2024

INTERIM FINANCIAL REPORT

FINANCIAL STATEMENTS AT JUNE 30

FNAC DARTY

INTERIM FINANCIAL REPORT FNAC DARTY 2024

FINANCIAL STATEMENTS AS OF JUNE 30

This document is a free translation into English of the original French Rapport financier semestriel, referred to as the “Interim Financial Report”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

The tables in the financial report contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

This financial information is prepared on the basis of reported information concerning:
For the first half of 2024, the audited IFRS consolidated financial statements of Fnac Darty for the period ended June 30, 2024;
For the first half of 2023, the audited IFRS consolidated financial statements of Fnac Darty for the period ended June 30, 2023.

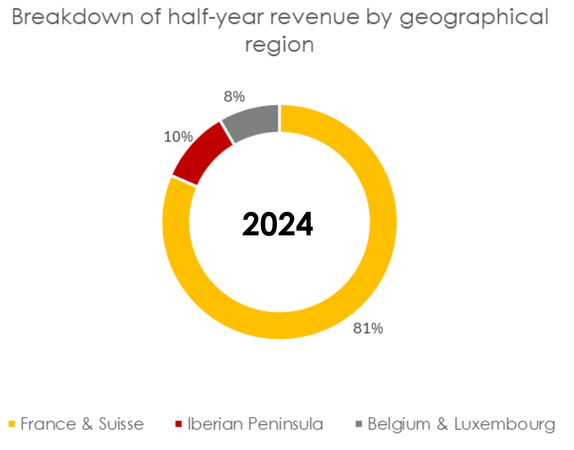
CONTENTS

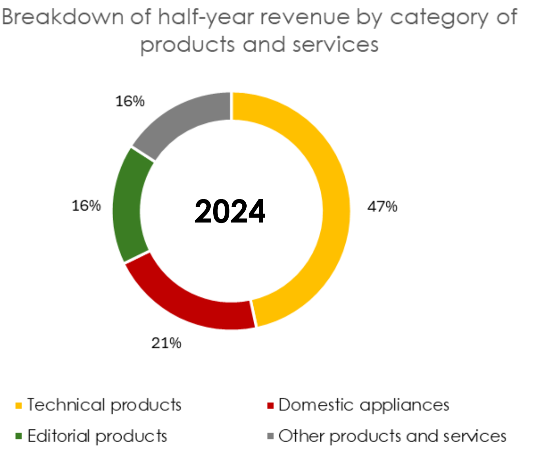
1 FIRST HALF OF 2024 – KEY FIGURES

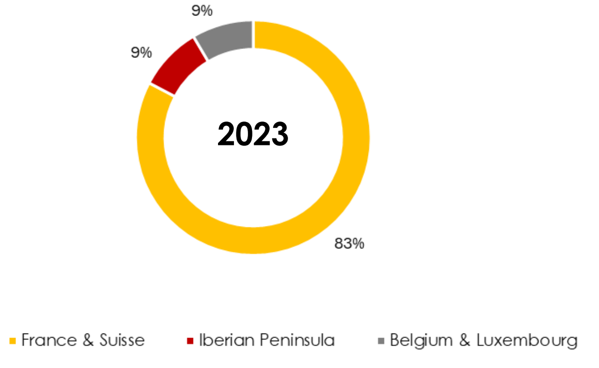
(€ million)		**2023**	**2024**	**Change**
Revenue		3,344.1	3,389.7	1.4%
	Change on a like-for-like basis[1]			0.1%
Gross margin		1,039.3	1,049.6	1.0%
	As % of revenue	31.1%	31.0%	(0.1)pt
Current EBITDA [2]		142.5	145.6	2.2%
	As % of revenue	4.3%	4.3%	0.0pt
Current EBITDA [2] excluding IFRS 16		14.2	20.8	46.5%
	As % of revenue	0.4%	0.6%	0.2pt
Current operating income		(35.5)	(36.1)	(1.7%)
	As % of revenue	(1.1%)	(1.1%)	(0.0)pt
Operating income		(135.9)	(62.6)	53.9%
	As % of revenue	(4.1%)	(1.8%)	2.3pt
Net income from continuing operations		(161.5)	(71.9)	55.5%
Net income from continuing operations, Group share		(163.3)	(75.1)	54.0%
Net income from discontinued operations, Group share		29.4	2.1	(92.9%)
Consolidated net income, Group share		(133.9)	(73.0)	45.5%
Net operating investments (divestments)		63.1	(38.3)	(160.7%)
Free cash-flow from operations		(526.3)	(529.0)	(0.5%)
Free cash-flow from operations, excluding IFRS 16		(659.8)	(672.8)	(2.0%)
Shareholders' equity		1,354.9	1,458.5	7.6%
Group share		1,342.2	1,442.2	7.5%
Net financial debt excluding IFRS 16		674.3	495.7	(26.5%)
Net financial debt connected with IFRS 16		1,064.8	1,183.9	11.2%
Net financial debt		1,739.1	1,679.6	(3.4%)
Average workforce		21,223.0	21,414.0	0.9%

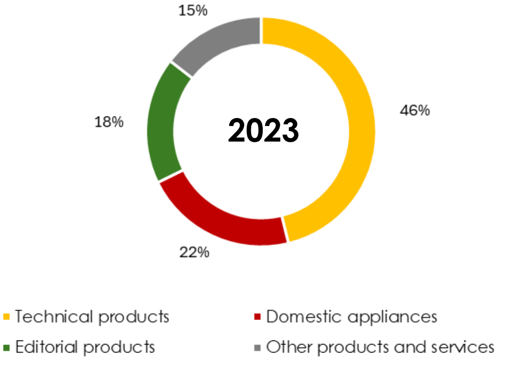
[1] Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures.
[2] Current EBITDA is defined as current operating income before net depreciation, amortization and provisions on fixed operational assets recognized as current operating income.

In the first half of the year, Group performance is historically affected by the seasonal nature of the business, for which the main part of the earnings and of the free cash-flow from operations is recorded during the second half of the year.


Breakdown of half-year revenue by geographical region
8%
10%
2024
81%
France & Suisse
Iberian Peninsula
Belgium & Luxembourg


Breakdown of half-year revenue by category of products and services
16%
16%
2024
47%
21%
Technical products
Domestic appliances
Editorial products
Other products and services


9%
9%
2023
83%
France & Suisse
Iberian Peninsula
Belgium & Luxembourg


15%
18%
2023
46%
22%
Technical products
Domestic appliances
Editorial products
Other products and services

2 ACTIVITY REPORT

FINANCIAL PERFORMANCE

- **Q2 2024 revenue of €1.6 billion, up +2.1% on a reported basis and up +0.8% on a like-for-like basis[1]**
- **H1 2024 revenue of €3.4 billion, up +1.4% on a reported basis and up +0.1% on a like-for-like basis[1]**
- **Gross margin rate at 31%, up +10 bps excluding dilutive impacts[2]**
- **Current operating income stable compared with the first half of 2023,** reflecting tight control of the gross margin and costs

ENVISAGED ACQUISITION OF UNIEURO: CONSOLIDATION OF EUROPEAN LEADERSHIP OF SPECIALIZED RETAIL IN EUROPE[3]

- **A #1 position in Italy that consolidates the Group's presence in Western and Southern Europe**
- **A mixed public tender offer[4] to be jointly filed by Fnac Darty and Ruby Equity Investment[5]**
- **Offer description: €9.0 in cash and 0.10 in Fnac Darty shares, valuing Unieuro at €12.0 per share[6]**
- **Creation of a Group with over €10 billion in revenue and nearly 30,000 employees[7]**
- **Projected synergies of over €20 million[8], mostly from improving buying terms**
- **EPS accretion above 10% from 2025, including synergies**
- **Closing expected in Q4 2024**

RECOGNITION OF THE GROUP'S CSR COMMITMENTS: MOODY'S ESG RATING UP 4 POINTS TO 65/100, RANKED #2 OF THE SPECIALIZED RETAIL SECTOR

2024 ANNUAL OUTLOOK CONFIRMED

[1] Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures
[2] Dilutive impacts come from Franchise and MediaMarkt integration
[3] See Press release of July 16, 2024
[4] Mixed Offer made of a cash branch for 75% and a share branch for 25%
[5] Joint investment vehicle held at 51% by Fnac Darty and by 49% by Ruby Equity Investment (an affiliate of Vesa Equity Investment), consolidated by Fnac Darty
[6] Based on Fnac Darty closing share price of €30.20 as of July 15, 2024
[7] Combination of public annual information made public by the 2 entities as of December 31, 2023 for Fnac Darty and as of February 28, 2024 for Unieuro
[8] Run rate starting 2025

H1 2024 KEY FIGURES

(€ million)	Period ended June 30 2023	2024	Change
Revenue	**3,344**	**3,390**	**+1.4%**
Change on like-for-like basis[1]			*+0.1%*
Gross margin	**1,039**	**1,050**	**11**
As a % of revenue	*31.1%*	*31.0%*	*(10) bps*
Current EBITDA[2]	**143**	**146**	**3**
Current operating income	**(35)**	**(36)**	**(1)**
As a % of revenue	*(1.1)%*	*(1.1)%*	
Net income from continuing operations, Group share	**(163)**	**(75)**	**88**
Net income from discontinued operations, Group share	29	2	
Free cash-flow from operations, excluding IFRS 16	**(660)**	**(673)**	**(13)**

In Q2 2024, Group revenue amounted to €1,596 million, up +2.1% on a reported basis and +0.8% on a like-for-like basis[1] from the previous year.

In H1 2024, Group revenue amounted €3,390 million, up +1.4% on a reported basis and +0.1% on a like-for-like basis[1] from the first half of 2023.

In the first half of the year, Group performance is historically affected by the seasonal nature of the business, for which the main part of the earnings and of the free cash-flow from operations is recorded during the second half of the year.

The market, although still depressed, showed the first signs of recovery in the 2nd quarter. Against this backdrop, Fnac Darty is once again demonstrating its ability to outperform, thanks to its strategic decisions and resilience, reflected in its tightly controlled margins. The Group thus returned to growth in the 2nd quarter, in all the geographical areas in which it operates.

In the first half-year, the **gross margin rate** was 31.0%. Excluding the dilutive impact of the franchise and changes in scope, it was up +10 basis points compared with the first half of 2023, driven by services, offsetting the adverse effects of the channel/product mix.

Operating expenses amounted to €1,086 million. Excluding the impact of MediaMarkt Portugal integration, they have slightly decreased compared to the first half of 2023. The embedded effect of rising rents, the full-year effect of the mandatory annual negotiation (*Négociation Annuelle Obligatoire* – NAO) and the inflation observed on other cost items have been offset by the decrease in energy costs and the efficiency of performance plans implemented across all the Group's divisions.

Current EBITDA amounted to €146 million (including €125 million related to the application of IFRS 16), stable compared with the first half of 2023.

Current operating income was -€36 million in the first half of 2024, stable compared with the first half of 2023, and a very slight improvement excluding the integration of MediaMarkt Portugal and the launch of Weavenn.

Changes by distribution channel

Over the first half of the year, in-store revenue increased, again demonstrating the attractiveness of the points of sale. Online business represented 21% of the Group's sales, stable compared with 2023. Lastly, omnichannel sales remained one of the Group's strengths. Click & Collect is up to 51% (+1.9 points vs. H1 2023).

[1] Like-for-like basis – LFL: excludes the effect of changes in foreign exchange rates, changes in scope, and store openings and closures.
[2] Current EBITDA is defined as current operating income before net depreciation, amortization and provisions on fixed operational assets recognized as current operating income

Changes by product category

Consumer electronics returned to growth in the first half, thanks to a particularly strong 2nd quarter. The television business recorded very good results, driven by the European Football Championship and customer appetite for larger screens and advanced technologies (OLED). Telephony also registered growth, driven by the attractiveness of new products incorporating artificial intelligence. Computers again posted growth in the second quarter, boosted by the beginnings of the re-equipment cycle. These two categories are expected to fully benefit from the launch of innovations from the second half-year. **Editorial products** decreased, affected, as expected, by a very high basis of comparison for gaming, which had benefited from a very dense line-up in 2023. Books recorded a solid performance, mainly due to the attraction of new reading trends. **Services** continued to grow in all regions. **Diversification** also performed strongly, thanks to double-digit growth in toys and games, and in stationery. Lastly, **appliances** were almost stable, driven by the positive performance of small domestic appliances, while sales of large appliances were down again, still affected by the low point of the real estate market.

Changes by region

Sales in **France and Switzerland** returned to growth on a like-for-life basis[1] (+0.7% in the 2nd quarter and +0.1% in the first half of the year). The scope effect mainly reflects the effect of the closure of the last three Manor shop-in-shops in non-French speaking Switzerland.

In the **Iberian Peninsula**, sales returned to positive territory in the 2nd quarter (+2.2% on a like-for-like basis[1]), pointing to an almost stable first half-year (-0.4% on a like-for-like basis[1]). In Spain, the return to growth seen since March continued. Portugal benefited from the activity of the 10 MediaMarkt stores that have been consolidated since October 1, 2023.

Business in the **Belgium and Luxembourg** area grew slightly (on a like-for-like basis[1]: +1.0% in the 2nd quarter and +0.4% in the first half-year). Sales were boosted by marked growth in services.

Other income statement items

Non-current items came in at -€27 million for the half-year, mainly comprising restructuring-related expenses for c.€11 million of which half concern Nature et Découvertes and the fair value adjustments of various IT projects for c. €15 million. Operating income was therefore a loss of -€63 million over the half-year.

Net financial income was -€37 million, compared with -€44 million in the first half of 2023. The change comes on one side from the increase in cost of net debt (€3 million) and on the other side from the increase in IFRS 16 expenses (€7 million) because of interest rate increase. The remaining comes from a capital loss on the disposal of the Daphni fund accounted in H1 2023.

After considering tax income of €27 million, **net income from continuing operations, Group share** for the first half of 2024 was down to -€75 million.

Financial structure

In the first half of 2024, **free cash-flow from operations**, excluding IFRS 16, amounted to -€673 million, compared with -€660 million in the first half of 2023. The change mainly reflected the integration of MediaMarkt's business in Portugal. Net operating investments was +€38 million, due to asset disposals, notably a logistics warehouse.

The Group's net financial debt excluding IFRS 16 totaled €496 million on June 30, 2024. The change in net financial debt between December 31 and June 30 was due to the seasonal nature of business, with net debt on December 31 being structurally lower due to the high volume of business recorded at the end of the year.

The Group recorded a **net cash position** of €583 million on June 30, 2024. In addition, the Group benefits from undrawn revolving credit facility and Delayed Drawn Term Loan (DDTL) of €600 million, maturing in March 2028 (with two options to extend, in March 2029 and March 2030).

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

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

Furthermore, 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). In July, following the announcement of the Unieuro acquisition project, Fitch and S&P have confirmed their ratings.

For the fourth consecutive year, Fnac Darty paid 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 dividend was paid on July 5, 2024, totaling €12.5 million.

CONTINUED ROLL-OUT OF THE STRATEGIC PLAN

The resilience of the 2024 half-year results continues to demonstrate the power and singularity of the Group's omnichannel model, with the ambition of being**, on a daily basis and over the long term, the consumer's ally, helping them to be sustainable in their consumption habits and daily household tasks.** Fnac Darty pursued its strategic roadmap throughout the half-year.

Weavenn, the joint venture **created by Fnac Darty and CEVA Logistics,** began operating during the second quarter. The joint venture is expected to generate revenue of €200 million and a double-digit operating margin within five years.

Fnac Darty has **obtained ISO 50001 certification**, an international symbol of excellence in energy management. This certification was mainly made possible by the investments in LED lighting and the energy management tools (building management system or BMS) rolled out in all integrated stores in 2023.

Fnac Darty is rated 65/100 by V.E. Moody's Analytics, which is an increase of 4 points from 2022, ranking the Group as second in the specialized retail sector. This performance once again highlights the environmental, social and governance commitments of Fnac Darty, as pillars of the strategic plan Everyday.

Lastly, the finalization date for the **disposal of the ticketing business** to the CTS Eventim group remains uncertain, as the required regulatory approvals from the European and Swiss competition authorities have not yet been obtained.

RECENT EVENT

The envisaged acquisition of Unieuro[2] would create a market leader in Consumer electronics, Domestic appliances, Editorial products and Services in Southern and Western Europe, with over €10 billion in revenue, 30,000 employees and more than 1,500 stores. The combined entity would hold #1 or #2 positions in its main markets.

The combination offers a potential for operational run-rate synergies projected at over €20 million before taxes, primarily from improved buying terms and the integration of private label activity. Unieuro would also benefit from Fnac Darty's expertise in terms of operational efficiency. Further synergies will be explored post transaction.

The Group anticipates an accretive impact on its Earnings Per Share above 10% from 2025, including

run-rate synergies, as well as a positive impact on its current operating income and free cash flow from operations.

The public offer would include for each Unieuro share:

- €9.0 in cash; and

[1] Corresponds to the current net income, Group share of continuing operations and adjusted according to the provision relating to the planned transaction with the French Competition Authority (€85 million) and brand impairments (€20 million)
[2] See Press release of July 16, 2024

- 0.10 Fnac Darty newly issued shares[1].

This offer values Unieuro at €12.0 per share[1], representing a premium of 42% based on the spot volume weighted average closing price as of July 15, 2024, and a 34% premium on the volume-weighted average closing price over the last 3 months. This implies an equity value[2] for Unieuro of c.€249 million, of which Fnac Darty already owns 4.4% of Unieuro's share capital.

The offer would allow Unieuro's shareholders to cash in their stake and to become shareholders of the combined entity, with an opportunity to benefit from value creation potential.

The Offer would be financed as follows:

- Fnac Darty and Ruby Equity Investment[3] plan to create a joint investment vehicle (held respectively at 51% and 49%) that will hold the stake in Unieuro. This company would be controlled and consolidated by Fnac Darty Group.
- The cash component representing c.75% of the offer amount, would be financed by Ruby Equity Investment and Fnac Darty in the respective proportion of c.2/3 and c.1/3.
- The equity component representing c.25% of the offer amount would be financed by Fnac Darty through a share issuance of approximately 2.0 million shares[4], within the limits of the current authorizations, and representing around 6.6% of Fnac Darty's share capital post transaction.
- The Group's net debt increase would be limited to around +€56 million[5], allowing Fnac Darty to protect its financial flexibility and pursue its capital allocation policy.

The launch of the Public Tender should occur after customary conditions related to Italian regulatory approvals have been met. This transaction will be subject to review by the relevant competition authorities.

Completion of the transaction is expected for the 4th quarter of 2024.

2024 OUTLOOK

Despite initial positive signs, market recovery remains uncertain. The strength of the Everyday strategic plan, a key factor in the Group's resilience, and the ramp-up of new innovations should support the major sales events at the end of the year, which remain crucial to full-year earnings.

The Group is therefore continuing to have a cautious view of the economic and geopolitical context, and at this stage it is on track for 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[6] of approximately €500 million** over the period 2021-2024 (i.e. €180 million in 2024).

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[1] Corresponding to €3.02 based on latest Fnac Darty closing share price of €30.20 as of July 15, 2024
[2] Based on 20.7 million outstanding shares
[3] An affiliate of VESA Equity investment
[4] Based on Fnac Darty latest closing price of €30.20 as of July 15, 2024
[5] Excluding transaction fees
[6] Excluding IFRS 16.

APPENDIX

The half-year financial statements approved by the Board of Directors on July 24, 2024 have been subject to a limited audit conducted by the statutory auditors.

The following tables contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

REVENUE BY OPERATING SEGMENT

(€ million)	Q2 2024	Change compared with Q2 2023		
		Reported	At comparable scope and at constant exchange rates	Like-for-like basis – LFL[1]
France and Switzerland	1,305.2	+0.4%	+0.4%	+0.7%
Iberian Peninsula	164.7	+19.9%	+19.9%	+2.2%
Belgium and Luxembourg	126.5	+0.5%	+0.5%	+1.0%
Group	**1,596.4**	**+2.1%**	**+2.1%**	**+0.8%**

(€ million)	H1 2024	Change compared with H1 2023		
		Reported	At comparable scope and at constant exchange rates	Like-for-like basis – LFL[1]
France and Switzerland	2,760.7	-0.2%	-0.3%	+0.1%
Iberian Peninsula	343.6	+17.6%	+17.6%	-0.4%
Belgium and Luxembourg	285.4	-0.1%	-0.1%	+0.4%
Group	**3,389.7**	**+1.4%**	**+1.3%**	**+0.1%**

CURRENT OPERATING INCOME BY OPERATING SEGMENT

(€ million)	H1 2023	As a % of revenue	H1 2024	As a % of revenue
France and Switzerland	(27.7)	(1.0)%	(28.0)	(1.0)%
Iberian Peninsula	(6.8)	(2.3)%	(5.1)	(1.5)%
Belgium and Luxembourg	(1.0)	(0.4)%	(3.0)	(1.0)%
Group	**(35.5)**	**(1.1)%**	**(36.1)**	**(1.1)%**

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

SUMMARY INCOME STATEMENT

(€ million)	Period ended June 30 2023	2024	Change
Revenue	**3,344**	**3,390**	**+1.4%**
Gross margin	**1,039**	**1,050**	**+1.1%**
As a % of revenue	*31.1%*	31.0%	*(0.1) bps*
Total costs	**(1,075)**	**(1,086)**	**+1.0%**
As a % of revenue	*32.1%*	*32.0%*	*(0.1) bps*
Current operating income	**(35)**	**(36)**	**(1)**
Products and non-current operating income and expense	(100)	(27)	
Operating income	**(136)**	**(63)**	**+73**
Net financial expense	(44)	(37)	
Income tax	19	27	
Net income from continuing operations for the period	**(161)**	**(72)**	
Net income from continuing operations for the period, Group share	**(163)**	**(75)**	**+88**
Net income from discontinued operations	*29*	*2*	
Consolidated net income, Group share	**(134)**	**(73)**	
Current EBITDA[1]	**143**	**146**	**+3**
As a % of revenue	*4.3%*	*4.3%*	
Current EBITDA excluding IFRS 16	**14**	**21**	**+7**

FREE CASH-FLOW FROM OPERATIONS

(€ million)	Period ended June 30 2023	2024
Cash flow before tax, dividends and interest	**131**	**140**
IFRS 16 impact	(129)	(140)
Cash flow before tax, dividends and interest, excluding IFRS 16	**2**	**0**
Change in working capital requirement, excluding IFRS 16	(635)	(696)
Income tax paid	36	(15)
Net cash flows from operating activities, excluding IFRS 16	**(597)**	**(711)**
Net cash flows from operating investing activities	**(63)**	**38**
Free cash-flow from operations, excluding IFRS 16	**(660)**	**(673)**

[1] Current EBITDA: earnings (current operating income) before interest, tax, depreciation, amortization, and provisions on fixed operational assets.

BALANCE SHEET

Assets (€ million)	December 31, 2023	June 30, 2024
Goodwill	1,680	1,680
Intangible assets	566	560
Property, plant and equipment	544	465
Rights of use relating to lease agreements	1,105	1,125
Investments in associates	1	1
Non-current financial assets	22	26
Deferred tax assets	63	65
Other non-current assets	0	0
Non-current assets	**3,981**	**3,922**
Inventories	1,158	1,158
Trade receivables	189	121
Tax receivables due	8	44
Other current financial assets	22	24
Other current assets	536	390
Cash and cash equivalents	1,121	583
Current assets	**3,034**	**2,319**
Assets held for sale	0	0
Total assets	**7,015**	**6,242**

Liabilities (€ million)	December 31, 2023	June 30, 2024
Share capital	28	28
Equity-related reserves	987	987
Translation reserves	(6)	(6)
Other reserves	513	434
Shareholders' equity, Group share	**1,522**	**1,442**
Shareholders' equity – Share attributable to non-controlling interests	17	16
Shareholders' equity	**1,539**	**1,459**
Long-term borrowings and financial debt	604	806
Long-term leasing debt	898	941
Provisions for pensions and other equivalent benefits	167	164
Other non-current liabilities	9	7
Deferred tax liabilities	199	165
Non-current liabilities	**1,876**	**2,083**
Short-term borrowings and financial debt	319	272
Short-term leasing debt	246	243
Other current financial liabilities	9	14
Trade payables	2,153	1,444
Provisions	115	113
Tax payables due	1	0
Other current liabilities	758	615
Current liabilities	**3,600**	**2,701**
Payables relating to assets held for sale	0	0
Total liabilities	**7,015**	**6,242**

STORE NETWORK

	Dec. 31, 2023	Opening	Closure	June 30, 2024
France and Switzerland*	**838**	**11**	**9**	**840**
Traditional Fnac	96	0	0	96
Suburban Fnac	17	0	0	17
Travel Fnac	37	4	1	40
Proximity Fnac	82	1	0	83
Connect Fnac	7	0	1	6
Darty	492	5	6	491
Fnac/Darty France	1	0	0	1
*Nature & Découvertes***	106	1	1	106
Of which franchised stores	*431*	*10*	*7*	*434*
Iberian Peninsula	**88**	**0**	**3**	**85**
Traditional Fnac	53	0	1	52
Travel Fnac	4	0	1	3
Proximity Fnac	18	0	0	18
Connect Fnac	3	0	1	2
MediaMarkt Portugal	10	0	0	10
Of which franchised stores	*6*	*0*	*1*	*5*
Belgium and Luxembourg	**84**	**2**	**2**	**84**
*Traditional Fnac****	12	2	1	13
Proximity Fnac	1	0	0	1
Darty (Vanden Borre)	71	0	1	70
Fnac Darty Group	**1,010**	**13**	**14**	**1,009**
Traditional Fnac	161	2	2	161
Suburban Fnac	17	0	0	17
Travel Fnac	41	4	2	43
Proximity Fnac	101	1	0	102
Connect Fnac	10	0	2	8
Darty/Vanden Borre	563	5	7	561
Fnac/Darty	1	0	0	1
MediaMarkt	10	0	0	10
Nature & Découvertes	106	1	1	106
Of which franchised stores	*437*	*10*	*8*	*439*

* Including 13 Fnac stores abroad: 3 in Qatar, 3 in Tunisia, 2 in Senegal, 2 in Ivory Coast, 1 in Congo, 1 in Cameroon, 1 in Saudi Arabia and 3 Darty stores abroad in Tunisia; and including 18 stores in the French overseas territories. Excluding 14 Fnac shop-in-shops opened in Manor stores.

** including Nature & Découvertes subsidiaries managed from France: 4 stores in Belgium, 1 store in Luxembourg, 7 franchises in Switzerland, 1 franchise in Portugal and 5 franchises in the French overseas territories.

*** Including one store in Luxembourg, which is managed from Belgium.

DEFINITIONS OF 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 excl. 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, excl. 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 excl. 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 excl. 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 defi ned 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 excl. 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 at 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 from stores opened or closed since January 1 of period N-1 is, therefore, excluded when calculating said change.

THE APPLICATION OF THE IFRS 16 STANDARD

On January 13, 2016, the IASB published IFRS 16 – Leases. IFRS 16 replaces the IAS 17 standard 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 IFRS 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.

Avec l'application de la norme IFRS 16	***IFRS 16 adjustment***	**Without application of IFRS 16**
Current EBITDA	**Rent within the scope of IFRS 16**	**Current EBITDA excluding IFRS 16**
Current operating income before net depreciation, amortization and provisions on fixed operational assets recognized as current operating income		Current EBITDA including rental expenses within the scope of IFRS 16
Free cash-flow from operations	***Disbursement of rent 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 excluding leasing debt
Net financial income	***Financial interest on leasing debt***	**Net financial income excluding financial interest on leasing debt**

3 CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR POSITIONS AS AT JUNE 30, 2024 AND AS AT JUNE 30, 2023

(€ million)	Notes	June 30, 2024	June 30, 2023
Income from ordinary activities	4	**3,389.7**	**3,344.1**
Cost of sales		(2,340.1)	(2,304.8)
Gross margin		**1,049.6**	**1,039.3**
Personnel expenses	5	(601.8)	(575.5)
Other current operating income and expense		(484.0)	(499.4)
Share of profit from equity associates		0.1	0.1
Current operating income		**(36.1)**	**(35.5)**
Other non-current operating income and expense	6	(26.5)	(100.4)
Operating income		**(62.6)**	**(135.9)**
(Net) financial expense	7	(36.5)	(44.1)
Pre-tax income		**(99.1)**	**(180.0)**
Income tax	8	27.2	18.5
Net income from continuing operations		**(71.9)**	**(161.5)**
Group share		(75.1)	(163.3)
share attributable to non-controlling interests		3.2	1.8
Net income from discontinued operations	23.4	**2.1**	**29.4**
Group share		2.1	29.4
share attributable to non-controlling interests		-	-
Consolidated net income		**(69.8)**	**(132.1)**
Group share		(73.0)	(133.9)
share attributable to non-controlling interests		3.2	1.8
Net income, Group share		**(73.0)**	**(133.9)**
Earnings per share (€)	9	(2.70)	(5.00)
Diluted earnings per share (€)	9	(2.70)	(5.00)
Net income from continuing operations, Group share		**(75.1)**	**(163.3)**
Earnings per share (€)	9	(2.78)	(6.10)
Diluted earnings per share (€)	9	(2.78)	(6.10)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€ million)	Notes	June 30, 2024	June 30, 2023
Net income		**(69.8)**	**(132.1)**
Translation difference		(0.7)	(0.8)
Fair value of hedging instruments		0.4	(0.1)
Items that may be reclassified subsequently to profit or loss		**(0.3)**	**(0.9)**
Revaluation of net liabilities for defined benefit plans		5.8	(0.8)
Items that may not be reclassified subsequently to profit or loss		**5.8**	**(0.8)**
Other items of comprehensive income, after tax	10	**5.5**	**(1.7)**
Total comprehensive income		**(64.3)**	**(133.8)**
Group share		(67.5)	(135.6)
share attributable to non-controlling interests		3.2	1.8

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

FOR POSITIONS AS AT June 30, 2024 AND THE PERIOD ENDED December 31, 2023

ASSETS

(€ million)	Notes	At June 30, 2024	At December 31, 2023
Goodwill	12	1,679.8	1,679.8
Intangible assets	13	560.4	565.5
Property, plant and equipment	13	465.0	544.2
Rights of use relating to lease agreements	14	1,124.9	1,104.6
Investments in associates	13	1.0	1.0
Non-current financial assets	13	25.7	22.4
Deferred tax assets	13	65.3	63.0
Other non-current assets	13	0.1	-
Non-current assets		**3,922.2**	**3,980.5**
Inventories	15	1,157.5	1,157.6
Trade receivables	15	121.1	188.7
Tax receivables due	15	43.9	8.2
Other current financial assets	15	24.4	22.4
Other current assets	15	389.9	536.0
Cash and cash equivalents	18	582.6	1,121.3
Current assets		**2,319.4**	**3,034.2**
Assets held for sale	23.4	**-**	**-**
Total assets		**6,241.6**	**7,014.7**

LIABILITIES AND SHAREHOLDERS' EQUITY

(€ million)	Notes	At June 30, 2024	At December 31, 2023
Share capital		27.8	27.8
Equity-related reserves		986.8	986.8
Translation reserves		(6.2)	(5.5)
Other reserves and net income		433.8	512.6
Shareholders' equity, Group share	17	**1,442.2**	**1,521.7**
Shareholders' equity – Share attributable to non-controlling interests	17	16.3	16.5
Shareholders' equity	**17**	**1,458.5**	**1,538.2**
Long-term borrowings and financial debt	19	806.1	604.2
Long-term leasing debt	20	941.1	898.3
Provisions for pensions and other equivalent benefits	16	163.5	166.5
Other non-current liabilities	13	7.0	8.8
Deferred tax liabilities	13	164.9	198.5
Non-current liabilities		**2,082.6**	**1,876.3**
Short-term borrowings and financial debt	19	272.2	318.7
Short-term leasing debt	20	242.8	246.4
Other current financial liabilities	15	13.7	9.1
Trade payables	15	1,443.9	2,152.7
Provisions	16	113.4	114.5
Tax liabilities payable	15	-	1.3
Other current liabilities	15	614.5	757.5
Current liabilities		**2,700.5**	**3,600.2**
Payables relating to assets held for sale	23.4	**-**	**-**
Total liabilities and shareholders' equity		**6,241.6**	**7,014.7**

CONSOLIDATED CASH FLOW STATEMENT

FOR POSITIONS AS AT JUNE 30, 2024 AND AS AT JUNE 30, 2023

(€ million)	**Notes**	**June 30, 2024**	**June 30, 2023**
Net income from continuing operations		**(71.9)**	**(161.5)**
Income and expense with no impact on cash		193.6	303.6
Cash flow	23.1	**121.7**	**142.1**
Financial interest income and expense		41.6	19.5
Dividends received		-	-
Net tax expense payable		(22.9)	(30.6)
Cash flow before tax, dividends and interest		**140.4**	**131.0**
Change in working capital requirement		(692.8)	(630.4)
Income tax paid		(14.9)	36.2
Net cash flows from operating activities	23.1	**(567.3)**	**(463.2)**
Acquisitions of intangible assets, property, plant and equipment		(46.3)	(60.2)
Change in payables on intangible assets, property, plant and equipment		(8.0)	(18.5)
Disposals of intangible assets, property, plant and equipment		92.6	15.6
Acquisitions and disposals of subsidiaries net of cash acquired or transferred		3.4	-
Acquisition of other financial assets		(3.2)	(0.3)
Disposals of other financial assets		-	10.5
Net cash flows from investing activities	23.2	**38.5**	**(52.9)**
Purchases or sales of treasury stock		(9.4)	(0.1)
Dividends paid to shareholders		(5.4)	(0.1)
Debt issued		550.0	-
Debt repaid		(650.0)	(0.4)
Repayment of leasing debt		(121.3)	(117.0)
Interest paid on leasing debt		(22.5)	(16.5)
Capital increase		1.5	-
Increase in other financial debt		253.6	163.7
Interest and equivalent payments		(7.8)	(11.3)
Financing of the Comet pension fund	23.3	(0.4)	(0.5)
Net cash flows from financing activities	23.3	**(11.7)**	**17.8**
Net cash flows from discontinued operations	23.4	3.1	(5.9)
Impact of changes in exchange rates		(1.3)	(0.1)
Net change in cash		**(538.7)**	**(504.3)**
Cash and cash equivalents at the beginning of the period	18	**1,121.3**	**931.7**
Cash and cash equivalents at period-end	18	**582.6**	**427.4**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€ million)	Number of shares outstanding [1]	Share capital	Equity-related reserves	Translation reserves	Other reserves and net income	Shareholders' equity: Group share	Shareholders' equity: Non-controlling interests	Shareholders' equity: Total
At 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	-	-	-	**(0.8)**	**(134.8)**	**(135.6)**	**1.8**	**(133.8)**
Capital increase/(decrease)	-	0.3	(0.3)	-	-	-	-	-
Treasury stock	-	-	-	-	(0.1)	**(0.1)**	-	**(0.1)**
Valuation of share-based payments	-	-	-	-	4.1	**4.1**	-	**4.1**
Dividends	-	-	-	-	(37.9)	**(37.9)**	**(0.1)**	**(38.0)**
Change in scope	-	-	-	-	-	-	-	-
Other movements	-	-	**(0.1)**	-	0.1	-	**0.1**	**0.1**
At June 30, 2023	**26,871,853**	**27.2**	**970.6**	**(4.7)**	**349.1**	**1,342.2**	**12.7**	**1,354.9**
Total comprehensive income	-	-	-	**(0.8)**	**168.3**	**167.5**	**3.8**	**171.3**
Capital increase/(decrease)	906,725	0.6	16.1	-		**16.7**	-	**16.7**
Treasury stock	-	-	-	-	(10.1)	**(10.1)**	-	**(10.1)**
Valuation of share-based payments	-	-	-	-	5.4	**5.4**	**0.1**	**5.5**
Dividends	-	-	-	-	-	-	-	-
Change in scope	-	-	-	-	-	-	-	-
Other movements	-	-	**0.1**	-	(0.1)	-	**(0.1)**	**(0.1)**
At December 31, 2023	**27,778,578**	**27.8**	**986.8**	**(5.5)**	**512.6**	**1,521.7**	**16.5**	**1,538.2**
Total comprehensive income	-	-	-	**(0.7)**	**(66.8)**	**(67.5)**	**3.2**	**(64.3)**
Capital increase/(decrease)	-	-	-	-	-	-	**2.0**	**2.0**
Treasury stock	-	-	-	-	(4.2)	**(4.2)**	-	**(4.2)**
Valuation of share-based payments	-	-	-	-	5.1	**5.1**	-	**5.1**
Dividends	-	-	-	-	(12.5)	**(12.5)**	**(5.4)**	**(17.9)**
Change in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
At June 30, 2024	**27,778,578**	**27.8**	**986.8**	**(6.2)**	**433.8**	**1,442.2**	**16.3**	**1,458.5**

[1] €1 nominal value of shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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. 055 800 296 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. Fnac Darty shares have been listed on Euronext Paris since June 20, 2013 (ISIN code: FR0011476928).

The condensed consolidated financial statements as at June 30, 2024 reflect the financial position of Fnac Darty and its subsidiaries, as well as its interests in associates and joint ventures.

On July 24, 2024, the Board of Directors approved the condensed consolidated financial statements as at June 30, 2024 and authorized their publication.

1.2. Reporting context

Fnac Darty, comprised of 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 markets in other countries where it operates, including Spain, Portugal, Belgium, Switzerland and Luxembourg. Fnac Darty also has franchise operations in Saudi Arabia, Cameroon, Congo, Ivory Coast, Luxembourg, Qatar, Senegal and Tunisia.

The admission of Fnac Darty securities to trading on the Euronext Paris regulated stock exchange requires the establishment of consolidated financial statements according to 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 figures. 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 no. 1606/2002 of July 19, 2002, the Group's consolidated financial statements for the six months ended June 30, 2024 have been prepared in accordance with international accounting standards as adopted by the European Union on the date these financial statements were established. These standards were mandatory at that date, and are presented with the comparative data for 2023, prepared on the same basis. For 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.

The international standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and IFRIC (IFRS Interpretations Committee) and SIC (Standard Interpretations 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 2024.

The Group does not apply any standard or interpretation early.

The condensed consolidated financial statements as at June 30, 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union, which permits the presentation of a selection of explanatory notes.

The notes presented relate to material events and transactions during the period and should be read in conjunction with the consolidated financial statements as at December 31, 2023. They are, in fact, inseparable from the information presented in the consolidated financial statements included in the Group's Universal Registration Document published for the period ended December 31, 2023.

2.2. IFRS guidelines applied

The half-year financial statements are prepared in accordance with the accounting principles and policies applied by the Group to the financial statements for the period ended December 31, 2023, with the exception of the following items, which are subject to specific valuation methods (note 2.3):

- income tax; and
- employee benefits.

2.2.1 Standards, amendments and interpretations adopted by the European Union, non-mandatory and applicable early for reporting periods beginning on or after January 1, 2024

There are no new standards permitting early application that have been adopted by the European Union.

2.2.2 Standards, amendments and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2024

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current – Deferral of Effective Date of Amendments and Non-current Liabilities with Covenants.

On October 31, 2022, the IASB (International Accounting Standards Board) published the latest amendments to IAS 1 – Presentation of Financial Statements. The combined amendments (published in 2020 and in 2022) are provided as an annex to the amendments of October 2022.

They clarify the rules for presenting liabilities as current or non-current, particularly as regards how these rules apply to liabilities with covenants.

The notion of the right to defer settlement of liabilities for at least 12 months after period-end is clarified. This right to defer settlement must exist at period-end.

Presentation of liabilities as current or non-current is not affected by an entity's likelihood or intention to exercise its right to defer settlement.

Only where a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its presentation as current or non-current.

Lastly, annexed new disclosures are required when a liability deriving from a loan agreement is classed as non-current and the entity's right to defer settlement is subject to covenants within the next 12 months.

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

These amendments, published by the IASB on May 25, 2023, address requirements to disclose in supplementary annexes the content of supplier finance arrangements (reverse factoring arrangements) and their effects on cash flows and exposure to liquidity risk.

The amendments came into effect for annual reporting periods beginning on or after January 1, 2024.

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The aim of these amendments is to clarify how the seller-lessee should measure lease liabilities arising in a sale and leaseback transaction with transfer of control of the asset to the buyer-lessor, in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. They apply, in particular, when rents payable by the seller-lessor wholly or partially comprise variable rents not based on an index or rate.

The amendments, published by the IASB on September 22, 2022 and adopted by the EU on November 20, 2023, apply to annual reporting periods beginning on or after January 1, 2024 and should be applied retrospectively to sale and leaseback transactions completed after the date of first-time application of IFRS 16.

2.2.3 Standards, amendments and interpretations not yet adopted by the European Union but whose application was mandatory for post-2024 reporting periods:

The IASB has also published the following legislation, which could not be applied early in 2024 since it had not been adopted by the European Union, and which the Group does not expect to have any material effects.

The following dates of application will be effective only subject to adoption by the European Union.

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

This amendment, published by the IASB on May 30, 2024, aims to clarify and improve the classification and measurement of financial instruments. These amendments relate to the classification of environmental, social and governance (ESG)-related financial assets and the settlement of liabilities via electronic payment. Furthermore, additional disclosure requirements have been introduced to improve the transparency of investments in some financial instruments.

- IFRS 18 – Presentation and Disclosure in Financial Statements

This standard, published by the IASB on April 9, 2024, will replace IAS 1 and will introduce requirements to improve the presentation and transparency of financial statements. It will require the classification of revenue and expenditure in operational, investment and financing categories, with new sub-totals for operating income. It also includes an obligation to disclose performance measures defined by management and to provide better-organized disclosures to facilitate analysis by investors.

The standard will be effective as of January 1, 2027, with early application permitted.

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The IASB published IFRS 19 in May 2024. The aim of this new standard is to simplify reporting by subsidiaries by reducing their disclosure requirements while maintaining a disclosure level that is sufficient to meet the needs of users of the financial statements.

The standard will be effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted.

- Amendment to IAS 21 – Lack of Exchangeability

This amendment specifies how an entity should determine whether a currency is exchangeable and how it should determine a spot exchange rate if it is not.

A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that includes a normal administrative delay and through a market or exchange mechanism in which the exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate on the measurement date to reflect the rate at which a foreign exchange transaction would occur on the measurement date between market participants under prevailing economic conditions. An entity may use an observable exchange rate without adjustment or other estimation technique.

These amendments will come into effect for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted.

When applying the amendments, an entity is not permitted to restate the comparative information.

2.3. Special features of the preparation of interim financial statements

2.3.1. Income tax

The tax expense for the period (current and deferred) is determined on the basis of the estimated effective tax rate for the current period as a whole, for each tax entity and sub-group.

2.3.2. Employee benefits

The post-employment benefit expense for the half-year is equal to one-half of the net expense calculated for the full-year period ending December 31, 2023.

In accordance with the requirements of IAS 19 and IAS 34, the amount of the net post-employment benefit obligation reflects material changes in market conditions during the preparation of interim financial statements. These material changes are detailed in note 5.

2.3.3. Seasonality of activities

Revenue from ordinary activities, operating income and all operating indicators (including working capital requirement) are characterized by a high seasonality linked to a high level of activity in the last quarter of the calendar year. Consequently, the interim results as at June 30, 2024 are not necessarily representative of those that can be expected for the full period ending December 31, 2024.

2.4. 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 expense, 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 Group 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, lease agreements and fair value 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:

Estimates		Nature of the estimate
Notes 2.8, 18 and 28.2 of the 2023 Universal Registration Document and notes 14 and 20 of this document	Lease agreements	**Assumption regarding the lease term used**: to determine the lease period to be taken into account for each contract, a double approach has been adopted: ▪ Contractual, based on analysis of the contracts: o For stores considered as strategic or standard, the lease term corresponds to the contractual maturity of the lease, plus any renewal options available solely to the lessee; and o For stores considered non-strategic, the end date of the contract corresponds to the first possible exit option, with a minimum period of twelve months. ▪ Economic, based on the categorization of the underlying assets leased, depending on criteria relating to location, performance and commercial interest and in keeping with the depreciation periods for non-transferable fixed assets. **In practice**: The economic approach recommended by the IFRS IC applies to all leases and, for each lease, results in: ▪ Either maintaining the contractual maturity of the lease, since it reflects the reasonably assured remaining lease term; or ▪ Or extending the residual term if it is deemed too short in view of the reasonably assured lease period according to 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, to which is added 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 of the 2023 Universal Registration Document	Inventories	Inventory run-down forecasts for impairment calculations.
Notes 2.10 and 19 of the 2023 Universal Registration Document	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 of the 2023 Universal Registration Document	Fair value of hedging derivatives	Fnac Darty measures the fair value of derivatives using the valuations provided by financial institutions.

Note 20 of the 2023 Universal Registration Document	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 of the 2023 Universal Registration Document and note 8 of this document	Tax	Assumptions used to recognize deferred tax assets related to tax loss carry-forwards and timing differences, as well as assumptions on deferred tax rates.
Notes 2.15 and 27 of the 2023 Universal Registration Document	Provisions	Underlying assumptions for assessing the legal position and risk valuation.
Notes 2.16 and 26 of the 2023 Universal Registration Document	Employee benefits and similar payments	Discount rate and salary increase 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 of the 2023 Universal Registration Document	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 as commission depending on whether the Group is acting 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.
Note 2.19 of the 2023 Universal Registration Document	Cost of merchandise sales	At the end of the reporting period, 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.
Note 7 of the 2023 Universal Registration Document	Performance-based compensation plans	Assumptions used to measure the fair value of allotted instruments (expected volatility, dividend yield, discount rate, expected turnover of beneficiaries), estimated achievement of future performance conditions.
Note 31 of the 2023 Universal Registration Document and note 23.4 of this document	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.

Note 3 Key highlights

Return to shareholders

The Combined General Meeting of May 29, 2024 approved 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 dividend was paid on July 5, 2024.

As a consequence of the distribution to Fnac Darty shareholders of a dividend of €0.45 per share paid on July 5, 2024, the conversion/exchange ratio was increased from 1.115 Fnac Darty shares per OCEANE bond to 1.132 Fnac Darty shares per OCEANE bond, as from July 5, 2024.

Financing

On March 19, Fnac Darty successfully carried out a bond issuance for a total amount of €550 million, maturing in April 2029, with a fixed annual interest rate of 6.0%. This operation was favorably received by a diverse base of institutional investors both in France and internationally, and it was oversubscribed multiple times.

Taking advantage of a favorable market environment, Fnac Darty proactively refinanced its entire bond debt: the €300 million bond with an interest rate of 1.875%, originally due in May 2024, and the €350 million bond with an interest rate of 2.625%, originally due in May 2026.

Simultaneously, Fnac Darty obtained approval from its banks to extend the maturity of its €100 million DDTL credit line from December 2026 to March 2028, with the addition of two one-year extension options (exercisable at the request of Fnac Darty and subject to lender approval) to March 2029 and March 2030.

Additionally, the Group also has an RCF credit line of €500 million, maturing in March 2028, which can also be extended until March 2030. As of June 30, 2024, this credit line remains undrawn.

Through this operation, the Group reduced its gross debt by €100 million while maintaining a sound level of liquidity.

Launch of Weavenn

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 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.

Definitive closure of the litigation linked to the disposal of Comet, in favor of Fnac Darty

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 Group. This decision definitively closes the litigation linked to the disposal of Comet Group Limited in 2012. Fnac Darty received 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.

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

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

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.

Financial ratings

On February 23, 2024, Scope Ratings confirmed its corporate rating for Fnac Darty of BBB, with an outlook revised from negative to stable. On February 26, 2024, S&P confirmed its corporate rating for Fnac Darty of BB+, outlook negative. Lastly, Fitch Ratings gave a rating of BB+, outlook stable.

The Group's senior unsecured bonds are rated BB+ (S&P and Fitch Ratings) and BBB (Scope Ratings).

Fnac Darty also continues to pay close attention to the optimization of its capital structure. Accordingly, the Group regularly assesses, as appropriate, any strategic options that may arise, potentially involving financing operations on public or private capital markets, bank loans or the use of other financial instruments.

Note 4 Operating segments

The information on operating segments follows the same accounting rules as those used for the consolidated financial statements, described in the notes to the financial statements.

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 capital investments 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 break down as follows:

- **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 Saudi Arabia, Cameroon, Congo, Ivory Coast, Luxembourg, Qatar, 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;
- **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.

Information per operating segment

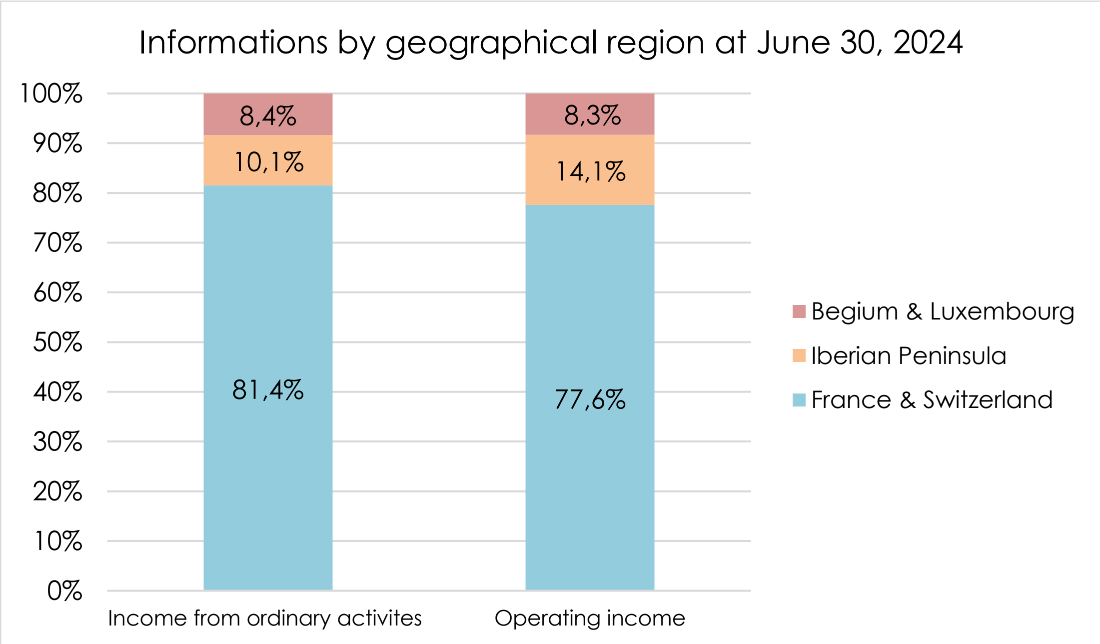
(€ million)	France and Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
June 30, 2024				
Income from ordinary activities	**2,760.7**	**343.6**	**285.4**	**3,389.7**
- Consumer electronics	1,251.5	189.6	139.4	**1,580.5**
- Domestic appliances	620.1	-	96.6	**716.7**
- Editorial products	440.5	89.4	24.8	**554.7**
- Other products and services	448.6	64.6	24.6	**537.8**
Current operating income	**(28.0)**	**(5.1)**	**(3.0)**	**(36.1)**
Net operating investments and (divestments)	**(51.9)**	**3.4**	**2.2**	**(46.3)**

(€ million)	France and Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
June 30, 2023				
Income from ordinary activities	**2,766.2**	**292.3**	**285.6**	**3,344.1**
- Consumer electronics	1,242.4	159.4	142.4	**1,544.2**
- Domestic appliances	624.0	-	93.6	**717.6**
- Editorial products	477.4	91.5	27.1	**596.0**
- Other products and services	422.4	41.4	22.5	**486.3**
Current operating income	**(27.7)**	**(6.8)**	**(1.0)**	**(35.5)**
Net operating investments and (divestments)	**38.0**	**4.4**	**2.2**	**44.6**

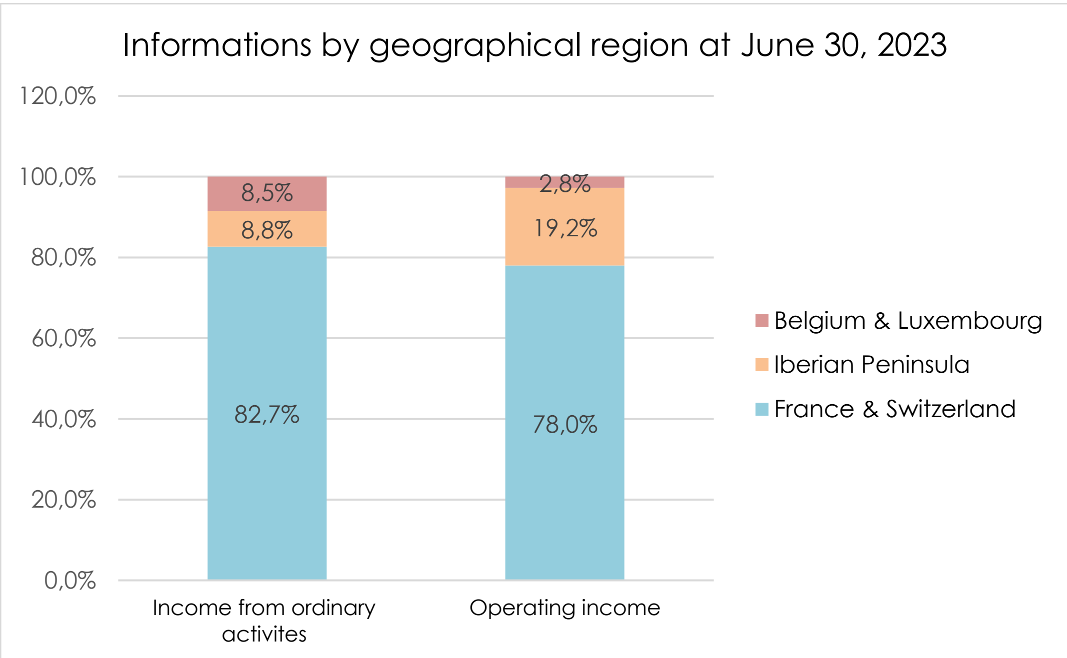
(€ million)	France and Switzerland	Iberian Peninsula	Belgium and Luxembourg	Total
December 31, 2023				
Income from ordinary activities	**6,515.0**	**731.7**	**628.0**	**7,874.7**
- Consumer electronics	2,961.7	395.0	310.8	**3,667.5**
- Domestic appliances	1,373.9	-	203.4	**1,577.3**
- Editorial products	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**
Net operating investments and (divestments)	**98.5**	**10.5**	**6.4**	**115.4**

Distribution of income from ordinary activities, operating income and assets by geographical region

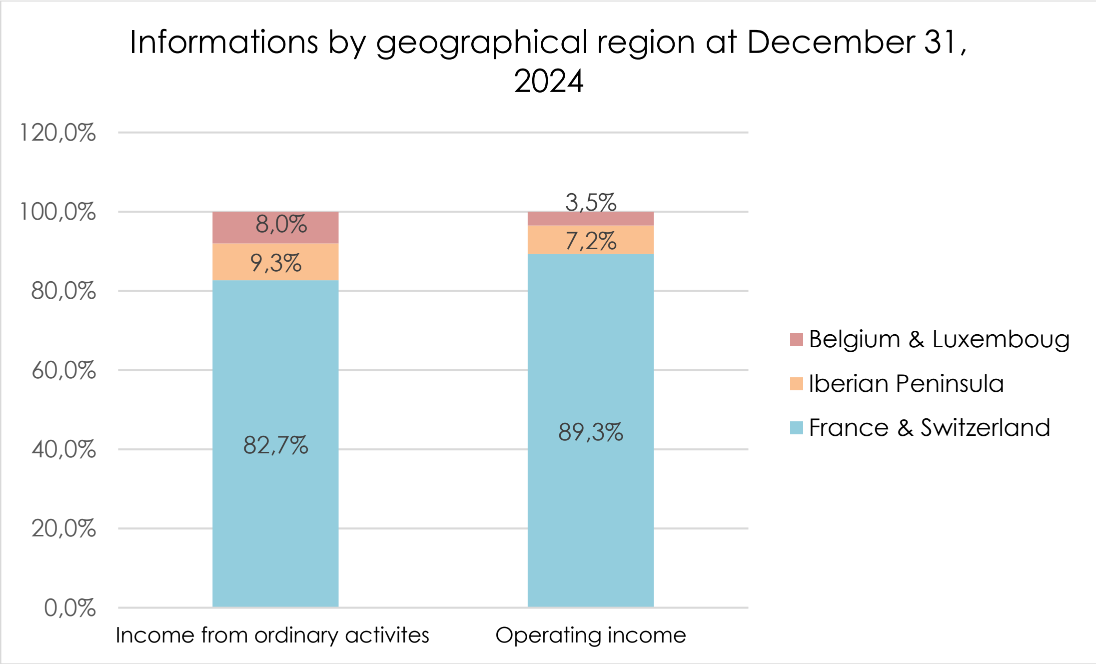
In the first half of 2024:



In the first half of 2023:



In 2023:



Note 5 Personnel expenses

In the first half of 2024, personnel expenses rose by +€26.3 million compared to the first half of 2023, to €601.8 million. This increase mainly reflects higher expenses for performance-based compensation plans, a scope effect resulting from the acquisition of MediaMarkt Portugal in the second half of 2023, and the effects of pay increases in France and wage indexation in Portugal.

The application of IFRS 2 – Share-based payment results in the recognition of a personnel expense that is allocated on a straight-line basis over the vesting period as follows. Depending on their characteristics, plans in the process of vesting as at June 30, 2024 will be settled either in equity instruments or in cash. Personnel expenses for the period include an expense related to the application of this standard. This expense is recognized for the share of the fair value of services rendered during the period. It is related to performance-based compensation plans.

Note 6 Other non-current operating income and expense

(€ million)	**June 30, 2024**	**June 30, 2023**
French Competition Authority fine provision	-	(85.0)
Restructuring costs for adaptation of scope	(10.9)	(9.7)
Other restructuring costs	(13.6)	(2.3)
Other net non-current income and expense	(2.0)	(3.4)
Other non-current operating income and expense	**(26.5)**	**(100.4)**

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 the first half of 2024, this item represented a net expense of €26.5 million and included:

- Restructuring costs of €10.9 million for adaptation of scope, mainly comprising restructuring costs for Nature & Découvertes, as well as net non-current restructuring costs for employee and structural adaptation plans in France and abroad;
- Other net non-current restructuring costs of €13.6 million, mainly relating to fair value adjustments for various IT projects;
- A net expense of €2.0 million resulting from various one-off litigation cases.

In the first half of 2023, this item comprised a net expense of €100.4 million and included:

- €85.0 million in non-current expenses related to a French Competition Authority fine provision. A number of players in the domestic appliance manufacturing and distribution sector received a notification of grievances from the investigation department of the French Competition Authority (ADLC), in which a number of suppliers were accused, among other things, of having taken part in a vertical agreement with some of their distributors. Only one of the ADLC's grievances concerned Darty, and extended over a limited period ended in December 2014, i.e., almost 10 years ago, predating Fnac's acquisition of Darty in 2016. Moreover, the grievance only concerned a limited number of well-identified product categories. Fnac Darty decided not to challenge the only grievance of which it had been notified, and to instead opt for the settlement procedure under Article L. 464-2 of the French Commercial Code, in order to promptly end the complex proceedings and be able to devote all its resources to the operational implementation of its strategic plan Everyday. Darty's decision to do so does not constitute either an admission or an acknowledgment of responsibility on its part. The exact amount of the penalty likely to be imposed on Darty will only be known at the end of the procedure, which is theoretically expected to take place in the second half of 2024. In anticipation of the French Competition Authority's decision to be handed down at that time, the Group set aside a provision of €85.0 million in the first half of 2023;
- Restructuring costs of €9.7 million for adaptation of scope, mainly relating to costs incurred to close Manor shop-in-shops in German-speaking Switzerland, as well as net non-current restructuring costs for employee and structural adaptation plans in France and abroad;
- Other restructuring costs of €2.3 million, mainly related to the restructuring of the real estate portfolio,
- A net expense of €3.4 million resulting from various one-off litigation cases.

Note 7 (Net) financial expense

Net financial expense is broken down as follows:

(€ million)	**June 30, 2024**	**June 30, 2023**
Costs related to Group debt	(16.4)	(13.1)
Interest on leasing debt	(23.8)	(16.6)
Other financial income and expense	3.7	(14.4)
Net financial expense	**(36.5)**	**(44.1)**

In the first half of 2024, net financial income was composed of a net financial expense of €36.5 million, compared with a net financial expense of €44.1 million in the first half of 2023.

On March 19, Fnac Darty successfully carried out a bond issuance for a total amount of €550 million, maturing in April 2029, with a fixed annual interest rate of 6.0%. This operation was favorably received by a diverse base of institutional investors both in France and internationally, and it was oversubscribed multiple times.

Taking advantage of a favorable market environment, Fnac Darty proactively refinanced its entire bond debt: the €300 million bond with an interest rate of 1.875%, originally due in May 2024, and the €350 million bond with an interest rate of 2.625%, originally due in May 2026.

During the first six months of 2024 and 2023, the costs related to Group debt mainly comprised the financial interest for the bond issues described above and the financial interest for the €100 million loan from the European Investment Bank, as well as the financial interest and actuarial costs of the OCEANE bonds issued by the Group in March 2021 in the amount of €200 million. These costs also include the deferment of implementation costs for the Group's financing sources.

In the first half of 2024, interest on leasing debt linked to the application of IFRS 16 represented €23.8 million. This expense represented an increase of +€7.2 million compared to the first half of 2023, due to the increase in discount rates between the two periods.

Other financial income and expense mainly includes the cost of consumer credit, the financial impacts associated with post-employment employee benefits and the fair value adjustment of the Group's financial assets. In the first half of 2023, the Group recorded fair value adjustments of -€10.6 million during the disposal of the Group's stake in the Daphni Purple fund. The disposal of the Group's stake in the Daphni Purple fund generated a cumulative capital gain of €10.4 million on the Group's initial investment in 2016.

Note 8 Tax

The tax expense for continuing operations is as follows:

(€ million)	June 30, 2024	June 30, 2023
Pre-tax income	**(99.1)**	**(180.0)**
Current tax expense excluding corporate value-added tax (CVAE)	24.9	33.7
Current tax expense related to corporate value-added tax (CVAE)	(2.0)	(3.1)
Deferred tax income/(expense)	4.3	(12.1)
Total tax expense	**27.2**	**18.5**
Global half-year tax rate	**27%**	**10%**

At interim period end, current tax and deferred tax for the first half of the year are calculated on the basis of the estimated effective tax rate for the whole period for each fiscal entity or sub-entity.

Current tax expense and deferred tax have been assessed on an annual basis. Using the anticipated average effective rate makes it possible, among other things, to reflect the combination of progressive tax rate structures that would apply to the income for the period for each tax sub-group, including changes to any enacted or nearly enacted tax rates that should take effect slightly later in the year.

The effective total half-year tax rate for the Group is obtained using the expected effective tax rate for 2024 for each tax sub-group. The half-year amount depended on the weighting of the income of each tax sub-group in the Group's half-yearly pre-tax income and was not representative of the expected annual tax rate.

The half-yearly tax rate in the first half of 2023 had been heavily impacted by the non-deductible French Competition Authority fine provision of €85.0 million.

Calculation of the impact of the "Pillar 2" regulations incorporated into national law by the 2024 Finance Law:

The international tax reform adopted by the OECD at the end of 2021, known as "Pillar 2," which aims to establish a minimum tax rate of 15%, was adopted by France before December 31, 2023 within the framework of the 2024 Finance Law. It came into effect in France as of the annual reporting period commencing January 1, 2024.

In view of its revenue, Fnac Darty has been included in the scope of this reform as of January 1, 2024. In this context, FNAC DARTY SA is the Ultimate Parent Company (UPC) and may be subject, where applicable, to an additional tax for subsidiaries subject to low tax.

On May 23, 2023, the IASB published amendments to IAS 12 – Income Taxes, providing for a temporary mandatory exception to the recognition of the deferred tax associated with this "top-up tax" in the financial statements and establishing specific disclosures to be included in the notes to the financial statements.

In its financial statements for the half-year to June 30, 2024, the Group applied the temporary mandatory exception to the non-recognition of deferred tax related to Pillar 2, as provided for by the amendments to IAS 12 – Income Taxes.

The Group analyzed the legislation and carried out a preliminary assessment of the effects of implementing these rules for all Group entities, on the basis of the data in the financial statements for the 2023 fiscal year.
On this basis, the Group believes that it is not likely to incur a top-up tax under the Pillar 2 rules.

Note 9 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 the first half of 2024, Fnac Darty held an average of 777,152 treasury stocks, including:

- An average of 123,272 shares held under the liquidity agreement. This agreement with BNP Paribas is designed to promote transaction liquidity and consistency in the Group's share price;
- An average of 653,880 shares held under the share buyback program announced on October 26, 2023, to be granted to employees and attached to specific plans. In early April 2024 the Group completed the share buyback program launched in October 2023. A total of 765,012 shares amounting to €20 million were vested between the end of October 2023 and early April 2024. This program was set up to offset the dilution resulting from the vesting of bonus shares granted to employees.

As at June 30, 2024, the Group held 690,872 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 the 2,468,221 convertible bonds created by the OCEANE issue in March 2021. The conversion of the OCEANE issued by Fnac Darty will result in the award of a fixed number of shares for a fixed cash amount and the terms and conditions provide for full dividend protection, resulting in a parity adjustment once a dividend is paid. When the dividend was paid in July 2024, the parity was adjusted from 1.115 to 1.132, i.e. 2,794,026 shares.

When the basic earnings per share value is negative, no dilution effect is applied.

For the first half of 2024, instruments issued by the Group had a dilutive effect of 3,468,441 shares.

The number of shares that could potentially become diluting during a subsequent year is 749,095.

Basic earnings per share as at June 30, 2024 and 2023

June 30, 2024

	Group share		
(€ million)	**Consolidated Group**	**Continuing operations**	**Discontinued operations**
Net income attributable to ordinary shareholders	**(73.0)**	**(75.1)**	**2.1**
Weighted average number of ordinary shares issued	27,778,578	27,778,578	27,778,578
Weighted average number of treasury stocks held	(777,152)	(777,152)	(777,152)
Weighted average number of ordinary shares	**27,001,426**	**27,001,426**	**27,001,426**
Basic earnings per share (€)	**(2.70)**	**(2.78)**	**0.08**

June 30, 2023

	Group share		
(€ million)	**Consolidated Group**	**Continuing operations**	**Discontinued operations**
Net income attributable to ordinary shareholders	**(133.9)**	**(163.3)**	**29.4**
Weighted average number of ordinary shares issued	26,943,614	26,943,614	26,943,614
Weighted average number of treasury stocks held	(153,867)	(153,867)	(153,867)
Weighted average number of ordinary shares	**26,789,748**	**26,789,748**	**26,789,748**
Basic earnings per share (€)	**(5.00)**	**(6.10)**	**1.10**

Diluted earnings per share as at June 30, 2024 and 2023

June 30, 2024

(€ million)	Consolidated Group	Group share Continuing operations	Discontinued operations
Net income attributable to ordinary shareholders	**(73.0)**	**(75.1)**	**2.1**
Weighted average number of ordinary shares	27,001,426	27,001,426	27,001,426
Convertible and exchangeable instruments	2,794,026	2,794,026	2,794,026
Dilutive ordinary shares	674,415	674,415	674,415
Weighted average number of diluted ordinary shares	**30,469,867**	**30,469,867**	**30,469,867**
Diluted earnings per share (€)	**(2.70)**	**(2.78)**	**0.07**

June 30, 2023

(€ million)	Consolidated Group	Group share Continuing operations	Discontinued operations
Net income attributable to ordinary shareholders	**(133.9)**	**(163.3)**	**29.4**
Weighted average number of ordinary shares	26,789,748	26,789,748	26,789,748
Convertible and exchangeable instruments	2,752,066	2,752,066	2,752,066
Dilutive ordinary shares	515,468	515,468	515,468
Weighted average number of diluted ordinary shares	**30,057,282**	**30,057,282**	**30,057,282**
Diluted earnings per share (€)	**(5.00)**	**(6.10)**	**0.98**

Note 10 Other comprehensive income items

Other items of comprehensive income mainly comprise:

- Profit and loss from the translation of the financial statements for an operation outside France;
- Items relating to the measurement of employee benefit obligations: revaluation of net liabilities for defined benefit plans;
- The effective portion of the change in fair value of the hedging instrument recorded as a contra item to other items of comprehensive income.

The discount rates used by the Group to calculate this impact are as follows:

	At June 30, 2024	At December 31, 2023
Discount rate		
- France	3.65%	3.20%
- Switzerland	1.30%	1.30%
- Belgium	3.95%	3.85%
- United Kingdom	5.10%	4.50%

The amounts of these items, before and after related income tax effects, and adjustments for reclassification of results are as follows:

June 30, 2024

(€ million)	**Net**
Translation difference	(0.7)
Fair value of hedging instruments	0.4
Items that may be reclassified subsequently to profit or loss	**(0.3)**
Revaluation of net liabilities for defined benefit plans	5.8
Items that may not be reclassified subsequently to profit or loss	**5.8**
Other items of comprehensive income, after tax as at June 30, 2024	**5.5**

June 30, 2023

(€ million)	**Net**
Translation difference	(0.8)
Fair value of hedging instruments	(0.1)
Items that may be reclassified subsequently to profit or loss	**(0.9)**
Revaluation of net liabilities for defined benefit plans	(0.8)
Items that may not be reclassified subsequently to profit or loss	**(0.8)**
Other items of comprehensive income, after tax as at June 30, 2023	**(1.7)**

Note 11 Capital employed

At the end of the first half of the year, the Group's consolidated balance sheet was typically affected by the seasonal nature of Fnac Darty's business:

(€ million)	At June 30, 2024	At December 31, 2023
Goodwill	1,679.8	1,679.8
Other non-current assets and liabilities	2,070.5	2,093.4
Current assets and liabilities	(335.3)	(1,007.7)
Provisions	(276.9)	(281.0)
Capital employed	**3,138.1**	**2,484.5**
Net assets held for sale	-	-
Shareholders' equity, Group share	1,442.2	1,521.7
Shareholders' equity – Share attributable to non-controlling interests	16.3	16.5
Net financial debt at end of the period	495.7	(198.4)
Leasing debt	1,183.9	1,144.7

As at June 30, 2024, capital employed was up by +€653.6 million compared with December 31, 2023. This increase is mainly linked to the increase in current assets resulting the seasonal nature of the Group's business.

Note 12 Goodwill

As at June 30, 2024, goodwill amounted to €1,679.8 million, remaining stable compared with December 31, 2023.

(€ million)	At June 30, 2024	At December 31, 2023
Goodwill	1,679.8	1,679.8

Note 13 Other non-current assets, net

(€ million)	At June 30, 2024	At December 31, 2023
Net intangible assets	560.4	565.5
Net property, plant and equipment	465.0	544.2
Rights of use relating to lease agreements	1,124.9	1,104.6
Investments in associates	1.0	1.0
Net non-current financial assets	25.7	22.4
Net deferred taxes	(99.6)	(135.5)
Other non-current liabilities	(6.9)	(8.8)
Other non-current assets, net	**2,070.5**	**2,093.4**

Over the first half of 2024, other non-current assets net of liabilities fell by €22.9 million.

Intangible assets decreased by €5.1 million, as a result of amortization in intangible assets over the first half of 2024 that was greater than the investments made during the first half of 2024.

Property, plant and equipment decreased by €79.2 million, as a result of disposals of non-current assets and, in particular, the leaseback of the Mitry-Mory site.

Rights of use relating to lease agreements increased by €20.3 million, after existing leases were renewed and new leases were entered into.

Investments in associates remained stable compared with December 31, 2023.

In the first half of 2024, net non-current financial assets increased by €3.3 million, mainly due to the increase in guarantee deposits.

Deferred taxes represented net liabilities of €99.6 million and for the most part reflected the revaluation of Darty's assets and liabilities, particularly the valuation of the Darty and Vanden Borre brands on the Group's balance sheet, along with the revaluation of Darty's real estate. The change in these is mainly related to the settlement of the Comet dispute.

Other non-current liabilities mainly represented the portion of income from Darty warranty extensions in excess of one year.

Note 14 Rights of use

The table below shows the rights of use by asset class:

(€ million)	Stores	Offices	Platforms	Other	Total
Net value as at December 31, 2023	**914.6**	**67.9**	**67.9**	**54.2**	**1,104.6**
Increase (inflows and revaluation of assets)	152.5	1.1	36.0	9.1	198.7
Decrease (amortization, depreciation, terminations)	(124.8)	(8.3)	(9.0)	(15.0)	(157.1)
Other changes	(21.3)	-	-	-	(21.3)
Net value as at June 30, 2024	**921.0**	**60.7**	**94.9**	**48.3**	**1,124.9**

The items relating to leasing debt are presented in note 20.

Note 15 Current assets and liabilities

(€ million)	At June 30, 2024	At December 31, 2023
Net inventories	1,157.5	1,157.6
Net trade receivables	125.2	150.4
Net trade payables	(1,226.4)	(1,870.5)
Tax receivables and payables due	43.9	6.9
Other working capital requirements	(435.5)	(452.1)
Current assets and liabilities [1]	**(335.3)**	**(1,007.7)**

[1] excluding current provisions, borrowings and short-term financial debt, and cash and cash equivalents

As at June 30, 2024, Fnac Darty's current assets and liabilities were a €335.3 million resource, a decrease of -€672.4 million compared with December 31, 2023. This drop is mainly due to the decrease in net trade payables associated with the seasonal nature of the business.

Note 16 Provisions

(€ million)	At June 30, 2024	At December 31, 2023
Provisions for pensions and equivalent benefits	163.5	166.5
Other provisions	113.4	114.5
Provisions	**276.9**	**281.0**

	At June 30, 2024	At December 31, 2023
Discount rate		
- France	3.65%	3.20%
- Switzerland	1.30%	1.30%
- Belgium	3.85%	3.85%
- United Kingdom	5.10%	4.50%

The rise in interest rates seen in the first half of 2024 in the Eurozone meant that the reference discount rates for top-rated corporate bonds also increased. The discount rate applicable in the United Kingdom rose as well.

As at June 30, 2024, the Comet pension fund had a surplus of plan assets over liabilities. Consequently, the amount of the Comet liability was capped in the interim financial statements.

Compared to December 31, 2023, the decrease in the provision for pensions and similar benefits was -€3.0 million. Of this change, -€7.6 million related to the discounting of retirement benefit commitments for employees in France, whose impact on shareholders' equity appears under "Other comprehensive income items." The balance of +€4.5 million was due to service costs net of curtailments for the first half of 2024.

As at June 30, 2024, and December 31, 2023, "Other provisions" mainly included the provision of €85.0 million for the risk of a fine from the French Competition Authority, as well as provisions for operational and tax contingencies.

Note 17 Shareholders' equity

(€ million)	At June 30, 2024	At December 31, 2023
Shareholders' equity, Group share	1,442.2	1,521.7
Shareholders' equity – Share attributable to non-controlling interests	16.3	16.5
Shareholders' equity	**1,458.5**	**1,538.2**

As at June 30, 2024, Fnac Darty's consolidated shareholders' equity was down -€79.7 million compared with the end of the previous period.

In 2024, Fnac Darty followed its policy of providing a return to shareholders. An ordinary dividend of €0.45 gross per share for 2023, representing a total amount of €12.5 million, was allocated in the first half of 2024 and paid on July 5, 2024.

The proportion of shareholders' equity attributable to the Group decreased by -€79.5 million. This net decrease was mainly due to the payment of €12.5 million in dividends in the first half of 2024 for fiscal year 2023, as well as -€73.0 million in net income, Group share in the first half of 2024. The net decrease was offset by the revaluation of net liabilities for defined benefit plans of €5.8 million reported under "Other comprehensive income items."

The proportion of shareholders' equity attributable to non-controlling interests decreased by -€0.2 million to €16.3 million. This decrease was due to the combined effect of the proportion of non-controlling interests in net income of €3.2 million, the equity contribution of minority interests of €2.0 million and a decrease of €5.4 million in dividends due to minority shareholders.

Note 18 Cash and cash equivalents

Cash and cash equivalents break down as follows:

(€ million)	**At June 30, 2024**	**At December 31, 2023**
Cash	582.6	1,121.3
Cash equivalents	-	-
Cash and cash equivalents	**582.6**	**1,121.3**

As at June 30, 2024, an amount of €3.0 million was allocated as part of the implementation of the liquidity agreement. This agreement is designed to promote transaction liquidity and consistency in the Fnac Darty share price.

The items recognized by the Group as "Cash and cash equivalents" meet the criteria set out in the response by the French accounting standards authority (Autorité des normes comptables – ANC) to the French Markets Authority (Autorité des marchés financiers – AMF) on November 27, 2018 regarding the accounting treatment of money market funds approved under the MMF Regulation. In particular, investments are regularly reviewed in compliance with the Group procedures and in strict compliance with the qualification criteria defined under IAS 7 and the ANC response. As at June 30, 2024, these analyses had not led to any changes in the accounting classification previously used.

Note 19 Financial debt

(€ million)	At June 30, 2024	N+1	N+2	N+3	N+4	N+5	Beyond	At December 31, 2023
Long-term borrowings and financial debt	**806.1**	**-**	**16.7**	**206.2**	**16.7**	**566.5**	**-**	**604.2**
2029 bond	550.0	-	-	-	-	550.0	-	
2026 bond	-	-	-	-	-	-	-	350.0
Financial debt component of OCEANE bonds	189.5	-	-	189.5	-	-	-	187.6
European Investment Bank loan	66.6	-	16.7	16.7	16.7	16.5	-	66.6
Short-term borrowings and financial debt	**272.2**	**272.2**	**-**	**-**	**-**	**-**	**-**	**318.7**
2024 bond	-	-	-	-	-	-	-	300.0
Negotiable debt instruments	246.0	246.0	-	-	-	-	-	-
European Investment Bank loan	16.7	16.7	-	-	-	-	-	16.7
Capitalized interest on borrowings	9.4	9.4	-	-	-	-	-	1.3
Other financial debt	0.1	0.1	-	-	-	-	-	0.7
Total financial debt excluding IFRS 16	**1,078.3**	**272.2**	**16.7**	**206.2**	**16.7**	**566.5**	**-**	**922.9**
%		25.2%	1.5%	19.1%	1.5%	52.5%	0.0%	
Leasing debt IFRS 16	**1,183.9**	**242.8**	**234.0**	**200.7**	**126.9**	**99.6**	**279.9**	**1,144.7**
Long-term leasing debt IFRS 16	941.1	-	234.0	200.7	126.9	99.6	279.9	898.3
Short-term leasing debt IFRS 16	242.8	242.8	-	-	-	-	-	246.4
Total financial debt with IFRS 16	**2,262.2**	**515.0**	**250.7**	**406.9**	**143.6**	**666.1**	**279.9**	**2,067.6**

On March 19, Fnac Darty successfully carried out a bond issuance for a total amount of €550 million, maturing in April 2029, with a fixed annual interest rate of 6.0%. This operation was favorably received by a diverse base of institutional investors both in France and internationally, and it was oversubscribed multiple times.

Taking advantage of a favorable market environment, Fnac Darty proactively refinanced its entire bond debt: the €300 million bond with an interest rate of 1.875%, originally due in May 2024, and the €350 million bond with an interest rate of 2.625%, originally due in May 2026.

Simultaneously, Fnac Darty obtained approval from its banks to extend the maturity of its €100 million DDTL credit line from December 2026 to March 2028, with the addition of two one-year extension options (exercisable at the request of Fnac Darty and subject to lender approval) to March 2029 and March 2030.

Additionally, the Group also has an RCF credit line of €500 million, maturing in March 2028, which can also be extended until March 2030. As of June 30, 2024, this credit line remains undrawn.

As at June 30, 2024, gross financial debt mainly comprises:

- bonds maturing in 2029 for €550.0 million;
- the debt component of the OCEANE bonds that can be converted and/or exchanged for new and/or existing shares amounting to €189.5 million at June 30, 2024;
- negotiable debt issued for €246.0 million;
- borrowing from the European Investment Bank amounting to €83.3 million, €16.7 million of which was repaid on July 1, 2024.

Financial debt excluding leasing debt increased by €155.4 million compared with December 31, 2023. The net increase in this financial debt mainly included €246.0 million for subscription of negotiable debt issued, offset by a reduction of €100 million in bond loans as part of the refinancing of long-term bond debt that was finalized on March 19, 2024.

Details of leasing debt are provided in note 20.

Note 20 Leasing debt

Leasing debt is broken down as follows:

(€ million)	At December 31, 2023	New agreements and revaluations	Devaluations	Redemptions	Change in foreign exchange rates	Reclassification	Other changes	At June 30, 2024
Leasing debt < 1 year	**246.4**	9.6	(9.9)	(121.3)	(0.2)	118.8	(0.6)	**242.8**
Leasing debt > 1 year	**898.3**	186.9	(23.9)	-	(0.6)	(118.8)	(0.8)	**941.1**
Leasing debt	**1,144.7**	**196.5**	**(33.8)**	**(121.3)**	**(0.8)**	**-**	**(1.4)**	**1,183.9**

The payment schedule for leasing debt is as follows:

(€ million)	N+1	N+2	N+3	N+4	N+5	More than 5 years	TOTAL
At June 30, 2024	242.8	234.0	200.7	126.9	99.6	279.9	**1,183.9**

<u>Exemptions, relief and other information relating to IFRS 16</u>

Variable leases that do not depend on an index or a rate are not included in the measurement of the leasing debt or in the measurement of the right-of-use asset. The corresponding payments are recognized in expenses for the period and are included under operating expenses in the income statement.

For short-term lease agreements (less than or equal to 12 months) and lease agreements for low-value assets (less than USD 5,000), the Group has chosen to apply the exemption 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.

In accordance with IFRS 16, the leasehold rights amount was reclassified under right-of-use assets.

With regard to sub-leases relating to real estate leases, the Group recognizes, in accordance with IFRS 16, a sub-lease debt primarily in return for the right of use, and for the difference in shareholders' equity.

Exemptions, relief and other information relating to IFRS 16 are set out in the following tables:

(€ million)	June 30, 2024	June 30, 2023
Variable rental expenses	3.5	3.0
Expenses on low-value contracts	0.4	0.4
Expenses on short-term contracts	0.2	0.2
Sub-lease income	0.8	0.8

(€ million)	At June 30, 2024	At December 31, 2023
Rental commitment on short-term contracts	0.2	0.2
Leasehold rights reclassified as rights of use	30.1	30.5

Note 21 Net financial debt

Fnac Darty's net financial debt can be broken down as follows:

(€ million)	At June 30, 2024	At December 31, 2023
Cash and cash equivalents	(582.6)	(1,121.3)
Gross financial debt	1,078.3	922.9
Net financial debt excluding IFRS 16	**495.7**	**(198.4)**
Leasing debt	1,183.9	1,144.7
Net financial debt with IFRS 16	**1,679.6**	**946.3**

Compared with December 31, 2023, net financial debt increased by +€694.1 million excluding leasing debt linked to IFRS 16, and by +€733.3 million with leasing debt. In the first half of 2024, the increase in financial debt was mainly due to net cash-flow from operating activities, directly related to the Group's usual seasonality, and cash-flow from the increase in leasing debt.

Note 22 Solvency

Financing instruments of the Group include financial covenants.
As at June 30, 2024, the Group was in compliance with all half-year financial covenants.
The target values of the covenants vary for each testing period.

Note 23 Cash flow statement

Net cash from bank overdrafts stood at €582.6 million as at June 30, 2024 and corresponded to the amount of cash and cash equivalents presented below:

(€ million)	**At June 30, 2024**	**At December 31, 2023**
Cash and cash equivalents in the balance sheet	582.6	1,121.3
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	**582.6**	**1,121.3**

The change in the Group's cash position was -€538.7 million, broken down as follows:

(€ million)	**June 30, 2024**	**June 30, 2023**
Net cash flows from operating activities	(567.3)	(463.2)
Net cash flows from investing activities	38.5	(52.9)
Net cash flows from financing activities	(11.7)	17.8
Net cash flows from discontinued operations	3.1	(5.9)
Impact of changes in foreign exchange rates	(1.3)	(0.1)
Net change in cash	**(538.7)**	**(504.3)**

23.1. 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)	**June 30, 2024**	**June 30, 2023**
Cash flow before tax, dividends and interest	140.4	131.0
Change in working capital requirement	(692.8)	(630.4)
Income tax paid	(14.9)	36.2
Net cash flows from operating activities	**(567.3)**	**(463.2)**

The composition of cash flow before tax, dividends and interest was as follows:

(€ million)	**June 30, 2024**	**June 30, 2023**
Net income from continuing operations	**(71.9)**	**(161.5)**
Additions and reversals on non-current assets and provisions for contingencies and expenses	182.5	267.7
Current proceeds from the disposal of operating assets	(4.2)	(1.6)
Non-current proceeds from the disposal of operating assets	15.3	4.5
Deferred tax income and expense	(4.2)	12.1
Discounting of provisions for pensions & other similar benefits	4.2	(0.5)
Financial additions and reversals on non-current financial assets	-	21.4
Cash flow	**121.7**	**142.1**
Financial interest income and expense	41.6	19.5
Dividends received	-	-
Net tax expense payable	(22.9)	(30.6)
Cash flow before tax, dividends and interest	**140.4**	**131.0**

Additions and reversals on non-current assets and provisions for contingencies and expenses include the depreciation of the right-of-use asset pursuant to the application of IFRS 16.

In the first half of 2023, additions and reversals on non-current assets and provisions for contingencies and expenses included an addition of €85.0 million for the risk of a fine from the French Competition Authority (Autorité de la Concurrence – ADLC).

The change in working capital requirement, including the change in trade receivables and trade payables.

Trade receivables:

The trade receivables of Fnac Darty mainly comprise receivables to be collected from franchisees for deliveries of merchandise and royalties, as well as from business (B2B) customers. Trade receivables are categorized as financial assets measured at amortized cost. They are initially recognized at the initial amount of the invoice and subsequently at amortized cost, using the effective interest method (see note 2.11.1 in chapter 4 of the 2023 URD) and are amortized according to the simplified impairment model on the basis of expected losses defined by IFRS 9 – Financial Instruments. Since December 2023, the Group has been using a factoring provider (Société Générale Factoring – SGF) to which it assigns some of its trade receivables in exchange for short-term financing.
The duration of the program is three years (renewable). The program is implemented in France.
The cap on unpaid invoices under the program was €60 million at June 30, 2024, compared with €40 million at December 31, 2023, including franchisee customers.
The average payment terms of franchisee customers are 67.5 days, reduced to 4.5 days via the SGF financing.
The factoring agreement is on a non-recourse basis, i.e. unpaid receivables held by the factoring company are not returned to the Group: the factoring company thus retains the risk of customer insolvency, up to the limit of the guarantee granted. As at June 30, 2024, the financed amount was €44.7 million, out of a total assigned amount of €59.8 million. As at December 31, 2023, the financed amount was €39.9 million, out of a total assigned amount of €47.3 million.
Receivables that are assigned and not financed are removed from the customer account and recorded in other receivables. As at June 30, 2024, these receivables amounted to €15.1 million (€7.4 million in December 2023).

Trade payables:

Trade payables are categorized as financial liabilities measured at amortized cost, as defined by IFRS 9 – Financial Instruments. These financial liabilities are initially recognized at their nominal value, net of transaction costs incurred, to the extent that this value constitutes a reasonable estimate of their market value, given their short-term nature. They are subsequently measured at amortized cost according to the effective interest method (see note 2.11.2, chapter 4, of the 2023 URD).
Trade payables mainly comprise debt contracted with the Group's suppliers. They include, where applicable, debt assigned by the Group's suppliers to a financial institution under reverse factoring programs.
As at June 30, 2024, the Group was engaged in two reverse factoring programs with major suppliers.

These programs were:

1/ A program relating to a consumer electronics supplier in partnership with Crédit Agricole Corporate and Investment Bank. The duration of this program is one year (renewable). It covers France and Portugal. The usual payment terms are 60 days. For comparison, the payment due dates for financial liabilities and comparable trade payables not covered by a financing agreement range from 45 to 60 days. The authorized cap on unpaid invoices under the reverse factoring program is €100 million from March to October of each year, then €120 million from November to December. As at June 30, 2024, the program utilization amount was €54 million, compared with €120 million as at December 31, 2023.

2/ A program involving various domestic appliance suppliers, in partnership with BNP Dublin Branch. The duration of this program is one year (renewable). It covers the France region. The usual payment terms are 60 days. For comparison, the payment due dates for financial liabilities and comparable trade payables not covered by a financing agreement range from 45 to 60 days. The authorized cap on outstanding invoices under the reverse factoring program is €140 million. As at June 30, 2024, the program utilization amount was €8 million (compared with €18 million as at December 31, 2023).

For both programs, the analysis carried out within the IFRS framework concluded that the change to trade payables is not substantial and that the characteristics of both programs remain similar to those of a trade payable maintaining payment conditions that comply with the French law on the modernization of the economy (*Loi de Modernisation de l'Economie*). Accordingly, in both of the Group's reverse factoring programs, maintenance of the debt in trade payables has been conserved. As at June 30, 2024, trade payables and other creditors included an amount of €59 million that had been subject to a reverse factoring program (compared with €138 million as at December 31, 2023).

The flows relating to this debt have been included in the change in working capital requirement in the statement of cash flows.

23.2. Net cash flows from investing activities

The Group's net cash flows from investing activities include cash flows for acquisitions and disposals of intangible assets and property, plant and equipment (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).

Operating and financial investments made by the Group in the first half of 2024 represent a net receipt of €38.5 million. In the first half of 2023, this item represented a net expense of €52.9 million.

(€ million)	**June 30, 2024**	**June 30, 2023**
Net operating investments	38.3	(63.1)
Net financial investments	0.2	10.2
Cash flows from investing activities	**38.5**	**(52.9)**

Net cash flows from the Group's net operating investments in the first half of 2024 were a net receipt of €38.3 million, up +€101.4 million from the first half of 2023. They mainly comprise:

- Disbursements for acquisitions of intangible assets and property, plant and equipment as part of the opening of new points of sale, the upgrading of existing points of sale, the development of storage and delivery logistics capacity, the ongoing merging of the Fnac and Darty IT systems and website development. In the first half of 2024, net disbursements for acquisitions stood at €46.3 million, compared with €60.2 million in the first half of 2023. This decrease is the result of the Group's investment management efforts;
- Disbursements related to disposals of property, plant and equipment (points of sale real estate and logistics premises) as part of the restructuring of the Group's real estate portfolio. In the first half of 2024, disposals of non-current assets increased by +€77.0 million and mainly corresponded to leaseback income from the Mitry Mory site (excluding taxes and employee profit-sharing).

(€ million)	**June 30, 2024**	**June 30, 2023**
Acquisitions of intangible assets, property, plant and equipment	(46.3)	(60.2)
Change in payables on intangible assets, property, plant and equipment	(8.0)	(18.5)
Total asset acquisitions	**(54.3)**	**(78.7)**
Disposals of intangible assets, property, plant and equipment	92.6	15.6
Total asset acquisitions and disposals	**38.3**	**(63.1)**

In the first half of 2024, the Group's net financial investments represented receipts of €0.2 million, compared with receipts of €10.2 million in the first half of 2023.

(€ million)	**June 30, 2024**	**June 30, 2023**
Acquisitions and disposals of subsidiaries net of cash acquired or transferred	3.4	0.0
Acquisition of other financial assets	(3.2)	(0.3)
Disposals of other financial assets	-	10.5
(Net) financial investments	**0.2**	**10.2**

In the first half of 2024, acquisitions and disposals of subsidiaries net of cash acquired or transferred of €3.4 million corresponded to the contractual adjustment of the purchase price of subsidiaries acquired before the first half of 2024.

In the first half of 2024, acquisitions of other financial assets amounting to -€3.2 million corresponded to financial movements in lessors' guarantee deposits:

In the first half of 2023, acquisitions of other financial assets amounting to -€0.3 million corresponded to a disbursement of €0.5 million relating to a call for funds from the Raise investment fund, as well as a net receipt of €0.2 million corresponding to financial movements in lessors' guarantee deposits.

In the first half of 2023, disposals of other financial assets of €10.5 million mainly corresponded to a receipt of €10.5 million related to the disposal of the Group's stake in the Daphni Purple investment fund.

23.3. 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)	**June 30, 2024**	**June 30, 2023**
Purchases or sales of treasury stock	(9.4)	(0.1)
Dividends paid to shareholders	(5.4)	(0.1)
Debt issued	550.0	-
Debt repaid	(650.0)	(0.4)
Repayment of leasing debt	(121.3)	(117.0)
Interest paid on leasing debt	(22.5)	(16.5)
Capital increase	1.5	-
Increase in other financial debt	253.6	163.7
Interest and equivalent payments	(7.8)	(11.3)
Financing of the Comet pension fund	(0.4)	(0.5)
Net cash flows from financing activities	**(11.7)**	**17.8**

In the first half of 2024, net disbursements of €9.4 million for acquisitions and disposals of treasury stocks corresponded to cash flows related to the acquisition of Fnac Darty shares generated within the framework of the liquidity agreement and the share buyback program announced on October 26, 2023. In early April 2024 the Group completed the share buyback program launched in October 2023. A total of 765,012 shares amounting to €20 million were vested between the end of October 2023 and early April 2024. This program was set up to offset the dilution resulting from the vesting of bonus shares granted to employees.

As at June 30, 2024, the Group held 690,872 treasury stocks, compared with 147,729 treasury stocks as at June 30, 2023.

Dividends paid to shareholders in the first half of 2024 amounting to €5.4 million represented dividends paid by Group subsidiaries to minority shareholders. The Combined General Meeting of May 29, 2024 also approved 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 dividend was paid on July 5, 2024, totaling €12.5 million.

In the first half of 2024, the Group successfully carried out a bond issuance for a total amount of €550 million, maturing in April 2029, with a fixed annual interest rate of 6.00%.

In the first half of 2024, debt repaid of €650.0 million corresponded to the early redemption of the Group's historic bond loan (two tranches of €300.0 million and €350.0 million, maturing in May 2024 and May 2026), as part of its refinancing program.

In the first half of 2024 and 2023, repayments of leasing debt and interest paid on leasing debt corresponded to rent payments falling within the scope of application of IFRS 16.

In the first half of 2024, the capital increase of €1.5 million corresponded the portion not pertaining to the Group of the capitalization of Weavenn, created in 2024 as a joint venture with CEVA Logistics, with the aim of becoming a major European player in e-commerce logistics and SaaS Marketplace.

In the first half of 2024, the €253.6 million increase in other financial debt corresponded to the subscription of short-term negotiable debt issued for €246.0 million, and the capitalization of interest on borrowings totaling €7.6 million.

In the first half of 2023, the €163.7 million increase in other financial debt corresponded to the subscription of short-term negotiable debt issued for €163.0 million, and the capitalization of interest on borrowings totaling €0.7 million.

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

In the first half of 2024 and 2023, disbursements for interest and equivalent payments mainly included the disbursement of interest for financing instruments and utilization and non-utilization fees for credit facilities.

In the first half of 2024 and 2023, financing of the Comet pension fund included management fees for the British Comet pension fund related to pension commitments for former Comet employees in the United Kingdom.

23.4. Income from discontinued operations and net cash flows from 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.

(€ million)	**June 30, 2024**	**June 30, 2023**
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	2.8	(4.3)
Operating income	**2.8**	**(4.3)**
(Net) financial expense	-	-
Pre-tax income	**2.8**	**(4.3)**
Income tax	(0.7)	33.7
Net income	**2.1**	**29.4**

In the first half of 2024, net income from discontinued operations stood at €2.1 million, compared to €29.4 million in the first half of 2023. Net income in the first half of 2024 mainly related to the settlement, in favor of Fnac Darty, of the litigation with the liquidator of Comet Group Ltd in the context of the disposal of Comet in 2012. On February 12, 2024, the Supreme Court in London refused the application by the liquidator of Comet to challenge the judgment handed down by the Court of Appeal in London in October 2023 in favor of Darty Holdings SAS.

In the first half of 2023, net income from discontinued operations stood at €29.4 million. Income for the first half of 2023 was mainly due to the recognition of tax income of €32.6 million, following the French tax authorities' acceptance of the tax deductibility of the penalty, as well as the interest and costs related to the Comet litigation, on April 27, 2023. Following the ruling handed down in the Comet litigation, the Group was ordered to pay a total of £111.9 million in December 2022 (including £89.6 million in penalties and £22.3 million in interest and legal costs), representing a total of €126.3 million. In addition, in the first half of 2023, costs relating to the Comet litigation were recognized in net income from discontinued operations in the amount of -€3.1 million net of tax.

(€ million)	**June 30, 2024**	**June 30, 2023**
Net cash flows from operating activities	3.1	(5.9)
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net cash flows from discontinued operations	**3.1**	**(5.9)**
Reclassification of cash from discontinued operations to assets held for sale	-	-
Net cash flows from discontinued operations	**3.1**	**(5.9)**

In the first half of 2023, net cash flows from discontinued operations of €3.1 million related to the settlement of the dispute in connection with the legal proceedings concerning the disposal of Comet Group Limited in 2012.

Note 24 Changes in contingent liabilities, unrecognized contractual commitments and contingent risks

Contingent liabilities, unrecognized contractual commitments and contingent risks as at December 31, 2023 are set out in chapter 4, note 32 of the 2023 Universal Registration Document.

Compared to 2023, there is no material change in the commitments given or received in terms of contractual obligations, pledges or charges on real estate.

Proceedings, litigation and main risks and uncertainties for the remaining half-year

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 fi led 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 fi led 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 fl ow 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 served 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 fi led 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 25 Related parties

As at June 30, 2024, Vesa Equity Investments held 29.99% of the share capital and 30.75% of the exercisable voting rights in Fnac Darty. During the first half of 2024, there were no transactions to report between the Fnac Darty consolidated companies and VESA Equity Investments. Vesa Equity does not have a representative on the Fnac Darty Board of Directors.

As of June 30, 2024, the Ceconomy Retail International group held 23.41% of the share capital and 24.00% of the exercisable voting rights of Fnac Darty. During the first half of 2024, there were no transactions between Fnac Darty consolidated companies and the Ceconomy Retail International group. Ceconomy does not have a representative on the Fnac Darty Board of Directors.

As of June 30, 2024, Glas SAS held 10.89% of the share capital and 11.17% 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 shares previously held by Indexia Développement were pledged to ICG and transferred to Glas SAS in 2023.

As of December 31, 2023, the Vesa Equity Investments company 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 did not have a representative on the Fnac Darty Board of Directors.

As of December 31, 2023, the Ceconomy Retail International group held 23.41% of the share capital 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 did not have a representative on the Fnac Darty Board of Directors.

As of December 31, 2023, Glas SAS held 10.89% of the equity and 11.12% of the voting rights of Fnac Darty and did not have a representative on the Fnac Darty Board of Directors. Therefore, Glas SAS was not a related party.

Note 26 Events occurring after the close of the period

The Combined General Meeting of May 29, 2024 approved a dividend of €0.45 gross per share. The dividend was paid on July 5, 2024 in cash, totaling €12.5 million.

Envisaged Acquisition of Unieuro

The envisaged acquisition of Unieuro[1] would create a market leader in Consumer electronics, Domestic appliances, Editorial products and Services in Southern and Western Europe, with over €10 billion in revenue, 30,000 employees and more than 1,500 stores. The combined entity would hold #1 or #2 positions in its main markets.

The combination offers a potential for operational run-rate synergies projected at over €20 million before taxes, primarily from improved buying terms and the integration of private label activity. Unieuro would also benefit from Fnac Darty's expertise in terms of operational efficiency. Further synergies will be explored post transaction.

The Group anticipates an accretive impact on its Earnings Per Share above 10% from 2025, including run-rate synergies, as well as a positive impact on its current operating income and free cash flow from operations.

The public offer would include for each Unieuro share:

- €9.0 in cash; and
- 0.10 Fnac Darty newly issued shares[2].

This offer values Unieuro at €12.0 per share[2], representing a premium of 42% based on the spot volume weighted average closing price as of July 15, 2024, and a 34% premium on the volume-weighted average closing price over the last 3 months. This implies an equity value[3] for Unieuro of c.€249 million, of which Fnac Darty already owns 4.4% of Unieuro's share capital.

The offer would allow Unieuro's shareholders to cash in their stake and to become shareholders of the combined entity, with an opportunity to benefit from value creation potential.

The Offer would be financed as follows:

- Fnac Darty and Ruby Equity Investment[4] plan to create a joint investment vehicle (held respectively at 51% and 49%) that will hold the stake in Unieuro. This company would be controlled and consolidated by Fnac Darty Group.
- The cash component representing c.75% of the offer amount, would be financed by Ruby Equity Investment and Fnac Darty in the respective proportion of c.2/3 and c.1/3.
- The equity component representing c.25% of the offer amount would be financed by Fnac Darty through a share issuance of approximately 2.0 million shares[5], within the limits of the current authorizations, and representing around 6.6% of Fnac Darty's share capital post transaction.
- The Group's net debt increase would be limited to around +€56 million[6], allowing Fnac Darty to protect its financial flexibility and pursue its capital allocation policy.

The launch of the Public Tender should occur after customary conditions related to Italian regulatory approvals have been met.

This transaction will be subject to review by the relevant competition authorities. Completion of the transaction is expected for the 4th quarter of 2024.

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[1] See Press release of July 16, 2024
[2] Corresponding to €3.02 based on latest Fnac Darty closing share price of €30.20 as of July 15, 2024
[3] Based on 20.7 million outstanding shares
[4] An affiliate of VESA Equity investment
[5] Based on Fnac Darty latest closing price of €30.20 as of July 15, 2024
[6] Excluding transaction fees

4 STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

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92066 Paris La Défense Cedex

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6 Place de la Pyramide
92908 Paris-La Défense Cedex

Fnac Darty S.A.

9, rue des Bateaux-Lavoirs - 94200 Ivry-sur-Seine

Statutory Auditors' Review Report on the Half-yearly Information

For the period from January 1, 2024, to June 30, 2024

To the Shareholders of Fnac Darty SA,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Fnac Darty SA, for the period from January 1 to June 30, 2024,
- the verification of the information presented in the Half-Year Management Report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

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Deloitte & Associés
6 Place de la Pyramide
92908 Paris-La Défense Cedex

II. Specific verification

We have also verified the information presented in the Half-Year Management Report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense, July 24, 2024	Paris La Défense, July 24, 2024
KPMG S.A.	Deloitte & Associés
Caroline Bruno-Diaz	Guillaume Crunelle
Partner	Partner

5 STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2024 INTERIM FINANCIAL REPORT

I certify that, to my knowledge, the condensed consolidated financial statements for the last six months were prepared in accordance with applicable accounting standards and give a true and fair view of the net assets, financial position and results of all the companies included in the consolidation, and that the Interim Management Report gives a fair description of material events that have occurred in the first six months of the year and their impact on the interim financial statements, the main related-party transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Ivry-sur-Seine, France – July 24, 2024

Enrique Martinez

Chief Executive Officer

FNAC DARTY

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Fnac Darty
A French joint stock company (société anonyme) with capital of €27,778,578
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