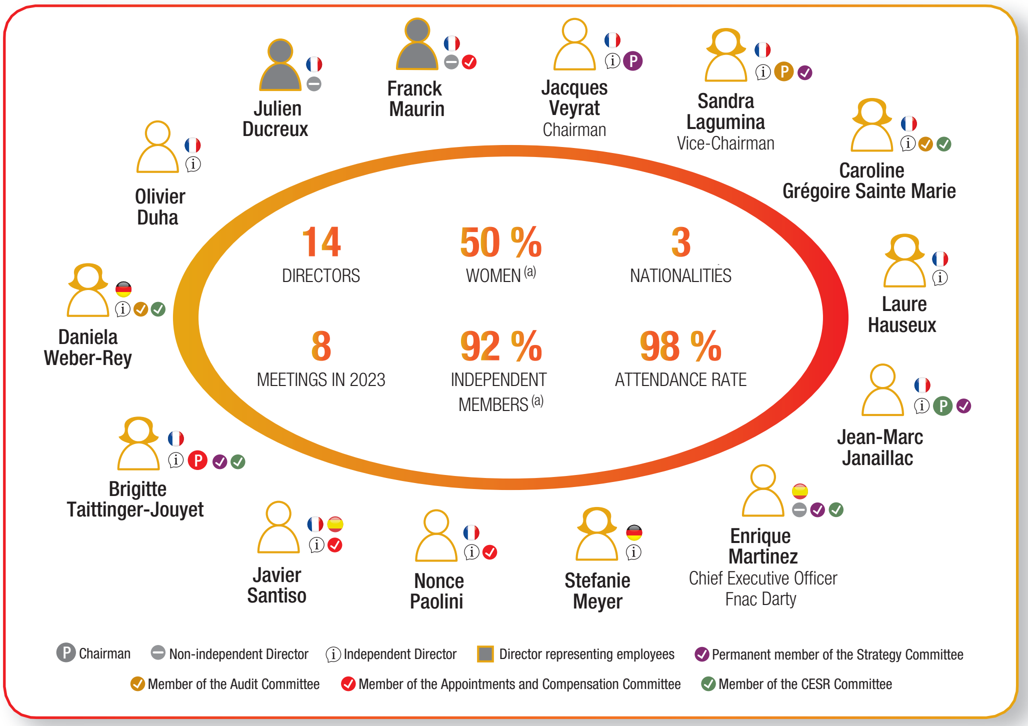
These four major risks and challenges result in the five pillars of the Group's CSR policy: sustainable consumption, climate protection, business ethics, territories and culture, and finally human capital. All five of these pillars are described below and detailed in Chapter 2 "Non-financial Performance Declaration" of this Universal Registration Document.

All of the Group's commitments and CSR actions are recognized by the leading non-financial rating agencies.

CDP	Sustainalytics	ISS-Corporate	MSCI	EthiFinance
A- vs market B-	Low ESG Risk 12.8 /100	C Decile rank 2	AA For the 5th consecutive time 8.0/10	68/100

1.1.4 / Solid and stable governance

Key figures and composition of the Board of Directors at December 31, 2023



Four committees, all chaired by Independent Directors

Each committee is composed of Directors who have been identified as having the specific skills required to carry out its duties. A comprehensive description of each committee can be found in paragraph 3.2.1 "Board committees" of this Universal Registration Document.

AUDIT COMMITTEE
Chairman: Sandra Lagumina

Monitors the process of preparing financial information

- **3** members
- **100%** independent members
- **6** meetings in 2023
- **100%** women

CESR COMMITTEE
Chairman: Jean-Marc Janaillac

Reviews the Company's corporate, social and environmental policies

- **5** members
- **80%** independent members
- **3** meetings in 2023
- **60%** women

APPOINTMENTS AND COMPENSATION COMMITTEE
Chairman: Brigitte Taittinger-Jouyet

Assists in determining the composition of the executive management bodies and in the regular assessment of all compensation and benefits paid to the Group's corporate officers and executive Directors

- **4** members
- **100%** independent members (b)
- **2** meetings in 2023
- **33%** women

STRATEGY COMMITTEE
Chairman: Jacques Veyrat

Considers the broad strategic priorities of the Group that may be implemented by the executives (business, investments, partnerships, etc.)

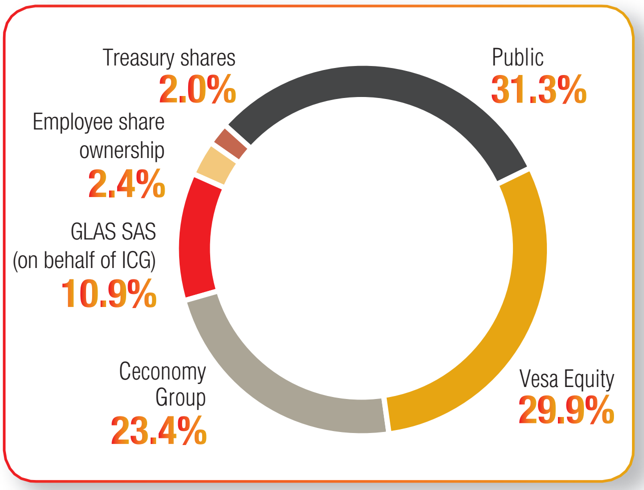
- **5** members
- **80%** independent members
- **2** meetings in 2023
- **40%** women

(a) Excluding Directors representing employees; All Directors included: 43% women and 79% independent.
(b) Excluding Director representing employees.

1.1.5 / Shareholding

As of December 31, 2023, Vesa Equity Investment was the Group's reference shareholder with 29.9% of the equity, followed by Ceconomy with 23.4% of the equity and GLAS SAS (to which Indexia Développement's pledged stake was transferred in October 2023, on behalf of ICG) with 10.9% of the equity.

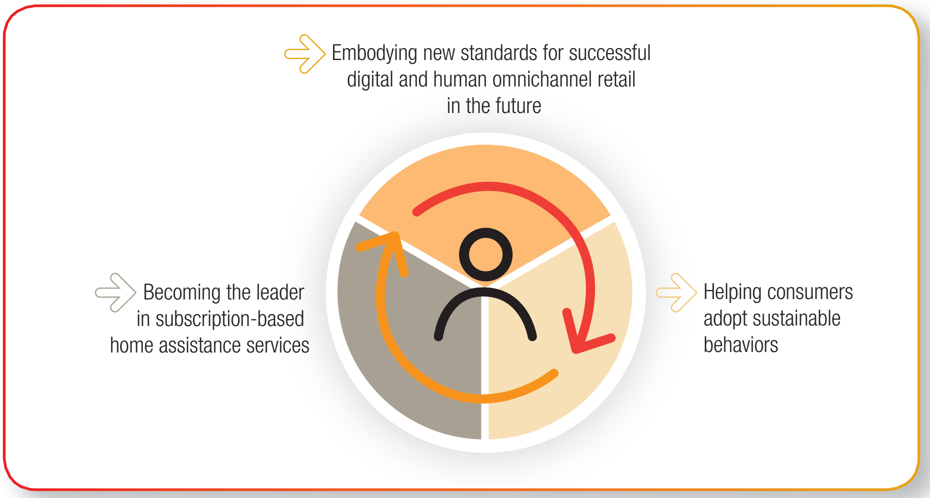
Historical data regarding Fnac Darty shareholding and the latest threshold crossings are detailed in section 6.3 "Shareholders" in Chapter 6 of this Universal Registration Document.



1.2 / Embodying a new way of doing business: Everyday

In 2021, the Group unveiled its new strategic plan Everyday. Its goal is to embody a new way of doing business, but with the same expectations of its customers and all of its stakeholders. The plan must be disruptive to enable the Group to be a vital ally to consumers, on a daily basis and over the long term, to help them be sustainable in their consumption habits.

The implementation of Everyday is based on three ambitions that are to be achieved by 2025, as detailed below.



Embodying new standards for successful digital and human omnichannel retail in the future

Omnichannel retail will be digitalized by improving the performance of sites with a web experience that is increasingly immersive, efficient, and fueled by artificial intelligence. As a result, over half of the Group's investment budget for the period of the plan will be devoted to investing in IT, particularly to developing generative artificial intelligence, and to modernizing and mechanizing the logistics platform.

Omnichannel retail will be humanized by showcasing the spirit of stores on the web and by investing in the expertise of the sales team.

Fnac Darty intends to put the advisory role of its salespeople at the heart of the customer's digital experience, with the aim of building an ever more personalized relationship of trust with consumers on these channels. Chats and video calls with salespeople, as well as the creation of content on cultural recommendations on its digital platform L'Éclaireur Fnac strengthened online interactions with customers.

In addition, the digital resources available to expert salespeople will be boosted to provide a response tailored to every in-store customer (order pick-up, after-sales service, repair needs, specific search, etc.). In doing so, Fnac Darty is enhancing its role of providing the customer with well-informed, independent advice appropriate to their uses and needs.

The Group is of the firm belief that stores are the cornerstone of this new retail. Also, 100% of our integrated stores will be profitable by 2025, with the specific challenges of each store being addressed and promising new formats such as the kitchen, bedding or small proximity formats being developed.

The purpose of all these initiatives is for at least 30% of the Group's revenue to be generated online by 2025, including half in omnichannel thanks to the proven success of click&collect, which reflects the complementary nature of in-store and online. These channels will be the best showcase for the Fnac Darty range of products and services – a high-value offering that is itself committed while also engaging others – and has strong aspirations in the territories we are penetrating.

In this way, the Group will be at its customers' side every day, in-store and on the web, to help them make educated choices, backed by the expertise of over 5,000 salespeople in France.

Helping consumers adopt sustainable behaviors

Fnac Darty is a committed group aware of the challenges relating to the future of our planet. This commitment will be ever more visible with Everyday.

The product offering will trend toward more sustainable products, with Marketplace products and partners that do not meet the sustainability criteria being possibly delisted, and the huge expansion of the second-life service and the option to return used products as part of a circular economy strategy.

Customer choices will be geared toward more sustainable products thanks to sustainability scores, which will be visible both online and in-store and are expected to reach 135 by 2025. These scores are based on the after-sales repair database – the only one on the market – which rates products on their reliability and the availability and prices of spare parts. It is a unique and independent indicator created by Fnac Darty, which weights the volumes of each product sold in the year by the sustainability score.

Lastly, services that enable customers to "use better to consume better" and to repair products more often will be strengthened (sale of spare parts, express repair of smartphones, WeFix, Darty Max, repair communities, and so on), with the goal of having 2.5 million products repaired each year by 2025.

We will therefore support customers in their educated and socially responsible approach to consumption, allowing them to take advantage of the best that technology and entertainment has to offer, while at the same time consuming in a sustainable way.

Rolling out the reference subscription-based home assistance service

Fnac Darty's ambition is to become the leading provider of home assistance services that help to promote more sustainable and responsible consumption.

The Group has created an unlimited, commitment-free repair service subscription that extends the life span of products. The foundations for this service were launched in France at the end of 2019 for large domestic appliances: Darty Max. It was launched in Belgium at the beginning of 2021 with Vanden Borre Life. The Group has steadily expanded its Darty Max offer to include:

- new product categories: small domestic appliances, home cinema TV, sound, photography, and multimedia; and
- incorporated in 2022, an unprecedented preventive maintenance service (1), which includes a video-call option. This makes it possible to identify at-risk products and maintain them better, extending their life span by preventing breakdowns. While 50% to 70% of breakdowns and requests for assistance under warranty (2) are caused by a lack of maintenance or poor use, maintaining devices is a strategic approach to extending their life spans. In order to do more to support more sustainable consumption in the home, devices of all ages are now covered, with no limitations based on the availability period for spare parts, from Group brands or other retailers.

Darty Max offers three separate subscriptions to better meet customers' expectations in terms of repairs and to cover the entire home environment.

	Essentiel €11.99/month	Évolution €16.99/month	Intégral €21.99/month
Large Domestic Appliances	●	●	●
Small Domestic Appliances	—	●	●
TV Home Cinema, Sound	—	●	●
Photography	—	—	●
Multimedia	—	—	●

Darty Max is available in all integrated Fnac stores in France, in addition to Darty stores and the Group's e-commerce sites. Darty Max aims to reach at least 2 million subscribers by 2025.

The Group also relies on B2B partnerships to achieve this objective. One such example of this is the distribution agreement signed at the beginning of 2021 with Sofinco, a subsidiary of Crédit Agricole SA specializing in consumer finance, which is enabling Darty Max to be rolled out on a larger scale thanks to Sofinco's specialist expertise and its customer base. Other agreements have been signed with Bouygues Telecom, a long-standing partner of the Group, and with Homeserve, which specializes in home services.

Again as part of its ongoing efforts to promote sustainability, Fnac Darty expanded its support solutions in 2023 with the launch of "Fnac Vie Digitale," a subscription designed to support consumers in all areas of their digital lives, whatever they need digital services for or however they use them (device protection, user protection and usage advice).

These offers are really shaking up the way services are provided and sold. It gives customers peace of mind while maintaining a sustainable approach. For Fnac Darty, a new subscription-based business model, with recurring cash flows, allows us to consolidate a high-quality long-term relationship with our customers and works to extend the life span of products.

To make it a success, the Group will rely in particular on its in-depth knowledge of services, benefit from its unrivaled distribution network, capitalize on its ability to carry out high-quality repairs directly, and take advantage of its expertise in subscription management.

These new home assistance services make Fnac Darty an absolute must for customers, as it builds a relationship of trust on a day-to-day basis and massively expands its repair service.

(1) At no additional cost in relation to the initial subscription.

(2) Depending on the product category. Source: Ademe, 2022.

1.2.1 / Strategic challenges as sources of opportunity aligned with sustainable development goals

To help address the challenges in front of us, Fnac Darty is focusing its efforts and helping to make the Sustainable Development Goals (SDGs) a reality through its model, strategy and actions.

1 Economic, energy and geopolitical crises

Purchasing power

- Guaranteed prices and a wide range of products at a wide range of prices

Disrupted supply chains

- A high-quality, sustainable relationship with our suppliers
- Centralized, in-house logistics capabilities

Employment market under pressure

- Ways of organizing work reconsidered, investments made in the areas of professional equality and employability to retain talent

Volatility in energy prices

- Energy efficiency measures put in place in order to reduce consumption
- Price increases limited through hedging

3 GOOD HEALTH AND WELL-BEING · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH

2 New consumer expectations

Attachment to stores, which are essential to the consumer experience

- Good geographical coverage
- Advice and expertise from our salespeople
- Strong reputation supported by a base of loyal customers

Concept of product use rethought

- Product offering tailored to consumer expectations
- A Nature & Découvertes product range that strengthens the Group's offer in the well-being and responsible consumption segments
- A broad, groundbreaking range of services

Increasing consumer focus on the environmental and social impact of products and services

- Innovation, particularly in terms of informing customers about product reliability and repairability, and about the environmental impact of e-commerce
- Fnac Darty, a pioneer in extending product life spans: launch of a subscription-based repair service, leading after-sales service in France and expansion of second-life activity
- A responsible approach to waste management, particularly electrical and electronic waste

4 QUALITY EDUCATION · 8 DECENT WORK AND ECONOMIC GROWTH · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3 Online retail now an established habit

A highly competitive sector

- Success of the omnichannel model
- Long-standing experience in digital technology (since 1999 with fnac.com)
- Differentiation through our range of products and services

A demand for immediacy

- Delivery times at the best market standards
- An efficient click&collect service in all countries

Consumers faced with hyperchoice

- Continuous innovations to make our salespeople's expertise available to all customers (in-store and on our websites)
- A selective Marketplace that complements our in-stock offer

Managing peak demand in a short timescale

- Robust digital and logistics platforms, scaled to support very high demand, particularly during peak sales periods
- Ability to adapt in response to reallocation of resources (human, technical, logistics)

Increasing concern regarding the protection of personal data

- Commitment to transparency in the protection of personal data
- A GDPR program and governance structure guaranteeing a high level of data protection

12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

4 Growing climate and environmental challenges

Intensifying climate risks

- The Group's firm commitment to reducing its CO_2 emissions through a trajectory aligned with the Paris Agreement
- The implementation of an energy efficiency plan via a Corporate Power Purchase Agreement signed with Valeco and investments to modernize stores with LED lighting and centralized building management systems
- Robust governance of CSR and environmental risks, with a Climate Committee that manages the trajectory of CO_2 emissions, and a Circular Economy Committee, which draw up action plans and monitor the roadmaps for the various operational sectors

Increasing regulation

- The Group also set up a cross-functional collaboration committee, called Ecolaws, in 2023. This committee aims to better anticipate the changes and/or new regulatory and environmental requirements affecting the products. Monitoring regulations and better awareness raising within the teams allow the committee to monitor and control all relevant regulatory topics with the management teams from the departments involved

Opportunity to foster a more circular economy

- A Group that is leading the way on the subject: developing customer information, new repair and DIY services, and responsible sectors for product re-use through second-hand sales and the donation of unsold goods

11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

1.2.2 / Everyday successes

1.3 / A business model that creates sustainable value for our stakeholders

OUR RESOURCES

An ecosystem of reputable and complementary brands

Fnac and Darty, two iconic brands
WeFix, Nature & Découvertes (a B Corp-certified social purpose corporation), Billetreduc.com, PC Clinic: strategic acquisitions that are in tune with the Group's *raison d'être*

Committed people

Nearly 25,000 employees, including:
- **more than 75%** in direct contact with customers
- **more than 3,000** after-sales service employees

A resilient financial position

- **Fairly stable revenue** (- 0.9% vs 2022)
- Steady gross margin rate at **30.2%**
- A solid net cash position of **€198 million**
- **No major repayment maturity date before 2026** thanks to an undrawn additional credit line implemented to secure the refinancing of the next maturity in May 2024
- **Solid financial ratings** by Scope Ratings, Fitch Ratings and Standard & Poor's: BBB, BB+ and BB+, with a stable (Fitch and Scope) and negative (S&P) outlook

An omnichannel and multiformat model

- **1,010 stores,** 437 of which are franchised
- **14** main **websites**
- **Second-largest player in e-commerce in France** in terms of visitors [(1)]
- A significant level of **click&collect,** on **50%** of online sales

A centralized and in-house logistics network

- **15 warehouses and more than 75 delivery platforms** for physical sales, e-commerce and after-sales services
- A French **after-sales structure centralized** around five repair shops, a central spare parts warehouse and more than 100 technical centers in France

Key markets

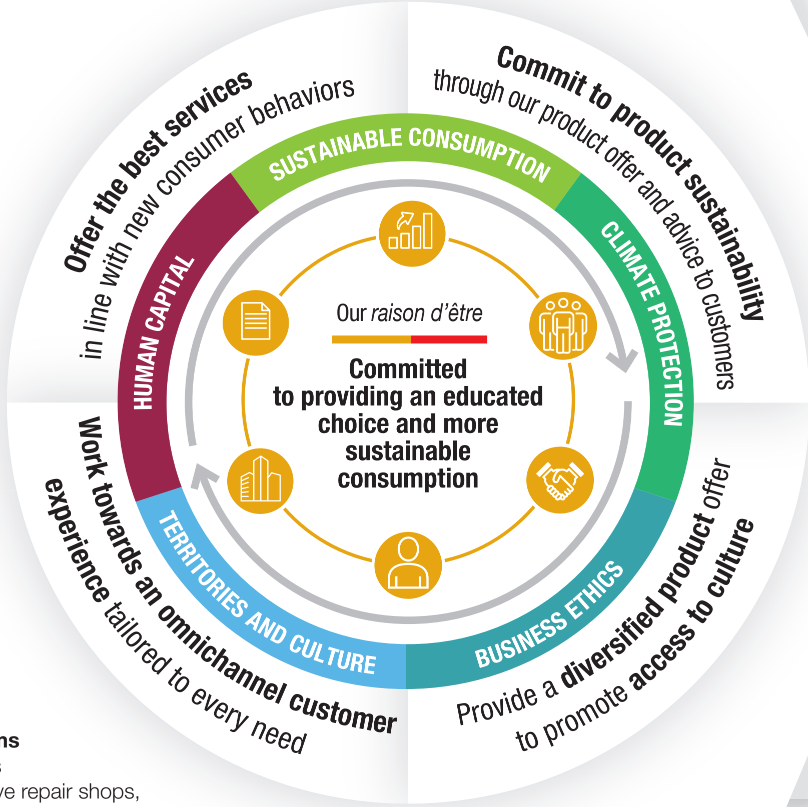
- **Six European markets:** France and Switzerland, Belgium and Luxembourg and the Iberian Peninsula
- Franchises in **Africa,** the **Middle East** and **Overseas France**
- **A diversified** product and services offering

Governance to meet the highest standards

- **A diverse range of skills** and a significant proportion of women (50% [(2)]) on the Board of Directors
- **An independence rate** of 92% [(2)] and an **attendance rate** of 88% for Board members
- **A compensation system** that includes CSR criteria and long-term components

FNAC DARTY

An omnichannel European player, specializing in the retail of entertainment and leisure products, consumer electronics, domestic appliances and services.



(1) Fevad, average for Fnac and Darty in Q4 2023.
(2) Excluding Directors representing employees; of all Directors, 43% women and 79% independent.

ADDED VALUE FOR

CUSTOMERS

- Independent services and advice, to enable an educated choice and sustainable consumption
- Omnichannel offering and operational performance that can be adapted to each individual's needs

> **More than 1.1 million subscribers to Darty Max,** the subscription-based repair service
> with a target of more than 2 million subscribers in 2025
> An **improving sustainability score** (118 in 2023 versus 115 in 2022),
> with a target of 135 in 2025
> Customer satisfaction at the highest level with an aggregate **Net Promoter Score** (NPS) **above 60,** up +2 points compared to 2022

EMPLOYEES

- Development of skills and employability
- Quality of life at work, diversity and professional equality

> **94%** of employees received training in 2023
> **33%** of leadership positions held by women [3],
> with a target of 35% in 2025
> **Commitment to employee purchasing power** with the payment of a value-sharing bonus to all employees in France

PARTNERS AND SUPPLIERS

- Balanced and long-term supplier relationships
- Synergies and cooperation

> **More than 40% of the stores in our network operated under franchise and more than 3,600 sellers on Marketplace**
> Awarded the **"Relations Fournisseurs & Achats Responsables"** (Responsible Supplier Relations and Purchasing) label for a period of three years (awarded in 2022)
> Relationships with suppliers of our commercial products that last more than 15 years on average, and are on the increase
> **Strategic partnerships,** particularly with Google for data processing, with CEVA Logistics to create a joint venture dedicated to e-commerce logistics, and with Rakuten for the sale of Darty products

SHAREHOLDERS

- A healthy balance sheet and a solid cash position
- A strategic plan that aims to generate recurring free cash-flow from operations and provide sustainable shareholder returns

> The generation of cumulative recurring free cash-flow from operations [4] of **€500 million between 2021 and 2024 and > €240 million from 2025**
> A regular return for shareholders with a **payout ratio of > 30% in the medium term**
> Proposal to pay an ordinary dividend of €0.45/share for 2023 [5]

SOCIETY

- Democratization of culture and promotion of cultural diversity
- Historic partnerships with operators in the social and solidarity economy

> Nearly 7,000 cultural events (including nearly 1,400 in France)
> Several **major literary events organized by the Group:** Prix du Roman Fnac, Prix Goncourt des Lycéens and Prix BD Fnac France Inter
> More than **€1 million** in donations received by Fnac Darty from customers and over **€7 million** in donations financed by Fnac Darty

ENVIRONMENT

- Extending the life span of products through repair and second life
- Waste collection and recycling
- Actions to reduce CO_2 emissions

> **2.5 million** products repaired,
> with a target of 2.5 million products repaired in 2025
> More than **42,100 metric tons of electronic waste collected** Group-wide
> A reduction of 26% in the **Group's CO_2 emissions** (related to transportation and energy) compared to 2019
> Three **objectives for reducing CO_2 emissions aligned with climate science** and validated by the Science Based Targets initiative (1.5°)

PUBLIC AUTHORITIES

- Cooperation with institutions to promote product sustainability
- Fiscal responsibility

> **Voluntary signature of a "climate agreement"** to invest more in business communications that promote ecological transition
> Signature of the **FTCC** (French Tech Corporate Community) **Sustainable IT Charter,** consolidating the Group's commitment to digital sustainability

(3) About the top 200 managers at Group level.
(4) Excluding IFRS 16.
(5) Proposal submitted to a vote at the General Meeting on May 29, 2024.

1.4 / History of Fnac Darty

1954 – Birth of Fnac

- 1972 – Launch of Labo Fnac
- 1988 – Launch of Prix Goncourt des Lycéens
- 2008 – 1st "Braderie solidaire" sale in Dijon
- 2012 – Reporting of Environmental Impact Rating
- 2013 – 1st large-scale book collection

1975 – Birth of Darty

- 1973 – Launch of the Contract of Confidence and Darty After-Sales Service
- 1984 – Partnership with ENVIE
- 1996 – Construction of the Mitry-Mory waste processing center
- 2011 – Launch of the "2 for 1" recycling scheme
- 2014 – Launch of the Darty "Button"

2016 – Birth of Fnac Darty

- Launch of the Fnac "Prix de la BD" graphic novel award

2017

- 1st Fnac Livres book fair
- Launch of the online donation scheme
- Launch of Darty+ service
- Creation of "Handi' Trophées" awards
- 1st After-Sales Service Barometer

2018

- Inauguration of the Fnac Darty Academy
- Acquisition of WeFix
- Launch of the After-Sales Service Platform

1990 – Birth of Nature & Découvertes

- 1994 – Launch of Nature & Découvertes Foundation
- 2015 – First B Corp certification
- 2017 – Acquisition of Terre d'Oc by Nature & Découvertes

2019

- Acquisition of Nature & Découvertes, BilletReduc and PC Clinic
- Definition of a *raison d'être*
- Creation of the Fnac Darty repairability index
- Sustainable Choice Label
- Creation of the Sustainability Score

2020

- Creation of a Sustainable Innovation Division at Nature & Découvertes
- Creation of a "Second Life" department
- Launch of Darty Max
- Launch of the strategic plan Everyday
- QLW and professional equality agreement
- Creation of the gender equality network

2021

- Launch of an outsourced ethical whistleblowing platform
- Launch of l'Eclaireur Fnac
- Terre d'Oc becomes a social purpose corporation

2022

- Responsible Supplier Relations & Purchasing Label
- Launch of the charitable rounding scheme at Fnac checkouts
- Signing of LGBTQ+ charter
- Partnership with Comerso to donate unsold products
- Climate objectives validated by SBTi
- Nature & Découvertes becomes a social purpose corporation

2023

- Creation of an apprentice training scheme for After-Sales Service technicians
- Creation of a network of in-store CSR representatives
- Launch of Fnac Vie Digitale
- Launch of free WEEE collections
- Acquisition of Mediamarkt Portugal

1.5 / Fnac Darty markets and offering

1.5.1 / Description of markets

Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics, domestic appliances and services.

The size of the primary markets in which the Group is present is described in the table below:

Size of markets in € million including tax in France (a)

	2023	Change from 2022		2023	Change from 2022
TV (Video)	2,360	(4.5%)	Books	4,036	1.5%
Sound	1,188	(2.2%)	Audio	281	(1.2%)
Photo	522	1.6%	Video	174	(16.1%)
IT	4,483	(8.9%)	Gaming	2,164	27.7%
Telephony	3,539	0.7%	Large domestic appliances	5,943	(4.1%)
Toys and Games	4,161	(1.1%)	Small domestic appliances	3,879	0.2%

(a) Source: GfK, February 2024.

1.5.2 / Market trends

The global economy was under significant pressure in 2023, with rising inflation and interest rates exacerbated by various conflicts. Household confidence in Europe, where Fnac Darty operates, sustained multiple hits. While the editorial products market held up fairly well, the electronic and household appliances markets experienced a structural decline in volume. Despite this, the Group managed to achieve an outperformance when compared with the figures published by the Banque de France. The annual results are detailed in section 1.6 "Resilient business in 2023" of this Universal Registration Document.

Changes in the consumer electronics market

The **consumer electronics** market depends heavily on product innovation cycles and household ownership rates. Innovation and its impacts are inherently hard to predict.

The traditional cycle of a consumer electronics product begins with its market launch, followed by high levels of growth as households equip themselves with the new technology. Once households are fully equipped, growth lessens progressively and the market reaches maturity. Following this period, which varies in length depending on the product in question and is generally reflected by a fall in prices, the product may experience a resurgence in growth when old models are replaced and when households buy multiple devices.

Innovations or societal events can disrupt the "purchase-maturity-replacement-multiple device" growth cycle, producing strong acceleration or deceleration effects.

The **smartphone** market experienced a fall in volumes, but an increase in the average selling price linked to strong sales of premium brands helped to stabilize the market in value terms.

Consumers are placing increasing importance on services related to consumer electronics (repairs, insurance, etc.), as well as delivery and after-sales service.

Changes in the domestic appliances market

The renewal/replacement of household appliances is the main determinant of the **large domestic appliances** (or "white goods") market, but fitted kitchens and the momentum of the real estate market, of both new and old properties, are also major drivers. Over the last 10 years, the average selling price in the large domestic appliances category has always fluctuated between erosion and stability. However, since 2018, a new phenomenon has occurred; a solid and uninterrupted rise in the latter, a trend that is accelerating.

There are three key structural trends in the **small domestic appliances** market:

- end-of-life renewal of household chore-related appliances such as vacuum cleaners;
- the innovation cycle: at low points in the cycle, sales are affected by strong competitive pressures, with the market being driven primarily by prices; and
- household confidence: this category includes pleasure products such as hair appliances, food preparation devices (food processors), espresso machines and certain health/beauty/fitness categories.

Growing consumer interest in the sustainability of their domestic appliances has strongly encouraged suppliers to increase the availability period of spare parts and the reliability of their products.

Consumers are now looking to reduce both their environmental footprint and their energy expenditure. This is associated with an increased use of after-sales service and repair offers to extend the life span of their appliances, and also with the purchase of more energy-efficient products.

Changes in editorial products market

The editorial products market depends on the publishing schedule for new items.

The **book** market is highly sensitive to in-store impulse purchases. According to Banque de France figures, the book market posted growth of 1.9% in 2023 compared to 2022. The market benefitted from an increase in the number of beneficiaries of the Culture Pass, which was introduced in May 2021 and allows all 15- to 18-year-olds to benefit from a voucher of up to €300 to spend on books, audio and video products or shows.

2023 was a record year for the **gaming** market, which benefited from the restoration of normal supply levels of the latest generation of consoles and the launch of certain highly anticipated games.

Despite the increase in digital practices and the ongoing decline in the CD format, the **physical music** market benefited from the return of vinyl. K-pop (abbreviation of Korean Pop) and French urban music are two major trends in the French market.

The **video** market was negatively impacted by the continued rise of on-demand digital platforms.

Changes in diversification markets

There has been an acceleration in the Group's diversification in recent years, in two segments in particular:

- the **Toys and Games** market is driven by board and family games, construction sets, figurines and collectible cards;
- the **Urban Mobility** market is driven by manufacturers' innovation and by public policies that seek to cut down on the use of cars in city centers (reducing pollution, noise and traffic in city centers, providing French government subsidies for the purchase of "green" modes of transport).

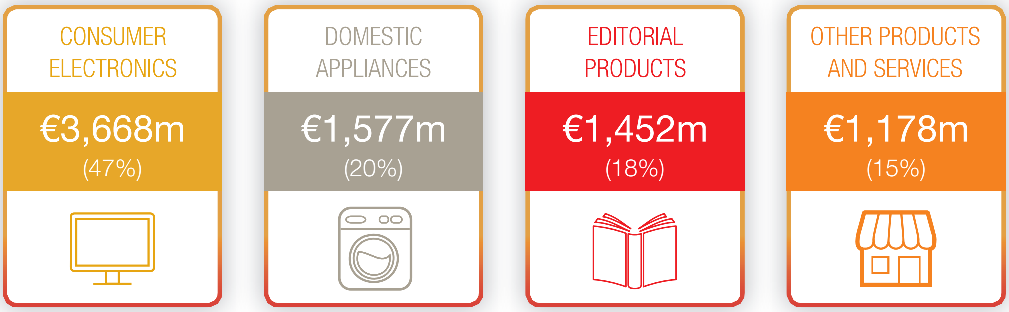
1.5.3 / Competitive environment

Fnac Darty's main competitors are:

- **specialist online retailers**, known as pure players, which account for the majority of online sales. They rely on competitive pricing and services and an ever-expanding offering. Fnac's main competitors in France are the Amazon, Cdiscount, Alibaba and Rue du Commerce websites;
- **specialist retailers** that offer products to their customers through a network of physical points of sale (brick & mortar) and, where applicable, via a website (click & mortar). These players usually have an established reputation among the general public because they have existed for a long time and offer a general range of products. In France, for example, the best-known are Boulanger, Conforama, But and Cultura;
- **mass-market retailers** (mainly hypermarket chains like Carrefour, Auchan, Leclerc, Géant Casino) that also offer consumer electronics, editorial products and domestic appliances; and
- **Internet Service Providers** (ISPs) and **digital platforms** that offer music (Spotify, Deezer, iTunes), video on demand (VOD) (Netflix, Amazon Prime, Disney+) and online gaming (Steam, Origin).

1.5.4 / A diversified product and services offering

The Group is able to provide a balanced offering, built around categories of products and services with complementary growth and margin profiles, across different distribution channels, including own stores, franchised stores, Group websites, and Marketplace.



The Group sells not only new products but also second-life products in all product categories, thus meeting consumers' high expectations as well as the obligations set out in the French Anti-Waste Law for a Circular Economy (*loi anti-gaspillage pour une économie circulaire* – AGEC). The "second life" business, which is tasked with the selection, reconditioning and resale of non-new products, has become a priority for the Group in recent years. This is structured around the Fnac "second life" and Darty "second life" brands. The business is growing strongly. Several product sourcing channels are being developed: recovery of returned, damaged, used, or non-functional products in our logistics centers; purchasing of reconditioned products from partners (suppliers or reconditioners); and recovering products from consumers via offers to buy back their old equipment. Some products are also set aside for donation to charitable organizations or for resale to brokers.

1.5.4.1 / Consumer electronics offering

The Fnac and Darty brands each market **consumer electronics** in two sub-classes of products:

- *"Microcomputing"* represents sales of the following products: desktop computers, laptops, tablets, software, printers, e-readers, telephones and office products and accessories, as well as all connected products;
- *"Retail Electronics"* includes sales of the following products: cameras and photography accessories, televisions and video accessories such as DVD players, Blu-Ray players and other accessories (home cinema), and audio items and accessories (headphones, docking stations and related accessories).

The Group is at the core of the innovation strategy of its French and international suppliers, as it is well known for its expertise. On the one hand, customers appreciate the knowledge of the in-store salespeople and after-sales service and, on the other, suppliers recognize Fnac Darty as one of the retailers providing the best in-store sales experience. Since 2021, the Group has additionally rolled out a nationwide video call service across all of its integrated Fnac and Darty stores with the aim of bringing the expertise of its salespeople to its e-commerce sites.

To achieve its goal of putting products at the heart of its relationship with customers, the Group is developing partnerships with suppliers in order to offer its customers the best possible shopping experience.

1.5.4.2 / Domestic appliances product offering

Darty has a leading position in the **domestic appliances** market, in two sub-categories of product:

- *"Large Domestic Appliances"* are refrigerators/freezers, cooking equipment, dishwashers and washing machines/dryers;
- *"Small Domestic Appliances"* includes vacuum cleaners, kitchen devices and accessories, laundry and body care and water/air treatment appliances.

Darty does not sell just the major brands; it also sells a number of its own brands and license brands. In the case of a license brand, the Group acquires the right to sell merchandise (manufactured exclusively for Darty) under the name of an independent manufacturer with an established brand image and reputation. Darty sells its own brands under the entry price model for all product ranges, while license brands are generally sold as the market's mid-range option. Darty's own brands are Proline (used across all product categories), Temium (used for accessories), IT works (used for multimedia), Okoia (used for personal care) and Aerian (used for treating air).

The Group is committed to manufacturing solid own-brand products by integrating Corporate Social Responsibility criteria into the processes and documents that frame its supplier relations in order to guarantee the safety and satisfaction of its customers during their use of these products. All the actions put in place are outlined in section 2.5.4.2 "Prevention and mitigation measures" of this Universal Registration Document.

1.5.4.3 / Editorial products offering

The category of **editorial products** includes two sub-categories of products:

- *"Books"* covers hard copy and digital books;
- *"Discs and Gaming"* includes discs comprising music (CDs and vinyl) and video (DVDs and Blu-Ray discs); gaming, comprising video games (new and used) and games consoles; and tie-in products (gadgets, t-shirts, musical instruments and others).

The products are distributed in the form of:

- **physical products:** Fnac, France's leading bookseller [1], leads the way in its markets, offering the largest range on the market with almost 500,000 titles sold. In 2023, the Group sold more than 50 million books in France. Fnac is the leading record store in France with a catalog of nearly 130,000 titles. As the leading player in the video market, Fnac has almost 40,000 active video, DVD and Blu-Ray titles. In the gaming segment, Fnac has a catalog of 7,000 titles in France, including 2,000 second-hand video game titles;
- **digital products:** in order to keep pace with the digitalization of the book market, Fnac entered into a partnership with the Canadian company Kobo in September 2011 and now offers an innovative digital reading solution: Kobo by Fnac. Kobo's role is to provide and maintain the technology platform, provide the devices and develop applications, while Fnac is responsible for the cost of marketing and advertising in France. Both parties combine their platforms and share the income and the costs of adjusting and connecting the Kobo system to the fnac.com website interfaces. As a stakeholder committed to cultural pluralism and access to culture for all, 2023 saw Fnac Darty launch "Fnac Édition sur Demande," an online store available directly on fnac.com that offers cultural products that are currently more commonly available for sale in a "physical" format in France. The store offers DVDs, in Blu-ray and/or 4K, and vinyls, CDs and a selection of albums. The Group also digitalized its cultural promotion with the launch, in 2021, of L'Éclaireur Fnac (https://leclaireur.fnac.com/), a digital medium for facilitating informed opinions and educated choices. The objective of this medium is to help readers by providing content designed to inform their opinions and choices on major cultural and technological issues. This platform is supplied with existing prescriptive content, such as that from Claque Fnac or Labo Fnac, but also with new content that help to strengthen online interactions with customers. The website had an average of close to 1,250,000 visits per month in 2023.

1.5.4.4 / Other products and services

The Group has continued its efforts to enrich its products and services offering. The **other products and services** category includes:

- "services" and "other income" items, including in particular:
  - services related to goods sold, such as sales of product maintenance and repair subscriptions, sales of services that support customers in their digital lives, the sale of warranty extensions, product insurance sales, after-sales service and deliveries and installations,
  - services that improve product accessibility,
  - commissions received through Marketplace, and partnerships with suppliers,
  - royalties from stores operated under franchise, and
  - sales of membership cards;
- diversification products: toys and games, urban mobility, stationery, and well-being; and
- other businesses including kitchen, ticketing, and Retailink.

Repair services

Darty has been the leading repairer in France for 50 years, with 2.5 million products repaired in 2023. The brand offers an in-store repair and support service at designated counters that provide customers with immediate repairs, rather than sending the products to a repair center. Darty also offers a workshop repairs service, particularly for large domestic appliances. The Group's after-sales service is centralized and is delivered through five after-sales service workshops (four of which are repair workshops and one a subcontracting hub), one central spare parts warehouse and more than 100 technical centers in France.

The Group has steadily expanded its after-sales service offering since 2018 with the launch of the sav.darty.com platform. The site shares information about repairs to allow customers to benefit from Fnac Darty's expertise and prolong the life span of their products. This activity is central to the Group's responsible business model. The acquisition of WeFix in October 2018, a French leader in express smartphone repair, and of PC Clinic in Portugal positioned Fnac Darty as a leading player in smartphone repair and associated services.

In late 2019, Darty launched a brand-new subscription-based repair service that was aimed at extending the life span of products: Darty Max, which is marketed in its stores and on its website. This was followed by the launch of Vanden Borre Life in Belgium in 2021.

Fnac Darty is developing and enriching its offering through:

- the expansion of eligible categories (large domestic appliances, then small domestic appliances, TV, sound, photography and multimedia);

(1) *Source:* Livres Hebdo, *July 2023, ranking of 400 booksellers in France.*

- the addition of an unprecedented preventive maintenance service in 2022. This allows at-risk products to be identified, their maintenance to be improved, and breakdowns to be anticipated, thereby extending their life span; and
- the elimination of first-time repair fees for products not purchased within the Group in 2023, thereby simplifying our commitment to reimbursing consumers for products that cannot be repaired.

The Group has also expanded the Darty Max distribution channels within the Group itself (extended to Fnac in 2022), as well as through B2B partnerships to facilitate deployment on a larger scale (Sofinco, Bouygues Telecom, Carglass and Homeserve).

At the end of December 2023, the Group had more than 1 million subscribers registered for the Darty Max repair service and Vanden Borre Life.

Both brands also warranty extensions in addition to the statutory warranty. Depending on the type of product in question, the extended warranty service enables the customer to have their appliance repaired or be paid the full replacement value, for a specified period of up to five years. However, take-up of this service is in decline as a result of the increase in subscriptions to the Darty Max repair service.

The aim of these offers is to better meet customers' expectations in terms of repair, and to demonstrate how the Fnac Darty business model is transforming. The Group firmly believes that a more circular economy creates jobs and value, and it is more committed than ever to extending the life span of products.

Digital support service

Digital support services are crucial: the digital world is becoming an ever-greater presence in our homes (e-commerce, consumption of digital content, social media, increasing numbers of screens, etc.), innovation is rapidly accelerating (e.g. rise of chatGPT, rapid development of new social networks, etc.), and the threats associated with these developments are changing (email hacking, viruses, harassment, identity theft, etc.).

Both the Fnac and Darty brands offer their customers monthly or annual subscription-based solutions to protect their digital lives. To ensure our customers' digital habits are safe, Fnac Darty developed and has been distributing the "Serenity Pack" for several years, available in a single version or with the optional Microsoft 365 solution. This subscription has been extremely popular since 2020, in line with the strong momentum for purchasing equipment to allow remote working.

In June 2023, Fnac completed its offering by launching "Fnac Vie Digitale," a service that aims to support consumers in all areas of their digital lives, whatever they need digital services for or however they use them.

Fnac Vie Digitale aims to give customers peace of mind by bringing together all the tools and services essential to digital life for the whole family and across all devices (protection of devices and of the use of them, with antivirus, VPN and password manager; user protection, with bank protection, identity protection, parental controls, and anti-phishing; usage advice, via meetings with certified "Labo Fnac" experts, who can answer any questions about digital life and taking advantage of the benefits of the Fnac+ program).

Services that improve product accessibility

Financing

Fnac Darty offers its customers financing solutions to make technological innovations and the best products accessible to as many people as possible, notably in partnership with Crédit Agricole Consumer Finance in France (access to a financing offer is granted by the banking partner after the customer's solvency has been verified and other regulatory checks carried out).

Financing solutions enable customers to pay for their purchases in several monthly installments (between 2 and 36 months), as they wish. During promotional periods, the cost of financing is met by Fnac Darty or by suppliers.

Among the financing solutions available both in-store and on the Group's e-commerce sites, customers can subscribe to a Fnac Mastercard or Darty Visa card. In addition to the option to pay in several installments, this card allows customers to benefit from loyalty benefits for each purchase made (from Fnac and Darty or elsewhere), for example, Fnac loyalty vouchers or Darty gift cards.

Rental

Fnac Darty has offered a long-term rental service (12 or 24 months) since 2018, in partnership with Crédit Agricole Consumer Finance in France. Access to the long-term rental service is granted by the banking partner after the customer's solvency has been verified and other regulatory checks carried out. The offering focuses on the following product categories: telephony, micro-computing, tablets, smart watches, vacuum cleaners, urban mobility.

This offering is particularly well-suited to customers who renew their equipment on a regular basis and wish to remain at the cutting edge of technology.

The products are reconditioned at the end of the rental period and reintroduced into the second-life loop.

Services that promote access to culture

The two brands, Fnac and Darty, offer their customers several cultural services, working with leading partners in their market: Pay TV subscriptions with Canal+, music streaming with Deezer, access to digital books with Kobo, on a pay-as-you-go or subscription basis, and a photo works service with Photomaton and Photoweb.

France Billet and Deezer also offer easy access to concert tickets through a partnership.

Other services

Mobile and internet offering

Following the sale of its Darty Telecom business to Bouygues Telecom in 2012, the Internet and Mobile offers from Bouygues Telecom are now distributed in Darty stores, with the customer service being operated by Darty.

Free's Internet and Mobile subscriptions are sold under the Fnac brand via terminals positioned near mobile devices in store.

Energy transition

Fnac Darty is committed as a group to sustainable consumption. Voltalis, the Group's first energy transition service (an entirely free solution to save energy through the provision of networked thermostats to households with electric heating) was launched within Darty in 2023.

Fnac Darty supports its customers on a daily basis with products that are more sustainable and more energy-efficient, while prioritizing repair over replacement.

Insurance

The Group's brands also offer insurance policies for damage/theft and loss of telephony and multimedia devices, which can be combined with larger service packs.

The Group's service offering is therefore wide-ranging and comprehensive, and supports customers in their daily habits surrounding the products distributed by the Group.

Royalties

Marketplace

Marketplaces, which are intermediary platforms linking buyers and sellers, support the brand's online strategy by increasing the depth of the product range available on the sites and the number of items available to online shoppers. This helps increase the website's traffic and visibility and contributes to customer loyalty. As such, more than 15 million active products are available through the Group's Marketplaces.

The revenue generated by Fnac Darty comes from a monthly subscription, supplemented by a percentage of fees received by the Group for the volumes of business conducted.

Coordinated by dedicated teams, more than 3,600 professional sellers that meet the Group's quality of service criteria are listed on and use the Group's website as their sales interface. These sellers benefit from the visibility, reputation, and transaction security offered by the Group.

The Group monitors the Net Promoter Score (NPS) of all its resellers to ensure the quality of its Marketplace is maintained.

The Group is committed to selecting responsible resellers on its Marketplace. This is to ensure the security of transactions and help fight money laundering and the financing of terrorism, in accordance with the ACPR (French Prudential Supervision and Resolution Authority). All the actions put in place are outlined in section 2.5.4.2 "Prevention and mitigation measures" of this Universal Registration Document.

Fnac Darty also decided to strengthen its relevance to its sellers by signing an agreement in October 2023 with CEVA Logistics (a subsidiary of CMA CGM) to create a joint venture dedicated to e-commerce logistics and the SaaS Marketplace.

This company, named Weavenn, will launch in 2024 and will offer a unique, fully integrated service that combines the best Marketplace technology solutions and high-performing logistics for multichannel distribution. This service, the only one of its kind, is intended to meet all the needs of e-commerce stakeholders, such as the full management of Marketplaces, direct sales to consumers, and omnichannel delivery.

Weavenn, building on Fnac Darty's network of stores and its omnichannel strength, coupled with CEVA Logistics' global position as the world leader in third-party logistics and its shipping platform Shipwire, aims to achieve over €200 million in revenue over the next five years with a double-digit operating margin.

Meanwhile, Fnac Darty signed a collaboration with Rakuten France in September 2023 allowing Darty to expand its online presence and thus reach nearly 15 million new users each month.

Franchise

The Group favors expansion through franchising. This is an asset-light model that enables the Company to benefit from the operating know-how of partners and their knowledge of the local market. This operating model limits investment costs while furthering the goal of rapidly increasing brand visibility. The franchisee then pays a fee for the use of the brand's distinctive features based on a percentage of revenue at the relevant sales point, and must comply with strict rules to maintain the brand's integrity in the eyes of consumers.

At the end of 2023, Fnac Darty had 437 stores operating as franchises, i.e. 43% of its total store network. The Group's strong presence across regions, through its vast store network, contributes to the local, social and cultural economy by creating jobs and widening access to culture for as many people as possible.

Loyalty – membership cards

The Fnac Darty customer loyalty program is designed as a customer loyalty and retention tool that also allows the Group to carry out better-targeted and more effective sales promotions. Members represent an asset that provides Fnac with a high level of differentiation. They visit stores three times more often than other customers, and on average also spend three times as much in store as non-members.

In 2020, the Group revamped its loyalty program with the launch of the new Fnac+ card, which aims to support the digitalization of its customers' purchasing trends, offering them an enhanced cross-brand experience. Thanks to this new card, Fnac customers can enjoy numerous benefits (discounts, private sales, etc.) and free delivery to Fnac and Darty stores, within the constraints imposed by law. Since the concept of accessibility for as many people as possible has always been a driving force for the Group, the new Fnac+ card is priced at €9.99 for the first year, and at €14.99 thereafter. As another new feature, to help enhance the synergy between the two brands, this new card gives all members the option of joining the Fnac and Darty shared balance program, allowing them to accumulate and spend gift vouchers across both brands.

To complement the new Fnac+ card, the Fnac One status, launched in 2009, is awarded to our most loyal customers and provides several additional benefits. These include: VIP evenings in-store and invitations to cultural events, dedicated customer service, and a "personal shopper" service by appointment, as well as access to a priority checkout in stores.

Fnac Darty actively listens to its customers in order to continuously improve, particularly in terms of its loyalty programs, so that it can retain its competitive edge. With customers regularly requesting a simplification of the various membership card options, the Group decided in 2022 to stop distributing the classic membership card in order to shift focus to membership in the Fnac+ program. This simplification was accompanied by the creation of a free relationship platform, named "Fnac & Moi," which helps retain loyal customers while also providing them with two unique membership benefits: the Fnac Darty voucher, to which new responsible voucher actions have been added (purchase of sustainable products, returning a product for a second life, click&collect, etc.) as well as the partner pass, which provides the benefit of a large number of reductions on other major brands. This foundation of free benefits helps us to both retain loyal customers and to enhance the appeal of Fnac+ for them. At the end of 2023, the Group had 9 million customers signed up to this loyalty program.

Diversification products

Games and Toys

Since 2011, Fnac has offered a range of toys and games that have been selected to meet its customers' expectations and to be in line with its brand DNA that revolves around culture, creativity, fun and education. These are available in stores, either in dedicated "Fnac Kids" areas – which provide games, toys, books, DVDs and CDs for children in a single space with a specific layout focused on welcoming very young children – or in toy departments, and also on the Group's website.

More recently, the market has been boosted by the popularity of board games, particularly among adults.

Stationery & Leisure

Fnac also offers a range of stationery in sixty points of sale. All essential school supplies can be found in these areas, which have also been extended to meet the new consumer expectations for office/remote working products. To this end, a more inventive range has been developed in order to inspire all generations and uses. Finally, based on its market positioning, Fnac is offering an increasingly broad range of artistic leisure products.

Six Nature & Découvertes shop-in-shops are now located in our stores, enabling the Group to strengthen its product offering around the Well-Being and Natural Products segments, themes that are increasingly important for consumers.

Lastly, the gift boxes offer also helps to meet consumers' needs in relation to gastronomy, travel, and well-being, to which entertainment has now been added in order to diversify the range.

Urban Mobility

Since 2017, Fnac Darty has helped to substantially democratize the urban mobility market with a offering that includes scooters, soft/urban mobility vehicles, and essential safety accessories to support the sale of these products (helmets, anti-theft devices, lighting, reflective clothing and bags) and sustainability (replacement parts). The offer was supplemented by an unprecedented partnership with Citroën for the exclusive marketing of the launch of AMI, the automotive manufacturer's fully electric mobility solution.

The first Fnac and Darty Mobility concepts were launched at the end of 2020 in the Darty République and Fnac La Défense stores, and the Group now has 40 stores that feature the Mobility concept.

Fnac Darty additionally offers services (primarily insurance against damage and theft) and repairs. In 2022, the Group also partnered with Repair & Run, a start-up specializing in repairing and maintaining bicycles and scooters. This partnership is fully aligned with the Group's commitment to extending the life span of its products. The Group also invested in training its teams through the Fnac Darty Academy; a total of 140 salespeople benefitted from a practical, hands-on training day.

Other activities

Kitchen

In 2007, Darty opened its first in-store space dedicated to Kitchen. This offering complemented the white goods market, particularly the built-in market, by capitalizing on the Group's expertise and brand image.

Darty Kitchen has been growing in strength since 2019 and it has continued to expand its deployment, both in Darty stores and in new points of sale dedicated to this area. In 2023, there were 203 kitchen spaces, including 42 stores dedicated exclusively to this offering. The model has mainly grown through franchises (74 franchises at the end of 2023, approximately 36% of the network). At the same time, Vanden Borre in Belgium also has a kitchen offering with 28 Vanden Borre Kitchen stores at the end of 2023, all of which are operated as franchises.

Strong team momentum was a particular feature of 2023, along with a significant increase in visibility, resulting in improved market shares. The walk-in wardrobe offering and Darty Literie also helped to diversify the business. At the end of 2023, there were around one hundred Darty Literies.

Ticketing

Fnac also provides customers with a ticketing and box office offering via the company France Billet (B2C sector), which is the leading French ticketing and box office seller for shows and events, the company 123Billets, administrator of the website Billetreduc.com (which sells cut-priced tickets) and the companies Tick&Live and CTS EVENTIM France in the B2B sector.

France Billet operates white label ticketing sites for Fnac (meaning the sites use solutions and resources provided by Fnac without mentioning its name) and has long-term partnerships with major distribution brands for which it manages ticketing retail solutions.

In terms of the B2B sector, the France Billet subsidiary Tick&Live (merger of Datasport and Kyro), which is co-owned with the Fimalac group, provides venues and event coordinators with a complete ticketing solution, and provides ticketing management for sporting events.

In 2019, Fnac Darty, through its subsidiary France Billet, purchased 100% of Billetreduc.com, a leading stakeholder in "last-minute" event ticketing in France.

In 2023, Fnac Darty announced the evolution of its strategic ticketing partnership, launched in 2019, with the CTS EVENTIM Group, the European leader in the sector. In accordance with the terms of the agreement between the two parties, CTS EVENTIM notified Fnac Darty of its intention to exercise its call option to become the majority shareholder of France Billet. The transaction is subject to obtaining the required authorizations from the French and Swiss competition authorities. After several months of discussion with the authorities ("pre-notification" phase), CTS EVENTIM is not currently certain that such authorizations will be granted.

Retailink

The Group's fully integrated, omnichannel retail media agency, Retailink, deploys innovative offers and enhanced presence to help brands achieve their awareness, commitment and sales objectives by getting closer to their communities.

1.5.5 / Geographical breakdown

The Group benefits from the complementarity of the network of its three principal brands in France – Fnac, Darty and Nature & Découvertes – with stores in different formats based in city centers, shopping malls and retail parks, as well as in train stations and airports, in order to adapt to the traffic in each area served. Fnac Darty also offers Proxi and shop-in-shops in hypermarkets and shopping malls.

In addition, the Group can rely on the complementarity between Fnac and Darty in France and Belgium (through the Vanden Borre brand), as well as the local presence of Fnac in the Iberian Peninsula and Switzerland. The acquisition of MediaMarkt in Portugal in 2023 complements its presence in the country.

The Fnac, Darty and Nature & Découvertes brands conduct their business through a network of physical stores and e-commerce websites, making the Group a click & mortar retailer. Within each country, the stores under each brand are laid out according to an identical format and market the same range of products, subject to local market adaptations.

1.6 / Resilient business in 2023

1.6.1 / Selected financial information

The reported financial information presented below is derived from the consolidated financial statements for the periods ended December 31, 2022 and 2023, prepared in accordance with IFRS as adopted by the European Union, set forth in section 4.2 "Notes to the consolidated financial statements for the year ended December 31, 2023" of this Universal Registration Document.

This financial information is prepared on the basis of reported information concerning:

- for 2023, to Fnac Darty's audited IFRS consolidated financial statements for the year ended December 31, 2023, incorporating 12 months of operating activity for all Group brands;
- for 2022, to Fnac Darty's audited IFRS consolidated financial statements for the year ended December 31, 2022, incorporating 12 months of operating activity for all Group brands.

Key figures from the Group income statement

(€ millions)	**2022**	**2023**	**Change**
Revenue	7,949.4	7,874.7	(0.9%)
Gross margin	2,409.9	2,379.9	(1.2%)
Current operating income	230.6	170.7	(26.0%)
Operating income	203.6	40.1	(80.3%)
Net income from continuing operations	103.9	(69.1)	(166.5%)
Net income from continuing operations, Group share	100.0	(75.0)	(175.0%)
Consolidated net income	(28.1)	55.6	297.9%
Consolidated net income, Group share	(32.0)	49.7	255.3%
(as % of revenue)			
Gross margin rate	30.3%	30.2%	(0.1) pt
Operating margin rate	2.9%	2.2%	(0.7) pt
Data not derived from the financial statements			
Current EBITDA [(a)]	579.9	533.0	(8.1%)
Current EBITDA excluding IFRS 16 [(b)]	326.1	269.0	(17.5%)

(a) Current EBITDA is defined as current operating income before net expense for depreciation, amortization and provisions on non-current operating assets recognized in current operating income.

(b) Current EBITDA excluding IFRS 16 corresponds to current EBITDA restated for rents within the scope of IFRS 16.

Selected segment information

	2022		2023	
	(€ millions)	*(as % of the total)*	*(€ millions)*	*(as % of the total)*
Revenue				
France and Switzerland	6,613.3	83.2%	6,515.0	82.7%
Iberian Peninsula	719.6	9.0%	731.7	9.3%
Belgium and Luxembourg	616.5	7.8%	628.0	8.0%
TOTAL	**7,949.4**	**100.0%**	**7,874.7**	**100.0%**
Current operating income				
France and Switzerland	202.6	87.9%	152.4	89.3%
Iberian Peninsula	16.9	7.3%	12.3	7.2%
Belgium and Luxembourg	11.1	4.8%	6.0	3.5%
TOTAL	**230.6**	**100.0%**	**170.7**	**100.0%**

Key balance sheet data for the Group

(€ millions)	2022	2023	Change
Non-current assets	4,008.3	3,980.5	(27.8)
of which non-current assets related to IFRS 16	*1,115.2*	*1,104.6*	*(10.6)*
Current assets	2,738.6	3,034.2	295.6
Shareholders' equity	1,522.6	1,538.2	15.6
Non-current liabilities	2,146.5	1,876.3	(270.2)
of which non-current liabilities related to IFRS 16	*896.9*	*898.3*	*1.4*
Current liabilities	3,077.8	3,600.2	522.4
of which current liabilities related to IFRS 16	*243.6*	*246.4*	*2.8*
Net cash excluding IFRS 16	(5.1)	198.4	203.5
of which cash and cash equivalents	*931.7*	*1,121.3*	*189.6*
of which financial debt excluding IFRS 16	*936.8*	*922.9*	*(13.9)*
Net financial debt with IFRS 16	1,145.6	946.3	(199.3)
of which cash and cash equivalents	*931.7*	*1,121.3*	*189.6*
of which financial debt excluding IFRS 16	*936.8*	*922.9*	*(13.9)*
of which financial debt related to IFRS 16	*1,140.5*	*1,144.7*	*4.2*

Key data from the Group cash flow statement

(€ millions)	2022	2023	Change
Cash flow before tax, dividends and interest	571.6	495.4	(76.2)
Change in working capital requirement	(155.3)	69.6	224.9
Net cash flows from operating activities	346.5	573.1	226.6
Operating investments	(138.4)	(132.3)	6.1
Operating divestments	7.0	16.9	9.9
Operating investments net of divestments	**(131.4)**	**(115.4)**	**16.0**
Change in payables and receivables relating to non-current assets	8.5	(6.9)	(15.4)
Net cash flows from financial investment activities	(7.7)	(7.7)	0.0
Net cash flows from financing activities excluding IFRS 16	(84.9)	(57.3)	27.6
Net flows related to the application of IFRS 16	(253.8)	(270.7)	(16.9)
Net cash excluding IFRS 16	(5.1)	198.4	203.5

1.6.2 / Key highlights and analysis of 2023 financial results

2023 was marked by a lack of visibility on business activity. The Group faced a high level of inflation, which had a significant impact on household purchasing power. Against this backdrop, Fnac Darty once again demonstrated its resilience, thanks to its strategic choices, its positioning as a key player in omnichannel retailing and its rigorous cost control.

	2022		2023					
	(€ millions)	*(as % of the total)*	*(€ millions)*	*(as % of the total)*	Change at current exchange rate	Change at comparable scope of consolidation	Change at constant foreign exchange rates and comparable scope of consolidation	Change at constant foreign exchange rates, comparable scope of consolidation and on a same-store basis (LFL)
France and Switzerland	6,613.3	83.2%	6,515.0	82.7%	(1.5%)	(1.5%)	(1.6%)	(1.1%)
Iberian Peninsula	719.6	9.0%	731.7	9.3%	1.7%	1.7%	1.7%	(4.0%)
Belgium and Luxembourg	616.5	7.8%	628.0	8.0%	1.9%	1.9%	1.9%	2.0%
REVENUE	**7,949.4**	**100.0%**	**7,874.7**	**100.0%**	**(0.9%)**	**(0.9%)**	**(1.0%)**	**(1.1%)**

	2022		2023					
	(€ millions)	*(as % of the total)*	*(€ millions)*	*(as % of the total)*	Change at current exchange rate	Change at comparable scope of consolidation	Change at constant foreign exchange rates and comparable scope of consolidation	Change at constant foreign exchange rates, comparable scope of consolidation and on a same-store basis (LFL)
Consumer electronics	3,830.0	48.2%	3,667.5	46.6%	(4.2%)	(4.2%)	(4.3%)	(4.5%)
Domestic appliances	1,638.6	20.6%	1,577.3	20.0%	(3.7%)	(3.7%)	(3.7%)	(3.6%)
Editorial products	1,344.0	16.9%	1,452.3	18.4%	8.1%	8.1%	7.9%	8.1%
Other products and services	1,136.8	14.3%	1,177.6	15.0%	3.6%	3.6%	3.5%	2.8%
REVENUE	**7,949.4**	**100.0%**	**7,874.7**	**100.0%**	**(0.9%)**	**(0.9%)**	**(1.0%)**	**(1.1%)**

2023 revenue was €7,875 million, almost stable compared to 2022 (down by 0.9% in reported data and by 1.1% on a like-for-like basis [1]). Once again, the Group demonstrated its ability to outperform the market, the volumes of which have fallen compared to 2022.

The impact of fluctuations in foreign exchange rates is limited and primarily consists of the impact of exchange rate fluctuations on the income statements resulting from the translation of the local-currency results of the Group's subsidiaries in Switzerland into euros.

The foreign exchange risk incurred on purchases made by the Group is relatively low as the Group's subsidiaries make the vast bulk of their sales and generate the vast bulk of their costs in the local currency, i.e. primarily in euros.

The following table provides a breakdown of the Group's 2023 revenue by geographical region and by category of products and services.

	Consumer electronics		Domestic appliances		Editorial products		Other products and services		Total	
	(€ millions)	*(as % of the region's revenue)*	*(€ millions)*	*(as % of the region's revenue)*	*(€ millions)*	*(as % of the region's revenue)*	*(€ millions)*	*(as % of the region's revenue)*	*(€ millions)*	*(as % of the region's revenue)*
France and Switzerland	2,961.7	45.5%	1,373.9	21.1%	1,170.4	18.0%	1,009.0	15.5%	6,515.0	82.7%
Iberian Peninsula	395.0	54.0%	0.0	0.0%	217.6	29.7%	119.1	16.3%	731.7	9.3%
Belgium and Luxembourg	310.8	49.5%	203.4	32.4%	64.3	10.2%	49.5	7.9%	628.0	8.0%
REVENUE	**3,667.6**	**46.6%**	**1,577.3**	**20.0%**	**1,452.3**	**18.4%**	**1,177.6**	**15.0%**	**7,874.7**	**100.0%**

The **gross margin rate** reached 30.2% in 2023, stable compared to 2022 excluding the dilutive impact of the franchise. The negative impact of the product mix (growth in Gaming and Telephony) was offset by a positive impact in the channel mix (increase in in-store sales) and the growth in services.

Operating costs rose by €30 million to €2,209 million in 2023. Performance plans were strengthened to improve productivity and the investment plan for reducing energy consumption was rolled out. These did not offset inflation-related increases, in particular the increased cost of energy (+€21 million), rents and payroll costs. The Group has therefore limited the overall increase in its costs to just +1.4% compared to 2022 (compared with an average inflation in France of +4% in 2023 [2]).

Current EBITDA amounted to €533 million, including €264 million related to the application of IFRS 16, down €47 million from 2022.

Current operating income increased to €171 million at the end of December 2023, down €60 million compared to 2022. A particularly sharp drop in sales in Spain and for Nature & Découvertes in the fourth quarter accounted for half of this decline. The remainder reflects the increase in the Group's operating costs. The operating margin rate was down, at 2.2%.

Changes by distribution channel

In 2023, in-store sales posted solid momentum, with 71 million checkout transactions, while online sales felt (22% of the Group's total sales, down -1 point compared to 2022). Omnichannel sales continued to grow, accounting for 50% of the Group's online sales, up by 1.6 points. The omnichannel model, the central element of Fnac Darty's strategy, enabled the Group to support the implementation of the French Darcos Law [3] by perfectly addressing the changing needs of book-buying customers.

Changes by product category

Editorial products continued to post solid momentum, driven mainly by gaming and book sales. The **kitchen** business, boosted by increased brand awareness and a global network of 203 dedicated spaces, recorded strong growth. **Services** also continued to grow strongly, with an increase in the number of Darty Max subscribers and the launch of Fnac Vie Digitale.

Conversely, **Domestic appliances** recorded a slight increase in average selling prices, this did not compensate for the continuing decline in volumes. **Consumer electronics** recorded good momentum in telephony, audio and photography, which was not offset by the sharp decline in the television and IT equipment categories. These two categories saw their sales fall this year, still impacted by the high level of equipment seen during the pandemic and a lack of innovation in the PC market.

(1) *Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures.*

(2) Note de conjoncture *(economic forecast) – December 2023, INSEE.*

(3) *The Darcos Law, which took effect on October 7, 2023, imposes upon all players in the online bookselling market a minimum delivery fee of €3 for any purchases of new books totaling less than €35.*

Changes by geographical region

France and Switzerland *(€ millions)*	2022	2023	Change
Revenue	6,613.3	6,515.1	(1.5%)
Current operating income	202.6	152.4	(50.2)
Current operating margin	3.1%	2.3%	(70) bps

Revenue in **France and Switzerland** remained relatively resilient, down by -1.1% on a like-for-like basis [1] over the year. In France, the Group outperformed the market by nearly 3 points in 2023 according to the latest figures published by the Banque de France [2]. As a result of the fall in consumer discretionary spending in France, Nature & Découvertes posted a sharp decline in sales and profitability compared to last year.

Current operating income came to €152.4 million in 2023 compared to €202.6 million in 2022. Current operating margin was 2.3% in 2023.

Iberian Peninsula *(€ millions)*	2022	2023	Change
Revenue	719.6	731.7	1.7%
Current operating income	16.9	12.3	(4.6)
Current operating margin	2.3%	1.7%	(60) bps

Revenue in the **Iberian Peninsula** fell by -4.0% on a like-for-like basis [1] over the year, reflecting contrasting trends. On the one hand, Portugal grew by 3.5% on a like-for-like basis [1] thanks to increased brand awareness and market share. The business activities of MediaMarkt, consolidated since October 1, 2023, contributed €39 million to revenue in the country. Conversely, revenue in Spain fell, penalized by purchasing power that was heavily impacted by the level of inflation, the rise in interest rates and an environment that remained competitive.

Current operating income came to €12.3 million in 2023 compared to €16.9 million in 2022. Current operating margin was 1.7%.

Belgium and Luxembourg *(€ millions)*	2022	2023	Change
Revenue	616.5	628.0	1.9%
Current operating income	11.1	6.0	(5.1)
Current operating margin	1.8%	1.0%	(80) bps

Revenue in the **Belgium and Luxembourg** increased by +2.0% on a like-for-like basis [1] over the year, mainly due to the resilience of domestic appliances and very strong performance of editorial products, driven by gaming and books. Services posted significant growth thanks to the roll out of Vanden Borre Life, while consumer electronics was the only category to decline.

Current operating income for the Belgium and Luxembourg segment was €6.0 million in 2023, compared with €11.1 million in 2022. Current operating margin was 1.0%.

(1) Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures.
(2) Market data for 2023 published by Banque de France.

Other income statement items

Non-current items amounted to -€131 million in 2023 (compared with -€27 million in 2022). This amount includes:

- exceptional items of €106 million: a provision of €85 million for ADLC [(1)] litigation and brand impairments of €20 million;
- Other items of €25 million, stable compared to 2022, comprising the residual cost of the closure of Manor shop-in-shops in German-speaking Switzerland, riot-related costs and a provision for employees' rights to accrue paid leave during periods of sick leave. This provision reflects the Group's compliance with the rulings of the French supreme court *(Cour de Cassation)* and European law.

Net financial income was -€79 million, compared to -€45 million in 2022. The increase reflects:

- the cost of net financial debt remaining stable;
- IFRS 16 expenses up by +€11 million due to changes in interest rates; and
- non-recurring items, including the depreciation and disposal of the stake in the Daphni Purple Fund (as a reminder, the Group's investment, since 2016, in the Daphni Purple fund recorded a cumulative capital gain on disposal of €10 million).

Tax expense increased to -€31 million, a clear improvement compared to 2022, given the reduction in the Group's results. The effective tax rate was significantly impacted by the provision allocated in 2023 for fines imposed by the French Competition Authority, which is not tax deductible.

Restated to take account of the €106 million in exceptional non-current items described above, **net income from continuing operations, Group share – adjusted** [(2)] totaled €31 million in 2023.

Financial structure

Free cash-flow stood at €180 million, a clear improvement compared to the end of 2022. This is the result of a lower operating income, the normalization of the WCR, which returned to the level observed at the end of 2021, and operating investments that were in line with the Group's expectations. Over the 2021–2023 period, the Group generated cumulative free cash-flow from operations of €320 million, in line with the cumulative target of €500 million over the 2021–2024 period.

The Group's **gross financial debt** was €923 million, which was mainly comprised of:

- a €300 million bond issue maturing in May 2024, the refinancing of which was fully secured by an additional undrawn credit line in the form of a delayed draw term loan (DDTL) maturing in December 2026 if it is drawn (with a confirmed option to extend to December 2027);
- a €350 million bond issue maturing in May 2026; and
- a €200 million convertible bond issue (OCEANE bond) maturing in 2027.

After taking available cash (€1.1 billion) into account, the Group's **net cash position** stood at €198 million as of December 31, 2023.

In addition, the Group has an RCF credit line of €500 million, which was undrawn at the end of 2023. Its maturity date has been extended to March 2028 (with two further confirmed extension options of March 2029 and March 2030).

This strong liquidity position supports Group confidence to strategically allocate its resources in the most opportune way (M&A, debt reduction, shareholder return, etc.) while remaining attentive to its leverage ratio.

As of December 31, 2023, Fnac Darty is fully compliant with its contractual commitments relating to its bonds and corporate loans.

Finally, the Group is rated by the rating agencies Standard & Poor's, Scope Ratings and Moody's, which assigned ratings of BB+, BBB and BB+ respectively during 2023, with a negative outlook (S&P and Scope) or a stable outlook (Fitch). On February 23, 2024, Scope Ratings confirmed its corporate rating of BBB, with an outlook that was raised to stable, compared to being negative previously.

Scope

The Group has finalized its **acquisition of MediaMarktSaturn in Portugal,** consolidating its number 2 position in the country. This operation is a real opportunity to accelerate Group growth in its core businesses, to diversify and expand in the large and small domestic appliance categories, as well as to enhance its services and improve its overall efficiency.

(1) Fnac Darty decided to waive its right to contest the grievance notified to it by the French Competition Authority's investigation services concerning, in particular, a vertical agreement between Darty and some distributors over a limited period which ending in December 2014 – i.e., prior to Fnac's acquisition of Darty. This choice does not constitute neither an avowal nor an acknowledgment of responsibility on the part of the Group, but rather reflects its intention to bring a rapid close to a complex procedure and to be able to devote all its resources to the operational implementation of its "Everyday" strategic plan. See the press release published on June 29, 2023.

(2) Corresponds to the current net income, Group share of continuing operations, excluding IFRS 16 and adjusted according to the provision relating to the planned transaction with the French Competition Authority (€85 million) and brand impairments (€20 million).

On August 2, 2023, Fnac Darty announced changes in its strategic ticketing partnership, launched in 2019, with the CTS EVENTIM Group, the European leader in the sector. In accordance with the terms of the agreement between the two parties, CTS EVENTIM notified Fnac Darty of its intention to exercise its call option to become the majority shareholder of France Billet. The transaction is subject to obtaining the required authorizations from the French, European and Swiss competition authorities. The procedure for obtaining the necessary approvals from the competition authorities is still underway, in a phase that remains preliminary to date, making the timeframe for completion of this transaction uncertain.

Dividends

Fnac Darty will propose that the General Meeting scheduled for May 29, 2024 approves the distribution of a dividend of €0.45 per share. This amount represents a 39% payout ratio, calculated on the net income from continuing operations, Group share – adjusted (1). This is in line with previous years and with the shareholder return policy presented in the strategic plan Everyday.

The ex-date is July 3, 2024 and the payment date is July 5, 2024.

1.6.3 / Recent events, outlook and mid-term ambitions

Recent events

On February 12, the Supreme Court in London has refused the application by the liquidator of Comet Group Limited to challenge the judgment handed down by the Court of Appeal in London in October 2023 in favor of Darty Holdings SAS, a subsidiary of the Fnac Darty. This decision definitively closes the litigation linked to the disposal of Comet Group Limited in 2012. Fnac Darty should receive the balance of the sum initially paid in December 2022, as well as the reimbursement of interest and legal costs incurred, representing a positive impact on its cash position estimated at least at €40 million.

2024 outlook and mid-term ambitions

In 2024, growth is expected to be supported by the fall in savings rates and the effect of declining inflation, which is beneficial to purchasing power. Nevertheless, the timing of the recovery in household consumption remains very uncertain, affecting visibility of the recovery in volumes.

Energy costs will benefit from a favorable comparable basis, while rental costs and wages are expected to rise.

Against this backdrop, the Group will ensure that it:

- continues to **outperform the markets** thanks to its operational agility and the complementarity nature of its stores and websites, which are important assets in mature markets that are preparing for a new cycle of innovation from the second half of 2024;
- **maintains its gross margin** as best as possible by keeping its offer relevant and growing its contribution from services;
- continues to **exercise tight cost control** through performance plans that offset a significant portion of the inflation in 2023;
- maintains a **solid liquidity position** and remains attentive to potential market opportunities while reducing its financial leverage ratio in the medium term (approximately 1.5× on December 31);
- continues to deploy **strategic priorities** to simplify its model and support future growth; testing in particular the possibilities offered by recent breakthroughs in artificial intelligence.

The Group is therefore continuing to have a cautious view of the economic and geopolitical context, and at this stage it anticipates a **current operating income (COI) for 2024 at least equal to that of 2023**.

The Group reaffirms its objective of achieving a cumulative **free cash-flow from operations (2) of approximately €500 million** over the period 2021–2024 (i.e., €180 million in 2024).

These objectives are derived from the Group's budgeting and short- and medium-term planning processes and have been prepared on a basis comparable to historical financial information and in accordance with the accounting policies applied to the Group's consolidated financial statements for the year ended December 31, 2023.

(1) Corresponds to the current net income, Group share of continuing operations, excluding IFRS 16 and adjusted according to the provision relating to the planned transaction with the French Competition Authority (€85 million) and brand impairments (€20 million).

(2) Excluding IFRS 16.

1.7 / Innovation, brands, research and development

1.7.1 / Innovation, a Group priority

Fnac Darty prioritizes innovation and stepped up its efforts in 2019, focusing on six strategic areas: streamlining its online and mobile pathways, optimizing its data processing, revamping the in-store experience, making best use of its omnichannel tools, modernizing its technology and logistics, and improving its working methods.

1.7.1.1 / An ambitious Open Innovation approach

The Group initially formulated an Open Innovation approach to support the business lines, based on an internal network of approximately 50 Innovation Ambassadors representing each department, an external network of VC fund partnerships (with Daphni, Raise, 50 Partners, Plug & Play, BPI, Spring Invest, Partech Partners, etc.), and the introduction of tools to facilitate the launch, roll-out, and monitoring of proof of concept (POC). This approach is overseen by a committee that meets monthly, chaired on a rotational basis by a Comex member, and comprises around 50 members. The committee has its own budget funded by the Strategy and Transformation Department.

Since adopting this approach, approximately 15 POCs have been conducted each year. A proactive approach is taken to identifying start-ups that meet the needs of the business lines, with help from our partners, particularly Daphni and Raise Seed for Good, in which Fnac Darty invested in 2016 and 2022 respectively. Collaborations with start-ups are structured and monitored to maximize the organization's ability to successfully roll out their solutions, initially as a POC and then on a large scale.

Examples of key POCs in 2023 include the collaboration with the start-up Ubleam to set up a digital after-sales service log in augmented reality for Darty Max subscribers, to provide all the technical information required to use, maintain and repair their devices as best they can via a QR code installed on each device. The Group is also working with the start-up Greendid so that certain consumer electronics (smartphones, tablets, computers, etc.) can be part exchanged online via fnac.com for an immediate discount.

In addition, the acculturation of as many employees as possible is promoted through monthly monitoring, dedicated meetings (innovation lunches, external speakers) and Fnac Darty's participation in various events to promote the relationship between major groups/start-ups and innovation. For example, several Innovation Awards were won this year, including the BFM Grand Prix Focus Retail in the 2022 Retail Transformation category for our Darty Max service, and the LSA Trophy for innovation for our Fnac communication campaign "Libérons la culture" ("Let's free culture").

1.7.1.2 / A data-driven strategy

The new frontier of digital innovation and transformation is that of data.

Since 2021, the Group has had a comprehensive data strategy in place, which aims to enable Fnac Darty to become data fluent. The challenge is twofold: enabling better management of activities on a daily basis by the large majority via the use of data-driven analyses, and accelerating advanced uses of data via artificial intelligence (AI).

Initiatives have been implemented since 2021 to that end, such as optimizing the fnac.com search engine, improving the management of promotions, and better prioritizing after-sales service calls by means of dedicated AI built within the Group. To fulfill this data ambition, Fnac Darty is strongly committed to the *Move to Cloud* and to restructuring its data models. At the same time, data knowledge and data quality were improved in 2021 through the introduction of a governance system and dedicated action plans, particularly in terms of customer data.

Since 2022, to accelerate this trajectory, the Group has had a strategic partnership with Google in place, based on three pillars:

- rolling out the Google Cloud Retail Search solution on the fnac.com and darty.com sites in order to continuously improve customer satisfaction and increase conversion, thanks to improved performance on the part of its search engines;
- integrating data analysis and processing tools, machine learning (ML), and artificial intelligence (AI) to improve both operational efficiency and the customer experience, and to drive innovation in terms of the services provided;
- staff training and education on relevant issues and on the data and AI culture using Google's experience.

Focusing on the use of data, this partnership aims to accelerate the digital transformation of the Group against a backdrop of far-reaching change in business, to boost and increase its capacity for innovation through its wealth of data, and to offer its customers enhanced offers, experiences, and services.

1.7.2 / Brands, research and development

Given the nature of the Group's activities, it does not conduct any research and development and does not own any patents or licenses.

The Group owns a portfolio of 1,110 brands (1) that are registered worldwide, primarily under the names "Fnac," "Darty," "Nature & Découvertes" and "WeFix" and the variations thereof that it uses in its commercial offerings.

The Group also owns a portfolio of over 1,461 domain names.

The Group's intellectual property policy focuses on protecting its brands (in particular the "Fnac," "Darty," "Nature & Découvertes" and "WeFix" brands and their derivatives) and its domain names. This policy involves filings and reservations on either a local country basis or in the full range of countries where the Group operates or wishes to preserve its rights. The names "Fnac," "Darty" and "Nature & Découvertes" are reserved as domain names with the main generic extensions and the main geographic extensions.

The brand and domain name portfolios of the four "Fnac," "Darty," "Nature & Découvertes" and "WeFix" brands are managed coherently and centrally by the Group's Legal Department.

1.8 / Store network and proprietary real estate

1.8.1 / Store network

As its geographical coverage is a major asset of its omnichannel platform, the Group plans to continue expanding its development across various formats, primarily through franchises. This operating model limits investment costs while furthering the goal of rapidly increasing brand visibility. The franchisee pays a fee for the use of the brand's distinctive features based on a percentage of revenue at the relevant sales point. There were 437 stores operating under this model at the end of 2023.

With a network of 1,010 stores, and thanks to the continuous development of its network, 90% of French consumers now have a Fnac or Darty store less than 15 minutes from their home.

Fnac stores, which were traditionally developed for city center locations, have been adapted to suit the shopping needs of suburban areas (with a broader range of consumer electronics, more self-service resources and more entry-level products). In Fnac stores with more than 2,000 square meters of retail space, customers are offered a high number of products within a wide range of increasingly diverse product categories. These stores also have enough space to install dedicated corners for premium brands such as Google, Devialet or Samsung.

Fnac is also developing new format stores, aimed at diversifying its offering and adjusting to changing consumer trends. These new formats are:

- the Travel format (railway stations, airports and duty-free areas), with 41 stores at the end of 2023, including 37 in France. The brand has signed a strategic partnership with Lagardère Travel Retail via Aelia and MRW to develop Travel retail stores in France under a franchise operation;
- the Proximity format, with 101 stores at the end of 2023. During this year, the Group opened three stores in France and was able to capitalize on partnerships concluded with Intermarché and Vindemia for the Proximity format; and
- the Connect format (dedicated to telephony and connected objects), with 10 stores at the end of 2023 in France and abroad. For this new concept, Fnac received the prestigious Janus Award in the Business category from the French Institute of Design. This concept benefited from the partnership signed in 2018 with Bouygues Telecom for the distribution of Bouygues Telecom's offers.

These smaller-format stores strengthen the Group's omnichannel operations by offering complete access to the catalog online, thereby allowing customers to benefit from a wide choice of products and the vendors' expertise in those products.

(1) Excluding WeFix, which has 15 brands.

At the end of 2023, Fnac had 330 stores in total, including 231 stores in France[(1)]. Fnac opened 12 stores in 2023 (compared to 24 in 2022), including 5 outside France (4 in Portugal, 1 in Saudi Arabia). Fnac closed 6 stores in 2023, including 3 in France, 1 in Spain, 1 in Belgium and 1 in Switzerland.

In France, Darty stores are mostly located in highly populated areas and have a strong presence within or are situated close to large cities, such as Paris, Lyon and Marseille. The other Darty stores are generally situated outside of big cities, in shopping malls and retail parks. In order to extend its presence to less populated French regions, particularly those with fewer than 100,000 inhabitants, Darty has also set up a franchise network. This network has allowed it to expand its store network with limited investment and to reach small catchment areas where a classic department store would be too expensive to operate. Darty opened 17 stores in 2023, all in France (16 franchises and 1 directly owned). At the end of 2023, Darty France had 492 stores, including 3 located in Tunisia, and Vanden Borre had 71 stores in Belgium.

Nature & Découvertes operates across a network of 106 stores, the majority of which (93 stores) are in France. The brand operates all of these stores, with the exception of seven Swiss stores, which are operated by Payot under a franchise agreement. In addition, the brand now has 11 shop-in-shops within Fnac, two of which are in Spain.

Finally, the Group acquired WeFix, the French leader in express smartphone repair, in October 2018. With more than 227,000 repairs carried out in 2023 and 478 employees, WeFix operates a network of 128 service areas, including 64 corners, 11 stores, and 53 shop-in-shops, in France and Belgium.

Format	Date of concept	Average surface area	Location	Offering	Number of stores
Fnac network					**330**
Traditional	1974	2,400 sq.m	City centers – shopping districts	Entire offering	161
Suburbs	2006	2,000 sq.m	Suburban areas	Entire offering	17
Proximity	2012	300 to 1,000 sq.m	Towns and smaller cities Large cities to supplement the store network	Entire offering	101
Travel (Aelia and MRW)	2011	60 to 300 sq.m	Airports and railway stations	Editorial products on hot topics Consumer electronics focused on mobility	41
Connect	2015	80 to 100 sq.m for dedicated stores	City centers Shop-in-shop	Telephony and connected objects	10
Darty/Vanden Borre/MediaMarkt network					**573**
Traditional integrated	1968	1,500 sq.m	Proximity to large cities – shopping malls	Entire offering	290
Franchise	2014	600 sq.m	Proximity to medium-sized cities	Minimum range	273
MediaMarkt Portugal	2005	2,000 to 3,000 sq.m	Proximity to large cities – shopping malls	Entire offering	10
Fnac Darty network					**1**
Franchise	2017	1,400 sq.m	Retail parks	Large and small domestic appliances Editorial products and consumer electronics TVs	1
Nature & Découvertes network					**106**
Traditional integrated	1990		City centers – shopping districts	Entire offering	89
Franchise	2008		City centers – shopping districts	Entire offering	17

(1) Including 13 stores outside France: 3 in Tunisia, 3 in Qatar, 2 in Senegal, 2 in Ivory Coast, 1 in Congo, 1 in Cameroon, and 1 in Saudi Arabia, the latter having been opened in 2023.

1.8.2 / Proprietary real estate

The following table summarizes the areas occupied by the Group as of December 31, 2023, in the various countries where the Group operates.

Stores (including franchises)	Number of sites	Customer retail area *(in sq.m)*
France [(a)] and Switzerland [(b)]	838	810,000
Iberian Peninsula	88	125,000
Belgium and Luxembourg	84	90,000
TOTAL	**1,010**	**1,025,000**

(a) Including 16 Fnac and Darty stores located outside France and all Nature & Découvertes stores.
(b) Excluding 17 Fnac shop-in-shops within Manor stores and excluding WeFix stores.

Warehouses/Other premises (excluding franchises)		Number of sites	Total occupied surface area *(in sq.m)*
France and Switzerland	Warehouses	8	313,000
	Others [(a)]	72	190,000
Iberian Peninsula	Warehouses	2	32,000
	Others [(a)]	3	4,000
Belgium and Luxembourg	Warehouses	5	41,000
	Others [(a)]	1	4,000
TOTAL		**91**	**584,000**

(a) "Others" includes offices, shared service centers, After-Sales Service Workshops, Cross-Dock platforms, and technical centers.

Most real estate assets are leased; however, the Group has proprietary real estate including 45 stores, 1 warehouse and 8 other business premises.

The Group considers that the utilization rate of its property, plant and equipment is consistent with its operations, development plan, and ongoing and planned investments.

Fnac Darty is committed to reducing the energy consumption of its stores and is making the necessary investments in this regard. All of these actions are outlined in section 2.3 of Chapter 2 "Reduce the Group's impact on the climate and biodiversity" of this Universal Registration Document.

The Group's main current and planned investments, as of the filing date of this Universal Registration Document, are detailed in Chapter 4 "Financial statements," note 30, of this Universal Registration Document.

1.9 / Regulatory environment and changes

The regulations that apply to the Group in the countries in which it operates, as well as any regulatory changes or action taken by local, national or international regulators, are likely to impact the Group's business activities and performance.

Both in France and abroad, Fnac Darty is subject to numerous laws and regulations, in areas such as competition law, the operation of establishments that are open to the public, and consumer protection, as well as certain specific regulations relating to particular activities (banking, logistics, e-commerce, real estate, credit and insurance brokerage, IT, book prices).

By way of example, Fnac Darty has taken into account the entry into force of the European General Data Protection Regulations (GDPR), the provisions of which have been applicable since May 2018 in all Member States of the Union European. The Group has set up a program to organize and coordinate its compliance work Group-wide (see section 2.5.3 "Using and protecting personal data, cybersecurity" of this Universal Registration Document). Similarly, the Group will apply the new European regulations for online platforms, particularly the Digital Services Act, which was published in the OJEU on November 16, 2022 and which will come into force on February 17, 2024.

In addition, the Group's activities in France are subject to Law No. 81-766 of August 10, 1981 relating to book prices. A new book sold in France must have a single price that is determined by the publisher. A seller is allowed to offer a reduction of up to 5% on the price of the book for orders purchased or picked up from a retail book store. This law does not apply to second-hand books or books that are out of print. Furthermore, Fnac Darty actively supported the adoption of the law in France aimed at strengthening the book economy and enhancing fairness and trustworthiness among industry players, which was promulgated in the *Journal officiel* on December 30, 2021. This law stipulates a minimum delivery fee for home book deliveries. Under the aegis of ARCEP (the French regulatory authority for electronic and postal communications), the Group took part in the consultation conducted before this regulation was drafted, and approved the proposed pricing grid notified to the European Commission by the French government in November. The implementing decree entered into force on October 7, 2023.

In addition, Fnac Darty is monitoring the measures it put in place in 2017 to comply with the French Sapin 2 Law on transparency, anti-corruption and the modernization of business practices. Subject to the Law on the Duty of Care by parent companies and major contractors, Fnac Darty has published a Vigilance Plan since 2018 (see section 2.5.4 "Vigilance Plan" of Chapter 2 of this Universal Registration Document).

Fnac Darty is also subject to the extended producer responsibility (EPR) principle, a mandatory scheme under which producers, importers, and distributors are responsible for financing and organizing the management of waste generated by their products. This involves membership of an eco-organization, the payment of an eco-contribution, and, in some cases, the recovery of used products.

The AGEC Law enacted on February 10, 2020, created new EPR schemes: in addition to packaging, electrical and electronic equipment (EEE), batteries and accumulators, and furniture, as of January 1, 2022, DIY and gardening items, sports and leisure items, and toys are also covered. The AGEC law also extended the obligations in terms of free take-back services at stores or places of delivery. As a result, as of January 1, 2022, items of furniture, single-use gas canisters, and batteries will be added to the electrical and electronic equipment scheme, depending on a company's revenue threshold and sales area. As of January 1, 2023, DIY items, sports items, and toys will be included too. This law extends the obligations (to take back used products that fall within the remit of extended producer responsibility (EPR) at the point of delivery and payment of the eco-tax) to sellers on intermediary platforms. The Group participated in numerous steering committees led by the governments concerned and attended by the eco-organizations to find concrete solutions and facilitate the implementation of these provisions.

From January 1, 2021, the AGEC Law also requires companies to disclose information about the availability of spare parts and stipulates the mandatory application of a repairability index for several types of device or appliance: smartphones, laptops, front-loading washing machines, TV sets, and lawnmowers. This obligation to provide information was extended on November 4, 2022 to new product categories: top-loading washing machines, dishwashers, vacuum cleaners, high-pressure cleaners. The manufacturer of the appliance must give it a score out of 10 across five criteria (length of availability of technical documentation and advice on use and maintenance; ease of dismantling of the equipment; length of availability of spare parts on the market; delivery times and sales price of spare parts; the fifth criterion depends on the category of equipment concerned) based on scoring grids produced by the French Ministry for Ecological Transition. Having first implemented this project on an experimental basis for certain appliances in 2018 and having helped to develop the system, Fnac Darty was one of the first retailers to display this index, thereby providing consumers with simple information as soon as they make a purchase in store or on its website for the products concerned. From 2024, the repairability index will be replaced by a sustainability index, with criteria that will be defined by law: the Group is playing an active role in the consultations on this matter.

To support and anticipate the creation of low emission zones governed by the French Mobility Orientation Law (*loi d'orientation des mobilités* – LOM) and in line with the French Climate and Resilience Act, the Group is launching a greening program for its vehicle fleet (see section 2.3.3.3 "Action plans to reduce transport-related emissions and performance" of this Universal Registration Document).

These regulatory matters all mirror the Group's commitments to sustainability and are coordinated by a dedicated committee supported by a sponsor from the Executive Committee.

In terms of voluntary commitments, Fnac Darty was one of the architects and first signatories in July 2021 of the French Charter of Commitments for Reducing the Environmental Impact of E-Commerce *(Charte d'engagement pour la réduction de l'impact environnemental du commerce en ligne),* which lays the groundwork for more sustainable development of the sector, by means of ten commitments around four themes (consumer information, packaging, warehouses and deliveries, and monitoring). Some of the commitments set out in this charter have already been fulfilled by the Group. These include the systematic consolidation of shipments of products ordered at the same time (unless requested otherwise by the consumer) as well as steering consumers toward more environmentally friendly products, achieved by means of a "Sustainable Choice" pictogram and the annual publication of the Group's "After-sales Service Barometer." The Group is also a pioneer in calculating the sustainability score, the weighting between the repairability score and the reliability score. Furthermore, in 2022, Fnac Darty was the first retailer to have developed and integrated an innovative "informed delivery" tool into its e-commerce sites, which gives customers an estimate of the environmental impact of various modes of delivery when they purchase online.

Finally, and as part of its ongoing commitment to reduce its impact on the climate, Fnac Darty signed the EcoWatt and EcoGaz Charters in autumn 2022 and rolled out an energy efficiency plan based around several pillars: modernization of equipment in favor of more efficient equipment; deployment of LED lighting and centralized building management systems; purchase of electricity from renewable sources; decarbonization of vehicle fleets (both owned and sub-contracted); optimization of loads and distance traveled; awareness and training (employees, customers, suppliers, etc.).

2 Corporate Social Responsibility

Introduction

Fnac Darty is committed to creating value for all its stakeholders, and determined to avoid and reduce the negative externalities of its activities. This chapter reports on the Group's social, societal and environmental policies and performance, in relation to its main risks and, furthermore, its long-standing commitments.

This Universal Registration Document meets the requirement for a non-financial performance statement (déclaration de performance extra-financière, DPEF) established in France by Order No. 2017-1180 of July 19, 2017 and Decree No. 2017-1265 of August 9, 2017. The information provided covers the activities of all the companies within the Group's scope of consolidation.

The DPEF includes:

- the presentation of the business model, available in section 1.3 of this Universal Registration Document;
- a description of the main non-financial risks, in section 2.1.2 of this Universal Registration Document;
- the policies and action plans associated with these social, environmental and societal risks, and the results of these policies through key performance indicators, in sections 2.2, 2.3, 2.4, 2.5 and 2.6 of this Universal Registration Document.

In accordance with the European Taxonomy Regulation (Regulation 2020/852/EU), this DPEF also includes, in section 2.3.4, indicators relating to the share of revenue, operating expenses and capital expenditure associated with sustainable economic activities in 2022.

In addition, section 2.5.4 of this chapter meets the requirements of the French Law of March 27, 2017 on the Duty of Care of parent companies and initiating companies, on the effective implementation of a vigilance plan.

Finally, in line with the expectations of its stakeholders, this chapter also presents its climate reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), contributing to the Group's transparency and accountability efforts on climate issues (see cross-reference table in section 7.7.7 of this Universal Registration Document).

All of the Group's sustainable development policies are based on complying with and promoting the principles or recommendations contained in:

- the Universal Declaration of Human Rights;
- the fundamental conventions of the International Labour Organization;
- the United Nations Global Compact;
- the Paris Climate Agreement.

2.1 / Strategy, governance and CSR risks

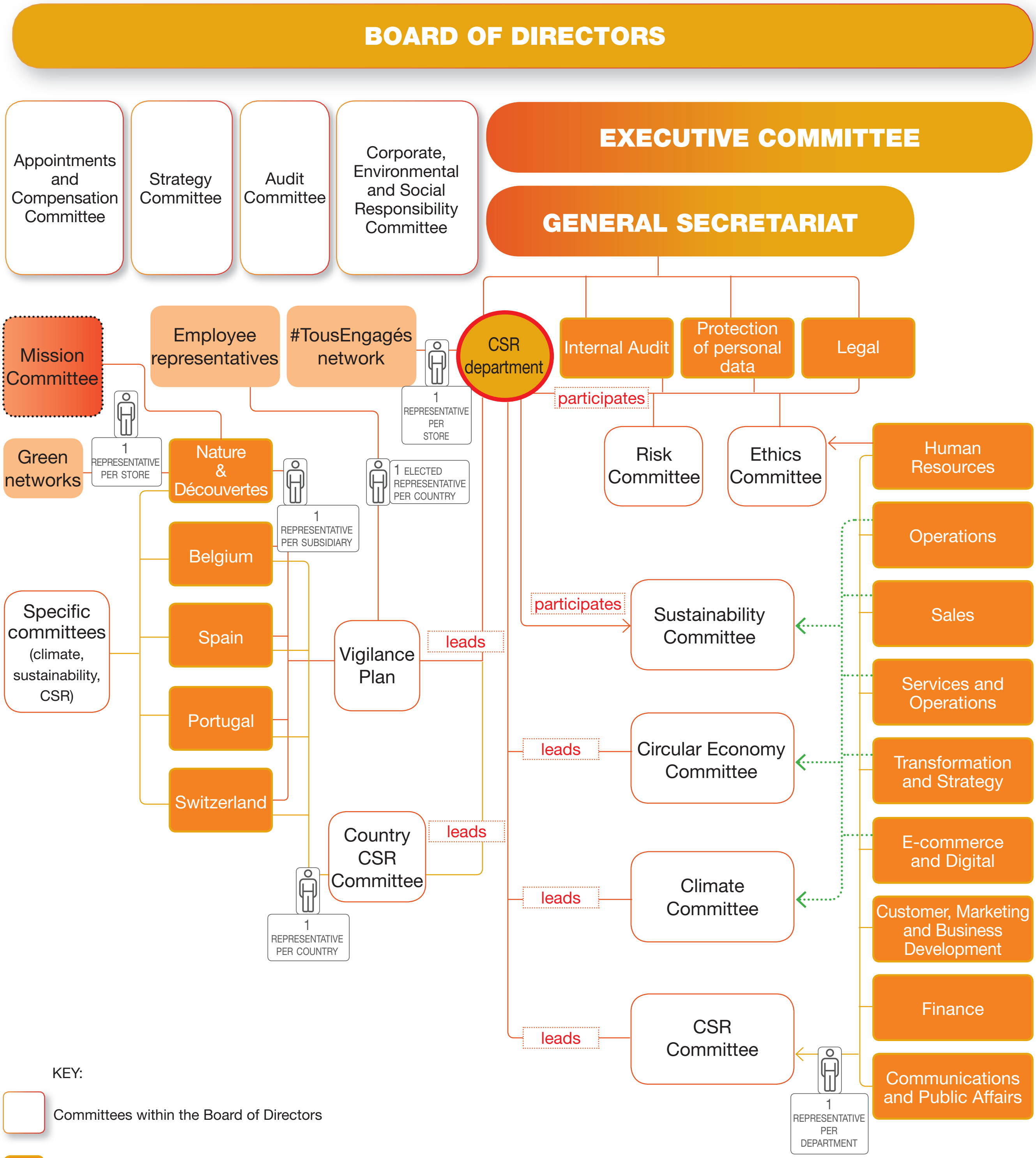
To accelerate the development of a sustainable economic model, the Group has placed its corporate social responsibility performance at the heart of its strategic plan Everyday for 2025: two of the three pillars of the strategy are based directly on the CSR policy it has been rolling out for several years.

The incorporation of sustainable development issues into the Company's overall strategy is described in Chapter 1 of this Universal Registration Document.

2.1.1 / A governance and organizational structure dedicated to integrating CSR issues into our business lines

In order to integrate these issues into the strategy and projects of the various business lines, the Group is pursuing a decentralized approach to CSR based on the development of managers' skills.

The CSR Department reports to the General Secretary, and relies on various bodies and business line representatives to implement the Group's CSR strategy.



KEY:

- Committees within the Board of Directors
- Executive Committee, Management and Subsidiaries
- Cross-border committees responsible for implementing the CSR strategy in business lines
- Employee and staff representatives
- Nature & Découvertes Mission Committee, currently being set up

Description of committees

Role and responsibilities	
Board of Directors	■ The CESR Committee of the Board of Directors: composed of four Directors, it reports to the Board on CSR strategy and initiatives, as well as the results achieved (see also section 3.2.1 of this Universal Registration Document).
Ethics Committee	■ Chaired by the General Secretary in charge of CSR and Governance, it ensures that the Group complies with regulations relating to ethical business conduct, particularly the French Sapin 2 and Duty of Care Laws and the GDPR.
Climate Committee	■ Composed of three members of the Executive Committee (Comex), it is responsible for rolling out and ensuring compliance with the Group's Climate roadmap (see also section 2.3.1 of this Universal Registration Document).
Circular Economy Committee	■ Composed of three members of the Executive Committee, it oversees projects to reduce packaging, optimize unsold products, and improve waste collection and recovery.
France CSR Committee	■ Composed of one member of the Executive Committee and the 14 business line representatives (one for each Group department), it monitors the roll-out of the roadmaps of each department and introduces new projects.
Country CSR Committee	■ Composed of one member of the Executive Committee and the CSR representatives from each of the Group's European subsidiaries, it monitors the roll-out of the roadmaps for each country and shares best practice implemented in each subsidiary.
Sustainability Committee	■ Composed of two members of the Executive Committee, it aims to monitor action plans designed to offer sustainable products and services.
Internal Audit Committees	■ Led by the Risk Department, they oversee the prevention and mitigation policies for certain risks identified in the mapping of risks covered by the French Law on the Duty of Care.
Ecolaws Committee	■ Composed of at least the CSR and legal Departments, this cross-functional collaborative committee was set up in 2023. It aims to better anticipate the changes and new environmental regulations affecting the products. Monitoring regulations and better awareness raising within the teams allow the committee to monitor and control all relevant regulatory topics with the management teams from the relevant departments.

Integration of CSR within short- and long-term variable compensation objectives

For several years, the annual variable component of compensation of the Chief Executive Officer and members of the Executive Committee has included a CSR component that is defined in consultation with the CSR Department and aligned with the Group's social and environmental issues and strategy. The criteria relate to the respective responsibilities of the executives and are based on quantifiable indicators, including, for certain members, targets for reducing greenhouse gas emissions or objectives related to the representation of women in positions of responsibility (see section 3.1.9 of this Universal Registration Document). The criteria and objectives linked to the Chief Executive Officer's variable compensation are approved by the Board of Directors on the recommendation and proposal of the Appointments and Compensation Committee.

Since January 1, 2021, all managers eligible for annual variable compensation, i.e. 3,000 employees, have had a CSR objective accounting for 10% of this variable component. These objectives are defined in consultation with the CSR representatives of each department or scope, on the basis of their CSR roadmaps, and the CSR Department. For 2023, given the importance of climate issues, the CSR criterion takes the form of one common indicator for all, to reduce energy consumption, and one specific indicator associated with the CSR roadmap of each department for greater alignment and impact.

The long-term incentive plan (LIP) for the Chief Executive Officer, members of the Executive Committee and the Company's key managers, also incorporates a 3-year CSR performance condition. The CSR performance condition currently takes the form of two objectives aligned with the strategic plan. Its weighting was increased from 20% to 25% in 2022. The first objective focuses on climate issues with the reduction of greenhouse gas emissions, while the second involves improving the sustainability score.

The Group has also developed ways of investing employees' medium- and long-term savings in CSR-labeled funds. The mutual funds of the Group savings plan (PEG) and employee retirement savings plans have been reviewed: four of the six funds in the Fnac Darty savings plan, in which employees can invest their incentive and profit-sharing bonuses or on a voluntary basis, will be CIES [(1)] or SRI [(2)] labelled by the end of the first half of 2024. By the end of the first half of 2024, six of the eight funds in the Darty Group retirement savings plan (PERCOL) will have been awarded the CIES, SRI or France Relance label. Lastly, since February 1, 2024, five of the nine funds in Fnac's mandatory retirement savings plan (PERO) have been labelled socially responsible (SRI, LuxFlag ESG).

In-store communications bring the Group's ambitions closer to customers

In September 2023, a network of CSR representatives – the "#TousEngagés" community – was launched in France. Nearly 310 CSR representatives – 1 per store [(3)] – have been appointed to act as spokespersons for CSR issues at their sites. The aim of this network is to make CSR issues more tangible, and thereby meet customers' objectives in terms of sustainable development.

Since 1995, Nature & Découvertes has structured its sustainable development policy around an internal network of ambassadors for the environmental and social policy in stores. These volunteer employees (one per store), known as "Green Networks", raise awareness and mobilize store teams around issues such as waste management, publicizing advocacy initiatives to customers and local stakeholders, supporting local community projects for protecting and learning about the natural world through the Fondation Nature & Découvertes and charitable rounding (see section 2.6.3 of this Universal Registration Document), or promoting nature-oriented education programs and events.

Awareness and training in sustainable development issues

In 2023, all members of the Executive Committee and the Board of Directors attended a "Climate and governance" workshop on the following topics: understanding the scale and significance of planetary limits, regulatory obligations and market recommendations, understanding changes in the societal context and expectations of a company like Fnac Darty, and grasping the nature of the changes expected in companies and the role of governance bodies.

Fnac Darty also uses training and innovative formats such as the "Fresque du Climat" and other similar training workshops to raise employee awareness of the Group's social and environmental issues and to inspire each one of them to get involved in the CSR strategy. In 2023, all Executive Committee members and French managers (one level below Comex), i.e. around 80 people, completed the "2 tons workshop".

At the same time, Fnac Darty regularly uses various internal communication channels to talk about the Group's CSR challenges and projects, such as energy efficiency. In 2023, a CSR Day, open to all, was organized to highlight all the actions carried out under the five pillars of the Group's CSR strategy. The CSR department is also regularly asked to take part in induction seminars for new employees, and training on climate and CSR issues is available on the Group's e-learning platform.

Nature & Découvertes, a certified B Corp and a "social purpose" company (société à mission)

Based on a CSR approach that is rooted in education about nature and protecting biodiversity, Nature & Découvertes has set itself a strategic goal of accelerating its development by placing commitment to responsibility at the heart of its business model.

A true strategic compass that has been enshrined in the company's bylaws since October 2022, the *raison d'être* to "Choose solutions that make a genuine, daily contribution to the transition toward sustainable, biodiversity-friendly lifestyles" is reflected in its range of sustainable products and experiences that are focused on nature and ecological transition.

In 2022, in a bid to provide a firmer, long-term foundation for the company's unique nature and DNA, Nature & Découvertes became a "social purpose" corporation (société à mission) within the meaning of the French Pacte Law [(4)]. Changes to the bylaws were approved by the Extraordinary General Meeting of October 25, 2022, enabling the Fnac Darty subsidiary to join the circle of companies legally committed to societal causes.

In this context, the objectives Nature & Découvertes intends to pursue, as set out in its bylaws, are as follows:

- to develop a range of products and experiences that promote sustainable lifestyles;
- to preserve and promote relationships with the natural world;
- to unite the communities that are transforming the world.

Since 2023, a mission committee responsible for monitoring the purpose has brought together external stakeholders (experts whose field of expertise is linked to the objectives set out in the bylaws) and internal stakeholders.

The company is also certified B Corp.

(1) *The "Comité intersyndical de l'épargne salariale" label certifies that the funds offered include environmental, social and governance criteria.*
(2) *The SRI label, created by the French Ministry of the Economy and Finance, is awarded to investment funds that respect the principles of socially responsible investment.*
(3) *Excluding deductibles.*
(4) *Pacte: Plan d'Action pour la Croissance et la Transformation des Entreprises, an action plan for the growth and transformation of companies, which gives French companies the opportunity to register and implement their CSR transformation via a unique legal framework.*

Terre d'Oc, a Nature & Découvertes subsidiary specializing in the production of organic and fair trade teas, essential oils and fragrances, has also been a social purpose corporation since 2021. Its *raison d'être* is: "Designing and manufacturing well-being products that are beautiful, good, and healthy, based on an intention to preserve natural resources and biodiversity while developing the organic and fair-trade sectors, and highlighting women's work all around the world."

2.1.2 / Identification of CSR risks and materiality

Fnac Darty relies on various in-house risk identification and management procedures to identify the risks that apply to the Group, including CSR risks. The Group's major risks – both financial and non-financial – are identified and analyzed with the support of all the departments concerned (see section 5.3 of this Universal Registration Document).

In managing these risks, the Group draws up and monitors more specific risk maps: maps of risks to human rights, health and safety, and the environment (Duty of Vigilance), corruption risks (Sapin 2), risks linked to personal data protection (GDPR). Due to their specific nature, climate-related risks are the subject of a separate analysis over the long term (2030 and 2050).

CSR risks are assessed jointly with management. These include both internal factors, which may impact on human rights, health and safety, and the environment; and exogenous factors (major trends), which may affect the Group's business, financial position, reputation and results.

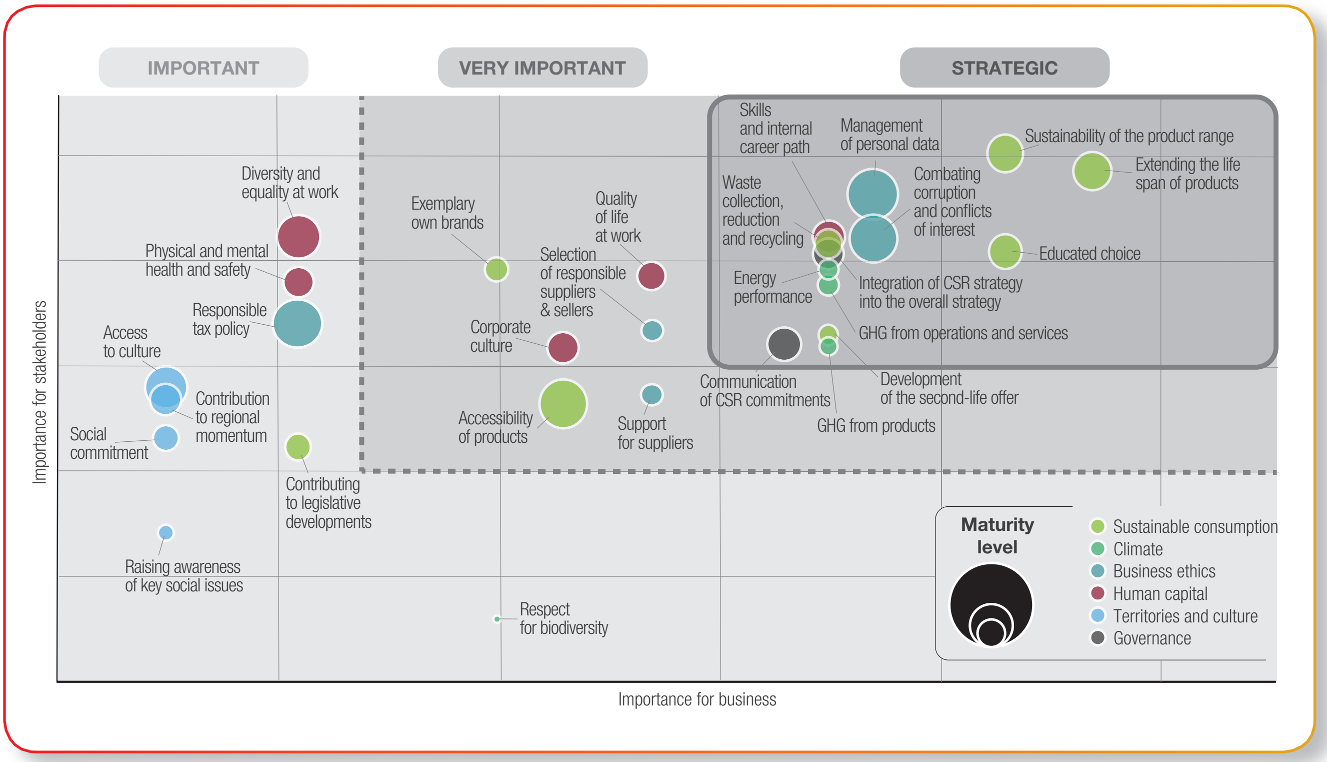
The Group's CSR risks fall into four main categories:

- sustainability of the business model and new patterns of consumption;
- climate change and its consequences;
- business line development and the organization of work, in a context of a shortage of technical profiles and a talent war;
- the ethics of all parties in an ecosystem of partnerships.

Materiality analysis (DPEF approach)

To update its CSR policy, the Group relies on the complementary nature of the above-mentioned risk mapping processes and its materiality analysis.

The matrix below sets out the 28 issues assessed as priorities since 2022: it compares the expectations of internal and external stakeholders (over 2,000 people surveyed) with the impact of each issue on the Company's overall performance (financial, reputational, legal or operational impact), as assessed by the risk analysis mentioned above.



Double materiality analysis (CSRD approach)

In 2023, in order to comply with the Corporate Sustainability Reporting Directive, the Group undertook to update this analysis in order to determine the issues applicable to the Group (across its entire value chain), with regard to their impact and/or financial materiality.

For impact materiality, Fnac Darty has defined a rating scale to qualify the scale, scope, remediability and probability of occurrence of the risks and opportunities studied, in line with the "Duty of Vigilance" risk mapping scale.

For financial materiality, Fnac Darty has defined a rating scale to assess the magnitude and probability of occurrence of risks and opportunities, consistent with the thresholds and scales defined as part of the Group's risk analysis (see also chapter 5 of this Universal Registration Document).

Based on the list of issues and sub-issues set out in the ESRS 1 [1] and issues more specific to the retail sector or to the Group, Fnac Darty involved internal stakeholders in assessing the level of importance of each issue. For value chain issues, in the absence of primary data, the assessment was based on sector benchmarks, NGO and governmental organization reports.

This analysis, in progress at the time of publication, will enable the Group to define the list of ESRS standards applicable for the 2024 Sustainability Report (publication 2025), as provided for in Order No. 2023-1142 of December 6, 2023 transposing into French law EU Directive 2022/2464 of December 14, 2022, known as the "CSRD".

Initial analysis confirm that the issues of importance to the Group's stakeholders are consistent with the level of importance of the issues listed in the CSRD.

Summary of the Group's main risks (DPEF approach)

The tables below summarize the main CSR risks and how they relate to material challenges. Five priority objectives [2] from the Group's strategic plan Everyday are monitored as part of the Company's overall performance.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Risks: Sustainability of the business model and new patterns of consumption
Commitment: Promote sustainable consumption and an educated choice

CSR risks	Associated challenges	Priority objectives	Performance
■ Changes in consumer behavior (alternative consumption, drop in demand, possible boycotts, etc.) ■ Increased cost of raw materials (increased cost of distributed products) ■ Scarcity of natural resources (disruptions to supply chains) ■ Increased energy prices (higher indirect costs) ■ Economic crises (declining purchasing power) ■ Tensions in cross-border relationships (disruptions to supply chains)	■ Helping consumers make responsible choices (see section 2.2.1.1)		
	■ Sustainability of the offering (see section 2.2.1.2)	■ Sustainability score of 135 in 2025 (vs 100 in 2019)	■ **118** in 2023 ✓
	■ Extending the life span of products (see section 2.2.2)	■ 2 million Darty Max subscribers in 2025 ■ 2.5 million products repaired in 2025	■ **1.125 million** in 2023 ✓ ■ **2.5 million** [a] in 2023
	■ Expanding the second-life offering (see section 2.2.3)		
	■ Waste collection, reduction and recycling (see section 2.2.4)		
	■ Contributing to consultations on legislative developments and raising public awareness of sustainability issues (see section 2.2.5)		

(a) See the methodological note in section 2.7 of this Universal Registration Document.

(1) The ESRS are the European Sustainability Reporting Standards.

(2) As part of the task of auditing the non-financial performance statement, certain indicators are checked more thoroughly and a justified opinion is issued in respect of these indicators, expressing a conclusion of reasonable assurance; these indicators are identifiable by the symbol ✓.

Risks: The climate emergency and its consequences for the Company
Commitment: Reduce impact on the climate and biodiversity

CSR risks	Associated challenges	Objective	Performance
■ Extreme weather events (disruptions to logistics and supply chains, inventory losses) ■ Gradual increase in temperatures (increased costs and deterioration of working conditions) ■ Change in consumption habits (drop in demand) ■ Regulatory pressure (increased costs)	■ Measurement and reduction of GHG emissions related to operations (se section 2.3.3.3)	■ Reduce scope 1 and scope 2 emissions by 50% by 2030 compared to 2019	■ **-38%** in 2023 ✓
	■ Measurement, reduction and display of GHG emissions related to distributed products (see section 2.3.3.4)	■ Reduce emissions from the use of products sold by -22% per product sold by 2030 compared to 2019	■ **-10%** in 2023
	■ Support for suppliers (see section 2.3.3)	■ Ensure that suppliers representing 80% of product manufacturing emissions will have set climate science-based targets science by 2026	■ **60.5%** in 2023
	■ Energy performance (see section 2.3.3.2)	■ Reduce electricity consumption by 15% by 2024 compared to 2022 (France excluding Nature & Découvertes)	■ **-15.5%** in 2023
	■ Respect for biodiversity (see section 2.3.3.5)		

Risks: Business line development and the organization of work, in the context of a shortage of technical profiles and a talent war
Commitment: Develop our human capital

CSR risks	Associated challenges	Objective	Performance
■ Ability to attract and retain talent ■ Shortage of technical skills ■ Lack of employee engagement ■ Breaches of employee health and safety	■ Attracting and retaining talent, particularly in hard-to-fill or growing professions (see section 2.4.1)		
	■ Physical and mental health and safety (see section 2.4.4)		
	■ Quality of life in the workplace (see section 2.4.5)		
	■ Corporate culture (see section 2.4.5.1)		
	■ Diversity and gender equality (see section 2.4.5.2)	■ 35% of women in leadership positions in 2025	■ **33.2%** in 2023 ✓
	■ Maintain purchasing power (see section 2.4.5.3)		

Risks: The ethics of all parties in an ecosystem of partnerships
Commitment: Act ethically throughout our value chain

CSR risks	Associated challenges	Objective	Performance
■ Breaches of data security and personal data protection ■ Risks to human rights, health and safety and the environment ■ Non-compliance with regulations on anti-corruption and conflicts of interest	■ The fight against corruption and conflicts of interest (see section 2.5.2)		■ 99% of persons exposed to conflict of interest risk have completed mandatory training modules
	■ Enhanced management of personal data and strengthened cyber security policy (see section 2.5.3)		■ More than 100 projects analyzed by the DPO and the legal team ■ 8.9 billion malicious requests blocked
	■ Selection and support of responsible suppliers and sellers (see section 2.5.7)		■ Proportion of contracts incorporating the Business Code of Conduct: 82% ■ 89% of Fnac Darty audits deemed compliant (before corrective action plan) ■ 49 unannounced audits (44.5% of audits) ■ More than 1,325 Marketplace sellers tested and 96 sellers removed from the approved list

Commitment: Contribute to the social and cultural development of territories

CSR risks	Associated challenges	Objective	Performance
n.a.	■ Promoting wider access to culture (see section 2.6.1)		■ Number of Group cultural events: nearly 7,000 (including nearly 1,400 in France)
	■ Contributing to regional momentum (see section 2.6.2)		■ 43 stores opened, including 28 in France
	■ Engaging for social inclusion (see section 2.6.3)		■ Donations financed by Fnac Darty: €5.9 million ■ Amount of donations collected from customers: €1.2 million ■ Number of books collected for Bibliothèques Sans Frontières (France and Switzerland): 252,000 ■ Number of projects supported by the Nature & Découvertes Foundation: 149 ■ Overall allocation from the N&D Foundation: €494,000

Fnac Darty's approach to Corporate Social Responsibility is regularly assessed by non-financial rating agencies, whose ratings are steadily improving. For more details, please refer to section 1.1.3 of this Universal Registration Document.

2.1.3 / Open dialogue with the Group's stakeholders

Regular dialogue with stakeholders helps to ensure that the Group, both in its strategy and in the performance of its daily activities, incorporates all their concerns.

In addition to the materiality analysis described above, the Group continues to use several mechanisms and channels to engage in dialogue, a (non-exhaustive) summary of which is set out below:

Stakeholders	Means/methods of promoting dialogue
Customers	■ Constant dialogue with customers (in store, via customer surveys, etc.) ■ Customer reviews, complaints, dedicated customer relations center ■ In-store cultural events
Employees and social partners	■ Regular and constructive dialogue with its social partners ■ Anonymous listening mechanism ■ Events (meetings, "CSR Week," "Customer Day," etc.) ■ Direct collective expression meetings, at least once a year
Suppliers	■ Daily exchanges with suppliers ■ Trade shows, annual sales convention ■ Factory inspections of suppliers of own-brand and licensed products ■ CSR business review with suppliers (responsible purchasing policy)
Franchise network	■ Periodic visits ■ National convention once a year and regional meetings
Associations	■ Membership of professional organizations and federations ■ Participation in working groups, roundtables and consultations. ■ Regular dialogue with consumer and environmental protection associations ■ Partnerships and collaborations with non-profit organizations.
Public authorities	■ Contribution to parliamentary debates on bills concerning its activities ■ Responding to public consultations and providing technical expertise for political decision-making ■ Participation in working groups and consultations led by government bodies such as Ademe [(a)]
Investors/shareholders	■ Reporting to institutional and individual investors and, more broadly, to the financial community ■ Roadshows, telephone meetings or conferences with analysts and investors ■ Dialogue with shareholders throughout the year, particularly at the General Meeting ■ Responses to the main non-financial rating agencies

(a) Agency for Ecological Transition.

2.2 / Promote sustainable consumption and an educated choice

Background and trends

Faced with the scarcity of raw materials and increasingly frequent disruption of supply chains as a result of climate change, the circular economy is becoming the key to ecological transition. Consumers are more concerned about these issues and are increasingly aware of this fact, and they are now adapting their consumer habits accordingly.

Building on its 50 years of expertise in after-sales service, Fnac Darty has fully engaged with these issues by placing sustainability at the heart of its strategic plan Everyday. The Group is investing in extending the life span of its products, one of the major focuses of the transition toward more circular and more responsible consumption habits.

Risks	Opportunities
■ Inability to adapt to new customer expectations ■ Reduction in customers' interest in buying sustainable products due to their price, in a context of declining purchasing power ■ Inability to demonstrate the economic value of repair compared to replacement ■ Competitive pressure on repair and second life ■ Strengthening of circular economy and climate regulations (across the entire product life cycle) ■ Depletion of natural resources and rising greenhouse gas emissions, related to the life cycle of products	■ Growth in the market for "responsible" products (reliable, repairable, energy-efficient, recyclable, etc.) ■ Access to new markets (second-hand, urban mobility) ■ Disruptive innovations ■ Employee commitment, involved in a meaningful Company project ■ Monetary valuation of unsaleable new products and waste

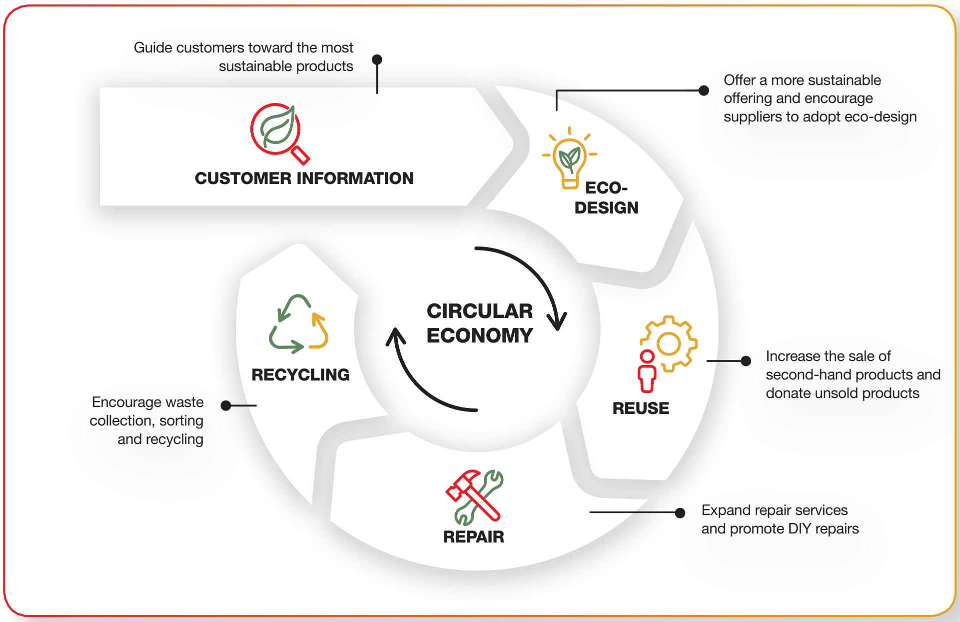
Levers put in place by Fnac Darty	2023 performance and monitoring of objectives
■ The development of objective, transparent customer information to facilitate more responsible consumption	■ Product categories covered by the After-Sales Service Barometer: 95 (compared to 80 in 2022)
■ A range of sustainable products and services	■ **KPI: Sustainability score [(a)]: 118 ✓** ▪ *Target: 135 by 2025* ■ At Nature & Découvertes, 75% of products comply with at least one responsible purchasing criterion
■ Innovations to make repairs simpler and more economically relevant for customers	■ Number of people dedicated to repairs: around 3,000 ■ **KPI: Number of products repaired: 2.5 million [(b)] ✓** ■ **KPI: Number of Darty Max subscribers: c. 1,125,000 ✓**
■ A department dedicated to the second life of products	■ Number of products donated to associations: almost 600,000
■ Packaging and waste management optimization initiatives	■ **KPI: Waste recovery rate: 70.6%** ■ **KPI: Volume of WEEE [(c)] collected: 42,103 tons**
■ Raising awareness among the general public of sustainability issues	

(a) Sustainability score: average of a reliability score and a repairability score, calculated on the basis of data collected by Fnac Darty's After-Sales Service Department over the last two years for each product listed, weighted by the volume of products sold by the Group in the year in question.

(b) See methodological note in section 2.7.

(c) Waste electrical and electronic equipment.

Growing consumer awareness of environmental issues is driving changes in consumption patterns. Fnac Darty responds to the expectations of its various stakeholders and to its main climate-related risks and opportunities (see also section 2.3.1 of this Universal Registration Document) by activating all the levers of the circular economy. For the Group, boosting these drivers is even more crucial since they help to reduce its environmental footprint, most of which is linked to the manufacturing phase of products, and to reduce the footprints of its customers and suppliers (see also section 2.3.2 of this Universal Registration Document).



2.2.1 / Inform customers and develop the offer, to enable an educated choice

Over the last few years, Fnac Darty has stepped up its historical mission of advising its customers so they can make an educated choice. Faced with an infinite number of choices, Fnac Darty's mission is to guide its customers toward the most reliable and repairable products. As the leader in after-sales service in France, the Group has a unique database addressing these criteria (breakdown rates, repair rates, prices of spare parts, etc.) and for several years has been developing innovative tools to make this data public and readily understandable.

2.2.1.1 / Customer transparency

Fnac Darty is convinced that information and advice are powerful drivers to help advance the market. In fact, providing reliable and transparent information helps customers to choose more reliable and repairable products, encourages manufacturers to adopt eco-design principles, and actively contributes to reducing the Group's greenhouse gases.

Sustainability score: an effective tool for assessing brands' sustainability

Drawing on its expertise in after-sales service, the Group has developed a method for assigning each product (domestic appliances and technical equipment) a "sustainability score". This score is an aggregate of a "reliability score" calculated from the breakdown rates recorded by the Darty after-sales service, and a "repairability score" calculated from the repair rate recorded by the Darty after-sales service, as well as the availability and price of spare parts.

Scope: France	2022	2023	2025 Everyday objective	Achievement rate
KPI: Sustainability score (consolidation) ✓	115	118	135	51%

The improvement in the sustainability score shows that, overall, Fnac Darty's offer is increasingly sustainable: the products offered for sale tend to be more reliable and more repairable, and customers tend to prefer these products. This is the result of actions carried out at several levels:

- increased dialogue with suppliers, to identify the causes of breakdowns and enable them to design more reliable and repairable products;
- increased monitoring of overall product performance, enabling product managers to offer more sustainable ranges;
- highlighting the most sustainable products via the "Sustainable Choice" selection (see below).

The After-Sales Service Barometer

In October 2023, Fnac Darty released the sixth "After-Sales Service Barometer," its annual study on the reliability, reliability and life span of domestic appliances and multimedia equipment. The study is based on sustainability scores for each product family, and is conducted in partnership with Harris Interactive.

An essential information and benchmarking tool, this sixth edition has been extended to 95 domestic appliance and technical product categories (compared with 88 in 2022) and over 160 brands. It also drew on an analysis of more than 800,000 service calls conducted by the Darty After-Sales Service between July 2022 and June 2023, and on a survey of more than 11,000 customers.

Consumers have access, by category, to brand rankings and other information: reliability, repairability, availability of spare parts, average cost of parts, reasons for purchase, and since 2023, the breakdown of products in the category by repairability index and key maintenance advice.

A number of findings emerge from this study for 2023:

- Group customers are repairing more appliances than in 2018, when the Barometer was first published. This trend towards repair is fueled in particular by greater public awareness of the need to extend the life of products;
- but obstacles remain: the cost of repair compared with the purchase of a new product, and the time it takes to carry out repairs. When the disincentives to repair are removed, consumers are more inclined to repair: after the legal warranty period, a Darty Max subscriber repairs four times more large domestic appliances and 20 times more small domestic appliances than a non-subscribing Darty customer.

"Sustainable Choice"

The lessons learned from the After-Sales Service Barometer help to highlight those brands making the biggest effort to produce reliable, repairable, less energy-intensive appliances. In 2019 Fnac Darty adopted a clear, objective label: "Sustainable Choice". The criteria used to select products and devise this label, which is prominently displayed on products in store and on the e-commerce sites, are based on the sustainability score, the energy label and the government repairability index for eligible products. The selection is reviewed every three months so as to incorporate new products. In 2023, there were more than 900 Sustainable Choice products in the Fnac and Darty brands.

Labo Fnac: 50 years of service to consumers

Defending consumers by giving them as much information as possible so they can make an educated purchase is in the DNA of Labo Fnac, which celebrated its fiftieth anniversary in 2022. Every year, the Labo Fnac experts, equipped with a range of sophisticated measuring systems, test the technical performance of hundreds of new electronic products. The Lab's objective scientific methods are recognized by well-known brands that regularly send their prototypes to it for evaluation. There is no equivalent of the Fnac Lab in any other retail chain. Its culture of independence and the robust nature of its testing and analysis set it apart from the competition and enable it to develop a unique relationship of trust with consumers.

Testing results are published monthly on the fnac.com website, the L'Éclaireur Fnac site and its dedicated comparison site at https://lab.fnac.com. A new test bench dedicated to the fast-expanding Urban Mobility segment was launched in 2023.

In 2023, Labo Fnac carried out 939 tests on 531 products.

Repairability index

At a time when brands are being held accountable for their role in the planned obsolescence of their products, Fnac Darty has taken the opposing view on these practices by providing information on product repairability since 2018, more than two years before the AGEC Law was implemented.

The methodology developed by Labo Fnac in 2019 largely inspired the new repairability index applied to manufacturers since the beginning of 2021. The Group also participated for two years in a number of working groups set up by the French Ministry of Ecological Transition.

The Group carried out an initial assessment of the repairability index, almost two years after its introduction, with a view to the arrival of the sustainability index on January 1, 2024. For certain categories, it noted a discrepancy between the "repair" data provided by the after-sales service and the repairability index for a product, based on manufacturers' statements; this is notably the case for televisions and smartphones. On the other hand, there is a clear correlation for large domestic appliances.

Raise awareness and encourage customers to choose a delivery method producing fewer emissions

To enable customers to make an educated choice when choosing their delivery method, Fnac Darty publishes on the Fnac and Darty websites the greenhouse gas (GHG) emissions associated with the delivery of one kilogram of package, depending on the delivery service chosen.

Being aware that when delivery is made to a pick-up point, the customer's journey may have a significant impact on the total carbon footprint of the delivery, Fnac Darty joined forces with DATAGIR, a public service led by Ademe and the Interministerial Digital Department incubator, to provide web customers with an eco-calculator that enables them to assess the impact of their journey.

In addition, the Group provides advice throughout the online journey to raise customers' awareness of this issue. Thus, in the context of in-store and collection point deliveries, Fnac Darty encourages its customers to pool their trips or to use environmentally friendly modes of transport.

2.2.1.2 / Develop the product range to offer more sustainable products

In line with these innovations, Fnac Darty is upgrading the retail catalogs of its brands. This new stage in the transformation of the business model is supported by a redesigned governance structure to implement the continuous improvement approach related to the product offering.

Fnac and Darty: a Sustainability Committee to monitor sustainability scores for each category

In order to successfully implement the action plans linked to the Everyday plan's sustainability objective, and to monitor the progress of the sustainability score, a dedicated committee has been set up and placed under the aegis of two members of the Executive Committee. The committee meets once a month and reports to the Executive Committee with the same frequency. Its objective is to monitor the projects launched to develop the sustainability of the offer and second life, and the associated KPIs, including the sustainability score.

In order to implement the decisions taken by this committee and make changes to catalogs, the Sustainability Department organizes working groups each month involving after-sales service managers and product managers. These sessions are used to monitor various indicators, including the sustainability score, via monitoring tools and warning systems in case of a deterioration in breakdown rates.

Product managers now have access to an overall view of their portfolio, allowing them to manage their product mix more effectively. If a product breaks down, the product manager, in contact with their counterpart in after-sales service, can initiate or strengthen dialogue with suppliers, particularly as regards product reliability and repairability or the availability of spare parts. If no solution is found, the product may be discontinued.

A Sustainable Innovation Division at Nature & Découvertes for increasingly responsible purchasing

Nature & Découvertes' Sustainable Innovation Division applies the Company's continuous improvement approach to its product offer.

In 2023, the Sustainable Innovation Division continued to improve processes and quality, in particular to reduce the environmental impact of the product offering, from design to marketing, by overseeing the reduction in the carbon footprint for products (aiming at a 26% reduction in emissions by 2030) and strengthening the responsible purchasing policy (aiming for all products to meet 100% of prohibitive criteria by 2025).

A list of 27 criteria identifies the listing requirements for the entire product offer in each collection. These purchasing criteria applicable to all product families are used to carry out an assessment at the end of each season in order to adapt the subsequent collection and develop more sustainable products.

In 2023, more than 2,800 products were analyzed to check their compliance with listing requirements. 75% of this active offer, i.e. over 2,100 products, are covered by at least one responsible purchasing criterion.

By 2025, Nature & Découvertes aims to ensure that all its products meet sustainable purchasing criteria.

2.2.1.3 / Development of new sustainable services

Enable customers to save energy

In the fall of 2023, Darty partnered with Voltalis, a free energy-saving solution that optimizes electricity consumption linked to heating. This technology, certified by RTE, the French electricity transmission system operator, means we consume less and more effectively, and relieves the power grid when the need arises, i.e. when consumption peaks or renewable energy production falls. In practical terms, Voltalis technicians install a smart thermostat free of charge, made up of small boxes connected to the household's electric radiators. An app then allows consumption to be monitored and radiators to be controlled remotely, while Voltalis temporarily reduces the consumption of these appliances if there is an imbalance on the grid, with no effect on heating comfort.

The offer was initially rolled out from November 2023 in over 100 Darty stores and on darty.com.

Expand the repair offer with HomeServe

In October 2023, Fnac Darty chose to extend its partnership with HomeServe to launch the first unlimited maintenance and repair subscription for plumbing and electrical needs: "Maison Relax". This new service aims to extend the range of repair services available to customers.

Support and protect customers in their digital lives

Digital technology is playing an increasingly important role at home (e-commerce, consumption of digital content, social media, increasing numbers of screens, etc.), innovation is rapidly accelerating (e.g. rise of AI, rapid development of new social networks, etc.), and the threats associated with these developments are changing (email hacking, viruses, harassment, identity theft, etc.).

To support consumers in all their needs and requirements in terms of digital life, Fnac launched the "Fnac Vie Digitale" service in 2023. "Fnac Vie Digitale" is based around three major pillars: user and device protection via a set of dedicated features, advice on usage via meetings with certified experts, and access to the benefits of the Fnac+ program, allowing customers, in particular families, to lead a serene, secure digital life. This service is fully in line with the Group's ambition to be an essential ally to consumers, supporting them in their daily household activities, on a day-to-day basis and in the long term.

2.2.2 / Encourage maintenance and repair

The Group favors maintenance and repair over replacement, to extend product life span and reduce the impact of its business, while offering economically relevant alternatives to the purchase of new products.

For several years now, Fnac Darty has strongly developed its repair business. To achieve this, the Group can leverage one of its core assets: its after-sales service. There are more than 3,000 employees dedicated to this activity at home, in workshops, in remote customer relations centers, at in-store after-sales service counters, and at WeFix, making Fnac Darty the largest after-sales service provider in France.

Objective part of the plan Everyday: 2.5 million products repaired [(1)] in 2025

Scope: Group	2022	2023	Δ vs 2022
KPI: Number of products repaired [(a)] *(in millions)*	**2.3**	**2.5**	**8.7%**

(a) See methodological note in section 2.7. of this Universal Registration Document.

Repair is a practical response to the Group's climate challenges. The manufacture of products distributed by the Group's brands represents almost three-quarters of emissions during their complete life cycle (see also section 2.3.3.4 of this Universal Registration Document). Extending their life span by repairing them delays the manufacture of new products and therefore represents significant "avoided emissions".

To quantify this positive impact, the Group calculates the emissions avoided by repair each year. In a comparative approach, between a reference scenario (the product at the end of its "first life" leads to the purchase of a new product), and a repair scenario (the product at the end of its "first life" is repaired by Fnac Darty), the analysis was carried out on 2.2 million products repaired by Darty in 2023 [(2)]. Based on the assumptions used and repairs recorded, it is estimated that 190,000 tons of CO_2eq were avoided in 2023 (see also section 2.3.3.4 of this Universal Registration Document).

(1) See methodological note in section 2.7 of this Universal Registration Document.
(2) The study's methodology and results are described in more detail in section 2.3.3.4 of this Universal Registration Document.

2.2.2.1 / Darty Max, making repairs easier

One of the lessons learned from the After-Sales Service Barometer is that the price of repairs (of labor and/or spare parts) is a major obstacle. With this in mind, the Group launched a maintenance and repair subscription in October 2019, Darty Max, for all customers' large appliances, covering those they already possess and those purchased after taking out a subscription, at Darty or elsewhere. The Group is enlarging its offer to the entire home: small domestic appliances, home cinema, TV, sound, photography and multimedia.

More recently, it has been extended to Fnac, integrating a preventive maintenance service for appliances in the form of an annual videoconference appointment with a Darty expert.

A key pillar of the strategic plan Everyday and the Group's low-carbon trajectory, Darty Max celebrated its millionth subscriber in 2023. This service thus offers customers the possibility of easily repairing rather than replacing, with no limit on the number of devices, faults or age, as long as spare parts are available. Subscribers can also benefit from additional discounts on "Sustainable Choice" selections.

Since 2021, an equivalent service has been offered by Vanden Borre in Belgium, known as the Vanden Borre Life policy, which covers all large domestic appliances – except hoods – less than seven years old, purchased from Vanden Borre or elsewhere. It has recently incorporated a maintenance service.

Objective part of the plan Everyday: 2 million Darty Max subscribers in 2025

Scope: Group	2021	2022*	2023	Δ vs N-1	2025 objective
KPI: Number of Darty Max and Vanden Borre Life subscribers ✓	c. 500,000	c. 800,000*	c. 1,125,000	41%	2 million

* *Data restated to include Vanden Borre Life subscribers.*

2.2.2.2 / Maintenance: increasingly important for extending product life spans

According to an Ademe (1) study, 50 to 70% of breakdowns result from maintenance issues or improper use by the customer of their device. In order to prevent breakdowns, the Group has a role to play in raising awareness of the need to properly maintain equipment.

Maintaining appliances is not an ingrained habit: 64% of French people inquire about usage and maintenance advice when buying equipment, but just 15% routinely follow such advice (2). The Group introduced several arrangements in 2022 to raise customer awareness of proper maintenance:

- the Darty Max subscription now includes maintenance of all registered devices in the network at least once a year, via video chat with an expert (see also section 2.2.2.3 of this Universal Registration Document);
- maintenance advice is included for each of the 95 product families in the After-Sales Service Barometer. These "first-aid techniques" are also supported by more in-depth advice from the Darty After-Sales Service Community (see also section 2.2.2.3 of this Universal Registration Document);
- with 80% of French people failing to properly maintain their appliances due to inadequate instructions (2), stickers will now be affixed to some of the products manufactured by the Group to remind customers of essential maintenance procedures, providing permanent, concise and easily accessible guidance for customers.

2.2.2.3 / Supporting the acceleration of repair services

To support the acceleration of repair business activities, mainly generated by the increase in Darty Max subscriptions, every year the Group strengthens its after-sales service organization and repair channels.

The Group can in fact now rely on centralized after-sales service delivered through 5 after-sales service workshops (4 of which are repair workshops and one a subcontracting hub), 1 central spare parts warehouse and more than 100 technical centers in France.

Technicians, the cornerstones of sustainable consumption

The number of home service calls has risen sharply: +8% in 2023 compared to 2022. In order to support this demand, Fnac Darty is strengthening its teams of after-sales service technicians, as key partners in the large-scale development of repairs. An extensive recruitment and training campaign has been launched: nearly 1,200 technicians have been trained and 700 have joined the Group since 2019.

(1) *Ademe: Agency for Ecological Transition.*
(2) *Ademe/Odoxa, 2021,* Étude sur l'entretien des équipements et produits domestiques en France *(Study on the maintenance of household goods and equipment in France).*

In 2023, the Group set up its own apprentice training center, to complement the internal training scheme. In 2023, the Academy opened 27 classes with 236 technicians, 116 of whom have already been recruited on permanent contracts (see also section 2.4.1.2 of this Universal Registration Document).

This pathway will continue in the years to come, as the Group aims to hire a further 500 technicians by 2025.

WeFix, to extend smartphone life span

A subsidiary of Fnac Darty since 2012, WeFix offers an express repair service for smartphones, tablets and consoles. With 128 Quality Repair-certified points of sale (QualiRépar), the company carries out many tens of thousands of repairs per month, and guarantees its work for one year, thanks specifically to the use of original or compatible components selected from suppliers whose quality is regularly tested. In addition to repairs, WeFix is well-versed in refurbished telephony, thanks to its expertise in the smartphone testing and refurbishing process, conducted entirely out of its workshops in Paris, France.

WeFix has its own training center, aimed at offering a consistent level of service throughout its network, and constant operational excellence. In 2023, 139 people were recruited by the company, including 133 who had been trained in repair business lines by the WeFix Academy.

The After-Sales Service Community, to promote self-repair and maintenance

The Group supports consumers by providing advice on use, maintenance and repair, through the "After-Sales Service Community," a public-facing website launched in 2018. This online platform helps users find information on the use and self-repair of their products, drawing on the experience of the 7.5 million members of the community and Darty's after-sales service experts. At the end of 2023, more than 240 articles, 950 tutorials, 150,000 questions and 620,000 answers covering some 52,000 products, were available on the site.

More than 12.6 million consumers visited the sav.darty.com website to find repair, use and maintenance solutions.

PC Clinic and Clinica Fnac, offering repair services in Portugal

Every year, Fnac Portugal boosts its repair service with its "Clinica Fnac" and "PC Clinic" workshop brands. Thanks to their geographical coverage, their partnerships and the promise of speedy repair, Clinica Fnac and PC Clinic are positioning themselves as the go-to for quick repair in Portugal. Both brands offer guaranteed and non-guaranteed repairs, diagnostics and quick telephone repairs. Clinica Fnac and PC Clinic have 36 stores and corners across the country, more than 160 after-sales service technicians, and repaired more than 56,000 appliances in 2023 (up 4% compared to 2022).

2.2.3 / Give a second life to products

A major commitment for the Group, the "second life" business is part of the transition to a more circular economy, in which reuse extends product life span. As a result of high customer expectations and the obligation contained in the Anti-waste LAW for a Circular Economy (AGEC), the management of unsold and so-called "non-saleable," obsolete or outdated products has become a priority development area for the Group in recent years.

The "second life" business develops several recycling channels:

- resale of reconditioned or slightly damaged products;
- reconditioning and repair of non-functional products for resale;
- resale of non-repairable products to discounters, mainly to recover spare parts;
- donations to associations.

The Group also opens its Marketplaces to retailers of reconditioned products.

In 2023, volumes resold under the Fnac "second life" and Darty "second life" brands enjoyed double-digit growth compared to 2022.

2.2.3.1 / Develop a high-quality second life product offering

The Group has chosen to position its second-hand product offering alongside its new product offering, and to offer its customers an alternative to new with the same standards of quality, trust and service characterized by its brands, in terms of after-sales service (with a two-year warranty, i.e. one year longer than the legal warranty period for reconditioned products), delivery-installation or associated repair services (with the inclusion of second-hand products as part of the Darty Max service).

Fnac Darty is taking a variety of approaches to increasing its pipeline without compromising on quality:

- improved classification and expanded sorting criteria: Fnac Darty is actively working to reduce upstream product breakages, including during the transport phase. For products that are still operational, the Group has reviewed its sorting criteria to include for sale products with certain flaws, including dents or scratches. Thanks to the new close relationship between the reconditioning workshops and the after-sales service workshops, more and more products are being repaired in the second life sector, especially large domestic appliances;

- take-back, an effective approach to boosting product circularity: the Group has launched take-back schemes to promote circularity, to encourage customers to put their used items back on the market. Fnac and Darty take back consumer electronics in return for a voucher: smartphones, cameras and other media devices. The product can be taken back to a store or online by dropping the product off at a pick-up point. The vast majority of these products are then resold directly by Fnac Darty.

Elsewhere in the Group

In 2023, Fnac Portugal continued to develop the in-store Fnac Restart range for reconditioned consoles and telephones and is currently developing a Marketplace offering. Since 2023, all Fnac Switzerland stores have been equipped with second-life areas in their departments, and the fnacsecondevie.ch website has been redesigned to increase the visibility and appeal of these products.

Nature & Découvertes also offers a "second-hand" service with reconditioned products, notably from the Astronomy, Nature Activities, Toys and Games and Well-being families. Since the experiment began, over 600 customers have tested the service.

2.2.3.2 / A solidarity-based second life for unsaleable new products via donations

When new products are deemed unsaleable, Fnac Darty gives preference to donations to associations or social economy companies. In 2023, nearly 600,000 products from the catalog were donated to associations such as the Agence du Don en Nature, and long-standing partner associations such as Emmaüs France, Bibliothèques sans Frontières, Envie and Secours Populaire (see also section 2.6.3.1 of this Universal Registration Document).

In 2022 and 2023, a new solution for donating unsold goods directly by and from stores was rolled out in all Fnac, Darty, and Nature & Découvertes stores. This was introduced in partnership with Comerso, one of the leading players in the recovery of unsold goods, which has developed a logistics and IT solution for managing donations in kind.

As a result, stores can donate directly to local associations, avoiding the need to return such products to warehouses, and helping to make an impact directly in the areas where stores are located.

In parallel, the Group continued its established social inclusion projects, each of which, in its own way, also contributes to giving a second life to products: the "Braderie solidaire" (sidewalk) sale in Dijon, the large-scale collection of books for Bibliothèques sans Frontières, and the partnership with Envie. Having first partnered up with Envie in 1984, Darty is in fact the leading supplier of large domestic appliances collected by retailers for this company in the social and solidarity economy.

While working to promote professional integration through repairs, Fnac Darty gave Envie and Emmaüs nearly 18,000 tons of domestic appliances in 2023.

More than 47% of the tonnage of electrical and electronic waste collected by Fnac and Darty France were repaired and reused in this way. These partnerships and the volume of donations (financial and in kind) made to associations are presented in more detail in section 2.6.3 of this Universal Registration Document.

Elsewhere in the Group

Nature & Découvertes is pursuing three second-life initiatives: a partnership with Too Good To Go (unsold food products), a "No-Waste" Department to recycle perishable inventories and a partnership with Comerso (unsold non-food products). The latter enabled 124,000 products to be donated, mainly to Apprentis d'Auteuil and Bibliothèque sans Frontières.

2.2.4 / Reduce packaging, ensure waste collection and recycling

Fnac Darty's logistics activities, as well as its obligations in terms of in-store waste collection and delivery, generate large quantities of waste (packaging such as cardboard, plastic film and polystyrene) and waste from electrical and electronic equipment, batteries and other small consumables such as cartridges and light bulbs.

For the Group, it is essential to optimize waste management to ensure that sites comply with current regulatory requirements, to limit the costs associated with waste treatment by reducing the proportion of non-recyclable waste via better sorting of materials, and to improve the Group's waste recycling performance (in order to limit the associated environmental impact).

2.2.4.1 / Fnac Darty, the leading WEEE collector in France

Aware of the environmental impact of waste electrical and electronic equipment (WEEE), the Group has historically been committed to recovering its customers' old appliances, going beyond its legal obligations. Thus, for more than ten years, customers have been able to return one or more appliances to delivery personnel during home delivery of bulky equipment. The delivery personnel then take these items to the eco-organization Ecosystem. This organization is an approved WEEE recycler and undertakes to extract any dangerous substances and recycle appliances in the form of secondary raw materials or backfill.

In May 2023, working together with Ecosystem, Fnac Darty decided to complement its WEEE take-back service with a new, free and unlimited collection service for large domestic appliances. The take-back is no longer conditional on purchase in stores or on the Fnac and Darty websites; it now enables all French consumers to easily recycle their domestic appliances free of charge, promptly and with no obligation to buy.

For small devices, whether or not it was purchased from one of the two brands, the customer is always able to deposit items in the collection terminals in all stores so that they are also recycled by Ecosystem.

Scope: Group	2021	2022	2023	Δ vs 2022
Volumes of WEEE collected *(in tons)*	51,766	44,286	42,103	-5%
Fnac and Darty France	*46,778*	*40,258*	*37,961*	*-6%*
KPI: WEEE volumes collected/delivery *(in kg/delivery)*	**23.4**	**22.7**	**23.9**	**5%**

The decline seen in 2023 is intrinsically linked to a reduction in deliveries of large domestic appliances, the main source of WEEE collections. However, the new free collection service should help to offset these fluctuations in activity.

The Group also collects other waste for eco-organizations or approved recycling companies, such as batteries (over 41 tons of portable batteries and nearly 3 tons of industrial batteries collected in 2023), lamps and neon lights (over 5 tons), ink cartridges (nearly 8.5 tons) and Brita filter cartridges (2.4 tons). This waste comes from the Company's consumption and from customers, who can place their waste in the collection bins provided in every store in France.

In compliance with the anti-waste act for a circular economy (AGEC), which gave rise to new EPR [1] channels, Fnac Darty has affiliated with eco-organizations for each of these new channels, including Toys and Games, thus covering its direct sales as well as those of its Marketplace.

2.2.4.2 / Optimization and recycling of packaging waste

Logistics operations and sourcing of own-brand products mainly produce packaging waste: pallets of products in protective plastic wrap and cardboard boxes from packages delivered to customers' homes or stores as part of the click&collect framework. To limit packaging and the impact of the waste it generates, Fnac Darty uses a number of key strategies to eco-design its packaging. In addition to improving the customer experience, these actions aim to rationalize material consumption, reduce empty space in parcels, and use materials that have less impact on the environment.

Optimization and eco-design of logistics packaging

Fnac Darty's Logistics Department has launched a number of actions and projects to optimize its packaging:

- tests have been conducted with new machines enabling us to replace some boxes with envelopes tailored to the size of the packaged product. Two such wrapping machines were installed in 2022 and 2023 at two warehouses;
- in 2023, the ordinary stretch film used to strap our bins/pallets was replaced by fully recycled and recyclable stretch film;
- in addition, as part of its responsible purchasing policy, the Group is using an increasing amount of sustainable materials for its packaging. Since late 2021, all e-commerce parcels in France have been made from recycled cardboard; since 2022, warehouses have replaced their plastic cushioning with recycled and recyclable kraft, saving 20% in plastic rolls vs 2022;
- in 2023, the position of Operational Excellence Manager was created. One of their tasks is to optimize and reduce the environmental impact of packaging;
- by 2024, Fnac Darty France will have eliminated all plastic packaging and replaced it with cardboard blocks.

(1) EPR channel: Extended producer responsibility.

Optimization and eco-design of packaging and products for own brands

The sourcing activities of the Group's own brands have adopted a number of measures to reduce the environmental impact of their packaging and products:

- incorporation of recycled plastic in non-visible product parts;
- polystyrene has been removed from packaging and replaced by cardboard supports: by the end of 2024, all screens will be protected by cardboard supports. Studies on alternatives to polystyrene, particularly for large domestic appliances, are also in progress;
- all packaging for new "Accessories" products, listed for the Group's own brands, is now routinely made of cardboard rather than plastic.

Elsewhere in the Group

In Belgium, compacting polystyrene on local sites has saved 400 to 450 journeys of 35 km per year, corresponding to 27 tons of CO_2 equivalent per year.

Portugal aims to reduce its consumption of cardboard and paper for e-commerce orders by 40%. To achieve this, cardboard boxes will gradually be replaced by reusable containers and 95% of cardboard will made of recycled materials.

At Nature & Découvertes, the Sustainable Innovation Division has continued its eco-design approach to packaging with the aim of reducing the environmental impact of the brand's primary and secondary packaging in the short and medium term: adjusting packaging to fit the size of the product as closely as possible, reducing plastic and selecting recycled/recyclable materials.

2023 Performance

Scope: Group	2021	2022	2023	Δ vs 2022
Volume of packaging purchased *(in tons)*	5,613	4,930	4,293	-13%
Volume of cardboard purchased (in tons)	*5,212*	*4,576*	*3,998*	*-12%*
Volume of plastics purchased (in tons)	*401*	*354.1*	*295*	*-17%*
KPI: Volume of packaging (cardboard and plastic) purchased *(in tons/€ million of revenue)*	**0.7**	**0.6**	**0.5**	**-17%**

Packaging purchases by volume were down in 2023 due to the slowdown in e-commerce activity. However, the drop in tonnage compared to sales shows the results of our efforts to reduce empty packaging and eliminate certain plastics.

Collection and recycling of packaging

Aware of the impact of the waste generated by its activities, but also of the indirect costs associated with transporting and processing this waste, the Group strives to optimize the management of its waste, 90% of which consists of recoverable materials.

Fnac Darty uses a centralized waste management system for stores and warehouses, so as to monitor its performance in real time and to correct any shortcomings, such as downgrades or empty runs.

The Group is also investing in equipment and has launched new processes to improve sorting and reduce the number of collections. Some strategic sites were fitted with compactors, which enable them to reduce the number of journeys, and to package the materials in a way that allows them to be sold to recycling channels.

2023 Performance

Scope: Group	2021	2022	2023	Δ vs 2022
Volumes of recoverable waste [(a)] generated and entrusted to recycling providers *(in tons)*	9,641	9,133	9,200	1%
Volumes of non-recoverable waste *(in tons)*	4,568	4,280	3,827	-10%
KPI: Waste recovery rate [(b)]	**67.9%**	**68.1%**	**70.6%**	**2.5 pt**

(a) Cardboard, paper, plastic, polystyrene, wood, metal, glass, bio-waste; excluding waste brought in by customers and excluding hazardous waste.
(c) Proportion of recoverable tons of waste out of all waste generated (recoverable + non-recoverable, non-hazardous).

The compaction and sorting equipment, and the regular supervision of KPIs by the Circular Economy Committee, have helped this rate to rise over the past three years.

2.2.5 / Public engagement and raising awareness of sustainability issues

Fnac Darty freely shares its data and knowledge generated by its activities with institutions, NGOs and brands, and contributes to parliamentary debates, in order to advance the public debate and encourage concrete measures to promote extending the life span of products and more responsible patterns of consumption.

2.2.5.1 / Cooperation with public authorities and associations

During the year, Fnac Darty made an ongoing contribution to the regulatory work affecting its activities, specifically in the areas of sustainability and repair.

The Group took part in the various consultations and hearings organized by the public authorities on extending the scope of the reparation fund created by the Anti-Waste act for a Circular Economy (AGEC). The Group also contributed to public consultations at European level, specifically on the Right to Repair Directive. Fnac Darty has actively pursued its collaboration with the French Ministry of Ecological Transition on the creation of the sustainability index.

Furthermore, Fnac Darty is a member of the working group drafting a charter for refurbished smartphones sold on Marketplaces. Many employees are also active in the working groups organized by the French National Trade Council (Conseil National du Commerce), set up in early 2023, on issues as varied as commercial urban planning, low-emission zones, sustainable consumption and the digitalization of commerce.

On this last point, the Group has followed the legislative work involved in transposing the new Digital Services Act (DSA) into French law, and has suggested a number of improvements to the text to members of parliament.

2.2.5.2 / Responsible marketing: a tool to help raise customer awareness

The aim of responsible marketing is to make consumers question their consumption habits, but also to help increase demand for sustainable products and services (“second life”, repair, maintenance, etc.).

In 2023, Fnac Darty updated its climate contract [(1)] signed in 2022, and reaffirmed its commitments in its publicity and advertising campaigns focusing on more sustainable, responsible consumption habits (Darty national campaign to encourage repair rather than replacement, Christmas sales offers for the first time on second-life products, new loyalty offers rewarding sustainable acts, active participation in the French National Repair Days).

A brand campaign that underpins Darty’s stance in favor of sustainability

Following on from Fnac Darty’s commitments and actions in favor of product sustainability, Darty unveiled its new brand campaign in 2023: “Let’s make it last!”, via an audio-visual and digital communication campaign. The aim was to anchor Darty’s approach to extending the product life span in its long-term development. With “Let’s make it last!”, Darty aims to promote and harmonize its offers and services that help products last longer, such as the Darty Max unlimited repair and maintenance subscription, a pillar of the Group’s commitment, as well as “Sustainable Choice”, the second life offer and its appliance take-back and recycling service, along with its after-sales service acknowledged for its quality for almost 50 years.

Fnac & Moi, rewarding responsible consumption

The Group is convinced that customer attachment to a brand also depends on the recognition of loyalty that is consistent with the brand’s commitments. Fnac & Moi promises to support customers beyond the purchase of a product, towards an educated choice and sustainable use.

Two long-standing loyalty benefits, the Voucher and the Partner Pass, have thus been extended to a wider customer base to sustain their relationship with the brand: all Fnac, Fnac+ members and subscribers to Pack Sérénité and Office 365 services now benefit from Fnac & Moi.

The loyalty voucher has also been enriched with new possibilities for rewarding positive actions carried out by customers. Many customer studies have identified eight attractive, differentiating actions for customers that are typical of more responsible consumption: the purchase of a sustainable product (“Sustainable Choice” products or those with a repairability index of 8-10), the purchase of a second-life product via Fnac’s Seconde Vie or Darty’s Seconde Vie salespeople, the act of returning a second-life product in-store, or posting a product review on fnac.com via the “Avis Vérifiés” partner.

(1) Climate contract: the climate contract formalizes companies’ commitments to reducing the carbon footprint of their commercial communications.

Highlighting the importance of repairing products among citizens, elected representatives and customers through the *Journées Nationales de la Réparation* (National Repair Days)

As part of its commitment to shifting consumption models towards a circular economy, Fnac Darty sponsored the inaugural National Repair Days, which took place from October 20 to 22, 2023. Organized by Stop Planned Obsolescence ("Halte à l'Obsolescence Programmée" – HOP) and Make.org Foundation, these events were an opportunity to highlight the issues surrounding getting goods repaired among elected representatives and citizens, through various workshops, conferences and debates. The Group played a major role by organizing nearly 250 events across France in its stores and workshops (the great repair game, diagnostic workshops and demonstrations).

2.3 / Reduce the Group's impact on the climate and biodiversity

Background and trends

In 2015, the COP 21 Paris Climate Agreement set targets for keeping global warming below 2°C in 2100 compared to pre-industrial temperatures, and aiming for 1.5°C.

In order to keep Fnac Darty's development within global limits, the Group has committed to a low-carbon trajectory, by setting targets that are in line with science. These targets relate to its most direct emissions (scopes 1 and 2) and its indirect emissions (scope 3) and were approved by the Science Based Targets Initiative (SBTi) in 2022.

To succeed in this transition, the Group strengthens its climate governance and its management of climate-related risk and opportunities on an annual basis. Fnac Darty has also launched an analysis of the impact of its activities on biodiversity, which is closely linked to climate change. Finally, the roll-out of the climate roadmap is accelerating, with the dual aim of both mitigating and adapting to global warming.

This integrated management of climate issues was commended by the CDP (formerly the Carbon Disclosure Project): in 2023, the Group maintained its A- rating. With a rating now above the average for European companies (B-) and the average for the specialized retail market (C), Fnac Darty has been ranked within the "Leadership" category for the second year running.

Risks

- Regulatory risks: strengthening of climate regulations (energy, circular economy, etc.)
- Market risks: change in consumer behavior (decline in demand)
- Reputational risks: loss of reputation and attractiveness (in the event of damage to the environment or failure to take climate issues into account)
- Physical risks: supply chain disruption, interruptions to business activity, productivity losses, etc.

Opportunities

- Control of energy- and transportation-related costs
- Operational resilience
- Access to new markets (second life, urban mobility)
- Diversification of business activities (repair services)
- Attractiveness of our brands and our employer brand
- Access to new sources of financing

Levers put in place by Fnac Darty

- Dedicated climate governance to incorporate climate issues at all levels of the Company
- An in-depth analysis of climate risks and opportunities, for mitigation or adaptation and resilience planning
- Incorporation of climate issues into the strategic guidelines, via a trajectory that is aligned with the targets of the Paris Agreement and via the diversification of business activities
- Genuine emissions-reduction initiatives and measured results

2023 performance and monitoring of objectives

- **KPI: 60,600 t CO_2eq generated by site energy and transportation** (down by -26% compared to 2019)
  - *Target (Everyday): -50% by 2030 compared to 2019*
- CDP: A-
- 15.5% drop in electricity consumption in France – excluding N&D *(in unified degree days)*
- 51% of all electricity consumed came from renewable sources
- 22% of transport flows from warehouses to stores are now low-carbon

In this chapter, Fnac Darty provides a summary of the various levels at which climate issues are integrated into the Group's strategy and governance in accordance with the recommendations of the *Task Force on Climate-Related Financial Disclosures* (TCFD – see the cross-reference table in section 7.7.7 of this Universal Registration Document).

It also provides a summary of the Group's transition plan.

This chapter also meets the disclosure obligations set out in the European taxonomy for sustainable activities, the "EU Taxonomy," in accordance with EU Regulation 2020/852 of June 18, 2020, on the establishment of a framework to facilitate sustainable investment within the European Union (section 2.3.4 of this Universal Registration Document).

2.3.1 / Risk management and governance

2.3.1.1 / Dedicated governance

Fnac Darty has structured its governance in order to strategically address climate issues, with a view to mitigating the physical and transition risks associated with global warming. These issues are analyzed and managed by several bodies (see also section 2.1.1 of this Universal Registration Document) and by multiple company stakeholders.

Role and responsibilities

Board of Directors	■ The CSR Committee examines the CSR strategy and the Group's low-carbon pathway three times a year; it makes recommendations to the Board and reports any aspect that it deems salient for informing the Company's global strategy. ■ During its review of the Group's mapping of risks, the Board of Directors' Audit Committee notably examines the risk associated with poor integration of climate issues in the strategy and makes recommendations.
Executive Committee	■ As often as it deems necessary, the Executive Committee reviews the strategic climate-related policies and priorities using an approach that incorporates these issues into the implementation of the strategic plan Everyday. ■ The Chief Executive Officer embodies the Group's CSR commitments and is responsible for making decisions on investment projects designed to address major risks or opportunities related to the climate. ■ As sponsors of the Group's climate strategy, the General Secretary in charge of CSR and Governance, the Director of Services and Operations, and the Commercial Director regularly review the climate-related performance of the operational sectors, introduce new projects, and ensure that the Company strikes the right balance between its ambitions and available resources.
Climate Committee	■ The Executive Committee is represented at this level by the Director of Services and Operations, and the General Secretary in charge of CSR and Governance and, since 2022, by the Commercial Director, who is responsible for monitoring product-related climate targets. ■ Created in 2019, it meets three times a year to monitor the trajectory of CO_2 emissions, draw up action plans and monitor the roadmaps for the various operational sectors.
Business line and subsidiary representatives	■ In order to roll out the Group's low-carbon strategy, managers were appointed in each relevant department and in each country where Fnac Darty operates (Belgium, Switzerland, Spain and Portugal). These representatives have specific responsibility for measuring the CO_2 impacts of their activities, steering their low-carbon roadmaps and for monitoring their respective objectives.
Group CSR Department	■ Within the General Secretariat, the CSR Department coordinates the reporting of CO_2 emissions, the monitoring of roadmaps and the mapping of risks and opportunities associated with climate change.

Role and responsibilities	
Support Departments	The Climate Committee regularly calls on the expertise of other departments to identify, assess, and respond to climate-related risks and opportunities: ■ the Finance Department is responsible for Taxonomy reporting and works with the CSR Department to quantify the climate-related risks and opportunities; ■ the Public Affairs and Legal Departments actively monitor climate-related regulatory developments and collaborate with the CSR Department to maintain a dialogue with public authorities on various related issues; ■ the Group's Risk Department assesses the management of certain climate-related risks; ■ the Financial Communication Department ensures that the information published by the Group is consistent with investors' growing expectations regarding the integration of climate issues in the strategy; ■ the Technical and Maintenance Department operates the energy management system and provides expertise on energy- and building-related issues; ■ the Group's Strategy and Transformation Department is responsible for the deployment and success of the strategic plan Everyday. Accordingly, it tracks certain key performance indicators that are common to Fnac Darty's climate strategy; ■ as part of its responsible purchasing policy, the Indirect Purchasing Department actively participates in decarbonizing certain Group activities, particularly those associated with transportation and energy purchases.

2.3.1.2 / Climate challenges embedded in strategic priorities and risk management

Within the framework of its climate strategy, Fnac Darty identifies, assesses, and responds to physical and transition risks, as well as seizing opportunities associated with climate change. Shared at all levels of the Company, this strategy has contributed substantially to the integration of these issues in the strategic priorities of the plan Everyday. By placing sustainability at the heart of the priority areas over the next few years, the Group acknowledges that climate change will be one of the main influential factors for the Company and, consequently, its future activities.

The Group has adopted a multi-disciplinary approach to the specific analysis of climate-related risks. In its management of climate-related risks, Fnac Darty takes account of the impacts of climate change for its organization, and the impacts of its activities on climate change. This approach, from the dual materiality standpoint, operates at several levels in the Company:

- risks associated with the impact of climate change on the Group: the climate risk analysis are fed into the Group's risk mapping, which recognizes climate issues as an important risk factor for Fnac Darty (see chapter 5 of this Universal Registration Document*).* They are reviewed and revised at the same time as the Group's risks. This mapping is presented in detail to the Audit Committee and approved by the Board of Directors once a year. The issues identified are subject to action plans aimed at avoiding, mitigating or transferring risks. They are mainly monitored by the Group's Climate Committee. Climate-related opportunities are central to the work of the Sustainability Committee, driven primarily by the Sales and Services Departments;
- risks related to the impact of the Group's activities on climate change: the risks of serious damage to the environment, including several risks related to the worsening of climate change, are regularly monitored as part of the Vigilance Plan and the Climate Committee's monitoring of the low-carbon pathway.

Summary of the main climate-related risks and opportunities (financial materiality)

Fnac Darty considers a risk to have a material financial and/or strategic impact if its occurrence would result in a loss of revenue, a significant increase in indirect costs or constitute significant damage to the Group's reputation or development (attractiveness, talent retention, etc.). The risk analysis is conducted across all of the Group's own operations and for part of its value chain.

Fnac Darty uses multiple scenarios and time horizons to measure the real or potential impact of the risks/opportunities:

- physical risks (2030 and 2050): IPCC RCP 8.5 Warming Scenario;
- transition risks: Transition(s) 2050, Ademe. The assumptions favored by the Group are increasing carbon regulations and taxation, an increase in the cost of raw materials and energy, and a slow but sustained change in consumer behavior.

Risk/opportunity factors	Description	Potential impact	Horizon*
Transition risks			
Regulatory risks Because of its activities and its status as a listed company, the Group is exposed to risks resulting from the desire of governments and Europe to legislate so as to achieve national and European targets for reducing CO_2 emissions, in particular carbon neutrality by 2050.	Traffic restrictions and other regulations related to the renewal of the Company fleet: mobility law (low emission zones, quotas for fully electric or rechargeable hybrid vehicles)	++	ST
	Obligation to improve buildings' energy performance (France): The French Tertiary Decree (Élan Law) set reduction objectives for the energy consumption of tertiary buildings (-40% by 2030)	++	MT
	Volatility in energy prices partly due to the decrease in carbon credits, and a potential increase in transportation and energy costs as a result of the reform of the European carbon market	+	ST
Market risks In response to the climate crisis, supply and demand for certain products and services are changing greatly.	Changing consumer behavior, reducing their consumption or preferring alternative distribution channels or stakeholders (second-hand, committed brands, etc.) for environmental reasons	+	MT
Physical risks			
Acute risks Climate change leads to extreme weather phenomena: heat waves, floods, storms and so on.	Increase in energy bills, linked to increased cooling requirements	+	MT
	Loss of productivity or even temporary suspension of work at logistics sites (warehouses, delivery platforms, after-sales service sites)	+	LT
	Material damage to the Group's infrastructure	Not assessed	
	Supply chain disruption linked to extreme weather events or a scarcity of resources associated with climate change	Not assessed	
Opportunities			
Opportunities associated with low-carbon products and services, or facilitating the energy transition	Access to new markets associated with the ecological transition of consumers	+	ST
	Diversification of activities thanks to the emergence of new consumer expectations	+	ST
	Improvement of brand image and employer brand image	+	ST

* *ST: short term, MT: medium term, LT: long term.*

2.3.2 / Climate strategy and objectives

The specialized retail market is not considered to be a sector with a significant climate challenges. However, strategic monitoring and numerous prospective studies, particularly relating to changes in consumer behavior, helped shape the Group's strategy.

In order to both mitigate and adapt to climate change, the Group focuses on three major categories of emissions: energy, transportation and products sold. Emissions that fall within the energy/transportation categories correspond to 100% of scopes 1 and 2 of the carbon assessment, while emissions related to products sold (manufacturing and use phases) correspond to 92% of Fnac Darty's scope 3 carbon footprint.

Fnac Darty has aligned itself with the most ambitious trajectory of the Paris Agreement (+1.5°C by 2100) to reduce its most direct emissions (scope 1 and scope 2) and its indirect emissions (scope 3). Objectives were defined and validated by the Science-Based Target initiative in 2022:

- **reduce scope 1 and scope 2 emissions by 50% by 2030 compared to 2019;**
- **reduce emissions from product use by 22% per product sold (1) by 2030 compared to 2019;**
- **suppliers representing 80% of CO_2 emissions from product manufacturing will have defined science-based targets by 2026.**

(1) *Products included: electrical and electronic products (domestic appliances and consumer electronics); diversification products (Urban Mobility, Toys and Games, etc.) are excluded from the scope used for the denominator.*

Science-Based Target objective Scope: Group	2019	2023	Δ vs 2019
Reduce scope 1 and 2 emissions by 50% by 2030 compared to 2019 ✓ [(a)] *(in kt CO_2eq)*	**28.4**	**17.6**	**-38%**
Reduce emissions from product use by 22% per product sold by 2030 compared to 2019 *(in kg CO_2eq/product)*	33.6	30.3	-10%
Suppliers representing 80% of CO_2 emissions from product manufacturing will have defined science-based targets by 2026	36%	60.5%	24.5 pt

(a) ✓ Indicators with this symbol have been verified with reasonable assurance by the independent third party.

These objectives sit alongside the reduction target set out in the strategic plan in 2021:

- **reduce CO_2 emissions related to site transportation and energy by 50% by 2030 (compared to 2019).**

Everyday target Scope: Group *(in t CO_2eq)*	2019	2022	2023	Δ vs N-1	Δ vs 2019
CO_2 emissions related to transportation and energy ✓ [(a)]	**82,321**	**68,215**	**60,579**	**-11%**	**-26%**
Of which scopes 1 and 2 ✓ [(a)]	*28,357*	*20,406*	*17,555*	*-8%*	*-16%*
Of which scope 3 ✓ [(a)]	*53,965*	*47,809*	*43,023*	*-10%*	*-20%*
GHG emissions related to transport and energy/revenue	11.2	8.6	7.7	-10%	-31%

(a) ✓ Indicators with this symbol have been verified with reasonable assurance by the independent third party.

The challenge related to sites' energy performance has also been moved higher up the list of priority issues. A specific objective has been established for this last issue in France, in response to this expectation and to the call from the public authorities to implement an energy efficiency plan:

- **reduce the electricity consumption of Fnac and Darty sites in France by 15% [(1)] by 2024 compared to 2022.**

Scope: Fnac Darty France	2023	Δ vs 2022
Electricity consumption [(1)] in GWh	**114.14**	**-15.5%**

Other objectives included in the strategic plan Everyday indirectly measure the Group's performance in its climate transition, as the Group's efforts for extending product life span make it possible to avoid GHG emissions:

- **achieve a sustainability score of 135 by 2025 (see section 2.2.1.1 of this Universal Registration Document);**
- **reach 2.5 million products repaired [(2)] by 2025 (see section 2.2.2 of this Universal Registration Document).**

Fnac Darty's ambitions for the sustainability of its products illustrate the Group's commitment to acting on the most significant emissions categories contributing to its total carbon emissions: the manufacture of new products distributed by its brands and the use of these products.

(1) Adjusted to degree days to accurately reflect performance levels without weather-related impacts.
(2) See methodological note in section 2.7 of this Universal Registration Document.

2.3.3 / Action plans and performance

2.3.3.1 / GHG emissions summary (scopes 1, 2 and 3)

The scope of the carbon footprint corresponds to the financial scope, and includes most of the GHG emissions related to the Group's franchise business [1]. The emissions are presented in thousands of tons of CO_2 equivalent (kt CO_2eq).

	2019	2022	2023	Δ vs N-1	Δ vs 2019	% of emissions related to each scope
1.1 Fixed sources of combustion ✓ [(a)]	5.4	4.6	4.0	-13%	-26%	0.12%
1.2 Mobile sources of combustion ✓ [(a)]	11.3	11.6	11.8	2%	4%	0.35%
1.4 Direct fugitive emissions ✓ [(a)]	3.2	2.1	1.0	-53%	-70%	0.03%
Scope 1: direct emissions	**19.9**	**18.3**	**16.8**	**-8%**	**-16%**	**0.49%**
2.1 Electricity consumption ✓ [(a)] *(market-based [(b)])*	8.3	2.0	0.7	-62%	-91%	0.02%
2.2 Steam, heating or cooling consumption ✓ [(a)]	0.1	0.2	0.1	-20%	8%	0%
Scope 2: indirect energy-related emissions	**8.4**	**2.1**	**0.9**	**-59%**	**-90%**	**0.03%**
3.1 Products and services purchased	2,511.7	2,177.1	2,124.0	-2%	-15%	62.47%
of which direct purchasing	*2,400.8*	*2,062.9*	*2,006.6*	*-3%*	*-16%*	*59.32%*
of which indirect purchasing	*110.9*	*114.2*	*117.4*	*3%*	*6%*	*3.45%*
3.2 Fixed assets	52.3	31.3	23.9	-40%	-54%	0.70%
3.3 Fuel- and energy-related emissions ✓ [(a)]	8.0	6.5	6.3	-4%	-21%	0.19%
3.4 Upstream transportation and distribution ✓ [(a)]	86.9	74.0	69.3	-6%	-20%	2.04%
3.5 Waste generated	124.4	102.2	93.3	-9%	-25%	2.74%
3.6 Business travel	1.2	0.8	1.0	21%	-17%	0.03%
3.7 Commuting	41.3	39.9	35.1	-12%	-15%	1.03%
3.9 Downstream transportation and distribution ✓ [(a)]	12.9	14.1	12.9	-8%	0%	0.38%
3.11 Use of products sold	1,256.8	1,059.1	992.7	-6%	-21%	29.20%
3.12 End of life of products sold	23.3	23.5	22.4	-5%	-4%	0.66%
3.14 Franchises	1.7	1.7	1.2	-31%	-29%	0.04%
Scope 3: other indirect emissions	**4,120.7**	**3,530.2**	**3,382.2**	**-4%**	**-18%**	**99.48%**
CARBON FOOTPRINT	**4,149.0**	**3,550.6**	**3,399.9**	**-4%**	**-18%**	**100%**
CARBON INTENSITY ***(in t CO_2/revenue)***	**0.56**	**0.45**	**0.43**	**-3%**	**-23%**	

(a) ✓ Indicators with this symbol have been verified with reasonable assurance by the independent third party.
(b) Location-based emissions are provided in the indicator summary in section 2.8 of this Universal Registration Document.

(1) The following emissions are included: GHG emissions related to energy consumption (item 3.14), GHG emissions related to the manufacture, transport, use and end of life of products purchased by the franchises from the Group's central purchasing office and distributed by the franchised stores (items 1.1, 3.1, 3.4, 3.7, 3.8 and 3.9).

As the GHG emissions generated by customers traveling to stores are material, Fnac Darty also measures this emission item [1]. The increase recorded in 2023 can be traced back to large numbers of customers returning to in-store shopping.

Scope: Group (excluding franchises)	2019	2021	2022	2023	Δ vs N-1	Δ vs 2019
Customer travel to stores *(in kt CO_2eq)*	591.0	490.3	481.6	526.9	10%	-10%

The calculation methodologies and assumptions used are detailed in the methodology note provided in section 2.7 of this Universal Registration Document.

The distribution of GHG emissions between scopes 1 and 2 per country is provided in the summary of non-financial indicators in section 2.8 of this Universal Registration Document.

The calculation of CO_2 emissions includes an element of uncertainty related to the calculation methods and source data, which are sometimes based on extrapolation. However, the carbon footprint can be used to establish levels of magnitude and to identify levers for action to reduce emissions. Accordingly, given that over 90% of the Group's GHG emissions are related to the products it distributes (over their entire life cycle), Fnac Darty's sustainability strategy is particularly appropriate.

2.3.3.2 / Action plans to reduce energy-related emissions and performance

With over 1,600,000 square meters of warehouses, stores and office space, the energy consumption of the Group's sites is a major source of CO_2 emissions, representing more than 30% of its scope 1 and 2 emissions. Fnac Darty is focusing on two areas to reduce these emissions and react to energy-related risks (see section 2.3.3 of this Universal Registration Document): reducing energy consumption and decarbonization of its energy mix.

The table below shows the main drivers in achieving this.

Transition strategy	Drivers and action plans
Reduce lighting-related consumption	**Invest in LED lighting:** in 2022, in order to speed up this process of modernization, the Group committed to making significant investments with the aim of replacing the lighting with LED technology. 137 stores underwent this transition during 2023. **Restrict the operation of illuminated outdoor signs and window displays:** Fnac Darty has also decided to switch off its illuminated signs and window displays when the stores are closed. **Improve reduced lighting in stores:** Fnac Darty has launched a campaign to upgrade its reduced lighting (1/3 of fixtures) so that it is systematically used before and after the public reception facilities in stores.
Reduce consumption related to heating and air conditioning	**New temperature guidelines (max. 19°C in winter, 26°C in summer).** **Continue to invest in modernizing equipment:** as part of the renewal of its air conditioning and heating systems, Fnac Darty prioritizes less energy-intensive systems and is stepping up its maintenance operations to avoid over-consumption of energy.
Measure, adjust, manage	**Roll out an energy-management system:** in order to implement a long-term approach to continuous improvement in the energy consumed by the sites, the Group in France has initiated the roll-out of an energy management system (EMS) in France. This initiative has resulted in the development of an energy policy (communicated to all employees in November 2023), objectives and performance indicators, and the implementation of a dedicated structure. **Investments in BMS/TCM, particularly in warehouses:** in 2022, the Group announced the latest phase in the improvement of its management tools, with the objective of having 100% of its stores equipped with an efficient BMS by 2024. **Roll-out of an energy management tool:** in view of the tertiary decree and ISO 50001, the Group has acquired a more robust tool for collecting and analyzing energy consumption data.

(1) *Although optional in the GHG Protocol, GHG emissions related to customer travel to stores are estimated by the Group because they are deemed material. The movements of all visitors are recognized, regardless of whether or not they go to the checkout.*

Transition strategy	Drivers and action plans
Coordinate/ raise awareness	**CSR/energy representatives in stores:** in September 2023, the Group set up a network of more than 300 in-store CSR representatives. The implementation of a dedicated platform means the Group can disseminate fun training content on CSR issues such as the climate and energy efficiency. The representatives can then take concrete actions on the ground and raise awareness among their colleagues on-site. **Coordination of teams via an eco-guide:** in order to make energy efficiency an integral part of the teams' daily lives, particularly in stores, a guide has been drawn up and distributed to all employees in France. The guide provides instructions on lighting, heating and various pieces of equipment, and should enable everyone to contribute to the energy efficiency plan. **Raising awareness among employees and customers:** as part of the EcoWatt Charter, Fnac Darty is also working towards several commitments (promoting the EcoWatt scheme and raising awareness among employees and customers of eco-friendly activities).
Decarbonization of the energy mix	**Corporate Power Purchase Agreement:** to reduce the carbon footprint related to their energy consumption, Fnac and Darty France have chosen to use traceable guarantee of origin certificates, notably via direct electricity purchase agreements with a renewable energy producer (Power Purchase Agreements). At the beginning of 2022, the Group signed a Corporate Purchase Agreement relating to the energy produced by a forthcoming solar farm in central France. With 20 MW of installed capacity, this solar farm operated by Valeco began generating electricity in April 2023, covering approximately 17% of the annual energy consumption of Fnac Darty sites. In developing this project, Fnac Darty and Valeco have been particularly attentive to the protection of biodiversity. The plant has been grazed by a flock of sheep since May. Various environmental monitoring programs will take place in the spring/summer of 2024 (monitoring of flora/habits, monitoring of birds, butterflies and moths, experimental monitoring of bats). Elsewhere in the Group, subsidiaries continue to almost exclusively (99%) source electricity from renewable sources.

2023 Performance

	Scope [a]	Unit	2019	2022	2023	Δ vs 2022	Δ vs 2019
Electricity							
Electricity consumption	Group	GWh	194	185	162	-13%	-17%
	France	GWh	147	138	120	-14%	-18%
Electricity consumption [b] per sq.m	Group	kWh/sq.m	118	111	97	-12%	-18%
	France	kWh/sq.m	114	106	92	-13%	-19%
Renewable electricity share	Group	%	24%	47%	51%	4 pt	27 pt
	France	%	3%	30%	34%	4 pt	31 pt
Other energy							
Gas and biogas consumption	Group	GWh	28.8	25.2	22.8	-10%	-21%
	France	GWh	24.9	22.0	20.4	-7%	-18%
Heating and cooling consumption	Group	GWh	3.7	3.3	3.5	7%	-5%
	France	GWh	1.9	1.6	1.5	-7%	-23%
Heating oil consumption	Group	GWh	0.6	0.3	0.2	-38%	-63%
	France	GWh	0.07	0.01	0.01	92%	-82%

(a) France: Fnac Darty France and Nature & Découvertes.
(b) Excluding vehicle loads.

	Scope [a]	Unit	2019	2022	2023	Δ vs 2022	Δ vs 2019
Scopes 1 and 2							
Fugitive emissions	Group	kt CO_2eq	3.2	2.1	1.0	-53%	-70%
	France	kt CO_2eq	2.5	1.4	0.4	-69%	-83%
Fixed sources of combustion (gas, fuel oil)	Group	kt CO_2eq	5.4	4.6	4.0	-13%	-26%
	France	kt CO_2eq	4.5	3.8	3.5	-9%	-22%
Indirect emissions related to consumption of electricity, heat and cooling [c]	Group	kt CO_2eq	8.4	2.1	0.8	-63%	-91%
	France	kt CO_2eq	6.2	2.1	0.7	-66%	-89%
Scope 3							
Other indirect energy-related emissions	Group	kt CO_2eq	5.3	3.7	3.4	-7%	-35%
	France	kt CO_2eq	3.9	2.5	2.5	-3%	-36%
Total							
CO_2 emissions related to energy consumption of sites – scope 1	Group	kt CO_2eq	8.6	6.6	5.0	-25%	-43%
	France	kt CO_2eq	7.0	5.2	3.9	-25%	-44%
CO_2 emissions related to energy consumption of sites – scope 2 [c]	Group	kt CO_2eq	8.4	2.1	0.8	-63%	-91%
	France	kt CO_2eq	6.2	2.1	0.7	-66%	-89%
CO_2 emissions related to energy consumption of sites – scope 2 *(location-based)*	Group	kt CO_2eq	17.7	16.7	13.7	-18%	-22%
	France	kt CO_2eq	6.2	5.4	4.1	-23%	-33%
CO_2 emissions related to energy consumption of sites – scope 3	Group	kt CO_2eq	5.3	3.7	3.4	-7%	-35%
	France	kt CO_2eq	3.9	2.5	2.5	-3%	-36%
Total – CO_2 emissions related to energy consumption of sites [d]	**Group**	**kt CO_2eq**	**22.3**	**12.6**	**9.2**	**-27%**	**-59%**
	France	**kt CO_2eq**	**17.0**	**9.9**	**7.1**	**-28%**	**-58%**
KPI: CO_2 emissions related to energy consumption of sites [d] by sq.m ✓	**Group**	**kg CO_2eq/ sq.m**	**13.6**	**7.5**	**5.5**	**-27%**	**-60%**
	France	**kg CO_2eq/ sq.m**	**13.2**	**7.6**	**5.5**	**-28%**	**-59%**

(a) France: Fnac Darty France and Nature & Découvertes.
(b) Excluding vehicle loads.
(c) Location-based emissions are available at the end of this chapter in the summary of performance indicators in section 2.8 of this Universal Registration Document. For more information, see the methodology note in section 2.7 of this Universal Registration Document.
(d) Market-based, excluding electric vehicles.

Comments on performance for 2023: this performance is the result of the energy efficiency measures implemented since summer 2022: new temperature guidelines, turning off illuminated signs and window displays when stores close, eco-actions, etc. It also incorporates the impact of investments in modernizing lighting equipment with LED technology and the mass roll-out of the BMS/TCM.

The reduction in GHG emissions related to electricity consumption is also the product of a significant shift in where electricity is purchased from.

2.3.3.3 / Action plans to reduce transport-related emissions and performance

Every day, thousands of products move between warehouses, stores, delivery platforms, sorting centers, repair shops, and customers' homes. Logistics at Fnac Darty, a key skill for the Group, draws considerable strength from the complementary nature of its brands. However, these flows have a significant impact on air quality and global warming and are in fact subject to an increasing number of regulations.

In order to respond to these risks and limit the impact of such road transportation on air quality, noise pollution, and global warming, the Group is working, under the aegis of the Climate Committee, on strategies to decarbonize its fleet and optimize its flows in cooperation with its transportation providers.

The Group is focusing its efforts on three areas: reducing unnecessary transportation, decarbonizing its own fleets and those of its suppliers, and adopting virtuous behaviors.

The decarbonization strategy involves choosing the "right technology in the right place": depending on the distances covered, operational and technological constraints, and the risks associated with the development of low-emission zones, Fnac Darty uses a mix of several technologies, bioNGV, biofuels [(1)], electric, and road-rail. This strategy involves supporting transportation providers and selecting service providers committed to decarbonizing their fleet.

The table below shows the main drivers in achieving these objectives.

Transition strategy	Drivers and action plans
Conversion of modes of transportation: renew own fleet with low-emission vehicles	■ **After-Sales Service fleet:** in France and Belgium, every day Darty and Vanden Borre technicians carry out more than 2,300 home service calls to repair customers' appliances that have broken down. **2022–2023 actions:** as part of the regular renewal of its fleet, the After-Sales Service Department gave priority to vehicles generating fewer emissions of greenhouse gases and other pollutants. Some 50 electric vehicles and nearly 200 bio-ethanol vehicles began use in 2023, representing approximately 25% of the after-sales service fleet. **Strategy 2024-2030:** with the activity growing rapidly and expected to continue to increase, combined with significant constraints (lengths of rounds, availability of charging points for electric vehicles), the After-sales Service Department's strategy has been set out in stages. In the short term, whilst transitioning, the Group intends to use vehicles running on bioethanol. Alongside this, and moving at a more incremental pace, the renewal of the fleet will take priority, focusing on electric vehicles, with a target of switching to 100% electric vehicles by 2030.
	■ **Last-mile delivery:** Fnac Darty has an extensive network of in-house local logistics centers, comprising around 90 delivery platforms across the whole of France. From these sites, the Group's teams, service providers and sub-contractors deliver and install major appliances (large domestic appliances and large televisions) at customers' homes, and collect their old appliances as part of the regulatory take-back scheme and the new free collection service for large domestic appliances. **Actions 2022-2023:** the Group has invested in low-carbon vehicles: at the end of 2023, five NGV trucks were delivered, in addition to the 34 already on the road, bringing the proportion of low-carbon vehicles being used in this segment to around 7.6%. **Strategy 2024-2030:** due to significant operational constraints (weight of goods transported, route lengths), transitioning the large domestic appliance delivery fleet is a challenge for the Group. However, building on the technological developments predicted to emerge in the coming years, a roadmap is currently being laid out. It is set to incorporate several different technologies: biomethane, electricity, and, towards the end of the decade, hydrogen.
	■ **Business and service vehicles:** in order to operate its store network and as part of its remuneration policy, the Group operates a large fleet of business and service vehicles. **Actions 2022-2023:** the Group has expanded its vehicle catalogue, no longer listing new diesel vehicles and introducing a wider variety of lower-emission vehicles (electric, hybrid). **Strategy 2024-2030:** In 2024, Fnac Darty intends to set out a decarbonization strategy for this fleet, which is composed primarily of light vehicles.

(1) Due to the impacts of first generation biofuels in terms of land use change, the use of this fuel is considered as a short-term solution, pending more widespread production of second or third generation biofuels.

Transition strategy	Drivers and action plans
Converting modes of transportation: prioritizing transportation providers committed to environmental sustainability and operating or investing in less carbon-intensive fleets	■ **Warehouse to store transportation:** store transportation relates to re-supply flows between the Group's warehouses and its integrated and franchise stores. In 2021, the French Transportation Department joined the FRET 21 initiative, led by Ademe [a] and the French freight transport users association (Association et Union des Transports Français), with a commitment to avoid 10% of CO_2 emissions between 2020 and 2023. The objective was largely achieved. At the end of 2023, 22% of the carrier fleet was low carbon. **Actions 2023:** the Group continued to deploy the use of biofuels at provincial hubs and to deploy biofuels across its routes (16 routes since 2023). In addition, stores in the city center of Lyon and Lille now receive deliveries in electric vehicles and return journeys from the Provence-Alpes-Côte d'Azur hub are made by road-rail. **Strategy 2024-2030:** taking a differentiated approach based on the flows involved (traction, distribution, routes, inter-warehouse) and geographic areas (urban, rural), Fnac Darty is working with its carriers to increase the share of biofuels and biogas used over long distances and of electric trucks on short-distance journeys.
	■ **E-Commerce transportation:** this flow relates to parcels delivered by couriers. Thanks to its omnichannel model, Fnac Darty can offer a diversified range of delivery services: parcels can be delivered to the customer's home, to a Fnac Darty store or to other pick-up points. They are delivered from the warehouses, or directly from the stores when the products ordered are in stock. The Group's omnichannel model enables it to reduce this impact: many products ordered online are collected by customers in-store as part of the click&collect service (parcel is issued from the store's inventories) and follow store re-supply flows, which are highly optimized. For parcels delivered to customers' home addresses or to "pick-up points" by courier companies, the Group favors service providers whose GHG emissions are offset or who invest in the decarbonization of their fleet. **Actions 2022-2023:** the Group tested urban delivery using bicycles, initially in Paris. **Elsewhere in the Group**, in partnership with the carrier BPost and other online retailers, Belgium has joined the "Collaborative Urban Logistics & Transport" project, which aims to minimize the impact of deliveries in cities. This partnership involves pooling parcel storage and delivery, with the latter being carried out with low-emission vehicles such as electric vans or cargo bikes. The goal of the CULT project is to reduce kilometers traveled by 25% and carbon emissions by 90%. **Strategy 2024-2030:** Fnac Darty intends to develop decarbonized delivery services, such as urban bicycle delivery. The Group will continue to work with its suppliers to encourage them to decarbonize their fleet.
Reducing unnecessary transportation: significant improvements to remote repairs	■ **After-sales service:** the Group continues to deploy remote repair units staffed by after-sales service technicians, who are tasked with better assessing breakdowns so that they can be repaired in one go (proper diagnosis and ordering spare parts related to that diagnosis) or by guiding the customer remotely. **Strategy 2024-2030:** the Group intends to continue training and guiding advisors at in-store after-sales service counters to improve filtering and thus avoid products being sent to the workshop (performing simple repairs on site, giving usage and maintenance advice, etc.). The development of trade tools, particularly the intelligent knowledge base Saavy, should enable better diagnoses and make it easier to predict the spare parts required or complete the repair first time.
Reducing unnecessary transportation: reducing delivery failures and optimizing returns	■ **Delivery:** in parallel, the Group continues to work on reducing delivery failures by addressing their root causes: customer not at home, customer changing their mind, incorrect installation classification (built-in/freestanding) requiring an order change, incorrect labeling of delivery constraints (sending one person to an address that needs equipment to be carried, for example).
Adopting sustainable practices: eco-driving, optimizing distances and loads	■ **Delivery:** an extensive eco-driving project was also implemented in 2023, with the introduction of telematics boxes in trucks. In order to optimize distances and loads, the Group is also beginning to work on delivery for third parties and, in 2023, launched free electrical and electronic waste collections in partnership with Ecosystem (see also 2.2.4.1).

(a) French Environment and Energy Management Agency (Agence française de la transition énergétique).

2023 Performance

		Scope [a]	Unit	2019	2022	2023	Δ vs 2022	Δ vs 2019
Warehouse to store transportation [b]	GHG emissions *Scope 3*	Group	kt CO_2eq	29.5	22.7	19.6	-14%	-34%
		France	kt CO_2eq	24.8	17.8	15.5	-13%	-38%
	KPI: CO_2 emissions per transported pallet ✓	**Group**	**kg CO_2/pallet**	**n/a**	**14.2**	**12.7**	**-10%**	**n/a**
		France	**kg CO_2/pallet**	**18.0**	**12.9**	**11.7**	**-9%**	**-35%**
E-commerce [c]	GHG emissions *Scope 3*	Group	kt CO_2eq	6.0	7.2	6.6	-8%	10%
		France	kt CO_2eq	5.4	6.1	5.5	-9%	2%
	KPI: CO_2 emissions per package ✓	**Group**	**kg CO_2/package**	**0.52**	**0.49**	**0.47**	**-4%**	**-10%**
		France	**kg CO_2/package**	**0.53**	**0.51**	**0.50**	**-2%**	**-6%**
Last-mile delivery	GHG emissions *Scope 3*	Group	kt CO_2eq	13.0	13.7	12.5	-9%	-3%
		France	kt CO_2eq	10.9	11.6	10.6	-8%	-3%
	KPI: CO_2 emissions per delivery ✓	**Group**	**kg CO_2/delivery**	**6.5**	**6.7**	**7.1**	**7%**	**10%**
		France	**kg CO_2/delivery**	**6.2**	**6.8**	**6.9**	**1%**	**10%**
After-sales service travel	GHG emissions *Scopes 1 and 3*	Group	kt CO_2eq	4.9	6.1	6.4	6%	31%
		France	kt CO_2eq	4.4	5.7	6.0	5%	36%
	KPI: CO_2 emissions per service call ✓	**Group**	**kg CO_2/service call**	**6.5**	**7.2**	**7.4**	**2%**	**14%**
		France	**kg CO_2/service call**	**6.3**	**7.3**	**7.4**	**1%**	**18%**
After-sales service workshop flows	GHG emissions *Scopes 1 and 3*	Group	kt CO_2eq	2.3	2.1	2.1	-1%	-9%
		France	kt CO_2eq	2.3	2.1	2.1	-1%	-9%
	KPI: CO_2 emissions per product requiring repair ✓	**Group**	**kg CO_2/product**	**2.7**	**3.0**	**2.8**	**-5%**	**4%**
		France	**kg CO_2/product**	**3.3**	**3.2**	**3.0**	**-5%**	**-9%**
Business travel [d]	GHG emissions *Scopes 1 and 3*	Group	kt CO_2eq	4.3	3.8	4.2	10%	-4%
		France	kt CO_2eq	3.4	2.8	3.0	10%	-11%
	KPI: CO_2 emissions per employee ✓	**Group**	**kg CO_2/employee**	**172**	**155**	**173**	**12%**	**1%**
		France	**kg CO_2/employee**	**182**	**146**	**167**	**14%**	**-8%**
Transportation [e]	GHG emissions *Scope 1*	Group	kt CO_2eq	11.3	11.6	11.8	2%	4%
		France	kt CO_2eq	9.4	9.8	10.0	2%	6%
	GHG emissions *Scope 2*	Group	kt CO_2eq	48.7	44.1	39.6	-10%	-19%
		France	kt CO_2eq	41.9	36.4	32.8	-10%	-22%
	GHG emissions *Scope 3*	Group	kt CO_2eq	60.0	55.7	51.4	-8%	-14%
		France	kt CO_2eq	51.3	46.2	42.8	-7%	-17%

(a) France = Fnac Darty France and Nature & Découvertes.

(b) Including franchises (because they are restocked by the Group), excluding upstream plants and warehouses, the costs of which are borne by suppliers.

(c) Within the scope of Fnac Darty France, the calculation methods of two major carriers changed in 2023 and will require a restatement of historical data. For 2023, the emission factors for 2022 were applied.

(d) Within the scope of Fnac Darty France, the 2022 figure was restated as a result of duplications observed in fuel consumption data for the fleet of company and service vehicles.

(e) Data from 2019 to 2022 restated to include inter-warehouse flows as well as flows to subsidiaries' warehouses.

2.3.3.4 / Action plans to reduce indirect emissions and performance

As part of its process of continuous improvement, the Group is seeking to improve the reliability of its measurement of CO_2 emissions from other scope 3 items, starting with the emission items related to products sold, which account for 91% of its indirect emissions.

Distributed products throughout their life cycle

The Group is fully aware of the carbon footprint of the products it distributes and of its responsibility to reduce the climate impact associated with its activity as a retailer.

Some of the products sold by Fnac Darty are particularly carbon-intensive; this is the case for domestic appliances and consumer electronics due to their manufacturing processes and the energy consumption associated with their use. Limiting this impact requires significant changes to the business model and relationship with suppliers, which were initiated several years ago and have been strengthened since the adoption of the strategic plan Everyday in 2021.

For these products in particular, the Group has been developing its business model to make it more circular and thus reduce these impacts, notably by extending their life spans. The actions described in section 2.2 of this Universal Registration Document, from repairs to advice, the sale of second-hand products, and the marketing of more sustainable products thus make a concrete contribution to reducing the associated GHG emissions.

Transition strategy	Drivers and action plans
Develop the Group's business model by prioritizing extending the life span of products over replacing them	■ Develop repair services, especially the Darty Max service (see also section 2.2.2.1) ■ Promote the importance of preventive maintenance of devices (see also section 2.2.2.2) ■ Develop the "second life" of products (see also section 2.2.3) Targets: ■ **2.5 million [(a)] products repaired in 2025** ■ **2 million Darty Max subscribers by 2025**
Select, promote and encourage customers to choose more reliable, repairable and energy-efficient products	■ Share after-sales service data with our customers through objective information (see also section 2.2.1) ■ Make customers aware of the importance of choosing more reliable and repairable products, maintaining their domestic appliances, prioritizing repair over replacement, opting for second-life products and handing over their devices to dedicated recycling facilities (see also section 2.2) ■ Develop the range to offer more reliable and more repairable products and second-life products (see also section 2.2.1.2) Targets: ■ **Sustainability score of 135 in 2025** ■ **SBT: Reduce emissions from product use by -22% per product sold by 2030 (compared to 2019)**
Encourage our suppliers to design more reliable, repairable and energy-efficient products	■ Share after-sales service data with suppliers and engage in dialogue with them to help them improve (see also section 2.2.1) Targets: ■ **Sustainability score of 135 in 2025** ■ **SBT: Reduce emissions from product use by -22% per product sold by 2030 (compared to 2019)**
Encourage our suppliers to set goals aligned with climate science	■ Maintain constructive dialogue with suppliers (see also section 2.2.1) Target: ■ **Suppliers representing 80% of CO_2 emissions from product manufacturing will have defined science-based targets by 2026**

(a) See methodological note in section 2.7. of this Universal Registration Document.

2023 Performance

	Scope [(a)]	Unit	2019	2022	2023	Δ vs 2022	Δ vs 2019
CO_2 emissions throughout the life cycle of the products	**Group**		**3,780.8**	**3,233.7**	**3,103.9**	**-4%**	**-18%**
	France	**kt CO_2eq**	**2,430.3**	**2,132.8**	**2,026.0**	**-5%**	**-17%**
of which manufacturing	*Group*		*2,400.8*	*2,062.9*	*2,006.6*	*-3%*	*-16%*
	France	*kt CO_2eq*	*1,649.0*	*1,458.4*	*1,439.1*	*-1%*	*-13%*
of which upstream and downstream transportation	*Group*	*kt CO_2eq*	*99.9*	*88.2*	*82.2*	*-7%*	*-18%*
	France	*kt CO_2eq*	*82.8*	*71.3*	*67.0*	*-6%*	*-19%*
of which use	*Group*	*kt CO_2eq*	*1,256.8*	*1,059.1*	*992.7*	*-6%*	*-21%*
	France	*kt CO_2eq*	*678.7*	*583.6*	*500.7*	*-14%*	*-26%*
of which product end of life	*Group*		*23.3*	*23.5*	*22.4*	*-5%*	*-4%*
	France	*kt CO_2eq*	*19.8*	*19.4*	*19.2*	*-1%*	*-3%*
Carbon intensity by revenue	Group	t CO_2eq/€m	0.5	0.4	0.4	-3%	-22%
Carbon intensity per product sold	Group	kg CO_2/product	22.4	20.3	20.1	-1%	-10%

(a) France: Fnac Darty and Nature & Découvertes.

Comments on performance for 2023

Related GHG emissions saw a moderate fall in 2023 (-4%), linked to a slight decline in volume sales and a fall in the emission factor of the French electricity mix.

GHG emissions associated with the manufacture, use and end of life of new products sold are evaluated using unit emission factors from the Base Empreinte® or equivalent databases [(1)]. In the absence of a unit emission factor, the calculation is made based on the weight of the product and its main material, and the emission factors associated with those materials. The CO_2 equivalent emissions are therefore stated with a high level of uncertainty and allow orders of magnitude to be identified but do not provide sufficiently accurate figures to compare two products from the same product family. The changes observed between financial years may result from differences in product mixes or sales volumes from year to year or, for the use phase, changes in the emission factors associated with electricity consumption in each country.

Technological and regulatory advances should make it possible in the medium term to assess the GHG emissions of each product by reducing these uncertainties, which could lead to this emission item being monitored as is done by the Group with reliability and repair data.

Emissions avoided through repairs

In order to measure the positive impact of repairs, the Group has maintained and refined its impact measurements based on the products repaired by Darty. This study is part of a process of continuous improvement. In 2023, the Group worked with the specialist firm EcoAct to update the tool developed in 2021 to estimate the emissions avoided thanks to the repair services offered by the Group: home, workshop and in-store repairs and remote repairs performed by qualified technicians or through the sale of spare parts. The purpose of this update was also to refine the measurement of certain impacts, such as those of spare parts, for which the Group now has real data such as average weight and main materials. The methodology and results have been certified by Bureau Veritas: the methodology and the calculator comply with ISO 14067:2018. The critical review was carried out according to ISO 14071:2014.

For each repair service, the study follows a comparative approach, which compares a reference scenario to a project scenario, and a life cycle approach, which allows the emissions from a product or service to be taken into account throughout its life cycle [(2)]. Further details on the methodology and its limits are available in the methodology note in section 2.7 of this Universal Registration Document.

(1) See also the methodological note, section 2.7 in this Universal Registration Document.

(2) To date, there are no Product Category Rules for evaluating repair activities and the associated environmental impacts. The methodology developed is based on the requirements of ISO 14067 and 14064-1, and takes into account the methodological recommendations issued by Ademe.

The emissions avoided by repairing products rather than buying new products, as applied in the case of Fnac Darty, are the difference between:

- emissions in a reference scenario in which a device that has reached the end of its first life is discarded and replaced by a new device;
- emissions in a Fnac Darty scenario in which this device is not discarded but repaired with or without the use of a spare part.

The emissions of these two scenarios are then annualized and calculated over a life span equivalent to that of the repaired product.

The main assumption of the study is that having their device repaired at the end of its first life means that consumers will not buy a new version of the same device. In the absence of bibliographical data, it is also estimated that the length of the product's "second life" is equal to 50% of the length of the product's first life [(1)].

Based on these assumptions and the 2.2 million repairs carried out in 2023, the Group estimates that its repair activities helped to avoid approximately 190,000 tons of CO_2eq in 2023 (out of 317,000 tons of CO_2eq estimated in the reference scenario).

Scope: Study *	2023
Number of repairs examined	2.2 million
Emissions from the reference scenario *(t CO_2eq)*	317,218
Emissions from the Fnac Darty scenario *(t CO_2eq)*	127,262
Emissions avoided *(t CO_2eq)*	189,956
kg CO_2eq avoided per repair *(on average)*	86.3
% kg CO_2eq avoided per repair *(on average)*	60%

* *Home and workshop repairs, as well as repairs carried out remotely by qualified technicians, in France.*

The "large domestic appliances" section represents 46% of repairs but 70% of emissions avoided; the study carried out by Fnac Darty and EcoAct shows that the impact of repairs is particularly significant for the products that are most carbon-intensive and generally heavy.

The percentage of emissions avoided per repair varies from family to family, and depends in particular on the carbon intensity of the product's use phase. The study estimates that repairing a front-loading washing machine via Fnac Darty services avoids the emission of around 173 kilos CO_2eq, i.e. 59% lower than that of a new replacement, while the percentage of emissions avoided by a smartphone is estimated at 69%, i.e. 13 kg of CO_2eq. The difference between the two product families lies in their use phase – which is much less energy-intensive for smartphones – and therefore the share of emissions from manufacturing the product and its spare parts across its life cycle. It is also interesting to note that, for repaired products with no spare parts and relatively low energy consumption, the main cause of CO_2 emissions is related to transporting the product. Using modes of transportation with low CO_2 emissions makes repairs more profitable in terms of their environmental impact.

Sustainable IT approach

In order to measure this growing source of emissions and take appropriate action, Fnac Darty launched a Sustainable IT approach in January 2021. The approach is structured around a project manager and representatives/contributors within the E-Commerce and Digital Department. Since the launch of the approach, the measurement of emissions has been based on publications by Ademe [(2)], CIGREF [(3)], the Shift Project and the INR [(4)]. Since 2023, in order to make the calculation of the footprint of our non-current assets more reliable, the Sustainable IT team has also used the Datavizta and Negaoctet benchmarks.

In 2023, the new actions focused on:

- defining our decarbonization trajectory with quantified objectives and an associated action plan;
- identifying eco-design needs;
- centering the adaptation of our operational processes on our IT equipment flows;
- improving measurements of carbon emissions and making them more reliable;
- integrating WeFix into the 2023 IT carbon assessment.

In addition, in 2023, Fnac Darty signed the FTCC (French Tech Corporate Community) Sustainable IT Charter.

Data for the calculation of our 2023 IT carbon emissions was collected by internal teams, our Green IT experts in France and abroad, and covers the following digital activities:

- on-premises and cloud-based hosting providers;
- SaaS partners;
- IT equipment;
- network.

(1) *More details on the assumptions made are available in the methodology note in section 2.7 of this Universal Registration Document.*
(2) *French Environment and Energy Management Agency (Agence de l'Environnement et de la Maîtrise de l'Énergie – Ademe).*
(3) *Club Informatique des Grandes Entreprises Françaises (CIGREF), a network of major French companies that use digital solutions and services.*
(4) *French Institute for Sustainable IT (Institut du Numérique Responsable – INR).*

2023 performance (excluding France Billet)	2021 (a)	2022 (b)	2023 (c)	Δ vs 2022
CO_2 emissions *(in t CO_2eq)*	7,088	8,152	9,370	14%
non-current assets	*2,836*	*4,230*	*4,575*	*8%*
IT services	*4,252*	*3,917*	*4,727*	*21%*

(a) 2021: France scope (excluding WeFix).
(b) 2022: Group scope (excluding WeFix).
(c) 2023: Group scope.

The sharp increase in carbon emissions was due in particular to the change in scope. The figures for 2023 include WeFix.

In 2024, the priority areas for Sustainable IT will be:

- launching and managing our new decarbonization roadmap for our IT system;
- continuing the acculturation of the Group's global teams;
- continuing our work to improve the reliability of our carbon emission measurements;
- continuing initiatives to transform the way we think and do digital: eco-design and digital accessibility programs.

2.3.3.5 / Integration of issues related to biodiversity and water conservation

According to a recent report by the World Wildlife Fund, 69% of global wildlife populations have already been lost [1]. The Group is aware of its negative external impacts, and so in 2023 it completed a measurement of the impact of its activities on biodiversity. The Group intends to cover all its environmental impacts throughout its value chain.

With the help of experts, Fnac Darty measured its impact on its three scopes using the Global Biodiversity Score (GBS) tool for 2021 and 2022. This assessment tool developed by CDC Biodiversité examines the contribution of economic activities to pressures on biodiversity and determines their impact.

Methodology

Impacts on biodiversity are assessed for all Group subsidiaries across the entire value chain (scope 1, scope 2 and scope 3 upstream). The GBS covers impacts on both land and aquatic biodiversity. In addition, to account for impacts that persist beyond the assessment period, the GBS results are divided into dynamic impacts (periodic gains or losses that occur during the assessment period) and static impacts (persistent negative cumulative impacts).

The unit of measurement for this impact assessment is MSA square kilometers [2].

Results

The results of the impact assessment are analyzed in three different ways for biodiversity:

- in terms of pressure: the results report that nearly 86% of the Group's terrestrial dynamic impacts are related to "climate change" pressure. The remaining impacts are mainly generated by "land use". For static terrestrial impacts, "land use" pressure is responsible for 75% of impacts [3];
- in terms of scope: the "upstream scope 3 – product manufacture" item accounts for more than 98% of static terrestrial and static aquatic impacts;
- in terms of ecosystems: Nearly 60% of impacts are related to terrestrial ecosystems and 40% to aquatic ecosystems [4] when results are reported in MSAppb [5].

(1) WWF, 2022: https://www.wwf.fr/vous-informer/actualites/le-rapport-planete-vivante-du-wwf-revele-une-baisse-devastatrice-de-69-des-populations-danimaux.
(2) MSA: Mean Species Abundance.
(3) "Climate change" pressure is not calculated by the GBS for static terrestrial impacts.
(4) The impacts on marine ecosystems are not yet calculated by the GBS.
(5) MSAppb (MSA parts per billion) expresses terrestrial and aquatic impacts as a fraction of the total surface area of the ecosystem in order to allow impacts to be aggregated or compared.

Static terrestrial results 2022

Pressure	Scope 1	Scope 2	Upstream scope 3	Downstream scope 3	Vertically integrated total *(excluding downstream scope 3)*
Land use	1.6	Not assessed*	552.5	0.35	554.5
Encroachment	0.062	Not assessed*	150	Not assessed*	150
Fragmentation	0.026	Not assessed*	18	Not assessed*	18
Atmospheric nitrogen deposition	0.0004	Not assessed*	6.6	Not assessed*	6.6
Climate change	4.6	3.7	510	340	518.3
TOTAL PER SCOPE	**6.3**	**3.7**	**1,212.5**	**340**	**1,247.1**
ECOTOXICITY	**6.2**	**0.065**	**1,100**	**Not assessed***	**1,106**

* *The GBS tool is not yet able to calculate this figure.*

Terrestrial dynamic results 2022 *(MSA.sq.km)*

Pressure	Scope 1	Scope 2	Upstream scope 3	Downstream scope 3	Vertically integrated total *(excluding downstream scope 3)*
Climate change	0.086	0.073	9.5	6.9	11
Land use	0.0011	Not assessed*	2.5	Not assessed*	2.5
Encroachment	1E-07	Not assessed*	0.22	Not assessed*	0.22
Fragmentation	Not assessed*	Not assessed*	1.4E-05	Not assessed*	1.3E-05
Atmospheric nitrogen deposition	2.066E-06	Not assessed*	0.032	Not assessed*	0.032
TOTAL PER SCOPE	**0.09**	**0.073**	**13**	**6.9**	**13**

* *The GBS tool cannot be used to estimate this figure.*

Aquatic static results 2022 *(MSA.sq.km)*

Pressure	Scope 1	Scope 2	Upstream scope 3	Downstream scope 3	Vertically integrated total *(excluding downstream scope 3)*
Hydrological disturbance due to direct use of water	1.4E-4	Not assessed*	7.1	Not assessed*	7.1
Hydrological disturbance due to climate change	0.043	0.036	5.3		5.3
Conversion of wetlands	2.4E-5	Not assessed*	9.6	Not assessed*	9.6
Land use in river drainage basins	6.3E-5	Not assessed*	0.75	Not assessed*	0.75
Land use in wetland drainage basins	6.2E-4	Not assessed*	22	Not assessed*	22
Eutrophication of fresh water	5E-4	Not assessed*	2.1	Not assessed*	2.1
TOTAL PER SCOPE	**0.044**	**0.036**	**47**	**3.4**	**47**
AQUATIC ECOTOXICITY	**0.0021**	**1.3E-5**	**0.40**	**Not assessed***	**0.4**

* *The GBS tool cannot be used to estimate this figure.*

The impact of Fnac Darty is more moderate than the global average among companies. It is not negligible, however, and it needs to be reduced in order to align with the Kunming-Montreal goals [(1)].

Fnac Darty is conducting a number of actions that help to reduce its impact on biodiversity through its strategy to combat global warming (see section 2.3 of this Universal Registration Document), its sustainable consumption strategy, extending the life of products and second-life (see section 2.2 of this Universal Registration Document) and numerous initiatives to make its packaging less harmful to the environment (see section 2.2.4 of this Universal Registration Document).

Nature & Découvertes: awareness and support for the protection of biodiversity

Since its creation, the Nature & Découvertes Foundation has taken into account the impact of its activity on the environment and is committed to environmental protection. In 1994, the Nature & Découvertes Foundation was created, with the aim of launching and supporting grass-roots non-profit projects to protect biodiversity and provide active education in contact with nature (see also section 2.6.3 of this Universal Registration Document).

Placed under the aegis of the Fondation de France, since 2005 it has been a member of the IUCN (International Union for Conservation of Nature).

Collective actions: in 2023, the Nature & Découvertes Foundation launched the second Call for Commons for education in contact with nature. This brought together seven foundations and the "1% for the Planet" movement and achieved total donations of €512,411, to which the Nature & Découvertes Foundation contributed €100,000. Across France, 29 projects benefited from this support. Alongside this, four partnerships were established, providing a total of €62,500, with the Fonds pour l'Arbre, the IUCN French Committee, the "Amis de la Salamandre" and "Rencontres internationales de la classe dehors". Finally, the "Rencontres pour la planète" events provided an opportunity to support nine projects targeted at the environment with a donation of €45,000.

"Fair Friday" and national rounding campaign

For the sixth year running, the Company organized "Fair Friday," an alternative to Black Friday, with the aim of shining a spotlight on the "reductions that count," namely those concerning biodiversity. In 2023, the event focused on protecting the oceans, with proceeds going to the Bloom association from an in-store awareness campaign on social media and online. Over the week, the Nature & Découvertes Foundation matched donations from the checkout rounding scheme: with more than 36,000 microdonations and the involvement of the Foundation, Bloom received a total of €74,952 in support.

Water consumption, impacts and dependence relating to water resources

Water consumption at Fnac Darty is not considered significant. It is limited to sanitary use, break rooms and automatic fire extinguisher tests. As part of the materiality analysis carried out in 2022, water resources were not considered a priority issue for the Group in the context of its operations.

Based on actual data collected from a sample of stores, the warehouses and head offices, the Group's water consumption in 2023 is estimated at less than 0.12 m^3 per square meter.

However, as part of the dual materiality analysis, Fnac Darty studies the impacts of its value chain on water, and particularly water pollution, consumption, sampling and waste water. The Group also analyzes the dependence of its value chain on water resources.

2.3.4 / EU Taxonomy

2.3.4.1 / Context and consistency

2.3.4.1.1 / Framework and requirements of the European Taxonomy

In accordance with European Regulation 2020/852 of June 18, 2020, the European Taxonomy establishes a classification system of economic activities considered environmentally "sustainable." This common European Union benchmark makes it possible to distinguish economic activities that contribute to the European objective of carbon neutrality – the Green Deal – and thus establishes a comparable basis between companies. The ultimate goal of the Taxonomy is to direct the investments of public and private sector actors toward activities that contribute to the transition to a more sustainable economy.

This Regulation defines six environmental objectives:

1) climate change mitigation;

2) climate change adaptation;

3) the sustainable use and protection of aquatic and marine resources;

4) the transition to a circular economy;

5) pollution prevention and control;

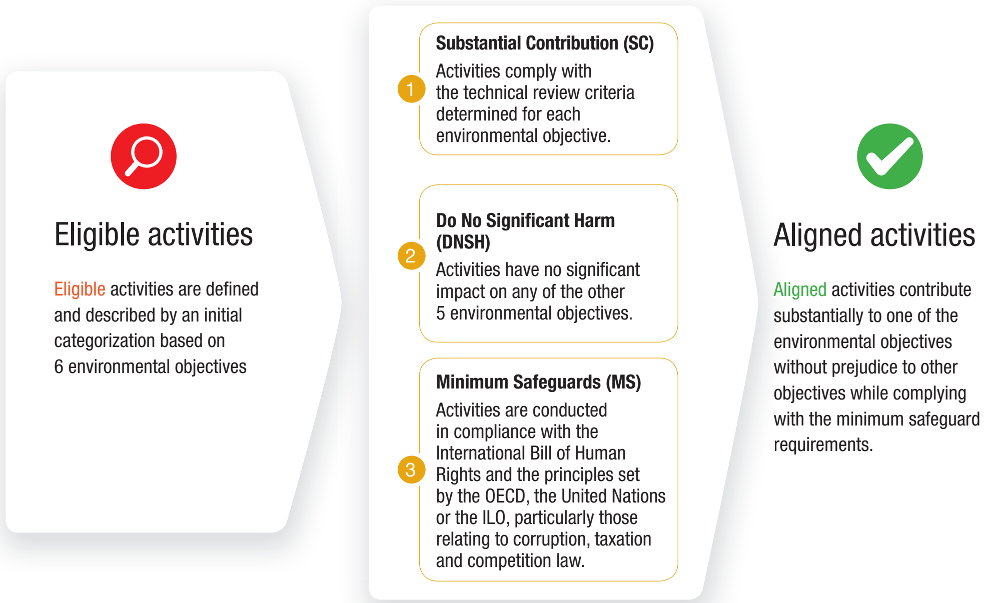
6) the protection and restoration of biodiversity and ecosystems.

(1) Kunming-Montreal goal A: achieve zero net losses from 2030 onward and maintain, improve or restore the integrity, connectivity and resilience of all ecosystems in order to increase the surface area of natural ecosystems substantially by 2050.

The Regulation establishes criteria for assessing the contribution of an activity to one of the six objectives. Two concepts are identified for this purpose:

- **eligibility:** an eligible activity under the climate objectives is an activity listed in Annex I and II of the "Climate" Delegated Act of the Taxonomy Regulation and for which specific sustainability criteria have been defined (Delegated Regulation (EU) 2021/2139). The activities listed in these appendices are identified as having the greatest potential to contribute to climate change mitigation and adaptation;
- **alignment:** an aligned activity is an eligible activity that substantially contributes to an environmental objective according to technical criteria set for each environmental objective, does not cause significant harm to the other environmental objectives, and complies with criteria for minimum safeguards on human rights, competition, taxation, and corruption.

ALIGNMENT OF ACTIVITIES IN TERMS OF TAXONOMY



The Regulation requires companies to publish the portion of their sales, capital expenditure and operating expenditure associated with their eligible and aligned activities.

This Regulation applies to non-financial and financial companies as of January 1, 2022. In 2022, in respect of the 2021 financial year, companies were required to publish indicators measuring the extent of their Taxonomy-eligible activities, i.e. included in the classification of the delegated acts, with no sustainability criterion analysis, and under the first two environmental objectives only. In 2023, in respect of the 2022 financial year, non-financial companies, including Fnac Darty, are required to publish the eligibility and full alignment of their activities with the first two environmental objectives.

In 2024, in respect of the 2023 financial year, companies are again required to publish the three Taxonomy indicators in full (eligibility and alignment) for the two climate objectives (objectives 1 and 2), as well as the eligibility indicators for the other four environmental objectives (objectives 3, 4, 5 and 6). The new climate activities must be set out in the new detailed tables published in June 2023. The full eligibility and alignment for the six environmental objectives will be expected from 2025 onward.

Scope covered

- The sales, capital expenditure and operating expenditure concerned cover all the Group's activities, corresponding to the consolidated reporting scope.
- The financial data is taken from the accounts as of December 31, 2023 and revenue and capital expenditure can therefore be reconciled with the financial statements.
- No exclusions have been made with respect to the scope of consolidation.

2.3.4.1.2 / Integration of the Taxonomy into the Group's CSR strategy

The Group continues to strengthen its climate commitments, as described in sections 2.1 and 2.3 of this Universal Registration Document.

Based on the information available to date and on the strength of its commitments to product sustainability (see section 2.2 of this Universal Registration Document), the Group analyses part of its activities as a contributor to the transition to a circular economy (objective 4). This is particularly the case for its services aimed at extending product life spans, such as repair, refurbishment and reconditioning, as well as the sale of spare parts and second-hand products.

The Group has also demonstrated a strong, longstanding commitment to combating climate change, with reduction targets for its greenhouse gas emissions, and numerous measures aimed at reducing the environmental impact associated with the life cycle of products distributed by its brands. These actions are fully aligned with the strategic plan Everyday, one of the pillars of which is to support consumers in adopting sustainable behavior. The transition to a high environmental value service model is also part of the Group's strategy of adapting to address its main climate risks.

2.3.4.2 / Assessment and methodologies

2.3.4.2.1 / Introduction

In order to identify which of the Group's activities are eligible for Taxonomy, the CSR Department and the Finance Department held dedicated joint meetings from 2021 onwards with the support of a specialist firm, targeting the application of the first year of eligibility reporting. A detailed analysis of all the Group's business lines identified those activities eligible for Taxonomy. These meetings continued on a regular basis throughout 2022, with a view to further implementing the Taxonomy standard, including the alignment phase for eligible activities. Workshops bringing together the Group's business teams involved in reporting were organized in the second half of 2022, to help further identify eligible activities, to outline the existing level of information and to raise awareness of the technical criteria for aligning eligible activities. Similarly, new workshops were carried out in 2023 to extend the application of the standard (analysis of the eligibility of the Group's activities for the other four environmental objectives).

An economic activity is considered ineligible if it is not defined in the European Taxonomy framework, i.e., those Group activities whose correspondence or contribution to the objectives of the Taxonomy could not be identified on the basis of the regulatory information published in June 2021 and 2023 or by the various FAQs.

The Group's business model is essentially based on retailing technical products (microcomputers and consumer electronics), editorial products (books, records and games) and domestic appliances (large and small appliances), but also on the sale of services associated with these products. In light of its main activity as a "specialist retailer," the majority of Fnac Darty's activities cannot be considered by the Taxonomy to make a substantial contribution to the six climate objectives. Only three activities have been identified as contributing to objective 1 (climate change mitigation): manufacturing of energy efficiency equipment through the Group's own-brand operations (for which the products are made according to specifications defined by the Company), sale of personal mobility devices (mainly scooters and electric bicycles) and recovery of raw materials from non-hazardous waste. Fnac Darty's activities and investments were not found to be eligible for objective 2, climate change adaptation, as the type of activity considered requires an adaptation plan to be drawn up by the Group explaining how and when the adaptation solutions will be implemented.

With regard to the Group's sale of services, some activities were identified as contributing to objective 4, transition to a circular economy. These were services aimed at improving the durability of products (repair, refurbishment and maintenance), the sale of spare parts for repairing products, and the sale of used or second-hand products.

The eligibility analysis did not identify any activities of the Group as contributing to the other three environmental objectives, because the activities defined by these objectives do not cover the Group's business activities.

An eligibility analysis of Capex and Opex thus only covers so-called "individual" measures. Individual measures are defined under the Regulation as the acquisition of the proceeds of activities eligible for or aligned with the Taxonomy standard.

Objective 1 – Climate change mitigation

The Group's activities that may apply to objective 1 are shown in the following table:

Indicator	Name of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Definition of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Corresponding activities within the Group
Revenue	6.4 / Operation of personal mobility devices, cycle logistics	The sale, purchase, financing, leasing, rental and operation of personal mobility or transportation devices for which propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transportation services by (cargo) bicycle.	Sale of personal mobility or transportation devices for which propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. Including: scooters, electric bicycles, etc.
Revenue	3.5 / Manufacture of energy efficiency equipment for buildings	Manufacture of energy efficiency equipment for buildings corresponding to the NACE code C27.5.1 – Manufacture of electric domestic appliances.	Manufacture of own-brand high energy efficiency household electrical appliances (under the Proline brand).
Revenue	5.9 / Material recovery from non-hazardous waste	The construction and operation of facilities for sorting and processing separately collected non-hazardous waste into secondary raw materials involving mechanical reprocessing, except for backfill purposes.	The Group has implemented a waste management plan (see section 2.2.4 of this Universal Registration Document) and optimizes waste recovery. Product packaging waste (mainly cardboard and polystyrene) is systematically collected and recovered using mechanical presses.
Capex	6.5 / Transportation by motorbikes, passenger cars and light commercial vehicles	The purchase, financing, hiring, leasing and operation of vehicles designated as belonging to categories M1 and N1, both of which fall within the scope of Regulation (EC) No. 715/2007 of the European Parliament and of the Council (234), or to category L (two- or three-wheel vehicles and quadricycles).	Capex for the acquisition and maintenance of the company fleet of vehicles and light commercial vehicles weighing less than 2.6 metric tons (mainly small light commercial vehicles similar to the Kangoo) used in breakdown services and in delivering domestic appliances.

Indicator	Name of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Definition of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Corresponding activities within the Group
Capex	6.6 / Freight transport services by road	The activity concerns the purchase, leasing and operation of vehicles for freight transport services by road, in accordance with the Euro VI standard or its successors. Economic activities are associated with particular NACE codes. Activities that do not comply with the specific criteria are considered transitional activities in compliance with Regulation (EU) 2020/852.	Capex for the acquisition and maintenance of the fleet of company cars and heavy goods vehicles weighing > 2.6 t (goods delivery vehicle).
Capex	7.3 / Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting of the installation, maintenance or repair of energy efficiency equipment.	Installation, maintenance and replacement of insulating and energy-efficient equipment in stores, warehouses and offices.
Capex	7.5 / Installation, maintenance and repair of instruments and systems for measuring, regulating and controlling buildings' energy performance	Installation, maintenance and repair of instruments and systems for measuring, regulating and controlling buildings' energy performance.	Individual measures undertaken in the Group's stores, warehouses and offices, including: **a)** installation, maintenance and repair of area thermostats, smart thermostat systems and sensing devices, including motion sensors and solar switches; **b)** installation, maintenance and repair of building automation and control systems, building energy management systems, lighting control systems and energy management systems; **c)** installation, maintenance and repair of smart meters for gas, heating, cooling and electricity.
Capex	7.7 / Acquisition and ownership of buildings	Purchase of real estate and exercise of ownership of the said real estate. Activity corresponding to NACE code L681.	Leases and acquisitions of buildings (offices, stores, warehouses).

Objective 4 – The transition to a circular economy

The Group's activities that may contribute to objective 4 are shown in the following table:

Indicator	Name of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Definition of the activity according to Annex I of the "Climate" Delegated Act of the Taxonomy Regulation	Corresponding activities within the Group
Revenue	5.1 / Repair, refurbishment and reconditioning	Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer (individual or legal entity). The economic activity does not include replacement of consumables. The economic activity relates to products that are manufactured by economic activities classified under NACE codes C26 and C27.	Repair, refurbishment and reconditioning of various electronic products, household appliances, IT, audiovisual equipment and other goods that have been used in accordance with their intended purpose.
Revenue	5.2 / Sale of spare parts	The economic activity relates to spare parts that are used in products manufactured by economic activities classified under the NACE codes C26 and C27.	Sale of spare parts for various electronic products, domestic appliances, IT, audiovisual equipment, etc.
Revenue	5.4 / Sale of second-hand goods	Sale of second-hand goods that have been used for their intended purpose before by a customer (individual or legal entity), possibly after repair, refurbishment or remanufacturing.	Marketing of so-called "second-life" products in all product categories (consumer electronics, domestic appliances and editorial products). This business, which is growing rapidly, is developing several recovery channels: reselling reconditioned products sourced from partners (suppliers, reconditioning partners), recovering products from consumers with offers to buy back their old equipment, and making donations to charity.
Revenue	5.6 / Marketplace for the trade of second-hand goods for reuse	Establishment of second-hand trading platforms connecting buyers and sellers, encouraging product reuse. It excludes wholesale/retail trade and applies to various sectors. The criteria include contribution to the circular economy and the sustainable management of electronic waste.	The Group offers its partner sellers the opportunity to market their second-hand or reconditioned products directly on its web sales platforms via the Marketplace.

2.3.4.2.2 / Approach to identifying financial indicators (revenue, Capex, Opex)

Revenue Indicator

The Taxonomy Revenue indicator comprises aligned (respectively eligible) revenue in the numerator and total Group revenue in the denominator. The Total Revenue figure used is the amount of reported revenue as given in section 4.1 of this Universal Registration Document. No scope exclusions were made from the financial reporting scope.

The activities identified for the revenue indicator are shown in the tables above (contributors to objectives 1 and 4). The regulatory tables are included in the annexes. The following table presents a summary of the Taxonomy Revenue indicator for 2023.

	Revenue	
	(€ million)	*(as a %)*
A. Total activities eligible for Taxonomy	**182.6**	**2.3%**
A1. Sustainable activities (aligned)	43.6	0.6%
of which CCM 5.9 – Material recovery from non-hazardous waste	*0.8*	*0.0%*
of which CCM 6.4 – Operation of personal mobility devices, cycle logistics	*42.9*	*0.5%*
A2. Eligible activities but not sustainable (not aligned)	139.0	1.8%
of which CCM 3.5 – Manufacture of energy efficiency equipment for buildings	*67.6*	*0.9%*
of which CCM 5.9 – Material recovery from non-hazardous waste	*7.7*	*0.1%*
of which CE 5.1 – Repair, refurbishment and remanufacturing	*16.6*	*0.2%*
of which CE 5.2 – Sale of spare parts	*2.7*	*0.0%*
of which CE 5.4 – Sale of second-hand goods	*42.8*	*0.5%*
of which CE 5.6 – Marketplace for the trade of second-hand goods for reuse	*1.6*	*0.0%*
B. Total activities not eligible for Taxonomy	**7,692.1**	**97.7%**
TOTAL (A+B)	**7,874.7**	**100.0%**

The eligibility indicators for revenue relate to mitigation (CCM) and the circular economy (CE); the alignment indicators relate only to mitigation (CCM).

Capex Indicator

The Capex indicator with regard to Taxonomy is composed, in the numerator, of Capex linked to assets or processes associated with aligned (respectively eligible) activities, Capex plans to ensure an activity becomes aligned, as well as individually aligned Capex, known as "individual measures."

The denominator of the Capex indicator includes all operating investments, net of divestments, within the consolidated scope, as well as total increases in rights of use of the Group's assets under IFRS 16, as presented in section 4.2, notes 18 and 30, of this Universal Registration Document respectively. No exclusions were made from the financial reporting scope.

No Capex plans qualified for eligibility and alignment of activities under the revenue indicator; the definition of the Capex numerator is limited for the Group to individual measures only. These mainly relate to investments in real estate activities: acquisition and ownership of buildings (including increases in rights of use for long-term leases under IFRS 16), renovation of existing buildings and ad hoc works related to buildings' energy efficiency. The leasing of private vehicles and light commercial vehicles was also considered as part of the Capex eligibility and alignment analysis.

The regulatory tables are included in the annexes. The following table presents a summary of the Taxonomy Capex indicator for 2023:

	Capex	
	(€ million)	*(as a %)*
A. Total activities eligible for Taxonomy	**286.9**	**72.6%**
A1. Sustainable activities (aligned)	13.2	3.3%
of which CCM 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	*2.2*	*0.6%*
of which CCM 7.7 – Acquisition and ownership of buildings	*11.0*	*2.8%*
A2. Eligible activities but not sustainable (not aligned)	**273.7**	**69.3%**
of which CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	*10.0*	*2.5%*
of which CCM 6.6 – Freight transport services by road	*0.4*	*0.1%*
of which CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment	*12.7*	*3.2%*
of which 7.7 – Acquisition and ownership of buildings	*250.7*	*63.4%*
B. Total activities not eligible for Taxonomy	**108.3**	**27.4%**
TOTAL (A+B)	**395.2**	**100.0%**

The eligibility and alignment indicators relate only to mitigation.

Opex Indicator

The Taxonomy Opex indicator comprises the ratio of the aligned operating expenses in the numerator to the total Taxonomy Opex indicator in the denominator.

Aligned (respectively eligible) operating expenses within the meaning of the Taxonomy include Opex linked to assets or processes associated with aligned activities (no aligned activities for the Group), Opex associated with an existing Capex plan to expand an aligned activity, as well as individually aligned Opex (purchases of production from aligned activities and individually aligned measures to improve energy efficiency).

Total Opex comprises direct non-capitalized costs, including R&D costs, building refurbishment, short-term lease agreements (excluding IFRS 16), maintenance and repair costs and other costs related to the ongoing maintenance of tangible assets necessary for their effective operation. Due to the nature of its business lines, no R&D costs were identified (as indicated in section 1.7.2 "Brands, research and development" of this Universal Registration Document) by the Group. For the Group, the definition of Opex under the Taxonomy is limited to renovation and maintenance costs of assets (specifically including vehicle and property maintenance costs, IT maintenance costs and cleaning and security costs), along with short-term rental costs. These short-term rental costs are low, given the Group's business model, which relies mainly on long-term leases of business premises and vehicles. The denominator of the Opex KPI calculated according to the Taxonomy is €93.8 million, which, out of total Opex of €2,228.1 million, accounts for less than 5% of the Group's total operating expenses, i.e. a non-material share. The materiality exemption on Opex was therefore applied and the share of eligible Opex items of the Fnac Darty stands at zero for 2023.

2.3.4.2.3 / Methodology used to assess activities against the technical assessment criteria

Methodology used to verify generic DNSH and MS criteria

The first phase of the alignment analysis consisted of assessing the compliance of eligible Capex against the minimum safeguards and the DNSH "Adapting to climate change" criteria. These two criteria are labeled "generic" since they apply equally to all eligible Capex items, and are verified at Group level since they are based on global policies and initiatives.

Minimum safeguards

The analysis of minimum safeguards for alignment of the Group's eligible investments was based on the following:

- the Taxonomy Regulation (EU) 2020/852, which establishes the environmental sustainability criteria for economic activities. According to this article, in order to be considered environmentally sustainable, activities must comply with the minimum safeguards specified in Article 18;
- Article 18 of the Taxonomy Regulation, which defines minimum safeguards as procedures that companies must implement in order to comply with the OECD Guidelines and the United Nations Guiding Principles on Business and Human Rights, and with international conventions on human and labor rights;
- the four fundamental texts referred to in Article 18, in particular the International Bill of Human Rights, the principles of the International Labour Organization, the United Nations Guiding Principles and the OECD Guidelines;
- the recommendations of the Final Report on Minimum Safeguards of the European Platform on Sustainable Finance of October 11, 2022.

This report identifies four priority themes to be addressed in connection with minimum safeguards: human rights, competition, taxation and corruption.

Group compliance with these safeguards was analyzed against the non-alignment criteria put forward in this report. The said criteria aim to ensure that the Group has not been the source of breaches of rights or regulations in relation to these four issues, and that procedures are in place within the Group to identify, assess, prevent and mitigate such breaches. A summary of the results of these analysis is presented below.

Human rights

The Group is committed to respecting and promoting recognized human rights and fundamental freedoms (see also sections 2.5.1. and 2.5.4 of this Universal Registration Document).

The Group's human rights due diligence procedure is set out in the Group's publicly disclosed Vigilance Plan (see section 2.5.4 of this Universal Registration Document).

Corruption

Anti-corruption procedures are in place within the Group (see section 2.5.2 of this Universal Registration Document).

Taxation

The Company considers tax governance and compliance as important elements in oversight, and adequate tax risk management strategies and processes are in place (see section 2.5.9 of this Universal Registration Document).

Competition law

The Group has no recent convictions for non-compliance with competition law (see Chapter 4, note 32.5 of this Universal Registration Document).

The Company raises awareness among its employees of the importance of compliance with applicable competition laws and regulations (see section 2.5.5 of this Universal Registration Document).

In conclusion, the Group's activities are carried out in compliance with the minimum safeguards.

DNSH Climate change adaptation

In accordance with Appendix A of Annex I of the Delegated Regulation (EU) 2021/2139 on climate change mitigation, the Group has verified its compliance with the generic DNSH Adaptation criteria for all its eligible Capex items.

The DNSH Adaptation requires:

- the identification of physical climate risks that could negatively impact the Group's activities;
- an assessment of the vulnerability of the activities to these risks according to relevant scenarios, in connection with the expected duration of the activities and the use of assets;
- when major risks are identified, an assessment of adaptation measures and the implementation of an adaptation plan.

Risk identification and an asset vulnerability analysis were performed as part of the analysis conducted by Carbone 4 using the "Ocara" methodology. This analysis was begun in 2022 and covered all buildings owned and leased by the Group. Analysis of Capex alignment with the DNSH Adaptation was performed by checking the coverage of eligible buildings by the Ocara analysis. Since acquisitions or new leases registered after June 30, 2022 were not covered, asset risk and vulnerability analysis were carried out on a case-by-case basis using the Bat-Adapt tool for the buildings in question.

The conclusions of the risk and vulnerability analysis of the Group's assets were as follows: none of the eligible buildings or buildings in which eligible energy performance equipment is fitted are affected by major physical climate risks. With regard to Appendix A, in the absence of identified major risks, the alignment of eligible Capex items is not dependent on the implementation of adaptation measures.

Methodologies used to verify substantial contribution and specific DNSHs

For the financial year 2023, only the eligibility analysis is required for the other four environmental objectives. Accordingly, the SC and DNSH criteria have been verified solely for the purpose of mitigation.

Indicator	Activity name	Substantial Contribution (SC) Assessment	Assessment of specific DNSHs	Arbitrages, proxies and allocation keys
Revenue	6.4 / Operation of personal mobility devices, cycle logistics	1. The propulsion of personal mobility devices comes from the physical activity of the user, a zero-emissions motor, or a mix of a zero-emissions motor and physical activity. 2. Personal mobility devices may be used on public infrastructure for bicycles and pedestrians.	The activity must do no significant harm as per Objectives 2 and 4: ■ Objective 4 (transition to a circular economy) requires measures to be in place to manage waste in accordance with the waste hierarchy, both during the use phase (maintenance) and at end of life, particularly via the reuse and recycling of batteries and electronics (especially the critical raw materials they contain).	Validation of the DNSH 4 criteria is possible through the Group's waste management plan (see section 2.2.4 of this Universal Registration Document), the recycling of waste resulting from maintenance activities or end-of-life activities.
Revenue	3.5 / Manufacture of energy efficiency equipment for buildings	Manufacture of energy-efficient products, thereby contributing to climate change mitigation and meeting the criteria of sustainability, protection of resources, circularity, pollution prevention and protection and restoration of biodiversity.	The activity must do no significant harm as per Objectives 2, 4, 5 and 6: ■ Objective 4 – Circular economy: sustainable waste management, with particular emphasis on reuse and recycling, promoting the transition to a circular economy.	Validation of the DNSH 4 criteria is possible through the Group's waste management plan (see section 2.2.4 of this Universal Registration Document), which recycles waste resulting from maintenance activities or end-of-life activities. Owing to the complexity of DNSH criteria 5 and 6, alignment could not be demonstrated for this activity.
Revenue	5.9 / Material recovery from non-hazardous waste	The activity converts at least 50%, in terms of weight, of the separately collected non-hazardous waste processed into secondary raw materials that are suitable for the substitution of virgin materials in production processes.	The activity must do no significant harm as per Objectives 2 and 6: ■ Objective 2 – This activity complies with the criteria set out in Appendix A to Annex 1. ■ Objective 6 – This activity complies with the criteria set out in Appendix D to Annex 1.	Cardboard and polystyrene waste (collected prior to delivery of the product to Group customers) is baled using mechanical presses and resold to specialized partners (see waste management plan).

Indicator	Activity name	Substantial Contribution (SC) Assessment	Assessment of specific DNSHs	Arbitrages, proxies and allocation keys
Capex	6.5 / Transportation by motorbikes, passenger cars and light commercial vehicles	On the basis of vehicle leasing contracts with increased rights of use. List of vehicles: ■ belonging to categories M1 and N1; ■ with CO_2 emissions of less than 50 g CO_2/km; ■ with an unladen weight not exceeding 2.6 t (FAQ of December 2022).	The vehicles identified must do no significant harm as per Objectives 2, 4 and 5: ■ Objective 2 (adapting to climate change) is validated, as the buildings to which these vehicles are attached have been subject to a risk analysis and do not present any major risks with regard to Appendix A of Annex I (see previous section).	Due to the difficulty of obtaining information (from both lessors and Group employees), it was not possible to validate that the criteria for DNSH 4 and 5 had been met, which would have allowed alignment of this Capex category.
Capex	7.3 / Installation, maintenance and repair of energy efficiency equipment	The following activities were identified at each of the Group's subsidiaries: ■ replacement of windows and doors with new energy-efficient equipment, as well as installation and replacement of light sources, HVAC systems or fittings featuring energy-efficient or highly efficient technologies. This equipment must also fall within the two highest energy efficiency classes in line with Regulation (EU) 2017/1369.	The equipment identified must do no significant harm as per Objectives 2 and 5: ■ Objective 2 (adaptation to climate change) is validated, as the buildings in which these Capex items are fitted were subject to a risk analysis, and do not present any major risks with regard to Appendix A of Annex 1 (see last paragraph of the previous section). ■ Objective 5 (pollution prevention and control) is only validated on the condition that building components and materials do not contain any of the more than 4,000 substances listed in Appendix C (including persistent organic pollutants, mercury, ozone-depleting substances, etc.).	Following the clarification of the FAQ round of December 19, 2022, the Group was unable to verify that the equipment fitted validates the DNSH 5 criterion, due to the lack of information available from suppliers. In addition, the CS criterion requiring that the relevant equipment belong only to the two highest energy efficiency classes could not be clearly established, due to a lack of distinction between the old and new energy labels in the information provided by the equipment's suppliers.

Indicator	Activity name	Substantial Contribution (SC) Assessment	Assessment of specific DNSHs	Arbitrages, proxies and allocation keys
Capex	7.5 / Installation, maintenance and repair of instruments and systems for measuring, regulating and controlling buildings' energy performance	The following individual measures were identified by the Group's subsidiaries on a dedicated form: installation, maintenance and repair of smart thermostats; building automation management and energy management control (BAM/EMC) systems; smart meters for gas, heating, cooling and electricity; and facade and roofing elements with sun protection.	■ Objective 2 (adaptation to climate change) is validated, as the buildings in which these Capex items are fitted were subject to a risk analysis, and do not present any major risks with regard to Appendix A of Annex 1 (see last paragraph of the previous section).	All the individual Capex measures identified for this activity are deemed to be in alignment.
Capex	7.7 / Acquisition and ownership of buildings	From the list of buildings acquired or leased during the year, identification of: ■ buildings constructed before December 31, 2020 with an energy performance certificate of at least class A, or in the top 15% of building stock in terms of operational primary energy consumption; ■ buildings constructed after December 31, 2020 which meet the specific criteria set out in section 7.1 of this Universal Registration Document (Group not concerned); ■ large non-residential buildings operated efficiently through energy performance monitoring and evaluation systems.	■ Objective 2 (adaptation to climate change) is validated, as the buildings were subject to a risk analysis, and do not present any major risks with regard to Appendix A of Annex 1 (see last paragraph of the previous section).	For buildings without an EPC (not provided by the landlord or not carried out), in order to draw up the list of the top 15% of most energy-efficient buildings, primary energy conversion factors were used according to the following formula: (conversion factor × average energy consumption over the year)/ building area. The conversion factors used were 2.5 for France, 2.35 for Spain, and 2.5 for Belgium, Portugal and Switzerland (in line with the Energy Efficiency Directive 2012/27/EU). The OID (Sustainable Real Estate Watchdog) barometer of primary energy consumption thresholds for the top 15% of buildings was then used to identify those buildings aligned with the substantial contribution.

2.3.4.3 / Results

2.3.4.3.1 / Eligibility and alignment results for 2023

Economic activities	Revenue		Capex	
	(€ million)	*(as a %)*	*(€ million)*	*(as a %)*
A. Total activities eligible for Taxonomy	**182.6**	**2.3%**	**286.9**	**72.6%**
Sustainable activities (aligned)	43.6	0.6%	13.2	3.3%
of which CCM 7.5 – Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	*0.0*	*0.0%*	*2.2*	*0.6%*
of which CCM 7.7 – Acquisition and ownership of buildings	*0.0*	*0.0%*	*11.0*	*2.8%*
of which CCM 6.4 – Operation of personal mobility devices, cycle logistics	*42.9*	*0.5%*	*0.0*	*0.0%*
of which CCM 5.9 – Material recovery from non-hazardous waste	*0.8*	*0.0%*	*0.0*	*0.0%*
Activities eligible for Taxonomy but not sustainable.	139.0	1.8%	273.7	69.3%
of which CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles	*0.0*	*0.0%*	*10.0*	*2.5%*
of which CCM 6.6 – Freight transport services by road	*0.0*	*0.0%*	*0.4*	*0.1%*
of which CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment	*0.0*	*0.0%*	*12.7*	*3.2%*
of which CCM 7.7 – Acquisition and ownership of buildings	*0.0*	*0.0%*	*250.7*	*63.4%*
of which CCM 3.5 – Manufacture of energy efficiency equipment for buildings	*67.6*	*0.9%*	*0.0*	*0.0%*
of which CCM 5.9 – Material recovery from non-hazardous waste	*7.7*	*0.1%*	*0.0*	*0.0%*
of which CE 5.1 – Repair, refurbishment and remanufacturing	*16.6*	*0.2%*	*0.0*	*0.0%*
of which CE 5.2 – Sale of spare parts	*2.7*	*0.0%*	*0.0*	*0.0%*
of which CE 5.4 – Sale of second-hand goods	*42.8*	*0.5%*	*0.0*	*0.0%*
of which CE 5.6 – Marketplace for the trade of second-hand goods for reuse	*1.6*	*0.0%*	*0.0*	*0.0%*
B. Total activities not eligible for Taxonomy	**7,692.1**	**97.7%**	**108.3**	**27.4%**
TOTAL (A + B)	**7,874.7**	**100.0%**	**395.2**	**100.0%**

2.3.4.3.2 / Changes compared to the previous year

Changes in eligibility results

The Group's business model, namely the retailing of cultural and electronic goods, and domestic appliances, showed no change since the previous year. There were no significant changes in activity compared to the 2021 results. It should be noted that the eligibility ratio for Capex increased compared to the previous year.

Changes in methodology

In contrast to the results for 2022, three activities contributing to Objective 1 were added (see revenue indicators). These activities already existed within the Group, and a new interpretation of the standard made it possible to consider them.

Analysis of the Group's activities did not identify any contribution to Adaptation Objective 2.

The Group decided not to present any indicators other than those required by the regulation, so as to uphold the principle of giving priority to communicating the regulatory Taxonomy indicators.

2.3.4.4 / Outlook

Improvement of KPIs

The Group intends to improve the proportion of its activities that are aligned in the short term by continuing to raise awareness among business teams of the challenges of Taxonomy reporting, whether in terms of understanding the standard, identifying eligible activities, or the items to be obtained from the various stakeholders to allow greater consideration of the alignment criteria.

Improved evaluation and reporting methodologies

A discussion on the automation of Taxonomy reporting using IS tools was begun, including a meeting with various publishers offering CSR reporting solutions or those specifically dedicated to Taxonomy reporting. To date, the evolving nature of the standard has not made it possible to invest resources in automating data reporting, which would also allow faster identification of eligible activities and alignment criteria. However, this approach looks like it will become necessary in the near future, in terms of data reliability, process improvements and auditability of the data presented when reporting.

The identification of financial flows in the information systems at the time of the investment decision is another area for improvement, which would allow both an improvement of the reporting process, as well as the enhancement of alignment ratios.

Incorporation of Taxonomy into business strategy and performance

Taxonomy reporting has an impact on the relationship with the various stakeholders of the business lines concerned by the reporting.

For instance, the alignment criteria for investments linked to the installation and replacement of HVAC equipment or LEDs, falling under Activity 7.3 – Installation, maintenance and repair of energy efficiency equipment, include substantial contribution criteria and DNSH criteria, for which coordination with equipment suppliers is required. From now on, the technical architecture and maintenance team in charge of performing these installations will check with their equipment suppliers to ensure that they have either the A or B label according to the new energy performance certification, and will ensure they obtain the list of chemical substances present in the said equipment.

Similarly, the Real Estate Department, which is familiar with Taxonomy reporting, has launched a process to identify "green" leases with an environmental label with a view to aligning them with Taxonomy objectives. A number of checks are now incorporated in the selection process for its partners, or in the renewal of leases, specifically the presence of EPCs in leases, or the energy class of the buildings concerned.

To date, the introduction of Taxonomy reporting has had no significant effect on its performance, but the Group is aware of the challenges this standard entails and the real impact it may have on its results.

2.4 / Develop our most valuable asset: people

Background and trends

The health crisis profoundly changed employee expectations regarding the meaning of their work, work-life balance and the quest for flexibility in their personal organization. Furthermore, the macroeconomic inflationary climate, which is impacting their purchasing power, combined with a continuing fall in unemployment rates to historically low levels, is leading to an increase in the turnover of salaried employees.

Fnac Darty faces major challenges in the shape of fast-paced changes in the business lines, and the scarcity or variability of key profiles in both the repair sector and the Tech Digital sector. In this context, employer attractiveness and employee retention and commitment are crucial to the success of the Group's project and the implementation of its strategic plan Everyday.

Risks	Opportunities
■ "Mass resignation" phenomenon, loss of attractiveness of the employer brand: inability to attract and retain talent ■ Costs of turnover, absenteeism and disengagement ■ Costs related to workplace accidents including road traffic accidents ■ Skills mismatch ■ Difficulties in supporting diversification and the increase in certain activities due to shortages in certain business lines	■ Committed employees and efficient and diversified teams ■ An attractive employer brand ■ Agility and resilience ■ Ability to innovate ■ Control of costs related to accidents (insurance and absenteeism) ■ Employees whose expertise enables the customer to make "an educated choice," to make their products last, and to stand out from the competition

Levers activated	2023 performance and monitoring of objectives
■ Attract and retain talent, particularly in jobs with shortages and in growth areas ■ Creation of customized training and onboarding programs	■ **KPI: 17.5 hours of training per employee trained** ■ 2.7% of payroll allocated to training ■ 56.5% of employees trained in the classroom during the year and 94.3% trained in the classroom or via e-learning ■ 116 technicians trained then hired on open-ended contracts
■ Support for women in leadership positions and integration of people with disabilities ■ Building on the talent of our senior citizen employees	■ **KPI: 33.2% of women in Leadership Group roles** ✓ ■ 5.0% of people with disabilities in the workforce as of December 31
■ Supporting changes in business lines and work organizations through training and new ways of joint working	■ 288 managers trained in hybrid management
■ Continue to improve working conditions and prevent health and safety risks ■ Develop the sense of belonging	■ **KPI: 4.9% of absenteeism due to sickness** ■ **KPI: 26.7 Frequency rate of workplace accidents with stoppage time** (excluding N&D) ■ **KPI: 2.2 Severity of workplace accident** (excluding N&D)

Except where specified, the social data presented in this chapter concern the scope of financial reporting. Franchises are excluded from the scope of the report. The definitions are given in the associated paragraphs when required.

All of the key performance indicators (KPIs) and other indicators are available at the end of the chapter, in the summary of CSR indicators.

Scope: Fnac Darty, excluding franchises.	2021	2022	2023	Δ vs N-1
Workforce as at 12/31 *(fixed-term contracts + open-ended contracts)*	25,585	25,175	24,113	-4.2%
France	*19,270*	*18,997*	*18,205*	*-4.2%*
Average headcount *(in FTE)*	22,927	23,231	22,589	-2.8%
Proportion of open-ended contracts in total workforce *(open-ended contract + fixed-term contract)*	87.8%	87.7%	89.1%	1.6%
Proportion of temporary staff *(open-ended contract + fixed-term contract + temporary staff)*	13.1%	12.9%	12.3%	-4.7%
Proportion of full-time workers *(open-ended contract)*	83.8%	83.9%	84.6%	0.8%
Average seniority of employees on open-ended contracts	12.7	12.8	13.3	3.9%
Average age of employees on open-ended contracts	40.9	40.9	41.1	0.5%
Proportion of managers *(from employees on open-ended contracts)*	24.3%	24.7%	25.5%	3.2%
Number of permanent employees recruited *(excluding acquisitions)*	3,570	4,023	3,584	-10.9%
Number of departures of permanent employees *(excluding disposals)*	3,818	4,787	4,261	-11.0%

With close to 25,000 employees, more than three quarters of whom work in direct contact with customers, anticipating and supporting rapid changes in business activities, guaranteeing the health and safety of employees, and fostering their commitment have been identified as major challenges for the Group. Reaffirmed in the strategic plan Everyday, this social responsibility is key.

2.4.1 / Attract and retain talent, particularly in jobs with shortages and in growth areas

The diversification of activities, the rise of e-commerce and the development of repair services are integral parts of the plan Everyday. To support this strategy, there are certain key roles, such as after-sales technicians, delivery and installation staff, kitchen sales designers, and digital and e-commerce roles. The Group uses various means to promote its attractiveness and thus boost the retention rate of employees operating in these highly competitive business lines against the backdrop of a tight job market.

2.4.1.1 / Acquire the required skills by diversifying sources of recruitment

Launched in 2022, the Talent Acquisition and Development Department is tasked with defining and implementing a recruitment policy for Fnac Darty in France, including the recruitment of executives on open-ended contracts with formalized duties, following an internal recruitment agency model. The Department is responsible for external recruitment for hard-to-fill strategic roles in repair on the one hand and digital roles on the other, with a strengthened team of dedicated employees. It played an active part in the creation of the Group’s new employer brand, which was launched in 2024 to help increase the Group’s attractiveness among top candidates.

To respond to the war for talent and increase the visibility of its job vacancies to candidates, the Group has increased its investment in benchmark recruitment media and has activated diversified means of acquisition. Developing partnerships with local and national employment players is a core element of the recruitment strategy, particularly for jobs where talent is scarce. The Group has expanded its recruitment process to include people traditionally excluded from the labor market (the long-term unemployed – retraining), to include them in the diploma courses delivered by the Fnac Darty Academy.

Two new schemes have been tested to develop recruitment diversity:

- a co-opting system was launched in July 2023 to encourage recruitment by employees. This scheme allows us to capitalize on the network of teams already in place to attract candidates and offer them career opportunities. All employees can co-opt via a specific digital platform and recommend a candidate from their network. If the co-opting is successful, the employee is offered a bonus of €500 for recruiting an executive and €1,000 for a candidate in a shortage business area. Governed by a charter that defines the conditions for implementation, this project is one of the many embodiments of the “All Leaders” plan introduced to contribute to the success of the Group;
- a simulation-based recruitment pilot (MRS) was run in collaboration with France Travail for the role of domestic appliance repair technician. Individuals who pass the tests are then offered job-dating and referred for the required training course. This approach allows for recruitment of a variety of profiles, regardless of their initial qualification or their business experience.

At the same time, Fnac Darty is continuing to hold job-focused events in Île de France and the French regions, with stakeholders such as the Centre de Formation d’Apprentis (Apprentice Training Center), France Travail, local access points for employment and social services (“missions locales”) and vocational high schools.

Lastly, to enhance the employer brand and the benefits and compensation package for certain hard-to-fill job roles such as home service technicians, a document called "Welcome BSI [1]" was introduced in 2023 and given to future recruits along with the job offer.

2.4.1.2 / Development of customized training and onboarding programs

For after-sales service technicians, pillars of the sustainability strategy

The development of Fnac Darty's repair services, driven in particular by the development of the Darty Max maintenance and repair contract, is spurring the need to recruit after-sales technicians. To support the recruitment and professionalization of new repair technicians, the Academy created the Tech Academy, a dedicated branch to develop training programs.

Through its own apprentice training center (CFA) and partnerships developed with schools, the Academy has opened up 27 classes with 236 learners. In 2023, 176 trainees qualified and 116 of them were hired on open-ended contracts on completion of training.

For kitchen designers, at the heart of the diversification strategy

Under the Group's diversification policy, the kitchen design-installation business has experienced strong growth for several years. In order to support this increase, employee support and training is being provided via two courses at the Kitchen Academy (novice and experienced) meeting the stores' current needs. In 2023, a total of 298 employees received training via these pathways.

For TechDigital job roles

In 2023, working groups helped to draft job descriptions identifying the skills required for the "Product Owner" and "Developer" positions. This work paves the way for the development of training programs and the implementation of a Digital Tech Academy in the future. These programs will contribute to better support for new hires and give existing employees greater confidence in business lines where changing jobs and/or companies is part of the mix.

2.4.1.3 / Promote internal transfers to growing business lines

Fnac Darty wants to capitalize on internal resources and to facilitate, as far as possible, the transfer of Group employees to businesses where experts are scarce, in order to guarantee adequate staff numbers in these businesses.

Since 2021, the Group has engaged in collective negotiations on the management of jobs and career paths (GEPP), which led to the signing of the first Group agreement on this topic in January 2022. The main objective of this agreement is to formalize the strategy and measures that will help in planning ahead for the required changes to jobs and skills in the medium-term in light of foreseeable developments linked to the Group's strategic direction, market development and consumer expectations.

2.4.2 / Capitalize on all our talent

2.4.2.1 / Enhance our in-house talent by promoting mobility

Via its GEPP agreement, Fnac Darty aims to provide all its employees with a common set of measures on essential employment and career management issues, specifically to encourage and support their mobility. In addition to allowing all employees to diversify and secure their career paths, the Group's objective in entering into this agreement, which covers all brands and all business lines, is to open up a wide range of opportunities and encourage employees to consider all possible forms of mobility: functional, geographical or even between brands.

To encourage functional mobility, employees now have tools that provide better visibility on potential jobs and career paths:

- "mobility hubs": these are established based on a comparative analysis of skills for each job to help visualize potential bridges between multiple roles and measure the skills gaps between those acquired and those to be acquired, depending on the role in question;
- digital job exchange platforms: these aim to ensure that all vacant positions are highlighted to employees and that they can apply for them;
- lastly, the GEPP agreement clarifies and harmonizes the conditions of eligibility and rules in the event of geographical transfers and/or transfers between the various Group brands or companies.

In 2023, these arrangements were supplemented by a strengthening of governance around mobility, with the establishment of cross-departmental mobility committees that bring together HR representatives from the Group's various areas of activity and companies. The aim is to be able to regularly review (on a monthly basis at least) both the list of key positions and the employees who are on short-term mobility placements, for whom specific monitoring is put in place.

(1) Bilan social individualisé *(BSI – personalized breakdown of salary components).*

2.4.2.2 / "Finding" female talent

Gender equality is a priority issue for Fnac Darty. Gender diversity in senior positions, reducing the gap between the proportion of women working in the Group and the proportion of women in management positions or in certain business lines is one key area for improvement. As such, in order to guarantee equal treatment for all, and to ensure that we do not deprive ourselves of female talent and retain the benefit of a diverse range of backgrounds and the collective intelligence that they provide, the Group has embarked upon a cross-cutting program based on several initiatives:

Setting and publishing ambitious quantified objectives

Two objectives were approved by the Board of Directors upon the proposal of the Senior Management, and included in the strategic plan Everyday:

- **achieve then maintain a percentage of at least 40% of the "under-represented" gender on the Executive Committee by 2025;**
- **achieve female representation of 35% in the Leadership Group by 2025.**

Although the position of store manager is not part of the Leadership Group, the proportion of women reaching this role is also managed, acknowledging the emblematic nature of the position. The Group is thus aiming for 30% of women in management roles in its Fnac stores and 15% in its Darty stores by 2025.

2023 Performance

Scope: Fnac Darty Group, excluding franchises	2021	2022	2023	Δ N-1
KPI: Proportion of women in Group Leadership roles [a] ✓ [b]	**26.6%**	**30.3%**	**33.2%**	**2.9 pt**
Percentage of women in the total workforce	39.1%	38.3%	38.7%	0.5 pt
Percentage of manager-level women in the workforce	37.2%	37.6%	38.9%	1.3 pt
Percentage of female store managers	19.9%	23.6%	26.2%	2.6 pt
Percentage of women on the Board of Directors	50%	55%	50%	-5 pt
Percentage of women on the Executive Committee	38.5%	46.2%	41.7%	-4.5 pt
Proportion of women granted at least one individual raise during the year	22.3% (25.1% for men)	15.8% (14.3% for men)	40.8% (39.9% for men)	25.0%
Gender equality index (consolidated)	88	87	88	1 pt

(a) Approximately the top 200 managers at Group level.
(b) The indicators with symbol ✓ have been verified and certified at a reasonable level of assurance by the independent third party (see section 2.8 of this Universal Registration Document).

In 2023, the Group continued to reap the benefits of mobilizing the managerial line on gender equality issues and rolling out springboards for action (described below), with an observable increase in the share of women in managerial positions. This is true not only for the "Managers" workforce (+1.3 points vs 2022), but also for store managers (+2.6 points vs 2022), and for the Leadership Group (+ 2.9 points).

In addition, Fnac Darty was ranked 24th out of 120 on the SBF 120's ranking on increasing female representation in governing bodies, a ranking set up in 2013 by the French Ministry for Gender Equality, Diversity and Equality, in connection with the follow-up of the Copé-Zimmermann Law; i.e. a jump of 23 places compared to the previous year, with a score of 79.74 out of a possible 100 (9.76 points).

Create an internal network dedicated to equality

The "Ex Aequo" network was created in March 2021 and currently has over 220 members, both men and women. It is governed by a steering committee of employees representing the various departments and business lines, along with a board comprising five members of the Executive Committee.

The network aims to remove obstacles to equality and to support the careers of women within the Group. The network helps them gain visibility among internal recruiters, but also gives them the opportunity to share with peers the best practices, tools and experiences required for their career progression. By joining this approach, Ex Aequo members can benefit from personalized support such as mentoring and personal development workshops.

Lastly, the network's objective is also to make the Group's commitment visible under its banner, by increasing the number of messages that tackle the issue of gender equality, whether through testimonials from in-house role models, meetings with inspirational figures or internal communication campaigns.

Roll out development and awareness programs on female leadership

Since 2020, the Group has developed and rolled out the "Oser!" ("Dare!") program, a personal development program targeting female leadership that provides participants with the tools and insights to make career choices and facilitate their access to senior positions.

In 2023, the Group expanded the rollout of the structured mentoring program for women set up in 2022 (35 people identified as needing support, 17 currently receiving support). Mentors are trained and supported by a steering committee.

The Group has also enabled three Fnac Darty employees (members of the Executive Committee or the Leadership Group and "high-potential" employees) to take part in the Eve program (inter-company seminar that aims to provide participants of both sexes with the tools to bring about organizational change).

In addition, to promote the place of women in the digital professions, Fnac Darty has partnered with EFREI (École française de radioélectricité, d'électronique et d'informatique, the French School of Radioelectricity, Electronics and Computer Science) in sponsoring the "Dev Manager Full Stack" Master's degree since May 2021, a collaboration that will last until 2024.

Combating sexist conduct and sexual harassment

When it comes to combating sexism, the Group considers it essential to combine communication, awareness-raising and training initiatives to help reduce the risk of situations arising: understanding the issues at stake, contact persons, whistle-blowing mechanisms, internal procedures, sanctions, as well as comprehension of gender stereotypes, recognition of what constitutes sexist behavior, accepting the word of the person concerned.

In 2023, the Group signed up to the #StOpE initiative (Stop Casual Sexism in the Workplace), alongside 47 other new companies and organizations.

In this way, the Group is committed to providing information and raising awareness about sexist behavior (acts, comments, attitudes) so that employees are aware of it and the impact it has, and to encouraging all employees to help prevent and identify inappropriate behavior and to take action against casual sexism. In 2023, these challenges were shared with the entire Leadership Group, under the banner "zero sexism in Fnac Darty".

New tools have been created and distributed with the aim of providing information and raising awareness: a poster campaign that highlights the legal framework, the Group's commitments and the contact people and whistle-blowing mechanisms, and a series of short films featuring Group employees emphasizing the importance of preventing sexist behavior and the "Zero sexism at Fnac Darty" objective.

2.4.2.3 / Building on the talent of our "senior citizen" employees

Pursuant to its GEPP agreement, Fnac Darty also wanted to formalize and strengthen its commitment to its senior citizen employees (aged 50 and over), acknowledging that they are a key pool of strength and talent on which the Group relies. This agreement sets out a number of measures and schemes allowing senior citizens to conduct their professional activity to the full, and to help them prepare for the transition to retirement when the time comes. These schemes focus on the following three areas:

Plan for and support the second part of the career path

Fnac Darty wishes to support every employee in giving thought to their plans for the second half of their career, specifically with the option for employees aged 50 and over to benefit from a progress review with their Human Resources Manager. Alongside these reviews, from the age of 50 all Group employees receive comprehensive information about the schemes in place for them. As part of its forward planning of jobs and skills, Fnac Darty has committed to ensuring that employees aged 55 and over will have their training or VAE requests fast-tracked. Under certain conditions, they can also benefit from a matching contribution made by the Group to their Personal Training Accounts, depending on their plans.

Building on the experience of our senior employees

The Group attaches particular importance to the transfer of its employees' skills, to ensure continuity of both operations and business expertise. Employees aged 55 and over have been identified as having a major role to play in this transfer of skills. To this end, roles such as tutors in work-study programs, mentors when onboarding new recruits, or transfers to jobs of a technical nature, will be offered to them as a priority.

Supporting the transition to retirement

The Group is aware that the end of one's career can be a source of anxiety for the employees concerned, and wishes to support them as much as possible to make this transition as smooth as possible, via group and individual "retirement information" workshops and a six-week personal support program to help them prepare for this transition.

2023 Performance

Scope: Fnac Darty Group, excluding franchises	2021	2022	2023	Δ N-1
Percentage of employees on open-ended contracts who are senior citizens [a]	24.4%	26.8%	27.6%	0.8 pt

(a) Employees aged 50 and over.

2.4.2.4 / Attracting "young" talent

Fnac Darty has rolled out a work-study policy and has recruited significant numbers of young talent across all entities. The Group maintains long-term relationships with training providers (*grandes écoles,* universities or training centers) offering degree courses related to the Company's business lines.

In terms of stores, the Fnac and Darty brands recruit young people to work/study programs whose educational attainment ranges from school leavers to those with 3 years in higher education, alongside interns in customer service, sales and logistics. At the same time, the Group is investing heavily in work/study training for future technicians and for delivery and installation staff (see 2.4.1.2 of this Universal Registration Document).

2023 Performance

Scope: Fnac Darty, excluding franchises.	2021	2022	2023	Δ N-1
Percentage of employees on open-ended contracts who are juniors [(a)]	11.6%	11.3%	12.2%	0.9 pt
Number of work-study participants	1,328	1,443	1,391	-3.6%

(a) Employees aged 26 and under.

2.4.3 / Support the development of business lines and labor organizations

Performance, expertise, professional development… Fnac Darty has made these issues strategic priorities in its "Everyday" plan in order to guarantee the employability and fulfillment of employees in their jobs and to better meet customer expectations.

2023 Performance

Scope: Fnac Darty, excluding franchises.	2021	2022	2023	Δ N-1
KPI: Number of training hours [(a)] per employee trained ✓ [(b)]	**14.9 hrs**	**14.9 hrs**	**17.5 hrs**	**17.4%**
Percentage of employees trained via classroom programs or remotely during the year	93.7%	94.3%	94.3%	0 pt
Proportion of employees receiving in-classroom training over the year compared to total number of employees [(b)]	56.7%	60.9%	56.5%	-4.4 pt
Average number of training hours per employee trained via classroom programs	15.5 hrs	14.4 hrs	20.8 hrs	44%
Share of payroll allocated to training	3.2%	2.9%	2.7%	-0.2 pt

(a) All formats combined: in classrooms, virtual classes or e-learning.
(b) The indicators with symbol ✓ have been verified and certified at a reasonable level of assurance by the independent third party (see section 2.8 of this Universal Registration Document).

Skills development is of paramount importance to the Group, enabling it to adapt to constant changes in professional practice and the new products available on the market.

In order to respond to these trends, the Training Academy has intensified its training to bring it in line with the Group's strategy; by focusing specifically on the "Sales Expertise" program in particular, a course that includes many hours of learning for the trainees who take it.

2.4.3.1 / An in-house training academy that is becoming more professional and better equipped

Based on Darty's in-house training model, the Group set up an Academy in 2018 allowing it to gain in expertise and agility, while reducing teaching costs. To emphasize the professionalism of the training activities and raise its internal and external profile, the Training Academy has been Qualiopi-certified since November 2021.

An additional Qualiopi certification was obtained to validate the activities of an in-house apprentice training center (CFA), for which the first classes were created at the end of 2023. This paves the way for regular classes to be set up to feed the pool of home delivery and after-sales service technicians.

The roll out of the Academy's digital programs and the development of its e-learning training website is ongoing. Like streaming platforms, this portal automatically makes training recommendations to employees depending on the business line they work in, providing an instant overview of the (mandatory and/or regulatory) courses to be completed and encouraging them to take modules to familiarize themselves with new products. At the same time, all the training courses on the website can be accessed through a mobile phone app, gamifying the learning and rewarding the most diligent employees who successfully complete their sessions.

For closer scrutiny, managers now have an overview of their team's training records and may decide to suggest or chase up their progress on modules with strategic or regulatory significance or that are directly related to an employee's performance needs.

2.4.3.2 / Support an educated choice through the Expertise program for salespeople

Constantly improving our support and advice to customers, in terms of their uses and needs, and helping them to make the right choice, in an informed and independent manner, are long-standing commitments of the Group. Enabling this educated choice largely depends on the acknowledged expertise of Fnac Darty's salespeople. Developing this expertise has thus been highlighted as a major component of the strategic plan Everyday.

In 2023, the focus on customer relations and product knowledge remained sharp, as the constant regeneration of in-store offerings demands a high degree of expertise about the products, the associated services and the techniques required to sell them. Consequently, at the beginning of each year, Fnac Darty puts out a quiz to test all its employees on their product knowledge. It uses the results to create three groups and adapts the sessions or workshops in line with the levels of knowledge the quiz reveals.

For Fnac Darty, this is the best way of continually updating training courses on cultural or technical products, some of which evolve several times during the year, and of keeping them interesting. This comprehensive overview of the knowledge within teams also makes it possible to adapt the content and training methods with a view to enhancing employee performance once they have completed the sessions.

2.4.3.3 / Promote discussion about performance

To improve the dialogue between managers and their teams, a pilot project called "Continuous Conversation" was launched in 2023. The aim is to make it easier to monitor objectives and track performance throughout the year. The manager conducts interviews two or three times a year, to enable them to take stock and provide formal feedback. These meetings make the "AAI [1] performance report" more agile and make it easier to compile the final report. This reduces the pressure on the annual interview at the end of the year, without making it any less meaningful, as the employee's specific achievements throughout the year are included. In their practical implementation, the manager will steer these interim conversations toward the employee's own objectives or toward general topics related to the year's performance, as they see fit. This form of discussion will be extended to other departments in 2024, thereby continuing the Group's efforts to promote constructive managerial dialogue to enhance performance.

2.4.4 / Working conditions and risk prevention

As a prerequisite for employee commitment, health (physical and psychological) and safety are major issues for Fnac Darty. The Group has invested heavily in training its teams, particularly managers, in order to strengthen risk prevention.

2023 Performance

Scope: Fnac Darty, excluding franchises.	2021	2022	2023	Δ N-1
KPI: Frequency rate of workplace accidents with stoppage time [a]	**31.5**	**29.7**	**26.7**	**-8.8%**
KPI: Severity rate of workplace accidents with stoppage time [a]	**1.9**	**2.0**	**2.2**	**10%**
Number of employees trained in safety	14,474	15,267	13,787	-9.7%
Total number of hours of safety training	45,125	47,779	50,752	6.2%
Overall absenteeism	8.9%	7.8%	6.6%	-1.2 pt
KPI: Absenteeism due to sickness	**5.3%**	**5.4%**	**4.9%**	**-0.5 pt**

(a) Excluding Nature & Découvertes, which applies a different indicator calculation methodology (all entities calculate this rate over the hours actually worked, whereas Nature & Découvertes calculates it on theoretical working hours).

(1) Annual appraisal interview (AAI).

The frequency rate of accidents with stoppage time has been declining for several years across the Group's scope of consolidation. The improvement in these results reflects more intensive awareness campaigns and increased training for employees and managers on health and safety issues since 2021. In addition, a number of targeted actions have been taken, including improving the security of delivery bays at our platforms and rolling out the TMS Pro program (for more details, see section 2.4.4.4 of this Universal Registration Document).

2.4.4.1 / Constructive social dialogue

The Group is committed to respecting freedom of association throughout the world and encourages social dialogue within all its legal entities, at both individual and collective levels. It also strives to create employee representation bodies in all the countries in which it operates.

The Group has a European Works Council with representatives from the four countries in which the Group has employees. This body has also set up a working group dedicated to the duty of care, which meets once or twice a year and provides a forum for discussion between the Human Resources Department, the CSR Department and employee representatives, in order to involve them fully in these major Group issues. In 2023, in common with the Fnac Darty Group Works Council, the majority of representatives on the WC [1] were reappointed. A new electoral cycle was then launched to cover the next four years.

In 2023, 29 company agreements were entered into or renewed, demonstrating the dynamism and vitality of social dialogue within the Group's scope of consolidation.

These agreements strengthen the resources available to employee representatives (number of employee representatives, supra-legal bodies specific to the Group, time devoted to the position, working time for employee representatives to prepare for meetings with management, the Group's financial contribution to trade union organizations) and the measures designed to secure and develop their careers (career development interviews).

Fnac Darty also has a Group Works Council, which was set up following the merger of the two brands and on which employee representatives from all Group entities sit. It meets at least twice a year to review social policy, the financial position and CSR policy, but also to discuss issues, initiatives and new developments that affect specific areas of the Group's business, so that each elected representative has comprehensive knowledge of all the Group's activities.

2.4.4.2 / Promote freedom of expression for each individual regarding their working conditions

In addition to social dialogue through staff representative bodies, Fnac Darty is keen to give all employees the opportunity to express their views on working conditions, recognizing the value of discussion that involves everyone in the Company and is based on transparency, listening and a variety of viewpoints.

To this end, the Group provides various means by which employees can freely express themselves on the content and organization of their work, as well as on the definition and implementation of actions to improve working conditions:

- Supermood, an innovative and anonymous tool for listening to employees, enables every employee to express their opinion, observations or expectations concerning the performance of their work at their site, therefore enabling managers to provide appropriate, targeted and rapid responses;
- in December 2023, the recommendation rate [2] was 72.3% compared to 74.7% in December 2022 (see section 2.4.5 of this Universal Registration Document);
- furthermore, the level of commitment measured using the e-NPS format (employee Net Promoter Score [3]) was +19 (stable compared to +20 in 2022): which represents a good level of satisfaction, particularly compared to the benchmark provided by Supermood (+8);
- direct collective expression meetings, routinely organized within the teams, to enable employees to express their views on the organization, the environment and their working conditions. Designed to open up spaces for constructive debate and collective intelligence, these meetings are initiated by managers, but led by "peers" from within or outside the team, enabling teams to engage in a new culture of discussion, stepping back, sharing and seeking solutions;
- an external listening hotline with occupational psychologists is open to all 24 hours a day, 7 days a week;
- as a responsible player, Fnac Darty is committed to acting with integrity. A reporting platform allows whistle-blowers to report unethical behavior, discrimination, or human rights abuses (see also section 2.5.8 of this Universal Registration Document). It can be used by customers, employees and partners to identify and provide a practical solution to any infringements of the Group's values.

(1) Works Council (WC).

(2) Proportion of employees giving a score of between 7 and 10 on a scale from 0 to 10.

(3) Proportion of people who answered 9 or 10, minus the proportion of people who answered 0 to 6 (on a scale of 0 to 10) to the question: "How likely are you to recommend your company as a good place to work?".

2.4.4.3 / Strengthen preventive healthcare from the age of 50

Fnac Darty aims to prevent the onset of any age-related conditions and, to this end, makes the following measures and schemes available to its senior employees:

- a prevention assessment: employees aged 50 and over are eligible for a prevention assessment organized by the Group's external partner organizations. This medical, psychological and social assessment, carried out by health professionals, is an opportunity for employees to discuss their state of health with skilled professionals, to identify any vulnerabilities and risk factors, to receive personalized and adapted preventive advice, to discover activities through workshops (physical activities, balance and prevention of falls, memory stimulation, stress management, nutrition, sleep, etc.) and finally to take part in theme-based sessions (memory, motor skills, etc.);
- authorized leave for a health check-up/preventive health examination: to enable employees aged 50 and over to take advantage of the free preventive health check-up provided by the French social security system, Fnac Darty has decided to grant them half a day of paid leave;
- organization of an additional medical check-up from the age of 55: employees aged 55 and over may, at their request, receive an additional medical check-up from the occupational health and prevention services.

2.4.4.4 / Risk prevention in the most hazardous occupations

While noting that none of the Group's jobs meet the legal definition of arduous work, Fnac Darty decided to use its GEPP [(1)] agreement to identify roles with a "high physical impact" in order to qualify them for certain specific measures. In particular, this concerns the professions of delivery driver, technician and order picker, for which a high proportion of occupational accidents or illnesses are recorded.

Employees in these roles are eligible for specific support measures after the age of 50, including assistance with internal career transition, flexible working hours for skills sponsorship, and coverage of the remaining educational costs for career transition projects. In addition to these measures, which are formalized in the Group's GEPP agreement, the regular monitoring of KPIs (absenteeism rate, work accident rate, etc.) has been systematically implemented in the various governance bodies.

Specific prevention actions have also been implemented for specific groups of employees.

- Logistics: During handling activities, repeated movements, bearing heavy loads and trolley vibrations are at the root of musculoskeletal disorders (MSD), the leading cause of workplace accidents in the logistics sector.

  Investments have been made to improve workstation comfort (improvement of prolonged standing posture with the introduction of anti-fatigue mats, purchase of new furniture in accordance with ergonomic recommendations).

  Noise has been a considered risk for several years now. It is assessed and measurements are taken in areas likely to exceed regulatory thresholds.

  In addition, the roll-out of a wheel lock system comprising a wedge attached to an articulated arm in the loading docks was continued in one of the warehouses. The risk of accidental departure of trucks from loading docks is a major risk in logistics, and investment budgets are planned to equip all sites with wheel lock devices in the coming years.

  Logistics operations managers received training in workplace accident analysis. In order to raise awareness among the teams, prevention signage has been installed at the six logistics sites in France. Various measures are being trialed, such as the establishment of a partnership with a physiotherapist for prevention workshops at one site. On-site osteopathic consultations were offered to employees at some sites.

  Finally, in order to reduce accidents and improve working conditions, numerous "5S" projects were carried out in 2022, with tangible results. This approach to improving safety and comfort at work was supplemented by team training and was supported by field representatives to help implement the initiatives and maintain the principles throughout the year.
- Delivery: In order to mitigate the risk of accidents, the main investments were aimed at improving the safety of goods loading and unloading docks. In 2023, the installation of safety barriers, alarms, new infrastructure and ground markings improved the working environment.

  In 2023, in collaboration with ergonomics experts and the establishment of think tanks on the subject, an action plan was launched following MSD studies conducted between 2021 and 2022. This resulted in an overhaul of the "movements and posture in the workplace" training. Roll-out is scheduled for the first quarter of 2024. At the same time, local initiatives have emerged, including the creation of a video to raise employee awareness of how to use handling tools correctly (e.g. suction cups, straps, etc.).

  The Last-Mile Delivery Department has also placed risk prevention at the forefront of the induction process, in particular through mandatory training and the production of a safety booklet for new employees.

(1) *Job and career management* (gestion des emplois et des parcours professionnels – *GEPP*).

Prevention through mandatory training

The Group has continually ramped up its safety training and the monitoring of training completion. These mandatory training courses apply to all Group employees.

In 2023, several types of training were strengthened or developed, in order to prevent risks in the most hazardous jobs: regulatory training (electrical accreditation, movements and posture in the workplace, first aid at work, gas safety, etc.) and specific courses for managers (safety management, crisis management, permanent site opening).

Finally, the Group was able to adapt by creating two training modules linked to emerging risks such as exposure and chemical risks.

In Spain, the Company uses an innovative tool to prevent physical and psychological risks, in the form of a web application providing advice on nutrition, health and sports. Fnac Spain reports that 30% of its employees use this tool.

2.4.5 / Develop the sense of belonging, social connection and quality of life at work

As the means of setting Fnac Darty apart from other pure players in the retail sector and by embodying the promise of the Fnac Darty experience, our employees are the key to the Group's ambition. In this regard, Fnac Darty wishes to take a proactive approach to providing its employees with a balanced, stimulating, inclusive and respectful working environment, which is a driver of commitment and performance.

Fnac Darty has an agreement on quality of life at work (QLW) and gender equality in the workplace. This historic agreement, the first to be negotiated at Group level and signed with the Group's social partners, marked the first stage in the implementation of a common foundation for quality of life in the workplace for all the Group's brands.

2023 Performance

Scope: Fnac Darty Group	2021	2022	2023	Δ N-1
Total turnover	16.4%	20.0%	18.3%	-1.7 pt
Recommendation rate [(a)]	72.1%	74.7%	72.3%	-2.4 pt
Proportion of employees with disabilities in open-ended contracts [(b)]	5.0%	5.2%	5.0%	-0.2 pt
Percentage of people with disabilities newly recruited under open-ended contracts [(b)]	1.7%	1.8%	1.5%	-0.3 pt

(a) Proportion of employees giving a recommendation score of between 7 and 10 on a scale ranging from 0 to 10.
(b) Excluding Switzerland and Belgium, not applicable.

Like most retail players, Fnac Darty is facing talent retention issues, with a large number of voluntary departures, particularly among salespeople. Employee engagement, measured using the recommendation rate, fell slightly in 2023, although it is still high with a score that remained above 70%. In fact, employees have increasingly high expectations in terms of the meaning of work and quality of life in demanding roles, in a context of increased pressure on the economy and purchasing power.

Since 2022, the Group has monitored employee turnover on a monthly basis, with an exit questionnaire routinely completed for each departing salesperson. In addition, the Group is focused on deploying levers for employee retention based on career management and mobility, but also on meaning through shared values and inclusion, which helped it to reduce the turnover rate in 2023.

2.4.5.1 / All Leaders: toward shared operating principles

All Leaders, the Group's corporate culture program designed to improve the way we work together to serve our customers and boost performance against our strategic objectives, continued in 2023, focusing on three areas:

- an "Tous Leaders" (i.e all leaders) objective was set for all head office executives to provide them with self-development opportunities under one of the program's five operating principles by working on the "life skills" part of their performance;
- a co-opting platform (with an associated bonus system) was launched in 2023 to enable all Group employees to share positions open to external recruitment with those within their networks;
- working groups met in 2023 to prepare a team seminar program, with the aim of calling managers and their teams to action on the five operating principles. In 2024, rolling this program out will enable collective action plans to be launched for each team.

2.4.5.2 / Create an inclusive and respectful work environment

Fnac Darty has a long-standing commitment to the diversity of its teams, focusing its efforts on raising awareness to change attitudes, combating stereotypes and prejudices and implementing concrete actions as part of a proactive approach to the various aspects of diversity. This commitment was renewed in 2021 with a new signing of the Diversity Charter.

Measure the impact of our Diversity and Inclusion policies

In order to measure the impact of the policies implemented in recent years on all aspects of diversity and to identify priorities for the future, Fnac Darty conducted a diagnostic study with Mixity in 2023. Mixity provides a solution that is recognized by the French Ministry for Gender Equality, Diversity and Equal Opportunities (ministère chargé de l'Égalité entre les femmes et les hommes, de la Diversité et de l'Égalité des chances), the French Ministry of Labor, Employment and Integration *(ministère du Travail, de l'Emploi et de l'Insertion),* the French High Commission for Employment and Corporate Engagement *(Haut-Commissariat à l'emploi et à l'engagement des entreprises)* and the French State Secretariat for the Social, Solidarity and Responsible Economy *(secrétariat d'État chargé de l'Économie sociale, solidaire et responsable).*

The overall score achieved was 75%. This result exceeded the benchmark for companies in the retail sector [(1)], particularly on the "transversal" score (overall diversity policy), with a result of 92% compared to 70% for the sector and 68% for all companies evaluated.

Three criteria stand out in particular in the sector:

- gender equality: 86% (versus 69%);
- inclusion of people with disabilities: 82% (versus 62%);
- multi-generational workforce: 78% (versus 63%).

Promote the inclusion of people with disabilities

Historically, the Group has always been strongly committed to employing people with disabilities. At Group level, it is the Disability initiative that drives this proactive policy. In 2021, it created a Disability unit, which comprises a Disability Officer for each legal entity and two elected representatives on the Works Council. All these officers have received Disability training. At the level of the legal entities, the unit drafts, implements and monitors a specific action plan, depending on the entity's situation. It also supports teams in their efforts to obtain recognition of their status as "Disabled Workers".

Since 2013, Fnac Darty has managed two work/study programs specifically for deaf and hearing impaired people in order to train them as cashiers and warehouse clerks. On completion of their training, trainees have the chance to join the Group on an open-ended contract. This long-standing commitment was recognized in 2021 when the Group was awarded the "Inclusion Surdités" (Deafness Inclusivity) prize by hearing impairment charity Fondation Pour l'Audition.

In 2023, the Disability initiative focused its efforts on a number of projects:

- faster recruitment of people with disabilities through the publication of advertisements on dedicated websites and a more active leveraging of the Cap Emploi contact network;
- enhancing the accessibility of the commercial websites, particularly with the extension of the Accéo service [(2)] to the Fnac website and the Facil'iti plug-in [(3)] on the Fnac and Darty.com websites;
- setting targets: when it signed the QLW-professional equality agreement, the Group set itself the target of hiring at least 40 people with disabilities on permanent contracts and 40 on fixed-term contracts (including work-study contracts) each year. Other awareness-raising activities were led by the Disability initiative and the entities' disability officers in 2023, such as:
  - participation in Duodays [(4)]: 49 offers for two-person teams across France, with 37 finalized,
  - regular webinar activity,
  - employee information on disability recognition (FDPS, DGO),
  - awareness-raising through theatre sessions or the on-site presence of blind or visually impaired persons performing well-being services (FDPS).

At the end of 2022, the Group in France reached a legal employment rate of 7.15% (the rate for 2023 will be known in May 2024).

Ensuring a respectful and inclusive environment for the LGBT+ community

Fnac Darty signed the LGBT+ Charter endorsed by charity "Autre Cercle" in 2022. This charter attests to the Group's commitment to LGBT+ inclusion, as it joins the other 200 signatory companies, charities and local authorities. The signing of this charter follows preparatory work including discussions with the Executive Committee, awareness-raising among managers and teams, dialogue with social partners, and a review of HR processes.

By signing this charter, the Group has made a commitment to creating an inclusive environment for LGBT+ employees, to ensuring equal rights and treatment for all employees, regardless of their sexual orientation and gender identity, to supporting employees who are victims of discriminatory remarks or actions, and to measuring progress and sharing best practices to improve the general work environment.

Facilitating access to sports and culture

As part of its quality of life at work policy, Fnac Darty is committed to promoting sporting activities among its employees and facilitating access to culture, one of Fnac's historic missions.

(1) Companies identified in the same business sector as Fnac Darty from among the 138 organizations that have measured their footprint with Mixity.
(2) Remote interpreting tool that makes it possible for deaf people to contact customer services.
(3) Facil'iti provides or improves access to online stores for people with a wide range of disabilities: blindness or visual impairment, dys disorders, color blindness, etc.
(4) Professional work experience days for people with disabilities.

In 2023, well-being days were organized at headquarters, along with yoga classes, urban mobility events and competitions to predict the results of the Rugby World Cup. Employees were offered race numbers for the Odysséa 10 km race, a solidarity sports event for the fight against cancer, and for the "Jogg in the city" race for French charity "Sport in the city".

Lastly, in 2023, Fnac Darty became an official supporter of the Olympic and Paralympic Games. The Group will also be responsible for Cultural Olympiads that promote cultural and artistic projects exploring the link between art and sport. The Group will therefore take an active role in supporting this event, which should provide excellent exposure as well as a basis for employee engagement in 2024.

At the same time, Fnac Darty promotes culture to its employees by organizing signings with artists (winners of the Prix BD and the Prix Goncourt des Lycéens), talks from authors, and literary cafés with bookshops in the Fnac network.

2.4.5.3 / Commit to purchasing power

In 2023, Fnac Darty again undertook to support employees' purchasing power. Various salary revisions were paid during the year, both in connection with annual company negotiations on compensation and industry negotiations in which the Company participates. Collective measures benefited lower-income employees in particular. In France, nearly all employees have seen their salary increase. Specific actions have been taken to improve everyday purchasing power, with, for example, an increase in the amount of restaurant vouchers for most Group companies.

Furthermore, variable compensation remains an essential component of executive compensation. In 2023, the structure of the "variable" annual compensation for executives for 2022 was adjusted to take account of the geopolitical and macroeconomic crisis, which had a very immediate impact on the Group's financial results and was not known at the time the executives' objectives were set. Changes were also made to the "variable" compensation for 2023 and subsequent years in order to better reflect and encourage outstanding performance.

Fnac Darty also maintained its commitment to employee purchasing power by paying a value-sharing bonus in July 2023 to all its employees in France; employees in other countries also benefited from other major salary increase measures from the beginning of the year.

In 2024, as in previous years, the Group will continue to pay close attention to the purchasing power of its employees, who are fully committed to the day-to-day implementation of the strategic plan Everyday. At the same time, it will continue to enhance and explain its compensation policy by developing the "Bilan Social Individualisé" (personalized breakdown of salary components), a document produced annually for employees.

2.5 / Acting ethically throughout the value chain

Background and trends

As a retailer, Fnac Darty operates within an ecosystem of partnerships, interacting with numerous stakeholders: customers, suppliers, public authorities, investors, NGOs and charities. When surveyed as part of the Group's materiality analysis, which was renewed in 2022, these stakeholders expressed high expectations in terms of ethics, particularly with regard to protecting personal data and combatting corruption. More generally, they confirmed that acting ethically helps to ensure long-term relationships between Fnac Darty and its partners.

Fnac Darty is committed to acting with integrity, both in its own operations and across its entire value chain. Furthermore, the Group is committed to promoting, respecting and ensuring compliance with human rights. The Group also acknowledges that its activities may have a direct or indirect impact on human rights, the health and safety of people, and the environment in every country where the Group and its partners are present. As part of its duty of care, the Group identifies these risks and implements appropriate preventive measures.

Risks	Opportunities
■ Claims against the Group or its suppliers as a result of non-compliance with labor law and human rights ■ Prosecution and/or reputational damage as a result of non-compliance with anti-corruption laws ■ Improper use of personal data ■ Cybercrime	■ Long-term relationships with suppliers, considered as partners in achieving the objectives of the plan Everyday ■ Greater trust with customers and investors ■ Management of risks associated with non-compliance

Levers activated	2023 performance and monitoring of objectives
■ Ethical principles reaffirmed and shared with all of the Group's stakeholders ■ Governance bodies and appropriate training programs	■ 99% of persons exposed to conflict of interest risk have completed mandatory training modules
■ Mapping of risks, policies, specific prevention and mitigation measures for protecting personal data, anti-corruption, indirect purchasing and duty of care	■ More than 100 projects analyzed by the DPO and the legal team ■ 8.9 billion malicious requests blocked ■ **KPI: 89% of Fnac Darty audits deemed compliant (before corrective action plan)** ■ 49 unannounced audits (44.5% of audits) ■ More than 1,325 Marketplace sellers tested and 96 sellers removed from the approved list ■ Share of calls for tenders that include CSR criteria: 83% ■ Proportion of contracts incorporating the Business Code of Conduct: 82%
■ An outsourced ethics whistleblowing platform that is accessible to third parties and available in all of the Group's languages	■ 45 alerts received; seven reports substantiated, resulting in sanctions
■ A responsible tax policy	■ Nearly €35 million in local taxes paid to French local authorities

2.5.1 / Governance

As a responsible player, Fnac Darty is committed to acting with integrity, both in its own operations and across its entire value chain.

The Group places particular importance on sustaining its values and ethical principles in its relationships with employees, suppliers, customers, partners and shareholders. These ethical principles contribute to the sense of pride felt by employees and to the development of long-term relationships with the Group's stakeholders. They are also levers for reducing the risks related to ethics in the broadest sense.

Fnac Darty allocates appropriate resources to the ethics and compliance challenges it faces by ensuring that it appoints managers dedicated to key issues, as well as representatives in the business lines and subsidiaries. The Group's General Secretary in charge of CSR and Governance oversees these challenges.

The Ethics Committee

The aim of the Ethics Committee is to promote a culture of ethical conduct across the entire Group. It is tasked with ensuring responsible business conduct in compliance with:

- the French Sapin 2 Law;
- the French Law on the Duty of Care by parent companies and initiating companies;
- more broadly, all applicable ethics and compliance regulations in all countries in which we operate.

The Group's Ethics Committee ensures that the ethics and compliance systems are continuously improved. It also aims to remedy any action that is in violation of its principles.

Chaired by the General Secretary, the Ethics Committee is composed of permanent members who have been selected for their experience and expertise in labor law, corporate law, the environment and ethical standards. They include the Group's Director of Human Resources, the Group's CSR Director, the Group's Risk Director, the Data Protection Officer, the Group's Security Director, and the Group's Head of Ethics.

Once a year, the Group's Chief Executive Officer attends the meeting of the Ethics Committee, where they are presented with a summary of the year's work and informed of scheduled action plans and priorities for the next year.

2.5.2 / Combating corruption

Governance of the ethics system

The compliance program under the Sapin 2 Law, which aims to combat corruption, is incorporated into Fnac Darty's ethics system. Each Group entity implements the ethics system and applies it according to the specific features of its activities, its geographical location and any applicable regulations.

The Group's Ethics Committee ensures the quality of the system in line with changes in the business environment.

Ethics Guidelines

The ethics guidelines formalize the Group's commitments and share them with all of its stakeholders. The Group also helps its employees to best respond to new situations through the use of decision trees.

The aim of the Business Code of Conduct is to reaffirm the basic principles that should govern each person's behavior in their professional life, both individually and collectively. The Group's ethical principles are reiterated to stakeholders in the Group's Ethics Charter and in its Supplier Ethics Charter.

The "Gifts and Benefits" Charter outlines the Group's internal rules for accepting gifts and hospitality. It provides guidance for employees on what to do when they receive invitations from outside the organization.

The Prevention of Conflicts of Interest Charter is designed to raise awareness on this topic. It aims to help employees to avoid such situations and to act appropriately.

This framework is updated regularly to reflect the improvements made. It was last updated in 2021.

The Ethics Guidelines are translated into six languages and can be accessed at any time in all Group entities. Internal communications regarding the ethics guidelines are issued on an ad hoc basis.

Mapping of risks of corruption and influence peddling

The mapping of risks of corruption and influence peddling underpins the management of the ethics system. The action plans it generates are monitored regularly. In addition, the mapping processes are reviewed annually by the Ethics Committee.

Training and awareness

A new e-learning training package was launched in 2022 in order to strengthen anti-corruption measures. This comprehensive educational package was rolled out based on the level of employee responsibility. It comprises seven e-learning modules on the following topics: Code of Conduct, gifts and invitations, whistleblowing, conflicts of interest, assessment of third parties, risk mapping, ethics and managers.

Training for management and exposed people

All members of the Executive Committee, Leadership Group and management committees of the countries and subsidiaries have completed the seven mandatory training modules. This group accounts for more than 200 people within the Group.

Every person exposed to conflict of interest risk in the Group (executives and management) has completed the following four mandatory training modules: Code of Conduct, gifts and hospitality, whistleblowing and conflicts of interest. They must also complete an individual assessment of their conflict of interest risk. This approach involves at-risk persons in the prevention and management of conflict of interest situations, using a personal inquiry process to highlight risks that they may come across.

This group of people is updated annually and comprised almost 1,000 people in 2023. It is determined according to the decision-making powers and powers to act granted to employees.

Reported situations are systematically analyzed and appropriate remedial measures are implemented.

Furthermore, in addition to this annual declaration, Fnac Darty encourages its employees to declare any conflict of interest situations throughout the year.

Training for all employees

Three of the training modules – Code of Conduct, gifts and hospitality, and whistleblowing – are mandatory for all Group employees.

To ensure that the importance of a culture of ethical conduct is passed on to all new employees, the Group's Head of Ethics presents the ethics system in the induction seminar for new managers in France.

In China, a "sensitive country" according to the Corruption Perception Index, the ethics guidelines and training are systematically included in the onboarding process for new employees at the sourcing office.

Monitoring, controls and internal assessment

The rollout of the ethics system is monitored and systematically presented at meetings of the internal control committees. The self-assessment comprises ethics-related questions. An annual monitoring report on the ethics system is presented to the Audit Committee.

2.5.3 / Using and protecting personal data, cybersecurity

Fnac Darty is committed to protecting the privacy of its customers and employees, and makes every effort to process personal data in a transparent and responsible manner.

2.5.3.1 / Protect the personal data of employees and customers

As a key player in the daily life of its customers, Fnac Darty intends to contribute to a trusted digital society and to control the impact of its activities with regard to personal data.

In a hypercompetitive and increasingly regulated environment, personal data is a double-edged sword. While it is a key asset in ensuring the competitiveness of the Fnac Darty model, it is also one of the greatest challenges for the Group's digital strategy.

With millions of visitors every month to its commercial websites and stores, and nearly 12 million subscribers, the Group's customers and all its stakeholders have high expectations of transparent and proportionate use of their information.

Fnac Darty strives to ensure that it uses the data collected by the Group's brands with absolute transparency and that this use is also legitimate, proportionate and secure. For several years, the Group has been working hard to proactively protect personal data in accordance with data protection regulations (EU Regulation of April 27, 2016 (the "GDPR"), the French Data Protection Act and the ePrivacy Regulation).

Governance

Managing digital issues has resulted in an increase in recent years in the number of employees involved in data protection. Fnac Darty has established a dedicated organizational structure and internal procedures that guarantee the protection of the data throughout the processing cycle.

Fnac Darty continues to strengthen its organizational structure and has a team of four people dedicated to protecting personal data in France: a Group DPO (Data Protection Officer) appointed to the French Data Protection Authority (Commission Nationale de l'Informatique et des Libertés – CNIL), two people in charge of the protection of personal data and a DPO dedicated to the France Billet and Nature & Découvertes subsidiaries. In regard to the other countries, the subsidiaries in Belgium, Spain, Portugal and Switzerland also have locally appointed DPOs or staff dedicated to compliance with regulations on personal data protection. GDPR officers, responsible for circulating data protection-related news and monitoring departmental action plans, have also been appointed in each of the major departments of the Group's business lines. All business lines are thus covered by and represented at a GDPR Committee, which meets every quarter. The brands' customer services also play an active role in coordinating the application of the GDPR.

Dedicated committees and workshops organized by the DPO team meet regularly to ensure compliance with GDPR and monitor the resulting action plans: the GDPR Steering Committee, attended by the DPO and GDPR officers, monitors the business line action plans (every three months); the IT GDPR Monitoring Committee, attended by the IT Directors, monitors IT action plans (every two months); the GDPR Rights Monitoring Committee involving the customer relationship teams; and the Country DPO Committee bringing together the country DPOs to share practices and provide coordination (every six months).

Once or twice a year, the Executive Committee is also informed of issues regarding personal data protection for information purposes or its management if necessary. Lastly, once a year, the Group DPO presents the risk mapping and ongoing risk mitigation plans regarding personal data protection to the Audit Committee.

Audits

The DPO team, in association with Internal Audit and Internal Control, conducts audits, checks or self-assessment campaigns for GDPR representatives in order to ensure regular monitoring of GDPR issues. In 2023, Fnac Darty continued to improve GDPR information on its sites and in-store, and check that regulatory displays in-store have been implemented correctly.

Documentation of compliance and "privacy by design" procedures

Fnac Darty maintains processing records and documents its compliance by completing processing and impact analysis (AIPD) data sheets and disseminating personal data protection policies.

Faced with innovative digital services and tools sometimes using complex technologies, the teams in charge of data protection have implemented procedures to understand and analyze projects and their challenges from a data protection perspective so that customers' and employees' privacy is protected. A "Privacy by Design" procedure also ensures that issues relating to personal data protection are properly taken into account from the outset when projects are designed and tools selected.

All projects must be signed off by the DPO's team prior to their launch. The projects are analyzed based on compliance with data processing requirements and data security. Audit questionnaires are used in particular to assess the guarantees put forward by service providers offering third-party solutions, particularly SaaS (online software). Fnac Darty is continuing its efforts to map and manage the integration of outsourced software (SaaS) which has seen strong growth in recent years. The Group's Legal Department is responsible for ensuring that GDPR obligations are met through Data Protection Agreements or mandatory clauses stipulated in the GDPR.

In 2023, the DPO and the legal team analyzed and approved more than 100 projects.

Training and awareness

In recent years, Fnac Darty has created a data protection culture among its employees through regular training initiatives and awareness campaigns.

The Group ensures that its employees receive ongoing training: mandatory e-learning on data protection can be accessed from the Group's e-learning platform. In 2023, Fnac Darty continued to raise awareness amongst the customer service teams responsible for some of the GDPR rights and provided them with training.

Personal rights

Managing requests from customers regarding their rights (rights of access, rectification, objection, right to portability, withdrawal of consent) is a major concern for Fnac Darty, and the customer services and DPO teams are actively mobilized to respond to them. For each brand, a customer service manager leads and coordinates the proper management of requests from people regarding their rights under the GDPR. Online contact forms (Darty) or a conversational platform (Fnac through Iadvize) that are continuously improved ensure that customers' requests are dealt with promptly. The Group's DPO team responds to specific requests from customers regarding the use of their data.

Personal data breaches and data security issues

Fnac Darty pays particular attention to data security issues. Over the last few years, the resources allocated and tools dedicated to cybersecurity have been constantly increasing.

Alert systems and systems for tracking anomalies and incidents can be used to anticipate data breaches. Raising awareness among employees on a regular basis and close cooperation between the DPO and CISO teams (cybersecurity – see below) also ensure that IT incidents are properly managed and enable the Group to prepare for any personal data breaches that must be notified to the CNIL within a very short timescale of 72 hours.

Program and action plans

Information systems security remained a major concern for the Group in 2023. As was the case last year for darty.com, in 2023 Fnac Darty also rolled out a new tool, "Preference Manager", in fnac.com's customer account to give its customers better control. They can use the tool to choose the channel and the purposes for which their personal data can be used, and who can use it. As with darty.com, the "preference manager" on the fnac.com website is accompanied by a new personal data information portal for improved transparency on the use of personal data within the Fnac scope. Both brands are now covered.

The Group is also proceeding with training on its Data strategy by continuing the awareness-raising for the teams of the challenges and ethics of data and artificial intelligence.

2.5.3.2 / Cybersecurity: an essential practice in order to ensure the protection of personal data

Key activities such as sales, retail, financial services and the protection of customers' and employees' personal data depend on the reliability and effectiveness of various information systems. Cyberattacks are increasingly sophisticated and frequent, and target not only companies' information systems and their websites but also their employees, representing a major risk for the Group.

Cybersecurity governance and dedicated resources ensure that the Group's information systems and any third-party data are protected. A team of 11 people, including two people trained in ISO 27001, the specific standard for information security management, are dedicated solely to this activity. The Chief Information Security Officer (CISO) manages the information system risk management process for the Group and, as such, oversees the entire information security system. Their team ensures that specific policies to prevent and manage cybersecurity incidents are properly monitored within the Group. These are governed by the information systems security policy, which was strengthened in 2022 through the creation of a Developer Charter, and by a new policy for information system administrators.

In 2023, the IT Charter was updated with the incorporation of the new restrictions relating to the development of artificial intelligence.

To monitor this, security committee meetings were held monthly and quarterly in 2023 and were tasked with providing an assessment of the major actions, sharing the various IT security indicators, providing feedback on the latest attacks and assessing the risks of intrusion, and also updating the cyber security risk mapping.

Raising awareness among employees and working with them to defend against attacks is also key to protecting information systems and personal data. The cyber team provides updates all year round, warning employees about various risks. Mandatory training for all employees was launched in 2022 and a "cyberweek" is planned for the beginning of 2024.

Fnac Darty has been PCI-DSS certified since 2021 and the certification was renewed in 2022 and 2023, illustrating the robustness of the commercial systems and the data theft prevention systems. Significant investment has strengthened the roll-out of these new procedures.

As part of its continuous improvement approach, Fnac Darty strengthens its specific policies for the prevention, detection and management of cybersecurity incidents on an ongoing basis, in particular through the development of a program encompassing all countries where the Group is present. This program aims to harmonize the practices of the various subsidiaries and to assess cybersecurity posture across the entire Group. A new supervisory committee involving all countries and subsidiaries has been created for this purpose.

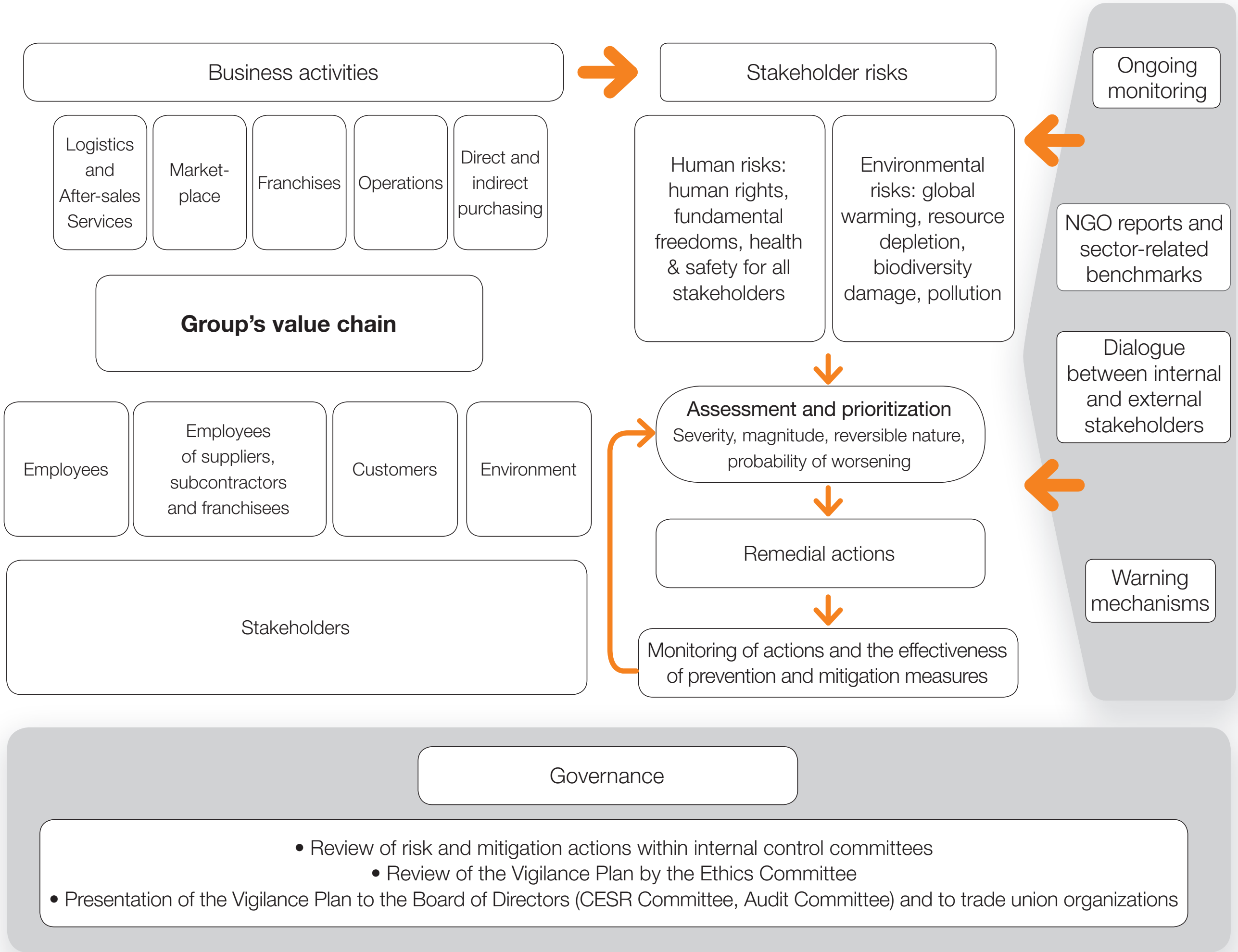
Key figures in 2023:

- number of attacks: 8.9 billion malicious requests blocked (+30%);
- proportion of blocked e-mails: 12%;
- 283 second-order attacks on the Group's websites.

2.5.4 / Vigilance Plan

The French law of March 27, 2017 on the duty of care of parent companies and initiating companies reinforces the requirements for responsibility throughout the entire value chain of companies' business activities. With its business activities changing, Fnac Darty took this law as an opportunity to strengthen and further develop its risk analysis and action plans. The report on the effective implementation of the Plan and the results has been made available to the public since 2018, in line with and complementary to its Non-financial Performance Declaration.

VIGILANCE PLAN



When conducting its business activities, Fnac Darty relies on strong ethical principles and standards and specifically refers to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the core conventions of the International Labour Organization. The Group is also signed up to the United Nations Global Compact, the principles of which it shares and promotes.

In the conduct of their business, subsidiaries and partners are required to comply with applicable local legislation and the common minimum standards contained in the Business Code of Conduct.

Scope

As of December 31, 2023, the scope of the Group's Vigilance Plan covered the Group's operational scope: Fnac France and Darty France, Fnac Spain, Fnac Switzerland, Fnac Portugal, Fnac Belgium, Vanden Borre, Nature & Découvertes and WeFix. It also covered the activities of the sourcing office based in Hong Kong. The scope of activities included internal operations and level 1 suppliers/subcontractors with which the Company has an established commercial relationship.

The risks covered by the Plan relate to serious infringements of human rights and fundamental freedoms, the health and safety of persons, and the environment, which may be caused by the Group or by third parties with whom it has long-term relationships.

These risks, like the Group's other non-financial risks, are assessed and monitored as part of the CSR policy, and described in this Non-financial Performance Declaration.

2.5.4.1 / Mapping of risks, assessment procedures and alert mechanism

Risks are identified and assessed at least once a year (more so for the most significant risks) with the managers concerned. Changes in the Group's environment (acquisitions, new markets, significant growth in a business area, etc.) and the reports and recommendations of NGOs and other external stakeholders are taken into account as part of these reviews.

The risks identified are then assessed according to the methodology used by the Risk Department in its risk management of the Group. These risks are weighted according to their level of occurrence and impact and then with respect to the mitigation or prevention policies in place:

- the impact is assessed according to several criteria, such as the systematic or repeated nature of the threat, or its reversibility, on the environment, the working conditions and on the health and safety of employees, service providers and/or consumers;
- the probability is assessed in relation to the country where the entity operates (on the basis of several indicators including the human development index), in relation to the foreseeable nature of the threat as well as the recurrence of threats within the organization or sector;
- control of impact is assessed according to the level of risk identification and assessment, the control of the activities implemented and its compliance, the inclusion of risk in the audit work program and in training courses.

Fnac Darty involved trade union representatives in this assessment system and mitigation development. In 2020, an ad hoc working group was established (comprising one staff representative per subsidiary), which meets once a year to discuss the contents of the Plan, in particular policies, actions for prevention and the effectiveness of the measures taken. A summary of the Plan is also presented annually to members of the European Works Council.

In 2022, the CSR Department renewed its materiality matrix. This analysis was used to refine the CSR and Group risks and thus reassess the mapping of Fnac Darty's duty of care. As a result of the analysis, the mapping of risks was restructured. The 34 risk categories used in 2021 were consolidated into 24 main risks with the introduction of a new category for "cross-departmental risks" for management purposes. This category covers risks for which responsibility is shared between several departments.

In the spirit of continuous improvement, the mapping is subject to regular review by the CSR and Risk Departments, in collaboration with the various departments concerned. It is then approved by the Ethics Committee, which assesses the effectiveness of the measures taken and which may request the implementation of additional action plans.

Warning mechanism

In 2021, an outsourced platform for monitoring ethics and compliance was rolled out to all subsidiaries in France and in the other countries, which is available in all of the Group's languages. The link to the platform is also accessible to third parties. No alerts were related to duty of care in 2023. See section 2.5.8 of this Universal Registration Document for further details on the mechanism and the alerts received in 2023.

2.5.4.2 / Prevention and mitigation measures

Sourcing of own-brand products and products under license

In order to offer its customers an economical alternative to major brand products, Fnac Darty sells products under its own retail brands. These products are supplied directly from the manufacturers, a majority of which are located in China.

Key figures (Fnac Darty scope, excluding Nature & Découvertes):

- 12 own brands, 6 license brands, approximately 1,300 products;
- 174 active plants at the end of December: 161 in China, 12 in wider Europe (including 3 in Turkey) and 1 in Egypt.

Risks identified

Risks	Resources implemented	Preventive measures	Actions and performance 2023
■ Fundamental freedoms and human rights (freedom of association, working time, compensation, forced labor, child labor, discrimination) ■ Health and safety of employees within the plants, e.g., in the event of non-compliance of facilities and personal protective equipment ■ Health and safety of customers, particularly in the event of quality issues or non-compliance with European standards (REACH, RoHS) ■ Environment, e.g., in the event of poor environmental practices in the plants	■ A team of 90 people, including 61 in China ■ Around 10 internal auditors ■ A tested audit grid comprising 103 criteria, 27 of which are related to Corporate Social Responsibility ■ A new environmental audit introduced in September 2023 – 30 plants audited in 2023	■ Framework document (Group Vendor Manual, translated into Mandarin Chinese) ■ Full audit conducted prior to entering into any contract, then audit conducted at least every two years ■ Announced and unannounced audits ■ Audits by internal auditors	■ 85 plant audits, 76 of which were deemed compliant, i.e. 89% of Fnac Darty audits [(a)] considered compliant prior to corrective action plan ■ A new environmental audit introduced in September 2023 – 30 plants audited in 2023 ■ Continuation of the audit campaign: 54% of active plants [(a)] audited ■ Increase in unannounced audits: 49 unannounced audits (44.5% of audits) ■ Inclusion of an audit criterion on the provision of an ethical alert mechanism for workers ■ 55 supervisory audits of controllers and 0 alerts

(a) Plants located in China.

Risk prevention and mitigation policy

The Group has established strict rules and stringent control procedures with its suppliers in order to guarantee the safety and satisfaction of its customers during use of these products, and compliance with all applicable regulations. During testing, the products are checked in accordance with the highest standards; therefore, if French guidelines prove to be stricter than European ones, the French standards are used as the benchmark.

Moreover, the Group ensures that the suppliers selected and the associated plants respect the rights of employees and the environmental standards in force. In this regard, the Sourcing Department has integrated CSR criteria into its processes and into the documents that frame the supplier relationship, and it conducts regular audits.

Framework document

The Group Vendor Manual defines the relationship between Fnac Darty and its suppliers, and includes the Business Code of Conduct. The document provides a framework for supplier relations; it sets out the standards and procedures that each party agrees to follow. In particular, it requires the supplier to provide evidence of compliance with European regulations (or local regulations if the national laws of the countries in which the products are to be distributed differ): an EC declaration of conformity, a material safety data sheet for products containing substances covered by the REACH Regulations, information on products covered by the CHIP Regulation and, since 2020, information on the availability of spare parts and product repair manuals, in compliance with the European Directive on the ecodesign of products.

The Vendor Manual also includes a chapter on the social and environmental standards to which suppliers are required to comply – and which includes 11 critical failure points, including six relating to human rights, fundamental freedoms and health & safety. For example, there is zero tolerance for the use of forced labor (in any form whatsoever), physical or verbal abuse, blocked emergency evacuation routes, or the absence of separation between sleeping areas and the production site.

Compliance with these standards is monitored through audits.

Audits

To ensure compliance with Group standards, Fnac Darty's Statutory Auditors carry out announced and semi-or unannounced audits; the audit schedule and results for each plant are monitored through a centralized database. These audits have two components: a "quality assurance and control" component and a "Corporate Social Responsibility" component. This second component combines several aspects of control: human rights and employment law, health and safety, ethics and the environment.

A preliminary audit is carried out for all these elements prior to entering into any contract with a new plant. If this identifies any major deficiencies, no orders will be placed. If it identifies areas for improvement, the plant is required to take corrective action. Follow-up audits are scheduled to ensure the supplier is compliant before the start of production.

Active plants are then audited every two years; this period may be shortened if any breach of quality or social and environmental standards is suspected. The procedures associated with the outcome of these audits are the same as for the advance audits. The requirement level has been increased from 60% to 75% over the last three years.

Procedures associated with audit results:

Audit result	Associated procedure	Control
> 75% = compliance	Corrective action plan if necessary	Audit every two years
< 75% = non-compliance	Cessation of production and termination of supplier relationship	Follow-up audit before any launch of production or before production recommences
Not compliant with one of the critical failure points	Cessation of production with the requirement to take corrective action before production recommences	Follow-up audit before any launch of production or before production recommences

The Fnac Darty teams help the suppliers to prepare corrective action plans.

In order to guarantee the same audit standards in the plants located in Europe (extended to Turkey), the independent third parties in charge of audits must use the same audit grid as that used for plants in China.

Actions in 2023 and outlook for 2024

Fnac Darty joined the Initiative for Compliance and Sustainability (ICS), a non-profit organization that brings together retailers and brands. The ICS aims to improve working conditions throughout its members' supply chains. The organization is based on a framework defined by the International Labour Organization (ILO) conventions, the universal principles of human rights and applicable local regulations. It uses a common methodology and tools to facilitate social audits through third-party audit companies accredited by the ICS.

Furthermore, in 2024, in order to raise the bar for the Group, the non-compliance threshold for audits carried out in Fnac Darty's supplier plants will be raised from 75% to 77%.

Results

Scope: Group (excluding Nature & Découvertes)	2021	2022	2023
KPI: Proportion of audited plants whose audit result is deemed to be average or compliant [(a)]	**92%**	**92%**	**89%**

(a) Plants located in China, before corrective action; excluding Nature & Découvertes, whose historical procedures differ from those of the Group (see below). This exclusion is not significant in view of the weighting of Nature & Découvertes in the total purchasing volume of Group products.

Due diligence at Nature & Découvertes:

Nature & Découvertes has always been vigilant of its suppliers and ask them to follow a Quality Charter that requires them to act responsibly. The Company promotes long-term sustainable partnerships to help it progress its approach of continuous improvement. Likewise, the Company favors relationships with small businesses in order to encourage local craftsmanship wherever possible.

Every year, social and environmental audits are conducted by an external service provider. Since 2021, the audit grid used for these audits has been the same as for the plants of Fnac and Darty suppliers.

Scope: Nature & Découvertes	2022	2023
Proportion of audited plants for which the result is deemed to be average or compliant	78%	92%

At the same time, Nature & Découvertes continues to rely on a Responsible Purchasing Charter for its suppliers. This refers to the conventions of the International Labor Organization and describes the principles and standards with which suppliers undertake to comply. More than 76% of purchases in 2023 were from suppliers who have signed the charter – 69% of suppliers in total.

Scope: Nature & Découvertes	2021	2022	2023
Proportion of purchases produced by Nature & Découvertes suppliers that have signed the Responsible Purchasing Charter	64%	67%	76%

Purchasing products and services

For Fnac Darty, there are three types of purchasing: purchasing products marketed under its own or license brands (see above), purchasing branded products (known as "merchandise"), and indirect purchasing (intended to allow the Group to conduct its business). These risks are also managed in different ways.

With regard to commercial purchasing, the supplier relationship is managed directly by the Commercial Department and governed by the Business Code of Conduct. The Group is specifically committed to supplier dialogue around environmental criteria such as product repairability and reliability, and around their decarbonization strategy (see also section 2.2.1.2 of this Universal Registration Document).

Indirect purchasing involves approximately 3,000 suppliers and includes numerous risks. It concerns the purchase of both services (transport, remote customer relations, temporary work, security, works) and goods (consumables). The information below relates to this type of purchasing.

Risks	Resources implemented	Preventive measures	Actions and performance 2023
■ Infringements of fundamental freedoms and human rights (specifically non-compliance with working hours, payment of overtime, discrimination, etc.) ■ Health and safety breaches affecting subcontractors' employees, e.g. in the event of a lack of training ■ Health and safety breaches affecting customers, e.g. in the event of a lack of gas and electricity certification of delivery and installation staff employed by subcontractors ■ Environmental infringements, e.g. in the event of poor environmental practices in the management of construction waste or waste chemicals used for cleaning	■ A team of buyers trained in responsible purchasing and sustainable development issues ■ Establishment of an IPD [(a)] CSR Committee to monitor action plans ■ Inclusion of the IPD on CSR-related committees (Climate Committee, Circular Economy Committee, green IT, fleet greening)	■ Framework documents, shared with suppliers and subcontractors: Business Code of Conduct, Responsible Purchasing Policy ■ Increasing inclusion of CSR criteria in calls for tender ■ Risk analysis updated annually	■ Certification of Supplier Relations and Responsible Purchasing ■ Introduction of CSR business reviews with strategic suppliers ■ Implementation and monitoring of indicators specific to social and environmental aspects for all purchasing categories ■ Contracts renegotiated to include CSR criteria ■ 83% of calls for tender incorporating CSR criteria ■ 82% of contracts incorporating the Business Code of Conduct

(a) Indirect Purchasing Department.

For more information about the 2024 policies, results and outlook, see section 2.5.7 "Supplier Relations and Responsible Purchasing" of this Universal Registration Document.

Independent sellers on Marketplaces

Launched in 2009 for Fnac and 2015 for Darty, the Marketplaces aim to guarantee better product availability and to expand the catalog. Therefore, new product categories have been added to the Group's classic catalog: toys and games, then sports, gardening, DIY and, most recently, home furnishings, which includes furniture and bedding. To date, the Marketplaces have recorded approximately 3,600 active sellers and 15 million available products (Fnac and Darty France scope).

Risks	Resources implemented	Preventive measures	Actions and performance 2023
■ Fundamental freedoms and human rights: infringements of freedom of association, working hours, compensation, forced labor, child labor, discrimination ■ Health and safety of employees in plants where products are manufactured, e.g., in the event of non-compliance of facilities and personal protective equipment ■ Health and safety of customers, e.g., in the event of non-compliance of products with European standards ■ Environment, e.g., in the event of poor environmental practices in the plants, or due to the impact of the life cycle of products distributed by the Marketplace	■ A Quality Division comprising 10 people ■ A monthly salesperson monitoring committee to monitor the indicators implemented ■ A weekly quality arbitration committee to closely monitor risky salespeople	■ Business Code of Conduct, incorporated into the general terms and conditions of use of the Marketplace ■ Quality assessment and monitoring procedures ■ Monitoring and procedures when recalling products	■ Strengthening of the procedures for using quality indicators to assess sellers ■ More than 1,325 tests conducted and 96 sellers removed from the approved list ■ Fall in the total rate of complaints for Fnac and Darty: -0.5 pt ■ 3 product recalls in 2023

Operational risks

At the heart of the Fnac Darty model, the logistics, delivery and after-sales operations have been identified as the most exposed to health and safety risks. These businesses are by nature accident-prone, and these risks are more likely to occur in the event of a breach of the principles of risk precaution and prevention (procedures, training, control).

These risks, the associated mitigation policies and the results of these policies are described in the social portion of this chapter (section 2.4.4.4 of this Universal Registration Document) and summarized in the table below:

Risks	Resources implemented	Preventive measures	Actions and performance 2023
■ Worker health and safety: road traffic accidents, musculoskeletal disorders related to handling activities (load carrying, repeated movements, etc.), accidents related to the installation, storage or handling of electrical and electronic equipment (risks caused by lithium batteries, gas or electrical installations), accidents related to the use of chemical substances in repair workshops	■ A Training Academy with trainers dedicated to safety training ■ Regular investment in risk prevention tools (forklifts, lifting gear, guardrails, etc.) ■ Awareness-raising through internal communications about risks	■ List of mandatory training courses (required by regulations or deemed essential by the Group) ■ Rollout of "safety representatives" at each logistics site, an after-sales service representative ■ Investment in workstation ergonomics ■ Assessment of noise pollution in warehouses ■ Eco-friendly driving ■ Fire-control cabinets and special secure storage for lithium batteries in workshops and stores ■ Introduction of accident analysis for logistics and after-sales service, along with a safety check list	■ Appointment of employees to cascade training to support the prevention of workplace accidents ■ Overhaul of DUERP [(a)] and Papripact [(b)] ■ New investments in securing docks ■ Soundproofing work carried out at several sites ■ Updated procedure for storing lithium batteries and creation of an awareness-raising communication for the DSO and operations. ■ **KPI: Frequency rate of workplace accidents with stoppage time 2023: 26.7** (vs 29.7 in 2022) ■ **KPI: Severity rate of workplace accidents with stoppage time 2023: 2.2** (2.0 in 2022)

(a) *Single Occupational Risk Assessment Document* (document unique d'évaluation des risques professionnels – *DUERP*).
(b) *Annual Program for the Prevention of Occupational Risks and the Improvement of Working Conditions* (programme annuel de prévention des risques professionnels et d'amélioration des conditions de travail – *Papripact*).

Changes in risks in 2023: despite an extensive action plan intended to prevent the risks related to the handling and storage of used lithium batteries (installation of fire-resistant safety cupboards and more secure storage barrels, training, etc.), this remains a significant risk due to the increase in repairs to electrical and electronic equipment, particularly urban mobility equipment.

An action plan was also rolled out to prevent risks related to chemical products used in after-sales workshops (storage cabinets, training, review of the purchasing process).

2.5.5 / Combating anti-competitive practices

A program to ensure compliance with competition law and to prevent infringements in this domain is in place, comprising the following elements:

- a Business Code of Conduct which reiterates, among other things, the fundamental principles of respect, loyalty, transparency and confidentiality which must govern the professional behavior of employees, both individually and collectively, as well as the importance of compliance with competition law;
- appropriate organization to ensure management, monitoring and updating of the competition compliance program;
- training and communication on compliance with the rules of competition law, including a module comprising five e-learning sessions accessible to all employees in French and English, and more specific training sessions provided by the Legal Department for the employees with greatest exposure;
- provision by the Legal Department of competition guides and fact sheets as well as a user guide that explains the Fnac Darty competition compliance program, and highlights the main points for better understanding and action;
- check and alert mechanisms specifically with an ethical and compliance whistle-blowing platform (WhistleB) to report competition law infringements (see also section 2.5.8 of this Universal Registration Document).

2.5.6 / Responsible lobbying

By providing technical expertise, Fnac Darty is involved in and contributes to public decisions likely to affect its environment, particularly in the areas relating to the circular economy, consumer protection and equal treatment of economic stakeholders. As part of a constructive approach with the public authorities, Fnac Darty is able to promote innovative proposals thanks to its operational experience, but also to warn about the economic, social and environmental risks to which certain measures might expose the sector's stakeholders. In the latter case, the Group is responsible for working proactively on compromise solutions that are satisfactory and acceptable to all stakeholders. Fnac Darty makes an annual declaration of all its activities with national public officials as well as the sums allocated for its lobbying activities to the French High Authority for transparency in public life (Haute Autorité pour la transparence de la vie publique).

2.5.7 / Supplier relations and responsible purchasing

Fnac Darty's overall sustainable performance is intrinsically linked to that of its suppliers and subcontractors, and to its joint work with them.

In 2021, the Group's Indirect Purchasing Department drafted a Responsible Purchasing policy with the CSR Department and all buyers, who received specific training. This policy is based on the benchmark provided by the "Responsible Supplier Relations and Purchasing (RFAR)" certification, backed by ISO 20400:2017 "Sustainable Procurement – Guidance."

In January 2022, the RFAR Label Award Committee, composed of the Business Mediation Department (French Ministry of Economy and Finance) and the French National Purchasing Council, unanimously awarded the RFAR label to Fnac Darty for indirect purchasing. This label is valid for three years.

Three major commitments were set out in the responsible indirect purchasing policy:

- being a responsible purchaser regarding our suppliers, and working to continuously improve purchasing practices, by developing long-term, balanced relationships with suppliers;
- helping to achieve the objectives set in the Group's CSR roadmap by incorporating social and environmental responsibility into the purchasing processes;
- encouraging the Group's partners to develop their own CSR approach, by promoting and monitoring the procedures and initiatives of Fnac Darty suppliers.

This policy is a major factor in the management of social and environmental risks associated with supplier and subcontractor activities, and also aims to prevent and manage certain risks (see also section 2.5.4 "Vigilance Plan" of this Universal Registration Document). It thus relies on the introduction and monitoring of indicators dedicated to the social and environmental aspects of performance of outsourced labor services, and on the "Business Code of Conduct" appended to the purchasing and subcontracting contracts, and outlined in the general terms and conditions for purchases. This code confirms the Group's commitment to respecting human rights and fundamental freedoms, the provisions of the International Labour Organization (ILO), in particular the conventions aimed at the elimination of child labor and the abolition of slavery, and forced or compulsory labor, and environmental protection.

To effectively manage this responsible purchasing approach, the Indirect Purchasing Department set up a dedicated governance structure, with a committee that meets quarterly to monitor the action plan drafted under the application for RFAR certification, a committee dedicated to improving payment times and systematic IPD participation in CSR-related committees (climate, circular economy, green IT, greening of the car fleet).

In 2023, several actions were rolled out in response to the purchasing practice analysis carried out in 2021:

- finalization of mapping of CSR risks for the most strategic purchasing items, and the implementation of a risk-mitigation plan by purchasing category;
- an increase in business reviews devoted to CSR;
- incorporation of CSR criteria into calls for tender;
- a comprehensive action plan to optimize supplier payment times, with a focus on VSEs (very small enterprises) and transport suppliers.

Performance 2023 (Indirect purchasing – France)	2022	2023
Share of calls for tenders that include CSR criteria	64%	83%
Proportion of contracts incorporating the Business Code of Conduct	60%	82%

2.5.8 / Ethics whistleblowing platform

To promote a more secure and transparent working environment, Fnac Darty has chosen to set up an ethics whistleblowing platform. It covers the whistleblowing mechanisms mandated by the applicable legislation (Sapin 2, duty of care, etc.) and the optional mechanisms adopted by the Group on its own initiative to prevent any conduct that goes against Fnac Darty's ethics benchmark.

The ethics whistleblowing platform is hosted by a specialist external partner: WhistleB by Navex, which guarantees that all messages are sent securely. The aim is to allow whistleblowing in confidence through an encrypted reporting site that allows for anonymity if the whistleblower so chooses.

This platform is available in all subsidiaries in France and in other countries and is accessible internally and externally. It is translated into all Group languages.

The ethics whistleblowing website has been managed remotely since 2022. Reports are received immediately and exclusively by authorized members, who decide on the action to be taken and ensure that reports are monitored in accordance with the applicable regulations and the Group's ethical rules.

At Group level, three managers administer the platform and manage whistleblowing: the Group's Security Director, the Group's Risk Director and the Group's Head of Ethics.

They may pass on the report to members of the Ethics Committee who may be required to manage the report, namely the Group's Director of Human Resources, the Group's Legal Director and the Group's CSR Director. If necessary, a pared-down ethics committee may be convened.

Locally, in the countries and subsidiaries, reports are received by the local ethics officers and their designated partners. They operate jointly in managing the case. The Group's three WhistleB Directors have access to all cases under supervision.

Each of the recipients signed a confidentiality agreement. In the event that a whistleblowing report involves one of the recipients in charge of managing the case, the recipient in question is excluded from the investigation to ensure independence and impartiality when managing the report.

The Group regularly communicates with its employees about its whistleblowing platform system and has set up permanent, easy-to-access communication through various channels.

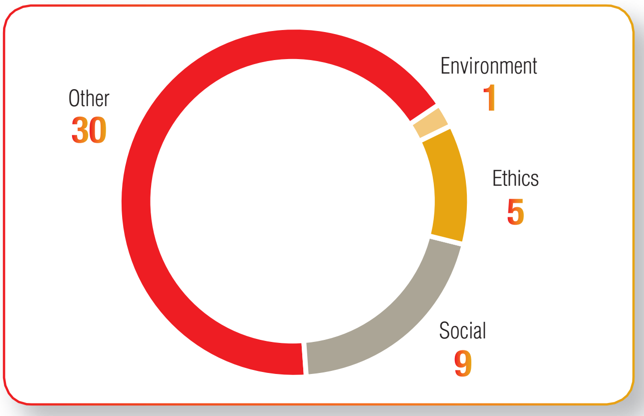
Internally and externally, the ethics whistleblowing website, which is available in all languages of the countries in which the Group operates, is accessible from every page of the fnacdarty.com website via a fixed link at the bottom of the page, and from the Business Code of Conduct, shared internally as well as with suppliers and partners.

Internally, the ethics whistleblowing website can be accessed at all times from the Group's intranet site via a direct link from the homepage, an internal information site dedicated to ethics, a display with a QR code (displaying of which is mandatory on all operational sites), e-learning training courses in ethics that are compulsory for all, the Gifts and Benefits Charter and the Prevention of Conflicts of Interest Charter.

2023 Results

During 2023, 45 whistleblowing reports were received within the Group scope. The reports can be broken down as follows:

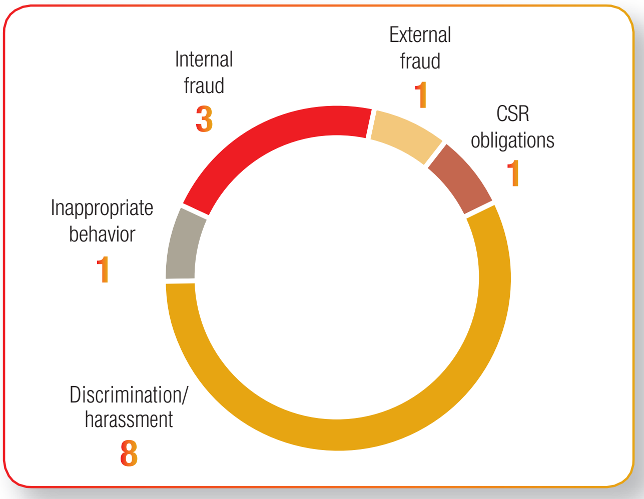
Number of alerts received in 2023



All reports received were processed. Nearly 31% of cases (14 reports) were proven upon investigation.

These 14 reports all resulted in sanctions provided under the disciplinary framework, up to and including dismissal.

Number of alerts proven in 2023



The other reports were either not part of the whistleblowing platform or were not proven. The majority concerned aspects related to customer relations (16 cases, i.e. 36% of the total reports).

No reports concerned duty of care.

The annual summary of the ethics whistleblowing site is shared with the Ethics Committee and the Audit Committee.

2.5.9 / Being a responsible taxpayer

2.5.9.1 / Worldwide presence of Group

In 2022, the Group was composed of 52 legal entities, 35 of which are located in France. Of these French entities, 30 are members of a Group tax consolidation within the meaning of Article 223 A of the French CGI (French Tax Code) in 2022. Other French entities do not meet the legal conditions for being part of the tax consolidation.

Group entities established outside France are not part of an equivalent scheme, except in Portugal.

With the exception of the United Kingdom, China and Hong Kong, the Group's presence in a country is maintained through the operation of a store under one of the Group's brands. The presence in the UK is linked to the history of the Darty Group, which was listed in the United Kingdom until its buyback in 2016. Accordingly, there is still one holding company in the United Kingdom, Darty Limited, formerly the parent company of Darty Group, which finances a retirement fund for employees of the British company Comet, which was part of the same group, and for which Darty Limited took over the pension obligations. The Group's presence in Hong Kong and China relates to Darty's manufacturing of small domestic appliances, which requires a local team responsible for quality control in the subcontractors' manufacturing plants as well as a team responsible for product specifications.

2.5.9.2 / Key figures

Distribution consistent with business activity

Fnac Darty is committed to paying taxes and contributions in each country where it operates and does not participate in any tax avoidance schemes. Through its subsidiaries, Fnac Darty is present in 11 countries. The Group has operating companies that run the stores and whose tax expense is consistent with, and proportional to, their contribution to the Group's earnings, which illustrates a principle of tax compliance rather than value creation. As the weight of the business activities conducted in France is particularly large for the Group, this is where the tax expense is highest. The Group's head office, purchasing and cash management activities are focused in France.

(€ thousand)	Corporate tax and corporate value-added tax (CVAE) [(a)]	Local taxes [(b)]	Other taxes [(c)]	Total
France	19,616	33,145	11,758	64,519
Spain	Deficit in 2023	1,079	73	1,152
Portugal	3,287	-	67	3,354
Belgium	3,020	1,087	-	4,107
Luxembourg	34	-	-	34
Monaco	Deficit in 2023	-	-	-
Germany	Deficit in 2023	-	-	-
Switzerland	253	-	-	253
United Kingdom	Deficit in 2023	-	-	-
China	6	-	-	6
Hong Kong	7	-	-	7
TOTAL	**26,223**	**35,311**	**11,898**	**73,432**

(a) Excluding deferred taxes.
(b) In France, this includes: property tax, CFE, tax on offices in Île-de-France, tax on commercial premises and tax on brands.
(c) In France, includes the social solidarity contribution, the tax on company vehicles, the tax on salaries and registration fees.

An important source of income for French local authorities

Fnac Darty has a particularly dense geographical coverage in France. The Group's stores and e-commerce sites generate a total of €43 million in local taxes (including CVAE of €11 million).

These local taxes consist of property tax, tax on offices in Île-de-France, the Corporate Real Estate Tax, tax on commercial premises, tax on brands and the corporate value-added tax (CVAE). These taxes directly benefit French local authorities, enabling them to finance their activities.

2.5.9.3 / Tax policy

Fnac Darty's tax policy aims to:

- make the tax costs associated with the operation of the Group's brands foreseeable;
- reduce its exposure to tax risks;
- preserve its reputation and image.

These objectives are consistent with several of the Group's CSR commitments, such as promoting the economic and cultural development of regions and ensuring the exemplary conduct of its business.

By paying taxes in the States and local authorities where it creates value, Fnac Darty contributes to the quality of life and improvement of public infrastructures for its customers.

Tax risk management

Governance

The Group's Tax Department is made up of experienced employees. It also relies on the tax expertise of the heads of accounting who manage the tax reporting obligations. They are assisted by external tax advisers as necessary, in particular to clarify complex points of law.

In addition, each department in the Group has an obligation for internal control. When this department finds a tax risk, it must notify the Group Tax Department.

The Group Tax Department advises and assists the operational departments and subsidiaries specifically on the following:

- regulatory tax oversight and help with implementing new tax rules. For example, in 2022 the Tax Department helped the Group's subsidiaries to implement new rules on electronic invoicing;
- tax audit assistance;
- drafting of tax documentation such as transfer pricing documentation;
- helping subsidiaries on the tax aspect of operational projects;
- the tax audit of companies within the Group's scope, and tax audits on ad hoc matters.

Acceptable tax risks

The Group does not use any optimization system or aggressive tax planning.

For each transaction, the Group assesses the tax risks relating to a specific tax position.

Fnac Darty ensures that all its entities comply with the tax regulations applicable to it. No entity held by the Group is located in a country listed on the French or European list of non-cooperative tax jurisdictions.

Transfer prices

Fnac Darty applies the arm's length principle to transfer prices. Transfer prices are not, under any circumstances, a tax planning tool.

The Group's transfer prices consist primarily of the re-invoicing of head office expenses, the invoicing of interest by the centralized cash company, and the sale of goods by the purchasing center located in France to French or foreign subsidiaries. Transfer prices are regularly audited by the tax inspectors during their tax audits.

Relations with the tax authorities

Fnac Darty works in a transparent way with the tax authorities in the various countries in which it operates.

Since 2022, the Group has been committed to a tax partnership with the Major Corporations Division of the French Directorate-General of Public Finances, the protocol for which was signed on February 4, 2022. The purpose of this system is to establish regular and transparent communication between companies and the authorities on tax matters, and it provides access to a dedicated service that can be used to rapidly obtain the authorities' stance on any specific situation, thereby improving the legal security of transactions carried out by the Group.

2.6 / Contribute to the social and cultural development of territories

Background and trends

Building on its omnichannel model, each year the Group confirms its commitment to local commerce, where human contact is central to supporting customers. These links to the local community, in terms of both stores and repair services, allow it to create jobs and to pursue one of its historical missions: access to culture for all, through free events celebrating cultural diversity.

2023 was marked by high inflation, which had a significant impact on household purchasing power, and increased the difficulties of people in precarious situations. Against this backdrop, the Group's longstanding policy of contributing to the social and cultural development of the regions in which it operates by democratizing access to culture, expanding its positive impact at grass-roots level, and spearheading a policy of solidarity to combat exclusion and insecurity, takes on its full meaning.

Risks	Opportunities
■ Market risks: change in consumer behavior (decline/change in cultural demand) ■ Reduction in brand preference ■ Impact on artistic creation	■ Access to new markets (second life of books, new cultural trends) ■ Diversification of activities (toward a more digital culture) ■ Brand attractiveness ■ Democratization of culture to make it accessible to as many consumers as possible, and revitalizing the sector ■ The Group's omnichannel model that rises to both the challenges of the development of online shopping, and local commerce

Levers activated	2023 performance and monitoring of objectives
■ Promotion of cultural diversity and new cultural trends (comic books, manga, video games) ■ Support for artistic, literary (Fnac Live, literary prizes, etc.) and musical creation ■ Continued opening of stores, particularly franchises ■ Development of solidarity projects ■ Boost collection of donations from customers	■ 43 stores opened, including 28 in France ■ Number of Group cultural events: nearly 7,000 (including nearly 1,400 in France) ■ Donations financed by Fnac Darty: €5.9 million ■ Amount of donations collected from customers: €1.2 million ■ Number of books collected for Bibliothèques Sans Frontières (France and Switzerland): 252,000 ■ Number of projects supported by the Nature & Découvertes Foundation: 149 ■ Overall allocation from the N&D Foundation: €498,000

2.6.1 / Fnac: a renewed, diversified and acclaimed cultural commitment

In 2023, the Group continued its cultural commitment to bringing creators and their audiences closer together, with the same ambition as ever: to create bridges between disciplines and between artists, both emerging and established, all without losing sight of the principle of democratizing culture that its success is built on.

In 2023, no fewer than 70,000 customers took advantage of nearly 1,420 events in 145 stores across France, underscoring Fnac's position as a major local cultural stakeholder.

Musicians, contemporary authors, cartoonists, novelists and also youtubers were again regularly invited to share their passions with their fans within Fnac's stores. There was a wide variety of different event formats: meetings, conferences, signings, masterclasses, concerts, musical readings, workshops, etc.

Alongside these more conventional events, Fnac continued to develop original and tailored formats "out in the wild", with exclusive centerpiece events hosted in iconic locations across France. Among the most affecting of these are the evenings that open the new literary season, which are always open to the public, hosted in a very special cultural location and attended by leading artists to celebrate writing and forge connections across disciplines.

Beyond these events, Fnac's cultural commitment is expressed on a daily basis by its book and record stores. Customers consider these the first port of call for recommendations thanks to the values of expertise, innovation and enthusiasm that drive them.

2.6.1.1 / Encouraging literature in all its forms and bolstering the place of Fnac as a key stakeholder in the publishing world

As the leading bookseller in France, Fnac occupies a place of great significance in the literary ecosystem. This status is what has allowed it to keep abreast of new trends and to stand alongside publishing houses for so many years. Some of its own major events are landmarks in the literary calendar.

Each year, the Prix du Roman Fnac (Fnac literary award) kicks off the start of the new literary season. Over the years, it has established itself as a highly anticipated and influential prize, reinforcing Fnac's central position within the publishing world. With 400 members and 400 Fnac bookstores, the jury for the Prix du Roman Fnac first narrowed down this year's list of 30 nominees to a shortlist of five books. This year's winner also received the Goncourt Prize, a few weeks later.

The Prix Goncourt des Lycéens, a highlight of the literary calendar, gives 2,000 high-school students from around 50 institutions the opportunity to study contemporary works of literature in depth, to meet and talk with the authors in the running for this prestigious literary prize at seven regional meetings which are highly anticipated by all involved.

In 2023, Fnac also continued to celebrate comics through its Prix BD Fnac France Inter, which was awarded in January. The prize is now firmly entrenched in the media and cultural landscape and facilitates the emergence of new talent. With more than 9.5 million comics sold each year, Fnac makes a major contribution to advancing the genre through a large number of recommendations, meetings with the leading authors, workshops, exhibitions and retrospectives paying tribute to the masters of this medium.

2.6.1.2 / Working with established artists and supporting the new emerging music scene

Among the numerous events that Fnac organizes, some have over time become household names, such as the Fnac Live Paris festival. This major summer event once again stood out thanks to its rich and eclectic musical program of emerging and established talent, highlighting the best of the current music scene over two days of free concerts, on the forecourt of the Hôtel de Ville de Paris and in its salons.

For the second year running, Fnac renewed its support for the Prix Joséphine des jeunes artistes (Joséphine Young Artists Prize). Launched two years ago with the aim of spotlighting current music, it celebrates the diversity of music scenes and the plurality of cultures (singing, rap, electronic, jazz, pop, neoclassic and contemporary) and provides a stage for artists from diverse backgrounds (independent labels, major labels, self-produced).

2.6.1.3 / Renewing historic ties with photography

Fnac has always stood alongside photographers and stakeholders in the world of photography, and in 2023, it renewed its connections with the genre's luminaries and promoted the dissemination of the artform through two major actions. Firstly, via a special contribution to the sixty-ninth edition of the Prix Nadar, which honors the originality of French photography.

This support for photography is also reflected in its backing of the Tremplin Jeunes Talents sponsorship program for young talent, delivered as part of the Planches Contact de Deauville festival, which aims to highlight a new generation of artists by offering residencies lasting several weeks and by exhibiting the winners at two photography galleries in Paris-Ternes and Lyon-Bellecour.

These initiatives symbolize the diversity of Fnac's cultural initiatives and its commitment to photography.

2.6.1.4 / Digitizing and modernizing Fnac's role as source of recommendations through the Éclaireur Fnac

Launched at the end of 2021, the l'ÉclaireurFnac.com recommendations website continued to fulfil its primary mission throughout 2023: to provide insight into cultural and technological news and social issues in its areas of expertise, in order to guide internet users towards a more informed choice. Thanks to the complementarity and expertise of the Group's expert editorial teams, the Éclaireur Fnac has attracted more than 1 million unique visitors.

2.6.1.5 / Promoting Fnac's cultural actions internationally

Abroad, Fnac pursues this same ambition of supporting the creation and access to culture through awards, exhibitions, meet-and-greets, book signings and free concerts in stores.

In total, some 7,000 events were organized in 2023 at Group level and across the franchisee network.

2.6.2 / Contribute to local economic activity and create permanent jobs

Key figures:

- **43** stores opened in 2023, including **28** in France;
- **1,010** stores at the end of 2023;
- launch of recruitment campaigns for after-sales technicians, delivery and installation staff and kitchen designers.

The Group opens new stores every year, thanks to its franchise development strategy, to increase coverage of medium-sized cities. Fnac Darty is convinced that this local presence strengthens the specific bond of trust created over time with its customers.

This strategy helps to create jobs and therefore to enhance the economic and social activity of the cities in which stores open.

Through the development of its repair services, Fnac Darty also contributes to the creation of jobs that cannot be offshored and supports professional integration in all the regions in which it operates (see also section 2.4.1 of this Universal Registration Document).

The Group also has a long history of helping people in long-term unemployment back into the job market: as a long-standing partner of Envie [(1)] and Emmaüs, the Group donates nearly half of all large domestic appliances returned by Darty customers to these social and charitable enterprises, who repair and sell them on in their network of stores, thereby helping to reintegrate dozens of people back into the world of work each year. Fnac is also a partner of Ateliers du Bocage, and donates its used ink cartridges every year to this socially responsible enterprise, a member of Emmaüs.

(1) New Company for Reintegration via the Economy (Entreprise nouvelle vers l'insertion par l'économie – Envie).

2.6.3 / Pursue a solidarity policy to combat insecurity and exclusion

Driven by its social and cultural responsibility, Fnac Darty has launched initiatives aimed at creating links with associations and supports numerous local projects. This willingness to act is intrinsic to the values of the Group. These projects take the form of financial or product donations, made directly to the Group's partner associations or, indirectly, through customer donations via charitable rounding mechanisms at the time of purchase.

Total Fnac Darty donations

Scope: Group excluding franchises *(in euros incl. tax)*	**2021**	**2022**	**2023**
Total raised by socially inclusive initiatives across Fnac Darty	11,058,279	8,540,348	7,166,739

Fnac Darty donations

Scope: Group excluding franchises *(in euros incl. tax)*	**2021**	**2022**	**2023**
Donations to charities and sponsorship	387,686	433,578	259,796
Donations in kind (Braderie de Dijon, Secours Populaire, Emmaüs, Envie, etc.)	9,211,292	6,224,690	5,188,876
Nature & Découvertes Foundation	601,902	586,434	498,138
TOTAL	**10,200,880**	**7,244,702**	**5,946,810**

Customer donations

Scope: Group excluding franchises *(in euros incl. tax)*	**2021**	**2022**	**2023**
Customer solidarity:			
■ Microdon charitable rounding	n.a.	509,786	448,268
■ Un Rien C'est Tout €1 charitable rounding	272,778	203,247	112,847
■ Common Cents charitable rounding	113,963	81,155	121,098
■ Nature & Découvertes charitable rounding	174,108	199,568	199,974
■ Customer donations – Countries	48,642	51,448	116,990
■ Bibliothèque sans Frontières book collection	247,908	250,536	220,752
TOTAL	**857,399**	**1,295,646**	**1,219,929**

2.6.3.1 / Fnac Darty: financial sponsor and donor of recoverable products

Financial donations to associations, sponsorship and in-kind donations

The Group promotes initiatives for young people in difficulty, people in reintegration and people in vulnerable situations. Fnac Darty is a longtime supporter of several associations, such as Télémaque and Sport dans la Ville. It also provided ad hoc support for other causes in 2023, such as ensuring the safety of earthquake victims in Morocco, the Nature & Découvertes Foundation with education in nature, or, more generally, young people who have been excluded from society.

Among the Group's historic missions, the dissemination and diversity of culture are another major aspect of the solidarity policy. Fnac Darty is a patron of universities and literary circles such as Sciences Po and the Académie Goncourt.

As part of its "second life" policy (see section 2.2.3 of this Universal Registration Document), in the past three years the Group has significantly increased the number of donations in kind. These are intended for associations such as the Agence du Don en Nature and long-standing partner associations such as Emmaüs France, Libraries Without Borders, Envie and Secours Populaire.

In 2023, Fnac Darty also completed the deployment of a new solution in partnership with Comerso, which facilitates the donation of recoverable products directly from stores.

Donations to associations via the Nature & Découvertes Foundation

Since 1994, the Nature & Découvertes Foundation has been supporting owners of projects of all different sizes, with the aim of launching and supporting grass-roots charity projects to protect biodiversity and educate about nature. The projects supported range from the creation of an associative nursery to participatory science projects, as well as mobilization campaigns or support for associations promoting the conservation of species.

In 29 years, the Foundation has financed 3,228 projects for a total of €15.4 million, including 149 projects in 2023 for a total of €498,138.

2.6.3.2 / Stores and websites help facilitate donations for associations

Fnac Darty also involves its customers in its commitments. Since 2017 it has given them the chance to make small donations when they make purchases on fnac.com, at Fnac Spectacles events and, since 2019, in Fnac and Darty stores. All donations collected via these channels helped to raise more than €1.2 million in 2023. This generosity from customers helped to support dozens of socially inclusive projects led by partner associations.

Since 2022, Fnac Darty has successfully increased the impact of checkout donations through the deployment of a charitable rounding solution in partnership with Microdon, which aims to automate the process of suggesting donations at checkouts. In 2023, this scheme raised nearly €450,000 in Fnac stores, which went to the Un Rien C'est Tout association and the Nature & Découvertes Foundation. Tests were initiated to deploy the same solution at Darty in 2023, with five Darty stores being equipped with the Microdon scheme at the end of December 2023.

"Helping hand" committees at Nature & Découvertes, to support local projects

The "Helping Hand" committees finance local projects to protect and educate about nature, in particular thanks to membership of the Club Nature & Découvertes – one euro from each membership is paid back to the Foundation.

Four committees are held during the year, bringing together members of the Nature & Découvertes Foundation, several experts and some fifteen store employees. A hundred or so "Helping Hand" projects are supported each year via four seasonal committees. The projects selected are characterized by their strong local presence, close to the local store and consisting of specific actions on the ground that involve a locally engaged public as often as possible.

The Nature & Découvertes initiative is unique because, over the following year, it offers customers a selection of the best local projects to support, chosen by in-store teams, via charitable rounding at the checkout. The team knows all about the project and how to talk to customers about it. The scheme allows an additional €170,000 to €200,000 to be donated for "Helping hand" projects, in addition to the initial allocation from the Nature & Découvertes Foundation.

The Nature & Découvertes Foundation provided a total of €224,200 to 100 local projects via the Helping hand committees.

2.6.3.3 / Long-standing partnerships

In 2023, Fnac organized its eleventh "Big Book Drive" in partnership with Bibliothèques sans Frontières (Libraries Without Borders). Fnac works in partnership with its customers at this event, inviting them to donate their books to the association each year. This book collection, the largest in France, was also extended in 2022 to Fnac stores in Switzerland. A total of 252,000 books were collected.

A long-standing partner of Secours Populaire, for the fifteenth year running, Fnac took part in the "Braderie solidaire" sidewalk sale in Dijon. Combining solidarity with cultural aims, it mobilizes numerous local talents and involves volunteers from Fnac, Secours Populaire and the Zénith de Dijon performance venue. In June 2023, for this fifteenth edition, almost 4,500 visitors took advantage of a wide selection of new entertainment products – books, CDs, DVDs, toys, video games – at knock-down prices. Close to 90 pallets filled with products were sold, resulting in a collection of €135,207. These funds will allow Secours Populaire to offer vacation days to disadvantaged families as part of its vacation program, "Campagne Vacances."

Again in partnership with Secours Populaire, Fnac Darty was involved for the sixth consecutive year in Pères Noëls Verts (Green Santas): "so that Santa doesn't forget anybody!" Once again, customers of several Fnac stores in the Paris region were encouraged to donate new presents, such as books, toys and other gifts, to go into the sacks of the Green Santas. Thanks to the collection, more than 800 gifts brightened up Christmas for children in precarious situations.

As a partner of Envie since 1984, Darty has continued to donate to the workplace integration company, as well as to Emmaüs, nearly half of the large domestic appliances collected by its retailers (see also section 2.2.3.2 of this Universal Registration Document). A partner of Ateliers du Bocage (ADB), Fnac Darty also donates its used ink cartridges every year to this socially responsible enterprise, a member of Emmaüs (see also section 2.2.4.1 of this Universal Registration Document).

Lastly, Fnac Darty partnered with AIDES two years ago, the largest AIDS and hepatitis NGO in France and Europe, at the launch of their annual digital event: #fetelamour. Fnac Darty has enabled AIDES to improve the visibility of its event and the messages brought to the general public by the NGO, through the dissemination of HIV prevention and awareness messages in its stores, on its e-commerce sites and its L'Éclaireur media.

2.7 / Methodology note

The Non-financial Performance Declaration (*Déclaration de Performance Extra-Financière* or "DPEF") is drafted by the Group's CSR Department, who coordinates the reporting of non-financial data. This data comes from the departments concerned (Human Resources, Logistics, Maintenance, Purchasing, etc.) in France and the other countries in which the Group operates.

The data is entered into a reporting tool by business line contributors, making the collection, monitoring and management of performance indicators easier. The reporting methodology is set out in a protocol that is updated each year and sent to contributors when the reporting campaign begins.

All published figures are subject to several consistency checks, done both in-house and externally (by an independent third party).

The Non-financial Performance Declaration (DPEF) requires companies to describe their most significant non-financial risks, and set out their business model, incorporating the CSR risks and issues deemed to be priorities. To this end, in 2022, in collaboration with a firm of experts, the CSR Department engaged in extensive consultation with internal and external stakeholders to identify the key non-financial risks and related challenges. The resulting materiality matrix is based on the results of more than 2,000 responses from qualitative and quantitative surveys as well as on the Group's risk mapping. These key risks and challenges were presented to and validated by the Executive Committee, before being used as a basis for discussion with all departments concerned in order to identify the most relevant indicators to summarize the Group's non-financial performance.

Each year, the Group seeks to extend the reporting scope and relevance of the performance indicators it monitors. As a result, the indicators adopted in 2023 cannot always be compared with the previous year, as the data is not available.

Certain information requested in connection with the DPEF was deemed to be of little significance. Therefore, in light of the Group's business sector, the following information will not be published: "Means of combating food insecurity and waste [(1)], and promoting respect for animal welfare and responsible, equitable and sustainable food." Furthermore, the link between the nation and its armed forces was not considered material in this DPEF, but the Group complies with Article L. 3142-89 of the French Labor Code.

This document has been audited by an independent third party (ITP) whose conclusions are presented at the end of the chapter.

Reporting scope

Unless specified, the scope covers all subsidiaries of the Group.

In view of their independence, franchises are excluded from the scope of publication. However, they are partially incorporated into CO_2 emissions reporting.

Data is collected for the previous calendar year, from January 1 to December 31. If the full-year data is not available, the reporting period may be shifted, but will still cover a genuine period of twelve consecutive months, in order to take into account the seasonality of the Company's activity.

Methodological specifications for social data

The scope of consolidation corresponds to all legal companies whose employees are included in the dedicated human resources information system. Therefore, Fnac Appro Groupe and stores in train stations or airports are excluded. The scope of the coverage corresponds to 97.49% of the workforce of the financial consolidation.

As they are independent, the workforce of franchises are also excluded.

The "Frequency rate of workplace accidents with stoppage time" and the "Workplace accident severity rate" indicators are published at Group level, other than for Nature & Découvertes, owing to different calculation methods. This means that all entities calculate this rate over the hours actually worked, whereas Nature & Découvertes calculates it on theoretical working hours.

Methodological specifications for environmental data

The scope of consolidation corresponds to all of the Group's operating subsidiaries, with the exception of WeFix and BilletReduc. The impact of this exclusion is considered relatively minor owing to the limited floor area they occupy and the low number of flows involved.

When calculating the Group's total floor area, the stores that closed in 2022 or opened after June 30, 2022 are excluded from the reporting scope.

In view of their independence, franchises are excluded from the scope of publication. However, they are partially recognized in Fnac Darty's carbon footprint, as they benefit from the Group's goods flows (B2B and B2C) and the carbon impact of the products distributed includes the products sold by the franchised stores.

Any other exclusion from the reporting scope is indicated and explained in the relevant sections.

Greenhouse gas emissions data

As part of its process of continuous improvement, Fnac Darty improves the measurement and monitoring of its emissions of direct and indirect greenhouse gases (GHGs) every year. However, this approach requires corrections and therefore recalculations in order to ensure that periods can be compared. For this reason, reported GHG data may vary compared to the reported data in previous Non-financial Performance Declarations. Any significant adjustments are shown under the data concerned.

(1) Except Nature & Discoveries (see section 2.2.3.2 of this Universal Registration Document).

The operational scope of emissions includes scopes 1, 2 and 3 established in the GHG Protocol:

Category	Description
Scope 1	direct emissions from fixed and mobile sources
Scope 2	indirect emissions related to consumption of electricity, heat and cooling from a network
Scope 3	other indirect emissions

The Group relies on the GHG Protocol guides to record its GHG emissions. The selected unit is the equivalent CO_2.

The emission factors used to calculate GHG emissions are primarily those recommended by Ademe in the "Base Carbone" database (last available figures). Other sources are also used for certain specific items: International Energy Agency, DEFRA, Association of Issuing Bodies (AIB), EcoInvent.

As far as possible, the Group measures its GHG emissions based on activity data (kilometers traveled, liters of fuel consumed, open surface areas, etc.). However, as a last resort, monetary emission factors may be used – this is the case for certain non-current assets and indirect purchasing of goods and services intended for operations (indirect purchases).

GHG emissions are estimated with a margin of error, linked to the uncertainties of the emission factors and certain non-exhaustive activity data, which require extrapolation. This is the case in particular for indirect emissions (e.g. in items such as purchases of goods and services, non-current assets, franchises or commuter travel).

Scope 1: 100% of emissions reported – low uncertainty level

Fnac Darty's direct greenhouse gas emissions come from gas and oil consumption at the Group's various sites, from the fuel consumption of the Group's fleet vehicles, and from refrigerant gas leaks.

Category	Methodology
Direct emissions from fixed sources of combustion	Emissions associated with the gas, biogas and fuel oil consumption of the Group's various sites are calculated on the basis of specific data provided by suppliers using relevant emission factors (combustion phase – scope 1 – Base Empreinte®).
Direct emissions from mobile sources of combustion	GHG emissions associated with the fuel consumption of last-mile delivery vehicles, vehicles used by after-sales technicians conducting home service calls and service and company vehicles, are calculated on the basis of specific data, expressed in liters of petrol or diesel or in kilogram of gas consumed, using relevant emission factors (combustion phase – scope 1 – Base Empreinte®).
Direct fugitive emissions	Emissions associated with refilling refrigerant gas in relation to gas leaks are calculated on the basis of specific data supplied by service providers, using relevant emission factors (scope 1 – Base Empreinte®).

Scope 2: 100% of emissions reported – low uncertainty level

Fnac Darty's indirect greenhouse gas emissions come from electricity consumption and energy supplied by the heating networks of the Group's various sites.

Category	Methodology
Electricity	Electricity consumption is monitored centrally via remote reading and a monitoring platform (in France). GHG emissions associated with electricity consumption have been quantified according to market-based and location-based methods since 2020. Fnac Darty has chosen the market-based method to monitor its performance, in particular its responsible purchasing policy. Emissions related to market-based electricity are calculated on the basis of the emission factors provided by the Group's various electricity suppliers. If these are not available, the calculation is based on the supplier's production capacity mix; the consumption associated with each energy source is then multiplied by the Base Empreinte® emission factors specific to each energy. If neither the emission factors nor the supplier's mix are available, Fnac Darty uses the residual mix (source AIB), in accordance with the recommendations of the GHG Protocol. Fnac Darty mainly uses guarantee of origin (GO) purchases for its electricity from renewable sources. In France, these GOs are acquired as part of a Corporate Power Purchase Agreement, directly from the operator of a photovoltaic power plant that was built in 2022 and has been operational since April 2023. In Belgium, Spain, Switzerland and Portugal, the GO purchases guarantee that the electricity originates from wind, hydraulic and solar power. CO_2 emissions relating to upstream phases and losses are accounted for in scope 3 under "Fuel- and energy-related emissions".
Heating and cooling networks	Some of the Group's sites are connected to municipal heating and cooling networks. The associated energy consumption is multiplied by the emission factors specific to these networks (scope 2 – Base Empreinte®).

Scope 3 – Other indirect emissions – high uncertainty level

The methodology used to assess the carbon footprint is that developed by the GHG Protocol.

Certain categories are not applicable or are deemed not to be significant for the Group. This is the case for upstream and downstream leased assets, investments, process emissions and product transformation.

Source of emissions	Methodology
Products and services purchased	The manufacturing of new products sold by the various subsidiaries is measured on the basis of the volume of products sold by the Group and primarily of unit emission factors from Base Empreinte® or EcoInvent. In the absence of a unit emission factor, the calculation is made based on the weight of the product and its main material/component, and the emission factors associated with these materials. Emissions associated with the manufacture of products sold by Nature & Découvertes in 2023 have been estimated by extrapolation from the volume of products sold, based on the full carbon footprint established in 2020.
Of which indirect purchasing	Based on the mapping of indirect purchasing in France, this was calculated primarily on the basis of the monetary ratios method (Base Carbone database).
Fixed assets	Using actual data for 2023, this item was estimated based on the emission factors of the Base Carbone database for Fnac Darty France. For subsidiaries abroad and Nature & Découvertes, emissions are extrapolated based on the open surface areas for capitalized buildings and the change in revenue for other items. In accordance with the methodology of the GHG Protocol, goods purchased or leased (over the long-term) during the reporting year are recognized, and not amortized.
Fuel- and energy-related emissions	The methodology used is the same as for scopes 1 and 2, but the emission factors are specific to emissions generated by other phases of the energy or fuel life cycle (source: Base Empreinte®).

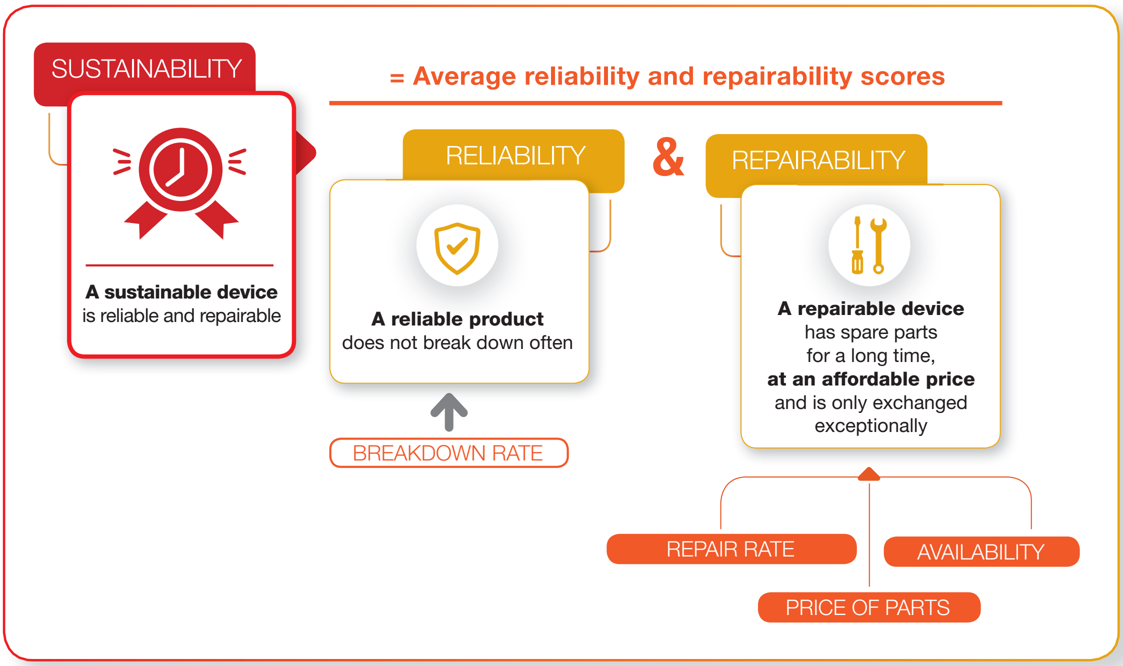
Source of emissions	Methodology
Upstream transportation of goods	GHG emissions related to the flows of goods between suppliers and the Group's warehouses are estimated based on the country of origin (actual data and assumptions) by product category, and the distance to travel between the country of manufacture and France. The associated emissions are calculated based on the emission factors from Base Empreinte®. Emissions associated with the upstream transportation of products sold by Nature & Découvertes in 2023 were estimated by extrapolation from revenue, based on the full carbon footprint in 2020. GHG emissions related to the flows of goods between the Group's warehouses, stores and logistics sites (after-sales service workshops), or the dispatch of spare parts to the after-sales technical units or of faulty products to the workshops are calculated using various methods, based on the input data available for each flow and in each subsidiary: ■ based on GHG data supplied by transport service providers; ■ based on fuel consumption, multiplied by the relevant emission factors (Base Empreinte®); ■ based on the distance traveled by type of truck: the distances traveled are related to the average consumption of the various vehicles used (source: Ademe) then the liters consumed are multiplied by the relevant emission factors (Base Empreinte®). In 2023, the Fnac Darty France data history was restated to integrate inter-warehouse flows and flows to subsidiaries' warehouses.
Waste generated	For French sites with a waste monitoring tool, based on volumes entrusted to waste treatment providers, associated GHG emissions have been calculated based on emission factors from the Base Empreinte® database. For sites that do not have this tool (sites located in shopping malls or sites that depend on collections performed by local authorities), the emissions were estimated by extrapolation (by ratio to revenue for stores and to the number of annual deliveries for delivery platforms). In other subsidiaries, including Nature & Découvertes, emissions are estimated based on actual data and emission factors from Base Empreinte®. Excluded in 2023: recovered plastic at Nature & Découvertes and non-recoverable waste in Switzerland.
Business travel	The Group relies on the annual report of GHG emissions provided by travel agencies. The means of transportation for business travel are train, airplane, and business and rental vehicles. Currently excluded: journeys made by rental car. The Group is working to improve the traceability and integration of this source of emissions.
Employee commutes	Commuting-related GHG emissions in 2023 were calculated based on data from a survey of 4,256 employees, i.e. nearly 18% of the workforce of Fnac Darty France, Fnac Spain, Portugal and Switzerland and Fnac Vanden Borre Belgium. The answers were then extrapolated to all employees in France of the various entities and subsidiaries. The Group cross-referenced the distance data with the theoretical number of days worked per year per employee and the number of days reported as working from home, and then with the modes of transport indicated by the respondents. The emission factors used are taken from Base Empreinte®. Emissions related to Nature & Découvertes employee travel are calculated quarterly based on a field survey conducted by the Green Networks.
Downstream transportation of goods and retail	In order to refine the calculation of its GHG emissions related to the dispatch of packages, Fnac Darty has been using the GHG assessments of its various transport providers to calculate this emissions item since 2020. These assessments are reported based on the number of packages entrusted to these service providers and on the average weight of the packages. This information is used to obtain emission factors specific to each supplier, in kilograms of CO_2 equivalent emissions per kilogram of package. For service providers who are unable to provide GHG assessment results, Fnac Darty applies the emission factor of the carrier with the most similar logistics and fleet. Within the scope of Fnac Darty France, the calculation methods of two major carriers changed in 2023 and will require a restatement of historical data. For 2023, the emission factors for 2022 were applied. In Belgium and Switzerland, the emission factor used is that communicated by the main carrier (representing more than 90% of the volumes transported). In Spain and Portugal, the emission factor for a package dispatched by standard delivery to France is used by default. For the dispatch of large products (mainly large television sets) by the subsidiaries Fnac Spain, Fnac Portugal and Fnac Switzerland: the default emission factor used is for shipping a TV set by the service provider used to ship this type of product in France. Returned packages are not taken into account in this emissions item, owing to the negligible proportion they represent.

Source of emissions	Methodology
Use of products sold	Based on the number of products sold, emissions are calculated on the basis of assumptions regarding the life span and annual consumption of products and the relevant emission factors from the Base Empreinte® database. Emissions associated with the use of products sold by Nature & Découvertes were estimated by extrapolation, based on the full carbon footprint in 2020.
End of life of products sold	Based on the type of waste associated with each product, emissions are calculated using the relevant emission factors from the Base Empreinte® database. Emissions associated with the end of life of products sold by Nature & Découvertes in 2021 and 2022 were estimated by extrapolation, based on the full carbon footprint in 2020.
Franchises	For franchises, in accordance with the GHG Protocol, the emissions taken into account concern scope 1 and 2 emissions: indirect emissions related to electricity consumption and emissions related to refrigerant leakages. These emissions are estimated based on the emissions per square meter of integrated stores. Other emissions related to franchises are included in the Group's carbon footprint, since they benefit from the Group's goods flows (B2B and B2C) and because the carbon impact of the products distributed includes the products sold by the franchised stores.
Customer travel	Although optional in the GHG Protocol, GHG emissions related to customer travel to stores are estimated by the Group because they are deemed material. The movements of all visitors are recognized, regardless of whether or not they go to the checkout. This item has been estimated based on actual data on the number of in-store visitors and on assumptions regarding means of transport (source: INSEE) and travel distances depending on the location of the store. French data is deemed to represent the behavior of other countries.

Detailed methodology for certain KPIs

Sustainability score

Fnac Darty's sustainability score is an internal indicator, introduced in 2020 at the Assises de l'économie circulaire (Circular Economy Conference) organized by Ademe. A benchmark score was combined with a reference year (100 in 2019) to measure year-on-year growth. This is a composite indicator, broken down as follows:



Repairability is determined from the proportion of repaired products versus exchanges (repair rate), taking into account the stated availability of spare parts and their price (average price of parts purchased by the Darty after-sales service during the period).

Reliability comes from analyzing the volume of faulty products (in years 1 and 2) compared to sales volumes (breakdown rate). This is therefore the ability of a product to operate normally without breakdown. This information relates more to the product itself than to the technicians' expertise.

In both cases (reliability and repairability), data are collected by the Fnac Darty after-sales service and analyzed internally.

In order to reflect the actual sustainability its of products as closely as possible, the Group is changing its calculation methods, either to extend the range of products covered or to correct bias [1]. The measurement of these indicators is still a new area; the Group is therefore working to improve its calculation methods each year. However, in order to maintain comparability with the previous year, a corrective coefficient is applied to the overall score for year N.

Therefore, in 2023, maximum availability periods for spare parts were fine-tuned at store level, so that they more accurately reflect the reality of the situation on the ground.

The new maximum availability periods for spare parts, on which the repairability score is based, are as follows:

- 15 years for large domestic appliances;
- 7 years for sound, telephony and other connected objects;
- 10 years for all other product ranges.

In addition, second-life products were excluded from the sustainability score. Due to their age, these products experience a higher breakdown rate and cannot therefore be compared to new products. The Group works to reintroduce them, taking into account the first life of the product.

Further adjustments are planned for 2024 as part of the drive for continuous improvement. The Group intends to show greater transparency in the methodological changes associated with this calculation.

Number of products repaired

Change in scope of the number of products repaired

This composite indicator is a consolidation of the volumes of products repaired by the Group. In 2023, both the definition of a "repair" and the scope of the reporting sectors were clarified, in order to better reflect the comprehensive nature of the action the Group is taking.

Repairs are considered to be any intervention that results in a broken appliance becoming fully operational again. The breakdown may be total (the appliance no longer starts), or partial (leak, deterioration in performance, etc.). Any repair to which the Group has made a contribution is within scope.

Several sectors are involved in product repairs; the total number of products repaired is the sum of the products repaired by each sector.

- Products repaired **remotely** (a): the customer can contact a call center, where the breakdown is diagnosed and the customer repairs the appliance themselves under guidance from the call center, given over the phone or by email or video conference. Repairs may be necessary due to a lack of maintenance, a software problem, a simple malfunction, etc.
- Products repaired **in stores** (b): customers can bring their faulty products to a store. Here, the product is examined and some breakdowns are resolved immediately: software problems, accessory replacement, simple troubleshooting that does not require spare parts, etc. This figure also includes urban mobility products repaired at our in-store Repair & Run corners.
- Products repaired **at home** (c): for larger appliances (large domestic appliances, televisions), a technician travels to the customer's home to carry out the repair, if the malfunction cannot be resolved remotely. All types of repairs can be carried out this way: simple troubleshooting, software update or configuration, replacement of defective parts, etc.
- Products repaired in the **central workshop** (d): for smaller products (small domestic appliances, sound, multimedia, etc.), if the fault could not be resolved remotely or in store, the appliance is sent to one of the Group's five referral and repair centers to be looked at by a technician. All types of repairs can be carried out this way: simple troubleshooting, software update or configuration, replacement of defective parts, etc.
- Telephones repaired by **WeFix** (e): a customer may bring their broken or malfunctioning smartphone to one of the WeFix local repair points. It is then examined and repaired by a technician. Although many types of repairs are carried out, the majority relate to replacement batteries and/or screens.
- **Self-repair** (f) and sale of spare parts: having done their own online research, for example using resources provided by the Group on the after-sales service community website, a customer may repair their own appliance. As it is impossible to estimate the actual number of self-repairs carried out using resources provided by the Group, only spare parts sold in stores are taken into account in this section. In fact, here, the salesperson uses their knowledge of the Group to help the customer confirm the diagnosis and identify the exact serial number of the spare part required.
- Telephones **reconditioned by WeFix** (g): in addition to its repair activities for customers, WeFix also repairs and reconditions old phones before reselling them either through the WeFix network or within the Fnac and Darty brands.

(1) *Further information on the calculation methodology for this indicator is available in the methodological note in section 2.7 of this Universal Registration Document.*

- Products **reconditioned by Envie** (h) from collections made by Fnac Darty: if a customer wants to replace an old product with a new product, the Group's delivery teams collect the old product and assess its condition in order to decide whether to send it to a recycling plant, or try to refurbish and recondition it. In this case, the product is handed over to the social and solidarity economy organization Envie, where it is reconditioned and put back on the market through Envie's own distribution network. In the absence of tracking for each product, the number of products repaired and reconditioned in this sector is estimated on the basis of the volume of products handed over to Envie and a reconditioning rate.
- **International** (i): repairs are also carried out in other countries where the Group operates: Spain/Portugal (central workshops, stores and PC Clinik); Switzerland (a central workshop); Belgium (products repaired remotely, in stores, at home and in workshops).

The 2019 year of reference includes the following categories: (a) + (b) + (c) + (d) + (e).

Change in method of collecting data on remote repairs

To date, the number of remote repairs has been assessed on the basis of a proportion of the total number of calls for technical support. The implementation of improved procedures to ensure better traceability of remote repairs carried out in this context provides a more accurate overview. As a result, all remote repairs traced in the CRM tools by remote customer call centers are now included in this scope.

2023 repair summary

Volume of repairs *(in millions)*	2022	2023
France (after-sales service, stores, customer services, etc.)	2.0 [a]	2.2
Other countries	0.3 [b]	0.3
TOTAL	**2.3 [C]**	**2.5**

(a) Data for 2022 has been amended compared to the data reported in URD 2022, due to the fact that its scope has been expanded: products reconditioned by Envie, products repaired by Repair & Run corners, telephones reconditioned by WeFix, self-repairs and sales of spare parts and the restatement of data on call center repairs following the change in methodology outlined in the above paragraph "Change in method of collecting data on remote repairs".

(b) The 2022 data is taken from the actual data collected from the various countries in which the Group operates.

(c) The 2022 data was restated in order to be comparable to the 2023 data.

Projects in the pipeline for 2024

The significant work carried out in 2023 to improve the traceability of repairs will continue in 2024. In particular, the Group will continue to develop technical means of tracking each repair in its IT tools, so as to provide comprehensive information across all customer contact channels and repair sectors.

Methodology used to measure the emissions avoided by repairs

To date, there are no Product Category Rules for evaluating repair activities and the associated environmental impacts. The methodology developed is based on the requirements of ISO 14067 and 14064-1, and takes into account the methodological recommendations issued by Ademe.

For each repair service, the study takes a comparative approach, which compares a reference scenario to a project scenario, and a life cycle approach, which enables the emissions from a product or service to be taken into account throughout its life cycle.

Assumptions

The main assumption of the study is that having their device repaired at the end of its first life means that consumers will not buy a new version of the same device.

Another important assumption is that repairs covered by the manufacturer's guarantee are excluded from the study.

The tool uses a stock cut-off approach.

"First life" spans are based on the useful life provided by ADEME in its study on the economic and environmental assessment of extending the useful life of capital goods.

In the absence of a standard for assessing the length of a product's "second life" (after repair), the assumption is that the second life is equal to half of the first life (this assumption is consistent with the customer surveys conducted by Fnac Darty as part of its annual "After-Sales Service Barometer" survey).

Description of the steps included within the scope of the study

- Production of new equipment: includes the raw materials extraction, transportation and assembly to finished product processes.
- Transportation from the country of production to the warehouse.
- Distribution to the end customer: includes transportation by truck from the Fnac Darty warehouse to the customer's home for online shopping or to the store for in-store sales. Customers' travel to the stores is also taken into account in this stage.
- Use: includes the appliances' energy consumption throughout their first or second lives. The new version of the tool includes an assumption that improved performance would be obtained by purchasing a new product instead of repairing the old one.
- End of life: collection, sorting and processing of the product in a conventional facility after use.
- Repair: includes all the steps required to repair a faulty appliance (logistics of returning products, production of spare parts and accessories, transportation of spare parts, energy for tests and repairs, etc.). These steps vary depending on the type of repair.

Calculation of avoided emissions

The emissions avoided by the Fnac Darty service reflect the difference between:

- emissions in a reference scenario in which a device that has reached the end of its first life is discarded and replaced by a new device;
- the emissions from a Fnac Darty scenario in which the appliance is not discarded but repaired by Darty, with or without using a spare part.

Emissions factors

Given the activity under review takes part in France, the majority of the emissions factors, whether for the production of new appliances, transportation methods or energy used, are taken from the ADEME Base Carbone database.

Limits

- The emissions factor associated with the manufacture of spare parts is highly significant to the results of the study. However, some of the data on spare parts is still incomplete, in particular the breakdown of the weight of components by material. It would be interesting to determine this composition in order to be able to further improve the spare parts emissions factor (if a spare part is composed of two materials, this study attributes an arbitrary 50/50 breakdown).
- The major assumption behind this methodology is based on the length of the product's second-life, which cannot be confirmed by bibliographical data.

Volumes of WEEE collected in tons

WEEE is collected either directly from the customer's home address in the case of large domestic appliances or by the customer dropping them off in store in the case of small domestic appliances. Drop-off or collection are not conditional on a purchase having been made beforehand.

In France, tonnage is calculated by weighing at the Ecosystem collection or processing center or the ESS, or if scales are available at the collection point or on the collection vehicle.

These volumes include all EEE equipment (electrical and electronic equipment): large domestic appliances (LDA) both cold and non-cold, mixed small appliances (MSA) and screens (from seven inches).

2.8 / Summary of non-financial performance and Taxonomy appendices

Summary table of non-financial indicators

The figures shown are in current scope and Group scope (unless otherwise specified).

Sustainable consumption

Indicators		2022	2023	Section
SUSTAINABILITY OF PRODUCTS SOLD				
KPI: Sustainability score *(Fnac Darty France scope)*	Unit	115	118	2.2.1.1
REPAIR				
KPI: Number of products repaired	Number	2.3	2.5	2.2.2
KPI: Number of Darty Max subscribers	Number	c. 800,000	c. 1,125	2.2.2.1
PURCHASING OF PACKAGING AND WASTE				
KPI: Volumes of packaging (cardboard and plastic) consumed/revenue	Tons/€ million	0.6	0.5	2.2.4.1
KPI: Volumes of WEEE collected/revenue	Tons/€ million	5.5	5.4	
Volumes of electrical and electronic waste collected	Tons	44,285	42,103	
Volumes of electrical and electronic waste collected in tons (Fnac Darty France scope)	Tons	40,258	37,961	
Volumes of recoverable waste generated and entrusted to recycling providers	Tons	9,133	9,200	
Volumes of non-recoverable waste	Tons	4,280	3,827	
KPI: Waste recycling rate *(tons of waste recycled/total tons of waste)*	%	68.1%	70.6%	

Climate

Indicators		2022	2023	Section
CARBON FOOTPRINT				
Total scope 1 emissions	kt CO_2eq	19.6	16.8	2.3.3.1
Total scope 2 emissions	kt CO_2eq	2.1	0.9	
Total scope 3 emissions	kt CO_2eq	3,528.7	3,382.2	
Products and services purchased	kt CO_2eq	2,177.1	2,124.0	
Fixed assets	kt CO_2eq	31.3	23.9	
Fuel- and energy-related emissions – MB	kt CO_2eq	6.9	6.3	
Upstream transportation of goods	kt CO_2eq	72.1	69.3	
Waste generated	kt CO_2eq	102.2	93.3	
Business travel	kt CO_2eq	0.8	1.0	
Employee commutes	kt CO_2eq	39.9	35.1	
Downstream transportation of goods and retail	kt CO_2eq	14.1	12.9	
Use of products sold	kt CO_2eq	1,059.1	992.7	
End of life of products sold	kt CO_2eq	23.5	22.4	
Franchises	kt CO_2eq	1.7	1.2	
Total carbon footprint	kt CO_2eq	3,550.5	3,400.0	
Customer travel	kt CO_2eq	*481.6*	*526.9*	
INDICATORS MONITORING TARGETS FOR REDUCING EMISSIONS RELATING TO ENERGY CONSUMPTION AND TRANSPORTATION				
CO_2 emissions generated by site transportation and energy	kt CO_2eq	68.2	60.6	2.3.3.1
of which scope 1	kt CO_2eq	*18.3*	*16.8*	
of which scope 2 – market-based	kt CO_2eq	*2.1*	*0.8*	
of which scope 3	kt CO_2eq	*47.8*	*43.0*	
CO_2 emissions from transportation and energy from sites by revenue	kt CO_2eq	8.6	7.7	
ENERGY				
Energy consumed	GWh	214	188	2.3.3.2
of which electricity	GWh	*185*	*162*	
of which gas	GWh	*25.2*	*22.8*	
of which heating and cooling networks	GWh	*3.3*	*3.5*	
Fuel consumed	GWh	*0.3*	*0.2*	
Share of renewable energy in electricity purchases	%	47%	51%	
Percentage of renewable energy in electricity purchased in France	%	30%	34%	
Energy consumption of sites by surface area	kWh/sq.m	111	97	
Fugitive emissions (leakage of refrigerants)	kt CO_2eq	2.1	1.0	
CO_2 emissions generated by electricity consumption *(market-based)*	kt CO_2eq	2.0	0.7	
CO_2 emissions generated by electricity consumption *(location-based)*	kt CO_2eq	16.7	13.7	
CO_2 emissions generated by sites per square meter *(market-based)*	kg CO_2eq/sq.m	7.5	5.5	
CO_2 emissions generated by energy consumed by sites *(market-based)*	kt CO_2eq	12.6	9.2	
CO_2 emissions generated by energy consumed by sites *(location-based)*	kt CO_2eq	29.4	23.7	
CO_2 emissions generated by sites per square meter *(location-based)*	kg CO_2eq/sq.m	17.6	14.3	

Indicators		2022	2023	Section
TRANSPORTATION OF GOODS BETWEEN WAREHOUSES AND STORES				
CO_2 emissions generated by transportation of goods between warehouses and stores	kt CO_2eq	22.7	19.6	2.3.3.3
KPI: CO_2 emissions generated by transportation of goods to stores, by pallet	kg CO_2eq/pallet	14.2	12.7	
LAST-MILE DELIVERY				
CO_2 emissions generated by last-mile delivery transportation	kt CO_2eq	13.7	12.5	2.3.3.3
KPI: CO_2 emissions generated by last-mile delivery, per delivery	kg CO_2eq/delivery	6.7	7.1	
AFTER-SALES SERVICE CALLS				
CO_2 emissions generated by home after-sales service calls (including dispatch of spare parts)	kt CO_2eq	6.1	6.4	2.3.3.3
KPI: CO_2 emissions generated by after-sales service travel/service calls	t CO_2eq/service call	7.2	7.4	
CO_2 emissions generated by products for repair traveling to after-sales service workshops	kt CO_2eq	2.1	2.1	
KPI: CO_2 emissions per product sent to the after-sales service workshops	kg CO_2eq/product	3.0	2.8	
E-COMMERCE				
CO_2 emissions related to the shipping of parcels [(a)]	kt CO_2eq	7.2	6.6	2.3.3.3
KPI: CO_2 emissions generated by parcels [(a)]	kg CO_2eq/parcel	0.49	0.47	
BUSINESS TRAVEL				
CO_2 emissions related to business travel [(b)]	kt CO_2eq	3.8	4.2	2.3.3.3
Business travel (scope 1 and 3 GHG emissions ✓) [(b)]	kg CO_2/employee	155	173	
PRODUCTS SOLD				
Total Product Emissions	kt CO_2eq	3,234	3,104	2.3.3.4
of which manufacturing	kt CO_2eq	*2,063*	*2,007*	
of which upstream transportation	kt CO_2eq	*88*	*82*	
of which use	kt CO_2eq	*1,059*	*993*	
of which product end of life	kt CO_2eq	*24*	*22*	
Carbon intensity by revenue	t CO_2eq/€bn	*0.41*	*0.40*	

(a) Within the scope of Fnac Darty France, the calculation methods of two major carriers changed in 2023 and will require a restatement of historical data. For 2023, the emission factors for 2022 were applied.

(b) Excluding rental car consumption. Within the scope of Fnac Darty France, the 2022 figure was restated as a result of duplications observed in fuel consumption data for the fleet of company and service vehicles.

Human capital

Indicators		2022	2023	Section
EMPLOYEES AND ORGANIZATION OF WORK				
Workforce as at 12/31 *(fixed-term + open-ended contracts, on a like-for-like basis)*	Employees	25,175	24,113	Intro section 2.4
Workforce as at 12/31 – of which France	Employees	*18,997*	*18,205*	
Average headcount *(in FTE)*	FTE	23,231	22,589	
Percentage of open-ended contracts *(Group)*	%	87.7%	89.1%	
Proportion of temporary workers *(from fixed-term contract + open-ended contract + temporary employees)*	%	12.9%	12.3%	
Average seniority of employees on open-ended contracts	Years	12.8	13.3	
Average age of employees on open-ended contracts	Years	40.9	41.1	
Proportion of full-time workers *(from employees on open-ended contracts)*	%	83.9%	84.6%	
Proportion of managers *(from employees on open-ended contracts)*	%	24.7%	25.5%	
Number of permanent employees recruited (excluding acquisitions)	Employees	4,023	3,584	
Number of departures of permanent employees (excluding disposals)	Employees	4,787	4,261	
GENDER EQUALITY				
Gender equality index (consolidated)	Unit	87	88	2.4.2.2
Percentage of women in the total workforce	%	38.3%	38.7%	
Percentage of manager-level women in the workforce	%	37.6%	38.9%	
Percentage of female store managers	%	23.6%	26.2%	
Percentage of women on the Board of Directors (excluding employee Directors)	%	55%	50%	
KPI: Proportion of women in Group Leadership roles	%	30.3%	33.2%	
KPI: Percentage of women on the Executive Committee	%	46.2%	41.7%	
KPI: Proportion of women granted at least one individual raise during the year	%	15.8%	40.8%	
Proportion of men granted at least one individual raise during the year	%	14.3%	39.9%	
Proportion of employees with disabilities *(on open-ended contracts)*	%	5.2%	5.0%	2.4.5.2
Percentage of people with disabilities newly recruited under open-ended contracts	%	1.8%	1.5%	
Proportion of employees on open-ended contracts who are over 50 years of age	%	26.8%	27.6%	2.4.2.3 and 2.4.2.4
Proportion of employees on open-ended contracts who are under 26 years of age	%	11.3%	12.2%	
Number of work-study participants	Employees	1,443	1,391	

Indicators		2022	2023	Section
TRAINING				
Proportion of employees receiving in-classroom training over the year compared to total number of employees	%	60.9%	56.5%	
Percentage of total headcount trained via classroom programs or remotely during the year	%	94.3%	94.3%	
Average number of training hours per employee trained via classroom programs	Hours	14.4	20.8	2.4.3
Share of payroll allocated to training	%	2.9%	2.7%	
KPI: Number of training hours (across all formats) per employee trained	Hours	14.9	17.5	
HEALTH AND SAFETY				
Number of employees trained in safety	Employees	15,267	13,787	
Total number of hours of safety training	Hours	47,779	50,752	
KPI: Frequency rate of accidents with stoppage time *(excluding Nature & Découvertes)*	Number	29.7	26.7	
KPI: Severity of accidents with stoppage time *(excluding Nature & Découvertes)*	Number	2.0	2.2	2.4.4
Frequency rate of accidents with stoppage time *(Nature & Découvertes)*	Number	7.6	12.9	
Severity of accidents with stoppage time *(Nature & Découvertes)*	Number	0.5	0.4	
Frequency rate of workplace and travel-related accidents with stoppage time *(excluding Nature & Découvertes)*	Number	37.3	32.8	
Severity of workplace and travel-related accidents with stoppage time *(excluding Nature & Découvertes)*	Number	2.3	2.6	
ABSENTEEISM				
Overall absenteeism	%	7.8%	6.6%	2.4.4
KPI: Absenteeism due to sickness	%	5.4%	4.9%	
COMMITMENT				
Employee recommendation rate [a]	%	74.7%	72.3%	2.4.5
Staff turnover	%	20.0%	18.3%	

(a) Proportion of employees giving a recommendation score of between 7 and 10 on a scale ranging from 0 to 10.

Business ethics

Indicators		2022	2023	Section
WARNING MECHANISM				
Number of ethical alerts received and handled by the outsourced warning mechanism	Number	78	45	2.5.8
VIGILANCE PLAN: SOURCING OF OWN-BRAND PRODUCTS AND PRODUCTS UNDER LICENSE				
Number of active plants *(Group scope excluding Nature & Découvertes)*	Number	192	174	2.5.4.2
Number of plants audited *(Group scope excluding Nature & Découvertes)*	Number	78	85	
Number of unannounced audits	Number	36	49	
Number of supervisory audits of controllers	Number	37	55	
Number of supervisory audits deemed compliant	%	100%	100%	
KPI: Percentage of factory audits whose score is deemed to be average or compliant *(Fnac Darty)*	%	92.3%	89.3%	
Proportion of audited plants for which the result is deemed to be average or compliant *(Nature & Découvertes)*	%	78.0%	92.0%	
VIGILANCE PLAN: INDEPENDENT SELLERS ON MARKETPLACES				
Number of Marketplace sellers tested as part of quality monitoring	Number	3,300	1,325	2.5.4
SUPPLIER AND RESPONSIBLE PURCHASING RELATIONSHIPS				
Proportion of calls for tender incorporating CSR criteria on indirect purchasing	%	64.0%	83.0%	2.5.7 and 2.5.4.2
Proportion of contracts incorporating the Business Code of Conduct	%	60.0%	82.0%	
Proportion of purchases produced by Nature & Découvertes suppliers that have signed the Responsible Purchasing Charter	%	67.0%	76.1%	

Territories, culture and solidarity

Indicators		2022	2023	Section
SOCIAL AND CULTURAL DEVELOPMENT OF TERRITORIES				
Number of cultural events	Number	c. 7,000	c. 7,000	2.6.1
Number of stores opened	Number	46	43	2.6.2
DONATIONS AND SOCIALLY INCLUSIVE PROJECTS				
Total raised by socially inclusive initiatives across the Group	€ thousands	8,540	7,166	2.6.3
of which financial donations and donations in kind	€ thousands	*7,244*	*5,947*	
of which donations collected in-store and on commercial websites	€ thousands	*1,295*	*1,219*	
Total of Nature & Découvertes Foundation donations	€ thousands	586	498	

Taxonomy Appendices

Proportion of revenue from products or services related to economic activities aligned with Taxonomy – Information for year N

2023				Criteria for substantial contribution					
Economic activities (1)	**Code (2)**	**Revenue 2023 (3)**	**Proportion of revenue, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**
A. ACTIVITIES ELIGIBLE FOR TAXONOMY									
A1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (ALIGNED WITH TAXONOMY)									
6.4 – Operation of personal mobility devices, cycle logistics	CCM 6.4	42.9	0.5%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
5.9 – Material recovery from non-hazardous waste	CCM 5.9	0.8	0.0%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
Revenue from environmentally sustainable activities (aligned with taxonomy) (A1.)		**43.6**	**0.6%**	**0.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which enabling activities		*0.0*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
of which temporary activities		*0.0*	*0.0%*	*0.0%*					
A2. ACTIVITIES ELIGIBLE FOR TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT ALIGNED WITH TAXONOMY)									
3.5 – Manufacture of energy efficiency equipment for buildings	CCM 3.5	67.6	0.9%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
5.9 – Material recovery from non-hazardous waste	CCM 5.9	7.7	0.1%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
5.1 – Repair, refurbishment and reconditioning	CE 5.1	16.6	0.2%	N/EL	N/EL	N/EL	N/EL	YES	N/EL
5.2 – Sale of spare parts	CE 5.2	2.7	0.0%	N/EL	N/EL	N/EL	N/EL	YES	N/EL
5.4 – Sale of second-hand goods	CE 5.4	42.8	0.5%	N/EL	N/EL	N/EL	N/EL	YES	N/EL
5.6 – Marketplace for the trade of second-hand goods for reuse	CE 5.6	1.6	0.0%	N/EL	N/EL	N/EL	N/EL	YES	N/EL
Revenue from activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A2.)		**139.0**	**1.8%**	**1.0%**	**0.8%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
A. REVENUE FROM ACTIVITIES ELIGIBLE FOR TAXONOMY (A1. + A2.)		**182.6**	**2.3%**	**1.6%**	**0.8%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY									
Revenue from activities not eligible for taxonomy		**7,692.1**	**98%**						
TOTAL (A.+B.)		**7,874.7**	**100%**						

	Proportion of revenue/Total revenue	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM	0.6%	1.5%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.8%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

	Do No Significant Harm (DNSH) criteria									
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of revenue aligned with taxonomy (A1.) or eligible for taxonomy (A2.), year N-1 (18)	Enabling activity category (19)	Temporary activity category (20)
	YES	YES	YES	YES	YES	YES	YES	0.0%		
	YES	YES	YES	YES	YES	YES	YES	0.0%		
	YES	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**0.0%**		
	YES	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*0.0%*	*E*	
	YES	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*	*0.0%*		*T*
								0.0%		
								0.0%		
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								0.0%		
								0.0%		
								0.0%		
								0.0%		

Proportion of Capex resulting from products or services related to economic activities aligned with taxonomy – Information for year N

2023				Criteria for substantial contribution					
Economic activities (1)	**Code (2)**	**Capex 2023 (3)**	**Proportion of Capex, year N (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**
A. ACTIVITIES ELIGIBLE FOR TAXONOMY									
A1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (ALIGNED WITH TAXONOMY)									
Installation, maintenance and repair of instruments and systems for measuring, regulating and controlling buildings' energy performance	CCM 7.5	2.2	0.6%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	11.0	2.8%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
Capex of environmentally sustainable activities (aligned with taxonomy) (A1.)		**13.2**	**3.3%**	**2.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which enabling activities		*0.0*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
of which temporary activities		*0.0*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
A2. ACTIVITIES ELIGIBLE FOR TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT ALIGNED WITH TAXONOMY)									
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10.0	2.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Freight transportation by road	CCM 6.6	0.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	12.7	3.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	250.7	63.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capex of activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A2.)		**273.7**	**69.3%**	**72.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
A. CAPEX OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A1 + A2)		**286.9**	**72.6%**	**74.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY									
Capex of activities not eligible for taxonomy		**108.3**	**27.4%**						
TOTAL (A.+B.)		**395.2**	**100.0%**						

	Proportion of Capex/Total Capex	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM	2.5%	72.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Do No Significant Harm (DNSH) criteria									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Capex aligned with taxonomy (A1.) or eligible for taxonomy (A2.), year N-1 (18)	Enabling activity category (19)	Temporary activity category (20)
YES	YES	YES	YES	YES	YES	YES	0.1%		
YES	YES	YES	YES	YES	YES	YES	4.2%	E	
YES	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**4.3%**		
							0.0%	*E*	
							0.0%		*T*
							%		
							%		
							%		

Proportion of Opex resulting from products or services related to economic activities aligned with taxonomy – Information for year N

2023				Criteria for substantial contribution					
Economic activities (1)	Code (2)	Opex 2023 (3)	Proportion of Opex, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY									
A1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (ALIGNED WITH TAXONOMY)									
Opex of environmentally sustainable activities (aligned with taxonomy) (A1.)		0.0	0.0%						
of which enabling activities		*0.0*	*0.0%*						
of which temporary activities		*0.0*	*0.0%*						
A2. ACTIVITIES ELIGIBLE FOR TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (NOT ALIGNED WITH TAXONOMY)									
Opex of activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A2.)		0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
A. OPEX OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A1 + A2)		0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY									
Opex of activities not eligible for taxonomy		93.8	100%						
TOTAL (A.+B.)		**93.8**	**100%**						

	Proportion of Opex/Total Opex	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Do No Significant Harm (DNSH) criteria									
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Opex aligned with taxonomy (A1.) or eligible for taxonomy (A2.), year N-1 (18)	Enabling activity category (19)	Temporary activity category (20)
							0.0%		
							0.0%	*E*	
							0.0%		*T*
							0.0%		
							0.0%		

2

2.9 / Independent Third-Party Report by one of the Statutory Auditors on the verification of the Consolidated Non-financial Performance Declaration

Year ended December 31, 2023

To the General Meeting,

In our professional capacity as an independent third party appointed as Statutory Auditor of your company (hereinafter the "entity"), accredited by Cofrac under No. 3-1884 [(1)], we have conducted work for the purpose of delivering a justified opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) within the Consolidated Non-financial Performance Declaration, prepared in accordance with the company procedure (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and "Declaration," respectively), presented in the Group's Management Report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

We have also, at your request, conducted work to express a conclusion of reasonable assurance on the information selected by the entity and identified by the ✓ symbol.

Conclusion of moderate assurance

Based on the procedures we implemented, as described in the "Nature and extent of the work" section, and the evidence obtained, we have not identified any material anomalies likely to call into question the conformity of the Consolidated Non-financial Performance Declaration with the applicable regulatory provisions, and find that the Information, taken as a whole, is presented accurately and in accordance with the Guidelines.

Conclusion of reasonable assurance on a selection of non-financial information

In our opinion, the information selected by the entity and identified by the symbol3 in the Declaration has been established, in all its significant aspects, in accordance with the Guidelines.

Comment

Without questioning the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following observations:

- as mentioned in a methodological note, the method of evaluating the number of products repaired by call centers and the associated reporting was changed this year to improve monitoring of the indicator. The method of collecting and monitoring this information still needs to be improved.

Preparing the Non-financial Performance Declaration

The absence of a generally accepted and commonly used framework agreement or established practices upon which to evaluate and measure the Information allows for the use of different but acceptable measurement methods, which could affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the key elements of which are included in the Declaration (or available on the website or on request from the entity's head office).

Limitations inherent in the preparation of the Information

Information may be subject to uncertainty inherent to the very nature of scientific or economic knowledge and to the quality of the external data used. Certain data is sensitive to the methodological choices, assumptions and/or estimates used in order to produce it and which are presented in the Declaration.

The entity's responsibility

It is the responsibility of the management to:

- select or establish appropriate criteria for preparing the Information;
- draft a Declaration in accordance with the legal and regulatory provisions, including an overview of the business model, a description of the main non-financial risks, an overview of the policies in place with regard to these risks and the results of these policies, including key performance indicators and also the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- prepare the Declaration by applying the entity's Guidelines as mentioned above; and
- implement the internal controls it believes necessary for the preparation of Information that is free of material misstatement, whether as a result of fraud or error.

The Declaration has been prepared by the Board of Directors.

(1) Cofrac accreditation inspection, no. 3-1884, available from www.cofrac.fr.

The responsibility of the independent third party appointed as Statutory Auditor

Our role, on the basis of our work, is to deliver a justified opinion expressing a conclusion of moderate assurance on:

- the conformity of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code; and
- the accuracy of the historical information (recorded or extrapolated) provided pursuant to paragraph 3 of parts I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the main risks.

As it is our responsibility to deliver an independent conclusion on the Information as prepared by the management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

At the entity's request and outside the scope of accreditation, it is also our responsibility to express a conclusion of reasonable assurance that the information selected by the entity presented in the Appendix and identified by the ✓ symbol was prepared, in all its significant aspects, in accordance with the Guidelines.

It is not our role to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the vigilance plan, and measures to combat corruption and tax avoidance);
- the accuracy of the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the conformity of products and services with applicable regulations.

Applicable regulatory provisions and professional standards

Our work outlined below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and in accordance with the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes – CNCC) relative to this assignment, particularly the technical advice of the CNCC, *intervention of the Statutory Auditor, intervention of the ITP – Declaration of Non-Financial Performance*, the basis for the verification program, as well as international standard ISAE 3000 (revised [1]).

Independence and quality control

Our independence is defined by the provisions contained in Article L. 822-11 of the French Commercial Code and the profession's Code of Ethics. We have also established a quality control system, which covers the policies and documented procedures aiming to ensure compliance with the applicable legal texts and regulations, ethical rules, and professional standards of the French national auditing body (Compagnie nationale des commissaires aux comptes) relative to this assignment.

Means and resources

Our work used the skills of six people and took place between November 2023 and March 2024 over a total period of around seven weeks.

To aid us in the execution of our tasks, we called upon our sustainable development and Corporate Social Responsibility specialists. We conducted dozens of interviews with the persons responsible for the preparation of the Declaration.

Nature and extent of the work

We planned and performed our work giving due consideration to the risk of material anomalies in the Information.

We believe that the procedures we conducted in applying our professional judgment enable us to arrive at a conclusion of moderate assurance:

- we have been informed about the activities of all entities included within the scope of consolidation and the presentation of the main risks;
- we have assessed the appropriate nature of the Guidelines in terms of their relevance, comprehensiveness, reliability, impartiality and understandability, taking into consideration best practices within the sector, if necessary;
- we have verified that the Declaration covers each category of information pursuant to part III of Article L. 225-102-1 in terms of social and environmental factors, respect for human rights, and combating corruption and tax avoidance, and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second subparagraph of section III of Article L. 225-102-1;

(1) ISAE 3000 (revised) – Assurance commitments other than audits or reviews of historical financial information.

- we have verified that the Declaration presents the information provided for in section II of Article R. 225-105, where it is relevant in relation to the main risks;
- we have verified that the Declaration includes the business model and the description of the main risks linked to the activity of the entities included within the scope of consolidation, including, if relevant and proportionate, the risks created by its business relations, its products or its services, as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we have verified that the Declaration includes a clear and reasoned explanation of the reasons justifying the absence of any policy regarding one or more of these risks in accordance with Section I of Article R. 225-105 of the French Commercial Code;
- we have consulted the documentary sources and conducted interviews to:
  - assess the selection and validation process of the main risks and the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important presented in the Appendix. For certain risks (1), our work has been carried out at the level of the consolidating entity; for other risks, work has been carried out at the level of the consolidating entity and in a selection of entities (2);
- we have verified that the Declaration covers the consolidated scope, i.e. all companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, within the limits specified in the Declaration;
- we have read the internal control and risk management procedures put in place by the entity and have assessed the collection process aimed at the completeness and accuracy of the information;
- for the key performance indicators and other quantitative results we deemed most important presented in the Appendix, we implemented:
  - analytical procedures to verify the correct consolidation of data collected, as well as the consistency of developments, and
  - detailed tests, based on surveys or other selection methods, consisting of verifying the correct application of definitions and procedures, and reconciling the data in the supporting documentation. This work was carried out with selected contributing entities (2) and covers between 75% and 100% of the consolidated data chosen for these tests;
- we have assessed the overall consistency of the Declaration in relation to our knowledge of all entities included within the scope of consolidation.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment carried out in accordance with the professional standards of the French national auditing body (Compagnie nationale des commissaires aux comptes); a higher level of assurance would require more verifications.

Nature and scope of additional work on the information selected by the entity and identified by the ✓ symbol

With regard to the information selected by the entity presented in the Appendix and identified by the ✓ symbol in Chapter 2, we conducted the same work as that described in the “Nature and scope of work” paragraph above for the Information considered to be the most important, albeit more in-depth, particularly with regard to the number of tests.

The sample selected thus represents 80% to 100% of the information identified by the symbol ✓.

We believe that this work allows us to express reasonable assurance on the information selected by the entity and identified by the ✓ symbol.

Paris la Défense, March 08, 2024
KPMG SA

Caroline Bruno Diaz
Partner

Brice Javaux
CSR expert

(1) The ethics of all parties in an ecosystem of partnerships.
(2) Fnac Darty France.

Appendix

Qualitative information (actions and results) considered to be the most important
Action plan to reduce transport-related emissions
Measurement of the environmental impact on biodiversity
Development of second-life product offerings
Policy for managing and optimizing product repairability
Creation of an action plan to optimize the Group's logistics and packaging
Organization of CSR governance in terms of risk prevention
Implementation of ethical alert and fraud systems
Management of a cyber-attack risk prevention action plan
Evaluation of suppliers, in particular with respect to human rights
Actions to promote workplace integration and access to employment
Policy on the continuing development of employees' skills
Systems for managing employee skills and training
Inclusion and diversity policy
Collective agreements relating to social dialogue practices

Key performance indicators and other quantitative results considered the most important	Level of assurance
Number of training hours per employee trained	Moderate
Proportion of women in Group Leadership roles as at December 31	Reasonable
Frequency rate of workplace accidents with stoppage time	Moderate
Severity of workplace accidents	Moderate
Absenteeism due to sickness	Moderate
Sustainability score	Reasonable
Waste recovery rate	Moderate
Volume of packaging (cardboard and plastic) purchased (in tons/€ million of revenue)	Moderate
WEEE volumes collected/delivery	Moderate
Number of products repaired	Moderate
Number of Darty Max and Vanden Borre Life subscribers	Reasonable
CO_2 (scope 1 and 2) emissions	Reasonable
CO_2 emissions related to energy consumption of sites/m²	Reasonable
CO_2 emissions per transported pallet (warehouse to store transportation)	Reasonable
CO_2 emissions per package (e-commerce)	Reasonable
CO_2 emissions per delivery (last-mile delivery)	Reasonable
CO_2 emissions generated per employee (business travel)	Reasonable
CO_2 emissions per call out (After-sales service travel)	Reasonable
CO_2 emissions per product to be repaired (After-sales service workshop flows)	Reasonable
CO_2 scope 3 emissions (category 3.1 – Purchase of goods and services and 3.11 – Use of products sold)	Moderate
Percentage of factory audits whose score is deemed to be average or compliant (Fnac Darty scope)	Reasonable

3

Corporate Governance

Pursuant to Articles L. 225-37 et seq. of the French Commercial Code, we are presenting you with the following Report on Corporate Governance.

This entire report was approved by your Board of Directors at its meeting on February 22, 2024 as required by the provisions of the French Commercial Code.

The report was prepared by the Board Secretary in collaboration with the Human Resources Department, the Finance Department and the Risk Department, from various internal documents. Bylaws, internal regulations and minutes of the Board of Directors and its specialized committees were taken into account. The report was submitted to the Appointments and Compensation Committee. Current regulations, recommendations for corporate governance issued by the AMF, recommendations of the AFEP-MEDEF Code, and recommendations of the High Committee on Corporate Governance were all taken into consideration.

3.1 / Organization of governance

The Company is a French limited company *(société anonyme)* with a Board of Directors. A description of the main provisions of the bylaws and internal regulations of the Board of Directors and the Board's specialized committees can be found in section 3.2 "Operation of administrative and management bodies" of this Universal Registration Document.

3.1.1 / Composition of the Board of Directors and its committees

The Board of Directors, assisted by the Appointments and Compensation Committee, ensures that the necessary skill sets are brought together to implement the Group's strategic plan. It is attentive to the balance, complementarity and relevance of Directors' skills, so that their areas of expertise include, in a balanced approach, knowledge of the retail sector, experience in management and corporate strategy, governance, finance, human resources, international experience, digital transformation and Corporate Social Responsibility.

Under the bylaws, the term of office for a Director is set at four (4) years and is renewable. In order to avoid a mass renewal of members of the Board of Directors and encourage a smooth process for replacing Directors, Article 12 of the bylaws provides for the option of appointing Directors for a term of two or three years. This enables the implementation or continuation of a staggering of the terms of office of members of the Board of Directors.

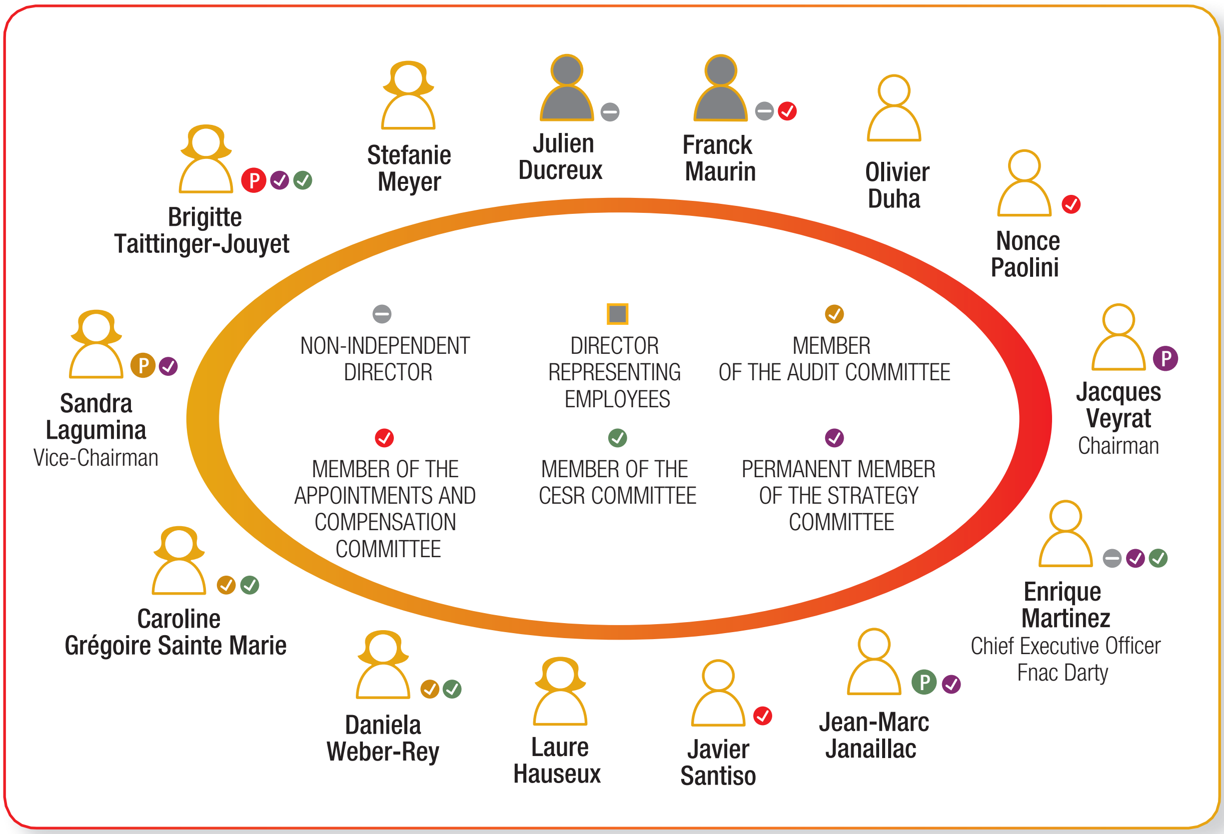
Pursuant to the provisions of Articles L. 22-10-3 and L. 225-18-1 of the French Commercial Code, it is specified that the composition of the Board complies with the principle of a balanced representation of men and women. As of December 31, 2023, it should be noted that the Board of Directors was composed of 14 members, including 6 women (50%) and 2 members representing employees, in compliance with the legal rules on parity (Directors representing employees not being taken into account when calculating parity, in accordance with the applicable legal provisions).

The Board has created four committees to assist it in performing its duties: the Audit Committee, the Appointments and Compensation Committee, the Corporate, Environmental and Social Responsibility Committee and the Strategy Committee.

As of December 31, 2023, the Board was composed of 14 Directors, 2 of whom were Directors representing employees and 11 of whom were independent.

A detailed breakdown of the Company's Board of Directors as of December 31, 2023 is set out in section 3.1.3 of this Universal Registration Document (including the number of Fnac Darty shares held by each Director and the number of offices held in other listed companies).

The table below provides a summary presentation of the personal information and experience of the Directors, as well as their involvement in the corporate governance of Fnac Darty as of December 31, 2023.



Personal information		Experience	Position on the Board				Participation in committees			
Gender, nationality, age (a), date of birth	Number of Fnac Darty shares held	Number of offices in listed companies (b)	Independence (c)	Start of 1st term	Expiration of current term	Years on the Board (a)	Audit Committee	A&C Committee	CESR Committee	Strategy Committee
Jacques Veyrat (M) Chairman French nationality 61 years (11/04/1962)	250	1	X	2013	2025 AGM	10 years				P
Sandra Lagumina (F) Vice-Chairman French nationality 56 years (07/29/1967)	250	0	X	2017 (f)	2025 AGM	6 years	P			✓
Olivier Duha (M) French nationality 54 years (02/07/1969)	13,300	0	X	2023	2027 AGM	> 1 year				
Caroline Grégoire Sainte Marie (F) French nationality 66 years (10/27/1957)	500	1	X	2018	2025 AGM	5 years	✓		✓	
Laure Hauseux (F) French nationality 61 years (08/14/1962)	262	2	X	2022 (g)	2024 AGM	< 1 year				

Personal information		Experience	Position on the Board				Participation in committees			
Gender, nationality, age [a], date of birth	Number of Fnac Darty shares held	Number of offices in listed companies [b]	Independence [c]	Start of 1st term	Expiration of current term	Years on the Board [a]	Audit Committee	A&C Committee	CESR Committee	Strategy Committee
Jean-Marc Janaillac (M) French nationality 70 years (04/25/1953)	250	1	X	2019	2026 AGM	4 years			P	✓
Enrique Martinez (M) Chief Executive Officer Fnac Darty Spanish nationality 52 years (01/26/1971)	152,067	0		2019	2027 AGM	4 years			✓	✓
Stefanie Meyer (F) German nationality 49 years (02/09/1974)	300	0	X	2022	2024 AGM	2 years				
Nonce Paolini (M) French nationality 74 years (04/01/1949)	250	0	X	2013	2025 AGM	10 years		✓		
Javier Santiso (M) French and Spanish nationality 54 years (03/01/1969)	250	0	X	2019	2027 AGM	4 years		✓		
Brigitte Taittinger-Jouyet (F) French nationality 64 years (08/07/1959)	250	0	X	2013	2024 AGM	10 years		P	✓	✓
Daniela Weber-Rey (F) German nationality 66 years (11/18/1957)	250	0	X	2017 [f]	2026 AGM	6 years	✓		✓	
Directors representing employees										
Julien Ducreux (M) French nationality 39 years (07/16/1984)	1960 [d]	0	n.a. [e]	2020	10/14/2024	3 years				
Franck Maurin (M) French nationality 68 years (06/01/1955)	926 [d]	0	n.a. [e]	2019	10/17/2027	4 years		✓		

(a) The ages and years of service indicated are determined in full years as of December 31, 2023.
(b) Outside the Company. In application of the recommendation of the AFEP-MEDEF Code (Article 20.4), a Director must not hold more than four other offices in listed companies, including foreign companies, outside the Group.
(c) The independence criteria are described in section 3.1.4 of this Universal Registration Document.
(d) The obligation to hold a minimum number of the Company's shares does not apply to Board members representing employees.
(e) n.a.: not applicable. In accordance with the provisions of the AFEP-MEDEF Code (Article 10.3), members representing employees are not taken into account in establishing the proportion of independent members.
(f) Provisional appointments by the Board of Directors on December 15, 2017 to replace resigning members, ratified by the General Meeting of May 18, 2018.
(g) Coopted by the Board of Directors on July 27, 2022, ratified by the General Meeting on May 24, 2023.
P *Chairman of a committee.*
✓ *Member of the Audit Committee.*
✓ *Member of the Appointments and Compensation Committee.*
✓ *Member of the Corporate, Environmental and Social Responsibility Committee.*
✓ *Member of the Strategy Committee.*

Directors representing employees

At the General Meeting of May 28, 2020, shareholders voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to change the threshold requiring the appointment of a second Director representing employees to the Board, which has been reduced from twelve members of the Board of Directors to eight members by the provisions of the French Law No. 2019-486 of May 22, 2019 known as the "loi Pacte." At the General Meeting of May 23, 2019, the shareholders had already voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to allow for, under the conditions prescribed by law, the appointment of one or more Directors representing employees to the Board of Directors of Fnac Darty SA. This amendment to the bylaws has also brought the Company into compliance with the provisions of Article 9.1 of the AFEP-MEDEF Code as revised in December 2022, which recommends that *"Directors representing employees elected or appointed in accordance with legal requirements sit on the Board of the Company that declares that it refers to the provisions of this code in its Report on Corporate Governance."*

The Director(s) representing employees are appointed in the following ways: when a single Director is to be appointed, the appointment is made by the trade union that has obtained the highest number of votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries, provided that the registered office of said trade union is on French territory. When two Directors are to be appointed, the appointment is made by each of the two trade unions that obtained the highest number of votes in the first round of these elections.

The term of office of the Director representing the employees shall be four years.

If the position of a Director representing the employees becomes vacant for any reason, the vacant position shall be filled subject to the conditions set out in Article L. 225-34 of the French Commercial Code.

If the Company is no longer obliged to appoint a Director representing employees, the term(s) of office of the employee representative(s) on the Board shall end six months after the meeting at which the Board notes that the obligation has ceased to apply.

Given the number of members on the Board of Directors, which on the date of the General Meeting of May 28, 2020, was greater than eight, it was decided that the trade union that had obtained the second highest number of votes in the first round of those elections would appoint a Director representing employees within six months of that date. As such, the CFDT, the trade union that had obtained the second highest number of votes in the last workplace elections, notified the Board of Directors on October 14, 2020 of the appointment of Julien Ducreux as Director representing employees. The Board of Directors took note of this appointment at its meeting of October 21, 2020. It should be noted that Franck Maurin was appointed by the CFTC on October 8, 2019 and the trade union renewed his mandate on October 17, 2023. The Board of Directors took note of this renewal at its meeting of October 26, 2023.

Diversity policy applied to the Board of Directors

In order to meet the Company's strategic challenges and to promote quality discussions, the Board seeks to maintain balance and complementarity between the various Directors' profiles. To do so, when appointing new Directors or reappointing existing Directors, it strives to ensure a diversity of backgrounds and expertise. These appointments and reappointments take into account the results of the work undertaken by the Appointments and Compensation Committee on the annual assessment of the Board and the Committees.

In addition to seeking a balanced representation of women and men and a high proportion of Independent Directors, the Board has focused on maintaining the number of Directors with international experience and competence in terms of corporate social responsibility, as well as boosting its expertise in digital and specialized retail.

In 2023, renewing the terms of office of Enrique Martinez and Javier Santiso, and appointing Olivier Duha, has helped to strengthen these objectives.

Enrique Martinez and Javier Santiso, both of whom have served on the Fnac Darty Board of Directors since 2019, enable the Board to benefit from their international experience, their competence in terms of strategy and human resources management and their knowledge of digital and specialized retail.

The appointment of Olivier Duha enables the Board to benefit from his entrepreneurial experience in France and abroad, his expertise in the retail sector, as well as his solid knowledge of digital and strategic issues.

In 2024, the proposed renewal of the terms of office of Brigitte Taittinger-Jouyet, who has served on the Fnac Darty Board of Directors since 2013, and Laure Hauseux and Stefanie Meyer, both of whom have served since 2022, is specifically aimed at enabling the Board to continue to benefit from their international experience and their expertise in specialized retail and in the digital, finance, HR and corporate social responsibility domains.

Changes in the membership of the Board of Directors and Committees in 2023 and early 2024

Board of Directors

Departures	Appointments	Ratifications	Renewals
	■ Olivier Duha (AGM of May 24, 2023)	■ Laure Hauseux (AGM of May 24, 2023)	■ Enrique Martinez (AGM of May 24, 2023) ■ Javier Santiso (AGM of May 24, 2023) ■ Franck Maurin (renewed by the CFTC on October 17, 2023)

The reappointments helped to maintain the representation of skills and diversity on the Board of Directors and its committees.

Board committees	Appointments
Corporate, Environmental and Social Responsibility Committee	■ Enrique Martinez Appointment as a member, in addition to existing members (Board meeting of February 23, 2023)

Diversity of experience and skills within the Board of Directors as of December 31, 2023

Name	Retail	International	Finance	Governance	Management/ Strategy	CSR	HR	Digital
Jacques Veyrat			X	X	X	X		
Daniela Weber-Rey		X	X	X		X		
Sandra Lagumina			X	X	X	X		
Nonce Paolini	X			X	X		X	
Brigitte Taittinger-Jouyet		X		X	X	X	X	
Caroline Grégoire Sainte Marie		X	X		X	X		
Jean-Marc Janaillac		X	X	X	X	X		
Javier Santiso		X	X		X		X	X
Laure Hauseux	X	X	X		X		X	
Stefanie Meyer	X	X	X		X			X
Enrique Martinez	X	X			X	X	X	
Olivier Duha	X	X			X		X	X
Franck Maurin	X							
Julien Ducreux	X							X
TOTAL	**50.0%**	**64.3%**	**57.1%**	**42.9%**	**78.6%**	**50.0%**	**42.9%**	**28.6%**

3.1.2 / Composition of the Board of Directors: proposals submitted to the General Meeting of May 29, 2024

The composition of the Board of Directors is updated on an ongoing basis on the Company's website (http://www.fnacdarty.com/group/governance/).

The Board of Directors ensures the improvement and effectiveness of Fnac Darty's governance by regularly assessing its composition and the diversity, expertise and experience of its Directors. It also evaluates their availability, their full commitment to their duties, compliance with the proportional requirements for Independent Directors, the balanced representation of women and men, and the candidates best suited to the Company and the organizational and administrative processes of the Board.

In accordance with the internal regulations of the Board of Directors adopted at its meeting of April 17, 2013 and last updated at its meeting of January 26, 2023, the reappointment of Directors on a periodic-rotation basis had been established. The Directors are appointed for a term of four years under the conditions set forth by law. As an exception, and in order to implement or maintain the staggering of Board members' terms of office, Article 12 of the bylaws provides the option of appointing Directors for a term of two or three years.

At its meeting of February 22, 2024, the Board of Directors:

- first obtained an opinion from the Appointments and Compensation Committee in preparation for the General Meeting of Shareholders;
- noted the work to evaluate the functioning of the Board and the specialized committees, and the recommendations made by the Directors with regard to the skills the Board wishes to see among its members;
- reviewed the terms of office of Directors set to expire at the next General Meeting, taking into consideration the expertise of the current Directors and the need to maintain the independence rate and comply with the rules on gender balance. It paid particular attention to the experience and knowledge of the Group's businesses that each Director must have in order to participate effectively in the work of the Board and its four committees, in accordance with the diversity policy adopted by the Board; and
- noted that the terms of office of three Directors (out of a total of 12, not including the Directors representing the employees, who are not appointed by the General Meeting) expire at the end of the General Meeting scheduled to take place in 2024 and called to approve the financial statements for the previous year.

On the recommendation of the Appointments and Compensation Committee:

- the Board of Directors proposes that the shareholders approve the renewal of Brigitte Taittinger-Jouyet's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2028 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Stefanie Meyer's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2028 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Laure Hauseux's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2028 to approve the financial statements for the previous year.

These reappointments would maintain, in particular, the level of international experience and expertise in the corporate social responsibility, HR, finance and digital domains, as well as expertise in the specialized retail market.

It should be noted, as previously specified in the paragraph "Diversity policy applied to the Board of Directors" that the priority skills identified by the Board for future appointments of Directors are those related to the fields of specialized retail, digital, and corporate, social and environmental responsibility, as well as international experience.

If these proposals for renewals are approved by the General Meeting, the independence rate of the Board of Directors would be maintained at 92% and the share of women would be 50% (excluding Directors representing employees).

Subject to the renewal of her term of office, Brigitte Taittinger-Jouyet would be reappointed to her position as a member of the CESR Committee. She would also be reappointed as Chairman of the Appointments and Compensation Committee for a term of one year, i.e. until the General Meeting scheduled to take place in 2025 and called to approve the financial statements for the previous year. This reappointment for a period of one year would bring her term as Chairman of the Appointments and Compensation Committee in line with the period during which she continues to qualify as an independent member, in accordance with the provisions of the AFEP-MEDEF Code on the criteria for Independent Directors. The AFEP-MEDEF Code recommends that the Chairman of the Appointments and Compensation Committee is independent, and also stipulates that a Director may not be considered independent if their term of office exceeds 12 years [(1)].

Otherwise, the composition of the Board Committees remains unchanged.

(1) Date of first appointment as Director: General Meeting of April 17, 2013.

3.1.3 / Offices and positions held by the Directors and the Chief Executive Officer

Listed below are the offices and positions held by the Directors in 2023 and for the last five years. To the Company's knowledge, the Directors comply with the rules governing the accumulation of Directorships.

Jacques Veyrat	61 years [(a)] (November 4, 1962), French nationality

Independent Director

Chairman of the Board of Directors
Chairman of the Strategy Committee

4, rue Euler
75008 Paris, France

Shares held as of December 31, 2023: 250
Date of first appointment: April 17, 2013
Expiration of current term of office: 2025 AGM

Graduate of the École polytechnique (class of 1983) and the Collège des ingénieurs (class of 1989), engineering degree from Ponts et Chaussés (class of 1988). Mr. Veyrat was appointed to the French Treasury Department, where he served as Secretary for the Inter-ministerial Committee on Industrial Reconstruction (Comité Interministériel de Restructuration Industrielle) for the period 1989–1991, then as Deputy General Secretary to the Paris Club from 1991 to 1993. From 1993 to 1995, he was technical advisor to the Minister for Infrastructure, Transport, Tourism and the Sea. In 1995, he joined the Louis Dreyfus Group as Chief Executive Officer of Louis Dreyfus Armateurs (1995-1998), then served as Chairman and Chief Executive Officer of Louis Dreyfus Communications, which became Neuf Cegetel (1998-2008) and then Chairman and Chief Executive Officer of the Louis Dreyfus Group (2008-2011). Since 2011, he has been Chairman of Impala.

Main activities performed outside the Company

- Chairman of Impala

Offices and positions held during 2023

In Group companies

French companies

- Chairman of the Board of Directors and Chairman of the Strategic Committee

Foreign companies

None

In companies outside the Group

French companies

- Chairman of Impala SAS
- Advisory member, Louis Dreyfus Armateurs
- Advisory member and member of the Governance and CSR Committee, Neoen*
- Director of Iliad

Foreign companies

- Director of GBL (Groupe Bruxelles Lambert)**

Offices and positions held over the past five years that are no longer held

French companies

- Member of Supervisory Committee of Eurazeo*
- Director of Direct Énergie
- Director of ID Logistics Group*
- Director of Imerys*
- Director of HSBC France
- Director of Nexity*

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** French listed companies.*
*** Belgian company listed on Euronext Brussels.*

Olivier Duha

54 years [a] (February 7, 1969), French nationality

Independent Director

22, rue Jean-Baptiste Meunier
1050 Ixelles (Belgium)

Shares held as of December 31, 2023: 13,300
Date of first appointment: May 24, 2023
Expiration of current term of office: 2027 AGM

A graduate of ESCEM and Audencia, Olivier Duha began his career in 1993 at LEK Consulting, a strategy and mergers/acquisitions consulting firm, working in London, Paris and Sydney. In 1998, he obtained an MBA from INSEAD.

He then joined the US consulting group, Bain & Co, notably as part of the "E-Business practice" and worked on internet development strategy missions for major industrial groups. In June 2000, he co-founded the Webhelp Group, a world leader in customer experience technology solutions and services. He is the author of the book *"The Customer Experience Revolution in the Digital Age."*

Main activities performed outside the Company

- CEO of the Webhelp Group

Offices and positions held during 2023

In Group companies

French companies

- Independent Director (since May 24, 2023)

Foreign companies

None

In companies outside the Group

French companies

- CEO of the Webhelp Group

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

- Director of Artefact

Foreign companies

- Vice Chairman of the Board of Concentrix

(a) The age indicated is determined in the number of full years as of December 31, 2023.

Daniela Weber-Rey

66 years [(a)] (November 18, 1957) – German nationality

Independent Director

Member of the Corporate, Environmental and Social Responsibility Committee
Member of the Audit Committee

Kronberger Strasse 49
60323 Frankfurt am Main, Germany

Shares held as of December 31, 2023: 250
Date of first appointment: December 15, 2017
Expiration of current term of office: 2026 AGM

Holding a Master's degree in Law from Columbia University, New York, and the Goethe University, Frankfurt, Daniela Weber-Rey was admitted to the Frankfurt Bar Association in Germany in 1984 and to the New York Bar Association in 1986. For nearly 30 years, Daniela Weber-Rey was an attorney and partner with the legal firm of Puender, Volhard & Weber, followed by Clifford Chance. She also served as Counsel to various European organizations, and served for five years on the Board of Directors of BNP Paribas. She was a member of the Governmental Commission of the German Corporate Governance Code until 2020 and a member of the Board of the European Corporate Governance Institute until 2021. She is a member of the Board of the Franco-German University (Université Franco-Allemande – UFA) and the Board of the Leibniz Institute for Financial Research SAFE and, until June 30, 2023, was a member of the Board of HSBC Trinkaus & Burkhardt GmbH. Between 2013 and 2016, Daniela Weber-Rey worked at Deutsche Bank AG as Chief Governance Officer and Deputy Global Head of Compliance. She was made a Knight of the French Legion of Honor in 2010 for her commitment to Franco-German relations and an Officer of the Order of the Arts and Letters in 2021 for her commitment to cultural collaboration between Germany and France.

Main activities performed outside the Company

- Attorney

Offices and positions held during 2023

In Group companies

French companies
- Independent Director
- Member of the CESR Committee
- Member of the Audit Committee

Foreign companies
None

In companies outside the Group

French companies
None

Foreign companies
- Trustee of the European Corporate Governance Research Foundation (Brussels)
- Member of the Board of the Franco-German University (UFA)
- Member of the Board of the Leibniz Institute for Financial Research SAFE

Offices and positions held over the past five years that are no longer held

French companies
- Member of the Board of Directors of BNP Paribas *

Foreign companies
- Director and member of the Risk Committee and Audit Committee of HSBC Trinkaus & Burkhardt GmbH (Düsseldorf)
- Board Member of the European Corporate Governance Institute (Brussels)

(a) The age indicated is determined in the number of full years as of December 31, 2023.
* *Listed French company.*

Sandra Lagumina

56 years (a) (July 29, 1967), French nationality

Vice-Chairman

Independent Director

Chairman of the Audit Committee
Member of the Strategy Committee

112, avenue de Wagram
75017 Paris, France

Shares held as of December 31, 2023: 250
Date of first appointment: December 15, 2017
Expiration of current term of office: 2025 AGM

A graduate of the École nationale d'administration (ENA) and the Institut d'études politiques de Paris (Sciences Po), Sandra Lagumina also holds a Master of Common Market Law and of Public Law. She began her professional career with the French Council of State, where she held the position of Auditor and then Master of Petitions from 1995 to 1998. Sandra Lagumina then became Technical and Legal Advisor to the President of the National Assembly. In 2000, she joined the office of the Minister of the Economy, Finance and Industry as a technical adviser in charge of legal issues, public procurement and competition law. She was then appointed Deputy Director of Public and International Law in the Legal Affairs Department of the Ministry and a Judicial Officer of the Treasury (2002-2005). In 2005, she joined the Gaz de France group, where she held several positions in the areas of strategy and law. Between 2008 and 2013, she served as General Counsel for GDF Suez. In 2013, she was appointed Chief Executive Officer of GRDF (Gaz Réseau Distribution France). In 2016, Sandra Lagumina was named Deputy Chief Executive Officer of Engie and, in 2017, became Deputy CEO at Meridiam. In 2022, she joined Argos Wityu as Senior Partner to launch the Argos Climate Action Fund. She has been a member of the Board of the French Competition Authority for seven years.

Main activities performed outside the Company

- Senior Partner at Argos Wityu

Offices and positions held during 2023

In Group companies

French companies

- Vice-Chairman
- Independent Director
- Chairman of the Audit Committee
- Member of the Strategy Committee

Foreign companies

None

In companies outside the Group

French companies

- Chief Executive Officer, Asset Management at Meridiam
- Director and member of the Appointments and Compensation Committee of FNSP
- Chair of Agence France-Muséums
- Member of the Board of Directors of Space Able
- Elected to the Fondation pour la Comédie-Française's Academy of Qualified Professionals

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

- Director and Chair of the CSR Committee of SUEZ *
- Director and member of the Strategy Committee of Naval Group *

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** French listed companies.*

Nonce Paolini

74 years [(a)] (April 1, 1949) – French nationality

Independent Director

Member of the Appointments and Compensation Committee

34, rue Copernic
75116 Paris, France

Shares held as of December 31, 2023: 250
Date of first appointment: April 17, 2013
Expiration of current term of office: 2025 AGM

Nonce Paolini holds a Master of Arts and is a graduate of the Institut d'études politiques de Paris (class of 1972). He began his career with EDF-GDF, where he held operational and management positions. In 1998, he joined the Bouygues Group, where he successively held the positions of Director of Development and Director of Human Resources, before becoming Director of Communications in 1990. In 1993, he joined TF1 as Director of Human Resources, and in 1999, he was appointed Chief Operating Officer. In 2002 he was appointed Chief Operating Officer of Bouygues Telecom and then Managing Director and Board member in April 2004. In 2007, he was appointed CEO of TF1 Group, then Chairman & CEO of the group in 2008 until 2016.

Main activities performed outside the Company

- Corporate Director

Offices and positions held during 2023

In Group companies

French companies

- Independent Director
- Member of the Appointments and Compensation Committee

Foreign companies

None

In companies outside the Group

French companies

None

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

None

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.

Brigitte Taittinger-Jouyet

64 years [(a)] (August 7, 1959), French nationality

Independent Director

Chairman of the Appointments and Compensation Committee
Member of the Corporate, Environmental and Social Responsibility Committee
Member of the Strategy Committee

74, rue Raynouard
75016 Paris, France

Shares held as of December 31, 2023: 250
Date of first appointment: April 17, 2013
Expiration of current term of office: 2024 AGM

Former student of the Institut d'études politiques de Paris and holding a Master's in History from the Faculty of Human Sciences at Rheims University. In 1984, she was appointed Advertising Manager at Publicis, before joining the Marketing Department within the Louvre Group in 1988, where she was in charge of industrial products and the budget hotel sector. From 1991 to 2012, she was Chair of the perfume company Annick Goutal. From 2013 to 2017, she was Director of Strategy and Development at the Institut d'études politiques de Paris (Sciences Po Paris). She is Chair of the ARSEP Foundation.

Main activities performed outside the Company

- Corporate Director

Offices and positions held during 2023

In Group companies

French companies

- Independent Director
- Chair of the Appointments and Compensation Committee
- Member of the Strategy Committee
- Member of the CESR Committee

Foreign companies

None

In companies outside the Group

French companies

- Director of Baron Philippe de Rothschild (wine production)
- Chair of ARSEP, the French Foundation for Research into Multiple Sclerosis

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

- Chair of the Fnac Darty CESR Committee
- Director of HSBC France
- Chair of the Appointments, Compensation and Governance Committee of SUEZ *

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** Listed French company.*

Caroline Grégoire Sainte Marie

66 years [(a)] (October 27, 1957), French nationality

Independent Director

Member of the Audit Committee
Member of the Corporate, Environmental and Social Responsibility Committee

36, avenue Duquesne
75007 Paris, France

Shares held as of December 31, 2023: 500
Date of first appointment: May 18, 2018
Expiration of current term of office: 2025 AGM

A graduate of the Institut d'Études Politiques de Paris, Caroline Grégoire Sainte Marie also holds a degree in Commercial Law from Paris I University. She began her professional career in 1981 as a Financial Controller at Xerox France. In 1984, she joined Hoechst pharmaceutical group, where she successively held several positions in the financial field at Roussel Uclaf SA before being appointed in 1994 as Chief Financial Officer of Albert Roussel Pharma GmbH and a member of the Executive Board. In 1996, she joined Volkswagen France before moving to Lafarge Group in 1997 as Chief Financial Officer of Lafarge Speciality Products (LMS). In 2000, she was appointed Senior Vice President Mergers & Acquisitions at the Group's Cement Division. In that position, Caroline Grégoire Sainte Marie led the financial strategy for the takeover of Blue Circle. In 2004, she became Chief Executive Officer for Germany and the Czech Republic. In 2007, she was appointed Chair and Chief Executive Officer of Tarmac France and Belgium, before becoming the Chair and Chief Executive Officer of Frans Bonhomme in 2009. Caroline Grégoire Sainte Marie was a member of the Boards of Directors of Eramet (from 2012 to 2016), Safran (from 2011 to 2015), FLSMIDTH (from 2012 to 2019) and Wienerberger (from 2015 to 2020). Since 2011, Caroline Grégoire Sainte Marie has been a member of the Boards of Directors of Groupama (from 2011 to 2022) and Elkem. As an investor in Calyos, she also sits on the company's Board of Directors, and she is a Senior Advisor at HIG European Capital Partners. She is a Knight of the French Legion of Honor. Caroline Grégoire Sainte Marie has been an independent Director at the Vinci Group since 2019 and at Bluestar Adisseo since October 28, 2021.

Main activities performed outside the Company

- Corporate Director

Offices and positions held during 2023

In Group companies

French companies

- Independent Director
- Member of the Audit Committee
- Member of the CESR Committee (since July 27, 2022)

Foreign companies

None

In companies outside the Group

French companies

- Independent Director
- Member of the Audit Committee and the Strategic Committee at the Vinci Group *
- Chair of the Audit Committee at the Derichebourg Group * (January 2023)

Foreign companies

- Director and Chair of the Compensation Committee and Member of the Audit Committee of Bluestar Adisseo Corporation (Shanghai)

Offices and positions held over the past five years that are no longer held

French companies

- Independent Director, Chair of the Appointments and Compensation Committee and Member of the Audit Committee of Groupama *
- Independent Director and member of the Strategy Committee of Eramet *
- Director, Advisory Member and member of the Audit Committee of Safran *

Foreign companies

- Director and Member of the Compensation Committee of ELKEM (Norway)/Bluestar (China)
- Independent Director, Member of the Audit Committee and Member of the Technology Committee of FLSMIDTH, Denmark
- Independent Director, Vice-Chair, Chair of the CSR Committee, Member of the Audit Committee and Member of the Strategic Committee of Wienerberger, Austria

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** French listed companies.*

Jean-Marc Janaillac

70 years [(a)] (April 26, 1953), French nationality

Independent Director

Chairman of the Corporate, Environmental and Social Responsibility Committee
Member of the Strategy Committee

15, rue de Poissy
75005 Paris, France

Shares held as of December 31, 2023: 250
Date of first appointment: May 23, 2019
Expiration of current term of office: 2026 AGM

Jean-Marc Janaillac holds a degree in Law (1976) and is a graduate of École des Hautes Etudes Commerciales (1975) and École Nationale d'Administration (1980). From 1980 to 1983, he was chief of staff for the prefects of Finistère and then Val-d'Oise, then became chief of staff for the Secretary of State for Tourism from 1983 to 1984. From 1984 to 1987, he managed the French tourism services for North America in New York, before becoming Chief Executive Officer of Maison de la France, in charge of promoting French tourism abroad from 1987 to 1997. In this capacity, he was a member of the Board of Directors of Air France from 1989 to 1994. After working for AOM, first as Executive Vice-President and then as Chief Operating Officer (1997-1999), Jean-Marc Janaillac joined the Maeva Group, where he held the position of Chairman and Chief Executive Officer before becoming Chairman of the Paris Conventions and Tourism Office from 2002 to 2004. From 2004 to 2012, he was Chief Executive Officer for Group Development at the RATP (Paris public transport system), and Chairman and Chief Executive Officer of RATP Développement. Jean-Marc Janaillac was Chairman and Chief Executive Officer of Transdev from December 2012 to June 2016, then held the office of Chairman of UTP (public and rail transport association) from 2013 to 2015. He was Chairman and Chief Executive Officer of Air France KLM from 2016 to 2018. Since October 2018 he has been senior advisor at the Roland Berger strategy consultancy firm, and was elected Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education – FNEGE) in December 2018.

Main activities performed outside the Company

- Chairman of Hermina SAS

Offices and positions held during 2023

In Group companies

French companies

- Independent Director
- Chair of the CESR Committee (since July 27, 2022)
- Member of the Strategic Committee (since July 27, 2022)

Foreign companies

None

In companies outside the Group

French companies

- Chairman of Hermina SAS
- Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education, FNEGE)
- Senior Advisor at Roland Berger
- Director of the Association pour le Droit à l'Initiative Économique (French Association for the Right to Economic Initiative, ADIE)
- Member of the Strategic Advisory Board of Tikehau Private Equity
- Member of the Supervisory Committee and member of the CSR Committee of the Caisse des Dépôts
- Director and Chair of the Audit Committee and Member of the Appointments and Remuneration Committee of Getlink *
- Director of the association Article 1
- Senior Advisor at Antin Infrastructures

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

- Chairman of the Board of Directors of Air France *
- Chairman and Chief Executive Officer of Air France KLM *
- Member of the Supervisory Board of Navya * (until December 2022)

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** French listed companies.*

Javier Santiso

54 years [(a)] (March 1, 1969) – French and Spanish nationalities

Independent Director

Member of the Appointments and Compensation Committee

Calle Dalia 263
28109 Alcobendas
Madrid, Spain

Shares held as of December 31, 2023: 250
Date of first appointment: May 23, 2019
Expiration of current term of office: 2027 AGM

A graduate of the Paris Institute of Political Studies and École des Hautes Etudes Commerciales, Javier Santiso holds a doctorate in International Affairs and Economics, which he completed at the University of Oxford. He started his professional career at the investment bank Crédit Agricole Indosuez in Paris. From 2000 to 2005 he was Managing Director and Chief Economist for Emerging Markets at BBVA, based in Madrid, then Director General and Chief Economist at the OECD Development Centre in Paris. In 2010 he joined Telefónica as Managing Director of New Ventures and, staying in Madrid, worked alongside the person who is now Chairman of the operator. Javier Santiso then moved to London, taking on the role of Head of European Investments at Khazanah, the sovereign wealth fund of Malaysia, as well as Head of Global Tech Investments. He was a member of the Khazanah Executive Committee and Investments Committee, as well as a member of the Board of Directors of Axiata Digital, the Malaysian telecoms operator. He is now CEO of Mundi Ventures, a venture capital fund that invests in new technologies and start-ups in Europe from bases in London and Madrid. Javier Santiso is a member of the Young Global Leaders of the World Economic Forum in Davos. He has French and Spanish nationality. In January 2021, he became an independent member of the Board of Directors of Prisa, a Spanish company, and in 2022, he became a member of the Board of Directors of the newspaper *Le Monde* in Paris.

Main activities performed outside the Company

- Chairman and Chief Executive Officer of Mundi Ventures

Offices and positions held during 2023

In Group companies

French companies
- Independent Director
- Member of the Appointments and Compensation Committee (since July 27, 2022)

Foreign companies
None

In companies outside the Group

French companies
- Member of the Supervisory Board of *Le Monde* newspaper group

Foreign companies
- Chairman and Chief Executive Officer of Mundi Ventures, Spain
- Director of Prisa, Spain
- Chairman and Chief Executive Officer of La Cama Sol (publishing, art and literature house), Spain

Offices and positions held over the past five years that are no longer held

French companies
None

Foreign companies
- Member of the Board of Directors of Axiata Digital, Malaysia
- Chairman of the Board of Directors of Khazanah Europe, UK
- Member of the Executive Committee and the Investments Committee of Khazanah, Malaysia

(a) The age indicated is determined in the number of full years as of December 31, 2023.

Laure Hauseux

61 years (a) (August 14, 1962), French nationality

Independent Director

4, villa Schutz et Daumain
Bois-Colombes (92270)

Shares held as of December 31, 2023: 262
Date of first appointment: cooption on July 27, 2022
Expiration of current term of office: 2024 AGM

Laure Hauseux has made her career in senior management and financial management positions, primarily in retail B2B and B2C with prestigious brands, as well as in industry (automotive, IT) and the service sector. She is a recognized expert in the strategic and financial domains, in the identification and management of ambitious, innovative, profitable and complex transformation projects, with very broad experience, from SMEs to major groups, listed and unlisted, in France and internationally.

Currently an Independent Director, Laure Hauseux held these positions at Zodiac Aerospace from 2011 to 2018, at Casino Guichard Perrachon and European Camping Group until 2021.

She currently serves on the boards of Plastiques du Val de Loire (Plastivaloire), Maisons du Monde, Empruntis and Pomona Group.

Previously, she held various financial or general management positions at Control Data France and Gérard Pasquier, then within the PPR Group (now Kering), particularly at Fnac, Printemps and Conforama Italie. She then continued her career in turn as Vice-President Finance and Information Systems and Services at Inergy Automotive Systems, then in the management of Virgin Stores and GAC Group.

Laure Hauseux holds an MBA from ESCP Europe, specializing in finance, a degree from the French-German Chamber of Commerce, a Master's degree in management control from Paris IX Dauphine University and an MBA from the Kering's executive program at INSEAD.

Main activities performed outside the Company

- Independent Director

Offices and positions held during 2023

In Group companies

French companies
- Independent Director since July 27, 2022

Foreign companies
None

In companies outside the Group

French companies
- Director and Member of the Audit Committee of Maisons du Monde SA*
- Director – Chair of the Audit Committee and of the Appointments and Compensation Committee of Plastiques du Val de Loire SA*
- Member of the Management Committee and Chair of the Audit Committee of Obol France 1 SAS
- Member of the Supervisory Board and Chair of the Audit Committee of Empruntis SAS
- Member of the Supervisory Board and of the Audit Committee of Pomona
- Manager of SCI Le Nid

Foreign companies
None

Offices and positions held over the past five years that are no longer held

French companies
- Director and member of the Audit Committee and the Appointments and Compensation Committee of Casino Guichard Perrachon SA*
- Director – Chair of the Audit Committee of ECG Holding SAS

Foreign companies
None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
** French listed companies.*

Stefanie Meyer

49 years [(a)] (February 9, 1974) – German nationality

Independent Director

TAKKT AG
Presselstr. 10
Stuttgart 70191, Germany

Shares held as of December 31, 2023: 300
Date of first appointment: May 18, 2022
Expiration of current term of office: 2024 AGM

With a Master's degree in Business Administration, Stefanie Meyer began her career in 2002 as a project management consultant within the Steffenhagen Consulting GmbH team. In 2004, she joined QVC Handel GmbH as Customer Relations Expert. From 2011 to 2015, she was Group Development Manager at Douglas Holding AG. She subsequently worked as Vice-President of Development and Strategy for Berner SE. From 2018 to 2022, Stefanie Meyer was Vice-President, Group Projects and PMO (Program Management Office) at Ceconomy AG. Since July 2022, Stefanie Meyer has been Executive Vice-President responsible for strategy and transformation of the TAKKT AG Group in Germany.

Main activities performed outside the Company

- Executive Vice-President Strategy and Transformation of the TAKKT AG Group

Offices and positions held during 2023

In Group companies

French companies

- Independent Director

Foreign companies

None

In companies outside the Group

French companies

None

Foreign companies

- Executive Vice-President Strategy and Transformation of the TAKKT AG Group

Offices and positions held over the past five years that are no longer held

French companies

None

Foreign companies

- Vice-President Group Projects and PMO of Ceconomy AG, Germany (2018–2022)

(a) The age indicated is determined in the number of full years as of December 31, 2023.

Enrique Martinez

52 years [a] (January 26, 1971) – Spanish nationality

Chief Executive Officer

Director
Member of the Strategy Committee
Member of the CESR Committee since February 23, 2023

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Shares held as of December 31, 2023: 152,067
Date of first appointment as Chief Executive Officer: July 17, 2017
Date of first appointment as Director: May 23, 2019
Expiration date of term as Chief Executive Officer: open-ended
Expiration date of term of office as Director: 2027 AGM

Enrique Martinez holds a degree in Economics from the IESE Business School in Madrid, and began his career with Toys "R" Us. In 1998, he joined Fnac Group with the duties of establishing and developing the Brand in Portugal. He then held various positions within the Group between Spain and Portugal. In 2004, he became a member of the Executive Committee as Chief Executive Officer of the Iberian region. In 2012, he was called to France to head the France and Northern Europe region (France, Belgium, Switzerland). In 19 years, Enrique Martinez has made a significant contribution to the growth of Fnac Darty. In July 2016, he was given responsibility for integrating the Fnac and Darty brands in France, which, in just a few months, led to the generation of the first synergies between the two brands. He has served as Chief Executive Officer of Fnac Darty since July 2017.

Main activities performed outside the Company

None

Offices and positions held during 2023

In Group companies

French companies
- Director, Chief Executive Officer, Member of the Strategy Committee, Member of the CESR Committee
- Chairman and Chief Executive Officer of Fnac Darty Participations et Services SA
- Chairman of the Board of Directors of Nature & Découvertes
- Chairman and Chief Executive Officer of Fnac Darty Captive Solutions (from May 10, 2022)
- Member of the CESR Committee (since February 23, 2023)

Foreign companies
- Director of Grandes Almacenes Fnac España
- Director of Fnac Luxembourg

In companies outside the Group

French companies
- Independent Director of Nuxe
- Chairman of SAS Beltaine Groupe

Foreign companies
None

Offices and positions held over the past five years that are no longer held

French companies
- Non-partner manager of Codirep
- Chairman of Relais Fnac
- Chairman of Fnac Périphérie
- Chairman of Fnac Accès
- Chairman and Chief Executive Officer of Fnac Paris
- Chairman of Fnac Direct
- Chairman of Fnac Jukebox
- Director of Fnac Monaco

Foreign companies
- Managing Director and Chairman of Fnac Belgium
- Director and Chairman of the Board of Directors of Fnac Suisse
- Director of SwissBillet
- Director of Kesa France
- Director of Kesa Sourcing Ltd
- Director of Kesa Holdings Ltd
- Director of Fnac Darty Asia Ltd
- Director of Kesa International
- Director of Shaker Group, company listed on the Riyadh Stock Exchange (Tadawul)

(a) The age indicated is determined in the number of full years as of December 31, 2023.

Franck Maurin	68 years [a] (June 1, 1955) – French nationality

Director representing employees

Member of the Appointments and Compensation Committee

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Shares held as of December 31, 2023: 926 [b]
Date of first appointment: October 8, 2019
Expiration of current term of office: October 17, 2027

Holding a Master's degree in economics and a post-graduate diploma (DEA) in econometrics, Franck Maurin began his career at Darty in 1977 as an in-store sales assistant. He joined Charbonnages de France in 1982 as category manager of styrenic and associated products. Franck Maurin rejoined Darty as Product Manager in 1983, when its subsidiary Dacem was created. Since 2002, Franck Maurin has been involved with setting up after-sales service projects in France and Italy. He is also responsible for the centralized management of accessories sold in-store. Working in the Operations Department since 2017, he is involved with negotiating after-sales agreements and product returns. Since 2021, Franck Maurin has been responsible for the management of spare parts, working in partnership with a leading company in the spare parts purchasing and inventories sector in order to make appliances manufactured by Fnac Darty brands and imported from China both repairable and sustainable.

Main activities performed outside the Company

None

Offices and positions held during 2023

In Group companies

French companies

- Product manager
- Director representing employees
- Member of the Appointments and Compensation Committee

Foreign companies

None

In companies outside the Group

French companies

None

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

None

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
(b) No minimum shareholding requirement due to his capacity as employee representative.

Julien Ducreux

39 years [a] (July 16, 1984), French nationality

Director representing employees

9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France

Shares held as of December 31, 2023: 1960 [b]
Date of first appointment: October 14, 2020
Expiration of current term of office: October 14, 2024

Julien Ducreux holds a Master's degree in Management of Innovation in Communication. He started his career within the SNCF group where he successively held the positions of Project Manager, Digital Brand Manager and then Digital Customer Experience Manager for the SNCF stations. During his career within the SNCF group, he participated in the group's digitalization and transformation projects. He joined Fnac Darty in 2018 as Head of Digital Customer Experience and Customer Insight. Julien Ducreux is also in charge of the Group's mobile applications and the international coordination of digital projects. On February 1, 2021, he was appointed "FNAC Web Director," while retaining responsibility for the Group's digital customer experience.

Main activities performed outside the Company

None

Offices and positions held during 2023

In Group companies

French companies

- Head of Digital Customer Experience
- Director representing employees

Foreign companies

None

In companies outside the Group

French companies

None

Foreign companies

None

Offices and positions held over the past five years that are no longer held

French companies

None

Foreign companies

None

(a) The age indicated is determined in the number of full years as of December 31, 2023.
(b) No minimum shareholding requirement due to his capacity as employee representative.

3.1.4 / Independence of Directors

To assess whether a Director qualifies as independent and to prevent potential risks of conflicts of interest between the Director and the management, the Company or the Group, the Board has adopted the criteria defined in the AFEP-MEDEF Code (section 10.5), which are as follows:

Criterion 1:	**Employee corporate officer during the previous five years** ■ Is not or has not been over the previous five years: ▪ an employee or executive corporate officer of the Company; ▪ an employee, executive corporate officer or a Director of a company consolidated by the Company, or an employee, executive corporate officer or Director of the Company's parent company or a company consolidated by the parent company.
Criterion 2:	**Crossed mandates** ■ The member is not an executive corporate officer of a company in which the Company is a Director, either directly or indirectly, or in which an employee appointed as such or an executive corporate officer (currently in office or having held such office within the last five years) of the Company is a Director.
Criterion 3:	**Significant business relationships** ■ Is not a customer, supplier, commercial banker, investment banker, or consultant that is material to the Company or its Group, or for which the Company or its Group represents a significant share of its business. The evaluation of the significance or otherwise of the relationship with the company or its group must be debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the Report on Corporate Governance.
Criterion 4:	**Family link** ■ Is not related by close family ties to a corporate officer.
Criterion 5:	**Statutory Auditors** ■ Has not been the Company's Statutory Auditor within the previous five years.
Criterion 6:	**Term of office in excess of 12 years** ■ Has not been a Director of the Company for more than 12 years. Loss of the status of Independent Director occurs on the date at which this period of 12 years is reached.
Criterion 7:	**Status as non-executive corporate officer** ■ A non-executive corporate officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or group.
Criterion 8:	**Status as major shareholder** ■ Directors representing major shareholders of the company or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review the qualification of a Director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

Declarations regarding conflicts of interest, regulated agreements and convictions are included in section 3.1.10, "Ethical standards for Directors and other information" of this Universal Registration Document.

AFEP-MEDEF Criteria for corporate governance independence

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Independent
Jacques Veyrat (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sandra Lagumina (Vice-Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Olivier Duha	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caroline Grégoire Sainte Marie	✓	✓	✓	✓	✓	✓	✓	✓	✓
Laure Hauseux	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jean-Marc Janaillac	✓	✓	✓	✓	✓	✓	✓	✓	✓
Enrique Martinez			✓	✓	✓	✓	✓	✓	
Stefanie Meyer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nonce Paolini	✓	✓	✓	✓	✓	✓	✓	✓	✓
Javier Santiso	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brigitte Taittinger-Jouyet	✓	✓	✓	✓	✓	✓	✓	✓	✓
Daniela Weber-Rey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Directors representing employees									
Julien Ducreux		✓	✓	✓	✓	✓	✓	✓	n.a.
Franck Maurin		✓	✓	✓	✓	✓	✓	✓	n.a.

This means that, as of December 31, 2023, 11 of the 12 Board Directors appointed by the Annual General Meeting qualify as Independent Directors. In accordance with the provisions of the AFEP-MEDEF Code (Article 10.3), members representing employees are not taken into account in establishing the proportion of independent members. None of the Independent Directors has any business ties to the Company or receives variable compensation in cash or securities or any compensation tied to the performance of the Company or the Group.

3.1.5 / Succession plan

The Appointments and Compensation Committee annually reviews the succession plan for executive corporate officers, members of the Executive Committee, and key managers.

The plan schedules the succession of corporate officers both in the short-term in the event of unpredictable successions (resignation, impediment, death, etc.) and in the longer-term in the case of predictable successions (performance problems, expiration of term of office, retirement, etc.).

These plans are developed jointly with senior management. The Committee may also be assisted by an independent firm.

The Appointments and Compensation Committee met on February 8, 2024 to review the succession plans of executive corporate officers and company officers and members of the Executive Committee. In particular, the Committee reviewed the succession process, the procedure for selecting Board members and the diversity policy. It worked on the succession of Directors and executive officers, and the renewal of Directorships in 2024.

As regards the members of the Executive Committee, the work carried out relied in particular on the results of the development reviews carried out during 2023 in line with the processes drawn up by the Group's senior management and Human Resources Department, aimed at assessing employees' development potential in relation to their performance over several years.

The Committee reported on its work to the Board of Directors at its meeting of February 22, 2024.

3.1.6 / Mode of exercising general management

In accordance with Article 16 of the Company's bylaws, on May 24, 2023, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, at the time of the renewal of Mr. Enrique Martinez's term of office, wished to maintain the balance of powers put in place from July 2017 by separating the duties of Chairman of the Board of Directors and Chief Executive Officer. In fact, this mode of governance enables the Chairman of the Board of Directors and the Chief Executive Officer to focus on their own respective roles. As such, senior management can devote its full attention to the Group's executive management and the implementation of the strategic plan Everyday in order to achieve the associated objectives in an economic context marked by the recent pandemic, an unstable geopolitical situation, high and potentially sustained inflation, and an environment that continues to be highly competitive.

Furthermore, as a reminder, the General Meeting of May 23, 2019 appointed Enrique Martinez as a member of the Board of Directors on the recommendation of the Appointments and Compensation Committee meeting of February 4, 2019. The Board of Directors considers the full participation of the Chief Executive Officer in his capacity as a Director to be an essential part of the discussions of the Board of Directors. This appointment was renewed by the General Meeting of May 24, 2023.

The powers of the Chief Executive Officer are those conferred upon him by law. He is vested with the broadest powers to act in the Company's name in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors. He represents the Company in its dealings with third parties. Refer to section 3.2.2.2 of this Universal Registration Document for the limitations placed on the powers of the Chief Executive Officer by the Board of Directors.

3.1.7 / Chairman and Vice-Chairman of the Board of Directors

At its meeting of July 17, 2017, the Board of Directors decided to appoint Jacques Veyrat as Chairman for the remainder of his term as a Director in order to give the Chief Executive Officer and management team the benefit of his experience and his contribution to the Group's strategic positioning.

With this choice, the Board expressed its conviction that managerial continuity is the best way for the Group to consolidate its market position and operational performance.

Following the decision of the General Meeting of May 18, 2022 to renew the term of office of Mr. Jacques Veyrat as Director, for a period of three years, the Board of Directors renewed Mr. Jacques Veyrat's term of office as Chairman of the Board.

The Chairman of the Board chairs the meetings of the Board of Directors, and organizes and directs its work and meetings, on which he reports to the General Meeting. He also ensures the smooth running of the Company's governing bodies, ensuring in particular that the Directors are able to perform their duties. The Chairman of the Board also chairs the General Meetings of the shareholders.

The Chairman's specific duties are as follows:

- the Chairman is responsible for dialogue on governance topics between the Board of Directors and the shareholders, accompanied by the Director of Investor Relations, the Chief Executive Officer and the Chief Financial Officer. Depending on the topics addressed, the presence of management members may be considered. He is also responsible for maintaining the quality of relations with the Company's strategic shareholders, in close collaboration with the Chief Executive Officer; and
- the Chairman may, without prejudice to the prerogatives of the Board of Directors and its committees, be consulted by the Chief Executive Officer on all significant events relating to the Company's strategy and major growth projects.

The Chairman has access to any document or information that he deems necessary or useful for the performance of his duties as set out above. He may consult the Board Secretary and the Company's Chief Financial Officer, and receive assistance from the Company's General Secretary for the administrative tasks resulting from these duties.

As part of his duties, the Chairman interacts regularly with senior management and members of the Executive Committee in order to prepare the agenda for meetings of the Board of Directors. During 2023, he actively participated in monitoring the roll-out of the strategic plan Everyday, particularly by holding regular meetings with senior management and at the time of the strategic committee meeting held in November with the entire Executive Committee. His duties also include maintaining dialogue with the shareholders. To achieve this, he interacts with Fnac Darty SA's principal shareholders.

A Vice-Chairman may be appointed, where applicable, by the Board of Directors, tasked with deputizing for the Chairman if the latter is unable to perform their duties. On July 27, 2022, the Board of Directors decided to appoint Ms. Sandra Lagumina as Vice-Chairman of the Board of Directors, replacing Mr. Antoine Gosset-Grainville.

3.1.8 / Executive Committee

The Chief Executive Officer is assisted by an Executive Committee responsible for the functional and operational departments, so that he can maintain efficiency in governance.

As of February 22, 2024, the Group's Executive Committee consists of the following:

- Enrique Martinez, Chief Executive Officer;
- Annabel Chaussat, Chief Executive Officer, Fnac Spain;
- Tiffany Foucault, Director of Human Resources;
- François Gazuit, Operations Director;
- Frédérique Giavarini, Group General Secretary and Managing Director of Nature & Découvertes;
- Vincent Gufflet, Director of Services and Operations;
- Florence Lemetais Customer, Marketing and Business Development Director;
- Jean-Brieuc Le Tinier, Chief Financial Officer;
- Charles-Henri de Maleissye, Chief Executive Officer, Fnac Vanden Borre in Belgium;
- Julien Peyrafitte, Commercial Director France;
- Cécile Trunet-Favre, Communications and Public Affairs Director;
- Olivier Theulle, Director of E-commerce and Digital.

The Group Executive Committee meets weekly to discuss the Group's operational and financial performance, strategic plans and the management of the Company.

3.1.9 / Gender diversity policy of management bodies

Gender balance, development and diversity were identified as priority issues for the Group. With 38.7% of women in the total workforce, yet only 33.2% of women in leadership positions at the end of 2023, Fnac Darty is strongly committed to strengthening its action in favor of greater gender diversity, particularly in line management positions. The attractiveness of the employer brand is in the balance, as is the Group's ability to rise to this major societal challenge.

In order to push the entire Company, including subsidiaries, to make this issue a priority, an ambitious objective was set by the Board of Directors on the recommendation of senior management:

- for the Executive Committee, in line with rules applicable to the Board of Directors, to achieve and maintain a percentage of at least 40% of the under-represented gender by 2025 – at the end of 2023 the percentage of women was 42%, compared to 46% at the end of December 2022;
- for the Leadership Group, to achieve female representation of 35% by 2025, i.e. more than 10 points higher than in 2019 and 2020, with an increase of 2 points per year until 2024, then 3 points in 2025. The Leadership Group is made up of the members of the Executive Committee, the Group's executive officers, and key Group managers in France and internationally (employees with grade 19 or higher according to the Korn Ferry Hay weighted job evaluation method).

At the end of 2023, the percentage of women in the Leadership Group was 33.2%, compared to 30.3% at the end of 2022, i.e. a result ahead of our objectives.

In order to achieve these objectives, five major action plans were set out in a Group agreement signed in March 2021:

1) hiring: ensuring that recruitment procedures favor diversity;
2) training: to facilitate access to training for women;
3) promotion: ensuring that HR and managers are neutral, objective and encourage the discovery of everyone's potential;
4) compensation: ensuring equal pay at all levels and maintaining it sustainably;
5) parenthood: promoting a good work-life balance.

These points are further detailed in section 2.4.2.2, "'Finding' female talent" of this Universal Registration Document.

In this regard, Senior Management informs the Board of Directors annually of the results obtained.

3.1.10 / Ethical standards for Directors and other information

Conflicts of Interest – Regulated agreements – Convictions

- To the Company's knowledge, as of the date of this Universal Registration Document, there were no family ties between the members of the Board of Directors and the Company's senior management.
- To the Company's knowledge, as of December 31, 2023, in the last five years none of the members of the administrative, management or supervisory bodies: (i) has been convicted of fraud, (ii) has been party to a bankruptcy, receivership, liquidation, or placement of a business into administration, as a member of an administrative, management or supervisory body of said business [(1)], (iii) has been the subject of an investigation and/or any official public sanction by a statutory or regulatory authority (including designated professional bodies) and (iv) has been disqualified by a court from serving as a member of an issuer's administration, management or supervisory body, or from being involved in the management or conduct of an issuer's business.
- To the Company's knowledge, as of December 31, 2023, no potential conflict of interest has been identified in respect of the Company between the duties of any of the persons who are members of an administrative, management or supervisory body and their private interests and/or other duties.
- To the Company's knowledge, as of December 31, 2023, there is no arrangement or agreement with the main shareholders, or with customers, suppliers or other parties under which any member of an administrative, management or supervisory body has been selected as a member of the administrative, management or supervisory bodies or as a member of senior management.
- To the Company's knowledge, as of December 31, 2023, no benefit is provided upon termination of any service agreement binding a corporate officer to the Company or to any of its subsidiaries.
- To the Company's knowledge, as of December 31, 2023, none of the members of the administrative, management or supervisory bodies has accepted any restrictions regarding the disposal, within a certain period of time, of the issuer's securities they hold, with the exception of the rules governing the prevention of insider trading and the rules governing the obligation of executive corporate officers to hold in registered form the shares fully vested under bonus share and option plans awarded to them pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code.

The internal regulations provide for the following elements in terms of conflict-of-interest management:

Each member of the Board *"has an obligation to inform the Board of any conflict of interest situation, and must state the reason or reasons why he or she has decided, where applicable, not to abstain from taking part in discussions and voting on any deliberation of the Board which would put that member in said situation."*

"If the Chairman or, as the case may be, the Vice-Chairman has reasonable grounds to believe a Director or Directors are in a situation of conflict of interest, they may withhold any information or documents relating to the subject of the conflict from said Director(s), and shall inform the Board member(s) of their decision.

In the event of disagreement between the Chairman or, as the case may be, the Vice-Chairman and the Board member, the Board shall consult appropriate legal counsel on the matter concerned, independent of the Group and any group in which the Board member holds an office and/or position. This counsel shall ensure that the said Board member has timely access to all information required by his/her office as a Director, except information which, if exchanged or shared, would constitute a proven conflict of interest."

(1) Until December 2022, Jean-Marc Janaillac was a Director of the company Navya, which was placed under collective proceedings in 2023. It should be noted that the placement of Navya under collective proceedings took place after Jean-Marc Janaillac had resigned as a Director.

3.2 / Operation of administrative and management bodies

3.2.1 / Board committees

Pursuant to Article 15 (5) of the Company's bylaws, at its meeting of June 24, 2013, the Company's Board of Directors established committees in charge of reviewing issues submitted to them by the Board or its Chairman.

The Company's Board of Directors decided to create four committees, the composition, duties and rules of operation of which are set out below: an Audit Committee, an Appointments and Compensation Committee, a Corporate, Environmental and Social Responsibility Committee and a Strategy Committee.

Collaboration between the various committees

The committees work together on topics requiring cross-contributions, particularly in order to facilitate the inclusion of social and environmental risks and challenges.

The Audit Committee and the CESR Committee held a joint meeting on February 15, 2023 to conduct a detailed review of non-financial risks and to approve the Non-financial Performance Declaration (*Déclaration de Performance Extra-Financière* – DPEF). In addition, two Directors, Ms. Caroline Grégoire Sainte Marie and Ms. Daniela Weber-Rey, serve on these two committees and thus ensure a cross-functional view of these topics.

The Appointments and Compensation Committee also relies on the work of the Audit Committees and the CESR Committee for specific topics. The corporate officer's performance is therefore evaluated in terms of economic objectives on the basis of the information reviewed by the Audit Committee. Performance in terms of CSR is determined and measured on the basis of the strategic challenges discussed by the CESR Committee. The same applies in the implementation of long-term profit-sharing schemes for the Group's executives and key managers.

In addition, the Appointments and Compensation Committee ensures that, at the time of appointing new Directors and appointing Directors to the specialized committees, there is a match between the skills of Directors and the needs of the Company, particularly in financial, accounting and statutory auditing matters for members of the Audit Committee and in environmental, social and governance matters for members of the CESR Committee.

Furthermore, it should be noted that, since April 2019, Ms. Brigitte Taittinger-Jouyet has been a member of both the Appointments and Compensation Committee, of which she has been Chairman since July 2022, and of the CESR Committee, for which she served as Chairman from June 2013 to July 2022.

3.2.1.1 / Audit Committee

The Company's Board of Directors has decided to establish an Audit Committee and set the terms of its internal regulations as follows.

Composition

The Audit Committee is composed of three members, none of whom may be an executive corporate officer of the Company. These members are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Audit Committee, particular consideration is given to their independence, as well as to their financial, accounting or statutory audit expertise.

Therefore, in accordance with the recommendations of the AFEP-MEDEF Code, the Committee's internal regulations stipulate that Independent Directors comprise a minimum of two-thirds of the Audit Committee. The Directors comprising the Audit Committee in 2023 were all independent.

The Audit Committee is composed of three members: Sandra Lagumina (Independent Director), its Chairman, Caroline Grégoire Sainte Marie (Independent Director), and Daniela Weber-Rey (Independent Director).

All the members of the Audit Committee have recognized expertise in financial, accounting or statutory audit matters, combining their expertise in the field of the general, operational or financial management of banking institutions and companies, as evidenced by their professional backgrounds (see section 3.1.3 "Offices and positions held by the Directors and the Chief Executive Officer" of this Universal Registration Document).

Duties

The Audit Committee is responsible for monitoring the preparation and auditing of accounting and financial information, and for ensuring the effectiveness of risk-management and internal control procedures to facilitate the Board's review and approval thereof.

Accordingly, the Audit Committee's internal regulations set out its main responsibilities as follows:

- *monitoring the preparation of financial information* – The Audit Committee is responsible for examining the annual or half-year parent company and consolidated financial statements prior to their presentation to the Board and, in particular, for assessing the methods chosen to account for major transactions, provisions and related adjustments and any situation that could create a material risk for the Group, as well as any financial information, any report concerning quarterly, half-yearly or annual performance, or any reports prepared for a specific transaction (such as a capital contribution, merger or market transaction). The Committee ensures the relevance, consistency, reliability and proper application of the accounting policies in force in the Company and its main subsidiaries for the preparation of the parent company and consolidated financial statements. It examines the scope of the companies consolidated and the reasons why companies may not be included, as well as major or complex transactions (significant acquisitions or disposals, restructuring, hedging transactions, existence of special-purpose entities, material provisions, etc.) that have impacted the Company's financial statements. The Committee must specifically review material transactions where a conflict of interest could have arisen. The Committee also reviews the procedures used to prepare any other financial and accounting information published or reported to shareholders or the market. The review of the financial statements must be accompanied by a presentation by senior management that describes the exposure to risks, including social and environmental risks, and the material off-balance sheet commitments of the Company and the accounting methods chosen;
- *monitoring the effectiveness of internal control, internal audit and risk management systems relating to operations and to the processing of financial, non-financial and accounting information* – The Audit Committee is tasked with ensuring the relevance, reliability and correct implementation of the Company's internal control procedures, identification, hedging and risk management procedures relating to its business activities and the treatment of its financial, non-financial and accounting information, without compromising its independence. The Audit Committee must ensure that corrective actions are taken when significant weaknesses or material misstatements are identified. In order to do so, it is informed of the main findings of the Statutory Auditors and Internal Audit Department. The Committee also regularly examines the mapping of business risks, as well as the material off-balance sheet risks and commitments of the Company and its subsidiaries. It assesses the seriousness of the problems or weaknesses reported to it and informs the Board, where necessary. The Committee gives its opinion on the duties, organization and work plan of the Group's internal audit function, speaks with the head of Internal Audit and reviews the internal audit reports or a periodic summary of these reports;
- *monitoring the procedure for the regular evaluation of current agreements concluded under normal conditions* – In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the procedure for the regular evaluation of current agreements concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the Chief Operating Officers or any of the Directors of the Company is the owner, a fully liable partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, is intended to ensure that said agreements effectively fulfill these conditions. The Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements. Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation. Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure. The Legal and Financial Departments present this evaluation annually to the Audit Committee and the Board of Directors;

- *monitoring the statutory audit of the parent company and consolidated financial statements by the Company's Statutory Auditors* – In accordance with the law and European regulations, the Statutory Auditors must present to the Committee its overall work program and the tests it has performed, the revisions it considers necessary to the financial statements or accounting documentation, and its observations on the valuation methods used, the irregularities and inaccuracies it has identified, the conclusions drawn from the comments and corrections made with regard to the results for the period compared to those of the previous period, and, no later than the submission date of the audit report, an additional audit report prepared in accordance with the European regulations setting out the results of the statutory audit. The Audit Committee monitors the performance by the Statutory Auditors of their assignment, taking into account, where applicable, the findings and conclusions of the audits carried out by the supervisory authority for the audit industry (Haut Conseil du commissariat aux comptes – H3C). To this end, it must interview the auditors at meetings dealing with the review of the financial reporting process and the review of the financial statements, in order to report on the performance of their duties and the conclusions of their work. This allows the Committee to be informed of the main areas of risk or uncertainty regarding the financial statements, as identified by the Statutory Auditors, their audit approach and any difficulties encountered in their work. The Statutory Auditors must also inform the Audit Committee of any material internal control weaknesses identified during their work with regard to the procedures used to prepare and process the accounting and financial information;
- *monitoring the rules regarding the independence and objectivity of the Statutory Auditors* – The Audit Committee must, along with the Statutory Auditors, examine the risks affecting their independence and the safeguards enacted to mitigate these risks. When the Statutory Auditors are appointed, the Audit Committee must manage the procedure for selecting the Statutory Auditors and submit a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment by the General Meeting. Except in cases where the Statutory Auditors are up for reappointment, this recommendation must be made following an invitation to tender, must be substantiated and include at least two choices, and must give reasons for the preferred choice. In cases where the Statutory Auditors are up for reappointment, the Committee shall recommend the selection procedure to the Board, including, in particular, if there are grounds for issuing an invitation to tender. It oversees the invitation to tender and approves the specifications and selection of firms consulted, ensuring the "best bidder" is selected rather than the "lowest bidder." In particular, every year, the Statutory Auditors must submit to the Audit Committee the declaration of independence referred to in Article 6 of the European regulations, and inform it of the total amount of fees paid to the network of Statutory Auditors by the companies controlled by the Company or the entity controlling it for services other than certification of the financial statements, as well as the nature of these services. The Audit Committee must also approve in advance the provision of services other than audit services, after analyzing the risks affecting the independence of the Statutory Auditor and the safeguards applied by that Auditor. In this regard, the firm responsible for the statutory audit may perform services other than audit services which are not prohibited by the European Regulations and by the Code of Ethics of Statutory Auditors. In that case, the fees must not exceed 70% of the average fees invoiced in the last three years for the statutory audit of the financial statements. The Audit Committee makes its decision, in this regard, in accordance with the Audit Committee Charter. The Committee must also ensure that the amount of fees paid by the Company and its Group, or the proportion they represent in the revenue of the firms and networks, are not likely to adversely affect the independence of the Statutory Auditors. For example, when the total fees paid by the Company to one of its Statutory Auditors during each of the previous three consecutive years represent more than 15% of the total fees received by that Statutory Auditor in that period, the Committee must examine whether the auditing assignment should be subject to quality control by another auditor. If the fees received by that Statutory Auditor continue to exceed 15% of the total fees received, the Audit Committee will determine, based on objective criteria, whether the Statutory Auditor may continue to carry out its assignment for an additional period, which may not, in any case, exceed two years; and
- *financing review* – As part of its duties, the Audit Committee conducts a detailed review of the financing strategy, liquidity, hedging, maturity, counterparties and, more generally, any questions relating to the Group's financial risks. The Audit Committee then drafts its comments and passes them on to the Board of Directors.

The Audit Committee is closely involved in the preparation of non-financial information and in the assessment of non-financial risks. Therefore, during its joint meeting on February 12, 2024 with the CESR Committee, the Audit Committee was presented with the methodology and conclusions of the audit of the DPEF by the Statutory Auditors. It also examined the 2023 DPEF and the multi-year climate and CSR strategy presented to it by Senior Management.

Practices

A meeting of the Audit Committee is valid when there is a quorum of two members in attendance. The Audit Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Audit Committee meets at least four times a year and as many times as it deems necessary. Audit Committee meetings are held before a meeting of the Board of Directors and, where the agenda of the Audit Committee concerns the examination of the half-year and annual financial statements prior to their examination by the Board, generally at least two days before the Board meeting.

In the exercise of its duties, it hears from and may question the Statutory Auditors, the Group's Chief Financial Officer and those in charge of internal audit, internal control and financing. The Committee is informed of the main issues identified by the Internal Audit Department.

It reports regularly to the Board of Directors and submits opinions and recommendations to the Board for matters within its sphere of expertise. Written minutes of the Committee's meetings are produced and approved.

The Committee may call on experts from outside the Company and interview anyone it chooses.

It reviews the fees for the Statutory Auditors every year and assesses their independence.

3.2.1.2 / Appointments and Compensation Committee

The Company's Board of Directors has established an Appointments and Compensation Committee and set the terms of its internal regulations as follows.

Composition

The Appointments and Compensation Committee is comprised of four members. One member represents Company employees. None of the members performs a management function in the Company. A majority is independent in view of the independence criteria adopted by the Company, it being specified that the member representing employees is not included in this calculation.

Members are appointed for an indefinite period. It is specified that their term of office will expire, in any case, upon the expiration of their term of office as a member of the Board of Directors. They are chosen in particular in consideration of their independence and their competence in terms of the selection or compensation of corporate officers of listed companies.

The Chairman of the Appointments and Compensation Committee is appointed by the Board of Directors from among the Independent Directors.

At the meeting of the Board of Directors on February 23, 2021, it was decided to appoint a Director representing employees to the Appointments and Compensation Committee, in accordance with the recommendation of Article 19.1 of the AFEP-MEDEF Code. In a decision dated October 20, 2021, the Board of Directors appointed Franck Maurin as the Director representing employees on the Appointments and Compensation Committee. Following his reappointment as Director representing employees by the CFTC in October 2023, the Board of Directors renewed Franck Maurin's term of office as Member of the Appointments and Compensation Committee.

The Appointments and Compensation Committee is comprised of four members: Brigitte Taittinger-Jouyet (Independent Director), its Chairman, Nonce Paolini (Independent Director), Javier Santiso (Independent Director) and Franck Maurin (Director representing employees).

Duties

The Appointments and Compensation Committee is a specialized committee of the Board of Directors whose main duties are as follows:

- to assist the Board in appointing members of the governing bodies of the Company and its Group; and
- to assist it in determining and regularly assessing the overall compensation and benefits awarded to executive corporate officers and senior executives of the Group. This includes all deferred benefits and/or Group severance benefits.

Accordingly, it performs the following duties:

- *proposing the appointment of members of the Board of Directors, senior management and Board committees* – The Appointments and Compensation Committee is responsible for making recommendations to the Board of Directors with regard to the appointment of its members (by the General Meeting or by cooption), and of the Chairman of the Board, the Chief Executive Officer and, where appropriate, the Chief Operating Officers, as well as the members and chairs of each of the other Board committees.

  For this purpose, it sends reasoned proposals to the Board of Directors. These are made in the interests of shareholders and the Company. In general, the Committee should strive to reflect a diversity of experience and points of view, while ensuring a high level of expertise, internal and external credibility and stability of the Company's corporate bodies. In addition, it draws up and updates a succession plan for executive corporate officers so that it is in a position to quickly propose succession solutions to the Board of Directors in the event of an unforeseen vacancy.

  With particular regard to the appointment of the members of the Board of Directors, the Committee specifically takes the following criteria into account: (i) the desirable balance of the composition of the Board of Directors, specifically in terms of diversity (nationalities, ages, experience, etc.) and in view of the composition and the evolution of the Company's shareholders, (ii) the desirable number of independent members, (iii) the proportion of men and women required by the regulations in force, (iv) the opportunity for renewal of terms and (v) the integrity, competence, experience and independence of each candidate. In this context, the Committee proposes a diversity policy which is applied to the members of the Board of Directors, for adoption by the Board. In particular, it relies on the work carried out each year on the evaluation of the Board and specialized committees, in order to identify the priority skills in future appointments of Directors, including those concerning various CSR-related topics. New appointments and renewals of Directorships are proposed to the Board, with a focus on these priority skills.

Process for selecting Directors: The Appointments and Compensation Committee also organizes a process for selecting future Directors (both independent and non-independent) and members of the Board's specialized committees. To do so, in addition to the diversity policy adopted by the Board, the Committee defines specific expectations for each selection of a new Director or appointment of a Director to a committee. It may use an external recruitment firm, which must then comply with the diversity policy adopted by the Board, and the Committee's specific additional expectations. It conducts its own research on potential candidates before any approach is made to them. The Committee may meet with the pre-selected candidates. At the end of the selection process, the Committee makes a recommendation regarding one or more candidates to the Board of Directors, which will decide, in the case of appointing a new Director, whether or not to propose the appointment of said candidate(s) to the General Meeting.

With regard to the appointment of the Chief Operating Officers, the Committee proposes to the Board of Directors a selection process that guarantees the presence of at least one person of each gender among the candidates until the end of the selection process. These nomination proposals endeavor to seek a balanced representation of women and men.

When it makes its recommendations, the Appointments and Compensation Committee must ensure that the Board and the specialized committees, including the Audit Committee and the Appointments and Compensation Committee, have at least the minimum number of independent members required by the corporate governance principles to which the Company adheres;

- *conducting an annual assessment of the independence of the Board members* – Each year, before the publication of the Company's Corporate Governance Report, the Appointments and Compensation Committee assesses whether each Board member meets the Company's independence criteria and submits an opinion to the Board for its consideration on the situation of each individual in relation to these criteria;
- *evaluating the functioning of the Board of Directors* – The Appointments and Compensation Committee prepares an annual report for the Board of Directors to enable the Board to discuss its practices, to ensure that important issues are properly prepared and discussed within the Board, and to measure the effective contribution of each member to the Board's work. It also prepares a report to enable the Board of Directors to evaluate the practices of its permanent Committees under the same conditions and with the same frequency;
- *examining and making proposals to the Board of Directors concerning all aspects and terms and conditions of the compensation of the Group's main executives and senior management as well as the Chairman and, where applicable, the Vice-Chairman of the Board of Directors* – The Appointments and Compensation Committee draws up proposals that include fixed and variable compensation, as well as, where applicable, stock options, performance share allotments, pension and provident insurance plans, hiring bonuses, termination packages and non-compete allowances, benefits in kind or other specific benefits, and any other direct or indirect compensation (including long-term benefits) that may constitute compensation for members of the senior management, under the conditions provided by the regulations. It is informed of these aspects of the compensation of the Group's senior executives and the relevant compensation policies that have been implemented within the Group. The Committee also drafts proposals about the compensation of the Chairman of the Board of Directors, and, where applicable, that of the Vice-Chairman under the conditions required by regulations. When preparing its proposals and work, the Appointments and Compensation Committee takes into account the corporate governance standards to which the Company adheres;
- *examining and making proposals to the Board of Directors concerning the budget and distribution method for Directors' fees* – The Appointments and Compensation Committee makes proposals to the Board regarding the budget and distribution of Directors' fees and the individual payments to be made to members of the Board, taking into account their attendance at Board and Committee meetings, their responsibilities and the time they are required to devote to their duties;
- *exceptional duties* – The Committee is consulted to make recommendations to the Board of Directors on all exceptional compensation relating to exceptional duties that may be assigned, where applicable, by the Board of Directors to some of its members; and
- *reviewing and advising the Board of Directors regarding any negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for corporate officers (ex-post total voting)* – When the Ordinary General Meeting issues a negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for all corporate officers (ex-post total voting), the Committee proposes to the Board a revised compensation policy, which takes into account shareholder voting and, if applicable, any opinions expressed at the General Meeting, for the Board to discuss the matter at a later meeting and submit this revised compensation policy for the approval of the next General Meeting.

Practices

A meeting of the Appointments and Compensation Committee is valid when there is a quorum of two members in attendance. The proposals of the Appointments and Compensation Committee are adopted by a simple majority of those attending the meeting, each member having one vote.

Executive corporate officers may get involved with the work of the Appointments and Compensation Committee from time to time, particularly when reviewing succession plans for corporate officers, members of the Executive Committee, or managers.

The Appointments and Compensation Committee meets as many times as it deems necessary. It meets at least once a year, prior to the meeting of the Board of Directors ruling on the position of members of the Board of Directors with regard to the independence criteria adopted by the Company (on the concept of "independence," see section 3.1.4 "Independence of Directors" of this Universal Registration Document). In any event, the Board of Directors meets prior to any meeting of the Board of Directors ruling on the setting of the compensation of general management members or on the distribution of compensation allocated to Directors.

3.2.1.3 / Corporate, Environmental and Social Responsibility Committee

The Company's Board of Directors has established a Corporate, Environmental and Social Responsibility Committee and set the terms of its internal regulations as follows.

Composition

The Corporate, Environmental and Social Responsibility Committee is composed of five members, who are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Committee, particular consideration is given to their independence, as well as to their expertise in assessing issues relating to corporate, environmental and social responsibility.

The Corporate, Environmental and Social Responsibility Committee is composed of five members: Jean-Marc Janaillac (Independent Director and Chairman), Caroline Grégoire Sainte Marie (Independent Director), Brigitte Taittinger-Jouyet (Independent Director), Daniela Weber-Rey (Independent Director) and Enrique Martinez (Chief Executive Officer).

Jean-Marc Janaillac has been the Chairman of various boards of Directors, particularly in the transportation sector, which enabled him to gain expertise in governance issues and business ethics and a sound knowledge of climate issues in these industries. He is also actively involved in associations focusing on issues of diversity, equal opportunities and solidarity activities.

Caroline Grégoire Sainte Marie, who has been a member of several CSR committees, such as that of Vinci and Wienerberger, has a sound knowledge of climate issues in industry. Her positions on various boards of Directors, both in France and abroad, have provided her with extensive experience in governance matters. She is also a member of Chapter 0 France, an initiative of the World Economic Forum made up of non-executive Directors, which aims to make boards of Directors more aware of climate issues.

Brigitte Taittinger-Jouyet has been a member of various CSR committees, including Suez and Fnac Darty, the latter of which she chaired from June 2013 to July 2022. At Suez, she worked on fundamental environmental issues for the organization, as well as aspects of health and safety, a major concern for this industry. In her role as Chair of the Suez Governance Committee, she also worked on ethical issues at Sciences Po.

Daniela Weber-Rey, strongly committed to issues of climate change and transition, has also worked extensively on issues of gender equality and diversity within management bodies. For 12 years, she was a member of the German Government Commission for the German Corporate Governance Code and served on the Board of the European Corporate Governance Institute (ECGI) in Brussels. For three years, she also worked as the Chief Governance Officer of Deutsche Bank.

Enrique Martinez focused on ecological transition issues by significantly changing Fnac Darty's business model in favor of responsible and more sustainable consumption. His commitment to governance issues is continuously displayed through terms of office on the Boards of Directors at Nuxe in France and internationally at The Shaker, and most recently by his establishment of a separate and enhanced Governance Department at Fnac Darty.

Duties

The duties of the Corporate, Environmental and Social Responsibility Committee focus on the three components of sustainable development identified by the Company: corporate responsibility, environmental responsibility and social responsibility.

This committee reviews the actions and results of the previous year and presents Fnac Darty's strategic priorities for the current year.

It covers such topics as social dialogue, equal treatment, gender balance, employment of young people and older workers, diversity, climate strategy and environmental impact management, responsible consumption, cultural initiatives and social inclusion. It also helps to evaluate the performance of executives in terms of CSR [(1)].

The Committee also ensures that the disclosures in Chapter 2 "Non-financial Performance Declaration [(2)]" of this Universal Registration Document have been verified by an independent third-party body to certify their compliance with Article L. 225-102-1, paragraphs 5 and 6.

Accordingly, the Corporate, Environmental and Social Responsibility Committee's internal regulations define its main duties as follows:

- *examining the corporate, environmental and social policies enacted by the Company* – The Committee conducts the annual examination of the corporate, environmental and social policies enacted by the Company, the targets set and the results obtained in these areas. The Committee assesses these areas in light of the business activities of the Company and of its subsidiaries, and any information it may have on suppliers and their subcontractors. To this end, it also reviews the Group's Business Code of Conduct, which is distributed to employees, suppliers, partners, and subcontractors of the Group.

  Once a year, the Committee also examines a summary of ratings awarded to the Company and its subsidiaries by the non-financial rating agencies.

  In addition, the Committee examines the quality of social dialogue within the Company and reviews any opinion surveys that may have been conducted.

  Lastly, the Committee annually identifies the priority areas for corporate, environmental and social policies, proposes objectives and defines actions to achieve them;
- *examining the main corporate, environmental and social risks and opportunities for the Company* – Each year, the Committee prepares a presentation mapping any risks related to the corporate, environmental and social responsibilities of the Company in light of specific challenges in the Company's business activities. It examines the risks identified, reviews the procedures for protecting against those risks and monitors their development;
- *examining the Company's publications in the areas of corporate, environmental and social responsibility* – Each year, the Committee reviews all information published by the Company that relates to issues of corporate, environmental and social responsibility. In this respect, the Committee reviews the reporting, assessment and control systems annually, to enable the Group to produce reliable information for these areas;
- *examining issues relating to the promotion of diversity, equity and equality* – Each year, the Committee examines all issues relating to the promotion of diversity, equity and equality in the Company. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;
- *examining of the impact of the brands' business on the environment* – Each year, the Committee examines the impact of the Company's business on the environment. It prioritizes questions concerning energy consumption, carbon dioxide emissions arising directly or indirectly from the Company's activities, and initiatives promoting the collection and recycling of end-of-life products. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;
- *involving the brands in a sustainable societal approach* – The Committee pays particular attention to changes in societal trends strongly linked to the Group's activities, such as the fight against cultural exclusion, freedom of expression, the rise of digital technology and automation, and the development of a more responsible approach to consumption.

  It supports initiatives to promote these values among the general public, inviting people to become involved with initiatives undertaken by the Company (such as offering to act as partners with non-profit associations, a solidarity sign-up program, collecting entertainment products for redistribution to those most in need of them, etc.);
- *involving employees in the brands' corporate, environmental and social policies* – Each year, the Committee draws up proposals to strengthen employees' involvement in the Company's corporate, environmental and social policies. In this respect, it identifies how best to communicate the key messages to the greatest number of people, to further employees' awareness of these messages, and to provide training on its key corporate, environmental and social policies. It also reviews changes to proposals that have previously been adopted and implemented and, where necessary, proposes additional changes and/or further actions to be taken; and
- *examining fair practices in light of the Group's ethical principles set out in the Fnac Darty Business Code of Conduct* – In this context, the Committee examines and makes proposals to the Board specifically on issues relating to the prevention and detection of corruption and influence peddling.

(1) See section 3.2.1 on the collaboration with the various committees of this Universal Registration Document.

(2) On the role of the Audit Committee in the DPEF preparation process: see section 3.2.1 on collaboration with the various committees and section 3.2.1.1 on the duties of the Audit Committee. On the role of the CESR Committee in the DPEF preparation process: see section 2.3.1.1 of this Universal Registration Document.

Practices

A meeting of the Corporate, Environmental and Social Responsibility Committee is valid when there is a quorum of two members in attendance. The Corporate, Environmental and Social Responsibility Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Committee meets as many times as it deems necessary, and at least once a year, prior to the Board meeting to convene the Company's Annual General Meeting.

3.2.1.4 / Strategy Committee

In 2019, the Company's Board of Directors decided to establish a Strategy Committee and set the terms of its internal regulations as follows.

Composition

The Committee is composed of (i) the Chairman of the Board of Directors, (ii) the Executive Corporate Officer (if this role is not combined with that of the Chairman of the Board), (iii) the Chairman of the Audit Committee, (iv) the Chairman of the Appointments and Compensation Committee, and (v) the Chairman of the Corporate, Environmental and Social Responsibility Committee, i.e. a minimum of four members in the case of accumulation of Directorships as indicated above and a maximum of five members if no accumulation of Directorships as indicated above.

The Executive Corporate Officer (if not a Director) and the Group's Chief Financial Officer attend the meetings of the Strategy Committee.

The Committee is chaired by the Chairman of the Board of Directors, unless this role is combined with that of Chief Executive Officer.

The Chairman of the Committee may invite certain Directors who are not members of the Committee to attend the meetings.

This Committee is therefore composed as follows: the Chairman is Jacques Veyrat (Chairman of the Board of Directors and Independent Director) and its four other members are: Brigitte Taittinger-Jouyet (Chairman of the Appointments and Compensation Committee and Independent Director), Sandra Lagumina (Chairman of the Audit Committee Vice-Chairman and Independent Director), Jean-Marc Janaillac (Chairman of CESR Committee and Independent Director) and Enrique Martinez (Chief Executive Officer and Director).

Duties

The Strategy Committee has two main tasks:

a) general role: the general role of the Committee is to consider the broad strategic priorities of the Group that may be implemented by the executives, specifically in the fields of business, investment, partnerships or any other matter considered central to the Group's future and, where appropriate, make recommendations to the Board of Directors in this regard;

b) specific role: at the request of the Chairman, the Executive Corporate Officer or the Board of Directors, the Committee may also be required to provide an opinion on planned investments or divestments, including the acquisition, sale or exchange of shareholdings in any existing companies or companies to be created, which must be subject to prior authorization by the Board of Directors.

If necessary, the Committee may delegate the task of formulating any opinion on a particular subject to the Chairman, one of its members or any sub-committee composed of several of its members.

In this context, the Strategy Committee carries out the following main tasks:

- the Committee may speak with the Executive Corporate Officer (if not a Director) and, if necessary, interview the managers of any operational or functional entities that may be relevant to the execution of its tasks. The Chairman shall give advance notification thereof to the Executive Corporate Officer, unless they are a member of the Committee. In particular, the Committee is entitled to interview the Director of Strategy and M&A or any person designated by them; and
- the Committee may request external expert studies on matters falling within its competence at the Company's expense, subject to reporting back to the Board on these matters.

Practices

A meeting of the Strategy Committee is valid when there is a quorum of two members in attendance. The Strategy Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Strategy Committee meets at least once a year and as many times as it deems necessary.

3.2.2 / Conditions for the preparation and organization of the work of the Board of Directors

3.2.2.1 / Internal regulations of the Board, Market Ethics Charter and the handling of insider information

The Board of Directors assumes the duties and exercises the powers conferred by law, the bylaws and the internal regulations of the Board, which are available on the Governance pages of the Group's website (https://www.fnacdarty.com/en/group/governance/).

It establishes and assesses the direction, objectives and performance of the Company and ensures that they are implemented in accordance with the corporate interest, taking into account the social and environmental challenges of its business. Subject to the powers expressly attributed to the General Meetings and within the limits of the corporate purpose, it handles all issues affecting the Company's operations and regulates the Company's affairs by its deliberations.

The Board carries out the audits and verifications it deems necessary.

The conditions for the preparation and organization of the work of the Board of Directors are defined by law, the Company's bylaws, the Board's internal regulations and the work of the Board of Directors' specialized committees. The Board has drawn up internal regulations for each of the committees.

In accordance with the law and its internal regulations, the Board of Directors meets at least four times per year and at any other time, as often as the Company's interests so require. To enable the Directors to prepare as well as possible for the issues that are to be reviewed in meetings, a comprehensive dossier that includes the necessary information for each subject on the agenda is sent to them in a timely manner ahead of the meeting.

The internal regulations define the frequency and conditions for Board meetings and provide for the possibility of participating by videoconference and/or teleconference. The bylaws also provide for the possibility of Directors making decisions by means of written consultation.

They also establish the principle of regular evaluation of the Board's functioning and define the procedures for distributing Directors' fees under the conditions provided for by the regulations.

The internal regulations require the Directors to inform the Chairman of the Board of Directors of any conflict of interest, including potential conflicts of interest, between their duties to the Company and their private interests and/or other duties. Directors are not allowed to abstain from taking part in any discussions or voting on any item that concerns them directly or indirectly.

A Market Ethics Charter, updated at the meeting of October 17, 2019, has been adopted by the Board of Directors. The charter reiterates the regulatory obligations of corporate officers, persons exercising responsibilities, executives and insiders, in particular those relating to the prevention of insider trading. It also defines rules regarding restrictions on trading in the Company's shares or, more generally, the Group's shares, by stipulating "blackout periods" implemented in advance of the publication of annual and half-yearly results and quarterly financial information, and reiterates the rules for the declaration of securities transactions by executives and persons closely linked to them. The Market Ethics Charter also designates an Ethics Officer responsible for addressing any questions and concerns from insiders with regard to the charter.

3.2.2.2 / Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer

Under the law, the Chief Executive Officer is vested with the broadest powers to act in the name of the Company in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors.

As regards the Board of Directors' statutory duty to set the strategic priorities for the Company's business and ensure their implementation, and without prejudice to the legal provisions concerning authorizations that must be granted by the Board, the internal regulations of the Board of Directors require certain decisions made by the Chief Executive Officer to be submitted to the Board of Directors for prior approval, due to the type of decision or its material nature.

The limitations of powers provided for in the internal regulations of the Board of Directors, in Article 3.3, are as follows:

"The Chief Executive Officer must obtain the Board's prior consent for any of the following transactions:

a) *issues and transactions that materially affect the Group's strategy, financial structure or scope of business;*

b) *the following transactions conducted by the Company or any entity controlled by the Company if they exceed the threshold set by the Board of Directors:*

- **(i)** *any investment or divestment, including an acquisition or disposal or exchange of interests in any companies currently existing or to be created, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision,*
- **(ii)** *any surety, endorsement or guarantee of any kind, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision, and*
- **(iii)** *any borrowing (or series of borrowings) or loans, of any type, or the early repayment of a debt, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision.*

The Board also ensures that, if a strategic or significant transaction falls outside the strategy announced by the Company, sufficient information is provided to enable prior authorization to be obtained from the Board of Directors."

In this context and at its meeting of July 29, 2023, the Board of Directors decided to submit for prior authorizations any transactions which exceed the following thresholds:

- any surety, endorsement, or guarantee issued in excess of an annual overall limit of €50 million;
- any investment or divestment, including an acquisition or sale or exchange of interests in any companies currently existing or to be created, that exceeds €30 million; and
- any borrowing (or series of borrowings) or lending of money of any kind or prepayment of a loan that exceeds €50 million.

At this meeting, the Board decided that these authorizations and thresholds should be set for a period of two years expiring on July 31, 2025.

At its meeting of February 22, 2024, the Board of Directors granted the Chief Executive Officer the authority to:

- guarantee the commitments made by the Group's subsidiaries ("controlled companies within the meaning of section II of Article L. 233-16" of the French Commercial Code), up to an annual overall limit of €50 million, provided that the Chief Executive Officer reports this to the Board at least once a year; and
- provide sureties, endorsements, or guarantees to the tax and customs authorities on behalf of the Company, with no maximum amount.

This authorization was granted for a period expiring at the Board meeting held in 2025 to approve the annual financial statements.

Furthermore, the Board is regularly notified of the financial position, the cash position and the commitments of the Company and the Group. In fact, the Group's Chief Financial Officer attends all Board meetings (with the exception of those held in the absence of the Chief Executive Officer) during which he can highlight, where appropriate, any facts or significant events relating to these matters.

3.2.2.3 / Work of the Board and its specialized committees

Assessment of the Board of Directors and the specialized committees

Pursuant to the provisions of the Board's internal regulations and the AFEP-MEDEF Corporate Governance Code, once a year the Board devotes one item on the agenda to a review of the composition, organization and functioning of the Board and its committees and the effective contribution of the Directors to the Board's work. The Appointments and Compensation Committee approved an assessment process based on a three-year cycle. Within this cycle, an external assessment is performed by an independent third party every three years and internal assessments are undertaken on the years in between.

In 2023, the assessment of the Board of Directors and its specialized committees was carried out internally, under the supervision of the Appointments and Compensation Committee, on the basis of a detailed questionnaire containing the latest changes in this field that were recommended by the AFEP and MEDEF in 2022. The results of the questionnaire were analyzed by the Appointments and Compensation Committee and fed back to the meeting of the Board of Directors on February 22, 2024.

The Board noted that all Directors had returned their questionnaires and that the responses indicated a generally high level of satisfaction. In general, the Directors believe that the Board and the committees function effectively and that important issues are properly discussed.

The composition of the Board, its gender balance, the diversity of profiles, and the skills represented are deemed to be satisfactory. The Group's international positioning, the markets in which it operates and the rise of digital technology will always be considered in future appointments, as will governance expertise.

Individual skills on the Board are valued and recognized.

The Directors appreciated that their comments and recommendations in the last year had been taken into account, including around increasing the Board's involvement in strategic thinking, with a second seminar held in spring 2023, as well as around access to more information between meetings in addition to competitive intelligence and the press reviews that are already prepared.

This year, the Directors want to further increase the time for discussion by extending some meetings or by organizing meetings on specific topics. They also want to go into the risk mapping in even greater detail and continue to be informed regularly and thoroughly of new CSR regulations.

In accordance with the provisions of the Board's internal regulations, the latest triannual assessment of the Board carried out by an independent third party took place in 2023. This review covered the functioning of the Board during the year ended December 31, 2022. The next assessment to be carried out by an independent third party is scheduled for 2026 and will focus on the functioning of the Board during the year ending December 31, 2025.

Board of Directors

In 2023, the Board of Directors met eight times with an overall attendance rate of 98%.

Individual attendance figures for Directors at meetings of the Board of Directors are given at the end of this section.

Various Group employees also provided advice on certain topics: the Secretary General, the Director of Strategy and Transformation, and the Director of E-commerce and Digital.

Discussions in the absence of the Executive Director

The Chief Executive Officer was not in attendance when Board of Directors discussed the matter of his compensation. The Directors also met in the absence of management on January 26 and October 26, 2023. As such, they reported the observations and recommendations they made to the Board of Directors. They reported that they were satisfied with the functioning of the Board and the relationship with senior management.

Main duties of the Board of Directors and work carried out in 2023 (1)

The Board of Directors performed the following work in 2023:

The Company's results:

- ◆ reporting on the work of the Audit Committee, as set out in section 3.2.2.3 below;
- ● reviewing the initial revenue and earnings trends for the 2022 financial year;
- ◆ approving the consolidated financial statements and parent company statements for the financial year, consolidated quarterly and half-year financial statements, and related reports;
- ◆ reviewing and approving press releases relating to the consolidated annual, half-year and quarterly financial statements;
- ◆ proposing the appropriation of earnings;
- ◆ reviewing and preparing the provisional management accounts;
- ◆ approving the 2023 budget.

Governance:

- ◆ reporting on the work of the Appointments and Compensation Committee, as described in section 3.2.2.3 below;
- ◆ reviewing the criteria for independent Directors;
- ◆ reviewing the composition of the Board of Directors and the specialized committees;
- ◆ setting diversity objectives for the composition of the Board of Directors;
- ◆ evaluating the functioning of the Board of Directors and its committees;
- ◆ reviewing regulated agreements;
- ◆ evaluating current agreements;
- ◆ updating governance issues ("Sustainable governance" presentation, competitor intelligence, etc.);
- ● an update to the internal regulations of the Board of Directors.

Compensation:

- ◆ reporting on the work of the Appointments and Compensation Committee, as described in section 3.2.3.3 below;
- ◆ reviewing the compensation of corporate officers;
- ◆ reviewing compensation for the 2022 financial year;
- ◆ determining the compensation principles for the 2023 financial year;
- ● approving the long-term incentive plan for certain senior executives of the Group;
- ◆ distribution and payment of compensation for members of the Board and committees.

CSR/HR:

- ◆ reporting on the work of the CESR Committee, as described in section 3.2.2.3 below;
- ◆ presentation of the achievements of the 2022 CSR roadmap;
- ◆ presentation of the new 2023 CSR roadmap;
- ◆ annual review of the policy on equal opportunities and equal pay.

Financial management of the Company:

- ◆ review of financing
- ● reviewing a proposed financing activity;
- ◆ annual renewal of the Chief Executive Officer's powers regarding sureties, endorsements and guarantees;
- ◆ implementing the share buyback program.

Strategy and development of the Company:

- ◆ regular items regarding the Group's business activities;
- ◆ an update on the Company's M&A policy;
- ◆ regular updates on planned acquisitions and disposals and authorizations;
- ◆ reporting of shareholding thresholds and shareholder update;
- ● discussing the Fnac Darty 10-year strategic trajectory;
- ◆ presentations on strategic topics, specifically at the Board of Directors' annual Strategy Committee meeting.

Risk management:

- ◆ reviewing the risk management system, including risk mapping;
- ◆ examining, through the Audit Committee, the anti-corruption system;
- ◆ examining, through the Audit Committee, the system for the protection of personal data in place within the Group and its compliance with GDPR Regulations (European Regulation No. 2016/679 of April 27, 2016);
- ◆ regularly reviewing, through the Audit Committee, opportunities and risks such as financial, legal, operational, social and environmental risks and the measures taken in response to them;
- ● an update on ongoing litigation.

(1) Non-exhaustive list.
◆ Annual items.
● One-off or multi-year items.

Annual General Meeting of May 24, 2023:

- ◆ convening of the Combined Annual General Meeting (setting the agenda and approving draft resolutions);
- ◆ preparing the reports to the General Meeting;
- ◆ examining and approving the Report on Corporate Governance;
- ◆ approving the dividend policy;
- ◆ approving the proposed appropriation of earnings to be submitted to the General Meeting.

Site visits:

- ◆ exploration of a site in order to gain a more practical understanding of one of the Group's activities.

Audit Committee

Work of the Audit Committee in 2023

Work of the Audit Committee in 2023

In 2023, the Audit Committee met six times, with an attendance rate of 100% for the year. It mainly dealt with the following matters:

- **The Company's results:**
  - reviewing the parent company and consolidated financial statements as of December 31, 2022;
  - reviewing the consolidated Management Report;
  - reviewing the consolidated quarterly financial statements as at March 31, 2023, the consolidated half-year financial statements as at June 30, 2023, the Interim Financial Report and the consolidated financial statements as at September 30, 2023;
  - reviewing the work of the Statutory Auditors as at December 31, 2022 and June 30, 2023;
  - reviewing the figures included in press releases relating to the consolidated annual, quarterly and half-year financial statements, as well as assumptions regarding the outlook for 2023 and accounting options;
  - examining the business plan and reviewing impairments;
  - reviewing the collection process and the quality of information provided in the Non-financial Performance Declaration.
- **Risk management and internal control:**
  - reviewing the mapping of the Group's major risks (method and outcome);
  - reviewing the main legal and tax disputes underway within the Group's scope of consolidation;
  - presentation of the system for managing certain specific risks;
  - presentation of the Competition, Sapin 2 and GDPR compliance programs;
  - supervision of cybersecurity risks;
  - the Annual Summary Report on feedback from the ethics and compliance alert line.
- **Audit and relations with external auditors:**
  - internal audit: 2022 summary and reviewing the 2023 audit plan, reviewing the progress of the recommendations made by the Internal Audit Department;
  - quarterly update on internal audit assignments and fraud (review of audit summaries and fraud assessment);
  - reviewing the duties of the external auditors, including additional duties;
  - reviewing the budget for external auditors' fees;
  - examining the SACC procedures.
- **Financing:**
  - reviewing the new financing project;
  - reviewing the financing strategy.
- **Other:**
  - monitoring of obligations for the reporting of non-financial information relating to the Green Taxonomy;
  - monitoring and anticipating obligations associated with the Corporate Sustainability Directive (CSRD);
  - preparing the Non-financial Performance Declaration.

In accordance with the internal regulations, during the course of its duties the Audit Committee heard from the Chief Financial Officer and the Risk Director. The Audit Committee also met with the independent auditors, in the absence of Company executives, in accordance with the recommendations of the Code of Corporate Governance.

Appointments and Compensation Committee

Work of the Appointments and Compensation Committee in 2023

In 2023, the Appointments and Compensation Committee met twice, with an attendance rate of 100% for the year. There were also two written consultations. The Appointments and Compensation Committee mainly dealt with the following matters:

- **Composition of the Board of Directors and its specialized committees:**
  - an update on the proportion of men and women on the Board of Directors and the diversity thereof;
  - a recommendation in favor of reappointing Enrique Martinez and Javier Santiso as Directors;
  - a recommendation in favor of ratifying the temporary appointment of Laure Hauseux as Director and the appointment of Olivier Duha as Director;
  - examining the independence criteria for Directors and forming an opinion on the independence of each Director;

◆ *Annual items.*

- reviewing the specific financial, accounting or statutory audit expertise of the members of the Audit Committee;
- annual review of the Diversity Policy of the Board of Directors.

- **The Group's succession plans:**
  - annual review of the arrangements under the succession plan in force, as regards the duties of the Chairman of the Board of Directors and Directors on the Board of Directors and the specialized committees, the Chief Executive Officer and members of the Executive Committee.
- **Other:**
  - reviewing the draft Report on Corporate Governance;
  - reviewing the evaluation undertaken by an independent firm of the work of the Board and of the specialized committees;
  - reviewing the diversity policy;
  - reviewing the policy of the Company (Fnac Darty SA) on equal opportunities and equal pay.
- **Compensation of corporate officers:**
  - reviewing the equity ratios;
  - reviewing the components of the 2022 variable compensation for the Chief Executive Officer;
  - reviewing and proposing a compensation policy for corporate officers, in particular:
    - reviewing and proposing the conditions and components of compensation for 2023 for the Group's main executives,
    - reviewing and proposing a structure for the 2023 fixed and variable compensation of the Chief Executive Officer,
    - reviewing and proposing 2023 fixed compensation for the Chairman of the Board.
- **Long-term incentive plans:**
  - reviewing and proposing a draft long-term incentive plan for 2023;
  - reviewing and proposing a draft scheme for the payment of annual variable compensation in shares (variable compensation for 2022 and 2023 for the Chief Executive Officer; variable compensation for 2023 for key Group managers);
  - reiterating the obligation for corporate officers to hold shares received from bonus share awards and the exercise of stock options.
- **Compensation allocated to Directors:**
  - defining the method for distributing Directors' fees for 2023;
  - reviewing the distribution of Directors' fees for 2022.

The Appointments and Compensation Committee reported on its work and made recommendations to the Board of Directors.

Corporate, Environmental and Social Responsibility Committee

Work of the Corporate, Environmental and Social Responsibility Committee in 2023

In 2023, the Corporate, Environmental and Social Responsibility Committee met three times, with an attendance rate of 100% for the year. It mainly dealt with the following matters:

- presenting and approving the non-financial performance report for previous financial years;
- presenting the achievements of the CSR roadmap for previous financial years;
- forward-looking presentation of future CSR actions under each of the pillars of the CSR strategy and, in particular, the Group's climate strategy;
- reiterating the Group's medium and long-term CSR objectives, particularly regarding the Group's climate strategy;
- reviewing ongoing projects associated with the climate strategy (energy efficiency plan, biodiversity impact study, etc.);
- conducting impact studies in relation to the Corporate Sustainability Directive (CSRD);
- planning training for Directors on climate issues [1].

All information relating to the Group's CSR policies and performance is disclosed in Chapter 2 "Non-financial Performance Declaration" of this Universal Registration Document.

The Corporate, Environmental and Social Responsibility Committee reported on its work and made recommendations to the Board of Directors.

Strategy Committee

Work of the Strategy Committee in 2023

The Strategy Committee met twice in 2023 and continued its work on the strategic plan. It invited all members of the Board of Directors to get together for a day, on April 17 and on November 8, 2023, with members of the Executive Committee, the Deputy Director of Strategy and the Legal Director.

At these meetings, the Committee:

- examined growth scenarios for Fnac Darty;
- shared information about the strategic plan Everyday 2023 balance sheet;
- reported on the trajectory announced;
- reviewed priorities for 2024, particularly on services (challenges and prospects for developments in terms of after-sales services, Darty Max, delivery, Weavenn) and the challenges presented by simplification.

The meeting on November 8, 2023 was followed by a visit to the Fnac, Darty and Nature & Découvertes stores in the Beaugrenelle shopping mall.

(1) *CSR training for Directors is set out in section 2.1.1 "A governance and organizational structure dedicated to integrating CSR issues into our business lines" of this Universal Registration Document.*

Attendance of Directors at meetings of the Board of Directors and specialized committees

2023	Board of Directors	Audit Committee	Appointments and Compensation Committee	CESR Committee	Strategy Committee
Jacques Veyrat	100%	n.a.	n.a.	n.a.	100%
Brigitte Taittinger-Jouyet	100%	n.a.	100%	100%	100%
Daniela Weber-Rey	100%	100%	n.a.	100%	n.a.
Sandra Lagumina	100%	100%	n.a.	n.a.	100%
Nonce Paolini	100%	n.a.	100%	n.a.	n.a.
Caroline Grégoire Sainte Marie	87.5%	100%	n.a.	100%	n.a.
Enrique Martinez	100%	n.a.	n.a.	100%	100%
Javier Santiso	100%	n.a.	100%	n.a.	n.a.
Jean-Marc Janaillac	100%	n.a.	n.a.	100%	100%
Franck Maurin	100%	n.a.	100%	n.a.	n.a.
Julien Ducreux	100%	n.a.	n.a.	n.a.	n.a.
Laure Hauseux	100%	n.a.	n.a.	n.a.	n.a.
Stefanie Meyer	87.5%	n.a.	n.a.	n.a.	n.a.
Olivier Duha [(a)]	87.5%	n.a.	n.a.	n.a.	n.a.

(a) Olivier Duha was appointed as Director by the Annual General Meeting of May 24, 2023.

In addition, the members of the Appointments and Compensation Committee have twice been asked to give opinions by means of written consultation. All members of the Appointments and Compensation Committee took part in this consultation, with the exception of Frank Maurin (in respect of a consultation concerning the recognition of his reappointment to the Board of Directors by his union and the review of his reappointment to the Appointments and Compensation Committee).

3.2.2.4 / Procedure for the regular evaluation of current agreements concluded on normal terms

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, at its meeting of October 17, 2019, the Board of Directors implemented a procedure to evaluate, on a regular basis, whether agreements relating to current transactions concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the chief operating officers or any of the Directors of the Company is the owner, a fully liable partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, fulfill these conditions.

The procedure stipulates that the Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements.

Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation.

Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure.

The Legal and Financial Departments report their evaluation annually to the Audit Committee and the Board of Directors, which may request to hear from representatives of the Legal and Financial Departments as part of the process of approving the results of this evaluation.

As no agreements were reported to the Legal and Financial Departments, the Members of the Board of Directors were reminded of the procedure for evaluating agreements relating to current transactions concluded under normal conditions at the Board meeting of January 24, 2024. The Board of Directors has concluded that there are no current agreements concluded under normal conditions as described in the procedure.

3.2.3 / Statement on corporate governance

The Company refers to the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), updated in December 2022.

The AFEP-MEDEF Code to which the Company refers may be consulted online [1]. The Company makes copies of this code available to members of its corporate bodies.

The Company unreservedly complies with all its recommendations.

3.2.4 / Share transactions by Directors

The transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2023 financial year and until February 28, 2024 and notified to the Company were as follows.

Enrique Martinez, Chief Executive Officer and Director

Full vesting of bonus shares (May 28, 2023)	
Total amount	€0
Number of shares	53,899
Sale of shares (December 7, 2023)	
Unit price	€26.6506
Number of shares	11,748

Olivier Duha, Director

Acquisition of shares (June 07, 2023)	
Unit price	€34.22
Number of shares	300
Acquisition of shares (August 31, 2023)	
Unit price	€28.74
Number of shares	5,000
Acquisition of shares (September 08, 2023)	
Unit price	€26.63
Number of shares	5,000
Acquisition of shares (September 11, 2023)	
Unit price	€26.4
Number of shares	3,000

(1) *https://afep.com/wp-content/uploads/2022/12/Afep_Medef_Code_revision_2022_version_EN_.pdf*

3.3 / Compensation and benefits for administrative and executive bodies

3.3.1 / Compensation policy for corporate officers: Chairman of the Board of Directors, Chief Executive Officer (and/or any executive corporate officer), members of the Board of Directors

General prior notice

The term of office of the corporate officers is specified in section 3.1 of this Universal Registration Document.

3.3.1.1 / Compensation policy

On the recommendation of the Appointments and Compensation Committee, and taking into account the recommendations of the AFEP-MEDEF Code, the shareholder vote, where applicable the opinions expressed during the General Meeting, and dialogue with investors, the Board of Directors has established a compensation policy for each of the Company's corporate officers in accordance with its corporate interest, contributing to its sustainability and forming part of its business strategy as presented in Chapter 1 of this Universal Registration Document.

It is defined in such a way as to be both competitive in order to attract and retain high-performance executives and proportionate to the scope of the duties and responsibilities entrusted to each of the Chairman, executive corporate officers and Board members in order to align with the corporate interests of the Company.

The Chairman's compensation may consist of fixed compensation, compensation in respect of Directors' duties and benefits adapted to his role within the Company. In accordance with the recommendations of the AFEP-MEDEF Code, there is no provision for variable compensation.

The compensation of the Chief Executive Officer and/or any other executive corporate officer is assessed in a comprehensive and exhaustive manner and is structured so as to have a balance between fixed annual compensation, annual variable compensation and long-term compensation in order to adapt to the various challenges faced by the Company. The executive corporate officer also receives benefits tailored to his role within the Company. Where applicable, and under very specific circumstances, exceptional compensation may be submitted to the vote of the General Meeting. If he is a Director, he may receive compensation in respect of these functions.

The fixed component of the compensation is determined in accordance with market practices.

The variable component of the compensation, whether annual or long-term, is subject to the achievement of objectives established in accordance with criteria based on the Company's strategic priorities. In accordance with the recommendations of the AFEP-MEDEF Code, the variable compensation of executive corporate officers incorporates several criteria related to CSR, including at least one criterion related to the Company's climate objectives. These criteria, defined precisely, reflect the social and environmental challenges that are the most important for the Company. Quantifiable criteria are preferred. These criteria are reviewed on a regular basis although long-term stability is favored. The objectives to be achieved for each criterion are determined annually in order that they may be adapted to the Company's goals and to the expected time frame for each system (short term for the annual variables, long term for long-term incentive plans, stock options or performance shares).

With regard to annual variable compensation, the economic and financial criteria are paramount.

The maximum potential compensation for remunerating and encouraging outperformance is determined with regard to market practices.

No element of compensation, of any type whatsoever, can be determined, allocated or paid by the Company, and no commitment made by the Company if it does not comply with the approved compensation policy or, in the absence thereof, with the compensation or practices existing within the Company.

However, in exceptional circumstances, the Board of Directors may, on the proposal of the Appointments and Compensation Committee and as permitted by Article L. 22-10-8 of the French Commercial Code, depart from the application of this compensation policy where such exemption is temporary, in line with the Company's interests and necessary to guarantee the continuity or the viability of the Company. In this context, the Board of Directors may, on the recommendations of the Appointments and Compensation Committee, adjust the criteria and performance conditions for long-term annual variable compensation without the adjustments exceeding the ceilings set out in the compensation policy as a result. Any change needs to be justified and must remain in line with the interests of shareholders and beneficiaries.

The determination, review and implementation of the compensation policy of each of the corporate officers are conducted by the Board of Directors on the recommendation of the Appointments and Compensation Committee. In order to prevent any risk of conflict of interest, it is specified that neither the Chairman of the Board, nor the Chief Executive Officer, nor any other executive corporate officer shall participate in the deliberations or votes of the Board on these matters, specifically with regard to themselves.

As part of the decision-making process used for determining and reviewing the compensation policy, the compensation and employment conditions of the Company's employees are taken into account by the Appointments and Compensation Committee and the Board, which also examines the conditions and compensation elements of the Group's main executives on an annual basis. The Board thus ensures alignment and consistency between the principles of compensation of the executive corporate officers and Group executives with the Company's priority objectives, regarding both the structure of their compensation and the performance criteria for annual variable and long-term compensation.

In the event of the appointment of a new Chief Executive Officer during the financial year, the principles, criteria and compensation elements set out in the current compensation policy for the Chief Executive Officer shall apply.

Similarly, in the event of the appointment of a new Chairman of the Board of Directors or a new Director, the compensation policy applicable to the Chairman of the Board of Directors and to the Directors shall apply to them respectively.

It is specified that in the event of the appointment of Chief Operating Officers, the compensation policy for the Chief Executive Officer and/or any other executive corporate officer would apply to them. In this regard, they would be entitled to an employment contract as provided by the law.

In the event that the positions of Chairman and Chief Executive Officer become combined, the compensation policy of the Chief Executive Officer and/or any other executive corporate officer shall apply.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors may adjust the amount and compensation structure of any appointment to take into account the personal circumstances, experience and responsibilities of the person in question.

3.3.1.2 / Compensation policy of the Chairman of the Board of Directors

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

The Chairman is appointed for the full term of his or her Directorship. The term of office of Mr. Jacques Veyrat as Chairman of the Board of Directors is three years. It will end in 2025, at the General Meeting called to approve the financial statements for the year 2024. The Chairman of the Board of Directors may be dismissed at any time by the Board of Directors. He is not bound by any employment contract with the Company or any other Group company.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chairman of the Board in respect of the office concerned are as follows:

Fixed compensation

The fixed annual compensation for the Chairman must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the Chairman of the Board annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.

It is specified that, for information purposes, at its meeting of February 22, 2024, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to maintain the fixed compensation of its Chairman for 2024 at €200,000.

Annual variable and long-term compensation, stock options and performance shares

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors is not planning to grant variable compensation, long-term compensation, stock options or allot bonus performance shares to the Chairman of the Board.

Compensation awarded in respect of the office of Director

The Chairman may receive compensation for his role as a Director, the amount of which is set, distributed and allotted according to rules applicable to all members of the Board.

The rules governing the compensation allocated to Directors are described in section 3.3.1.4 of this Universal Registration Document.

For information purposes, it is specified that, in accordance with the decision of the Board of Directors of July 17, 2017, Jacques Veyrat no longer receives any compensation for his role as Director, since he was appointed Chairman of the Board of Directors on that date.

Other benefits

The Chairman of the Board may have a company car consistent with the Company's current vehicle policy and market practices; for information purposes, it is specified that Jacques Veyrat has never had one.

3.3.1.3 / Compensation policy of the Chief Executive Officer and/or any other executive corporate officer

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

It is the responsibility of the Board of Directors to set the term of office of the Chief Executive Officer. By decision dated July 17, 2017, the Board decided to appoint Mr. Enrique Martinez as Chief Executive Officer for an indefinite term. He may be dismissed at any time by the Board of Directors. He is bound to the Company by an employment contract, suspended when he took office in July 2017.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chief Executive Officer and/or any other executive corporate officer in respect of the mandate concerned are as follows:

Fixed compensation

The fixed annual compensation for the executive corporate officers must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the executive corporate officer(s) annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.

It should be noted that at its meeting on February 22, 2024, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, decided to increase the Chief Executive Officer's fixed annual compensation to €800,000 gross from 2024. This new compensation is fixed for the remainder of his Directorship and will therefore not be amended during this period, except in exceptional circumstances.

The fixed compensation paid in 2023 was €750,000 gross, an amount that has not changed since 2019.

It should be noted that the potential annual variable compensation still represents 100% of the fixed compensation should the objectives be achieved, but it is not increasing and remains capped at €1,125,000 gross should there be overperformance on all of the criteria, which equates to potential maximum variable compensation of 140.625% of the fixed compensation. The maximum amount of annual variable compensation has therefore remained unchanged since 2019.

The change in Mr. Enrique Martinez's fixed compensation is 6.7%, but the change in his maximum theoretical compensation is limited to 2.7%.

The proposed increase in compensation for Mr. Enrique Martinez reflects both a desire to recognize his long-term performance in a particularly difficult climate for specialized retail and a desire to take a reasonable and acceptable approach by the various stakeholders.

Since Mr. Enrique Martinez took up his post as Chief Executive Officer, Fnac Darty has demonstrated the soundness of the strategic plans implemented, Confiance + initially and Everyday now, and their exceptional results. The adjustments in its omnichannel model and the acceleration of the radical transformation of its digital customer and service model has enabled the Group to demonstrate the strength of its model and the very strong resilience of its business over a number of years which have seen an unprecedented sequence of events, with a health crisis, a geopolitical crisis, and a period of very sustained inflation.

This increase is also evidence of the Board of Directors' confidence in Enrique Martinez to lead the Group in a climate that remains uncertain, with a desire to continue deploying its strategic actions to simplify its model; to remain a key partner in meeting the needs of its customers and subscribers; and to continue to outperform the markets, maintain the gross margin levels, control its costs, and maintain a solid liquidity position.

Furthermore, this change is a long time coming, with the compensation having been fixed for five years: his entire Directorship.

It should be noted that during the 2019–2023 period, employees that had been part of the Group since 2019 saw an average increase of 14.7% to their fixed compensation and an increase of 13.4% when the annual variable components paid are included. These increases were determined against a backdrop of high inflation.

Annual variable compensation

From 2023, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to award the variable annual compensation of executive corporate officers, in whole or in part, in the form of performance shares. This conditional allotment of the Company's shares strengthens the alignment of the interests of the executive corporate officers and the shareholders.

The payment method for the annual variable compensation, whether in cash or in the form of a performance share allocation, has no bearing on the performance conditions or on the ceiling for the annual variable compensation.

For 2024, 25% of Mr. Enrique Martinez's annual variable compensation will be allocated in performance shares, with 75% paid in cash.

The annual variable compensation of executive corporate officers is determined by the Board of Directors which, every year, sets the nature of the quantitative objectives and qualitative goals along with their relative weighting for the variable component of compensation. Variable compensation is proportional and may currently represent between 0% (no objective achieved) and 100% of fixed annual compensation if objectives are achieved. Overall, this variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded (outperformance).

The allotment of shares is subject to compliance with:

- a one-year vesting period;
- followed by a two-year lock-up period.

The payment of variable compensation may only take place with the approval of the General Meeting and in accordance with provisions of Article L. 22-10-34, II of the French Commercial Code.

It should be noted that at its meeting of February 22, 2024, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to cap Mr. Enrique Martinez's annual variable compensation at €1,125,000 gross should there be overperformance of all of the criteria. The maximum amount of annual variable compensation has therefore remained unchanged since 2019. This ceiling represents 140.625% of annual fixed compensation in 2024.

Annual variable compensation remains in line with the guidelines of the strategic plan Everyday presented in February 2021. Economic and financial criteria remain predominant. Variable compensation is broken down as 60% on business and financial targets, 10% on a customer experience target, 10% on objectives relating to corporate, social and environmental responsibility, and 20% on qualitative goals.

The weight of the various economic and financial criteria is balanced in order to emphasize:

- free cash-flow, the recurring generation of which is a major objective of the strategic plan Everyday;
- revenue, with ambitious growth targets, thanks in particular to the combination of in-store and online sales;
- current operating income, which remains a fundamental indicator of the Company's economic performance.

An objective linked to customer experience, a historical hallmark of Fnac Darty, was included in 2021 and continues to be maintained. This is further strengthened by the ambition of the Group's brands to embody the new standards of omnichannel retail, placing advice, sustainability, and service at the heart of its customers' daily lives.

As social and environmental commitments lie at the heart of the strategic plan Everyday, objectives associated with Corporate Social Responsibility have been retained.

In addition, as in 2023, on the recommendation of the Appointments and Compensation Committee, the Board of Directors resolved to cap the potential compensation for qualitative goals at 100% of the potential at achieved target on these criteria, with no possibility of compensation for outperformance. The maximum potential compensation for customer experience and the Company's corporate social responsibility is set at 150% in the event of outperformance. The maximum unused potential is reallocated to the financial criteria, taking it to 151.04%.

The specific criteria and the structure of the current annual variable compensation are described below.

The business and financial targets set by the Board of Directors for the variable component are as follows:

- Group current operating income (COI) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 151.04% in the event of outperformance;
- Group free cash-flow (FCF) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 151.04% in the event of outperformance;
- Group revenue corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 151.04% in the event of outperformance.

The targets for these three criteria are the same as in the Group's budget for 2024.

The customer experience target set by the Board of Directors for the variable component is as follows:

- the Net Promoter Score corresponding to 10% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives related to the Company's corporate, social and environmental responsibility set by the Board of Directors for the variable component are as follows:

- the reduction in Fnac Darty's energy consumption in France accounts for 5% of the total objective for an achievement level of 100%, with a maximum of 150% in the case of overperformance. This objective, which is shared by all Group managers eligible for annual variable compensation for the second year in a row, has replaced the non-financial rating criterion since 2023. This demonstrates, on the one hand, the Group's willingness to continue to take into account criteria that are more specific to the Company, an aspect highlighted during regular dialogue with shareholders, and, on the other hand, the importance attached to this major ecological issue, which is also an important economic challenge for the Company. This criterion, introduced in our Non-financial Performance Declaration, is part of our Everyday strategy and forms part of our objective to reduce our CO_2 emissions by 50% by 2030;
- Group employee engagement, also presented in our Non-financial Performance Declaration and measured monthly using a questionnaire sent to all Group employees, corresponds to 5% of the total objective for a target achievement rate of 100%, with a maximum of 150% in the event of outperformance.

The expected achievement level of each of the business and financial targets, as well as for the objectives relating to customer experience and corporate, social and environmental responsibility set for the executive corporate officers, are pre-determined each year by the Board of Directors using a specific methodology, but are not published for confidentiality reasons.

Every business, financial, customer experience target, and corporate, social and environmental responsibility objective is subject to:

- a trigger threshold below which no compensation is payable for the target concerned; and
- an achievement level above which the compensation is capped for the objective concerned.

For each economic or financial target, customer experience, and every corporate social and environmental responsibility goal, when the result reported is between the trigger threshold and the target set, the variable compensation percentage for the target or goal concerned is determined on a straight-line basis between the two (to reach 100%). The same applies when the result observed is between the target and the cap (to achieve 151.04% for financial criteria and 150% for customer experience or corporate, social and environmental responsibility criteria).

With regard to qualitative criteria, the Board of Directors has set the following objectives for 2024:

- the implementation of strategic initiatives with the integration of MediaMarkt Portugal, the development of Weawenn, and the development of the services policy;
- the execution of the performance plan, cost management, and productivity management;
- the quality of the social climate, the success of communications around the Olympic Games.

Each of these three criteria accounts for one third of the 20% of the annual variable compensation allocated to qualitative criteria, for a level of achievement of 100% of the target.

These objectives were established in advance by the Board of Directors, and partly correspond to a quantified ambition. They are not made public for reasons of confidentiality.

The potential compensation for qualitative goals is capped at 100% of the target potential achieved on these criteria, with no possibility of compensation for outperformance.

These variable compensation criteria are aligned with the Group's strategic objectives and the Group's Corporate Social Responsibility objectives; they contribute in particular to the Group's business, financial and economic performance objectives.

The weight of revenue reflects the Company's business ambitions set out in its strategic plan Everyday, spearheaded by the acceleration of the Group's omnichannel model, the growing digitalization of consumption, and the unique regard in which customers hold its brands thanks to the advice and services provided. Through its various brands and retail channels, Fnac Darty is able to offer an unrivaled range of value-added, committed and engaging products and services, with a strong ambition in its main categories of products and services.

The profitability objectives with current operating income and cash-flow generation seek to bolster the Company's financial strength, allow it to continue its development and ensure its continuity.

The strength of the current operating income will be reinforced in particular with the profitability at the end of the plan of all integrated stores, and the development of new promising formats such as kitchens or small local formats.

The generation of cash-flow will be enhanced by the transformation of the service offering, with the development of a new subscription-based business model, with recurring cash-flows, which consolidates a long-term quality relationship with the Company's customers and works to extend the life span of its products.

The Net Promoter Score, a measure of customer experience, shows Fnac Darty's ambition to reinvent the way it serves its customers, in particular through its digital ecosystem, allowing it to showcase the advice and recommendations that are the strength of the Group's brands, to make the customer experience more fluid, and to strengthen daily a trust-based relationship with its customers, on the basis of a new subscription-based home assistance service.

Since 2019, the measurement of social and environmental responsibility criteria has provided for alignment with the mission of the Group, i.e. "committing to providing an educated choice and sustainable consumption" to its customers, which provides a way to stand out and to create value. The measurement of energy consumption, an objective shared by all managers eligible for annual variable compensation, reflects the desire to take an impactful collective approach to address the Group's climate and economic challenges. Furthermore, the monitoring of employee commitment, the Company's main asset, particularly within a context of major transformation and economic uncertainty, demonstrates the importance of human capital for the Group, whose employees strive to guide consumers in order to enable them to make the best choice, an educated choice, thereby marking significant competitive differentiation.

Finally, the qualitative goals, reviewed each year, encourage high-quality operational performance and the rapid and effective roll-out of key projects for the Company's transformation, which create value. For 2024, these objectives are reflected as part of a coherent and continuous implementation of the ambitions for the year under the strategic plan Everyday. They focus specifically on:

- the integration of MediaMarkt Portugal, the development of Weawenn, and the development of the services policy demonstrate the Group's ambition to create value by grasping organic and external growth opportunities, and transform even further while ensuring high-quality for its customers;
- the performance plan, cost management, and productivity management focuses on the essential actions for achieving our profitability objectives;
- the quality of the social climate is still a major challenge in an unstable economy, and the success of communications around the Olympic Games shows Fnac Darty's ambition to strongly promote the Group's know-how as a European leader in retailing entertainment and leisure products, consumer electronics, and domestic appliances.

These qualitative goals partly correspond to quantified ambitions.

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the economic and financial, customer experience, and social and environmental responsibility criteria, based on the performance for the entirety of the year in question. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

		% of fixed compensation		
		Minimum	**Target**	**Maximum**
Economic and financial targets (60% of total variable compensation)	Group current operating income (COI)	0.0%	20.0%	30.21%
	Group free cash-flow (FCF)	0.0%	20.0%	30.21%
	Group revenue	0.0%	20.0%	30.21%
Customer experience target (10% of total variable compensation)	*Net Promoter Score* (NPS)	0.0%	10.0%	15.0%
Corporate Social Responsibility objectives (10% of total variable compensation)	Reduction in energy consumption	0.0%	5.0%	7.5%
	Employee engagement	0.0%	5.0%	7.5%
Qualitative goals (20% of total variable compensation)	The integration of MediaMarkt Portugal, the development of Weawenn, and the development of the services policy	0.0%	6.67%	6.67%
	The execution of the performance plan, cost management, and productivity management	0.0%	6.67%	6.67%
	The quality of the social climate, the success of communications around the Olympic Games	0.0%	6.67%	6.67%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		**0.0%**	**100.0%**	**140.625%**

In the event of a departure that takes place during the financial year, annual variable compensation will be paid based on how far into the financial year in question the departure occurs, and in accordance with the level to which the performance conditions were achieved.

It should be noted that, in the event of death or disability corresponding to classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code, the beneficiary will not lose their entitlement to annual variable compensation for the portion paid in securities.

On February 22, 2024, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board of Directors reviewed the retention conditions applicable to executive corporate officers and decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 10% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 24 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the executive corporate officers who receive share options and/or performance shares formally commit not to hedge their risk on the options, the shares resulting from the exercise of options, or the performance shares, until the end of the share lock-up period set by the Board of Directors.

Long-term compensation, stock options and performance shares

The executive corporate officers are eligible for the long-term incentive plans that the Board of Directors awards to the other members of the Executive Committee. The plans granted to the executive corporate officers may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions. The purpose of these plans is to align the interests of the executive corporate officers more closely with the interests of shareholders.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of such plans within the IFRS 2 framework is proportionate to the annual fixed and variable components. The Board of Directors also ensures that it is consistent with market practices.

Thus, the value of the long-term compensation at the time of its initial allocation may represent a maximum of 50% of the total compensation (this total is equal to the sum of the annual fixed compensation, the maximum variable compensation and the long-term compensation).

These plans do not include a vesting period less than three years.

Vesting in these plans is subject to:

- satisfying a condition of employment at maturity, except in exceptional circumstances set out in the plan rules, for example in the event of death, disability or a change in control of the Company, it being specified that, in the event of termination of their term of office, plans awarded to Directors and executive corporate officers during the vesting period are lost, unless the Board of Directors expressly decides, in view of special circumstances, to maintain them by applying a pro rata reduction in the number of securities that may still vest at maturity;
- satisfying several performance conditions set by the Board of Directors, of which:
  - at least one will be associated with the Company's Corporate Social Responsibility objective,
  - at least one will be associated with one of the Company's economic criteria (an indicator linked to the balance sheet and/or the income statement),
  - at least one will be associated with the Company's share price, except in the case of stock option allocations for which the implementation of a condition associated with the Company's share price will be possible, but not necessary, insofar as this condition exists intrinsically, as stock options require an absolute increase in the share price in order to be exercised.

The performance criteria, which are identical to those used for Executive Committee member plans, are stringent. They do not allow these plans to be vested if a trigger threshold is not reached. They are measured over a period covering the financial years covered by the plans. Measurement may vary depending on the criteria selected and may include a change in performance between the start of the plan or a period preceding it, and the end of the plan. When performance against a criterion is measured in relative terms by comparison with an index or a peer group, the performance threshold below which no compensation for the criterion is payable is either the median or the average of the index of the comparison group.

It should be noted that, on February 22, in line with the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to change the measurement period for measuring one of the criteria for the 2021 and 2022 long-term compensation plans on a one-off basis in accordance with the provisions of the AFEP-MEDEF Code, as outlined in the Group's press release dated February 23, 2024 on the compensation of Executive Corporate Officers. The nature of this change and its rationale are set out in this press release. This change will be put before the General Meeting of May 29, 2024 under the Twelfth Resolution.

The performance conditions will be assessed at the end of each plan in accordance with the procedures set out in the plan regulations in order to allow the Board, or the executive corporate officer by virtue of the sub-delegation by the Board of Directors, to record the fulfillment of the acquisition criteria for the long-term compensation (performance conditions and presence conditions).

By aligning the long-term interests of the executives and shareholders, establishing performance conditions based on market performance, whether or not this is intrinsic to the vehicle allotted, but also on economic, financial or social and environmental responsibility criteria based on the Group's strategic priorities, the variable long-term compensation contributes to the objectives of the compensation policy. Furthermore, by stipulating, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, rules for retaining the shares fully vested under each of the bonus share and option plans in registered form, this method of compensation supports the continuity of the Company.

Exceptional compensation

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors does not intend to award exceptional compensation to the executive corporate officers except in very special circumstances. The payment of such compensation must be able to be justified by an event such as the achievement of a major transaction for the Company or specific substantial outperformance that is not measured as part of the annual variable compensation. The value of exceptional compensation awarded may represent up to 100% of the annual fixed compensation and the maximum annual variable compensation. In any event, payment of this compensation may only take place with the approval of the General Meeting and in accordance with provisions of Article L. 22-10-34, II of the French Commercial Code.

Compensation awarded in respect of the office of Director

Where an executive corporate officer is also a Director of the Company, they may receive compensation in this capacity. This compensation is determined, distributed and awarded to an executive corporate officer in accordance with the rules applicable to all the Directors.

The rules governing the compensation allocated to Directors are described in section 3.3.1.4 of this Universal Registration Document.

For information purposes, it should be noted that, under the compensation policy approved by shareholders at the General Meeting of May 24, 2023, Enrique Martinez receives compensation for his Directorship in accordance with the rules applying to Directors.

Other benefits

In the absence of an employment contract with the Company, executive corporate officers benefit from an unemployment insurance plan specifically for non-salaried corporate officers, to compensate, to some extent, for the lack of unemployment insurance similar to that provided for employees.

Executive corporate officers have company cars consistent with the Company's current vehicle policy and market practices.

Commitments

Severance package

Executive corporate officers may receive a severance package upon termination of their appointment, which will be subject to compliance with criteria of a financial and, where applicable, non-financial nature that contribute to the objectives of the compensation policy. If such a commitment were to be implemented by the Board of Directors, it would comply with the recommendations of the AFEP-MEDEF Code concerning the cap of two years' compensation (annual fixed and variable) on the package.

Enrique Martinez does not benefit from such a commitment, whether as Chief Executive Officer or under the terms of his employment contract, which was suspended when he took office in July 2017.

In the event of termination of the employment contract, three months' notice shall be provided. If the termination is at the initiative of the Chief Executive Officer, no severance pay is due. If the termination is at the initiative of the Company, legal or conventional compensation shall be provided.

Non-compete agreement

Executive corporate officers may be subject to a non-compete agreement limited to a period of two years from the end of their term of office, in return for which they may receive, in installments over the duration of the agreement, a gross allowance of up to 80% of their fixed monthly compensation, with the Board of Directors having the option to waive implementation of this clause.

The non-compete agreement falls within the recommendations of the AFEP-MEDEF Code, which provides a cap of two years' compensation (annual fixed and variable), together with any severance pay.

In addition, the payment of compensation under the non-compete agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years.

In this context, Enrique Martinez is subject to a non-compete agreement in the specialized retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause.

This commitment was approved by the General Meeting of May 18, 2018 in its Fifth Resolution and was the subject of an amendment approved by the General Meeting of May 23, 2019 to bring it into line with the recommendations of the AFEP-MEDEF Code.

Supplementary pension scheme

The executive corporate officers may benefit from a supplementary defined-contribution pension scheme.

Accordingly, Enrique Martinez is a member of the supplementary defined-contribution pension scheme recognized under Article 83 of the French General Tax Code, which benefits all executives of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the General Meeting held on May 18, 2018 as part of resolution five.

Provident insurance plan

Executive corporate officers may benefit from participation in a provident insurance plan.

Accordingly, Enrique Martinez is a member of the provident insurance plan (medical expenses, incapacity and disability, death benefits) covering all employees of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the General Meeting held on May 18, 2018 as part of resolution five.

3.3.1.4 / Compensation policy of members of the Board of Directors

Compensation allocated to the members of the Board of Directors

Directors' terms of office run for a maximum period of four years. Directors may be dismissed at any time by the General Meeting.

The General Meeting determines the total amount of compensation to be paid to the members of the Board of Directors.

The General Meeting of May 24, 2023 set the fixed annual amount to be allocated to Directors at €550,000 in order to reflect the increasing importance of the role of the Corporate, Environmental and Social Responsibility Committee in the Company's governance and the responsibility of the Directors who serve there.

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has established the compensation policy of the members of the Board of Directors, which, in accordance with the regulations, is subject to the vote of the next General Meeting. This policy involves the distribution of Directors' fees according to the actual attendance of members at meetings of the Board and the specialized committees held during the year concerned.

The criteria for distributing the annual fixed amount allocated by the General Meeting to the members of the Board have been set by the Board on the proposal of the Appointments and Compensation Committee and are as follows:

- €320,000 is allocated to members of the Board of Directors;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €230,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €70,000 to the Appointments and Compensation Committee and €70,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allotted strictly on the basis of members' attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees;
- if two committees hold joint meetings (audit and corporate, environmental and social responsibility), the following rule is used to calculate the compensation paid:
  - if no committee member sits on both the Audit Committee and the Corporate, Environmental and Social Responsibility Committee, each member is compensated by their committee as if it were a separate meeting,
  - if all members sit on both the Audit Committee and the Corporate, Environmental and Social Responsibility Committee, each member is paid 50% by each committee,
  - if one or more Directors (but not all Directors) sit on both committees, each Director attending the meeting is compensated the higher of the amounts paid by the two committees they sit on. Directors sitting on just one committee are compensated by their committee. Directors sitting on both committees are paid 50% by each committee,
  - in any case, the compensation paid to the two Chairs is 50% higher.

The portion of the compensation calculated but not paid to Directors who elect not to receive their compensation is not reallocated to the other Directors.

In accordance with Article 7 of its internal regulations, the Board of Directors may allocate exceptional compensation to some of its members for missions or mandates entrusted to them and which will therefore be subject to the regulated agreements regime.

Furthermore, it is specified that certain Directors may receive compensation under an employment contract as provided by the law, in particular the Directors representing the employees with an open-ended employment contract.

3.3.2 / Information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code for each corporate officer of the Company

It is specified that the total compensation of the Chairman and the Chief Executive Officer complies with the compensation policy approved by the General Meeting of May 24, 2023 under the Fourteenth and Fifteenth Resolutions.

The information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code and indicated below for each corporate officer shall be submitted to the vote of the next General Meeting in the context of a general resolution. In addition, the compensation items paid during 2023 or allocated for 2023 to the Chairman of the Board of Directors and the Chief Executive Officer referred to below shall each be the subject of a specific resolution submitted to the vote of the General Meeting in accordance with Article L. 22-10-34 II of the French Commercial Code.

3.3.2.1 / Compensation and benefits paid to the Chairman of the Board of Directors

The Company is a French limited company with a Board of Directors. The duties of the Chairman of the Board of Directors and the Chief Executive Officer are separated and have been exercised by Jacques Veyrat and Enrique Martinez, respectively, since July 17, 2017.

Jacques Veyrat does not have an employment contract.

At its meeting of February 23, 2023, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the compensation package for its Chairman, Jacques Veyrat.

The stated amounts allocated correspond to all compensation awarded to Jacques Veyrat for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by Jacques Veyrat during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 24, 2023 in its Fourteenth Resolution.

Fixed compensation

The Chairman's 2023 gross annual fixed compensation was set at €200,000 and has not changed since 2017. The gross amount paid and allocated for 2023 was €200,000.

For reference, in 2022, the gross amount allocated and paid for that year was €200,000.

Compensation awarded in respect of the office of Director

At its meeting of July 17, 2017, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, resolved that, as Jacques Veyrat would now receive fixed annual compensation as Chairman, he would no longer be entitled to compensation for his Directorship after his appointment. Jacques Veyrat did not receive any compensation for his Directorship for 2023.

The Chairman of the Board of Directors has not received any compensation from a company within the scope of consolidation.

Summary table of compensation, options and performance shares awarded to the Chairman of the Board of Directors

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT Chairman of the Board of Directors	2022	2023
Gross compensation allocated for the period	€200,000	€200,000
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period [(a)]	n.a.	n.a.
Valuation of performance shares awarded during the period [(b)]	n.a.	n.a.
Valuation of other long-term compensation plans	n.a.	n.a.
TOTAL	**€200,000**	**€200,000**

(a) No options were awarded in 2022 or 2023.
(b) No performance shares were awarded in 2022 or 2023.

Table summarizing the compensation of the Chairman of the Board of Directors

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT Chairman of the Board of Directors	2022		2023	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	€200,000	€200,000	€200,000	€200,000
Annual variable compensation	n.a.	n.a.	n.a.	n.a.
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	n.a.	n.a.
Benefits in kind	n.a.	n.a.	n.a.	n.a.
Supplementary pension schemes	n.a.	n.a.	n.a.	n.a.
Provident insurance plans	n.a.	n.a.	n.a.	n.a.
TOTAL	**€200,000**	**€200,000**	**€200,000**	**€200,000**

Summary of the benefits paid to the Chairman of the Board of Directors

Table 11 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT Chairman of the Board of Directors	Employment contract		Supplementary pension scheme		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office start date: 07/18/2017 Term of office end date: General Meeting 2025		X		X		X		X

3.3.2.2 / Compensation and benefits paid to the Chief Executive Officer

Given Enrique Martinez's length of service in the Group as of 2017 (19 years) and his status as an inpatriate, the Board of Directors decided, at its July 17, 2017 meeting, on the recommendation of the Appointments and Compensation Committee, to suspend Enrique Martinez's employment contract for the duration of his term as Chief Executive Officer.

At its meeting of February 23, 2023, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the annual fixed and variable compensation of its Chief Executive Officer, Enrique Martinez.

The stated amounts allocated correspond to all compensation awarded to the Chief Executive Officer for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by the Chief Executive Officer during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 24, 2023 in its Fifteenth Resolution.

This section presents the compensation and benefits paid and allocated for the previous period to Enrique Martinez as Chief Executive Officer.

Fixed compensation

Chief Executive Officer's 2023 gross annual fixed compensation was set at €750,000 and has not changed since 2019.

The gross amount paid and allocated for 2023 was €750,000.

For reference, in 2022, the gross amount allocated and paid for that year was €750,000.

Annual variable compensation

The criteria for individual variable compensation for 2023 are specified in section 3.3.1.3 of this 2022 Universal Registration Document.

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the criteria (economic, financial and social and environmental responsibility) that make up the corporate officer's variable compensation, based on their performance for the whole of the year in question. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

		Assessment
Economic and financial targets (60% of total variable compensation)	Group current operating income (COI) (20% of total variable compensation)	In an inflationary environment, the target current operating income for 2023 was not achieved, owing to a slight decline in activity and the increased costs that were not fully offset by the performance plans. As such, the objective was met at 85.35%, and the percentage of compensation under this criterion is 51.22% of the maximum compensation attached to this criterion.
	Group free cash-flow (FCF) (20% of total variable compensation)	With €180.1 million, the Group generated sufficient free cash-flow to confirm its cumulative target of €500 million over the 2021–2024 period. The free cash-flow objective was achieved in 2023. The result, up compared to 2022, falls between the target and the maximum objective. As such, the objective was met at 112.56%, and the percentage of compensation under this criterion is 80.10% of the maximum compensation attached to this criterion.
	Group revenue (20% of total variable compensation)	With its 2023 revenue virtually stable compared to 2022, the Group again demonstrated its ability to outperform the market, where volumes fell compared to 2022 against a backdrop of high inflation. Despite this, the revenue target for 2023 was not achieved. The result sits between the target threshold and target objective. As such, the objective was met at 96.03%, and the percentage of compensation under this criterion is 50.48% of the maximum compensation attached to this criterion.
Customer experience target (10% of total variable compensation)	Net Promoter Score (NPS) (10% of total variable compensation)	Also experiencing a sharp upturn compared with 2022, the Net Promoter Score objective was exceeded. The result falls between the target and the maximum objective. As such, the objective was met at 102.79%, and the percentage of compensation under this criterion is 95% of the maximum compensation attached to this criterion.
Corporate Social Responsibility objectives (10% of total variable compensation)	Reduction in the Group's energy consumption (5% of total variable compensation)	The target for reducing the Group's energy consumption was significantly exceeded in 2023 and is above the cap. As such, the objective was met at 300%, and the percentage of compensation under this criterion is 100% of the maximum compensation attached to this criterion.
	Employee engagement (5% of total variable compensation)	The employee engagement objective was exceeded, with a further increase seen in the indicator measured from the employees' own responses. These results are achieved thanks to an analysis of the monthly results of the Group's employee surveys and the concrete actions they enable. The result is above the cap. As such, the objective was met at 104.57%, and the percentage of compensation under this criterion is 100% of the maximum compensation attached to this criterion.
Qualitative goals (20% of total variable compensation)	Execution of the strategic plan Everyday with criteria refocused on: development of the services policy; implementation of the performance plan; (10% of the total variable compensation)	On the recommendation of the Appointments and Compensation Committee, the Board of Directors acknowledged the excellent quality of the work carried out by Enrique Martinez with regard to all of the various component factors required to fulfill the first qualitative criterion. In relation to the development of the services policy, the Board noted: ■ the increase in the number of Darty Max subscribers to 1.1 million from 800,000 a year earlier, and a fall in churn, demonstrating an increase in the level of satisfaction of these customers for this services offering; ■ the launch of Fnac Vie Digitale, with a promising start. The savings objectives for the performance plan were exceeded by 21%.
	Quality of the social climate (10% of total variable compensation)	With regard to the second qualitative criterion, the Board noted the positive social climate developed in 2023 that led, in particular, to the signing of numerous agreements within the Group, including the mandatory annual negotiations (négociations annuelles obligatoires – NAO) agreements against a backdrop of high inflation and pressure on purchasing power. It also noted the positive development of the e-NPS (monthly measure of employee satisfaction), which was up in 2023.
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		

Weighting of criteria as a % of fixed compensation			Achieved		
Min	Target	Max	Achieved	Compensation as a % of the maximum for the criterion	Amount *(in euros)*
0.0%	20.0%	33.3%	€170.7 million	51.22%	128,025
0.0%	20.0%	33.3%	€180.1 million	80.10%	200,237
0.0%	20.0%	33.3%	€7,874.7 million	50.48%	126,198
0.0%	10.0%	15.0%	62.7	95.0%	106,875
0.0%	5.0%	7.5%	-15%	100.0%	56,250
0.0%	5.0%	7.5%	73.2%	100.0%	56,250
0.0%	10.0%	10.0%		100.0%	75,000
0.0%	10.0%	10.0%		94.0%	70,500
0.0%	**100.0%**	**150.0%**		**72.83%**	**819,335**

The total achievement rate of the 2023 variable portion was 72.83% of the maximum, and the gross amount allocated for 2023 is €819,335. This amount corresponds to an acquisition of 23,965 shares of the 32,906 shares allocated by the Board of Directors on May 24, 2023 for the purposes of paying the 2023 annual variable compensation in shares. This share allocation was valued with a reference price of €34,189, which is the average of the 20 closing prices prior to the Board of Directors' meeting on May 24, 2023.

There is a 2-year lock-in obligation on the performance shares acquired in this way for all corporate officers. Then, they must hold a minimum number of shares for the rest of their term in office, as per the obligations for holding and retaining shares applying to corporate officers.

The Chief Executive Officer must comply with the lock-in obligation provided by the Board of Directors which, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, decided this at its meeting on February 23, 2023 and reaffirmed it at its meeting on February 22, 2024 that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- however, this percentage is reduced to 10% (instead of 5% previously), as resulting from the decision of the Board of Directors dated February 23, 2023, once the number of shares held by the executive corporate officers under the bonus share allotment and the exercise of options, under all plans, represents an amount that is equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the termination of their duties under section 23 of the French AFEP-MEDEF Code.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, Enrique Martinez has formally committed not to hedge his risk on the options or shares resulting from the exercise of options, or on the performance shares, until the end of the share lock-up period set by the Board of Directors.

It should also be noted that, to the Company's knowledge, no hedging instruments have been put in place by Enrique Martinez for the options or shares resulting from the exercise of options, or the performance shares, and that this shall be the case until the end of the share lock-up period set by the Board of Directors.

Pursuant to the provisions of Article L. 22-10-34 II of the French Commercial Code, payment of this annual variable compensation in the form of bonus shares is subject to the approval by the General Meeting of the May 29, 2024 of the compensation and benefits of any kind paid during the 2023 financial year or awarded in respect of the 2023 financial year to Mr. Enrique Martinez.

As a reminder, the total achievement rate of the variable compensation awarded for 2022 was 56.93% of the maximum, and the gross amount allocated for the service of the Chief Executive Officer in 2022 was €640,455.

In accordance with the resolutions approved by the General Meeting on May 24, 2023 regarding, firstly, the compensation policy of the Chief Executive Officer and/or any other executive corporate officer and, secondly, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded to Enrique Martinez, Chief Executive Officer, for the preceding financial year, the Fnac Darty Board of Directors decided to grant the following compensation to Enrique Martinez at its meeting on May 24, 2023:

- 18,733 shares in respect of his 2022 annual variable compensation, paid in shares and not in cash.

These shares will be fully vested upon expiration of a vesting period of one year in accordance with the plan description provided in section 3.3.2.2 of the 2022 Universal Registration Document.

Long-term compensation, stock options and performance shares

The Chief Executive Officer is eligible for the long-term incentive plans granted by the Board of Directors, which may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of these plans as adopted under IFRS 2 is proportionate to the annual fixed and variable component of the compensation, and is capped at up to 50% of total compensation (this being the sum of fixed annual compensation, the maximum variable compensation, and the long-term compensation) in accordance with the compensation policy approved by the General Meeting of May 24, 2023 in its Fifteenth Resolution. It is determined by the Board of Directors in light of market practices in accordance with the compensation policy approved by the General Meeting.

Performance shares awarded during the period to the Chief Executive Officer

At its meeting on May 24, 2023, on the recommendation of the Appointments and Compensation Committee, and in accordance with the authorization granted to it by the extraordinary Thirty-First Resolution of the General Meeting of May 24, 2023, the Board of Directors decided to implement a long-term compensation system in the form of free performance shares.

These shares will be vested upon expiration of a three-year vesting period (May 24, 2023 to May 23, 2026), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of the shares will be conditional upon:

- for 25%, achieving stock market performance conditions measured in 2026 by the following two criteria, each accounting for 12.5% of the plan:
  - the Company's Total Shareholder Return (TSR) when compared to a panel of companies in the retail distribution sector, measured by taking into account the stock market performance between the start of the plan (the 60 trading days prior to May 1, 2023) and the end of the plan (the 60 trading days prior to May 1, 2026),
  - the increase of the Company's stock market price, measured in the same way as the criterion above, but in absolute terms, with no comparison to a panel of companies;
- for 50%, achieving financial performance conditions measured in 2026 by the following two criteria, each accounting for 25% of the plan:
  - the free cash-flow measured by taking into account the cash-flow generated by the Group during the 2023, 2024, and 2025 financial years,
  - revenue measured by taking into account the Group's average revenue for the 2023, 2024, and 2025 financial years;
- for 25%, achieving the performance conditions linked to Corporate Social Responsibility measured in 2026 by the following two criteria, each accounting for 12.5% of the plan:
  - the sustainability score, which is measured by taking into account the Group's average sustainability score for the 2023, 2024, and 2025 financial years,
  - the reduction in CO_2 emissions measured by taking into account the level of Group CO_2 emissions in 2025 compared to its emissions level in 2019.

These two criteria, presented in the Non-financial Performance Declaration and audited with reasonable assurance, are an integral part of the Group's strategy. They demonstrate the importance of climate challenges for Fnac Darty.

On May 24, 2026, when the vesting period ends, 73,175 shares may be vested under this plan. The valuation of the gross amounts at the grant date and according to IFRS 2 rules, before apportionment of expenses over the vesting period of the equivalent in bonus shares granted in 2023, was €1,875,000. This valuation, for market items, was calculated using the Black & Scholes method based on the following parameters: a reference share price equal to €33.56 per share (price on the first day of vesting period, May 24, 2023), volatility of 34% and the Euribor Swap risk-free interest rate. For non-market items, the valuation was calculated based on the best estimate of the achievement of future performance conditions.

Each performance condition is measured at the end of the plan. Each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. As regards the comparative TSR criterion, the Company's target objective is to be in the first quartile. Furthermore, if performance falls below the median performance of the selection of companies from the general public retail sector during the period measured, no shares will vest.

The performance conditions of the performance shares plan are detailed below:

	Criterion weighting	By criterion, % of shares vested below the threshold	By criterion, % of shares vested at threshold	By criterion, % of shares vested above the target	Threshold objective	Target objective
Comparative TSR	12.50%	0.00%	6.25%	12.50%	Median	1st quartile
Share price growth	12.50%	0.00%	0.00%	12.50%	0.00%	Target
Free cash-flow	25.00%	0.00%	12.50%	25.00%	80% of the target	Target
Revenue	25.00%	0.00%	12.50%	25.00%	98% of the target	Target
Sustainability score	12.50%	0.00%	6.25%	12.50%	94% of the target	Target
Reduction in CO_2 emissions	12.50%	0.00%	6.25%	12.50%	80% of the target	Target
Total	**100.00%**	**0.00%**	**43.75%**	**100.00%**		

TSR panel: Kingfisher, Currys, Best Buy, WH Smith, Carrefour, Casino, Maison du monde, Ceconomy, Fnac Darty.

Performance shares allotted during the financial year

Table 6 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

No. and date of plan	Number of shares allotted during the financial year	Valuation of shares according to the method used for the consolidated financial statements	Date of vesting	Date of availability	Performance conditions
Plan No. 10 2023	73,175	€1,875,000	05/23/2026	05/25/2026	Comparative TSR Share price growth Free cash-flow Revenue CSR sustainability score CSR reduction in CO_2 emissions

Performance shares fully vested by the Chief Executive Officer during the financial year

For reference, in 2020, Mr. Enrique Martinez was awarded 76,997 bonus shares, due to vest fully on May 27, 2023, pursuant to Plan N°. 5 2020 referred to in AFEP-MEDEF table No. 9.

The full vesting of these bonus shares is conditional upon:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120;
- for 50%, a performance condition linked to achieving a level of free cash-flow; and
- for 20%, on the Company's Corporate Social Responsibility performance, measured taking into account the Group's non-financial ratings.

In 2023, TSR is measured in respect of 2020-2022, for the entire period. The average level of free cash-flow is assessed in 2023 after publication of the Group's annual results for 2023, taking into account the average cash flow generated by the Group during 2020, 2021 and 2022, for the entire period, and the Company's Corporate Social Responsibility performance is assessed by taking into account the Group's average non-financial ratings for 2020, 2021 and 2022, over the entire period.

Each performance condition is measured at the end of the plan, taking into account the performance over the entire period. Each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested.

Definitive acquisition of these bonus shares containing a single tranche is also subject to a three-year service condition (May 28, 2020 – May 27, 2023).

The total shareholder return (TSR) was measured in 2023 for the period 2020-2022. With a ranking of 98th place, the objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The average level of free cash-flow was assessed in 2023 for the years 2020, 2021 and 2022. With an average free cash-flow over the period of €121.5 million, the objective for 2023 was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.

The average of the Group's non-financial ratings obtained in 2020, 2021 and 2022 was assessed in 2023. With an average rating over the period of 54.3, the objective was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.

Given the relative weight of each criterion, Mr. Enrique Martinez acquired 70% of the bonus shares initially awarded in 2020, i.e. 53,899 shares with a gross acquisition value of €1,805,616.50, valued at €33.50 per share, Fnac Darty's opening price on May 29, 2023.

Performance shares vested during the period

Table 7 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Nº. and date of plan	Number of shares vested during the period	Percentage of shares initially granted and vested taking into account the performance conditions
Plan No. 5 2020	53,899	70%

In accordance with the recommendations of the AFEP-MEDEF Code, Enrique Martinez has formally committed not to hedge his risk on the options or shares resulting from the exercise of options, or on the performance shares, until the end of the share lock-up period set by the Board of Directors.

It should also be noted that, to the Company's knowledge, no hedging instruments have been put in place by Enrique Martinez for the options or shares resulting from the exercise of options, or the performance shares, and that this shall be the case until the end of the share lock-up period set by the Board of Directors.

History of the share subscription or share purchase options awarded to the Chief Executive Officer

Table 8 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Information on subscription and purchase options

	Plan No. 1 2018 [(a)]
Date of Annual General Meeting	06/17/2016
Date of Board of Directors' meeting	05/18/2018
Total number of shares that may be subscribed or purchased, of which the number of shares that may be subscribed or purchased by:	97,438
Enrique Martinez	41,766
Start date for exercising options	
1st tranche	*05/18/2020*
2nd tranche	*05/18/2021*
Expiration date	
1st tranche	*05/17/2021*
2nd tranche	*05/17/2022*
Subscription or purchase price	€89.43 (average of the last 20 closing prices of the Fnac Darty share prior to May 18, 2018)
Conditions of exercise	Between 05/18/2020 and 05/17/2021 for the first tranche and between 05/18/2021 and 05/17/2022 for the second tranche
Number of shares subscribed as of 12/31/2023	-
Cumulative number of share subscription or purchase options canceled or expired	97,438
Share subscription or purchase options outstanding at the end of the period	-

(a) In view of the performance conditions, 47.1% of the options initially awarded under the first tranche of the 2018 plan were fully vested, but were unable to be exercised during the period as a result of the Fnac Darty share price. No options were vested in respect of the second tranche.

History of the performance shares awarded to the Chief Executive Officer

Table 9 in accordance with the recommendations of the AFEP-MEDEF Code and Table 10 in accordance with AMF position-recommendation No. 2021-02

Information on performance shares

	Plan No. 1 2017 [(a)]	Plan No. 2 2018 [(b)]	Plan No. 3 2019 [(c)]
Date of Annual General Meeting	06/17/2016	06/17/2016	06/17/2016
Date of Board of Directors' meeting	12/15/2017	05/18/2018	05/23/2019
Initial number of beneficiaries	39	167	210
Total number of shares awarded to all beneficiaries, of which the number awarded to:	92,500	109,817	214,449
Enrique Martinez	15,391	9,983	-
Vesting date of shares	03/02/2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)
End date of the holding period	03/02/2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)
Performance conditions	For 20% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 40% of the shares, the performance condition is based on the achievement of synergy goals For 40% of the shares, the performance condition is based on specific income goals (current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 70% of the shares, the performance condition is based on achieving specific income goals (Current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a free cash-flow (FCF) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)
Number of shares purchased as of 12/31/2023	50,580	32,432	130,575
Cumulative number of shares canceled or expired	41,920	77,385	83,874
Performance shares remaining at the year end	-	-	-

(a) In view of the performance conditions, 62.2% of the shares initially awarded under the 2017 plan were fully vested.

(b) In view of the performance conditions, 47.1% of the shares initially awarded under the first tranche of the 2018 plan were fully vested and no shares were vested under the second tranche.

(c) In view of the performance conditions, 70% of the shares initially awarded under the first and second tranches of the 2019 plan were fully vested.

(d) In view of the performance conditions, 70% of the shares initially awarded under the 2019 plan were fully vested.

(e) In view of the performance conditions, 70% of the shares initially awarded under the 2020 plan were fully vested.

Information on performance shares

Plan No. 4 2019 [d]	Plan No. 5 2020 [e]	Plan No. 6 2021	Plan No. 7 2022	Plan No. 8 2023
06/17/2016	05/23/2019	05/28/2020	05/28/2020	05/24/2023
05/23/2019	05/28/2020	05/27/2021	05/18/2022	05/24/2023
1	231	176	173	229
31,752	616,496	244,660	297,105	436,799
31,752	76,997	39,911	48,316	73,175
05/22/2022	05/27/2023	05/26/2024	05/17/2025	05/25/2026
05/22/2022	05/27/2023	05/26/2024	05/17/2025	05/25/2026
For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a free cash-flow (FCF) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a free cash-flow (FCF) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a free cash-flow (FCF) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 25% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a free cash-flow (FCF) target For 25% of shares, the performance condition is based on achieving two CSR criteria (15% related to improving the sustainability score and 10% related to reducing CO_2 emissions)	For 25% of shares, the performance condition is based on achieving two stock market criteria (12.5% linked to TSR and 12.5% linked to the growth of the Fnac Darty share price) For 50% of shares, the performance condition is based on achieving two financial criteria (25% linked to achieving a level of free cash-flow (FCF) and 25% linked to achieving a level of revenue) For 25% of shares, the performance condition is based on achieving two CSR criteria (12.5% related to improving the sustainability score and 12.5% related to reducing CO_2 emissions)
22,227	371,109	-	-	-
9,525	245,387	30,563	16,283	3,574
-	-	214,097	280,822	433,225

In-kind benefits and other benefits

Enrique Martinez is provided with a company car in accordance with the Company's current vehicle policy and market practices, which in 2023 represented an in-kind benefit of €4,847 (accounting valuation). This benefit amounted to €4,709 in 2022.

Enrique Martinez also benefits from an unemployment insurance plan for non-employee corporate officers, for which contributions were paid in the amount of €14,273 for 2023. These contributions are subject to social security and employer taxes and are therefore treated as benefits in kind. In 2022, the contributions paid for unemployment insurance amounted to €13,347.

Supplementary pension scheme

The Board of Directors authorized Enrique Martinez's participation in the supplementary defined-contribution pension scheme (Article 83 of the French General Tax Code) which benefits all executives of Fnac Darty's French companies included in this policy.

Contributions in 2023 and 2022 amounted to €12,111 and €11,325, respectively.

Provident insurance plan

On July 17, 2017, the Board of Directors authorized Enrique Martinez's participation in the provident insurance plan that benefits all employees of Fnac Darty's French companies included in this policy.

Contributions paid by the Company in 2023 and 2022 amounted to €10,435 and €9,705, respectively.

Compensation awarded in respect of the office of Director

On the occasion of the renewal of his term of office, to be put to the vote of the shareholders at the General Meeting of May 24, 2023, the Board of Directors decided, on February 23, 2023, on the recommendation of the Compensation Committee, to allow Mr. Enrique Martinez to receive compensation for his office as a Director in accordance with the aforementioned rules applicable to Directors. This compensation makes it possible to take into account the quality of the work of the individual concerned on the Board of Directors and is justified in view of the renewal of his or her term of office.

Enrique Martinez therefore received compensation of €31,562 for his Directorship for 2023.

Total compensation

The amounts paid in 2023 and 2022 in total compensation and its components, as detailed above, totaled €1,432,121 and €1,845,867 respectively, broken down as follows: fixed compensation of €750,000 each year; annual variable compensation of €640,455 (for 2022) and €1,056,782 (for 2021); in-kind benefits and other benefits of €19,120 and €18,055 respectively; supplementary pension scheme contributions of €12,111 and €11,325 respectively; and lastly, company provident insurance plan contributions of €10,435 and €9,705 respectively. In addition, the amount allocated for 2023 and to be paid in 2024 as annual variable compensation, subject to the approval of the General Meeting, was €819,335.

Summary table of compensation, options and performance shares awarded to the Chief Executive Officer

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Enrique MARTINEZ Chief Executive Officer	2022	2023
Gross compensation allocated for the period	€1,429,450 (b)	€1,642,563 (c)
SUB-TOTAL GROSS COMPENSATION DUE FOR THE PERIOD	**€1,429,450**	**€1,642,563**
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period (a)	n.a.	n.a.
Valuation of performance shares awarded during the year	€1,599,984 (d)	€1,875,000 (d)
Valuation of other long-term compensation plans	n.a.	n.a.
TOTAL GROSS COMPENSATION AND ALLOTMENT OF SECURITIES SUBJECT TO PERFORMANCE AND ATTENDANCE CONDITIONS	**€3,029,524**	**€3,517,563**

(a) No options were awarded in 2022 or 2023.

(b) Including variable compensation paid via the allotment of bonus shares, namely: 18,733 shares allotted on May 24, 2023 in respect of 2022 annual variable compensation, corresponding to €640,455. The shares will vest on May 24, 2024 and are subject to a mandatory two-year lock-in obligation.

(c) Including variable compensation paid via the allotment of bonus shares, namely: 32,906 shares allotted on May 24, 2023 and subject to 2023 annual variable compensation (valued at €1,125,000, i.e. the maximum annual variable compensation) 23,965 shares (i.e. €819,335) of which are expected to vest in view of the performance conditions fulfillment rate and subject to approval from the General Meeting.

(d) Corresponds to the performance shares allotted during the financial year in respect of long-term compensation.

Summary table of the compensation of the Chief Executive Officer

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

	2022		2023	
Enrique MARTINEZ Chief Executive Officer	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed compensation	€750,000	€750,000	€750,000	€750,000
Annual variable compensation [(a)]	€640,455	€1,056,782	€819,335	€640,455
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	€31,562	n.a.
Benefits in kind [(b)]	€18,055	€18,055	€19,120	€19,120
Supplementary pension schemes	€11,325	€11,325	€12,111	€12,111
Provident insurance plans	€9,705	€9,705	€10,435	€10,435
TOTAL	**€1,429,540**	**€1,845,867**	**€1,642,563**	**€1,432,121**

(a) For the 2022 and 2023 financial years, all annual variable compensation will be paid in the form of performance shares, as described in the paragraph on annual variable compensation in section 3.3.2.2 of this Universal Registration Document. These performance shares were allotted on May 24, 2023. In respect of 2022 variable compensation, they are expected to vest on May 24, 2024. Vesting of the shares pertaining to 2023 variable compensation is subject to approval from the General Meeting.

(b) Enrique Martinez benefits from a company car and an unemployment insurance plan.

Non-compete agreement

The Board of Directors has approved a non-compete agreement with Enrique Martinez in the specialized retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause. The payment of compensation under the non-compete agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years.

This commitment was implemented by the Board of Directors on July 17, 2017 and was approved by the General Meeting of May 18, 2018. On February 20, 2019, it was revised by the Board of Directors in order to align it with the new recommendations of the AFEP-MEDEF Code of June 2018. This amendment was approved by the General Meeting of May 23, 2019.

No amount was due for either 2023 or 2022.

The Chief Executive Officer has not received any compensation from a company within the scope of consolidation.

Summary of the Chief Executive Officer's benefits

Table 11 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Enrique MARTINEZ Chief Executive Officer	Employment contract [(a)]		Supplementary pension scheme		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office start date: 07/18/2017 Open-ended term of office of Chief Executive Officer		X	X			X	X	

(a) *The employment contract of Enrique Martinez was suspended after he took up his new position as Chief Executive Officer, as indicated in the preamble to section 3.3.2.2 of this Universal Registration Document.*

Tables 4, 5 and 10 do not apply to the Chief Executive Officer.

3.3.2.3 / Compensation of corporate officers

Compensation paid to members of the Board of Directors

Compensation to be paid in 2023 for 2022

The rules governing the compensation allocated to Directors are described in section 3.3.1.4 of this Universal Registration Document.

Based on recommendations from the Appointments and Compensation Committee, on February 22, 2024 the Board of Directors decided, in accordance with the compensation policy approved by the General Meeting, on the distribution of the compensation allocated to members of the Board and specialized committees who attended meetings held in 2023.

Potential compensation of members of the Board of Directors and the specialized committees, taking into account the composition of the Board and of the committees in 2023:

	Fixed component	Proportion	Variable component proportional to attendance at meetings	Proportion	Maximum amounts attributable	
Board of Directors	**€96,000**	**30%**	**€224,000**	**70%**	**€320,000**	**100%**
Chairman	€9,931	30%	€23,172	70%	€33,103	100%
Vice-Chairmen	€6,621	30%	€15,448	70%	€22,069	100%
Members (10)	€66,207	30%	€154,483	70%	€220,690	100%
Members representing employees (2)	€13,241	30%	€30,897	70%	€44,138	100%
Audit Committee	**n.a.**	**n.a.**	**€90,000**	**100%**	**€90,000**	**100%**
Chairman	n.a.	n.a.	€38,571	100%	€38,571	100%
Members (2)	n.a.	n.a.	€51,429	100%	€51,429	100%
Appointments and Compensation Committee	**n.a.**	**n.a.**	**€70,000**	**100%**	**€70,000**	**100%**
Chairman	n.a.	n.a.	€23,333	100%	€23,333	100%
Members (3)	n.a.	n.a.	€46,667	100%	€46,667	100%
Corporate, Environmental and Social Responsibility Committee	**n.a.**	**n.a.**	**€70,000**	**100%**	**€70,000**	**100%**
Chairman	n.a.	n.a.	€19,091	100%	€19,091	100%
Members (4)	n.a.	n.a.	€50,909	100%	€50,909	100%
Strategy Committee	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

n.a.: not applicable.

Of the €515,000 total annual allocation for Directors' fees for 2022, a total amount of €448,029 was paid in 2023, broken down as follows:

Name	Amounts paid in 2022 for 2021 *(in euros)*	Amounts paid in 2023 for 2022 *(in euros)*	Amounts allocated in 2023 (to be paid in 2024) *(in euros)*
Jacques Veyrat	0	0	0
Enrique Martinez	0	0	31,562
Carole Ferrand [(a)]	60,877	29,277	0
Antoine Gosset-Grainville [(a)]	45,305	23,359	0
Nonce Paolini	37,639	37,639	37,861
Brigitte Taittinger-Jouyet	47,432	48,505	59,137
Delphine Mousseau [(a)]	30,305	0	0
Caroline Grégoire Sainte Marie	45,527	51,146	56,557
Daniela Weber-Rey	30,591	44,999	58,488
Sandra Lagumina	48,020	55,367	62,695
Jean-Marc Janaillac	30,305	32,972	42,553
Javier Santiso	22,305	25,372	37,861
Laure Hauseux	0	6,373	22,305
Stefanie Meyer	0	9,559	20,374
Olivier Duha	0	0	9,222
Franck Maurin	27,417	37,639	33,972
Julien Ducreux	22,305	22,305	22,305
TOTAL	**448,029**	**424,513**	**494,893**

(a) Members who have left the Board of Directors.

Directors do not receive any other compensation, with the exception of the following.

Jacques Veyrat, Chairman of the Board of Directors, no longer receives any compensation for his Directorship since his appointment as Chairman, as indicated in section 3.3.2.1 of this Universal Registration Document.

Enrique Martinez, Chief Executive Officer, receives compensation for his Directorship, as indicated in section 3.3.2.2 of this Universal Registration Document.

Franck Maurin, Director representing employees, receives compensation under the terms of his employment contract.

In 2023, the amounts paid to Franck Maurin amounted to €102,419, including fixed compensation of €80,637, annual variable compensation of €15,366, exceptional compensation of €640, supplementary pension scheme contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled under the same conditions and regulations as those above) of €2,411, Company provident insurance plan contributions of €2,885, and finally, €480 in profit-sharing and incentive bonuses.

To be noted, the amount allocated in 2023 and paid in 2024 as part of the annual variable compensation is not yet determined on the date of publication of this document.

Julien Ducreux, Director representing employees, receives compensation under the terms of his employment contract.

In 2023, the amounts paid to Mr. Julien Ducreux amounted to €130,080, including fixed compensation of €105,553, annual variable compensation of €14,255, supplementary pension scheme contributions with defined contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled, under the same conditions and rules as those above) of €3,416, Company provident insurance plan contributions of €3,667, a benefit in kind related to the use of a company vehicle, in accordance with the Company's current mobility solution, of €2,719 and, finally, €468 in profit-sharing and incentive bonuses.

To be noted, the amount allocated in 2023 and paid in 2024 as part of the annual variable compensation is not yet determined on the date of publication of this document.

Lastly, on May 24, 2023, the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee, decided to award Julien Ducreux:

- 1,532 performance-based bonus shares under the same conditions as for the other 229 beneficiaries of this plan; and
- 611 performance-based bonus shares under the same conditions as for the other 168 beneficiaries of the other plan.

These two plans are presented in note 7, "Performance-based compensation plans," in section 4.2. of this Universal Registration Document.

In correspondence dated October 14, 2020, before he officially took a seat on the Fnac Darty Board of Directors, Julien Ducreux informed the Chairman of the Board that he wished for all compensation amounts due to be allotted to him as a Director for his entire term of office to instead be paid to the union that nominated him as a Director representing employees. Julien Ducreux therefore received no compensation for his Directorship for 2023.

Compensation to be paid in 2024 for 2023

The rules governing the compensation allocated to Directors are described in section 3.3.1.4 of this Universal Registration Document.

The Board of Directors meeting of February 22, 2024 allocated a total of €494,893 to members of the Board of Directors and its committees to be paid in 2024 for 2023.

It should be noted that the Board of Directors is composed in accordance with the first paragraph of Article L. 225-18-1 of the French Commercial Code.

The General Meeting of May 24, 2023 approved, with a 98.47% majority, the resolution relating to the information referred to in section I of Article L. 22-10-9 of the French Commercial Code.

3.3.2.4 / Comparison of the level of compensation of corporate officers and that of employees of the Company, and of the Company's performance

In accordance with Article L. 22-10-9 of the French Commercial Code, and in compliance with the AFEP guidelines updated in February 2021, the table below presents the level of compensation owed or allocated in respect of one year to each of the executive corporate officers, set against the average and median compensation owed or allocated in respect of the same year to the employees of the Company other than the corporate officers on a full-time equivalent basis and changes in this ratio over the last five years.

It also presents the annual change:

- in the compensation of corporate officers;
- in the average compensation on a full-time equivalent basis of the Company's employees, other than corporate officers;
- in equity ratios;
- and in the Company's performance.

The scope presented in the second section of the table is that of the listed company, Fnac Darty SA.

The scope presented in the third section of the table is that of the registered office functions, including the listed company. The scope covers a wide variety of functions carried out within the Group, in particular with the teams responsible for trading, purchasing, marketing & digital, support functions and corporate functions.

The scope presented in the fourth section of the table is that of Fnac and Darty companies in France, including the head office companies and the listed company. In addition to the functions included in the scope outlined in the previous paragraph, it covers duties performed in stores, logistics platforms, remote customer relations services, delivery services, after-sales services, and so on. This scope meets the recommendations of the AFEP-MEDEF Code and accounts for more than 90% of the employees of Fnac Darty's French companies.

Table of ratios under section I, paragraphs 6 and 7 of Article L. 22-10-9 of the French Commercial Code

	2019	2020 or change 2020/2019	2021 or change 2021/2020	Change 2021/2019	2022 or change 2022/2021	Change 2022/2019	2023 or change 2023/2022	Change 2023/2019
Change *(in %)* in the compensation of Enrique MARTINEZ, Chief Executive Officer since July 18, 2017		2%	10%	12%	-12%	-1%	16%	15%
Change *(in %)* in the compensation of Jacques VEYRAT, Chairman of the Board of Directors since July 18, 2017		0%	0%	0%	0%	0%	-0%	-0%
Information on the scope of the listed company: Fnac Darty SA								
Change *(in %)* in average employee compensation		-11%	19%	6%	-15%	-10%	3%	-7%
Ratio of the Chief Executive Officer to average employee compensation	4.86	5.53	5.14		5.31		6.01	
Ratio of the Chairman to average employee compensation	0.32	0.36	0.30		0.35		0.34	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		14%	-7%	6%	3%	9%	13%	24%
Change in the Chairman's ratio *(in %)*		12%	-16%	-6%	18%	11%	-3%	8%
Ratio of the Chief Executive Officer to median employee compensation	4.27	5.77	4.86		5.15		6.05	
Ratio of the Chairman to median employee compensation	0.28	0.37	0.28		0.34		0.35	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		35%	-16%	14%	6%	21%	17%	42%
Change in the Chairman's ratio *(in %)*		33%	-24%	1%	21%	22%	1%	24%
Additional information on registered office functions								
Change *(in %)* in average employee compensation		-1%	5%	3%	-1%	2%	5%	8%
Ratio of the Chief Executive Officer to average employee compensation	47.38	49.00	51.57		45.58		50.22	
Ratio of the Chairman to average employee compensation	3.10	3.15	3.01		3.03		2.87	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								
Change in the Chief Executive Officer's ratio *(in %)*		3%	5%	9%	-12%	-4%	10%	6%
Change in the Chairman's ratio *(in %)*		1%	-4%	-3%	1%	-2%	-5%	-7%
Ratio of the Chief Executive Officer to median employee compensation	57.88	59.10	61.60		54.12		60.57	
Ratio of the Chairman to median employee compensation	3.79	3.80	3.60		3.60		3.47	
Change in the Chairman and Chief Executive Officer's ratio *(in %)*								

	2019	2020 or change 2020/ 2019	2021 or change 2021/ 2020	Change 2021/ 2019	2022 or change 2022/ 2021	Change 2022/ 2019	2023 or change 2023/ 2022	Change 2023/ 2019
Change in the Chief Executive Officer's ratio *(in %)*		2%	4%	6%	-12%	-7%	12%	5%
Change in the Chairman's ratio *(in %)*		0%	-5%	-5%	0%	-5%	-4%	-9%
Additional information on Fnac and Darty in France, including registered office functions								
Change *(in %)* in average employee compensation		1%	5%	6%	-3%	3%	7%	10%
Ratio of the Chief Executive Officer to average employee compensation	83.04	83.87	88.18		79.84		86.57	
Ratio of the Chairman to average employee compensation	5.44	5.39	5.15		5.31		4.95	
Change in the Chief Executive Officer's ratio *(in %)*		1%	5%	6%	-9%	-4%	8%	4%
Change in the Chairman's ratio *(in %)*		-1%	-4%	-5%	3%	-2%	-7%	-9%
Ratio of the Chief Executive Officer to median employee compensation	101.45	102.35	107.64		96.39		103.30	
Ratio of the Chairman to median employee compensation	6.65	6.58	6.29		6.41		5.91	
Change in the Chief Executive Officer's ratio *(in %)*		1%	5%	6%	-10%	-5%	7%	2%
Change in the Chairman's ratio *(in %)*		-1%	-4%	-5%	2%	-4%	-8%	-11%
Company performance								
Free cash-flow from operations, excluding IFRS 16	172.9	192.4	170.1		-30.2		180.1	
Current operating income/revenue	4.0%	2.9%	3.4%		2.9%		2.2%	
TSR vs SBF 120 ranking (base 2018)	99	108	97		94		93	
Total Net Income	103.9	-6	159.8		-28.1		55.6	
Vigeo non-financial rating	44	48	54		61			
CO_2 emissions *(in kt CO_2eq)*	82.3	72.2	78.2		68.2		60.6	
Gender balance in governing bodies ("Leadership Group")	24.3%	24.3%	26.6%		30.3%		33.2%	
Change *(in %)* in free cash-flow from operations		11%	-12%	-2%	-118%	-117%	-696%	4%
Change *(in %)* in current operating income/revenue		-28%	16%	-16%	-14%	-27%	-25%	-46%
Change in TSR vs SBF 120 ranking (base 2018)		-9	11	2	3	5	1	6
Change *(in %)* in total net income		-106%	-2,763%	54%	-118%	-127%	-298%	-46%
Change in Vigeo non-financial rating		4	6	10	7	17		
Change *(in %)* in CO_2 emissions *(in kt CO_2eq)*		-12%	8%	-5%	-13%	-17%	-11%	-26%
Change (in %) in the gender balance in governing bodies (Leadership Group)		0%	9%	9%	14%	25%	10%	37%

For each year, the employees taken into account were those who were present throughout the year.

In accordance with the AFEP's guidelines on multiple compensation, the items owed or allocated for an accounting period take into account, for both the corporate officers and the employees:

- the fixed component;
- the annual variable component owed in respect of the year and therefore paid the following year. Since it is not definitive at the date of publication of this document, the variable compensation payable in 2024 for 2023 has been estimated for employees, while for the Chief Executive Officer it is the amount established by the Board of Directors at its meeting on February 22, 2024, payment of which is subject to approval by the General Meeting of May 29, 2024;
- compensation related to a Director's function, which is owed to them, in respect of the financial year and the function;
- the long-term compensation (stock options, performance shares, other long-term compensation instruments and multi-year variable compensation), allocated in respect of the year, valued at IFRS value. These accounting valuations performed on the allotment date are not the amounts that might be received by the beneficiaries upon vesting of the shares, subject to performance and continued employment conditions;
- benefits in kind.

To facilitate year-on-year comparisons, it is made clear that compensation paid in 2020 both to corporate officers and employees has been adjusted for the effects of the health crisis. As such, the compensation taken into account for corporate officers is the compensation before salary reduction in light of the health crisis, as set out in the introduction to section 3.3.2 of the 2020 Universal Registration Document. The compensation taken into account for employees is adjusted for the impact of any periods of furlough measures.

Through the performance criteria presented above, Fnac Darty demonstrates its resilience in an uncertain climate and its ability to deliver solid results over time thanks to the strength of its model and the successful execution of the strategic plans Confiance + and, since 2021, Everyday.

With the exception of 2022, which was unusual, set against the backdrop of a geopolitical crisis and a climate of very high inflation, the Group regularly generates significant amounts of cash which is essential for ensuring its development, with an average volume over the whole period of €178.9 million (excluding 2022). In 2023, with a free cash-flow of €180 million, Fnac Darty returned to its pre-2022 level and, as a result, confirmed its cumulative target of €500 million over the 2021–2024 period.

Throughout the period, Fnac Darty is demonstrating year after year the resilience and the robustness of its omnichannel model, as well as its strong ability to preserve its operating margins, significantly limiting the impact of various crises on its profitability: the health crisis in 2020 and 2021 and the geopolitical and macroeconomic crisis in 2022, with an unprecedented climate of major inflationary pressure. Thus, its average operating profitability (current operating income against revenue) over the last five years is 3.1%. The period of economic stability prior to 2020 allowed the Group to achieve a rate of 4.0%. Demonstrating its strong resilience, the Group's profitability has only been moderately impacted during the crises since 2020 thanks to changes to its more service-focused economic model and sustainable and responsible offerings, cost control year after year and the ability to seize profitable growth opportunities, with revenue growth rising up to €8 billion up until 2021 and then stabilizing.

The Company's TSR is measured by comparing Fnac Darty's stock market performance each year with the market performance of the SBF 120 companies from 2018, the reference year preceding the five-year period presented. Since 2019, the stock market performance of Fnac Darty has been between the third and the fourth quartile in an economic and market environment that is unstable and particularly unfavorable for the retail sector.

The net income of the Consolidated Group has fluctuated significantly from one year to the next, due in particular to the impact of changes in scope (acquisition of Darty in 2016 and Nature & Découvertes in 2019, disposal of the Brazilian subsidiary in 2017, sale of BCC in 2020), as well as the corresponding integration and restructuring costs. Net income was also impacted over the period by costs related to the restructuring of the Group's debt and the exceptional expense in 2022 related to the Group's sentencing in connection with the dispute relating to the disposal of Comet in 2012. In 2023, net income was impacted by the reversal of this charge after the dispute ended definitively in favor of Fnac Darty and by an exceptional charge due to the provision for a fine related to a dispute with the French Competition Authority.

In addition to their impact on net income, these various events are also a marker of the Group's agility.

Beyond its long-term financial performance, Fnac Darty's non-financial performance is continuously recognized by the major rating agencies. The score awarded to the Group by Moody's ESG rose from 35 in 2018 to 61 in 2022. As a result, for the first time, the Group was placed in the "Advanced" (A1+) category, which ranks it among the top 5% worldwide and fifth out of 76 in the specialized retail sector in Europe. It should be noted that the unsolicited rating has not yet been determined by Moody's for 2023. CDP and MSCI have also assigned leading ratings to the Group this year, with ratings of A- and AA, respectively.

Furthermore, after committing to reducing its CO_2 emissions by 50% compared to 2019 by 2030, thanks to its ongoing efforts, Fnac Darty already recorded a 26% drop in 2023.

Staying in the area of Corporate Social Responsibility, Fnac Darty is measuring the effects of its proactive policy to increase female representation in governing bodies, with a 37% increase in the proportion of women in the Leadership Group in 2019. The Leadership Group is made up of the members of the Executive Committee, the Group's executive officers, and key Group managers in France and internationally (employees with grade 19 or higher according to the Korn Ferry Hay weighted job evaluation method).

The compensation policy structured with a short-term compensation portion and a long-term compensation portion supports this performance. The economic and financial indicators, and the criteria related to corporate, social and environmental responsibility that are used to measure short-term performance during these years (revenue, change in market share, free cash-flow generation, current operating income, non-financial ratings, and employee recommendation rates) have allowed the Group to steadily achieve these ambitious objectives, encouraged the preservation of operating income during the various crises (health crisis in 2020 and 2021 and geopolitical and macroeconomic crisis since 2022) and enabled the Group to quickly deploy the strategic plan Everyday, where it can continue to measure successes in terms of the three goals it has set itself for 2025 (embody new standards for successful digital and human omnichannel retail in the future; help consumers adopt sustainable practices; roll out the reference subscription-based home assistance service). Long-term compensation, initially subject to the achievement of market performance conditions following Fnac's flotation in 2013, and subsequently also conditional upon the achievement of non-market performance conditions, in line with the Company's long-term profitability and cash-flow objectives, promotes the search for sustainable performance. The introduction in 2019 of a criterion related to social and environmental responsibility, strengthened in 2022 with the measurement of two new criteria more specific to the Group, reflects the desire to place Fnac Darty's mission at the heart of its strategy and the actions of its employees and to respond to climate challenges.

Against this backdrop, and given that the Chief Executive Officer's fixed compensation did not change from 2019 to 2023, the change in the Executive Corporate Officer's compensation over the period is also influenced by the alignment of his variable compensation with the overall performance of the Company. Variable compensation decreased during the 2020 and 2022 financial years, the crisis years, and was higher during 2021, a year of economic recovery. The total compensation for 2023 has returned to 2021 levels, firstly due to a larger allocation of performance shares as long-term compensation, and secondly, increased variable compensation compared to 2022, given the improved performance on the free cash-flow criterion in 2023 compared to 2022. In relation to long-term compensation, it should be noted that the value when the shares are allocated does not reflect the value of the shares that could be acquired at the end of the plan, given the stringent performance criteria. Furthermore, it should be noted that the payment of short-term variable compensation for 2023 and 2022 was made in shares and not in cash, which is evidence of a strong commitment to strengthening the link between the interests of the beneficiaries and the interests of the shareholders.

Furthermore, excluding the noria effect, the average growth in the fixed compensation of employees working at a registered office present over the entire period between 2019 and 2023 was 13.4%. Still excluding the noria effect, the average growth in the fixed compensation of Fnac Darty company employees present over the entire period between 2019 and 2023 (including those working at a registered office), representative of more than 90% of the employees in France, was 14.7%.

3.4 / Profit-sharing, collective incentive plans and long-term incentive plans

3.4.1 / Profit-sharing agreements and incentive plans

3.4.1.1 / Profit-sharing agreements in France

For companies with at least 50 employees and taxable income of more than 5% of its shareholders' equity, implementation of a profit-sharing agreement in accordance with Articles L. 3322-2 and L. 3324-1 of the French Labor Code is mandatory.

Fnac Darty companies have profit-sharing agreements in place.

3.4.1.2 / Collective incentive plans in France

Collective incentives are optional plans whose purpose is to enable the Company to involve employees more closely (by means of a calculation formula) in the running of the Company and, more particularly, in its results and performance by paying bonuses that are available immediately, in accordance with Article L. 3312-1 of the French Labor Code. Incentive plan agreements have been concluded for a number of the Group's French entities. Each agreement includes its own formula for calculating the incentive bonus.

3.4.1.3 / Group savings plans

Companies that have implemented a profit-sharing agreement must implement a Company savings plan in accordance with Article L. 3332-3 of the French Labor Code.

An amendment to the regulations governing the Fnac Darty savings plans concluded on March 15, 2018 instituted a Group employee savings plan for all Fnac Darty entities in France, with the exception of Nature & Découvertes which has its own company savings plan. All Group employees in France, with the exception of those employed by Nature & Découvertes, may now immediately allocate all the sums paid to them under the profit-sharing and incentive plan to the same corporate mutual funds (fonds communs de placement d'entreprise or "FCPE") and benefit from the services of the same administrative manager. One of the options offered to employees through this Group savings plan is to invest in units of the dedicated "Fnac Darty Employees" FCPE, which is invested in listed securities of the Company.

3.4.2 / Long-term incentives

The main executives of the Group benefit from annual long-term variable compensation, the first plans of which were implemented in 2013. The vesting periods for the different plans granted up until 2023 run until May 25, 2026.

These two plans are presented in note 7, “Performance-based compensation plans,” in section 4.2. of this Universal Registration Document.

3.5 / Factors that could have an impact during a public tender offer

Pursuant to Article L. 22-10-11 of the French Commercial Code, we are presenting the following factors that could have an impact on a public tender offer:

- the ownership structure as well as the direct and indirect holdings known to the Company and all relevant information are described in sections 6.1.2.6 and 6.3.1 of this Universal Registration Document;
- there are no restrictions in the bylaws on the exercise of voting rights, with the exception of the deprivation of voting rights that may be requested by one or more shareholders holding at least 3% of the Company’s share capital or voting rights, if the 3% threshold or any multiple of 1% above 3% is not declared (Article 9 of the bylaws) – see section 6.1.2.6 of this Universal Registration Document;
- there is no restriction in the bylaws on the transfer of shares;
- to the Company’s knowledge, there are no shareholders’ agreements or other commitments signed by shareholders;
- there is no security carrying special control rights;
- the voting rights attached to the Fnac Darty shares held by employees through the FCPE Actions fund are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting;
- the rules for appointing and dismissing members of the Board of Directors are the legal rules and bylaws provided for in Articles 12, 17 and 18 of the bylaws described in section 6.1.2.3 of this Universal Registration Document;
- with respect to the powers of the Board of Directors, the current delegations are described in this document in section 6.2.3.1 (share buyback program) of this Universal Registration Document and in the table of capital increase delegations set forth in section 6.2.1 of this Universal Registration Document; the authorization for share buybacks and delegations to conduct capital increases is suspended during a public tender offer, with the exception of a delegation to employees participating in a Company savings plan (PEE);
- the bylaws of our Company are amended in accordance with the laws and regulations;
- the agreements signed by the Company, which are amended or ended if control of the Company changes, are as follows: the Loan Agreement and the High Yield bond described in section 4.2.2.2 of this Universal Registration Document, including a clause under which the creditors of Fnac Darty could request full or partial early repayment of the loans in the event of a change of control;
- there are no specific agreements providing for compensation in the event of termination of the duties of members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a public tender or exchange offer.

3.6 / Other information

The procedures for shareholders to participate in General Meetings are provided in section 6.1.2.4 of this Universal Registration Document.

The table of financial delegations for equity increases is provided in section 6.2.1 of this Universal Registration Document.

3.7 / Special Auditors' Report on Regulated Agreements

General Meeting called to approve the financial statements for the year ended December 31, 2023

To the General Meeting of Fnac Darty SA,

As the Statutory Auditors of your Company, we are presenting our report on regulated agreements.

On the basis of the information provided to us, it is our responsibility to inform you of the characteristics, principal terms and conditions and reasons justifying the interest for the Company of the agreements of which we have been informed or which we may have discovered during our assignment. We are not required to express an opinion as to their utility or suitability, nor to investigate whether other agreements exist. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the appropriateness of entering into these agreements for the purpose of approving them.

In addition, it is our responsibility, as applicable, to communicate to you the information stipulated in Article R. 225-31 of the French Commercial Code regarding the previous year's performance of the agreements already approved by the General Meeting.

We have applied the procedures we considered necessary pursuant to the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this assignment.

Agreements subject to approval by the General Meeting

Agreements authorized and concluded during the last year

We hereby notify you that we have not been given notice of any agreement authorized and concluded during the last year to be submitted for approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

Agreements approved in previous periods which continued to be executed during the last year

We hereby inform you that we have not been advised of any agreement already approved by the General Meeting which continued to be executed during the last year.

Paris-La Défense, March 8, 2024

Statutory Auditors

KPMG S.A.	Deloitte & Associés
Caroline Bruno-Diaz *Partner*	Guillaume Crunelle *Partner*

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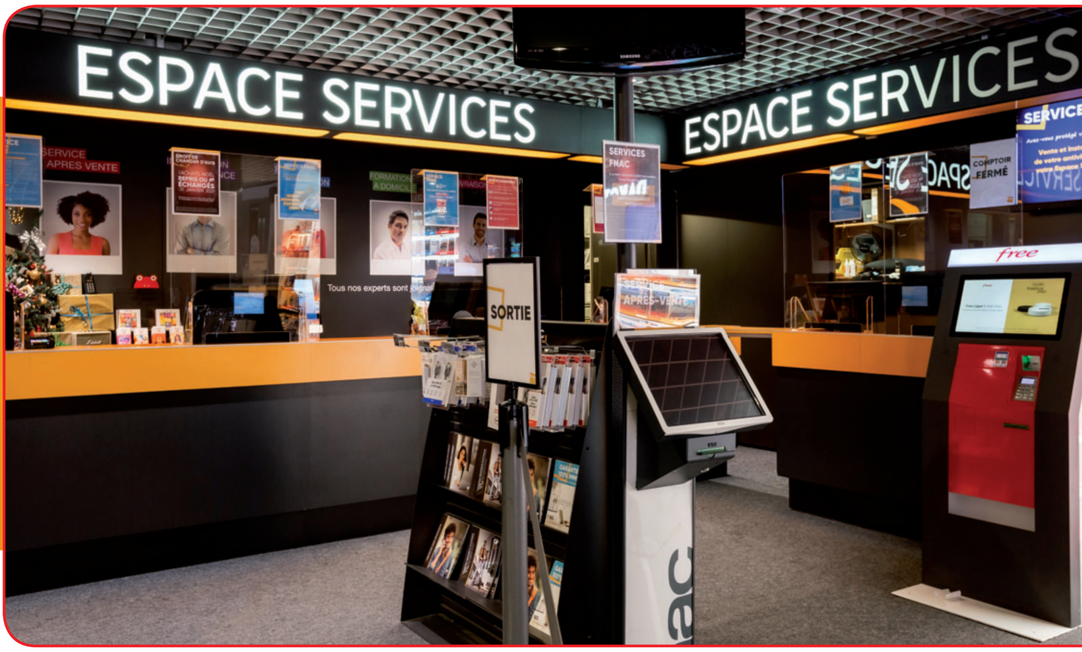


Financial statements

This is a free translation into English of the Chapter 4 of the 2023 Universal Registration Document of the Company issued in French and it is available on the website of the Issuer. It is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.

4.1 / Group consolidated financial statements as of December 31, 2023 and 2022

Consolidated income statement for the years ended December 31, 2023 and 2022

(€ million)	Notes	2023	2022
INCOME FROM ORDINARY ACTIVITIES	**4-5**	**7,874.7**	**7,949.4**
Cost of sales		(5,494.8)	(5,539.5)
GROSS MARGIN		**2,379.9**	**2,409.9**
Personnel expenses	6-7	(1,221.7)	(1,202.7)
Other current operating income and expense		(987.6)	(976.8)
Share of profit from equity associates	8	0.1	0.2
CURRENT OPERATING INCOME	**9**	**170.7**	**230.6**
Other non-current operating income and expense	10	(130.6)	(27.0)
OPERATING INCOME		**40.1**	**203.6**
(Net) financial expense	11	(78.6)	(45.3)
PRE-TAX INCOME		**(38.5)**	**158.3**
Income tax	12	(30.6)	(54.4)
NET INCOME FROM CONTINUING OPERATIONS		**(69.1)**	**103.9**
Group share		*(75.0)*	*100.0*
share attributable to non-controlling interests		*5.9*	*3.9*
NET INCOME FROM DISCONTINUED OPERATIONS	**31**	**124.7**	**(132.0)**
Group share		*124.7*	*(132.0)*
share attributable to non-controlling interests		-	-
CONSOLIDATED NET INCOME		**55.6**	**(28.1)**
Group share		*49.7*	*(32.0)*
share attributable to non-controlling interests		*5.9*	*3.9*
NET INCOME, GROUP SHARE		**49.7**	**(32.0)**
Earnings per share *(€)*	13	1.80	(1.19)
Diluted earnings per share *(€)*	13	1.61	(1.19)
NET INCOME FROM CONTINUING OPERATIONS, GROUP SHARE		**(75.0)**	**100.0**
Earnings per share *(€)*	13	(2.72)	3.71
Diluted earnings per share *(€)*	13	(2.72)	3.28

Consolidated comprehensive income statement

(€ million)	Notes	2023	2022
NET INCOME		**55.6**	**(28.1)**
Translation differences		(1.6)	1.8
Fair value of hedging instruments		-	(0.6)
Items that may be reclassified subsequently to profit or loss	**14**	**(1.6)**	**1.2**
Revaluation of net liabilities for defined benefit plans		(16.5)	34.9
Items that may not be reclassified subsequently to profit or loss	**14**	**(16.5)**	**34.9**
OTHER ITEMS OF COMPREHENSIVE INCOME, AFTER TAX	**14**	**(18.1)**	**36.1**
TOTAL COMPREHENSIVE INCOME		**37.5**	**8.0**
Group share		*31.9*	*3.9*
share attributable to non-controlling interests		*5.6*	*4.1*

Consolidated statement of financial position for the years ended December 31, 2023 and 2022

Assets

(€ million)	Notes	2023	2022
Goodwill	15	1,679.8	1,654.4
Intangible assets	16	565.5	561.7
Property, plant and equipment	17	544.2	570.3
Right-of-use assets related to lease agreements	18	1,104.6	1,115.2
Investments in associates	8	1.0	2.1
Non-current financial assets	20	22.4	44.4
Deferred tax assets	12.2.2	63.0	60.2
Other non-current assets	24.2	-	-
NON-CURRENT ASSETS		**3,980.5**	**4,008.3**
Inventories	22	1,157.6	1,143.7
Trade receivables	23	188.7	249.5
Tax receivables due	12.2.1	8.2	5.6
Other current financial assets	24.1	22.4	19.1
Other current assets	24.1	536.0	389.0
Cash and cash equivalents	21	1,121.3	931.7
CURRENT ASSETS		**3,034.2**	**2,738.6**
ASSETS HELD FOR SALE	**31**	**-**	**-**
TOTAL ASSETS		**7,014.7**	**6,746.9**

Liabilities and shareholders' equity

(€ million)	Notes	2023	2022
Share capital		27.8	26.9
Equity-related reserves		986.8	971.0
Translation reserves		(5.5)	(3.9)
Other reserves and net income		512.6	517.7
SHAREHOLDERS' EQUITY, GROUP SHARE	**25**	**1,521.7**	**1,511.7**
Shareholders' equity – share attributable to non-controlling interests	25	16.5	10.9
SHAREHOLDERS' EQUITY	**25**	**1,538.2**	**1,522.6**
Long-term borrowings and financial debt	28.1	604.2	917.3
Long-term leasing debt	28.2	898.3	896.9
Provisions for pensions and other equivalent benefits	26	166.5	145.4
Other non-current liabilities	24.2	8.8	22.0
Deferred tax liabilities	12.2.2	198.5	164.9
NON-CURRENT LIABILITIES		**1,876.3**	**2,146.5**
Short-term borrowings and financial debt	28.1	318.7	19.5
Short-term leasing debt	28.2	246.4	243.6
Other current financial liabilities	24.1	9.1	10.2
Trade payables	24.1	2,152.7	1,965.1
Provisions	27	114.5	36.6
Tax liabilities payable	12.2.1	1.3	-
Other current liabilities	24.1	757.5	802.8
CURRENT LIABILITIES		**3,600.2**	**3,077.8**
PAYABLES RELATING TO ASSETS HELD FOR SALE	**31**	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,014.7**	**6,746.9**

Consolidated cash flow statement as of December 31, 2023 and 2022

(€ million)	Notes	2023	2022
NET INCOME FROM CONTINUING OPERATIONS		**(69.1)**	**103.9**
Income and expense with no impact on cash		487.9	362.6
CASH FLOW	**30.1**	**418.8**	**466.5**
Financial interest income and expense		50.4	47.8
Dividends received		-	-
Net tax expense payable	12.1	26.2	57.3
CASH FLOW BEFORE TAX, DIVIDENDS AND INTEREST		**495.4**	**571.6**
Change in working capital requirement	24	69.6	(155.3)
Income tax paid		8.1	(69.8)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**30.1**	**573.1**	**346.5**
Acquisitions of intangible assets and property, plant and equipment		(132.3)	(138.4)
Change in payables on intangible assets, property, plant and equipment		(6.9)	8.5
Disposals of intangible assets and property, plant and equipment		16.9	7.0
Acquisitions and disposals of subsidiaries net of cash acquired and transferred		(15.2)	(1.9)
Acquisitions of other financial assets		(3.0)	(11.0)
Sales of other financial assets		10.5	5.2
Interest and dividends received		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	**30.2**	**(130.0)**	**(130.6)**
Purchases or sales of treasury stock		(9.1)	(1.0)
Dividends paid to shareholders		(21.4)	(55.0)
Bonds issued		-	-
Bonds repaid		(17.6)	(1.4)
Repayment of leasing debt	28.2	(237.0)	(230.8)
Interest paid on leasing debt	11	(33.7)	(23.0)
Increase in other financial debt		-	-
Interest and equivalent payments		(22.5)	(24.1)
Financing of the Comet pension fund	30.4	(0.7)	(1.2)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**30.3**	**(342.0)**	**(336.5)**
Net cash flows from discontinued operations	31	87.9	(131.1)
Impact of changes in exchange rates		0.6	2.3
NET CHANGE IN CASH		**189.6**	**(249.4)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**21**	**931.7**	**1,181.1**
CASH AND CASH EQUIVALENTS AT PERIOD-END	**21**	**1,121.3**	**931.7**

Change in consolidated shareholders' equity as of December 31, 2023 and 2022

(€ million)	Number of shares outstanding [a]	Share capital	Equity-related reserves	Translation reserves	Other reserves and net income	Shareholders' equity Group share	Non-controlling interests	Total
AS OF DECEMBER 31, 2021	**26,761,118**	**26.8**	**971.0**	**(5.7)**	**563.3**	**1,555.4**	**8.2**	**1,563.6**
Total comprehensive income	**-**	**-**	**-**	**1.8**	**2.1**	**3.9**	**4.1**	**8.0**
Capital increase/(decrease)	110,735	0.1	-	-	-	0.1	-	0.1
Treasury stock	-	-	-	-	(3.5)	(3.5)	-	(3.5)
Valuation of share-based payments	-	-	-	-	9.4	9.4	0.1	9.5
Dividend	-	-	-	-	(53.5)	(53.5)	(1.5)	(55.0)
Change in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	(0.1)	(0.1)	-	(0.1)
AS OF DECEMBER 31, 2022	**26,871,853**	**26.9**	**971.0**	**(3.9)**	**517.7**	**1,511.7**	**10.9**	**1,522.6**
Total comprehensive income	**-**	**-**	**-**	**(1.6)**	**33.5**	**31.9**	**5.6**	**37.5**
Capital increase/(decrease)	906,725	0.9	15.8	-	-	16.7	-	16.7
Treasury stock	-	-	-	-	(10.2)	(10.2)	-	(10.2)
Valuation of share-based payments	-	-	-	-	9.5	9.5	0.1	9.6
Dividend	-	-	-	-	(37.9)	(37.9)	(0.1)	(38.0)
Change in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
AS OF DECEMBER 31, 2023	**27,778,578**	**27.8**	**986.8**	**(5.5)**	**512.6**	**1,521.7**	**16.5**	**1,538.2**

(a) €1 nominal value of shares.

4.2 / Notes to the consolidated financial statements for the year ended December 31, 2023

NOTE 1 General information

1.1 / General information

Fnac Darty, the parent company of the Group, is a French limited company (société anonyme) with a Board of Directors. Its registered office is at 9, rue des Bateaux-Lavoirs, ZAC Port d'Ivry, 94200 Ivry-sur-Seine, France. The Company is registered under No. 055800296 with the Créteil Trade and Companies Registry. Fnac Darty is subject to all laws governing commercial companies in France, including the provisions of the French Commercial Code.

The consolidated financial statements as of December 31, 2023 reflect the financial position of Fnac Darty and its subsidiaries, as well as its interests in associates and joint ventures.

On February 22, 2024, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2023. These statements are not final until they have been ratified by the General Meeting of Shareholders, scheduled for May 29, 2024.

1.2 / Reporting context

Fnac Darty, comprising the Fnac Darty company and its subsidiaries (hereinafter referred to collectively as "Fnac Darty"), is a leader in the leisure and entertainment products, consumer electronics and domestic appliances retail market in France, and a major player in other geographic markets where it operates, including Spain, Portugal, Belgium, Switzerland and Luxembourg. Fnac Darty also has franchise operations in Cameroon, Congo, Ivory Coast, Luxembourg, Qatar, Saudi Arabia, Senegal and Tunisia.

The listing of Fnac Darty securities for trading on the Euronext Paris regulated stock exchange requires the establishment of consolidated financial statements according to the IFRS standards. The procedures for preparing these financial statements are described in note 2 "Accounting principles and policies."

The Group's consolidated financial statements are presented in millions of euros. The tables in the financial statements use individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

NOTE 2 Accounting principles and policies

2.1 / General principles and statement of compliance

Pursuant to European Regulation 1606/2002 of July 19, 2002, the Group's consolidated financial statements for 2023 have been prepared in accordance with international accounting standards as adopted by the European Union (https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en) on the date these financial statements were established. These standards were mandatory at that date, and are presented with the comparative data for 2022, prepared on the same basis. Over the periods presented, the standards and interpretations adopted by the European Union are similar to the mandatory standards and interpretations published by the IASB (International Accounting Standards Board). Therefore, the Group's financial statements have been prepared in compliance with the standards and interpretations as published by the IASB (https://www.ifrs.org/issued-standards/list-of-standards/).

The international standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), IFRIC (International Financial Reporting Interpretations Committee) interpretations and SIC (Standard Interpretation Committee) interpretations.

The consolidated financial statements presented do not take into account any standards and interpretations that, at period-end, were still at the exposure draft stage with the IASB and IFRIC, or standards whose application was not mandatory in 2023.

The reference year for the Group is January 1 to December 31.

The accounting principles used in preparing the annual consolidated financial statements are in line with those used for the previous annual consolidated financial statements with the exception, as applicable, of any standards and interpretations applicable to the Group that were adopted in the European Union on or after January 1 of the previous year (see note 2.2 "IFRS guidelines applied").

The Group does not apply standards before the required date of application.

2.2 / IFRS guidelines applied

2.2.1 Standards, amendments and interpretations adopted by the European Union and non-mandatory, applicable in advance for reporting periods beginning on or after January 1, 2023

- **Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback**

  The purpose of these changes is to specify the valuation methods to be applied by the seller-lessee to the leasing debt in a sale and leaseback transaction where control of the asset is transferred to the buyer-lessor, such that the seller-lessee does not immediately recognize any gain or loss that may be related to the right of use that it retains. They may particularly apply where rents paid by the seller-lessee are, in whole or in part, variable rents that are not based on an index or a rate.

  This regulation published by the IASB on September 22, 2022 and adopted by the EU on November 20, 2023 must take effect for reporting periods beginning on or after January 1, 2024 and must be applied retrospectively to sale and leaseback transactions concluded after the first application date. Early application is permitted.

2.2.2 Standards, amendments and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2023

- **Amendment to IAS 1 – Disclosure of Accounting Policies and update of Practice Statement 2: Making Materiality Judgements**

  The IASB published this amendment on February 12, 2021, which was adopted by the EU on March 2, 2022.

  These amendments contain guidelines and examples to help entities judge whether the information on their accounting policies provided in the notes is material.

  Their purpose is to help entities provide more useful information about their accounting policies by replacing the obligation to disclose "significant" accounting policies with an obligation to disclose "material" accounting policies. The information on the accounting policies is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions of the primary users of the financial statements. These amendments provide guidelines on how to apply the concept of materiality when selecting what information to provide on accounting policies.

  This amendment was taken into account by the Group in its presentation of the information on its accounting policies in the financial statements dated December 31, 2023.

- **Amendment to IAS 8 – Definition of Accounting Estimates**

  On February 12, 2021, the IASB published an amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which was adopted by the EU on March 2, 2022.

  These amendments to IAS 8 make a distinction between changes in accounting estimates, changes in accounting policies and error corrections.

  They do this by replacing the definition of a change of accounting estimate with a definition of accounting estimates. According to this definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The amendment also clarifies how entities should use valuation techniques and data to prepare accounting estimates.

  This regulation has had no impact on these financial statements.

- **Amendment to IAS 12 – International Tax Reform – Pillar Two Model Rules**

  These amendments to IAS 12, published by the IASB on May 23, 2023 and adopted by the EU on November 8, 2023, follow up on the rules of the second pillar of the OECD's international tax reform work on base erosion and profit shifting (BEPS), including the introduction of a minimum global tax rate of 15% on the profits of multinational companies that fall within the scope of the scheme (revenue greater than €750 million).

  The amendment stipulates:

  - a temporary mandatory exemption to the recognition of deferred tax arising from the implementation of Pillar Two model rules in national law. This exemption also applies to the publication of information regarding such deferred tax in the notes; and
  - new information to be provided on an entity's exposure to income taxes arising from Pillar Two rules, particularly before its effective date.

The temporary mandatory exception applies immediately and must be mentioned in the notes if applied. The other information requirements apply to annual reporting periods beginning on or after January 1, 2023, but not to interim reporting periods ending no later than December 31, 2023.

In the absence of provisions in IFRS standards on this issue, the Group has adopted an accounting method that consists of applying the temporary exemption to the recognition of deferred tax and the publication of information on it in the notes.

During the 2023 reporting period, the Group conducted an analysis of the regulations and carried out a preliminary valuation of the impact of applying these rules for all Group entities based on data from the financial statements for the 2022 reporting period. Information on the Group's exposure is presented in note 12.

- **Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  On May 7, 2021, the IASB published amendments to IAS 12 – Income Taxes. These amendments were adopted by the EU on August 11, 2022.

  The amendments made to IAS 12 reduce the scope of application of the exemption to the initial recognition of deferred tax. The exemption no longer applies to transactions that give rise to taxable and deductible timing differences of the same amount, such as leases and dismantling obligations. Entities are therefore required to recognize related deferred tax assets and liabilities, and any deferred tax assets are subject to the IAS 12 recoverability criteria.

  This amendment was taken into account by the Group in its presentation of the information on its accounting policies in the financial statements dated December 31, 2023.

- **IFRS 17 – Insurance policies, with amendments, including amendments to IFRS 17 and IFRS 9 published relating to comparative information**

  IFRS 17, which was published by the IASB on May 18, 2017 and approved by the EU on November 23, 2021 and September 8, 2022, will replace the current IFRS 4 standard on insurance policies, for accounting periods beginning on January 1, 2023.

  IFRS 17 applies to all types of insurance policies, regardless of the type of entity issuing them, and to certain guarantees and financial instruments that include discretionary participation features (with some exemptions from the scope of application). This standard is based on a general model, supplemented by an adjustment for policies with direct participation features, and a simplified approach that is mainly applicable to short-term policies.

  The switchover to this new standard has had no impact on the Group's consolidated financial statements.

2.2.3 Standards, amendments and interpretations not yet adopted by the European Union and mandatory for post-2023 reporting periods

The IASB also published the following regulations, which could not be anticipated in 2023 as they were not adopted by the European Union, and for which the Group does not expect a significant impact.

The implementation dates mentioned below will take effect subject to adoption by the European Union.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current – Deferral of Effective Date, and Non-current Liabilities with Covenants**

  On October 31, 2022, the IASB published the latest amendments to IAS 1 – Presentation of Financial Statements. The combined amendments (published in 2020 and 2022) are included in the appendix to the amendments of October 2022.

  These regulations provide clarification on the rules for presenting liabilities as current or non-current, particularly with regard to their application to liabilities with covenants.

  They clarify the concept of the right to defer settlement of liabilities for at least 12 months after the period-end. This right to defer settlement must be thoroughly assessed at the period-end.

  The presentation of a liability as current or non-current is not affected by the probability that the entity will exercise its right to defer settlement or its intention to do so.

  The only situation in which the terms of a liability will have no impact on its presentation as current or non-current is if a derivative incorporated into a convertible liability is itself an equity instrument.

  Lastly, new information must be included in the notes where a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is conditional on compliance with covenants within 12 months.

  The amendments are to take effect for reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

  The Group is currently assessing the impact that the amendments will have on its current practices and whether existing loan agreements may require renegotiation.

- **Amendment to IAS 7 and IFRS 7 – Supplier Finance Agreements**

  These amendments, published by the IASB on May 25, 2023, require additional information to be included in the notes on the content of financing agreements with suppliers (such as reverse factoring agreements) and their effects on cash flows and exposure to liquidity risk.

  These amendments will enter into force for annual reporting periods beginning on or after January 1, 2024.

  The application of this regulation will involve the Group publishing new quantitative information on its reverse factoring programs.

  This regulation is not expected to have a material impact on the Group's financial statements.

- **Amendment to IAS 21 – Lack of Exchangeability**

  This amendment published by the IASB on August 15, 2023 specifies how entities should determine whether a currency is exchangeable and how it should determine a spot exchange rate if there is a lack of exchangeability.

  A currency is considered exchangeable for another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative period and through markets or exchange mechanisms in which an exchange transaction creates enforceable rights and obligations.

  If a currency is not exchangeable for another currency, entities are required to estimate the spot exchange rate on the valuation date in a manner that reflects the rate at which a foreign exchange transaction would take place on the valuation date between market stakeholders under prevailing economic conditions. Entities may use an unadjusted observable exchange rate or any other estimation technique.

  These amendments will enter into force for annual reporting periods beginning on or after January 1, 2025.

  When applying the amendments, entities may not restate the comparative information.

2.3 / Bases for preparation and presentation of the consolidated financial statements

2.3.1 Bases for evaluation

The consolidated financial statements were prepared according to the market value on the acquisition date, with the exception of:

- certain financial assets and liabilities, which were measured at fair value;
- defined benefit plan assets, which were measured at fair value;
- the proportion of securities held by a subsidiary or associate, which was measured at fair value at the moment of loss of control or significant influence; and
- non-current assets held for sale, which were measured and recognized at the lower of net book value or fair value less cost to sell where their sale is considered highly probable. These assets cease to be amortized from the date of their qualification as assets (or group of assets) held for sale.

2.3.2 Use of estimates and assumptions

The preparation of consolidated financial statements requires the use of estimates and assumptions by the Group's management that can affect the book values of certain assets and liabilities, income and expenses, and information disclosed in the Notes to the financial statements. The Group's management reviews these estimates and assumptions on a regular basis in order to ensure their appropriateness in view of past experience and the current economic environment. Depending on changes in these assumptions, the items shown in the Group's future financial statements may differ from current estimates. The impact of changes in accounting estimates is recognized in the period when the change occurs and in all the future periods affected.

When exercising its judgment, the Group looks at its past experience and all available information considered critical in light of its environment and circumstances. The estimates and assumptions used are continually reexamined. Given the uncertainties inherent in any valuation process, it is possible that the final amounts included in the Group's future financial statements may differ from current estimates.

The main estimates made by the Group's management in preparing the financial statements concern: the valuation and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill; the amount of the provisions for contingencies and other provisions relating to the business; as well as the assumptions used for the calculation of the obligations relating to employee benefits, share-based payments, deferred taxes and the fair values of financial instruments. In particular, the Group uses discount rate assumptions, based on market data, in order to estimate its long-term assets and liabilities.

The main estimates and assumptions used by the Group are detailed in the specific paragraphs in the Notes to the financial statements and especially in the following notes:

Estimate		Nature of the estimate

Notes 2.8, 18 and 28.2	Lease agreements	Assumption regarding the lease term used: To determine the lease term to be taken into account for each contract, a dual approach has been adopted:
		■ contractual, based on analysis of the contracts:
		  ■ for stores considered strategic or standard, the lease term used corresponds to the contractual end date of the lease, plus any renewal options available solely to the lessee,
		  ■ for stores considered non-strategic, the end date of the contract corresponds to the first possible exit option, with a minimum period of 12 months;
		■ an economic approach based on the classification of the underlying assets being leased, depending on the criteria of location, performance, commercial interest and in keeping with the amortization periods for non-transferable non-current assets.
		In practice:
		The economic approach recommended by the IFRS IC is applied to all lease contracts and, for each contract, results in:
		■ either the maintenance of the contractual end date of the lease, as this reflects the reasonably certain remaining lease term; or
		■ the extension of the remaining term if it is deemed too short in relation to the reasonably certain lease term based on the economic approach.
		Assumption regarding discount rates: a rate schedule by maturity has been drawn up for each country. The discount rates are calculated using a Midswap index, by currency and by maturity, plus a spread (spread applied to the most recent Group borrowings + country risk premium + subsidiary rating). The maturity of the rate used depends on the duration of each lease agreement, which in turn depends on the payment profile. The maturity of the rates depends on the residual term of the contract up to its expiration, as from the date of the event.

Notes 2.9 and 22	Inventories	Inventory run-down forecasts for impairment calculations.
Notes 2.10 and 19	Impairment tests on non-financial assets	Level of cash-generating unit combination for impairment test. Main assumptions used for the construction of value-in-use (discount rates, growth rates in perpetuity, anticipated cash flow). Assessment of the economic and financial context of the countries in which the Group operates.
Note 2.11.3	Fair value of hedging derivatives	Fnac Darty measures the fair value of derivatives using the valuations provided by financial institutions.
Note 20	Non-current financial assets	Estimation of their realizable value, either according to calculation formulas based on market data or on the basis of private quotations.
Notes 2.13 and 12	Tax	Assumptions used to recognize deferred tax assets related to tax loss carry-forwards and timing differences, as well as deferred tax rate assumptions.
Notes 2.15 and 27	Provisions	Underlying assumptions for assessing the legal position and risk valuation.
Notes 2.16 and 26	Employee benefits and similar payments	Discount rate and wage growth rate. The wage growth rate is based on historical observation and is in line with the Euro zone's long-term inflation targets.
Notes 2.18 and 5	Income from ordinary activities	Spread of revenue related to sales of loyalty cards and sales of warranty extensions over the term for which services are rendered reflecting the schedule of benefits offered. Recognition of income from ordinary activities in gross sales or commissions according to the analysis of the Group's involvement as principal or agent. The main indicators for assessing the agent/principal classification are: ■ primary responsibility for performance of the agreement; ■ exposure to inventory risk; ■ determination of the selling price.

Estimate		Nature of the estimate
Note 2.19	Cost of merchandise sales	At period-end, a valuation of discounts and commercial services to be collected is conducted based on the contracts signed with suppliers. This valuation is primarily based on total annual purchases, quantities of items purchased or other contract conditions, such as thresholds reached or growth in purchasing volumes for discounts and the performance of services rendered to suppliers for commercial cooperation.
Notes 2.12 and 7	Performance-based compensation plans	Assumptions used to measure the fair value of allotted instruments (expected volatility, dividend yield, discount rate, expected turnover of beneficiaries), estimates of achievement of future performance conditions.
Notes 2.17 and 31	Non-current assets held for sale and discontinued operations	Assets held for sale are valued and recognized at the lower of their net book value and fair value minus cost of disposal.

2.3.3 Cash flow statement

The Fnac Darty cash flow statement has been prepared in accordance with IAS 7 using the indirect method based on the net income of the consolidated entity. It can be broken down into three categories:

- cash flows from operating activities (including tax-related cash flows);
- cash flows from investment activities (in particular, acquisitions and disposals of equity interests and non-current assets, excluding lease agreements); and
- cash flows from financing activities (in particular, the issuance and redemption of borrowings, share buybacks, dividend payments) and the repayment of the leasing debt and associated interest related to the application of IFRS 16.

The acquisition of an asset as part of a lease agreement has no impact on cash flow when setting up the transaction, as the latter is not monetary. However, the lease payments over the life of a lease are broken down into interest paid on the leasing debt and repayment of the leasing debt, both of which are recorded in cash flows from financing activities.

2.4 / Principles of consolidation

The consolidated financial statements include the financial statements of companies acquired since the date of effective control and of companies sold until the effective date of loss of control.

2.4.1 Subsidiaries

The subsidiaries are all entities over which the Group exercises control.

Subsidiaries that are fully consolidated are those entities where the Group:

- has power over the entity in which it is invested;
- obtains or is entitled to obtain variable returns as a result of its links with the entity in which it has invested; or
- has the ability to exercise its power over the entity in which it has invested so as to influence the returns the Group obtains.

Control is presumed to exist when the Group has the power:

- over more than half of the voting rights under an agreement with other investors;
- to direct the financial and operating policy of the company under a contract;
- to name or dismiss the majority of the members of the Board of Directors or the equivalent governing body; or
- to cast a majority of the voting rights at the meetings of the Board of Directors or the equivalent governing body.

Reciprocal transactions, assets and liabilities between consolidated companies are eliminated. The results of internal transactions with controlled companies are fully eliminated.

The subsidiaries' accounting policies are adjusted as needed to ensure consistent treatment across the Group.

2.4.2 Equity associates

Fnac Darty exercises significant influence within certain companies, called associates. Significant influence means the power to participate in decisions affecting the company's financial and operating policies, without controlling or jointly controlling those policies. Significant influence is assumed when more than 20% of voting rights are held. Associates are recognized under the equity method. This method consists of recording an equity interest in equity associates in the consolidated statement of financial position on the date that the entity becomes an associate or partner in a joint venture. This equity interest is initially recognized at acquisition cost. After the acquisition date it is then adjusted by the Group's share in the undistributed comprehensive income of the entity concerned. These results may be further adjusted to comply with the Group's accounting principles. Goodwill relating to the Group's acquisition of an associate is included in the valuation of that equity associate's shares. Profit or loss due to remeasurement at fair value of the equity interest previously held (at the takeover of an equity associate) is recorded in "Share of profit from equity associates."

The goodwill of equity associates is included in the book value of the shares and is not presented separately. Therefore, it is not subject to a separate impairment test.

All companies consolidated under the equity method come under the Group's operating activities and are assigned to an operating segment. They are consolidated in the Group's internal reporting in accordance with IFRS 8, and the operating performance is monitored at the level of each business division to which they belong. The Group therefore considers it appropriate to recognize its share of the income of equity associates in its operating income.

2.4.3 Business combinations

The Group applies IFRS 3 (Revised) – Business Combinations.

Business combinations are recognized using the purchase method:

- acquisition cost is measured at the fair value of the consideration transferred, including any price adjustment, on the date of takeover. Any subsequent change to the fair value of a price adjustment is recognized in income or other items of comprehensive income in accordance with applicable standards; and
- any difference between the consideration transferred (acquisition price) and the fair value of the identifiable assets acquired and liabilities assumed on the date of takeover is recognized as goodwill on the asset side of the statement of financial position.

Adjustments to the projected fair value of identifiable assets acquired and liabilities assumed (adjustments resulting from statutory audits or additional analyses) are recognized as retrospective adjustments to goodwill if the adjustment occurs within one year following the acquisition date and if it results from facts and circumstances existing at the acquisition date. Impacts subsequent to this period are recognized directly in income, as is any change to an estimate.

For any takeover at less than 100% of share capital, the remaining component (non-controlling interests) is measured either:

- at fair value: in this case, goodwill is recognized for the percentage of the non-controlling equity interests (full goodwill method); or
- as a proportion of the identifiable net assets of the acquired entity: in this case, only the goodwill representing the acquired portion is recognized (partial goodwill method).

Costs directly attributable to the acquisition are recognized as non-current expenses over the period in which they are incurred.

Earn-out payments and other price adjustments relating to a business combination are measured at fair value as of the acquisition date even if the transaction is not considered to be probable.

If a business combination is undertaken in stages, the Group's prior stake in the acquired business is remeasured at the moment of takeover and is recognized at fair value in the income statement. To calculate goodwill at the point of takeover, the fair value of the transferred asset (for example, the price paid) is added to the fair value of the equity interest previously held by the Group. The carrying value of other items of comprehensive income previously recognized as an equity interest prior to takeover is reclassified to the income statement.

2.5 / Translation of foreign currencies

2.5.1 Functional currency and reporting currency

The items included in the financial statements of each entity in the Group are measured using the currency of the main economic environment in which the entity operates ("functional currency"). The Group's financial statements are presented in euros, which is its reporting currency.

2.5.2 Recognition of transactions in foreign currencies

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate in force on the date of the transaction.

Cash items in foreign currencies are converted at each period-end using the closing rate. The foreign exchange differences resulting or arising from the settlement of these cash items are recognized as an income or expense for the period.

Non-cash items in foreign currencies valued at historic cost are converted at the exchange rate on the date of the transaction, and non-cash items in foreign currencies valued at fair value are converted at the rate on the date when the fair value was determined. When a profit or loss on a non-cash item is recognized directly in other items of comprehensive income, the "foreign exchange" component of this profit or loss is also recognized in other items of comprehensive income. In the opposite case, this component is recognized in income for the period.

The treatment of currency hedges as derivative instruments is described in paragraph 2.11.3 "Derivative instruments" of note 2.11 "Financial assets and liabilities."

2.5.3 Translation of the financial statements of foreign entities

The Group's consolidated financial statements are presented in euros. The financial statements of each of the Group's consolidated companies are prepared in their respective functional currencies, i.e. the currency of the main economic environment in which the company operates and therefore the local currency. The financial statements of companies whose functional currency is not the euro are translated into euros as indicated below:

- items on the statement of financial position are translated into euros on the basis of the applicable exchange rates at the period-end date;
- items on the income statement are translated into euros using the average exchange rate over the reporting period provided this is not called into question by significant fluctuations in the rates; and
- any difference between the translation of the statement of financial position at the closing rate and the translation of the income statement at the average exchange rate over the period is recognized in other items of comprehensive income, which may be reclassified subsequently to profit or loss on the translation differences line.

2.5.4 Net investment in a foreign entity

Foreign exchange differences recorded on the conversion of a net investment of a foreign entity are recognized in the consolidated financial statements as a separate component in the comprehensive income statement and are recognized in profit or loss on the date of loss of control.

Translation differences relating to borrowings in foreign currencies for an investment in a foreign currency or to permanent advances to subsidiaries are also recognized in the comprehensive income statement for the effective portion of the hedge, under other items of comprehensive income, and are recognized in profit or loss on disposal of the net investment.

2.6 / Goodwill

Goodwill is recognized when businesses combine as described in note 2.4.3.

As of the acquisition date, goodwill is allocated to cash generating units defined by the Group. After initial recognition, goodwill is not amortized. The cash generating units to which the goodwill is allocated are subject to an annual impairment test in the second half of the year and whenever events or circumstances indicate that a loss of value may occur. The impairment test for the period ended is described in note 19.

Impairment is recognized under "Other non-current operating income and expense" on the income statement and is included in the Group's operating income.

2.7 / Intangible assets

Intangible assets are primarily composed of brands. The entry value of all Group brands was determined using the Relief From Royalties method, which consists of evaluating the discounted amount of the royalty savings (net of maintenance costs and taxes) the brands generate and corresponds to the fair value of the brands on the acquisition date. To the extent that the Group's brands constitute non-current assets with an indefinite life span, they are not amortized but are systematically tested for impairment each year and when there is evidence of impairment. The brands entered on the Group's balance sheet are: Darty and Vanden Borre, valued following the purchase of Darty; the WeFix brand, valued following the purchase of the WeFix subsidiary; the BilletReduc brand, valued in February 2019 following the acquisition of the 123Billets subsidiary, and the Nature & Découvertes brand, valued in August 2019 following the acquisition of the Nature & Découvertes subsidiary.

Intangible assets also include the relations with franchises, which represent the contracts signed with the Darty franchise stores valued at the time of the Darty acquisition. They are valued using the surplus profits approach, which consists of calculating the discounted sum of the future operating margins attributable to them, after taxes and compensation of support assets. Franchise relations constitute non-current assets with a defined life span and are amortized on a straight-line basis over their useful life.

Intangible assets also include software measured at acquisition or production cost.

Software acquired for current operations or developed internally by the Group that meets all the criteria defined in IAS 38 is amortized on a straight-line basis over a useful life of between one and eight years.

With regard to software accessible by the cloud under a SaaS contract, the method of accounting for configuration and customization costs was specified by the IFRS Interpretations Committee in 2021. These costs are recognized as intangible assets if, within the meaning of IAS 38, the customer controls the separate asset resulting from said configuration or customization. If control within the meaning of IAS 38 is not proven, these costs must be recognized as current operating expenses and may be spread across the term of the contract if they cannot be distinguished from the main service of the software provision.

2.8 / Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost less accumulated depreciation and impairment write-downs. The cost of property, plant and equipment includes expenses directly attributable to the acquisition of the asset.

The Group calculates depreciation for property, plant and equipment on a straight-line basis, based on the acquisition cost, over a period corresponding to the useful life of each asset item, which is eight to 20 years for fixtures and fittings and buildings, and three to 10 years for equipment.

Property, plant and equipment are subject to an impairment test whenever evidence of impairment is identified, such as a planned closure, reduction in the workforce or downward revision of market prospects. If the recoverable value of the asset is lower than its net book value, an impairment is recognized for it. If the recoverable value of the isolated asset cannot be precisely determined, the Group determines the recoverable value of the cash generating unit to which the asset belongs.

Treatment of leases under IFRS 16

Since January 1, 2019, the Group has applied IFRS 16 – Leases.

IFRS 16 establishes the recognition of a right-of-use asset and a leasing debt upon implementation of each lease, with possible exceptions for short-term leases (with a term of 12 months or less) and leases for low-value assets. Accordingly, a leasing debt is recognized in the balance sheet from the start of the lease at the discounted value of future payments. These leases are recorded under liabilities as "short-term leasing debt" and "long-term leasing debt," and under assets as "right-of-use assets related to lease agreements." Right-of-use assets are depreciated over the term of the lease, which is generally the same as the enforceable period of the lease unless the term was extended according to an economic method that allows for determining the reasonably certain period of use.

The enforceable period for each lease is the maximum term for the lease and ends when the Group, as the lessee, and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. During this enforceable period, the lease term is estimated according to non-cancellable period and whether the lessee is reasonably certain to exercise an option to renew or terminate the lease. It corresponds to:

- the period during which the lease cannot be terminated by the lessor, and to all renewal options available solely to the lessee. Within this enforceable term, the lease period used may be limited by the consideration, or not, of options to terminate lease agreements early based on economic criteria relating to the leased assets, in order to determine the lease periods that can be reasonably assured for each agreement. The economic criteria used to assess the exercise of lease renewal or early termination options by type of asset take into account the quality of the locations (premium or standard), the strategic nature of the store, and its profitability. Generally, the assessment criteria are based on the quality of the asset and the specific characteristics of the market and contracts;

- per the economic approach recommended by the IFRS IC (decision of December 16, 2019), this term is estimated based on economic criteria that include the quality of the location, performance, and commercial interest and consistently with the depreciation of non-transferable non-current assets.

IFRS IC decision on IFRS 16 – Leases

On December 16, 2019, the IFRS IC published a final decision on determining lease terms. In particular, the decision provides clarity on how to determine the enforceable period of a lease and on the consistency between the term applied in measuring the leasing debt and the useful life of non-removable leasehold improvements. The IFRS IC decision clarifies the concept of "penalty" used to determine the enforceable period of a lease under IFRS 16. The IFRS IC confirmed that a lease remains enforceable as long as either the lessee or the lessor might incur a more than insignificant penalty from terminating the lease, based on a broad interpretation of the concept of penalty, without limiting it just to contractual or monetary penalties. In this sense, automatically renewed leases and leases nearing expiration are affected.

According to the IFRS IC,

- the lease term must reflect the reasonably certain period during which the leased asset will be used. The enforceability of the lease must be considered not only from a legal point of view, but also an economic one;
- the term used in measuring the leasing debt must be consistent with the useful life of non-removable leasehold improvements.

With this in mind, the Group has changed the term of certain agreements:

- the extension of the agreements renewed tacitly for an additional year (given that their term is 3 years);
- current leases being extended on a case-by-case basis (for example, 3/6/9 leases in France) according to point-of-sale performance criteria and location quality.

In the income statement, amortization expenses are recognized in operating income and interest expenses in net financial income.

The impact of the accounting policies and principles of IFRS 16 on the Group's consolidated financial statements is described below.

Definition of a lease

According to IFRS 16, a lease is considered to be any contract where the lessee can control the use of an identified asset for a period of time in exchange for consideration.

Impact on the accounting of the Group as a lessee

In the course of applying IFRS 16, for all leases (with the exception of those mentioned in the exemptions below), the Group:

- initially recognizes a leasing debt and a right-of-use asset, according to the discounted value of future lease payments;
- recognizes amortization on the right-of-use asset and interest on the leasing debt in the income statement; and
- breaks down the cash flows paid out between the repayment of the principal (presented under financing activities in the line "Repayment of leasing debt") and the interest (presented under financing activities in the line "Interest paid on leasing debt") in the consolidated cash flow statement.

Exemptions and reductions

For short-term lease agreements (less than or equal to 12 months) and lease agreements for low-value assets, the Group has chosen to apply the exception permitted under the standard and to recognize a lease expense. This expense is set out in "Other current operating income and expense" in the consolidated income statement.

With regard to sublease agreements, a sublease receivable was recognized against a reduction in the right-of-use asset and shareholders' equity.

In the case of leaseback transactions carried out at fair value, the Group's processing will be as follows:

- derecognition of the underlying asset;
- recognition of the sale at fair value;
- recognition of the income relating to the rights transferred to the buyer-lessor;
- recognition of an asset (right of use) for an amount equivalent to the previous book value of the underlying asset share retained; and
- recognition of a leasing debt.

The tax impact of restatements relating to the application of IFRS 16 is taken into account through the recognition of deferred taxes linked to the temporary difference arising from the faster reduction in the book value of the assets (amortization of the right-of-use asset) than that of the liabilities (repayment of debt capital).

Methods applied

Each agreement signed by the Group is analyzed in order to determine whether it is a lease according to the definition specified above ("Definition of a lease" paragraph). Consequently, when the Group is a lessee in a lease agreement, it recognizes a right-of-use asset and a corresponding leasing debt, with the exception of short-term leases (defined as leases of 12 months or less) and leases with low-value underlying assets (less than USD 5,000). For these exempted lease agreements, the Group recognizes rents under operating expenses on a straight-line basis over the term of the lease, unless there is a different basis that is more representative of the recovery rate of the economic benefits of the leased assets. The leasing debt is originally valued at the current value of the remaining lease payments due, discounted at the implicit rate of the lease agreement or, failing that, at the lessee's marginal interest rate.

The Group has set the discount rates on the basis of a marginal borrowing rate that reflects the specific characteristics of the entities that take out the lease agreements. This has made it possible to establish a rate schedule for each country. The discount rates by currency are calculated using a Midswap index, by currency and by maturity, plus a spread (spread applied to the most recent Group borrowings + country risk premium + subsidiary rating). The maturity of the rate used depends on the duration of each lease agreement, which in turn depends on the payment profile. The maturity of the rates depends on the residual term of the contract up to its expiration, as from the date of the event.

The lease payments included in the measurement of the leasing debt include:

- fixed lease payments (minimum guaranteed lease payment, including known links to a price index) after deduction of lessor's benefits;
- the amount that the lessee should pay as residual value guarantees;
- the exercise price of the call options, if the lessee is reasonably sure that it will exercise those options; and
- the payment of penalties for terminating the lease agreement, if any are set out in the agreement.

Variable rents that do not depend on an index or interest rate are not included in the valuation of the leasing debt or the right of use. The corresponding payments are recognized over the period and are included under operating expenses in the income statement. In accordance with IFRS 16, variable lease payments have not been included in the calculation of the debt.

The leasing debt is set out on a separate line in the consolidated balance sheet. The lease obligation is incremented by the share of capitalized interest on the lease agreement. It is then adjusted depending on the payments made.

The Group remeasures the leasing debt (and makes an adjustment corresponding to the assets on the associated right of use) when:

- the term of the lease changes (for example, when the lease is renewed) or there is a change in the estimated reasonably certain term in accordance with the economic approach taken, in which case the leasing debt is remeasured by discounting the revised lease payments at the updated discount rate; and
- lease payment change as a result of a change in an index or interest rate, following a change to the planned payment, or following the revaluation of the residual value guarantees. In such cases, the leasing debt is remeasured by discounting the revised rents from the lease agreement at the initial discount rate (unless the change in rent payments is due to an interest rate change, in which case a revised discount rate is used).

The assets associated with the right of use include the initial measurement of the leasing debt, which takes into account rents paid on and after the effective date, prepayments and the initial direct costs. They are then measured at initial cost less depreciation, amortization and impairment.

If there is a clause in the contract stating that the tenant undertakes, at the end of the term, to bear the costs of restoration, dismantling or collection of the leased asset, a provision is recognized either initially or subsequently and valued in accordance with IAS 37. Given the non-material nature of these costs, the Group did not include them in the valuation of the right-of-use asset.

The right-of-use asset is amortized over the term of the lease.

If a lease agreement sets out the transfer of ownership of the underlying asset or if the calculation of the right-of-use asset has taken into account the fact that the Group expects to exercise a purchase option, the right of use is amortized over the useful life of the asset. The amortization of the right-of-use asset begins on the provisioning date of the asset.

The assets associated with the right of use are set out on a separate line in the Group's consolidated balance sheet.

In practice, IFRS 16 allows the lessee not to distinguish between the various components linked to the same lease agreement and to recognize them together. The Group has chosen to distinguish between each underlying asset within the same contract.

The main estimates and assumptions used by the Group in respect of IFRS 16 are described in the paragraph on "Treatment of leases under IFRS 16" included in note 2.8 "Property, plant and equipment." These relate to the determination of the lease term and the determination of the discount rates.

The impacts on the leasing debt and the right-of-use asset by flow, type of asset and maturity are presented in detail in notes 18 and 28.2.

2.9 / Inventories

Inventories are valued at the lower end of their cost and their net realizable value. The net realizable value is equal to the sale price estimated according to the age of the products, net of costs yet to be incurred to achieve the sale.

These inventories are valued in accordance with the weighted average cost per unit method.

Inventories include the purchase cost and other costs incurred to ship inventories in their current condition to their place of sale. Costs incurred mainly include variable logistics costs, parafiscal taxes, shipping costs and the provision for unknown markdowns between the last inventory date and period-end. The benefits obtained from suppliers and recognized as a deduction against the purchase cost of merchandise sold are deducted from the value of the inventories.

Finance costs are excluded from inventories. They are recognized as financial expenses in the year in which they are incurred.

The Group may need to record an impairment on inventories:

- based on likelihood of disposal;
- if they are partially damaged;
- if they are completely obsolete;
- if the sale price is less than the net realizable value.

2.10 / Impairment of non-financial assets

Goodwill, intangible assets with an indefinite useful life, and the cash generating units containing these elements are systematically tested annually for impairment in the second half of the year.

The cash generating units are operating entities that generate independent cash flows. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets. In practical terms, the cash generating units are the countries in which the Group has operating subsidiaries (France, Switzerland, Spain, Portugal, Belgium and Luxembourg).

In addition, when events or circumstances indicate that impairment is possible on goodwill; other intangible assets; property, plant and equipment; and cash generating units, an impairment test is performed. Such events or circumstances may be linked to material adverse changes affecting the economic environment, or assumptions or objectives used on the acquisition date.

An impairment test consists of determining whether the recoverable value of an asset or a cash generating unit is less than the net book value.

The recoverable value of an asset or a cash generating unit is the higher of its fair value less selling costs and its value-in-use.

Value-in-use is determined based on an estimate of expected future cash flows, taking into account the time value and specific risks related to the asset or the cash generating unit. Expected future cash flow projections are based on medium-term plans and budgets. These plans are based on a three-year period. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows. The fair value minus the costs to sell corresponds to the amount that could be obtained from the sale of the asset or group of assets under normal competition conditions between well-informed and consenting parties, minus the costs of disposal. It is determined from market information (comparison with similar listed companies, value attributed in recent transactions and share prices).

When the recoverable value of the asset or cash generating unit is lower than its net book value, an impairment is recognized for the asset or group of assets.

In the case of a cash generating unit, the impairment is first assigned to goodwill, if applicable, and is recorded under "Other non-current operating income and expense" in the income statement.

Impairment recognized for property, plant and equipment and other intangible assets may be written back eventually if the recoverable value becomes higher than the net book value. Impairment recognized for goodwill cannot be written back.

In the event of a partial sale of a cash generating unit, the income from disposal is calculated by including within the elements sold the portion of goodwill corresponding to those elements. In order to assign the portion of goodwill to the elements sold, the IFRS standards propose using the values related to the operations sold and retained, unless the entity demonstrates that another method better reflects the portion of goodwill sold.

Consideration of the application of IFRS 16 in impairment tests

The recoverability of the right-of-use asset is tested as soon as events or environmental modifications on the market indicate an impairment risk for the asset. The provisions for the implementation of the impairment tests are identical to those for intangible assets and property, plant and equipment as described in notes 2.6, 2.7 and 2.8. For the impairment tests as of December 31, 2023, the Group chose to apply the practical reduction in which the value to be tested includes the right-of-use assets deducted from the leasing debt. The business plan projections, the terminal value and the discount rate are determined in accordance with the position before the application of IFRS 16.

2.11 / Financial assets and liabilities

Financial assets and liabilities are recorded upon initial recognition in the balance sheet at their fair value.

All these instruments are disclosed in note 34.

2.11.1 Financial assets

IFRS 9 presents a model for classifying and measuring financial assets in three categories, based on the contractual characteristics of cash flows and the economic model for managing these assets:

- **financial assets valued at fair value on the income statement:**

  This category includes all debt instruments that cannot be classified as financial assets measured at amortized cost or as financial assets measured at fair value through other comprehensive income. It also includes investments in equity instruments for which the option of fair value recognition through other comprehensive income has not been selected.

  These assets are valued at fair value; changes in their value are recorded in the net financial income.

  Purchases and sales of financial assets are recognized on the transaction date, i.e. the date on which the Group committed to the purchase or sale of the asset.

  A financial asset is derecognized if the contractual rights to the cash flows related to the financial asset expire or if the asset is transferred.

  Financial assets recognized at fair value are:

  - debt instruments that are not measured at amortized cost or at fair value through other items of comprehensive income,
  - equity instruments that are held on a speculative basis, or
  - equity instruments for which the option of fair value recognition through other items of comprehensive income has not been selected by the Company;

- **financial assets at amortized cost:**

  Financial assets measured at amortized cost are debt instruments (in particular loans and receivables) whose contractual cash flows consist solely of payments representing principal and interest on the principal and whose management model consists in holding the instrument in order to collect the contractual cash flows.

  These assets are recognized at fair value initially, then at amortized cost using the effective interest rate method. For short-term debts without a reported interest rate, the fair value is equivalent to the amount of the original invoice.

  These assets are impaired according to the expected loss model.

  The Group classifies its financial assets at amortized cost only if the following two criteria are met:

  - financial assets are held as part of a management model designed to collect contractual cash flows, and
  - the contractual cash flows consist solely of payments of principal and interest (the SPPI criterion);

- **financial assets recognized at fair value through other items of comprehensive income:**

  These assets are debt instruments whose contractual cash flows consist solely of payments representing the principal and the interest on the principal and whose management model consists in holding the instrument both to collect the contractual cash flows and to sell the assets. They are valued at fair value. Changes in fair value are recognized in other items of comprehensive income under “changes in fair value of debt instruments measured at fair value through other comprehensive income” until the derecognition of the underlying assets, at which time they are transferred to the income statement.

This category also includes investments in equity instruments (mainly shares) using the irrevocable option. In this case, upon disposal of the securities, the unrealized gains or losses previously recognized in equity (other items of comprehensive income) will not be reclassified to income; only the dividends will be recognized in the income statement.

This category includes non-consolidated equity investments for which the option of fair value recognition through other comprehensive income has been selected.

Fair value for listed securities corresponds to a market price. The fair value of unlisted securities is primarily determined by reference to recent transactions or by valuation techniques using reliable and observable market data. However, where there are no observable market data on comparable companies, the fair value of unlisted securities is most often measured on the basis of discounted cash flow projections or the adjusted NAV, determined using internal inputs (level 3 in the fair value hierarchy) ;

- **the financial assets recognized at fair value through other items of comprehensive income are:**

  Equity instruments that are not held on a speculative basis and which the Company irrevocably opted at the outset to recognize in this category. These are strategic investments and the Group considers this classification to be more appropriate.

  Debt instruments whose contractual cash flows consist solely of interest and principal repayment flows and whose management objective is to collect the contractual flows and sell the assets.

Derecognition of financial assets:

- the Group derecognizes a financial asset if and only if the contractual rights to the cash flows associated with the asset expire, or if it transfers the financial asset and almost all of the risks and benefits associated with the ownership of the asset to another entity. If the Group neither transfers nor retains almost all of the risks and benefits associated with the ownership and continues to control the asset disposed of, it recognizes the share of the asset that it retains and an associated liability at the amounts that it is required to pay. If the Group retains almost all of the risks and benefits associated with the ownership of a financial asset disposed of, it recognizes the financial asset, in addition to recognizing the consideration received as a guaranteed loan;
- when a financial asset valued at amortized cost is derecognized, the difference between the book value of the asset and the amount of the consideration received or receivable is recognized in net income.

2.11.2 Financial liabilities

The measurement of financial liabilities depends on their classification under IFRS 9. For the Group, borrowings and financial debts, trade payables and other payables are recognized initially at their fair value minus transaction costs, then at amortized cost using the effective interest rate method.

The effective interest rate is calculated for each transaction and corresponds to the rate that enables the net book value of a financial liability to be obtained by discounting estimated future cash flows paid until maturity or until the date closest to the day on which the next price at the market interest rate is determined. This calculation includes transaction costs and any premiums and/or discounts that may apply. The costs of transactions correspond to costs that are directly associated with the acquisition or issue of a financial liability.

Financial liabilities qualified as hedged items for hedging relations at fair value and valued at amortized cost are subject to a net book value adjustment for the hedged risk.

Hedging relationships are detailed in paragraph 2.11.3 "Derivative instruments."

Financial liabilities designated at fair value on options, other than derivative liabilities, are valued at fair value. Changes in fair value are recognized in the income statement except for changes in fair value caused by a change in Fnac Darty's credit spread, which is recognized in other items of comprehensive income. Transaction costs connected with the establishment of these financial liabilities are recognized immediately as an expense.

Derecognition of financial liabilities:

- the Group derecognizes financial liabilities if, and only if, the obligations to make cash payments stipulated in the contract are executed, are cancelled or have expired. The difference between the book value of the derecognized financial liability and the consideration paid and payable is recognized in net income;
- where the Group exchanges a debt instrument with an existing lender for another debt instrument with substantially different terms, this exchange is recognized as the extinguishment of the initial financial liability and the recognition of a new financial liability. Similarly, the Group recognizes any substantial change in the conditions of an existing financial liability or a part thereof as the extinguishment of the initial financial liability and the recognition of a new financial liability. The conditions are assumed to be substantially different if the discounted value of the cash flows under the new conditions, including fees paid net of fees received and discounted by applying the initial effective interest rate, is at least 10% higher or lower than the discounted value of the initial financial liability's remaining cash flows. If the change is not substantial, the difference between 1) the book value of the liability before the change and 2) the discounted value of the cash flows after the change must be recognized in net income as a profit or loss on change in other gains and losses.

2.11.3 Derivative instruments

In the normal course of business, the Group may need to use various financial instruments to reduce its exposure to currency risk.

Derivative instruments are recognized on the balance sheet under other current and non-current assets and liabilities depending on their maturity and their accounting qualification (hedged or unhedged), and are valued at their fair value on the transaction date. Changes in the fair value of derivative instruments are recognized on the income statement, except in the case of cash flow and net investment hedges for the effective portion.

Derivative instruments that are designated as hedging instruments are classified by category of hedge according to the nature of the hedged risks. These derivatives are used to hedge the risk of changes in cash flows associated with recognized assets or liabilities or a highly probable planned transaction that could affect the consolidated income statement.

Hedge accounting is applicable if, and only if, the following conditions are met:

- the hedging relationship consists solely of items eligible for hedge accounting;
- a hedging relationship is clearly identified, formalized and documented from the date of its inception;
- the hedging relationship meets the criteria for effectiveness:
  - economic relationship between the hedged item and the hedge,
  - no preponderance of credit risk in the change in fair value of the hedging item and the hedged item, and
  - the hedging ratio of the hedging relationship is equal to the ratio between the quantity of the hedged item that is hedged by the entity and the quantity of the hedging instrument that the entity uses to hedge that quantity of the hedged item.

The accounting treatment of financial instruments qualified as hedging instruments, and their impact on the income statement and the balance sheet, is differentiated according to the type of hedging relationship.

As of December 31, 2023, the only derivatives Fnac Darty had in its portfolio were forward currency derivatives used to hedge commercial transactions, which qualified as cash flow hedges:

- the effective portion of the change in fair value of the hedging instrument is recorded directly as a contra item to other items of comprehensive income. These amounts are reclassified to the income statement in line with the method of accounting for the hedged items, i.e., as gross margin for hedges of commercial transactions;
- the ineffective portion of the hedge is recognized in the income statement;
- furthermore, Fnac Darty considers the cost of hedging currency risk as a cost related to the hedged transaction. As a result, the change in the interest rate component of forward currency hedges is recognized in other comprehensive income and reclassified to the income statement in line with the method of accounting for the hedged items, i.e., as gross margin for commercial transaction hedges.

2.11.4 Cash and cash equivalents

"Cash and cash equivalents" on the asset side of the consolidated balance sheet comprise liquid assets, money-market UCITS, short-term investments and other liquid and readily convertible instruments that have a negligible risk of fluctuation in value and mature within three months or less of the acquisition date.

Investments with a term of more than three months and frozen or pledged bank accounts are not included in cash. Bank overdrafts appear under financial debt on the liabilities side of the balance sheet.

In the cash flow statement, "Cash and cash equivalents" includes accrued interest not yet due on assets appearing under cash and cash equivalents and bank overdrafts. The cash flow statement is explained in detail in note 27.

2.11.5 Net financial debt

The Group's net financial debt includes:

- cash and cash equivalents (see 2.11.4);
- short-term and long-term loans as well as bank overdrafts: this item mainly includes bonds maturing in 2024 and 2026, where the debt component of the bonds is convertible into and/or exchangeable for new and/or existing shares (OCEANE) maturing in 2027, and the loan from the European Investment Bank (note 28);
- since January 1, 2019 following the application of IFRS 16, net financial debt with IFRS 16 includes leasing debt related to operating lease agreements.

2.12 / Share-based payments

Share-based transactions payable in cash

Performance-based compensation plans, with cash settlement, were allotted by the Group to certain employees. In accordance with IFRS 2 – Share-based Payment, the fair value of these plans, corresponding to the fair value of the instruments delivered, is measured on the allotment date, then remeasured at each period-end. The mathematical models used for these measurements are described in note 7.

During the vesting period, the fair value of the commitment calculated in this way is spread over the vesting period. This expense is recorded in personnel expenses and offset against a payable to personnel. The change in the fair value of the amount payable is recorded in the income statement for each year.

Share-based transactions paid in equity instruments

Performance-based compensation plans, with settlement in equity instruments, were allotted by the Group to certain employees. In accordance with IFRS 2 – Share-based Payment, the fair value of these plans, corresponding to the fair value of the instruments delivered, is measured on the allotment date with no further remeasurement. The mathematical models used for these measurements are described in note 7.

During the vesting period, the fair value of the options and bonus shares calculated in this way is spread over the vesting period. This expense is recorded in personnel expenses and offset against an increase in shareholders' equity.

2.13 / Income tax

The tax expense for the year consists of current tax and deferred tax.

Deferred tax is calculated according to the balance sheet liability method for all timing differences between the book value on the consolidated balance sheet and the taxable value of assets and liabilities, except for goodwill, which is not tax deductible. Deferred tax is valued according to how the Group expects to recover or settle the book value of the assets and liabilities using the enacted or substantively enacted tax rate at the period-end date.

Deferred tax assets and liabilities are not discounted and are classified on the balance sheet as non-current assets and liabilities.

A deferred tax asset is recognized on deductible timing differences and for the carry-forward of tax losses and tax credits.

Deferred tax assets are recognized only if it seems probable that the Group will have future taxable profits against which these assets can be charged.

The impact of changes in the tax rate for deferred taxes is recognized in income.

The likelihood of recovering deferred tax assets is reviewed periodically per tax entity and may, if applicable, lead to the derecognition of deferred tax assets previously recorded. The likelihood of recovery is analyzed on the basis of fiscal planning in terms of projected future taxable income. The taxable income included at this stage is the income received over a two-year period. The assumptions used in fiscal planning are consistent with those used in the medium-term budgets and planning prepared by the Group's entities and approved by senior management. Tax payables and tax credit receivables on projected dividend payments by Group companies are recorded in the income statement.

A deferred tax liability is recognized on taxable timing differences that relate to investments in subsidiaries, associates and joint ventures, unless the Group is able to control the date when the timing difference will reverse and if it is probable that it will not reverse in the foreseeable future.

In the Group's opinion, corporate value-added tax (CVAE), a levy assessed on a company's added value, meets the definition of a tax as defined in IAS 12. It is therefore presented in the income statement under income tax.

IFRIC 23 clarifies the application of the provisions of IAS 12 – Income Taxes relating to recognition and measurement when there is uncertainty over a tax treatment. To this end, the IFRIC 23 interpretation sets out a single uniform method for recognizing tax risks. In 2019, the Group standardized its tax risk recognition process, implementing standardized procedures for communication between the subsidiaries of all tax jurisdictions and the Group's Tax Department. Under the new process, if an uncertain tax position is likely not to be accepted by the tax authorities, this situation will be reflected in the financial statements in tax payable or deferred taxes. All uncertain tax positions are presented as tax expenses in the income statement, and as taxes payable or deferred on the balance sheet.

2.14 / Treasury stock and other equity instruments

The Group may hold some of its own shares by virtue of:

- a liquidity agreement whose chief purpose is to promote liquidity for transactions and stabilize the share price;
- a share buyback program.

Treasury stock is recognized as a deduction from shareholders' equity at its acquisition cost. Any profits or losses on the purchase, sale, issue or cancellation of treasury stock are recognized directly in shareholders' equity with no impact on the income statement.

2.15 / Provisions

Provisions for litigation, disputes and miscellaneous contingencies are recognized as soon as a current obligation caused by a past event arises, if said obligation is likely to lead to the outflow of resources representing economic benefits whose amount can be reliably estimated. To estimate provisions for a dispute, the Group assesses the probability of an unfavorable judgment and makes an estimate of the amounts concerned. This assessment is based on legal analyses conducted with the Group's attorneys.

The amount recognized for provisions with a maturity of over one year represents the best estimate of the expenditure required to settle the present obligation at period-end. The discount rate used reflects the current assessments of the time value of money and the specific risks related to the liability concerned.

A provision for restructuring is constituted as soon as there is a formalized and detailed plan for this restructuring and it has been announced or implementation has commenced before period-end. The restructuring costs recorded in provisions correspond mainly to employee-related costs (severance pay, early retirement, pay in lieu of notice, etc.) and compensation for termination of contracts with third parties. Other provisions correspond to specifically identified risks and expenses.

2.16 / Post-employment benefits and other long-term employee benefits

Depending on the laws and practices in each country, Group companies provide various types of benefits for their employees.

For defined contribution plans, the Group has no obligation to make supplementary payments over and above the contributions already paid to a fund if that fund does not have sufficient assets to serve the benefits corresponding to services rendered by employees during the current and previous periods. For these plans, contributions are recorded as an expense when they are incurred.

For defined benefit plans, liabilities are measured using the projected unit credit method based on agreements in place in each company. According to this method, each benefits period generates an additional unit of rights to benefits, and each unit is measured separately to obtain the final obligation. The present value of the obligation is then discounted. The actuarial assumptions used to calculate the liabilities vary according to the economic conditions of the country in which the plan is based. The liabilities under these plans and end-of-service payments are actuarially calculated by independent actuaries each year for the largest plans and at regular intervals for the other plans. These calculations principally take into account the level of future compensation, the probable length of employees' service, life expectancy and staff turnover.

Actuarial gains and losses arise from changes in assumptions and the difference between the results estimated according to actuarial assumptions and actual results. These differences are recognized immediately as other items of comprehensive income (and are never recorded as profit or loss) for all actuarial differences relating to defined benefit plans, except for long-service awards where the actuarial differences are recognized in the income statement.

The cost of past benefits, namely the increase of an obligation following the introduction of a new plan or adjustment to an existing plan or the decrease of an obligation following the reduction of a plan, is recognized immediately in the income statement even if the rights to the benefit have not been vested for the employees.

The expenses for this type of plan are recognized in current operating income (costs of benefits rendered) and in net financial income (net interest on the net liability or asset calculated based on a discount rate determined by reference to the level of obligations of companies deemed of high quality). Payments and costs of past benefits are recognized as current operating income. Reductions are recognized as current operating income in the case of departures of employees who are replaced and as non-current operating income for departing employees who are not replaced. The provision recognized on the balance sheet corresponds to the discounted value of the commitments thus calculated, after the fair value of the plans' assets have been deducted.

2.17 / Non-current assets (or group of assets) held for sale and discontinued operations

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations requires specific recognition and presentation of the assets (or group of assets) held for sale and discontinued operations that have been or are being sold.

Non-current assets or a directly linked group of assets and liabilities are considered as held for sale if their book value will be recovered mainly through their sale rather than continuing use. This definition applies if the asset (or group of assets) is available for immediate sale and if such sale is highly probable. Non-current assets (or group of assets) held for sale are valued and recognized at the lower of their net book value and fair value minus costs of disposal. These assets cease to be amortized from the date of their qualification as assets (or group of assets) held for sale. They appear on a separate line on the Group's balance sheet, with no restatement for past periods.

A discontinued operation that was sold or is held for sale is defined as a component of the Group that has separate cash flows from the rest of the Group and that represents a principal and distinct business line or region. Over the reported periods, the income from these activities is presented on a separate line in the income statement, under "Discontinued operations," and is restated in the cash flow statement.

2.18 / Recognition of income from ordinary activities

Income from ordinary activities consists of pre-tax revenue and other revenue.

Pre-tax revenue corresponds to revenue generated in stores, on e-commerce sites (sales to end customers) and in warehouses (sales to franchises).

Other revenue consists of ticketing activities, the sale of gift boxes, certain warranty extensions and internet sales generated on behalf of suppliers (Marketplaces).

Recognition of revenue and other income

Revenue from in-store sales, which represents the bulk of the Group's revenue, is recognized at the time of customers' checkout transactions in accordance with IFRS 15. Transfer of control occurs when the goods and services are transferred to the customers. Sales do not include any other performance obligations that have not been fulfilled at that date. When in-store sales are accompanied by a right of return, the conditions for exercising this right are limited to certain categories of products and are time-limited in accordance with the regulations of the countries concerned and/or in accordance with the Group's general terms and conditions of sale. In this case, a provision for return of merchandise is recorded.

E-commerce sales consist both of revenue from sales made on the Group's e-commerce sites (direct sales) and of commissions received for e-commerce sales made by the Group on behalf of third parties (Marketplaces). The Group acts as the principal for sales it makes on its own behalf on the Group's e-commerce sites (direct sales). Revenue from direct sales is recognized when delivery has taken place (date of transfer of control of the goods sold).

As with in-store sales of goods, direct e-commerce sales are subject to a right of return, the exercise of which is time-limited.

For sales in Marketplaces, the Group acts as an agent; the revenue recognized corresponds to fees invoiced to suppliers for the sales made.

Revenue from sales to the franchises is recognized when delivery has taken place (date of transfer of control of the goods sold).

The accounting treatment of franchise fees is governed by the specific provisions of IFRS 15 on intellectual property licenses (right of access license).

Recognition of customer loyalty programs

The sale of a good or service accompanied by the awarding of loyalty points constitutes a contract comprising two distinct "performance obligations":

- a good or service delivered immediately; and
- a right to receive goods or services at a reduced price in the future.

The amount received for the sale is allocated between the two "performance obligations" in proportion to their respective specific selling prices and recognized as a deduction from the initial sale, after taking into account an expiration rate corresponding to the probability of use of the benefits by the members, estimated according to a statistical method.

Revenue consists primarily of the sale of merchandise and services provided by the Group's stores and e-commerce websites, the sale of merchandise to the franchises and franchise fees, which are recognized in net revenue when the services are provided. As from 2015, income from breakage of gift vouchers and cards are recognized in income from ordinary activities at the time that the cards and vouchers are issued.

Customer loyalty programs and the benefits customers receive as part of the loyalty programs are considered separate from the initial sale. These benefits are valued at their fair value and recognized as a deduction from the original sale, after the application of a redemption rate corresponding to the probability that the member will use the benefit, estimated using a statistical model.

Income from the sale of loyalty cards is spread over the validity period of the cards, reflecting the schedule of benefits offered.

Sales of goods are recognized when a Group entity has transferred control of a good to the buyer. Control is generally transferred at the moment of delivery, when the amount of income can be measured reliably and collection of the amount is reasonably certain.

Following the sale of goods, and depending on the contractual clauses attached to these sales, liabilities may be recognized as a reduction in the income from ordinary activities, in order to allow for any return of merchandise that could take place after period-end.

The provision of services, such as sales of warranty extensions or services related directly to the sale of the goods, is recognized in the period in which the services are rendered. If the Group entity acts as an agent in the sale of these services, the revenue is recognized at the time of the sale and corresponds to the margin generated or the commission received. This mainly concerns ticketing activities, the sale of gift boxes, certain warranty extensions and internet sales generated on behalf of suppliers (Marketplaces).

In general, as part of its activity, the Group offers its customers new products and services in conjunction with partners throughout the year. The Agent/Principal analysis is carried out in accordance with IFRS 15 for each new product and service provided. The table below summarizes the Agent/Principal analysis of the main products and services provided by the Group in conjunction with partners:

	Agent	Principal
Internet/Store		
Marketplace	X	
Photo developing	X	
E-Books	X	
Games and software downloads	According to service provider	
Gift cards (brand)		X
Gift cards (non-brand)	X	
Custom kitchens		X
Ticketing		
Sale of tickets	X	
Sale of event cancellation insurance	X	
Boxed sets		
Gift boxes	X	
Additional services		
Sale of warranties or warranty extensions	X	
Sale of insurance	X	
Second-hand products		
Second-hand products		X
Subscriptions		
Energy and telecoms	X	
Security and sharing (Serenity pack)		X
Repair (Darty Max and Vanden Borre Life)		X
Other services		
Financing	X	
Out-of-warranty repair services		X
Delivery		X
Training	X	
After-sales service		X

2.19 / Operating income

Operating income includes all the income and costs directly related to Group operations, whether the income and expenses are recurrent or whether they result from one-off operations or decisions.

The cost of merchandise sales includes, among other items, purchases net of discounts and commercial services, which are measured on the basis of contracts signed with the suppliers and result in the invoicing of installment payments during the year. At period-end, a valuation of discounts and commercial services to be collected is conducted based on the contracts signed with suppliers. This valuation is primarily based on total annual purchases, quantities of items purchased or other contract conditions, such as thresholds reached or growth in purchasing volumes for discounts and the performance of services rendered to suppliers for commercial cooperation.

For the reader's benefit, unusual and material items at Group level are identified under operating income as "Other non-current operating income and expense."

"Other non-current operating income and expense," excluding current operating income, includes:

- restructuring costs and costs relating to staff adjustment measures;
- impairment on capitalized assets identified primarily in the context of impairment tests on cash-generating units (CGU) and goodwill;
- gains or losses linked to changes in the scope of consolidation (acquisition or disposal); and
- major disputes that do not arise from the Group's operating activities.

2.20 / Earnings per share

Net earnings per share are calculated by dividing the net income, Group share by the weighted average number of shares outstanding during the period.

Diluted net earnings per share are calculated by dividing the net income, Group share for the period by the average number of shares outstanding plus all instruments giving deferred access to the capital of the consolidating company, whether these were issued by it or by one of its subsidiaries. The dilution is determined for each instrument. When basic earnings per share are negative, no impact on the dilution is applied.

2.21 / Operating segments

In accordance with IFRS 8 – Operating Segments, the segment information presented is established on the basis of internal management data used to analyze the performance of activities and the allocation of resources by the Chief Executive Officer and the Executive Committee members, who constitute the Group's principal decision-making body.

An operating segment is a distinct component of the Group that is engaged in activities likely to generate income and incur expenses, whose operating income is regularly reviewed by the operating decision-making body and for which separate information is available. Each operating segment is individually monitored in terms of internal reporting, according to performance indicators common to all segments.

The segments presented in segment information are operating segments or combinations of operating segments. They correspond to countries or geographical regions composed of several countries in which the Group conducts its operations through stores:

- France and Switzerland: this segment is composed of the Group's activities managed from France. These activities are carried out in France and French territories, Switzerland and Monaco. This segment also includes the franchises in Cameroon, Congo, Ivory Coast, Luxembourg, Qatar, Saudi Arabia, Senegal and Tunisia. The France and Switzerland segment includes the activity of Nature & Découvertes France and its international subsidiaries, all of which are managed from France;
- Iberian Peninsula: this segment consists of Group activities performed and grouped in Spain and Portugal; and
- Belgium and Luxembourg: this segment consists of Group activities managed from Belgium and grouped in Belgium and Luxembourg.

The new operating segments reflect the Group's structure.

The management data used to evaluate the performance of a segment are established in accordance with the IFRS principles applied by the Group for its consolidated financial statements.

NOTE 3 Key highlights

Shareholder return

In 2023, Fnac Darty followed its policy of providing a return to shareholders. An ordinary dividend of €1.40 gross per share for the 2022 financial year, representing a total amount of €37.9 million, was allocated to the first half of 2023. The Combined General Meeting of May 24, 2023 approved a dividend of €1.40 gross per share and decided to offer shareholders the option to receive the dividend in cash or in new shares. The dividend was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares representing a value of €16.7 million.

As a result, the conversion/exchange rate increased from 1.070 Fnac Darty shares per OCEANE bond to 1.115 Fnac Darty shares per OCEANE bond, as of July 6, 2023.

Implementation of a buyback program

On October 26, 2023, Fnac Darty announced the implementation of a share buyback program, as part of the buyback program authorized by the Annual General Meeting of May 24, 2023. The buyback mandate, which was issued to investment services provider Natixis, is for a maximum amount of €20 million. As of December 31, 2023, 422,475 shares had been redeemed for a gross amount of €10.7 million.

This step follows on from the Board of Directors' decision to buy back the proportion of shares necessary to offset the dilution resulting from the acquisition of free shares granted to employees.

Financing

In March 2023, Fnac Darty exercised the final option to extend its RCF from March 2027 to March 2028. This option was subscribed at 98.5% of banking commitments. The Group has an RCF of €500 million until March 2027 and of €492.5 million until March 2028.

In December 2023, Fnac Darty renegotiated its RCF of €500 million due to mature in March 2028, adding two new extension options of March 2029 and March 2030. These are exercisable at the request of Fnac Darty and subject to the approval of the lenders. The financial conditions remain unchanged.

Meanwhile, Fnac Darty exercised the first 12-month extension option of its delayed drawn term loan (DDTL). As a reminder, this €300 million credit line allows the Group to cover the refinancing of the senior bonds that it issued in 2019 and that will mature in 2024. This option was subscribed at 100% of banking commitments. This credit line will therefore mature in December 2026 in the event of drawdown.

French Competition Authority procedure

Several stakeholders in the domestic appliances manufacturing and retail sector have received a statement of objections from the investigation services of the French Competition Authority (Autorité de la Concurrence – ADLC) in which a number of suppliers are accused of having taken part in a vertical agreement with some of their retailers. Of all the objections raised by the French Competition Authority, only one concerns Darty and covers a limited period ending in December 2014, i.e. almost 10 years ago, and therefore prior to Fnac's acquisition of Darty in 2016. Moreover, this objection relates to a limited number of well-identified product categories only. In order to bring a swift end to this complex procedure and to be able to devote all its resources to the operational implementation of its strategic plan Everyday, Fnac Darty has decided not to challenge the only objection of which it has been notified and to request a settlement proposal, as provided for in Article L. 464-2 of the French Commercial Code.

This decision does not constitute an admission or acknowledgement of liability on Darty's part.

The exact amount of the penalty that could be imposed on Darty will not be known until the settlement proposal is received; in principle, this is expected during 2024. In anticipation of the French Competition Authority's decision to be made on that date, the Group made a provision for the sum of €85.0 million in the second quarter of 2023.

Strategic partnership with CTS EVENTIM

On August 2, 2023, Fnac Darty announced changes in its strategic ticketing partnership, launched in 2019, with the CTS EVENTIM Group, the European leader in the sector. In accordance with the terms of the agreement between the two parties, CTS EVENTIM notified Fnac Darty of its intention to exercise the purchase option available to it in order to become the majority shareholder of France Billet. The transaction is subject to obtaining the required authorizations from the European and Swiss competition authorities. As of December 31, 2023, the ticketing business remained consolidated, despite the purchase option having been exercised by CTS EVENTIM in August 2023. The process of obtaining authorization from the competition authorities is still in progress and remains at a preliminary stage, making the deadline for the completion of this transaction uncertain.

Finalization of the acquisition of MediaMarkt in Portugal

With the necessary authorizations having been obtained from the competent authorities, Fnac Darty finalized the acquisition of MediaMarkt in Portugal on September 28, 2023, in accordance with the terms disclosed on April 20, 2023, for completion on September 30, 2023. With effect from October 1, 2023, the entities of MediaMarkt Portugal are now fully consolidated into the Group's financial statements. MediaMarkt Portugal is a leading electronic products retailer operating ten stores and an online store, and employing approximately 450 people across the country. It offers a wide range of domestic appliances and consumer electronics, with an extensive selection of products and a recognized service offering. During the 2022-2023 financial year, MediaMarkt Portugal recorded revenue of approximately €126 million. Through this acquisition, Fnac Darty has consolidated its position as the second largest retailer in Portugal, a dynamic market for the Group. The transaction is an opportunity to accelerate growth in its core businesses, to diversify and expand in the large and small domestic appliance categories, and to enhance its services and improve its overall efficiency.

Fnac Darty and CEVA Logistics sign an agreement to create a joint venture focusing on e-commerce logistics and the SaaS Marketplace

On October 4, 2023, Fnac Darty and CEVA Logistics announced that they had signed an agreement to establish a joint venture with the aim of becoming a major European stakeholder in the e-commerce logistics market and the SaaS Marketplace. This joint venture, building on the expertise of Fnac Darty and CEVA Logistics, is to be named "Weavenn" and aims to offer a unique, fully integrated service that combines the best Marketplace technology solutions and high-performing logistics for multichannel distribution. This service, the only one of its kind, is intended to meet all the needs of e-commerce stakeholders, such as the full management of Marketplaces, direct sales to consumers, and omnichannel delivery. The joint venture is set to provide its customers with the advantage and credibility of two experts: Fnac Darty, which has a network of nearly 1,000 stores coupled with an established omnichannel model that receives 24 million unique visitors to its websites every month; and CEVA Logistics, a world leader in third-party logistics, which has access to a network covering more than 170 countries and an internationally recognized fulfillment [1] platform, Shipwire. CEVA Logistics is a subsidiary of the CMA CGM group.

On January 3, 2024, Fnac Darty obtained the approval of the European Commission to create this joint venture. Operations are expected to start in the first half of 2024.

Dispute related to the disposal of Comet definitively concluded in favor of Fnac Darty

In its judgment handed down on October 9, 2023, the Court of Appeal in London unanimously rejected the arguments made by the opposing party against Darty Holdings SAS, a subsidiary of Fnac Darty, in connection with the dispute related to the disposal of Comet Group Limited in 2012. With the first-instance ruling of the High Court in London having been overturned, the Group has to date received £83.5 million of the £112 million initially set. In November 2022, the High Court in London handed down a first-instance judgment in favor of Comet's liquidator. Fnac Darty was ordered to pay £112 million in December 2022, but strongly contested on the merits and appealed the ruling.

On February 12, 2024, the Supreme Court in London rejected the appeal of the liquidator for Comet Group Limited against the judgment handed down by the London Court of Appeal in October 2023 in favor of Darty Holdings SAS, a subsidiary of Fnac Darty. This decision definitively concludes the dispute related to the disposal of Comet Group Limited in 2012. Fnac Darty is expected to receive the balance of the sum initially paid in December 2022 along with the reimbursement of legal costs and interest. The positive impact of this on its cash flow is estimated to be at least €40 million.

Financial rating

Lastly, the Group is rated by the rating agencies Standard & Poor's, Scope Ratings and Fitch Ratings, which assigned ratings of BB+, BBB and BB+ respectively during 2023, indicating a negative (S&P and Scope) or stable (Fitch) outlook.

(1) All the processes involved in the processing, packaging service, logistics solutions and management of orders placed on an e-commerce site, from the first step of ordering an item to its delivery to the final customer.

NOTE 4 Operating segments

The assessment of the performance of each operating segment, as used by the main operating decision-maker, is based on current operating income.

Income and expense with no impact on cash mainly includes current and non-current additions and reversals of depreciation and amortization and provisions for non-current assets, and provisions for contingencies and expenses.

Acquisitions of intangible assets and property, plant and equipment correspond to acquisitions of non-current assets including changes in payables on non-current assets. They do not include investments involving non-current assets under a finance lease agreement.

Non-current segment assets consist of goodwill and other intangible assets, property, plant and equipment, and other non-current assets. Segment assets consist of non-current segment assets, inventories, trade receivables, customer loans and other current assets. Segment liabilities consist of the financing for customer loans, trade payables and other current liabilities.

The operating segments are detailed in note 2.21.

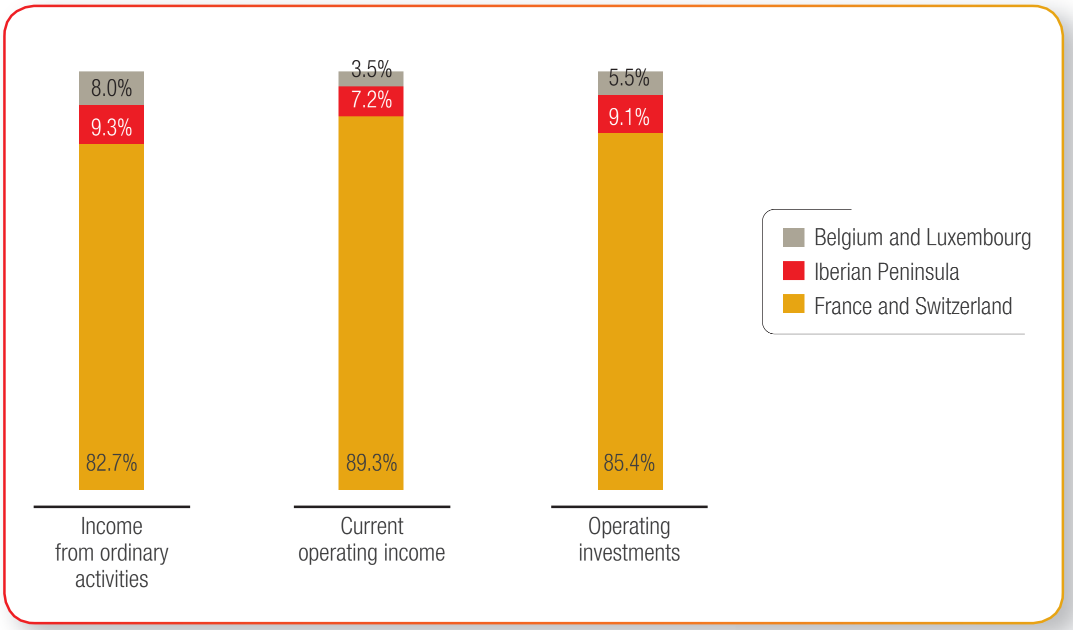
4.1 / Information by operating segment

(€ million)	France and Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
FY DECEMBER 31, 2023				
INCOME FROM ORDINARY ACTIVITIES	**6,515.0**	**731.7**	**628.0**	**7,874.7**
Consumer electronics	2,961.7	395.0	310.8	3,667.5
Domestic appliances	1,373.9	-	203.4	1,577.3
Editorial products	1,170.4	217.6	64.3	1,452.3
Other products and services	1,009.0	119.1	49.5	1,177.6
CURRENT OPERATING INCOME	**152.4**	**12.3**	**6.0**	**170.7**
Operating investments and divestments	98.5	10.5	6.4	115.4
SEGMENT ASSETS	**4,951.5**	**393.8**	**431.1**	**5,776.4**
SEGMENT LIABILITIES	**2,399.4**	**328.1**	**191.5**	**2,919.0**

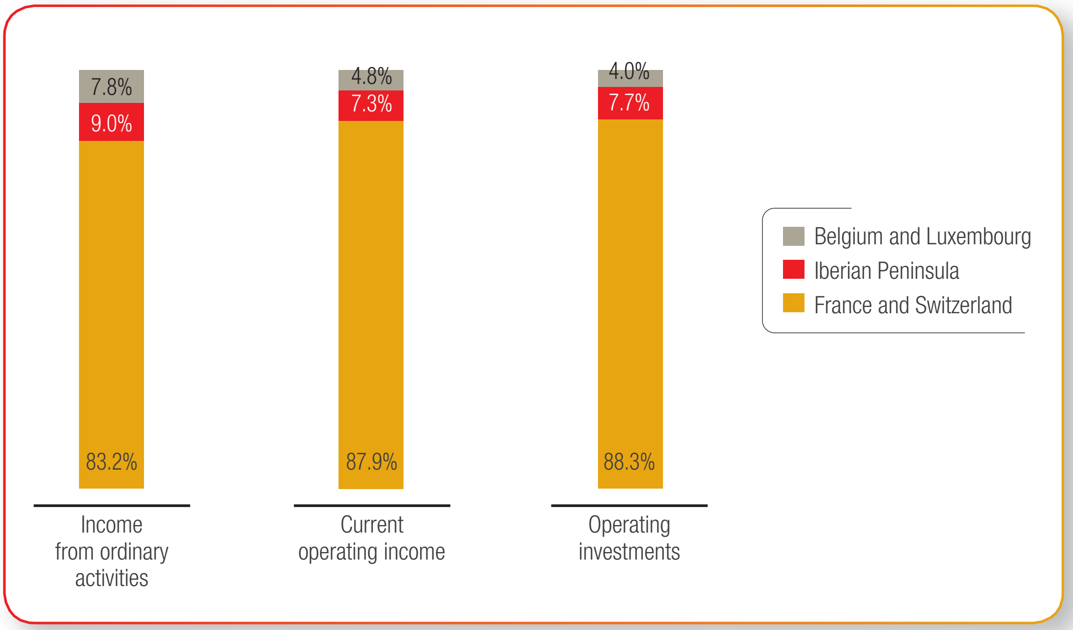
(€ million)	France and Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
DECEMBER 31, 2022				
INCOME FROM ORDINARY ACTIVITIES	**6,613.3**	**719.6**	**616.5**	**7,949.4**
Consumer electronics	3,104.2	410.3	315.5	3,830.0
Domestic appliances	1,438.8	-	199.8	1,638.6
Editorial products	1,075.4	213.0	55.6	1,344.0
Other products and services	994.9	96.3	45.6	1,136.8
CURRENT OPERATING INCOME	**202.6**	**16.9**	**11.1**	**230.6**
Operating investments and divestments	116.1	10.1	5.2	131.4
SEGMENT ASSETS	**4,956.7**	**304.9**	**422.2**	**5,683.8**
SEGMENT LIABILITIES	**2,356.6**	**251.9**	**181.4**	**2,789.9**

Distribution of income from ordinary activities, operating income and assets by geographical region

Information by geographical region for 2023



Information by geographical region for 2022



4.2 / Reconciliation of segment assets and liabilities

Total segment assets are reconciled as follows in the Group's total assets:

(€ million)	2023	2022
Goodwill	1,679.8	1,654.4
Intangible assets	565.5	561.7
Property, plant and equipment	544.2	570.3
Right-of-use assets related to lease agreements	1,104.6	1,115.2
Other non-current assets	-	-
Non-current segment assets	**3,894.1**	**3,901.6**
Inventories	1,157.6	1,143.7
Trade receivables	188.7	249.5
Other current assets	536.0	389.0
SEGMENT ASSETS	**5,776.4**	**5,683.8**
Non-current financial assets	22.4	44.4
Investments in associates	1.0	2.1
Deferred tax assets	63.0	60.2
Tax receivables due	8.2	5.6
Other current financial assets	22.4	19.1
Cash and cash equivalents	1,121.3	931.7
Assets held for sale	-	-
TOTAL ASSETS	**7,014.7**	**6,746.9**

Total segment liabilities are reconciled as follows in the Group's total liabilities:

(€ million)	2023	2022
Trade payables	2,152.7	1,965.1
Other current liabilities	757.5	802.8
Other non-current liabilities	8.8	22.0
SEGMENT LIABILITIES	**2,919.0**	**2,789.9**
Shareholders' equity, Group share	1,521.7	1,511.7
Shareholders' equity – share attributable to non-controlling interests	16.5	10.9
Long-term borrowings and financial debt	604.2	917.3
Long-term leasing debt	898.3	896.9
Deferred tax liabilities	198.5	164.9
Provisions for pensions and other equivalent benefits	166.5	145.4
Short-term borrowings and financial debt	318.7	19.5
Short-term leasing debt	246.4	243.6
Other current financial liabilities	9.1	10.2
Provisions	114.5	36.6
Tax liabilities payable	1.3	-
Payables relating to assets held for sale	-	-
TOTAL LIABILITIES	**7,014.7**	**6,746.9**

NOTE 5 Income from ordinary activities

(€ million)	2023	2022
Net sales of goods	6,697.1	6,812.6
Net sales of other products and services	1,177.6	1,136.8
INCOME FROM ORDINARY ACTIVITIES	**7,874.7**	**7,949.4**

Sales of goods are presented net of various sales discounts granted to customers, including deferred discounts connected with loyalty programs.

Sales of other products incorporate diversification products, including kitchen units, home & design products, toys & games, urban mobility products, stationery, well-being products and food & beverage products.

Sales of services include sales of loyalty cards and certain warranty extensions, which are recognized on a straight-line basis throughout the term of the warranty, reflecting the schedule of benefits offered. They also include products related to the sale of Darty Max repair subscriptions, Serenity Pack, commissions received on the sale of goods and services for which the Group acts as agent (especially ticket sales, gift boxes, warranty extensions, commissions on sales of credit, insurance and subscriptions, and Marketplace commissions and franchise fees), as well as reinvoicing of shipping costs and commissions, and the proceeds from breakage of gift vouchers and cards.

The breakdown of income from ordinary activities is detailed in note 4.1.

NOTE 6 Personnel expenses

Personnel expenses mainly include fixed and variable compensation, social security contributions, expenses related to employee profit-sharing and other incentives, training costs and expenses related to employee benefits recognized in current operating income.

(€ million)	2023	2022
France and Switzerland	(1,052.1)	(1,041.7)
Iberian Peninsula	(78.2)	(76.9)
Belgium and Luxembourg	(91.4)	(84.1)
TOTAL PERSONNEL EXPENSES	**(1,221.7)**	**(1,202.7)**

Personnel expenses amounted to €1,221.7 million (15.5% of revenue) for the 2023 financial year, compared with €1,202.7 million (15.1% of revenue) for the 2022 financial year. The increase in personnel expenses is mainly linked to the impact of the 2023 Mandatory Annual Negotiations (*négociations annuelles obligatoires* – NAO) with the trade union, and was partially offset by the fall in expenses for performance compensation plans.

Personnel expenses in 2023 included an expense of €6.6 million related to the application of IFRS 2 for all share-based transactions involving Group shares. This expense is linked to performance-based compensation plans. In 2022, expenses related to performance-based compensation plans amounted to €8.8 million.

The application of IFRS 2 on share-based payments resulted in an offsetting entry to personnel expense allocated on a straight-line basis over their vesting period. All plans in the process of being acquired as of December 31, 2023 will be settled in equity instruments.

The average paid workforce for the Group's activities, in full-time equivalent, breaks down as follows:

	2023	2022
France and Switzerland	17,642	17,161
Iberian Peninsula	3,128	2,886
Belgium and Luxembourg	1,558	1,584
TOTAL AVERAGE PAID WORKFORCE	**22,328**	**21,631**

The registered workforce as of December 31 for the Group's activities was as follows:

	2023	2022
France and Switzerland	18,887	19,674
Iberian Peninsula	4,198	3,931
Belgium and Luxembourg	1,650	1,688
TOTAL REGISTERED WORKFORCE	**24,735**	**25,293**

As of December 31, 2023, the increase in the registered workforce on the Iberian Peninsula included the acquisition of the MediaMarkt Portugal workforce, totaling approximately 450 employees.

NOTE 7 Performance-based compensation plans

The fair value of market performance conditions for all long-term performance-based compensation plans (performance share plans) is measured using the Black & Scholes method. The volatility assumption for Fnac Darty shares is 35% for plans awarded in 2020 and 2021, 27% for plans awarded in 2022 and 34% for plans awarded in 2023. This does not affect the plans linked to the securitization of the individual variable. The fair value of non-market performance conditions (free cash-flow, revenue, performance plan and corporate social responsibility) is assessed according to actual performance based on criteria that may be measured, and the best estimate of the fulfillment of future performance conditions for the others. At the end of each plan, the number of shares to be vested in respect of market and non-market conditions is adjusted, if necessary, depending on the effective execution of the performance conditions measured.

7.1 / Bonus share plans

The total IFRS 2 expense recognized as of December 31, 2023 for the 2020, 2021, 2022 and 2023 bonus share plans amounted to €6.6 million.

The total IAS 19 expense recognized as of December 31, 2023 for the 2023 bonus share plan amounted to €2.4 million.

2023 plans

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023, the Board of Directors decided to award bonus shares to certain Group employees (229 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2023 applies to French and foreign residents.

The duration of this plan is three years (May 24, 2023 – May 23, 2026). These shares will be vested upon expiration of a three-year vesting period (May 24, 2023 to May 23, 2026), subject to the beneficiary's continued employment within the Group at the end of the vesting period. Vesting of the shares will be conditional upon:

- Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) when compared to a panel of companies in the retail distribution sector and the growth in the stock market price of the Fnac Darty share, to be measured in 2026 for the period 2023-2025;
- satisfying financial performance conditions linked to the achievement of a level of free cash-flow and average revenue measured in 2026 following publication of the Group's annual results for 2025, taking into account the cash flow and revenue generated by the Group during 2023, 2024 and 2025, for the entire period; and
- and the performance conditions linked to the Company's corporate social responsibility assessed in 2026, taking into account the average Group sustainability scores measured during the 2023, 2024 and 2025 financial years for the entire period, and the reduction in CO_2 emissions measured in 2026, taking into account the Group's level of CO_2 emissions in 2025 compared to its emissions level in 2019.

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023 the Board of Directors decided to award bonus shares to certain Group employees (56 beneficiaries) other than the Executive Corporate Officer. Settlement will be in equity instruments. This second, specific plan awarded in 2023 applies to French residents only.

The duration of this plan is three years (May 24, 2023 – May 23, 2026).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023 the Board of Directors decided to award bonus shares to certain Group employees (168 beneficiaries) other than the Executive Corporate Officer and members of the Executive Committee in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This third plan awarded in 2023 applies to French and foreign residents.

The duration of this plan is two years (May 24, 2023 – May 23, 2025). These shares will be vested upon expiration of a two-year vesting period (May 24, 2023 to May 23, 2025), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of shares will be conditional upon financial performance conditions linked to achieving a level of free cash-flow and performance plan assessed in 2025 following the publication of the Group's 2024 annual results, taking into account the cumulative cash-flow measured for the 2021, 2022, 2023 and 2024 financial years and the cumulative savings made under the Group's performance plan measured for the 2023 and 2024 financial years, and subject to their continued employment.

The total IFRS 2 expense recognized as of December 31, 2023 for the first three 2023 bonus share plans amounted to €3.7 million.

The main features are summarized below:

Main features	2023-2026 bonus share plan	2023-2026 bonus share plan	2023-2026 bonus share plan
Date of the authorization of the General Meeting	May 24, 2023	May 24, 2023	May 24, 2023
Date of Board of Directors' meeting	May 24, 2023	May 24, 2023	May 24, 2023
Vesting period	3 years (May 24, 2023 – May 23, 2026)	3 years (May 24, 2023 – May 23, 2026)	2 years (May 24, 2023 – May 23, 2025)
Number of beneficiaries at inception	229	56	168
Number of beneficiaries as of December 31, 2023	227	55	166
Performance conditions	TSR Share price growth Free cash-flow Revenue CSR Sustainability score CSR Reduction in CO_2 emissions	None	Free cash-flow Performance plan

Number of bonus shares	2023-2026 bonus share plan	2023-2026 bonus share plan	2023-2026 bonus share plan
Initially awarded	436,799	22,209	114,166
Enrique MARTINEZ, CEO since 07/17/2017	73,175	-	-
Vested in 2023	-	-	-
Canceled in 2023	3,574	395	1,912
Being vested as of December 31, 2023	**433,225**	**21,814**	**112,254**

In accordance with the resolutions approved by the General Meeting of May 24, 2023 regarding, firstly, the compensation policy of the Chief Executive Officer and/or any other executive corporate officer and, secondly, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded to Mr. Martinez, Chief Executive Officer, for the preceding financial year, the Fnac Darty Board of Directors decided to grant the following compensation to Mr. Martinez at its meeting on May 24, 2023:

- 18,733 shares in respect of his 2022 annual variable compensation, paid in shares and not in cash. This number of shares corresponds to the amount due in respect of his 2022 annual variable compensation, i.e. €640,455.

  These shares will be fully vested upon expiration of a vesting period of one year in accordance with the plan description provided in section 3.3.2.2 of the 2022 Universal Registration Document;
- 32,906 shares in respect of his 2023 annual variable compensation, to be paid in shares and not in cash. This number of shares corresponds to €1,125,000, the maximum potential annual variable compensation for 2023.

  The vesting of these performance shares is subject to the performance conditions set out in section 3.3.1.3 of the Company's most recent Universal Registration Document and to the approval of the General Meeting, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code.

These two plans are subject to a total lock-up obligation of two years and to the lock-up obligation applicable to executive corporate officers in accordance with the provisions of the French Commercial Code described in section 3.3.1.3.

On the proposal of the Appointments and Compensation Committee, the Board of Directors decided on July 27, 2023 to change the structure of the annual variable compensation for certain employees for the 2023 financial year by allowing a portion to be paid out in the form of bonus shares. This creates an association between the beneficiaries and Fnac Darty's performance and strengthens the link between their interests and those of shareholders.

This plan is subject to a lock-up period of one year.

The total IAS 19 expense recognized as of December 31, 2023 for these three 2023 bonus share plans amounted to €2.4 million.

The main features are summarized below:

Main features	2023-2026 bonus share plan	2023-2026 bonus share plan	2023-2025 bonus share plan
Date of the authorization of the General Meeting	May 24, 2023	May 24, 2023	May 24, 2023
Date of Board of Directors' meeting	May 24, 2023	May 24, 2023	July 27, 2023
Vesting period	1 year (May 24, 2023 – May 24, 2024)	1 year (May 24, 2023 – May 24, 2024)	1 year (July 27, 2023 – July 29, 2024)
Holding period	2 years (May 24, 2024 – May 24, 2026)	2 years (May 24, 2024 – May 24, 2026)	1 year (July 29, 2024 – July 28, 2025)
Number of beneficiaries at inception	1	1	10
Number of beneficiaries as of December 31, 2023	1	1	10
Performance condition	Variable criteria 2022 Chief Executive Officer	Variable criteria 2023 Chief Executive Officer	Variable collective criteria 2023 managers

Number of bonus shares	2023-2026 bonus share plan	2023-2026 bonus share plan	2023-2025 bonus share plan
Initially awarded	18,733	32,906	10,070
Enrique MARTINEZ, CEO since 07/17/2017	18,733	32,906	-
Vested in 2023	-	-	-
Canceled in 2023	-	-	-
Being vested as of December 31, 2023	**18,733**	**32,906**	**10,070**

2022 plans

The total IFRS 2 expense recognized as of December 31, 2023 for the three 2022 bonus share plans amounted to €1.9 million.

The main features are summarized below:

Main features	2022-2025 bonus share plan	2022-2025 bonus share plan	2022-2025 bonus share plan
Date of the authorization of the General Meeting	May 28, 2020	-	-
Date of Board of Directors' meeting	May 18, 2022	May 18, 2022	May 18, 2022
Vesting period	3 years (May 18, 2022 – May 17, 2025)	3 years (May 18, 2022 – May 17, 2025)	3 years (May 18, 2022 – May 17, 2025)
Number of beneficiaries at inception	173	56	49
Number of beneficiaries as of December 31, 2023	159	47	46
Performance conditions	TSR Free cash-flow CSR Sustainability score CSR Reduction in CO_2 emissions	TSR Free cash-flow CSR Sustainability score CSR Reduction in CO_2 emissions	None

Number of bonus shares	2022-2025 bonus share plan	2022-2025 bonus share plan	2022-2025 bonus share plan
Initially awarded	297,105	66,019	17,240
Enrique MARTINEZ, CEO since 07/17/2017	48,316	-	-
Being vested as of January 1, 2023	297,105	65,719	16,790
Vested in 2023	-	-	-
Canceled in 2023	16,283	8,190	815
Being vested as of December 31, 2023	**280,822**	**57,529**	**15,975**

2021 plans

The total IFRS 2 expense recognized as of December 31, 2023 for the three 2021 bonus share plans amounted to €0.9 million.

Main features	2021-2024 bonus share plan	2021-2024 bonus share plan	2021-2024 bonus share plan
Date of the authorization of the General Meeting	May 28, 2020	-	-
Date of Board of Directors' meeting	May 27, 2021	May 27, 2021	May 27, 2021
Vesting period	3 years (May 27, 2021 – May 26, 2024)	3 years (May 27, 2021 – May 26, 2024)	3 years (May 27, 2021 – May 26, 2024)
Number of beneficiaries at inception	176	51	49
Number of beneficiaries as of December 31, 2023	148	41	41
Performance conditions	TSR Free cash-flow CSR non-financial rating	TSR Free cash-flow CSR non-financial rating	None

Number of bonus shares	2021-2024 bonus share plan	2021-2024 bonus share plan	2021-2024 bonus share plan
Initially awarded	244,660	54,376	14,005
Enrique MARTINEZ, CEO since 07/17/2017	39,911	-	-
Being vested as of January 1, 2023	**225,960**	**50,862**	**13,005**
Vested in 2023	-	-	-
Canceled in 2023	11,863	5,747	1,089
Being vested as of December 31, 2023	**214,097**	**45,115**	**11,916**

2020 plan

The 2020 bonus share plan expired on May 27, 2023.

- The total shareholder return (TSR) was measured in 2023 for the period 2020-2022. The objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The average level of free cash-flow was assessed in 2023 for the years 2020, 2021 and 2022. The objective for 2023 was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.
- The average of the Group's non-financial ratings obtained in 2020, 2021 and 2022 was assessed in 2023. The objective was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.

Given the relative weight of each criterion, the overall vesting rate is 70% for the beneficiaries in service on May 27, 2023.

The total IFRS 2 expense recognized as of December 31, 2023 for the 2020 bonus share plan amounted to €0.1 million.

The main features are summarized below:

Main features	2020-2023 bonus share plan
Date of the authorization of the General Meeting	May 23, 2019
Date of Board of Directors' meeting	May 28, 2020
Vesting period	3 years (May 28, 2020 – May 27, 2023)
Number of beneficiaries at inception	231
Number of beneficiaries as of December 31, 2023	-
Performance conditions	TSR Free cash-flow CSR non-financial rating

Number of bonus shares	2020-2023 bonus share plan
Initially awarded	616,496
Enrique MARTINEZ, CEO since 07/17/2017	76,997
Being vested as of January 1, 2023	**543,780**
Vested in 2023	371,109
Canceled in 2023	172,671
Being vested as of December 31, 2023	**-**

7.2 / Sensitivity to changes in market performance conditions and to changes in non-market performance conditions

As of December 31, 2023, changes in the fair value of the commitment to plans in respect of non-market performance conditions (free cash-flow, revenue, performance plan and corporate social responsibility) are assessed according to actual performance based on criteria that may be measured, and the best estimate of the execution of future performance conditions for the others.

The fair value of the commitment of the plans in respect of market performance conditions is measured using the Black & Scholes method, assuming 35% price volatility of Fnac Darty shares for plans granted in 2020 and 2021, 27% for plans granted in 2022 and 34% for plans granted in 2023. This does not affect the plans linked to the securitization of the individual variable.

At the end of each plan, the number of shares to be vested in respect of market and non-market performance conditions is adjusted, if necessary, depending on the effective execution of the performance conditions measured.

NOTE 8 Associates

Fnac Darty exercises significant influence within certain companies, called associates. Associates are consolidated using the equity method. The activity of these companies forms part of the Group's operating activity. These companies are consolidated in the Group's internal reporting in accordance with IFRS 8, and their operating performance is monitored at the level of each business division to which they belong.

The Fnac Darty consolidated financial statements include the transactions executed by the Group within the normal context of its activities with associates. These transactions are executed under normal market conditions.

8.1 / Share of profit from equity associates

(€ million)	**2023**	**2022**
France and Switzerland	(0.1)	0.2
Iberian Peninsula	-	-
Belgium and Luxembourg	0.2	-
SHARE OF PROFIT FROM EQUITY ASSOCIATES	**0.1**	**0.2**

(€ million)	**2023**	**2022**
Repair & Run	(0.1)	0.1
Izneo	-	0.1
Vanden Borre Kitchen	0.2	-
SHARE OF PROFIT FROM ASSOCIATES	**0.1**	**0.2**

There was a profit of €0.1 million from equity associates in 2023, compared with a loss of €0.2 million in 2022.

Repair & Run is a company specializing in the repair and servicing of multi-brand bicycles and soft mobility devices.

Vanden Borre Kitchen is a company operating in the fitted kitchen market in Belgium. It is jointly owned by the Group and FBD Group.

8.2 / Investments in associates

The change in the item "Investments in associates" breaks down as follows:

(€ million)	Associates	Repair & Run	Minteed	Vanden Borre Kitchen
INVESTMENTS IN ASSOCIATES AS OF DECEMBER 31, 2022	**2.1**	**1.1**	**1.0**	**-**
Profit from associates	0.1	(0.1)	-	0.2
Dividends paid	-	-	-	
Change to scope of consolidation	-	-	-	-
Other changes	(1.2)	-	(1.0)	(0.2)
Translation differences	-	-	-	-
INVESTMENTS IN ASSOCIATES AS OF DECEMBER 31, 2023	**1.0**	**1.0**	**-**	**-**

8.3 / Data on investments in associates

The data below is presented at 100% under IFRS standards:

	2023		
(€ million)	Repair & Run	Minteed	Vanden Borre Kitchen
Non-current assets	1.0	0.7	-
Current assets	1.9	-	2.1
Non-current liabilities	0.1	1.5	-
Current liabilities	0.2	-	3.3
Revenue	1.1	-	2.5
Operating income	(0.1)	-	0.1
Net income	-	-	-

NOTE 9 Current operating income

Current operating income represents the main indicator for monitoring the Group's operating performance. It is broken down as follows:

(€ million)	2023	2022
France and Switzerland	152.4	202.6
Iberian Peninsula	12.3	16.9
Belgium and Luxembourg	6.0	11.1
CURRENT OPERATING INCOME	**170.7**	**230.6**

Current operating income was €170.7 million in 2023 (compared with €230.6 million in 2022).

Current operating income for 2023 and 2022 corresponds to Fnac Darty's audited IFRS consolidated financial statements for the years ended December 31, 2023 and 2022, incorporating 12 months of operating activity for all Group brands.

NOTE 10 Other non-current operating income and expense

(€ million)	2023	2022
Provision and costs related to fines issued by the French Competition Authority	(85.8)	-
Darty brand impairment	(16.4)	-
Impairment of Nature & Découvertes brand	(3.5)	(4.0)
Costs of closing Manor in German-speaking Switzerland	(5.9)	-
Restructuring of proprietary real estate	(2.0)	(14.5)
Other restructuring costs	(8.2)	(5.3)
Other net non-current income and expense	(8.8)	(3.2)
OTHER NON-CURRENT OPERATING INCOME AND EXPENSE	**(130.6)**	**(27.0)**

Other non-current operating income and expense for the Group comprises unusual and material items that could affect the ability to track the Group's economic performance.

In 2023, these represented a net expense of €130.6 million, broken down as follows:

- €85.8 million in non-current expenses related to the cost of fines by the French Competition Authority, of which €85.0 million related to the provision for fines and €0.8 million to associated costs. Several stakeholders in the domestic appliances manufacturing and retail sector have received a statement of objections from the investigation services of the French Competition Authority (Autorité de la Concurrence – ADLC) in which a number of suppliers are accused of having taken part in a vertical agreement with some of their retailers. Of all the objections raised by the ADLC, only one concerns Darty and covers a limited period ending in December 2014, i.e. almost 10 years ago, and therefore prior to Fnac's acquisition of Darty in 2016. Moreover, this objection relates to a limited number of well-identified product categories only. In order to bring a swift end to this complex procedure and to be able to devote all its resources to the operational implementation of its strategic plan Everyday, Fnac Darty has decided not to challenge the only objection of which it has been notified and to request a settlement proposal, as provided for in Article L. 464-2 of the French Commercial Code. This decision does not constitute an admission or acknowledgement of liability on Darty's part. The exact amount of the penalty that could be imposed on Darty will not be known until the settlement proposal is received; in principle, this is expected during 2024. In anticipation of the French Competition Authority's decision to be made on that date, the Group made a provision for the sum of €85.0 million;
- the annual impairment tests, conducted in the second half of 2023, resulted in impairments of the Darty and Nature & Découvertes brands of €16.4 million and €3.5 million respectively. As of December 31, 2023, the net value of the Darty brand in the Group's balance sheet was €271.1 million, and the net value of the Nature & Découvertes brand was €18.5 million;
- €5.9 million in non-current expenses related to the costs of closing the Manor shop-in-shops in German-speaking Switzerland. The brand entered into a partnership for the roll-out of 27 shop-in-shops within Manor stores, the last of which were opened in the first half of 2022. However, the difficult economic climate in Switzerland, with a particular impact on Manor, led the Group make an announcement at the end of January 2023 concerning the refocusing of its partnership on 17 priority points of sale for the two brands, mainly in French-speaking Switzerland. Therefore, Fnac Switzerland and Manor are continuing their commercial commitment to operate shop-in-shops for Fnac cultural products, domestic appliances and technology within Manor stores. At the end of the first half of 2023, Fnac's presence will have tripled on the Swiss market in less than three years, with 26 stores (9 integrated stores and 17 shop-in-shops within Manor). The market remains an important region for the Group, which will continue to invest there;
- €2.0 million in non-current expenses related to the restructuring of proprietary real estate;
- €8.2 million in net non-current restructuring costs for employee and structural adaptation plans in France and abroad; and
- a net expense of €8.8 million related to various non-current lawsuits:
  - this expense includes a provision of €3.5 million in respect of the rulings of the French Court of Cassation *(Cour de cassation)* concerning the rights of employees to earn paid leave whilst on sick leave. In order to comply with the rulings of the Court of Cassation and European law, the Group did in fact make a provision for this right to paid leave in the 2023 accounts. The impact on the Group's accounts as of December 31, 2023 is a total expense of €5.3 million, including €1.8 million in current income (corresponding to rights vested in 2023) and €3.5 million in non-current income (corresponding to the rights vested in 2022 and 2021),
  - it also includes €2.8 million for the portion of the costs of the urban riots of June 2023 borne by the Group.

In 2022, they represented a net expense of €27.0 million, broken down as follows:

- the annual impairment tests, conducted in the second half of 2022, resulted in a €4.0 million impairment of the Nature & Découvertes brand. The Nature & Découvertes brand had been valued at €26.0 million in 2019 when the brand was acquired. As of December 31, 2022, the net value of the Nature & Découvertes brand on the Group's balance sheet was €22.0 million;
- €14.5 million in non-current expenses related to the restructuring of proprietary real estate, including the closure of the Fnac Italy 2 store in France;
- €5.3 million in restructuring costs for employee and structural adaptation plans in France and abroad;
- €3.2 million in expenses related to various non-current disputes.

NOTE 11 (Net) financial expense

In 2023, net financial income comprised a financial expense of €78.6 million, compared with a net financial expense of €45.3 million in 2022.

The breakdown of the Group's net financial expense in 2023 and 2022 is as follows:

(€ million)	**2023**	**2022**
Costs related to Group debt	(22.8)	(23.0)
Interest on leasing debt	(35.1)	(24.3)
Other financial income and expense	(20.7)	2.0
NET FINANCIAL EXPENSE	**(78.6)**	**(45.3)**

In 2023 and 2022, costs relating to the Group's net financial debt consist mainly of interest on the €650 million bond issues and the €83.3 million loan from the European Investment Bank, and of financial interest and the actuarial expense of the €200 million OCEANE convertible bonds issued by the Group in March 2021. These costs also include the apportionment of the costs of setting up the Group's financial structure.

Following the implementation in December 2022 of the additional delayed drawn term loan (DDTL) of €300 million, costs related to the Group's financial debt in 2023 include the related financial expenses.

In 2023, interest on leasing debt related to the application of IFRS 16 came to €35.1 million. This expense is an increase of +€10.8 million compared to 2022, following the increase in discount rates between the two periods.

Other financial income and expense primarily includes the cost of consumer lending, the financial impacts related to post-employment benefits for employees and the remeasurement at fair value through profit or loss of the Group's financial assets. In 2022, the Group recognized €6.6 million in proceeds from the adjustment to fair value of units in the Daphni Purple fund. These units were disposed of in 2023, generating a capital loss of €10.6 million compared to their fair value, in a context of market valuations normalizing. Since its initiation in 2016, the Group's investment in the Daphni Purple fund has generated a cumulative capital gain on disposal of €10.4 million.

NOTE 12 Tax

- **Amendment to IAS 12 – International Tax Reform – Pillar Two Model Rules**

  The reform of international taxation approved by the OECD at the end of 2021, known as "Pillar 2", and amending IAS 12, with the aim of establishing a minimum tax rate of 15%, was adopted by the EU on November 8, 2023. It was adopted by France before December 31, 2023 as part of the French Finance Law for 2024. It will enter into force in France from the financial year beginning on January 1, 2024.

  Given its revenue, Fnac Darty will fall within the scope of this reform from January 1, 2024. For these purposes, Fnac Darty SA is the ultimate parent entity (UPE) and may be liable for additional tax on its low-tax subsidiaries.

  On May 23, 2023, the International Accounting Standards Board (IASB) published amendments to IAS 12, Income Tax, which provide for a temporary mandatory exemption from the recognition of deferred taxes associated with this additional tax ("top-up tax") in the financial statements, as well as the inclusion of specific additional information in the notes to the financial statements.

In its financial statements for the financial year ending December 31, 2023, the Group applied the exemption from recognizing deferred taxes related to Pillar Two as provided for in the amendments to IAS 12 – Income Taxes.

During the 2023 reporting period, the Group conducted an analysis of the regulations and carried out a preliminary valuation of the impact of applying these rules for all Group entities based on data from the financial statements for the 2022 reporting period.

Based on this, the Group concluded that it is not likely to be liable for any additional tax under the Pillar Two rules.

In 2024, the Group will continue to make preparations to comply with its reporting obligations under Pillar Two and will closely monitor any changes in its operations as well as any additional clarification of any regulations that may be published by the OECD or by the countries in which the Group operates. including France.

12.1 / Analysis of the tax expense on continuing operations

12.1.1 Tax expense

(€ million)	**2023**	**2022**
PRE-TAX INCOME	**(38.5)**	**158.3**
Current tax expense excluding corporate value-added tax (CVAE)	(20.6)	(46.2)
Current tax expense related to corporate value-added tax (CVAE)	(5.6)	(11.1)
Deferred tax income/(expense)	(4.4)	2.9
TOTAL TAX EXPENSE	**(30.6)**	**(54.4)**
EFFECTIVE TAX RATE	**(79.48%)**	**34.37%**

Income tax includes any tax paid or for which a provision is recorded for the period, together with any potential tax reassessments paid or provisioned during the period. For 2023, the total tax expense was €30.6 million, compared to €54.4 million for 2022, a decrease of €23.8 million. The decrease in total tax expense in 2023 is in line with the reduced level of net income. The effective tax rate for 2023 was -79.48%. This rate was significantly impacted by the provision in the amount of €85.0 million allocated in 2023 for fines imposed by the French Competition Authority, which is not tax deductible.

12.1.2 Streamlining of the income tax rate

(as % of pre-tax income)	**2023**	**2022**
TAX RATE APPLICABLE IN FRANCE	**25.83%**	**25.83%**
Impact of the taxation of foreign subsidiaries	0.26%	0.02%
THEORETICAL TAX RATE	**26.09%**	**25.85%**
Impact of items taxed at a lower rate	0.00%	0.00%
Impact of permanent differences	(78.64%)	0.31%
Impact of unrecognized tax-loss carry-forwards	(16.89%)	2.89%
Impact of corporate value-added tax (CVAE)	(10.83%)	5.20%
Effect of change in the tax rate	0.00%	(0.04%)
Other exceptional taxes	0.79%	0.16%
EFFECTIVE TAX RATE	**(79.48%)**	**34.37%**

The tax rate applicable in France in 2022 and 2023 is equal to the basic rate of 25.0% plus the 3.3% social security contribution for French companies, bringing it to 25.83%. In 2023, the difference between the rate applicable in France and the Group's effective tax rate is mainly related to the effect of permanent differences, explained by the €85.0 million provision for fines imposed by the French Competition Authority in 2023, which is not tax deductible.

12.2 / Change in balance sheet items

12.2.1 Tax due

(€ million)	2022	Income	Change in working capital requirement	Changes in scope	Changes in foreign exchange rates	2023
Tax receivables due	5.6					8.2
Tax liabilities payable	-					(1.3)
TAXES PAYABLE	**5.6**	**(26.2)**	**26.0**	**1.5**	**-**	**6.9**

(€ million)	2021	Income	Change in working capital requirement	Changes in scope	Changes in foreign exchange rates	2022
Tax receivables due	1.4					5.6
Tax liabilities payable	(8.3)					-
TAXES PAYABLE	**(6.9)**	**(57.3)**	**69.8**	**-**	**-**	**5.6**

12.2.2 Deferred tax

Changes in deferred taxes in 2023:

(€ million)	2022	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	Assets and liabilities held for sale	2023
Deferred tax assets	60.2	(4.4)	5.4	-	1.8	-	-	63.0
Deferred tax liabilities	(164.9)	-	-	-	-	-	(33.6)	(198.5)
NET DEFERRED TAXES	**(104.7)**	**(4.4)**	**5.4**	**-**	**1.8**	**-**	**(33.6)**	**(135.5)**

The increase in deferred tax liabilities for €33.6 million is related to the decision of the Supreme Court in London on February 12, 2024 to reject the appeal of the liquidator for Comet Group Limited against the judgment handed down by the London Court of Appeal in October 2023 in favor of Darty Holdings SAS, a subsidiary of Fnac Darty. This decision definitively concludes the dispute related to the disposal of Comet Group Limited in 2012.

(€ million)	2022	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	Assets and liabilities held for sale	2023
Provisions for pensions and other equivalent benefits	35.8	(0.2)	5.0	-	-	-	-	40.6
Tax losses and tax credits recognized	2.4	(0.9)	-	-	-	-	-	1.5
Brands	(95.2)	5.5	-	-	-	-	-	(89.7)
IFRS 16 deferred tax assets	277.2	(1.7)	-	-	-	-	-	275.5
IFRS 16 deferred tax liabilities	(268.5)	5.0	-	-	-	-	-	(263.5)
Other assets & liabilities	(56.4)	(12.1)	0.4	-	1.8	-	(33.6)	(99.9)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(104.7)**	**(4.4)**	**5.4**	**-**	**1.8**	**-**	**(33.6)**	**(135.5)**

Changes in deferred taxes in 2022:

(€ million)	2021	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	Assets and liabilities held for sale	2022
Deferred tax assets	68.8	3.0	(11.6)	-	-	-	-	60.2
Deferred tax liabilities	(164.9)	(0.1)	-	-	-	0.1	-	(164.9)
NET DEFERRED TAXES	**(96.1)**	**2.9**	**(11.6)**	**-**	**-**	**0.1**	**-**	**(104.7)**

(€ million)	2021	Income	Items recognized in shareholders' equity	Other changes	Changes in scope	Changes in foreign exchange rates	Assets and liabilities held for sale	2022
Provisions for pensions and other equivalent benefits	46.1	1.5	(11.8)	-	-	-	-	35.8
Tax losses and tax credits recognized	5.8	(3.4)	-	-	-	-	-	2.4
Brands	(96.7)	1.5	-	-	-	-	-	(95.2)
Other assets & liabilities	(51.3)	3.3	0.2	-	-	0.1	-	(47.7)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(96.1)**	**2.9**	**(11.6)**	**-**	**-**	**0.1**	**-**	**(104.7)**

12.3 / Deferred tax not recognized

The change in tax losses and unused tax credits is as follows:

(€ million)	2023	2022
Unrecognized tax losses	222.2	195.4
Unrecognized timing differences	-	-
TOTAL UNRECOGNIZED TAX BASES	**222.2**	**195.4**

The non-capitalized tax losses primarily represent the tax losses of the Group's subsidiaries in the United Kingdom, Belgium and Spain, where the prospects of recovery do not permit capitalization.

12.4 / Tax loss changes and schedule

(€ million)	Total	of which non-capitalized	of which capitalized
AS OF DECEMBER 31, 2022	**204.0**	**195.4**	**8.6**
Deficits generated during the period	28.3	24.4	3.9
Losses charged or time-barred during the period	(5.5)	-	(5.5)
Reclassifications	-	-	-
Changes in scope	-	-	-
Changes in foreign exchange rates	2.7	2.4	0.3
AS OF DECEMBER 31, 2023	**229.5**	**222.2**	**7.3**
Tax-loss carry-forwards with a maturity of	10.1	4.5	5.6
Less than 5 years	-	-	-
More than 5 years	*10.1*	*4.5*	*5.6*
Indefinite tax-loss carryforwards	219.4	217.7	1.7
TOTAL	**229.5**	**222.2**	**7.3**

NOTE 13 Earnings per share

Net earnings per share are calculated based on the weighted average number of shares outstanding less the weighted average number of shares held by the consolidated companies.

In 2023, the Group held an average of 194,094 treasury shares, of which:

- an average of 149,251 were held under a liquidity agreement. This agreement with Natixis is designed to promote liquidity for transactions and stabilize the Group's share price;
- an average of 44,843 were held under the share buyback program announced on October 26, and were to be allocated to employees and assigned to specific plans.

As of December 31, 2023, the Group held 557,151 treasury stocks.

Diluted net earnings per share take into account the weighted average number of shares defined above, plus the weighted average number of potentially dilutive ordinary shares. Potentially dilutive shares are the shares granted to employees as part of share-based payment transactions settled with equity instruments, as well as instruments convertible and exchangeable for shares. When basic earnings per share are negative, no impact on the dilution is applied.

In March 2021, the Group succeeded in placing its issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a nominal value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. As a result of the distribution of a dividend of €1.40 per share to Fnac Darty shareholders as of July 6, 2023, the conversion/exchange rate was increased from 1.070 Fnac Darty shares per OCEANE bond to 1.115 Fnac Darty shares per OCEANE bond as of July 6, 2023.

The instruments issued by the Group had a diluting effect over 2023, in the amount of 625,603 shares for shares granted to employees in share-based payment transactions and 2,752,066 shares for convertible and exchangeable instruments.

Convertible and exchangeable instruments represent the issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE bonds), placed by the Group in March 2021 as part of the restructuring of its long-term debt.

The number of shares that could potentially become diluting during a subsequent year is 449,453.

Basic earnings per share as of December 31, 2023 and December 31, 2022

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
	December 31, 2023		
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**49.7**	**(75.0)**	**124.7**
Weighted average number of ordinary shares issued	27,355,723	27,355,723	27,355,723
Weighted average number of treasury stocks	194,094	194,094	194,094
Weighted average number of ordinary shares	**27,549,817**	**27,549,817**	**27,549,817**
BASIC EARNINGS PER SHARE *(€)*	**1.80**	**(2.72)**	**4.53**

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
	December 31, 2022		
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**(32.0)**	**100.0**	**(132.0)**
Weighted average number of ordinary shares issued	26,828,473	26,828,473	26,828,473
Weighted average number of treasury stocks	126,439	126,439	126,439
Weighted average number of ordinary shares	**26,954,912**	**26,954,912**	**26,954,912**
BASIC EARNINGS PER SHARE *(€)*	**(1.19)**	**3.71**	**(4.90)**

Diluted earnings per share as of December 31, 2023 and December 31, 2022

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
	December 31, 2023		
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**49.7**	**(75.0)**	**124.7**
Weighted average number of ordinary shares	27,549,817	27,549,817	27,549,817
Convertible and exchangeable instruments	2,752,066	2,752,066	2,752,066
Dilutive ordinary shares	625,603	625,603	625,603
Weighted average number of diluted ordinary shares	**30,927,487**	**30,927,487**	**30,927,487**
DILUTED EARNINGS PER SHARE *(€)* [a]	**1.61**	**(2.72)**	**4.03**

(a) Earnings per share after dilution linked to financial instruments giving access to share capital.

	Group share		
(€ million)	Consolidated Group	Continuing operations	Discontinued operations
	December 31, 2022		
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	**(32.0)**	**100.0**	**(132.0)**
Weighted average number of ordinary shares	26,954,912	26,954,912	26,954,912
Convertible and exchangeable instruments	2,640,996	2,640,996	2,640,996
Dilutive ordinary shares	910,106	910,106	910,106
Weighted average number of diluted ordinary shares	**30,506,014**	**30,506,014**	**30,506,014**
DILUTED EARNINGS PER SHARE *(€)* [a]	**(1.19)**	**3.28**	**(4.90)**

(a) Earnings per share after dilution linked to financial instruments giving access to share capital.

NOTE 14 Other comprehensive income items

Other comprehensive income items mainly represent:

- profit and loss from the translation of the financial statements of operations outside France;
- items relating to the measurement of employee benefit bonds: revaluation of net liabilities for defined benefit plans; and
- the effective portion of the change in fair value of the hedge instrument offset against other items of comprehensive income.

The amount of these items before and after related tax effects and adjustments for reclassification to income are as follows:

	2023		
(€ million)	Gross	Tax	Net
Translation differences	(1.6)	-	(1.6)
Effective portion of the change in fair value of instruments designated as cash flow hedges	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**(1.6)**	**-**	**(1.6)**
Revaluation of net liabilities for defined benefit plans	(21.9)	5.4	(16.5)
Items that may not be reclassified subsequently to profit or loss	**(21.9)**	**5.4**	**(16.5)**
OTHER ITEMS OF COMPREHENSIVE INCOME AS OF DECEMBER 31, 2023	**(23.5)**	**5.4**	**(18.1)**

(€ million)	2022 Gross	2022 Tax	2022 Net
Translation differences	1.8	-	1.8
Effective portion of the change in fair value of instruments designated as cash flow hedges	(0.8)	0.2	(0.6)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**1.0**	**0.2**	**1.2**
Revaluation of net liabilities for defined benefit plans	46.7	(11.8)	34.9
Items that may not be reclassified subsequently to profit or loss	**46.7**	**(11.8)**	**34.9**
OTHER ITEMS OF COMPREHENSIVE INCOME AS OF DECEMBER 31, 2022	**47.7**	**(11.6)**	**36.1**

The change in the revaluation of the net defined benefit plan liability is related to the change in discount rates in 2023 and 2022 (see note 26.3).

NOTE 15 Goodwill and business combinations

15.1 / Goodwill

(€ million)	Gross	Impairment	Net
GOODWILL AS OF JANUARY 1, 2022	**1,729.7**	**(75.4)**	**1,654.3**
From acquisitions	0.1	-	0.1
Disposals and withdrawals	-	-	-
GOODWILL AS OF DECEMBER 31, 2022	**1,729.8**	**(75.4)**	**1,654.4**
From acquisitions	25.4	-	25.4
Disposals and withdrawals	-	-	-
GOODWILL AS OF DECEMBER 31, 2023	**1,755.2**	**(75.4)**	**1,679.8**

In 2023, the €25.4 million increase in goodwill was linked to the acquisition of MediaMarkt in Portugal.

The positive goodwill linked to the acquisition of MediaMarkt Portugal stems from the difference between the acquisition price and the fair value of the identifiable assets acquired or liabilities assumed on the date that they were incorporated into the Group's accounts. The MediaMarkt Portugal entities were incorporated on October 1, 2023. IFRS standards prohibit the amortization of goodwill and require impairment tests to be conducted at each closing date or each time there is acknowledgement of evidence of impairment.

The valuation of the assets and liabilities acquired was initiated on the acquisition date for all MediaMarkt Portugal entities. For more details on the calculation of the allotted purchase price, refer to note 15.2.

Pursuant to the IFRS standards, annual impairment tests were conducted on the assets. As of December 31, 2023, there was no evidence of impairment. These impairment tests show a value-in-use greater than the value of the net assets for each of the cash generating units tested. No additional impairment of goodwill was therefore necessary. See note 19 for more information.

Goodwill was allocated as follows:

(€ million)	2023	2022
France and Switzerland	1,513.0	1,513.0
Belgium and Luxembourg	139.2	139.2
Iberian Peninsula	27.6	2.2
TOTAL	**1,679.8**	**1,654.4**

15.2 / Allocation of the acquisition price

The increase in goodwill on the Iberian Peninsula is linked to the acquisition of MediaMarkt Portugal.

The table below shows:

- the consideration for the MediaMarkt Portugal acquisition;
- the identifiable assets acquired less the liabilities assumed recognized after remeasurement at fair value on the acquisition date of -€15.1 million;
- the final goodwill of €25.4 million, which corresponds to the difference between the consideration transferred and the net assets acquired at fair value of MediaMarkt Portugal.

(€ million)	**total consideration**	**Fair Value**
TOTAL CONSIDERATION	**10.3**	
NET ASSETS ACQUIRED AT FAIR VALUE		**(15.1)**
Value of contractual relationships		0.5
Leasehold rights		(4.7)
Other intangible assets		0.1
IFRS 16 right of use		26.7
Other tangible assets		2.6
Financial assets		-
Working capital requirements		(8.1)
Net Financial Debt		(5.2)
Leasing debt		(26.7)
Provisions for contingencies and expenses		(0.2)
Other liabilities		-
GOODWILL		**25.4**

For all the MediaMarkt companies acquired in 2023 and for their respective contributions to the Group's consolidated financial statements, the share of revenue was €39.3 million in the final quarter of 2023.

Due to the non-significant nature of the acquisition of MediaMarkt Portugal at Group level, the Group did not produce pro forma financial statements for 2022 or 2023.

NOTE 16 Intangible assets

(€ million)	**Brands**	**Software**	**Other intangible assets**	**Total**
GROSS VALUE AS OF DECEMBER 31, 2022	**375.4**	**651.1**	**97.8**	**1,124.3**
Amortization, depreciation and impairment	(18.2)	(523.7)	(20.7)	(562.6)
NET VALUE AS OF DECEMBER 31, 2022	**357.2**	**127.4**	**77.1**	**561.7**
Acquisitions	-	62.2	4.3	66.6
Disposals	-	(1.2)	-	(1.2)
Amortization, depreciation and impairment	(19.9)	(40.7)	(1.7)	(62.3)
Change in scope	-	-	0.7	0.7
Changes in foreign exchange rates	-	0.2	-	0.2
Other changes	-	-	-	-
Assets held for sale	-	-	-	-
NET VALUE AS OF DECEMBER 31, 2023	**337.3**	**147.8**	**80.3**	**565.5**

(€ million)	Brands	Software	Other intangible assets	Total
GROSS VALUE AS OF DECEMBER 31, 2021	**375.4**	**592.3**	**96.5**	**1,064.1**
Amortization, depreciation and impairment	(14.2)	(502.9)	(18.8)	(535.9)
NET VALUE AS OF DECEMBER 31, 2021	**361.2**	**89.3**	**77.7**	**528.2**
Acquisitions	-	70.4	2.2	72.6
Disposals	-	(0.8)	(0.0)	(0.8)
Amortization, depreciation and impairment	(4.0)	(32.5)	(1.9)	(38.4)
Change in scope	-	-	-	-
Changes in foreign exchange rates	-	0.1	-	0.1
Other changes	-	0.8	(0.9)	(0.0)
Assets held for sale	-	-	-	-
NET VALUE AS OF DECEMBER 31, 2022	**357.2**	**127.4**	**77.1**	**561.7**

Depreciation and amortization additions are recognized in “Other current operating income and expense” in the income statement.

Group brands consist of the following:

(€ million)	2023	2022
Darty brand	271.1	287.5
Vanden Borre brand	35.3	35.3
Nature & Découvertes brand	18.5	22.0
Billetreduc.com brand	11.3	11.3
WeFix brand	1.1	1.1
TOTAL BRANDS	**337.3**	**357.2**

Under IAS 36 – Impairment of Assets, each cash-generating unit (CGU) and its non-current assets with an indefinite life span are required to be tested for impairment. The test must be carried out at least once a year on a set date or at any time if there is evidence of impairment.

Cash flow projections were made in 2023 based on updated forecasts and on medium-term plans over a three-year period that tie in with the Group’s strategic plan.

The 2023 annual impairment tests resulted in a €16.4 million impairment of the Darty brand and a €3.5 million impairment of the Nature & Découvertes brand. In 2022, the annual impairment tests had resulted in a €4.0 million impairment of the Nature & Découvertes brand.

As of December 31, 2023, the net value of the Darty brand in the Group’s balance sheet was €271.1 million, and the net value of the Nature & Découvertes brand was €18.5 million.

NOTE 17 Property, plant and equipment

(€ million)	Land & buildings	Fixtures, fittings and commercial facilities	Technical and telephony equipment	Other property, plant and equipment	Total
GROSS VALUE AS OF DECEMBER 31, 2022	**410.4**	**1,198.3**	**292.9**	**125.2**	**2,026.8**
Amortization, depreciation and impairment	(145.3)	(999.4)	(246.0)	(65.8)	(1,456.5)
NET VALUE AS OF DECEMBER 31, 2022	**265.1**	**198.9**	**46.9**	**59.4**	**570.3**
Acquisitions	6.6	45.7	12.8	1.9	67.0
Disposals	(19.6)	(0.7)	(0.5)	(1.2)	(22.0)
Amortization, depreciation and impairment	(6.0)	(50.5)	(13.0)	(2.3)	(71.9)
Change in scope	-	0.1	-	2.6	2.7
Changes in foreign exchange rates	-	0.4	0.1	0.2	0.7
Other changes	0.1	(0.1)	0.9	(3.4)	(2.6)
Assets held for sale	-	-	-	-	-
NET VALUE AS OF DECEMBER 31, 2023	**246.1**	**193.7**	**47.3**	**57.2**	**544.2**

(€ million)	Land & buildings	Fixtures, fittings and commercial facilities	Technical and telephony equipment	Other property, plant and equipment	Total
GROSS VALUE AS OF DECEMBER 31, 2021	**415.7**	**1,162.8**	**282.3**	**126.8**	**1,987.6**
Amortization, depreciation and impairment	(138.6)	(973.9)	(236.6)	(64.0)	(1,413.1)
NET VALUE AS OF DECEMBER 31, 2021	**277.1**	**188.9**	**45.7**	**62.8**	**574.5**
Acquisitions	2.1	55.1	14.1	6.4	77.7
Disposals	(3.7)	(3.2)	(0.0)	(0.1)	(7.0)
Amortization, depreciation and impairment	(11.5)	(47.4)	(13.4)	(2.6)	(75.0)
Change in scope	-	-	-	-	-
Changes in foreign exchange rates	-	0.3	0.1	0.3	0.6
Other changes	1.1	5.2	0.6	(7.3)	(0.4)
Assets held for sale	-	-	-	-	-
NET VALUE AS OF DECEMBER 31, 2022	**265.1**	**198.9**	**46.9**	**59.4**	**570.3**

Depreciation and amortization additions are recognized in “Other current operating income and expense” in the income statement.

NOTE 18 Right-of-use assets related to lease agreements

The table below shows the right-of-use assets by asset class.

The items relating to leasing debt are presented in note 28.2.

(€ million)	Stores	Offices	Platforms	Other	Total
NET VALUE AS OF DECEMBER 31, 2022	**901.4**	**76.5**	**67.8**	**69.4**	**1,115.2**
Increase (inflows and revaluation of assets)	214.7	6.5	15.4	16.6	253.2
Decrease (amortization, depreciation, terminations)	(224.2)	(15.2)	(15.3)	(31.9)	(286.6)
Change in scope	26.7	-	-	-	26.7
Other changes	(4.0)	0.1	-	-	(3.9)
NET VALUE AS OF DECEMBER 31, 2023	**914.6**	**67.9**	**67.9**	**54.1**	**1,104.6**

NOTE 19 Impairment tests on non-financial assets

The principles of impairment of non-financial assets are detailed in note 2.10.

Goodwill, intangible assets with an indefinite useful life, and the cash generating units containing these elements are systematically tested annually for impairment in the second half of the year. The cash generating units are operating entities that generate independent cash flows. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows generated by other assets or groups of assets.

The entry value of all Group brands was determined using the Relief From Royalty method, which consists of evaluating the discounted amount of the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes) and corresponds to the fair value of the brands on the acquisition date. To the extent that the Group's brands constitute non-current assets with an indefinite life span, they are not amortized but are systematically tested for impairment each year and when there is evidence of impairment. The brands recorded on the Group's balance sheet are Darty, Vanden Borre, WeFix, Billetreduc.com and Nature & Découvertes.

Any impairment is recognized in operating income for the period. The goodwill recorded on the Group balance sheet comes primarily from the acquisition of Darty. The principal values of the goodwill and the brands are analyzed in notes 15 and 16.

19.1 / Consideration of the impact of climate change in impairment testing

For a retailer such as Fnac Darty, global warming poses a multitude of short-, medium- and long-term physical and transition risks. These are included in the Group's risk mapping (see Chapter 5 of the Universal Registration Document) and are subject to an analysis of specific risks (see Chapter 2, section 2.3.1.2 "Climate challenges embedded in strategic priorities and risk management" of the Universal Registration Document).

The specialized retail market is not considered to be a sector with a significant climate challenges. When developing its strategic plan, the Group did not use tools for analyzing prospective climate scenarios. However, strategic monitoring and numerous prospective studies, particularly relating to changes in consumer behavior, did inform the analyses conducted; these helped shape the Group's strategy, transforming transition risks into business opportunities. The integration of climate risks and opportunities into the strategy is outlined in detail in Chapter 1, section 1.2.1 "Strategic challenges, sources of opportunity, aligned with the sustainable development objectives" of the Universal Registration Document.

In addition, Fnac Darty's climate change risk assessment is based on the IPCC scenarios and the transition scenarios developed by Ademe. The assumptions favored by the Group are increasing carbon regulations and taxation, an increase in the cost of raw materials and energy, and a slow but sustained change in consumer behavior.

In its impairment tests, the Group began to look at the impact of climate risks (physical and transition) on the value in use of assets. In light of this, detailed estimations were produced on certain specific physical risks (increased air-conditioning requirements for stores, and the cost of reduced employee productivity due to heat waves in after-sales service sites and warehouses), with no significant medium-term impacts (through to 2030).

At a more general level, the Group's response to risks is:

- either included in the current investment budgets:
  - relamping project: installation of LED lighting to tackle rising electricity costs,
  - CTM/TBM Project (centralized technical management/technical building management): upgrade or installation of management tools to tackle rising electricity costs,
  - investments in modernizing heating/air conditioning equipment,
  - rentals of buildings that comply with the latest environmental standards, such as HQE (high environmental quality) certification or BREEAM (building research establishment environmental assessment method) certification, seeking out the best EPC (energy performance certificate) ratings,
  - signing a 10-year power purchase agreement (PPA) in February 2022;
- or set out as part of a medium-term or long-term approach, specifically relating to the potential impacts associated with transition risks (such as the extension of low emission zones, changes in consumer habits and energy-price volatility).

As of December 31, 2023, the climate impacts affecting the investment budgets had been incorporated into the assumptions of cash flow projections.

19.2 / Assumptions used for impairment tests

The perpetual growth rates and discount rates, after tax, that are applied to the projected cash flows under the economic assumptions and estimated operating conditions used by the Group for the brands and for those cash generating units that recorded goodwill as of December 31, 2023 are as follows:

	Discount [(a)]		Perpetual growth	
	2023	2022	2023	2022
Cash generating unit France	10.1%	9.8%	1.0%	1.0%
Cash generating unit Belgium Luxembourg	10.1%	9.7%	1.0%	1.0%
Darty brand	11.1%	10.8%	1.0%	1.0%
Vanden Borre brand	11.1%	10.7%	1.0%	1.0%
Nature & Découvertes brand	11.1%	10.8%	1.0%	1.0%
Billetreduc.com brand	11.1%	10.8%	1.0%	1.0%
WeFix brand	11.1%	10.8%	2.0%	2.0%

(a) Weighted average cost of capital.

Cash flow projections were made in 2023 based on updated forecasts and on medium-term plans over a three-year period that tie in with the Group's strategic plan. The annual impairment tests, conducted in the second half of 2023, resulted in an impairment of €16.4 million for the Darty brand and an impairment of €3.5 million for the Nature & Découvertes brand. The Darty brand had been valued at €301.7 million in 2016 when Darty was acquired. Darty's net carrying amount in the Group's financial statements was €271.1 million. The Nature & Découvertes brand had been valued at €26.0 million in 2019 when the brand was acquired. As of December 31, 2023, the net value of the Nature & Découvertes brand in the Group's balance sheet was €18.5 million.

19.3 / Impairment tests of principal values

19.3.1 Determination of the recoverable value of the cash-generating units and brands

The recoverable value of each cash generating unit was determined on the basis of its value-in-use. Value-in-use is determined according to an estimate of expected future cash flows, taking into account the time value and specific risks related to the cash generating unit. Cash flow projections were made during the second half of the year, for a period of three years, based on budgets and medium-term plans. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows.

The recoverable value of a cash generating unit is the higher of its fair value less selling costs and its value-in-use.

The recoverable value of the brands was determined on the basis of the value-in-use of the brands, which is calculated by discounting the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes). Royalty savings projections were made in the second half of the year, for a three-year period, based on budgets and medium-term plans. To calculate value-in-use, a terminal value equal to capitalization in perpetuity of a normative saving is added to the value of the expected future savings.

The recoverable value of a brand is the higher of its fair value less selling costs and its value-in-use.

19.3.2 Assets to be tested

The book values for each of the CGUs consist of the following items:

- goodwill;
- net intangible assets;
- net property, plant and equipment;
- IFRS 16 right-of-use assets deducted from lease liabilities;
- deposits and securities related to operating assets;
- deferred taxes;
- working capital requirement;
- provisions for contingencies and expenses.

The brands are subject to a specific impairment test.

Pursuant to IAS 36, property, plant and equipment and intangible assets are tested for impairment when there is evidence of impairment, and at least once a year for non-current assets with an indefinite life span (goodwill and brands). The assets subject to impairment tests are grouped within cash generating units, the use of which generates independent cash flows.

When the recoverable value of a cash generating unit is lower than its net book value, an impairment is recognized in operating income.

The book value of a cash generating unit includes the book value of only the assets that can be directly attributed or assigned, on a reasonable and consistent basis, to the cash generating unit, and which will generate future cash inflows used to determine the CGU's value-in-use.

As of December 31, 2023, in accordance with market practice for the right-of-use asset test under IFRS 16, the Group continued to apply the simplified approach in which the value to be tested includes the rights-of-use assets deducted from leasing liabilities. The business plan projections, the terminal value and the discount rate are determined in accordance with the position before the application of IFRS 16.

19.4 / Impairments of cash generating units (CGU)

The Group conducted annual impairment tests for each of its cash-generating units (CGUs) and non-current assets with an indefinite life span. For these annual tests, all financial and operating assumptions were updated.

Cash flow projections were made in 2023 based on updated forecasts and on medium-term plans over a three-year period that tie in with the Group's strategic plan.

Based on updated forecasts and medium-term plans over a three-year period in line with the Group's strategic plan, no impairment was recognized for the cash generating units (CGU) in 2023.

19.5 / Sensitivity analyses on cash generating units (CGU)

The sensitivity of the impairment tests was checked in view of the reasonable changes in the underlying assumptions and, in particular, in case of a change in the following three main assumptions:

- increase of 50 bps in the WACC;
- decrease of 10 bps in the perpetual growth rate;
- decrease of 10 bps in the perpetual net margin rate.

The margin for the tests, which corresponds to the difference between the value in use and the net book value, as well as the impact of changes in key assumptions on this margin, are shown by cash generating unit in the table below:

	Test margin	Impact on the test margin			
(€ million)	Based on the 2023 assumptions	WACC 10.6% (+50 bps)	Perpetual growth rate +0.9% (-10 bps)	Perpetual net margin rate (-10 bps)	Combination of the three factors
CGU France and Switzerland	331.1	(105.2)	(16.9)	(7.4)	(129.5)
CGU Belgium and Luxembourg	10.0	(6.7)	(1.1)	(0.7)	(8.5)

NOTE 20 Non-current financial assets

Non-current financial assets consist of the following items:

(€ million)	2023	2022
Debt instruments at fair value through profit or loss	1.4	22.2
Deposits and guarantees	20.7	20.4
Other	0.3	1.8
NON-CURRENT FINANCIAL ASSETS	**22.4**	**44.4**

In 2023, debt instruments at fair value mainly represented the investment in the Raise Seed for Good fund.

Compared to 2022, there was a reduction in debt instruments at fair value amounting to €20.8 million, due to:

- mainly the disposal, during the first half of 2023, of the Group's stake in the Daphni fund, which was valued at €21.1 million as of December 31, 2022;
- a call for funds by Raise Seed for Good for €0.4 million in March 2023.

Deposits and guarantees mainly represent the real estate lease guarantees.

NOTE 21 Cash and cash equivalents

21.1 / Analysis by cash category

This item breaks down as follows:

(€ million)	2023	2022
Cash	1,121.3	931.7
Cash equivalents	-	-
CASH AND CASH EQUIVALENTS	**1,121.3**	**931.7**

In 2023, the net increase in cash and cash equivalents of €189.6 million was linked to the Group's operating cash flow generation and the receipt of €95.8 million in connection with the partial reimbursement for the Comet litigation, less operating investments, dividend distributions, the repayment of the first tranche of the European Investment Bank loan, payment of financial interest and the acquisition of MediaMarkt Portugal.

In addition, as of December 31, 2023, €3.0 million was allocated in connection with the implementation of the liquidity agreement. This agreement is designed to promote transaction liquidity and consistency in the Group's share price.

The items recognized by the Group as "Cash and cash equivalents" meet the criteria set out in the ANC's response of November 27, 2018 to the AMF concerning the accounting treatment of approved money market funds under the MMF Regulation. In particular, investments are regularly reviewed in accordance with Group procedures and in strict compliance with the qualification criteria defined under IAS 7 and the ANC's response. As of December 31, 2023, these analyses did not lead to changes in the accounting classification already adopted.

21.2 / Analysis by currency

(€ million)	2023	%	2022	%
Euro	1,082.4	96.5%	898.4	96.4%
Swiss franc	28.3	2.5%	20.4	2.2%
US dollar	8.8	0.8%	11.3	1.2%
Other currencies	1.8	0.2%	1.6	0.2%
CASH AND CASH EQUIVALENTS	**1,121.3**	**100.0%**	**931.7**	**100.0%**

NOTE 22 Inventories

(€ million)	2022	Change in working capital requirement	Change in scope	Change in foreign exchange rates	Assets and liabilities held for sale	2023
Gross sales inventories	1,175.8	(11.5)	19.3	2.3	-	1,185.9
Inventory impairment	(32.1)	4.6	(0.6)	(0.2)	-	(28.3)
NET INVENTORY VALUE	**1,143.7**	**(6.9)**	**18.7**	**2.1**	**-**	**1,157.6**

In 2023, the €18.7 million change in scope was linked to the acquisition of MediaMarkt Portugal.

The Group may need to record an impairment on inventories:

- based on likelihood of disposal;
- if they are partially damaged;
- if they are completely obsolete;
- if the sale price is less than the net realizable value.

Change in impairment *(€ million)*	2023	2022
AS OF JANUARY 1	**(32.1)**	**(31.5)**
(Additions)/reversals	4.6	(0.5)
Change in scope	(0.6)	-
Change in foreign exchange rates	(0.2)	(0.1)
Assets and liabilities held for sale	-	-
AS OF DECEMBER 31	**(28.3)**	**(32.1)**

NOTE 23 Trade receivables

(€ million)	2022	Change in working capital requirement	Change in scope	Change in foreign exchange rates	Assets and liabilities held for sale	2023
Gross trade receivables	269.7	(65.5)	4.8	(0.2)	-	208.8
Impairment of trade receivables	(20.2)	0.2	(0.1)	-	-	(20.1)
NET VALUE	**249.5**	**(65.3)**	**4.7**	**(0.2)**	**-**	**188.7**

In 2023, the decrease in trade receivables was mainly linked to the introduction of a factoring program (see note 24). The €4.7 million change in scope is linked to the acquisition of MediaMarkt Portugal.

An impairment on trade receivables is recognized according to the receivable's estimated recoverable value. The assessment of recoverable value varies by sales channel.

Change in impairment *(€ million)*	**2023**	**2022**
AS OF JANUARY 1	**(20.2)**	**(20.9)**
(Additions)/reversals	0.2	0.7
Change in scope	(0.1)	-
Change in foreign exchange rates	-	-
Assets and liabilities held for sale	-	-
AS OF DECEMBER 31	**(20.1)**	**(20.2)**

NOTE 24 Current assets and liabilities and other non-current assets and liabilities

24.1 / Current assets and liabilities

(€ million)	**2022**	**Change in working capital requirement**	**Change in scope**	**Change in foreign exchange rates**	**Assets and liabilities held for sale**	**2023**
Inventories (1)	1,143.7	(7.0)	18.7	2.2	-	1,157.6
Trade receivables due (2)	249.5	(65.3)	4.7	(0.2)	-	188.7
Trade receivables payable (3)	(38.2)	0.6	(0.5)	(0.2)	-	(38.3)
NET TRADE RECEIVABLES (2)+(3)	**211.3**	**(64.7)**	**4.2**	**(0.4)**	**-**	**150.4**
Trade payables due (4)	(1,965.1)	(146.6)	(38.4)	(2.6)	-	(2,152.7)
Trade payables receivable and provisions (5)	242.6	31.5	8.0	0.1	-	282.2
NET TRADE PAYABLES (4)+(5)	**(1,722.5)**	**(115.1)**	**(30.4)**	**(2.5)**	**-**	**(1,870.5)**
Social security liabilities (6)	(285.6)	5.5	(1.7)	(0.1)	-	(281.9)
Tax payables and receivables (excluding income tax) (7)	(80.8)	13.7	0.2	-	-	(66.9)
Other operating payables and receivables (8)	(214.1)	117.7	(0.6)	(1.2)	-	(98.2)
OTHER OPERATING WCR (Σ 6 TO 8)	**(580.5)**	**136.9**	**(2.1)**	**(1.3)**	**-**	**(447.0)**
OPERATING WCR (Σ 1 TO 8)	**(948.0)**	**(49.9)**	**(9.6)**	**(2.0)**	**-**	**(1,009.5)**
Other current financial assets and liabilities	8.9	4.0	0.4	-	-	13.3
Payables and receivables on non-current operating assets	(37.7)	19.3	-	-	-	(18.4)
Tax receivables and payables due	5.6	(0.2)	1.5	-	-	6.9
CURRENT ASSETS AND LIABILITIES [(a)]	**(971.2)**	**(26.8)**	**(7.7)**	**(2.0)**	**-**	**(1,007.7)**

(a) Excluding current provisions, borrowings and short-term financial debt, and cash and cash equivalents.

In 2023, the change in the scope of current assets and liabilities was linked to the acquisition of MediaMarkt Portugal.

Because of the nature of its business activities, the Group's exposure to the risk of default by its debtors does not have a material impact on the Group's business, financial position or net assets.

Trade receivables due

The Group's trade receivables are mainly made up of receivables from franchisees in relation to supplies of goods and royalties, as well as from business customers (B2B). Trade receivables are classified as financial assets measured at amortized cost. They are recognized initially at their initial invoice cost, and then at their amortized cost using the effective interest rate method (see note 2.11.1) and are subject to impairment under the simplified impairment model based on the expected losses, as established by the IFRS 9 – Financial Instruments standard.

Since December 2023, the Group has used a factoring service provider (Société Générale Factoring SGF) to sell off some of its trade receivables in return for short-term financing.

The program has a three-year renewable term. This program has been rolled out in France.

As of December 31, 2023, the ceiling for the outstanding amounts in the program is €40.0 million and covers franchise customers.

The payment times for franchise customers are 67.5 days on average, which are reduced to 4.5 days via SGF financing.

The agreement is a non-recourse arrangement, meaning that any unpaid receivables covered by the factor are not repaid to the Group, as the factoring company assumes the customer insolvency risk up to the limit of the collateral provided. As of December 31, 2023, the amount financed stood at €39.9 million, out of a total amount sold of €47.3 million.

Receivables sold and financed are derecognized from trade receivables, in return for the cash received. In accordance with IFRS 9 (see the "Derecognition of financial assets" paragraph in note 2.11.1), the receivables concerned are derecognized when the legal ownership of the receivables and the risks and benefits associated with them (most notably, the debtor insolvency and payment delay risks, as well as, where applicable, the foreign exchange risks) are substantially transferred to a third party.

As of December 31, 2023, this factoring agreement, which allows the company to transfer the legal ownership of the receivables to the factoring company, as well as a substantial proportion of the risks and benefits associated with holding these receivables, enabled the Group to derecognize the receivables concerned in the amount of €39.9 million. The only risk that is not transferred is dilution risk (associated with any reduction or cancellation, in whole or in part, of the nominal value of the receivable sold following the issue of operational assets: quantity/quality and/or repayment of outstanding income/sales discounts), which the Group does not believe is significant enough (particularly based on previous circumstances) to cast doubt on the substantiality of the transfer of the risks and benefits. This stance will be reviewed in subsequent financial years based on changes to the level of dilution risk.

Sold and non-financed receivables are removed from trade receivables and recognized in other receivables. As of December 31, 2023, these receivables stood at €7.4 million.

The Group's exposure to liquidity risk is outlined in note 24.

Other operating payables and receivables

The "Other operating payables and receivables" item includes loyalty program membership, warranty extensions, ticketing and customer gift boxes.

Trade payables owed

Trade payables are classified as financial liabilities measured at amortized cost, as established by IFRS 9 – Financial Instruments. These financial liabilities are initially recognized at their nominal value (minus transaction costs incurred), as this is a reasonable estimate of their market value given their short-term nature, and then measured at amortized cost using the effective interest method (see note 2.11.2).

Trade payables due primarily reflects the debts contracted with Group suppliers. They include, where applicable, those sold by the Group's suppliers to a financial institution as part of a reverse factoring program. These programs allow suppliers to receive early payment for their receivables in the ordinary course of purchases by establishing a reverse factoring program enabling them to sell their receivables to these financial institutions. The accounting policy in relation to these transactions depends on whether or not the characteristics of the payables concerned have been modified. When the trade payables are not substantially modified (term and maturity, consideration, face value), they are retained in trade payables. The Group has entered into reverse factoring agreements with financial institutions in order to allow certain suppliers to receive early payment of their receivables in the normal course of purchases made.

In 2023, the Group was involved in two reverse factoring programs with major Group suppliers.

These programs were as follows:

1) a program involving a consumer electronics supplier, in partnership with Crédit Agricole Corporate and Investment Bank. This program has a one-year renewable term and covers France and Portugal. The usual payment time is 60 days. By comparison, the payment due dates for financial liabilities and for similar trade payables not covered by a financing agreement range from 45 to 60 days. The authorized ceiling for outstanding amounts under the reverse factoring program is €100 million from March to October each year, then €120 million from November to December. The amount of the program used as of December 31, 2023 was €120 million;
2) a program involving various domestic appliance suppliers, in partnership with the BNP Dublin Branch. This program has a one-year renewable term and covers France. The usual payment time is 60 days. By comparison, the payment due dates for financial liabilities and for similar trade payables not covered by a financing agreement range from 45 to 60 days. The authorized ceiling for outstanding amounts under the reverse factoring program is €140 million. The amount of the program used as of December 31, 2023 was €18 million.

For both programs, the analysis conducted under IFRS standards led to the conclusion that the change made to trade payables was non-substantial and that the characteristics of both programs remained similar to those of a trade payable with payment terms still compliant with France's law on the modernization of business practices. Thus in the case of the Group's two reverse factoring programs, the liability remained a trade payable. As of December 31, 2023, trade payables and other creditors included €138 million under a reverse factoring program (versus €229 million as of December 31, 2022).

The cash flows relating to these debts are included in the change in working capital requirement in the cash flow statement.

24.2 / Other non-current assets and liabilities

(€ million)	**2023**	**2022**
Warranty extensions for more than one year	(8.1)	(21.5)
Performance-based earn-outs	(0.7)	(0.5)
TOTAL OTHER NET NON-CURRENT ASSETS AND LIABILITIES	**(8.8)**	**(22.0)**

As of December 31, 2023, other net non-current assets and liabilities stood at €8.8 million, €8.1 million of which represents the portion of income from Darty warranty extensions of one year or more. The fall in the portion of income from warranty extensions of one year or more is linked to a drop in the provision for warranty extensions gradually replaced by the Darty Max program. As of December 31, 2023, other net non-current assets and liabilities includes the valuation of price adjustments subject to conditions representing net liabilities of €0.7 million.

As of December 31, 2022, other net non-current assets and liabilities amounted to €22.0 million, of which €21.5 million for the portion of income from Darty warranty extensions of one year or more, and €0.5 million for the valuation of performance-based earn-outs for subsidiaries.

NOTE 25 Shareholders' equity

25.1 / Share capital

As of December 31, 2023, the share capital stood at €27,778,578, consisting of 27,778,578 fully paid-up shares with a nominal value of €1. In 2023, the capital increase of 906,725 shares was linked to:

- the creation of 535,616 shares to provide to shareholders who opted to receive the 2022 dividend payment in shares; as well as
- the creation of 371,109 shares to be used for the capital increase reserved for the allocation of bonus shares under the performance-based compensation plans.

25.2 / Appropriation of earnings

In 2023, Fnac Darty followed its policy of providing a return to shareholders. An ordinary dividend of €1.40 gross per share for the 2022 financial year, representing a total amount of €37.9 million, was allocated to the first half of 2023. The Combined General Shareholders' Meeting on May 24, 2023 approved a gross dividend of €1.40 per share. It was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares.

As a result, the conversion/exchange rate increased from 1.070 Fnac Darty shares per OCEANE bond to 1.115 Fnac Darty shares per OCEANE bond, as of July 6, 2023.

25.3 / Change in shareholders' equity

In 2023, the change in shareholders' equity was largely due to:

- the payment of dividends;
- comprehensive income for the year;
- the valuation of share-based payments.

	Shareholders' equity		
(€ million)	Group share	Non-controlling interests	Total
AS OF DECEMBER 31, 2022	**1,511.7**	**10.9**	**1,522.6**
Total comprehensive income	**31.9**	**5.6**	**37.5**
Capital increase/(decrease)	16.7	-	16.7
Treasury stock	(10.2)	-	(10.2)
Valuation of share-based payments	9.5	0.1	9.6
Dividend	(37.9)	(0.1)	(38.0)
Change in scope	-	-	-
Other movements	-	-	-
AS OF DECEMBER 31, 2023	**1,521.7**	**16.5**	**1,538.2**

NOTE 26 Employee benefits and similar payments

According to the laws and practices specific to each country, Group employees are eligible for long-term or post-employment benefits in addition to their short-term compensation. These additional benefits are either in the form of defined contribution plans or defined benefit plans.

Under the defined contribution plans, the Group does not have to make supplementary payments in addition to the contributions already paid. For such plans, contributions are expensed as incurred.

Defined benefit plans require an actuarial valuation by independent experts. These benefits are composed primarily of retirement benefits and long-service awards in France, and mandatory supplementary pension schemes (LPPs) in Switzerland.

Retirement benefits and long-service awards in France

Retirement benefits in France consist of a lump sum paid by a Company to an employee upon retirement. The amount depends on the employee's length of service at the retirement date and is defined by a collective bargaining agreement at industry or company level. Under the pension plan, employees' accrued benefits do not vest until the employee reaches retirement age (non-vested benefits). Retirement benefits are not linked to other standard retirement benefits, such as pensions paid by social security or supplementary plans (Arrco and Agirc).

In France, long-service awards are not mandatory but discretionary. There is no legal obligation to pay a benefit to an employee. However, the French entities in the Group have elected to give a bonus to their employees when they receive a long-service award for 10, 20, 30 and 40 years of service in the Group.

Mandatory supplementary pension schemes (LPP) in Switzerland

In Switzerland the pension plan is affiliated with a collective foundation. The foundation bears the investment and longevity risks and transfers a portion of the risk benefits to an insurance company.

The Group has no obligations with respect to medical costs.

Pension and pre-retirement savings in Belgium

The Belgium pension plan is composed of three pillars:

- pillar 1: statutory pension paid by the State;
- pillar 2: Group insurance: a supplementary company retirement plan which pays its beneficiaries a lump sum on retirement;

- pillar 3: pre-retirement savings: pension saved by the worker in a fund with a tax incentive. From the start of this pre-retirement until pension age, the pre-pensioner receives an unemployment benefit from the state and a supplement from the employer. This amount is determined by a collective agreement. At the time of the pre-retirement decision (made individually for each person and according to defined criteria), the employer makes provision for the supplement it will pay until the pre-retirement age.

United Kingdom pension fund

The British Comet pension fund reflects the pension commitment for former Comet employees in the United Kingdom.

Fnac Darty is aware of the High Court judgment in the Virgin Media Ltd vs NTL Pension Trustees II Ltd. & Ors case and is currently investigating to estimate any potential impacts for the Group that are currently unknown.

Supplementary pension plans

A defined benefit Group pension plan reserved for certain members of senior management.

26.1 / Changes during the period

Changes in the current value of the obligation for defined benefit plans are as follows:

(€ million)	2023	2022
DISCOUNTED VALUE OF THE COMMITMENT AS OF JANUARY 1	**606.6**	**949.6**
Cost of services provided during the period	9.6	11.1
Contributions paid by the members	1.0	1.1
Financial interest expense	6.3	3.7
Cost of past services	(3.9)	-
Revaluation of liabilities	44.7	(305.8)
Reductions	(4.0)	(4.4)
Benefits paid	(28.9)	(21.6)
Change in scope	-	-
Change in foreign exchange rates	9.9	(27.1)
Liabilities held for sale	-	-
DISCOUNTED VALUE OF THE COMMITMENT AS OF DECEMBER 31	**641.3**	**606.6**

The increase in the commitment amount in 2023 stands at €34.7 million. This is mainly linked to the discounting for €44.7 million of the provision for employee benefits and similar payments against a backdrop of falling interest rates. Furthermore, exchange rate fluctuations caused a €9.9 million increase in the British Comet pension fund, which is denominated in pounds sterling.

The decrease in the commitment amount in 2022 was mainly due to the discounting of the provision for employee benefits against a backdrop of sharp rises in interest rates.

The breakdown of the discounted value of the commitment by type of plan and by country as of December 31, 2023 is as follows:

(€ million)	2023	2022
Pension funds – United Kingdom	442.9	428.3
Retirement benefits – France	162.5	144.0
Supplementary pension plans (LPP) – Switzerland	17.6	15.7
Supplementary pension plans – France	-	1.0
Long-service awards – France	6.2	6.0
Pension savings – Belgium	12.1	11.6
DISCOUNTED VALUE OF THE COMMITMENT AS OF DECEMBER 31	**641.3**	**606.6**

Changes in the fair value of the assets of defined benefit plans are as follows:

(€ million)	2023	2022
FAIR VALUE OF THE DEFINED BENEFIT PLAN ASSETS AS OF JANUARY 1	**461.2**	**761.8**
Employer contributions	2.1	0.7
Contributions paid by the members	1.1	1.1
Financial interest on assets	1.4	0.2
Benefits paid	(23.4)	(18.0)
Actual return on assets	23.6	(257.3)
Other changes	(0.9)	(0.1)
Change in scope	-	-
Change in foreign exchange rates	9.7	(27.2)
FAIR VALUE OF THE DEFINED BENEFIT PLAN ASSETS AS OF DECEMBER 31	**474.8**	**461.2**

The decrease in the fair value of the defined benefit plan assets in 2022 was mainly due to the discounting of the provision for employee benefits and similar payments against a backdrop of sharp rises in interest rates.

For all plans, the payments of expected benefits in 2024 are estimated at €27.5 million.

As of December 31, 2023, 60.6% of funded defined benefit plans were invested in debt instruments.

The assets of the British Comet pension fund can be divided into two types of categories:

1) yield-oriented investment funds; and

2) guarantee funds with limited risk.

The reconciliation of the balance sheet data and the actuarial obligation of the defined benefit plans is as follows:

(€ million)	2023	2022	2021	2020	2019
Discounted value of the commitment	641.3	606.6	949.6	894.2	842.7
Fair value of the defined benefit plan assets	(474.8)	(461.2)	(761.8)	(688.3)	(666.0)
SHORTFALL/(EXCESS)	**166.5**	**145.4**	**187.8**	**205.9**	**176.7**
NET PROVISIONS RECOGNIZED UNDER LIABILITIES ON THE BALANCE SHEET	**166.5**	**145.4**	**187.8**	**205.9**	**176.7**
including provisions – continuing operations	*166.5*	*145.4*	*187.8*	*205.9*	*176.7*
including provisions – discontinued operations	-	-	-	-	-

(€ million)	2023	2022
Pension funds – United Kingdom	-	-
Retirement benefits – France	156.8	136.8
Supplementary pension plans (LPP) – Switzerland	3.3	1.3
Supplementary pension plans – France	-	1.0
Long-service awards – France	6.2	6.0
Pension savings – Belgium	0.2	0.3
NET PROVISIONS RECOGNIZED UNDER LIABILITIES ON THE BALANCE SHEET	**166.5**	**145.4**

26.2 / Expenses recognized

The total expense of €6.8 million in 2023 and €7.9 million in 2022 recognized for defined benefit plans breaks down as follows:

(€ million)		2023	2022
Cost of services provided		9.8	9.3
Other costs		0.9	0.1
Net financial cost		4.3	2.7
Costs (revenue) of past services taken to income		(4.3)	-
Decreases and payments		(3.9)	(4.2)
TOTAL EXPENSE		**6.8**	**7.9**
Of which recognized as	*operating expenses*	*2.5*	*5.2*
	net financial expense	*4.3*	*2.7*

Total expense was down €1.1 million compared to 2022. It should be noted that, in 2023, €4.3 million in income was recognized as costs for past services, as a result of the pension reform in France, which constitutes a plan adjustment.

26.3 / Actuarial assumptions

The main actuarial assumptions used to calculate Fnac Darty's obligations are as follows:

	2023	2022
Discount rate	4.5% United Kingdom, 1.30% Switzerland, 3.20% France, 3.85% Belgium	4.8% United Kingdom, 2.25% Switzerland, 3.80% France, 3.95% Belgium
Expected rate of increase in salaries	1.75% France, 1.50% Switzerland, 2% Belgium	1.75% France, 1.25% Switzerland, 10% Belgium

Pursuant to amended IAS 19, a single rate is applied to the difference between plan liabilities and plan assets. This rate is the discount rate of the actuarial liability. It is determined on the basis of underlying AA-rated corporate bonds and a term consistent with that of plans for which an actuarial assumption has been made.

The sensitivity analysis given the assumed discount rates, plus or minus 50 basis points, is provided in the following table:

(€ million)	Retirement benefits	Long-service awards – France	Supplementary pension plans (LPP) – Switzerland	Supplementary pension plans – France	Pension funds – United Kingdom	Belgium	Total
Discount rate -50 basis points	171.6	6.5	18.6	-	473.5	12.8	**683.0**
Discounted value of the 2023 commitment	162.4	6.2	17.6	-	442.9	12.2	**641.3**
Discount rate +50 basis points	154.1	5.9	16.7	-	415.5	11.5	**603.7**

NOTE 27 Provisions

The change in provisions for contingencies in 2023 related mainly to the addition of the provision of €85.0 million for fines from the French Competition Authority (*Autorité de la Concurrence* – ADLC) and to various litigations and disputes:

(€ million)	2022	Additions	Reversal used	Reversal not used	Change in scope	Change in foreign exchange rates	Other changes	2023
Provisions for restructuring	4.9	0.8	(2.6)	(0.1)	-	-	-	3.0
Provisions for litigation and disputes	28.5	89.8	(4.9)	(4.8)	0.3	-	-	108.9
Other provisions	3.3	0.9	-	(1.5)	-	-	-	2.7
CURRENT PROVISIONS	**36.6**	**91.5**	**(7.5)**	**(6.4)**	**0.3**	**-**	**-**	**114.5**
TOTAL	**36.6**	**91.5**	**(7.5)**	**(6.4)**	**0.3**	**-**	**-**	**114.5**
IMPACT ON OPERATING INCOME		**(91.5)**	**-**	**6.4**	**-**	**-**	**-**	**(85.1)**
■ current operating income		(5.4)	-	6.2	-	-	-	0.8
■ other non-current operating income and expense		(85.8)	-	0.1	-	-	-	(85.7)
■ discontinued operations		(0.3)	-	0.1	-	-	-	(0.2)

In 2022, the change in provisions for contingencies corresponds mainly to various disputes and lawsuits:

(€ million)	2021	Additions	Reversal used	Reversal not used	Change in scope	Change in foreign exchange rates	Other changes	2022
Provisions for restructuring	1.3	4.8	(1.2)	-	-	-	-	4.9
Provisions for litigation and disputes	26.2	13.8	(7.5)	(4.5)	-	-	0.4	28.5
Other provisions	3.5	-	-	(0.2)	-	-	-	3.3
CURRENT PROVISIONS	**31.0**	**18.6**	**(8.7)**	**(4.7)**	**-**	**-**	**0.4**	**36.6**
TOTAL	**31.0**	**18.6**	**(8.7)**	**(4.7)**	**-**	**-**	**0.4**	**36.6**
IMPACT ON OPERATING INCOME		**(18.6)**	**-**	**4.7**	**-**	**-**	**-**	**(13.9)**
■ current operating income		(11.3)	-	3.9	-	-	-	(7.4)
■ other non-current operating income and expense		(3.9)	-	(0.3)	-	-	-	(4.2)
■ discontinued operations		(3.4)	-	1.1	-	-	-	(2.3)

NOTE 28 Financial debt

28.1 / Analysis of debt by repayment maturity

(€ million)	2023	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond
LONG-TERM BORROWINGS AND FINANCIAL DEBT	**604.2**		**16.7**	**366.7**	**204.3**	**16.5**	**-**
2026 bonds	350.0		-	350.0	-	-	-
Financial debt component of the OCEANE bonds	187.6		-	-	187.6	-	-
European Investment Bank loan	66.6		16.7	16.7	16.7	16.5	-
SHORT-TERM BORROWINGS AND FINANCIAL DEBT	**318.7**	**318.7**					
2024 bonds	300.0	300.0					
European Investment Bank loan	16.7	16.7					
Capitalized interest on bond issues	1.3	1.3					
Other financial debt	0.7	0.7					
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**922.9**	**318.7**	**16.7**	**366.7**	**204.3**	**16.5**	**-**
%	**100.0%**	**34.5%**	**1.8%**	**39.7%**	**22.1%**	**1.8%**	**0.0%**
LEASING DEBT IFRS 16	**1,144.7**	**246.4**	**239.5**	**227.3**	**138.1**	**82.7**	**210.7**
Long-term IFRS 16 leasing debt	898.3		239.5	227.3	138.1	82.7	210.7
Short-term IFRS 16 leasing debt	246.4	246.4					
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,067.6**	**565.1**	**256.2**	**594.0**	**342.4**	**99.2**	**210.7**

(€ million)	2022	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond
LONG-TERM BORROWINGS AND FINANCIAL DEBT	**917.3**		**316.7**	**16.7**	**366.7**	**200.7**	**16.5**
2026 bonds	350.0		-	-	350.0	-	-
2024 bonds	300.0		300.0	-	-	-	-
Financial debt component of the OCEANE bonds	184.0		-	-	-	184.0	-
European Investment Bank loan	83.3		16.7	16.7	16.7	16.7	16.5
SHORT-TERM BORROWINGS AND FINANCIAL DEBT	**19.5**	**19.5**					
European Investment Bank loan	16.7	16.7					
Capitalized interest on bond issues	1.3	1.3					
Other financial debt	1.5	1.5					
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**936.8**	**19.5**	**316.7**	**16.7**	**366.7**	**200.7**	**16.5**
%	**100.0%**	**2.1%**	**33.8%**	**1.8%**	**39.1%**	**21.4%**	**1.8%**
LEASING DEBT IFRS 16	**1,140.5**	**243.6**	**238.0**	**214.8**	**139.9**	**82.1**	**222.1**
Long-term IFRS 16 leasing debt	896.9		238.0	214.8	139.9	82.1	222.1
Short-term IFRS 16 leasing debt	243.6	243.6					
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,077.3**	**263.1**	**554.7**	**231.5**	**506.6**	**282.8**	**238.6**

The sources of Group financing are as follows:

2024 and 2026 Senior Notes

On May 15, 2019, Fnac Darty refinanced its senior bonds with a cumulative principal amount of €650 million, composed of a cumulative principal amount of €300 million in senior bonds maturing in 2024, and a cumulative principal amount of €350 million in senior bonds maturing in 2026. The 2024 bonds pay an annual coupon of 1.875% and the 2026 bonds pay an annual coupon of 2.625%.

These bonds rank pari passu with the Senior Credit Facility. Interest is payable half-yearly.

The High Yield Bonds are listed for trading on the Global Exchange Market of the Irish Stock Exchange.

The 2024 bonds are redeemable in full or in part at any time at the values shown in the table below:

2024 Bonds

Redemption period commencing:	Redemption price *(as % of the principal)*
May 30, 2021	100.9375%
May 30, 2022	100.4688%
May 30, 2023 and beyond	100.0000%

The 2026 bonds were redeemable in full or in part at any time at the values shown in the table below:

2026 Bonds

Redemption period commencing:	Redemption price *(as % of the principal)*
May 30, 2022	101.3125%
May 30, 2023	100.6563%
May 30, 2024 and beyond	100.0000%

The agreement for the High Yield Bond issue contains customary clauses that specifically restrict the Group's ability to incur additional debt, pay dividends or make any other distribution, grant pledges and guarantees, dispose of assets, execute transactions with affiliated companies or merge or consolidate with other entities.

The offering memorandum is available on the Irish Stock Exchange website.

Delayed drawn term loan (DDTL)

Amid increased volatility on the financial markets, Fnac Darty opted to secure the refinancing of its next major €300 million bond debt maturity maturing in May 2024. Accordingly, in December 2022, the Group set up an additional undrawn bank credit line in the form of a delayed drawn term loan (DDTL) of €300 million, which may be drawn down once and only to repay the bond loan maturing in 2024. This new line is based on a banking contract with conditions similar to those of the existing RCF of €500 million. This line, which originally had a three-year maturity in the event of drawdown (i.e. until December 2025), has been extended at Fnac Darty's request to December 2026. The Group still has a one-year extension option that could increase the maturity of the line to December 2027. It also incorporates a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing conditions if the objectives, set in line with those of the strategic plan Everyday, are achieved. This option means the Group can maintain its current bond debt until it matures in May 2024 while benefiting from the low initial annual coupon, and therefore secure its level of financial expenses.

Thanks to this new undrawn bank line, the Group does not have a major repayment maturity date before 2026.

OCEANE bonds

In March 2021, the Group succeeded in placing its issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a nominal value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. As a result of the distribution of a dividend of €1.40 per share to Fnac Darty shareholders as of July 6, 2023, the conversion/exchange rate was increased from 1.070 Fnac Darty shares per OCEANE bond to 1.115 Fnac Darty shares per OCEANE bond as of July 6, 2023.

Senior Credit Facility

The Group has an RCF credit line of €500 million. This credit line, originally with a maturity of five years, was extended at the request of Fnac Darty until March 2028. Furthermore, in November 2023, the Group renegotiated its credit facility without changing the financial terms and conditions, and added two one-year extension options to bring the maturity of the line to March 2030, subject to the lenders' agreement. In line with the goals of the strategic plan Everyday, this credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

Drawdowns under the loan agreement are made in euros and bear interest at a rate equal to the sum of the EURIBOR reference rate for the period and a margin that can be adjusted based on the Group's rating.

As of December 31, 2023, the RCF credit line was not in use.

The loan agreement includes two financial covenants which are tested on a half-yearly basis:

- an adjusted leverage ratio:

  This ratio is defined as "total adjusted debt" (i.e. net debt plus five times the amount of the rent as shown in the latest consolidated financial statements of the Group) divided by "consolidated EBITDAR" (i.e. the Group's current operating income plus net changes to depreciation, amortization and provisions on non-current operating assets and rent as shown in the latest consolidated financial statements of the Group); and

- an adjusted rate hedging ratio:

  This ratio is defined as "consolidated EBITDAR" (see definition above) divided by "financial expense (net)" plus rent as shown in the latest consolidated financial statements of the Group.

However, as of December 31, 2023, all annual financial covenants have been observed.

The target values of the covenants to be achieved vary at each test period.

The loan agreement also includes general restrictive commitments that are customary for this kind of agreement, including certain restrictions related to the granting of pledges or guarantees, the disposal or acquisition of assets, the execution of merger or restructuring transactions, to debt or to dividend distribution (see Chapter 6.5 "Dividend distribution policy" of the Universal Registration Document).

Loan agreement with the European Investment Bank

On February 18, 2019, Fnac Darty announced the signing of a loan agreement for €100 million with the European Investment Bank (EIB). Issued under the "Juncker Plan," this loan will be used to finance the Group's digital transformation investments. This financing has a maximum maturity of nine years, on very attractive terms. In July 2023, the Group had to pay the first amortization on the facility, of €17 million. Therefore, as of December 31, 2023, €83 million of the EIB credit line had been used.

Negotiable securities program

Fnac Darty also implemented a program of short-term negotiable debt instruments ("NEU CP") in 2018, designed to replace the drawdowns on the revolving credit facility for the Group's seasonal financing needs. This program, which has a ceiling of €400 million, consists of issues that are executed on the short-term debt market and have a maximum maturity of one year.

As of December 31, 2023, this program had not been used.

The program documentation is available on the Banque de France website.

28.2 / Leasing debt

Leasing debt is broken down as follows:

(€ million)	As of December 31, 2022	New agreements and revaluations	Devaluations	Redemptions	Change in foreign exchange rates	Reclassification	Change in scope	Other changes	As of December 31, 2023
Short-term leasing debt	243.6	23.4	(25.9)	(237.0)	0.3	239.3	3.1	(0.4)	246.4
Long-term leasing debt	896.9	240.3	(23.4)	-	0.9	(239.3)	23.6	(0.7)	898.3
LEASING DEBT	**1,140.5**	**263.7**	**(49.3)**	**(237.0)**	**1.2**	**-**	**26.7**	**(1.1)**	**1,144.7**

The maturity schedule of leasing debt is broken down as follows:

(€ million)	2023	2022
Y+1	246.4	243.6
Y+2	239.5	238.0
Y+3	227.3	214.8
Y+4	138.1	139.9
Y+5	82.7	82.1
More than 5 years	210.7	222.1
LEASING DEBT	**1,144.7**	**1,140.5**

Exemptions, concessions and other information related to IFRS 16 are outlined in note 2.8.

Exemptions, concessions and other information related to IFRS 16 are detailed in the tables below:

(€ million)	2023	2022
Variable rental expenses	8.4	7.5
Expenses on low-value contracts	0.9	0.8
Expenses on short-term contracts	0.2	0.3
Sublease income	1.5	1.4

(€ million)	2023	2022
Leasing commitment on short-term contracts	0.2	0.1
Leasehold rights reclassified as right-of-use assets	30.5	37.9

28.3 / Analysis by repayment currency

(€ million)	2023	Long-term borrowings and financial debt	Short-term borrowings and financial debt	%	2022	%
Euro	2,047.3	1,487.3	560.0	99.0%	2,057.6	99.1%
Swiss franc	20.0	15.0	5.0	1.0%	18.8	0.9%
Other currencies	0.3	0.2	0.1	0.0%	0.9	0.0%
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,067.6**	**1,502.5**	**565.1**	**100%**	**2,077.3**	**100%**

28.4 / Gross debt by category

The Group's gross debt is as follows:

(€ million)	2023	2022
2026 bonds	350.7	350.7
2024 bonds	300.6	300.6
European Investment Bank loan	83.3	100.0
Financial debt component of the OCEANE bonds	187.6	184.0
Medium-term credit facility	-	-
Other financial debt	0.7	1.5
TOTAL FINANCIAL DEBT EXCLUDING IFRS 16	**922.9**	**936.8**
Leasing debt IFRS 16	**1,144.7**	**1,140.5**
Long-term IFRS 16 leasing debt	898.3	896.9
Short-term IFRS 16 leasing debt [(a)]	246.4	243.6
TOTAL FINANCIAL DEBT WITH IFRS 16	**2,067.6**	**2,077.3**

(a) Discounted value of payment due in the next 12 months.

The repayment of the €16.7 million European Investment Bank loan corresponds to the first amortization on the loan repaid in July 2023.

NOTE 29 Net financial debt

The Group's net financial debt excluding leasing debt under IFRS 16 represented net cash of €198.4 million as of December 31, 2023, versus net financial debt of €5.1 million as of December 31, 2022:

(€ million)	2023	2022
Cash and cash equivalents	1,121.3	931.7
Gross financial debt	(922.9)	(936.8)
NET CASH	**198.4**	**(5.1)**

The Group's net financial debt, including lease liabilities under IFRS 16, represents net financial debt of €946.3 million as of December 31, 2023, versus net financial debt of €1,145.6 million as of December 31, 2022:

(€ million)	2023	2022
Leasing debt	1,144.7	1,140.5
Net cash	198.4	(5.1)
NET FINANCIAL DEBT WITH IFRS 16	**946.3**	**1,145.6**

NOTE 30 Cash flow statement

Net cash from bank overdrafts stood at €1,121.3 million as of December 31, 2023 and corresponds to the cash and cash equivalents presented in the cash flow statement.

(€ million)	2023	2022
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET	**1,121.3**	**931.7**
Bank overdrafts	-	-
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	**1,121.3**	**931.7**

Cash and cash equivalents increased by +€189.6 million between December 31, 2022 and December 31, 2023.

(€ million)	2023	2022
Net cash flows from operating activities	573.1	346.5
Net cash flows from investing activities	(130.0)	(130.6)
Net cash flows from financing activities	(342.0)	(336.5)
Net cash flows from discontinued operations	87.9	(131.1)
Impact of changes in foreign exchange rates	0.6	2.3
NET CHANGE IN CASH	**189.6**	**(249.4)**

30.1 / Net cash flows from operating activities

Cash flows from operating activities are mainly produced by the Group's principal cash generating activities and can be broken down as follows:

(€ million)	2023	2022
Cash flow before tax, dividends and interest	495.4	571.6
Change in working capital requirement	69.6	(155.3)
Income tax paid	8.1	(69.8)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**573.1**	**346.5**

In 2023, net cash flows from operating activities generated a resource of €573.1 million, versus €346.5 million in 2022.

The composition of cash flow before tax, dividends and interest was as follows:

(€ million)	2023	2022
Net income from continuing operations	**(69.1)**	**103.9**
Additions and reversals on non-current assets and provisions for contingencies and expenses	453.8	364.0
Current proceeds from the disposal of operating assets	(13.8)	0.3
Non-current proceeds from the disposal of operating assets	4.9	2.0
Non-current income from disposals of financial assets	0.1	-
Deferred tax income and expense	4.4	(2.4)
Discounting of provisions for pensions & other similar benefits	(1.6)	4.5
Other items with no impact on cash	40.1	(5.8)
Income and expense with no impact on cash	**487.9**	**362.6**
CASH FLOW	**418.8**	**466.5**
Financial interest income and expense	50.4	47.8
Dividends received	-	-
Net tax expense payable	26.2	57.3
CASH FLOW BEFORE TAX, DIVIDENDS AND INTEREST	**495.4**	**571.6**

Additions and reversals on non-current assets and provisions for contingencies and expenses includes the amortization of the right-of-use asset pursuant to the application of IFRS 16. The increase in additions and reversals on non-current assets and provisions for contingencies and expenses is mainly linked to the provision of €85.0 million for French Competition Authority fines, which is a non-cash item.

Other non-cash items in 2023 include brand impairment and discounts on financial assets.

30.2 / Net cash flows from investing activities

The Group's net cash flows from investing activities include cash flows for acquisitions, disposals of property, plant and equipment and intangible assets and the change in payables on non-current assets (net operating investments), as well as acquisitions and disposals of subsidiaries net of cash acquired or transferred, acquisitions and disposals of other financial assets, and interest and dividends received (net financial investments).

The operating and financial investments made by the Group in 2023 amounted to €130.0 million. In 2022, they represented an expenditure of €130.6 million.

(€ million)	**2023**	**2022**
Acquisitions of intangible assets	(66.6)	(72.6)
Acquisitions of property, plant and equipment	(65.7)	(65.8)
Acquisitions of intangible assets and property, plant and equipment	**(132.3)**	**(138.4)**
Disposals of intangible assets and property, plant and equipment	16.9	7.0
Acquisitions of intangible assets, property, plant and equipment net of disposals	**(115.4)**	**(131.4)**
Change in payables on intangible assets, property, plant and equipment	(6.9)	8.5
Net operating investments	**(122.3)**	**(122.9)**
Net financial investments	(7.7)	(7.7)
CASH FLOWS FROM INVESTING ACTIVITIES	**(130.0)**	**(130.6)**

In 2023, the Group's net operating investments amounted to €115.4 million, compared to €131.4 million in 2022. In particular, investments were made in equipment to improve the energy efficiency of the Group's buildings, open new points of sale, renovate existing points of sale, expand logistics storage and delivery capacity, push forward with the convergence of the Fnac and Darty IT systems, and develop websites.

Generally, investments are made in order to support the Group's strategic plan, particularly the complementary features of the Fnac and Darty brands, the omnichannel platform and the digital segment.

The table below shows gross operating investments by geographical area for 2023 and 2022:

(€ million)	**France and Switzerland**	**Iberian Peninsula**	**Belgium and Luxembourg**	**Total**
2023				
Store investments (excluding IT)	21.6	2.9	3.8	28.3
IT investments	64.6	3.6	2.2	70.4
Logistics investments	10.6	3.1	0.3	14.0
Other operating investments	1.7	0.9	0.1	2.7
TOTAL OPERATING INVESTMENTS [(a)]	**98.5**	**10.5**	**6.4**	**115.4**
2022				
Store investments (excluding IT)	19.5	4.1	2.6	26.2
IT investments	74.0	3.5	2.1	79.6
Logistics investments	12.9	2.3	0.4	15.6
Other operating investments	9.7	0.2	0.1	10.0
TOTAL OPERATING INVESTMENTS [(a)]	**116.1**	**10.1**	**5.2**	**131.4**

(a) Total investments net of divestments.

The Group's net financial investments showed an outflow of €7.7 million in 2023, exactly the same as in 2022.

(€ million)	**2023**	**2022**
Acquisitions and disposals of subsidiaries net of cash acquired and transferred	(15.2)	(1.9)
Acquisitions of other financial assets	(3.0)	(11.0)
Sales of other financial assets	10.5	5.2
(NET) FINANCIAL INVESTMENTS	**(7.7)**	**(7.7)**

In 2023, net acquisitions and disposals of subsidiaries represented an outflow of €15.2 million related to the acquisition of MediaMarkt in Portugal (including €10.0 million for acquisition of equity investments and €5.2 million in financial debt owed by MediaMarkt Portugal).

In 2022, they represented a net outflow of €1.9 million linked to investments in associates, the acquisition of NeXT Services France and the payment of a price adjustment by a subsidiary.

In 2023, the acquisition of other financial assets for an outflow of €3.0 million mainly corresponds to various Group financial investments in the amount of €2.5 million and an outflow of €0.4 million corresponding to a call for funds issued by the Raise investment fund.

In 2022, they primarily concerned various financial investments made by the Group and, to a lesser extent, the provision of security deposits to lessors, for a total outflow of €11.0 million.

In 2023, the disposal of other financial assets for €10.5 million corresponds to the disposal of the Group's stake in the Daphni Purple investment fund.

In 2022, the €5.2 million included an inflow of €1.0 million corresponding to the disposal of Fnac Darty's entire holding in Izneo (i.e. 50% of capital), as well as an inflow of €4.2 million corresponding to a reimbursement of the nominal value of the shares held in the Daphni Purple fund for €4.6 million, partially offset by an additional call for funds in the amount of €0.4 million.

30.3 / Net cash flows from financing activities

Financing activities are activities that result in changes to the size and composition of the entity's contributions to equity and borrowings.

(€ million)	**2023**	**2022**
Purchases or sales of treasury stock	(9.1)	(1.0)
Dividends paid to shareholders	(21.4)	(55.0)
Bonds repaid	(17.6)	(1.4)
Repayment of leasing debt	(237.0)	(230.8)
Interest paid on leasing debt	(33.7)	(23.0)
Interest and equivalent payments	(22.5)	(24.1)
Financing of the Comet pension fund	(0.7)	(1.2)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(342.0)**	**(336.5)**

Net cash flows from financing activities amounted to a net outflow of €342.0 million in 2023, compared to €336.5 million in 2022.

In 2023:

- acquisitions of treasury stock for €9.1 million correspond to financial flows related to the acquisition of Fnac Darty shares under the liquidity agreement and the share buyback plan announced on October 26, 2023. As of December 31, 2023, the Group held 557,151 treasury shares;
- an ordinary dividend of €1.40 gross per share for 2022 (representing a total amount of €37.9 million) was paid on July 6, 2023, with €21.2 million paid in cash and shares with the issue of 535,616 new shares. In addition, a dividend of €0.2 million was paid by the Group's subsidiaries to minority shareholders;
- the €17.6 million loan repayment corresponds primarily to the first amortization on the loan from the European Investment Bank (original amount of €100 million);

- repayments of leasing debt and interest paid on leasing debt for a total of €270.7 million, in respect of rental payments falling within the scope of IFRS 16;
- net outflows for interest paid and similar items of €22.5 million mainly include interest paid on financing instruments and fees for the use and non-use of credit lines.

In 2022:

- acquisitions of treasury stock for €1.0 million corresponded to financial flows related to the acquisition of Fnac Darty shares carried out under the liquidity agreement. As of December 31, 2022, the Group held 142,697 treasury stocks;
- an ordinary dividend of €2.00 gross per share for 2021, representing a total amount of €53.5 million, was paid in cash as of June 23, 2022. As of December 31, 2022, dividends paid in the amount of €55.0 million were composed of €53.5 million of dividends paid by Fnac Darty to its shareholders and €1.5 million of dividends paid by Group subsidiaries to minority shareholders;
- repayments of leasing debt and interest paid on leasing debt for a total of €253.8 million, in respect of rental payments falling within the scope of IFRS 16;
- net outflows for interest paid and similar items of €24.1 million mainly included interest paid on financing instruments and fees for the use and non-use of credit lines. They also included the costs of setting up the additional delayed drawn term loan (DDTL) credit line for €1.2 million, as well as costs relating to the extension of the RCF credit line for €0.3 million.

30.4 / Financing of the Comet pension fund

Financing of the Comet pension fund includes, for 2023 and 2022, management fees of the British Comet pension fund holding the pension liabilities for former Comet employees in the UK.

NOTE 31 Non-current assets held for sale and discontinued operations

A discontinued operation that was sold or is held for sale is defined as a component of an entity that has separate cash flows from the rest of that entity and that represents a principal and distinct business line or region. Over the reported periods, the income from these activities is presented on a separate line in the income statement, under “Discontinued operations,” and is restated in the cash flow statement.

31.1 / Net income from discontinued operations

(€ million)	**2023**	**2022**
INCOME FROM ORDINARY ACTIVITIES	**-**	**-**
Cost of sales	-	-
GROSS MARGIN	**-**	**-**
Personnel expenses	-	-
Other current operating income and expense	-	-
CURRENT OPERATING INCOME	**-**	**-**
Other non-current operating income and expense	124.7	(132.0)
OPERATING INCOME	**124.7**	**(132.0)**
(Net) financial expense	-	-
PRE-TAX INCOME	**124.7**	**(132.0)**
Income tax	-	-
NET INCOME	**124.7**	**(132.0)**

In 2023, net income from discontinued operations represented a gain of €124.7 million, compared to a loss of €132.0 million in 2022.

In February 2020, Fnac Darty confirmed that it had been served a notice of dispute by the liquidator of Comet Group Limited against Darty Holdings SAS, in its capacity as successor to Kesa International Limited (KIL). In 2012, Kesa Holdings Limited, now dissolved, sold Comet Group, whose business was running electronic consumer goods stores in the United Kingdom. The liquidator alleges that, in February 2012, prior to the acquisition of Darty by Fnac in 2016, Comet repaid an intra-group debt to KIL, at a time when Comet was already insolvent. The Fnac Group was not made aware of this matter at the time of its acquisition of Darty. On November 17, 2022, the High Court of Justice in London ordered Darty Holdings SAS, a subsidiary of Fnac Darty, to pay a total of £111.9 million (including £89.6 million in penalties and £22.3 million in interest and legal costs) with regard to the sale of Comet Group Limited by the Kesa group in 2012. In the context of this dispute, Fnac Darty has, from the outset, taken the necessary measures to defend its interests by launching a legal challenge against the ruling of the High Court in London. On October 9, 2023, the Court of Appeal overturned the first instance judgment and ruled in favor of Darty Holdings. As a result of the judgment being overturned, the Group received a partial reimbursement of £83.5 million on October 30, 2023. On November 3, 2023, the liquidator filed an application for leave to appeal with the Supreme Court.

On February 12, 2024, the Supreme Court in London rejected the appeal of the liquidator for Comet Group Limited against the judgment handed down by the London Court of Appeal in October 2023 in favor of Darty Holdings SAS, a subsidiary of Fnac Darty. This decision definitively concludes the dispute related to the disposal of Comet Group Limited in 2012. Fnac Darty is expected to receive the balance of the sum initially paid in December 2022 along with the reimbursement of legal costs and interest. The positive impact of this on its cash flow is estimated to be at least €40 million.

In 2023, other non-current operating income and expenses totaled €124.7 million, mainly made up of the reversal of the provision of €130.1 million following the decision of the Supreme Court in London on February 12, 2024, and attorney fees and costs of proceedings related to the Comet lawsuit for €5.9 million.

In 2022, the result from discontinued operations was primarily related to the adverse outcome in the first instance of the legal proceedings in respect of the dispute relating to the disposal of the Comet Group Limited in 2012, for which the Group was ordered to pay €129.3 million (£111.9 million, of which £89.6 million in penalties and £22.3 million in interest and legal costs). The result of -€132.0 million also included €2.6 million in attorney fees incurred in connection with this dispute.

31.2 / Net cash flows from discontinued operations

(€ million)	**2023**	**2022**
Net cash flows from operating activities	87.9	(131.1)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
NET CASH FLOWS FROM DISCONTINUED OPERATIONS	**87.9**	**(131.1)**

The net cash flows from discontinued operations in 2023 represented a net inflow of €87.9 million, related firstly to the partial reimbursement of £83.5 million (€95.8 million) received in connection with the Comet lawsuit, and secondly to the payment of attorney fees and similar expenses in 2023, amounting to €7.9 million for the purposes of this lawsuit.

The net cash flows from discontinued operations in 2022 amounted to a net outflow of €131.1 million, mainly related to the adverse outcome in the first instance of the legal proceedings relating to the lawsuit over the disposal of Comet.

31.3 / Assets held for sale and payables associated with assets held for sale

No assets held for sale or debt associated with assets held for sale are included in the Group's financial statements as of December 31, 2023, and December 31, 2022.

NOTE 32 Contingent liabilities, unrecognized contractual commitments and contingent risks

32.1 / Contractual obligations

The table below sets out all of the Group's contractual commitments and obligations, excluding the commitments relating to employee benefits detailed in note 26.

	Payments due according to maturity			
(€ million)	Less than one year	One to five years	More than five years	2023
Irrevocable purchase obligations	2.3	0.5	-	2.8
TOTAL COMMITMENTS GIVEN	**2.3**	**0.5**	**-**	**2.8**

	Payments due according to maturity			
(€ million)	Less than one year	One to five years	More than five years	2022
Irrevocable purchase obligations	3.3	0.8	0.3	4.4
TOTAL COMMITMENTS GIVEN	**3.3**	**0.8**	**0.3**	**4.4**

32.2 / Pledges and guarantees

As of December 31, 2023 and December 31, 2022, no pledges had been made by the Group.

32.3 / Other commitments

Other commitments are as follows:

	Payments due according to maturity				
(€ million)	Less than one year	One to five years	More than five years	2023	2022
Amount of credit facility not used at period-end	-	500.0	-	500.0	500.0
Amount of undrawn additional credit line (DDTL)	-	300.0	-	300.0	300.0
Other guarantees received	29.3	34.7	15.5	79.5	86.6
TOTAL COMMITMENTS RECEIVED	**29.3**	**834.7**	**15.5**	**879.5**	**886.6**
Rent guarantees and real estate guarantees	3.4	12.1	21.9	37.4	41.5
Other commitments	123.3	19.8	69.1	212.2	218.3
TOTAL COMMITMENTS GIVEN	**126.7**	**31.9**	**91.0**	**249.6**	**259.8**

The revolving credit facility (RCF) in the amount of €500 million and the DDTL in the amount of €300 million had not been not drawn down as of December 31, 2023.

Other commitments given include a £60 million (equivalent to €67.7 million) 20-year guarantee given in 2017 (maturing July 31, 2037) by the Group to secure its obligations in the Comet pension fund in the UK.

32.4 / Group dependence on patents, licenses or supply contracts

The Group is not heavily dependent on patents, licenses or supply contracts.

32.5 / Proceedings and litigation

The Group's companies are involved in a certain number of lawsuits and legal actions during the normal course of business, including disputes with tax, employment and customs authorities. Provisions have been recorded for the expenses that the Group's companies and businesses and their experts consider likely to be incurred.

Litigation by the liquidator of Comet Group Limited against Darty Holdings SAS

On February 3, 2020, Fnac Darty confirmed that a claim had been brought by the liquidator of Comet Group Limited against Darty Holdings SAS for approximately £83 million. Darty Holdings SAS, a Group subsidiary, in its capacity as successor to Kesa International Limited (KIL), sold the British electrical retail chain Comet Group in 2012. The liquidator alleges that, in February 2012, prior to the acquisition of Darty by Fnac in 2016, Comet repaid an intra-group debt to KIL, at a time when Comet was already insolvent. The Fnac Group was not made aware of this matter at the time of its acquisition of Darty. The Group vigorously challenges the merits of the claim and has taken appropriate measures to protect its interests.

A preliminary question to the continuation of the main proceedings was raised in 2020 concerning the applicability to the case of Section 239 of the Insolvency Act 1986, a prerequisite for the admissibility of the dispute. At the end of proceedings on this preliminary issue, which was argued on appeal before the High Court in March 2021, an order dated April 23, 2021, concluded that the conditions of Section 239 of the Insolvency Act 1986 applied to the case at hand.

Following a ruling handed down on November 17, 2022, the High Court ordered Darty Holdings to reimburse the liquidator a total of £111.9 million, which included interest accrued prior to the ruling, and the reimbursement of a portion of the costs incurred by the liquidator. The judge ruled that the relevant amount must be paid to the Court pending appeal, with post-ruling interest at the rate of 8% (but noted that the parties could reach an agreement on this point). In return for tying up this sum, Darty Holdings received interest at the court rate determined each month. In addition, the judge granted Darty Holdings permission to lodge an appeal against the ruling on a number of the grounds presented.

By an order of March 21, 2023, the judge ordered that part of this amount, amounting to £36.3 million, be paid to the liquidator. This reduced the amount deposited with the Court on which Darty Holdings was paying interest.

By a ruling dated October 9, 2023, the Court of Appeal overturned the judgment of the High Court in its entirety. Consequently, the Court of Appeal ordered that all sums held by the Court be returned to Darty Holdings. On 27 October 2023, £81.1 million was therefore transferred to Darty Holdings (i.e. the amount held by the court plus accrued interest). It also ordered the liquidator to reimburse the balance of £36.3 million that the Court had paid to the liquidator in March 2023, plus interest, with the payment of this amount conditional on the Supreme Court rejecting the application for leave to appeal filed by the liquidator in November 2023. Finally, the Court ordered the liquidator to pay a portion of the costs of proceedings incurred by Darty Holdings. Following the ruling on the appeal, Darty Holdings received a total of £83.5 million in the third quarter of 2023.

On November 3, 2023, the liquidator filed an application for leave to appeal the judgment of the Court of Appeal with the Supreme Court.

On February 12, 2024, the Supreme Court in London rejected the appeal of the liquidator for Comet Group Limited against the judgment handed down by the London Court of Appeal in October 2023 in favor of Darty Holdings SAS, a subsidiary of Fnac Darty. This decision definitively concludes the dispute related to the disposal of Comet Group Limited in 2012. Fnac Darty is expected to receive the balance of the sum initially paid in December 2022 along with the reimbursement of legal costs and interest. The positive impact of this on its cash flow is estimated to be at least €40 million.

Disputes over the Fnac Connect Format

In 2016, Fnac Darty launched a franchise format called Fnac Connect, dedicated to the sale of telephony and mobile products in small stores. Since 2019 and the Covid crisis, complaints have been received from franchisees about this format. The Group is seeking amicable solutions with the five franchise groups that opened the fifteen stores of this type either to abandon or to adapt the Fnac Connect concept. To this end, negotiations are underway with these various partners. Lastly, a dispute is still ongoing with a group of franchisees.

Summonses by some members of the Fnac Darty Franchisees Group

In July 2020, Fnac Darty was served with two summonses to appear before the Commercial Court of Paris by some of the franchisees belonging to the Fnac Darty Franchisees Group.

The first dispute, for around €2.2 million, mainly concerns the processing of online Click&Collect sales at franchised stores, an issue that many franchise networks are facing in view of the growth in online sales across all sectors. The Group and Darty brought this case before the arbitrator of the Paris Commercial Court and, following several arbitration meetings, an agreement was reached under which Darty will pay each franchisee a credit note representing a total value of €300,000 for the whole of the dispute, relating to deferred rates of earnings. This agreement was ratified in a protocol approved by the judge on June 21, 2021.

The second dispute, for around €12.8 million, is based on allegations that seek to have Fnac Darty cover the impact of the closure of Darty franchised stores during the lockdown period. Fnac Darty firmly disputes the merits of this claim. The dispute was discussed in arbitration before the Paris Commercial Court but the parties did not reach an agreement, and proceedings remain pending. The parties exchanged several sets of findings, and speeches for the defense were scheduled for January 16, 2023 before the Paris Commercial Court. The Paris Commercial Court dismissed all of the claimants' requests. The Fnac Darty Franchisees Group did not contest this judgment. However, the franchisees who were party to the proceedings before the Commercial Court appealed against the judgment handed down on February 28, 2023.

Objection issued by the French Competition Authority

At the end of February 2023, several stakeholders in the domestic appliances manufacturing and retail sector (including Darty) received a statement of objections from the investigation services of the French Competition Authority (Autorité de la Concurrence – ADLC) in which a number of suppliers were accused of having taken part in a vertical agreement with some of their retailers.

Of all the objections issued by the French Competition Authority's services, only one was aimed at on Darty. This objection spans a limited period that ended in December 2014, prior to Fnac's acquisition of Darty in 2016. Moreover, this objection relates to a limited number of well-identified product categories only.

In order to bring a swift end to this complex procedure and to be able to devote all its resources to the operational implementation of its strategic plan Everyday, Fnac Darty decided on June 28, 2023 not to challenge the only objection of which it has been notified and to request a settlement proposal, as provided for in Article L. 464-2 of the French Commercial Code.

This decision does not constitute an admission or acknowledgement of liability on Darty's part.

The exact amount of the penalty that could be imposed on Darty will not be known until the settlement proposal is received; in principle, this is expected during 2024. In anticipation of the French Competition Authority's decision to be made on that date, the Group made a provision for the sum of €85.0 million.

According to their experts, none of the disputes in which the Group's companies or businesses are involved threatens the Group's normal and foreseeable course of business or its planned development.

The Group is not aware, to the best of its knowledge, of any litigation (including any proceedings that the Group may be aware of, that may be in progress or that may have been threatened) involving material risks likely to affect its net assets, income or financial position for which an estimated provision had to be recorded at period-end. No individual lawsuit is material at the Company or Group level. The Group has no knowledge of any other litigation or arbitration that could have or may recently have had a material impact on the financial position, business or income of the Company or the Group.

The main risks and uncertainties for the remaining six months of the financial year are of the same nature as those presented for the entire financial year and which are outlined in Chapter 5 "Risk factors and management" of the Universal Registration Document filed with the AMF (www.amf-france.org and www.fnacdarty.com). Other risks of which Fnac Darty is not currently aware may have a negative impact on its business and results.

NOTE 33 Exposure to market risk, interest rate risk, currency risk and share price fluctuations

As of December 31, 2023, exposure to various market risks was as follows:

33.1 / Exposure to interest rate risks

Exposure to interest rate risk comprises floating-rate financial assets and liabilities exposed to cash flow risk as follows:

		2023 schedule		
(€ million)	**2023**	**Less than one year**	**One to five years**	**More than five years**
Investment securities and cash	1,031.3	1,031.3	-	-
FLOATING-RATE FINANCIAL ASSETS	**1,031.3**	**1,031.3**	**-**	**-**
Other financial debt	-	-	-	-
FLOATING-RATE FINANCIAL LIABILITIES	**-**	**-**	**-**	**-**

		2022 schedule		
(€ million)	**2022**	**Less than one year**	**One to five years**	**More than five years**
Investment securities and cash	690.4	690.4	-	-
FLOATING-RATE FINANCIAL ASSETS	**690.4**	**690.4**	**-**	**-**
Other financial debt	-	-	-	-
FLOATING-RATE FINANCIAL LIABILITIES	**-**	**-**	**-**	**-**

Interest rate risk sensitivity analysis

The Group's debt currently consists mainly of fixed-rate financing. It mainly comprises two bond issues for a total amount of €650 million, the OCEANE bonds for €200 million and the European Investment Bank loan for €83.3 million. The Group is therefore not exposed to interest rate risk.

(€ million)	**Impact on income**
As of December 31, 2023	
Change of +50 basis points	-
Change of -50 basis points	-

33.2 / Exposure to currency risks

Fnac Darty uses forward exchange instruments to manage currency risk and thus hedge its commercial export and import risks.

In addition, the Group may implement simple optional strategies (purchase of options or collars) to hedge future exposure.

In accordance with IFRS 9, these derivative instruments are analyzed with regard to hedge accounting eligibility criteria. These foreign exchange derivative instruments are recognized on the balance sheet at their market value at period-end.

Fnac Darty's currency derivative instruments managed for hedging purposes are not documented as part of the IFRS 9 hedge accounting and are therefore recognized as derivative instruments for which a change in fair value impacts other comprehensive income items.

As of December 31, 2023, and December 31, 2022, these derivative instruments mainly comprised a currency hedge contract in dollars.

(€ million)	2023	US dollar
HEDGING DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS	**54.2**	**54.2**
Forwards & forward swaps	54.2	54.2

(€ million)	2022	US dollar
HEDGING DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS	**89.8**	**89.8**
Forwards & forward swaps	89.8	89.8

The Group's balance sheet exposure to non-euro currencies as of December 31, 2023 was as follows:

(€ million)	2023	US dollar	Swiss franc	Hong Kong dollar	Pound Sterling
Exposed trade receivables	1.9	1.9	-		-
Other exposed financial assets	38.9	8.8	28.3	1.8	-
Exposed trade payables	27.6	-	26.7	0.9	-
Exposed financial debt	-	-	-	-	-
GROSS BALANCE SHEET EXPOSURE	**13.2**	**10.7**	**1.6**	**0.9**	**-**
Hedging instruments	10.7	10.7	-	-	-
GROSS EXPOSURE AFTER MANAGEMENT	**2.5**	**-**	**1.6**	**0.9**	**-**

(€ million)	2023	US dollar	Swiss franc	Hong Kong dollar	Pound Sterling
Monetary assets	40.8	10.7	28.3	1.8	-
Monetary liabilities	27.6	-	26.7	0.9	-
GROSS BALANCE SHEET EXPOSURE	**13.2**	**10.7**	**1.6**	**0.9**	**-**
Hedging instruments	-	-	-	-	-
GROSS EXPOSURE AFTER MANAGEMENT	**13.2**	**10.7**	**1.6**	**0.9**	**-**

Trade receivables and payables in currencies exposed to currency risk concern current operations only.

Other exposed financial assets consist of loans and receivables, as well as bank balances, investments and cash equivalents with maturities of less than three months at the acquisition date.

The Group's currency risk management policy consists of reducing the currency risk inherent in Group entities' activities by establishing price policies and gross margins on the Group's imports and exports before the entity is committed, and prohibiting any speculation. The management of currency risk is governed by an internal procedure aimed at hedging risks as soon as they are identified.

Currency risk sensitivity analysis

Sensitivity analysis excludes the impact related to the translation of the financial statements of each Fnac Darty entity into its reporting currency (the euro) as well as the valuation of the balance sheet foreign exchange position, which is considered non-material as of period-end.

Based on market data at period-end, the impact of currency derivative instruments would be non-material in the event of an immediate 10% change in the exchange rates between the euro and the main currencies to which the Group is most exposed (primarily the US dollar).

33.3 / Exposure to risks of share price fluctuations

In the context of its current operations, the Group trades the shares issued by the Group. As of December 31, 2023, no derivative instrument was used to hedge equity risk in the sense of IFRS 9.

33.4 / Other market risks – credit risks

Given the large number of customers, there is no concentrated credit risk on the receivables held by the Group. In general, the Group does not consider itself to be exposed to a particular credit risk on its financial assets.

33.5 / Liquidity risk

Management of the liquidity risk of the Group and each of its subsidiaries is closely and periodically assessed using its financial reporting procedures.

The analysis below sets forth the contractual commitments related to financial debt and trade payables, including interest. Future cash flows shown have not been discounted.

Based on the data at period-end, the cash flows shown are not expected to be generated early or in significantly different amounts than those shown in the maturity schedule.

Cash flow relating to currency derivatives is not material.

	2023				
(€ million)	**Book value**	**Cash flows**	**Less than one year**	**One to five years**	**More than five years**
Other financial debt	2,067.6	(2,067.6)	(565.1)	(1,291.8)	(210.7)
Trade payables	2,152.7	(2,152.7)	(2,152.7)	-	-
TOTAL	**4,220.3**	**(4,220.3)**	**(2,717.8)**	**(1,291.8)**	**(210.7)**

	2022				
(€ million)	**Book value**	**Cash flows**	**Less than one year**	**One to five years**	**More than five years**
Other financial debt	2,077.3	(2,077.3)	(263.1)	(1,575.6)	(238.6)
Trade payables	1,965.1	(1,965.1)	(1,965.1)	-	-
TOTAL	**4,042.4**	**(4,042.4)**	**(2,228.2)**	**(1,575.6)**	**(238.6)**

NOTE 34 Accounting classification and market value of financial instruments

IFRS 13 requires the ranking of different valuation techniques for each of the financial instruments. As a result, the Group distinguishes three categories of financial instruments based on the two valuation methods used (quoted prices and valuation techniques) and uses this classification, in compliance with international accounting standards, to show the features of the financial instruments recognized on the balance sheet at fair value through profit or loss at the closing date:

- **level 1 category:** financial instruments quoted on an active market;
- **level 2 category:** financial instruments for which the fair value measurement uses valuation techniques based on observable market parameters; and
- **level 3 category:** financial instruments for which the fair value measurement uses valuation techniques based on unobservable parameters (parameters whose value is produced by assumptions that are not based on observable transaction prices on the markets on the same instrument, or on observable market data available at period-end) or on parameters that are only partially observable.

(€ million)	2023 Breakdown by accounting classification						2022
	Market value	Balance sheet value	Fair value through profit or loss	Fair value through equity	Amortized cost	Valuation level	Balance sheet value
NON-CURRENT ASSETS							
Non-current financial assets	**22.1**	**22.4**	**1.4**	**-**	**21.0**	-	**44.4**
Debt instruments at fair value	*1.4*	*1.4*	*1.4*	-	-	*Level 2*	*23.7*
Deposits and guarantees	*20.4*	*20.8*	-	-	*20.7*	*Level 3*	*20.4*
Other non-current financial assets	*0.3*	*0.2*	-	-	*0.3*	*Level 3*	*0.3*
CURRENT ASSETS							
Trade receivables	**188.7**	**188.7**	**-**	**-**	**188.7**	**Level 3**	**249.5**
Other current financial assets	**22.4**	**22.4**	**15.8**	**-**	**6.6**	**-**	**19.1**
Derivative instrument assets with hedge accounting	-	-	-	-	-	*Level 2*	-
Other current financial assets	*22.4*	*22.4*	*15.8*	-	*6.6*	*Level 1*	*19.1*
Cash and cash equivalents	**1,121.3**	**1,121.3**	**1,121.3**	**-**	**-**	**Level 1**	**931.7**
NON-CURRENT LIABILITIES							
Long-term borrowings and financial debt	**1,474.9**	**1,502.5**	**-**	**-**	**1,502.5**	**-**	**1,814.2**
2026 bonds	*336.7*	*350.0*	-	-	*350.0*	*Level 1*	*350.0*
2024 bonds	-	-	-	-	-	*Level 1*	*300.0*
Long-term leasing debt	*898.3*	*898.3*	-	-	*898.3*	*Level 3*	*896.9*
European Investment Bank loan	*66.6*	*66.6*	-	-	*66.6*	*Level 3*	*83.3*
Financial debt component of the OCEANE bonds	*173.3*	*187.6*	-	-	*187.6*	*Level 1*	*184.0*
Other financial debt	-	-	-	-	-	-	*(0.0)*
CURRENT LIABILITIES							
Short-term borrowings and financial debt	**563.0**	**565.1**	**-**	**-**	**565.1**	**-**	**263.1**
2024 bonds	*297.9*	*300.0*	-	-	*300.0*	*Level 1*	-
European Investment Bank loan	*16.7*	*16.7*	-	-	*16.7*	*Level 3*	*16.7*
Capitalized interest on bond issues	*1.3*	*1.3*	-	-	*1.3*	*Level 3*	*1.3*
Short-term leasing debt	*246.4*	*246.4*	-	-	*246.4*	*Level 3*	*243.6*
Other financial debt	0.7	0.7	-	-	0.7	*Level 3*	1.5
Other current financial liabilities	**9.1**	**9.1**	**-**	**0.4**	**8.7**	**-**	**10.2**
Derivative instrument liabilities with hedge accounting	*0.4*	*0.4*	-	*0.4*	-	*Level 2*	*0.3*
Other current financial liabilities	*8.7*	*8.7*	-	-	*8.7*	*Level 3*	*9.9*
Trade payables	**2,152.7**	**2,152.7**	**-**	**-**	**2,152.7**	**Level 3**	**1,965.1**

NOTE 35 Related party transactions

Related party having control over Fnac Darty

As of December 31, 2023

As of December 31, 2023, Vesa Equity Investments held 29.99% of the share capital and 30.60% of the exercisable voting rights in Fnac Darty. There were no transactions between any Fnac Darty consolidated companies and VESA Equity Investments. Vesa Equity does not have a representative on the board of Fnac Darty.

As of December 31, 2023, the Ceconomy Retail International group held 23.41% of the equity and 23.89% of the exercisable voting rights of Fnac Darty. In 2023, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group. Ceconomy does not have a representative on the board of Fnac Darty.

As of December 31, 2023, Glas SAS held 10.89% of the equity and 11.12% of the exercisable voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Glas SAS is not a related party. The Fnac Darty securities formerly held by Indexia Développement were pledged to ICG and were transferred to Glas SAS in 2023.

As of December 31, 2022

As of December 31, 2022, the Ceconomy Retail International group held 24.20% of the equity and 24.32% of the exercisable voting rights of Fnac Darty. In 2022, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group. Ceconomy did not have a representative on the board of Fnac Darty.

As of December 31, 2022, Vesa Equity Investments held 23.05% of the share capital and 23.17% of the exercisable voting rights in Fnac Darty. There were no transactions between any Fnac Darty consolidated companies and VESA Equity Investments. Vesa Equity does not have a representative on the board of Fnac Darty.

As of December 31, 2022, Indexia Développement, formerly SFAM Group, held 11.26% of the share capital and 11.32% of the exercisable voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement was not a related party.

NOTE 36 Compensation of executive officers

Short-term benefits

The scope for the principal executives corresponds to the Executive Committee of the Group. The compensation recorded as expense was the following:

(€ million)	2023 [a]	2022 [a]
Short-term benefits	6.5	8.5
Severance packages	-	-

(a) Amounts including employee social security expenses.

Long-term benefits

In 2023, two multi-year variable compensation plans based on bonus shares expired.

In 2023, a multi-year variable compensation scheme in the form of a performance share award expired.

In line with IFRS 2, the number of instruments expiring, canceled and allotted during the year was updated. The volatility rate of the Fnac Darty share price was set at 35% for plans granted in 2020 and 2021, 27% for plans granted in 2022 and 34% for plans granted in 2023. This does not affect the plans linked to the securitization of the individual variable.

The expense measured in accordance with IFRS 2 of this multi-year compensation plan amounted to €3.8 million expensed in 2022 (of which €1.6 million under IAS 19) and €3.6 million expensed in 2023. Final vesting of this multi-year plan is subject to performance and continued employment conditions. All these plans are listed in note 7.

The 2020 bonus share plan expired on May 27, 2023. In light of the Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) compared to that of companies in the SBF 120, the achievement of a target level of free cash flow, and the performance condition linked to the Company's corporate social responsibility assessed via analysis of the Group's non-financial ratings (outlined in note 7.2), 70% of the shares were vested for the beneficiaries in service on May 27, 2023.

NOTE 37 Statutory Auditors' fees

The fees (excluding taxes) paid to the Statutory Auditors of Fnac Darty, the parent company of the Group and associated network, can be analyzed as follows:

	2023							
	Deloitte & Associés				KPMG			
	Statutory Auditors		Network		Statutory Auditors		Network	
(€ million)	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of parent company and consolidated financial statements								
■ Issuer	0.3	38%	-	0%	0.3	33%	-	0%
■ Fully consolidated subsidiaries	0.4	50%	0.3	100%	0.5	56%	0.1	100%
SUBTOTAL	**0.7**	**88%**	**0.3**	**100%**	**0.8**	**89%**	**0.1**	**100%**
Services other than certification of financial statements								
■ Issuer	0.1	12%	-	0%	0.1	11%	-	0%
■ Fully consolidated subsidiaries	-	0%	-	0%	-	0%	-	0%
SUBTOTAL	**0.1**	**12%**	**-**	**0%**	**0.1**	**11%**	**-**	**0%**
TOTAL	**0.8**	**100%**	**0.3**	**100%**	**0.9**	**100%**	**0.1**	**100%**

	2022							
	Deloitte & Associés				KPMG			
	Statutory Auditors				Network			
(€ million)	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of parent company and consolidated financial statements								
■ Issuer	0.3	43%	-	0%	0.2	29%	-	0%
■ Fully consolidated subsidiaries	0.4	57%	0.2	100%	0.5	71%	0.1	50%
SUBTOTAL	**0.7**	**100%**	**0.2**	**100%**	**0.7**	**100%**	**0.1**	**50%**
Services other than certification of financial statements								
■ Issuer	-	0%	-	0%	-	0%	-	0%
■ Fully consolidated subsidiaries	-	0%	-	0%	-	0%	0.1	50%
SUBTOTAL	**-**	**0%**	**-**	**0%**	**-**	**0%**	**0.1**	**50%**
TOTAL	**0.7**	**100%**	**0.2**	**100%**	**0.7**	**100%**	**0.2**	**100%**

Services other than certification of the financial statements consist primarily of the provision of consulting services with regard to internal control, technical matters, various certifications, the independent third-party body report and the issuance of comfort letters.

NOTE 38 Post-balance sheet events

Fnac Darty will propose that the General Meeting scheduled for May 29, 2024 approves the distribution of a dividend of €0.45 per share. This amount represents a 39% payout ratio, calculated on the net income, Group share, from continuing operations – adjusted [1].This is in line with the shareholder return policy presented in the strategic plan Everyday.

The ex-date is July 3, 2024 and the payment date is July 5, 2024.

(1) Corresponds to the current net income, Group share of continuing operations, excluding IFRS 16 and adjusted according to the provision relating to the planned settlement with the French Competition Authority (€86 million) and brand impairments (€20 million).

NOTE 39 List of subsidiaries consolidated as of December 31, 2023

The Group's subsidiaries are as follows:

- Fully consolidated: F
- Consolidated under the equity method: E

Company	% interest December 31, 2023		December 31, 2022	
Fnac Darty (parent company)				
FNAC BRAND				
France				
123Billets (BilletReduc.com)	F	52.00	F	52.00
Alizé – SFL	F	100.00	F	100.00
Codirep	F	100.00	F	100.00
CTS EVENTIM France	F	52.00	F	52.00
Fnac Accès	F	100.00	F	100.00
Fnac Appro Groupe	F	100.00	F	100.00
Fnac Darty 3	F	100.00	F	100.00
Fnac Darty 4	F	100.00	F	100.00
Fnac Darty Captive Solutions	F	100.00	F	100.00
Fnac Darty Participations Et Services	F	100.00	F	100.00
Fnac Direct	F	100.00	F	100.00
Fnac Logistique	F	100.00	F	100.00
Fnac Paris	F	100.00	F	100.00
Fnac Périphérie	F	100.00	F	100.00
Fnac Tourisme			Merged in September 2022	
France Billet	F	52.00	F	52.00
Izneo			Sold in May 2022	
Minteed	E	25.00	E	25.00
MSS	F	100.00	F	100.00
Relais Fnac	F	100.00	F	100.00
Repair & Run	E	18.03	E	18.03
Tick & Live	F	26.00	F	26.00
WeFix	F	100.00	F	100.00
WeFix Immo	F	100.00	F	100.00
Belgium				
Belgium Ticket	F	39.00	F	39.00
Fnac Belgium	F	100.00	F	100.00
WeFix Belgique	F	100.00	F	100.00
Luxembourg				
Fnac Luxembourg	F	100.00	F	100.00
Spain				
Fnac España	F	100.00	F	100.00
Monaco				
Fnac Monaco	F	100.00	F	100.00

Company	% interest December 31, 2023		% interest December 31, 2022	
Portugal				
Fnac Portugal	F	100.00	F	100.00
MediaMarkt Holding	F	100.00	Acquired in September 2023	
MediaMarkt Siege	F	100.00	Acquired in September 2023	
MediaMarkt Online	F	100.00	Acquired in September 2023	
MediaMarkt Alfragide	F	100.00	Acquired in September 2023	
MediaMarkt Aveiro	F	100.00	Acquired in September 2023	
MediaMarkt Benfica	F	100.00	Acquired in September 2023	
MediaMarkt Braga	F	100.00	Acquired in September 2023	
MediaMarkt Gaia	F	100.00	Acquired in September 2023	
MediaMarkt Leiria	F	100.00	Acquired in September 2023	
MediaMarkt Matosinhos	F	100.00	Acquired in September 2023	
MediaMarkt Parque Nascente	F	100.00	Acquired in September 2023	
MediaMarkt Setubal	F	100.00	Acquired in September 2023	
MediaMarkt Sintra	F	100.00	Acquired in September 2023	
MediaMarkt Plaza	F	100.00	Acquired in September 2023	
MediaMarkt 14	F	100.00	Acquired in September 2023	
Switzerland				
Fnac Suisse	F	100.00	F	100.00
Swissbillet	F	100.00	F	100.00
Germany				
WeFix (Germany)			Dissolved in April 2022	
DARTY BRAND				
United Kingdom				
Darty Limited	F	100.00	F	100.00
Kesa Holdings Limited			Dissolved in March 2022	
France				
A2I Darty Ouest SNC	F	99.71	F	99.71
A2I Darty Rhône Alpes SNC	F	99.71	F	99.71
A2I Ile de France SNC	F	99.71	F	99.71
Compagnie Européenne de Commerce et de Distribution SAS (C.E.C.D)	F	100.00	F	100.00
Darty Développement SAS	F	99.71	F	99.71
Darty Grand Est SNC	F	99.71	F	99.71
Darty Grand Ouest SNC	F	99.71	F	99.71
Darty Holdings SAS	F	100.00	F	100.00
Établissements Darty & Fils SAS	F	99.71	F	99.71
Fnac Darty Services	F	100.00	F	100.00
Kesa France SA	F	99.71	F	99.71
Next Services France	Merged in January 2023		F	100.00
Participations Distribution Services SNC	F	99.71	F	99.71

Company	% interest			
	December 31, 2023		December 31, 2022	
Belgium				
Fnac Vanden Borre	F	100.00	F	100.00
New Vanden Borre transport N.V.	F	100.00	F	100.00
VDBK (Vanden Borre Kitchen)	E	50.00	E	50.00
Other countries				
Fnac Darty Asia Consulting (CH)	F	100.00	F	100.00
Fnac Darty Asia limited (HK)	F	100.00	F	100.00
NATURE & DÉCOUVERTES BRAND				
France				
Nature & Découvertes	F	100.00	F	100.00
Terre d'Oc évolution	F	100.00	F	100.00
Belgium				
Nimmer Dor Belgie	F	100.00	F	100.00
Luxembourg				
Nimmer Dor Luxembourg	F	100.00	F	100.00
Germany				
Nature & Découvertes Deutschland	F	100.00	F	100.00

NOTE 40 Exchange rates used for the translation of companies working with foreign currency

The following exchange rates were used for the translation of Group companies earning in a foreign currency:

for €1	2023		2022	
	Closing rate	Average rate	Closing rate	Average rate
Pound sterling	0.87	0.87	0.89	0.85
Swiss franc	0.93	0.97	0.98	1.00

The Group's consolidated financial statements are presented in euros. The financial statements of each of the Group's consolidated companies are prepared in their respective functional currencies, i.e. the currency of the main economic environment in which the company operates and therefore the local currency. The financial statements of companies whose functional currency is not the euro are translated into euros as indicated below:

- items on the statement of financial position are translated into euros on the basis of the applicable exchange rates at the period-end date;
- items on the income statement are translated into euros using the average exchange rate over the reporting period provided this is not called into question by significant fluctuations in the rates; and
- any difference between the translation of the statement of financial position at the closing rate and the translation of the income statement at the average exchange rate over the period is recognized in other items of comprehensive income, which may be reclassified subsequently to profit or loss on the translation differences line.

4.3 / Parent company financial statements as of December 31, 2023 and 2022

Income statement

(€ million)	Notes	2023	2022
Operating income		11.1	10.8
Operating expenses		(14.7)	(15.1)
OPERATING INCOME (LOSS)	**3**	**(3.6)**	**(4.3)**
Charges and interest on debt owed to non-Group entities		(27.0)	(19.2)
Sales of Marketable Securities		-	-
Additions/reversals of impairment provisions		(1.0)	22.1
Other financial income and expense		17.0	2.4
NET FINANCIAL INCOME	**4**	**(11.0)**	**5.3**
CURRENT INCOME (LOSS) BEFORE TAX		**(14.6)**	**1.0**
Non-recurring income	5	(8.0)	(1.7)
Employee profit-sharing		-	-
Income tax	6	73.1	32.8
NET INCOME FOR THE PERIOD		**50.5**	**32.1**

Balance sheet assets

(€ million)	Notes	Gross value	Amortization, depreciation, provisions	As of December 31, 2023 Net value	As of December 31, 2022 Net value
NON-CURRENT ASSETS					
Equity investments		1,955.2	-	1,955.2	1,955.2
Other non-current financial assets		293.4	-	293.4	295.0
TOTAL NON-CURRENT FINANCIAL ASSETS	**7**	**2,248.6**	**-**	**2,248.6**	**2,250.2**
Property, plant and equipment and intangible assets	8	-	-	-	-
TOTAL NON-CURRENT ASSETS		**2,248.6**	**-**	**2,248.6**	**2,250.2**
CURRENT ASSETS					
Receivables	9	41.5	-	41.5	27.5
Investment securities	10	21.1	-	21.1	8.0
Cash and cash equivalents	10	2.4	-	2.4	3.8
TOTAL CURRENT ASSETS		**65.0**	**-**	**65.0**	**39.3**
TOTAL ASSETS		**2,313.6**	**-**	**2,313.6**	**2,289.5**

Balance sheet liabilities

(€ million)	Notes	As of December 31, 2023	As of December 31, 2022
Shareholders' equity			
Share capital		27.8	26.9
Additional paid-in capital		986.8	971.0
Reserves		2.7	2.7
Retained earnings		217.4	223.3
Regulatory provisions		26.9	26.9
Net profit (loss) for the period		50.5	32.1
TOTAL SHAREHOLDERS' EQUITY	**11**	**1,312.1**	**1,282.9**
Provisions			
Provisions for contingencies and expenses	12	25.5	6.2
Debts			
Bonds	13	651.3	651.7
OCEANE bonds [(a)]	13	200.0	200.0
Other financial debt	13	83.9	100.4
Other debts	14	40.8	48.3
TOTAL LIABILITIES		**2,313.6**	**2,289.5**

(a) OCEANE = bonds convertible into new or existing shares.

Cash flow statement

(€ million)	Notes	2023	2022
Net income		50.5	32.1
Income and expense with no impact on cash		8.9	(21.1)
CASH FLOW FROM OPERATIONS		**59.4**	**11.0**
Change in working capital requirements		(21.3)	48.0
CHANGE IN CASH FLOW FROM OPERATING ACTIVITIES	**16**	**38.1**	**59.0**
(Acquisitions)/Disposals of non-current operating assets		-	-
Change in non-current financial assets		12.0	3.1
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES	**16**	**12.0**	**3.1**
Net change in financial debt		(17.2)	(0.6)
Change in shareholders' equity		-	-
Dividends paid		(21.2)	(53.5)
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES	**16**	**(38.4)**	**(54.1)**
CHANGE IN CASH POSITION		**11.7**	**8.1**
CASH AT BEGINNING OF PERIOD		**11.8**	**3.7**
CASH AT END OF PERIOD		**23.5**	**11.8**

Change in shareholders' equity and other capital

(€ million before appropriation of earnings)	Number of shares outstanding [(a)]	Share capital	Additional paid-in capital and other shareholders' equity	Reserves and retained earnings	Net profit (loss) for the period	Shareholders' equity
AS AT DECEMBER 31, 2021	**26,761,118**	**26.8**	**971.0**	**232.2**	**74.1**	**1,304.1**
Appropriation of 2021 earnings	-	-	-	74.1	(74.1)	-
Capital increase	110,735	0.1	-	-	-	0.1
Regulatory provisions	-	-	-	-	-	-
Dividends	-	-	-	(53.5)	-	(53.5)
2022 Profit/Loss	-	-	-	-	32.1	32.1
AS AT DECEMBER 31, 2022	**26,871,853**	**26.9**	**971.0**	**252.9**	**32.1**	**1,282.9**
Appropriation of 2022 earnings	-	-	-	32.1	(32.1)	-
Capital increase	906,725	0.9	15.8	-	-	16.7
Regulatory provisions	-	-	-	-	-	-
Dividends	-	-	-	(37.9)	-	(37.9)
2023 Profit/Loss	-	-	-	-	50.5	50.5
AS AT DECEMBER 31, 2023	**27,778,578**	**27.8**	**986.8**	**247.0**	**50.5**	**1,312.1**

(a) €1 nominal value of shares.

4.4 / Notes to the company financial statements for the year ended December 31, 2023

NOTE 1 Key highlights of the period

Dividends paid

In 2023, Fnac Darty followed its policy of providing a return to shareholders. An ordinary dividend of €1.40 gross per share for the 2022 financial year, representing a total amount of €37.9 million, was allocated to the first half of 2023. The Combined General Meeting of May 24, 2023 approved a dividend of €1.40 gross per share and decided to offer shareholders the option to receive the dividend in cash or in new shares. The dividend was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares representing a value of €16.7 million.

Implementation of a buyback program

On October 26, 2023, Fnac Darty announced the implementation of a share buyback program, as part of the buyback program authorized by the Annual General Meeting of May 24, 2023. The buyback mandate, which was issued to investment services provider Natixis, is for a maximum amount of €20 million. As of December 31, 2023, 422,475 shares had been redeemed for a gross amount of €10.7 million.

This step follows on from the Board of Directors' decision to buy back the proportion of shares necessary to offset the dilution resulting from the acquisition of free shares granted to employees.

Securitization of financial debt

In March 2023, Fnac Darty exercised the final option to extend its RCF from March 2027 to March 2028. This option was subscribed at 98.5% of banking commitments. The Group has an RCF of €500 million until March 2027 and of €492.5 million until March 2028.

In December 2023, Fnac Darty renegotiated its RCF of €500 million due to mature in March 2028, adding two new extension options of March 2029 and March 2030. These are exercisable at the request of Fnac Darty and subject to the approval of the lenders. The financial conditions remain unchanged.

Meanwhile, Fnac Darty exercised the first 12-month extension option of its delayed drawn term loan (DDTL). As a reminder, this €300 million credit line allows the Group to cover the refinancing of the senior bonds that it issued in 2019 and that will mature in 2024. This option was subscribed at 100% of banking commitments. This credit line will therefore mature in December 2026 in the event of drawdown.

Bonus share plan

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023, the Board of Directors decided to award bonus shares to certain Group employees (229 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2023 applies to French and foreign residents.

The duration of this plan is three years (May 24, 2023 – May 23, 2026). These shares will be vested upon expiration of a three-year vesting period (May 24, 2023 to May 23, 2026), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of the shares will be conditional upon:

- Fnac Darty share performance conditions based on the Company's total shareholder return (TSR) when compared to a panel of companies in the general public retail sector and the growth in the stock market price of the Fnac Darty share, to be measured in 2026 for the period 2023-2025;
- satisfying financial performance conditions related to the achievement of a level of free cash-flow and of an average revenue measured in 2026 following publication of the Group's annual results for 2025, taking into account the cash flow and revenue generated by the Group during 2023, 2024 and 2025, for the entire period; and
- performance conditions related to the Company's corporate social responsibility assessed in 2026, taking into account the average Group sustainability scores measured during the 2023, 2024 and 2025 financial years for the entire period, and the reduction in CO_2 emissions measured in 2026, taking into account the level of Group CO_2 emissions in 2025 compared its emissions level in 2019.

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023 the Board of Directors decided to award bonus shares to certain Group employees (56 beneficiaries) other than the Executive Corporate Officer and the members of the Executive Committee. Settlement will be in equity instruments. This second, specific plan awarded in 2023 applies to French residents only.

The duration of this plan is three years (May 24, 2023 – May 23, 2026).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.

On the recommendation of the Appointments and Compensation Committee, on May 24, 2023 the Board of Directors decided to award bonus shares to certain Group employees (168 beneficiaries) other than the Executive Corporate Officer and members of the Executive Committee in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This third plan awarded in 2023 applies to French and foreign residents.

The duration of this plan is two years (May 24, 2023 – May 23, 2025). These shares will be vested upon expiration of a two-year vesting period (May 24, 2023 to May 23, 2025), subject to the beneficiary's continued employment within the Group at the end of the vesting period. Acquisitions will be subject to financial performance conditions linked to achieving a level of free cash-flow and a performance plan assessed in 2025 following the publication of the Group's 2024 annual results, taking into account the cumulative cash flow measured for the 2021, 2022, 2023 and 2024 financial years and the cumulative savings made under the Group's performance plan measured for the 2023 and 2024 financial years, and subject to their continued employment.

In accordance with the resolutions approved by the General Meeting of May 24, 2023 regarding, firstly, the compensation policy of the Chief Executive Officer and/or any other executive corporate officer and, secondly, the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded to Mr. Martinez, Chief Executive Officer, for the preceding financial year, the Fnac Darty Board of Directors decided to grant the following compensation to Mr. Martinez at its meeting on May 24, 2023:

- 18,733 shares in respect of his 2022 annual variable compensation, paid in shares and not in cash. This number of shares corresponds to the amount due in respect of his 2022 annual variable compensation, i.e. €640,455.

  These shares will be fully vested upon expiration of a vesting period of one year in accordance with the plan description provided in section 3.3.2.2 of the 2022 Universal Registration Document;
- 32,906 shares in respect of his 2023 annual variable compensation, to be paid in shares and not in cash. This number of shares corresponds to €1,125,000, the maximum potential annual variable compensation for 2023.

  The vesting of these performance shares is subject to the performance conditions set out in section 3.3.1.3 of the Company's most recent Universal Registration Document and to the approval of the General Meeting, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code.

These two plans are subject to a total retention obligation of two years and to the retention obligation applicable to executives corporate officers in accordance with the provisions of the French Commercial Code described in section 3.3.1.3.

The 2020 bonus share plan expired on May 27, 2023.

- The total shareholder return (TSR) was measured in 2023 for the period 2020-2022. The objective for this period was not achieved. The Company's objective was to be ranked among the top 35 companies in the SBF 120. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The average level of free cash-flow was assessed in 2023 for the years 2020, 2021 and 2022. The objective for 2023 was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.
- The average of the Group's non-financial ratings obtained in 2020, 2021 and 2022 was assessed in 2023. The objective was achieved in full. The result is above the target. Therefore, the vesting rate is 100% for this criterion.

Given the relative weight of each criterion, the overall vesting rate is 70% for the beneficiaries in service on May 27, 2023.

On the proposal of the Appointments and Compensation Committee, the Board of Directors decided on July 27, 2023 to change the structure of the annual variable compensation for certain employees for the 2023 financial year by allowing a portion to be paid out in the form of bonus shares. This creates an association between the beneficiaries and Fnac Darty's performance and strengthens the link between their interests and those of shareholders.

This plan is subject to a lock-up period of one year.

NOTE 2 Accounting principles and policies

The annual financial statements for 2023 were drawn up in accordance with the provisions of ANC Regulation 2016-07 on the French General Accounting Plan, established by the French accounting standards authority on November 4, 2016, and approved by the Ministerial Order of December 26, 2016 (*Official Journal* of December 28, 2016, updated for all regulations amending it thereafter).

General accounting conventions were applied with respect to the principle of prudence and in accordance with basic assumptions (going concern, consistency of accounting policies from one period to the next, independence of periods) and in accordance with the general rules for preparation and presentation of annual financial statements.

These financial statements are presented in euros, Fnac Darty's functional currency. The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

The basic method used to value the items recognized in the accounts is the historical cost method. The principal methods used are as follows:

2.1 / Non-current financial assets

Equity investments

Securities are classified as "Equity investments" when their ownership is deemed useful to the Company's operations, particularly because it enables influence or control over the issuing company.

On the entry date, equity investments are recognized at the acquisition cost, including transfer taxes, fees, commissions and legal costs. The Company opted for including the acquisition costs in the entry cost of the shares.

The valuation of FDPS (Fnac Darty Participations et Services) and Darty Limited equities is based on the intrinsic value generated by the discounted future cash flows that FDPS and Darty Limited and their respective subsidiaries contribute to the Group. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. This valuation takes the Company's debt into account. When the value in use is lower than the book value, an impairment is recorded for the amount of this difference.

Treasury stock

Treasury stock acquired under a liquidity agreement is recorded in other non-current financial assets. Treasury stock is recognized on the delivery date at acquisition price excluding transaction fees. At the time of sale, the cost price of the shares transferred was established using the First-In-First-Out (FIFO) method. As of December 31, 2023, under the liquidity agreement, Fnac Darty held a total of 134,676 treasury shares.

On October 26, 2023, Fnac Darty announced the implementation of a share buyback program, as part of the buyback program authorized by the Annual General Meeting of May 24, 2023. The buyback mandate, which was issued to investment services provider Natixis, is for a maximum amount of €20 million. As of December 31, 2023, 422,475 shares had been redeemed for a gross amount of €10.7 million. This step follows on from the Board of Directors' decision to buy back the proportion of shares necessary to offset the dilution resulting from the acquisition of free shares granted to employees.

As a result, at December 31, 2023, Fnac Darty held a total of 557,151 treasury shares.

2.2 / Receivables and payables

Receivables and payables are recognized at nominal value. Where appropriate, receivables are provisioned to take into account any potential recovery difficulties.

2.3 / Investment securities and cash and cash equivalents

Investment securities are recognized in the balance sheet at their acquisition price.

Acquisition costs of investment securities are expensed in accordance with the option provided by Article 321-10 of the French General Accounting Plan applicable to marketable securities.

Potential impairment provisions are determined by comparing this value with the probable trading value or average share price from the previous month for listed securities.

Mutual fund (Sicav)

Mutual fund (Sicav) shares are recognized at their acquisition cost. They are estimated at period-end at their net asset value. Any unrealized capital loss is provisioned for impairment. Any unrealized capital gain is not taken into account.

2.4 / Tax consolidation

Fnac Darty notified the French tax authorities in writing on March 15, 2013, that the Company and all of its subsidiaries were opting for the tax consolidation rules for groups implemented by Article 68 of the 1988 finance law. The tax consolidation agreement took effect on January 1, 2013.

The tax consolidation agreement entered into on July 1, 2013 between Fnac Darty and its subsidiaries and second-tier subsidiaries is effective from January 1, 2013. As of December 31, 2023, it covered 32 companies.

Under these rules, Fnac Darty acts as a corporate tax collector for the subsidiaries and is solely responsible for paying this tax to the Public Treasury.

Conditions for distribution of the corporate income tax are as follows:

- the tax paid by each subsidiary is the same as the tax the subsidiary would have incurred if it had not been consolidated for tax purposes; and
- Fnac Darty immediately takes into account the tax savings or expense resulting from the difference between the sum of the tax that would have been paid by each of the companies had they paid their own tax and the tax payable on the total taxable income.

2.5 / Operating income (loss)

Operating income (loss) results from income and expense related to the Company's current operations.

2.6 / Net financial income (loss)

Net financial income (loss) results from income and expense related to the Company's financing and cash management.

2.7 / Non-recurring income

Non-recurring income includes income and expense that, by their nature, occurrence or material character, do not fall within the Company's ordinary operating activities.

2.8 / Performance-based compensation plans

The Company applies the French General Accounting Plan (PCG) Article 642-1 et seq. relating to the accounting treatment of stock options and bonus share allotment plans granted to employees. This regulation stipulates that whenever it is probable that the Company will deliver existing shares to plan beneficiaries, a liability should be recognized on the basis of the probable outflow of resources.

NOTE 3 Operating income (loss)

(€ million)	**2023**	**2022**
Group royalties	9.3	9.7
Payroll expenses	(6.3)	(7.8)
Purchasing, external costs, and income and other taxes	(6.6)	(6.2)
TOTAL	**(3.6)**	**(4.3)**

In 2023, purchasing, external costs, and income and other taxes were primarily comprised of Group head office expenses for €3.8 million, the deferral of costs in respect of the OCEANE bond issue for €1.0 million, and fees for €1.2 million. The remainder of this item comprises of bank and borrowing fees, as well as attendance fees.

In 2022, this item consisted mainly of Group head office expenses for €3.0 million, the deferral of costs in respect of the OCEANE bond issue for €1.0 million, and fees for €1.4 million. The remainder of this item comprises of bank and borrowing fees, as well as attendance fees.

NOTE 4 Net financial income

(€ million)	**2023**	**2022**
Charges and interest on debt	(27.0)	(19.2)
Reversals of impairment provisions	*-*	*26.6*
Additions of impairment provisions	*(1.0)*	*(4.5)*
Additions/reversals of impairment provisions	(1.0)	22.1
Other financial income and expense	17.0	2.4
TOTAL	**(11.0)**	**5.3**

In 2023 and 2022, debt interest and expense were mainly composed of:

- financial interest on the €650 million bonds;
- financial interest on the €83.3 million loan from the European Investment Bank;
- interest and fees on the €500 million revolving credit facility (RCF);
- financial interest on commercial paper;
- OCEANE bond interest of €200 million.

In 2023, the increase in expenses and interest on debt is due to higher drawdowns on the credit line and the use of commercial paper

At period-end, the Company values its equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited at their value-in-use. The methods used to estimate value in use are based on discounted cash flows and the value created by the industrial transformation performed within the Group, with a view to managing the investment over the long term. When the value in use is lower than the book value, an impairment is recorded for the amount of this difference. In 2023, the value in use of the equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited is higher than their book value, and consequently no impairment has been recognized on these equity investments.

In 2023, the €1.0 million provision for impairment relates to the provision for the negative net position of Fnac Luxembourg.

In 2022, shares of Darty Limited were subject to a reversal of provision for impairment in the amount of €26.6 million.

In 2023 and 2022, other financial income and expenses represent a net income, relating mainly to interest on the intra-group loan and to the intra-group current account, as well as to the result of transactions on its own shares. The increase in net income in 2023 is linked to the financial income from the €290 million intra-group loan remunerated at a floating rate (Euribor).

NOTE 5 Non-recurring income

(€ million)	**2023**	**2022**
Exceptional amortization	-	-
Other	(8.0)	(1.7)
TOTAL	**(8.0)**	**(1.7)**

In 2023, non-recurring income mainly comprises an expense of €18.3 million relating to the provision for the acquisition of shares intended for allocation to employees and earmarked for performance-based compensation plans, and income of €10.5 million relating to the capital gain on the disposal of Fnac Darty's interest in the Daphni Purple fund.

In 2022, non-recurring income consisted primarily of the provision for the acquisition of shares to be allocated to employees and allocated to performance compensation plans.

NOTE 6 Income tax

(€ million)	2023	2022
Tax consolidation gain/loss	73.1	32.8
TOTAL	**73.1**	**32.8**

In 2023, net profit from tax consolidation amounted to €73.1 million. It stood at €32.8 million in 2022.

The cumulative total of Fnac Darty tax loss carry-forwards as of December 31, 2023 was €271.0 million. It stood at €260.0 million as at December 31, 2022.

NOTE 7 Net non-current financial assets

(€ million)	As of December 31, 2022	Increase	Decrease	As of December 31, 2023
Equity investments	1,955.2	-	-	1,955.2
Loans	290.0	-	-	290.0
Daphni Purple shares	0.1	-	(0.1)	-
Treasury stock	4.9		(1.5)	3.4
GROSS VALUE	**2,250.2**	**-**	**(1.6)**	**2,248.6**
Equity investments	-	-	-	-
IMPAIRMENT	**-**	**-**	**-**	**-**
NET VALUES	**2,250.2**	**-**	**(1.6)**	**2,248.6**

Equity investments

As of December 31, 2023, Fnac Darty held primarily:

- 529,553,216 shares of Darty Limited's 529,553,216 shares for a gross value of €1,116.8 million, and a net value of the same amount;
- 46,421,807 shares of FDPS (Fnac Darty Participations et Services) out of 46,421,808 shares for a gross value of €838.4 million, and a net value of the same amount;
- 31,000 shares of Fnac Luxembourg out of 31,000 shares for a gross value of €0.031 million, and a net value of zero after impairment of the entire gross value in 2022. In addition, a provision for negative net position of €1.0 million was recognized in 2023, bringing Fnac Luxembourg's total provision for negative net position to €5.5 million (see note 12: Provisions for contingencies and expenses);
- 30,000 Fnac Darty Services shares out of 30,000 shares for a gross value of 0.03 million euros, and a net value of the same amount.

At period-end, the Company values its equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited at their value-in-use. The methods used to estimate value in use are based on discounted cash flows and the value created by the industrial transformation performed within the Group, with a view to managing the investment over the long term. When the value in use is lower than the book value, an impairment is recorded for the amount of this difference. In 2023, the value in use of the equity investments in Fnac Darty Participations et Services (FDPS) and Darty Limited is higher than their book value, and consequently no impairment has been recognized on these equity investments.

In 2022, the Company reviewed the €26.6 million impairment on the shares of Darty Limited as of December 31, 2021, and reversed the entire impairment. Thus, as of December 31, 2022, the impairment of Darty Limited shares was fully reversed, with a net value of €1,116.8 million.

Other non-current financial assets

- Loans: corresponds to a long-term loan in the amount of €290.0 million to the subsidiary Fnac Darty Participations.
- Daphni Purple shares: on December 31, 2023, Fnac Darty sold all its shares in the Daphni Purple fund, generating a capital gain of €10.5 million.

- Treasury stock held under the liquidity agreement: this is recorded as non-current financial assets and represents an asset of €3.4 million as of December 31, 2023, compared to €4.9 million as of December 31, 2022. In 2023, under the liquidity agreement, 456,266 shares were purchased at an average price of €31.99 for a total amount of €14,595,262, and 464,287 shares were sold at an average price of €31.85 for a total of €14,789,610.

NOTE 8 Property, plant and equipment and intangible assets

As of December 31, 2023 and 2022, Fnac Darty had no property, plant and equipment or intangible assets.

NOTE 9 Receivables

(€ million)	As of December 31, 2023	As of December 31, 2022
Current accounts of subsidiary	18.7	-
State – income tax	12.6	14.1
Group customers	4.8	4.8
Daphni commitment	-	1.2
Deferred expenses	4.8	6.5
Other receivables	0.6	0.9
TOTAL	**41.5**	**27.5**

As of December 31, 2023:

- the negative subsidiary current account balance of €18.7 million corresponds to a current account debt to the Fnac Darty Participations et Services subsidiary. This current account was in credit as of December 31, 2022;
- receivables from the Group, which amount to €4.8 million, consist primarily of receivables from the Fnac Darty Participations et Services subsidiary and Fnac Darty's international subsidiaries;
- in the first half of 2023, the Company sold its shares in the Daphni Purple investment fund. As a result, as at December 31, 2023, a commitment to subscribe to the fund no longer existed;
- prepaid expenses in the amount of €4.8 million primarily reflect the fees and commissions paid in connection with the refinancing of the bonds and the credit facilities granted for Group financing.

NOTE 10 Investment securities and cash and cash equivalents

(€ million)	As of December 31, 2023	As of December 31, 2022
Shares to be allocated to employees and assigned to specific plans	10.6	-
Financial investments	10.5	8.0
Impairment	-	-
Investment securities	**21.1**	**8.0**
Bank deposits and fund transfers	2.4	3.8
Cash and cash equivalents	**2.4**	**3.8**
NEGATIVE CASH BALANCE	**23.5**	**11.8**

As of December 31, 2023, investment securities and cash and cash equivalents stood at €23.5 million, consisting mainly of €10.6 million in shares earmarked for allocation to employees under the share buyback program, €10.5 million in financial investments, and €2.4 million in bank deposits, including €0.9 million in liquidities linked to the liquidity agreement.

In 2022, investment securities and cash and cash equivalents comprised financial investments in the amount of €8.0 million, as well as bank deposits in the amount of €3.8 million, including €3.0 million in cash linked to the liquidity agreement.

NOTE 11 Shareholders' equity

(€ million)	As of December 31, 2023	As of December 31, 2022
Share capital	27.8	26.9
Additional paid-in capital	986.8	971.0
TOTAL SHARE CAPITAL AND PREMIUMS	**1,014.6**	**997.9**
Legal reserve	2.7	2.7
Regulated reserves	-	-
Other reserves	-	-
TOTAL RESERVES	**2.7**	**2.7**
Retained earnings	217.4	223.3
Regulatory provisions	26.9	26.9
Net profit (loss) for the period	50.5	32.1
TOTAL SHAREHOLDERS' EQUITY	**1,312.1**	**1,282.9**

Over the 2023 financial year, the €0.9 million increase in share capital is linked to the creation of 371,109 shares, corresponding to bonus share issues in May 2023, and to the creation of 535,616 shares in connection with the payment of the 2022 dividend in new shares. The Combined General Meeting of May 24, 2023 approved a gross dividend of €1.40 per share and decided to offer shareholders the option of receiving the dividend in cash or in new shares. The dividend was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares.

In 2023, the share premium account decreased by €15.8 million, reflecting the increase in the capital account above.

Amounts allocated to the additional paid-in capital item are not distributable but may subsequently be incorporated into the capital or used to amortize corporate losses.

The change in reserves and retained earnings corresponds to the appropriation of Fnac Darty's 2022 earnings, as well as the distribution in 2023 of an ordinary dividend of €1.40 gross per share in respect of the 2022 financial year, representing a total amount of €37.9 million, allocated in the first half of 2023. The ex-dividend date was June 21, 2023, and it was paid on July 6, 2023. The dividend was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares representing a value of €16.7 million.

The regulatory provisions represent the exceptional fiscal amortization of the costs for the Darty acquisition, for a total of €26.9 million as of December 31, 2023.

NOTE 12 Provisions for contingencies and expenses

(€ million)	As of December 31, 2022	Increase	Decrease	As of December 31, 2023
Provision for negative net position	4.5	1.0	-	5.5
Provision for the purchase of shares intended to be allocated to employees	1.7	18.3	-	20.0
PROVISIONS FOR CONTINGENCIES AND EXPENSES	**6.2**	**19.3**	**-**	**25.5**

The €5.5 million provision for impairment relates to the provision for the negative net position of Fnac Luxembourg. The financial allocation was €1.0 million in 2023.

The provision for the purchase of shares to be allocated to employees corresponds to the expected capital loss on bonus share plans. It is calculated on the basis of the following two elements: the entry cost of the shares at the date of their allocation to the plan and the probable number of shares to be delivered to beneficiaries. Its increase is linked to the implementation of a share buyback program authorized by the Annual General Meeting of May 24, 2023. The buyback mandate, which was issued to investment services provider Natixis, is for a maximum amount of €20 million.

The provision is spread over the period during which the beneficiaries will render the services, thus on a straight-line basis over the vesting period.

NOTE 13 Financial debt

As of December 31, 2023, Fnac Darty's financial debt comprised three components:

- **bonds:** on May 15, 2019, Fnac Darty completed the transaction to renegotiate its bonds issue after successfully refinancing its senior bonds with a cumulative principal amount of €650 million, composed of a cumulative principal amount of €300 million in senior bonds maturing in 2024, and a cumulative principal amount of €350 million in senior bonds maturing in 2026;
- **OCEANE bonds:** in March 2021, the Group succeeded in placing its issue of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE), maturing in 2027, for a nominal amount of €200 million corresponding to 2,468,221 bonds with a nominal value of €81.03 per bond. Based on the initial conversion/exchange ratio of one share per bond, dilution was approximately 9.28% of the Company's outstanding share capital as of March 16, 2021. As a result of the distribution of a dividend of €2.00 per share to Fnac Darty shareholders as of June 23, 2022, the conversion/exchange rate was increased from 1.019 Fnac Darty shares per OCEANE bond to 1.070 Fnac Darty shares per OCEANE bond as of June 23, 2022;
- **loan agreement with the European Investment Bank:** on February 18, 2019, Fnac Darty announced the signing of a loan agreement in the amount of €100 million with the European Investment Bank (EIB). Issued under the "Juncker Plan," this loan will be used to finance the Group's digital transformation investments. This financing has a maximum maturity of nine years, on very attractive terms. As of December 31, 2023, €83.3 million of the EIB credit line was used. The first installment of the loan was repaid in July 2023 for an amount of €16.7 million.

	As of December 31, 2023			
(€ million)	Total	Less than one year	1 to 5 years	More than 5 years
Bonds	651.3	301.3	350.0	-
OCEANE bonds	200.0	-	200.0	-
European Investment Bank loan	83.3	16.7	66.6	-
Other financial debt	0.6	0.6	-	-
FINANCIAL DEBT	**935.2**	**318.6**	**616.6**	**-**

	As of December 31, 2022			
(€ million)	Total	Less than one year	1 to 5 years	More than 5 years
Bonds	651.7	1.7	650.0	-
OCEANE bonds	200.0	-	200.0	-
European Investment Bank loan	100.0	16.7	66.8	16.5
Other financial debt	0.4	0.4	-	-
FINANCIAL DEBT	**952.1**	**18.8**	**916.8**	**16.5**

The bonds bear annual interest at 1.875% and 2.625% and are redeemable in 2024 and 2026 respectively (High Yield Bonds). Interest is payable half-yearly. The High Yield Bonds are listed for trading on the Global Exchange Market of the Irish Stock Exchange.

The 2024 bonds are redeemable in full or in part at the values shown in the table below:

2024 Bonds	
Redemption period commencing:	**Redemption price** *(as % of the principal)*
May 30, 2021	100.9375%
May 30, 2022	100.4688%
May 30, 2023 and beyond	100.0000%

The 2026 bonds are redeemable in full or in part at the values shown in the table below:

2026 Bonds	
Redemption period commencing:	**Redemption price** *(as % of the principal)*
May 30, 2022	101.3125%
May 30, 2023	100.6563%
May 30, 2024 and beyond	100.0000%

The redemption premiums will be amortized over the life span of the loan as applicable.

NOTE 14 Other debts

(€ million)	As of December 31, 2023	As of December 31, 2022
Tax consolidation current accounts	31.8	9.2
Current accounts of subsidiary	-	28.4
Tax and social security liabilities	2.4	4.1
Other liabilities	6.6	6.6
TOTAL	**40.8**	**48.3**

Tax consolidation current accounts represent Fnac Darty's tax liability with Group subsidiaries included in the tax consolidation scope.

Other liabilities mainly comprise Group royalties invoiced by FDPS (Fnac Darty Participations et Service) as well as those associated with indirect suppliers.

As of December 31, 2022, the current account credit balance was €28.4 million, corresponding to a current account debt to the Fnac Darty Participations et Services subsidiary. As of December 31, 2023, it has a debit balance.

NOTE 15 Off-balance sheet commitments

Retirement benefits

The Company applies the option provided by ANC Recommendation 2013-02 to recognize all retirement and similar commitments as off-balance sheet commitments. The amount of the retirement benefits was €1.4 million as of December 31, 2023, and €1.1 million as of December 31, 2022.

The main actuarial assumptions used to estimate the retirement commitments of Fnac Darty are as follows:

	2023	2022
Discount rate	3.20%	3.80%
Expected rate of increase in salaries	1.75%	1.75%

Other commitments

The Group has an RCF credit line of €500 million. This credit line, originally with a maturity of 5 years, was extended at the request of Fnac Darty until March 2028. Furthermore, in November 2023, the Group renegotiated its credit facility without changing the financial terms and conditions, and added two one-year extension options to bring the maturity of the line to March 2030, subject to the lenders' agreement. In line with the goals of the strategic plan Everyday, this credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

Drawdowns under the loan agreement are made in euros and bear interest at a rate equal to the sum of the Euribor reference rate for the period and a margin that can be adjusted based on the Group's rating.

As of December 31, 2023, the RCF credit line was not in use.

Amid increased volatility on the financial markets, Fnac Darty opted to secure the refinancing of its next major €300 million bond debt maturity maturing in May 2024. Accordingly, in December 2022, the Group set up an additional undrawn bank credit line in the form of a Delayed Draw Term Loan (DDTL) of €300 million, which may be drawn down once and only to repay the bond loan maturing in 2024. This new line is based on a banking contract with conditions similar to those of the existing RCF of €500 million. This line, which originally had a three-year maturity in the event of drawdown (i.e. until December 2025), has been extended at Fnac Darty's request to December 2026. The Group still has a one-year extension option that could increase the maturity of the line to December 2027. It also incorporates a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing conditions if the objectives, set in line with those of the strategic plan Everyday, are achieved. This option means the Group can maintain its current bond debt until it matures in May 2024 while benefiting from the low initial annual coupon, and therefore secure its level of financial expenses.

Thanks to this new undrawn bank line, the Group does not have a major repayment maturity date before 2026.

NOTE 16 Cash flow statement

(€ million)	**2023**	**2022**
Net income	50.5	32.1
Income and expense with no impact on cash	8.9	(21.1)
CASH FLOW FROM OPERATIONS	**59.4**	**11.0**
Change in working capital requirements	(21.3)	48.0
CHANGE IN CASH FLOW FROM OPERATING ACTIVITIES	**38.1**	**59.0**
(Acquisitions)/Disposals of non-current operating assets	-	-
Change in non-current financial assets	12.0	3.1
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES	**12.0**	**3.1**
Net change in financial debt	(17.2)	(0.6)
Change in shareholders' equity	-	-
Dividends paid	(21.2)	(53.5)
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES	**(38.4)**	**(54.1)**
CHANGE IN CASH POSITION	**11.7**	**8.1**
CASH AT BEGINNING OF PERIOD	**11.8**	**3.7**
CASH AT END OF PERIOD	**23.5**	**11.8**

In 2023, the net change in the cash position represented an improvement of €11.7 million. This improvement is primarily the result of the combination of:

- the €38.1 million positive change in cash flow from operating activities, mainly due to cash flow from operations, partly offset by the negative change in working capital, mainly due to the current account of the subsidiary Fnac Darty Participations et Services (FDPS) and the tax consolidation current accounts;
- a positive change in cash flow from investing activities of €12.0 million, linked mainly to the sale of shares held in the Daphni Purple fund for €10.5 million, and net receipts of €1.5 million in connection with the acquisition of treasury shares under the liquidity agreement;
- an unfavorable change in cash flow from financing activities of €38.4 million, linked to the distribution of cash dividends to shareholders (€21.2 million) and a cash outflow of €17.2 million, mainly linked to the repayment in July 2023 of the first installment of the loan from the European Investment Bank (€16.7 million).

In 2022, the net change in the cash position represented an improvement of €8.1 million. This improvement was primarily linked to:

- €59.0 million positive change in the cash position from operating activities, mainly due to the positive change in the current account of the Fnac Darty Participations et Services (FDPS) subsidiary in the amount of €53.9 million;
- the positive change in the cash position from investing activities for €3.1 million, related to a repayment of the nominal value of shares held in the Daphni Purple fund for €4.6 million, partially offset by a call for funds of €0.4 million and outflows for the acquisition of treasury shares for €1.0 million;
- the negative change in the cash position resulting from financing activities for €53.5 million related to the distribution of dividends to shareholders.

NOTE 17 Other information

17.1 / Compensation paid to the Chairman of the Board of Directors

In 2023, the gross amount paid to Jacques Veyrat, Chairman of the Board of Directors, for his duties during 2023 amounted to €200,000.

This payment consists of fixed annual compensation only, as the Chairman of the Board stopped receiving compensation in respect of his directorship as of the date of his appointment as Chairman.

17.2 / Compensation paid to the Chief Executive Officer

In 2023, the gross amount paid to Enrique Martinez, Chief Executive Officer, for his current duties, including benefits in kind, other benefits and supplementary pension scheme contributions, amounted to €1,432,121, of which €750,000 represented his fixed annual compensation, €640,455 represented his 2022 variable annual compensation following approval by the General Meeting of May 24, 2023, paid in full in shares, €19,120 represented benefits in kind and other benefits, €12,111 represented supplementary pension scheme contributions and €10,435 represented provident insurance plan contributions.

The Chief Executive Officer, in 2023 in respect of the 2022 financial year, received no compensation in respect of his directorship.

17.3 / Average number of employees

In 2023, the average number of employees of Fnac Darty was 11.

17.4 / Related-party transactions

As of December 31, 2023

As of December 31, 2023, the Vesa Equity Investments company held 29.99% of the share capital and 29.99% of the voting rights in Fnac Darty. There were no transactions between any Fnac Darty consolidated companies and VESA Equity Investments. Vesa Equity does not have a representative on the board of Fnac Darty.

As of December 31, 2023, the Ceconomy Retail International group held 23.41% of the share capital and 23.41% of the voting rights of Fnac Darty. In 2023, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group. Ceconomy does not have a representative on the board of Fnac Darty.

As of December 31, 2023, Indexia Développement, formerly SAS Group, held 10.89% of the share capital and 10.89% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Glas SAS is not a related party. The Fnac Darty securities formerly held by Indexia Développement were pledged to ICG and were transferred to Glas SAS in 2023.

As of December 31, 2022

As of December 31, 2022, the Ceconomy Retail International group held 24.20% of the share capital and 24.20% of the voting rights of Fnac Darty. In 2022, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group. Ceconomy did not have a representative on the board of Fnac Darty.

As of December 31, 2022, the Vesa Equity Investments company held 23.05% of the share capital and 23.05% of the voting rights in Fnac Darty. There were no transactions between any Fnac Darty consolidated companies and VESA Equity Investments. Vesa Equity does not have a representative on the board of Fnac Darty.

As of December 31, 2022, Indexia Développement, formerly SFAM Group, held 11.26% of the share capital and 11.26% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Indexia Développement was not a related party.

17.5 / Supplier and customer payment schedules

(€ million)	Invoices received, not paid and due at period-end							Invoices issued, not paid and due at period-end						
	Invoices not yet due	**0 day (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total 1 day and over**	**Invoices not yet due**	**0 day (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total 1 day and over**
A) Late payment tranches														
Number of invoices concerned	19	0					8	7	0					0
Total incl. tax of invoices concerned	4.6	0.0	0.0	0.0	0.2	0.0	0.0	4.9	0.0	0.0	0.0	0.0	0.0	0.0
Fnac Darty	*4.5*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*4.9*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Percentage of total incl. Tax for purchases for the period	47.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							
Percentage of revenue incl. tax for the period								37.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B) Invoices excluded from A) for disputed or unrecognized payables and receivables														
Number of invoices excluded	16							None						
Total incl. tax of invoices excluded – invoices not arrived	1.2							None						
C) Reference payment deadlines used (contractual or legal period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)														
Payment deadlines used to calculate late payments	Contractual deadlines: general expenses = 45 days end of month Contractual deadlines: Group invoices = 25th of the following month Legal deadlines: 60 days from invoice date							Contractual deadlines: Group invoices = 25th of the following month Legal deadlines: 60 days from invoice date						

NOTE 18 Information on post-balance sheet events

Fnac Darty will propose that the General Meeting scheduled for May 29, 2024 approves the distribution of a dividend of €0.45 per share. This amount represents a 39% payout ratio, calculated on the net income, Group share, from continuing operations – adjusted [1]. This is in line with the shareholder return policy presented in the strategic plan Everyday.

The ex-date is July 3, 2024 and the payment date is July 5, 2024.

(1) Corresponds to the current net income, Group share of continuing operations, excluding IFRS 16 and adjusted according to the provision relating to the planned settlement with the French Competition Authority (€86 million) and brand impairments (€20 million).

NOTE 19 Table of subsidiaries and shareholdings

(€ million)	Share capital	Share-holders' equity excluding capital & income	Share of capital held	Book value of securities held		Loans made by Fnac Darty not yet repaid	Guarantees and endor-sements given by Fnac Darty	Revenue before tax of previous period	Profit or (loss) for last period ended	Dividends received by Fnac Darty during the period
				Gross	Net					
Subsidiaries owned at +50%										
Fnac Darty Participations et Services	325.0	457.5	100%	838.4	838.4	290.0	-	4,478.9	(10.8)	-
Darty Limited	152.3	391.5	100%	1,116.8	1,116.8	-	-	-	(0.9)	-
Fnac Luxembourg SA	0.0	(4.3)	100%	0.0	0.0	-	-	6.5	(0.9)	-
Fnac Darty Services	0.0	(7.0)	100%	0.0	0.0	-	-	82.1	7.7	-

NOTE 20 Five-year results

Five-year results *(in € thousands, unless otherwise indicated)*	**2023**	**2022**	**2021**	**2020**	**2019**
CAPITAL AT PERIOD-END					
Share capital *(€)*	27,778,578.0	26,871,853.0	26,761,118.0	26,608,571.0	26,515,572.0
Number of ordinary shares outstanding	27,778,578.0	26,871,853.0	26,761,118.0	26,608,571.0	26,515,572.0
Operations and results for the period					
Income from ordinary operating activities	10,750.3	10,574.0	11,940.5	10,490.3	18,626.7
Pre-tax income, employee profit-sharing, amortization, depreciation and provisions	(3,237.3)	(21,741.8)	(23,067.7)	(28,463.8)	(45,482.6)
Income tax (expense)/credit	(73,072.6)	(32,789.9)	(31,440.5)	(55,411.5)	(41,826.7)
Employee profit-sharing payable for the period	10.1	2.1	(2.1)	7.7	5.3
Additions (reversals) of depreciation and provisions	(19,317.5)	(21,008.7)	(65,747.1)	100,018.6	5,331.7
Net income	50,507.6	32,054.7	74,122.0	(73,078.6)	(8,992.9)
Distributed earnings [(a)]	-	37,933.2	53,476.1	26,689.4	-
DATA PER SHARE *(€)*					
Earnings after tax, employee profit-sharing, and before amortization, depreciation and provisions	2.51	0.41	0.31	1.01	(0.14)
Earnings after tax, employee profit-sharing, and amortization, depreciation and provisions	1.82	1.19	2.77	(2.75)	(0.34)
Dividend:					
net dividend per share [(a)]	-	1.41	2.00	1.00	0.00
EMPLOYEES					
Average number of employees during the period	11	12	11	11	9
Total payroll for the year	3,771.8	5,312.5	6,040.8	4,241.9	4,653.4
Amount paid for employee benefits for the period	2,556.6	2,476.0	2,177.5	1,941.8	2,065.3

(a) The amount of the 2023 dividends will be definitively known after the Annual General Meeting of May 29, 2024.

4.5 / Material change in financial or commercial positions

To the best of Fnac Darty's knowledge, no event likely to have a material influence on Fnac Darty's activity, financial position and net assets has occurred since December 31, 2023.

4.6 / Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the Statutory Auditor's Report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.

This Statutory Auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the General Meeting of FNAC DARTY

Opinion

In compliance of the engagement entrusted to us by the General Meeting, we have audited the accompanying consolidated financial statements of FNAC DARTY for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors, for the period from January 1, 2023, to the date of our report, and specifically we did not provided any prohibited non-audit services referred to Article 5, Section 1 of Regulation (EU) 537/2014.

Justification of the Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* regarding the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation and recognition of discounts and commercial cooperation received and to be received from suppliers

(Notes 2.3.2 and 2.19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
Within the Group, there is many purchasing contracts and agreements with suppliers that stipulate: ■ commercial discounts given to the Group based on quantities purchased or other contractual conditions, such as reaching thresholds or growth in purchasing volumes ("discounts"); ■ amounts paid to the Group in respect of services to suppliers ("commercial cooperation"). Discounts and commercial cooperation received and to be received by the Group from its suppliers are valued based on contracts signed with suppliers. These are recognized as a reduction in the cost of sales. Given the large number of contracts and the features specific to each supplier, the correct valuation and recognition of discounts and commercial cooperation received and to be received with respect to contractual provisions and annual purchasing volumes constitute a key point of the audit.	We were informed of the internal control process and key controls established by the Group concerning the process to value and recognize discounts and commercial cooperation and tested their effectiveness on a sampling of contracts. Our other work, involving surveys, consisted of: ■ reconciling the commercial terms used in the calculation of discounts and commercial cooperation with the conditions stipulated in the purchasing contracts and agreements with suppliers; ■ comparing the estimates made of discount and commercial cooperation amounts for the previous year with the corresponding actual data in order to assess the reliability of the estimation process; ■ corroborating the volumes of business chosen with the volumes of business recorded in the Group's purchasing information systems to calculate the amount of rebates to be collected at the end of the financial year; ■ obtaining evidence of the completion of the services rendered as of December 31, 2023; ■ obtaining evidence of payment for amounts already collected as of December 31, 2023.

Valuation of the Darty and Vanden Borre brands

(Notes 2.3.2, 2.7, 2.10, 10, 16 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
The Darty and Vanden Borre brands are recognized for a net amount of €271.1 million and €35.3 million respectively. They were valued using the relief from royalty method (for royalties received from franchisees for use of the brand) by an independent expert, for the purpose of allocating the Darty purchase price in 2016. During each fiscal year, when events or circumstances indicate that impairment is likely to occur, management ensures that the net book value of these brands is not greater than their recoverable value. The recoverable value of the brands is their fair value minus exit costs or their value-in-use, whichever is higher. The recoverable value of the brands was determined based on their value-in-use, which is calculated by discounting the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes). Royalty savings projections were made in the second half of the year, for a three-year period, based on budgets and medium-term plans. To calculate recoverable value, a terminal value equal to capitalization in perpetuity of a normative saving is added to the value of the expected future savings. At December 31, 2023, impairment tests led to the recognition of an additional impairment loss of €16.4 million on the Darty brand. In this context, we considered the measurement of the recoverable value and specifically the calculation of the recoverable value of the Darty and Vanden Borre brands to be a key point of the audit because of their particularly material amount on the balance sheet assets as of December 31, 2023, uncertainties related to the probability of achieving the budgets and medium-term plans used as the basis for projections of flows of future royalty savings used in the measurement of their recoverable value, and sensitivity to changes in the data and assumptions on which the estimates were based.	We were informed of the process implemented by management to determine the value-in-use of the Darty and Vanden Borre brands. Our work consisted of: ■ assessing the relevance of the principles and method for determining values-in-use in terms of market practices used to value brands; ■ assessing the consistency of the projected revenue growth rates with available outside analyzes, and with regard to the inflationary environment; ■ assessing the royalty rates applied to the brands in calculating value based on future revenue; ■ assessing the reasonable nature of the discount rates applied to the estimated royalty flows, specifically by verifying that the various parameters comprising the weighted average cost of capital for each brand can approach the rate of return expected by market participants for similar activities; ■ performing sensitivity tests on the various assumptions. We also assessed the appropriateness of the information presented in note 19 to the consolidated financial statements.

Assessment of the recoverable value of goodwill allocated to the France Cash Generating Unit (CGU)

(Notes 2.3.2, 2.6, 2.10, 15 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
The Cash Generating Units (CGUs) to which the goodwill is allocated are subject to a systematic annual impairment test in the second half of the year and whenever events or circumstances indicate that a loss of value may occur. If the recoverable value of a CGU is lower than its net book value, an impairment is recognized. The recoverable value of a CGU is its fair value less exit costs or its value-in-use, whichever is higher. Value-in-use is determined in relation to projections of the expected future cash flows of a CGU, considering the time value and specific risks related to the CGU. Cash flow projections were made during the second half of the year, for a period of three years, based on budgets and medium-term plans. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows. As of December 31, 2023, the net book value of the goodwill allocated to the France CGU was €1,513 million. We considered the measurement of the recoverable value of the goodwill allocated to the France CGU to be a key point of the audit because of its weight in total assets as of December 31, 2023, uncertainties related to the probability of achieving the projected future cash flows used in the measurement of the value-in-use, and sensitivity to changes in the financial data and assumptions used.	We were informed of the process implemented by management to determine the recoverable value of the goodwill allocated to the France CGU. Our work consisted of: ■ checking that the items comprising the net book value of the France CGU to which the goodwill is attached are appropriate; ■ ensuring that the principles and methods for determining the recoverable value of the France CGU are consistent with IAS 36; ■ assessing the reasonableness of the cash-flow projections for the France CGU in terms of management's assumptions and the economic environment in which the Group operates in France, particularly with regard to the inflationary environment; ■ assessing the consistency of the growth rate used for projected flows for calculating the terminal value with information from available outside analyses and with the help of our specialists; ■ assessing the reasonableness of the discount rate applied to the cash flows, estimated with the help of our specialists, by specifically verifying that the various parameters comprising the weighted average cost of capital of the France CGU approaches the rate of return expected by market participants for similar activities; ■ comparing the accounting estimates of cash flow projections from previous periods with the corresponding actual data to assess reliability; ■ performing sensitivity tests on the various assumptions. We also assessed the appropriateness of the information presented in note 19 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to Group in the Board of Directors' Management Report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code *(code de commerce)* is included in the information pertaining to the Group presented in the Management Report, it being specified that, in accordance with the provisions of Article L. 823-10 of the Code, we have verified neither the fair presentation nor the consistency of the information contained therein with the consolidated financial statements. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code *(code monétaire et financier),* prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of some of the tags in the Notes may not be rendered identically to the consolidated financial statements attached to this report.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Deloitte & Associés was appointed statutory auditor of FNAC DARTY by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG SA, was appointed at the General Meeting of April 17, 2013.

As of December 31, 2023, the two firms were in the eleventh year of their appointment since the Company's shares were admitted to trading on a regulated market. Deloitte & Associés is in the thirty-first year of its appointment without interruption, and KPMG SA in its eleventh year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code *(code de commerce),* our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) 537/2014 confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for the statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 8, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	**KPMG S.A.**
Guillaume Crunelle *Partner*	Caroline Bruno-Diaz *Partner*

4.7 / Statutory Auditors' Report on the parent company financial statements

This is a free translation into English of the Statutory Auditors' Report on the financial statements issued in French and it is provided solely for the convenience of English-speaking readers. In the event of a discrepancy, the French version will prevail.

This Statutory Auditors' report includes information required European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the General Meeting of Fnac Darty,

Opinion

In compliance with the engagement entrusted to us by the General Meetings, we have audited the accompanying financial statements of Fnac Darty for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee

Basis for opinion

Audit Framework

We conducted our audit in compliance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further in the section "Statutory auditors' responsibilities for the audit of the financial statements" contained in this report.

Independence

We conducted our audit in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics (*code de déontologie)* for statutory auditors for the period from January 1, 2023, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments

(Notes 2.1 "Non-current financial assets," 4 "Net financial income," 7 "Net non-current financial assets" and 19 "Table of subsidiaries and shareholdings" in the notes to the annual financial statements)

Key audit matters	Audit response provided
As of December 31, 2023, equity investments are accounted for in the balance sheet at a net book value of €1,955.2 million, or 85% of total assets, of which Fnac Darty Participations et Services (FDPS) stocks for €838.4 million and Darty Limited stocks for €1,116.8 million. On the entry date, they are recognized at acquisition cost, including related costs and fees. At year-end, the gross value of equity investments is compared to their value-in-use. The value-in-use of the equity investments of FDPS and Darty Limited is determined based on the discounted future cash flows that FDPS and Darty Limited, as well as their respective subsidiaries, contribute to the Group. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. This valuation takes the Company's debt into account. When this value is lower than the acquisition cost of the securities, an impairment is recorded for this difference. Estimating the value-in-use of equity investments requires significant judgment by Management, to determine the discounted future cash flows contributed by each of the two subsidiaries. Given the weight of equity investments on the balance sheet and assumptions taken, we have considered the correct assessment of the value-in-use of equity investments as a key point of our audit.	To assess the reasonableness of the estimate of the value-in-use of the equity investments between the FDPS and Darty Limited equities, based on the information provided to us, our work mainly consisted of assessing: ■ whether the estimated value-in-use for each of the two subsidiaries determined by Management is based on appropriate justification of the valuation method and the figures used; ■ the reasonableness of the cash flow forecasts provided to the Group by each of the two subsidiaries and their respective subsidiaries with regard to Management's assumptions and the inflationary economic environment in which the Group operates; ■ the consistency of the growth rate used for projected flows for calculating the terminal value with information from available outside analyses and with the help of our specialists; ■ the reasonableness of the discount rate applied to the estimated cash flows, with the help of our specialists; ■ the consistency and arithmetical control of how the chosen allocation criteria were distributed between the equity investments of the subsidiaries of FDPS and Darty Limited.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the Management Report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' Management Report, the documents with respect to the financial position, and the financial statements provided to shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce).*

Information on corporate governance

We attest that the section of the Board of Directors' Management Report devoted to corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by or awarded to corporate officers and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these statements and, where applicable, with the information obtained by your Company from controlled companies controlled by included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code, we have verified its compliance with the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that required information related to the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Report on Other Legal and Regulatory Requirements

Format presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code *(code monétaire et financier),* prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Deloitte & Associés was appointed statutory auditor of Fnac Darty by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG SA, was appointed at the General Meeting of April 17, 2013.

As of December 31, 2023, the two firms were in the eleventh year of their appointment since the Company's shares were admitted to trading on a regulated market. Deloitte & Associés is in the thirty-first year of its appointment without interruption, and KPMG SA in its eleventh year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Audit purpose and approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code *(Code de commerce),* our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 8, 2024

The Statutory Auditors

French original signed by

KPMG S.A.	**Deloitte & Associés**
Caroline Bruno-Diaz	Guillaume Crunelle
Partner	*Partner*

5

Management and risk factors

5.1 / Risk management and internal control

5.1.1 / A reinforced risk management system

The AMF defines risk as the possibility of an event whose consequences are likely to impact the persons, assets, environment and objectives of the Company, its image or its reputation.

Risk management includes areas that encompass far more than just financial risks: strategic, operational, market, corruption, image, reputation or compliance risks. Risk management is a management tool that contributes to:

- creating and protecting the Company's value, assets, image and reputation;
- preserving the longevity of the Company's short-, medium- and long-term activities;
- securing the Company's decision-making process and other processes to achieve its objectives;
- encouraging consistency between the Company's actions and its values; and
- mobilizing the Company's workforce around a shared vision of the main risks.

Risk management policy

The Group instituted its risk management policy based on the COSO II framework. The risk management process comprises three steps:

- risk identification: the Group treats risk identification as an ongoing business process. This helps with categorizing and centralizing major risks with either the Operational Support and Control Department, the Internal Control Department or the Security Department, based on the nature of the risk. These are shared with departments, subsidiaries and countries at Internal Control Committee meetings held annually;
- risk assessment: in terms of the Group's activities, this approach is documented at least once a year during a risk self-assessment process headed by the Internal Control Department. The risk management policy sets out the criteria and procedures for these assessments. The aim is to review potential consequences of the main risks (consequences that may be of a financial, HR, legal, image-related or reputational nature) and assess the likelihood of their occurrence, as well as the level of risk management;
- handling risk: the last step of the risk management process includes identifying, sharing and validating the action plan(s) best suited to the Company.

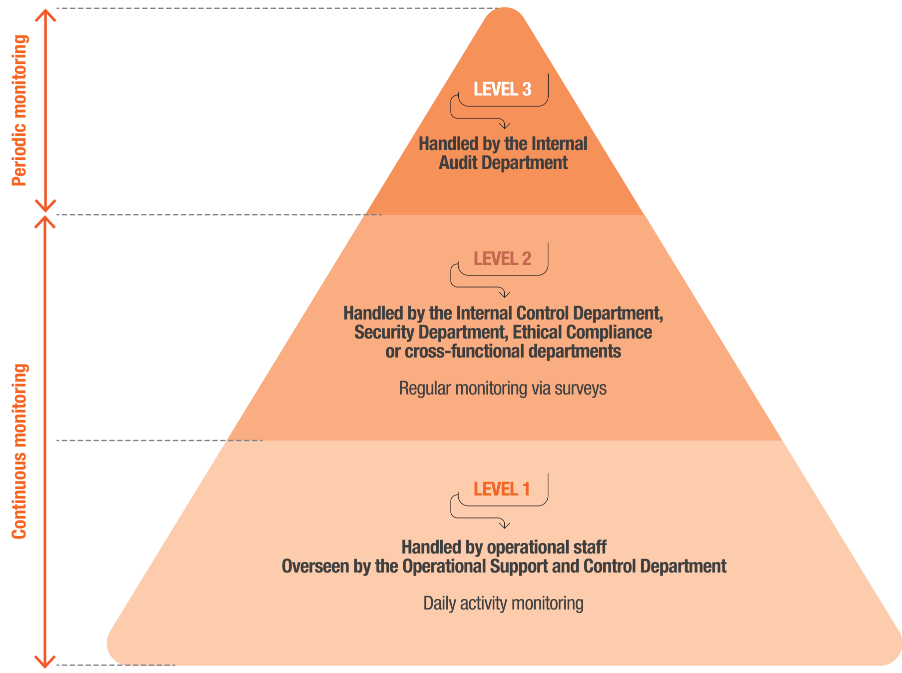
Risk management organization

The Group has completely overhauled its risk control and management model in order to adapt it to changes in its business model and environment.

Reporting to the Group's General Secretariat, a Risk Department was created in January 2023 to improve the coordination of operational support and control, along with internal control, internal audit, and ethical compliance and security, the four areas that it oversees.

The structure of the new department follows the three-lines-of-defense model and has been shared with the various governance bodies, the Executive Committee, the Audit Committee and the various management committees. It is presented to each new member of the Executive Committee and Leadership Group (top 200) when they join either of these groups.

The roles and responsibilities across the three lines of defense have been spelled out, as part of efforts to try to instill the risk management culture right across the Group. Actions in respect of the three lines are coordinated via fortnightly Risk Committee meetings.



Level 1: first line of defense

The Operational Support and Control Department oversees an operational control structure designed to assist management with the day-to-day monitoring of activities (detection, strengthening and training).

Level 2: second line of defense

The Internal Control Department is structured in a way that tries to help management identify the risks inherent in their business activities and ensures that suitable controls are in place to mitigate these risks (mapping, structured processes & procedures, and reporting).

Its actions, which are coordinated with the partner departments (Operational Control & Support, Security and Internal Audit), help to ensure effective risk management.

The Security Department's Group-level objectives are to harmonize procedures, reduce risks to property and people, and optimize safety costs by promoting synergies and raising awareness among employees at the different brands. The network of individual country Security Directors also makes use of these rules and best practices.

The Security Department also manages the anti-fraud system, via a unit whose specific purpose is to prevent, detect and resolve cases of internal and external fraud.

Ethical compliance. The Ethics Department is tasked with rolling out and supporting a mechanism for making all employees aware of the Group's values and rules on preventing risks of corruption, as per the obligations of the Sapin 2 Law. For this purpose, it is tasked in particular with assisting the Group with the following:

- Business Code of Conduct;
- Charter for the Prevention of Conflicts of Interest;
- Gifts and Benefits Charter;
- Whistleblower Alert Line.

Cross-functional departments:

- the Group Legal Department advises and assists the operational departments and subsidiaries on major legal questions, as well as on the insurable risks to be included in the Group's financial statements;
- the Group Tax Department advises and assists the operational departments and subsidiaries on major tax issues;
- the Group Financial Operations Department is in charge of implementing and ensuring compliance with the procedures for reporting and preparing the consolidated financial statements;
- the Group Human Resources Department advises on and ensures compliance of internal practices with labor laws and regulations;

- the CSR Department advises and assists the operational departments and subsidiaries on the actions to be implemented in respect of societal and environmental responsibilities, and compliance with its duty of care;
- the Data Protection Officer is responsible for overseeing compliance in processing customer and Group employees' personal data.

Level 3: third line of defense

Internal Audit is an independent function reporting to senior management and to the Group's Audit Committee. It operates within the scope of an audit plan which is produced annually based on a risk assessment, and validated by the Audit Committee.

The Audit Committee reviews on an annual basis the risk map prepared by the Internal Control Department and validated by the Group's senior management. The Audit Committee monitors the progress of dedicated action plans for major risks through dedicated presentations made by the sponsors of the various risks.

The Internal Audit Department also strengthened its organizational role in 2023, expanding its scope to include operational, IT and Corporate issues.

Its work helps to assess the performance of risk management systems and make them more effective.

Country-level organization

Managing the exposure to decentralized risks is the responsibility of the country CEO and local managers, who are closest to the risks associated with the activities they exercise or supervise:

- monthly performance reviews help to detect the appearance or occurrence of risks;
- country Security Departments are responsible for the security of the Company's physical and intangible assets and for the security and safety of all persons present at all the Group's sites in their country; they implement all human, organizational and technical means to handle risks of an accidental or intentional nature; and
- the Support Services Departments, in their role of securing and driving progress, may identify risks and propose an action plan to the reporting line for their containment.

Therefore, each country has a Risk Officer, who oversees the risk management system within their area, which is aligned with the three Group-level lines of defense.

5.1.2 / A mature internal control system

Internal control definition and objectives

The Group's risk management and internal control systems rely on a series of resources, procedures and actions aimed at ensuring that proper measures are taken to identify, analyze and control:

- risks that could have a significant impact on the Company's assets or the achievement of its objectives, whether operational, financial or related to compliance with laws and regulations;
- the activities, efficiency of its operations and efficient use of resources.

Internal control is defined as a process, conducted by senior management under the control of the Board of Directors, and implemented by the Directors and all employees. Irrespective of the quality and scope of internal control, it cannot entirely guarantee that the objectives in the following areas will be achieved:

- compliance with applicable laws and regulations;
- application of instructions and strategy adopted by senior management;
- proper functioning of internal processes, including those contributing to the protection of the Company's assets;
- reliability of financial information.

Organization

The structure of the Group's internal control involves persons throughout the chain of command, from the Executive Committee to all employees and supervisory and assessment bodies, including the Board of Directors, the Audit Committee, the Appointments and Compensation Committee, the Corporate, Environmental and Social Responsibility Committee and the Statutory Auditors.

The allocation of responsibilities and application of the rule on the division of functions ensures control and provides the basis on which the respective roles of the various decision-making bodies are built.

Internal control components

The quality of the internal control system depends on the following components:

- a control environment based on rules of conduct and integrity that are upheld by the management and communicated to all employees;
- the existence of clearly and appropriately defined roles and responsibilities;
- a system for categorizing, analyzing and managing the main risks;
- ongoing monitoring of the internal control system, and regular review of its performance.

Internal control limits

The following limitations inherent in any internal control system affect the probability that the Company will achieve its established objectives, in particular:

- human errors or malfunctions that occur when decisions are made or implemented;
- deliberate collusion between several persons, making it possible to elude the control system in place;
- deliberate fraud by management;
- where the implementation, or even maintenance, of a control would be more burdensome than the risk which it is supposed to alleviate;
- when, in endeavoring to achieve the above-mentioned objectives, companies are confronted with events and hazards that are outside of their control (unforeseen changes in markets and competition, unforeseen change in the geopolitical situation, errors in forecasting or estimating the impact of such changes on the organization, etc.).

The Group's internal control environment

This environment is structured around the principles and values that are detailed in the Group's internal codes and charters and govern the behavior and ethics of all employees. It relies on the management of human resources to ensure that employees are skilled, ethical and engaged.

Principles and values

- **The Business Code of Conduct** was updated in 2021. The aim is to reaffirm the basic principles that should govern each person's behavior in their professional life, both individually and collectively. These principles are reaffirmed through respecting people, respecting Company property, respecting trade regulations, and through the Group's commitments to social and environmental responsibility.
- **A "Gifts and Benefits Charter,"** updated in 2021, outlines the Group's internal rules for accepting gifts and hospitality. Its aim is to help employees deal more confidently with the offer of various gifts and enticements from suppliers, third parties and partners.
- **A "Prevention of Conflicts of Interest Charter,"** launched in 2021, aims to raise awareness of conflicts of interest. Its intention is to help employees avoid them and understand how to conduct themselves when faced with them. For members of the Leadership Group and employees potentially at risk, this is combined with an annual conflict of interest disclosure. Through the process related to this disclosure, over 1,500 people received conflict of interest training in 2023. All reported conflict of interest situations are reviewed by the Internal Audit Department and, if necessary, measures are taken to avoid them. This approach has a dual objective of education and protection.
- **The "Whistleblower Alert Line"** enables staff to report with complete confidence and confidentiality any behavior that contravenes the ethical framework and any serious situation or event identified within the Company or within our partners/suppliers on an external whistleblowing alert platform. The existing system was harmonized with the requirements of the French Waserman Law at the end of 2022.
- Fnac Darty's key unifying values are respect, loyalty and transparency. These underlying values are reiterated in the updated Business Code of Conduct.
- **An Ethics Charter for Securities Trading**, updated in 2019 in compliance with French Financial Markets Authority (Autorité des Marchés Financiers – AMF) instructions, defines the obligations incumbent on individuals who hold inside information, and sets up an Inside Information Committee responsible for assessing whether a piece of information can potentially be classified as inside information.
- **A charter relating to the appropriate use of information systems** is updated every year to raise awareness and increase user responsibility among Fnac Darty employees in respect of their rights and duties.

These codes and charters have been validated by the Group's Executive Committee. They are available to all employees for reference on the intranet sites of the Group's brands.

Human resources policy

The human resources policy contributes to internal control, in particular via the delegation of power and responsibilities, descriptions of functions, an employee assessment system and investments in training.

- Given the size of the Group and its workforce, the diversity of its activities, and the geographical dispersion of its different entities, it is necessary to **delegate powers and responsibilities** for the business to operate effectively. Responsibilities are delegated to appropriate people and entities, along with all the powers and resources they need to carry them out, in compliance with applicable regulations. There are official job descriptions for key functions, which refer to the controls needed for the supervision of business activity and also serve as a framework for the individual assessment system. The identification and description of key skills (managerial and business-specific) for the Group allows for the gradual implementation of a shared system for managing skills.
- **Training,** a component of annual plans, is focused on business-specific skills, combining specialist know-how, management expertise, and mandatory and regulatory knowledge. It is provided from the time new recruits first join the Group and continues throughout their careers, ensuring their individual development and that they follow essential rules on safety and compliance.

- All Group managers and employees benefit from an **annual performance and skills appraisal** and **a professional interview** designed to identify their training and professional development needs. Group Human Resources is responsible for the Group's senior executives (recruitment, international mobility, career management and training). Succession plans are in place for the principal Group management positions.
- Employees are asked to **give their opinion** on various themes every month by answering three questions. This mechanism is also an opportunity for them to freely express their expectations, which facilitates the creation of concrete action plans. Monitoring committees have been set up for this purpose.
- **Compensation policies** are managed and controlled by Group Human Resources for the principal management functions and at country level for other functions, in accordance with the main defined goals.

Internal control bodies and supervision

The Board of Directors contributes to the general control environment through the skills of its members. It is regularly informed of major internal control and risk management methodologies and describes them in its Activity Report. The Board of Directors relies in particular on the work carried out by the following three committees:

- **the Audit Committee**, whose members, powers and operations are outlined in Chapter 3 "Corporate Governance" of this Universal Registration Document;
- **the Appointments and Compensation Committee**, whose members, powers and operations are outlined in Chapter 3 "Corporate Governance" of this Universal Registration Document;
- **the Corporate, Environmental and Social Responsibility Committee**, under its rules, is partly responsible for "examining the principal risks and opportunities for the Group in corporate, social and environmental matters." It also manages risks associated with its duty of care.

The Group's senior management relies on the work carried out by the following committees to manage compliance and risk management issues:

- in January 2018, **the Group's Ethics Committee** was set up. It is chaired by the General Secretary, and its permanent members are the Director of Human Resources, the Legal Director, the Security Director, the Risk Director, the CSR Director and the Data Protection Officer. It meets twice a year. This committee's primary responsibilities are to ensure that the Group's codes, charters and policies are kept up to date, to monitor the effectiveness of risk reduction plans when mapping specific risks involving corruption, duty of care, and data protection, and to prepare an annual report of its work for the Executive Committee;
- the Group's small **Ethics Committee** was set up in July 2020. It is chaired by the General Secretary and its permanent members are the Human Resources Director, the Legal Director, the Security Director and the Risk Director. The Committee's main duty is to oversee the follow-up and management of information reported via the ethics and compliance alert line. It meets as often as necessary;
- **the Group's CSR Committees (France and International)**, are made up of a sponsor from the Executive Committee (the General Secretary of the Group), the CSR Director and department or subsidiary/country officers, meet once a quarter. They manage CSR risks and monitor the roll-out of the CSR roadmaps for each department, subsidiary and country;
- set up in 2019, the **Climate Committee** meets once per quarter and comprises three sponsors from the Executive Committee (the Group General Secretary, the Director of Services and Operations and the Commercial Director), as well as the Directors of Indirect Purchasing, CSR, Logistics, National Transportation, Services Policy and After-Sales Service. It is responsible for rolling out and verifying compliance with the Group's climate roadmap and overseeing the reduction targets for greenhouse gas emissions;
- **the GDPR Committee** was set up in 2017 to oversee compliance and adherence with the European General Data Protection Regulation (GDPR) of May 25, 2018. This committee is chaired by the Data Protection Officer (DPO) appointed by the Group for France, who coordinates the DPOs appointed for other countries. The main objectives of this committee, which meets every three months in the presence of the GDPR representatives of each major department, are explained in Chapter 2 of this Universal Registration Document, in particular in section 2.5.3 "Using and protecting personal data, cybersecurity;"
- **the Group's Insurable Risks Committee** was created in 2019. It has the authority to validate, assess and improve the effectiveness of the risk management system in place, particularly in order to reduce net risk. This committee meets at least once every quarter and is chaired by the Group General Secretary. Its permanent members are the Legal Director, the Financial Control Director, the Security Director, the Risk Director, the Director of Internal Control and the Head of Insurance.

The Internal Control Department is responsible for managing and coordinating risk management, in particular through annual risk mapping and monitoring of action plans. It is also responsible for the central administration and analysis of internal control pursuant to the Financial Security Law and the AMF's reference framework.

Self-assessments are undertaken annually. Those responsible are asked to apply the internal control system, to self-assess their level of achievement using controls that are essential to the proper functioning of their activities.

These questionnaires help operational staff to assess the quality of the internal control procedures for which they are responsible. They standardize the level of internal control across all activities and allow operational staff to update themselves regarding best practices. They enable the launch of improvement action plans based on the results obtained.

The Group Internal Audit Department contributes to the assessment of the internal control system through its missions and draws up recommendations for the improvement of its operations. The Group Internal Audit Department reports the main results of its assessments to senior management and the Audit Committee.

The Statutory Auditors take note of the elements of internal control that are pertinent for the audit in order to take into consideration those factors that may generate risks of material anomalies in the financial statements, and not for the purpose of formulating an opinion on the efficacy of the internal control.

At a time that they deem appropriate, the Statutory Auditors notify management in writing, at the appropriate level of responsibility, as well as the bodies cited in Article L 823-15 of the French Commercial Code, of the internal control weaknesses identified during the audit that they believe to be sufficiently important to merit attention, unless the Auditors believe that this approach would be inappropriate under the circumstances.

Internal control procedures relating to the preparation of financial information

Definition and objectives

Accounting and financial internal control includes the processes that provide accounting data: the financial information production process, account-closing process and the communications process.

The accounting and financial internal control system aims to ensure:

- compliance with accounting regulations and proper implementation of the principles on the basis of which the financial statements are prepared;
- implementation of senior management's instructions on financial reporting;
- the preservation of assets;
- the quality of information reported for the preparation of published financial statements and the reliability of their centralized processing for Group consolidation, with a view to the distribution and use of that information for management purposes;
- the control of production of financial, accounting and management items.

All bookkeeping processes, including sales, purchases and inventory management, fixed assets, payroll and cash are the subject of specific monitoring procedures and accounting validation and authorization rules.

The scope of application of internal control procedures relating to the preparation and handling of financial and accounting information comprises the parent company and all subsidiaries included in the consolidated financial statements.

Accounting and management standards

The Group has a body of accounting rules and policies which must be applied to all consolidated subsidiaries.

These accounting rules, which are regularly updated, take into account changes in accounting regulations and standards. The accounting standards establish the principles required for the consistent processing of transactions. They specify, in particular, the recording methods pursuant to International Financial Reporting Standards (IFRS).

The budgetary and closure procedures ensure consistency in the processing of data.

Management standards not only specify the rules applying to the valuation of certain major account balance sheets and income statements, but also the controls and validations applying to key processes.

The Financial Control Department is responsible for updating these rules and improving the quality of their formalization.

Financial and accounting information management process

The production and analysis of financial and accounting information is based on a set of management procedures, such as:

- **the medium-term plan**, which measures the consequences of the strategic directions on the Group's major financial and management goals. The plan is also used annually by the Group to assess the value-in-use of assets relating to the various cash generating units;
- **the annual budget,** compiled after discussions with country and Group operational departments and general management: this budget, which identifies the major financial goals and operational action plans, is prepared in the fourth quarter of the year and is definitively adopted in the following first quarter after any intervening events are taken into account;
- the annual budget is updated at least twice a year to ascertain whether the budgetary targets have been met and, if necessary, to revise said targets in light of the results to date and any changes in the internal and external environment. In addition, **a rolling monthly forecast** is provided as part of the monthly budget update, with the entities sending in their revised monthly earnings and cash flow forecasts based on their business activity estimates;

- **the reporting** that is carried out each month on the basis of monthly result closures performed by all entities dependent on the Group allows rapid reporting of financial information and regular monitoring of operational performance. The Financial Operations Department, on the basis of the controls delegated to country or subsidiary Chief Financial Officers, makes sure that this reporting is consistent and complies with the applied accounting treatments.

The Group's CEO, its Chief Financial Officer, and the regional, country or subsidiary CEOs meet regularly with the managers of the various activities to assess the development of the business, based on financial and operational aspects.

The Financial Operations Department regularly monitors, for annual and semi-annual closures, the off-balance sheet commitments of consolidated legal entities, including as part of the statutory consolidation processes, which require them to list all their commercial or financial commitments and monitor them over the years.

Consolidation of accounts

The statutory consolidation of accounts is performed monthly using a single consolidation tool that allows the consolidated subsidiaries' financial information to be transmitted in real time after a comprehensive validation process of the consolidation files by their Statutory Auditors, CEOs and CFOs, who sign a representation letter every six months, thus ensuring the quality of the financial information transmitted.

The Financial Control Department conducts the consolidation process.

Information systems

The purpose of the financial and accounting information systems implemented in the Group is to meet the requirements in terms of compliance, security, reliability, availability and traceability of information.

- Fnac brand: financial management and accounting data are managed with a single SAP information system in all activities to ensure consistent processing, comparison and control of accounting and financial information.
- Darty/Vanden Borre brands: financial management and accounting data are managed using a different SAP information system for Darty and software developed in-house for Vanden Borre (Darty Belgium).
- Financial reporting data and budget construction and tracking data are managed using a single information system across all Group activities. This SAP BPC tool interfaces with the various accounting information systems.
- Consolidation data are collected in a single consolidation tool known as BPC Consolidation, which interfaces with Fnac Darty's SAP BPC consolidated reporting system.

To reinforce the internal control of systems, the E-Commerce and Digital Department, with support from the Internal Control Department, has strengthened the system used for separation of functions and has improved right of access controls through a formalized annual review across the entire Group.

Financial communication

The Investor Relations and Financial Communication Department, which reports to the Group Chief Financial Officer, is responsible for preparing a precise timetable for releasing the latest financial information on the Group's activities to the financial markets.

This timetable complies with the requirements of the market authorities. Managers verify, with help from the Legal Department, that the information is released within the required time and in compliance with the laws and regulations that it monitors on an ongoing basis.

All material information communicated to the financial community accurately and transparently reflects the situation of the Group's activity, and is released in accordance with the principle of equality of information between shareholders.

Statutory Auditors

As part of their ongoing assignment, the Statutory Auditors audit the annual and interim accounts and financial statements of consolidated entities. The Group's annual consolidated financial statements are prepared under the supervision of the Financial Operations Department under the responsibility of the Group Chief Financial Officer after validation by the entities' Finance Departments. The Chief Executive Officer and the Group Chief Financial Officer certify that the consolidated financial statements are true and present a fair view by signing a representation letter addressed to the Statutory Auditors.

5.2 / Insurance

Policy for managing insurable risks

The policy for managing insurable risks is led by the Group's Legal Department, in close collaboration with the Group's other departments.

The relevant departments work to identify, assess and prevent risk, prior to transferring residual risks to insurance companies. More specifically, the policy for managing insurable risks consists of:

- identifying the risks and the various potential claim scenarios (maximum potential claim and reasonably estimated claim);
- assessing the impact of the risks identified, in particular the financial impact in the event of a claim being made;
- defining risk mitigation plans and implementing appropriate prevention measures;
- deciding between retaining certain risks and transferring them to the insurance market.

This analysis enables the Group to determine its insurance requirements and to provide the best protection for people and property.

On this basis, the Group's Legal Department negotiates with recognized companies in the insurance industry to provide the insurance cover that is most appropriate for the Group's risks.

Insurable risk prevention policy

The Group continues to implement and develop prevention measures to improve its insurable risks in order to reduce the likelihood of certain claims arising and/or their severity when they do occur.

The Fnac Darty Insurance Committee includes members from several departments involved in risk management. Its role is to make the insurable risk management system more effective, and it is tasked in particular with implementing and reporting on actions to prevent and mitigate risks, and with monitoring them.

Policy for transferring insurable risks

The Group conducts a policy of transferring its material risks to insurance companies. The Group still assumes risks where the likelihood of occurrence and the severity is low.

The Group ensures it maintains a strategy that enables it to generate a positive insurance value by seeking the best balance between risk cover, franchises and premiums. This assessment is made with advice from the Insurance Committee, brokers and professional insurance consultants.

Uninsured risks are those for which no coverage is offered on the insurance market or where insurance is offered at a cost that is disproportionate to the potential benefits of such insurance. The Group's insurance requirements are reviewed regularly by the Insurance Committee, which relies on the mapping of insurable risks, in order to verify their suitability with regard to developments within the Group and the insurance market.

The main insurance programs taken out by the Group cover all of its subsidiaries and are supplemented, where applicable, by specific local arrangements that comply with the regulations of the various countries in which the Group operates.

The Group remains cautious about disclosing information on its insurance programs and about disclosing certain information that may be prejudicial to it in contractual negotiations or in the event of a claim.

It should be noted that the insurance market is dynamic and likely to change, which may result in insurance company policies and insurance schemes being adjusted. By way of example, the Group has taken out insurance policies to cover the risks of property damage and operating losses, third-party liability and mandatory insurance policies, such as for the vehicle fleet:

- **damage to property and operating losses:** this policy insures the Group against damage resulting from fire, explosions, water damage, theft, natural disasters and the operating losses resulting from such damage.

  This insurance cover was taken out as a result of the policy for managing insurable risk, and is based on determining the level of cover required to cope with the reasonably estimated occurrence of the risks that the Group wishes to transfer to the insurance market for each facility and company concerned;
- **third-party liability:** in order to cover operating risks and post-delivery or post-service risks, the Group has taken out a third-party liability insurance policy. This policy covers the financial consequences that may result from physical injury or material damage for which the Group is liable, that may be caused to third parties due to the activity of any of its subsidiaries or products sold;
- **vehicle fleet:** this mandatory insurance policy covers the Group's vehicle fleet against the risk of liability and damage that may occur while vehicles are being driven.

The levels of cover are determined by the various policies described above, taking into account the financial risks and the terms and conditions of cover available on the insurance market. The level of insurance cover is weighed against the financial terms available.

In accordance with market practices, conditions and constraints, the insurance policies described include exclusions of cover, limitations and deductibles. Insurance cover will change as the Group's business evolves and depending on market conditions when policies are renewed.

5.3 / Risk factors

The Group operates in a constantly changing environment and is therefore exposed to both external and internal risks in developing its activities relating to its strategic plan.

The risk factors presented in this chapter are, as of the date of this Universal Registration Document, the risk factors that the Group believes could have a significantly adverse effect on its business activity, earnings, financial position, net assets, ability to achieve its objectives, its image and its reputation, should they materialize.

At an overall level, the Group has implemented a system to anticipate the risks identified and keep them under control. The system is updated regularly to reflect regulatory, legislative, economic, societal and geopolitical changes, as well as changes in the competitive environment. A detailed description of how these risks are managed is provided at the start of the chapter.

Risk factors are presented in three main categories, depending on the nature of the risk, and the most significant risks are presented first. The mapping below categorizes these risk factors based on their potential impact and likelihood of occurrence and therefore reflects the Group's risk exposure, after taking into account the risk control measures implemented.

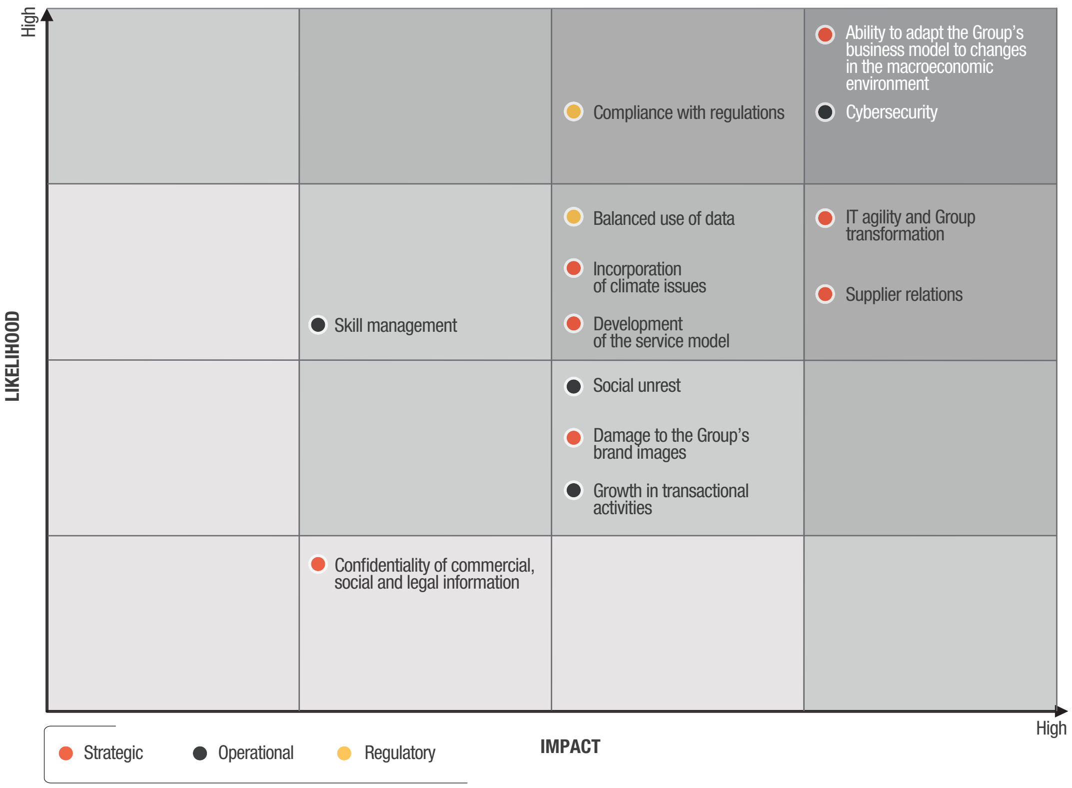
The impact of the identified risks is assessed using a multi-criteria matrix which is defined at Group level and shared with the countries and subsidiaries. The analysis criteria include a series of inextricably linked financial, reputational, legal and social criteria.

The risk mapping was produced with the members of the Executive Committee based on the risk mappings undertaken by the various business lines and subsidiaries, and approved at the Audit Committee meeting in December 2023.

Main risks identified to which the Group considers itself to be exposed

Type	Description	Page
Strategic risks	Ability to adapt the Group's business model to changes in the macro-economic environment	348
	IT agility and Group transformation	349
	Supplier relations	350
	Incorporation of climate issues	351
	Development of the service model	352
	Damage to the Group's brand images	353
	Confidentiality of commercial, social and legal information	354
Operational risks	Cybersecurity	355
	Social unrest	356
	Growth in transactional activities	357
	Skill management	358
Regulatory risks	Compliance with regulations	359
	Balanced use of data	360
Financial risks	Liquidity risk	361
	Pension plan	362

Assessment of the Group's risks based on the likelihood of their occurring and their impact



5.3.1 / Strategic risks

Fnac Darty ended the third year of its strategic plan Everyday in an inflationary economic climate and a market hit hard by changes in household consumption. As a result, the Group is striving to balance its expenses and investments in order to maintain the profitability of its economic model, and is keeping a close eye on developments and the economic outlook. At the same time, it is continuing to transform its omnichannel model and to adapt its organizational structure, IT systems and operational resources. Product and service lines must also continue to be updated to achieve a better fit with changing consumer behaviors.

5.3.1.1 / Ability to adapt the Group's business model to changes in the macro-economic environment

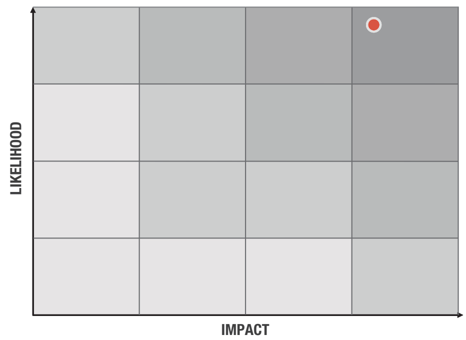
Description of the risk

Fnac Darty operates in a specialized retail market, which is a very competitive sector with low margins.

Inflationary pressures on its cost structure (such as payroll expenses, transportation costs, rents and energy bills), combined with reduced growth levels over the last two years may put pressure on the Group's earnings. However, it is still constantly trying to find savings.

In a climate where financing costs are rising and earnings are falling, the Group might not succeed in adjusting its debt level, pointing to a liquidity risk.

Potential impacts on the Group



If its economic model is unable to adapt, this could result in profitability and liquidity risks.

Risk management

The performance culture is central to the Group's strategy, to ensure that all business lines and entities contribute to the search for potential cost savings while maintaining operational efficiency, which has been in place for several years.

A governance structure and action plans to support its staff have been identified, primarily through a matrix structure that permits decision-making without hampering Group-wide development and pays special attention to any potential human resource impacts in its entities. Performance plan management is monitored monthly by the Executive Committee.

Lastly, strategic considerations for adapting the balance sheet structure and guaranteeing the Group's long-term liquidity were presented at the Strategic Committee meeting in November 2023.

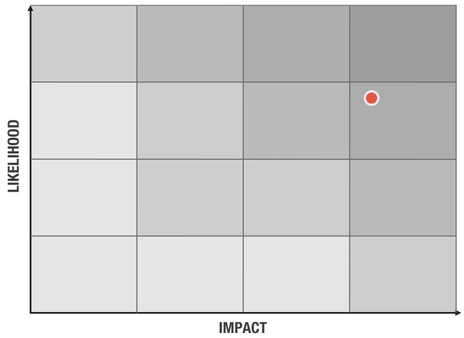
5.3.1.2 / IT agility and Group transformation

Description of the risk

Fnac Darty's ambition, as expressed through its strategic plan and the multiplication of growth drivers (online platforms, Marketplace, services, franchises, partnerships, etc.), requires significant investment and the extremely rapid and successful transformation of its information systems.

Some applications used by the Group need to be updated to improve the customer experience and strengthen operational continuity during busy periods. For historical reasons, there is a lack of standardization across the applications used by the Group's various entities.

Potential impacts on the Group



The Group may fail to deliver this transformation successfully, both in terms of its capacity and its speed of execution.

Risk management

The IT master plan sets out a pathway for tackling the obsolescence of the technical framework over five years (2023–2027). It is sponsored at Executive Committee level in close collaboration with the business lines.

Its main measures include:

- quarterly monitoring of key issues and IT and digital investment budgets by the Executive Committee;
- improved efficiency of digital factory production launches (combined IT and business line structure);
- the strengthening of the service continuity system for the most critical applications in place;
- implementation of a cloud-based pathway to support new strategic businesses more quickly;
- annual review of the application assets and regular updating of the master plan;
- insourcing of key IT resources, enabling control of core business components over time and facilitating the success of the plan to converge the Fnac and Darty IT systems; and more generally, a package of initiatives around training, subsidiary tech modernization and developing salary benchmarks, benefits and career pathways in order to manage talent more effectively.

5.3.1.3 / Supplier relations

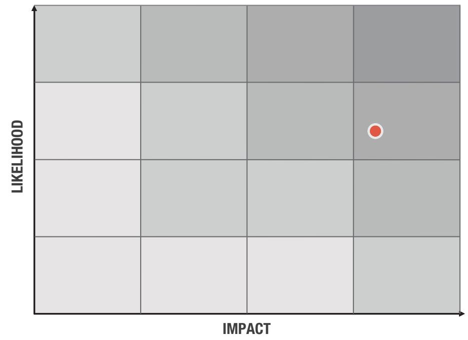
Description of the risk

Fnac Darty offers a wide range of products and is supplied by a large number of suppliers. However, in France, approximately 70% of purchases in 2023 were from the top 25 suppliers.

A major portion of the Group's operations depends on its capacity to negotiate under good commercial conditions and maintain contracts and long-term business relations with its suppliers, especially those for whose products there is no substitute as far as customers are concerned.

Furthermore, the strategy of global brands of increasing direct to consumer spending (disintermediation), as well as the rise of European-level decision-making centers could result in the Group being deprioritized in their budget allocations.

Potential impacts on the Group



Any deterioration in the brands' relationships with their main suppliers, the imposition of stricter conditions by these parties, or the non-renewal or early termination of their main agreements may have a significant adverse effect on the Group's image, business activity, earnings and outlook.

Risk management

The Group's sales policy is designed to develop strategic partnerships with suppliers, partners and contractors in its primary markets:

- aligning its interests and those of suppliers around the value strategy with the opportunities and constraints it presents (channel management, exclusive offers, sustainability values, etc.) by entering into partnerships that shape the entire relationship (purchasing, communication, demonstrations, merchandising);
- spreading risk on the supplier portfolio;
- conducting annual negotiations that value growth prospects at fair values;
- developing services for its suppliers: data supply (after-sales service, Labo Fnac, inventories, customers and courses), web-based customer experience (such as livestreams, chats and SEA), MyRetaiLink, repair and second life;
- strengthening the role of services in commercial negotiations, particularly around subscriptions and financing solutions.

5.3.1.4 / Incorporation of climate issues

Description of the risk

Over the last few years, the Group's *raison d'être* and strategic plan have incorporated the most significant environmental issues.

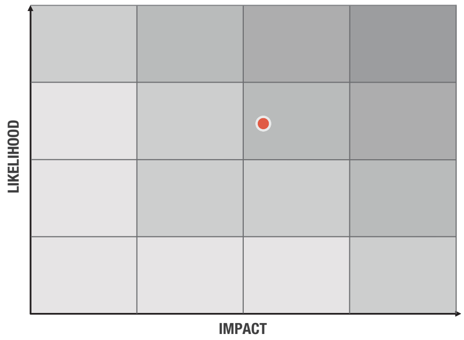
However, public authorities are strengthening the legislative framework to force companies to reduce their climate impacts, particularly those related to transport, energy, waste and consumer goods. The number of consumers seeking to consume better, or consume less, is steadily increasing. Both young workers and Group employees are increasingly conscious of climate issues, and many investors are investing in companies with the best ratings from non-financial rating agencies.

The Group must:

- make climate issues a central element of its decision-making and incorporate them into its financial planning, as expected by its customers, employees and investors;
- ensure compliance with new climate regulations and anticipate future changes in the regulatory framework;
- prepare for the impacts of climate change and be able to identify the main physical risks likely to affect its operations and its value chain, and assess its level of resilience in response to these risks.

A detailed description of the risks identified by the Group is presented in Chapter 2, section 2.3.1.2 of this Universal Registration Document.

Potential impacts on the Group



Failure to incorporate these climate issues into its strategy would expose the Group to multiple reputational, commercial, financial attractiveness and, ultimately, operational risks (unexpected extreme events).

Risk management

Aside from these risks, Fnac Darty believes that the incorporation of climate issues into its business model represents an opportunity to enhance the strong and historic assets of the Group's brands (responsible image, after-sales service, technical laboratory, sales expertise, store network, etc.). By integrating the sustainability objective into its strategic plan, the Group is demonstrating its desire to position itself as a standard-setting player in responsible, sustainable retail.

Four powerful levers have been applied:

- against a backdrop of hyperchoice and over-consumption, the aim of "committing to providing an educated choice and sustainable consumption" is guiding the Company in its strategic decision-making and its day-to-day activity and management;
- dedicated governance via three committees (see Chapter 2 of this Universal Registration Document). Specifically, the Climate Committee is driving the target of reducing CO_2 emissions by 50% by 2030;
- identification and assessment of its climate-related risks and opportunities: the Group's exposure to extreme climate risks was measured in 2022. Other biodiversity impact measurements were taken;
- the development of services and advice that promote a circular economy, such as the launch of the "sustainability score" and the "Sustainable Choice" label, the subscription-based maintenance contract (Darty Max), a repair assistance platform and the expansion of the second life activities.

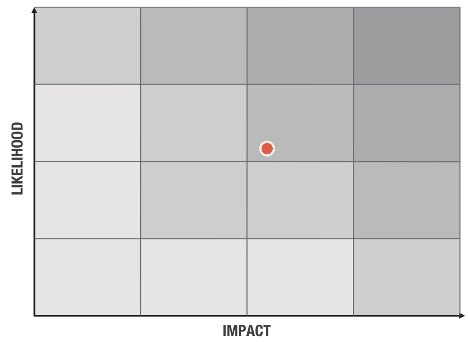
The management of this risk, the governance, the decarbonization strategy, the objectives and all actions taken to address this risk are detailed in Chapter 2, section 2.2 "Promote sustainable consumption and an educated choice" and section 2.3 "Reduce the Group's impact on the climate and biodiversity" of this Universal Registration Document.

5.3.1.5 / Development of the service model

Description of the risk

The significant changes in the Fnac Darty service model involve speedy adjustments within the organization. The Group needs to develop appropriate IT systems, align its internal processes, and train and gear up its technical and sales teams. To achieve the expected profitability of this model over time, it is essential that we provide the quality of service promised to the customer and that the business is managed effectively. The Group must also tighten up controls to guard against the various risks inherent in these activities.

Potential impacts on the Group



Five types of risk could have an impact on the Group: commercial, reputational, regulatory, operational and financial risks.

Risk management

The Group relies on its own ecosystem and partnerships to make its services accessible to as many customers as possible. A team dedicated to helping stores to put on promotional events for the sale of services has been set up.

It is organized to acquire the right skills for managing subscriptions and driving its profitability (churn, NPS, payment problems).

The Group is recruiting and training more than 500 technicians over the plan period to provide the capacity to meet the customer demand for repairs generated by the increase in Darty Max repair subscriptions. Training is provided via the Tech Académie, the launch of the first training center for business apprentices, as well as the in-house Training Center.

It is expanding its IT platform to include new subscription management functionality, and continues to develop control reporting tools.

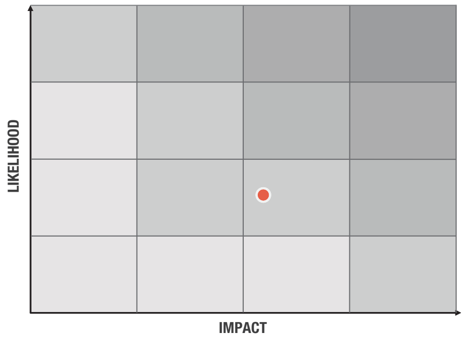
5.3.1.6 / Damage to the Group's brand images

Description of the risk

The success of the Group's brands relies in part on the strong reputation and consumers' high opinion of Fnac, Darty and Nature & Découvertes.

Against the backdrop of growth in its network of franchises, Marketplace and external partnerships, and of the development of social media that encourages the rapid dissemination of opinions, comments and reviews, the Group's ability to maintain the consideration, preference and distinctive character of its brands, to incorporate CSR and ethical issues into the choice of its suppliers and partners, and to retain the membership of its customer loyalty programs, are key factors for longevity.

Potential impacts on the Group



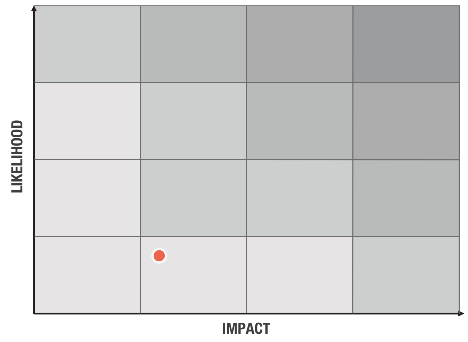
The brands' images could be affected by exceptional events such as liability incurred for marketing faulty products, the ability to incorporate CSR and ethical issues in the choice of their suppliers and partners, or non-compliance with applicable regulations.

Risk management

A number of measures have been implemented to reduce the aforementioned risks:

- an ongoing monitoring mechanism flags any event likely to affect the Group's image and reputation. This system relies on various departments working together, in particular the Customer Department, the Communications and Public Affairs Department, and the Security Department;
- a mechanism to monitor the reputation of leading third parties has been initiated under the Sapin 2 Law;
- Fnac Darty's Business Code of Conduct, which was updated at the end of 2021, is available on the Company's internal network and appended to the contracts and agreements with third parties; it sets out the Group's ethical commitments and the behaviors required;
- a crisis management policy and associated operating procedures are circulated within the Group. These are the subject of regular reminders;
- furthermore, the IT Charter sets out the rules governing the use of the IT tools available to employees in compliance with the Group's ethical rules.

5.3.1.7 / Confidentiality of commercial, social and legal information

Description of the risk	Potential impacts on the Group
In the context of its current operations and strategic development, the Group processes and stores key information that could be used for malicious purposes.	 A lack of control in the management of confidential information would jeopardize the market success of the year's major commercial operations.

Risk management

The Group ensures the confidentiality of its key information via:

- an internal authorization and rights policy for the various shared tools and networks;
- the monitoring of key employees' inboxes for suspicious emails;
- regular awareness-raising among all employees about the risk of phishing;
- the management of key commercial information in a siloed, restricted manner and in accordance with a "just-in-time" data approach;
- a reminder of the best practices to adopt when using tools and managing information, provided in the Group's IT Charter.

5.3.2 / Operational risks

5.3.2.1 / Cybersecurity

Description of the risk

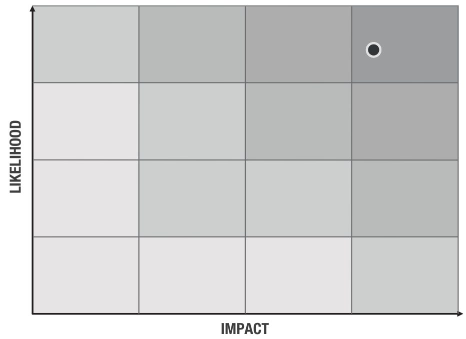
Most of the Group's operations rely on information systems developed or administered by internal resources or outside contractors.

The Group's commercial websites could be subject to cyber-attacks and its databases might be corrupted.

The Group could also be the subject of internal malicious actions through privilege escalation, particularly due to inadequate security of its access to information systems and networks.

Employees and customers could be the victims of phishing scams (wrongful use of the Fnac Darty identity) resulting in unlawful data capture.

Potential impacts on the Group



Any weakness in or failure of the Group's systems could disrupt the business operations and potentially have major repercussions on its sales and financial results.

Risk management

The Group has a four-pillar cybersecurity strategy:

- governance with a dedicated team (ISO 27001-certified leaders) focused on IT security issues. Joint and coordinated Group-level cyber-risk management (country and sector mappings, action plan and monitoring);
- deploying protection measures by implementing fortress approaches, strengthening the system's user-privilege and access processes, and tightening the security on administrator accounts. Verifying external IT service providers by obtaining contractual guarantees ensures the confidentiality and security of the data processed (PCI-DSS compliance of service providers processing banking data);
- deploying measures for detecting and analyzing cyber threats;
- regular awareness-raising among Group employees (IT Charter, mandatory training, phishing campaigns and the organization of cyber-crisis exercises).

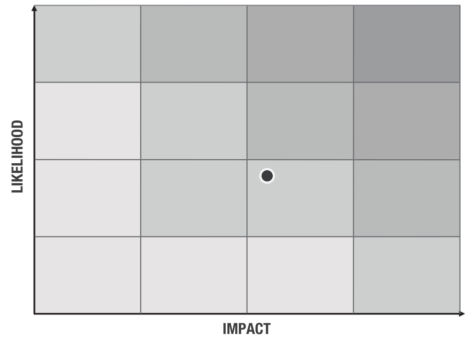
5.3.2.2 / Social unrest

Description of the risk

Faced with social tension and/or large-scale protests related to changes in the macroeconomic situation, the Group must ensure that it has measures in place to limit the impact on its operating activities.

The Group must also maintain good relations with employee representatives, thereby enabling it to obtain agreements in labor negotiations that are to key to supporting the Group's transformation.

Potential impacts on the Group



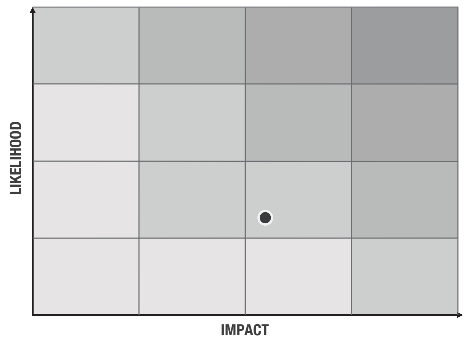
Lack of control over social dialogue and lack of development of projects to help to transform the Group with trade union partners could have a significant impact on operating activities.

Risk management

The Group ensures high-quality labor relations through, in particular:

- the signing of agreements relating to quality of life at work;
- mandatory annual negotiations that resulted in agreements being reached in 2023 and inflation being mitigated;
- the ongoing establishment of local social dialogue (working conditions, purchasing power, roll out of structuring projects, etc.);
- further training for local managers (e.g. in employment law) so that they can have better discussions and respond promptly to team questions;
- the arrival of a Director responsible for employee health and safety matters.

5.3.2.3 / Growth in transactional activities

Description of the risk	Potential impacts on the Group
The development of the omnichannel model and the unpredictability of the share of online sales have meant that Fnac Darty's operations need to become more flexible (logistics, last mile deliveries and customer relations, in particular). The Group needs to support its growth ambition by maintaining its delivery capacity and ensuring high-class service in dealing with the challenges of controlling the costs of availability, order preparation, shipment and delivery. The Group must also be able to absorb an increase in unit costs linked to the geographical expansion of the franchise, the rise in energy costs and/or subcontractor costs.	 If transactional activities cannot adapt, this could have an impact on the Group's customer satisfaction and earnings.

Risk management

The structure of the Group's business model is evolving in order to more accurately match its capacity to demand:

- the Group invests in high-quality modern equipment that mechanizes and automates order preparation and shipment. The aim of these investments over the term of the plan is to ensure a significant improvement in productivity and service quality;
- the development of click&collect helps to mitigate the impact of transportation costs on online sales with the store network being used as warehouses and delivery locations;
- incremental capacity management (overflows and space optimization) and the development of deliveries on behalf of third parties are helping to ensure that overloading is effectively managed.

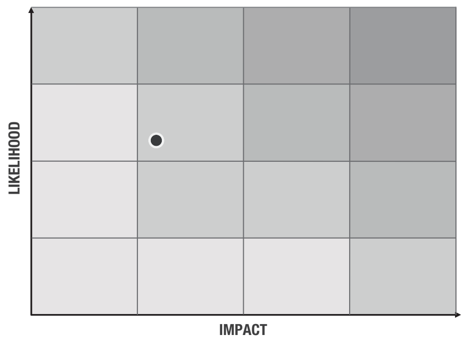
5.3.2.4 / Skill management

Description of the risk

The Group needs to maintain the commitment of its employees and ensure that it recruits and retains the talent required to implement the strategy and develop the various business activities.

In particular, the Group's strategy commits it to strengthening its technical business lines and its digital skills.

Potential impacts on the Group



Failure to control workforce turnover and difficulties with recruitment could impede its operational efficiency.

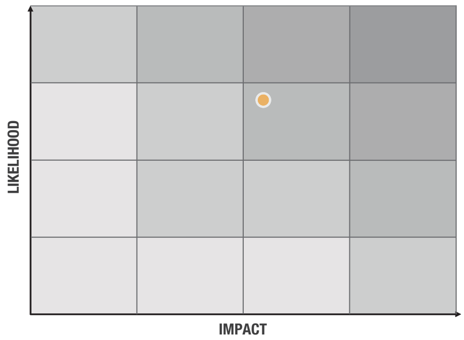
Risk management

A number of measures have been taken to manage the risks associated with recruitment and talent retention:

- the establishment of an internal recruitment agency for shortage occupations (such as Tech, Digital and technicians) and the emphasis on partnerships;
- the establishment of Tech & Digital Sector workshops in 2023, focusing on five themes: employer communication, training, technology modernization, salaries and internal mobility;
- modernization of the employer image among technicians;
- a remote working policy which is in line with the most recent developments among the leading market players and which has been the focus of training for Group employees and managers on new collaborative working methods;
- annual development reviews to identify talent and support these individuals in their career path within the Group;
- an adjustment of its structure and work environment in order to facilitate a collaborative approach and agility within digital business lines;
- regular monitoring of the compensation policy against market practices;
- lastly, solutions for building employee loyalty within the Group: the development of the Tech Académie (Qualiopi-certified), training apprentices and offering "accelerated" training courses for experienced IAD engineers, the establishment of mobility hubs and the development of gateways between different professions.

5.3.3 / Regulatory risks

5.3.3.1 / Balanced use of data

Description of the risk	Potential impacts on the Group
As part of its ongoing activities and strategic development, the Group processes and maintains significant volumes of personal data in a complex and innovative technological environment. In an aggressive competitive environment, the Group also ensures, within the context of its activities, a balance between using personal data for commercial purposes and protecting the privacy of its customers. Lastly, regulatory and technology changes (Digital Service Act, Digital Marketing Act, Data Act, the announcement of the end of third-party cookies (2024) and IA Act) mean that adaptations are required to the organizational structure and processes for the relevant business activities in order to ensure that they remain compliant.	 The Group could be exposed to malicious external use of or attacks on the personal data held. If the Group is unable to comply with the GDPR, this could have significant reputational and financial consequences.

Risk management

In 2017, Fnac Darty appointed a Group Data Protection Officer (DPO) with the CNIL (Commission Nationale de l'Informatique et des Libertés – French data protection authority). The DPO is also the key contact for the CNIL, sharing the Group's challenges and actions. Governance of personal data protection has been implemented across the entire scope of the business.

As part of a continuous improvement process, an action plan is being undertaken with particular focus on the following areas (see chapter 2, section 2.5.3.1 "Protect the personal data of employees and customers" of this Universal Registration Document):

- dedicated governance led by a Management Committee and a report at the Executive Committee level; "personal data protection" champions in each department/country/subsidiary;
- the annual update to the GDPR risk mapping and remediation actions, which are shared at Group Audit Committee meetings;
- closer cooperation with the Cybersecurity, Risk and Customer Relations Departments;
- keeping a register of personal data processing operations and IT system security measures;
- project management through a Privacy by Design process and introduction of formal contracts (Data Protection Agreements) with subcontractors and partners;
- increasing the information on the Group's use of customer data on our e-commerce websites, featuring a consent manager, and in-store;
- mandatory employee awareness-raising and training;
- documents and procedures for all the areas affected (Fnac Darty and subsidiaries);
- retention of personal data for limited periods and implementation of a data purging plan.

5.3.3.2 / Compliance with regulations

Description of the risk

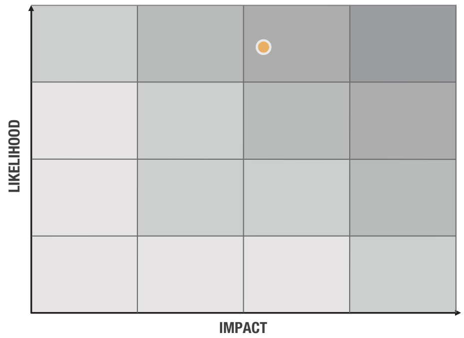
Because of its in-store and online retail activities, the Group is exposed to changes in the legal and regulatory environment in the countries in which it operates. In particular, the Group's business activities are subject to regulations relating to consumer protection, competition, e-commerce, intermediation in consumer credit and insurance, personal data protection, digital and physical book prices, contractual warranties for customers, and store safety and accessibility, and to controls and investigations arising from these regulations.

The Sapin 2 Law and the law establishing a duty of care places a heavier obligation on the Group to put in place an annual declaration on interest representation activities, as well as measures to combat corruption and influence-peddling, and a vigilance plan covering the risks of infringements of human rights, the health and safety of people and the environment, in every country where the Group is present.

The Group's business activities are also affected by environmental regulations, which may have an impact on the products that the brands distribute (such as obligations to dispose of or recycle consumer electronics and domestic appliances), the organization of after-sales services, the methods and cost of transporting products distributed, or the costs incurred for renting retail space.

Lastly, the Group is preparing for the publication of a Sustainability Report, which will replace the Non-Financial Performance Statement. Beyond the reporting aspects, implementing the Corporate Sustainability Reporting Directive (CSRD) involves formulating a transition plan.

Potential impacts on the Group



The increase in the number of regulations and the constant changes in regulatory obligations mean that Fnac Darty, as a listed Group, must constantly increase its efforts and may have to make some trade-offs, pointing to the risks of fines and reputational risks.

Risk management

Legal and regulatory requirements are monitored and incorporated at a country level by the local Finance, Human Resources and/or Legal Departments, with the support of the Group's advisory network, under the supervision of the Group's Legal, CSR, Human Resources, Finance and Tax Departments, as well as the Group's Data Protection Officer.

Legal, GDPR, Sapin 2 and Duty of Care risks are mapped across the Group as a whole every year. In 2023, the Group also established a dedicated body for identifying and managing compliance with the various environmental regulations that impact products (Ecolaws).

The Business Code of Conduct, updated in 2021, reaffirms the Group's commitments to compliance with legal and regulatory obligations toward Group employees and the third parties with which it enters into contracts. This system is supplemented by letters of representation signed in-house by key employees.

Employees are reminded of the obligations through specific mandatory in-house training courses carried out in a classroom or via e-learning modules.

Finally, the Group participates in discussions that may affect its environment, by presenting its actions and innovations to the public authorities, by participating alongside the authorities in discussions prior to the drafting of legislative and regulatory texts, and by defending its positions and proposals during hearings with the government, parliamentarians, local elected representatives, or independent authorities.

5.3.4 / Financial risks

5.3.4.1 / Liquidity risk

Description of the risk

The Group's activity is seasonal and marked by a significant spike in its activity at the end of the year with the Black Friday period at the end of November and the Christmas celebrations in December. Group revenue and current EBITDA are therefore significantly higher in the fourth quarter than in the other quarters of the year.

The Group's working capital requirements fluctuate during the year and are normally highest in the third quarter of each year, leading to significant liquidity needs. In a particularly challenging environment for the retail sector, with increased pressure on household purchasing power due to inflation, the Group is more exposed to liquidity and debt risk.

The credit facilities include standard clauses for these types of financing, namely financial commitments, general restrictive commitments and cases of accelerated repayment, which may not be fulfilled if the Group is unable to manage its liquidity risk.

Risk management

A number of systems are in place to mitigate the liquidity risk.

Fnac Darty Participations et Services has entered into centralized cash management agreements for an unlimited term with its main French and its non-French subsidiaries:

- the purpose of these agreements is to centralize the Group's cash management ("cash pool") in order to encourage coordination and optimization in using cash surpluses or in covering aggregate cash requirements at Group level;
- this process helps the Group to control and predict its cash flow fluctuations more easily.

In 2023, the Group strengthened its internal control procedures by formulating an "ethicash" business process that commits all subsidiaries to abiding by a number of rules that aim to make cash flow forecasts more reliable. The Group has also set up a special internal cash generation performance committee, made up of Members of the Executive Committee, which aims to ensure that budgetary targets are met and the liquidity position is kept under control.

Furthermore, the Group is continuing to monitor deleveraging options through working capital requirement performance plans, targeted asset disposals, a clear mergers and acquisitions policy and a dividend distribution that is consistent with its earnings. Therefore, the Group is targeting net debt/EBITDA leverage (IFRS 16, at the end of the year) of approximately 1.5×.

At the same time, in order to manage its short-term liquidity financing requirements, the Group has diversified its sources of financing and set up a €300 million NEU CP program in the first quarter of 2018 (increased to €400 million in June 2020), in addition to the €500 million revolving line of credit maturing in March 2028.

Furthermore, the Group is constantly monitoring the diversification of its financing, the renegotiation of its financial instruments and the extension of its repayment maturities in order to keep its debt risk under control. Fulfillment of the obligations in the credit documents is also tested periodically:

- thus, in 2021, the Group refinanced the term loan maturing in March 2023 by issuing a €200 million convertible bond maturing in March 2027;
- in 2022, in order to address the maturity of its senior bonds maturing in May 2024, Fnac Darty set up an undrawn line of bank credit of €300 million with an initial maturity of three years (with two options to extend for one year each), for the purpose of refinancing the 2024 senior bonds;
- this new line enables the Group to use the full maturity period in 2024 in order to benefit from a particularly attractive coupon and thus secure its low level of financial expenses, in a context of sharp rate increases;
- the Group will remain agile and alert to financing opportunities in 2024.

5.3.4.2 / Pension plan

Description of the risk

The pension plan, known as the "Comet pension plan," which is funded by Darty in the United Kingdom, has been taken over as part of the Fnac Darty consolidation. Fnac Darty's financing obligations depend on the future performance of the assets, the level of interest rates used to measure future commitments, actuarial projections and experience of changes in pension plans and the applicable regulations.

Due to the many variables that determine the pension financing obligations, which are hard to predict, as well as any statutory changes, the future financing obligations for this pension plan in terms of cash could be larger than the amounts estimated as of December 31, 2023.

In this case, these financing obligations could have a negative impact on the Group's financial position.

Since October 1, 2021, the regulation of pension funds in the UK has changed with an increased supervisory role for the UK regulator. The Group is complying with this new regulation by assessing the impact that key decisions taken by the Company may have on the financing of the pension fund.

Risk management

The monitoring of the commitments under this pension fund is jointly managed by the Financial Operations and Transformation Department and the Financing and Treasury Department.

Commitments are reassessed jointly every three years by the Group and the Comet Board of Trustees.

Following the three-year negotiation that took place in 2022, it was confirmed that contributions to the fund would be suspended for an additional three years and that operating fees would be paid directly by the Fund, and no longer by Fnac Darty.

The Group is a member of the Comet pension fund Board, which meets approximately once per quarter.

The Group uses a valuation model to formalize key decisions that could have an impact on the financing of the fund, in particular when these decisions relate to the Group's sources of financing, share buybacks or dividend payments.

5.3.5 / Other types of risk

The risks identified in the most recent Group risk mapping are described in the previous sections of Chapter 5 “Management and risk factors.” Additionally, in order to comply with new regulatory requirements, mapping of specific risks (anti-corruption, duty of care, GDPR) has been carried out.

Specific mapping of Group corruption risks

In accordance with the Sapin 2 Law promulgated in December 2015, which came into effect in June 2017, the Group has established a corruption risk mapping process. Developed from interviews with the Group’s various departments, it takes into account the geographical location of its activities, its interactions with third parties, the various business lines within the Group, the human resources policy, and existing procedures. The action plans defined in this regard have helped to strengthen the business ethics system (see Chapter 2, section 2.5.2 “Combating corruption” of this Universal Registration Document). The mapping of corruption risks is reviewed annually by the Group’s Ethics Committee.

Specific mapping of risks relating to the Group’s duty of care

In consideration of the French law establishing a duty of care that must be exercised by parent companies and ordering companies, the Group, in conjunction with the Company’s stakeholders, has mapped the specific risks relating to fundamental human rights and freedoms, personal health and safety, ethics and the environment that directly or indirectly result from its business activities. This work has helped the Group to define a robust vigilance plan that includes appropriate mitigation measures (see Chapter 2, section 2.5.4 “Vigilance plan” of this Universal Registration Document). The mapping of risks relating to duty of care is reviewed annually by the Group’s Ethics Committee.

Specific mapping of Group GDPR risks

Under the General Data Protection Regulation that was adopted in 2015 and took effect in 2018, the Group has mapped its GDPR risks. Developed from interviews with the Group’s various departments, it takes into account the geographical location of its activities, its interactions with third parties, and the various business lines within the Group. This mapping helps to direct actions for the GDPR compliance program in each business line (see Chapter 2, section 2.5.3 “Using and protecting personal data, cybersecurity” of this Universal Registration Document). The mapping of GDPR risks is reviewed annually by the Group’s Ethics Committee.

6

Information on the Company, capital and shareholders

6.1 / The Company

6.1.1 / Information regarding the Company

6.1.1.1 / Corporate name

The name of the Company is "Fnac Darty."

6.1.1.2 / Place of registration, registration number and Legal Entity Identifier (LEI)

The Company is registered under No. 055 800 296 with the Créteil Trade and Companies Registry.

The Legal Entity Identifier (LEI) of the Company is 96950091FL62XSLPHO35.

6.1.1.3 / Date of incorporation and term

Date of incorporation

The Company was incorporated in France on December 15, 1917.

Term of the Company

The term of the Company is set at January 1, 2100, unless it is dissolved early or extended.

6.1.1.4 / Registered office, legal form, applicable legislation and website

Registered office

Fnac Darty's registered office is located at 9, rue des Bateaux-Lavoirs, ZAC Port d'Ivry, 94200 Ivry-sur-Seine, France (telephone: +33 1 55 21 57 93).

Legal form and applicable legislation

Fnac Darty is a French limited company *(société anonyme)* specifically governed by the provisions of Book II of the French Commercial Code.

Previous corporate form

The Company was initially incorporated as a limited company. It was transformed into a simplified joint stock company by a unanimous resolution of the shareholders on June 4, 2002. On September 26, 2012, the Company's partners approved the transformation of the Company into a limited company with a Board of Directors.

Website

The Company's website is www.fnacdarty.com.

6.1.2 / Articles of incorporation and bylaws

The Company's bylaws were written pursuant to the laws and regulations governing French limited companies with a Board of Directors. The main stipulations set out below are taken from the Company's bylaws.

6.1.2.1 / Corporate purpose

Article 2 of the Company's bylaws provides that its purpose is to:

- create, operate, and develop commercial or industrial establishments in the sectors of the distribution of cultural, educational, musical, leisure, electronic and computer products and services, services for individuals and companies, or personal, home and office equipment, directly or indirectly by setting up subsidiaries or acquiring interests worldwide;
- acquire, administer, and sell financial securities or interests of any type in any entity with a lawful purpose, irrespective of the legal form, including unincorporated entities, throughout the world and for any length of time or duration, and carry out any transaction on these financial securities or interests, directly or indirectly by setting up subsidiaries or acquiring interests;
- carry out any transactions, including financial, investment, or real estate transactions, that directly or indirectly relate to, are necessary or useful in any way for, or are incidental or ancillary to the above.

To this end, the Company may act, directly or indirectly, on its own behalf or on behalf of third parties, either alone or in a partnership, association or company with any other company, individual or enterprise and carry out any transaction that comes within the scope of its purpose.

6.1.2.2 / Fiscal year

From January 1 to December 31 of each year.

6.1.2.3 / Administrative, management, supervisory and senior management bodies

Board of Directors

Composition of the Board of Directors (Article 12 and 14 of the bylaws and Article 1 of the Board's internal regulations)

The Board is composed of at least three and no more than eighteen members, subject to exceptions allowed by law, including in the case of a merger.

The Directors are appointed for a term of four years by the General Meeting under the conditions set forth by law. Article 12 of the bylaws provides for the option of appointing Directors for a shorter term of two or three years in order to implement or maintain the staggering of Board members' terms of office. This enables the Board members' terms of office to be organized in such a way that allows for the renewal of members as regularly as possible. The Directors are eligible for re-appointment and may be dismissed at any time by a General Meeting. If one or more Directorships are vacant, the Board may, under the conditions set forth by law, make provisional appointments, which will be subject to ratification at the next Ordinary General Meeting. A Director appointed under these conditions to replace another Director remains in office for the remaining period of his or her predecessor's term of office.

The Board also includes one or two Directors representing employees, who are appointed for four years by the trade union organization(s) that obtained the most votes in the first round of the elections.

No one who is over sixty-five years of age may be appointed Chairman. If over this age, the Chairman will be deemed to have resigned from his duties as Chairman of the Board of Directors.

Senior Management

Chief Executive Officer (Article 17 of the bylaws)

If the Board of Directors chooses to separate the functions of Chairman and Chief Executive Officer (CEO), it will appoint the CEO from among or outside its members, and will set the term of office, compensation and, as applicable, the limits to his or her powers.

No one who is over sixty-five (65) years of age may be appointed Chief Executive Officer; if over this age, the Chief Executive Officer will be deemed to have resigned.

Chief Operating Officers (Article 18 of the bylaws)

Upon the CEO's recommendation, whether this position is held by the Chairman of the Board or by another person, the Board may appoint one or more natural persons responsible for assisting the CEO with the title of Chief Operating Officer (COO). The maximum number of Chief Operating Officers is set at five.

No one over sixty-five (65) years of age may be appointed Chief Operating Officer. If over this age, the Chief Operating Officer will be deemed to have resigned.

Should the CEO cease to exercise or be prevented from exercising his or her duties, the Chief Operating Officer(s) shall retain their positions and duties until the appointment of the new CEO, unless otherwise decided by the Board of Directors.

6.1.2.4 / General Meetings (Article 22 of the bylaws)

Convening General Meetings

The Company's General Meetings are convened under the conditions and according to the procedures and timetables set forth by applicable laws and regulations and the Company's bylaws. They are held at the registered office or in any other place stated in the convening notice.

Attendance and voting at General Meetings

All shareholders may participate in General Meetings, in person or through a proxy, under the conditions defined by the regulations in force. They will need to prove their identity and their ownership of the securities through registration in their name (or in the name of the intermediary registered on the shareholder's behalf when Company shares are listed for trading on a regulated market, pursuant to the regulations in force). This must occur no later than midnight (Paris time) on the second business day preceding the Meeting, either in the registered securities accounts kept by the Company or in bearer share accounts kept by any authorized intermediary, when the Company's shares are listed for trading on a regulated market. Proof of shareholder status can be provided electronically, under the conditions set by the applicable regulations.

Shareholders who participate in the Meeting by video-conferencing or by any means of telecommunication, including online, which allow for their identification under the conditions provided by the regulations in force are deemed to be present for the purposes of calculating the quorum and majority pursuant to the Board of Directors' decision published in the Notice of Meeting that such forms of telecommunication are permitted.

Any shareholder may vote from a distance or by proxy, in accordance with the regulations in force, by completing a form provided by the Company and returned to it, in accordance with the regulations in force, including electronically or by remote transmission, pursuant to the Board of Directors' decision. To be accepted, this form must be received by the Company under the conditions provided by the regulations in force.

By prior decision of the Company's Board of Directors, electronic forms may be completed and signed using a reliable identification process that meets the conditions stated in the first sentence of the second paragraph of Article 1367 of the French Civil Code, which may consist of a user name and password, or any other means consistent with applicable regulations. Any proxy or vote issued electronically before the Meeting, as well as the confirmation of receipt issued, shall be considered as irrevocable written instructions enforceable against all parties. If ownership of securities is transferred before midnight (Paris time) on the second business day prior to the Meeting, the Company shall invalidate or accordingly modify the proxy or vote, as applicable, issued before that date and time.

Fnac Darty has implemented Votaccess, a service offering the option to vote online in advance of the General Meeting and to receive the Meeting invitation in electronic form.

Conduct of General Meetings

The Meetings are chaired by the Chairman of the Board of Directors, or, in his or her absence, by a Board member specially delegated for that purpose by the Board. Otherwise, the Meeting shall elect its own Chairman.

The minutes of Meetings are prepared and copies are certified and issued in accordance with the regulations in force.

6.1.2.5 / Provisions of the bylaws that could have an impact on a change of control of the Company

The Company's bylaws do not contain any provisions that would, to the Company's knowledge, have the effect of delaying, deferring or preventing a change of its control.

6.1.2.6 / Shareholding thresholds and identification of shareholders (Article 9 of the bylaws)

Shareholding thresholds

While the Company's shares are admitted for trading on a regulated market, any individual or corporate entity acting alone or collectively who directly or indirectly comes to hold or ceases to hold 3% or more – or any multiple of 1% above 3% – of the Company's capital or voting rights must notify the Company thereof by registered letter with acknowledgment of receipt within the time limit stated in Article R. 233-1 of the French Commercial Code (at the time of writing, no later than the close of trading on the fourth trading day following the date that the shareholding threshold is crossed). This is in addition to the legal obligation to notify the Company of the holding of certain percentages of capital and voting rights. The provisions of paragraph VI bis of Article L. 233-7 of the French Commercial Code and of the AMF General Regulations apply mutatis mutandis to the thresholds referred to in this paragraph.

If not declared in accordance with the preceding paragraph, shares exceeding the percentage that should have been declared shall be stripped of their voting rights in General Meetings if the absence of a declaration has been noted at a Meeting and if one or more shareholders holding at least 3% of the Company's capital or voting rights so requests at said Meeting. This removal of voting rights applies to all General Meetings held until the expiration of a two-year period following the date on which the declaration is regularized.

Furthermore, any person who solely or jointly comes to hold a number of shares representing more than one-twentieth of the Company's capital or voting rights must include the information referred to in paragraph VII of Article L. 233-7 of the French Commercial Code in their declaration to the Company, as specified in the AMF General Regulations. This is applicable while the Company's shares are admitted to trading on a regulated market and is in addition to the thresholds provided by the regulations in force.

At the end of each six-month period following their first declaration, any shareholders who continue to hold a number of shares or voting rights greater than or equal to the fraction referred to in the previous paragraph must renew their declaration of intent for each subsequent six-month period, in accordance with the terms mentioned above.

The Company reserves the right to notify the public and shareholders of any information of which it has been advised or of any failure to comply with the abovementioned obligation by the person concerned.

The ownership percentages are determined using the shares and voting rights referred to in Articles L. 233-7 et seq. of the French Commercial Code and the provisions of Articles 233-11 et seq. of the AMF General Regulation.

Identification of shareholders

While the Company's shares are listed for trading on a regulated market, the Company is authorized to use the methods pursuant to the regulations in force to identify the holders of securities that grant immediate or future voting rights at the Company's Shareholders' Meetings.

6.2 / Share capital

6.2.1 / Share capital issued and share capital authorized but not issued

As of December 31, 2023, and February 29, 2024, the Company's share capital was €27,778,578, divided into the equivalent number of shares with a nominal value of one (1) euro, fully subscribed and paid up and all of the same class. This represents the same number of theoretical voting rights and 27,221,427 actual voting rights as of December 31, 2023, and 26,993,680 actual voting rights as of February 29, 2024. The difference between the number of theoretical voting rights and the number of actual voting rights corresponds to the treasury shares, to which no voting right is attached. The Company has not, to the best of its knowledge, pledged a significant portion of its capital.

The table below shows the financial delegations and authorizations that were granted by the Company's Combined General Meetings on May 18, 2022 and May 24, 2023.

Date of General Meeting Resolution No.	Delegations and authorizations valid during 2023	Use during fiscal year 2023
Share buybacks and share capital reduction		
May 24, 2023 Nineteenth Resolution	Authorization to instruct the Company to buy back its own shares under Article L. 22-10-62 of the French Commercial Code **Duration (expiration):** 18 months from the AGM **Maximum amount:** 10% of the number of shares that make up the share capital on the day of the Meeting Maximum price per share: €80 Maximum amount of the transaction: €214,974,800 **Suspension during a public tender offer**	See 6.2.3.1
May 24, 2023 Twentieth Resolution	Authorization to reduce capital by canceling treasury shares **Duration (expiration):** 26 months from the AGM **Individual cap:** 10% of share capital per 24 months	See 6.2.3.2
Issuance of securities		
May 24, 2023 Twenty-Second Resolution	Issue of ordinary shares and/or securities giving access to the Company's share capital and/or debt securities, with preemptive subscription rights **Duration (expiration):** 26 months from the AGM **Individual cap:** Shares: €13.4m [(a)] Debt issued: €268m [(a)] **Suspension during a public tender offer**	None
May 24, 2023 Twenty-Third Resolution	Issue of ordinary shares and/or securities giving access to the Company's share capital and/or debt securities, in the form of a public tender offer and/or as payment in a public exchange offer, with preemptive subscription rights waived and with an optional priority period **Duration (expiration):** 26 months from the AGM **Individual cap:** Shares: €2.68m [(b)] Debt issued: €268m [(a)] **Suspension during a public tender offer**	None

Date of General Meeting Resolution No.	Delegations and authorizations valid during 2023	Use during fiscal year 2023
May 24, 2023 Twenty-Fourth Resolution	Issue of ordinary shares and/or securities giving access to the Company's share capital and/or debt securities, with preemptive subscription rights waived in the form of a private placement **Duration (expiration):** 26 months from the AGM **Individual cap:** Shares: €2.68m, and up to 20% of the share capital per year [c] Debt issued: €268m [a] **Suspension during a public tender offer**	None
May 24, 2023 Twenty-Seventh Resolution	Issue of ordinary shares and/or investment securities giving access to share capital in return for contributions in kind of securities or investment securities giving access to share capital **Duration (expiration):** 26 months from the AGM **Individual cap:** Shares: 10% of share capital on the day of the AGM [c] Debt issued: €268m [a] **Suspension during a public tender offer**	None
May 24, 2023 Twenty-Fifth Resolution	Authorization granted to the Board of Directors, in the event of an issue with preemptive subscription rights waived, to set the issue price up to a limit of 10% of the share capital per year **Duration (expiration):** 26 months from the AGM **Individual cap:** 10% of share capital per year **Suspension during a public tender offer**	None
May 24, 2023 Twenty-First Resolution	Capital increase through the capitalization of reserves, profits and/or premiums **Duration (expiration):** 26 months from the AGM **Individual cap:** €13.4m [d] **Suspension during a public tender offer**	None
May 24, 2023 Twenty-Sixth Resolution	Increase in the number of shares to be issued in the event of a capital increase with or without preemptive subscription rights **Duration (expiration):** 26 months from the AGM **Individual cap:** As limited by applicable regulations (currently 15% of the initial issue) and the caps set by the General Meeting **Suspension during a public tender offer**	None

Date of General Meeting Resolution No.	Delegations and authorizations valid during 2023	Use during fiscal year 2023
Issue reserved for employees and Directors		
May 24, 2023 Twenty-Eighth Resolution	Capital increase through the issue of ordinary shares and/or investment securities giving access to share capital, with preferential subscription rights waived in favor of the members of a company savings plan **Duration (expiration):** 26 months from the AGM **Individual cap:** €1,340,000 (d)	None
May 18, 2022 Eighteenth Resolution	Award of stock subscription and/or purchase options, with preemptive subscription rights waived **Duration (expiration):** 38 months from the AGM **Individual cap:** 3% of share capital on the allotment date (e)	None
May 24, 2023 Twenty-Ninth Resolution	Allotment of existing bonus shares and/or bonus shares to be issued, specifically for the payment of annual variable compensation, to corporate officers of the Company or affiliated companies, with preemptive subscription rights waived **Duration (expiration):** 38 months from the AGM **Individual cap:** 0.5% of the share capital on the allotment date (d)	0.19%
May 24, 2023 Thirtieth Resolution	Allotment of existing bonus shares and/or bonus shares to be issued, specifically for the payment of annual variable compensation, to employees of the Company or affiliated companies (excluding the Company's corporate officers), with preemptive subscription rights waived **Duration (expiration):** 38 months from the AGM **Individual cap:** 2% of the share capital on the allotment date (d)	0.04%
May 24, 2023 Thirty-First Resolution	Allotment of existing bonus shares and/or bonus shares to be issued to employees and/or some corporate officers of the Company or affiliated companies or economic interest groups, with preemptive subscription rights waived **Duration (expiration):** 38 months from the AGM **Individual cap:** 5% of the share capital on the allotment date (f)	1.63%
May 24, 2023 Thirty-Second Resolution	Allotment of existing bonus shares and/or bonus shares to be issued to employees (excluding corporate officers and members of the Group's Executive Committee), with preemptive subscription rights waived **Duration (expiration):** 38 months from the AGM **Individual cap:** 5% of the share capital on the allotment date (g)	0.51%

(a) All delegations for capital increases count toward this overall cap on capital increases. Shared cap for debt issued.

(b) Shared cap for capital increases totaling €2.68 million toward which the caps referred to in (c) count and which counts toward the overall cap referred to in (a).

(c) Included in the shared cap for capital increases referred to in (b).

(d) Included in the overall cap referred to in (a).

(e) Sub-cap for stock options allotted to executive officers: 0.6% of the share capital within the cap.

(f) Included in the cap on stock options laid out in the Eighteenth Resolution of the General Meeting of May 18, 2022, and in the cap on allotments of bonus shares laid out in the Thirty-Second Resolution of the General Meeting of May 24, 2023 and in (a). Sub-cap for allotments to executive corporate officers: 0.6% of the share capital within the cap, shared with the cap on stock options laid out in the Eighteenth Resolution of the General Meeting of May 18, 2022.

(g) Shared cap for authorizations relating to stock options laid out in the Eighteenth Resolution of the General Meeting of May 18, 2022, and to allotment of bonus shares laid out in the Thirty-First Resolution of the General Meeting of May 24, 2023, with it being understood that this cap will be included in (a).

€m: millions of euros.

The Company has implemented resolutions to authorize the Board of Directors to instruct the Company buy back its own shares under Article L. 22-10-62 of the French Commercial Code and the authorization granted to the Board of Directors to reduce the Company's share capital by canceling treasury shares held as described in section 6.2.3 below.

6.2.2 / Securities not representing share capital

Since May 15, 2019, the Group has held senior bonds with a cumulative amount of €650 million, comprising a cumulative principal amount of €300 million in senior bonds maturing in 2024 and a cumulative principal amount of €350 million in senior bonds maturing in 2026. The 2024 bonds pay an annual coupon of 1.875% and the 2026 bonds pay an annual coupon of 2.625%, as described in note 28 "Financial debt" of section 4.2 of this Universal Registration Document.

In 2021, the Group increased the amount of its revolving credit facility from €400 million to €500 million, with an initial maturity of March 2026 (with two extension options, each of one year). In March 2022, the Group activated its first option to extend the maturity until March 2027. In March 2023, the Group activated its second option to extend the maturity of its facility until March 2028. Furthermore, in November 2023, Fnac Darty renegotiated its revolving credit facility with no changes to the financial conditions, and added two further extension options, each of one year, in order to extend the maturity until March 2030, with the agreement of the lenders.

Furthermore, in December 2022, the Group set up an undrawn bank credit facility, in the form of a delayed draw term loan (DDTL) of €300 million, which may be drawn down once and only to repay the bond loan maturing in 2024. This line is based on a banking contract with terms similar to those of the existing RCF credit line. It had an initial maturity of three years if drawn down (December 2025), which was extended to December 2026 by activating the first extension option with the agreement of the lenders. The Group still has one extension option, which could extend its maturity until December 2027, if it is drawn down.

In line with the strategic goals of the strategic plan Everyday, and as with the RCF, this new credit facility includes a Corporate Social Responsibility (CSR) component that will allow the Group to improve its financing terms if the designated targets are achieved.

6.2.3 / Shares controlled by the Company, treasury shares and the Company's acquisition and cancellation of its own shares

The information relating to treasury shares is presented in Chapter 4 of this Universal Registration Document.

6.2.3.1 / Treasury share buyback program applicable at the Universal Registration Document preparation date and the Company's cancellation of its own shares

On May 24, 2023, the Ordinary General Meeting of the Company authorized the Company's Board of Directors to implement a buyback program for Company shares for a period of 18 months from the date of the Meeting, in accordance with the provisions of Article L. 22-10-62 et seq. and Article L. 225-210 et seq. of the French Commercial Code and pursuant to the AMF General Regulations, under the following conditions:

Transaction concerned	Duration of authorization	Maximum purchase price per share	Maximum amount	Maximum number of shares
Share buyback program authorized by the AGM of May 24, 2023	18 months	€80 (excluding acquisition costs)	€214,974,800	10% of the number of shares comprising the Company's share capital on the day of the AGM

On May 24, 2023, the Extraordinary General Meeting of the Company authorized the Company's Board of Directors to reduce the share capital, on one or more occasions through the cancellation of any amount of treasury shares in the proportions and at the times as it may decide. This authorization is for a period of 26 months from the date of the Meeting, within the limits authorized by law and in accordance with the following conditions:

Transaction concerned	Duration of authorization	Maximum term of the share cancellation period	Maximum number of shares that may be canceled
Cancellation of own shares held by the Company	26 months	24 months	10% of the shares comprising the Company's capital on the day of the cancellation decision

No treasury share buyback program was implemented by the Company in 2023, apart from redemptions under the liquidity agreement.

Authorized purposes

Acquisitions may be made for the following purposes:

a) to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares purchased minus the number of shares sold;

b) to hold the purchased shares for future sale as exchange or payment in the context of potential merger, demerger, asset transfer or external growth transactions;

c) to cover stock purchase options and/or bonus share allotment plans (or similar) for the benefit of employees and/or corporate officers of the Group, including associated economic interest groups and companies, as well as allotments of shares in connection with a company or group savings plan (or similar), company profit-sharing plan, and/or any other form of share allotments to employees and/or corporate officers of the Group, including associated economic interest groups and companies;

d) to cover investment securities that establish the right to allotment of Company shares, as required by applicable regulations; and

e) to potentially cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Financial Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Buyback mechanism

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

If a third party files a public tender offer for the Company's shares, the Board of Directors may not use this delegation for the duration of the offer period, unless it receives prior authorization to do so from the General Meeting.

Redemptions under the liquidity agreement

From September 26, 2018, and for a term of one year renewable by tacit agreement, Fnac Darty entrusted the implementation of a market surveillance and liquidity agreement covering its ordinary shares to Oddo BHF and Natixis, in accordance with the practice permitted by regulations.

For the implementation of this contract, the following resources were allotted to the liquidity account:

- 97,750 Fnac Darty shares;
- €360,967.54

An amendment to the liquidity agreement was also signed in March 2019 and in March 2022.

In 2023, under the liquidity agreement, 458,418 shares were purchased at an average price of €31.96 for a total amount of €14,651,172, and 466,439 shares were sold at an average price of €31.83 for a total of €14,845,520. Under this liquidity agreement, the following resources were in the liquidity account on December 31, 2023: 134,676 shares and €917,138.56.

It should be noted that Fnac Darty terminated its liquidity agreement with Natixis ODDO BHF on January 31, 2024 and has entrusted BNP Financial Markets with fulfilling its liquidity agreement from February 1, 2024 [1].

As of February 29, 2024, the Company held 134,643 shares within the liquidity agreement.

(1) https://www.fnacdarty.com/wp-content/uploads/2024/01/pr-termination-and-implementation-of-a-liquidity-contract-fnac-darty.pdf.

Redemptions under the share buyback program

On October 26, 2023, Fnac Darty entrusted Natixis with implementing a share buyback program for a total amount of €20 million. The purpose of this program is to cover share purchase options and/or bonus share allotment plans for the employees and/or corporate officers of the Group.

Between October 27, 2023 and December 31, 2023, under the share buyback program, 422,475 shares were purchased at an average price of €25.31 for an overall amount of €10,694,946.49.

On January 31, 2024, the end date for this mandate, a total of 603,604 shares were purchased at an average price of €25.57 for a total amount of €15,434,921.19.

As the initial amount allotted to this program was not reached, Fnac Darty has entrusted Natixis with implementing a further share buyback program from February 23, 2024 for the unused amount, i.e. €4,565,078.81.

As of February 29, 2024, the Company held 650,255 shares under the share buyback program.

6.2.3.2 / Description of the share buyback program submitted to the General Meeting of May 29, 2024 for authorization

Presentation of the program submitted to the next General Meeting

A new authorization is being submitted for the approval of the Combined General Meeting of May 29, 2024 called to approve the financial statements for the year ended December 31, 2024. This authorization seeks authority for the Board of Directors to implement a new Company share buyback program pursuant to the provisions of Article L. 22-10-62 et seq. and Article L. 225-210 et seq. of the French Commercial Code and the AMF General Regulations, under the following conditions:

Transaction concerned	Duration of authorization	Maximum purchase price per share	Maximum amount	Maximum number of shares
Share buyback program	18 months	€80 (excluding acquisition costs)	€222,228,560	10% of the Company's share capital

Acquisitions may be made for the following purposes:

- to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares purchased minus the number of shares sold;
- to hold the purchased shares for future sale as exchange or payment in the context of potential merger, demerger, asset transfer or external growth transactions;
- to cover stock purchase options and/or bonus share allotment plans (or similar) for the benefit of employees and/or corporate officers of the Group, including associated economic interest groups and companies, as well as allotments of shares in connection with a company or group savings plan (or similar), company profit-sharing plan and/or any other form of share allotments to employees and/or corporate officers of the Group, including associated economic interest groups and companies;
- to cover investment securities that establish the right to allotment of Company shares, as required by applicable regulations; and
- to potentially cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Financial Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

If a third party files a public tender offer for the Company's shares, the Board of Directors may not use this delegation for the duration of the offer period, unless it receives prior authorization to do so from the General Meeting.

6.2.4 / Other rights or securities giving access to capital

As of December 31, 2023, the potential capital consists of 2,468,221 OCEANE bonds and 1,254,456 bonus shares in the process of vesting, as described below. The long-term compensation plan set out in section 3.4.2 “Long-term incentives” of this Universal Registration Document is achieved mainly through bonus share allotments.

The principles and implementation of a long-term incentive plan for the Group’s main Directors (including the Executive Corporate Officer) were approved by the Board of Directors meetings on May 23, 2019, May 28, 2020, May 27, 2021, May 18, 2022, and May 24, 2023, on the recommendation of the Appointments and Compensation Committee. This was in accordance with the authorizations granted by the General Meeting of June 17, 2016 in its Fourteenth Resolution, the General Meeting of May 23, 2019 in its Twenty-Third Resolution and the General Meeting of May 28, 2020 in its Nineteenth and Twentieth Resolutions, and the General Meeting of May 24, 2023 in its Thirty-First and Thirty-Second Resolutions.

These plans consist of an allotment of bonus shares to the Executive Corporate Officer, main Directors, Leadership Group Directors and high-potential Directors and managers, in order to link them to the Company’s performance through the appreciation of its share price.

Shares issued through the bonus share allotment plans awarded in 2019 for the Executive Corporate Officers, and in 2020, 2021, 2022 and 2023 for all beneficiaries, vest to the beneficiaries at the end of a single vesting period and according to the same principle as the plans outlined above, subject to compliance with continued employment, share performance and non-market performance conditions, set out in note 7 “Performance-based compensation plans” of section 4.2 of this Universal Registration Document.

Furthermore, in accordance with the Fifteenth, Eighteenth and Twenty-Ninth Resolutions approved by the General Meeting of May 24, 2023, at its meeting of May 24, 2023, the Board of Directors of Fnac Darty made two separate share allotments to the latter. The first allotment was made as part of the 2022 annual variable compensation and the second was made as part of the 2023 variable compensation. In each case, the payment was made in shares and not in cash.

The shares allotted as part of the 2022 annual variable compensation will be fully vested upon expiration of a vesting period of one year in accordance with the plan description provided in section 3.3.2.2 of the 2022 Universal Registration Document.

The vesting of the shares allotted as part of the 2023 annual variable compensation is subject to the performance conditions set out in section 3.3.1.3 of the Company’s 2022 Universal Registration Document and to the approval of the General Meeting, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code.

Pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, on February 23, 2023, the Board decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 10% (instead of 5% previously) once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 24 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the executive corporate officers who receive share options and/or performance shares formally commit not to hedge their risk on the options, the shares resulting from the exercise of options, or the performance shares, until the end of the share lock-up period set by the Board of Directors.

To the Company’s knowledge, no hedging instruments are in place.

In accordance with the Thirtieth Resolution approved by the General Meeting of May 24, 2023, in accordance with the provisions of Articles L. 225-197-1 et seq and L. 22-10-59 et seq of the French Commercial Code, at its meeting of July 27, 2023, the Board of Directors of Fnac Darty decided to make changes to the structure of the annual variable compensation for the 2023 financial year for some employees by allowing some of this compensation to be paid to these employees in the form of bonus shares.

Stock options

Stock subscription or purchase options granted to the first ten non-executive corporate officer employees and the options exercised by these beneficiaries	Total number of options allotted/ shares subscribed or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the period by the issuer and any company included within the scope of allotment of options, to the ten employees of the issuer and any company included within this scope, of which the number of options granted is the highest. (Global information)	0	n.a.	n.a.	n.a.
Options held on the issuer and the companies referred to above, exercised during the period by the ten employees of the issuer and these companies, of which the number of options thus purchased or subscribed is the highest. (Global information)	0	n.a.	n.a.	n.a.

Allotment of bonus shares

The main characteristics of the various plans currently vesting or maturing during the 2023 financial year are set out in note 7 “Performance-based compensation plans” of section 4.2 of this Universal Registration Document.

No companies affiliated with Fnac Darty under the conditions laid down in Article L. 225-197-2 of the French Commercial Code or controlled by it as defined by Article L. 233-16 of the French Commercial Code have issued any stock purchase or subscription option plans.

Bonds with an option for conversion and/ or exchange for new and/or existing shares (OCEANE bonds)

On March 16, 2021, Fnac Darty issued bonds with an option for conversion and/or exchange for new and/or existing shares (“OCEANE bonds”) maturing on March 23, 2027 via placement with qualified investors. The nominal value of the issue was €199,999,947.63, represented by 2,468,221 bonds with a unit nominal value of €81.03.

The net proceeds from the issue will be allocated to the repayment of some of the Group’s financing, including the Senior Term Loan Facility in the amount of €200 million that matures in April 2023.

The OCEANE bonds were issued at par and will bear interest from the issue date at an annual rate of between 0.0% and 0.5%, payable annually in arrears on March 23 each year (or on the following business day if this date is not a business day) commencing on March 23, 2022. As a result of the distribution of a dividend of €1.40 per share to Fnac Darty shareholders as of July 6, 2023, the conversion/exchange rate was increased from 1.070 Fnac Darty shares per OCEANE bond to 1.115 Fnac Darty shares per OCEANE bond as of July 6, 2023.

As of December 31, 2023, there were no early conversions of OCEANE bonds.

Dilutive effect

As of December 31, 2023, the Company had 1,254,456 bonus shares in the process of vesting, 1,123,921 of which may result in the delivery of new shares. It should be noted that the second and third bonus share allotment plans awarded in 2021 and 2022 expressly provide for the delivery of existing shares and are therefore not dilutive. As at December 31, 2023, there were 27,778,578 Company shares. On that date, if all bonus shares that may result in the delivery of new shares had vested through the issue of new shares, 1,113,921 shares would have been created, representing a dilution of 4.05%.

The maximum dilution, estimated on the basis of the Company’s capital and the conversion ratio of the 2,752,066 OCEANE bonds as of December 31, 2023, would be 9.91% if Fnac Darty resolved to deliver only new shares in the event that conversion rights were exercised for all OCEANE bonds.

Details of these various transactions are set out in note 28 of section 4.2 of this Universal Registration Document.

6.2.5 / Terms governing any vesting right and/or any obligation attached to the capital authorized but not issued

None.

6.2.6 / Share capital of any Group company that is subject to an option or an agreement to grant an option

Except as described in section 6.3 "Shareholders" of this Universal Registration Document, the Company is not aware of any options to acquire all or part of the capital of any company in the Group or any conditional or unconditional agreement to grant an option over all or part of the capital of any Group company.

6.2.7 / History of the share capital over the last three years

The table below presents the evolution of the Company's share capital over the last three full financial years.

Date	Nature of the transaction	Capital prior to the transaction *(€)*	Issue premium *(€)*	Number of shares prior to the transaction	Number of shares after the transaction	Nominal value after the transaction *(€)*	Capital after the transaction *(€)*
05/23/2021	Increase in the number of shares resulting from the full vesting of bonus shares	26,620,803	n.a.	26,620,803	26,666,932	1.00	26,666,932
06/16/2021	Increase in the number of shares resulting from the full vesting of bonus shares	26,666,932	n.a.	26,666,932	26,761,118	1.00	26,761,118
05/23/2022	Increase in the number of shares resulting from the full vesting of bonus shares	26,761,118	n.a.	26,761,118	26,867,296	1.00	26,867,296
06/17/2022	Increase in the number of shares resulting from the full vesting of bonus shares	26,867,296	n.a.	26,867,296	26,871,853	1.00	26,871,853
05/28/2023	Increase in the number of shares resulting from the full vesting of bonus shares	26,871,853	n.a.	26,871,853	27,242,962	1.00	27,242,962
07/27/2023	Increase in the number of shares resulting from subscriptions received from shareholders who opted for dividends for the 2022 financial year to be paid in shares	27,242,962	16,148,822.40	27,242,962	27,778,578	1.00	27,778,578

The following major transactions involving the Company's share capital were completed between May 23, 2021 and the preparation date of this Universal Registration Document.

6.3 / Shareholders

6.3.1 / Shareholding

To the Company's knowledge, as at December 31, 2023, the Company's share capital and voting rights were distributed as follows:

	Position as of December 31, 2023			
Shareholders	**Shares**	**% of share capital**	**% of theoretical voting rights**	**% of exercisable voting rights**
Vesa Equity Investment [(a)]	8,330,741	29.99%	29.99%	30.60%
Ceconomy Retail International	6,501,845	23.41%	23.41%	23.89%
GLAS SAS [(b)]	3,026,422	10.89%	10.89%	11.12%
Employee share ownership	670,135	2.41%	2.41%	2.46%
Treasury shares	557,151	2.01%	2.01%	-
Floating [(c)]	8,692,284	32.29%	31.29%	31.93%
TOTAL	**27,778,578**	**100%**	**100.00%**	**100.00%**

(a) Entity controlled by Mr. Daniel Kretinsky.
(b) Stake formerly held by Indexia (formerly SFAM).
(c) Determined by deduction.

As of December 31, 2023, the closing date of the latest shareholder study, which identified 96% of Fnac Darty shareholders, more than 73% of floating shares were held by institutional investors, 25% of which are French.

To the best of the Company's knowledge and as of March 1, 2024, Vesa Equity Investment, Ceconomy Retail International and GLAS SAS are the only shareholders to each have a direct or indirect holding of more than 5% of the share capital or voting rights.

Position as of December 31, 2022				Position as of December 31, 2021			
Shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% of share capital	% of theoretical voting rights	% of exercisable voting rights
6,193,033	23.05%	23.05%	23.17%	810,184	3.03%	3.03%	3.04%
6,501,845	24.20%	24.20%	24.32%	6,501,845	24.30%	24.30%	24.36%
3,026,422	11.26%	11.26%	11.32%	3,026,422	11.31%	11.31%	11.34%
508,423	1.89%	1.89%	1.90%	463,512	1.73%	1.73%	1.74%
142,697	0.53%	0.53%	-	67,723	0.25%	0.25%	-
10,499,433	39.07%	39.07%	39.28%	15,891,432	59.38%	59.38%	59.53%
26,871,853	**100.00%**	**100.00%**	**100.00%**	**26,761,118**	**100.00%**	**100.00%**	**100.00%**

The main shareholder movements between 2017 and 2023 were as follows:

- 2017: disposal of the Artémis shareholding from the capital of Fnac Darty (6,451,845 shares, i.e. 24.3% of the capital) for the benefit of the companies Ceconomy AG and Metro Vierzehnte, under the terms of a forward disposal agreement for Fnac Darty shares, concluded on July 26, 2017;
- 2018: Ceconomy remains the Group's reference shareholder with 24.3%. On February 6, 2018, the French insurance broker SFAM purchased Knight Vinke's 11.4% stake in Fnac Darty, thus becoming the Group's second-largest shareholder. On July 2, 2018, Vivendi exercised the right it secured at the start of the year to exit its 11% interest in Fnac Darty;
- 2022: Ceconomy remains the Group's reference shareholder with 24.2% of the share capital, followed by Vesa Equity Investment with 23.0% and Indexia Développement (formerly SFAM) with 11.3%;
- 2023: Vesa Equity Investment becomes the Group's largest shareholder with 29.9% of the capital, followed by Ceconomy with 23.4% of the capital and GLAS SAS (receiver of Indexia Développement's pledged stake in October 2023) with 10.9% of the capital.

Shareholding thresholds

The following major holding notifications were submitted to the AMF and/or the Company in relation to the year 2023, and up to February 26, 2024:

Company	Date of declaration	Date of crossing	Type of threshold	Increase or decrease versus threshold	Number of shares	% of share capital	% of voting rights
Vesa Equity Investment SARL	01/26/2023	01/20/2023	Statutory	Increase	6,466,052	24%	24%
Vesa Equity Investment SARL	03/22/2023 [a]	03/15/2023	Legal	Increase	6,725,534	25.03%	25.03%
Vesa Equity Investment SARL	05/26/2023	05/23/2023	Statutory	Increase	6,987,990	26%	26%
Ceconomy Retail International	06/06/2023	06/06/2023	Statutory	Decrease	6,501,845	23.866%	23.866%
Vesa Equity Investment SARL	06/21/2023	06/17/2023	Statutory	Increase	7,361,099	27%	27%
Vesa Equity Investment SARL	07/13/2023	07/07/2023	Statutory	Increase	8,042,991	28%	28%
Vesa Equity Investment SARL	08/02/2023	07/28/2023	Statutory	Increase	8,085,675	29.99%	29.11%
Indexia	10/26/2023 [b]	10/24/2023	Legal	Decrease	0	0%	0%
GLAS SAS	10/26/2023 [c]	10/24/2023	Legal	Increase	3,026,422	10.89%	10.89%

(a) AMF notice 223C0471.
(b) AMF notice 223C1698.
(c) AMF notice 223C1697.

Renewal of statements of intent

- In a letter dated February 22, 2024, Ceconomy reported that it held directly and indirectly through its subsidiary Ceconomy Retail International GmbH, 6,501,845 shares, representing 23.41% of the shares and theoretical voting rights making up Fnac Darty's capital and that, as of August 24, 2017, it had exceeded all the 1% thresholds for holding Fnac Darty's capital and voting rights between 3% and 24%, and in particular the statutory thresholds of 5%, 10%, 15% and 20%.

  In the same letter it reiterated a previous statement of intent dated August 22, 2023, and made the following statement of intent:

  "Ceconomy declares that, over the next six months, its intentions and those of Ceconomy Retail International, which it directly controls, are as follows:

  - *the acquisition (of Fnac Darty shares) was financed by the issue of promissory notes and commercial paper;*
  - *Ceconomy controls Ceconomy Retail International and these entities are not parties to any concerted action with any third party with regard to Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International contemplate to purchase additional shares of Fnac Darty depending on financial markets opportunities, but will not exceed the threshold of 30% of the share capital and voting rights of Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International do not intend to take control of Fnac Darty;*
  - *Ceconomy and Ceconomy Retail International support the strategy implemented by Fnac Darty and its management;*
  - *Neither Ceconomy nor Ceconomy Retail International intend to propose that any of the transactions referred to in section 6 of Article 223-17-I of the AMF General Regulations should be implemented;*
  - *Neither Ceconomy nor Ceconomy Retail International are party to any agreement or financial instrument referred to in sections 4 or 4 bis of Article L. 233-9 I of the French Commercial Code;*
  - *Neither Ceconomy nor Ceconomy Retail International are party to agreements on a securities financing transaction involving Fnac Darty's shares or voting rights;*
  - *Neither Ceconomy nor Ceconomy Retail International intends to seek appointment to Fnac Darty's Board of Directors, but they reserve the right to propose that a Ceconomy representative is appointed [1]."*

(1) As of the date of writing this Universal Registration Document, three independent Directors proposed by Ceconomy are members of Fnac Darty's Board of Directors.

- In a letter sent on October 25, 2023, GLAS SAS stated that it held 3,026,422 Fnac Darty shares, representing 10.89% of Fnac Darty's share capital.

  In the same letter, GLAS SAS stated:

  "In accordance with Article L. 233-7 VII of the French Commercial Code and Article 223-17 of the AMF General Regulations, GLAS SAS, acting in its capacity as a security trustee, in accordance with the terms, in particular, of a first-priority financial-securities-account pledge agreement concluded on February 1, 2018, and a second-priority financial-securities-account pledge agreement concluded on June 15, 2018 in connection with issues of ordinary bonds by Indexia Développement, with these bond issues guaranteed in particular by pledges governed by Articles L. 21 I-20 et seq of the French Monetary and Financial Code relating to the securities account to which the Fnac Darty shares held by Indexia Développement and representing approximately 10.89% of Fnac Darty's share capital were registered, declares that, for the next six months:

  - *GLAS SAS, acting in its capacity as a security trustee, will hold the above-mentioned shares solely as a result of the above-mentioned pledges on the securities account and the shares being enforced without dispute and as a result of these shares being received, and in doing so, partially reducing Indexia Développement's debt. Therefore, it does not require financing, either through equity or debt;*
  - *GLAS SAS, in its official capacity and in accordance with Article 2488-6 of the French Civil Code, is acting in its own name for the creditors whose claims are secured by these pledges (i.e. funds managed by ICG Alternative Investment Limited);*
  - *GLAS SAS, in its official capacity, is not party to any concerted action in respect of Fnac Darty SA;*
  - *GLAS SAS, in its official capacity, does not intend to acquire additional shares in Fnac Darty;*
  - *GLAS SAS, in its official capacity, does not intend to take control of Fnac Darty within the meaning of Article L. 233-3 of the French Commercial Code;*
  - *GLAS SAS, in its official capacity, is not considering any strategy toward Fnac Darty or any of the measures referred to in section 6 of Article 223-17 I of the General Regulations of the French Financial Market Authority;*
  - *GLAS SAS, in its official capacity, does not hold any instruments and is not party to any agreements referred to in sections 4 and 4 bis of Article L. 233-9 I of the French Commercial Code;*
  - *GLAS SAS, in its official capacity, is not party to any temporary sale agreements involving the shares or voting rights of FNAC DARTY; and*
  - *GLAS SAS, in its official capacity, does not intend to request the appointment of Directors to the Board of Directors of Fnac Darty."*

- In a letter dated February 20, 2024, VESA Equity Investment stated that, for the next six months, its intentions were as follows:
  - the Fnac Darty share acquisitions made by Vesa Equity Investment were financed using shareholders' equity and a credit facility of an amount taken out with a consortium of international banks;
  - Vesa Equity Investment is not party to any concerted action in respect of Fnac Darty SA;
  - Vesa Equity Investment intends to stop acquiring Fnac Darty shares in order to remain below the compulsory public offer threshold set out in the regulations in force; depending on market circumstances and conditions, Vesa Equity Investment plans to increase its economic exposure to Fnac Darty shares through the agreements or financial instruments referred to in section 4 bis of Article L. 233-9 I of the French Commercial Code. If Vesa Equity Investment were to become party to these kinds of agreements or instruments, the required declarations would be made in accordance with the applicable regulations;
  - Vesa Equity Investment has no intention of taking control of Fnac Darty;
  - Vesa Equity Investment does not intend to implement any of the measures listed in section 6 of Article 223-17 of the AMF General Regulations and retains its confidence in Fnac Darty's management team;
  - Vesa Equity Investment is not party to any of the agreements or financial instruments referred to in sections 4 and 4 bis of Article L. 233-9-I of the French Commercial Code relating to Fnac Darty;
  - Vesa Equity Investment is not party to any temporary sale agreements involving the shares or voting rights of Fnac Darty;
  - Vesa Equity Investment does not intend to seek the appointment of one or more members to Fnac Darty's Board of Directors.

6.3.2 / Shareholders' voting rights

Each share of the Company entitles its holder to one voting right. The Company has not granted any double voting rights. The voting rights of Fnac Darty's main shareholders do not differ from those of its other shareholders.

6.3.3 / Control structure

No shareholder controls Fnac Darty.

Vesa Equity Investment SARL holds 29.11% of the Company's share capital and voting rights as of December 31, 2023, but is not represented on the Company's Board of Directors or Board committees. It does not intend to seek the appointment of one or more members to the Board of Directors.

Ceconomy holds 23.41% of the Company's share capital and voting rights at December 31, 2023 but is not represented on the Company's Board of Directors or Board committees. Three independent Directors, Daniela Weber-Rey, Caroline Grégoire Sainte Marie and Stefanie Meyer, were appointed on the recommendation of Ceconomy (see section 3.1.1 "Composition of the Board of Directors and its committees" of this Universal Registration Document).

6.3.4 / Agreements that could result in a change of control of the Company

None.

6.4 / Stock market information

6.4.1 / Equities market

Fnac Darty shares have been listed on Euronext Paris since June 20, 2013.

Codes and classification of Fnac Darty shares

ISIN code: FR0011476928

Mnemo: Fnac

Where listed: Euronext Paris

Compartment: B

Index: SBF 120

6.4.2 / Fnac Darty share price and trading volumes

At the time of the IPO, the reference price for Fnac Darty shares was €22.00. On the first day of trading (June 20, 2013), the opening price was €20.03 and the closing price was €19.00.

As of December 29, 2023, the closing price for Fnac Darty shares was €27.50. In addition, Fnac Darty market capitalization reached €764 million.

(€)	Average closing price	High	Low	Number of shares traded on all platforms
January 2023	33.757	36.126	31.805	1,564,283
February 2023	34.003	38.681	32.669	2,262,576
March 2023	33.811	36.645	30.729	1,901,266
April 2023	32.633	34.302	31.152	833,039
May 2023	32.588	33.726	30.979	1,286,241
June 2023	33.386	34.620	31.574	1,424,539
July 2023	33.845	35.340	30.980	1,013,381
August 2023	30.538	32.660	28.480	729,584
September 2023	25.303	28.900	22.040	1,521,001
October 2023	22.324	24.440	17.510	2,014,218
November 2023	25.044	26.740	21.600	2,078,721
December 2023	26.735	28.080	25.440	1,108,219

Source: Bloomberg for the share prices and for the number of shares traded on all platforms.

6.4.3 / Financial services establishment

The securities are managed by:

Uptevia – Investor Relations

90-110, Esplanade du Général de Gaulle – 92931 Paris La Défense Cedex
Tel.: +33 1 57 78 34 44 – Fax: +33 1 57 78 32 19 /
Email: ct-contact@uptevia.com

Uptevia was created on January 1, 2023, and now includes the Equity business of Corporate Trust Services in France, BNP Paribas and CACEIS' Issuer Services business.

6.5 / Dividend distribution policy

Given the ambitions outlined on February 23, 2021, when the strategic plan Everyday was announced, Fnac Darty reactivated its shareholder return policy in 2021.

The table below shows the previous dividends paid:

Year	Total number of shares as of December 31	Dividend paid for the year *(in €/share)*	Paid on	Closing price on December 31 *(in €)*	Rate of return based on closing price
2020	26,608,571	1.00	07/07/2021	52.70	1.9%
2021	26,761,118	2.00	06/23/2022	57.50	3.5%
2022	26,871,853	1.40 [a]	07/06/2023	34.44	4.1%
2023	27,778,578	0.45 [b]	07/05/2024	27.50	1.6%

(a) The Combined General Meeting of May 24, 2023 approved a dividend of €1.40 gross per share and decided to offer shareholders the option to receive the dividend in cash or in new shares. The dividend was paid on July 6, 2023, in cash totaling €21.2 million and in shares with the issue of 535,616 new shares representing a value of €16.7 million.

(b) Subject to the approval of the General Meeting of May 29, 2024.

For 2023, the Group will propose that the General Meeting scheduled for May 29, 2024, approves the distribution of a dividend of €0.45 per share. The ex-date is July 3, 2024 and the payment date is July 5, 2024.

In addition, each year, the Group will look at the possibility of making an additional distribution to shareholders in the form of an exceptional dividend or share buyback, after financing any M&A transactions and paying the ordinary dividend, all while maintaining its leverage ratio.

The target for the Group is twofold: to secure a recurring dividend distribution for shareholders and to ensure an acceptable level of debt over the long term.

Lastly, under the Loan Agreement, Fnac Darty may only make dividend distributions or other types of distributions related to its share capital in the following circumstances: (A) if the leverage at June 30 of the previous year, measured as the ratio of consolidated net debt excluding IFRS 16 to consolidated current EBITDA excluding IFRS 16, pro forma of the ongoing dividend distribution and all dividends or other distributions carried out after June 30 of the previous year, is less than or equal to 2.0×, there is no restriction on dividend distributions; (B) if the leverage at June 30 of the previous year, measured as the ratio of consolidated net debt excluding IFRS 16 to consolidated current EBITDA excluding IFRS 16, pro forma of the ongoing dividend distribution and all dividends or other distributions carried out after June 30 of the previous year, is greater than 2.0×, such a distribution and/or payment cannot exceed, in one financial year, 50% of the distributable profits for the previous year; and (C) as long as none of the default events provided for in the Loan Agreement have occurred or are likely to be triggered by such a distribution (see section 4.2, note 28 of this Universal Registration Document on financing under the Loan Agreement).

6.6 / Dialogue with shareholders and investors

Meetings with investors

Fnac Darty's management and Investor Relations team are in regular contact with analysts who monitor the Fnac Darty share price and with investors based in various countries that represent the Company's main regions of financial interest in terms of its business sector and its market capitalization, in particular in Europe (France, Germany, Spain, Switzerland, Italy), the United Kingdom and North America (United States, Canada).

These interactions take place in the form of roadshows, phone calls, and conferences on general or specific themes (retail sector, CSR).

In a context of rising investor expectations regarding socially responsible investment (SRI), the Investor Relations Department regularly meets with analysts and investors to discuss these topics, either at traditional meetings or at conferences dedicated to CSR matters. In the latter case, the Investor Relations team is accompanied by the Group's CSR Director. These meetings with investment funds and SRI analysts are contributing to the Group's progress in the CSR field (see Chapter 2 "Non-financial Performance Declaration" of this Universal Registration Document).

- **143** investors met in 2023
- **4** roadshows and **6** conferences, including **1** devoted to CSR
- **6** countries covered
- **10** analysts monitoring the share price

Communication policy

Fnac Darty regularly communicates its activities, strategy, and outlook to its institutional and individual investors and, more generally, to the financial community in compliance with best industry practices.

In terms of accessibility to information, Fnac Darty provides all financial information, in both French and English, in the "Investors" section of its website at www.fnacdarty.com; this includes regulated information pursuant to the provisions of Articles 221-1 et seq. of the AMF General Regulations.

The publication of the annual and half-year results as well as revenue for the first and third quarters are notified in press releases in French and English. These press releases, which are made available online on the Company's website and which are sent via the usual regulatory channels (wire), are also sent by email to the entire investor base within Fnac Darty's Customer Relationship Management (CRM), as well as to any individual who wishes to receive them. Investors can request a copy of these reports directly on the Company's website, under the heading "Contacts" of the "Investors" section, or by writing to the Investor Relations and Financial Communication Department by email to investisseurs@fnacdarty.com.

After each report is published, there is a conference call. These meetings are interpreted into English and broadcast by phone or online in French and English.

The following financial publication schedule for 2024 is also available from the "Investors"/ "Schedule" section of the Group's website, www.fnacdarty.com:

- February 22, 2024 (after trading): 2023 annual results;
- April 24, 2024 (after trading): revenue for Q1 2024;
- May 29, 2024: General Meeting;
- July 24, 2024 (after trading): 2024 half-year results;
- October 23, 2024 (after trading): revenue for Q3 2024.

Dialogue with shareholders

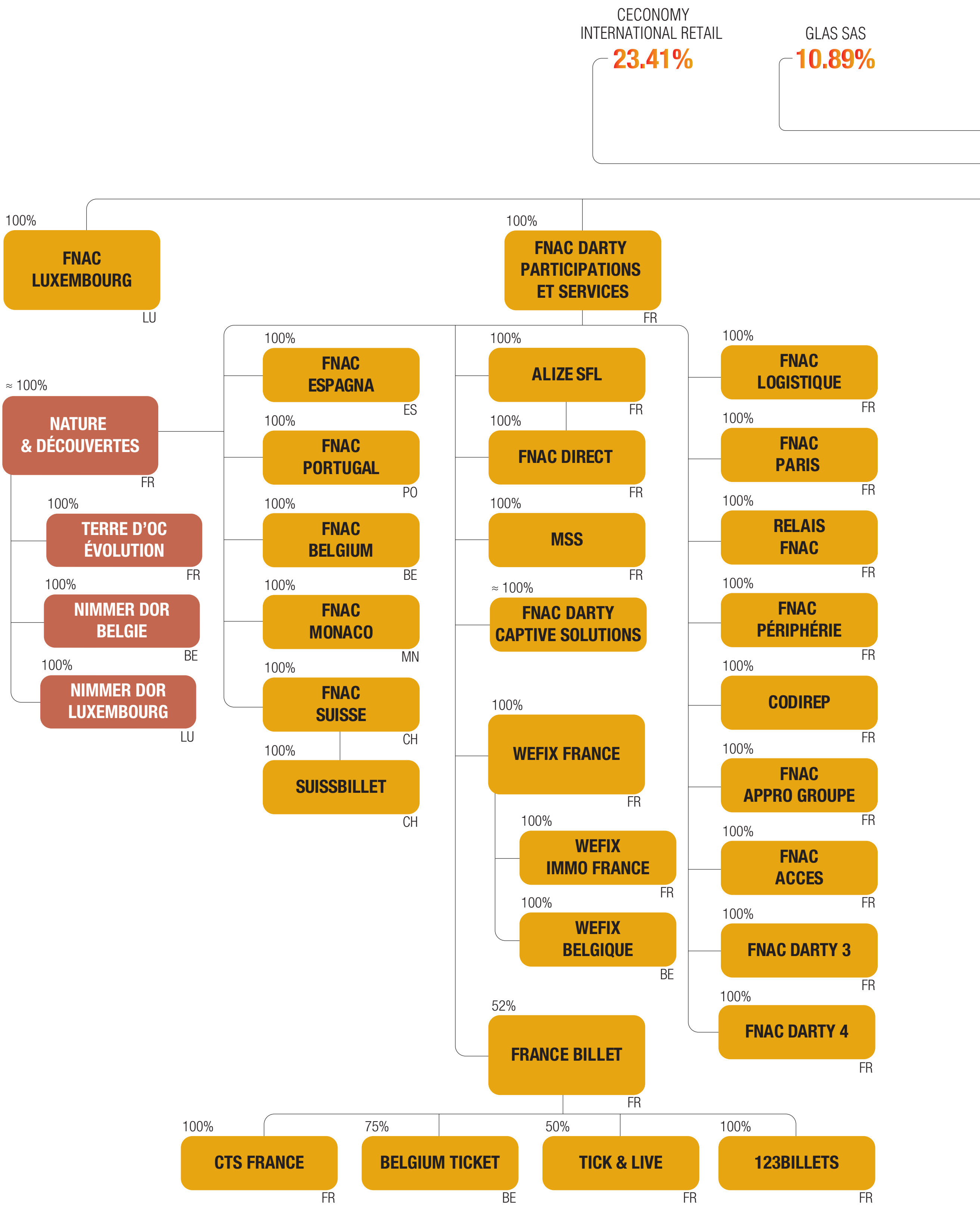
Dialogue with shareholders on topics related to governance is handled by senior management, the Chairman, the Investor Relations Department and the Legal Department. Shareholders also have a dedicated area on the Group's website under the heading "Shareholders" in the "Investors" section, where they can find all documents relating to the General Meetings and information about becoming a shareholder. Lastly, all shareholders are welcome to ask questions at any time, either by email to actionnaires@fnacdarty.com or by mail to the following address:

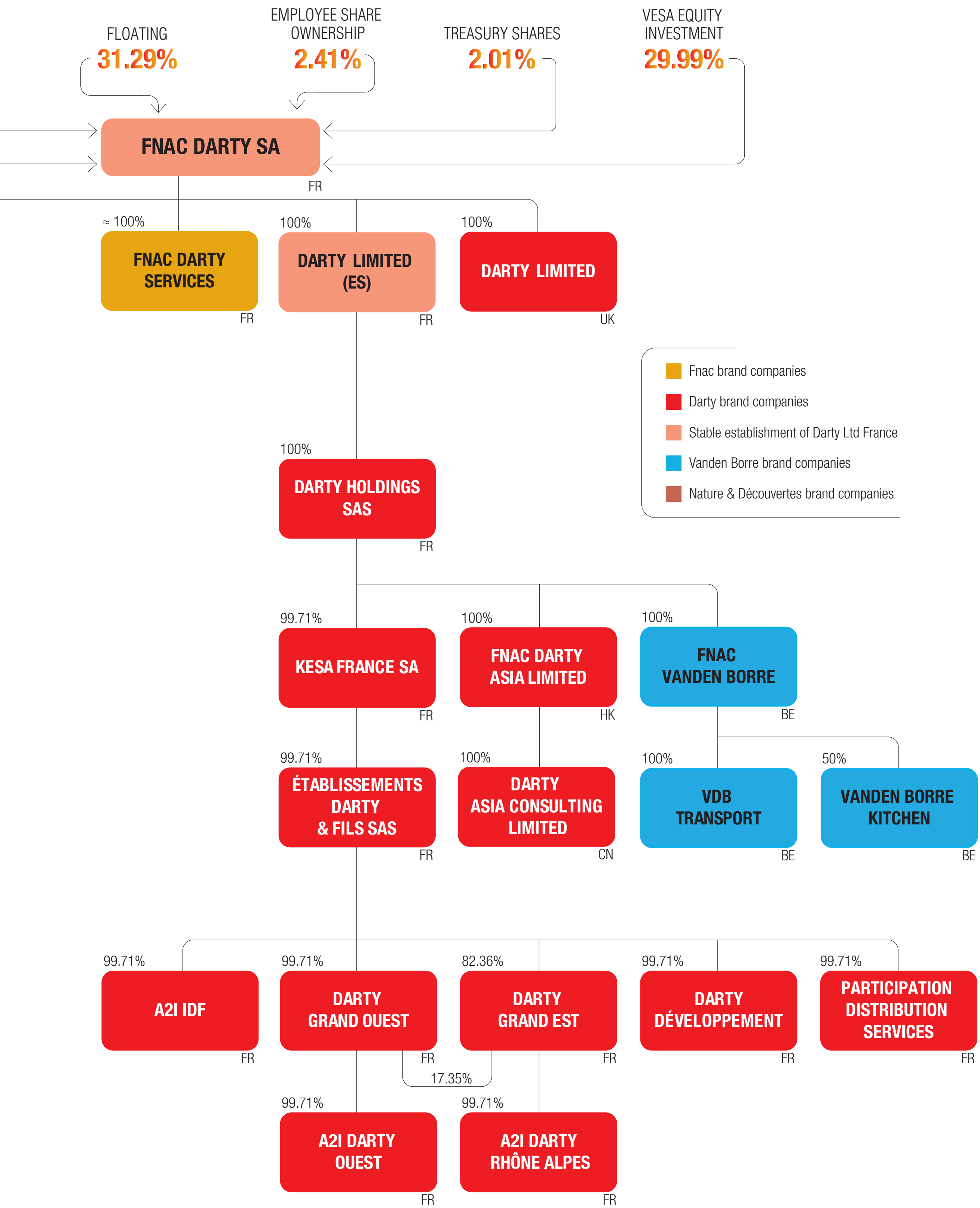
Fnac Darty – Shareholder Relations – 9, rue des Bateaux-Lavoirs 94200 Ivry-sur-Seine, France

6.7 / Organization of the Group

6.7.1 / Simplified Group organizational chart

The following simplified organizational chart shows the legal structure of the Group's main subsidiaries as of December 31, 2023.




FLOATING
31.29%
EMPLOYEE SHARE OWNERSHIP
2.41%
TREASURY SHARES
2.01%
VESA EQUITY INVESTMENT
29.99%
FNAC DARTY SA
FR
≈ 100%
FNAC DARTY SERVICES
FR
100%
DARTY LIMITED (ES)
FR
100%
DARTY LIMITED
UK
Fnac brand companies
Darty brand companies
Stable establishment of Darty Ltd France
Vanden Borre brand companies
Nature & Découvertes brand companies
100%
DARTY HOLDINGS SAS
FR
99.71%
KESA FRANCE SA
FR
100%
FNAC DARTY ASIA LIMITED
HK
100%
FNAC VANDEN BORRE
BE
99.71%
ÉTABLISSEMENTS DARTY & FILS SAS
FR
100%
DARTY ASIA CONSULTING LIMITED
CN
100%
VDB TRANSPORT
BE
50%
VANDEN BORRE KITCHEN
BE
99.71%
A2I IDF
FR
99.71%
DARTY GRAND OUEST
FR
82.36%
DARTY GRAND EST
FR
99.71%
DARTY DÉVELOPPEMENT
FR
99.71%
PARTICIPATION DISTRIBUTION SERVICES
FR
17.35%
99.71%
A2I DARTY OUEST
FR
99.71%
A2I DARTY RHÔNE ALPES
FR

6.7.2 / Main subsidiaries

6.7.2.1 / General Overview

Fnac Darty is the parent company of a group of companies including, as of December 31, 2023, 70 consolidated subsidiaries (36 in France, 1 in Monaco and 33 in other countries). The Company also heads a tax consolidation group consisting of 30 French subsidiaries.

The Group's main subsidiaries are set out in the consolidated financial statements in note 39 of section 4.2 of this Universal Registration Document.

The Company is a holding company with no operating activities in its own right. Its principal asset is nearly 100% of the shares of Fnac Darty Participations et Services SA and Darty Ltd. The simplified organizational chart provided in section 6.7.1 "Simplified Group organizational chart" of this Universal Registration Document includes the main subsidiaries and direct and indirect holdings of the Company as at December 31, 2023. The consolidated subsidiaries are also listed in note 39 "List of subsidiaries consolidated as of December 31, 2023" of the Company's 2023 consolidated financial statements in note 39 of section 4.2 of this Universal Registration Document.

For a description of the main transactions occurring within the Group, see section 6.8.3 "Major intra-group transactions" of this Universal Registration Document.

6.7.2.2 / Main subsidiaries

Fnac Darty's main direct and indirect subsidiaries are described below:

- **Fnac Darty Participations et Services SA** is a French limited company (société anonyme) with capital of €324,952,656. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 775661390. Fnac Darty holds nearly 100% of the capital and voting rights of Fnac Darty Participations et Services SA. Fnac Darty Participations et Services SA is directly or indirectly the parent company of all the subsidiaries of the brand and provides most of the management and support functions for the brand: Services and Operations Department, E-Commerce and Digital Department, Sales Department, Customer and Business Development Department, Transformation and Strategy Department, Operating Department, Communication and Public Affairs Department, Financial Department, General Secretariat, CSR and Human Resources Department.
- **Fnac Paris** is a French limited company (société anonyme) with capital of €58,500. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 350 127 460. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Paris. Fnac Paris' main business activity is the operation of the brand's stores.
- **Fnac Direct** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €13,583,280. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 377 853 536. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Direct. Fnac Direct's main business activity is the operation of the fnac.com website.
- **Relais Fnac** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €50,000. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 334 473 352. Fnac Darty indirectly holds 100% of the capital and voting rights of Relais Fnac. Relais Fnac includes most of the Brand's regional departments and operates the brand's stores.
- **France Billet** is a French single-shareholder simplified joint stock company (société par actions simplifiée) with capital of €352,512. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 414 948 695. Fnac Darty indirectly holds 52% of the capital and voting rights of France Billet. France Billet's main business activity is the marketing and retailing of tickets for sporting, artistic, cultural, tourism and entertainment events via a network of local points of sale, as well as on the fnac.com and francebillet.com websites. A minority share of 48% of France Billet's capital and voting rights is held by the CTS EVENTIM group. France Billet is governed by the company's bylaws and a shareholders' agreement under which Fnac Darty retains control of France Billet.
- **Codirep** is a French general partnership company (société en nom collectif) with capital of €23,085,326. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 343 282 380. Fnac Darty indirectly holds 100% of the capital and voting rights of Codirep. Codirep's main business activity is the operation of the Brand's stores.

- **Alizé-SFL** (Société Française du Livre) is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €38,962,737. Its registered office is located at 3, avenue Charles-Lindbergh in Wissous (91320) (France) and it is registered with the Évry Trade and Companies Registry under Number 349 014 472. Fnac Darty indirectly holds 100% of the capital and voting rights of Alizé-SFL. The principal activity of Alizé-SFL is the operation of a bookstore located at 11, rue Rottembourg in Paris in the 12th district, and the supply of services to municipalities, businesses and professionals for their book acquisitions.
- **Fnac Périphérie** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €1,000,005. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 434 001 954. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Périphérie. Fnac Périphérie's main business activity is the operation of the Brand's stores.
- **Fnac Logistique** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with capital of €50,000. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 414 702,506. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Logistique. Fnac Logistique's main business activity is the operation of the Brand's warehouses.
- **Fnac Darty Services** is a French simplified joint stock company (société par actions simplifiée) with share capital of €30,000. Its registered office is located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 844 973 214. Fnac Darty SA holds almost 100% of the capital and voting rights of Fnac Darty Services. Fnac Darty Services' main business is the design, development and marketing of services.
- **Grandes Almacenes Fnac España** is a Spanish single-shareholder limited company (SAU) with share capital of €1,202,000. Its registered office is located at Paseo del Club Deportivo 1, Edificio 11 – 2ª planta, 28223 Pozuelo de Alarcón (Spain) and was registered with the Madrid Companies Registry on May 26, 1993 in volume 6,244, folio 189, sheet M-101, 824, entry 1, under Number A-80/500200 (Tax ID number). Fnac Darty indirectly holds 100% of the capital and voting rights of Grandes Almacenes Fnac España. Grandes Almacenes Fnac España's main business activity is the operation of the Brand's Spanish stores (37 as of December 31, 2023) and website.
- **Fnac Portugal** is a Portuguese limited liability company *(Sociedade por Quotas de Responsabilidade Limitada)* with capital of €2,250,000. Its registered office is located at Edifício Amoreiras Plaza, rua Professor Carlos Alberto Mota Pinto, No. 9-6B, 1070-374 Lisbon (Portugal) and it is registered with the Lisbon Companies Registry *(Conservatoria do Registo Comercial)* under Number 503952230. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Portugal. Fnac Portugal's main business activity is the operation of the Brand's Portuguese stores (39 as of December 31, 2023) and website. Furthermore, in 2023, Fnac Portugal acquired Media-Saturn Portugal (which operates 10 stores and 1 online site).
- **Fnac Belgium** is a Belgian limited company with share capital of €3,072,000. Its registered office is located at Slesbroekstraat 101, 1600 Sint-Pieters-Leeuw (Belgium) and it is registered with the Brussels Registry of Legal Entities under Number 0421 506 570. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Belgium. Fnac Belgium's main business activity is the operation of the Brand's Belgian stores (13 points of sale as at December 31, 2023).
- **Fnac Suisse** is a Swiss limited company with capital of CHF 100,000. Its registered office is located at 5, route des Moulières, 1242 Satigny (Switzerland) and it is registered with the Canton of Geneva Trade Registry under Federal Number CH-660.0.404.000-9. Fnac Darty indirectly holds 100% of the capital and voting rights of Fnac Suisse. Fnac Suisse's main business activity is running Fnac's activities in Switzerland (eight points of sale and 17 shop-in-shops as at December 31, 2023).
- **Établissements Darty et Fils** is a French single-shareholder simplified joint stock company (société par actions simplifiée unipersonnelle) with share capital of €23,470,382. As of December 31, 2023, its registered office was located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 542 086 616. Établissements Darty et Fils SAS is the parent company of two regional subsidiaries. The first, Darty Grand Ouest, is a French general partnership company with capital of €30,612. Its registered office is located at Parc Tertiaire de l'Éraudière, 32, rue Coulongé, 44300 Nantes (France), and it is registered with the Nantes Trade and Companies Registry under Number 339 403 933. The second, Darty Grand Est, is a French general partnership company with capital of €394,205. Its registered office is located at RN 6 Lieu-dit l'Époux 69760 Limonest (France) and it is registered with the Lyon Trade and Companies Registry under Number 303 376 586. The main business activity of Établissements Darty et Fils SAS, Darty Grand Ouest SNC and Darty Grand Est SNC is the operation of Darty brand stores. Établissements Darty et Fils SAS also operates the website darty.com. These three subsidiaries had 219 points of sale as at December 31, 2023.

- **Darty Développement** is a French simplified joint stock company (société par actions simplifiée) with share capital of €17,621. As of December 31, 2023, its registered office was located at ZAC Port d'Ivry, 9, rue des Bateaux-Lavoirs, 94200 Ivry-sur-Seine (France) and it is registered with the Créteil Trade and Companies Registry under Number 490 596 020. The main business activity of Darty Développement SAS is the development of the network of franchise stores under the Darty brand and licensed stores. The network of franchise stores and licensed stores consisted of 273 points of sale as at December 31, 2023.
- **Fnac Vanden Borre** SA is a Belgian limited company with share capital of €22,652,461. Its registered office is located at Slesbroekstraat 101, 1600 Sint-Pieters-Leeuw (Belgium) and it is registered with the Brussels Registry of Legal Entities under Number BE 0412 723 419. The main business activity of Fnac Vanden Borre SA is operating Vanden Borre brand stores in Belgium (71 stores and 1 shop-in-shop as at December 31, 2023).
- **Nature & Découvertes** is a French limited company (société anonyme) with capital of €57,650,500. Its registered office is located at 11, rue des Étangs-Gobert, 78008 Versailles (France) and it is registered with the Versailles Trade and Companies Registry under Number 378 702 674. Its main business activity is operating Nature & Découvertes brand stores. Nature & Découvertes has 106 points of sale as at December 31, 2023.

6.7.2.3 / Recent acquisitions and disposals

The main acquisitions and disposals made by the Group during the period covered by the financial statements are described in note 3 "Key highlights" of section 4.2 of this Universal Registration Document.

6.8 / Related-party transactions

6.8.1 / Related party transactions

Related party transactions are described in note 35 to the consolidated financial statements.

6.8.2 / Regulated agreements

Fnac Darty SA did not enter into any regulated agreements over the period ended December 31, 2023.

6.8.3 / Major intra-group transactions

- **Tax consolidation agreement:** in 2013, a regulated agreement was signed by Fnac Darty and its French subsidiaries in which it holds at least 95% of the share capital for the purposes of creating a tax consolidation group in France, effective January 1, 2013. This agreement was approved by the Ordinary General Meeting of May 15, 2014 pursuant to Article L. 225-40 of the French Commercial Code. In its annual review of regulated agreements in force, on February 26, 2015, the Board of Directors decided to reclassify this agreement as a current agreement concluded under normal conditions in accordance with Article L. 225-39 of the French Commercial Code. As of January 1, 2023, the Group's French subsidiaries that fulfill the holding criteria were signed up to the tax consolidation agreement.
- **Cash investment and financing agreement:** Fnac Darty Participations et Services has concluded cash agreements with the majority of Group companies. The purpose of these agreements is to centralize the Group's cash management in order to encourage coordination and optimization of the utilization of cash surpluses or coverage of aggregate cash requirements within the Group. Pursuant to the agreements, these subsidiaries deposit any cash surpluses they do not use to finance their operation and their capital expenditure program with Fnac Darty Participations et Services, in exchange for which Fnac Darty Participations et Services finances their working capital requirements and capital expenditure program.

- **Long-term intra-group lending agreements:** in addition to cash investment and financing agreements, Fnac Darty Participations et Services has set up long-term loans/borrowings with certain Group companies with recurring borrowing or lending positions. In 2021, such agreements were concluded with Codirep, Fnac Paris, Relais Fnac, Darty Holding, Kesa France, Fnac Vanden Borre and Fnac Darty.
- **Buying agent and reference centralized listing agreements:** some of the Group's French subsidiaries as well as its Spanish, Portuguese, Swiss and Belgian subsidiaries have concluded purchasing agent agreements with Fnac Darty Participations et Services or Fnac Appro Groupe ("FAG") for terms of one year that are renewable for each period for an identical term. The purpose of these agreements is to grant Fnac Darty Participations et Services or FAG, as appropriate, a mandate to define the relevant subsidiary's procurement policy, select its suppliers and certain products sold in its stores, negotiate the purchasing conditions for those products and distribute and disseminate those products and services. Fnac Darty Participations et Services has also entered into centralized product listing agreements with some of the Group's French subsidiaries that have a similar purpose to the purchasing agent agreements but also include the purchase of certain products on behalf of each contracting subsidiary. In exchange for these services, Fnac Darty Participations et Services or FAG, as appropriate, receives from the relevant subsidiary a percentage of the revenue from the products purchased on its behalf. A purchasing agent agreement between Fnac Darty Participations et Services, as the first party, and Établissements Darty & Fils, Darty Grand Ouest and Darty Grand Est, as the second party, also entered into force in 2018.

  In addition, Alizé-SFL has entered into **purchasing agent agreements** for terms of one year, renewable for additional periods of the same length, with some of the Group's French subsidiaries. The purpose of these agreements is to grant Alizé-SFL a mandate to negotiate the purchasing conditions and to purchase the merchandise, including books, on behalf of each relevant subsidiary. In exchange, Alizé-SFL receives a fixed payment from the relevant subsidiary per number of products billed.
- **Service agreements:** Fnac Darty entered into service agreements with Fnac Darty Participations et Services, Établissement Darty et Fils, Grandes Almacenes Fnac España SA, Fnac Portugal, FNAC (Suisse) SA, Fnac Belgium et Fnac Vanden Borre for a renewable one-year term. The purpose of these agreements is to provide the contracting subsidiaries with the expertise of Fnac Darty as it relates to the following: Chairmanship, Strategy Department, definition of the Group's marketing policy, organization and coordination of the finance function, definition of IT system requirements, definition of HR policy.
- Fnac Darty Participations et Services has entered into **service agreements** with some of its French subsidiaries and its foreign subsidiaries, generally for a term of one year and renewable for additional periods of the same length. The purpose of these agreements is to provide the contracting subsidiaries with the expertise of Fnac Darty Participations et Services as it relates to the following, according to the subsidiary: communication, accounting, risk prevention, optimization of cash pooling (for companies that use cash pooling), internal auditing, management of overheads, legal, management control, IT, human resources management, marketing, development, strategy, logistics and product marketing. Fnac Darty Participations et Services' compensation is determined on the basis of the annual expenses incurred to provide the relevant services and is allocated between the subsidiaries receiving the services based on criteria that take into account the beneficiaries' effective revenue and level of services provided.
- **"Fnac in a box" agreements:** Fnac Darty Participations et Services has entered into software license agreements with its Belgian and Swiss subsidiaries for Fnac in a Box (FIB); the agreements are for a two-year term and are renewable with tacit consent for three-year terms. The purpose of these agreements is to grant the relevant subsidiary a non-exclusive user license for the FIB software for its operating needs, solely within the territory of the country in which it is based. In exchange, Fnac Darty Participations et Services receives an annual license fee, calculated annually based on software development, maintenance and investment costs.

- **Trademark licensing agreements:** Fnac Darty Participations et Services has entered into two- or three-year trademark licensing agreements that are renewable for a one-year term with some of its French subsidiaries and all of its foreign subsidiaries. The purpose of these agreements is to grant, solely for the territory of the country in which the subsidiary is based, a non-exclusive license to use “Fnac” trademarks and all other templates and trademarks required to operate a Fnac store or websites belonging to the Group. In exchange, Fnac Darty Participations et Services receives an annual license fee based on a percentage of the relevant subsidiary’s revenue.
- Fnac Darty Services and the subsidiaries operating Fnac and Darty brand stores have entered into a **subcontracting agreement to market** the Darty Max subscription to consumers.

  Fnac Darty Services, the subsidiaries operating Darty brand stores and Fnac Darty Participations et Services have signed a **maintenance and delivery service subcontracting agreement** under Darty Max consumer subscriptions.
- Fnac Darty Participations et Services SA has entered into (in its own name and in the name and on behalf of its subsidiary Fnac Direct) a **trademark licensing agreement** with its subsidiary France Billet for the **Fnac Spectacles and Fnac Tickets brands**. Fnac Darty Participations et Services SA has undertaken to include a link to the website www.fnacspectacles.com on the fnac.com website. This contract has been concluded for a term of 19 years.
- Fnac Darty Participations et Services SA and its subsidiaries that operate Fnac brand stores have entered into a 19-year contract with France Billet for the **retail of France Billet’s ticketing catalog**.

Related party transactions are described in detail in note 35 “Related party transactions” of section 4.2 of this Universal Registration Document.

6.9 / Major contracts

The major contracts to which the Group has been party over the last two financial years are presented in note 35 “Related party transactions” of section 4.2 and section 6.8 of this Universal Registration Document.

7

Additional information

7.1 / Persons responsible

7.1.1 / Person responsible for the Universal Registration Document

Enrique Martinez, Chief Executive Officer of Fnac Darty.

7.1.2 / Certification of the person responsible for the Universal Registration Document and the Annual Financial Report

"I declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omission that might affect its import.

I declare that, to the best of my knowledge, these financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the financial position and profit or loss of the Company and of all consolidated companies, and that the Management Report (for which the cross-reference table is presented in section 7.7.1 herein) includes a fair review of the development and performances of the Company and the companies forming part of the consolidated Group, and that it describes the main risks and uncertainties they face."

Ivry-sur-Seine, March 11, 2024

Enrique Martinez

Chief Executive Officer of the Group

7.1.3 / Person responsible for financial information

Jean-Brieuc Le Tinier

Group Chief Financial Officer

Le Flavia
9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine
France

7.2 / Statutory Auditors

Incumbent Statutory Auditors

Deloitte & Associés

Represented by Guillaume Crunelle

6, place de la Pyramide
92908 Paris La Défense Cedex
France

Deloitte & Associés is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Association of Auditors of Versailles).

KPMG Audit, a department of KPMG SA

Represented by Eric Ropert and Caroline Bruno Diaz

Tour Eqho
2, avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

KPMG is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Association of Auditors of Versailles).

7.3 / Statutory Auditors' fees

The Statutory Auditors' fees are presented in note 37 of section 4.2 "Statutory Auditors' fees" of this Universal Registration Document, with regard to the consolidated financial statements of this Universal Registration Document.

7.4 / Information from third parties, expert certifications and declarations of interests

Some of the market data in Chapter 1 “Presentation of the Group” in this Universal Registration Document comes from third-party sources. The Company certifies that this information was faithfully reproduced and that, to the knowledge of the Company and based on the data reported or provided by these sources, no fact has been omitted that would render this information inaccurate or misleading.

7.5 / Availability of financial documents and reports

Copies of this Universal Registration Document are available free of charge from the Company’s registered office. This document may also be viewed on the Company’s website (www.fnacdarty.com) and on the website of the French Financial Markets Authority (www.amf-france.org).

While this Universal Registration Document is valid, the following documents (or a copy of these documents) may be viewed on the Company’s website (www.fnacdarty.com):

- the latest available updated version of the Fnac Darty bylaws;
- any reports, correspondence and other documents, assessments and statements prepared by an expert at the Company’s request, any part of which is included or referred to in the Universal Registration Document;
- information about the Darty plc acquisition offer; and
- historical information about Darty plc.

All such legal and financial documents relating to the Company and made available to shareholders in accordance with applicable regulations may be viewed at the Company’s registered office.

Regulated information pursuant to the AMF General Regulations has also been available on the Company’s website since the Company’s shares were admitted to trading on Euronext Paris.

The Fnac Darty business Code of Conduct is also available on the Group’s website, www.fnacdarty.com, under the ESG Commitments section.

Information on the Company’s website (www.fnacdarty.com), except information incorporated by reference, is not part of this Universal Registration Document. As such, this information has not been reviewed or approved by the AMF.

For 2023, the list of financial documents and regulated reports published by Fnac Darty is available on the Company’s website, www.fnacdarty.com, under the Investors section:

Date	Subject
01/02/2023	Half-yearly achievement report of Fnac Darty’s liquidity agreement on December 31, 2022
01/04/2023	Information on the total number of voting rights and shares on December 31, 2022
01/17/2023	2022 estimated performance
02/02/2023	Information on the total number of voting rights and shares on January 31, 2023
02/23/2023	FY2022 results
03/02/2023	Information on the total number of voting rights and shares on February 28, 2023
03/03/2023	Fnac Darty information issued
03/17/2023	Filing of the 2022 Universal Registration Document
03/20/2023	Fnac Darty announces the extension of its RCF credit line to March 2028
04/03/2023	Information on the total number of voting rights and shares on March 31, 2023
04/18/2023	Information on the total number of voting rights and shares on April 17, 2023
04/20/2023	Q1 2023 revenue
04/20/2023	Fnac Darty signs an agreement in view of acquiring MediaMarkt in Portugal
05/02/2023	Information on the total number of voting rights and shares on April 30, 2023
05/03/2023	Availability of documentation for the Shareholders’ Meeting, May 24, 2023

Date	Subject
06/02/2023	Information on the total number of voting rights and shares on May 31, 2023
06/15/2023	Option for 2022 dividend payment in shares - Calendar and procedures
06/15/2023	Notice new OCEANE conversion ratio
06/29/2023	Fnac Darty waives its right to contest the grievance notified to it by the Competition Authority's investigating services
07/03/2023	Information on the total number of voting rights and shares on June 30, 2023
07/03/2023	Half year achievement report on Fnac Darty share quotations liquidity mandate - June 2023
07/03/2023	Result of the payment of dividend in shares and record of the corresponding capital increase
07/27/2023	2023 half-year results
07/27/2023	2023 half-year financial report
08/01/2023	Information on the total number of voting rights and shares on July 31, 2023
08/02/2023	Fnac Darty announces the evolution of its strategic partnership with CTS EVENTIM
09/01/2023	Information on the total number of voting rights and shares on August 31, 2023
09/12/2023	Fnac Darty announces offering of €300million senior notes due January 2029
09/12/2023	Fnac Darty announces an agreement with its banks regarding the amendment of its Delayed-Draw Term Loan, and advanced discussions for the implementation of extension options for the existing RCF credit line
09/13/2023	Fnac Darty decides the withdrawal of the offering of €300 million senior bond issue due January 2029
09/28/2023	Fnac Darty finalizes the acquisition of MediaMarkt in Portugal
10/02/2023	Information on the total number of voting rights and shares on September 30, 2023
10/04/2023	Fnac Darty and CEVA Logistics sign agreement to create a joint venture dedicated to e-commerce logistics, SaaS Marketplace
10/09/2023	Court of Appeal in London rules in favor of Fnac Darty in proceedings relating to the disposal of Comet
10/26/2023	Q3 2023 revenue
10/26/2023	Fnac Darty implements a share buyback program
10/30/2023	Disclosure of trading in own shares, 27 october 2023
11/02/2023	Information on the total number of voting rights and shares on October 31, 2023
11/06/2023	Disclosure of trading in own shares, 30 october to 3 november 2023
11/13/2023	Disclosure of trading in own shares, 6 to 10 november 2023
11/20/2023	Disclosure of trading in own shares, 13 to 17 november 2023
11/27/2023	Disclosure of trading in own shares, 20 to 24 november 2023
12/01/2023	Information on the total number of voting rights and shares on November 30, 2023
12/04/2023	Disclosure of trading in own shares, 27 november to 1 december 2023
12/11/2023	Disclosure of trading in own shares, 4 to 8 december 2023
12/13/2023	Fnac Darty announces the successful renegotiation of its RCF credit line and the extension of its undrawn Delayed-Draw Term Loan ("DDTL") to December 2026
12/18/2023	Disclosure of trading in own shares, 11 to 15 december 2023
12/26/2023	Disclosure of trading in own shares, 18 to 22 december 2023

7.6 / Documents incorporated by reference

Pursuant to Article 19 of European Regulation 2017/1129, the following elements are incorporated by reference in this Universal Registration Document:

- for the period ended December 31, 2021: key figures, Group businesses, Business Report, investment policy, consolidated financial statements and the related Statutory Auditors' Report presented in 2021 Universal Registration Document No. D. 22-0112, filed with the AMF on March 17, 2022;
- for the period ended December 31, 2022: key figures, Group businesses, Business Report, investment policy, consolidated financial statements and the related Statutory Auditors' Report presented in 2022 Universal Registration Document No. D. 23-0104, filed with the AMF on March 17, 2023.

The information contained in the Universal Registration Documents, other than that mentioned above, is, where applicable, replaced or updated by the information contained in this Universal Registration Document. The Universal Registration Documents are available at the Company's headquarters and on its website at www.fnacdarty.com, under the Investors section.

7.7 / Cross-reference tables

7.7.1 / Management Report cross-reference table (Articles L. 225-100 et seq. of the French Commercial Code)

Management Report categories	Chapters/Paragraphs	Page
Information relating to the activity of the Company and the Group	**1**	5-38
Company and Group position during the period ended, foreseeable developments, and important events since the balance sheet date	1.6	25-31
Business and results of the Company, its subsidiaries and controlled companies by business line	1.6	25-31
Objective and exhaustive analysis of developments in the Company and the Group's business, results and financial position (in particular the debt level) – with reference to the amounts shown in the financial statements and additional explanations relating thereto	1.6	25-31
Key performance indicators of financial and non-financial nature, where relevant	1.6	25-31
Description of the main risks and uncertainties of the Company and the Group	5	337-364
Internal control and risk management procedures implemented by the Company relating to the preparation and processing of accounting and financial information for the Company and the Group	5	337-364
Objective and policy of hedging transactions for which hedge accounting is used by the Company and the Group Exposure to price, credit, liquidity and treasury risks of the Company and the Group Use of Company and Group financial instruments	4.2 notes 33 and 34	297-300
Financial risks related to the effects of climate change and presentation of the measures taken by the Company and Group to reduce them (low-carbon strategy)	2.3	60-90
Research and development activity of the Company and the Group and its branches	1.7	32-33

Management Report categories	Chapters/Paragraphs	Page
Legal, financial and tax information of the Company		
Breakdown of shareholding structure and changes	6.3.1	378-381
Names of controlled companies and share of capital of the companies they hold	4.2 note 39; 6.7.2	304-306; 388-390
Status of existing branches	n.a.	n.a.
Material equity investments during the year in companies with registered offices in France	4.2. note 3	247-248
Disposal of cross-shareholdings	n.a.	n.a.
Employee share ownership	6.3.1	378-381
Acquisition and sale by the Company of treasury shares (share buybacks)	6.2.3	372-374
Adjustments to the basis of exercise of securities giving access to the share capital in the event of financial transactions	n.a.	n.a.
Adjustments to the basis of exercise of securities giving access to the capital in the event of share buybacks	n.a.	n.a.
Adjustments to the basis of exercise of share subscription and purchase options in the event of share buybacks	n.a.	n.a.
Dividends distributed over the previous three fiscal years and amount of income distributed for these same fiscal years that is eligible and not eligible for the 40% tax allowance	4.4. note 20	325
Amount of expenses and charges that are not deductible for tax purposes	n.a.	n.a.
Injunctions or financial penalties imposed by the French Competition Authority	4.2. note 3	247-248
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Amount of intercompany loans	4.4. note 7	316-317
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Use of the option to request the recovery of variable compensation (L. 22-10-9, Section I, paragraph 3 of the French Commercial Code)	n.a.	n.a.
Commitments of all kinds made by the Company in favor of its corporate officers, corresponding to compensation, indemnities or benefits due or likely to be due as a result of the assumption, termination or change in their duties or subsequent to the exercise thereof (L. 22-10-9, Section I, paragraph 4 of the French Commercial Code)	3.3.1	188-197
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Annual changes in compensation, Company performance, average compensation of Company employees and the above-mentioned ratios over the five most recent years (L. 22-10-9, Section I, paragraph 7 of the French Commercial Code)	3.3.2.4	212-216
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■ the Company's risk prevention policy in respect of technological accidents;	n.a.	n.a.
■ the Company's ability to cover its civil liability to property and persons as a result of the use of such facilities;	n.a.	n.a.
■ resources scheduled by the Company to manage the compensation of victims in the event of a technological accident engaging its liability (L. 225-102-2 of the French Commercial Code)	n.a.	n.a.
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7.7.6 / Duty of Care cross-reference table

See section 2.5.4 of Chapter 2 of this Universal Registration Document.

7.7.7 / TCFD cross-reference table

In June 2017, the Task Force on Climate-Related Financial Disclosures (TCFD) published its recommendations on information relating to climate change to be published by companies.

The cross-reference table below identifies the actions carried out by the Group with regard to these recommendations. In addition to the information published in the Universal Registration Document, this table also refers to the Group's responses to the CDP Climate Change questionnaire, which have been taking the TCFD recommendations into account since 2018. The Group's responses are public and can be viewed at www.cdp.net.

Theme		TCFD recommendation	Source of information in Fnac Darty's Report
Governance	Describe the governance of the organization concerning climate risks and opportunities	a) Describe the supervision of climate risks and opportunities by the Board of Directors	URD 2023 – 2.3.1.1 CDP – C1.1
		b) Describe the role of management in the assessment and management of climate risks and opportunities	URD 2023 – 2.3.1.1 CDP – C1.2
Strategy	Describe the existing and potential impacts of climate risks and opportunities on the organization's activities, its strategy and its financial planning, insofar as the information is relevant	a) Describe the climate risks and opportunities that the Company has identified in the short, medium and long term	URD 2023 – 2.3.1.2 CDP – C2
		b) Describe the impacts of climate risks and opportunities on the organization's activities, its strategy and its financial planning	URD 2023 – 2.3.1.2 CDP – C2.3a, C2.4a
		c) Describe the resilience of the organization's strategy, taking into account various climate scenarios, including a scenario of 2°C or less	URD 2023 – 2.3.2 CDP – C3
Risk management	Describe how the organization identifies, assesses and manages climate risks	a) Describe the organizational processes for identifying and assessing climate risks	URD 2023 – 2.3.1.1, 2.3.1.2, 2.3.2 CDP – C2.2
		b) Describe the organizational processes for managing climate risks	URD 2023 – 2.3.3 CDP – C2.2
		c) Describe how the processes for identifying, assessing and managing climate risks are incorporated in the organization's risk management	URD 2023 – 2.1.2, 2.3.2 CDP – C2.2
Indicators & objectives	Describe the indicators and objectives used to assess and manage climate risks and opportunities, insofar as the information is relevant	a) Describe the indicators used by the organization to assess climate risks and opportunities, in conjunction with its risk management strategy and process	URD 2023 – 2.1.2, 2.3.1, 2.3.3 CDP – C6
		b) Publish the scope 1, scope 2 and, if relevant, scope 3 greenhouse gas (GHG) emissions and the corresponding risks	URD 2023 – 2.3.3.1 CDP – C6
		c) Describe the objectives used by the organization to manage climate risks and opportunities, and its performance in relation to the objectives	URD 2023 – 2.3.3 CDP – C4

7.7.8 / Cross-reference tables and renewal of adherence to the 10 principles of the United Nations Global Compact

Fnac Darty is a signatory to the United Nations Global Compact and is officially renewing its adherence for 2023 in order to demonstrate its willingness to act in support of its 10 fundamental principles, such as human rights, international labor standards, environmental protection and anti-corruption.

Categories	Principles	Subjects	Sections
Human rights	1. Promote and respect the protection of international law relating to human rights within their sphere of influence	Audit procedure in factories	2.5.4.2
		Ethics system	2.5.1; 2.5.2; 2.5.8
		Supplier and responsible purchasing relationships	2.5.7
		Vigilance Plan	2.5.4
	2. Ensure that they are not complicit in human rights abuses	Combating corruption	2.5.2
		Health and safety	2.4.4; 2.5.4.2
		Protection of personal data	2.5.3
Employment conditions	3. Respect the freedom of association and recognize the right to collective bargaining	Ethics system	2.5.1
		Open dialogue with stakeholders	2.1.3
		Constructive social dialogue	2.4.4.1
	4. Contribute to the elimination of all forms of forced or compulsory labor	Responsible purchasing	2.5.7
	5. Contribute to the effective abolition of child labor	Audit procedure in factories	2.5.4.2
	6. Contribute to the elimination of discrimination in employment and occupation	Gender equality	2.4.2
		Anti-discrimination	2.4.5.2
Environment	7. Apply the precautionary principle to environmental problems	Responsible purchasing policy	2.5.7
		Roll-out of a climate strategy	2.3
		Promoting biodiversity	2.3
	8. Take initiatives to promote greater environmental responsibility	Promote sustainable consumption and an educated choice	2.2
		Contribute to debate around sustainability	2.2.5.1
		Raising employee awareness of environmental issues	2.1.3
		Give a second life to products	2.2.3
	9. Promote the development and dissemination of environmentally friendly technologies	Encourage repairs	2.2.2
Combating corruption	10. Work against corruption in all its forms, including extortion and bribery	Ethics system	2.5.2
		Combating corruption	2.5.2
		Responsible purchasing policy	2.5.7

7.8 / Glossary of alternative performance indicators and current terms

Alternative performance indicators

Indicator title	Indicator definition
Other non-current operating income and expenses	"Other non-current operating income and expense" reflects the unusual and material items for the consolidated entity that could disrupt tracking of the Group's economic performance and that are excluded from the current operating income: ▪ restructuring costs and costs relating to staff adjustment measures; ▪ impairment on capitalized assets identified primarily in the context of impairment tests on cash-generating units (CGU) and goodwill; ▪ gains or losses linked to changes in the scope of consolidation (acquisition or disposal); and ▪ major disputes that do not arise from the Group's operating activities.
Current EBITDA	Current operating income before depreciation, amortization and provisions on fixed operating assets that are recognized as recurring operating income. Current EBITDA is not an indicator stipulated by IFRS and does not appear in the Group consolidated financial statements. Current EBITDA has no standard definition and, therefore, the definition used by the Group may not match the definition of this term used by other companies. The application of IFRS 16 significantly changes the Group's current EBITDA. Current EBITDA excluding IFRS 16 is used in the context of the applicable financial covenants under the Loan Agreement.
Current EBITDA excluding IFRS 16	Current EBITDA including rental expenses within the scope of IFRS 16, used in connection with the financial covenants applicable under the Loan Agreement.
Free cash-flow from operations	This financial indicator measures the net cash flows linked to operating activities and the net cash flows from operational investments (defined as acquisitions and disposals of property, plant and equipment and intangible assets, and the change in trade payables for non- current assets). The application of IFRS 16 significantly changes the Group's free cash-flow from operations.
Free cash-flow from operations, excluding IFRS 16	Free cash flow from operations including impacts relating to rents within the scope of IFRS 16
Revenue	The Group's "real" revenue (or income from ordinary activities) corresponds to its reported revenue. The Group uses the notions of change in revenue detailed below.
Net financial income excluding IFRS 16	Financial result minus financial interest on leasing debt
Net financial debt	Net financial debt consists of gross debt including accrued interest not yet due as defined by the French National Accounting Council's recommendation No. 2013-03 on November 7, 2013, minus gross cash and cash equivalents. The application of IFRS 16 significantly changes the Group's net financial debt.
Net financial debt excluding IFRS 16	Net financial debt less leasing debt
Operating income	The total operating income of Fnac Darty includes all the income and costs directly related to Group operations, whether the income and expense are recurrent or whether they result from one-off operations or decisions.
Current operating income	Fnac Darty uses current operating income as the main management balance. This is defined as the difference between the total operating income and the "Other non-current operating income and expense." Current operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance and that can be used as a way to estimate recurring performance. This indicator is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

Indicator title	Indicator definition
Net cash	Net cash consists of gross cash and cash equivalents, minus gross debt including accrued interest not yet due as defined by the French National Accounting Council's recommendation No. 2013-03 on November 7, 2013. The application of IFRS 16 significantly changes the Group's net cash.
Net cash excluding IFRS 16	Net cash excluding leasing debt.
Change in revenue at a constant exchange rate	Change in revenue at a constant exchange rate means that the impact of changes in exchange rates has been excluded. The exchange rate impact is eliminated by recalculating sales for period N-1 using the exchange rates used for period N.
Change in revenue on a comparable scope of consolidation	Change in revenue at a comparable scope of consolidation means that the impact of changes in the scope of consolidation is corrected so as to exclude the modifications (acquisition, disposal of subsidiary). Revenue of subsidiaries acquired or sold since January 1 of period N-1 are, therefore, excluded when calculating the change (in the event of a significant variation at Group level).
Change in revenue on a same-store basis	The change in revenue on a same-store basis means that the impact of directly owned store openings and closures is excluded. Revenue of stores opened or closed since January 1 of period N-1 is excluded from calculations of the change.

Application of IFRS 16

On January 13, 2016, the IASB published IFRS 16 – "Leases." IFRS 16 replaces IAS 17 and its interpretations. This standard, which is mandatory for annual periods beginning on or after January 1, 2019, requires the recognition of an asset (the right of use) and a liability (leasing debt) on the basis of discounted in-substance fixed lease payments.

The Group has applied IFRS 16 since January 1, 2019. In order to ensure the transition between IAS 17 and IFRS 16, all lease and service agreements falling within the scope of 16 have been analyzed.

To monitor its financial performance, the Group publishes indicators that exclude the application of IFRS 16. These indicators are current EBITDA excluding IFRS 16, free cash flow from operations excluding IFRS 16, and net financial debt excluding IFRS 16.

With the application of IFRS 16	IFRS 16 restatement	Without application of IFRS 16
Current EBITDA	**Rents within the scope of IFRS 16**	**Current EBITDA excluding IFRS 16**
Current operating income before depreciation, amortization and provisions on fixed operating assets that are recognized as recurring operating income		Current EBITDA including rental expenses within the scope of IFRS 16
Free cash-flow from operations	**Disbursement of rents within the scope of IFRS 16**	**Free cash-flow from operations, excluding IFRS 16**
Net cash-flow from operating activities, less net operating investments		Free cash-flow from operations, including cash impacts relating to rent within the scope of application of IFRS 16
Net financial debt	**Leasing debt**	**Net financial debt excluding IFRS 16**
Gross financial debt less gross cash and cash equivalents		Net financial debt less leasing debt
Net financial income	**Financial interest on leasing debt**	**Net financial income excluding financial interest on leasing debt**

Current terms

Title	Definition
B2B	Business to business
B2B2C	Business to business to customer
B2C	Business to customer
CGU	Cash generating unit
Click & mortar	Click & mortar refers to companies that offer additional sales processes combined with traditional retail sales in store, or at physical points of sale (offline) and website sales (online)
click&collect	click&collect is a service offered to consumers whereby they reserve or order products online before collecting them directly in store
click&mag	click&mag is a service offered to consumers whereby a product that is not in stock in store can be delivered to them
Comex	Executive Committee
Consumer electronics	Photography, TV and video, sound (hi-fi, headsets and speakers), computers and tablets, telephony, connected objects
CSR	Corporate Social Responsibility
Current operating income	Current operating income
Domestic appliances	Domestic appliances include large domestic appliances (refrigerators, cookers, washing machines) and small domestic appliances (vacuum cleaners, cleaning appliances and small kitchen appliances)
DPO	Data Protection Officer
Editorial products	Books (physical or digital), audio (CD, vinyl), DVD/Blu-Ray, new and used video games and consoles, stationery
Fulfillment	Fulfillment is a service that handles all logistics, including packaging, dispatch, delivery to the final customer, customer service and return management
GDPR	General Data Protection Regulation
LHA	Large domestic appliances
NFPD	Non-financial Performance Declaration
OCEANE	OCEANE bonds or bonds convertible into new or existing shares are hybrid bonds, as the issuer reserves the right to exchange them for shares, until maturity
OIE	Other income and expense
Pure player	This refers to companies who only sell products online
SAV (after-sales service)	After-sales service
SDA	Small domestic appliances
Services	After-sales services, insurance and warranties, gift boxes and gift cards, ticketing, Marketplace and franchise fees
Stat. Aud.	Statutory Auditors
VB	Volume of business
VC	Venture capital
WEEE	Waste electrical and electronic equipment
Welcomer	Salesperson who greets and guides customers as they enter the store

7.9 / Index

Design and production: Edery

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