



#POUR TOUS ET POUR DEMAIN

#DemainSeraMarocain

LabelVie
— GROUPE —

INVESTOR
PRESENTATION

Half year 2023

INTRODUCTION

1 MACROECONOMIC ENVIRONMENT AND MARKET SHARE

1. – Macro Economic Indicators
2. – Market Share
3. – Market Share by Key Players

2 REVIEW OF MAJOR EVENTS IN THE FIRST HALF

1. – Franchise Program
2. – Network Expansion
3. – Bond Issuance
4. – Purchasing Power Support
5. – Loyalty Program
6. – Our CSR Achievements

3 H1 2023 RESULTS

1. - Key Indicators
2. - Income Statement
3. - Key Performance Indicators
4. - Cash and Balance Sheet Items

OUTLOOK

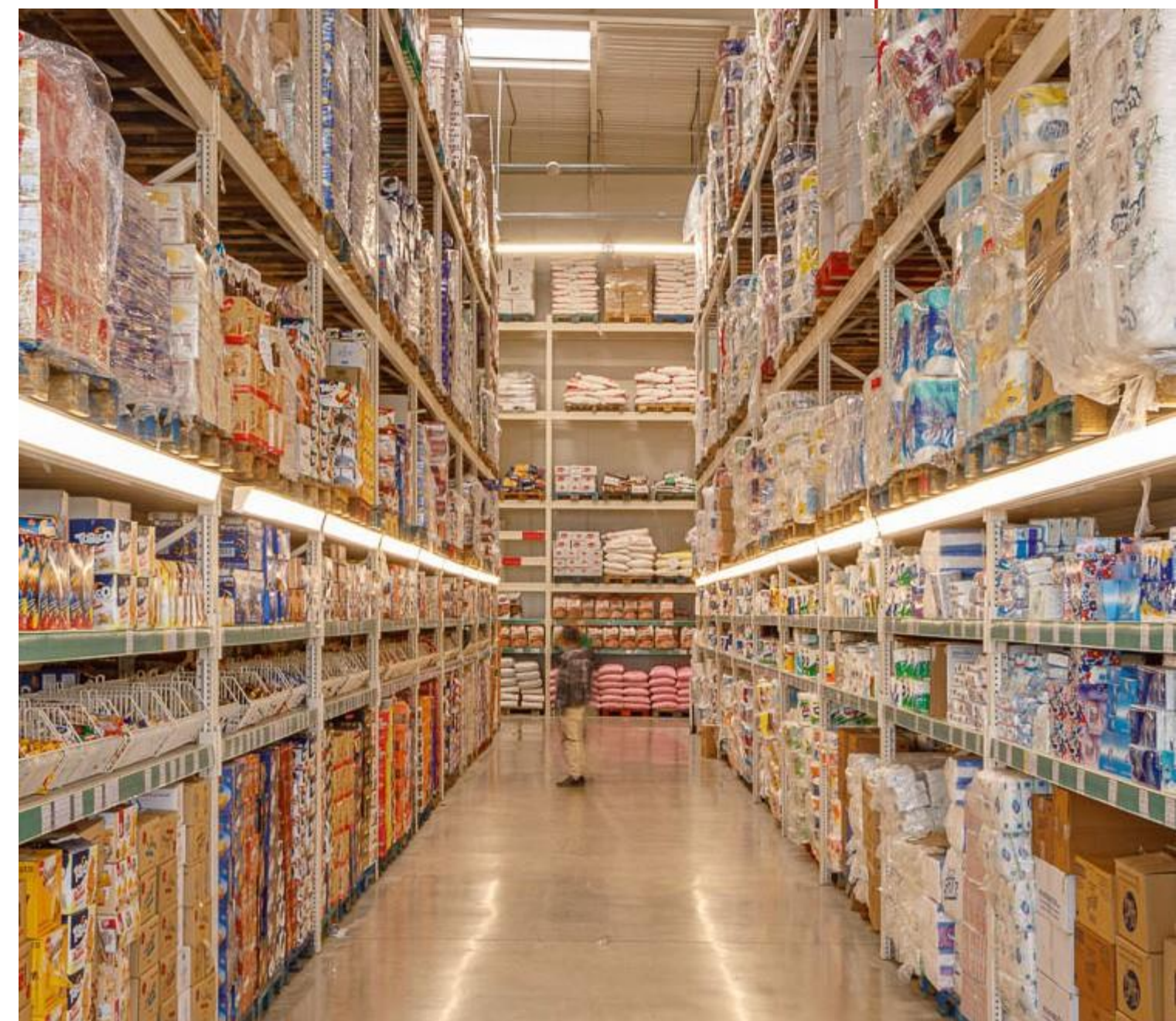




INTRODUCTION

INTRODUCTION

- LabelVie Group continues its anti-inflation policy aimed at supporting the purchasing power of its customers and retaining them, which has resulted in increased sales volumes and footfall
- Strengthening of this approach with the launch of the Group's loyalty program «Club Carrefour» and the franchise program
- Continued investment and value creation level, in a complex economic context: Capex of **MAD 584m** in H1 2023
- Opening of **6 new stores**
- Continued investment in the Group's digital transformation.
- Ongoing CSR actions: "Filière qualité LabelVie", fund donation for Al Haouz earthquake, "Label Solidaire", and employment promotion initiatives...



1

MACROECONOMIC ENVIRONMENT AND MARKET SHARE

1- Macroeconomic Environment

1.1 – Economic Situation in 2023

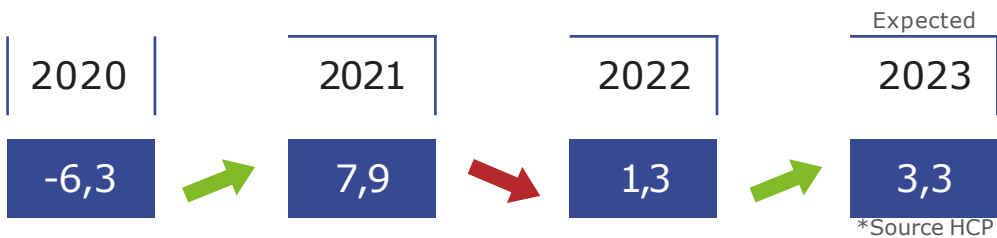
GDP (Gross Domestic Product)

The Morocco experiences economic growth in the first half of 2023

During the first half of 2023, the HCP (High Commission for Planning) reveals that economic activity in Morocco has recorded a growth of 3%, compared to +0.3% during the same period of the previous year. Agricultural value added has rebounded by 2.1%, and other sectors have increased by 3.1%.

The growth of the national economy is expected to reach 3.3% in 2023. This growth would be primarily supported by primary and tertiary activities.

Evolution of the national economic growth in %



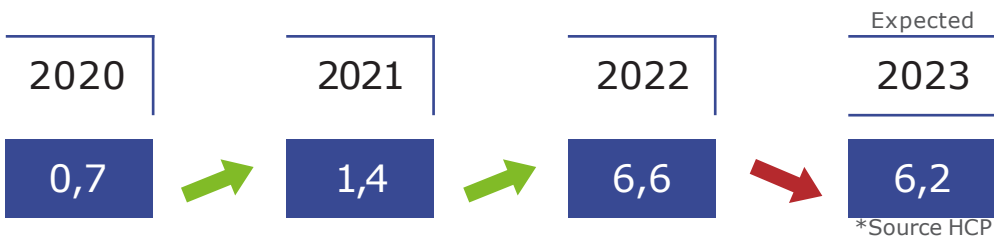
Inflation

In Morocco... inflation persists

In the first half of 2023, the food component, the most consumed products by Moroccans, witnessed the most significant inflation, with a historical increase of +24.3% over the period from February 2022 to May 2023, more than twice the general progression of the CPI (Consumer Price Index) which evolved over the same period by 11.2%. And three times higher than the average inflation over the same period.

The outlook for 2023 suggests an average rate of 6.2% according to the HCP, before decreasing to 3.4% in 2024, still above pre-pandemic levels.

The inflation rate progression in %



Consumer Price Index (CPI)

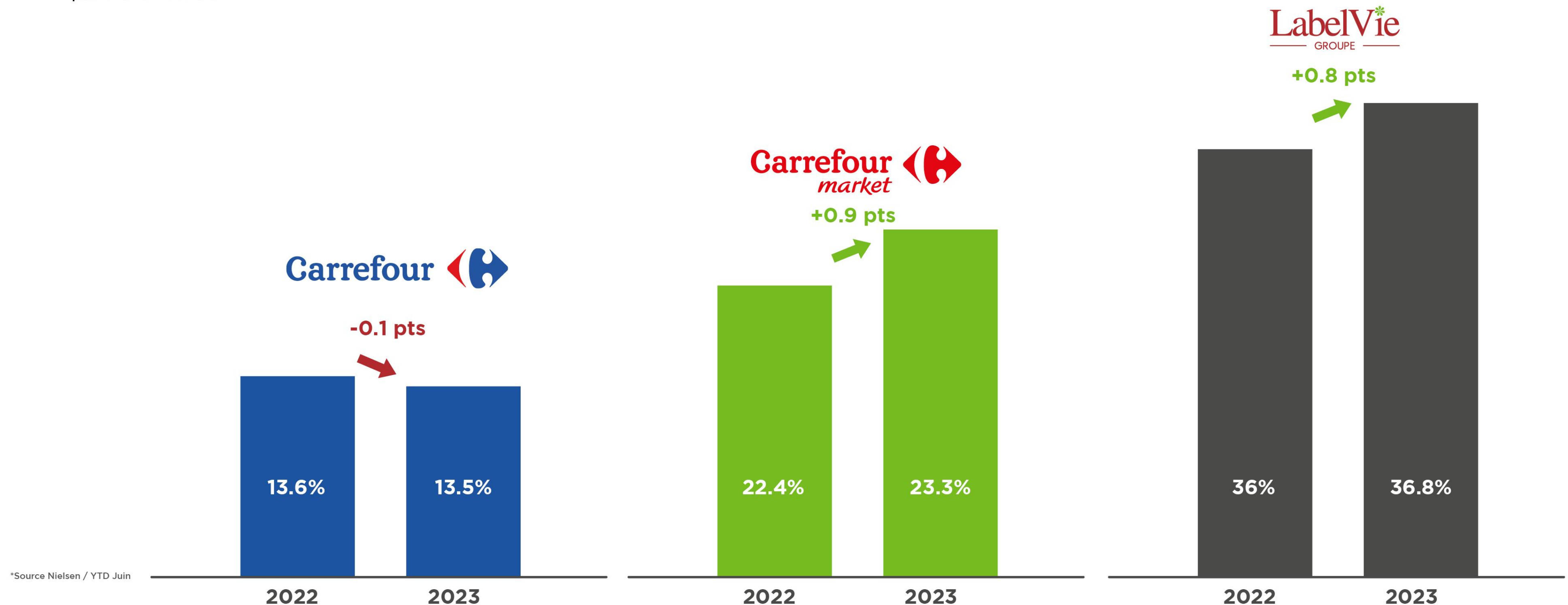
The Consumer Price Index (CPI) for the month of June 2023

Compared to the same month of the previous year, the Consumer Price Index recorded an increase of 5.5% in June 2023, driven by a 12.7% increase in the index of food products and a 0.6% increase in non-food products. Among non-food products, the variations range from a decrease of 5.6% for «Transport» to an increase of 6.0% for «Restaurants and hotels.»

1 - Macroeconomic Environment

1.2 – Market share for Carrefour et Carrefour Market

The market share as of the end of June 2023 (FMCG) for both segments stands at **36.8%**, representing a gain of **+0.8** percentage points compared to 2022.



1- Macroeconomic Environment

1.3 – Market Shares by major players in the retail sector

Retail brands	Category	Au 31/12/2022			Au 30/06/2023		
		Number of stores	Sales area (m²)	Market share (m²)	Number of stores	Sales area (m²)	Market share (m²)
Marjane Holding		111	327 800	43,25%	115	332 050	42,83%
Marjane	Hypermarkets	41	256 288	33,81%	41	256 288	33,06%
Acima/Marjane Market	Supermarkets	66	70 712	9,33%	70	74 962	9,67%
Otop	Supermarkets	4	800	0,11%	4	800	0,10%
Aswak essalam	Hypermarkets	15	56 600	7,47%	15	56 600	7,30%
BIM	Supermarkets	610	122 000	16,10%	659	131 800	17,00%
Super U Express	Supermarkets	4	3985	0,53%	4	3 985	0,51%
LabelVie Group		155	247 575	32,49%	161	250 814	32,35%
Atacadao	Hypercash	13	65 714	8,62%	13	65 714	8,48%
Carrefour	Hypermarkets	12	65 900	8,65%	12	65 900	8,50%
Carrefour Market	Supermarkets	115	113 717	14,82%	121	116 956	15,09%
Supeco	Supermarkets	15	2 244	0,39%	15	2 244	0,29%
Total		896	761 960	100%	954	775 249	100%

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REVIEW OF KEY EVENTS IN THE 1ST HALF 2023

2- Review of key events in the first half year

Key events 2023

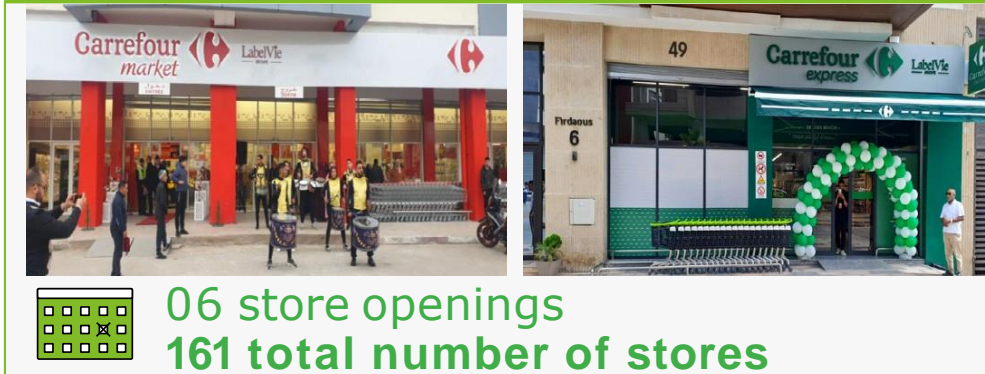
H1-2023: A Semester Filled with Events and Challenges

Franchise launch : Under the Carrefour Express Brand

Carrefour 
Partner Program
by **LabelVie**

The first franchise program in the
modern distribution sector in
Morocco

Network expansion



Bond Issuance



Our CSR Achievements



SUPPORT FOR PURCHASING POWER



Loyalty Program



**FRANCHISE PROGRAM :
CARREFOUR PARTNER PROGRAM BY
LABELVIE**

2- Review of key events in the first half year

2.1 - Franchise : Carrefour Partner Program

The Franchise... a new growth lever for the Group.

Goals

- Faster expansion of the «Carrefour Express» network across the Moroccan territory
- Improved profitability of existing stores by transitioning to a franchise model

LabelVie Group Commitments



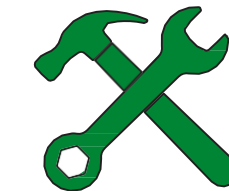
Ensure a successful concept and effective communication plan



Deliver the store



Guarantee quality
(concept, product, service, ...)



Provide and maintain operational tools

Franchisee Commitments



Respect the concept



Follow the annual communication plan



Ensure the integrity of the Carrefour Express image








Non-competition obligation

NETWORK EXPANSION

2- Review of key events in the first half year

2.2 - SUMMARY OF STORE OPENINGS

- Opening of 6 additional stores during H1 2023
- 3 239m² square meters opened in H1 2023

Group Brands	Carrefour market 	Supeco 	Carrefour 	اتقداو ATACADÃO 	LabelVie GROUPE 
Number of stores 2022	115	15	12	13	155
m ² of sales	113.717	2.244	65.900	65.714	247.575
% of Group Total	46%	1%	27%	27%	100%
Openings	6	0	0	0	6
Square meters open	3.239	0	0	0	3.239
Closing	-	-	-	-	-
Squares meters closed	-	-	-	-	-
Point of sale H1 - 2023	121	15	12	13	161
m ² of sales	116.956	2.244	65.900	65.714	250.814
% of Group Total	47%	1%	26%	26%	100%

2- Review of key events in the first half year

NEW STORE OPENINGS – DETAILED INFORMATION

Opening of **06** Carrefour Market stores, bringing the total number to **121** stores by the end of the first half of 2023

Carrefour
express

MARRAKECH – IZDIHAR



Area : 470 m²
investment : 5,5 Mdhs
Employees : 20 employees

Carrefour
express

RABAT – HASSAN



Area : 440 m²
investment : 5,8 Mdhs
Employees : 19 employees

Carrefour
express

CASABLANCA – BERNOUSSI



Area : 350 m²
investment : 3,6 Mdhs
Employees : 12 employees

2- Review of key events in the first half year

NEW STORE OPENINGS – DETAILED INFORMATION

Carrefour 
market

CASABLANCA – VILLE VERTE



Area : 648 m²
investment : 12,3 Mdhs
Employees : 55 employees

Carrefour 
market

CASABLANCA – HAD SOUALEM



Area : 768 m²
investment : 9,1 Mdhs
Employees : 45 employees

Carrefour 
market

MARRAKECH – QUARTIER IZDIHAR



Area : 563 m²
investment : 9,1 Mdhs
Employees : 48 employees

BOND ISSUANCE

2- Review of key events in the first half year

2.3 - Bond Issuance: Private Placement

On **March 16, 2023**, Label'Vie Group SA issued a bond operation with the following terms:

- Amount: **MAD 1,000m**
- The bond is structured into three tranches:
 - **A:** In fine (bullet payment) over 5 years at a variable interest rate
 - **B:** In fine over 5 years at a fixed interest rate
 - **C:** Amortized over 7 years at a variable interest rate
- Subscriptions achieved at an average rate of **4,50%**

The purpose of the operation is to diversify the Group's sources of financing while optimizing costs in a context marked by a rise in interest rates.

SUPPORT FOR PURCHASING POWER

2- Review of key events in the first half year

2.4 - Margin Investment

5 major actions initiated by LabelVie in support of purchasing power.

In a context of increasingly pronounced inflation, the Group continues to strengthen its anti-inflation commercial strategy by significant margin investments aimed at supporting consumer purchasing power.

- Investment in pricing and promotion, particularly in the fresh products
- Investment in inventory and capacity increase of the Skhirat distribution center
- Review of price indices
- Strengthening supplier negotiations to delay the inflation impact
- Support of vulnerable customers through Atacadao segment

LOYALTY PROGRAM

2- Review of key events in the first half year

2.5 - Loyalty Program

Loyalty Program “Club Carrefour”

LabelVie Group launched the «**Club Carrefour**», it's first loyalty program, fully digital, based on a reward program at each checkout

Test Rollout in **March 2023**

Since September, all stores offer this service



DIGITAL TRANSFORMATION LABEL FACTORY

2- Review of key events in the first half year

2.6 - DIGITAL TRANSFORMATION: KEY FIGURES

Continuation of Digital Factory projects, a dynamic approach with quarterly reviews of impacts and budgets, while maintaining a vigilant approach in considering impacts.



130 employees

40% Business

50% Tech

10% Steering- Cockpit



Frameworks Agiles

SCRUM & SCRUMBAN



343 Sprints



17 Squads

Autonomous and
multidisciplinary teams



+ Agile training programs

+ 5 Framework training programs :

- Being & Doing Agile
- Management 3.0
- Change Management

OUR CSR ACHIEVEMENTS

The background features a solid green block on the left and a dark green horizontal bar across the middle. On the right, there is a stylized, light green plant-like graphic with several rounded, leaf-like shapes.

2- Review of key events in the first half year

2.7 - Our CSR Achievements

Filière Qualité LabelVie



In response to the quality, traceability, and transparency requirements expressed by customers, LabelVie Group launched the «Filière Qualité LabelVie» brand: a quality label dedicated to «healthy & responsible eating»

«Filière Qualité LabelVie» is currently being implemented in two departments : Butchery (meat) and Fruits & Vegetables.

“Filière Qualité LabelVie” ...Some details for the “Butchery”

- A guarantee of traceability and quality.
- Breeding conducted in accordance with highest quality standards.
- Several partners integrated into the quality chain approach.
- Significant increase in sales in the department.

With the introduction of the «Filière Qualité LabelVie» brand, the Group reaffirms its commitment as a responsible and engaged company, attentive to the needs of consumers.

2- Review of key events in the first half year

2.7 - Our CSR Achievements

Al Haouz Earthquake: LabelVie Group donates **MAD 30m** to the special fund.



LABELVIE Group donates 30 million mad to the victims of Al Haouz

The LabelVie Group, which owns the Carrefour and Atacadao brands, has vowed to support the affected population and contribute to the national solidarity effort as soon as the earthquake rocked the Al Haouz region.

The LabelVie Group's main initiatives are as follows:

1. Participation in the earthquake relief fund

In accordance with the royal directives, the LabelVie Group has made a financial contribution of 25 million MAD to the Al Haouz earthquake relief fund.

2. A donation of 500 tonnes of food and non-food products

The LabelVie Group has responded to the emergency call from day one and is dedicated to maintaining its national solidarity effort. As a result, the Group donated 500 tonnes of food and non-food products worth 5 million MAD.

The LabelVie Group demonstrates its civic engagement by launching these major initiatives to assist families devastated by the Al Haouz earthquake and help them recover and rebuild their future.



2- Review of key events in the first half year

2.7 - Our CSR Achievements

Label Solidaire

LabelVie Group launched «LabelSolidaire,» a citizen initiative led with the involvement of volunteer employees who were mobilized for the preparation and distribution of food baskets.

+6000 essential food products were distributed to families in isolated villages in the Al Haouz region.

A total of 30 hours of volunteer work were dedicated to this initiative.

In addition to the food baskets, the Group's employees participated in the preparation and distribution of Iftar meals every Thursday during the holy month of Ramadan in support of the less fortunate population, in partnership with a local Association.



2- Review of key events in the first half year

2.7 - Our CSR Achievements employment promotion

Signing of Agreement: Employment Support Bonus

LabelVie Group demonstrates its commitment to sustainable employment in Morocco by signing a tripartite agreement between the **MIEPEEC (Ministry of Industry, Investment, Trade and Digital Economy)**, **LabelVie Group**, and **ANAPEC (National Agency for the Promotion of Employment and Skills)**.

This agreement aims to promote employability on a national scale and provide opportunities for professional integration by committing to create **2.500 jobs** over the next three years, with a particular focus on recent graduates facing challenges in entering the job market and unskilled young individuals.

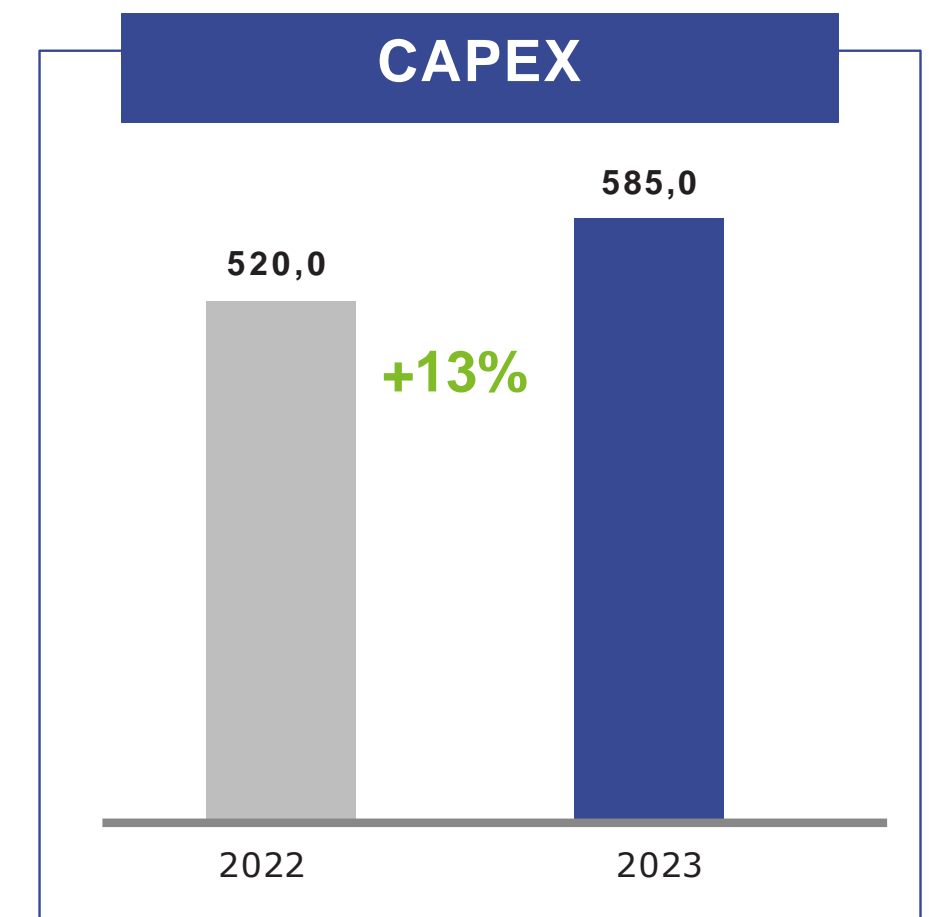
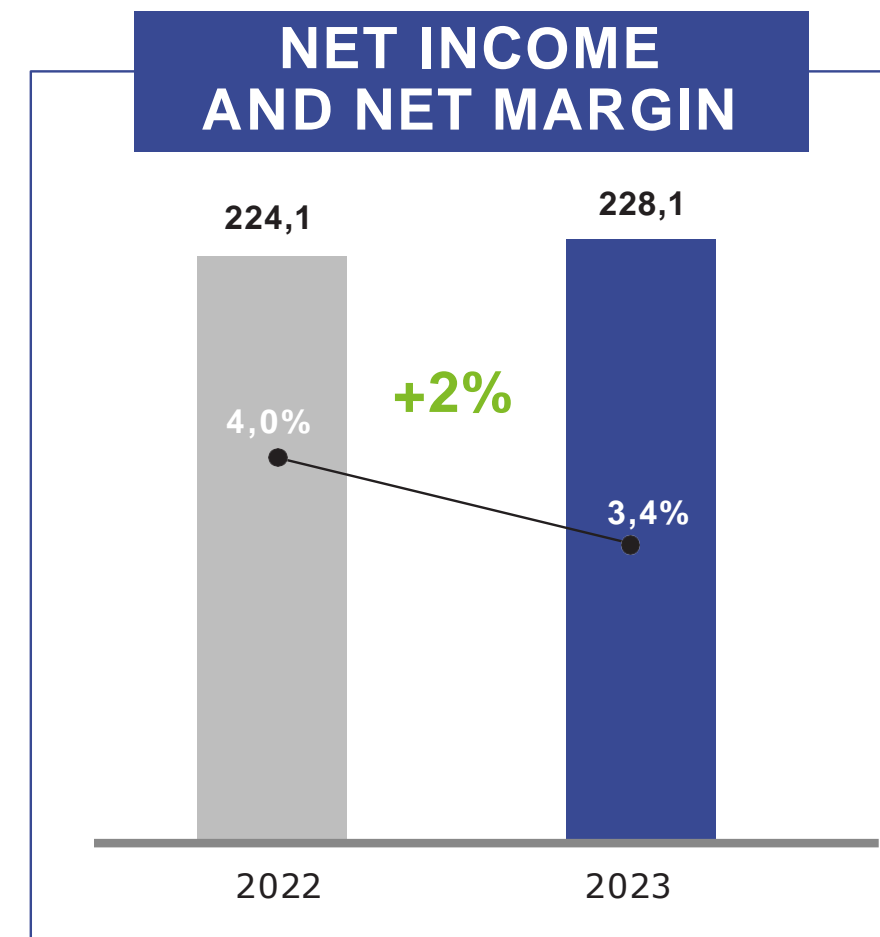
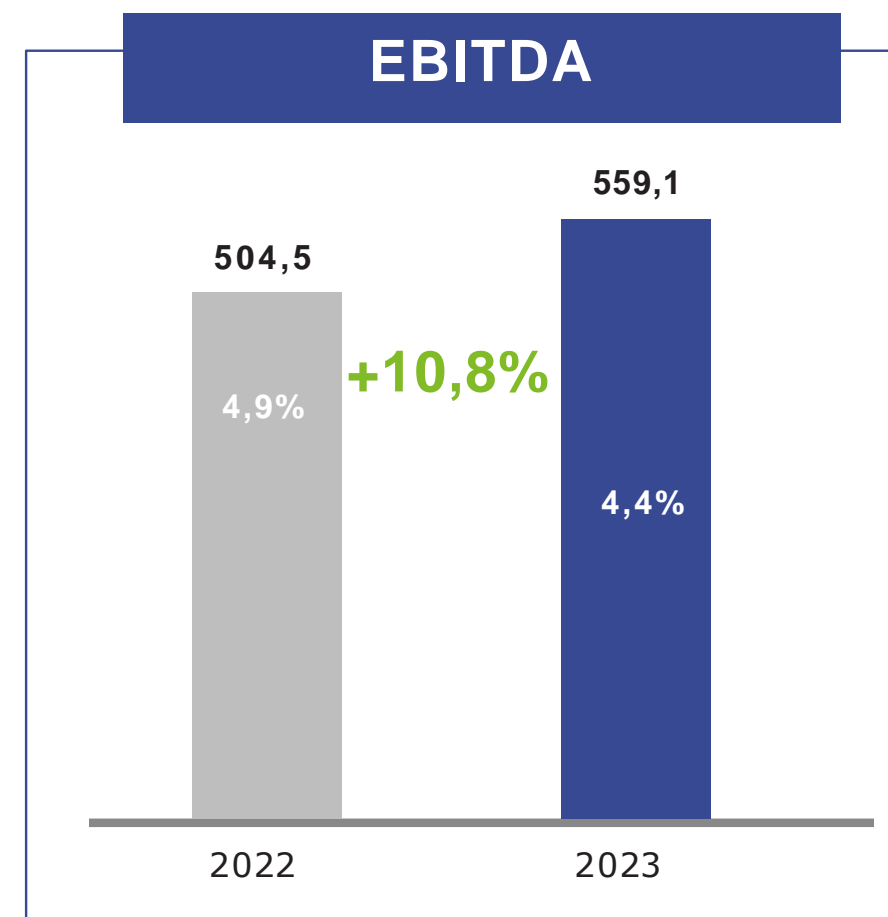
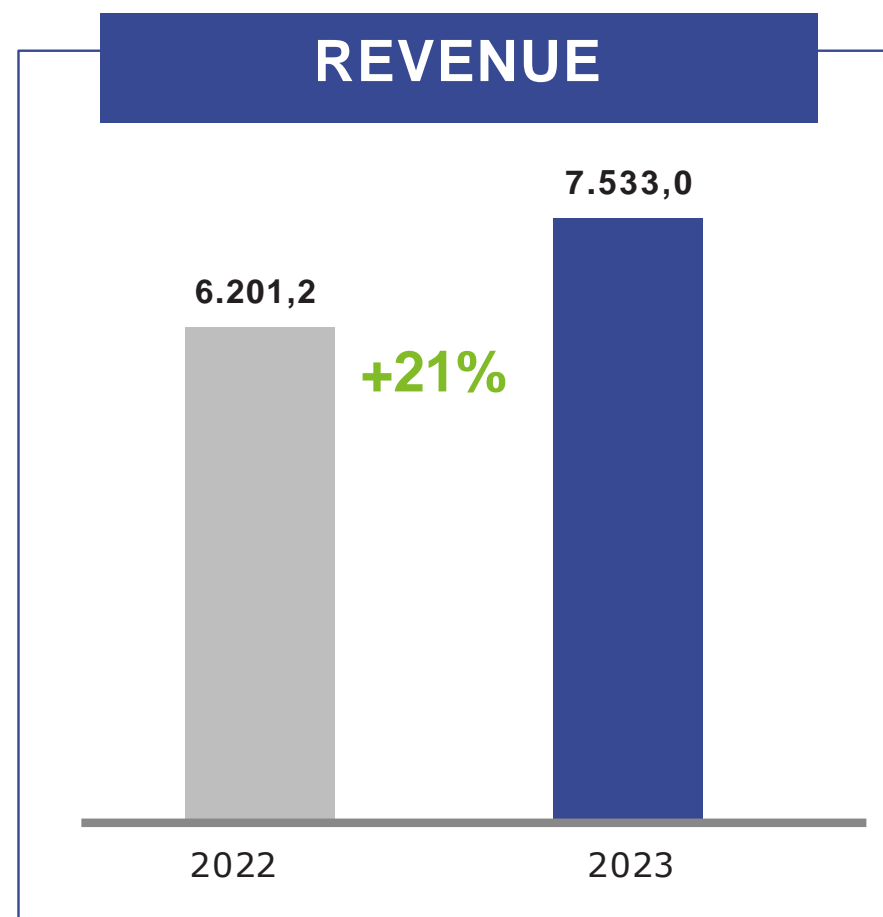




Consolidated Financial Statements H1-2023

3– Consolidated Financial Statements for 2023

3.1 – key indicators



3– Consolidated Financial Statements for 2023

3.2 – H1 2023 Income Statatement

	Historical H1-2022	H1-2023	Change	Growth rate
Sales of goods	5 585 022	6 780 301	1 195 279	21%
Back Margin	616 218	752 658	136 440	22%
Taux	11,0%	11,1%	0,07	
Revenue	6 201 240	7 532 959	1 331 719	21%
Direct margin	659 743	729 557	69 813	11%
Taux	11,8%	10,8%	-1,05	
Gross margin	1 275 962	1 482 215	206 253	16%
Taux	22,8%	21,9%	-0,99	
Total operating expenses	771 416	923 165	151 748	20%
Taux	13,8%	13,6%	-0,20	
EBITDA	504 545	559 050	54 505	11%
Taux	9,03%	8,2%	-0,79	
Depreciation	228 351	257 535	29 184	13%
Taux	4,1%	3,8%	-0,29	
EBIT	276 194	301 515	25 321	9%
Taux	4,9%	4,4%	-0,50	
Financial result	44 826	38 658	-6 168	-14%
Taux	0,8%	0,6%	-0,23	
Operating result	321 020	340 173	19 152	6%
Taux	5,7%	5,02%	-0,73	
Non-operating result	-25 237	-25 951	-714	3%
Taux	-0,5%	-0,4%	0,07	
Profit before taxes	295 783	314 222	18 438	6%
Taux	5,3%	4,6%	-0,66	
Income taxes	71 663	86 102	14 439	20%
Taux	1,3%	1,3%	-0,01	
Net results	224 120	228 120	3 999	2%
Taux	4,0%	3,4%	-0,65	

The consolidated **EBITDA** shows an increase of **+11%**, reaching **MAD 560m**, benefiting from the rise in business volumes:

- **Revenue Increase:** A **+21%** increase in revenue primarily driven by a significant increase in footfall (+19.3%), attributed to the anti-inflation measures.
- **Direct Margin Growth:** A **+11%** increase in direct margin in value, with a slight deterioration in the margin rate of **-1.05** points. This is explained by continued investment efforts in pricing to support consumer purchasing power.
- **Gross Margin Improvement:** A **+16%** improvement in gross margin, with a notable **+22%** increase in in back margin offset by a **-1 point** decrease impacted by the direct margin.
- **Operating Expenses:** Operating expenses increased by **+20%**, with a **0.2-point** reduction in the expense ratio.
- **Financial Result:** A **-14%** decrease in the financial result compared to 2022, primarily due to the non-realization of cash-out on Aradei shares in H1-2023 (MAD-16.2m).

The net income stands at **MAD 228.1m**, representing a **+2%** increase.

3 - Consolidated Financial Statements for H1 2023

3.3 - Key Performance Indicators: Sales

SALES BY BUSINESS SEGMENT

 **161 stores**
+21,4%

CHANGE IN REVENUE	2022	2023	H1 CHANGE	
			AMOUNT	%
Like for like	5 513 835	6 472 339	958 504	17,4
Openings 2023	71 187	290 891	219 705	>100%
Openings 2022		17 070	17 070	NA
TOTAL	5 585 022	6 780 301	1 195 279	21,4%



 **+22%**
13 stores
34% of the Group's sales

**Like
for like
+19,5%**

A **22%** increase in **Hypercash** sales, attributed to:

- A greater contribution of Hypercash to the overall Group sales.
- The Atacadao concept, centered around competitive pricing, has helped mitigate the impact of inflation on purchasing power.



 **+16,7%**
12 stores
27% of the Group's sales

**Like
for like
+16,7%**

The **16.7%** increase in revenue achieved by the hypermarket was primarily driven by higher sales volumes.



 **+23,5%**
136 stores
35% of the Group's sales

**Like
for like
+14%**

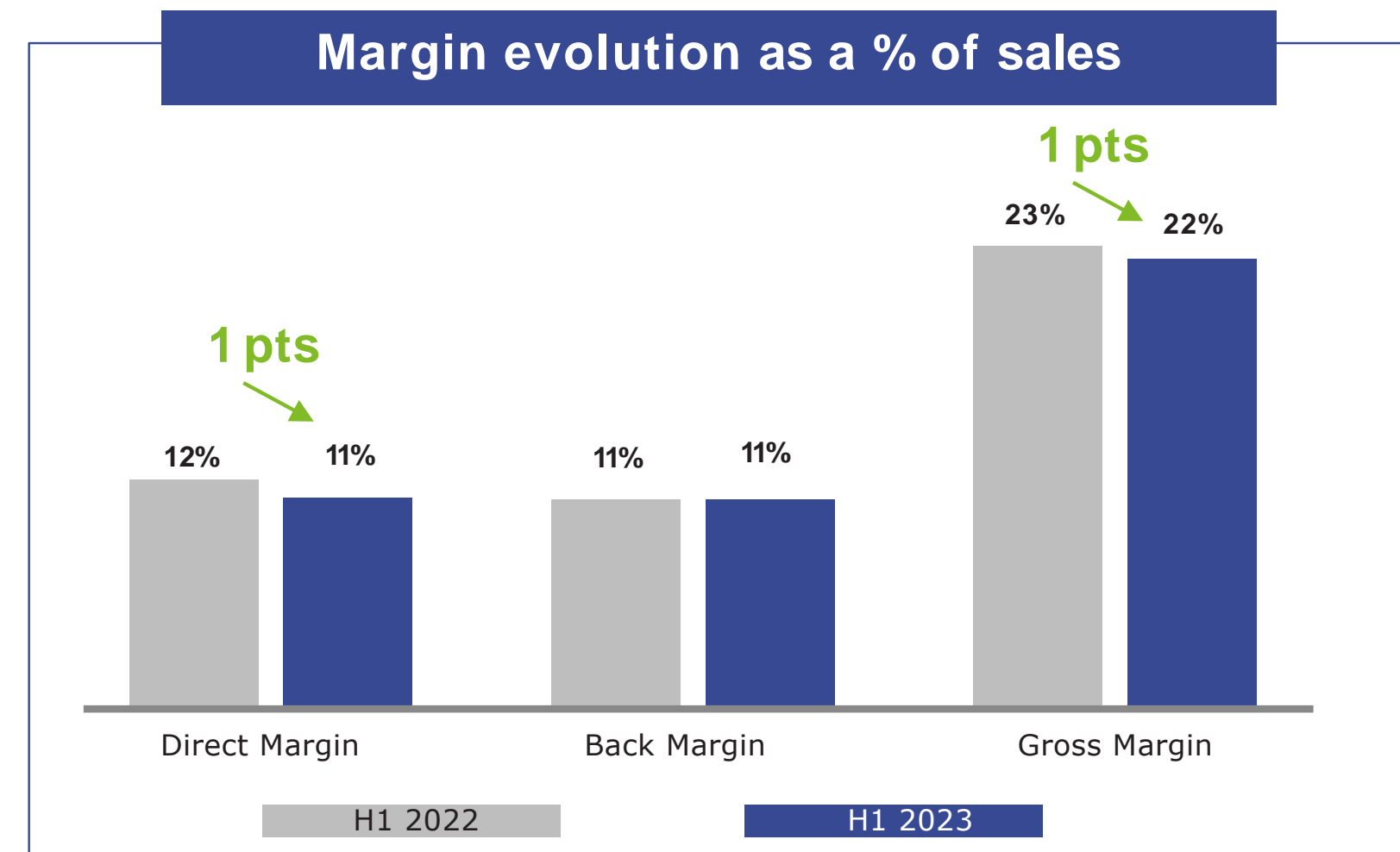
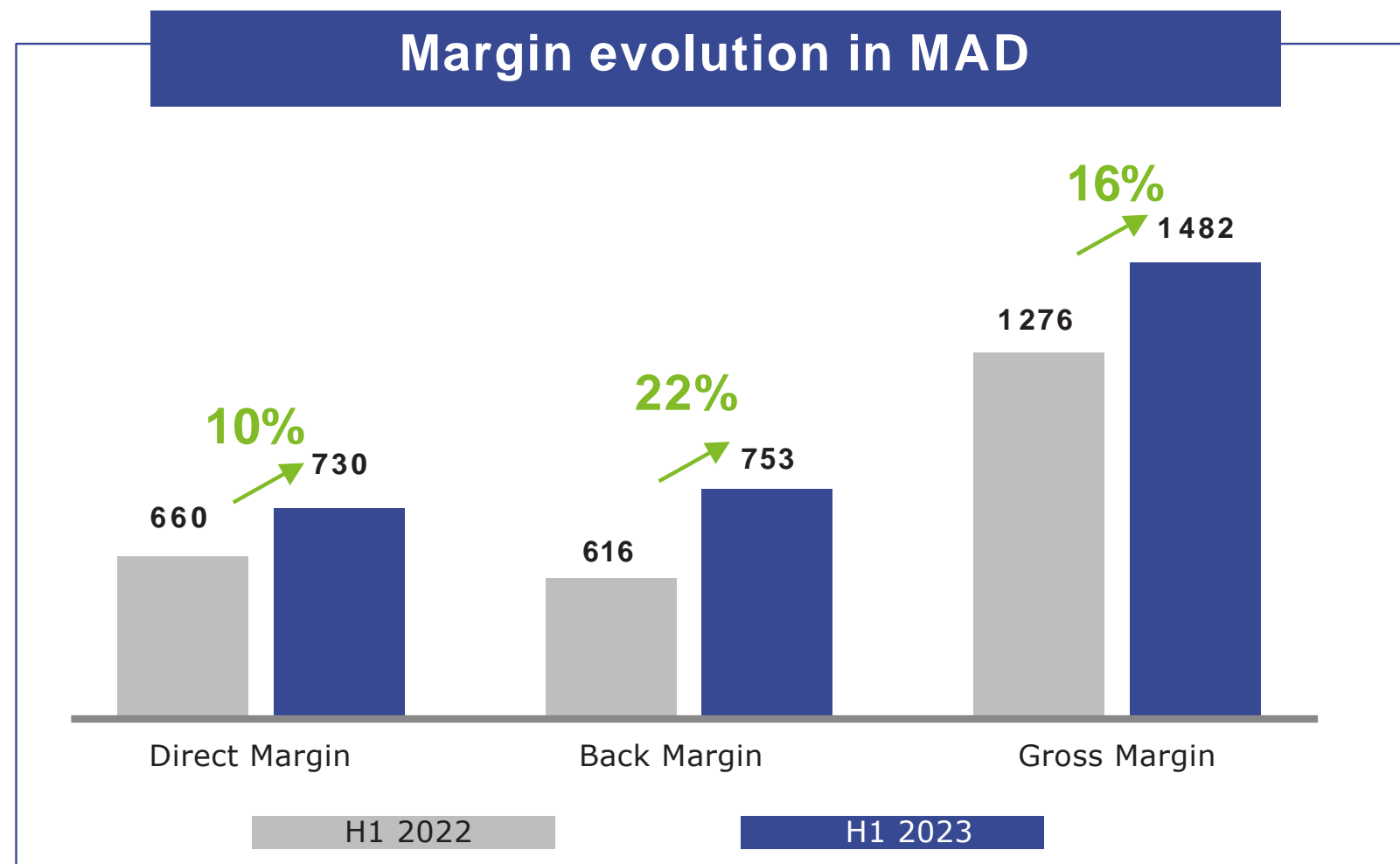
The **supermarket** achieved a **14%** increase in its sales on a constant perimeter basis.

The segment's sales were boosted by the numerous openings in 2022 and 2023.

3 – Consolidated Financial Statements for H1 2023

3.3 – Key Performance Indicators: Margins

Stable margin ratios despite an aggressive commercial policy.

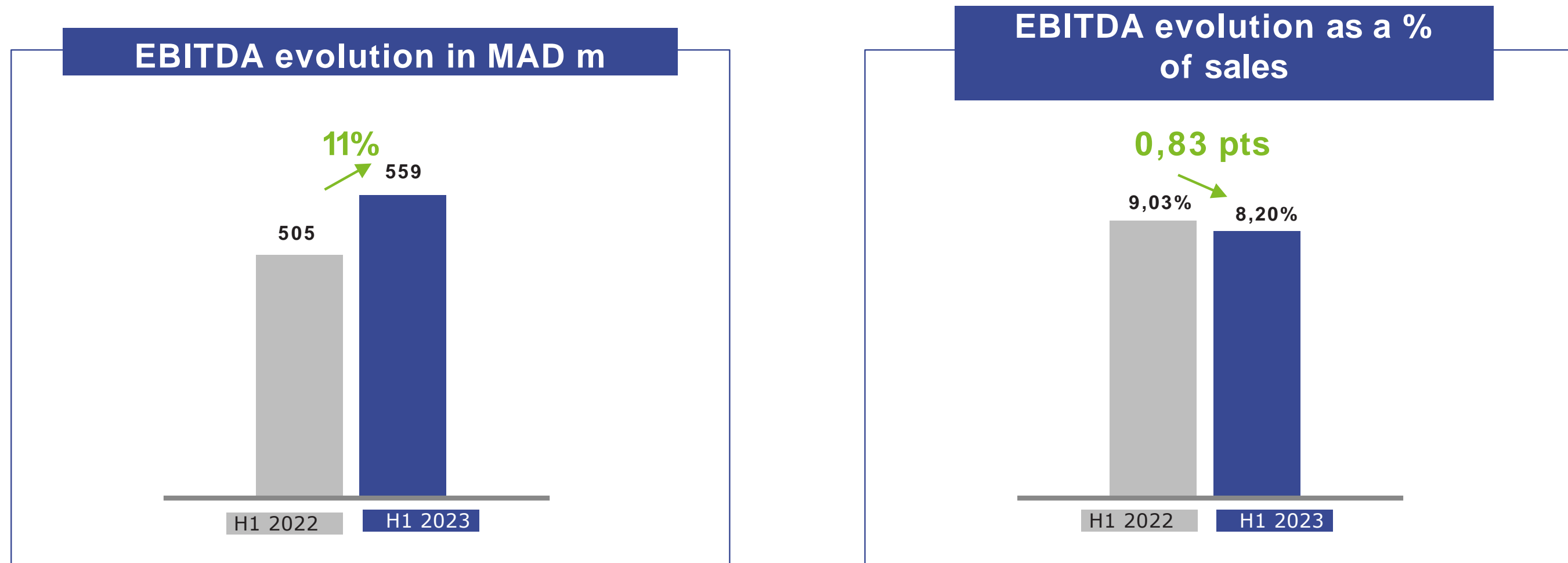


The direct margin-to-sales ratio decreased by **100 basis points**, primarily reflecting the aggressive commercial strategy aimed at supporting purchasing power.

3 – Consolidated Financial Statements for H1 2023

3.3 - Key Performance Indicators - Earnings Before Interest and Taxes (EBITDA)

EBITDA increased by +11%.



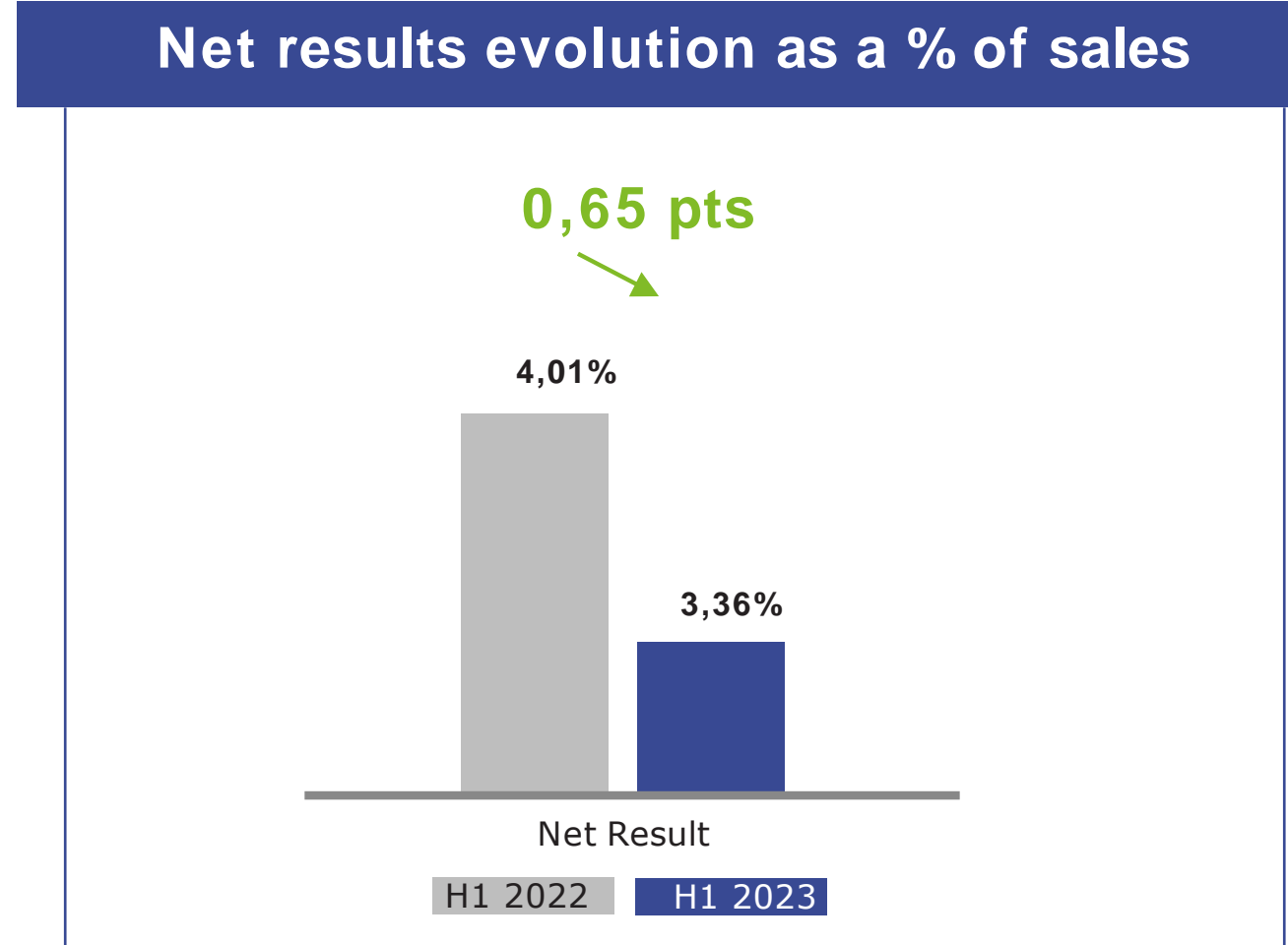
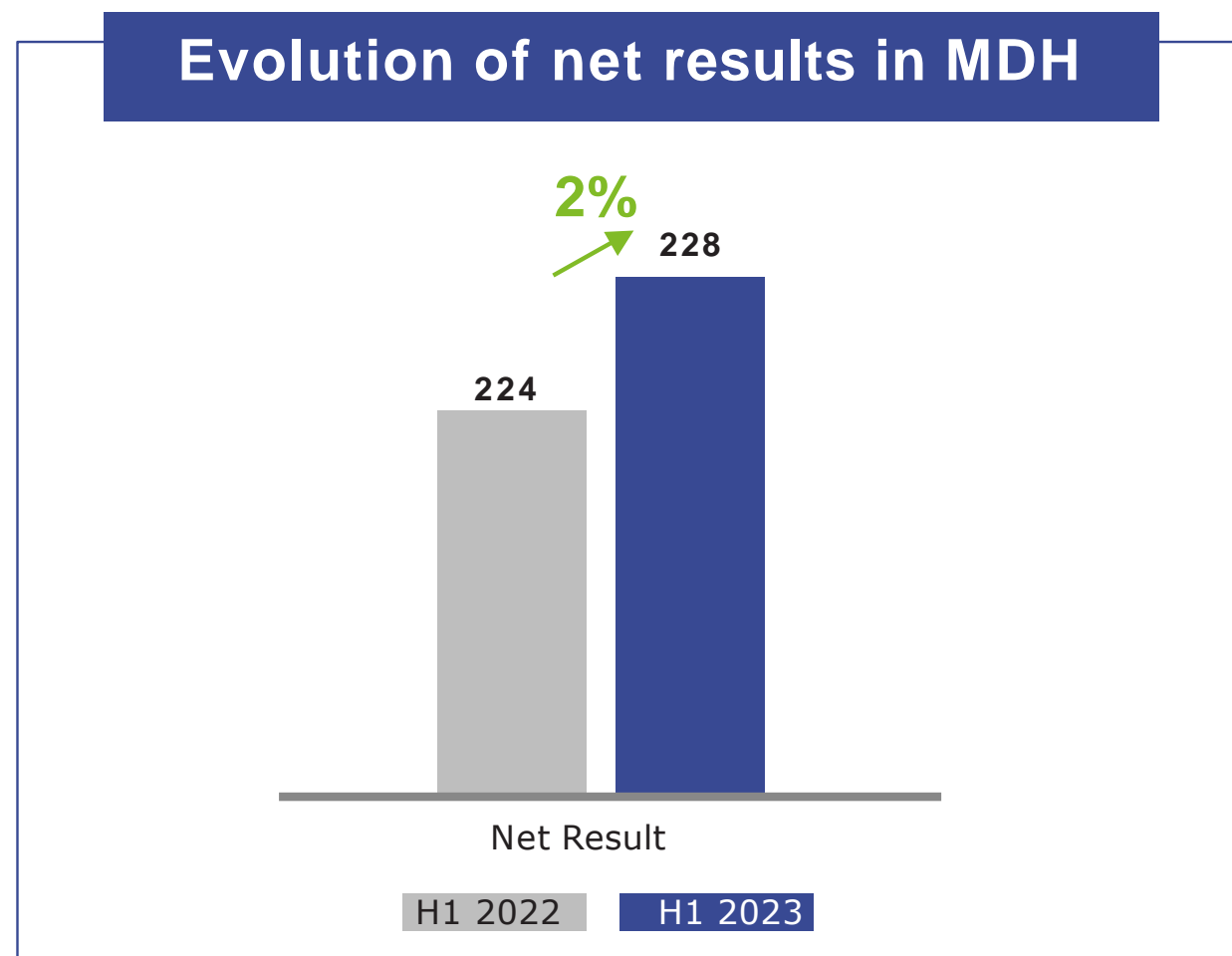
EBITDA experienced a growth of +11%. This increase can be attributed to:

- Sustained growth in sales volumes.
- Enhanced control over the Group's operating expenses, with an improved ratio of 0.2 percentage points, despite an inflationary environment.

3 – Consolidated Financial Statements for H1 2023

3.3 - Key Performance Indicators - Net Income

A net income increase of +2%, reflecting the Group's resilience in an uncertain environment.



The net income has experienced a 2% increase. This growth is attributed to:

- The Group's resilience and its adaptability on the commercial front.
- Effective cost control measures in a disrupted environment.

3– Consolidated Financial Statements for 2023

3.4 – Cash and Balance Sheet Items: Actual vs. Historical

Financial Indicators	2022		30/06/2023		Evolution	
	Amount	days	Amount	days	Amount	days
WC	239.103	7	1.006.782	27	767.679	20
Equity	2.953.855	86	2.941.075	79	-12.780	-7
Net Income	762.372		228.120			
Dividends	-400.000		-250.000			
Capital Increase	180.000		0			
Debt	3.832.629	111	4.940.350	132	1.107.721	21
New Debt: Commercial Mortgages (CMTs) Dividends	613.000		275.000			
New Debt: Bonds	0		1.000.000			
Reimbursements						
Bank loans reimbursements	-203.056		-138.708			
bonds reimbursements	-105.000		-28.571			
Long-term Liabilities	6.786.484	197	7.881.424	210	1.094.940	13
<i>Net Debt Ratio</i>	50,6%		53,0%			
FIXED ASSETS	-6.547.380	-190	-6.874.641	-184	-327.261	7
Net Investments from Disposals	1.173.436		584.796			
Depreciation	-349.077		-257.535			
WCR	1.175.460	34	1.135.424	30	-40.036	-4
Inventory	-2.345.618	-68	-2.471.996	-66	-126.378	2
Accounts Receivable/Accounts Payable	3.521.078	102	3.607.420	96	86.342	-6
Real estate inventory	-107.432	-3	-144.875	-4	-37.443	-1
OTHER SHORT-TERM ASSETS	-504.975	-15	-367.157	-10	137.818	5
CASH & cash equivalent	802.156	23	1.630.174	44	828.018	20

Increase in Cash Position of **MAD+828m** compared to its 2022 level, primarily explained by the following factors:

Increase in Working Capital of **MAD+767.7 m**.

Rise in financing debts by **MAD 1.108m**, mainly due to the issuance of a bond of **MAD 1bn** in Q1-2023.

Increase in net investments of **MAD 327m**.

A decrease in the **WCR** of **MAD-40m (-4 days)** primarily due to the increase in inventory levels of raw materials and consumables by **MAD-126m**, partially offset by the accounts receivables by **MAD 86m**.



OUTLOOK



Continuation of the Development Plan:

- LabelVie Group intends to uphold its accelerated development program by opening 25 stores before the end of 2023.
- LabelVie is committed to furthering the expansion of its franchise under the Carrefour Express segment. This initiative aims to expand its store network and increase its market share. Additionally, this franchise model contributes to strengthening the Group's socio-economic impact by promoting investment and job creation in Morocco.

Continuation of Digital Transformation:

LabelVie Group intends to sustain its digital transformation efforts aimed at enhancing business performance and customer service, notably through the reinforcement of its e-commerce endeavors.

Continuation of Supporting Purchasing Power:

LabelVie Group remains committed to pursuing its growth while maintaining strong financial monitoring and fully embracing its social responsibility.