

RALLYE

Rallye, Foncière Euris and Euris announce an agreement with their banks on all their derivatives transactions and the extension of the observation period

Paris, on 25 November 2019 – Following the authorization of the insolvency judge (*juge-commissaire*), Rallye and its subsidiaries HMB and Cobivia (the **Companies**) announce the entry into force today of agreements entered into with certain financial institutions (the **Restructuring Agreements**) regarding the restructuring of the terms and conditions of all their derivatives transactions, mainly structured in the form of forward sales and equity swaps entered into between the Companies and these financial institutions. Foncière Euris and Euris also announced today the entry into force of similar agreements at their level (see press releases of Foncière Euris and Finatis).

The Restructuring Agreements cover derivatives transactions that amount to a total of 231 million euros (net of cash-collateral assigned to payment), secured by pledges over 9.5 million Casino shares, i.e. 8.7% of Casino share capital.

The principles provided for in the Restructuring Agreements are as follows:

- the financial institutions that have agreed to the restructuring of the terms and conditions of the derivatives transactions (the **Relevant Financial Institutions**) are treated in an equal manner;
- the Relevant Financial Institutions waive their rights under the ongoing events of default under the derivatives transactions as at the signature date of the Restructuring Agreements to request immediate mandatory prepayment of any amounts due by the Companies or to exercise their pledges on Casino shares;
- 50% of the amount of the derivatives transactions will have to be repaid at the latest on 30 June 2021 (i.e. 100.5 million euros taking into account the amount of 30 million euros below), with the balance being reimbursed at the latest on 31 December 2022, it being specified that Rallye will in each case be able to exercise an early repayment option of such derivatives transactions;
- the derivatives transactions will only bear capitalized interests;
- the Relevant Financial Institutions benefit from additional security interests, in the form of additional cash collateral for an amount of 30 million euros, allocated between such institutions pro rata their respective outstanding amounts in the derivatives transactions of the Companies;
- any dividend paid in respect of Casino shares pledged as part of the derivatives transactions will be immediately and automatically allocated to the payment of the amounts owed under the derivatives transactions;
- Rallye acknowledges the application of the derogatory regime of Articles L. 211-36 to L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*), which allows the termination, netting, and exercise of security despite of the opening of insolvency proceedings;

- all or part of the Relevant Financial Institutions may, if applicable, trigger the early repayment of the derivatives transactions or demand payment of their claims under the derivatives transactions and exercise the related security interests in the following main cases of default:
 - (i) conversion of the safeguard proceedings opened to the benefit of the Companies into rehabilitation proceedings (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*), or (ii) cancellation of the safeguard plans that will be adopted to the benefit of the Companies, or (iii) non-compliance with the schedule of the safeguard proceedings (in particular, the adoption of a safeguard plan by 31 July 2020);
 - loss of the direct or indirect control by Jean-Charles Naouri and his family of Euris, Finatis, Foncière Euris, Rallye or of Casino;
 - cross default: any default of payment for an amount exceeding 15 million euros resulting in the notification of an event of default to Casino under any credit or derivatives transaction concluded between the Relevant Financial Institutions and Casino;
 - in the event of a case of default, exercise by one of the Relevant Financial Institutions of any of its security interests relating to the derivatives transactions subject of the Restructuring Agreements for Rallye, HMB, Cobivia, Foncière Euris or Euris (see today's press releases of Foncière Euris and Finatis);
 - non-compliance with a coverage ratio determined as a certain proportion calculated as the value of the Casino shares pledged as collateral under the derivatives transactions as compared to the notional amount of such derivatives transactions (net of cash-collateral), it being specified that the Companies will have the right to pledge additional Casino shares as collateral under such transactions.

Rallye and its subsidiaries Cobivia and HMB also announce that they have obtained an extension of the observation period of the safeguard proceedings opened to their benefit for a period of 6 months. Regarding Alpetrol (an indirect subsidiary of Rallye), the extension of the observation period will be considered later by the Court insofar as the first 6 month period expires on 17 December 2019.

Rallye and its subsidiaries Cobivia, HMB and Alpetrol confirm their objective to obtain the approval of their safeguard plans by the Court by the end of the first quarter of 2020 at the latest.

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