UNIVERSAL REGISTRATION DOCUMENT

2020

RALLYE

The French language version of this Universal Registration Document was filed on 22 April 2021 with the French securities regulator (Autorité des marchés financiers – AMF) as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of said Regulation.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

The English language version of this report is a free translation of the original, which was prepared in French. In all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation.

RALLYE

A French *société anonyme* (joint stock company) with a share capital of €157,119,705
Registered with the Paris Trade and Companies Register under number 054 500 574
Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France
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AFR Information in this document identified with the "AFR" acronym is an integral part of the Annual Financial Report, in accordance with Article L.451-1.2 of the French Monetary and Financial Code (*Code monétaire et financier*).

Management and governance

Board of Directors [1]

Jean-Charles NAOURI
Chairman of the Board of Directors

Philippe CHARRIER
Independent Director

Jacques DUMAS
Director

Catherine FULCONIS
Independent Director

Virginie GRIN
Representing Finatis

Didier LÉVÊQUE
Representing Foncière Euris

Odile MURACCIOLE
Representing Euris

Anne YANNIC
Independent Director

Gilbert DELAHAYE [2]
Director representing employees

Jean CHODRON DE COURCEL
Christian PAILLOT
Non-voting Directors

Executive Management

Franck HATTAB
General Manager

Statutory Auditors

Ernst & Young et Autres
Represented by Henri-Pierre Navas

KPMG Audit - Department of KPMG SA
Represented by Jean-Marc Discours

(1) Reappointments submitted to the Shareholders' Meeting on 18 May 2021.

(2) Appointed on 27 June 2020 by the most representative union for a three-year term.

Chairman's message

On 28 February 2020, the Paris Commercial Court (*Tribunal de commerce de Paris*) approved the safeguard plan for Rallye and its subsidiaries Alpétrol, Cobivia and HMB, stabilising the situation of the Group, which had faced massive, coordinated speculative attacks since 2015. The safeguard plan enables (i) Rallye to continue operating and preserve the integrity of the Group, (ii) Casino, Rallye's primary asset, to continue calmly implementing its strategic plan, and in particular its asset disposal plan, and (iii) the Group, ultimately, to consolidate its financial position.

In the unusual context of 2020, a year shaped by the Covid-19 crisis, I'd like to commend the teams for their dedication and commitment every day. Not even at the peak of the crisis did the Group's employees fail in their mission to serve. Throughout France, Brazil, and other countries across Latin America, the Group's 10,800 stores continued to open every morning and welcome customers in strict compliance with health protocols. The logistics teams and support functions were able to demonstrate the necessary professionalism and responsiveness to adapt procedures and ensure supply to the population. Our dedicated E-commerce teams were able to keep up with the increase in business and ramp up service to meet the considerable rise in demand. Their commitment demonstrated the utility of our businesses, the resilience of our banners and their capacity to respond to customers and satisfy their expectations.

2020 was a change-over year. The subtle signals or underlying trends that we had picked up on intensified: the use of E-commerce – especially in food retail – trust in convenience store formats and consumer awareness of the social and environmental impact of their shopping habits. The crisis has validated the model that we have built as well as our strategic development priorities. Moreover, the market is becoming increasingly polarised between price-driven consumers on the one hand, and, on the other, those who make up our banners' core customer base – who prioritise service, quality and sustainability.

Casino Group also continued to reduce its net debt, both organically, by generating cash flow, and by implementing its asset disposal plan. To do this, the Group launched a two-phase action plan: (i) the first phase representing €1.5bn launched in 2018 and increased to €2.5bn in March 2019 and (ii) a second €2.0bn phase announced in 2019 as part of a programme to identify further assets for disposal. Casino Group also strengthened its financial structure through two refinancing plans in November 2019 and December 2020. These debt reduction and refinancing efforts have given Casino Group the means to complete its transformations.

The Group has chosen to focus its energy on its strengths. In France, we continue to shift the focus of our model to the most successful formats, in line with our strategic objectives. Our results confirm this, as all our banners became profitable again in 2020. And in 2021, we will continue with our strong expansion momentum across our premium and convenience formats, such as Franprix and Naturalia. We are also the most digitalised retailer in France, both in non-food – with Cdiscount the second-largest marketplace in the industry – and food, thanks to different partnerships such as those with Ocado and Amazon.

In Brazil, we continued to develop the Assaì cash & carry subsidiary, whose 184 stores now represent 55% of our sales in the country.

Lastly, we are adapting our business model and accelerating the development of our new growth drivers with GreenYellow in energy efficiency and photovoltaic power, and RelevanC and ScaleMax in data and data centres.

The future of retail is to meet our customers' needs ever more effectively and provide impeccable service wherever they are.

Jean-Charles Naouri

Simplified Group organisation chart
at 31 December 2020

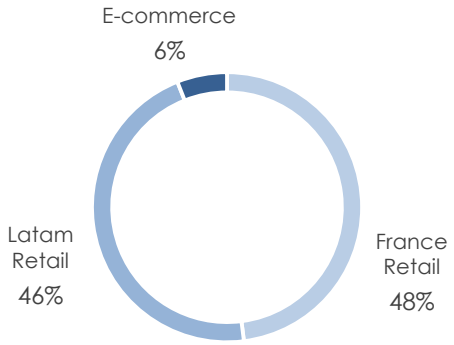
Listed company

(1) Of which 9.5 million shares, representing 8.7% of Casino's share capital and 6.3% of its voting rights, transferred by Rallye to a fiduciary trust for the benefit of Fimalac.

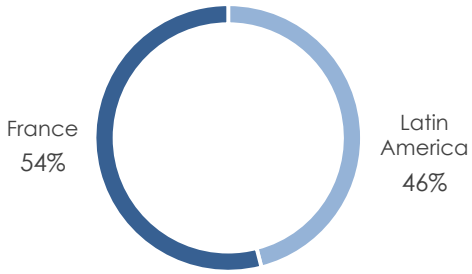
(2) Classified in current assets held for sale.

Group key figures
at 31 December 2020

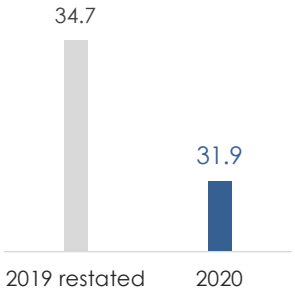
NET SALES BY BUSINESS
(%)



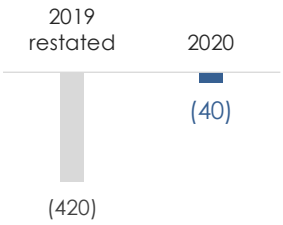
NET SALES BY REGION
(%)



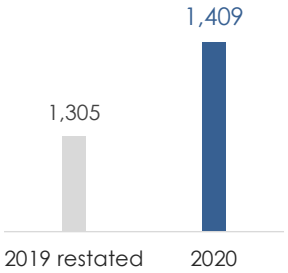
CONSOLIDATED NET SALES
(€ billions)



NET LOSS FROM CONTINUING OPERATIONS, GROUP SHARE
(€ millions)



RECURRING OPERATING INCOME
(€ millions)



(€ millions)	2019 restated	2020
Net sales	34,652	31,919
EBITDA[1]	2,623	2,725
EBITDA margin (%)	***7.6%***	***8.5%***
Recurring operating income	1,305	1,409
Recurring operating income margin (%)	***3.8%***	***4.4%***
Net loss from continuing operations, Group share	(420)	(40)
Consolidated net loss, Group share	(970)	(303)

(1) EBITDA = recurring operating income + current depreciation and amortisation expense.
NB: The 2019 financial statements have been restated to permit meaningful comparisons with 2020. See note 1.3 to the consolidated financial statements. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.

Chapter 1

Management report

Significant events

Casino

Casino and its banners hard at work during the Covid-19 pandemic

The first quarter of 2020 was marked by the Covid-19 epidemic, which impacted all geographies and activities, with an upsurge in demand directed towards food retailing.

In France, urban formats, convenience and E-commerce, which constitute the core of Casino Group's business model, have seen particularly high levels of demand since mid-March. The banners mobilised their resources to meet the food supply needs of communities while also protecting the health of employees and customers. A significant number of hygiene measures were implemented in stores, along with community-minded initiatives to help the most vulnerable and at-risk populations. In the first half of the year, Casino Group incurred additional costs as a result of maintaining its operations under challenging conditions, including additional logistics, staff, protection and security costs, along with the exceptional employee bonus. These costs were down sharply in the second half.

Casino Group also made a contribution in Latin America through Instituto GPA, which expanded its outreach activities by donating food, hygiene and cleaning products to thousands of Brazilian families. Instituto GPA also supported emergency social and microcredit funds to aid small local businesses, business owners and communities in socially vulnerable communities.

Asset disposal plan in France

Casino Group launched a large-scale €4.5bn asset disposal programme in France.

At 31 December 2020, Casino Group had completed €2.8bn in asset sales since July 2018. The disposals carried out by Casino Group in 2020 are detailed below:

- On 30 June 2020, Casino Group announced that it had completed the sale of Vindémia, the leading retailer in the Indian Ocean region, to GBH, collecting €186m for an enterprise value of €219m. Vindémia has 22 Jumbo and Score stores in Reunion, along with operations in Mauritius, Mayotte and Madagascar.
- On 21 August 2020, Casino Group announced the additional and definitive disposal of 5% of Mercialys equity through the Mercialys total return swap (TRS) for €26m. This disposal reduced Casino Group's stake in Mercialys in terms of voting rights from 25.3% to 20.3%.
- On 30 November 2020, Casino Group announced that it had completed the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683m, of which (i) €648m was collected at closing, and (ii) up to €35m relates to an earn-out contingent on compliance with certain operating indicators during the transition period. The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations while the stores are gradually converted to the Aldi banner throughout 2021. Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. Casino Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).
- Casino Group also sold real estate assets for approximately €100m in 2020.

In view of the successful development of its broad portfolio of activities in France, Casino Group has a greater flexibility in implementing its disposal plan for which the €4.5bn objective is confirmed.

Consolidation of Casino Group's operations in Latin America

After streamlining its structure in Latin America in 2019, Casino Group announced a plan during the year to restructure GPA's activities in Brazil.

On 10 September 2020, GPA's Board of Directors approved the initiation of a study to spin off its cash & carry business (Assaí) from its other businesses. The aim of this operation was to unleash the full potential of Assaí and of GPA and Éxito's more traditional food retailing business.

The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders.

The spin-off plan was approved by GPA shareholders at the Shareholders' Meeting on 31 December 2020 and the Assaí shares was admitted to trading on 1 March 2021. Assaí shares were distributed to GPA shareholders at a ratio of one Assaí share for each GPA share (see section "Recent events" on page 25).

Strengthening Casino Group's financial structure

With a view to further strengthening its liquidity and financial structure, in November 2019 Casino Group finalised a refinancing plan that consisted in raising €1.8bn in new financing through a term loan ("Term Loan B") for €1.0bn and a high-yield secured bond issue for €800m due in January 2024, and extending confirmed credit lines in France by €2bn in a new confirmed credit line due in October 2023.

In 2020, Casino Group continued to strengthen its financial structure, by carrying out several transactions aimed at strengthening its liquidity until end-2023, reducing bond debt and extending its average maturity.

In October and November, Casino Group redeemed bonds on the market and launched a public tender offer on its 2021-2024 bond issues.

In December, Casino Group carried out a large scale transaction that consisted of (i) tapping the 2024 Secured Term Loan B initially issued in November 2019 for an amount of €225m, (ii) the launch of an unsecured debt instrument maturing in January 2026 for €400m and (iii) a tender offer on Casino's unsecured notes maturing between 2021 and 2025.

The cumulative amount of bonds bought back in 2020 on the market or through public tender offers thereby totalled €1.4bn. On completion of these transactions, the segregated account dedicated to the redemption of bonds had a balance of €487m. Between June and December 2020, the amount payable on bonds maturing between 2021 and 2023 was reduced by €1.5bn, from €1.8bn to €0.2bn, taking into account the amounts held in the segregated account.

Development of the food E-commerce offering

The Covid-19 pandemic led to a ramp-up in Casino Group's food E-commerce offering in 2020.

May 2020 saw the official launch of the Monoprix Plus service in partnership with Ocado, allowing Monoprix to develop its online offering for next-day delivery from its O'logistique automated warehouse in Fleury-Mérogis. Following the success of this initiative, the service was extended to Casino Supermarkets and Géant Casino at the end of September 2020.

Casino Group also continues to expand its partnership with Amazon. Launched in September 2018, this commercial partnership brings a selection of items sourced from Monoprix, Casino and Naturalia to Amazon Prime Now customers in Paris, Nice and their surrounding areas. The initiative was extended to customers residing in Lyon and Bordeaux in 2020.

To meet demand during the first lockdown in spring 2020, Casino Group also signed partnerships with Deliveroo and Uber Eats.

Rallye

Adoption of the safeguard proceedings of Rallye and its subsidiaries

On **28 February 2020**, the Paris Commercial Court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol.

Streamlining of the holding scope

In order to streamline Rallye's ownership stake in Casino and Groupe GO Sport, the companies Cobivia, HMB and Alpétrol (as provided in their safeguard plans), and MFD were absorbed by Rallye with retroactive effect from 1 January 2020.

Refinancing of derivatives transactions

On **26 March 2020,** in the context of stock market developments relating to the Coronavirus (Covid-19) epidemic, Rallye entered into an agreement with Fimalac (a company controlled by Marc Ladreit de Lacharrière) in view of refinancing the derivatives transactions of Rallye, Cobivia and HMB and financing Rallye's day-to-day operations for an amount of €15m.

On **17 July 2020,** Rallye issued €210,042,400 in bonds with a par value of €1, which were subscribed by Fimalac. The entire proceeds of the issue were used to repay all the derivatives transactions entered into by Rallye, Covivia and HMB, which were not covered by the safeguard plans of such companies but had been the subject of specific agreements (see Rallye press release dated 25 November 2019).

The bonds subscribed by Fimalac bear PIK interest and have a maturity of four years (with a one-year extension subject to agreement between Rallye and Fimalac). The early repayment events provided for under the issue, which are customary for such types of financing, are set out below:

- occurrence of an event following which Jean-Charles Naouri no longer holds directly or indirectly at least 50% of the voting rights of Casino, plus one vote; and
- rescission of Rallye's safeguard plan.

As security for the refinancing of Rallye's derivatives transactions and the financing of Rallye's general corporate needs, 9,468,255 shares of Casino (i.e., 8.73% of Casino's share capital), previously pledged to the financial institutions party to the derivatives transactions, have been transferred by Rallye to a fiduciary trust for the benefit of Fimalac.

The characteristics of the financing of Rallye's general corporate needs are the same as those relating to the bonds subscribed by Fimalac for the refinancing of derivatives transactions. At the date of this document, the facility has not yet been drawn down.

The Casino shares previously pledged to banks party to the derivatives transactions were transferred to the fiduciary trust on 20 July 2020, resulting in two threshold crossings: Rallye's stake in Casino fell below 50% of the share capital, and the share capital and voting rights held by Equitis Gestion (the fiduciary) in Casino rose above 5% of the share capital. In accordance with the trust agreement, and for as long as Equitis Gestion is not notified of any of the early repayment events provided for under the financing facility, the voting rights associated with the 9,468,255 Casino shares placed in the fiduciary trust will be exercised by Equitis Gestion acting on Rallye's instructions. Any distributions, such as dividends, relating to the 9,468,255 Casino shares placed in the fiduciary trust will be immediately used to pay back the facility ahead of term.

The transfer of the Casino shares to the fiduciary trust is neutral for accounting and tax purposes and does not affect the percentage interest held by Rallye in Casino for consolidation purposes.

Business report

The Rallye Group operates in the food retail and non-food E-commerce markets through its majority interest in Casino Group:

- Casino, Rallye's primary asset – and the main contributor to Rallye's consolidated net sales – is one of the world's leading food retailers. In France, its sales performance is secured by a mix of banners and formats that are well adapted both to the economic environment and to major and long-lasting social trends. Internationally, its expansion strategy is focused on emerging markets with high growth potential – in Latin America, where its subsidiaries benefit from deep local roots and leadership positions.
- Rallye also manages other assets:
  - Groupe GO Sport, a wholly-owned retailing subsidiary specialised in sporting goods through the GO Sport banner;
  - a diversified investment portfolio comprising financial investments held directly or through specialised funds, as well as commercial property programmes.

Rallye

Rallye, the majority shareholder of Casino with a direct and indirect 52.3% stake in its capital at 31 December 2020, is one of the Group's holding companies, controlled by Jean-Charles Naouri. As at 31 December 2020, the Group operates almost 11,000 stores in France and abroad through its operating subsidiary Casino, employing more than 205,000 employees worldwide, including around 57,000 in France, and generating consolidated net sales of €31.9bn.

Following persistent and massive speculative attacks against the Group's securities, Rallye and its subsidiaries Cobivia, HMB and Alpétrol, along with the Foncière Euris, Finatis and Euris parent companies, requested and obtained the initiation of safeguard proceedings (*procédure de sauvegarde*), further to the Court decisions of 23 May 2019 and 17 June 2019.

Key steps of the safeguard proceedings

Further to the Court decision of 23 May 2019, Rallye obtained the initiation of safeguard proceedings for an initial six-month period. On 25 November 2019, the Paris Commercial Court (*Tribunal de commerce de Paris*) authorised the observation period to be extended for a further six months.

The initiation of safeguard proceedings suspended the activation of all further guarantees, whether relating to Casino shares or cash collateral. The enforcement of security interests granted by Rallye has also been suspended by the proceedings, except for derivatives transactions falling within the scope of Article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*), which authorises the realization, offsetting and exercise of the security interests attached to these operations, independently of the initiation of safeguard proceedings. Rallye and its subsidiaries Cobivia and HMB retain all of the economic interests and voting rights attached to pledged shares.

On 2 March 2020, Rallye, Cobivia, HMB, Alpétrol, Foncière Euris, Finatis and Euris announced that the Paris Commercial Court had approved their safeguard plans by a decision dated 28 February 2020. SCP Abitbol & Rousselet (Frédéric Abitbol) and SELARL FHB (Hélène Bourbouloux) were appointed as administrators to oversee the implementation of the plan.

The Paris Commercial Court decided, as part of the same decision, in accordance with Article L. 626-14 of the French Commercial Code (*Code de Commerce*), that all assets owned by companies belonging to the Euris group will be non-transferable for the duration of the safeguard plan, except as specifically provided for by said decisions, notably to allow for the proper execution of the safeguard plans.

Recap of Rallye's debt structure as of the initiation of the safeguard proceedings

As of the initiation of the safeguard proceedings, Rallye's gross debt (excluding debt under derivatives transactions) was as follows:

(€ millions)	Rallye
Claims secured by pledges over:	
▪ Casino shares[1]	1,153
▪ shares of Rallye subsidiaries (other than Casino)	204
Unsecured claims	1,566
Total[2]	**2,923**

(1) As a reminder, the margin call mechanisms provided for in the existing share pledges are suspended for the duration of the safeguard plans.

(2) Including €17m in accrued interest and commissions at 23 May 2019.

Derivatives transactions mainly structured in the form of forward sales and equity swaps are hereafter referred to as "derivatives transactions". The derivatives transactions entered into by Rallye, Cobivia and HMB for a total amount of €231m, of which €142.8m relating to Rallye, are not covered by the safeguard plans in accordance with Article L. 211-40 of the French Monetary and Financial Code. This article authorises security interests granted in respect of financing agreements to be terminated, offset or exercised despite the initiation of safeguard proceedings. The other exemptions granted under safeguard proceedings are, however, applicable to these agreements. These derivatives transactions were refinanced in first-half 2020 (see Significant Events).

Main terms of the Safeguard Plan

The Safeguard Plan is based on the following guiding principles:

- The margin call mechanisms (*clauses d'arrosage*) are suspended during the Safegfuard Plan and all pledged securities, after full repayment of claims secured by pledges over Casino shares (Priority Secured Claims), will be returned to Rallye.
- Subject to the specific procedure for handling Priority Secured Claims and claims secured by pledges over shares of Rallye subsidiaries other than Casino, such as those outlined below, the Safeguard Plan provides for Rallye to repay its liabilities over a ten-year period, with the same payment deadlines for all creditors, in accordance with the following schedule:

Annuity [1]	Annuity amount
Annuity no. 1	€100,000 in total
Annuity no. 2	€100,000 in total
Annuity no. 3	5%
Annuity no. 4	5%
Annuity no. 5	5%
Annuity no. 6	5%
Annuity no. 7	5%
Annuity no. 8	5%
Annuity no. 9	5%
Annuity no. 10	65% , less the amounts paid under annuities 1 and 2
Total	**100%**

(1) Annuities are paid annually on the anniversary date on which the Safeguard Plan was approved.

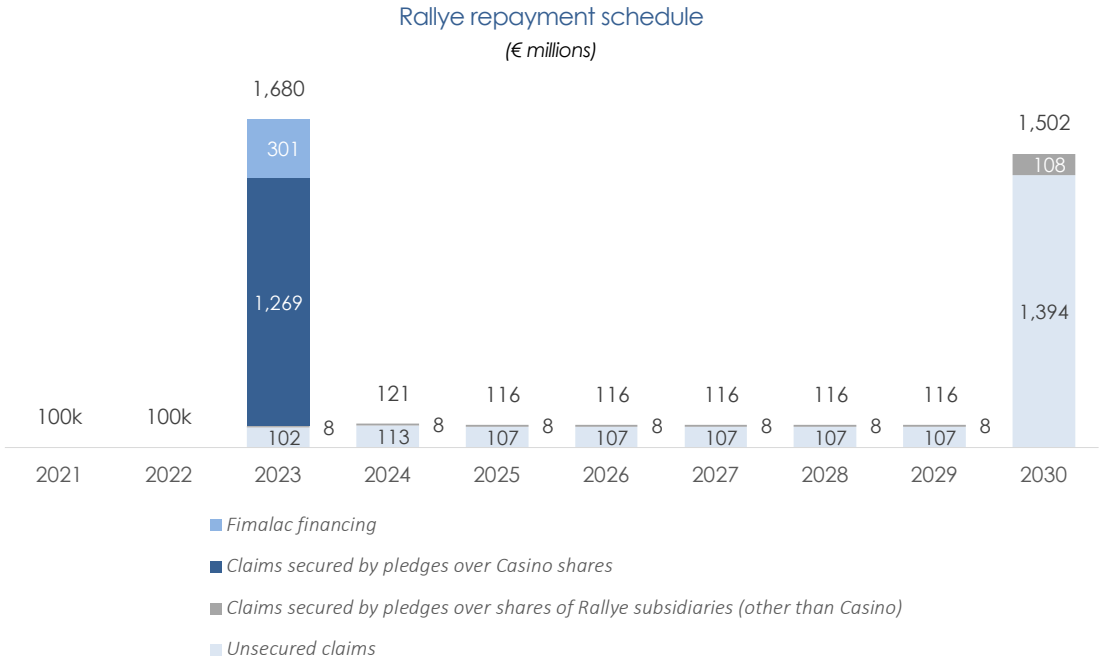
- Priority Secured Claims are settled in accordance with the following principles:
  - repayment, in advance where possible, by the appropriation of proceeds falling within the scope of pledges over Casino shares (said proceeds having been locked in the pledged share accounts);
  - 85% repayment under the third annuity and the remainder under the fourth annuity;
  - waiver by Rallye of the capping clauses until full repayment;
  - possibility to create a second-rank pledge over Casino shares, provided that the pledge does not infringe the rights of creditors benefiting from a first-rank pledge over Casino shares.
- Claims secured by pledges over shares of Rallye subsidiaries other than Casino are repaid in accordance with the following principles:
  - repayment over a ten-year period in accordance with the below schedule;
  - early repayment of rights attached to securities by the appropriation of:
    - (i) net proceeds on disposal of pledged UCITS;
    - (ii) proceeds on the disposal of assets held directly or indirectly by Parande (a Rallye subsidiary) or distributions received by Parande as a result of the assignment under the Dailly mechanism of the current account held by Rallye with Parande; and

(iii) 70% of the net disposal proceeds in the event of completion of the sale of Groupe GO Sport (corresponding to the stake held directly by Rallye in Groupe GO Sport on the date of approval of the Safeguard Plan).

- Payment of the final annuity of the Safeguard Plan may be financed through refinancing.

- Rallye has three categories of resources at its disposal to repay its liabilities under the Safeguard Plan:
  - dividends from Casino;
  - sale of its non-strategic assets;
  - various refinancing options.

As a result of the Safeguard Plan and taking into account securities pledges, the debt repayment profiles, including interest and commissions that continue to be accrued, resulting from these undertakings, are as follows:



Casino

The comments reflect comparisons with 2019 results from continuing operations. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.

The 2019 financial statements have been restated to permit meaningful comparisons with 2020. These restatements mainly result from the retrospective application of the IFRS IC decision with regard to the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16.

Organic changes are calculated based on a comparable scope of consolidation and at constant exchange rates, excluding fuel and calendar effects. Same-store changes exclude fuel and calendar effects.

For Casino Group, 2020 was marked by:

In France:

- Retail banners: following the Group's repositioning, all banners achieved a level of profitability including the hypermarkets, with a very satisfactory level for the other banners.
- Cdiscount: very strong profitability growth, with 2020 EBITDA up 63% to €133m[1] and accelerated growth in marketplace revenues to €182m (up 23% for the year, up 40% in the fourth quarter).
- GreenYellow: excellent business momentum with accelerated growth in installed capacity to 335 MWp (up 56%) and a 25% increase in the pipeline to 565 MWp at end-2020.
- RelevanC: data monetisation services for the Group and external retailers, with EBITDA growth of nearly 50% to €18m in 2020.

[1] Data published by the subsidiary. In consolidated view, EBITDA of €129m and EBITDA after lease payments of €101m.

- Continued progress in paying down debt, with a €1.3bn reduction in gross debt to €4.8bn[1], below the target of €5bn. Reduction in gross debt (including the TRS and Forward) represents €2.8bn since the disposal plan launch. Free cash flow in 2020 amounted to €288m (up 30%) before asset disposals and Rocade plan.

In Latin America:

- Strong 17% organic sales growth, led by vigorous trading at Assaí (up 29%).
- EBITDA rose by 36% at constant exchange rates, free cash flow before disposal proceeds increased by €238m.
- Digital transformation and over 200%[2] growth in food E-commerce in Brazil.
- The spin-off of Assaí was approved by GPA's shareholders at the Shareholders' Meeting held in December 2020. Assaí's shares were admitted to trading on 1 March 2021.

France Retail

(€ millions)	2019 restated	2020
Net sales	16,322	15,219
EBITDA	1,467	1,451
EBITDA margin (%)	*9.0%*	*9.5%*
Trading profit	689	625
Trading margin (%)	*4.2%*	*4.1%*

France Retail net sales totalled €15,219m in 2020 versus €16,322m in 2019, up 3.0% on a same-store basis excluding fuel and calendar effects. Including Cdiscount, gross sales under banner were up 4.9% on a same-store basis in 2020.

France Retail trading profit came to €625m, down 9.4% on 2019. Retail trading profit (excluding GreenYellow, Vindémia and special Covid-19 bonuses) was up 3.8%, in acceleration in the second half (up 4.2%). Property development trading profit came to €63m.

Over the full year, the following can be noted per format:

- Net sales at Monoprix came in at €4,537m for 2020, a rise of 1.6% on a same-store basis. Strong momentum in the E-commerce and organic segments drove this good performance and helped offset (i) the downturn in consumption in Paris resulting from the drop in tourist and office customers, (ii) the negative impact of the closure of sections selling "non-essential" goods and the curfew in the fourth quarter. E-commerce was boosted by the successful partnership with Amazon Prime Now, which was expanded to Lyon and Bordeaux in the year, and by the ramp-up of Monoprix Plus spurred by the next-day delivery service offered by O'logistique, the cutting-edge automated warehouse that has been operating since May 2020. Monoprix continued to focus on innovation during the period, opening a new concept store in Montparnasse (Paris) in September, and unveiling its fully-autonomous "Blackbox" store, accessible 24/7.
- Franprix reported further growth, with net sales up 7.1% on a same-store basis in 2020, at €1,579m. Robust sales in the Paris suburbs and other French regions helped offset lower levels of consumption in the capital city, while the buoyant E-commerce and organic segments supported growth. The banner enhanced its E-commerce solutions with click & collect and home delivery services, notably through the development of its partnership with Deliveroo. In parallel, Franprix continued to roll out its autonomous stores and develop its non-food offering – primarily through its new partnership with Décathlon signed this year, and its ongoing partnership with Hema signed in 2019.
- Casino Supermarkets delivered €3,069m in sales in 2020, or same-store growth of 5.4%, led by food sales which were lifted by the roll-out of the *Cave à Bières* beer cellar, along with select produce from Italy and Portugal. Sales of organic produce enjoyed double-digit growth in the year. E-commerce saw triple-digit growth, powered by the acceleration in drive & collect and click & collect solutions, as well as the ramp-up in home deliveries. The banner signed partnerships with Deliveroo and Uber Eats in 2020, and launched Casino Plus in partnership with Ocado. It continued to develop its autonomous solutions enabling it to offer extended opening hours, with more than two out of three stores offering this service. In line with further efforts to improve services and cut waiting times at checkouts, Casino Supermarkets rolled out express checkouts along with the "scan express" solution on the Casino Max app, guaranteeing an innovative customer experience.
- Consolidated net sales for the Convenience & Other segment climbed 9.1% on a same-store basis to €2,199m, lifted by its nationwide presence, strong sales momentum (advertising and events) and extended opening hours. The deployment of click & collect services in the various networks and the signing of a new partnership with Deliveroo fuelled strong growth in E-commerce sales. The segment also ramped up the development of these fast-growing formats, opening new points of sale in the year.
- Hypermarket sales were €3,836m in 2020, a 2.3% contraction in net sales on a same-store basis versus 2019, hit by the negative impact of lockdowns and by the closure of sections selling "non-essential" goods and the curfew in the fourth quarter.

[1] Gross debt included in the scope defined in the November 2019 refinancing documentation (mainly France Retail, Cdiscount and Ségisor).

[2] Data published by the subsidiary.

E-commerce continued to enjoy good momentum thanks mainly to partnerships signed with Deliveroo and Uber Eats. The banner accelerated its "shop-in-shop" strategy in 2020, signing new partnership with specialist retailers C&A, Claire's and Hema. The digitalisation strategy picked up pace, with 22% of net sales in supermarkets and hypermarkets now generated on the Casino Max app (versus 20% in 2019). Lastly, autonomous solutions enabling the banner to offer extended opening hours were ramped up, with the solutions deployed in 44 more hypermarkets in 2020. Autonomous solutions are now available across 70% of the store base.

New businesses

GreenYellow

Growth of the photovoltaic business accelerated, with total installed capacity rising by 56% in 2020 to 335 MWp and a photovoltaic pipeline increasing by 25% to represent 565 MWp[1] as of end-2020.

Total energy savings delivered to customers have increased by 8% to €85m per year.

The number of energy contracts for B2C customers sold in partnership with Cdiscount doubled over the year.

In 2020, GreenYellow also continued to expand its geographic reach and the service offering:

- On an international scale, by consolidating its positions in its geographies and by penetrating new markets such as Vietnam (pipeline of 32 MWp at 31 December) and South Africa, a fast-growing market where GreenYellow has set up a new subsidiary.
- By enhancing the service offering:
  - with the launch of Utilities as a Service solutions (service-based business model covering heating and cooling), a new business model for GreenYellow (17 initial Éxito stores in Colombia);
  - in the area of electric mobility, an avenue for growth in which GreenYellow has invested heavily as a signatory of the "100,000 charging points" charter and has already installed 130 electric vehicle charging stations, including the first ultra-fast charging platforms in 2020;
  - through innovative solutions, such as the first floating solar farm delivered in Thailand.

Considering its current installed capacity and its projects to date, GreenYellow expects to report €90m in EBITDA in 2021 (versus €64m[2] in 2020).

Data and Data Centers

After developing its solutions for the Group banners, RelevanC now offers external customers the opportunity to accelerate the monetisation of their data:

- The first contracts were signed with retailers in early 2021 (including one with a network of over 10,000 stores and 14 million loyalty programme members).
- RelevanC offers specialised customer relationship management services, covering (i) optimised customer targeting for supplier advertising or marketing spend, and (ii) digital and in-store advertising space management.

Net sales for 2020 came to €55m[3], while EBITDA rose almost 50% in the year to total €18m.

The subsidiary, which has over 100 employees, offers:

- A platform that enables a banner and its suppliers to personalise their promotional campaigns (promotional offers, optimised contact method, etc.).
- A Retail Media platform that enables suppliers and marketplace vendors to buy advertising space on the Group sites or elsewhere, using RelevanC's expertise to target their customers.

In the Data Centers business, ScaleMax pursued its growth strategy in 2020:

- Computing capacity was increased, with a new site opened in Cdiscount's warehouse in Verpilleux as well as the Réau warehouse (cumulative computing power of over 27,000 processing cores versus 20,000 at end-2019).
- Its customer portfolio was diversified among banks (Société Générale, BNP Paribas, Natixis) and 3D animation studios (Illumination McGuff, Iconem), and in data and artificial intelligence (RelevanC, Cdiscount).

E-commerce (Cdiscount)

(€ millions)	2019 restated	2020
Net sales	3,899	4,207
EBITDA	69	129
o/w Cdiscount group	68	129
o/w Holding companies	1	0

In E-commerce, gross merchandising volume ("GMV") totalled €4.2bn in 2020, representing organic growth of 8.6%[4] led by the marketplace, which accounted for 43.6% of GMV, a rise of 5.3 points.

Cdiscount consolidated its status as the number two player in France, with over 10 million customers (up 12%) and an average

[1] MWp, Mega-Watt peak: maximum electrical power that can be supplied by a photovoltaic system under standard conditions.

[2] €64m based on GreenYellow's accounts, €57m contribution to consolidated EBITDA.

[3] Post-3W spin-off sales.

[4] Data published by the subsidiary.

of more than 20 million unique visitors per month, peaking at 26 million unique visitors in December 2020.

The international platform continued to expand, delivering a two-fold increase in GMV over the year and a 90% rise in the fourth quarter. The banner had 206 connected websites at 31 December 2020 and offered delivery in 27 European countries.

E-commerce (Cdiscount) EBITDA margin improved by 285 basis points, with EBITDA of €129m (6.4% of net sales), an increase of €60m driven primarily by the marketplace, the development of digital marketing services, and the strategic adjustment in the product mix towards higher margin and higher repeat purchase categories (home, leisure, beauty).

Latam Retail

(€ millions)	2019 restated	2020
Net sales	16,358	14,656
EBITDA	1,104	1,161
EBITDA margin (%)	*6.8%*	*7.9%*
Trading profit	628	748
Trading margin (%)	*3.8%*	*5.1%*

Latam Retail net sales were €14,656m in 2020, up 17.3% on an organic basis and 11.6% on a same-store basis excluding fuel and calendar effects.

Sales by GPA Food in Brazil rose 21.2% on an organic basis and 12.8% on a same-store basis, excluding fuel and calendar effects.

- Assaí (cash & carry) sales were up 29.3%[1] on an organic basis, buoyed by the excellent results of the 19 stores opened in the year and store expansions in previous years, as well as by a good same-store performance. Assaí now represents 55% of GPA's sales in Brazil, underlining the pertinence of its business model.
- Multivarejo continues to optimise its store portfolio with the conversion of Extra Super stores, increasing the Mercado Extra portfolio to 147 stores. Pão de Açúcar benefited from the growth of its 46 new-generation G7 stores, the acceleration in E-commerce and the customised sales initiatives in each store. The Convenience segment delivered double-digit sales growth in fourth-quarter 2020, its tenth consecutive quarterly double-digit increase.

  Extra Hypermarkets also continued with their renovation program designed to boost the appeal of the stores (more competitive pricing, enhanced customer service and a streamlined non-food offering).

GPA continued to pursue its omnichannel strategy. The food E-commerce format reported annual growth of 203%[2], led by expansion of express delivery and click & collect services. James Delivery is now up and running in 32 towns and cities.

Éxito group net sales were up by 6.2% based on organic figures and by 7.9% on a same-store basis, buoyed by the success of the Éxito Wow and Carulla Fresh Market formats. Growth in E-commerce in Colombia picked up pace, representing 166%[3].

In Latin America, trading profit totalled €748m, an increase of 19.1% (25.2% excluding tax credits and currency effects) that reflected an improvement in the margin to 5.1% (vs 3.8% in 2019). In Brazil, trading profit, excluding tax credits and currency effects, rose by 70% at Multivarejo, driven by commercial strategy and operational efficiency plans, and 28% for Assaí. At Grupo Éxito, trading profit excluding the currency effect was almost stable (down 0.3%) in the context of the pandemic.

[1] Data published by the subsidiary.
[2] Data published by the subsidiary.
[3] Data published by the subsidiary.

Casino financial highlights

Casino Group's key consolidated figures for 2020 were as follows:

(€ millions)	2019 restated	2020	Total change	Change at CER (1)
Consolidated net sales	34,645	31,912	-7.9%	+9.0% (1)
EBITDA (2)	2,640	2,742	+3.9%	+17.0% (3)
Trading profit	1,321	1,426	+7.9%	+25.2% (3)
Other operating income and expenses	(713)	(797)	-11.9%	
Net finance costs	(356)	(357)	-0.1%	
Other financial income and expenses	(450)	(392)	+12.9%	
Income tax benefit (expense)	(132)	(82)	+38.1%	
Share of profit of equity-accounted investees	46	50	+8.2%	
Net profit (loss) from continuing operations, Casino Group share	(396)	(370)	+6.4%	
Net profit (loss) from discontinued operations, Casino Group share	(1,048)	(516)	+50.8%	
Consolidated net profit (loss), Casino Group share	(1,444)	(886)	+38.6%	
Underlying net profit, Casino Group share (4)	196	268	+37.0%	+61.9%

(1) At constant exchange rates. The change in net sales is presented on an organic basis, excluding fuel and calendar effects.

(2) EBITDA = Trading profit + amortisation and depreciation expense.

(3) Based on a comparable scope of consolidation and constant exchange rates, excluding the effect of hyperinflation.

(4) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses and the impact of non-recurring financial items, income tax expense/benefits related to these adjustments and the application of IFRIC 23 rules.

Note:

- *Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation from 1 January to 30 June 2019, in accordance with IFRS 5. Similarly, Leader Price, which was sold on 30 November 2020, is presented as a discontinued operation in the 2019 and 2020 financial statements.*
- *The 2019 financial statements have been restated to permit meaningful comparisons with 2020. See note 1.3 to the consolidated financial statements.*

Consolidated net sales amounted to €31,912m in 2020, versus €34,645m in 2019, representing an overall contraction of 7.9%, organic growth of 9.0%[1] and same-store growth of 7.8%[2].

Currency and hyperinflation effects on net sales were negative at -12.6%, as were scope and fuel effects at -2.4% and -1.8%, respectively.

Other operating income and expenses amounted to a net expense of €797m in 2020 versus a net expense of €713m in 2019. In France, other operating income and expenses represented a net expense of €694m (versus a net expense of €630m in 2019), including €233m in exceptional cash costs (€316m in 2019), with a reduction of nearly €90m (or 40%) in the second half. Exceptional non-cash costs were €461m (versus €314m in 2019), mainly related to asset impairments.

Consolidated trading profit came to €1,426m in 2020 (€1,287m excluding tax credits), an increase of 7.9% versus €1,321m in 2019 and of 25.2% at constant exchange rates (or 14.8% excluding tax credits).

Net financial expense totalled €748m in 2020 (€806m in 2019), reflecting:

- Net finance costs of €357m versus €356m in 2019;
- Other net financial expenses of €392m, compared with other net financial expenses of €450m in 2019.

Underlying net financial expense for the period came to €681m (€361m excluding interest expense on lease liabilities) versus €772m in 2019 (€448m excluding interest expense on lease liabilities). In France, net financial expense excluding interest on lease liabilities was affected by an increase in finance costs following the November 2019 refinancing transaction. E-commerce net financial expense was virtually stable compared with 2019. In Latin America, financial expense was down.

Income tax was €82m versus €132m in 2019.

Net loss from continuing operations, Group share came to €370m, compared with €396m in 2019, mainly due to asset impairments and non-recurring accounting costs in the context of the Group's transformation and the disposal plan.

Net loss from discontinued operations, Group share represented €516m versus €1,048m in 2019.

Consolidated net loss Casino Group share, amounted to €886m, versus €1,444m in 2019.

Underlying net profit[3] from continuing operations, Group share totalled €268m, compared with €196m in 2019, an increase of 37% that was attributable to solid growth in trading profit and a reduction in finance costs.

[1] Excluding fuel and calendar effects.

[2] Excluding fuel and calendar effects.

[3] See section on alternative performance indicators on page 22.

Financial position

Casino Group consolidated gross debt at 31 December 2020 amounted to €7.4bn (€9.2bn at end-2019), including €4.8bn in France on the covenant scope[1] (versus €6.1bn at end-2019).

Consolidated net debt after IFRS 5 stood at €3.9bn at 31 December 2020 versus €4.1bn at 31 December 2019. In Latin America, the €0.7bn debt reduction was attributable to cash flow generation and the currency effect. In France, net debt was mainly affected by the settlement of GPA TRS (settled in H1 2020 for €248m), as disposals were offset by a reduction in assets in IFRS 5. Excluding the effect of IFRS 5, and including the impact of unwinding the GPA TRS[2], net debt was €566m lower.

At 31 December 2020, the Group's liquidity in France (including Cdiscount) was €3.15bn, with €819m in cash and cash equivalents and €2.3bn in undrawn lines of credit, available at any time. The Group also has €487m in a segregated account for gross debt redemptions.

Other assets

Groupe GO Sport

As part of the ongoing disposal process, Groupe GO Sport is classified under IFRS 5 and is no longer recorded in the Group's consolidated net sales.

Investment portfolio

Rallye's investment portfolio was valued at €30m at 31 December 2020 (versus €37m at 31 December 2019).

At the end of 2020, the portfolio comprised financial investments with a market value of €26m (versus €33m at end-2019) and property programmes measured at historical cost for €4m (stable versus end-2019).

[1] Scope defined in the refinancing documentation dated November 2019 (France, E-commerce, Ségisor).

[2] The GPA TRS is not included within debt. The instrument was unwound in 2020 for simplification purposes.

Comments on the financial statements

Consolidated financial statements

Main changes in the scope of consolidation

- Completion of the disposal of Vindémia on 30 June 2020
- Completion of the disposal of Leader Price on 30 November 2020
- Sale of all Mercialys TRS shares

Currency effects

Currency effects were unfavourable in 2020, with the Brazilian real losing an average 25.1% against the euro compared with 2019.

Results

Rallye reported consolidated net sales of €31.9bn in 2020 versus €34.7bn in 2019. A more detailed review of changes in net sales can be found in the business review for each operating subsidiary.

Recurring operating income totalled €1,409m versus €1,305m in 2019. A more detailed review of changes in recurring operating income can be found for each operating subsidiary in the business review.

Other operating income and expenses amounted to -€798m, versus-€743m in 2019.

The cost of net debt totalled €151m versus €476m in 2019. Other financial income and expenses amounted to a net expense of €394m, versus a net expense of €477m in 2019.

Earnings before tax were €66m versus a loss of €391m in 2019.

The share of net income of equity-accounted investees was €44m versus €54m in 2019.

The net loss from continuing operations, Rallye Group share, amounted to €40m versus €420m in 2019.

The underlying net loss[1], Rallye Group share, stood at €40m in 2020 versus €70m in 2019.

Financial structure

Consolidated Group

Equity

Consolidated equity, Group share, stood at a negative €837m at 31 December 2020 versus a negative €218m at 31 December 2019. This decrease chiefly reflects:

- income and expenses directly recognised in equity, Group share, in a negative amount of €307m;
- the net loss of €303m;
- change in percentage interests resulting in the gain/loss of control of subsidiaries, representing a negative €20m.

Interest coverage ratio and leverage

At 31 December 2020, the ratio of consolidated EBITDA (recurring operating income adjusted for recurring operating depreciation and amortisation expense) to the cost of net debt was 18.0x.

The Rallye Group's net debt was €6,751m at 31 December 2020 compared to €7,057m at 31 December 2019, broken down between the following entities:

- Casino Group: net debt of €3,914m at 31 December 2020 versus €4,055m at end-2019.
- Rallye holding company scope: net debt of €2,839m at 31 December 2020 versus €3,000m at end-2019.

The gearing ratio (consolidated net debt to equity) was 157% in 2020 compared with 113% in 2019, and can be analysed as follows:

(€ millions)	2019 restated	2020
Net debt	7,057	6,751
Total equity	6,251	4,290
Gearing ratio	113%	157%

[1] Underlying net income (loss) corresponds to net income (loss) from continuing operations adjusted for the impact of other operating income and expenses, non-recurring financial items, and non-recurring tax expense/benefit.

Rallye holding company scope

The Rallye holding company scope is defined as Rallye and its wholly-owned subsidiaries that act as holding companies and own Casino shares, Groupe GO Sport shares and the investment portfolio.

Borrowings and debt

The following table reconciles gross debt with net debt for the Rallye holding company scope:

(€ millions)	31 Dec. 2020	31 Dec. 2019
Claims secured by pledges over Casino shares	1,194	1,165
Unsecured claims	1,658	1,600
Claims secured by pledges over shares of Rallye subsidiaries (other than Casino)	134	207
Total – claims under the Safeguard Plan	**2,986**	**2,972**
Refinancing of derivatives transactions	222	223
Total – gross debt	**3,208**	**3,195**
Cash and other financial assets	(34)	(193)
Total – net debt before IFRS restatements	**3,173**	**3,002**
IFRS restatements (including the impact of the approval of the Safeguard Plan)	(334)	(2)
Total – net debt	**2,839**	**3,000**

Gross debt for the Rallye holding company scope stood at €3,208m at 31 December 2020, up €13m year on year, mainly as a result of:

- Finance costs (non-IFRS) of €126m recorded in 2020, which will be paid in accordance with the repayment undertakings approved by the Paris Commercial Court on 28 February 2020 and their contractual documentation.
- Debt repayments for €115m following the netting of cash collateral by financial institutions that benefit from such form of security.

Before IFRS restatements, net debt of the Rallye holding company scope stood at €3,173m at 31 December 2020, compared with €3,002m at 31 December 2019.

The change in net debt of the Rallye holding company scope in 2020 breaks down as follows:

(€ millions)	31 Dec. 2020	31 Dec. 2019
Net debt at beginning of period	**3,000**	**2,899**
Finance costs (non-IFRS)	127	95
Holding costs	38	22
Dividends received from Casino	-	(88)
Dividends paid by Rallye	-	53
Other	6	(10)
Change in IFRS restatements (including the impact of the approval of the Safeguard Plan)	(333)	31
Net debt at end of period	**2,839**	**3,000**

After taking into account the change in IFRS restatements for a negative €333m, net debt for the Rallye holding company scope amounted to €2,839m at 31 December 2020.

Rallye and its subsidiaries Cobivia, HMB and Alpétrol, along with Rallye's parent companies Foncière Euris, Finatis, and Euris, requested and obtained the initiation of safeguard proceedings for an initial six-month period that may be renewed, further to the Court decisions of 23 May 2019 and 17 June 2019.

In its decisions dated 28 February 2020, the Paris Commercial Court approved Rallye's safeguard plan and the repayment undertakings, based on the following principles:

- for claims secured by pledges over Casino shares, repayment of at least 85% of the claim under annuity 3 of the plan and the balance under annuity 4;
- for claims not secured by pledges over Casino shares, repayment over a ten-year period starting on the plan approval date, in accordance with the following schedule:
  - Annuity 1: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;

- Annuity 2: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
- Annuities 3 to 9: 5%[1];
- Annuity 10: 65% (less the amounts paid under annuities 1 and 2).

Rallye has analysed the accounting treatment for the modifications resulting from the liability repayment plan and the other modifications made to financial liabilities and, more particularly, the existence of a substantial modification within the meaning of IFRS 9 – Financial Instruments.

Given the specific characteristics of the safeguard proceedings, the application of IFRS 9 led to the restatement of financial liabilities in an amount of €334m at 31 December 2020, recognised as a reduction of consolidated debt.

This restatement breaks down as follows:

- for liabilities whose terms have not been substantially modified, a gain of €28m was recorded in financial income with a corresponding reduction in financial liabilities. This reduction corresponds to the difference between the net carrying amount at the Safeguard Plan approval date and the sum of all cash flows under the Safeguard Plan, discounted at the original effective interest rate, as provided for in IFRS 9;
- for liabilities whose terms have been substantially modified (quantitatively and/or qualitatively), these modifications were treated as an extinguishment of the original financial liability and the recognition at fair value of a new financial liability, in accordance with IFRS 9. The fair value of the new financial liabilities was determined based on quoted prices for said liabilities on the secondary market or, if necessary, by reference to quoted prices for similar liabilities when no secondary market prices were available at the safeguard plan approval date. Depending on the financial liabilities, the fair values recorded represented 26% to 27% of the par value. The extinguishment of financial liabilities generated a €306m increase in net financial income, and a corresponding decrease in financial liabilities.

This amount will be amortised on an actuarial basis (based on the applicable effective interest rate) and gradually recovered via an increase in the cost of net debt in accordance with the repayment terms defined in the Safeguard Plan (see note 2.1 to the consolidated financial statements).

The accounting treatment of the operation, with the reduction in financial liabilities and a higher interest expense in subsequent periods reflects the application of IFRS 9 and does not affect the terms of the Safeguard Plan or the overall liability to be repaid under the repayment plan.

Simplification of the Rallye holding company scope

In order to simplify Rallye's stake in Casino and Groupe GO Sport, the companies HMB, Cobivia, Alpétrol (as provided for in their respective safeguard plans), and MFD were absorbed by Rallye. As a result of this operation, as of 30 June 2020, all Casino shares owned by the Rallye holding company scope are held directly by Rallye.

Details of pledges granted to creditors of entities within the holding company scope

At 31 December 2020, all guarantees granted to banks in the form of cash collateral have been netted and the level of other security interests granted to financial institutions is unchanged from that admitted to the Safeguard Plan:

- 53.5m Casino shares out of a total of 56.7m shares held by Rallye;
- A portion of the shares in Groupe GO Sport (70%) and in Parande – a wholly-owned Rallye subsidiary carrying the financial investment portfolio on its books – and the Rallye current account held with Parande as part of the assignment of receivables as security under the French Dailly mechanism.

[1] In accordance with Article L. 626-18, paragraph 5 of the French Commercial Code (*Code de commerce*), for each claim whose principal amount is to be fully repaid on the date of the first annuity under the repayment schedule, repayment will begin on the annuity date set by the repayment schedule that immediately follows the contractual maturity date, as stipulated in the agreement initially signed between the parties prior to the initiation of Rallye's safeguard proceedings. At that date, the principal amount and any related expenses will be paid in an amount equivalent to that which would have been received by the creditor concerned if said creditor had been included in the repayment schedule since the decision approving the Safeguard Plan. The principal amount and any related expenses repaid under subsequent annuities will be determined according to the liability repayment schedule.

Appendix 1: Alternative performance indicators

The definition of key non-GAAP indicators are available on Rallye's website (http://www.rallye.fr/en/investors/bonds), particularly underlying net income (see below).

Underlying net income corresponds to net income from continuing operations, adjusted for the impact of (i) other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) non-recurring financial items, as well as (iii) income tax expense/benefits related to these adjustments and (iv) the application of IFRIC 23.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares), the effects of discounting Brazilian tax liabilities and the impact of applying IFRS 9 further to court approval of Rallye's Safeguard Plan.

(€ millions)	2020	Restated	2020 underlying	2019	Restated	2019 underlying restated
Recurring operating income	1,409	-	1,409	1,305	-	1,305
Other operating income and expenses	(798)	798	-	(743)	743	-
Operating income	611	798	1,409	562	743	1,305
Cost of net debt [1]	(151)	(335)	(486)	(476)	-	(476)
Other financial income and expenses [2]	(394)	67	(327)	(477)	42	(435)
Income tax expense [3]	(82)	(180)	(262)	(132)	(114)	(246)
Share of net income of equity-accounted investees	44	-	44	54	-	54
Net income (loss) from continuing operations	28	350	378	(469)	671	202
Attributable to non-controlling interests [4]	68	350	418	(49)	321	272
Attributable to owners of the parent	**(40)**	**0**	**(40)**	**(420)**	**350**	**(70)**

(1) Cost of net debt has been restated, primarily for the impacts of applying IFRS 9 – Financial Instruments further to court approval of Rallye's Safeguard Plan.

(2) Other financial income and expenses have been restated, primarily for the impact of discounting tax liabilities, as well as for changes in the fair value of the total return swaps on GPA shares and the GPA forward.

(3) Income tax expense has been restated for the tax impact of the restated items listed above.

(4) Non-controlling interests have been restated for the amounts relating to the restated items listed above.

Rallye parent company financial statements

Results

Rallye reported an operating loss of €22.0m compared to a loss of €78.9m in 2019.

Rallye had a headcount of 19 at 31 December 2020.

Rallye reported an operating loss of €76.6m , compared to a loss of €103.7m in 2019.

In 2020, net financial income (expense) primarily includes the following:

Income

- reversals of financial provisions for €8.6m;
- gain on the dissolution of Alpétrol into HMB for €72.6m and income on interest rate hedging instruments for €0.3m;
- positive foreign exchange differences for €2.7m.

Expenses

- interest on debt for €122.6m;
- financial expenses for €10.8m, relating to the loss on the MFD merger;
- other financial expenses for €7.7m.

Rallye recorded a net non-recurring expense of €0.1m in 2020, versus an expense of €7.7m in 2019.

The net loss for the year came out at €98.7m in 2020, versus €190.3m in 2019.

Financial structure

At end-December 2020, equity totalled €1,428.9m versus €1,527.6m at 31 December 2019, after taking into account the above-mentioned loss for the year.

Supplier and customer payment terms

The Group's supplier and customer payment terms comply with Article L. 441-6-1 of the French Commercial Code.

Unless otherwise stated in the terms of sale or in the event of disputes, the sums owed to suppliers or receivable from customers are paid within 30 days of receipt or transmission of the invoice.

(€ thousands)	Invoices received and due but not yet settled at the year-end						Invoices issued and due but not yet settled at the year-end					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91+ days	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91+ days	Total (1 day or more)
(A) Overdue invoices by period												
Number of invoices concerned	37					5						2
Total value excluding taxes of the invoices concerned	793	1	-	10	-	11	-	-	-	104	-	104
% of total value of invoices received/issued (excluding taxes) for the year	2.55%	0.0%	0.0%	0.03%	0.0%	0.03%						
% of net sales (excluding taxes) for the year							0.0%	0.0%	0.0%	4.73%	0.0%	4.73%
(B) Invoices excluded from (A) because they are disputed or not recognised in the financial statements												
Number of invoices excluded	None.						None.					
Total value of the invoices excluded (excluding taxes)	None.						None.					
(C) Benchmark payment terms used - Articles L. 441-6 or L. 443-1 of the French Commercial Code												
Benchmark payment terms used to determine overdue invoices	Variable contractual terms						Contractual terms: 20 to 60 days from invoice date					

Allocation of the net loss

Rallye's income statement for the year ended 31 December 2020 shows a net loss of €98,690,018.19, and the Board of Directors proposes that it be allocated to "Retained earnings", which will subsequently have a debit balance of €251,587,431.00.

On 18 March 2021, the Board of Directors decided not to propose to the Shareholders' Meeting of 18 May 2021 the payment of a dividend for the 2020 financial year.

A table presenting net income for the past year and the four preceding years is presented on page 253 of this Universal Registration Document.

Dividend policy

The maximum dividend payouts for the last five years are as follows:

	31 Dec. 2016	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Net dividend (€/share)	1.40	1.00	1.00	-	--
Number of shares	48,831,113	52,064,824	53,738,266	52,181,769	52,373,235
Maximum payout (€)	68,363,558	52,064,824	53,738,266	-	-

Rallye's dividend policy takes account of its financial position and its projected financial needs. No guarantees can be made as to the amount of dividends that will be paid out in respect of a given year and the level paid will be related to the implementation of the Company's Safeguard Plan.

Dividends not claimed within five years from the payment date are time-barred and revert to the French public treasury in accordance with Articles L. 1126-1 and L. 1126-2 of the French General Code on the Property of Public Entities (*Code général de la propriété des personnes publiques*).

Incentive and profit-sharing contracts

Most of Rallye's subsidiaries have put in place incentive and profit-sharing contracts pursuant to the regulations in force. Rallye itself does not have such a scheme in view of its limited headcount.

Stock market information

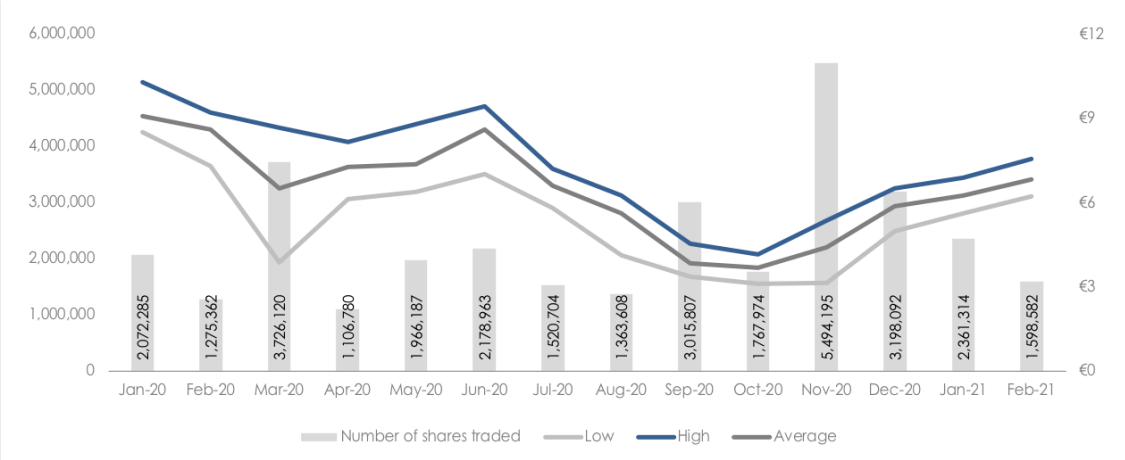
The Rallye share is listed for trading on Euronext Paris (compartment B).

ISIN code: FR0000060618.

High (2 January 2020)	€10.30
Low (30 October 2020)	€3.11
Share price at 31 December 2020	€5.78
Trading volume in 2020 (in shares)	28,686,076
Trading volume in 2020 (in value)	€173m

At 31 December 2020, Rallye had a stock market capitalisation of €303m.

Rallye share – monthly share price trends in 2020 and early 2021[1]



Securities listed on Euronext Paris (Compartment B)

- Rallye share (ISIN code: FR0000060618) [2].

Securities listed on the Luxembourg Stock Exchange

- Rallye 4% bonds maturing April 2021 (ISIN code: FR0011801596), issued 2 April 2014 [2].
- Rallye 4.371% bonds maturing January 2023 (ISIN code: FR0013257557), issued 23 May 2017 [2].

Securities listed on the Swiss Stock Exchange

- Rallye 4% bonds maturing November 2020 (ISIN code: CH0341440326), issued 23 November 2016 [3].
- Rallye 3.25% bonds maturing February 2024 (ISIN code: CH0398013778), issued 8 February 2018 [3].

Securities listed on the Frankfurt Stock Exchange

- Rallye 1% bonds maturing October 2020 exchangeable for Casino, Guichard-Perrachon shares (ISIN code: FR0011567908), issued 2 October 2013 [2].
- Rallye 5.25% bonds maturing February 2022, non-dilutive, redeemable in cash only and exchangeable for Casino, Guichard-Perrachon shares (ISIN code: FR0013215415), issued 26 October 2016[2].

[1] Source: NYSE – Euronext.

[2] Institution providing securities administration services: BNP Paribas Securities Services.

[3] Institution providing securities administration services: UBS Business Solutions AG.

Recent trends and outlook
(unaudited data)

Recent events

Casino

Casino banners create their new "Casino.fr" low-cost E-commerce network

In keeping with the fast-paced development of E-commerce services in 2020, Casino banners have reached a new milestone in their roll-out of E-commerce solutions in France, setting up a low-cost website with almost 300 pick-up points in France (excluding the Île-de-France region and Corsica) and up to 18,000 listed food products as well as a comprehensive range of associated services.

This new phase will place Casino.fr as the first food E-commerce retailer in France to offer an extensive range of product and services across the country (excluding the Ile-de-France region) at the lowest prices on the market. Casino.fr will facilitate the day-to-day lives of French consumers, who are increasingly going online to complete their everyday purchases.

Cdiscount launches a new strategic activity for businesses to accelerate European E-commerce

Leveraging its expertise as a leader in E-commerce, on 18 January 2021 Cdiscount announced a new phase in its development with the launch of a B2B activity: a complete turnkey marketplace solution (technology, products, logistics) that enables both physical and pure-player retailers to develop their E-commerce activity.

This major initiative strengthens Cdiscount's profitability and international growth strategy. It is unique on the market due to its comprehensive nature, is designed for all retail players and offers solutions adapted to their activity, growth ambitions and digital maturity to enable them to scale up. This solution is intended to be deployed on a priority basis in Europe, Africa and the Middle East, representing an E-commerce market of more than €600bn.

Casino Group announces approval for the listing of Assaí

On 19 February 2021, Casino's Brazilian subsidiary Companhia Brasileira de Distribuição (GPA) announced that it had received (i) on 10 February 2021, approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange.

These listings take place in the context of previously announced transactions to reorganise and spin off certain GPA assets. The trading of Assaí shares and ADSs began on 1 March 2021.

Casino Group now holds 41% of GPA and an identical stake in Assaí.

Success of the Casino Group refinancing transaction for an amount of €1.525bn

On 31 March 2021, Casino Group announced the success of its debt refinancing transaction including:

- A new Term Loan B facility of €1bn, with maturity August 2025 and interest rate Euribor +4.0%[1], with the same securities as the existing Term Loan B facility;
- A new senior unsecured bond of €525m, with maturity April 2027 and coupon of 5.25%.

These financings total €1.525bn, above the initial target of €1.225bn in view of the strong investor interest. The funds raised will be used to reimburse the existing Term Loan B facility of €1.225bn with maturity January 2024, and interest rate Euribor +5.5%. The €300m excess cash will be used for future refinancing of debt. The average debt maturity[2] is therefore extended from 3.1 to 3.7 years.

[1] With a floor at zero.

[2] Bonds and Term Loan B.

Casino Group actively studies potential market operations for its Cdiscount and GreenYellow subsidiaries

On 12 April 2021, the Casino Group Board of Directors reviewed strategic options for its Cdiscount and GreenYellow subsidiaries.

The Board noted the excellent operational performances of both subsidiaries, their recognised strong growth potential in their respective markets and the current favourable environment on equity market. It also confirmed the strategic role of the subsidiaries in its profitable growth plan.

As a result, Casino Group announced that it has launched preparatory work for potential additional capital increases for GreenYellow and Cdiscount to enable them to accelerate their growth plans. These operations, which could be done through the market, could also include a secondary placement of shares held by the Group, while ensuring that Casino Group continues to maintain control of both strategic subsidiaries.

Casino Group will keep the market informed of the progress of these projects, which will be conducted in consultation with the other shareholders of both subsidiaries[1].

Partnership

On 15 April 2021, Casino Group and its partners Auchan Retail, Dia, Metro and Schiever announced that they will not renew their cooperation in 2022 put in place through the Horizon France and Horizon International services structures.

On 15 April 2021, Casino Group and Intermarché announced a partnership in purchasing for leading brand products, and in digital. In the next few days, Intermarché and Casino Group will submit these agreements to the French competition authority with a view to having them effective for 2022 negotiations.

Rallye

On 22 January 2021, Rallye launched a global tender offer for its unsecured debt (including bonds and commercial paper) as part of a modified Dutch auction process (the "Tender Offer").

Tender Offer

The purpose of the Tender Offer is to (i) provide holders of unsecured debt with the opportunity of having all or part of their claims repurchased at a price determined as part of a modified Dutch auction and (ii) improve Rallye's debt profile, in the context of the implementation of its Safeguard Plan approved on 28 February 2020 by the Paris Commercial Court.

The Tender Offer, for a maximum amount of €75m, began on 22 January 2021 and expired on 5 February 2021, at 5:00 p.m. (Paris time). Rallye will keep the market informed of the results of the Tender Offer, its follow-up as well as the impact on Rallye's liabilities repayment profile.

Completion of the Tender Offer is, in particular, subject to (i) the approval by the Paris Commercial Court of the amendment to Rallye's Safeguard Plan, in order to authorise the effective completion of the Tender Offer and the implementation of the new financing described below (including related security interests) and (ii) the availability of the proceeds of this new financing. Rallye will seek this approval immediately after announcing the results of the Tender Offer, subject to the results.

Tender Offer financing

The Tender Offer will be financed by a new financing repayable *in fine*, consisting of a bond issue and a bank loan for a total of €82.4m (including the financing of the arrangement fee due to the lenders), for which Rallye has already obtained firm commitments from Marc Ladreit de Lacharrière and some banks.

This new financing will bear, at Rallye's discretion for each interest period, (i) cash interest at the Euribor rate (floored at zero) for the corresponding 12-month interest period plus an 8% margin, or (ii) interest capitalised annually at the Euribor rate (floored at zero) for the corresponding 12-month interest period plus a 12% margin. An arrangement fee of 3% of the amount drawn under the new financing will be due by Rallye to the lenders. A non-use fee equal to 35% of the margin retained for capitalised interest, i.e., 4.2% per annum, will also be applicable on the unused portion of the new financing throughout the availability period, it being specified that in the absence of any drawdowns by 15 May 2021 and the subsequent cancellation of the lenders' commitments under the new financing, the amount due under the non-use fee will be €400,000.

This new financing will have a 4-year maturity from the signing of the agreements related to said financing, it being specified that drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest.

[1] Cdiscount is a subsidiary wholly owned by Cnova, which is 65% owned by Casino, Guichard-Perrachon and 34% owned by GPA. GreenYellow is a subsidiary 73% owned by Casino, Guichard-Perrachon and 24% owned by Tikehau and Bpifrance.

Rallye may also decide to make early repayments in amounts of at least €10m, subject to payment of break-up fees and an early repayment fee of at least 27% of the principal repaid under the new financing (taking into account, in proportion to the principal repaid (accrued or capitalised under the new financing) since the signing of the agreements relating to said financing, and any other amounts paid to the lenders under the arrangement fee or non-use fee since the signing of the new financing agreements).

As a guarantee for this new financing, 3.3m Casino shares held by Rallye, and currently free of any encumbrance, will be transferred by Rallye into a fiduciary trust to the benefit of the lenders under the new financing. In addition, upon repayment of the financing granted to Rallye by Fimalac (see Rallye press release dated 17 July 2020), the 9.5m share placed in a fiduciary trust to the benefit of Fimalac will be transferred into a fiduciary trust to the benefit of the lenders under the new financing.

In this context, dividends or other profits and proceeds will remain in a fiduciary trust, and will be used as mandatory early repayment, with the exception of, in particular (except in case of a mandatory early repayment event):

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of €5m (which may be increased to a total amount of €6.6m if, on 30 June 2022, the cash position of Rallye makes it necessary) may be paid to Rallye;
- in 2023: the potential dividends will be paid to Rallye, subject to (i) the payment by the fiduciary trustee to the new financing providers of an amount of €10m drawn from these dividends in order to be used for the mandatory early repayment of the new financing, (ii) a maximum of 44m Casino shares currently pledged to the benefit of Rallye's secured creditors being transferred to the securities account that will have been pledged in first rank to the benefit of the lenders under the new financing and (iii) that 9.5m Casino shares be placed in a fiduciary trust to the benefit of the lenders under the new financing, if the financing granted to Rallye by Fimalac has been repaid; and
- in 2024; the potential dividends will be kept by Rallye provided that (i) a maximum of 44m Casino shares have effectively been recorded in the securities account pledged to the benefit of the lenders under this new financing in 2023 and that (ii) the value of the securities included in the fiduciary trust assets (based on the closing price of the 30 trading days prior to the ex-dividend date, as reduced by the amount of the distribution) is at least equal to 120% of the outstanding amount of this new financing on such date. If this 120% coverage is not achieved, payment of such dividends to Rallye will only be authorised if all of the 44m Casino shares are registered in the securities account pledged to the lenders under this new financing on the payment date of such dividends.

The main mandatory early repayment events are the following:

- rescission of Rallye's safeguard plan;
- loss of control by Jean-Charles Naouri and his family over Rallye as defined by Article L. 233-3 of the French Commercial Code;
- Jean-Charles Naouri and his family holding directly or indirectly less than 40% of Rallye's share capital or voting rights;
- loss of control by Rallye over Casino, Guichard-Perrachon as defined by Article L. 233-3 of the French Commercial Code;
- Rallye holding less than 40% of Casino, Guichard-Perrachon's share capital or voting rights; and
- delisting of Casino, Guichard-Perrachon shares.

Determination of the purchase price of the global tender offer launched by Rallye on its unsecured debt and extension of the tender offer expiration deadline

On 5 February 2021, Rallye decided to (i) extend the expiration deadline of the global tender offer on its unsecured debt launched on 22 January 2021 (the "Tender Offer"), initially set for 5 February 2021 at 5:00 p.m. (Paris time), and (ii) set the purchase price under the Tender Offer at 20% of the amount of the claim.

The new expiration deadline of the Tender Offer has been set for 10 February 2021, at 5:00 p.m. (Paris time). Rallye will announce the results of the Tender Offer after this new expiration deadline.

Results of the global tender offer launched by Rallye on its unsecured debt

Subject to the fulfilment of the conditions precedent set out below, Rallye will acquire a total amount of unsecured debt of approximately €195.4m for a total repurchase price of approximately €39.1m, reducing the total amount of its unsecured debt by approximately €156.3m.

Completion of the Tender Offer is notably subject to (i) the approval by the Paris Commercial Court of the amendment to Rallye's safeguard plan in order to authorise the effective completion of the Tender Offer and the implementation of the new financing for the Tender Offer, and (ii) the availability of the proceeds of the new financing.

On 12 February 2021, Rallye filed a request with the Paris Commercial Court to amend its Safeguard Plan.

Rallye announces its entry into exclusive negotiations with Financière Immobilière Bordelaise for the sale of Groupe Go Sport

On 10 March 2021, Rallye announced it had entered into exclusive negotiations with Financière Immobilière Bordelaise for the sale of the entire share capital of Groupe Go Sport for a price of €1 without any representation and warranties given by Rallye.

Completion of the sale is notably subject to the consultation of Groupe GO Sport employee representative bodies (*instances représentatives du personnel*), the approval of the transaction by the relevant antitrust authorities, the waiver by the Paris Commercial Court of the non-transferability of Groupe GO Sport shares, and the agreement of Groupe GO Sport banks to maintain and amend their current outstanding loans.

Completion of the sale may occur before the end of the first half of 2021.

Outlook

Casino

Casino Group's priorities in France for 2021 are:

- Sharply improved profitability, continuing the trend established in the second half of 2020;
- Having completed its refocusing on buoyant formats, Casino Group is now giving priority to growth:
  - expansion in the urban, semi-urban and rural convenience formats (100 stores to be opened in the first quarter and 200 in the second),
  - development of E-commerce based on structurally profitable models (O'logistique automated warehouse, partnership with Amazon, click & collect and home delivery service offered by urban formats);
- Ongoing development of Cdiscount, GreenYellow and RelevanC;
- Ongoing growth in cash flow from continuing operations and free cash flow[1]:
  - continued EBITDA growth,
  - continued reduction in non-recurring costs,
  - expansion on convenience and food E-commerce formats, which require low Capex;
- Ongoing deleveraging:
  - in view of the successful development of its broad portfolio of activities in France, Casino Group has greater flexibility in implementing its disposal plan for which the €4.5bn objective is confirmed,
  - in light of the priority given to the deleveraging plan, the Board of Directors will recommend to the 2021 Shareholders' Meeting not to pay a dividend in 2021 in respect of 2020.

Rallye

To the best of the Company's knowledge, at the time the financial statements were approved, there was no information that was likely to call into question the settlement of debts provided for under the Safeguard Plan.

[1] France scope excluding GreenYellow for which development and transition to a company-owned asset model is ensured by its own resources.

Share capital and share ownership

Share capital

Rallye's share capital at 31 December 2020 totalled €157,119,705, divided into 52,373,235 shares with a par value of €3 each. At the same date in 2019, the Group's share capital was €156,545,307, divided into 52,181,769 shares with a par value of €3 each.

The change reflects the creation of 191,466 new shares under a free share plan.

Shareholding structure

At 31 December 2020, Foncière Euris held 58.16% of the share capital and 71.98% of the voting rights.

The following notifiable interests were disclosed in 2020:

Shareholder	Date threshold crossed	% change in interest disclosed	Number of shares concerned	Number of voting rights concerned	% of capital	% of voting rights
Crédit Agricole SA[1]	6 Jan. 2020	7% decrease in share capital and 4% decrease in voting rights	3,161,974	3,161,974	6.06%	3.89%
Crédit Agricole SA[1]	11 Feb. 2020	7% increase in share capital and 4% decrease in voting rights	3,781,974	3,781,974	7.25%	4.65%
Crédit Agricole SA[1]	16 Mar. 2020	7% decrease in share capital	3,596,203	3,596,203	6.89%	4.42%
Crédit Agricole SA[1]	31 Mar. 2020	7% increase in share capital	3,741,832	3,741,832	7.17%	4.60%
Crédit Agricole SA[1]	10 July 2020	7% decrease in share capital	3,660,176	3,660,176	6.99%	4.50%
Dimensional Fund	4 Sep. 2020	1% decrease in voting rights	810,295	810,295	1.55%	0.97%

(1) The disclosures made by Crédit Agricole relate to technical changes in its shareholding resulting from specific transactions by Foncière Euris on CACIB derivatives.

To the Company's knowledge, no other shareholder held more than 5% of the capital or voting rights at 31 December 2020.

Share buyback programme

Transactions completed in 2020

No transactions were completed in 2020.

Share buyback programme submitted to the Shareholders' Meeting for approval

On 18 May 2021, the Shareholders' Meeting will be asked to renew the authorisation granted to the Board of Directors to buy back shares of the Company pursuant to Article L. 22-10-62 of the French Commercial Code, in order to:

- ensure the liquidity of and make a market for the Company's shares through an investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement that complies with a Code of Conduct recognised by the AMF;
- implement any shareholding or savings plan in accordance with Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), or any award of free shares made under Articles L. 22-10-59 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- deliver shares in connection with the exercise of rights attached to securities redeemable, convertible or exchangeable for shares or exercisable for shares upon presentation of a warrant or a debt security convertible or exchangeable for shares, or otherwise;

- cancel all or some of the shares in order to optimise earnings per share through a share capital reduction under the conditions provided for by law;
- hold shares for later use as payment or consideration in the context of or following any external growth transactions;
- implement any future market practice authorised by the AMF and, generally, carry out any transaction that complies with the applicable regulations.

The maximum purchase price is set at €30 per share.

This authorisation may be used to raise the number of shares held in treasury to no more than 10% of the total number of shares comprising the Company's share capital, i.e.,5,237,323 shares based on the share capital at 18 March 2021, corresponding to a theoretical maximum investment of €157,119,690 calculated based on the maximum purchase price of €30 stipulated in the 19th resolution to be submitted to the vote at the Shareholders' Meeting of 18 May 2021.

These shares may be acquired, sold, transferred or exchanged by any method and, in particular, on regulated markets or over the counter, including via block trades. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies under the conditions authorised by the relevant financial markets' regulator, provided said methods do not cause a significant increase in the price volatility of the shares. Furthermore, the shares may also be placed on loan, pursuant to the provisions of Articles L. 211-22 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

The maximum number of shares that may be bought back under this authorisation may not exceed the abovementioned 10% limit.

This authorisation to buy back shares is given for a period that will expire at the Shareholders' Meeting called to approve the 2021 financial statements and management report, and no later than 18 November 2022.

In the event of a public tender offer for the shares or securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, notably in the context of free share awards or strategic transactions initiated and announced prior to the launch of said public tender offer.

Authorised and unissued capital

To allow the Company to raise money on the financial markets, if necessary, in order to pursue its development and strengthen its financial position, the Shareholders' Meeting of 15 May 2019 granted certain powers to the Board of Directors.

The Shareholders' Meeting of 26 June 2020 delegated authority to the Board of Directors to award free shares.

All the authorisations and delegations of authority given to the Board of Directors that could result in the issuance of securities carrying rights to shares are as follows:

Type of issue	Extraordinary Shareholders' Meeting	Period of validity	Expiry date	Maximum nominal amounts [1]
Delegation of authority to increase the share capital by capitalising reserves, profits, premiums or other sums eligible for capitalisation	15 May 2019	26 months	15 July 2021	€66m
Delegation of authority to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest, with pre-emptive subscription rights for existing shareholders[2]	15 May 2019	26 months	15 July 2021	€66m[3] €1bn [4][5]
Delegation of authority to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest, without pre-emptive subscription rights for existing shareholders[2]	15 May 2019	26 months	15 July 2021	€15m [3] €1bn [4][5]
Delegation of authority to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which the Company directly or indirectly holds an equity interest, without pre-emptive subscription rights for existing shareholders, via a private placement defined in Article L. 411-2-II of the French Monetary and Financial Code	15 May 2019	26 months	15 July 2021	€15m [3] €1bn [4][5]
Delegation of authority to issue securities carrying rights to shares in the event of a public tender offer initiated by Rallye for the securities of another publicly traded company, without pre-emptive subscription rights	15 May 2019	26 months	15 July 2021	€15m [3] €1bn [4][5]
Delegation of powers to issue shares or securities carrying rights to shares in order to compensate contributions in kind granted to the Company and composed of shares or securities carrying rights to shares	15 May 2019	26 months	15 July 2021	10% of the capital
New or existing free shares awarded to employees of the Company, or to certain categories of employees or of economic interest groups related to the Company under the conditions stipulated in Article L. 225-197-2 of the French Commercial Code	26 June 2020	38 months	26 August 2023	1% of the total number of outstanding shares at the time of the award
Capital increase for employees who are members of a company savings plan (PEE) of the Company or of its related companies	15 May 2019	26 months	15 July 2021	1% of the total number of outstanding shares at the time of the issue

(1) Amounts authorised equal to residual amounts to the extent the authorisation is not used.

(2) The Board of Directors may increase the number of securities to be issued up to a maximum of 15% of the initial issues, at the same price as said issues.

(3) For issues of securities carrying rights to shares.

(4) For the loan.

(5) For debt securities.

None of the authorisations granted have been used, with the exception of those pertaining to the award of free shares. At its meeting on 26 June 2020, the Board of Directors awarded 276,515 free shares (see section "Securities carrying rights to shares of the Company" hereafter). The Shareholders' Meeting of 18 May 2021 will be asked to renew all the expiring authorisations.

The Shareholders' Meeting of 15 May 2019 also authorised the Board of Directors, for a period of 26 months, to reduce the share capital by cancelling shares held in treasury, within the limit of 10% of the share capital on the date of cancellation, for each 24-month period. This authorisation was not used in 2019 or 2020.

The Shareholders' Meeting of 18 May 2021 will also be asked to renew this authorisation.

Securities carrying rights to shares of the Company

As part of the Group's employee promotion and merit policy, Rallye awards free shares to its employees.

Pursuant to Article L. 225-197-2 of the French Commercial Code, as authorised by the Shareholders' Meeting, shares are also awarded to employees of the parent companies, Euris and Foncière Euris, and the Company's subsidiaries. These companies belong to the same Group and, in particular, provide assistance to Rallye by participating in consulting assignments on strategic and development issues.

Stock options

There were no stock option plans outstanding at 31 December 2020.

Free shares

The Extraordinary Shareholders' Meetings of 23 May 2018 and 26 June 2020 authorised the Board of Directors to award free shares to Rallye employees and employees of related companies.

At 31 December 2020, there were 499,026 outstanding free shares relating to the following plans:

				Number of shares awarded		
Award date	Vesting date of free shares awarded	Date from which the vested shares can be sold	Initial number of beneficiaries	to employees who are also corporate officers	to the top ten employee beneficiaries	Total number of shares awarded at 31 Dec. 2020[3]
15 May 2019	15 May 2021 [1]	15 May 2023	36	66,399	88,306	**229,511**
26 June 2020	26 June 2022 [2]	26 June 2024	28	75,866	83,757	**269,515**

(1) All of the free shares will vest provided the beneficiary continues to be employed by the Group on the vesting date, and subject to two performance criteria: 50% linked to the EBITDA interest coverage ratio and 50% to the cost of net debt.

(2) All of the free shares will vest provided the beneficiary continues to be employed by the Group on the vesting date, and subject to three performance criteria: two criteria linked to the safeguard proceedings, accounting for two-thirds of the award, and one criterion linked to growth in Casino's average EBITDA/net sales ratio, accounting for one-third of the award.

(3) Corresponds to the original number of shares awarded, less rights cancelled due to the departure of beneficiaries.

Potential capital at 28 February 2021

The potential capital at 28 February 2021 breaks down as follows:

Number of shares at 28 February 2021	52,373,235
Free shares to be issued	487,981
Number of potential shares	52,861,216

The maximum dilutive effect would amount to 0.9% for a shareholder holding 1% of the capital at 28 February 2021.

Change in capital over the past five years

Date	Change in capital	Movements			New capital	Total
		Number	Capital	Premium		
2016	Cancellation of shares	(12,000)	(36,000.00)	(155,400.00)		
	Issuance of shares (free share award)	64,587	193,761.00	(193,761.00)		
31 Dec. 2016					**146,493,339.00**	**48,831,113**
2017	Payment of the interim dividend in shares	3,182,997	9,548,991.00	43,511,568.99		
	Issuance of shares (free share award)	50,714	152,142.00	(152,142.00)		
31 Dec. 2017					**156,194,472.00**	**52,064,824**
2018	Scrip dividends	3,058,947	9,176,841.00	24,043,323.42		
	Issuance of shares (free share award)	278,330	834,990.00	(834,990.00)		
	Cancellation of shares	(1,663,835)	(4,991,505.00)	(10,829,380.99)		
31 Dec. 2018					**161,214,798.00**	**53,738,266**
2019	Issuance of shares (free share award)	145,621	436,863.00	(436,863.00)		
	Cancellation of shares	(1,702,118)	(5,106,354.00)	(12,604,709.27)		
31 Dec. 2019					**156,545,307.00**	**52,181,769**
2020	Issuance of shares (free share award)	191,466	574,398.00	(574,398.00)		
31 Dec. 2020					**157,119,705.00**	**52,373,235**
28 Feb. 2021					**157,119,705.00**	**52,373,235**

Breakdown of capital and voting rights

Amount of capital

- Amount of capital at 31 December 2020: €157,119,705.
- Amount of capital at 28 February 2021: €157,119,705.
- Number of shares held at 31 December 2020: 52,373,235 shares.
- Number of shares held at 28 February 2021: 52,373,235 shares.

The shares have a par value of €3, are paid up in full and are all of the same class.

Shareholders may choose to register their shares or carry them in bearer form, subject to applicable legal or regulatory provisions.

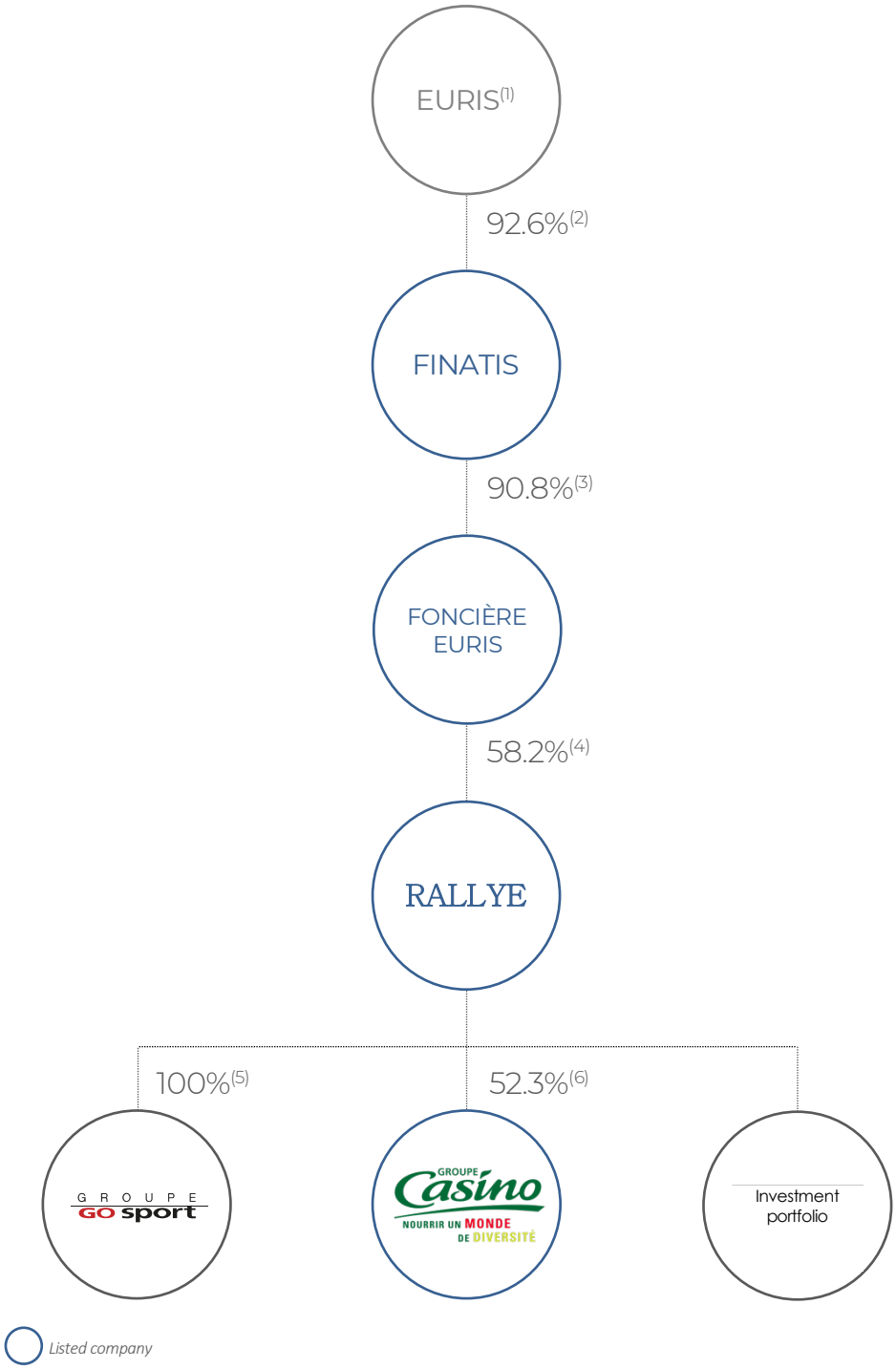
The Company keeps track of its shareholders, in compliance with applicable legislation.

The shares are freely negotiable, except as otherwise stipulated by law or regulations.

Double voting rights are granted on shares that have been held in registered form by the same person for over two years. At 28 February 2021, a double voting right had been granted on 31,994,043 shares, and the total number of voting rights was 84,367,278 for 52,373,235 shares.

Group organisation chart at 28 February 2021

Rallye is directly and indirectly controlled by Euris. The organisation chart below shows the Company's position within the Group on 28 February 2021:



(1) Euris is controlled by Euris Holding, which is controlled by Jean-Charles Naouri.
(2) 92.6% of theoretical voting rights.
(3) 90.8% of theoretical voting rights.
(4) 72.0% of theoretical voting rights.
(5) 100% of voting rights.
(6) Including the 8.73% of the Casino share capital held in fiduciary trust – 62.9% of theoretical voting rights.

The Rallye Group's current organisation reflects restructuring operations undertaken in 1992 and 1993, which included:

- the contribution of all the hypermarket, supermarket and cafeteria business lines to Casino Group;
- the consolidation of the parent companies Rallye SA and Coficam and of SMPO and Record Carburants via mergers. After these transactions, the acquiring company, Genty-Cathiard, changed its name to Rallye;
- a transfer of real estate by Foncière Euris and the public exchange offer for Casino shares initiated in September 1997;
- the merger of Courir into GO Sport to form the entity known as Groupe GO Sport, on 27 December 2000.

Changes in the breakdown of capital and voting rights over the last three years

Changes in the distribution of capital and voting rights are as follows over the last three years:

Shareholders	31 Dec. 2020				31 Dec. 2019				31 Dec. 2018			
	Number of shares	% of capital	% of voting rights that may be exercised at the Shareholders' Meeting[1]	% of theoretical voting rights[1]	Number of shares	% of capital	% of voting rights that may be exercised at the Shareholders' Meeting[1]	% of theoretical voting rights[1]	Number of shares	% of capital	% of voting rights that may be exercised at the Shareholders' Meeting[1]	% of theoretical voting rights[1]
Foncière Euris	**30,462,478**	**58.16%**	**71.98%**	**71.98%**	30,462,478	58.38%	71.36%	71.36%	31,958,125	59.47%	73.13%	71.67%
Treasury shares									1,645,118	3.06%		1.98%[2]
Other shareholders	**21,910,757**	**41.84%**	**28.02%**	**28.02%**	21,719,291	41.62%	28.64%	28.64%	20,135,023	37.47%	26.88%	26.35%
TOTAL	**52,373,235**	**100.00%**	**100.00%**	**100.00%**	**52,181,769**	**100.00%**	**100.00%**	**100.00%**	**53,738,266**	**100.00%**	**100.00%**	**100.00%**

(1) The number of voting rights that may be exercised at the Shareholders' Meeting is not the same as the number of voting rights reported under France's disclosure threshold rules (theoretical voting rights). In fact, for the publication each month of the total number of voting rights and the number of shares making up the share capital, the total number of voting rights is calculated on the basis of all of the shares to which voting rights may potentially be attached, including shares without voting rights (treasury shares), in accordance with Article 223-11 of the AMF's General Regulations.

(2) Theoretical voting rights that will only become exercisable again if the underlying shares cease to be held as treasury shares.

The breakdown of share capital and voting rights at 28 February 2021 is as follows:

Shareholders	Shares	% capital	Voting rights	% voting rights
Foncière Euris	30,462,478	58.16%	60,740,207	71.99%
Other Euris Group companies	1,505	-	3,010	-
Other members of the Board of Directors	212,499	0.41%	335,088	0.40%
Sub-total	**30,676,482**	**58.57%**	**61,078,305**	**72.39%**
Other shareholders	21,696,753	41.43%	23,288,973	27.61%
— *o/w shares in registered form*	*2,059,951*	*3.93%*	*3,652,171*	*4.33%*
— *o/w shares in bearer form*	*19,636,802*	*37.50%*	*19,636,802*	*23.28%*
Total	**52,373,235**	**100.00%**	**84,367,278**	**100.00%**

Pledged securities

Foncière Euris has arranged credit facilities whereby it pledges Rallye shares based on the amount of the facilities or the current drawdown level, as applicable.

At 31 December 2020, a total of 26,658,272 Rallye shares held by Foncière Euris were pledged, accounting for 50.9% of Rallye's capital.

Shareholders' agreement and shares held in concert

To the Company's knowledge, there are no shareholders' agreements[1] or persons or group of persons that exercise or could exercise control over the Company other than Foncière Euris.

Material agreements

In the last three years and at the date of this Universal Registration Document, the Group has not entered into any material agreements, other than those that are part of its normal course of business, which might create a significant obligation or commitment for the Group as a whole.

Off-balance sheet commitments are detailed in notes 3.3.2 and 6.11 to the consolidated financial statements.

Related-party transactions

Rallye has entered into a consulting and advisory agreement with Euris for strategic support.

Under the agreement, Euris draws on its resources and structures to provide Rallye with continuous support in determining its strategy, as well as in managing and developing its business.

No loans or guarantees have been granted or issued by the Company to or on behalf of any members of the Board of Directors who are individuals.

No corporate officers or members of their family own any of the assets required for operations.

Information on related-party transactions is provided in note 14 to the consolidated financial statements.

[1] Fimalac has an option to acquire a stake of 49.99% in Euris through a new holding company, which (i) would be owned by Jean-Charles Naouri and his family and (ii) will control Euris. If the option is exercised, a shareholders' agreement will be drawn up, it being specified that Jean-Charles Naouri and his family would remain the controlling shareholders of Euris.

Summary of transactions in Rallye shares carried out during the year by Directors and related parties

In accordance with Article 223-26 of the AMF's General Regulations, the table below shows transactions in Rallye shares carried out by Directors or related parties in 2020.

Shareholder	Financial instrument	Date	Type of transaction	Amount (€)	Number
Jacques Dumas[1]	Shares	25 May 2020	Purchase[2]	0.00	4,837
Virginie Grin[3]	Shares	25 May 2020	Purchase[2]	0.00	12,799
	Shares	5 June 2020	Sale	9.0190	2,964
	Shares	8 June 2020	Sale	9.2180	2,000
	Shares	10 June 2020	Sale	9.0000	2,328
	Shares	15 June 2020	Sale	9.0074	7,734
	Shares	16 June 2020	Sale	9.1317	5,903
Didier Lévêque[4]	Shares	11 May 2020	Sale	7.6317	5,282
	Shares	12 May 2020	Sale	7.6240	4,141
	Shares	13 May 2020	Sale	7.5095	2,997
	Shares	25 May 2020	Purchase[2]	0.00	18,250
	Shares	28 May 2020	Sale	8.1614	12,000
	Shares	29 May 2020	Sale	8.6676	7,361
	Shares	1 June 2020	Sale	9.2898	4,000
	Shares	2 June 2020	Sale	8.8340	2,000
	Shares	3 June 2020	Sale	9.1500	1,500
	Shares	4 June 2020	Sale	9.1200	1,000
	Shares	5 June 2020	Sale	9.1529	9,698
	Shares	8 June 2020	Sale	9.3000	1,000
	Shares	11 June 2020	Sale	9.0018	5,578
	Shares	12 June 2020	Sale	9.1565	6,000
	Shares	16 June 2020	Sale	9.1753	5,398
	Shares	18 June 2020	Sale	9.1000	220
	Shares	23 November 2020	Sale	4.7935	7,000
	Shares	24 November 2020	Sale	5.0093	8,689
	Shares	25 November 2020	Sale	5.1591	12,350
Odile Muracciole[5]	Shares	25 May 2020	Purchase[2]	0.00	16,723
	Shares	10 June 2020	Sale	9.0049	6,408
	Shares	17 June 2020	Sale	9.1503	14,684

(1) Director.
(2) Free share awards under the 23 May 2018 plan.
(3) Permanent representative of Finatis.
(4) Permanent representative of Foncière Euris, Director.
(5) Permanent representative of Euris, Director.

Declarations of the above share transactions have been posted online on the AMF's website.

To the Company's knowledge, no other corporate officer traded in Company shares in 2020.

Free shares

The free share plans in effect at 28 February 2021 for Rallye employees and employees of related companies are as follows:

Meeting date	Extraordinary Shareholders' Meeting of 23 May 2018	Extraordinary Shareholders' Meeting of 26 June 2020	Total
Date of Board meeting	15 May 2019	26 June 2020	
Type of plan	Free shares	Free shares	
Initial number of beneficiaries	36	28	
Total number of shares initially awarded	**263,896**	**276,615**	**540,411**
o/w total number of shares awarded to corporate officers	66,399	75,866	142,265
o/w total number of shares awarded to top ten employee beneficiaries	88,306	83,757	172,063
Plan expires on	15 May 2021	26 June 2022	
Rights cancelled at 28 February 2021 (1)	**38,430**	**14,000**	**52,430**
o/w since 1 January 2021	20,226	14,000	34,226
Residual number of shares that may vest at 28 February 2021	**225,466**	**262,515**	**487,981**

(1) Following the departure of beneficiaries.

Investment strategy

Rallye's investment portfolio is discussed on page 18 of the management report.

Investments made by operating subsidiaries over the past two years break down as follows:

(€ millions)	2020	2019
Casino	927	1,107
Other	-	-
Total	**927**	**1,107**

Investments by operating companies are detailed in the "Business review" section of the management report. For more information about Casino Group's strategy, please refer to its Universal Registration Document.

Internal control and risk management procedures implemented by Rallye

1. Internal control and risk management environment and organisation

Accounting standards

The Group's internal control and risk management system is in line with the legal framework applicable to companies listed on Euronext Paris and is based on the internal control and risk management system framework published by the *Autorité des marchés financiers* in 2010 (the "AMF Framework").

The AMF Framework is not only based on legal and regulatory provisions, but also best practices and international internal control and risk management standards, such as the 2013 Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework.

Scope of application

The internal control and risk management system covers all companies falling within the scope of consolidation as defined in Article L. 233-1 of the French Commercial Code.

Parties involved

The internal control and risk management system is part of the general policy framework set out by the Board of Directors. Managing these systems and continually improving them depends on the work of stakeholders across the entire chain of responsibility, from Executive Management to all employees, as well as supervisory and assessment bodies such as the Board of Directors, the Audit Committee and the Statutory Auditors.

Executive Management – Administration and Finance department

Executive Management defines the general internal control and risk management principles and ensures their proper implementation in order to achieve the required level of internal control.

Rallye's Administration and Finance department, which reports to Executive Management, supervises all the Company's staff departments. Its main responsibility is to assist and monitor line staff in their administrative, financial and legal activities. To do so, it sets mandatory operating rules for all entities, and defines and deploys tools, procedures and best practices.

Board of Directors

The competence and responsibility of its members and the clarity and transparency of its decisions all contribute to the general control environment. The Board is regularly kept abreast of key internal control and risk management methodologies on which it reports in its business report.

Pursuant to the law and the Company's articles of association and Internal Rules, the Board of Directors and its Audit Committee are responsible for internal control and risk management through the opinions and recommendations that they express to Executive Management and through the analyses and investigations which they perform or commission.

The responsibilities of the Board of Directors are detailed in Chapter 2 of this Universal Registration Document, page 84.

Audit Committee

The Audit Committee of Rallye's Board of Directors is in charge, under the responsibility of the Board to which it regularly reports, of monitoring:

- the process of preparing financial information;
- the effectiveness of internal control and risk management systems;
- the statutory audit of the parent company financial statements and, if applicable, the consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

The role and duties of the Audit Committee are described on page 88. Its duties are compliant with Article L. 823-19 of the French Commercial Code.

Safeguard Proceedings Monitoring Committee

The safeguard proceedings do not have any legal bearing on the governance structure, with the corporate bodies retaining their respective responsibilities and powers. Nevertheless, the proceedings have created a new context that may raise certain questions, and one in which the Board of Directors may wish to be regularly informed of any developments in the safeguard proceedings and plans, and able to identify and manage potential conflicts of interest on the Board.

Accordingly, setting up an ad hoc committee to notably address any specific questions raised by the safeguard proceedings was deemed appropriate so as to ensure that the Board of Directors:

- is regularly informed of the status of the safeguard proceedings and preparation of the plans;
- is able to identify and manage potential conflicts of interest on the Board.

At its meeting on 25 June 2019, the Board of Directors therefore set up an ad hoc committee, the Safeguard Proceedings Monitoring Committee. The Committee, with three-quarters of its members being independent Directors including its Chair, is responsible for dealing with issues arising from the safeguard proceedings, and in particular for:

- monitoring safeguard proceedings and more specifically the preparation of plans;
- addressing any conflicts of interest within the Board (presence of different non-controlling interests in each of the listed companies concerned);
- informing the Board of Directors of the status of the proceedings;
- preparing any resolutions regarding the proceedings to be submitted to the Board of Directors.

The Committee is assisted by a legal advisor who is primarily responsible for clarifying all matters relating to the safeguard proceedings and Rallye's position, and who may also directly seek assistance from and exchange information with the Company's legal advisors. The legal advisor to the Committee may not however play a direct role in the proceedings or engage with the bodies involved in the proceedings, management and administrative bodies or the Company's financial advisers.

External parties – Statutory Auditors

Statutory Auditors contribute to strengthening the internal control and risk management system through their work and recommendations.

They review the internal control systems for account auditing purposes, identifying their strengths and weaknesses, assessing their material misstatement risk, and making any necessary recommendations. Under no circumstances do the Statutory Auditors stand in for the Company in the implementation of the internal control system.

The duties of the Statutory Auditors are to certify the accuracy, fairness and true presentation of the Group's parent company and consolidated financial statements on a yearly basis and to issue a review report on the Group's interim consolidated financial statements.

Audit engagements are assigned between two regular Statutory Auditors: Ernst & Young and KPMG.

The key matters covered by the Statutory Auditors are as follows:

- identification of risk areas and testing using sampling techniques to verify the accuracy, fairness and true presentation of the financial statements' observations as regards parent company or consolidated materiality thresholds;
- approval of key accounting treatments and options for the year;
- implementation of accounting standards set out by Rallye for its businesses;
- preparation of an audit report for each company prior to the certification of Rallye's consolidated financial statements containing any observations regarding internal control;
- presentation of a general overview of the Rallye Group to be submitted to Rallye's management and Audit Committee;
- preparation of the Statutory Auditors' reports for the attention of Rallye shareholders. These reports are included in this Universal Registration Document, and are found on pages 108 to 113, and 224 to 227.

Disseminating information internally

The Group ensures that the relevant information is properly disseminated and provided to those concerned so that they can fulfil their responsibilities, in compliance with Group standards.

With the objective of providing reliable financial information and communication, Rallye strives to ensure that the entire organisation respects certain guidelines when performing its duties: the consolidation and accounting procedures manual, the general chart of accounts, the code of conduct described in the Board of Directors' Internal Rules, the Audit Committee charter and the Appointments and Compensation Committee charter.

At operating subsidiary level

Each Rallye subsidiary has its own internal audit and risk management department charged with ensuring the effectiveness of internal controls and procedures in order to obtain reasonable assurance that the subsidiary's own risks are adequately managed.

The Group monitors the quality of the information supplied by its subsidiaries, notably during the course of the meetings of its various Audit and Appointments and Compensation committees.

Control is also achieved thanks to the familiarity of the various information systems, as well as by holding monthly meetings and preparing weekly and monthly reports.

The Company's Legal department performs any specific investigations or examinations that it deems necessary to prevent and detect any legal irregularity or anomaly in Group management. Executive Management and the Administration and Finance department regularly communicate regarding the status of the main disputes that may affect the subsidiaries and the risks incurred.

2. General internal control principles

Definition and objectives of internal control procedures

Within the Group, the internal control system is defined and implemented under the responsibility of Executive Management and monitored by the Board of Directors. It includes the guiding principles and values for employee behaviour and ethics, ensuring a greater degree of control over activities, improved operational efficiency and the more efficient use of resources. It also helps to ensure that the material risks that may prevent the Group from achieving its objectives are dealt with appropriately.

The AMF Framework states that internal control aims to provide reasonable assurance concerning:

- compliance with laws and regulations;
- compliance with Executive Management instructions and guidelines;
- efficient execution of processes, particularly for the safeguarding of assets;
- the reliability of financial information.

Internal control limits

As underlined by the AMF Framework, no matter how well-designed or well-applied, no internal control system can provide absolute assurance that the Group will achieve its objectives. All internal control systems have inherent limitations, due notably to uncertain external events, the exercise of human judgement and the breakdowns that can occur because of human failures such as simple errors.

3. General risk management principles

Definition and objectives of risk management

According to the definition provided by the AMF, risk represents the possibility of an event occurring that could affect a company's personnel, assets, environment, objectives or reputation. Risk management extends far beyond the scope of financial risks alone. It is an important management tool which helps to:

- create and preserve the Group's value, assets and reputation;
- secure decision-making processes and the processes that help the Group meet its objectives;
- ensure that the Group's actions are consistent with its values;
- promote a shared vision of the main risks among all employees.

Risk management process

The risk management process involves three steps:

- identification of the risks to which the Company is exposed when conducting its business activities: in this first stage, the main risks are identified and centralised;
- risk analysis: this stage consists in assessing the potential consequences of the main risks identified (consequences can be financial, human or legal or can compromise a company's reputation) along with their impact and probability and the extent to which they can be managed;
- risk treatment: this final stage involves the implementation of the systems and resources best suited to controlling the risks.

The risk management system is monitored and regularly reviewed by the Company's key managers.

4. Control environment

The internal control and risk management systems are two complimentary systems of Rallye's control environment that are used to contain risk:

- the internal control system draws upon the risk management system in identifying the main risks to be controlled;
- the risk management system aims to identify and analyse the main risks.

The Audit Committee is responsible for ensuring that internal control and risk management systems, as well as any internal audits as applicable, are effective, and for managing any information or events that could have a significant impact on Rallye or its subsidiaries in terms of commitments and/or risks. The Committee ensures that the Company and its subsidiaries have the necessary internal audit, accounting and legal departments to prevent any risks and anomalies in the management of the Group's business.

In light of this and the ongoing safeguard proceedings, on 25 June 2019 the Board of Directors decided to implement a specific governance framework and set up an ad hoc committee, the Safeguard Proceedings Monitoring Committee. The Committee, with three-quarters of its members being independent Directors including its Chair, is responsible for dealing with issues pertaining to the safeguard proceedings.

Based on the rules of conduct and integrity upheld by Management and disseminated among all employees, the control environment seeks to promote an environment of risk control in which the organisation and the management of new projects can be adapted in line with the Group's strategic priorities.

5. Internal control procedures for preparing accounting and financial information

The internal control system over financial and accounting information aims to provide reasonable assurance regarding:

- the compliance of published accounting and financial information with the applicable standards;
- the application of Executive Management instructions and guidelines concerning accounting and financial information;
- the reliability of information circulated and used internally for management or control purposes insofar as it is used in the preparation of published accounting and financial information;
- the reliability of the published financial statements and the other information disclosed to the markets;
- the protection of assets;
- the prevention and detection of fraud and accounting and financial irregularities to the extent possible.

Accounting and financial organisation

Administration and Finance department

The Administration and Finance department ensures that the accounting and finance functions are effectively managed, under the supervision of Executive Management, in the following areas: accounting, consolidation, management control, taxation, financing operations, and cash management.

The processing and centralising of cash flows and the hedging of currency and interest rate risks is the responsibility of the Finance department, which identifies the commitments and facilitates their recognition in the accounts.

The Administration and Finance department is responsible for optimised balance sheet and debt management, financing strategy, control of financial expenses, and improvement of the Group's financial structure.

Accounting standards

The Group has compiled accounting rules and principles that must be applied by all consolidated subsidiaries to ensure the delivery of consistent and reliable financial reports. These accounting rules are regularly updated to reflect changes in accounting regulations and reporting standards. Accounting standards define the principles to be used to process operations consistently. They clarify, in particular, the terms for recording balance sheet items, as well as identifying and measuring off-balance sheet commitments. They are compliant with IFRS, the reporting standards used for consolidated financial statements. The Group's team charged with producing and processing financial and accounting information constantly gathers information on new accounting standards under preparation in order to inform Executive Management and anticipate their impacts on the Group's financial statements. The chart of accounts provides the definitions and procedures for drafting the reports required for the preparation of the financial statements.

Key performance indicators

A monthly system for reporting the various key performance indicators is used to continuously and consistently track changes in the performance of each subsidiary and to ensure that they are in line with the objectives set.

Audit Committee

The role and duties of the Audit Committee are described on page 88. Its duties are compliant with Article L. 823-19 of the French Commercial Code.

Preparation of financial and accounting reporting

Accounts closing and consolidation

The Group's Administration and Finance department is responsible for preparing the financial statements. These can be a source of financial risk, particularly as regards the accounting records, the consolidation process, and the recognition of off-balance sheet commitments.

The risks regarding the preparation of financial and accounting information are managed by monitoring regulatory texts, anticipating any problems, communicating with the Statutory Auditors and applying an appropriate timetable.

The accounts closing process is covered by specific instructions and an appropriate information feedback system that allows the processing of coherent, exhaustive and reliable information based on a consistent methodology and within the appropriate deadlines based on the schedule defined by the Board of Directors and its Special Committees.

For drawing up the consolidated financial statements, validation procedures are applied at each information reporting and processing stage. These procedures are designed to specifically check the correct adjustment and elimination of internal transactions, the verification of consolidation operations, the correct application of accounting standards, and the quality and consistency of consolidated and published financial and accounting information.

The consolidation of financial statements is conducted centrally every six months on the basis of information provided by the subsidiaries. The consolidation team performs an overall review of the Group's financial statements, and prepares a file that includes all the restatements and eliminations made, and documents the checks performed, thereby ensuring traceability.

In addition, the consolidation team is also responsible for updating consolidation procedures, integrating subsidiaries within the scope of consolidation, processing information and maintaining the consolidation tools.

There is continual communication with Statutory Auditors to ensure the quality of financial information and compliance with the applicable standards in complex situations that are open to interpretation.

Statutory Auditors

As required by law, the Group has two Statutory Auditors. Their procedures include verifying that the annual financial statements are prepared in accordance with generally accepted accounting principles and give a true and fair view of the results of operations for the year and the financial position and net assets at the year-end.

The persons responsible for preparing and processing financial and accounting information liaise with the external auditors. The Group's Statutory Auditors are appointed according to a process initiated and overseen by the Audit Committee, in accordance with Afep-Medef Code recommendations and the new European regulations (Regulation [EU] No. 537/2014 and Directive [EU] No. 2014/56/EU) applicable since 17 June 2016.

All the financial and accounting information prepared by the significant consolidated subsidiaries is subject, as a minimum, to a review for the interim position and to an audit for the annual accounts closing, by the external auditors. The General Manager issues a letter of representation to personally attest to the accuracy, reliability and completeness of the financial disclosures.

After jointly reviewing all the financial statements and the methods used to prepare them, the Statutory Auditors certify the Group's consolidated financial statements. They certify the accuracy, fairness and true presentation of the Company's consolidated and parent company financial statements in a report to the shareholders of the Group. They are informed in advance of the accounts preparation process and present a summary of their work to the heads of the Group's accounting and finance units and to the Audit Committee for the interim position and the annual closing.

IT system security

The Administration and Finance department ensures that IT solutions are implemented in line with ongoing operations. Functions effecting internal control, such as task segregation and access rights, are taken into account when new IT systems are installed and reviewed on a regular basis.

In order to ensure the effectiveness of internal control procedures, as well as the security and integrity of all data and data processing in the face of a possible major incident, whether accidental or due to a cyberattack, the entire system is secured by a system providing authorisation and protected access to the network, data backup procedures and physical protection of the data centre.

Financial Communications

The goal of Financial Communications is to ensure that information is disseminated on a permanent and periodic basis, and that a clear and consistent message is conveyed, in accordance with the principle of equal access to information for all shareholders. Financial Communications addresses a diverse audience, primarily comprising institutional investors, private individuals and employees. Executive Management and the Finance department act as the contacts for analysts and institutional investors.

The Board of Directors reviews all information and press releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. Results news releases are submitted to the Statutory Auditors for review and comment.

Financial information is disseminated by all means (periodicals, press releases) and across all media (press, Internet, direct telephone calls, one-on-one meetings, etc.).

The financial communications managers are also involved in checking and setting the publication dates for the financial information prepared by Rallye's listed subsidiaries and thereby ensure consistency between the various media used by Rallye.

Measures regarding the prevention of insider trading are included in the stock market code of conduct (Code de déontologie boursière) published in 2017, which is given to every employee. This code is also available on the Company's website (in French only) (http://www.rallye.fr/en).

The internal control system is not set in stone, and evolves in order to allow Executive Management to take into account significant risks to the Company in an appropriate manner. The Board of Directors is informed of any changes to this system and can monitor its functioning based on information provided to it by Executive Management.

6. Risk management

Risk classification

Risk identification and management is an integral part of the Group's operational and strategic management. This section presents the main risk factors to which the Group is exposed according to their potential impact and likelihood of occurrence. It reflects the Group's assessment of the net risk, i.e., taking into account internal controls put in place to mitigate the impact and/or likelihood of occurrence of the risk in question.

The Group's risk inventory is divided into three categories:

- risks specific to Rallye's holding activity: financial risks (three key risks);
- operational risks specific to its majority stake in Casino Group (five key risks – for an exhaustive presentation of operational risks, see Casino Group's Universal Registration Document);
- legal risks (two key risks).

Pursuant to Article L. 225-102-1 of the French Commercial Code, management of non-financial risks is detailed in the Non-Financial Information Statement of the parent company, Finatis, which was the subject of a report on the consolidated non-financial information statement by an independent verifier.

The legend used in the tables is shown below:

Impact	**** High	**** Significant	** Average	* Low
Likelihood	@@@@ Very likely	@@@ Likely	@@ Fairly likely	@ Unlikely

Category	Sub-categories	Impact	Likelihood
Category 1: risks specific to Rallye's holding activity: financial risks	– Risks relating to implementation of the safeguard plans	****	@@@@
	– Casino Group liquidity risks	***	@@@
	– Casino Group market risks	**	@@
Category 2: operational risks specific to Rallye's majority stake in Casino Group: strategic and operational risks	– Information systems and cybersecurity risks	****	@@@@
	– Business disruption/interruption risks	***	@@@
	– Economic risks	***	@@@
	– Competitive environment	**	@@
	– Consumer expectations	**	@@
Category 3: legal risks	– Risks relating to safeguard plan proceedings	***	@
	– Legal and regulatory compliance risks	***	@@@

Risk factors are organised in three main categories. The most significant risks arising from the analysis combining materiality and likelihood of occurrence are given first in each of the three categories.

Risks related to Rallye's holding activity: financial risks

The Group's main financial risks are risks relating to the implementation of safeguard plans, liquidity risks and market risks.

In the financial risks category, the Group considers that its greatest exposure is to the risk relating to the impllementation of the safeguard plans, given the potential severity of the consequences.

Risks relating to implementation of the safeguard plans

Impact: ****/Likelihood: @@@@

Rallye

Description of the risk	Potential impacts on the Group
Rallye, Foncière Euris, Finatis and Euris are required, until 28 February 2030, to comply with the terms of the safeguard plans, particularly with regard to the repayment deadlines set out therein. There is no certainty that the safeguard plans will function properly right through to their expiry. In particular, the safeguard plans depend primarily on the ability of the main subsidiary, Casino, to pay sufficient dividends, the principle and amount of which depend on Casino's financial position, the implementation of its strategic plan and, in particular, its asset disposal plan. The payment of dividends will be determined by Casino's Annual Shareholders' Meeting in keeping with the company's interests. Moreover, the safeguard plans require Rallye to obtain refinancing in 2030, which will depend on market conditions at that time.	If the companies subject to the safeguarding plans fail to fulfil their commitments by the deadline set in the plans, the Paris Commercial Court may vote on the cancellation of the plans after consulting the public prosecutor and the administrators appointed to oversee the plan upon presentation of their report. In the event that the Court acknowledges the suspension of payments during the implementation of the safeguard plans, the Court will initiate administration proceedings, unless administration is manifestly not possible, in which case the Court will initiate liquidation proceedings. Casino Group is not concerned by the safeguard proceedings of its parent companies, but the perception of such proceedings by various stakeholders may have a negative impact on the value of the Casino share or the Group's financing terms.

Risk management (control and mitigation)

The safeguard plans of the different companies are interdependent, complementary and based on the existing economic chain of ownership. Accordingly, the risks associated with the safeguard plans of different companies are also linked.

In its decision dated 28 February 2020, the Paris Commercial Court approved Rallye's safeguard plan, and in particular the repayment undertakings for Rallye's debt. These repayment undertakings take two major factors into account: Casino shares pledged to secured creditors that have priority access to dividends and the chain of control over Casino being maintained over the period 2020-2030, thus securing the dividend flows for the relevant companies.

Rallye's safeguard plan provides for the full settlement of its liabilities over a period of 10 years and the ability to pay dividends for the duration of the plan.

Rallye has three categories of resources at its disposal to repay its liabilities under the Safeguard Plan:

- dividends from Casino;
- sale of its non-strategic assets;
- various refinancing options.

Rallye's safeguard plan was drawn up and adopted before the start of the Covid-19 pandemic. The impacts of Covid-19 on Rallye's non-strategic assets are as follows:

- with regard to the property development business in which Rallye has invested via its investment portfolio, the health crisis caused temporary yet repeated closures of shopping centres and a global decrease in footfall, as well as difficulties for several banners. The valuations and liquidity outlooks for these assets were therefore greatly affected. The health crisis also made it more difficult to access different forms of financing for real estate assets, both for redevelopment and for refinancing of loans soon to fall due;
- with regard to Groupe Go Sport, the lockdowns, curfews and shopping centre closures greatly affected the company's business activity, which was not sufficiently offset by the acceleration in online sales;
- with regard to Casino, the various lockdowns had an impact on the implementation of its asset disposal plan.

Any substantial changes to the Safeguard Plan within the meaning of Article L. 626-26 of the French Commercial Code (*Code de commerce*) require the approval of the Paris Commercial Court. Accordingly, the global tender offer launched by Rallye on its unsecured debt on 22 January 2021 (see page 26 of this management report) and the financing planned in connection with the tender offer are subject to the approval of the Paris Commercial Court. Other changes to the Safeguard Plan may be considered in the future as necessary to improve the Company's financial position. Any delay in obtaining or failure to secure the requisite approvals could have a negative impact on Rallye's financial position and cash flow.

Liquidity risk

Impact: ***/Likelihood: @@@

Casino

Description of the risk	Potential impacts on the Group
Liquidity risk is the risk of a company not having the necessary funds to settle its commitments when they fall due. Casino Group is exposed to liquidity risk owing to the level of its borrowings, which are scheduled to be repaid through to 2026. The Group's access to sources of financing (particularly negotiable Euro Commercial Paper [NEU CP] programmes) may be limited amid increased volatility (as was the case in May 2019 when Rallye's safeguard plan was initiated, leading to a downgrade in the Group's credit rating by S&P and Moody's, and market volatility). Its loan and bond agreements include acceleration clauses, as described below. These clauses include financial covenants, the non-compliance with which may lead to a request for cancellation and early repayment of credit from the lenders involved.	If this risk were to occur, the Group could experience financial difficulties and, in the worst case scenario, its survival could be threatened.

Risk management (control and mitigation)

The Group's liquidity policy is to ensure, to the extent possible, that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The main methods used consist of:

- diversifying financing sources;
- diversifying borrowing currencies;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's short-term payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of debt.

The liquidity analysis is performed both at the level of Casino, Guichard-Perrachon (taking into account the cash pool operated with all French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2020, the Group's liquidity position in France (France Retail and E-commerce) was robust, with €819m of cash and cash equivalents and €2.3bn confirmed, undrawn credit lines with an average maturity of 2.6 years.

The Group renegotiated all of its credit facilities in November 2019 and signed a new €2.0bn confirmed credit line maturing in October 2023. The new line was subscribed by 21 French and international banks. The remaining syndicated credit lines include banks that have not committed to participating in the new credit line.

A fraction of these credit lines can be used throughout the year to respond to the business' seasonal needs.

Casino also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019: a €1.0bn secured term loan and an €800m secured high-yield bond issue (carried out by Quatrim, an indirect wholly-owned Casino subsidiary). These two financing operations maturing in January 2024 were largely oversubscribed.

In December 2020, the Group carried out a further refinancing transaction, redeeming €822m in bonds maturing between 2021 and 2025. The bond buyback was financed by new borrowings for €625m due between 2024 and 2026 and by recent cash inflows from disposals (notably Leader Price for €648m). Following this transaction, €487m was placed in a segregated account to be used solely to pay down loans and borrowings, largely covering the sums falling due in May 2021 (€130m) and June 2022 (€331m).

At 31 December 2020, the Group had €179m in NEU CP commercial paper outstanding (compared to €129m at 31 December 2019). Access to the commercial paper market may be restricted in periods of volatility, as was the case following the launch of safeguard proceedings for Rallye in May 2019. However, this did not have a negative impact on goods payment periods. Furthermore, to our knowledge, credit insurers have not reduced the amount of their cover for the Group's borrowings.

At 31 December 2020, Casino was rated B (negative outlook) by Standard and Poor's and B3 (stable outlook) by Moody's (compared to B/B2 (negative outlook) at 31 December 2019).

The Group has posted collateral and sureties in respect of the two facilitites arranged in November 2019, as well as for its €2.0bn confirmed credit line.

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its main subsidiaries (GPA, Éxito, Monoprix) is not secured by collateral or assets.

Under its new €2.0bn confirmed credit line, Casino is required to comply with two financial covenants, tested quarterly as from 31 March 2020. These covenants are calculated for the France and E-commerce scope as follows:

- adjusted gross debt[1] divided by EBITDA, the required level of which depends on the test periods (see details in Note 11.5.4 to the consolidated financial statements);
- EBITDA divided by net finance costs, which must be higher than 2.25x.

Casino, Guichard-Perrachon's other confirmed lines of credit are subject to a covenant based on the consolidated net debt/EBITDA ratio at 31 December each year, which must be less than 3.5x. This covenant was respected as at 31 December 2020 (calculations differ according to lines, see details in note 11.5.4 to the consolidated financial statements).

The financing facilities of GPA, Éxito and Monoprix are also subject to hard covenants. All of the covenants were complied with at 31 December 2020.

An incurrence covenant applies in the event special dividends are paid in addition to ordinary dividends[2], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x.

Liquidity risk is discussed at length in note 11.5.4 to the 2020 consolidated financial statements.

[1] Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in note 11.2.1 to the 2020 consolidated financial statements, and certain GPA holding companies reported in the Latam segment (notably Ségisor).

[2] 50% of net profit attributable to owners to the parent, with a minimum of €100m per year from 2021 and an additional €100m that may be used for one or several distributions during the life of the debt.

Market risks

Impact: **/Likelihood: @@

Casino

Description of the risk	Potential impacts on the Group
Due to its geographically diversified business base, its activities and its level of debt, the Group is exposed to various market risks, including: ▪ Foreign currency risk: currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the euro zone and transactions denominated in currencies other than the euro. Currency translation risk primarily concerns the financial statements of the Group's subsidiaries in Brazil and Colombia and arises from changes in exchange rates for the Brazilian real and Colombian peso against the euro. ▪ Interest rate risk: interest rate risk is the risk of the Group experiencing an increase in borrowing costs due to higher interest rates.	An unfavourable change in exchange rates could have a negative impact on the consolidated financial statements (translation risk) and lead to financial losses (transaction risk). At 31 December 2020, an increase of 10% in the value of the euro against the Brazilian real would have had a negative impact of €1,008m on total revenue, of €54m on trading profit, of €23m on net profit and of €234m on equity. An increase of 10% in the value of the euro against the Colombian peso would have had a negative impact of €264m on total revenue, of €11m on trading profit, of €5m on net profit and of €130m on equity. Transaction risk mainly concerns goods purchases billed in US dollars. The materialisation of interest rate risk may have an adverse impact on the Group's financial performance. Assuming the net debt structure and management policy are constant, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 7.5% or €27m increase. A 100-bps fall in rates would have led to a 5.9% decrease (or €21m decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Risk management (control and mitigation)

Group policy consists of hedging currency transaction risk on highly probable future purchases (mainly goods purchases billed in US dollars). The risk is hedged through forward purchases of the payment currency. Currency risks on debt issues denominated in a currency other than that of the issuer are hedged in full.

The Group uses standard financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These instruments are mainly over-the-counter instruments transacted with first-class bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

However, like many other large groups, Casino may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate exposures.

Interest rate risk is managed by monitoring and, when necessary, adjusting the interest cover ratio based on rate forecasts. The aim is to manage the risk of an increase in interest rates and optimise borrowing costs.

Various standard instruments are used to implement this strategy, but mainly interest rate swaps and options.

Specifically, Casino, Guichard-Perrachon's and Quatrim's debt is mainly composed of fixed-rate bonds and a Term Loan B (representing a principal amount of €3,422m and €1,225m, respectively, at 31 December 2020). Interest streams on part of this debt were swapped for variable rate streams. At 31 December 2020, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 29% at fixed rates (€1,339m), 26% at a capped or floored variable rate (€1,225m [Term Loan B]) and 45% at a variable rate (€2,083m). Note 11.5.2 to the consolidated financial statements includes an analysis of the sensitivity of debt to a 100-bps increase or decrease in interest rates.

Currency risk is discussed at length in note 11.5.2 to the 2020 consolidated financial statements.

Operational risks specific to Rallye's majority stake in Casino Group

As the majority shareholder in Casino Group, Rallye is indirectly exposed to the operational risks incurred by Casino.

The most significant operational risk factors are set out below and an exhaustive presentation provided in the Casino Group Universal Registration Document.

Information systems and cybersecurity risks

Impact: ****/Likelihood: @@@@

Description of the risk	Potential impacts on the Group
The Group runs, directly or indirectly, an extensive network of information systems that are essential to the operation and management of its activities. The development, implementation and continued, uninterrupted operation of these information systems, including systems supplied by third parties, are key to the Group's ability to deliver products and services to customers across all of its banners. They are especially critical for Cdiscount's operations, as well as for the relevanC digital marketing activity and the ScaleMax Data Centers. These risks also concern stores and warehouses due to the critical information systems used for payment, supply chain and warehouse management. The Group is dependent on its technical infrastructure and computer applications for all aspects of the day-to-day management of the business, including communications and internal information sharing.	Any breach of systems integrity, for example due to a technical failure or cyber-attack, could have a serious adverse effect on the Group's business operations and assets. A hardware or software failure, or failure by a service provider (especially a hosting company), interruption of mission-critical IT services or a data security breach could have an unfavourable impact on the Group, particularly the E-commerce business, which is highly dependent on reliable and secure computer systems. There were no material occurrences of this risk in 2020 and none since 1 January 2021.

Risk management (control and mitigation)

The Group implements comprehensive measures in each business unit to protect sensitive data, in particular personal data about customers and employees, and ensure business continuity. It aims to be a responsible and engaged leader in the digital economy and in personal data protection.

A set of cybersecurity rules, procedures and indicators have been defined by the Group Information Systems Security department and circulated among all units to protect their information systems and data more effectively. This department also reports regularly to the Group Audit Committee and Executive Committee on the status of action plans for preventing cybersecurity risks.

The Information Systems department's CITADEL database lists business-critical applications for Casino. The database is regularly updated in light of developments in the business, most recently in April 2020. CITADEL is used by the Information Systems department to manage its IT continuity plan. In 2020, the Information Systems department performed 37 tests on the business recovery plan, with the results analysed and taken into account within the scope of the continuous improvement process.

In addition, the cybersecurity insurance policy was renewed in 2019, covering all Group units including GPA in Brazil and Éxito in Colombia. The cover is reviewed each year and is considered by the Group as being sufficient based on estimates of the potential losses that would result from the occurrence of this risk.

Business disruption/interruption risks

Impact: ***/Likelihood: @@@

Description of the risk	Potential impacts on the Group
Business disruption/interruption risk includes the risks of supply disruption, inability to gain access to facilities (stores, warehouses, headquarters), and building destruction or damage. An effective, uninterrupted and timely operation of the supply chain is critical, particularly for the fresh produce sold by the Group. Changes in the Group's logistics structures, for example resulting from labour disruption, problems with the fleet of delivery trucks, strikes, natural events, or technical disruptions or accidents, could lead to a temporary or prolonged business interruption or to store supply issues, and could disrupt inventory management. Catastrophic events such as terrorist attacks, wars, floods, fires, earthquakes, violent storms, pandemics or epidemics (Covid-19) have an adverse impact on retailers' operations, particularly food retailers. Other events such as local strikes, boycotts, social and economic unrest, or civil disturbances could also adversely impact the Group's business. The occurrence of such events can affect consumer morale and have a negative impact on tourist areas. This in turn could affect sales in the Group's retail stores.	A temporary or prolonged disruption in the Group's business activities, in warehouses and/or stores and/or in the headquarters of some of the Group's business units may have an adverse impact on the Group and its banners, and on its net sales, operating performance and financial position. Covid-19: The pandemic could lead to the partial or total shutdown of retail space and warehouses due to staff absences, supply-related difficulties, and/or government decisions (lockdown, closure of shopping centres, etc.). This could have an adverse impact on the Group's net sales and operating performance. Any resurgence of social uncertainty exposes the Group to business interruption risks. All incidents related to violence or social unrest can result in an increase in security costs and a decline in store traffic. Similarly, the E-commerce business may be adversely affected if the operations of vendors and/or freight forwarders are disrupted by demonstrations.

Risk management (control and mitigation)

Business disruption/interruption largely depends on factors outside the Group's control. However, the Group has put in place various measures aimed at reducing the impact of such risks should they occur:

- Covid-19:

  The Group has deployed a coordination unit, which provides general instructions to the Human Resources department. These instructions are updated on a regular basis as the situation evolves. In addition to these instructions, each company implements procedures adapted to its specific business environment. These procedures are then communicated to the management, personnel and employee representative bodies concerned within each business unit. The Group is monitoring the situation closely and is prepared to deploy new measures depending on the development of the pandemic, in compliance with the health guidelines issued by governments.
- Business continuity plans and business recovery plans are in place in most French and international business units (Monoprix, Cdiscount, GPA, Éxito, Libertad, etc.). Each unit has developed its own internal control procedures. For example, Monoprix addressed the risk of being unable to gain access to its stores in Paris by developing a business continuity plan, setting up a crisis management team and conducting drills based on a simulation of the crisis situation that would arise if the Seine were to break its banks. Libertad in Argentina focused on the risk of building damage or destruction due to a maintenance failure, by paying close attention to ensuring that maintenance plans are in place and are properly executed.
- Crisis management units have been set up within the Group's main international business units (GPA, Éxito and Libertad) and a crisis management process is in place involving representatives of Senior Management (the Chairman and Chief Executive Officer, when necessary, and the Group General Secretary), as well as internal or external experts as needed to deal effectively with the crisis.

Economic risks

Impact: ***/Likelihood: @@@

Description of the risk	Potential impacts on the Group
The Group's businesses and particularly its sales, operating performance and cash generation are strongly correlated with household expenditure, which is influenced by the cyclical nature of the economy at large, by rates of unemployment, demographic growth, inflation/deflation, disposable income, VAT increases and interest rates, by the availability of consumer credit and by consumers' perception of the global economic environment and their own economic prospects. None of these factors are within the Group's control. The Group does most of its business in France and in a small number of Latin American countries, which increases its exposure to the adverse macroeconomic conditions that may affect these countries. At 31 December 2020, 70% of the Group's stores were located in France. Accordingly, any deterioration in the French or European economy could have a significant impact on the Group's trading, as well as on its operating performance and the financial conditions it is able to obtain. Traditionally, Latin American economies have been subject to sharp fluctuations in business volumes, as illustrated for example by the economic downturn in Brazil in 2015 and 2016 and its near-recession in 2019, or by the hyperinflationary economy in Argentina.	A global economic downturn concerning all of the countries in which the Group does business could have a negative impact on customer confidence and on their demand for "non-essential" products. A global economic downturn can also drive down sales of food and other essential products. To conclude, adverse economic conditions or an uncertain economic or political outlook on one or more of the markets in which the Group operates could have an adverse impact on net sales, growth and profitability, and could significantly affect the Group's business, financial position, earnings or ability to implement strategic decisions.

Risk management (control and mitigation)

The Group has taken steps to limit and reduce its sensitivity to economic risks at several levels:

- its business activities are spread across several geographic areas (primarily France and Latin America);
- it is developing omni-channel distribution involving a broad spectrum of both digital and bricks-and-mortar formats, from hypermarkets and supermarkets to convenience stores, wholesalers and E-commerce;
- banners and concepts are adapted to the target customer base, whether premium stores, stores specialising in organic produce, etc.;
- business has been diversified to include new activities offering green energy/energy efficiency (GreenYellow) and data (relevanC and ScaleMax) solutions, generating significant revenues.

Competitive environment

Impact: **/Likelihood: @@

Description of the risk	Potential impacts on the Group
The Group's stores and E-commerce sites are exposed to fierce competition and operate in markets subject to fast-paced changes. Competition is particularly intense in the mature French market. Outside France, the Group's leadership in most of its markets (e.g., Brazil and Colombia) is under constant attack from international and local retailers that are seeking to strengthen their positions. Competition generally concerns store location, product quality, services, pricing, product range, brand reputation and store condition. In addition, its ability to adjust its selling models to customer expectations is a major issue for the Group, given the structural changes in consumer habits.	Besides promotional campaigns and loyalty programmes, the Group's response to the performance of competitors and to changes in their pricing strategies, promotional initiatives, product mix and other business strategies may lead it to cut its prices in order to defend its market shares. This could have a negative impact on its net sales, increase its operating costs and/or decrease its margins. The Group expects competition on E-commerce channels to intensify, which may put downward pressure on prices and lead to a loss in market share.

Risk management (control and mitigation)

In the short term, the competitive environment and related developments are monitored and taken into account for each country and banner, mainly through efficient pricing management and promotional and customer loyalty initiatives. Over the medium term, the Group monitors all of its formats and banners and looks to identify opportunities to develop its multi-channel sales. The Group also seeks to identify opportunities to grow its asset or franchise operations and to carry out purchases and sales by identifying and developing store formats and banners best suited to the countries in which it operates.

Consumer expectations

Impact: **/Likelihood: @@

Description of the risk	Potential impacts on the Group
The success of the Group's business depends on the continued appetite for the range of products and services on offer in the Group's network of integrated and franchised stores and E-commerce platforms. Given the diverse profile and expectations of its clientele, the Group has to offer a range of products able to satisfy an extensive array of preferences that can vary from one country and store format to the next. Demand for the Group's food products can be affected by consumers' growing concerns about food safety, and health and well-being issues associated with the produce they buy. For example, consumers are increasingly concerned about the health effects of certain controversial ingredients such as processed fats, gluten, sugar, processed wheat and other such products. An analysis of consumer expectations shows both (i) a trend towards organic, environmentally-friendly products, a preference for buying locally and a real demand for transparency in terms of product traceability, sustainability and nutritional value, and (ii) a constant rise in E-commerce sales prompted by the need for a seamless customer experience.	There is a risk that the Group will fail to anticipate these consumer trends or the demand for certain products. Even though the Group sells a wide range of products through its different banners, failure to accurately or quickly identify changes in consumer expectations as regards concepts, health and nutrition could have a negative impact on its relations with its customers, on customer demand for its products and on its market shares if consumers were to disregard its products and turn to other options. Keeping up with changing consumer preferences can also be extremely costly. Finally, if the Group fails to accurately anticipate the demand for certain products, particularly non-food items, this could lead to stock surpluses that would require it to significantly reduce prices in order to sell the items, resulting in inefficient management of working capital. On a large scale, the above factors could impact the Group's business, its financial position and its operating performance.

Risk management (control and mitigation)

To mitigate this risk, the Group endeavours to identify and respond to consumer trends, with the CSR, Marketing and Innovation departments responsible for consumer monitoring and research activities.

In France, the Casino Max loyalty programme has been upgraded to included a new service displaying the Nutri-score of over 10,000 products directly in the app. The Group therefore supports the nutritional quality drive and assists its customers in their efforts to adopt better consumption habits.

In France, alongside the Amazon-Monoprix partnership offering express deliveries of Monoprix products – which has since been extended to certain towns and cities outside Île-de-France – the Monoprix Plus service launched in 2020 offers next-day delivery to customers in Paris and Île-de-France. This fast and efficient home delivery service marks a further step in the Group's innovation drive, which also includes an optimised order preparation process thanks to technology rolled out in partnership with Ocado.

In Colombia, the Éxito group is acting for the environment by removing all plastic bags from its stores along with the plastic packaging on fruit and vegetables. For products requiring packaging protection, the packaging must be fully biodegradable and compostable. In France, Monoprix no longer produces paper copies of its catalogues, while Franprix eliminated all single-use plastics as of 2020.

Legal risks

As mentioned in this management report on page 11, the safeguard plans for Euris, Finatis, Foncière Euris and Rallye were approved by the Paris Commercial Court on 28 February 2020. The Court decisions were published in the French official bulletin of civil and commercial announcements (BODACC) on 17 March 2020. The decisions to approve the plans were subject to decisions of interpretation, correction of material errors, and omissions to rule, issued on 20 October 2020 by the Court.

Safeguard plans procedures risks

Impact: ***/Likelihood: @

Description of the risk	Potential impacts on the Group
Claims admission orders issued by the insolvency judge overseeing the safeguard proceedings may be appealed by the creditors. Additionally, the decision to approve the Safeguard Plan could be contested by a third party. This recourse is open to all interested parties, provided that they are not a party to nor represented in this contested decision, and that they are able to justify their own plea or an infringement of their own rights.	Appeals made against claims admission orders do not call into question Rallye's safeguard plan. All decisions as to third-party proceedings are open to appeal and to judicial review. Accordingly, third-party proceedings take place over a long time period.

Risk management (control and mitigation)

The following appeals have been filed against the orders issued by the insolvency judge relating to disputed claims:

- Diis Group (representative of each of the seven bond tranches) has filed an appeal against the orders issued by the insolvency judge, which partially rejected the claims made in respect of the seven bond issues. Diis Group filed an application against the seven orders issued by the insolvency judge, requesting (i) principally, the admission of contingent and alternative claims, the amount of which is not yet known (corresponding to claims that may arise and become payable under the terms and conditions of the bonds following the occurrence of certain events), and (ii) alternatively, deferral of the decision to admit these claims. The parties involved have filed their respective conclusions. The date for the hearing has not yet been set.
- Bred has filed an appeal against the orders issued by the insolvency judge, which rejected the claims reported in connection with a CICE receivables assignment agreement. The Court of Appeal of Paris has deferred its decision until expiry of the time limit for reassessment by the tax authorities.
- Natixis' has filed an appeal against the orders issued by the insolvency judge, which rejected the claims reported in connection with CICE receivables assignment agreements. The hearing before the Court of Appeal of Paris will take place in June 2021.

The following appeals have been filed against the decision to approve Rallye's safeguard plan:

- Third-party proceedings seeking withdrawal of the decision filed by (i) the mutual fund SLGP Corporate Bonds Cantonnement, and (ii) SLGP Income Convertible Cantonnement, represented by their management company Swisslife Gestion Privé: in its decision dated 9 December 2020, the Paris Commercial Court dismissed all of SLGP Corporate Bonds Cantonnement and SLGP Income Convertible Cantonnement's claims. The decision has been appealed by the entities concerned and the hearing before the Court of Appeal of Paris will take place in April 2021.
- Third party proceedings seeking to invalidate the decision filed by the mutual fund SLGP Short Bonds Cantonnement, represented by its management company Swisslife Gestion Privé: in its decision dated 9 December 2020, the Paris Commercial Court dismissed all of SLGP Short Bonds Cantonnement's claims. The decision has been appealed by the entity concerned and the hearing before the Court of Appeal of Paris will take place in April 2021.

Other appeals:

- Application filed by Bernard Law-Wai to revise/withdraw the decisions handed down by the Paris Commercial Court on 25 November 2019 (renewal of observation periods) and 28 February 2020 (approval of the safeguard plans) in connection with the safeguard proceedings for Rallye, Foncière Euris, Finatis and Euris: following the hearing on 3 November 2020, ruling on his requests, Bernard Law-Wai indicated that he had filed claims on the grounds of partiality (*legitimate suspicion*). In its decisions dated 3 November 2020, the Paris Commercial Court decided to defer its decision pending the decision of the First President of the Court of Appeal of Paris regarding these claims. On 3 December 2020, the claims of partiality were rejected by order of the First President of the Court of Appeal. The First President considered that the claimant had acted abusively and sanctioned him by withdrawing his access to legal aid. The hearing before the Paris Commercial Court will take place in April 2021.

Legal and regulatory compliance risks

Impact: ***/Likelihood: @@@

Rallye

Description of the risk	Potential impacts on the Group
The Sapin II Act of 9 December 2016 requires senior executives of large companies to implement measures to prevent and detect corruption and influence peddling in France and abroad.	Despite measures taken to comply with the regulations applicable to its business activities, Rallye cannot guarantee that all risks will be eliminated, due in particular to the ever more stringent regulatory environment, greater supervisory tools, and the associated penalties. The materialisation of such a risk could negatively impact its business activities, results or reputation.

Risk management (control and mitigation)

Under the provisions of Sapin II, the Rallye Group has issued a Code of Conduct to employees, organised an alert and report compilation mechanism, along with a handbook explaining how employees can use the mechanism to report serious violations of Sapin II or the Code of Conduct. All employees are required to take a training course covering general anti-corruption issues, the legal framework and the Group policies in place to combat corruption.

As part of the Group's day-to-day management, Rallye is involved in normal business relationships with all of its subsidiaries. Information concerning potential conflicts of interest in the Group's governing bodies and Executive Management is presented in the report on corporate governance on page 92 of this document. During 2018, measures were put in place to ensure compliance with the new European General Data Protection Regulation.

Casino

Description of the risk	Potential impacts on the Group
Due to the nature of its businesses and its international reach, the Group is subject to a wide variety of local laws and regulations, including labour, competition, retail and consumption, planning, personal data protection, and health and environmental laws. The Group considers that the anti-corruption provisions of France's Sapin II Act and the General Data Protection Regulation (GDPR) give rise to the greatest legal and regulatory risks, because they have only recently been adopted and their impact in terms of sanctions and reputational damage could be significant. The Group receives and manages certain personal financial information concerning its customers and employees. It uses independent service providers to process payments made by customers via bank or credit cards. Its online operations are based on the secure transfer of confidential information via public networks, including electronic payments. Data protection is also a priority, and concerns both customers and the Group's employees. Both in France and abroad, the Group is subject to all laws and regulations governing the operation of establishments open to the public, notably health and safety regulations and product compliance and safety regulations, and of classified facilities (service stations).	Despite measures taken to comply with the regulations applicable to its business activities, the Group cannot guarantee that all risks will be eliminated, due in particular to the ever more stringent regulatory environment, greater supervisory tools and the associated penalties. The materialisation of such a risk could negatively impact its business activities, results or reputation.

Risk management (control and mitigation)

The Group Legal department's role is to ensure that the Group's operations comply with the applicable laws and regulations. The heads of business units and their representatives are responsible for ensuring compliance with the applicable laws in their host country. The Group Risk Management and Compliance department, in liaison with the Group Legal department and the relevant business unit departments, is responsible for identifying risks related to laws and regulations and for ensuring that the associated controls are properly applied.

Measures have been taken since 2016 to raise awareness of the European General Data Protection Regulation as well as other legislation arising from it. A Data Committee, which meets monthly, was set up to monitor the "Personal Data Protection" compliance actions carried out by the banners, to arbitrate between different banner positions on compliance matters, and to discuss and anticipate the operational challenges arising from regulatory changes.

A Group Ethics Committee was set up in 2016, while a Steering Committee responsible for monitoring the implementation of Sapin II Act requirements was set up in January 2017. Several new departments or positions (ethics officers, Risks and Compliance department) were also created and tasked with drawing up and implementing the necessary procedures and ensuring the Group's compliance with the provisions of the new law.

More detailed information on the action taken by the Group to prevent bribery and corruption can be found in section 3.4 "Ethics and compliance" of Chapter 3 "Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)" of Casino Group's 2020 Universal Registration Document.

7. Insurance and risk cover

The purpose of the Group's insurance policy is to ensure business continuity in the event of an incident for the activities carried on by its various companies, as well as to maintain or improve the protection of its assets, customers and employees while keeping costs under control.

Analysing and quantifying insurable risks, as well as subscribing and managing insurance policies and monitoring claims, are handled independently by Rallye and its subsidiaries.

Rallye's insurance policies

The main insurance policies taken out by Rallye are as follows:

- property damage and business interruption: designed to protect the Group's assets, it covers traditional risks such as fire, flood, explosion, natural disaster, subsidence, electrical damage, business interruption and tenant risks;
- civil liability insurance: this covers the Group for all losses that might be incurred due to bodily injury, damage to property or consequential loss suffered by third parties that may be caused by the Group's fault, error, omission or negligence in the performance of a service and/or its business operations.

Casino Group's insurance policies

Risks are insured by Casino Group under master policies - whenever this is allowed under local regulations and does not pose any operational problems - in order to ensure consistent levels of cover and benefit from economies of scale by pooling risks.

The Insurance department, which reports to the Group Finance department, is notably responsible for:

- contributing to the risk culture;
- helping to identify and analyse operational risks and transferring them to the insurance market;
- defining and coordinating French and international life and non-life insurance programmes;
- managing and controlling the captive reinsurance company;
- managing and overseeing claims processes;
- contributing to the crisis management process;
- supporting the distribution of insurance products (affinity products, franchisee insurance).

To help the department to fulfil these responsibilities, Casino Group uses the services of international brokers, engineering firms and consulting firms. The policies are purchased from leading insurance companies with a satisfactory financial strength rating that are specialised in insuring major risks. Casino Group has purchased several international insurance programmes. Where permitted under local laws and regulations, risks are insured directly under the master policies. Alternatively, the master policies may increase or extend the limits or conditions of cover available under policies purchased locally.

Self-insurance

To manage and control its insurance costs, in 2020 Casino Group continued its policy of self-insuring small, high-frequency claims, corresponding mainly to civil liability and property damage claims. In addition to the partial self-insurance represented by deductibles, Casino Group reinsures part of its property damage risks through its captive reinsurance company in Luxembourg. In 2020, the cap on the reinsurance captive's commitments was lifted to €12m per year. This strategy helps to strengthen the Group's control over risks and the management of claims while also keeping premiums as low as possible.

Summary of insurance cover

During the year, Casino Group pursued its policy of rationalising its insurance programmes covering all French and international subsidiaries.

These insurance programmes were reviewed in July 2020. They may be changed at any time to take account of changing risks and developments in the activities to be insured, changes in claims experience, or changes in insurance provider decided by the Group, in particular to take account of insurance market capacity, available cover and rates.

Additional information on insurance costs and programmes is provided in the "Insurance - risk cover" section of Casino Group's Universal Registration Document.

8. Speculative attacks on the share price

- Following the distribution by Muddy Waters – while trading was in progress and after it had shorted Rallye and Casino stock – of a report containing untrue or misleading information about Casino Group, triggering an abrupt, very steep fall in the Casino share price, Casino and Rallye filed a complaint with France's securities regulator, the AMF, at the end of 2015. On 17 December 2019, the investigation opened in February 2016 was closed by the AMF with no further action.
- Moreover, in September 2018, Casino and Rallye once again applied to the AMF concerning new speculative attacks, suffered since June 2018 and giving rise to short selling on an unprecedented scale, massive borrowings of Casino securities and misinformation campaigns, all with the aim of artificially reducing share prices and destabilising the Group's companies and their employees and shareholders. As such, they filed a criminal complaint in October 2018 with the Public Prosecutor for price manipulation, in addition to a complaint for false allegations in November 2018.
- The speculative attacks on the share price of Casino and Rallye have continued since then. The Casino share thus recorded a sharp decrease in April, which was exacerbated in May 2019. Given the additional Casino share collateral that had to be obtained for credit lines, and given the associated risks, Rallye and its parent companies were therefore forced to file for safeguard proceedings with the Paris Commercial Court on 21 May 2019.
- To the best of the Company's knowledge, the investigations opened by both the AMF and the Financial Prosecutor in autumn 2018 are still in progress.

9. Duty of care plan

As provided for by French law No. 2017-399 of 27 March 2017 (Article L. 225-102-4 of the French Commercial Code) Rallye has established its own duty of care plan. The law requires parent companies and ordering parties to establish and implement a reasonable duty of care plan, comprising measures designed to identify risks and prevent serious violations of human rights and fundamental freedoms, serious harm to the health and safety of persons, and serious damage to the environment resulting from the operations of the company, the companies it controls, and its subcontractors and suppliers with which it has an established business relationship, when activities are associated with such a relationship.

Rallye's duty of care plan includes a map of the risks covered by the duty of care plan, which indicates very limited exposure to these risks given, in particular, its limited number of suppliers and their type (office equipment suppliers, IT equipment and services suppliers and regulated service providers, e.g. lawyers, statutory auditors, banks, consultants, etc.). Nonetheless, Rallye has established a procedure for assessing its suppliers and potential service providers. The Group has also put in place a whistleblowing system, which can also collect alerts through a dedicated email address. Lastly, it also plans to establish a system for tracking the implemented measures and assessing their effectiveness.

Given the Group's organisation and the holding activities of Rallye (whose sales are exclusively comprised of Casino sales), as well as the diversity of its business and the breakdown of its suppliers and subcontractors, the primary risks and challenges addressed by duty of care are associated with the Group's operational subsidiaries. Casino's duty of care plan is described below.

Casino Group has deployed its own duty of care plan built on the commitments it has made to stakeholders and the initiatives it has been involved in since the early 2000s. The roles of Casino's Duty of Care Committee, established in 2017, are to:

- ensure proper implementation of French law No. 2017-399 of 27 March 2017 on the Duty of Care of Parent Companies and Ordering Parties, which is designed to identify risks and prevent serious violations of human rights and fundamental freedoms, serious harm to the health and safety of persons, and serious damage to the environment resulting from the operations of the company, the companies it controls and its supply chain;
- define the risk mapping methodology and effectively map the risks involved in the operations of the Group and its suppliers;
- analyse the findings of the risk mapping exercise;
- ensure that action plans exist and are properly applied to mitigate risks and prevent serious violations or harm;
- ensure that an alert mechanism is in place to report potential violations.

The risk mapping exercise is tracked and reviewed annually, to reflect the Group's action plans and input from stakeholders.

The duty of care plan is provided in full in Chapter 3 of Casino's 2020 Universal Registration Document.

Chapter 2

Corporate Governance Report

This chapter of the Universal Registration Document addresses all of the provisions arising from the Corporate Governance Report prepared by the Board of Directors, in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

This chapter contains the section of the report on the composition of the Board of Directors, its diversity policy, directorships and offices held in other companies by each member of the Board during the financial year, Board practices and procedures, choice of executive management method, restrictions on the General Manager's powers imposed by the Board, the corporate governance code to which the Company refers, and related-party agreements governed by Article L. 225-37-4 of the French Commercial Code.

It also contains the section of the report presenting the components of compensation paid or awarded to the executive corporate officer and the other corporate officers during 2020 in consideration of their term of office and the disclosures required by Article L. 22-10-9 of the French Commercial Code, as well as the 2021 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2021/2022 term of office as provided for in Article L. 22-10-8 of the French Commercial Code, respectively submitted to the Annual Shareholders' Meeting under the conditions set forth in Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code.

The provisions of the Company's articles of association regarding shareholder attendance and participation in Shareholders' Meetings and factors that may have an impact in the event of a public offering, as referred to in Article L. 22-10-11 of the French Commercial Code, are presented on pages 94 and 289, respectively. A table summarising the delegations of authority to issue new shares granted at the Shareholders' Meeting is provided in Chapter 1, page 31. For further information about matters addressed in the Corporate Governance Report, please see the cross-reference table provided on page 298 of this Universal Registration Document.

The Corporate Governance Report was reviewed by the Appointments and Compensation Committee on 12 March 2021 and subsequently approved by the Board of Directors on 18 March 2021. It was made available to the shareholders prior to the Annual Shareholders' Meeting.

In their audit report on the annual financial statements, the Statutory Auditors did not raise any matters as regards the information on factors that may have an impact in the event of a public offering or the fact that the Corporate Governance report contains the other information required by Articles L. 22-10-9, L. 22-10-10 and L. 225-37-4 of the French Commercial Code.

Corporate Governance Code

In line with the Company's policy of implementing sound governance practices, the Board of Directors refers to the Afep-Medef Code, as revised in January 2020 in particular, when drafting the Corporate Governance Report.

The Afep-Medef Code, as revised in January 2020, is available on the Company's website (http://www.rallye.fr/en).

The Board of Directors ensures that its organisation and composition are aligned with the Company's principles of good governance and, in particular, that its work is organised under satisfactory and appropriate conditions enabling it to fulfil its responsibilities, specifically with regard to voting and information given to Directors.

Accordingly, the Company applies the recommendations of the Afep-Medef Code.

In accordance with the "comply or explain" rule provided for in the Afep-Medef Code, recommendations that have not been strictly implemented are listed on page 92.

Board of Directors

Composition of the Board of Directors at 18 March 2021 [1]

At 18 March 2021, the Board of Directors had eight members, appointed by the Shareholders' Meeting, and a Director representing employees, appointed by the most representative union in accordance with Article L. 22-10-7 of the French Commercial Code. Jean-Charles Naouri serves as Chairman of the Board, a position which is separate from that of General Manager.

Name	Position	Age on 18 March 2021	Indepen-dent Director	Audit Committee	Appointments and Compensation Committee	Safeguard Proceedings Monitoring Committee	First elected	Current term expires	Years on the Board as of the Share-holders' Meeting of 18 May 2021
Jean-Charles Naouri	Chairman of the Board	72					25 Oct. 1993	18 May 2021	27
Philippe Charrier	Director	65	x	Chairman	Member	Member	3 June 2009[(1)]	18 May 2021	11
Jacques Dumas	Director	68					19 July 1990	18 May 2021	30
Catherine Fulconis	Director	59	x		Chair	Member	13 May 2014	18 May 2021	7
Virginie Grin	Permanent representative of Finatis	53					18 May 2016	18 May 2021	5
Didier Lévêque	Permanent representative of Foncière Euris	59		Member		Member	4 June 2008	18 May 2021	12
Odile Muracciole	Permanent representative of Euris	60			Member		4 May 2011	18 May 2021	10
Anne Yannic	Director	58	x	Member		Chair	10 May 2017	18 May 2021	4
Gilbert Delahaye	Director representing employees	65			Member		27 June 2020	2023	1
Non-voting Directors:									
Christian Paillot		73					18 May 2016	18 May 2021	5
Jean Chodron de Courcel		65					10 May 2017	18 May 2021	4

[1] Date of the Board of Directors' meeting held to approve the financial statements.

Summary of changes in the composition of the Board of Directors and of its Special Committees

All of the proposed reappointments of Directors and non-voting Directors were approved by shareholders at the Shareholders' Meeting held on 26 June 2020.

Changes in the composition of the Board of Directors that took place in 2020 and reappointments proposed at the Shareholders' Meeting of 18 May 2021 are as follows:

	Shareholders' Meeting of 26 June 2020		Shareholders' Meeting of 18 May 2021	
Director	Current term expires	Reappointment/Appointment	Current term expires	Reappointment
Jean-Charles Naouri	●	●	●	●
Philippe Charrier[1]	●	●	●	●
Jacques Dumas	●	●	●	●
Catherine Fulconis[1]	●	●	●	●
Euris (Odile Muracciole)	●	●	●	●
Finatis (Virginie Grin)	●	●	●	●
Foncière Euris (Didier Lévêque)	●	●	●	●
Anne Yannic[1]	●	●	●	●
Gilbert Delahaye		●[2]		

(1) Independent Directors.

(2) Director representing employees, appointed on 27 June 2020 by the most representative union.

The composition of the Audit Committee and Safeguard Proceedings Monitoring Committee has not changed since 26 June 2020.

Audit Committee	
Chairman	Philippe Charrier[1]
Members	Anne Yannic[1] Didier Lévêque
Safeguard Proceedings Monitoring Committee	
Chair	Anne Yannic[1]
Members	Catherine Fulconis[1] Philippe Charrier[1] Didier Lévêque

(1) Independent members.

Gilbert Delahaye, Director representing employees, was appointed to the Appointments and Compensation Committee on 29 July 2020.

Appointments and Compensation Committee	
Chair	Catherine Fulconis[1]
Members	Philippe Charrier[1] Odile Muracciole Gilbert Delahaye

(1) Independent members.

Board diversity policy

The Company is not subject to the provisions of Articles L. 22-10-10 (formerly Article L. 225-37-4) or R. 22-10-29 of the French Commercial Code on the diversity policy applicable to members of the Board of Directors.

However, the Board of Directors seeks to ensure that its membership is aligned with the principles of the Afep-Medef Code. With the support of the Appointments and Compensation Committee, the Board regularly reviews its size, structure and composition, as well as the size, structure and composition of its Committees. The Appointments and Compensation Committee proposes candidates for appointment or reappointment to the Board, who are submitted for approval at the Shareholders' Meeting.

The Board's aim is to maintain a diverse and complementary range of technical skills and experience aligned with the Company's business activities.

Terms of office

The one-year terms of office of all the Directors expire at the Shareholders' Meeting on 18 May 2021, with the exception of the Director representing employees, who is appointed for a term of three years.

Age limit

All Directors who are natural persons or who are permanent representatives of a legal entity are deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting held to approve the financial statements for the year during which they reach 75 years of age. No Director is currently concerned by this provision.

Representation of independent Directors

In accordance with the Afep-Medef Code recommendations, during the annual review of its composition, the Board of Directors assessed the representation of independent Directors based on the analysis and opinions of the Appointments and Compensation Committee, which is in charge of monitoring the position of each Director with regard, if applicable, to the relationships that may exist between him/her and the Company or Group companies, which might colour his/her judgement or lead to potential conflicts of interest with the Company.

The Appointments and Compensation Committee conducted an annual analysis of the independence of Directors with regard to the assessment criteria proposed by the Afep-Medef Code:

Criterion 1: *not to be and not to have been within the previous five years an employee or executive corporate officer of the Company, an employee, executive corporate officer or Director of a company within the Company's consolidation scope, or of the Company's parent or a company within said parent's consolidation scope;*

Criterion 2: *not to be an executive corporate officer of a company in which the Company, directly or indirectly, holds a directorship, or in which a designated company employee or a current or former executive corporate officer holds a directorship;*

Criterion 3: *not to be (or be related either directly or indirectly to) a customer, supplier, investment banker or commercial banker of the Company or for which the Company or its Group represents a significant part of the business;*

Criterion 4: *not to have a close family relationship with a corporate officer;*

Criterion 5: *not to have been a Statutory Auditor of the Company in the past five years;*

Criterion 6: *not to have been a Director of the Company for more than 12 years (the Director no longer qualifies as independent once the 12-year limit is reached);*

Criterion 7: *not to be a non-executive corporate officer of the Company who receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the Group;*

Criterion 8: *not to be and not to control or represent a shareholder that owns, either alone or acting in concert, over 10% of the share capital or 10% of the voting rights at Company Shareholders' Meetings.*

Summary analysis of the position of each Director with regard to the independence criteria of the Afep-Medef Code at the date of the Shareholders' Meeting

Independence criteria of the Afep-Medef Code	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Independent Directors								
Philippe Charrier	Y	Y	Y	Y	Y	Y	Y	Y
Catherine Fulconis	Y	Y	Y	Y	Y	Y	Y	Y
Anne Yannic	Y	Y	Y	Y	Y	Y	Y	Y
Directors not meeting independence criteria								
Jacques Dumas	N	Y	Y	Y	Y	N	N	N
Virginie Grin, representing Finatis	N	Y	Y	Y	Y	Y	N	N
Didier Lévêque, representing Foncière Euris	N	Y	Y	Y	Y	N	N	N
Odile Muracciole, representing Euris	N	Y	Y	Y	Y	Y	N	N
Jean-Charles Naouri	N	Y	Y	Y	Y	N	N	N
Gilbert Delahaye	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N.B.: non-compliance with the criteria is identified with an "N", and compliance with a "Y".

The Board noted that Philippe Charrier, independent Director, will have served on the Board for a term of 12 years as of 3 June 2021. Under the strict application of the Afep-Medef Code, he will cease to qualify as an independent Director as from this date.

However, the Board deemed it necessary to be able to continue to benefit from the contribution made by its three independent Directors to its work, given their excellent knowledge of the Group, the specific context of the safeguard proceedings and, in particular, their involvement in the execution and monitoring of these proceedings through their participation in the Safeguard Proceedings Monitoring Committee. With this objective in mind, the Board is asking shareholders to approve the reappointment of the three independent Directors at the Shareholders' Meeting of 18 May 2021.

Accordingly, the Board ensured and acknowledged that Philippe Charrier, despite having served as a Director for a 12-year term, continues to exercise the freedom of judgement and ethical independence he has always demonstrated.

The Board noted that Philippe Charrier does not have any current or previous business relationships with the Company, its group, or its senior executives, other than those established as part of his office and, therefore, that there are no potential conflicts of interest. It also noted that his Executive Management experience enables him to form an independent and objective opinion and, therefore, contribute effectively to the work of the Board in the sole interest of the Company and all stakeholders, and that his freedom of analysis and judgement, a critical independence criterion, is recognised and appreciated in particular by the other independent Directors.

However, after noting that, pursuant to the Afep-Medef Code, Philippe Charrier will no longer qualify as an independent Director as from 3 June 2021, and that, as from that date, the independent Directors will no longer account for a third of the Board's members, the Board undertakes to ensure that it complies with the one-third quota no later than the 2022 Shareholders' Meeting.

Gender balance

In line with sound governance practice on gender diversity, the Board has had four women Directors since the 2016 Shareholders' Meeting, therefore achieving the 40% quota.

Currently, Rallye's Board of Directors comprises 50% women.

Directors holding more than one office

No Director up for reappointment at the Annual Shareholders' Meeting holds multiple directorships. The Board of Directors' Internal Rules state that, in addition to these legal rules, Directors are required to comply with the following recommendations of the Afep-Medef Code:

- an executive Director should not hold more than two other directorships in listed companies, including foreign companies, not affiliated with his or her group. He or she must also seek the opinion of the Board before accepting a new directorship in a listed company not affiliated with his or her group;
- a non-executive Director should not hold more than four other directorships in listed companies, including foreign companies, not affiliated with his or her group. This recommendation will apply at the time of appointment or the next renewal of the term of office. Each Director must disclose to the Company any and all offices he or she holds in other French or foreign companies, and must inform the Company as soon as possible regarding any new office or professional function he or she accepts.

Attendance at Board meetings

The Board of Directors' Internal Rules state that Directors must devote the necessary time and attention to their duties. They must make every effort to attend all Board of Directors' meetings and Shareholders' Meetings, as well as all meetings of any Board Committees of which they are members.

The Company's methods for determining and allocating Directors' compensation in respect of their office comply with the Afep-Medef Code recommendations, according to which, in particular, the variable portion of the compensation should be linked to the Director's attendance rate.

The following table shows the attendance rate of the members in office at 18 March 2021 at Board and Board Committee meetings held in 2020.

	Board of Directors	Audit Committee	Safeguard Proceedings Monitoring Committee	Appointments and Compensation Committee
Jean-Charles Naouri	9/9 (100%)			
Philippe Charrier	9/9 (100%)	3/3 (100%)	7/7 (100%)	4/4 (100%)
Jacques Dumas	9/9 (100%)			–
Catherine Fulconis	9/9 (100%)		7/7 (100%)	4/4 (100%)
Virginie Grin	9/9 (100%)			–
Didier Lévêque	9/9 (100%)	3/3 (100%)	7/7 (100%)	–
Odile Muracciole	9/9 (100%)			4/4 (100%)
Anne Yannic	9/9 (100%)	3/3 (100%)	7/7 (100%)	
Jean Chodron de Courcel (non-voting Director)	9/9 (100%)			
Christian Paillot (non-voting Director)	7/9 (77%)			–

Non-voting Directors

The Company's articles of association allow for the appointment of one or more non-voting Directors, chosen from among the shareholders. They are appointed for one year and attend Board meetings. In this role, they share their observations and advice, and participate in discussions in an advisory capacity. There may not be more than five such non-voting Directors in total.

On the proposal of the Board, based on the recommendation of the Appointments and Compensation Committee, Jean Chodron de Courcel and Christian Paillot were reappointed as non-voting Directors at the Annual Shareholders' Meeting held on 26 June 2020.

Their presence on the Board of Directors fuels the debates and discussions held by Directors, due to their financial expertise and perfect knowledge of the Group and its activities.

Employee representatives on the Board of Directors

• Further to the introduction of the Pacte Law on 22 May 2019, which provides for the representation of employees on the boards of directors, Gilbert Delahaye, appointed on 27 June 2020 by the most representative union within the Group, joined Rallye's Board of Directors as a Director representing employees.

In accordance with Afep-Medef Code recommendations, Gilbert Delahaye was also appointed to the Appointments and Compensation Committee.

Gilbert Delahaye's term of office was set at three years in order to ensure stability and continuity in the exercise of his duties as a specifically trained Director representing employees.

The Director representing employees is not taken into consideration when calculating the proportion of independent Directors or when measuring gender balance.

• The Board of Directors is not subject to the provisions of Article L. 22-10-5 (Directors elected by employee shareholders accounting for more than 3% of the share capital) or Article L. 22-10-6 (Directors elected by virtue of the provisions of the articles of association established by the Company) of the French Commercial Code.

Proposed composition of the Board of Directors, subject to approval at the Shareholders' Meeting of 18 May 2021

Taking into account these different items, and in line with the Appointments and Compensation Committee's recommendation, the Board of Directors has decided to submit the following items for the approval of the Shareholders' Meeting:

- the reappointment of all serving Directors for a term of one year: Catherine Fulconis, Anne Yannic, Jean-Charles Naouri, Philippe Charrier and Jacques Dumas, and the companies Euris (represented by Odile Muracciole), Finatis (represented Virginie Grin) and Foncière Euris (represented by Didier Lévêque);
- the reappointment of Jean Chodron de Courcel and Christian Paillot as non-voting Directors.

Following the Shareholders' Meeting of 18 May 2021, the Board will have eight Directors, appointed by the Shareholders' Meeting, and one Director representing employees. It will include four women (50%) and two independent Directors (25%).

Executive Management

The roles of Chairman of the Board and Chief Executive have been separated since 28 February 2013. Jean-Charles Naouri serves as Chairman of the Board and Franck Hattab was appointed General Manager on 3 April 2017.

On 26 June 2020, the Board reappointed Franck Hattab as General Manager for a term that will expire at the end of the Shareholders' Meeting of 18 May 2021 called to approve the financial statements for the year ended 31 December 2020.

Powers of Executive Management

Executive Management has the broadest powers to act on behalf of the Company in all circumstances, pursuant to Article L. 225-56 of the French Commercial Code. Nevertheless, these powers must be exercised within the scope of the Company's purpose and the powers expressly conferred by law to Shareholders' Meetings and Boards of Directors. It represents the Company in its dealings with third parties.

In keeping with the Company's good governance practices, certain transactions are subject to prior authorisation by the Board of Directors due to their nature or size.

Thus, Executive Management may not, without the prior authorisation of the Board of Directors, enter into:

- any transaction likely to impact the strategy of the Company or the companies that it controls, their financial structure or business scope, and in particular may not enter into or terminate any agreement that may represent a material commitment for the Group in the future;
- any transaction if it exceeds €1m, and in particular:
  - security subscriptions and purchases, and immediate or deferred acquisitions of an interest in a group or company *de facto* or *de jure*,
  - contributions or exchanges of goods, shares, or other securities, with or without consideration,
  - acquisitions of goods or property rights,
  - actions in view of granting or obtaining loans, borrowings, credit or cash advances,
  - any derivatives transaction on equities, marketable securities, interest rate or currency hedges, such as equity swaps, total return swaps (TRSs) and options, including by the sale or purchase of call or put options,
  - transactions and settlement agreements relating to litigation,
  - disposals of real property or real property rights,
  - any total or partial transfer of equity interests, securities or any other asset or right,
  - surety grants.

These limitations of powers concern Rallye and the subsidiaries within the holding company scope, but not internal transactions between them and/or with their parent companies.

Furthermore, Executive Management has specific annual authorisations, as detailed below, particularly concerning: borrowings, credit lines and other financing agreements and cash advances; guarantees, endorsements and sureties; transactions in shares, securities and derivative products, and bond issues. These authorisations were renewed by the Board meeting held on 26 March 2020, and took effect on the same day.

On 18 March 2021, the Board of Directors, based on the recommendation of the Appointments and Compensation Committee, decided to renew in advance and effective 26 March 2021 the specific annual authorisations granted to Executive Management, while amending the authorisation concerning bond issues, which no longer concerns the EMTN programme and commercial paper.

Borrowings, credit lines, financing agreements and cash advances

Executive Management is authorised, for a period of one year, to negotiate and set up – and to renew, extend or replace – borrowings, including in the form of bonds and/or any other debt instrument, confirmed credit lines and any financing agreements (syndicated or not), as well as cash advances, up to an aggregate annual ceiling of €1.5bn.

Securities, collateral and guarantees

Executive Management is authorised, for a period of one year, to provide guarantees, endorsements and sureties in the Company's name on behalf of its controlled subsidiaries in favour, particularly, of financial or banking institutions and of the Treasury department, up to an overall annual limit of €100m.

Transactions in equities, marketable securities and interest and currency rate derivative products

Executive Management is authorised, for a period of one year, to carry out the following transactions:

- interest rate transactions, up to a monthly limit of €500m and an overall annual limit of €1.5bn;
- foreign exchange transactions, up to a monthly limit of €300m and an overall annual limit of €1bn;
- transactions – either directly or using derivatives such as equity swaps, TRSs and options – in shares, securities, and short or long term investments (except controlling interests), subject to a monthly limit of €25m (including, if applicable, the value of the underlying), and an annual limit of €100m;
- transactions of any kind (acquisitions, disposals, exchanges, commitments and similar transactions), either directly or through derivative products such as equity swaps, TRSs and options, subject to an annual limit (including, if applicable, the value of the underlying) of €100m per year.

Bond issues

Executive Management is authorised, for a period of one year, to issue bonds or any other debt instruments, with or without the right to allocate marketable securities carrying rights to shares of the Company or to the existing shares of companies controlled by Rallye and, in this respect, to set their terms and conditions and to implement all related market transactions, up to an overall annual limit of €1bn and a monthly limit of €500m.

As part of this delegation of powers, Executive Management is authorised to buy back previously issued bonds. These buybacks may be carried out for cash, or for new bonds to be issued, up to the monthly and annual limits set out above.

Compensation for all contracts or mandates held

Executive Management is authorised, for a period of one year, to pay the fees and/or commissions due in respect of contracts and mandates up to an overall annual limit of €25m.

Taxation

Executive Management is authorised, for a period of one year, to make payments to the tax authorities on what is owed by Rallye and the subsidiaries within the holding company scope and, in this respect, make concessions and, where appropriate, take administrative or legal action.

Every transaction executed pursuant to these specific authorisations, the aggregate amount of which would exceed €25m, is subject to the express joint approval of the General Manager and a Director of the Company.

Terms of office and positions held by members of the Board of Directors

I. Directors being proposed for reappointment at the Shareholders' Meeting of 18 May 2021

Jean-Charles Naouri

Date of birth: 8 March 1949
Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

A graduate of the École Normale Supérieure (majoring in science), Harvard University and the École Nationale d'Administration, Jean-Charles Naouri began his career as an *Inspecteur général des finances* at the French Treasury. He was appointed Chief of Staff for the Minister of Social Affairs and National Solidarity in 1982, then Chief of Staff for the Minister of the Economy, Finance and Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991 and then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.

Main executive positions

- Chairman and Chief Executive Officer of Casino, Guichard-Perrachon (listed company);
- Chairman of Euris.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	25 October 1993	Ordinary Shareholders' Meeting of 18 May 2021
Chairman of the Board of Directors	2 April 1998	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Chairman and Member of the Board of Directors of Companhia Brasileira de Distribuição (listed company in Brazil); ▪ Chairman of the Board of Directors of Sendas Distribuidora S.A. (Brazil); ▪ Vice-Chairman and Director of Casino Corporate Foundation; ▪ Chairman of the Euris Foundation.	▪ Director of Fimalac; ▪ Member of the Selection, Appointments and Compensation Committee of Fimalac; ▪ Honorary Chairman of Institut de l'École Normale Supérieure.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Chairman and Chief Executive Officer and Director of Casino Finance.	▪ Chairman of "Promotion des Talents", a non-profit organisation.

Number of Rallye shares held: 369

Philippe Charrier

Date of birth: 2 August 1954
Business address: 6 Avenue de l'Europe, 78400 Chatou, France

Biography

Philippe Charrier graduated from the École des Hautes Études Commerciales and has a diploma in accounting (DECS). He joined the Financial department of the Procter & Gamble Group in 1978, where he spent the majority of his career as Finance Director for France, Marketing Director for France, CEO for Morocco, and went on to serve as Chairman and General Manager for France until 2006. From 2006 to 2010, he was Vice-Chairman and General Manager of Oenobiol. From January 2011 to March 2016, he was Chairman of Labco SAS before being appointed General Manager of Labco SA in January 2012, then Chairman of the Board of Directors of Synlab Limited from September 2015 to March 2016. From January 2017 to June 2019, he was Executive Chairman of Ponroy Santé group, and since July 2019 has been General Manager of Laboratoires Mayoly Spindler.

Main position

- General Manager of Laboratoires Mayoly Spindler.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	3 June 2009	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Chairman of the Audit Committee, member of the Appointments and Compensation Committee, and member of the Safeguard Proceedings Monitoring Committee of Rallye (listed company).

Outside the Rallye/Euris Group

- General Manager of Laboratoires Mayoly Spindler;
- Chairman of the Board of Directors of ORPEA (listed company);
- Chairman of Alphident SAS;
- Chairman of Dental Emco SAS;
- Director of Idée Consultants;
- Manager of SCI EP Investor;
- Manager of SCI Condesaint;
- Chairman of Alphident and Optic Link;
- Chairman of Alphident and General Manager of Scorpius;
- Founding member of the business club "Entreprise et handicap";
- Founder and Chairman of Clubhouse France.

Other offices and positions held in the past five years and no longer held

- Chairman of the Board of Directors of Dental Emco SA;
- Director of Médipole Partenaires;
- Director of Lafarge (listed company);
- Chairman of the Board of Directors and Chief Executive Officer of Labco;
- Director and Chairman of Synlab Limited (United Kingdom);
- Chairman of Alphident, SAS Ponroy Santé, Lilas 1, Lilas 2, Lilas 3, Institut de Recherche Biologique (IRB), Biopha and Bio Market Holding;
- Chairman of Alphident, Director of Ponroy Vitarmonyl Hong Kong Limited
- Chairman of Alphident, Chairman and Director of Yves Ponroy SA (Switzerland);
- Member of the Supervisory Board of Lilas 1 SAS;
- Director of the Nestlé Foundation for Nutrition;
- Chairman and Director of UNAFM National.

Number of Rallye shares held: 1,614

Gilbert Delahaye

Date of birth: 15 September 1955
Business address: 1, cours Antoine Guichard– 42000 Saint Étienne, France

Biography

Gilbert Delahaye has a university degree in technology, with a specialisation in marketing and sales and has spent his entire career with Casino. Joining Casino Group on 1 January 1979 as Sales Director of Proximité (convenience stores), he became Management Controller in 1982, a position he held until 1986. He was then Administrative and Financial Director for supermarket franchises until 2001. From 2001 to 2010, he was Director of Sustainable Development with Casino Services, then Director of Cross-Functional CSR Projects from 2010. He has also been Deputy Director of External Relations for Casino Services since 2014.

Main executive positions

- Director of Cross-Functional CSR projects for Casino Services.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	27 June 2020	2023

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Member of the Appointments and Compensation Committee of Rallye (listed company); ▪ Chairman of FCPE Casino (corporate mutual fund); ▪ Representative of Casino, Guichard-Perrachon on the Board of Directors of Loire Télé.	None.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Director representing employees of Casino, Guichard-Perrachon (listed company); ▪ Member of the Appointments and Compensation Committee of Casino, Guichard-Perrachon (listed company).	▪ None.

Number of Rallye shares held: 1,000

Jacques Dumas

Date of birth: 15 May 1952
Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Jacques Dumas has a Master's degree in law and is a graduate of Institut d'Études Politiques de Lyon. He began his career in the Legal department of Compagnie Française de l'Afrique Occidentale (CFAO) before becoming Administrative Director (1978-1986). He left CFAO to take up a position as Deputy Company Secretary of Rallye Group (1987) and subsequently moved to the Euris Group as Legal Affairs Director (1994). He is currently Deputy General Manager of Euris and Advisor to the Chairman of Casino, Guichard-Perrachon.

Main executive positions

- Advisor to the Chairman of Casino, Guichard-Perrachon (listed company);
- Deputy General Manager of Euris.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	19 July 1990	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Permanent representative of Euris, Director of Casino, Guichard-Perrachon (listed company); ▪ Permanent representative of Euris, Director of Finatis (listed company); ▪ Member of the Audit Committee of Finatis (listed company); ▪ Member of the Supervisory Board of Monoprix.	▪ Director of Mercialys (listed company); ▪ Member of the Appointments, Compensation and Governance Committee of Mercialys (listed company); ▪ Manager of SCI Cognac-Parmentier and SCI Longchamp-Thiers.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon (listed company); ▪ Member of the Appointments and Compensation Committee of Rallye (listed company); ▪ Member of the Appointments and Compensation Committee of Casino, Guichard-Perrachon (listed company).	▪ Member of the Audit, Risk & Sustainable Development Committee of Mercialys (listed company).

Number of Rallye shares held: 35,652

Catherine Fulconis

Date of birth: 1 September 1961
Business address: 12-16, rue Auger – 93500 Pantin, France

Biography

Catherine Fulconis is a graduate of the HEC School of Management. She started her career within the L'Oréal Group in 1985, in the Luxury Products division, and then successively held various international executive management positions over the years: Director of Marketing for Lancôme Care and Makeup from 1994 to 1998; General Manager of Parfums Lanvin and Paloma Picasso from 1998 to 2000; General Manager Europe for Kiehl's and Shu Uemura from 2000 to 2003; General Manager for the Strategic Development of the Luxury Products division from 2003 to 2005; and General Manager of Helena Rubinstein from 2005 to 2006.
Catherine Fulconis joined Hermès in 2006 as General Manager and Chair of the Executive Board of Hermès Parfums. She was then Chair and CEO of Hermès Parfums from 2010 to 2014. Since 2 March 2015, she has been General Manager of the Leather Goods – Saddlery and petit h division and member of the Board of Directors of Hermès Parfums. In April 2019, she became a member of Hermès' Executive Committee.

Main executive position

- General Manager of the Leather Goods - Saddlery and petit h division (Hermès) In April 2019, she became a member of Hermès' Executive Committee.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	13 May 2014	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Chair of the Appointments and Compensation Committee of Rallye (listed company);
- Member of the Safeguard Proceedings Monitoring Committee of Rallye (listed company).

Outside the Rallye/Euris Group

- Director of Hermès Parfums;
- Manager of SCI Carbet.

Other offices and positions held in the past five years and no longer held

Outside the Rallye/Euris Group

- Chair of the Board of Directors of Hermès Parfums.

Number of Rallye shares held: 480

Anne Yannic

Date of birth: 5 April 1962
Business address: 19, rue des Mégrands – 92500 Rueil-Malmaison, France

Biography

Anne Yannic, a graduate of ESSEC business school, began her career at Procter & Gamble. In 1995, she joined Atlas group, where she was appointed General Manager in 2001. In 2008, she joined Club Med (France, Belgium and Switzerland) as General Manager. In 2012, she was appointed Chair of the Executive Board of Cityvision group. From January 2016 until September 2018, she was General Manager of SETE (Eiffel Tower concession operator). In March 2019, she founded her executive coaching service Namasté Conseil, supporting executives and management teams in developing their leadership skills and business strategy projects.

Main executive position

- Independent consultant and coach

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	10 May 2017	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Member of the Audit Committee of Rallye (listed company); ▪ Chair of the Safeguard Proceedings Monitoring Committee of Rallye (listed company).	▪ Manager of Namasté Conseil; ▪ Manager of LaMaison; ▪ Chair of the Executive Board of Financière d'Amneville.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
None.	▪ General Manager of SETE; ▪ Chair of Financière TXL; ▪ Director of Syndicat du Voyage (SNAV); ▪ Director of the Office du Tourisme de Paris.

Number of Rallye shares held: 450

Euris

French simplified joint stock company (*société par actions simplifiée*) with share capital of €164,806
Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France
Registration no. 348 847 062 R.C.S. Paris

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	8 June 2005	Ordinary Shareholders' Meeting of 18 March 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Director of Casino, Guichard-Perrachon, Finatis and Foncière Euris (listed companies).

Other offices and positions held in the past five years and no longer held

None.

Number of Rallye shares held: 419

Permanent representative of Euris: Odile Muracciole, since 15 December 2017

First elected/appointed: 4 May 2011
Date of birth: 20 May 1960
Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

After receiving her advanced studies diploma in employment law, Odile Muracciole began her career as head of the Legal department at the petroleum group Alty. She joined Euris in 1990 as Manager of Legal Affairs.

Main executive position

- Legal Manager of Euris

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Chief Executive Officer of Parinvest, Pargest and Parande;
- Chair of Pargest Holding and Saris;
- Member of the Appointments and Compensation Committee of Rallye (listed company);
- Director of employment law matters at Casino;
- Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Permanent representative of Finatis (listed company) on the Board of Directors of Carpinienne de Participations (listed company);
- Permanent representative of Euris on the Board of Directors of Foncière Euris (listed company);
- Permanent representative of Par-Bel 2 on the Board of Directors of Finatis (listed company);
- Representative of Saris, Manager of Euriscom;
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Director of the Euris Foundation.

Outside the Rallye/Euris Group

- Member of the Board of Directors of Wansquare.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group

- CEO of Matignon Abbeville;
- Permanent representative of Saris on the Board of Directors of Rallye (listed company);

Number of Rallye shares held: 78,280

Finatis

French joint stock company (*société anonyme*) with share capital of €84,646,545
Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France
Registration no. 712 039 163 R.C.S. Paris

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	2 June 1998	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Director of Carpinienne de Participations, Casino, Guichard-Perrachon and Foncière Euris (listed companies).

Other offices and positions held in the past five years and no longer held

None.

Number of Rallye shares held: 348

Permanent representative of Finatis: Virginie Grin, since 18 May 2016

Date of birth: 21 September 1967
Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Virginie Grin is a graduate of HEC School of Management and holds a Bachelor's degree in accounting and finance. She was Vice-President of Turbo France Tours in 1989 and 1990, then Senior TaskForce Manager at Ernst & Young Entrepreneurs from 1990 to 1994. She joined the Euris group in 1994 as Executive Assistant and was appointed Deputy Company Secretary in 2008.

Main executive position

- Deputy Company Secretary of Euris SAS

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Permanent representative of Saris SAS on the Board of Directors of Carpinienne de Participations SA (listed company);
- Permanent representative of Matignon Diderot SAS on the Board of Directors of Finatis SA (listed company);
- Permanent representative of Matignon Diderot SAS on the Board of Directors of Foncière Euris SA (listed company);
- Director, Treasurer and Secretary of Euristates Inc;
- Member of the Supervisory Board of Centrum Poznan SA and Centrum Warta SA.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group

- Director, Treasurer and Secretary of Euris North America Corporation (ENAC) et Parande Brooklyn Corp. (United States) and Euris Real Estate Corporation (United EREC);
- Director of Euris Limited (United Kingdom);
- Co-Manager of SNC Delano Participations;
- Member of the Supervisory Board of Centrum Krakow SA, Centrum Weiterstadt SA(Luxembourg) and Centrum Baltica SA (Luxembourg).

Number of Rallye shares held: 53,639

Foncière Euris

French joint stock company (*société anonyme*) with share capital of €148,699,245
Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France
Registration no. 702 023 508 R.C.S. Paris

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	25 October 1993	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 May 2021

Within the Rallye/Euris Group

- Director of Casino, Guichard-Perrachon (listed company);
- Chair of Marigny Foncière and Mat-Bel 2.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group

- Chair of Matignon Abbeville

Number of Rallye shares held: 30,462,478

Permanent representative of Foncière Euris: Didier Lévêque, since 4 June 2008

Date of birth: 20 December 1961
Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Didier Lévêque is a graduate of HEC School of Management. From 1985 to 1989, he served as Research Analyst in the Finance department of the Roussel-UCLAF Group. He joined Euris in 1989 as Deputy Company Secretary. He was appointed Company Secretary in 2008.

Main executive positions

- Company Secretary of Euris;
- Chairman and CEO of Finatis (listed company).

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Chairman and Chief Executive Officer of Carpinienne de Participations (listed company) and Finatis (listed company); ▪ Chairman and Chief Executive Officer of Euristates Inc.; ▪ Member of the Audit Committee and the Safeguard Proceedings Monitoring Committee of Rallye (listed company); ▪ Member of the Appointments and Compensation Committee and the Audit Committee of Foncière Euris (listed company); ▪ Chairman of Par-Bel 2 and Matignon Diderot; ▪ Member of the Supervisory Board of Centrum Development, Centrum Poznan and Centrum Warta (Luxembourg); ▪ Permanent representative of Finatis, Director of Foncière Euris (listed company); ▪ Permanent representative of Finatis, Director of Casino, Guichard-Perrachon (listed company); ▪ Representative of Matignon Diderot, Manager of SCI Penthièvre Neuilly; ▪ Co-manager of Silberhorn (Luxembourg); ▪ Director and Treasurer of the Euris Foundation.	▪ Member of the Board of Directors of Wansquare.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group	Outside the Rallye/Euris Group
▪ Chairman and Chief Executive Officer of Euris North America Corporation (ENAC), Euris Real Estate Corporation (EREC) (United States) and Parande Brooklyn Corp. (United States); ▪ Vice-Chairman and Director of Cnova N.V. (listed company – Netherlands); ▪ Permanent representative of Foncière Euris, Director of Casino, Guichard-Perrachon (listed company); ▪ Member of the Supervisory Board of Centrum Krakow, Centrum Weiterstadt (Luxembourg) and Centrum Baltica (Luxembourg); ▪ Director of Euris Limited (United Kingdom).	▪ General Manager of SARL EMC Avenir 2.

Number of Rallye shares held: 40,584

II. Non-voting Directors whose reappointment is proposed at the Shareholders' Meeting of 18 May 2021

Jean Chodron de Courcel

Date of birth: 14 May 1955

Biography

Jean Chodron de Courcel is a graduate of HEC School of Management and an alumnus of the École Nationale d'Administration. After holding various positions within the government and in ministerial offices, Jean Chodron de Courcel joined the executive management of the Schneider group in 1990, where he served as Chief Financial Officer from 1991 to 1995. In 1997, he joined the executive management team of the Crédit Agricole Indosuez group. From 1995 to 1997, he was Deputy Private Secretary to Prime Minister Alain Juppé. He was Deputy Managing Director of the Penauille Polyservices SA group from 2003 to 2005. From 2008 to 2012, he held the positions of Senior Advisor, then that of Vice-Chairman – Europe with Canaccord Genuity Hawkpoint. He has been Manager of Semper Consulting since 2013.

Main executive position

- Manager of Semper Consulting.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Non-voting Director	10 May 2017	Ordinary Shareholders' Meeting of 18 May 2021

Other offices and positions held in 2020 and continuing as of 18 March 2021

Outside the Rallye/Euris Group

- Manager of Semper Consulting.

Other offices and positions held in the past five years and no longer held

Outside the Rallye/Euris Group

- Director of Rallye (listed company);
- Chairman of the Appointments and Compensation Committee and member of the Audit Committee of Rallye (listed company).

Number of Rallye shares held: 376

Christian Paillot

Date of birth: 9 September 1947

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Non-voting Director	18 May 2016	Ordinary Shareholders' Meeting of 18 May 2021

Biography

Christian Paillot has spent most of his career in manufacturing and the distribution of photographic, video, and hi-fi equipment. He set up and developed the businesses of Akai, Konica and Samsung in France. Between 2010 and 2012, he was Deputy Chairman of the French Equestrian Federation, and until 2014, Member of the International Equestrian Federation and Deputy Chairman of the European Equestrian Federation. He is currently Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

Main executive position

- Chairman of Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

Other offices and positions held in 2020 and continuing as of 18 March 2021

Outside the Rallye/Euris Group

- Chairman of US companies Paillot Equine Consulting Inc., Martina LLC and Celina LLC.

Other offices and positions held in the past five years and no longer held

Outside the Rallye/Euris Group

- Director of Rallye (listed company).

Number of Rallye shares held: 1,055

Executive Management

Franck Hattab, General Manager

Date of birth: 14 November 1971
Business address: 83 rue du Faubourg Saint-Honoré – 75008 Paris, France

Biography

Franck Hattab graduated from EDHEC and started his career in 1994 as a Credit Analyst at Société Générale. He later held the positions of Auditor at KPMG for three years before joining the Finance Department of Rallye in 1999, where he acted as the Chief Financial Officer. He was appointed Deputy General Manager of Rallye on 28 February 2013, then General Manager of Rallye on 3 April 2017.

Main executive position

- General Manager of Rallye.

Other offices and positions held in 2020 and continuing as of 18 March 2021

Within the Rallye/Euris Group

- Chairman and member of the Supervisory Board of Groupe GO Sport;
- Representative of Rallye, Chairman of Parande;
- Representative of Parande, Chairman of Parinvest and Pargest.

Other offices and positions held in the past five years and no longer held

Within the Rallye/Euris Group

- Chief Executive Officer of Alpétrol, Cobivia and L'Habitation Moderne de Boulogne;
- Permanent representative of L'Habitation Moderne de Boulogne on the Board of Directors of La Bruyère;
- Permanent representative of Rallye (listed company) on the Board of Directors of Miramont Finance et Distribution;
- Chairman of the Board of Directors of Miramont Finance et Distribution.

Number of Rallye shares held: 58,307

Organisation and functioning of the Board of Directors

Preparation and organisation of the work of the Board of Directors

The requirements governing the preparation and organisation of the work of the Board of Directors are defined by law, by the Company's articles of association, by the Board's Internal Rules, and by the charters of the Special Committees set up within it.

Organisation and procedures of the Board of Directors

Since 28 February 2013, the functions of Chairman of the Board of Directors, a position held by Jean-Charles Naouri, and General Manager have been separate.

Powers of the Chairman of the Board of Directors

Within the Board of Directors, the Chairman organises and directs the activities of the Board, and reports thereon to the Shareholders' Meeting.

He convenes meetings of the Board of Directors and is in charge of setting the agenda and producing the minutes of these meetings. He ensures that the Company's management bodies function correctly and that the Directors are able to perform their duties. The Chairman of the Board of Directors does not hold any other function.

Board of Directors' Internal Rules

The organisation and functioning of the Board of Directors are subject to the Internal Rules adopted in December 2003, and last revised by the Board of Directors on 16 December 2020. They include and specify the different rules that are applicable by law, the regulations and the Company's articles of association. They include the corporate governance principles with which they ensure compliance.

The Internal Rules were amended in 2020 primarily to take into account recent changes in legal and regulatory provisions, as well as amendments to the Afep-Medef Code, revised in January 2020.

The Internal Rules describe the functioning, powers, authorisations and duties of the Board of Directors and of its Special Committees: the Audit Committee and the Appointments and Compensation Committee. They describe the limits to the powers of Executive Management.

The Internal Rules set out the principle of formal and regular assessments of the functioning of the Board of Directors.

They also spell out the terms and conditions for its meetings and deliberations and, in particular, enable Directors to attend Board meetings by videoconference and by any other means of telecommunication.

They incorporate the rules of conduct applicable to members of the Board of Directors as set out below in the "Code of conduct" section on page 91.

The Internal Rules of the Board of Directors may be consulted on the Company's website at: http://www.rallye.fr.

Information provided to Directors

The terms governing the Board's right to information and communication, as defined by the law, and the related duty of confidentiality, are specified in the Board of Directors' Internal Rules.

Under Article L. 225-35 of the French Commercial Code, the Chairman or General Manager of the Company provides each member of the Board with all the documents and information necessary for the performance of their duties.

All the necessary information relating to the subjects to be discussed by the Board of Directors is provided to its members prior to each Board meeting. Accordingly, each Board member receives a preparatory file containing information and documents, provided that such documents are available and depending on the progress status of the files, relating to the subjects on the agenda. A secure platform was installed in 2016, introducing the process to digitalise the work files used by the Board and its Committees for their meetings.

Under the Board's Internal Rules, Executive Management reports to the Board of Directors at least once a quarter on the Company's business and that of its main subsidiaries, including information on sales and results. Executive Management also provides a list of the Company's employees and those of its main subsidiaries.

Once every six months, the Board of Directors also reviews Rallye's off-balance sheet commitments.

When Directors start their term of office, they receive all the information necessary for the performance of their duties, and they may request any document they deem necessary. Meetings with the senior managers of the Company and its subsidiaries are also organised.

Executive Management and the Company Secretary are available to Directors to provide them with any information or explanations as needed.

If they deem it necessary to perfect their knowledge, each Director may take advantage of additional training regarding the Group's specific situation, its businesses and sectors of activity, as well as aspects of the Group's finances and accounting.

Role and responsibilities of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors determines the Company's business strategy and monitors its implementation. Subject to powers expressly granted at Shareholders' Meetings and within the limit of the Company's corporate purpose, it handles any matters relating to the Company's proper functioning and votes on the matters for which it is responsible. It also carries out all the checks and verifications it deems necessary.

The Board of Directors also reviews and approves the parent company and consolidated annual and interim financial statements. It presents reports on the business activities and performance of the Company and its subsidiaries, and approves the Company's management forecasts. It also reviews the Corporate Governance Report prior to its approval. It determines Executive Management's method of conducting business, whether the offices of Chairman and General Manager are to be combined or split, and appoints its Chairman, General Manager and Deputy General Manager. It also sets the compensation policy for corporate officers, and awards free shares. It is called upon to deliberate every year with regard to the Company's policy on equal opportunities and equal pay for women and men.

It convenes the Annual Shareholders' Meetings.

With respect to limitations on the powers of Executive Management, certain significant transactions are subject to the Board's prior authorisation due to their nature and/or amount (see page 70).

Activity of the Board of Directors during the past year

In 2020, the Board of Directors met nine times. The attendance of Directors at these meetings was 100%.

Approval of the financial statements – Business activity of the Company and its subsidiaries

The Board of Directors reviewed and approved the financial statements of the Company and the Group for the year ended 31 December 2019 and the interim financial statements of the Group for the first half of 2020, together with the related reports and the Company's management forecasts. Its review also covered the business performance of the Company and its subsidiaries, the business outlook and the Company's detailed financial position, and took into account the opinion of the Audit Committee and the Statutory Auditors' audit opinion. The Board reviewed and approved the wording of the Group's press releases.

It approved the reports and the text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting held on 26 June 2020. It also took note of the Group's business activity for each quarter, as well as the off-balance sheet commitments, the level of debt and the available cash of the Company, and the Group's workforce.

Due to the coronavirus (Covid-19) epidemic and the related government guidelines, the Board of Directors decided to hold Rallye's Annual Shareholders' Meeting behind closed doors, without the physical presence of shareholders and other persons eligible to attend.

The Board was informed of the following: the agreement signed by Casino Group with Aldi on 20 March 2020 for the sale of 567 Leader Price stores and 3 Leader Price warehouses; developments in Casino Group's plan to simplify its structure in Latin America and its strategy for strengthening its financial structure, as well as health crisis management and the impacts of Covid-19 on the organisation and business activities of Casino Group.

The Board of Directors was also informed of the approval of the safeguard plans of Rallye and its subsidiaries by the Paris Commercial Court on 28 February 2020 under the conditions presented to the Board of Directors on 2 December 2019. Detailed information on the safeguard proceedings can be found on page 11 of Chapter 1 of this Universal Registration Document.

The Board of Directors authorised the implementation of a new financing facility for a maximum total amount of €233m, granted by EP Investment S.à.r.l (entity belonging to Daniel Křetínský's group). The facility was to be used to repay derivatives transactions, but was later cancelled.

The Board also took note of the agreement signed between Rallye/Euris and Fimalac relating to (i) the refinancing of Rallye's (including its subsidiaries HMB and Cobivia) derivatives transactions, for a maximum amount of €215m with a maturity of four years (with a one-year extension, subject to Fimalac's agreement), and (ii) the financing of Rallye's general corporate needs for an amount of €15m. Under the agreement, the Board of Directors authorised a bond issue, taken up by Fimalac in July 2020, the entire proceeds of which were allocated to the repayment of all derivatives transactions. The Board also examined and authorised, under Article L. 225-38 of the French Commercial Code, the subscription agreements entered into with Fimalac, as well as the fiduciary-management agreement.

Board members were also given presentations on the various Casino Group, GreenYellow, RelevanC and Cdiscount BUs. In addition, they were informed of the development of the business and the financial position of Groupe GO Sport, in light of the health crisis and store closures.

As part of the reorganisation of the Group's internal legal structure, the Board of Directors also authorised projects the merger of Cobivia and L'Habitation Moderne de Boulogne (HMB) into Rallye.

The Board of Directors received a report on gender equality within the Company.

The Board of Directors was brought up to date on the Company's property transactions and their development. It also approved the amendment to the partnership set up between Centrum Krakow and Mayland in 2014.

The Board of Directors approved the Corporate Governance Report.

Governance

The Board of Directors conducted the annual review of the Appointments and Compensation Committee's conclusions on the Company's situation with regard to applying corporate governance principles, and more specifically, concerning the composition and organisation of the Board and its Special Committees, the independence of Directors and the gender balance on the Board for the process of renewing the directorships that expired at the Shareholders' Meeting held on 26 June 2020.

In connection with the reappointment of Franck Hattab as General Manager, the Board of Directors maintained the limitation of Executive Management's powers and renewed the specific annual authorisations for borrowings, credit lines, other financing agreements and cash advance contracts, guarantees, endorsements and securities, transactions in equities, marketable securities, derivative products and bond issues.

The Board of Directors approved the implementation of new rules requiring the Audit Committee to identify and assess on an annual basis arm's length agreements entered into in the normal course of business and to report the results of its assessment to the Board.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors reviewed the related-party agreements entered into in previous years.

In this respect, the Board decided to renew the ongoing strategic consulting services provided by Euris to Rallye, and classify them as representing an arm's length agreement.

The Board of Directors approved the amendments relating to the update of the stock market code of conduct, the Board of Directors' Internal Rules, and the charters of the Special

Committees, in light of changes in legal and regulatory provisions and in the Afep-Medef Code.

Following the appointment of Gilbert Delahaye as Director representing employees on 27 June 2020, the Board of Directors appointed him to the Appointments and Compensation Committee, examined and authorised the conditions of his training, and set the number of hours required for him to prepare the meetings.

Compensation

On 26 March 2020, given the exceptional and complex circumstances of the safeguard proceedings, which were initiated after the 2019 compensation for the General Manager was set, the Board of Directors decided to amend the method for determining the variable portion of his 2019 compensation and for awarding additional compensation, in light of an amendment to his 2019 compensation policy (previously approved by the Annual Shareholders' Meeting of 15 May 2019) that was submitted for approval at the Annual Shareholders' Meeting of 26 June 2020 where it was approved with a majority of 95.44%.

At its meeting on 26 March 2020, the Board of Directors also determined, based on the achievement of pre-defined conditions, the amount of the long-term incentive awarded to the General Manager in 2017.

The Chairman of the Board of Directors does not receive any fixed or variable compensation from the Company other than compensation in respect of his office as Director, which is halved for Directors representing the controlling shareholder.

In accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors set the 2020 compensation policy for the General Manager, as well as the compensation policy for non-executive corporate officers: (i) for 2019/2020 (for the period from 1 January 2020 to 26 June 2020) and (ii) for 2020/2021. The Board of Directors decided to ask shareholders to approve an increase in the total amount of Directors' compensation further in order to reflect the appointment of a Director representing employees and his appointment to the Appointments and Compensation Committee.

It also examined the actual allocation of Directors' compensation for 2019/2020.

In accordance with the new provisions of Article L. 22-10-9 of the French Commercial Code, the Board of Directors set the method of determining the pay ratios presenting the difference between the compensation of the General Manager and the average and median compensation of employees on a full-time equivalent basis, and any changes thereto compared to changes in the Company's performance.

It decided on the award of free shares to the executives and employees of the Company and its affiliates, subject to the conditions of continued employment and performance. The Board of Directors also waived, on an exceptional basis, the continued employment condition for three retiring employees who had been awarded free shares that had not yet vested.

In light of the current health crisis, the members of the Board of Directors were informed of the General Manager's decision to waive 25% of his compensation for April and May 2020, and decided to followed suit by also waiving 25% of their compensation for the same period.

The Board of Directors was informed about all the work of its Committees, as described below.

Special Committees of the Board of Directors

The Board of Directors is assisted by three Special Committees: the Audit Committee, the Appointments and Compensation Committee and, since 2019, the Safeguard Proceedings Monitoring Committee.

The Committees are composed exclusively of Directors. Committee members are appointed by the Board of Directors, which also appoints the Chairman of each Committee.

The Chairman of the Board of Directors and the General Manager are not members of any Committee.

The authorities and specific methods of operation of the Audit Committee and Appointments and Compensation Committee were defined by the Board of Directors when they were created, and incorporated into the Internal Rules together with a specific charter for each of them. The authorities of the Safeguard Proceedings Monitoring Committee were set by the Board of Directors on 25 June 2019.

The Committees report to the Board of Directors on their work and submit to it their opinions and recommendations.

Audit Committee

Composition at 18 March 2021

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Philippe Charrier	Chairman	*	13 May 2013 - 26 June 2020	3	100%
Anne Yannic	Member	*	10 May 2017 - 26 June 2020	3	100%
Didier Lévêque	Member		15 December 2017 - 26 June 2020	3	100%
Independence rate		67%			

The Audit Committee has three members, two of whom are independent (i.e., two-thirds): Philippe Charrier (Chairman), and Anne Yannic. The third member is Didier Lévêque. They are appointed for the duration of their term of office as Director.

All members of the Audit Committee hold or have held executive or management positions and, as such, have the financial or accounting expertise required under Article L. 823-19 of the French Commercial Code.

Duties

The Audit Committee is responsible for assisting the Board of Directors in reviewing the annual and interim financial statements, and in dealing with events likely to have a material impact on the position of the Company or its subsidiaries in terms of commitments and/or risks, compliance with laws and regulations, and any potential material litigation.

In this regard, in accordance with Article L. 823-19 of the French Commercial Code and under the exclusive and joint responsibility of the Board of Directors, it monitors questions relating to the preparation and auditing of accounting and financial information.

Specifically, it is responsible for monitoring the process by which financial information is prepared, the effectiveness of internal control and risk management systems, the legally required audit of the annual and consolidated financial statements by the Statutory Auditors and the independence of the Statutory Auditors.

In particular, the Audit Committee reviews the procedures for approving the financial statements and the work undertaken by the Statutory Auditors.

It also organises the Statutory Auditor selection process.

Since 28 February 2020, the Audit Committee has been responsible for reviewing and assessing on an annual basis arm's length agreements entered into in the normal course of business in order to ensure they are appropriately classified, and reports its findings to the Board of Directors (see page 93).

The Audit Committee charter specifies organisational and operational rules, as well as the Committee's expertise and role.

Activity in 2020

In connection with the approval of the interim and annual financial statements, the Audit Committee verified the accounts closing process and took note of and reviewed the analyses and findings of the Statutory Auditors that included, in particular, a review of all consolidation procedures and of the Company's financial statements. The Committee also reviewed off-balance sheet commitments, risks and accounting options selected with regard to provisions, together with the applicable legal and accounting changes. It was informed of the Statutory Auditors' additional report, as well as their audit plan for 2020. The Committee reviewed the wording of the draft press releases relating to the annual and interim financial statements.

In connection with the approval of the interim and annual financial statements, the Audit Committee verified the accounts closing process and took note of the analyses and findings of the Statutory Auditors concerning the consolidation procedures and the Company's financial statements.

The Committee also reviewed the Finance and Accounting department's report on risks and off-balance sheet commitments, and Rallye's risk prevention documents.

The Committee was informed about the Statutory Auditors' findings on procedures relating to the processing and preparation of accounting and financial information.

In accordance with the provisions of Article L. 823-16 of the French Commercial Code, the Audit Committee reviewed the Statutory Auditors' additional report.

The Board of Directors approved the implementation of the new rules for identifying and assessing "related-party" agreements that are now classified as arm's length agreements entered into in the normal course of business, as required by law.

In connection with the Board of Directors' annual review, the Audit Committee reviewed the related-party agreements entered into in past years that remained in effect.

In this respect, the Board expressed a favourable opinion on the renewal and classification as an arm's length agreement of the strategic services provided by Euris to Rallye.

The Committee took note of the update to the list of non-audit services, which was pre-approved by the Audit Committee.

The Committee also authorised several non-audit engagements.

The Chairman of the Audit Committee reported to the Board on the work performed at each of these meetings.

Appointments and Compensation Committee

Composition at 18 March 2021

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Catherine Fulconis	Chair	*	10 May 2017 - 26 June 2020	3	100%
Philippe Charrier	Member	*	10 May 2017 - 26 June 2020	3	100%
Odile Muracciole	Member		18 May 2016 - 26 June 2020	3	100%
Independence rate		67%			

The Appointments and Compensation Committee has three members, two of whom are independent: Catherine Fulconis (Chair) and Philippe Charrier. The third member is Odile Muracciole. They are appointed for the duration of their term of office as Director.

The Chairman of the Board of Directors takes part in the selection process for new Directors.

Duties

The Appointments and Compensation Committee is responsible for verifying the proper application of the corporate governance principles and code of conduct applicable to Board members as set out in the Afep-Medef Code, the Internal Rules, as well as the relevant charter. It examines each Director's situation with regard to any dealings with the Company and Group companies that might compromise their freedom of judgement or entail conflicts of interest.

It reviews the composition, size and organisation of the Board of Directors and its Committees on an annual basis in order to make recommendations on the appointment or reappointment of its members.

The Appointments and Compensation Committee is also responsible for preparing the compensation policies for the General Manager and for the non-executive corporate officers for their submission for approval at the Shareholders' Meeting. It is also tasked with determining the actual allocation of compensation to members of the Board and its Committees, as well as to non-voting Directors.

The Committee implements and runs the process for selecting new corporate officers. It also reviews the candidates proposed for Special Committee and Board member positions.

The Committee reviews, if applicable, the proposed awards of free shares.

The Appointments and Compensation Committee charter specifies organisational and operational rules, as well as the Committee's expertise and role.

Activity in 2020

The Committee performed its annual review of the organisation and functioning of the Board of Directors and its Special Committees, as well as of the correct application of corporate governance principles in accordance with the Afep-Medef Corporate Governance Code and the provisions of the Internal Rules.

It examined each Director's situation with regard to dealings with Group companies that might compromise their freedom of judgement or entail conflicts of interest, in particular with respect to the applicable criteria defined in the Afep-Medef Corporate Governance Code.

The Committee expressed a favourable opinion on the continued separation of the office of Chairman from that of General Manager and, in light of the above, approved the proposed reappointment of Franck Hattab as General Manager and Jean-Charles Naouri as Chairman of the Board of Directors. Upon the reappointment of the General Manager, the Committee made recommendations on the continuation of the specific annual authorisations granted to him.

The Committee expressed a favourable opinion on the proposed reappointment of Directors and non-voting Directors, submitted for approval at the Shareholders' Meeting of 26 June 2020.

The Committee expressed a favourable opinion on the proposed amendment to the annual variable compensation of the General Manager in respect of 2019, as set by the Board of Directors on 13 March 2019 and approved by the Shareholders' Meeting of 15 May 2019, and on the award of additional compensation, in light of an amendment to the 2019 compensation policy for the General Manager. To form its opinion, the Committee drew on the findings of studies conducted by compensation specialists. The Committee also expressed a favourable opinion on the determination, based on the achievement of pre-defined conditions, the amount of the long-term incentive awarded to the General Manager in 2017, to be paid in 2020 subject to approval at the Shareholders' Meeting.

It reviewed the Board of Directors' Corporate Governance Report concerning in particular the organisation and functioning of the Board of Directors and its Special Committees, as well as compensation for corporate officers which, for the first year, also included pay ratios in accordance with Article L. 22-10-9 of the French Commercial Code.

The Committee also reviewed the award of free shares to executives and employees of the Company and related companies, and the proposed waiver, on an exceptional basis, of the continued employment condition for three retiring employees who had been awarded free shares that had not yet vested.

Taking into account the studies conducted by external consultants, the Committee prepared the 2020 compensation policy for the General Manager as approved by the Board of Directors on 26 March 2020 and subsequently approved by the Shareholders' Meeting of 26 June 2020.

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the Committee also reviewed the compensation policy for non-executive corporate officers in connection with their 2019/2020 term of office for the portion corresponding to the period from 1 January to the date of the 2020 Shareholders' Meeting and with their 2020/2021 term of office for their submission to the Shareholders' Meeting of 26 June 2020. In this respect, the Committee issued a favourable opinion regarding the increase in the total amount of compensation to be paid to Directors as from their 2020/2021 terms of office in order to reflect the appointment of a Director representing employees and his appointment to the Appointments and Compensation Committee.

• Following the appointment of the Director representing employees, the Committee proposed the appointment of this Director to the Appointments and Compensation Committee. It also issued a favourable opinion on the training conditions for the Director representing employees and on the time allocated to him to prepare for Board meetings.

• The Committee issued a favourable opinion on the proposal to update the stock market code of conduct, the Board of Directors' Internal Rules, and the charters of the Special Committees in light of changes in legal and regulatory provisions and in the Afep-Medef Code, as revised in January 2020. The Chairman of the Committee reported to the Board of Directors on the work of the Appointments and Compensation Committee.

Safeguard Proceedings Monitoring Committee

Composition at 18 March 2021

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Anne Yannic	Chair	*	25 June 2019 - 26 June 2020	7	100%
Philippe Charrier	Member	*	25 June 2019 - 26 June 2020	7	100%
Catherine Fulconis	Member	*	25 June 2019 - 26 June 2020	7	100%
Didier Lévêque	Member		25 June 2019 - 26 June 2020	7	100%
Independence rate		75%			

The Safeguard Proceedings Monitoring Committee has four members: Anne Yannic, Chair, Catherine Fulconis and Philippe Charrier, independent Directors, and Didier Lévêque, who are appointed for the duration of their term of office as Director.

Duties

At its meeting on 25 June 2019, the Board of Directors decided to set up a specific governance framework in connection with the safeguard proceedings initiated for the Company, its subsidiaries, HMB, Cobivia, Alpétrol, and its parent companies.

The Board of Directors therefore set up an *ad hoc* committee, the Safeguard Proceedings Monitoring Committee. Three quarters of the Committee's members are independent Directors including its Chair, and it is responsible for dealing with issues arising from the safeguard proceedings, particularly:

- monitoring the safeguard proceedings and in particular preparing the plan;
- addressing any conflicts of interest within the Board (presence of different non-controlling interests in each of the listed companies concerned);
- informing the Board of Directors of the status of the proceedings;
- preparing matters to be submitted to the Board of Directors in relation to the proceedings.

These arrangements are designed to ensure that Rallye's governance mechanisms are appropriate and that the Board of Directors:

- is regularly informed of the status of the safeguard proceedings and preparation of the plans;
- and is able to identify and manage potential conflicts of interest on the Board.

Activity in 2020

As part of its role, the Committee was regularly informed on the status of the safeguard proceedings, and kept abreast of all associated transactions.

The Committee was informed of discussions held with EP Investment S.à.r.l (entity belonging to Daniel Křetínský's group) and with Fimalac for the refinancing of Rallye's derivatives transactions (including those of its subsidiaries HMB and Cobivia). The Committee took note of the terms and conditions of the planned financing operations.

The Committee was also informed of the status of dispute proceedings regarding liabilities, particularly those involving banks as well as holders of commercial paper and bonds. It also monitored the consultation of creditors regarding the liabilities repayment proposals and, in particular, proposals related to bondholders, which accepted the safeguard plan during a Shareholders' Meeting.

The Committee was informed of the ongoing legal proceedings in the context of the safeguard plan, details of which are provided on page 11 of this Universal Registration Document.

The Committee was also informed of the development of the business and the financial position of Groupe GO Sport, in light of the health crisis and store closures.

The Committee issued a favourable opinion on the amendment to the real estate partnership set up between Centrum Krakow and Mayland, subsidiaries of the Group, in 2014.

The Committee was given a presentation on Casino's non-strategic asset disposal plan.

The Chair of the Committee reported to the Board of Directors on the work of the Safeguard Proceedings Monitoring Committee.

Assessment of the conditions under which the Board of Directors operates

Pursuant to the Corporate Governance Code, the Internal Rules provide for an annual discussion and regular assessment of the functioning of the Board of Directors, to be performed by the Appointments and Compensation Committee, with assistance from an external consultant if it so chooses.

The latest assessment of the organisation and functioning of the Board of Directors was conducted in 2017, using the responses to a questionnaire sent to each Director. A specific assessment of the effective contribution of each Director to the Board's work, as recommended by the Afep-Medef Code, was not performed. However, the responses and comments made by the Directors were sufficient to assess the involvement of each of the Board members.

The assessments and observations made by the members of the Board of Directors indicated that the organisation and operations of the Board were entirely satisfactory with respect to ethics and proper corporate governance.

Code of conduct

The Board of Directors' Internal Rules describe the code of conduct applicable to Board members. The code states that each Director must fulfil his or her duties in full compliance with the rules of independence, business ethics, loyalty and integrity. It includes the disclosure rules applicable to Directors, their obligation to protect the Company's interests, to avoid and manage conflicts of interest, to make every effort to attend all meetings of the Board, and, if applicable, its Committees, as well as all Shareholders' Meetings, to protect confidential information and for Directors appointed by the Shareholders' Meeting to hold shares in the Company. Measures regarding the prevention of insider trading are also included in the stock market code of conduct issued in 2017 and revised on 16 December 2020, which is referred to directly in the Internal Rules. These documents are available on the Company's website (http://www.rallye.fr/en).

The Internal Rules specify that before accepting office, Directors must familiarise themselves with all legal and regulatory requirements concerning their position, with the applicable codes and best governance practices and with any provisions specific to the Company set out in its articles of association and the Internal Rules.

As regards rules on avoiding and managing conflicts of interest, the Internal Rules specify that all Directors are required to advise the Board of any actual or potential conflicts of interest in which they might be directly or indirectly involved and in such a case to abstain from taking part in the discussion and vote on the matter concerned. Each Director is additionally required to consult with the Chairman before engaging in any activity or accepting any position or obligation that could result in a conflict of interest or a potential conflict of interest. The Chairman may examine these issues with the Board of Directors.

Shares held by members of the Board of Directors

The Internal Rules specify that each Director elected by the shareholders, whether individuals, legal entities or permanent representatives, should hold shares worth the equivalent of one year's compensation in respect of their role as Director. Shares held to meet this requirement must be held in registered form.

To the best of the Company's knowledge there are no restrictions on the sale of Company shares by the members of the Board of Directors, apart from the requirements implemented by the Group in accordance with the stock market code of conduct or, more generally, set by the laws and regulations to prevent insider trading.

Preventing insider trading

The stock market code of conduct adopted in 2017 and revised in December 2020 includes (i) a description of applicable laws and regulations, (ii) a definition of inside information, (iii) measures the Company has taken to prevent insider trading, (iv) obligations applicable to individuals with access to inside information and (v) the penalties for non-compliance. In addition, it states that each of Rallye's publicly traded subsidiaries and parent companies have their own stock market code of conduct.

The code applies to all Directors, senior executives and related persons, as well as more generally to employees and any person who may have access to inside information.

The stock market code of conduct and the Board of Directors' Internal Rules both require that a blackout period concerning any transactions in the Company's shares and financial instruments be observed:

- for 30 calendar days prior to the publication by the Company of a press release announcing annual and interim results and on the date of publication;
- for 15 calendar days prior to the publication by the Company of a press release announcing quarterly financial information, if applicable, and on the date of publication;
- from the time of obtaining inside information until such time as the information is no longer confidential or until it becomes public.

The code also includes provisions governing insider lists, and the declarations required from corporate officers, related persons and from individuals with "close personal ties" to members of the Board of Directors with respect to their transactions in Company shares.

Other information about Directors and executive corporate officers

There are no family ties between the members of the Board of Directors currently in office. To the Company's knowledge, none of the members of the Board of Directors or Executive Management, has, in the past five years, been found guilty of fraud or has, as a senior executive, been associated with bankruptcy, receivership or liquidation (as understood under French insolvency laws). Furthermore, no judgement and/or official public penalty (understood as a conviction for economic and financial matters) has been pronounced against them by any statutory or regulatory authority, and no court of law has prevented them from acting as members of an administrative, management or supervisory body of a listed company, nor from taking part in the management or supervision of a listed company's affairs.

Conflicts of interest in corporate bodies and Executive Management – related-party agreements

• The Company has relations with all of its subsidiaries in its day-to-day management of the Group. It also receives strategic advice from Euris, the Group's parent company, under the terms of an agreement dated 2003 and approved by the Shareholders' Meeting pursuant to the procedure for related-party agreements and commitments, with subsequent amendments to that agreement approved following the same procedure. The agreement was renewed in this context in 2017 for a period of three years.

Euris invoices the expenses it incurs in providing strategic advisory services to the Group, and calculates them on the basis of two allocation keys: a primary key applied to the holding companies based on capital employed (equity+debt), and a secondary key within Casino Group to allocate Casino Group's portion in the primary key between its subsidiaries based on sales (Casino, Guichard-Perrachon assumes 20% of the expenses). The expenses allocated are marked up by 10%.

The Audit Committee was called upon to consider the renewal of the strategic advisory services as from 1 January 2020 with unchanged terms and conditions. The Committee determined whether its renewal aligns with the interests of Rallye, and assessed whether this new agreement is an arm's length agreement entered into in the normal course of business, as part of the assessment procedure now required by Article L. 225-39 of the French Commercial Code, in order to provide a recommendation to the Board of Directors. The new financial opinions sought from external experts confirmed, as in 2017, the reality of the services, the relevance and fairness of the strategic cost allocation method, which is economically justified by the fact that it is based on market practices, particularly in view of the keys used and the 10% mark-up applied, as well as its appropriateness for the services provided. They also concluded that the agreement qualified as an arm's length agreement entered into in the normal course of business, in view of the nature of the costs invoiced, the allocation method selected and the 10% mark-up.

The legal opinions expressed also confirmed that the agreement was in line with the corporate interest of the companies concerned and qualified as an arm's length agreement entered into in the normal course of business.

Rallye's Statutory Auditors, who were also consulted, read the expert reports and opinions and had no particular matters to report as regards the agreement's change of classification.

Based on the findings of these financial and legal appraisals, the Board of Directors, acting on the favourable opinion expressed by the Audit Committee, approved the renewal of Euris' strategic advisory services provided to Rallye, as well as their classification as an arm's length agreement entered into in the normal course of business, for three years from 1 January 2020.

Under these billing arrangements, the amount paid in 2020 to Euris by the Company for services provided in 2020 was €2.4m excluding VAT.

Moreover, Euris provides strategic consulting services to Company subsidiaries, and particularly to Casino Group, which represented total fees of €4.2m (excluding VAT) in 2020. The Company and its subsidiaries also receive other technical and operational services concerning real estate matters, as well as seconded personnel and furnished offices from Euris and Foncière Euris (see note 14 to the consolidated financial statements on page 214 of this Universal Registration Document).

Jean-Charles Naouri, Jacques Dumas, Didier Lévêque, Virginie Grin and Odile Muracciole, Directors or permanent representatives of Group companies, as well as Franck Hattab have employee and/or management functions and/or are members of the corporate bodies of companies within the Rallye and Euris Groups and receive the corresponding compensation.

To the Company's knowledge, there are currently no other potential conflicts of interest between the duties with respect to the Company by members of the Board of Directors and Executive Management and their private interests or other obligations. There are no arrangements or agreements signed with shareholders, customers, suppliers or others pursuant to which a member of the Board of Directors has been appointed.

• The tasks entrusted to the Audit Committee, the Appointments and Compensation Committee and the Safeguard Proceedings Monitoring Committee and their members, at least two-thirds of whom are independent and one of whom is the Chair, enable conflicts of interest to be prevented and ensure that control by the majority shareholder is not exercised in an abusive manner.

No loans or guarantees have been granted or issued by the Company to or on behalf of any members of the Board of Directors who are individuals.

See the Statutory Auditors' special report on agreements entered into pursuant to the procedure for related-party agreements on page 254.

- In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors reviewed the related-party agreements signed and authorised in prior years, which were still effective during the year. These agreements required no particular observations.
- Moreover, no agreements, other than arm's length agreements entered into in the normal course of business, were signed between a corporate officer or a shareholder holding more than 10% of the company's voting rights and another company controlled by the latter company within the meaning of Article L. 233-3 of the French Commercial Code.

Regular review by the Audit Committee of arm's length agreements entered into by the Company pursuant to Article L. 22-10-12, paragraph 2, of the French Commercial Code

Arm's length agreement identification and review procedure

Acting on the recommendation of the Audit Committee and in accordance with the provisions of Article L. 22-10-12, paragraph 2 of the French Commercial Code, at its meeting of 28 February 2020 the Board of Directors tasked the Audit Committee with regularly reviewing the arm's length agreements entered into by the Company, and also approved the charter drawn up in this respect.

Each year, the Audit Committee reviews the report on arm's length agreements entered into during the year or which continued to apply during the year. The list of arm's length agreements is accompanied by any supporting documentation, including reports prepared by a third-party expert in financial, legal, real estate or other fields, enabling the Audit Committee to review those agreements classified as at arm's length and to report thereon to the Board of Directors. The Audit Committee may ask for additional information from the Company's Executive Management. The Audit Committee may, if it deems necessary, propose that an agreement initially considered to be an arm's length agreement be reclassified as a related-party agreement. Should the Board agree on the need for such a change, the rectification procedure referred to in Article L. 225-42, paragraph 3 of the French Commercial Code is implemented.

The Audit Committee may also propose that an agreement initially considered as a related-party agreement be reclassified as an arm's length agreement, if it deems appropriate. In that case, the Board of Directors discloses the change in its management report in order to inform the Company's shareholders.

Any member of the Audit Committee or the Board of Directors who is directly or indirectly involved in an arm's length agreement may not take part in its review.

Furthermore, each year, based on the arm's length agreement report, the Audit Committee also determines whether the procedure for identifying and reviewing arm's length agreements as defined in the procedure remains appropriate for the Company's needs and proposes any necessary changes to the Board of Directors.

Other disclosures

Methods for attending Shareholders' Meetings

Methods for attending Shareholders' Meetings are set forth in Articles 25, 27 and 28 of the articles of association (see pages 289 to 291 of this Universal Registration Document).

Factors which may have an impact in the event of a public offering

The Company's capital structure and the direct or indirect interests in the Company's capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code are described on pages 29 *et seq.*

The articles of association contain no restrictions on the exercise of voting rights or the transfer of shares. There are no agreements of which the Company is aware under Article L. 233-11 of the French Commercial Code that provide for pre-emptive rights with respect to the sale or purchase of the Company's shares, nor are there, to the best of the Company's knowledge, any agreements between shareholders which might restrict share transfers or the exercise of voting rights.

The Company has not issued securities with special rights of control, and no mechanism for control is provided for in any employee share ownership plan, when the rights of control are not exercised by the employees.

The rules which apply to appointing and replacing members of the Board of Directors, and to amending the Company's articles of association, are described in pages 285 *et seq.*

The powers of the Board of Directors are described on page 84.

With respect to the issuance of shares, the authorisations awarded to the Board of Directors are set forth on page 31 and, with regard to the repurchase of shares, the powers of the Board of Directors are described on page 29.

In addition, there are no agreements providing for compensation for the members of the Board of Directors, the Directors, senior executives or employees should they resign or be dismissed without just cause or should their employment be terminated as a result of a public offering.

Recommendations of the Afep-Medef Code

Recommendations	Comments
• Representation of independent Directors *(Article 9 of the Code)*	See paragraph "Representation of independent Directors", page 66.
• Assessment of the Board of Directors *(Article 10 of the Code)*:	See paragraph "Assessment of the conditions under which the Board of Directors operates", page 91.

Compensation policy for corporate officers and non-voting Directors

This section contains the part of the Board of Directors' Corporate Governance Report presenting the components of compensation due or paid to the executive corporate officer and the other corporate officers during 2020 in consideration of their term of office and the disclosures required by Article L. 22-10-9 of the French Commercial Code, as well as the 2021 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2021/2022 term of office as laid down in Article L. 22-10-8 of the French Commercial Code, respectively submitted to an *ex post* vote (15th and 16th resolutions) and an *ex ante* vote (17th and 18th resolutions) at the Annual Shareholders' Meeting of 18 May 2021 under the conditions provided for by Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code.

Compensation of the Chairman of the Board of Directors

The Company does not pay the Chairman of the Board of Directors any fixed or variable compensation other than Directors' compensation.

Determination of components of compensation for the year ended 31 December 2020

1. Compensation awarded and paid by Rallye

The compensation and benefits in kind awarded and paid by Rallye to the Chairman of the Board of Directors in respect of and during 2019 and 2020 are as follows:

(in €)	2019		2020	
	Amount awarded [1]	Amount paid [2]	Amount awarded [1]	Amount paid [2]
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Long-term incentive	-	-	-	-
Deferred exceptional bonus	-	-	-	-
Directors' compensation	10,000	10,000	10,000	8,663 [3]
Benefits in kind	-	-	-	-
Total	**10,000**	**10,000**	**10,000**	**8,663**

(1) Compensation awarded during the year, irrespective of the payment date.

(2) Total amount of compensation paid by the Company during the year.

(3) Compensation allocated to Directors in respect of 2019/2020 was reduced by:

- *the portion of compensation for the period from 15 May 2019 to 23 May 2019, which represents a claim arising before the safeguard proceedings initiation decision, which cannot be paid; and*
- *the waiver of 25% of their compensation for April and May 2020 requested by all the members of the Board of Directors in a spirit of solidarity in light of the health crisis.*

2. Stock options for new or existing shares and free shares awarded by the Company and/or companies that it controls: none

Jean-Charles Naouri has not been awarded any stock options or free shares in Rallye, or in companies controlled by Rallye.

3. Summary table of compensation awarded and paid by the Company and the companies that it controls within the meaning of Article L. 233-16 of the French Commercial Code

The table below shows the compensation and benefits in kind awarded and paid to the Chairman of the Board of Directors for and during 2019 and 2020, by Rallye and the companies that it controls:

(in €)	2019		2020	
	Amounts awarded	Amount paid	Amounts awarded	Amount paid
Compensation due for the year (gross)	1,812,220 (1)	860,240 (2)	1,454,645 (3)	1,670,883 (4)
Value of stock options awarded during the year	No award	No award	No award	No award
Value of free shares awarded during the year	No award	No award	No award	No award
Total	**1,812,220**	**860,240**	**1,454,645**	**1,670,883**

(1) Compensation awarded in 2019:

- *Casino, Guichard-Perrachon: €1,802,220, of which €480,000 in fixed compensation, €174,720 in variable compensation in respect of 2019, €480,000 corresponding to the target amount of the 2019/2021 long-term incentive which may be paid in 2022, €655,000 in additional compensation and €12,500 in Directors' compensation;*
- *Rallye: €10,000 in Directors' compensation.*

(2) Compensation paid in 2019:

- *Casino, Guichard-Perrachon: €850,240, of which €480,000 in fixed compensation, €357,740 in variable compensation in respect of 2018, and €12,500 in Directors' compensation;*
- *Rallye: €10,000 in Directors' compensation.*

(3) Compensation awarded in 2020:

- *Casino, Guichard-Perrachon: €1,444,645, of which €480,000 in fixed compensation, €472,145 in variable compensation in respect of 2020, €480,000 corresponding to the target amount of the 2020/2022 long-term incentive which may be paid in 2023 and €12,500 in Directors' compensation;*
- *Rallye: €10,000 in Directors' compensation.*

(4) Compensation paid in 2020:

- *Casino, Guichard-Perrachon: €1,662,220, of which €460,000 in fixed compensation (the Chairman and General Manager decided to waive 25% of his compensation for April and May 2020), €174,720 in variable compensation in respect of 2019, €360,000 in respect of the 2017/2019 long-term incentive, €655,000 in additional compensation for 2019 and €12,500 in Directors' compensation;*
- *Rallye: €8,663 in Directors' compensation.*

4. Employment contract, supplementary retirement plan, severance pay and non-compete clause compensation: none

Employment contract		Supplementary retirement plan		Compensation or benefits due or likely to be due as a result of the termination or change of functions		Compensation relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

General Manager's compensation

General principles

The Board of Directors uses the Afep-Medef Code (January 2020 version) as its reference to determine the principles for setting the compensation of executive corporate officers. It decides the principles for determining and structuring the General Manager's compensation based on the recommendations of the Appointments and Compensation Committee.

The Board of Directors ensures that the compensation policy is consistent with the Company's corporate interests and the interests of shareholders and stakeholders. The policy is determined so that it is consistent with that of the Group's employees. The performance indicators selected for setting the variable compensation must be in line with the strategic priorities of the Group and include both quantitative and qualitative criteria, assessed annually and/or over several years.

The Board of Directors bases its consideration of this issue on the analyses and findings of an external consulting firm specialising in compensation, which advises its members and the Appointments and Compensation Committee on market practices in this area. These periodic compensation analyses make it possible to benchmark the General Manager's compensation, its level and growth, the weighting of components, as well as assessment criteria, with the practices of peer companies.

Components of compensation paid to the General Manager in 2020 or awarded to him in respect of that year

On 26 March 2020, the Board of Directors, based on the recommendation of the Appointments and Compensation Committee, decided to apply the same compensation structure for 2020 as in 2019 (fixed compensation, annual variable compensation, long-term incentive), based on market practices and recommendations issued by the external consultants.

The components of the General Manager's aggregate compensation were again reviewed in 2020.

These analyses and recommendations issued by the specialised consultants indicated that the structure of the General Manager's overall annual variable compensation was consistent with the practices of peer companies. The renewal of the long-term cash incentive plan is consistent with the practices observed and recommendations made relating to the weighting of variable compensation in the structure of compensation and long-term performance analysis.

In accordance with the principles and criteria set by the Board of Directors on 26 March 2020, the General Manager's compensation for 2020 approved by the shareholders at the Ordinary Shareholders' Meeting of 26 June 2020 (99.67% approval rate) comprised a fixed component, a conditional annual variable component, and a long-term incentive component, determined as follows:

Fixed compensation for 2020

Gross fixed compensation for 2020 is maintained at €480,000[1].

2020 annual variable compensation

The 2020 target annual variable compensation could represent 64.5% of fixed compensation (i.e., a gross amount of €310,000) if all of the objectives are met.

It was calculated based on set financial quantitative objectives and individual qualitative objectives:

- Two quantitative financial objectives, accounting for 65% (versus 50% previously) of the target amount, i.e., €201.5 thousand, based on:
  - EBITDA France, corresponding to a weighting of 30%, i.e., €93,000,
  - a reduction in Rallye's gross debt, corresponding to a weighting of 35%, i.e., €108,500.
- Three individual qualitative objectives, whose weighting was reduced from 30% to 20% of the target amount: day-to-day management of the safeguard proceedings, asset disposals and financial reporting, i.e., €62,000.
- Assessment of managerial attitudes and behaviour, whose weighting was reduced from 20% to 15% of the target amount, i.e., €46,500.
- An outperformance bonus representing up to 200% for the two quantitative financial criteria only.

The maximum potential gross annual variable compensation is therefore €511,500 (106.6% of fixed compensation) in the event of outperformance.

On that basis, in strict application of the methods set by the Board of Directors on 26 March 2020 for determining compensation, acting on the recommendation of the Appointments and Compensation Committee, at its meeting on 18 March 2021 the Board of Directors reviewed the results achieved and determined the amount of variable compensation due for 2020, as follows:

- the EBITDA France criterion was achieved at a rate of 26.6% of the target amount of €93,000, i.e., a gross amount of €24,800;
- the criterion for the reduction in Rallye's gross debt was achieved at a rate of 27.48% of the target amount of €108,500, i.e., a gross amount of €29,814;
- the individual objectives were achieved at a rate of 75% of the target amount of €62,000, i.e., a gross amount of €46,500;
- the assessment of managerial attitudes and behaviour was achieved at a rate of 100% of its target amount, i.e., a gross amount of €46,500.

Total variable compensation for 2020 therefore amounted to €147,614 gross, representing 47.6% of its target amount and 31% of annual gross fixed compensation of €480,000.

As required by Article L. 22-10-8 of the French Commercial Code, payment of the annual variable compensation due for 2020, as determined, is subject to approval at the Ordinary Shareholders' Meeting of 18 May 2021 (16th resolution).

2020-2022 long-term incentive (LTI)

In accordance with market practice and the recommendations made as regards the heavy weighting of the variable component in the overall compensation package and the assessment of the Company's longer-term performance, the Board of Directors decided to once again renew the long-term cash incentive plan in 2020.

To determine the long-term incentive and the related performance conditions, the Board of Directors has decided to retain the criteria concerning the reduction in gross debt and the change in the share price (replacing the criteria of (i) the ratio of consolidated EBITDA to the cost of net debt, and (ii) the cost of net debt of the Rallye scope), considered more suitable in light of the Company's specific situation and its priorities.

The long-term incentive will therefore be determined as follows:

- The gross target amount is unchanged at €300,000, representing 62.5% of fixed compensation.
- The performance conditions continue to be assessed over a three-year period (2020-2022).
- Two quantitative objectives, each accounting for 50%, based on the reduction in gross debt and the change in the Rallye share price.
- An outperformance bonus representing up to 200% for the two criteria.

[1] The General Manager waived 25% of his fixed compensation for April and May 2020 in light of the health crisis.

A minimum threshold, a target level corresponding to the achievement of the objectives and an outperformance level have been set for the two criteria. There is no guaranteed minimum.

Additional compensation

The Shareholders' Meeting held on 26 June 2020 approved, at a rate of 95.44%, the award and payment to the General Manager of additional compensation for 2019 in light of an amendment to his 2019 compensation policy (previously approved by the Shareholders' Meeting held on 15 May 2019), as proposed by the Board of Directors.

Based on the recommendation of the Appointments and Compensation Committee and acting on the recommendations of specialised external consultants with regard to both the type of compensation and its amount, as well as the performance conditions, at its meeting on 26 March 2020 the Board of Directors decided to grant the General Manager additional compensation in respect of 2019 to reflect, amid complex circumstances, his outstanding commitment and engagement, the effective management and stability of the teams, the acceleration of the safeguard proceedings and compliance with the related schedule.

The Board of Directors noted that this compensation was in line with the additional compensation policy established for the Company's employees and personnel to reward him for his decisive contribution.

The amount of additional compensation was set at €600,000 gross, paid in two equal instalments in 2020 and 2021, subject to a continuous service condition.

Other components of compensation and benefits in kind awarded to the General Manager

The General Manager is a member of the specific unemployment insurance plan for Directors and corporate officers (GSC), which is considered to be a benefit in kind, and is covered by all of the compulsory group retirement plans in existence at Rallye (ARRCO and AGIRC), the defined contribution supplementary retirement plan, and the health insurance and death and disability plans.

Furthermore, the General Manager is not covered by any defined benefit supplementary retirement plan, and is not entitled to any compensation for loss of office or any non-compete indemnity.

Compensation awarded or paid by the Company to the General Manager in respect of or during 2020

1. Compensation awarded and paid by Rallye

The compensation and benefits in kind awarded and paid by Rallye for and during 2019 and 2020 are as follows:

(in €)	2019		2020	
	Amount awarded (1)	Amount paid (2)	Amount awarded (1)	Amount paid (2)
Fixed compensation	480,000	480,000	480,000	460,000 (3)
Variable compensation	465,000	364,000	147,614 (4)	465,000
Multi-annual variable compensation	-	-		
Long-term incentive	300,000 (5)		300,000 (6)	82,510 (7)
Deferred exceptional bonus	600,000 (8)	300,000 (9)		300,000 (8)
Benefits in kind (10)	32,277	32,277	32,765	32,765
Total	**1,877,277**	**1,176,277**	**960,379**	**1,340,275**

(1) Compensation awarded for the year, irrespective of the payment date.

(2) Compensation paid in 2019 and 2020.

(3) Taking into account the 25% portion of fixed compensation waived by the General Manager for April and May 2020 in light of the health crisis.

(4) The basis for determining 2020 variable compensation is detailed on page 97 of this Universal Registration Document.

(5) Target amount of €300,000 of long-term incentive awarded to the General Manager in 2019 in connection with his office, assessed over a three-year period (2019/2021) and to be paid, if applicable, in 2022.

(6) Target amount of €300,000 of long-term incentive awarded to the General Manager in 2020 in connection with his office, assessed over a three-year period (2020/2022) and to be paid, if applicable, in 2023.

(7) Corresponds to the amount paid in 2020 in respect of the long-term incentive awarded in 2017 and assessed over a three-year period (2017/2019), and a target amount of €250,000.

(8) Corresponds to total additional compensation of €600,000, awarded by the Board of Directors at its meeting of 26 March 2020 and approved by the Shareholders' Meeting of 26 June 2020, paid in two equal instalments in 2020 and 2021.

(9) Corresponds to the exceptional bonus approved by the Shareholders' Meeting of 15 May 2019.

(10) Corresponds to contributions to the specific unemployment insurance plan for Directors and corporate officers (GSC).

2. Stock options for new or existing shares and free shares awarded by the Company and/or companies that it controls: none

In 2020, no stock options for new or existing shares or free shares were awarded to the General Manager by Rallye or the companies that it controls.

3. Compensation awarded and paid to the General Manager in respect of or during 2020 by companies controlled by the Company

No compensation or benefits in kind were awarded or paid in respect of or during 2019 and 2020 to the General Manager by companies controlled by Rallye.

4. Employment contract, supplementary retirement plan, severance pay and non-compete clause

Employment contract		Supplementary retirement plan		Compensation or benefits due or likely to be due as a result of termination or change of functions as an executive corporate officer		Compensation relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
X[1]		X [2]			X		X

(1) Franck Hattab's employment contract dated 1 March 1999 was suspended on 4 April 2017 when he was appointed as General Manager.

(2) The General Manager is a member of the mandatory pension, health and supplementary retirement plan in force within the Group for all Group employees. He also benefits from the defined benefit supplementary retirement plan in force at Rallye.

Information on pay ratios and comparative trends in compensation and performance

In accordance with the provisions of Article L. 22-10-9 of the French Commercial Code, at its 18 March 2021 meeting, based on the recommendation of the Appointments and Compensation Committee, the Board of Directors:

- set the method of determining the pay ratios presenting the difference between the compensation of the General Manager and the average and median compensation of other employees of the Company on a full-time equivalent basis;
- reviewed the annual change in the compensation of the General Manager, the average compensation of other employees, the Company's performance and the pay ratios over five years presented on an aggregate basis and in a manner that permits a relevant comparison.

The Board of Directors based its work on the guidance issued by the Afep and defined the method of determining the pay ratios to be disclosed, which takes into account:

As regards the General Manager:

The two executive corporate officers who have successively held this position over the last five years have been Didier Carlier, General Manager until 3 April 2017, and Franck Hattab, General Manager since 4 April 2017.

Components of gross compensation paid by the Company in the reference year Y (fixed compensation, annual variable compensation and long-term incentive, it being specified that the successive General Managers are not or were not awarded any free shares or stock options and did not receive any termination or non-compete benefits in connection with their office).

The defined contribution supplementary retirement plan adopted by the Company for the executive corporate officer and senior executives is not taken into consideration.

As regards scope and employees:

The scope used to calculate the ratios only covers Rallye. Given its business and the scope of action of its executive corporate officer, it was deemed appropriate, as in the previous year, to only take into consideration its employees, and thus not include the employees of its operating subsidiaries in particular.

It therefore covers the following:

- employees on permanent contracts, since no fixed-term contracts are ongoing (22 employees in 2016, 23 from 2017 to 2019, and 20 in 2020), for an uninterrupted period of 24 months, included on a full-time equivalent (FTE) basis;
- gross compensation paid or awarded (on an FTE basis) in year Y (fixed compensation, annual variable compensation, exceptional compensation, incentive and profit-sharing plans, the employer's matching contribution to the employee savings plan and benefits in kind, paid in year Y, and other long-term cash and share-based bonuses awarded in year Y valued in accordance with IFRS 2). The defined contribution supplementary retirement plan adopted by the Company for the executive corporate officer and senior executives was not taken into account for the calculation.

As regards the comparative trends in annual compensation and performance:

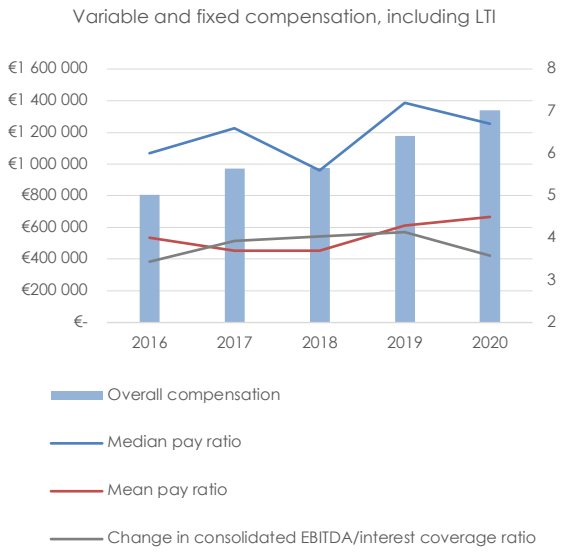
The following criteria were maintained to demonstrate that changes in compensation are aligned with performance, consistent with the key business indicators for Rallye and with the information given in 2019 to measure changes in performance, i.e.:

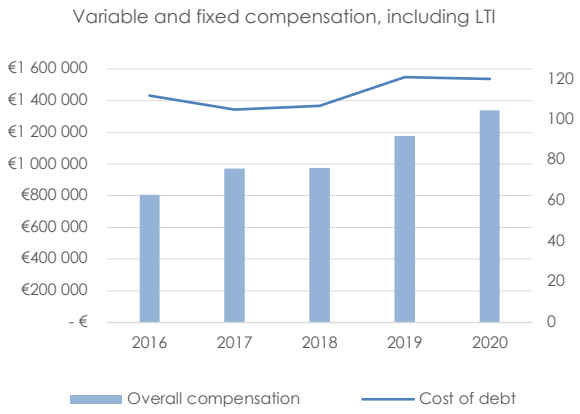
- the holding scope's cost of debt, a criterion that remains pertinent as it is assessed over a five-year period;
- consolidated EBITDA/interest coverage ratio.

Calculation of pay ratios

	2016	2017	2018	2019	2020
General Manager's overall compensation	€805,182	€971,398	€975,717	€1,176,277	1,340,275
Average compensation of employees	€203,838	€263,285	€264,918	€272,954	297,834
Median compensation of employees	€134,493	€146,584	€173,564	€163,224	198,668
Average pay ratio	4.0	3.7	3.7	4.3	4.5
Median pay ratio	6.0	6.6	5.6	7.2	6.7
Change in consolidated EBITDA/interest coverage ratio	3.44	3.93	4.04	4.14	3.59
Cost of debt	112	105	107	121	120

Change relative to Company performance





Long-term and/or deferred compensation

• The Shareholders' Meeting held on 23 May 2018 approved, at a rate of 97.43%, the principles and criteria for determining and awarding the long-term incentive (2018-2020) set by the Board of Directors on 7 March 2018.

Payment of the long-term incentive was contingent on a continuous service condition and the achievement of two performance conditions assessed at the end of a three-year period (2018-2020). The performance conditions, each accounting for 50% of the target amount, are based on:

- the ratio of consolidated EBITDA to the cost of consolidated net debt;
- the cost of net financial debt of the Rallye holding company scope.

In addition, for 100% of the variable compensation as determined by the achievement of the above two criteria, a weighting will be applied based on the upward or downward change in the Rallye share price between 23 May 2018 and 18 March 2021 (based on the average closing share price over the 20 trading days preceding these two dates).

The maximum gross target amount was set at €280,000, representing 62% of 2018 fixed compensation.

Based on the level of achievement and in light of the 45.55% decrease in the Rallye share price between 23 May 2018 and 18 March 2021 (date of the Board of Directors' meeting setting the amount of the long-term incentive), the gross amount of the long-term incentive awarded was €152,447, representing 54.45% of the target amount.

• The Shareholders' Meeting approved the award of long-term exceptional bonuses to the General Manager on (i) 10 May 2017, approved at a rate of 96.63%, for a gross amount of €600,000 in respect of his new general management duties and his increased responsibility, and (ii) 23 May 2018, approved at a rate of 97.43%,

for a gross amount of €400,000 in respect of the first year in his general management role and a further increase in responsibility. In order to ensure that the key objectives of incentivising, motivating and retaining the General Manager are achieved, these components of compensation cover a period of three and two years, respectively, from the date they are awarded, and are therefore only paid if the General Manager is still with the Group on the date of the 2021 Shareholders' Meeting, during which the shareholders are asked to approve payment of said compensation (16th resolution).

Compensation policy for the General Manager in respect of 2021

(17th resolution at the Ordinary Shareholders' Meeting of 18 May 2021)

Pursuant to Article L. 22-10-9 of the French Commercial Code on corporate officer compensation, at its meeting on 18 March 2021 and in line with the general principles set out above, the Board of Directors set the 2021 compensation policy for the General Manager, ensuring that it remains consistent with the Company's interests and strategy and with the interests of the shareholders and other stakeholders.

The Board of Directors also used the principles set out in the Afep-Medef Code as a guide.

Prior to the decision taken by the Board of Directors, the Appointments and Compensation Committee conducted its annual review of the components making up the General Manager's compensation package in order to make its recommendation to the Board.

Based on the opinion of the Appointments and Compensation Committee, the Board of Directors decided to renew in 2021 the 2020 compensation policy for the General Manager, as follows:

Fixed compensation for 2021

Gross fixed compensation for 2021 is unchanged since 2019 at €480,000.

Annual variable compensation for 2021

Annual variable compensation would continue to be set at a target of 64.5% of fixed compensation, corresponding to a gross amount of €310,000 if the objectives are met.

Annual variable compensation would remain entirely contingent on the achievement of quantitative financial objectives and individual qualitative objectives:

- Two unchanged quantitative financial objectives, accounting for 65% of the target amount, i.e., €201,500, based on:
  - growth in consolidated EBITDA France, corresponding to a weighting of 30%, i.e., €93,000;
  - 35%reduction in Rallye's gross debt i.e., €108,500.
- Three individual qualitative objectives, accounting for 20% of the target amount: day-to-day management of the safeguard proceedings, asset disposals and financial reporting, i.e., €62,000.
- Assessment of managerial attitudes and behaviour, accounting for 15% of the target amount, i.e., €46,500.

An outperformance bonus representing up to 200% for the two quantitative financial criteria only.

In the event of outperformance, annual variable compensation could therefore represent up to 106.6% of fixed compensation (corresponding to a gross amount of €511,500).

The quantitative and qualitative criteria and their weighting in the General Manager's 2021 variable compensation break down as follows:

OBJECTIVES Target level: €310,000	Variable component as a % of the target level	Maximum variable component as a % of the target level
I/ Two quantitative objectives (65%)		
1 – Growth in consolidated EBITDA France[1]	*30%*	*60%*
Corresponding variable component	€93,000	€186,000
2 – Reduction in Rallye's gross debt	*35%*	*70%*
Corresponding variable component	€108,500	€217,000
II/ Three individual qualitative objectives (20%)		
1 – Day-to-day management of the safeguard proceedings	*10%*	*10%*
Corresponding variable component	€31,000	€31,000
2 – Financial reporting	*5%*	*5%*
Corresponding variable component	€15,500	€15,500
3 – Asset disposals	*5%*	*5%*
Corresponding variable component	€15,500	€15,500
III/ Managerial attitudes and behaviour	15%	15%
(initiatives, decision-making, team management, employee development, Director relationships, etc.)		
Corresponding variable component	€46,500	€46,500

* *Linear change between amounts.*

(1) EBITDA as defined in Casino's bank covenants, i.e., EBITDA France Retail and Cdiscount.

Long-term incentive for 2021-2023

In order to maintain a significant variable component in the General Manager's compensation and to continue to take into account longer-term performance, the Board of Directors decided to once again award the General Manager a cash-based long-term incentive for 2021.

The long-term incentive would be determined as follows:

- The gross target amount is unchanged at €300,000, representing 62.5% of fixed compensation.
- The performance conditions continue to be assessed over a three-year period (2021-2023).
- Two quantitative objectives, unchanged from the objectives used in 2020, each accounting for 50%, based on the reduction in gross debt and the change in the Rallye share price.
- An outperformance bonus representing up to 200% for the two criteria.

A minimum threshold, a target level corresponding to the achievement of the objectives and an outperformance level have been set for the two criteria. There is no guaranteed minimum.

Other components of compensation and benefits in kind awarded to the General Manager

The General Manager does not receive any stock options (no authorisation to grant stock options is in force) or performance shares and was expressly excluded from any such plans under the resolutions submitted to the Extraordinary Shareholders' Meeting on 26 June 2020.

The General Manager is a member of the specific unemployment insurance plan for Directors and corporate officers (GSC), which is considered to be a benefit in kind, and is covered by all of the compulsory group retirement plans in existence at Rallye (ARRCO and AGIRC), the defined contribution supplementary retirement plan, and the health insurance and death and disability plans.

Furthermore, the General Manager is not covered by any defined benefit supplementary retirement plan, and is not entitled to any compensation for loss of office or any non-compete indemnity.

Compensation of non-executive corporate officers

At the Shareholders' Meeting of 26 June 2020, the shareholders set the maximum total amount of compensation to be allocated annually to the Directors at €330,000 until such time as a further resolution is passed.

Components of compensation paid or awarded to the non-executive corporate officers in respect of or during 2020

– Disclosures required by Article L. 22-10-9-I of the French Commercial Code

In connection with the 2019/2020 term of office (paid in 2020)

• Based on the recommendation of the Appointments and Compensation Committee, at its meeting of 26 June 2020 the Board of Directors set the principles for allocating compensation to the Directors and members of Special Committees in connection with their 2019/2020 terms of office, as approved by the Shareholders' Meeting of 26 June 2020 (for the term of office for 1 January to 26 June 2020), in accordance with the provisions of Article L. 22-10-18 of the French Commercial Code, as follows:

Basic compensation paid to Directors

Aggregate gross compensation per Director set at €20,000, unchanged from 2002, comprising a fixed portion of €4,000 and a maximum variable portion of €16,000 based on their attendance rate at Board meetings. Variable compensation not paid to absent members was not reallocated.

Gross compensation allocated to the Chairman of the Board of Directors and the Directors representing the majority shareholder, also unchanged, halved to €10,000 per Director (a gross fixed portion of €4,000 and a gross variable portion of €6,000).

Additional compensation of members of the Special Committees

Individual basic compensation of €10,000 allocated based on effective attendance, which will not be reallocated in the event of non-attendance.

Additional compensation of Board Committee Chairs

Individual basic compensation of €10,000 allocated based on effective attendance.

• Total compensation paid in 2019 and 2020 by the Company and the companies referred to in Article L. 233-16 of the French Commercial Code to non-executive corporate officers other than the Chairman of the Board of Directors was as follows:

(in €)	Compensation paid in 2019		Compensation paid in 2020	
	Compensation for service as a Director in 2018/2019	Other compensation	Compensation for service as a Director in 2019/2020	Other compensation[1]
Philippe Charrier	53,000	-	54,747	-
Jacques Dumas[2]	10,000	820,956	8,663	895,789
Catherine Fulconis	40,000		45,309	
Virginie Grin	10,000		8,663	
Didier Lévêque[3]	28,000	12,500	27,726	12,500
Odile Muracciole[4]	20,000	174,663	18,100	199,166
Anne Yannic	31,000	-	45,498	

(1) Compensation and benefits in kind paid by the companies that Rallye controls.

(2) Other compensation paid in 2020 (by Casino): €895,789 gross, including gross variable compensation of €405,000 in respect of 2019, gross fixed compensation of €475,243, €3.1 thousand in benefits in kind, and €12,500 in Directors' compensation, excluding a gross exceptional bonus of €1,000,000. In 2019, excluding gross exceptional bonus of €1,366,731.

(3) Other compensation paid (by Casino): €12,500 in Directors' compensation (in 2020 and 2019).

(4) Other compensation paid in 2020 (by Casino): €199,166 gross, including gross variable compensation of €62,000 in respect of 2019 and gross fixed compensation of €137,166 and excluding a gross exceptional bonus of €120,000. In 2019, excluding gross exceptional bonus of €60,000.

• Aggregate compensation paid in 2020 to the non-executive corporate officers (including the Chairman of the Board of Directors) for their terms of office in 2019/2020 amounted to €217,368 gross versus €202,000 gross paid in 2019 for the 2018/2019 terms of office. The increase is connected to the creation of the Safeguard Proceedings Monitoring Committee.

Compensation paid to Directors in 2020 in respect of their terms of office was reduced by:

- the portion of compensation for the period from 15 May 2019 to 23 May 2019, which represents a claim that arose before the safeguard proceedings initiation decision, which cannot be paid; and
- the waiver of 25% of their compensation for April and May 2020 requested by all the members of the Board of Directors in a spirit of solidarity in light of the health crisis.

The amounts corresponding to compensation waived by the Directors and by the General Manager were donated to the Common Solidarity Fund set up by the Fondation de France, the APHP and the Pasteur Institute, for the benefit of the healthcare staff working on the Covid-19 front line.

In connection with the 2020/2021 term of office (to be paid in 2021)

The compensation policy for the non-executive corporate officers of Rallye in connection with the 2020/2021 term of office was approved by the Shareholders' Meeting of 26 June 2020 at a rate of 99.74%, in accordance with the following conditions:

Basic compensation paid to Directors

The principles remained unchanged (see above). They also apply to the Director representing employees.

Additional compensation of members of the Special Committees

The basic compensation of members of the Special Committees and the additional compensation paid to Special Committee Chairs also remained unchanged (see above).

Other disclosures

In accordance with Article 16 of the Company's Articles of Association, the duration of Directors' appointments is set at one year (with the exception of the Director representing employees, whose appointment is set at three years), expiring at the end of the Ordinary Shareholders' Meeting held to approve the financial statements of the past financial year and held in the year in which the office expires, except in the case of temporary appointments made during the financial year. Once they have reached the end of their term, Directors are eligible for renewal.

Directors may be removed from office at any time by the shareholders at the Shareholders' Meeting.

No non-executive corporate officers have employment contracts with the Company.

Euris, the Group's controlling company, provides its subsidiaries, including the Company, with permanent advisory services on strategy, which were renewed on 1 January 2020 for a period of three years and may be renewed again only with the express agreement of the parties.

Compensation policy for non-executive corporate officers in connection with the 2021/2022 term of office

(18th resolution at the Shareholders' Meeting of 18 May 2021)

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the compensation policy for non-executive corporate officers is subject to shareholder approval at the Shareholders' Meeting.

Based on the Appointments and Compensation Committee's recommendations, at its meeting of 18 March 2021 the Board of Directors determined the compensation policy for non-executive corporate officers in connection with their 2021/2022 terms of office, to be submitted to the Shareholders' Meeting on 18 May 2021.

As previously, the Board of Directors used the Afep-Medef Code recommendations as a guide for determining the compensation of non-executive corporate officers, which is based on the following key factors:

- Directors' attendance at Committee meetings, with a significant variable component based on effective attendance at Board meetings;
- the role and work of the Special Committees, which is essential for preparing and assisting the Board of Directors in its decisions, with additional compensation adapted to this role paid to Committee Chairs.

At its meeting on 18 March 2021, in line with the allocation principles applied in previous years, the Board of Directors decided to renew the compensation policy for the 2020/2021 terms of office of non-executive corporate officers for their 2021/2022 terms of office:

Individual basic compensation per Director

- Gross amount per Director unchanged at €20,000, comprising a fixed component of €4,000 (prorated for Directors who are appointed or who step down during the year) and a variable component of €16,000, which will not be reallocated in the event of non-attendance.
- Individual compensation of the Chairman of the Board of Directors and Directors representing the controlling shareholder capped at €10,000.

Compensation of members of the Special Committees

Audit Committee

- Gross basic compensation unchanged at €10,000 based on effective attendance of the members, which will not be reallocated in the event of non-attendance.

Appointments and Compensation Committee

- Gross basic compensation unchanged at €10,000 based on effective attendance of the members, which will not be reallocated in the event of non-attendance.

Safeguard Proceedings Monitoring Committee

- Gross basic compensation unchanged at €10,000 based on effective attendance of the members, which will not be reallocated in the event of non-attendance.

Compensation of Committee Chairs

- Gross basic compensation unchanged at €10,000 based on effective attendance.

The compensation policy as described above will be published on the Company's website one business day after the Shareholders' Meeting to be held on 18 May 2021 if the policy is approved, and will remain available to the public for at least the period during which the policy applies.

Management of conflicts of interest

The Board of Directors' Internal Rules set out the rules related to the prevention and management of conflicts of interest. Directors who represent the interests of all shareholders have a duty to disclose any conflicts of interest they may have to the other Board members. The Internal Rules state that each Director is required to alert the Board of Directors regarding any actual or potential conflict of interest in which they might be directly or indirectly involved and, in such a case, to abstain from taking part in discussions and votes on the matters in question. Each Director is additionally required to consult with the Chairman before engaging in any activity or accepting any position or obligation that could result in a conflict of interest or a potential conflict of interest.

As part of its duties, the Appointments and Compensation Committee may therefore examine or bring before the Board of Directors any exceptional issue that may give rise to a potential or actual conflict of interest within the Board of Directors and give an opinion or make a recommendation on the matter.

Compensation of non-voting Directors

As previously, under the authorisation granted by the shareholders on 19 May 2010, the Board of Directors decided on 26 June 2020 to pay basic compensation to the non-voting Directors in connection with their 2019/2020 terms of office on exactly the same basis as to other Directors, i.e., €20,000 gross, comprising a gross fixed portion of €4,000 and a maximum gross variable portion of €16,000. This amount is included in the total amount of Directors' compensation approved by the shareholders at the Shareholders' Meeting.

The non-voting Directors received a total amount of €31,246 in 2020 in respect of 2019/2020[1].

[1] The compensation allocated to non-voting Directors was also reduced by:

- the portion of compensation for the period from 15 May 2019 to 23 May 2019, which represents a claim that arose before the safeguard proceedings initiation decision, which cannot be paid; and
- the waiver of 25% of their compensation for April and May 2020 requested by all the members of the Board of Directors in a spirit of solidarity in light of the health crisis.

Audit of the financial statements

Statutory Auditors

In compliance with legal requirements, Rallye appoints two regular Statutory Auditors:

KPMG

Signing partner: Jean-Marc Discours (since June 2019).

Date of first appointment: 29 June 1993.

Latest term of office expires: at the close of the 2025 Annual Shareholders' Meeting.

Ernst & Young et Autres

Signing partner: Henri-Pierre Navas (since March 2016).

Date of first appointment: 1 June 1999.

Latest term of office expires: at the close of the 2023 Annual Shareholders' Meeting.

Chapter 3

Consolidated financial statements for the year ended 31 December 2020

Statutory Auditors' report on the Consolidated Financial Statements

Year ended 31 December 2020

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of Statutory Auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Shareholders of Rallye,

Opinion

In compliance with the engagement entrusted to us by the General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Rallye for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for by the French Commercial Code (*Code de commerce*) and by the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the following matter described in note 1.3 "Changes in accounting methods and restatement of comparative information" to the consolidated financial statements, which describes the methods of application and the impacts of the first-time application of the IFRS IC decision on the enforceable period of a lease and the useful life of non-removable leasehold improvements.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

— *Safeguard proceedings and plan approval*

See note 2 "Significant events" to the consolidated financial statements.

Risk identified

On 28 February 2020, your Company obtained the approval by the Paris Commercial Court of the Safeguard Plan, which provides for a ten-year liabilities repayment schedule. The Paris Commercial Court had initiated safeguard proceedings for a six-month period on 23 May 2019 and extended the observation period on 25 November 2019.

Management assessed the going concern assumption based on cash flow forecasts. As set out in note 1.2.1 to the consolidated financial statements, the cash flow forecasts prepared for the next 12 months show a cash position that management considers to be in line with the estimated obligations resulting from the implementation of the Safeguard Plan.

Given the significance of the safeguard proceedings and the judgement required to prepare the cash flow forecasts, we deemed the assessment of the going concern assumption and the presentation in the notes to the financial statements of the information about significant events to be a key audit matter.

How our audit addressed this risk

As part of our audit, we notably:

- familiarised ourselves with the decisions of Paris Commercial Court regarding (i) the initiation of the safeguard proceedings on 23 May 2019 and (ii) the approval of the Safeguard Plan on 28 February 2020;
- assessed the impact of the implementation of the Safeguard Plan on the going concern assumption by analysing the 12-month cash flow forecasts prepared by management. As such and in order to assess the main assumptions used, our work consisted in:
  - gaining an understanding of the procedures implemented to prepare the cash flow forecasts,
  - comparing the starting point of the cash flow forecasts table with the audited financial statements for the year ended 31 December 2020,
  - gaining an understanding of the main assumptions used to prepare the cash flow forecasts and assessing their consistency with our knowledge of the Group and market conditions,
  - corroborating the financing maturities taken into account and their results in the cash flow forecasts with the financing agreements entered into by the Group and its subsidiaries;
- questioned management about its knowledge of any events or circumstances after 31 December 2020 that may cause the Company to cease to continue as a going concern;
- assessed the appropriateness of the information provided in notes 1.2.1 and 2 to the consolidated financial statements about the safeguard proceedings and the approval of the plan.

— *Impairment tests of goodwill and trademarks*

See note 3 "Scope of consolidation", note 10.1 "Goodwill", note 10.2 "Intangible assets" and note 10.5 "Impairment of non-current assets" to the consolidated financial statements.

Risk identified

At 31 December 2020, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to €7,650m and €1,264m respectively, representing approximately 28% of total consolidated assets.

Within the context of the valuation of these assets, the Group performs impairment tests on its goodwill and its brands at least once a year and whenever there is an indication of impairment, according to the conditions described in notes 10.1, 10.2 and 10.5 to the consolidated financial statements.

We considered the valuation of the values in use applied to determine the recoverable amounts of goodwill and brands to be a key audit matter due to the following:

- their materiality in the consolidated financial statements;
- the significance of the estimates notably used as a basis for the determination of their value in use, including turnover and margin rate forecasts, the perpetual growth rates used to determine terminal value, and discount rates;
- the sensitivity of the valuation of these values in use to certain assumptions.

How our audit addressed this risk

We assessed the compliance of the methodology implemented by management with the applicable accounting standards in force.

We also assessed the main estimates used, analysing in particular:

- the consistency of cash flow projections with the budgets and medium-term business plans prepared by management, as well as the consistency of sales and margin forecasts with the Group's historical performance, in the economic context in which the Group operates;
- the methods and inputs used to determine the discount rates and perpetual growth rates applied to estimated cash flows. With the assistance of the valuation specialists included in our audit team, we recalculated these discount rates using the most recent available market data and compared the results obtained with (i) the rates used by management and (ii) the rates observed for several companies operating in the same business sector as the Group;
- the sensitivity scenarios used by management, of which we verified the arithmetical accuracy.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular those relating to sensitivity tests.

— *Compliance with bank ratios*

See notes 2 "Significant events"
and 11.5 "Financial risk management objectives and policies and hedge accounting" to the consolidated financial statements.

Risk identified

Certain loan and credit line agreements require the Company and certain subsidiaries to comply with bank ratios in respect of the "bank covenants", as stated in note 11.5.4 "Liquidity risk" to the consolidated financial statements.

Any non-compliance with the bank covenants is liable to result in all or part of the debts concerned being immediately payable.

We considered compliance with the bank covenants to be a key audit matter, as any failure to comply with them could have impacts on the availability of the Group's confirmed credit lines as described in the notes to the consolidated financial statements, the presentation of financial liabilities as current/non-current in the consolidated financial statements, the liquidity position and, if relevant, the continuation of the Company as a going concern.

How our audit addressed this risk

Within the scope of our audit:

- we analysed Casino Group's bond and bank documentation, including in particular the covenants, in order to understand the definition of the ratios, and corroborated our understanding through interviews with Group management;
- we gained an understanding of the internal control procedures relating to the monitoring of Casino Group's liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating the ratios and monitoring compliance with the bank covenants;
- we verified the arithmetical accuracy of the calculation of the ratios produced by Casino Group management as at 31 December 2020;
- we assessed the level of the banking ratios calculated with regard to the contractual provisions.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, notably the information on the covenants relating to the financing concerned.

— *Recognition of tax credits and monitoring of contingent tax liabilities at GPA*

See notes 5.1 "Key indicators by operating segment", 6.8 "Other current assets",
6.9.1 "Breakdown of other non-current assets" and 13.3 "Contingent assets and liabilities" to the consolidated financial statements.

Risk identified

Within the scope of its retail activities at GPA, the Group recognises ICMS, PIS and COFINS tax credits. The balance of the credits recognised amounted to €431m at 31 December 2020. These tax credits were recognised insofar as GPA considers their recoverability to be probable.

GPA is also involved in various administrative and legal proceedings in Brazil arising, notably, from tax claims filed by the Brazilian tax authorities. A part of these tax risks, estimated at €1,792m as at 31 December 2020, were analysed as contingent liabilities and no provisions were recognised as at 31 December 2020, as stated in note 13.3 to the consolidated financial statements.

We considered both the recognition and recoverability of the tax credits and the valuation and monitoring of contingent tax liabilities in Brazil to be key audit matters for the following reasons: (i) the significance in the consolidated financial statements of the tax credit balance and the amount of contingent tax liabilities as at 31 December 2020, (ii) the complexity of Brazilian tax legislation and (iii) the use of judgements and estimates by management in connection with the recognition of tax credits and the valuation of the contingent tax liabilities.

How our audit addressed this risk

We interviewed various persons who hold responsibilities in the GPA organisation to identify and gain an understanding of the tax credits and existing disputes, as well as the judgements relating thereto.

Concerning the tax credits to be received, we analysed the following items with the assistance of the specialists in Brazilian indirect taxes in our audit team:

- the internal control environment relating to the processes set up by management to monitor the tax credits and ensure their recoverability, and tested the related key controls;
- the assumptions used by management to draw up the tax credit recovery plan;
- the documentation relating to the accounting of ICMS, PIS and COFINS tax credits over the year.

Concerning the contingent liabilities, with the assistance of our specialists in Brazilian taxation, we did the following:

- we gained an understanding of the internal control environment relating to the processes for the identification, monitoring and estimation of the level of risk associated with the various disputes, and tested the related key controls;
- we reconciled the list of identified disputes with the information provided by the Brazilian subsidiaries' law firms that we contacted in order to assess the existence, completeness and amounts of the disputes and any necessary provisions, where applicable;
- we examined the information on the legal or technical proceedings and/or opinions provided by the main law firms or external experts chosen by management, in order to assess the correct recognition of the various disputes or the relevance of their characterisation as contingent liabilities;
- we reconciled the risk estimates prepared by the Group with the figures relating to contingent tax liabilities disclosed in the notes to the consolidated financial statements.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

— *Valuation of rebates to be received from suppliers at year-end*

See notes 6.2 "Cost of goods sold" and 6.8 "Other current assets" to the consolidated financial statements.

Risk identified

As part of its retail activities, the Group receives business benefits in the form of discounts and commercial cooperation fees from its suppliers.

These rebates, of which the amounts are generally determined on the basis of a percentage defined contractually according to purchase volumes and applied to purchases made from suppliers, are recorded as a deduction from cost of goods sold.

Considering the material impact of these rebates on net income for the year, the large number of contracts involved and the necessity for management to value the final rebate percentage determined according to the volume of related purchases for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter.

How our audit addressed this risk

Within the scope of our audit:

- we gained an understanding of the internal control environment relating to the process for the monitoring of these rebates in the Group's various significant subsidiaries and carried out tests on the key controls set up by management;
- we reconciled, on a sampling basis, the contractual terms relating to rebates to be received from suppliers with their valuation;
- we assessed, on a sampling basis, (i) the year-end rebates estimates used by Management to determine the percentage of rebates by product family for each supplier (ii) and the amounts of the invoices to be issued at year-end relating to this sampling;
- we reconciled the receivables recognised in the consolidated statement of financial position with the amounts collected subsequent to year-end.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

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

Other legal and regulatory verification or information

— *Format of presentation of the consolidated financial statements intended to be included in the annual financial report*

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

— *Appointment of the Statutory Auditors*

We were appointed Statutory Auditors of Rallye by the Shareholders' Meeting held on 29 June 1993 for KPMG SA and on 1 June 1999 for Ernst & Young et Autres.

At 31 December 2020, KPMG SA and Ernst & Young et Autres were in the twenty-eighth and twenty-second consecutive year of their engagement, respectively.

Previously, Barbier Finault et Associés had been Statutory Auditor of Rallye since 1995.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit and furthermore:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

— *Report to the Audit Committee*

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, 6 April 2021

The Statutory Auditors,

French original signed by:

KPMG Audit
Department of KPMG S.A.
Jean-Marc Discours

Ernst & Young et Autres
Henri-Pierre Navas

Consolidated financial statements

Consolidated income statement

(€ millions)	*Notes*	Year 2020	Year 2019 (restated)[1]
Continuing operations			
Net sales	5/6.1	31,919	34,652
Other income	6.1	598	666
Total income	**6.1**	**32,517**	**35,318**
Cost of goods sold	6.2	(24,315)	(26,549)
Gross margin		**8,202**	**8,769**
Selling expenses	6.3	(5,509)	(6,072)
General and administrative expenses	6.3	(1,284)	(1,392)
Recurring operating income	**5.1**	**1,409**	**1,305**
Other operating income	6.5	314	64
Other operating expenses	6.5	(1,112)	(807)
Operating income		**611**	**562**
Income from cash and cash equivalents	11.3.1	16	39
Cost of gross debt	11.3.1	(167)	(515)
Cost of net debt	***11.3.1***	***(151)***	***(476)***
Other financial income	11.3.2	211	267
Other financial expenses	11.3.2	(605)	(744)
Income (loss) before tax		**66**	**(391)**
Income tax expense	9.1	(82)	(132)
Share of net income of equity-accounted investees	3.2.3	44	54
Net income (loss) from continuing operations		**28**	**(469)**
Attributable to owners of the parent		*(40)*	*(420)*
Attributable to non-controlling interests		*68*	*(49)*
Discontinued operations			
Net income (loss) from discontinued operations	**3.4.2**	**(500)**	**(1,052)**
Attributable to owners of the parent	*3.4.2*	*(263)*	*(550)*
Attributable to non-controlling interests	*3.4.2*	*(237)*	*(502)*
Continuing and discontinued operations			
Consolidated net income (loss)		**(472)**	**(1,521)**
Attributable to owners of the parent		*(303)*	*(970)*
Attributable to non-controlling interests	*12.7*	*(169)*	*(551)*
Per share, in €:			
From continuing operations	12.9	(0.77)	(7.99)
From continuing and discontinued operations	12.9	(5.80)	(18.47)

(1) Previously published comparative information has been restated (note 1.3).

Consolidated statement of comprehensive income

(€ millions)	Year	
	2020	2019 (restated)[1]
Consolidated net income (loss)	**(472)**	**(1,521)**
Items that may subsequently be reclassified to profit or loss	**(1,370)**	**(127)**
Cash flow hedges and cash flow hedge reserve [2]	(17)	(27)
Foreign currency translation reserves [3]	(1,328)	(110)
Debt instruments at fair value through other comprehensive income	1	9
Hedges of net investments in foreign operations	(4)	(1)
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	(27)	(4)
Income tax effects	5	6
Items that will never be reclassified to profit or loss	**(15)**	**(25)**
Equity instruments at fair value through other comprehensive income	(5)	(12)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss		(1)
Actuarial gains and losses	(15)	(18)
Income tax effects	5	6
Other comprehensive income (loss), net of tax	**(1,385)**	**(152)**
Total comprehensive income (loss) for the year, net of tax	**(1,857)**	**(1,673)**
Attributable to owners of the parent	*(611)*	*(1,029)*
Attributable to non-controlling interests	*(1,246)*	*(644)*

(1) Previously published comparative information has been restated (note 1.3).

(2) The change in the cash flow hedge reserve was not material in either 2020 or 2019.

(3) The €1,328m negative net amount in 2020 arose primarily from the depreciation of the Brazilian and Colombian currencies (€957m and €235m, respectively). The €110m negative net amount in 2019 arose primarily from the depreciation of the Brazilian, Argentine and Uruguayan currencies, for €70m, €57m and €54m, respectively, partially offset by the appreciation of the Colombian peso for €68m.

Changes in other comprehensive income are presented in note 12.6.3.

Consolidated statement of financial position

Assets

(€ millions)	*Notes*	31 December 2020	31 December 2019 (restated)[1]	1 January 2019 (restated)[1]
Non-current assets				
Goodwill	10.1	7,650	8,483	9,684
Intangible assets	10.2	2,061	2,296	2,292
Property, plant and equipment	10.3	4,281	5,115	5,866
Investment property	10.4	428	494	497
Right-of-use assets	7.1.1	4,889	5,603	5,446
Investments in equity-accounted investees	3.2.3	191	341	501
Other non-current assets	6.9	1,260	1,243	1,256
Deferred tax assets	9.2	1,035	784	673
Total non-current assets		**21,795**	**24,359**	**26,215**
Current assets				
Inventories	6.6	3,215	3,782	3,972
Trade receivables	6.7	941	836	923
Other current assets	6.8	1,774	1,659	1,543
Tax assets		167	111	166
Cash and cash equivalents	11.1	2,781	3,645	3,801
Assets held for sale	3.4.1	1,221	3,092	8,769
Total current assets		**10,099**	**13,125**	**19,173**
Total assets		**31,894**	**37,484**	**45,388**

(1) Previously published comparative information has been restated (note 1.3).

Equity and liabilities

(€ millions)	*Notes*	31 December 2020	31 December 2019 (restated)[1]	1 January 2019 (restated)[1]
Equity				
Share capital	12.2	157	157	161
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		(994)	(375)	652
Equity attributable to owners of the parent		***(837)***	***(218)***	***813***
Non-controlling interests	12.7	5,127	6,469	9,024
Total equity		**4,290**	**6,251**	**9,837**
Non-current liabilities				
Non-current provisions for employee benefits	8.2	352	357	371
Other non-current provisions	13.1	374	466	475
Non-current financial liabilities, gross	11.2	9,575	8,318	9,442
Non-current lease liabilities	7.1.1	4,282	4,763	4,445
Put options granted to owners of non-controlling interests	3.3.1	44	61	63
Other non-current liabilities	6.10	211	190	489
Deferred tax liabilities	9.2	508	566	667
Total non-current liabilities		**15,346**	**14,721**	**15,952**
Current liabilities				
Current provisions for employee benefits	8.2	12	11	11
Other current provisions	13.1	189	153	160
Trade payables	4.2	6,193	6,602	6,789
Current financial liabilities, gross	11.2	1,355	4,524	2,827
Current lease liabilities	7.1.1	706	724	685
Put options granted to owners of non-controlling interests	3.3.1	119	105	126
Current tax liabilities		98	48	127
Other current liabilities	6.10	3,085	2,872	2,682
Liabilities associated with assets held for sale	3.4.1	501	1,473	6,194
Total current liabilities		**12,258**	**16,512**	**19,599**
Total equity and liabilities		**31,894**	**37,484**	**45,388**

(1) Previously published comparative information has been restated (note 1.3).

Consolidated statement of cash flows

(€ millions)	Notes	Year 2020	Year 2019 (restated)[1]
Net cash from operating activities			
Net income (loss) before tax from continuing operations		66	(391)
Net income (loss) before tax from discontinued operations	3.4.2	(452)	(979)
Consolidated net income (loss) before tax		**(386)**	**(1,370)**
Depreciation/amortisation for the year	6.4	1,316	1,318
Provision and impairment expense	4.1	381	248
Unrealised losses (gains) arising from changes in fair value	11.3.2	78	44
Expenses (income) on share-based payment plans		13	14
Other income and expenses		(55)	(60)
(Gains) losses on disposals of non-current assets		(87)	11
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		58	11
Dividends received from equity-accounted investees	3.2.1/3.2.2	20	52
Cost of net debt	11.3.1	151	476
Interest paid on leases, net	11.3.2	320	324
Non-recourse factoring and associated transaction costs	11.3.2	60	77
Disposal gains and losses and adjustments related to discontinued operations		259	990
Net cash from operating activities before change in working capital and income tax		**2,128**	**2,135**
Income tax paid		(156)	(259)
Change in working capital	4.2	12	124
Income tax paid and change in working capital: discontinued operations		213	(885)
Net cash from operating activities	(A)	**2,197**	**1,115**
Of which continuing operations		***2,177***	***1,989***
Net cash from investing activities			
Acquisitions of property, plant and equipment, intangible assets and investment property	4.3	(927)	(1,108)
Disposals of property, plant and equipment, intangible assets and investment property	4.4	423	890
Acquisitions of financial assets	4.5	(942)	(445)
Disposals of financial assets	4.5	461	68
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.6	157	217
Effect of changes in scope of consolidation related to equity-accounted investees	4.7	(64)	(39)
Change in loans and advances granted		(29)	(45)
Net cash from investing activities of discontinued operations		449	635
Net cash from (used in) investing activities	(B)	**(472)**	**173**
Of which continuing operations		***(921)***	***(462)***

(€ millions)	*Notes*	Year 2020	Year 2019 (restated)[1]
Cash flow from financing activities			
Dividends paid:			
▪ to owners of the parent	12.8		(53)
▪ to non-controlling interests	4.8	(45)	(162)
▪ to holders of deeply-subordinated perpetual bonds (TSSDI)	12.5	(36)	(46)
Capital reductions/increases for cash			(1)
Transactions between the Group and owners of non-controlling interests	4.9	(55)	(971)
Purchases and sales of treasury shares		(1)	(40)
Acquisitions and disposals of financial investments		115	(7)
Increase in loans and borrowings	4.10	2,277	5,188
Repayments of loans borrowings	4.10	(2,948)	(4,273)
Repayment of lease liabilities		(603)	(650)
Interest paid, net	4.11	(724)	(729)
Other repayments		(23)	(12)
Net cash from (used in) financing activities of discontinued operations		(75)	(502)
Net cash from (used in) financing activities	(C)	**(2,118)**	**(2,258)**
Of which continuing operations		***(2,043)***	***(1,756)***
Effect of changes in exchange rates on cash and cash equivalents:			
▪ of continuing operations	(D)	(493)	(3)
▪ of discontinued operations			19
Change in cash and cash equivalents	(A+B+C+D)	**(886)**	**(954)**
Net cash and cash equivalents at beginning of year	(E)	**3,624**	**4,578**
Of which net cash and cash equivalents from:			
▪ continuing operations	11.1	3,544	3,652
▪ operations held for sale		80	926
Net cash and cash equivalents at end of year	(F)	**2,738**	**3,624**
Of which net cash and cash equivalents from:			
▪ continuing operations	11.1	2,712	3,544
▪ operations held for sale		26	80
Change in cash and cash equivalents	(F-E)	**(886)**	**(954)**

(1) Previously published comparative information has been restated (note 1.3).

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in equity

(€ millions)	Share capital	Additional paid-in capital	Treasury shares	Retained earnings and net income (loss) for the year	Other reserves [1]	Equity attributable to owners of the parent	Non-controlling interests [2]	Total consolidated equity
Equity at 1 January 2019 (reported)	**161**	**1,496**	**(17)**	**520**	**(1,340)**	**820**	**9,037**	**9,857**
Effects of applying IFRS 16 (note 1.3)				(7)		**(7)**	(13)	**(20)**
Equity at 1 January 2019 (restated)	**161**	**1,496**	**(17)**	**513**	**(1,340)**	**813**	**9,024**	**9,837**
Other comprehensive income (loss) for the year (*)					(59)	**(59)**	(93)	**(152)**
Net income (loss) for the year (restated)(*)				(970)		**(970)**	(551)	**(1,521)**
Total comprehensive income (loss) for the year (restated)(*)				***(970)***	***(59)***	***(1,029)***	***(644)***	***(1,673)***
Equity transactions	(4)	(13)		(2)		**(19)**		**(19)**
Purchases and sales of treasury shares			17	18	(10)	**25**	(49)	**(24)**
Dividends paid/to be paid [3]				(53)		**(53)**	(172)	**(225)**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries [4]				2		**2**	(727)	**(725)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries [5]				25		**25**	(984)	**(959)**
Other movements[6]				12	6	**18**	21	**39**
Equity at 31 December 2019 (restated) (*)	**157**	**1,483**		**(455)**	**(1,403)**	**(218)**	**6,469**	**6,251**
Other comprehensive income (loss) for the year					(308)	**(308)**	(1,078)	**(1,386)**
Net income (loss) for the year				(303)		**(303)**	(169)	**(472)**
Total comprehensive income (loss) for the year				***(303)***	***(308)***	***(611)***	***(1,247)***	***(1,858)***
Equity transactions								
Purchases and sales of treasury shares				(1)		**(1)**		**(1)**
Dividends paid/to be paid [3]							(80)	**(80)**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries				(20)		**(20)**	(18)	**(38)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries								
Other movements [6]				8	5	**13**	3	**16**
Equity at 31 December 2020	**157**	**1,483**		**(771)**	**(1,706)**	**(837)**	**5,127**	**4,290**

(*) Previously published comparative information has been restated (note 1.3).

(1) See note 12.6.1 on the breakdown of other reserves.

(2) See note 12.7 on non-controlling interests.

(3) Dividends paid and payable to non-controlling interests during the year primarily concern GPA for €49m and Éxito for €22m (2019: Casino, GPA, Éxito and Franprix-Leader Price for €80m, €44m, €24m and €19m, respectively).

(4) The negative impact of €725m in 2019 mainly corresponded to the loss of control in Via Varejo.

(5) The negative impact of €959m in 2019 mainly related to the project to simplify the Group's structure in Latin America, representing a €931m negative impact.

(6) Including dividends paid and payable to holders of Casino deeply-subordinated perpetual bonds (TSSDI).

CONSOLIDATED FINANCIAL STATEMENTS
Notes to the financial statements

Notes to the consolidated financial statements

(data in € millions)

Information about the Rallye Group

Rallye is a French *société anonyme* (joint stock company) registered in France and listed in Compartment B of Euronext Paris.

The consolidated financial statements for the year ended 31 December 2020 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2020 consolidated financial statements of Rallye were approved for publication by the Board of Directors on 18 March 2021. They will be submitted for approval by the Shareholders' Meeting to be held on 18 May 2021.

Note 1. Significant accounting policies

1.1 Accounting standards

Pursuant to Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of the Rallye Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union and made mandatory at the reporting date of these financial statements.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The accounting policies set out below have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations listed below.

New standards, amendments to existing standards and interpretations adopted by the European Union and mandatory as from the financial year beginning on 1 January 2020

The European Union has adopted the following amendments which must be applied by the Group for its financial year beginning on 1 January 2020 and do not have a material impact on its consolidated financial statements:

- *Amendments to IAS 1 and IAS 8 – Definition of Material*

  These amendments are applicable as from 1 January 2020 on a prospective basis.

  They amend and expand the definition of materiality in IAS 1 and IAS 8.

  They also align the definition of materiality with the wording of the IFRS Conceptual Framework.

- *Amendments to References to the Conceptual Framework in IFRS Standards*

  These amendments are applicable as from 1 January 2020 on a prospective basis.

  They are designed to replace existing references to previous frameworks in various standards and interpretations, with references to the revised Conceptual Framework. The main standards and interpretations concerned are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

- *Amendments to IFRS 3 – Definition of a Business*

  These amendments will be applicable on a prospective basis.

  They clarify the definition of a business and the application guidance for the assessment of whether an acquired set of activities and assets is a group of assets rather than a business.

  Under the amended definition, to be considered a business, the integrated set of activities and assets must create output in the form of goods and services delivered to customers, rather than being conducted and managed for the purpose of providing a return to investors or other owners, members or participants.

  In addition, an optional concentration test has been introduced to simplify the assessment of whether an integrated set of activities and assets is a group of assets and not a business.

- *Amendment to IFRS 16 – Covid-19-Related Rent Concessions*

  This amendment is applicable on a retrospective basis as from 1 June 2020 at the latest for financial years beginning on or after 1 January 2020.

  The amendment offers a practical expedient available for a limited period, under which lessees can choose not to apply IFRS 16 lease modification principles and instead account for rent concessions as though they were not lease modifications. This expedient is available for all Covid-19-related rent concessions that result in a reduction in lease payments originally due on or before 30 June 2021. The amendment must be applied consistently to all leases with similar characteristics and in similar circumstances.

IFRS IC decision on the enforceable period of a lease and the useful life of leasehold improvements

The effects of applying the IFRS IC decision on IFRS 16 are presented in note 1.3.

Standards, amendments to existing standards and interpretations adopted by the European Union and early adopted by the Group

- *Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest Rate Benchmark Reform*

The first phase of this project, focusing on the presumed continuity of hedge effectiveness, mandatory for financial years beginning on or after 1 January 2020, was early adopted by the Group as of 1 January 2019.

The phase II amendments published on 27 August 2020, mandatory for financial years beginning on or after 1 January 2021, were early adopted by the Group as of 1 January 2020.

These amendments address issues that might affect the financial statements when an existing interest rate benchmark is replaced with an alternative benchmark as part of an interest rate benchmark reform, and offer practical expedients for recognising changes in contractual cash flows.

The adoption of these amendments did not have a material impact on the consolidated financial statements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Going concern

The consolidated financial statements for the year ended 31 December 2020 have been prepared on a going concern basis.

The cash flow forecasts prepared for Rallye for the next 12 months show a cash flow position in line with the estimated obligations resulting from the initiation of the safeguard proceedings. The forecasts factor in the following assumptions:

- stable recurring operating expenses for the next 12 months, in line with historical operating expenses;
- financial income assuming that no dividends will be paid by Casino over the next 12 months;
- no dividend to be paid by Rallye to its shareholders over the next 12 months.

On 28 February 2020, the Paris Commercial Court approved the Rallye Safeguard Plan. However, in the event of an adverse change in the assumptions used, or a failure by the Company to meet its obligations, the Company may not be able to realise its assets or settle its liabilities within the ordinary course of its operations.

1.2.2 Basis of measurement

The consolidated financial statements have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities acquired in a business combination, which are measured at fair value in accordance with IFRS 3;
- derivative financial instruments and financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge which would otherwise be measured at amortised cost are adjusted for changes in fair value attributable to the hedged risk.

1.2.3 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- classification and measurement of Groupe GO Sport's net assets, and the assets of the France Retail segment, in accordance with IFRS 5 (note 3.4.1);
- measurement of non-current assets and goodwill (note 10.5);
- measurement of deferred tax assets (note 9);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (notes 5.1, 6.9 and 13);
- IFRS 16 application method, notably the determination of discount rates and the lease term for the purpose of measuring the lease liability for leases with renewal or termination options (note 1.3);
- provisions for risks (note 13), particularly tax and employee-related risks in Brazil.

1.3 Changes in accounting methods and restatement of comparative information

1.3.1 Impact on the consolidated financial statements

The tables below show the impact on the previously published consolidated income statement, consolidated statement of cash flows and consolidated statement of financial position of the retrospective application of the IFRS IC decision on the enforceable period of a lease and the useful life of non-removable leasehold improvements under IFRS 16 – Leases (note 1.3.2).

Impact on the main consolidated income statement indicators in 2019

(€ millions)	2019 (reported)	Impact of the IFRS IC decision	2019 (restated)
Net sales	34,652		34,652
Other income	666		666
Total income	**35,318**		**35,318**
Cost of goods sold	(26,550)	1	(26,549)
Selling expenses	(6,100)	28	(6,072)
General and administrative expenses	(1,392)		(1,392)
Recurring operating income	**1,276**	**29** (1)	**1,305**
Operating income	**527**	**35**	**562**
Cost of net debt	(476)		(476)
Other financial income and expenses	(421)	(56) (2)	(477)
Income (loss) before tax	**(370)**	**(21)**	**(391)**
Income tax (expense) benefit	(137)	5	(132)
Share of net income of equity-accounted investees	54		54
Net income (loss) from continuing operations	**(453)**	**(16)**	**(469)**
Net income (loss) from discontinued operations	(1,050)	(2)	(1,052)
Consolidated net income (loss)	**(1,503)**	**(18)**	**(1,521)**
Attributable to owners of the parent	*(961)*	*(9)*	*(970)*
Attributable to non-controlling interests	*(542)*	*(9)*	*(551)*

(1) Of which €13m relating to the France Retail segment and €16m to the Latam Retail segment.

(2) Of which a negative €31m relating to the French Retail segment and a negative €25m to the Latam Retail segment.

Impact on the main consolidated statement of cash flow indicators in 2019

(€ millions)	2019 (reported)	Impact of the IFRS IC decision and other restatements	2019 (restated)
Net cash from operating activities	**1,113**	**2**	**1,115**
Of which consolidated net income (loss) before tax	*(1,344)*	*(26)*	*(1,370)*
Of which other components of cash flow	*3,469*	*36*	*3,505*
Of which change in operating working capital and income tax paid	*(135)*		*(135)*
Of which income tax paid and change in operating working capital: discontinued operations	*(875)*	*(10)*	*(885)*
Net cash from (used in) investing activities	**179**	**(6)**	**173**
Of which cash from (used in) discontinued operations	*641*	*(6)*	*635*
Net cash from (used in) financing activities	**(2,263)**	**5**	**(2,258)**
Of which repayments of lease liabilities	*(702)*	*52*	*(650)*
Of which interest paid, net	*(676)*	*(53)*	*(729)*
Of which cash from (used in) discontinued operations	*(507)*	*5*	*(502)*
Effect of changes in exchange rates on cash and cash equivalents	16		16
Change in cash and cash equivalents	**(955)**	**1**	**(954)**
Net cash and cash equivalents at beginning of year	*4,578*		*4,578*
Net cash and cash equivalents at end of year	*3,623*	*1*	*3,624*

Impact on the main consolidated statement of financial position indicators at 1 January 2019

(€ millions)	1 January 2019 (reported)	Impact of the IFRS IC decision	1 January 2019 (restated)
Total non-current assets	**25,489**	**726**	**26,215**
Of which right-of-use assets	*4,726*	*720*	*5,446*
Of which deferred tax assets	*666*	*7*	*673*
Total current assets	**19,103**	**70**	**19,173**
Of which assets held for sale	*8,699*	*70*	*8,769*
Total assets	**44,592**	**796**	**45,388**
Total equity	**9,857**	**(20)**	**9,837**
Of which attributable to owners of the parent	*820*	*(7)*	*813*
Of which attributable to non-controlling interests	*9,036*	*(12)*	*9,024*
Total non-current liabilities	**15,186**	**766**	**15,952**
Of which non-current lease liabilities	*3,679*	*766*	*4,445*
Total current liabilities	**19,550**	**49**	**19,599**
Of which current lease liabilities	*706*	*(21)*	*685*
Of which liabilities associated with assets held for sale	*6,124*	*70*	*6,194*
Total equity and liabilities	**44,592**	**796**	**45,388**

Impact on the main consolidated statement of financial position indicators at 31 December 2019

(€ millions)	31 December 2019 (reported)	Impact of the IFRS IC decision and other restatements	31 December 2019 (restated)
Total non-current assets	**23,582**	**777**	**24,359**
Of which right-of-use assets	*4,838*	*765*	*5,603*
Of which deferred tax assets	*772*	*12*	*784*
Total current assets	**12,759**	**366**	**13,125**
Of which assets held for sale (1)	*2,726*	*366*	*3,092*
Total assets	**36,341**	**1,143**	**37,484**
Total equity	**6,292**	**(41)**	**6,251**
Of which attributable to owners of the parent (2)	*(213)*	*(5)*	*(218)*
Of which attributable to non-controlling interests (2)	*6,505*	*(36)*	*6,469*
Total non-current liabilities	**13,897**	**824**	**14,721**
Of which non-current lease liabilities	*3,938*	*825*	*4,763*
Total current liabilities	**16,152**	**360**	**16,512**
Of which current lease liabilities	*740*	*(16)*	*724*
Of which liabilities associated with assets held for sale (1)	*1,097*	*376*	*1,473*
Total equity and liabilities	**36,341**	**1,143**	**37,484**

(1) Right-of-use assets were offset against lease liabilities on the "Assets held for sale" and "Liabilities associated with assets held for sale" lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283m.

(2) An amount of €15m was reclassified from "Attributable to owners of the parent" to "Attributable to non-controlling interests" in connection with the Group's loss of control of Via Varejo in June 2019 (see the consolidated statement of changes in equity).

1.3.2 Impact of the first-time application of the IFRS IC decision on IFRS 16 – Leases

On 16 December 2019, the IFRS IC published its decision on (i) determining the enforceable period of an automatically renewable lease or a lease that can be terminated by either of the parties with no contractual penalty, and (ii) the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term. This decision provides clarifications that may impact the term of leases other than the particular cases mentioned.

The French accounting standards-setter (*Autorité des Normes Comptables* – ANC) issued a new position statement regarding "3-6-9"-type commercial leases in France in its 3 July 2020 statement of conclusions, superseding its previous position statement of 16 February 2018. The ANC confirms that:

- the initial lease term to be adopted is generally nine years. This period can be reduced to the contractual non-cancellable period of three or six years, at the lessee's discretion. The lease term may also be longer if provided for in the lease contract;
- an automatically renewable period may also be taken into account in determining the initial term of the lease if the lessee is reasonably certain that it will renew the lease and/or the lessor cannot terminate the lease without incurring a significant penalty; any such period represents an extension of the initial term of the lease;
- if an automatically renewable period is not taken into account when determining the initial term of the lease, the lease term is to be re-estimated and the initial amount of the right-of-use asset and lease liability is modified to reflect the additional period during which the lessee is reasonably certain to continue the lease;
- the assumptions used to determine the lease term must be consistent with those used to determine the useful life of non-removable leasehold improvements.

The Group has finished analysing its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected by this decision.

Based on its analyses, the Group revised upwards the term of the following leases:

- automatically renewable leases or leases that can be terminated at any time;
- underlying assets under lease (stores, warehouses), including non-removable leasehold improvements, whose residual net carrying amount at the end of the lease term as estimated under IFRS 16 could give rise to a significant penalty (within the meaning of the IFRS IC decision) for the Group.

Note 2. Significant events

Significant events of the year are the following:

2.1 Rallye

Rallye safeguard proceedings and impact of the approval of the Safeguard Plan on consolidated gross debt

Rallye and its subsidiaries Cobivia, HMB and Alpétrol, along with Rallye's parent companies Foncière Euris, Finatis, and Euris, requested and obtained the initiation of safeguard proceedings for an initial six-month period that may be renewed, further to the Court decisions of 23 May 2019 and 17 June 2019.

In its decisions dated 28 February 2020, the Paris Commercial Court approved Rallye's safeguard plan and the repayment undertakings, based on the following principles:

- for claims secured by pledges over Casino shares, repayment of at least 85% of the claim under annuity 3 of the plan and the balance under annuity 4;
- for claims not secured by pledges over Casino shares, repayment over a ten-year period starting on the plan approval date, in accordance with the following schedule:
  - Annuity 1: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuity 2: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuities 3 to 9: 5%[1];
  - Annuity 10: 65% (less the amounts paid under annuities 1 and 2).

Rallye has analysed the accounting treatment for the modifications resulting from the liability repayment plan and the other modifications made to financial liabilities and, more particularly, the existence of a substantial modification within the meaning of IFRS 9 – Financial Instruments.

Given the specific characteristics of the safeguard proceedings, the application of IFRS 9 led to the restatement of financial liabilities in an amount of €334m at 31 December 2020, recognised as a reduction of consolidated debt.

This restatement breaks down as follows:

- for liabilities whose terms have not been substantially modified, a gain of €28m was recorded in financial income with a corresponding reduction in financial liabilities. This reduction corresponds to the difference between the net carrying amount at the Safeguard Plan approval date and the sum of all cash flows under the Safeguard Plan, discounted at the original effective interest rate, as provided for in IFRS 9;
- for liabilities whose terms have been substantially modified (quantitatively and/or qualitatively), these modifications were treated as an extinguishment of the original financial liability and the recognition at fair value of a new financial liability, in accordance with IFRS 9. The fair value of the new financial liabilities was determined based on quoted prices for said liabilities on the secondary market or, if necessary, by reference to quoted prices for similar liabilities when no secondary market prices were available at the safeguard plan approval date. Depending on the financial liabilities, the fair values recorded represented 26% to 27% of the par value. The extinguishment of financial liabilities generated net financial income of €306m, and a corresponding decrease in financial liabilities.

This amount will be amortised on an actuarial basis (based on the applicable effective interest rate) and gradually recovered via an increase in the cost of net debt in accordance with the repayment terms defined in the Safeguard Plan.

The accounting treatment of the operation, with the reduction in financial liabilities and a higher interest expense in subsequent periods reflects the application of IFRS 9 and does not affect the terms of the Safeguard Plan or the overall liability to be repaid under the repayment plan.

[1] In accordance with Article L. 626-18, paragraph 5 of the French Commercial Code, for each claim whose principal amount is to be fully repaid on the date of the first annuity under the repayment schedule, repayment will begin on the annuity date set by the repayment schedule that immediately follows the contractual maturity date, as stipulated in the agreement initially signed between the parties prior to the initiation of Rallye's safeguard proceedings. At that date, the principal amount and, if need be, associated ancillary amounts will be paid for an amount equal to what the given creditor should have received if he has been subject to the repayment schedule since the decision approving the payment undertakings. The principal amount and any related expenses repaid under subsequent annuities will be determined according to the liability repayment schedule.

The following table summarises the impact of applying IFRS 9 on the different categories of liabilities:

(€ millions)	Contractual financial liabilities and interest	IFRS 9 financial liabilities	*Impact of extinguishments*	*Impact of non-material modifications*
Claims secured by pledges over Casino shares	1,194	1,190		4
Claims not secured by pledges over Casino shares	1,792	1,461	306	24
Total – claims under the Safeguard Plan	**2,986**	**2,651**	**306**	**28**
Refinancing of derivatives transactions	222	222		
Total	**222**	**222**		

Refinancing of all Rallye derivatives transactions

In connection with the financing facility entered into with Fimalac, Rallye announced on 17 July 2020 that it had issued 210,042,400 bonds in an amount of €210,042,400, that were fully taken up by Fimalac. The proceeds of the issue were used on the same date to repay all the derivatives transactions entered into by Rallye, HMB and Cobivia, which were not covered by the safeguard plans of said companies but were subject to specific agreements. The bonds subscribed by Fimalac bear PIK interest and have a maturity of four years (with a one-year extension subject to agreement between Rallye and Fimalac). The early repayment events provided for under the issue, which are customary for such types of financing, are set out below:

- occurrence of an event following which Jean-Charles Naouri no longer holds directly or indirectly at least 50% of the voting rights of Casino, plus one vote; and
- rescission of Rallye's safeguard plan.

As a guarantee for this bond issue, 9,468,255 shares of Casino (i.e., approximately 8.73% of Casino's share capital), previously pledged to the financial institutions party to the derivatives transactions, were transferred by Rallye to a fiduciary trust for the benefit of Fimalac.

2.2 Casino Group

Impact of the Covid-19 global pandemic on the consolidated financial statements

The Covid-19 pandemic affected all segments in which the Group operates, and retail was no exception. As an essential industry, the Group's banners were able to continue operating during the unprecedented health crisis and ramped up efforts to continue supplying customers in the best possible conditions.

All of Casino Group's sites worldwide were affected by Covid-19 and by the measures taken by governments to curb the spread of the virus. Covid-19 had a significant impact on our operations: we were required to reduce the number of customers in our stores at any one time, shorten the operating hours of certain stores in line with government guidelines and measures, invest in protective and other safety equipment, accelerate the deployment of self-service checkouts, increase our home delivery capabilities and our click & collect service, stockpile consumer staples and transition to remote working for head office functions. Many safety requirements that had been initially introduced by governments in the different regions in which we operate were reintroduced as from the autumn in response to the growing number of infections in various countries. The tighter restrictions followed a relaxation in the strict containment measures that had been imposed from the start of the pandemic through to summer 2020.

In first-half 2020, Casino Group recorded strong growth in net sales, as well as additional costs related to maintaining its operations under challenging conditions. These additional temporary costs fell sharply in the second half of the year. Since the third quarter, our entire organisation has adapted to the various Covid-19 restrictions with minimal additional cost.

However, the long-term impact of Covid-19 on inputs such as household spending, gross domestic product and exchange rates is not yet known. If the pandemic continues to spread, it could further (i) reduce our customers' purchasing power, (ii) reduce the number of tourists who generally contribute to revenues for certain stores in the summer months, (iii) harm our operations by disrupting or delaying the preparation or delivery of products in our stores, (iv) affect the availability and cost of transport, (v) impact the financial stability of our suppliers and franchisees, and (vi) affect the value of our real estate assets. Although we have observed a sharp rise in the volume of home deliveries, click & collect and drive & collect purchases, and despite having adapted our distribution networks to meet this upsurge in demand, we cannot predict whether Covid-19 (including future waves of the virus) will have a long-term impact on consumers' purchasing behaviour and how this could affect our business strategies and future outlook.

The assumptions and estimates used as a basis for certain statement of financial position and income statement items were reviewed in order to take account of the crisis. The assumptions and estimates reviewed mainly concerned the value of goodwill and other intangible assets; the fair value measurement of certain assets, particularly those classified as held for sale in accordance with IFRS 5; financial asset impairment; derivatives hedging sales transactions; and deferred tax assets arising on tax losses. Those reviews did not lead to any material impacts for the 2020 consolidated financial statements.

Disposal plan for non-strategic assets

In mid-2018, Casino Group initiated a plan to dispose of certain non-strategic assets, under which a total of €1.8bn in assets had been sold at end-2019 (excluding Vindémia). Casino Group carried out further disposals under this plan in 2020, involving mainly the sale of Vindémia on 30 June 2020 (note 3.1.2), the sale of Leader Price to Aldi France (note 3.1.3), the sale of a 5% stake in Mercialys during the second half of the year (note 3.1.1), and the sale of real estate assets. As a result, the Group had sold a total of €2.8bn in non-strategic assets at 31 December 2020 out of an announced €4.5bn disposal plan.

Assaí spin-off in Brazil

On 31 December 2020, Casino Group's Brazilian subsidiary GPA spun off its cash and carry business (Assaí) from the rest of its businesses (MultiVarejo and Éxito, with subsidiaries in Uruguay and Argentina). The aim of this operation was to optimise Assaí's potential on the one hand, and the potential of GPA and Éxito's more traditional food retailing business on the other. The operation will enable them to operate autonomously and to focus on their respective business models and market opportunities. They will benefit from direct access to the capital markets and to different financing sources, thereby creating more value for their shareholders. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares were admitted to trading on 1 March 2021 (note 15).

This operation does not have a material impact on the consolidated financial statements as it classifies as an intragroup transaction and therefore only generates expenses and fees inherent to such operations. These are included in "Other operating expenses" in an amount of €25m (note 6.5). A tax impact was also recognised for €12m (note 9.1.2).

Operations carried out to strengthen Casino Group's financial structure

In 2020, Casino Group continued to strengthen its financial structure by carrying out several transactions.

It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400m, of which €467m was due to mature in May 2021, €122m in June 2022, €448m in January 2023, €289m in March 2024, and €74m in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- issue of €400m worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225m maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The accounting impact of these operations can be summarised as follows at 31 December 2020:

- reduction of €858m in gross debt (note 11.2.2), including fair value hedges with a negative fair value, of which a reduction of €1,481m relating to bond buybacks and an increase of €623m (including fees) relating to the new bond issue and the Term Loan B tap;
- decrease in hedging derivatives and collection of a cash balance of €5m;
- gain of €42m included in "Net finance costs" (note 11.3.1).

At 31 December 2020, amounts held in a segregated account to repay debt totalled €487m (note 6.8.1).

Note 3. Scope of consolidation

Accounting principle

Basis of consolidation

The consolidated financial statements include the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly (see list of consolidated companies in note 17).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.

The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group's statement of financial position, regardless of the percentage interest held.

Potential voting rights

Control is assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.

The Group may own share warrants, share purchase options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or to reduce another party's voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement whereby the parties exercise joint control over the entity. They both have rights to the entity's net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in the income (loss) and, where appropriate, the other comprehensive income (loss) of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".

Income (losses) from internal acquisitions or disposals with equity-accounted associates are eliminated to the extent of the Group's percentage interest in these companies. In the absence of any guidance in IFRS concerning cases where the amount to be eliminated is greater than the carrying amount of the investment in the equity-accounted company, the Group has elected to cap the amount eliminated from the financial statements in the transaction year and to deduct the uneliminated portion from its share of the equity-accounted company's income in subsequent years. The Group follows a transparent approach to accounting for associates under the equity method and takes into account, if relevant, its final percentage interest in the associate for the purpose of determining the proportion of income (loss) to be eliminated.

In the absence of any standard or interpretation covering the dilution of the Group's interest in a subsidiary of an equity-accounted company, the dilution impact is recognised in the Group's share of the income (loss) of the equity-accounted investee.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date when control is acquired and for each business combination, the Group may elect to apply either the partial goodwill method (in which case, the amount of goodwill is limited to the portion acquired by the Group) or for the full goodwill method. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed. Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, which was the only method applicable prior to publication of IFRS 3 revised.

In the case of an acquisition achieved in stages (step acquisition), the previously-held interest is remeasured at fair value at the date control is acquired. The difference between the fair value and carrying amount of the previously-held interest is recognised directly in profit or loss (under "Other operating income" or "Other operating expenses").

The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (not exceeding 12 months from the date when control is acquired). Any subsequent acquisitions of non-controlling interests do not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value, whatever the probability that it will become due. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expenses" if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not remeasured subsequently.

Intra-group transfers of shares in consolidated companies

In the absence of any guidance in IFRS on the accounting treatment of intra-group transfers of shares in consolidated companies leading to a change in percentage interest, the Group applies the following principle:

- the transferred shares are maintained at historical cost and the gain or loss on the transfer is eliminated in full from the financial statements of the acquirer;
- non-controlling interests are adjusted to reflect the change in their share of equity, and a corresponding adjustment is made to consolidated reserves, without affecting net income or total equity.

Costs and expenses related to intra-group transfers of shares and to internal restructuring in general are included in "Other operating expenses".

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of the Group's parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated using the closing rate method, as follows:

- assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant fluctuations occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative differences recognised in equity on translation of the net investment in the operation concerned at successive reporting dates are reclassified to profit or loss. Because the Group applies the step-by-step method of consolidation, the cumulative translation differences are not reclassified to profit or loss if the foreign operation disposed is part of a sub-group. This reclassification will occur only at the disposal of the sub-group.

Foreign currency transactions are translated into euros using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under "Foreign currency exchange gains" or "Foreign currency exchange losses". Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the transaction date.

Exchange differences arising on translation of the net investment in a foreign operation are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Exchange differences arising on the translation of (i) foreign currency borrowings hedging a net investment denominated in a foreign currency or (ii) permanent advances made to subsidiaries are also recognised in equity and reclassified to profit or loss on disposal of the net investment.

In accordance with IAS 29, the statements of financial position and income statements of subsidiaries operating in hyperinflationary economies are (a) restated to take account of changes in the general purchasing power of the local currency, using official price indices applicable on the reporting date, and (b) converted into euros at the exchange rate on the reporting date. The Group has qualified Argentina as a hyperinflationary economy since 2018.

3.1 Transactions affecting the scope of consolidation in 2020

3.1.1 Mercialys TRS

On 26 July 2018, in connection with the announced asset disposal plan, Casino Group reduced its stake in Mercialys from 40.3% of the voting rights to 25.3%, through the block sale to a bank of shares representing 15% of the capital under a total return swap (TRS). Under the terms of the transaction, Casino Group received immediate proceeds amounting to €213m before disposal costs (€209m after disposal costs).

Under IFRS 9, the block sale is only effective once the shares are actually sold on the market by the bank. Consequently, the shares were not derecognised and a liability was recorded in respect of the shares not yet sold on the market.

As of 31 December 2019, 64.6% of the shares underlying the TRS had been sold. A corresponding capital loss of €20m was recorded in “Other operating expenses” and the liability stood at €102m. The remaining portion of the shares unsold under the TRS were classified as “Assets held for sale” in accordance with IFRS 5 in an amount of €46m.

On 21 August 2020, Casino Group transferred a 5% stake in Mercialys to the TRS, allowing it to immediately collect €26m held in a segregated account in connection with the repayment of gross debt.

At 31 December 2020, all of the shares underlying the TRS had been sold and Mercialys was accounted for by the equity method based on a percentage interest of 20.3% (30.6% at 31 December 2019).

Upon unwinding the TRS, the Group recognised a loss of €72m in “Other operating expenses” (note 6.5).

In all, Casino Group paid out €47m in 2020 in respect of the TRS, net of the €26m collected from the 5% stake transferred (note 4.7).

3.1.2 Sale of Vindémia

Casino Group sold Vindémia to the GBH group on 30 June 2020 as part of its plan to dispose of non-strategic assets, and collected €186m based on an enterprise value of €219m. This transaction generated a disposal loss of €23m, including a loss of €13m on reclassifying foreign currency translation adjustments within gains and losses on disposals.

If the transaction had been completed on 1 January 2020, the sale would have had a negative €405m impact on consolidated net sales, a negative €22m impact on trading profit and a negative €5m impact on net profit.

3.1.3 Sale of Leader Price stores and warehouses to Aldi France

On 30 November 2020, Casino Group finalised the sale to Aldi France of three warehouses, 545 Leader Price stores and two Casino supermarkets for a maximum consideration of €683m, of which (i) €648m was collected at closing (note 3.4.2), and (ii) up to €35m relates to an earn-out contingent on compliance with certain operating indicators during the transition period.

The disposal agreement provides for a transition period during which Casino Group will continue to manage day-to-day operations in its capacity as “parent” while the stores are gradually converted to the Aldi banner throughout 2021.

Under the disposal agreement, Casino (the seller) also grants to Aldi (the buyer) the customary representations and warranties. These include a specific seller’s warranty for €100m (note 6.11).

Casino Group remains the owner of the Leader Price brand and can continue to operate it within and outside France under certain conditions agreed with Aldi. Casino Group thereby keeps its wholesale activity for 200 Leader Price franchised stores as well as internal and external customers (Franprix, Casino Géant and Casino supermarkets).

The sale was completed following information and consultation with the employee representative bodies and clearance from the French competition authorities, which was granted on 17 November 2020. At closing, the Group had relinquished control of Leader Price by transferring its voting rights and other attached rights in the entities sold to Aldi. Aldi may terminate, at any time and without any notice, Casino's current mandate to manage and operate the stores during the transition period.

In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (notes 3.4.1 and 3.4.2), assets held for sale and associated liabilities have been shown on a separate line of the statement of financial position since 31 December 2019. The post-tax net profit and cash flows for 2020 and 2019 are reported on separate lines of the consolidated income statement under "Net profit (loss) from discontinued operations".

This transaction led to the recognition of a disposal loss before tax of €206m, presented under "Net profit/(loss) from discontinued operations" (note 3.4.2).

3.2 Investments in equity-accounted investees

3.2.1 Significant associates and joint ventures

The following table presents the condensed financial statements (on a 100% basis) for the four main equity-accounted investees on a continuing-operations basis. These condensed financial statements prepared in accordance with IFRS correspond to the investees' published financial statements as restated, where appropriate, for the adjustments made by Casino Group, for example fair value adjustments on the date control is acquired or lost, adjustments to bring the investee's accounting policies into line with Group policies, or adjustments to eliminate gains and losses on intra-group acquisitions and disposals for the portion corresponding to the Group's percentage interest in the investee.

(€ millions)	2020				2019			
	Mercialys [1]	Tuya [2]	Floa Bank (formerly Banque du Groupe Casino)	FIC [3]	Mercialys [1]	Tuya [2]	Floa Bank (formerly Banque du Groupe Casino)	FIC [3]
Country	*France*	*Colombia*	*France*	*Brazil*	*France*	*Colombia*	*France*	*Brazil*
Business	*Real estate*	*Banking*	*Banking*	*Banking*	*Real estate*	*Banking*	*Banking*	*Banking*
Type of relationship	*Associate*	*Joint venture*	*Joint venture*	*Associate*	*Associate*	*Joint venture*	*Joint venture*	*Associate*
% interest and voting rights held by the Group [4]	20%	50%	50%	36%	31%	50%	50%	36%
Total income	231	276	224	168	252	321	195	273
Net income (loss) from continuing operations	61	6	9	56	104	(3)	11	60
Other comprehensive income								
Total comprehensive income (loss)	**61**	**6**	**9**	**56**	**104**	**(3)**	**11**	**60**
Non-current assets	2,858	31	35	8	2,855	22	33	11
Current assets [5]	541	747	1,798	1,057	130	878	1,411	1,569
Non-current liabilities	(1,403)	(403)	(35)	(3)	(1,280)	(473)	(35)	(4)
Current liabilities	(423)	(252)	(1,614)	(880)	(315)	(314)	(1,241)	(1,370)
Of which liabilities related to credit activities		*(579)*	*(1,591)*	*(241)*		*(675)*	*(1,236)*	*(470)*
Net assets	**1,573**	**124**	**184**	**182**	**1,389**	**113**	**168**	**206**
Dividends received from associates and joint ventures	**11**			**3**	**34**			**6**

(1) At 31 December 2020, Casino Group held 20% (25% at 31 December 2019) of the capital of Mercialys and considers it exercises significant influence over the financial and operating policies of the Mercialys group (note 3.1.1). This position is based on (a) the absence of a majority vote on strategic decisions at meetings of the company's Board of Directors, which is mostly made up of independent Directors, (b) the governance rules stipulating that Casino's representatives on the Mercialys Board may not take part in decisions concerning transactions carried out with Casino Group, (c) business contracts entered into between Casino Group and Mercialys on an arm's length basis, and (d) an analysis of the votes cast at recent General Shareholders' Meetings of Mercialys (showing that Casino and its related parties do not control shareholder decisions at Shareholders' Meetings). The percentage interest is 20% and 31%, respectively at 31 December 2020 and 2019.

(2) Tuya was set up in partnership with Éxito and Bancolombia to manage the banking services offered to customers of the stores in Colombia, primarily the possibility of signing up for credit cards in the stores. The partnership structure changed in October 2016 when Éxito became a 50% shareholder of Tuya.

(3) FIC was set up by GPA in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA's customers. It is accounted for using the equity method as GPA exercises significant influence over its operating and financial policies.

(4) The percentage interest corresponds to that held by Casino, except in the case of Tuya (interest held by the Éxito sub-group) and FIC (interest held by GPA). Following the sale of Via Varejo, GPA has held 36% of FIC's share capital and voting rights since June 2019.

(5) The current assets of Floa Bank (formerly Banque du Groupe Casino), Tuya and FIC primarily concern their lending business.

3.2.2 Other investments in associates and joint ventures

The aggregate amounts of key financial statement items for other associates and joint ventures are not material. Dividends received from these associates and joint ventures amounted to €3m in 2020, unchanged from 2019.

3.2.3 Changes in investments in associates and joint ventures

(€ millions)	2020	2019
Balance at 1 January	**341**	**501**
Share of net income (loss) for the year[1]	44	(18)
Dividends	(25)	(43)
Other movements	(169)	(99)
Balance at 31 December	**191**	**341**

(1) Including the Group's €63m share of the loss from discontinued operations relating to Leader Price in 2019.

3.2.4 Impairment losses on investments in equity-accounted investees

The fair value of the investment in Mercialys at the reporting date was €134m for 20.3% of net assets, determined using the share price on 31 December 2020 (31 December 2019: €346m for 30.6% of net assets), resulting in a loss in value of €77m included in "Other recurring operating expenses".

No material loss in value was identified for other equity-accounted investees and joint ventures which are not listed.

3.2.5 Share of contingent liabilities of equity-accounted investees

At 31 December 2020 and 31 December 2019, none of the Group's associates or joint ventures had any material contingent liabilities.

3.2.6 Related-party transactions (equity-accounted investees)

The related-party transactions shown below mainly concern transactions carried out in the normal course of business with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) and which are accounted for in the consolidated financial statements using the equity method. The transactions are carried out on arm's length terms.

Related-party balances at 31 December 2020 and 2019 were as follows:

(€ millions)	31 December 2020		31 December 2019 (restated)	
	Associates	Joint ventures	Associates	Joint ventures
Loans	60	7	31	11
of which impairment	*(2)*		*(1)*	
Receivables	37	24	57	44
of which impairment		*(1)*		
Payables	178 [1]	143	201[1]	283
Expenses	62 [2]	798 [3]	57 [2]	1,520 [3]
Income	288 [4]	44	312 [4]	51

(1) Including lease liabilities in favour of Mercialys for property assets amounting to €150m at 31 December 2020, of which €32m due within one year (31 December 2019: €169m, of which €41m due within one year).

(2) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 57 leases signed with Mercialys. These payments represented €50m in 2020 (2019: 63 leases for €49m).

(3) Including €764m in fuel purchases from Distridyn (2019: €1,234m) and €235m in goods purchases from CD Supply Innovation (the partnership with CDSI was unwound during first-half 2019).

(4) Income of €288m in 2020 includes sales of goods by Franprix-Leader Price to master franchisees accounted for by the equity method amounting to €115m (2019: income of €312m which included sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method amounting to €145m). The income figure also includes proceeds from property development transactions with Mercialys reported under "Other income" for €116m, including an EBITDA impact of €65m (note 5.1), compared to €95m reported under "Other income" in 2019 including an EBITDA impact of €48m.

Transactions with Mercialys

Casino has entered into various agreements with Mercialys:

- Leases: Casino leases units in certain shopping centres from Mercialys, for which the lease payments are disclosed above.
- Property management agreement: Casino Group provides rental management services for nearly all Mercialys properties. In 2020, the related management fees amounted to €5m (2019: €6m).
- Partnership agreement: this agreement was approved by Casino's Board of Directors on 19 June 2012 and an addendum was signed on 12 November 2014. The partnership's fundamental principle, whereby Casino develops and manages a pipeline of projects that Mercialys acquires to feed its business growth, has been maintained in the new agreement. The original agreement concerned a pipeline of projects offering satisfactory visibility. The new agreement enables Mercialys to propose new projects that will be examined by Casino and tracked during monitoring committee meetings.

  Casino will not undertake any work until the order is reconfirmed by Mercialys once the necessary permits have been obtained and leases have been signed on units representing at least 60% of total projected rental revenues from signed leases.

  The acquisition price of projects developed by Casino was calculated under the original agreement on the basis of (i) a rent capitalisation rate determined using a grid that is updated twice a year by reference to the rates used to value Mercialys' portfolio and (ii) projected rental revenues from the project. Under the new agreement, the projected internal rate of return (IRR) – within the range of 8% to 10% – may also be taken into account for pricing purposes.

  The principle whereby the upside and downside are shared equally between Casino and Mercialys has been maintained to take into account the actual conditions in which the assets will be marketed. For example, the price will be increased or reduced by 50% of any positive (upside) or negative (downside) difference between the actual rents negotiated during the marketing process and the rents projected at the outset. The contracts require the parties to meet during the pre-acquisition process.

  In exchange for the exclusive partnership, Mercialys has undertaken not to invest in any operations that could lead to a material increase in competition in the catchment area of any of Casino Group's food stores. At the end of January 2017, the partnership agreement was extended by three years, until end-2020. The partnership agreement expired in December 2020 as it was not extended by either of the parties.
- Support services agreement: Casino Group provides administrative, accounting/finance, IT and real estate support services to Mercialys. In 2020, the related fees for Casino Group amounted to €1m (2019: €2m).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. No services were provided under this agreement in 2020.

  The parties decided to terminate the agreement on 31 December 2018. A new fixed-term agreement was signed with an initial term of six months (1 January to 30 June 2019), covering asset management services provided by Mercialys' teams on projects managed on Casino's behalf. The agreement is automatically renewable for successive six-month terms up to a maximum of 48 months in total. This agreement expired at the end of 2020 since it was not renewed by either of the parties.
- Sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys. This agreement lapsed in 2020.
- Current account agreement: on 8 September 2005, Mercialys entered into a current account and cash management agreement with Casino. Under this agreement, Mercialys and Casino set up a shareholder current account for all eligible payments, withdrawals or advances of funds between the two companies. Following the reduction in Casino's interest in Mercialys' share capital in 2012, the two parties decided to terminate the existing current account and cash management agreement and to enter into a new current account agreement. This agreement maintained Mercialys' current account with Casino, enabling it to benefit from cash advances of up to €50m from Casino.

  The term of the agreement was extended on several occasions. An addendum to the agreement was signed in December 2019, reducing the cash advance limit to €35m and extending its maturity to 31 December 2021. An addendum to the agreement was signed in December 2020 to extend its maturity to 31 December 2022.

  No cash advances had been granted to Mercialys at end-December 2020.

On 23 December 2020, Mercialys sold five real estate assets to SCI AMR (an equity-accounted company in Mercialys' books) for a net selling price representing 100% of €198m. On 21 December 2020, Mercialys also sold another real estate asset to a company outside the Group for a net selling price of €31m.

In Casino Group's consolidated financial statements, these two transactions led to the recognition of €37m in "Other revenue" and an EBITDA contribution of €19m resulting from the recognition of previously eliminated margins on real estate development transactions involving Casino and Mercialys (note 5.1).

3.2.7 Commitments to joint ventures

Casino Group had given guarantees to Distridyn (also presented in note 6.11) for an amount of €68m at 31 December 2020 (unchanged from end-December 2019).

3.3 Commitments related to the scope of consolidation

3.3.1 Put options granted to owners of non-controlling interests ("NCI puts")

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. The options may be exercisable at any time or on a specified date. In accordance with IAS 32, obligations under NCI puts are recognised as "Financial liabilities"; fixed price options are recognised at their discounted present value and variable price options at fair value. NCI puts are presented on a separate line of the consolidated statement of financial position.

IAS 27 revised, which is effective for annual periods beginning on or after 1 January 2010, and subsequently IFRS 10, effective for annual periods beginning on or after 1 January 2014, describe the accounting treatment of acquisitions of additional shares in subsidiaries. The Group has decided to apply two different accounting methods for these NCI puts, depending on whether they were granted before or after 1 January 2010, as recommended by the French securities regulator (*Autorité des marchés financiers* – AMF).

- NCI puts granted before the effective date of IAS 27 revised are accounted for using the goodwill method, whereby the difference between the NCI put liability and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent years, this liability is remeasured and any changes adjust goodwill;
- NCI puts granted since IAS 27 revised came into effect are accounted for as transactions between owners, with the difference between the NCI put liability and the carrying amount of the non-controlling interests recognised as a deduction from equity. In subsequent years, this liability is remeasured and any changes adjust equity.

NCI puts can be analysed as follows at 31 December 2020:

(€ millions)	% ownership held by Casino Group	Commitment by Casino Group to non-controlling interests	Fixed or variable exercise price	Non-current liabilities (3)	Current liabilities (3)
Franprix (1)	70.00%	30.00%	V	34	
Éxito (Disco)(2)	62.49%	29.82%	V		100
Other				10	19
Total put options granted to owners of non-controlling interests				**44**	**119**

(1) The value of the NCI put on subsidiaries of the Franprix sub-group is based on net profit and a multiple of net sales. A 10% increase or decrease in these indicators would not have a material impact. The put option expires between 2022 and 2025.

(2) It is exercisable at any time until 30 June 2021; in the event the put is not exercised, the agreement will be automatically rolled over until 30 June 2025. The exercise price is the most favourable amount obtained using the various calculation formulas or a minimum price. At 31 December 2020, the exercise price represents the minimum price.

(3) At 31 December 2019, NCI put liabilities amounted to €166m, including current liabilities of €105m.

3.3.2 Off-balance sheet commitments

Accounting principle

Puts and calls relating to non-controlling interests are generally accounted for as derivative instruments. The exercise price of these options generally reflects the fair value of the underlying assets.

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies concerned. In this case, the options are valued based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date.

In many cases, the put option written by the Group is matched by a call written by the other party; in these cases, the value shown corresponds to that of the written put.

At 31 December 2020, there were no outstanding puts relating to non-controlling interests. At 31 December 2019, put options represented €5m and concerned companies within the Monoprix sub-group.

Call options granted to the Group on shares in non-controlled companies stood at €316m at 31 December 2020 (31 December 2019: €339m), the most important of which were granted in connection with transactions involving Mercialys:

- call option on 100% of the assets or 100% of the shares of Hyperthetis Participations, exercisable from 31 December 2020 and until 31 March 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- call option on a property asset previously sold to Immosiris, exercisable between 31 March 2021 and 30 September 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR.

3.4 Assets held for sale and discontinued operations

Accounting principle

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset or disposal group must be available for immediate sale in its present condition and its sale must be highly probable. For the sale to be highly probable, management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification. Given these characteristics, net assets held for sale attributable to owners of the parent of the selling subsidiary are presented as a deduction from net debt (note 11).

Property, plant and equipment, intangible assets and right-of-use assets classified as held for sale are no longer depreciated or amortised.

If a disposal plan changes, and/or when the criteria for classification as held for sale are no longer met, assets can no longer be presented in this category. In this case, the asset (or disposal group) is to be carried at the lower of:

- its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision not to sell.

The impact of these adjustments, which primarily relate to depreciation and/or amortisation not recognised in the period during which the assets were classified as held for sale, is included in "Other operating expenses".

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or a geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs on the date of disposal or on a prior date when the operation fulfils the criteria for classification as held for sale.

When an operation is classified as discontinued, the comparative income statement and statement of cash flows are restated as if the operation had fulfilled the criteria for classification as discontinued as from the first day of the comparative period. Discontinued operations are presented on a separate line of the consolidated income statement, "Net income (loss) from discontinued operations", which includes the net income or loss of the discontinued operation up to the date of disposal, and if appropriate, any impairment loss recognised to write down the net assets held for sale to their fair value less costs to sell and/or any after-tax disposal gains or losses.

3.4.1 Assets held for sale and liabilities associated with assets held for sale

(€ millions)	*Notes*	31 December 2020		31 December 2019 (restated) [1]	
		Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	3.1.3/3.4.2			1,362	706
Other France Retail [2]		913	210	1,405	491
Other [3]		308	291	325	276
Total		**1,221**	**501**	**3,092**	**1,473**
Net assets		720		1,619	
Of which attributable to owners of the parent of the selling subsidiary	11.2	*720*		*1,606*	

(1) Right-of-use assets were offset against lease liabilities on the "Assets held for sale" and "Liabilities associated with assets held for sale" lines in the consolidated statement of financial position at 31 December 2019 in an amount of €283m.

(2) At 31 December 2020 and 2019, this line corresponds mainly to stores and property assets relating to asset disposal plans and plans to optimise the store base.

(3) At 31 December 2020 and 2019, this line corresponds mainly to Latam Retail assets and the operations of Groupe GO Sport. In addition, in 2020, GPA also completed the sale of land for BRL 200m. This sale generated a disposal gain of BRL 134m (€23m) which was recorded within "Other operating income" (note 6.5).

3.4.2 Discontinued operations

In 2020, net income (loss) from discontinued operations reflects Groupe GO Sport and the contribution of Leader Price to the Group's earnings up to the date of its sale, the loss on its disposal, and commitments undertaken in connection with the transition period (note 3.1.3). In 2019, net income (loss) from discontinued operations primarily reflected (i) the contribution of the Via Varejo group (including Cnova Brazil) to the Group's earnings up to the date of its sale, along with the gain on its disposal, and (ii) the contribution of Leader Price to the Group's earnings, representing a negative €1,046m, and of Groupe GO Sport.

Net income (loss) from discontinued operations can be analysed as follows:

(€ millions)	2020	2019 (restated)
Net sales	1,874	4,918
Net expenses [1]	(2,120)	(5,252)
Gains (losses) on disposals [2]	(206)	29
Disposal price	*648*	*615*
Disposal costs	*(4)*	*(39)*
Adjusted carrying amount of net assets sold [3]	*(850)*	*(543)*
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax		*(4)*
Gain on disposal of Courir (Groupe GO Sport) on 28 February 2019		182
Impairment loss resulting from remeasurement at fair value less costs to sell [4]		(855)
Net income (loss) before tax from discontinued operations	**(452)**	**(978)**
Income tax (expense) benefit	14	(15)
Share of net income (loss) of equity-accounted investees	(62)	(59)
Net income (loss) from discontinued operations [5]	**(500)**	**(1,052)**
Attributable to owners of the parent	*(263)*	*(550)*
Attributable to non-controlling interests	*(237)*	*(502)*

(1) Including a gross amount of BRL 231m (€39m) in 2020, corresponding to GPA's right to receive a portion of the profit resulting from the exclusion of ICMS tax from the PIS/COFINS tax base of its former subsidiary Globex, following the court ruling handed down in respect of Via Varejo for the 2007-2010 period. Pending substantiating legal documentation from Via Varejo regarding tax credits for fiscal years 2003 to 2007, GPA's right to receive tax credits is considered a contingent asset estimated at around BRL 277m, or €43m (note 13.3).

(2) The 2020 disposal loss relates to the sale of Leader Price on 30 November 2020 (note 3.1.3). In 2019, the disposal gain related to the 14 June 2019 sale of Via Varejo.

(3) The carrying amount of net assets sold is adjusted in order to bring the assets into line with the contractual provisions relative to the transition period.

(4) This line included Leader Price and Groupe GO Sport. When the Franprix-Leader Price operating segment was separated in two in 2019, the breakdown of goodwill between the Leader Price, Franprix and Geimex businesses was measured based on the values of each of the businesses (value in use from the impairment test). The fair value of Leader Price had been estimated based on an enterprise value of €735m (including a €35m earn-out contingent on the achievement of certain operating indicators during the transition period), less the estimated cost of the put options held by master franchisees and independent operators, and less the estimated future cash flow usage of the sub-group up to the effective date of the disposal.

(5) Regarding Groupe GO Sport, this line included an impairment loss of €151m in 2019, recorded to reduce the carrying amount of the disposal group to its fair value less cost of sale.

Earnings per share of discontinued operations are presented in note 12.9.

Note 4. Additional cash flow disclosures

Accounting principle

The statement of cash flows is prepared using the indirect method starting from consolidated net income (loss) and is organised in three sections:

- **cash flows from operating activities**, including taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates and joint ventures and payments received in respect of government grants;
- **cash flows from investing activities**, including acquisitions of subsidiaries (excluding acquisition costs), proceeds from disposals of subsidiaries (including transaction costs), acquisitions and disposals of investments in non-consolidated companies, associates and joint ventures (including transaction costs), contingent consideration paid for business combinations, up to the amount of the identified liability during the measurement period, and acquisitions and disposals of non-current assets (including transaction costs and deferred payments);
- **cash flows from financing activities**, including new borrowings and repayments of borrowings, issues of equity instruments, transactions between owners (including transaction costs and any deferred payments), lease payments, net interest paid (cash flows related to cost of debt and non-recourse factoring costs), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt.

4.1 Reconciliation of provision expense

(€ millions)	*Notes*	Year	
		2020	2019 (restated)
Goodwill impairment	10.1.2	(15)	(17)
Impairment of intangible assets	10.2.2	(20)	(8)
Impairment of property, plant and equipment	10.3.2	(121)	(70)
Impairment of investment property	10.4.2	(2)	(4)
Impairment of right-of-use assets	7.1.1	(78)	(12)
Impairment of other assets		(89)	(140)
Net (additions to) reversals of provisions for risks and charges		(70)	(3)
Total provision expense		**(395)**	**(254)**
Provision expense adjustment reported under "Net income (loss) from discontinued operations"		14	6
Provision expense adjustment in the statement of cash flows		**(381)**	**(248)**

4.2 Reconciliation of changes in working capital to the statement of financial position

(€ millions)	*Notes*	31 Dec. 2019	Cash flows			Changes in		Reclass. and other[2]	31 Dec. 2020
			from operating activities	from discontinued operations	Other	scope of consolidation	exchange rates		
Goods inventories	6.6	(3,487)	(43)			(8)	483	(7)	**(3,062)**
Property development work in progress	6.6	(295)	(29)	(8)		11	27	141	**(153)**
Trade payables	B/S	6,602	30	(24)		69	(743)	260	**6,194**
Trade and other receivables	6.7	(836)	(122)			(3)	39	(19)	**(941)**
Other (receivables) payables		160	176	1	(507)[1]	106	143	184	**263**
Total		**2,144**	**12**	**(31)**	**(507)**	**175**	**(51)**	**559**	**2,301**

(€ millions)	Notes	1 Jan. 2019	Cash flows			Changes in		Reclass. and other	31 Dec. 2019
			from operating activities	from discontinued operations	Other	scope of consolidation	exchange rates		
Goods inventories	6.6	(3,787)	1	(35)		(13)	37	310	**(3,487)**
Property development work in progress	6.6	(184)	(100)	1		(2)		(10)	**(295)**
Trade payables	B/S	6,789	343	(83)	3	33	(46)	(437)	**6,602**
Trade and other receivables	6.7	(923)	(64)	(134)		62	11	212	**(836)**
Other (receivables) payables		366	(56)	(2)	(455)[1]	134	5	168	**160**
Total		**2,261**	**124**	**(253)**	**(452)**	**214**	**7**	**243**	**2,144**

(1) In 2020 and 2019, these amounts primarily reflect cash inflows and outflows relating to financial assets (note 4.11).

(2) Primarily reflecting the transfer of GreenYellow assets in connection with the shift in the subsidiary's strategy (note 10.3.2), the impacts of classifying assets and liabilities as held for sale in accordance with IFRS 5, and the change in the fair value of the GPA TRS.

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	Notes	Year	
		2020	2019
Additions to and acquisitions of intangible assets	10.2.2	(239)	(269)
Additions to and acquisitions of property, plant and equipment	10.3.2	(660)	(869)
Additions to and acquisitions of investment property	10.4.2	(3)	(14)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	(3)	(8)
Change in amounts due to suppliers of non-current assets		(26)	21
Neutralisation of capitalised borrowing costs (IAS 23) [1]	10.3.3	3	5
Effect of discontinued operations		1	26
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(927)**	**(1,108)**

(1) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	Notes	Year	
		2020	2019
Derecognition of intangible assets	10.2.2	5	7
Derecognition of property, plant and equipment	10.3.2	237	188
Derecognition of investment property	10.4.2		
Disposals of lease premiums included in right-of-use assets	7.1.1	6	8
Gains on disposals of non-current assets [1]		141	61
Change in receivables related to non-current assets		(27)	(32)
Reclassification of non-current assets as "Assets held for sale" (IFRS 5)		61	665
Effect of discontinued operations			(7)
Cash from disposals of intangible assets, property, plant and equipment and investment property		**423**	**890**

(1) Prior to the restatement of sale and leaseback transactions in accordance with IFRS 16.

4.5 Cash from (used in) investing activities relating to financial assets

In 2020, cash outflows and inflows relating to financial assets amounted to €942m and €461m, respectively, representing a net cash outflow of €481m. This primarily relates to the outflow of €248m upon unwinding the TRS on GPA shares (note 11.3.2) and the net outflow relating to the escrow account held in connection with the refinancing of the rollover credit facility (RCF) for €295m. Changes in the escrow account reflect the transfer to this account of disposal proceeds from the sale of (i) Vindémia (note 3.1.2), Leader Price (note 3.1.3), and the 5% stake in Mercialys (note 3.1.1), and (ii) the use of funds to repay the residual amount outstanding on bonds maturing in 2020 (note 11.2.2) and a portion of the bond buybacks (note 2.2).

In 2019, cash outflows related to acquisitions of financial assets amounted to €445m, mainly breaking down as (i) a payment of €291m relating to the refinancing transactions into an escrow account, which had a balance of €193m at 31 December 2019 (note 6.8.1), and (ii) a cash outflow of €109m arising on unwinding the forward contract on GPA shares (note 11.3.2).

4.6 Effect of changes in scope of consolidation resulting in acquisition or loss of control

(€ millions)	Year	
	2020	2019
Amount paid for acquisitions of subsidiaries	(20)	(12)
Cash (bank overdrafts) acquired	9	6
Proceeds from disposals of subsidiaries	211	227
(Cash) bank overdrafts sold	(43)	(4)
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**157**	**217**

In 2020, the net impact of these transactions on Casino Group's cash and cash equivalents was mainly due to the loss of control of Vindémia (note 3.1.2).

In 2019, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:

- the loss of control of loss-making stores in connection with the plan to optimise the store base, for €166m;
- the sale of the contract catering services business and of restaurants.

4.7 Effect of changes in scope of consolidation related to equity-accounted investees

(€ millions)	*Notes*	Year	
		2020	2019
Amount paid for the acquisition of shares in equity-accounted investees		(17)	(35)
Net outflow relating to the Mercialys TRS	3.1.1	(47)	(4)
Effect of changes in scope of consolidation related to equity-accounted investees		**(64)**	**(39)**

4.8 Reconciliation of dividends paid to non-controlling interests

(€ millions)	*Notes*	Year	
		2020	2019
Dividends paid and payable to non-controlling interests	12.7	(80)	(170)
Change in the liability for dividends payable to non-controlling interests		35	9
Currency effects			(1)
Effect of discontinued operations			
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(45)**	**(162)**

4.9 Effect on cash and cash equivalents of transactions with non-controlling interests

(€ millions)	Year	
	2020	2019
GPA – acquisition of 41.27% of Éxito shares in 2019	(21)	(917)
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary in 2019		(18)
Other	(34)	(36)
Effect on cash and cash equivalents of transactions with non-controlling interests	**(55)**	**(971)**

4.10 Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	*Notes*	Year	
		2020	2019 (restated)
Change in cash and cash equivalents		**(886)**	**(954)**
Increase in loans and borrowings [1]	11.2.2	(2,277)	(5,188)
Repayments of loans and borrowings [1]	11.2.2	2,948	4,273
Allocation to (use of) escrow account	4.5	180	201
Outflows (inflows) of financial assets		(55)	(38)
Non-cash changes in debt [1]		(505)	(85)
Change in net assets held for sale attributable to owners of the parent		*(817)*	*(161)*
Change in other financial assets		*7*	*118*
Effect of changes in scope of consolidation		*102*	*95*
Change in fair value hedges		*(27)*	*(101)*
Accrued interest		*(152)*	*(52)*
Other		*382*	*16*
Effect of movements in exchange rates [1]		887	53
Change in loans and borrowings of discontinued operations		14	1,032
Change in net debt		**306**	**(706)**
Net debt at beginning of year [2]	11.2.1	7,057	6,351
Net debt at end of year	11.2.1	6,751	7,057

(1) These impacts relate exclusively to continuing operations.
(2) After taking into account the impact of applying the IFRS IC decision on IFRS 16, representing €2m at 1 January 2020 (zero at 1 January 2019).

4.11 Reconciliation of net interest paid

(€ millions)	*Notes*	Year	
		2020	2019 (restated)
Cost of net debt reported in the income statement	11.3.1	**(151)**	**(476)**
Neutralisation of unrealised exchange gains/losses		(6)	13
Neutralisation of amortisation of debt issuance/redemption costs and premiums		(283)	78
Capitalised borrowing costs	10.3.3	(3)	(5)
Change in accrued interest and fair value hedges of borrowings		96	62
Interest paid on lease liabilities	11.3.2	(317)	(324)
Non-recourse factoring and associated transaction costs	11.3.2	(60)	(77)
Interest paid, net as presented in the statement of cash flows		**(724)**	**(729)**

Note 5. Segment information

Accounting principle

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used to assess the performance of operating segments as required by IFRS 8.

Segment reporting includes two operating segments corresponding to:

- The **"Food and general retailing"** division, which includes the various activities of Casino Group, namely:
  - *France Retail*: reportable segment comprising retail operating segments (mainly the sub-group banners Casino, Monoprix, Franprix and Vindémia – the latter until its sale on 30 June 2020);
  - *Latam Retail*: reportable segment comprising food retailing operating segments in Latin America (mainly the GPA food banners and the Éxito, Disco-Devoto and Libertad sub-group banners);
  - *E-commerce*: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

In 2019, the Franprix-Leader Price operating segment was separated into Franprix, Leader Price and Geimex.

The operating segments included in France Retail and Latam Retail have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, marketing offer and long-term financial performance.

These reportable segments reflect pure retail activities and retail-related activities. Given the dual strategy and the interconnection between retail and real estate, the operating segments include real estate asset management activities, property development activities and energy-related activities (GreenYellow).

- The **"Holdings and other activities"** division, which combines the activities of the holding companies, the sale of sporting goods and financial and property investments. Taken individually, these activities are not material at Group level.

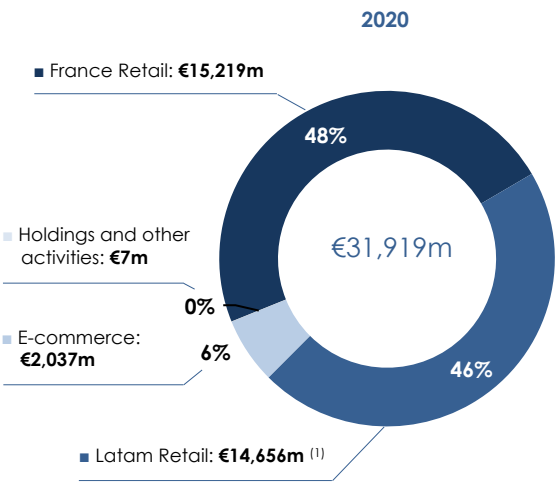
Management assesses the performance of these segments on the basis of net sales, recurring operating income (which includes the allocation of Casino sub-group holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as recurring operating income plus net depreciation and amortisation expense.

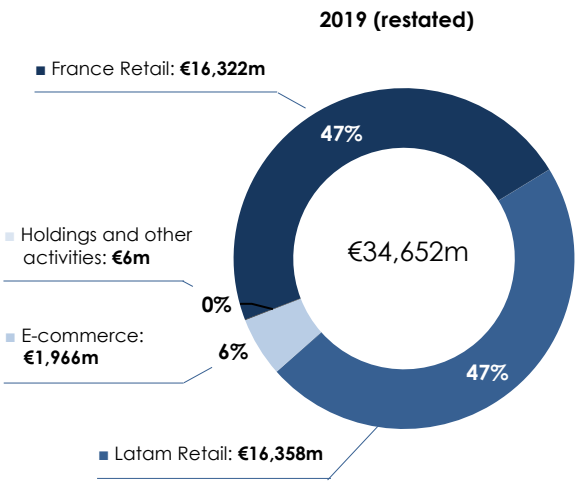
Segment assets and liabilities are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment information.

Segment information is determined on the same basis as the consolidated financial statements.

5.1 Key indicators by operating segment

Breakdown of net sales by segment





(1) Of which BRL 995m (€169m) recognised by GPA in 2020 in net sales for the year corresponding to the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (note 13.3).

Breakdown of other key indicators by segment

(€ millions)	Notes	Food and general retailing			Holdings and other activities	Total
		France Retail	Latam Retail	E-commerce		
2020						
EBITDA[1]		1,451 [2]	1,161 [3]	129	(16)	**2,725**
Net depreciation and amortisation expense	6.3/6.4	(826)	(413)	(77)		**(1,316)**
Recurring operating income (loss)		625 [2]	748 [3]	53	(17)	**1,409**
2019 (restated)						
EBITDA[1]		1,467 [2]	1,104	69	(17)	**2,623**
Net depreciation and amortisation expense	6.3/6.4	(778)	(476)	(65)	1	**(1,318)**
Recurring operating income (loss)		689 [2]	628	4	(16)	**1,305**

(1) EBITDA is defined in the accounting principle on the previous page.

(2) Of which €64m in respect of property development transactions carried out in France, versus €56m in 2019; corresponding mainly to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys and the sale of assets by Mercialys, amounting to €45m and €19m in 2020, respectively, compared to €38m and €10m in 2019, respectively (note 3.2.6).

(3) Of which BRL 817m (€139m) in respect of tax credits recognised by GPA, including BRL 995m (€169m) recognised in net sales corresponding to tax savings resulting from the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (note 13.3).

5.2 Key indicators by geographical area

(€ millions)	Food and general retailing			Holdings and other activities		Total
	France	Latin America	Other regions	France	Other regions	
At 31 December 2020						
External net sales	17,235	14,656	21	4	3	**31,919**
Non-current assets [1]	11,553	7,898	56	3		**19,510**
At 31 December 2019 (restated)						
External net sales	18,285	16,343	17	7		**34,652**
Non-current assets [1]	12,216	10,067	59	4		**22,346**

(1) Non-current assets include goodwill, intangible assets, property, plant, and equipment, investment property, right-of-use assets, investments in equity-accounted investees, contract assets and prepaid expenses beyond one year.

Note 6. Operating data

6.1 Revenue

Accounting principle

Revenue:

Revenue comprises items recorded under "Net sales" and "Other income".

The total of these two items is presented on the line "Total income".

"**Net sales**" include sales by the Group's stores, service stations, E-commerce sites and restaurants, franchise fees, revenues from business leases and financial services revenues.

Most of the amount reported under "Net sales" corresponds to revenue included in the scope of IFRS 15.

"**Other income**" consists of income from the property development and property trading businesses, rental revenues, miscellaneous service revenues, incidental revenues and revenues from secondary activities, and revenues from the energy business.

The majority of amounts reported under "Other income" are included in the scope of IFRS 15, while rental revenues are included in the scope of IAS 16.

Revenue is measured at the contract price, corresponding to the consideration to which the Group expects to be entitled in exchange for the supply of goods or services. The transaction price is allocated to the performance obligations in the contract, which represent the units of account for revenue recognition purposes. Revenue is recognised when the performance obligation is satisfied, i.e., when control of the good or service passes to the customer. Revenue may therefore be recognised at a specific point in time or over time based on the stage of completion.

The Group's main sources of revenue are as follows:

- Sales of goods (including through the property trading business): in this case, the Group generally has only one performance obligation, to deliver the goods to the customer. Revenue from these sales is recognised when control of the goods is transferred to the customer, generally upon delivery, i.e., mainly:
  - at the check out for in-store sales;
  - on receipt of the goods by the franchisee or affiliated store;
  - on receipt of the goods by the customer for E-commerce sales.
- Sales of services, for example sales of subscriptions, franchising fees, logistics services, rental revenue and property management services: in this case, for operations included in the scope of IFRS 15, the Group generally has only one performance obligation, to supply the service, and the related revenues are recognised over the period in which the services are performed.
- Property development revenues: in this case, the Group generally has several performance obligations, some of which may be satisfied at a given point in time and others over time based on the project's percentage of completion. In the latter case, income is generally calculated by reference to the projected margin on completion weighted by the percentage of completion determined by the inputs method.
- Revenues from the energy business, for which the Group generally identifies a performance obligation when the solar power plant is delivered (in exchange for variable consideration in some cases) or when the energy performance contracts are sold. The Group also sells energy services for which the related revenue is recognised when the service is performed.

The vast majority of revenues are recognised at a given point in time.

If settlement of the consideration is deferred for an unusually long time and no promise of financing is explicitly stated in the contract or implied by the payment terms, revenue is recognised by adjusting the consideration for the effects of the time value of money. If significant, the difference between this price and the unadjusted transaction price is recognised in "Other financial income" over the payment deferral period, determined using the effective interest method.

The Group operates loyalty programmes that enable customers to obtain discounts or award credits on their future purchases. Award credits granted to customers under loyalty programmes represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability. The corresponding revenue is deferred until the award credits are used by the customer.

Contract assets and liabilities, incremental costs to obtain a contract and costs to fulfil a contract

- A contract asset corresponds to an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Based on this definition, a receivable does not constitute a contract asset.

  The Group recognises a contract asset when it has fulfilled all or part of its performance obligation but does not have an unconditional right to payment (i.e., the Group does not yet have the right to invoice the customer). In light of its business, contract assets recognised by the Group are not material.
- A contract liability corresponds to an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

  The Group recognises contract liabilities mainly for award credits granted under its loyalty programmes, advances received and sales for which all or part of the performance obligation has not yet been fulfilled (e.g., sales of subscriptions and gift cards, and future performance obligations of the property development business for which the customer has already been invoiced followed by payment of consideration).
- The incremental costs to obtain a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained and which it expects to recover.

  The costs to fulfil a contract are costs related directly to a contract that generate or enhance the resources that will be used by the Group in satisfying its performance obligations and which it expects to recover.

  For the Group, the costs of obtaining and fulfilling contracts correspond primarily to the costs incurred in connection with its franchising and affiliation business. These costs are capitalised and amortised over the life of the franchise or affiliation contract. The capitalised amounts are tested regularly for impairment.

Contract assets and the costs of obtaining and fulfilling contracts are tested for impairment under IFRS 9.

6.1.1 Breakdown of total income

(€ millions)	Food and general retailing			Holdings and other activities	2020
	France Retail	Latam Retail	E-commerce		
Net sales	15,219	14,656	2,037	7	**31,919**
Other income	455	142		1	**598**
Total income	**15,674**	**14,798**	**2,037**	**8**	**32,517**

(€ millions)	Food and general retailing			Holdings and other activities	2019
	France Retail	Latam Retail	E-commerce		
Net sales	16,322	16,358	1,966	6	**34,652**
Other income	494	171		1	**666**
Total income	**16,816**	**16,529**	**1,966**	**7**	**35,318**

6.1.2 Incremental costs of obtaining and fulfilling contracts, contract assets and liabilities

(€ millions)	*Notes*	2020	2019
Incremental costs of obtaining contracts included in "Intangible assets"	10.2	111	113
Contract assets	6.8/6.9		11
Right-of-return assets included in "Inventories"	6.6	3	2
Contract liabilities	6.10	135	150

6.2 Cost of goods sold

Accounting principle

Gross margin corresponds to the difference between "Total income" and "Cost of goods sold".

Cost of goods sold comprises the cost of purchases net of discounts, commercial cooperation fees and any tax credits associated with the purchases, changes in retail inventories, depreciation of plant and equipment, amortisation of certain contract assets, and logistics costs. It also includes property development and property trading business costs and changes in the related inventories.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses.

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group's sites. Transport costs included in suppliers' invoices (e.g., for goods purchased on a "delivery duty paid" or "DDP" basis) are included in "Purchases and change in inventories". Outsourced transport costs are recognised under "Logistics costs".

(€ millions)	*Notes*	2020	2019 (restated)
Purchases and changes in inventories		(22,881)	(25,105)
Logistics costs	6.3	(1,434)	(1,444)
Cost of goods sold		**(24,315)**	**(26,549)**

6.3 Expenses by nature and function

Accounting principle

Selling expenses consist of point-of-sale costs, property development and property trading business costs and changes in inventories.

General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening costs that do not meet the criteria for capitalisation and **post-closure costs** are recognised in operating expenses when incurred.

(€ millions)	*Notes*	Logistics costs [1]	Selling expenses	General and administrative expenses	2020 total
Employee benefits expense		(518)	(2,475)	(744)	**(3,737)**
Other expenses		(780)	(2,064)	(330)	**(3,174)**
Depreciation/amortisation for the year	5.1/6.4	(136)	(970)	(210)	**(1,316)**
Total		**(1,434)**	**(5,509)**	**(1,284)**	**(8,227)**

(1) Logistics costs are reported in the consolidated income statement under "Cost of goods sold".

(€ millions)	*Notes*	Logistics costs [1]	Selling expenses	General and administrative expenses	2019 total (restated)
Employee benefits expense		(545)	(2,831)	(794)	**(4,170)**
Other expenses		(764)	(2,246)	(411)	**(3,421)**
Depreciation/amortisation for the year	5.1/6.4	(135)	(996)	(187)	**(1,318)**
Total		**(1,444)**	**(6,073)**	**(1,392)**	**(8,909)**

(1) Logistics costs are reported in the consolidated income statement under "Cost of goods sold".

6.4 Depreciation and amortisation

(€ millions)	*Notes*	2020	2019 (restated)
Amortisation of intangible assets	10.2.2	(199)	(177)
Depreciation of property, plant and equipment	10.3.2	(442)	(477)
Depreciation of investment property	10.4.2	(12)	(14)
Depreciation of right-of-use assets	7.1.1	(663)	(720)
Total depreciation and amortisation		**(1,316)**	**(1,388)**
Depreciation and amortisation reclassified under "Net income (loss) from discontinued operations"			70
Depreciation and amortisation expense of continuing operations	**5.1/6.3**	**(1,316)**	**(1,318)**

6.5 Other operating income and expenses

Accounting principle

This caption covers two types of items:

- income and expenses which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income and expenses related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests);
- income and expenses arising from major events occurring during the period that would distort analyses of the Group's recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs (such as reorganisation costs and the costs of converting stores to new concepts) and provisions and expenses for litigation and risks (including discounting adjustments).

(€ millions)	2020	2019 (restated)
Total other operating income	314	64
Total other operating expenses	(1,112)	(807)
Total other operating income (expense), net	**(798)**	**(743)**
Breakdown by type		
Gains and losses on disposal of non-current assets [(1)(7)]	89	(7)
Net asset impairment losses [(2)(7)]	(303)	(159)
Net income (expense) related to changes in scope of consolidation [(3)(7)]	(245)	(198)
Gains and losses on disposal of non-current assets, net impairment losses on assets and net income (expense) related to changes in scope of consolidation	**(459)**	**(364)**
Restructuring provisions and expenses [(4)(7)]	(219)	(206)
Provisions and expenses for litigation and risks [(5)]	(100)	(95)
Other[(6)]	(20)	(78)
Other operating income and expenses	**(339)**	**(379)**
Total other operating income (expense), net	**(798)**	**(743)**

(1) The net gain on disposal of non-current assets in 2020 mainly concerns the Latam Retail segment with a gain of €79m arising mainly on the disposal of real estate assets in Brazil, and the France Retail segment with a gain of €9m. In 2019, the net loss on disposal of non-current assets mainly concerned the France Retail segment with a loss of €37m and the Latam Retail segment with a gain of €31m.

(2) The impairment loss recognised in 2020 mainly concerns the France Retail segment and relates to the asset disposal plan and to impairment tests performed on individual stores. The impairment loss recognised in 2019 mainly concerned the France Retail segment and relates to the asset disposal plan.

(3) The €245m net expense recognised in 2020 chiefly results from the sale of Mercialys shares, generating a loss of €72m, from the sale of the subsidiary Vindémia, and from various other transactions within the France Retail scope, generating a net loss of €97m. Transactions in the Latam Retail segment generated a loss of €38m, including €25m in fees relating to the spin-off of Assaí in Brazil (note 2.2). The €198m net expense recognised in 2019 primarily related to the France Retail segment for €191m, with the store base optimisation plan, the disposal plan and the reorganisation of operations in Latin America.

(4) Restructuring provisions and expenses for 2020 primarily concern the France Retail segment for €149m, relating mostly to store closure, transformation and reorganisation costs, and the Latam Retail segment for €66m (mainly GPA). Restructuring provisions and expenses for 2019 mainly concerned the France Retail and Latam Retail segments for €131m and €70m, respectively.

(5) Provisions and expenses for litigation and risks represented a net expense of €100m in 2020, including €66m mainly for tax risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €95m in 2019, including €36m for tax risks at GPA.

(6) In 2019, this caption included in particular €32m in costs relating to the digitalisation programme at Distribution Casino France (Hypermarkets & Supermarkets division).

(7) Reconciliation of net asset impairment losses with the breakdown of changes in non-current assets:

(€ millions)	*Notes*	2020	2019 (restated)
Goodwill impairment losses	10.1.2	(15)	(17)
Impairment (losses) reversals on intangible assets, net	10.2.2	(20)	(8)
Impairment (losses) reversals on property, plant and equipment, net	10.3.2	(121)	(70)
Impairment (losses) reversals on investment property, net	10.4.2	(2)	(4)
Impairment (losses) reversals on right-of-use assets, net	7.1.1	(78)	(12)
Impairment (losses) reversals on other assets, net (IFRS 5 and other)		(111)	(141)
Total net impairment losses		**(347)**	**(252)**
Net impairment losses of discontinued operations		17	10
Net impairment losses of continuing operations		**(330)**	**(242)**
Of which presented under "Restructuring provisions and expenses"		*(31)*	*(52)*
Of which presented under "Net impairment (losses) reversals on assets"		*(303)*	*(159)*
Of which presented under "Net income (expense) related to changes in scope of consolidation"		*4*	*(32)*
Of which presented under "Gains and losses on disposal of non-current assets"			

6.6 Inventories

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. An impairment loss is recognised if the probable net realisable value is lower than their cost. This country-by-country analysis takes into account each business unit's operating environment and the age and sales pattern of the products concerned.

The cost of inventories is determined by the first-in-first-out (FIFO) method, except for inventories held by the GPA sub-group which uses the weighted average unit cost method, primarily for tax reasons. As GPA's inventory turnover rate is very high, inventory values would not be materially different if the FIFO method was applied. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing them to their present location and condition. Accordingly, logistics costs are included in the carrying amount together with supplier discounts deducted from "Cost of goods sold". The cost of inventories includes recycled gains or losses on cash flow hedges of forward purchases of goods that were initially recognised in shareholders' equity.

For its property development and property trading businesses, the Group recognises assets and projects in progress in inventories.

(€ millions)	*Notes*	31 December 2020			31 December 2019		
		Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods inventories		3,106	(45)	**3,061**	3,534	(48)	**3,486**
Property assets		171	(17)	**154**	310	(14)	**296**
Net inventories	**4.2**	**3,277**	**(62)**	**3,215**	**3,844**	**(62)**	**3,782**

6.7 Trade receivables

Accounting principle

The Group's trade receivables are current financial assets (note 11) that correspond to an unconditional right to receive consideration. They are initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. A loss allowance for expected credit losses is recorded upon recognition of the receivable. The Group applies the simplified approach for the measurement of expected credit losses on all of its trade receivables, which are determined based on credit losses observed for receivables with the same profile, as adjusted to take into account forward-looking factors such as the customer's credit status or the economic environment.

Trade receivables can be sold to banks and continue to be carried as assets in the statement of financial position for as long as the contractual cash flows and substantially all the related risks and rewards are not transferred to a third party.

6.7.1 Breakdown

(€ millions)	*Notes*	31 December 2020	31 December 2019
Trade and other receivables	11.5.3	1,041	940
Accumulated impairment losses on trade and other receivables	6.7.2	(100)	(104)
Net trade receivables	**4.2**	**941**	**836**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2020	2019
Accumulated impairment losses on trade receivables at 1 January	**(104)**	**(130)**
Additions	(49)	(44)
Reversals	54	59
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	(1)	11
At 31 December	**(100)**	**(104)**

The criteria for recognising impairment losses are presented in note 11.5.3 "Counterparty risk".

6.8 Other current assets

6.8.1 Breakdown

(€ millions)	*Notes*	31 December 2020	31 December 2019
Other receivables [1]		716	678
Financial assets held for cash management purposes and short-term financial investments	11.2.1	1	1
Financial assets arising from a significant disposal of non-current assets	11.2.1	12	31
Guarantees and escrow accounts [2]	11.2.1	505	370
Current accounts of non-consolidated companies		27	15
Accumulated impairment losses on other receivables and current accounts	6.8.2	(34)	(32)
Fair value hedges – assets	11.5.1	15	17
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1		7
Contract assets	6.1.2		11
Financial assets		**1,242**	**1,098**
Other receivables [1]		296	240
Tax and employee-related receivables in Brazil	6.9.1	151	242
Accumulated impairment losses on other receivables	6.8.2		(1)
Prepaid expenses		85	80
Non-financial assets		**532**	**561**
Other current assets		**1,774**	**1,659**

(1) Other receivables primarily include tax and employee-related receivables (excluding Brazil) and receivables from suppliers. Prepaid expenses mainly concern purchases, rent, other occupancy costs and insurance premiums.

(2) Of which €487m relating to the escrow account associated with the November 2019 refinancing transaction (2019: €193m).

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2020	2019
Accumulated impairment losses on other receivables and current accounts at 1 January	**(33)**	**(31)**
Additions	(33)	(51)
Reversals	33	47
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	(1)	2
Accumulated impairment losses on other receivables and current accounts at 31 December	**(34)**	**(33)**

6.9 Other non-current assets

6.9.1 Breakdown of other non-current assets

(€ millions)	*Notes*	31 December 2020	31 December 2019
Financial assets at fair value through profit or loss		38	41
Financial assets at fair value through other comprehensive income		31	38
Financial assets arising from a significant disposal of non-current assets	11.2.1	48	29
Non-current fair value hedges – assets	11.5.1	77	62
Other financial assets		306	318
Loans		*118*	*121*
Non-hedging derivatives – assets	*11.5.1*		*16*
Other long-term receivables		*188*	*181*
Impairment of other non-current assets	6.9.2	(7)	(47)
Financial assets		**493**	**441**
Other financial assets		125	188
Legal deposits paid by GPA	*13.2*	*109*	*176*
Other long-term receivables		*16*	*12*
Impairment of other non-current assets	6.9.2		
Tax and employee-related receivables in Brazil (see below)		632	599
Prepaid expenses		10	15
Non-financial assets		**767**	**802**
Other non-current assets		**1,260**	**1,243**

GPA has a total of €784m in tax receivables (of which €632m in long-term receivables and €151m in short-term receivables), corresponding primarily to ICMS (VAT) for €431m, PIS/COFINS (VAT) and INSS (employer social security contributions). GPA expects the main tax receivable (ICMS) to be recovered as follows:

(€ millions)	31 December 2020
Within one year	115
In one to five years	228
In more than five years	88
Total	**431**

GPA recognises ICMS and other tax credits when it has formally established and documented its right to use the credits and expects to use them within a reasonable period. These credits are recognised as a deduction from cost of goods sold.

6.9.2 Impairment of other non-current assets

(€ millions)	2020	2019
Accumulated impairment losses on other non-current assets at 1 January	**(47)**	**(48)**
Additions	(1)	(1)
Reversals		
Other reclassifications and movements	41	2
Accumulated impairment losses on other non-current assets at 31 December (1)	**(7)**	**(47)**

(1) At 31 December 2019, this corresponded mainly to impairment losses recognised on loans granted by Franprix to master franchisees following the inclusion of the share of losses from non-controlling interests of Casino in certain stores of these master franchisees.

6.10 Other liabilities

(€ millions)	Notes	31 December 2020			31 December 2019		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities [1]	11.5.1	46	19	**65**	49	185	**235**
Tax, employee-related and other liabilities		49	1,651	**1,700**	33	1,405	**1,437**
Amounts due to suppliers of non-current assets		3	140	**143**		194	**194**
Current accounts			27	**27**		19	**19**
Financial liabilities		**98**	**1,837**	**1,935**	**82**	**1,803**	**1,885**
Tax, employee-related and other liabilities		107	1,021	**1,128**	100	837	**937**
Contract liabilities	6.1.2		134	**134**		149	**149**
Deferred income		6	93	**99**	8	83	**91**
Non-financial liabilities		**113**	**1,248**	**1,361**	**108**	**1,069**	**1,177**
Other liabilities		**211**	**3,085**	**3,296**	**190**	**2,872**	**3,062**

(1) In 2019, this related mainly to the fair value of the GPA TRS amounting to €177m, which was unwound in first-half 2020 (note 11.3.2).

6.11 Off-balance sheet commitments entered into in the ordinary course of business

Accounting principle

At every year-end, management determines, to the best of its knowledge, that there are no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described in this note.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities, except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments relating to the scope of consolidation are presented in note 3.3.2.

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that might have to be paid/received under guarantees issued/received by the Group. They are not netted against sums that might be recovered through legal action or counter-guarantees received by the Group.

(€ millions)	*Notes*	31 December 2020	31 December 2019
Assets pledged as collateral [1]		145	206
Securities and bank guarantees given [2]		2,023	2,349
Guarantees given in connection with disposals of non-current assets		11	15
Other commitments given		60	106
Due:			
Within one year		155	186
In one to five years		2,066	2,479
In more than five years		18	11
Total commitments given		**2,239**	**2,676**
Bank guarantees received		47	64
Secured financial assets		65	91
Undrawn confirmed lines of credit	11.2.6	2,496	2,666
Other commitments received		32	20
Due:			
Within one year		354	350
In one to five years		2,197	2,364
In more than five years		89	127
Total commitments received		**2,640**	**2,841**

(1) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2020, this concerns GPA for €119m, mainly in connection with the tax disputes described in note 13.2 (31 December 2019: €189m). The amount of €145m at 31 December 2020 (€206m at 31 December 2019) does not include the guarantees given in connection with the November 2019 refinancing transaction (note 11.5.4).

(2) As at 31 December 2020, this amount includes €1,821m in bank guarantees granted by GPA (31 December 2019: €2,252m) mainly in connection with the tax disputes described in note 13.2. It also comprises guarantees issued on behalf of joint ventures for €68m (31 December 2019: €68m) described in note 3.2.7 and a guarantee granted to Aldi in connection with the sale of Leader Price for €100m (note 3.1.3).

Note 7. Leases

Accounting principle

Group as lessee

The Group is a lessee in a large number of property leases primarily relating to store properties, warehouses, office buildings and apartments for lessee managers. It also acts as lessee in leases of vehicles, store machinery and equipment (notably cooling systems) and logistics equipment, primarily in France.

The Group's lease contracts are recognised in accordance with IFRS 16 – Leases, taking into account the terms and conditions of each agreement and all relevant facts and circumstances.

At the inception of such contracts, the Group determines whether or not they meet the definition of (or contain) a lease, i.e., whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are carried in the lessee's statement of financial position as follows:

- a right-of-use asset reflecting the right to use a leased asset over the lease term is recorded in "Right-of-use assets";
- a lease liability reflecting the obligation to make lease payments over that same period is recorded in "Current lease liabilities" and "Non-current lease liabilities". Lease liabilities are not included in the calculation of consolidated net debt.

Initial measurement

At the lease commencement date:

- lease liabilities are recognised at the present value of future fixed lease payments over the estimated term of the lease, as determined by the Group. The Group generally uses its incremental borrowing rate to discount these future lease payments. Future fixed lease payments include adjustments for payments that depend on an index or a contractually defined growth rate. They can also include the value of a purchase option or estimated early termination penalties, when Casino is reasonably certain to exercise these options. Any lease incentives receivable at the lease commencement date are deducted from the fixed lease payments;
- right-of-use assets are recognised for the value of the lease liabilities, less any lease incentives received from the lessor, plus any lease payments made at or before the commencement date, initial direct costs and an estimate of costs to be incurred in respect of any contractual restoration obligations.

The Group only includes the lease component of the contract when measuring its lease liabilities. For certain categories of assets where the lease includes a service component as well as a lease component, the Group may recognise a single lease contract (i.e., with no distinction between the service and lease components).

Subsequent measurement

After the commencement date, lease liabilities are carried at amortised cost using the effective interest rate method.

Lease liabilities are:

- increased by interest expenses, as calculated by applying a discount rate to the liabilities at the start of the financial period. These interest expenses are recognised in the income statement within "Other financial expenses";
- reduced by any lease payments made.
  Cash payments for the principal portion of lease liabilities along with cash payments for the interest portion of those liabilities are included within net cash used in financing activities in the consolidated statement of cash flows.

  These lease payments are generally shown on the "Repayments of lease liabilities" and "Net interest paid" lines. However, lease payments under leases where the underlying asset can be shown to have suffered a prolonged decline in value are presented on a separate line. This is the case, for example, when assets have been written down in full: these lease payments are then presented within "Other repayments" within cash flow from financing activities.

The carrying amount of lease liabilities is remeasured against right-of-use assets to reflect any lease modifications and in the event of:

- changes in the lease term;
- changes in the assessment of whether or not a purchase option is reasonably certain to be exercised;

- changes in amounts expected to be payable under a residual value guarantee granted to the lessor;
- changes in variable lease payments that depend on an index or rate when the index or rate adjustment takes effect (i.e., when the lease payments are effectively modified).

In the first two cases, lease liabilities are remeasured using a discount rate as revised at the remeasurement date. In the last two cases, the discount rate used to measure the lease liabilities on initial recognition remains unchanged.

Right-of-use assets are measured using the amortised cost model as from the lease commencement date and over the estimated term of the lease. This gives rise to the recognition of a straight-line depreciation expense in the income statement. Right-of-use assets are reduced by any impairment losses recognised in accordance with IAS 36 (note 10.5) and are readjusted in line with the remeasurement of lease liabilities.

In the event a lease is terminated early, any gains or losses arising as a result of derecognising the lease liabilities and right-of-use assets are taken to the income statement within other operating income or other operating expenses.

Estimating the lease term

The lease term corresponds to the enforceable period of the lease (i.e., the period during which the lease cannot be cancelled by the lessor, plus all possible contractual extensions permitted that are able to be decided unilaterally by the lessee), and takes account of any periods covered by an option to terminate or extend the lease if the Group is reasonably certain respectively to not exercise or exercise that option.

In estimating the reasonably certain term of a lease, the Group considers all of the characteristics associated with the leased assets (local laws and regulations, location, category – e.g., stores, warehouses, offices, apartments, property/equipment leases, expected useful life, etc.). Under leases of store properties, the Group may also consider economic criteria such as the store format, the long-term nature and performance of the leased assets, and whether or not significant recent investments have been made in the stores.

Generally, the term of warehouses and office leases along with equipment leases corresponds to the initial term provided for in the lease contract.

More specifically, for “3-6-9”-type commercial leases in France, the Group generally recognises a term of nine years as the enforceable period of the lease as of the lease commencement date, in accordance with the ANC’s 3 July 2020 position statement.

As the Group considers that it is unable to determine the term of automatically renewable leases upon commencement of the lease, and that the term of such leases only becomes reasonably certain upon expiry of the initial lease term, the right-of-use asset and lease liability are re-estimated at that date, provided that no previous modifying events have occurred, based on an automatically renewable period of nine years.

Lastly, the Group may be required to revise the lease term in the event significant leasehold improvements are made during the lease term that could lead to a significant penalty which is reflected in the residual value of the leasehold improvements at the end of the lease.

Discount rate

The discount rate generally used to calculate the lease liability for each lease contract depends on the Group's incremental borrowing rate at the lease commencement date. This rate is the rate of interest that a lessee would have to pay at the lease commencement date to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Group calculates a discount rate for each country, taking into account the entity’s credit spread and the lease terms.

Lease premiums

Any lease premiums relating to lease contracts are included within "Right-of-use assets". Depending on the legal particulars inherent to each lease premium, they are either amortised over the underlying lease term or (most commonly) are not amortised but tested annually for impairment.

Short-term leases and leases of low-value assets

The Group has chosen to apply the recognition exemptions in IFRS 16 concerning:

- short-term leases (i.e., with a term of 12 months or less at inception). Leases with purchase options are not classified as short-term leases;
- leases for which the underlying asset is of low value (value of underlying leased asset less than €5,000).

Within the Group, these exemptions apply mainly to leases of store equipment and office equipment such as tablets, computers, mobile telephones and photocopiers.

Payments under these leases are included in operating expenses in the consolidated income statement, in the same way as variable lease payments which are not included in the initial measurement of lease liabilities. Cash flows relating to lease payments made are included within net cash from operating activities in the consolidated statement of cash flows.

Sale and leaseback transactions

A sale and leaseback transaction is a transaction in which the owner of assets sells those assets to third parties and then leases them back. If the sale of the assets by the seller-lessee meets the definition of a sale under IFRS 15:

- the seller-lessee measures the right-of-use asset under the lease as a proportion of the net carrying amount of the asset transferred, which corresponds to the right of use retained by that seller-lessee. Accordingly, the seller-lessee only recognises the net disposal gain or loss that relates to the rights transferred to the buyer-lessor;
- the buyer-lessor accounts for the purchase of the asset applying applicable standards and for the lease applying IFRS 16.

If the sale of the asset by the seller-lessee does not meet the definition of a sale under IFRS 15, the sale and leaseback is accounted for as a financing transaction. Accordingly:

- the seller-lessee recognises the transferred asset in its statement of financial position and recognises a financial liability equal to the consideration received from the buyer-lessor;
- the buyer-lessor does not recognise the transferred asset in its statement of financial position but recognises a financial asset equal to the considered transferred.

Deferred taxes

In the event a lease gives rise to a temporary difference, deferred tax is recognised (note 9).

Group as lessor

When the Group acts as lessor, it classifies each of its leases as either a finance lease or an operating lease.

- Finance leases are treated as a sale of non-current assets to the lessee financed by a loan granted by the lessor. To recognise a finance lease, the Group:
  - derecognises the leased asset from its statement of financial position;
  - recognises a financial receivable in “Financial assets at amortised cost” within “Other current assets” and "Other non-current assets” in its consolidated statement of financial position at an amount equal to the present value, discounted at the contractual interest rate or incremental borrowing rate, of the lease payments receivable under the lease, plus any unguaranteed residual value accruing to the Group;
  - splits the lease income into (i) interest income recognised in the consolidated income statement within “Other financial income”, and (ii) amortisation of the principal, which reduces the amount of the receivable.
- For operating leases, the lessor includes the leased assets within "Property, plant and equipment" in its statement of financial position and recognises lease payments received under "Other income" in the consolidated income statement on a straight-line basis over the lease term.

7.1 Group as lessee

Details of these leases are provided below.

7.1.1 Statement of financial position information

Composition of and change in right-of-use assets

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Other intangible assets	**Total**
Carrying amount at 1 January 2019 (restated)	**44**	**5,088**	**114**	**200**	**5,446**
New assets		790	149		**939**
Remeasurements	8	384		1	**393**
Assets derecognised during the year	(9)	(63)			**(72)**
Depreciation/amortisation for the year	(6)	(661)	(48)	(5)	**(720)**
Impairment (losses) reversals, net		(11)	(1)		**(12)**
Changes in scope of consolidation		7			**7**
Effect of movements in exchange rates		(27)		(3)	**(30)**
IFRS 5 reclassifications	2	(306)	(7)		**(311)**
Other reclassifications and movements		(27)		(10)	**(37)**
Carrying amount at 31 December 2019 (restated)	**39**	**5,174**	**207**	**183**	**5,603**
New assets	1	382	6		**389**
Remeasurements	4	336		8	**348**
Assets derecognised during the year	(5)	(241)	(4)		**(250)**
Depreciation/amortisation for the year	(6)	(599)	(47)	(11)	**(663)**
Impairment (losses) reversals, net		(78)			**(78)**
Changes in scope of consolidation		(1)			**(1)**
Effect of movements in exchange rates	(1)	(482)	(1)	(53)	**(537)**
IFRS 5 reclassifications		(56)	(2)	(2)	**(60)**
Other reclassifications and movements	3	111	22	2	**138**
Carrying amount at 31 December 2020	**35**	**4,546**	**181**	**127**	**4,889**

Lease liabilities

(€ millions)	*Notes*	31 December 2020	31 December 2019 (restated)
Current portion		706	724
Non-current portion		4,282	4,763
Total	**11.5.4**	**4,988**	**5,487**
of which France Retail		*3,128*	*3,427*
of which Latam Retail		*1,685*	*1,869*
of which E-commerce		*174*	*189*
of which Other		*1*	*2*

Note 11.5.4 provides an analysis of lease liabilities by maturity.

7.1.2 Income statement information

The following amounts were recognised in the 2020 income statement in respect of leases, excluding lease liabilities:

(€ millions)	2020	2019
Rental expense relating to variable lease payments(1)	52	54
Rental expense relating to short-term leases(1)	7	9
Rental expense relating to leases of low-value assets that are not short-term leases(1)	88	112

(1) Leases not included in lease liabilities in the statement of financial position.

Depreciation charged against right-of-use assets is presented in note 7.1.1, while interest expense on lease liabilities is shown in note 11.3.2.

Sub-letting income included within right-of-use assets is set out in note 7.2.

7.1.3 Statement of cash flow information

Total lease payments made in the year amounted to €1,112m (2019: €1,120m).

7.1.4 Sale and leaseback transactions

The impact on Casino Group's consolidated financial statements of the sale and leaseback transactions carried out in 2020 are as follows:

- recognition of a right-of-use asset for BRL 113m and a lease liability for BRL 177m;
- decrease of €234m in property, plant and equipment (note 10.3.2);
- recognition of a disposal gain recorded in "Other operating income" for €54m (note 6.5) and in trading profit for €16m.

The main sale and leaseback transactions were carried out by GPA and include the following:

- On 5 March 2020, GPA entered into a sale and leaseback transaction with an investment fund concerning 43 property assets owned by GPA for a total price of BRL 1,246m. Of this amount, BRL 1,183m (€201m) had been collected at 31 December 2020. At the reporting date, leases had been signed for a term of 15 years. These leases can be renewed once. At 31 December 2020, 39 store properties had been sold for a sale price of BRL 1,183m (€201m), and four assets with a non-material value had been ultimately excluded from the transaction.
- In 2020, GPA sold five other store properties in a transaction covering six properties in all, for a total amount of BRL 92m. Leases were signed for a term of 10 years and can be renewed once.

7.2 Group as lessor

Operating leases

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	31 December 2020	31 December 2019
Due within one year	56	65
In one to two years	28	36
In two to three years	17	25
In three to four years	10	20
In four to five years	9	15
In five or more years	50	63
Undiscounted value of lease payments receivable	**170**	**224**

The following amounts were recognised in the 2020 income statement:

(€ millions)	2020	2019
Operating leases:		
Lease income[1]	121	109
Sub-letting income included within right-of-use assets	33	45

(1) Including €9m in variable lease payments in 2020 that do not depend on an index or rate (2019: €12m).

Note 8. Payroll expenses

8.1 Employee benefits expense

Employee expenses are analysed by function in note 6.3.

8.2 Pension and other post-employment benefit obligations

Accounting principle

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

	Presentation of two post-employment benefit plans	
	Defined contribution plan	**Defined benefit plan**
Presentation	These are plans in which the employer pays regular contributions into a fund. The company's obligation is limited to the amount it agrees to contribute to the fund and it offers no guarantee that the fund will have sufficient assets to pay all of the employees' entitlements to benefits. This type of plan mainly concerns the employees of the Group's French subsidiaries, who are covered by the general social security system, which is administered by the French government.	In certain countries, local laws or conventional agreements provide for the payment of a lump sum to employees either when they retire or at certain times post-retirement, based on their years of service and final salary at the age of retirement.
Characteristics	The Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.	In compliance with IAS 19 revised, obligations are assessed using the projected unit credit method based on the contracts or bargaining agreements in force within each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation, which is subsequently discounted. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates.
Accounting treatment	Contributions are expensed as incurred.	Actuarial gains and losses stem from the difference between the actuarial estimates and the actual results. They are immediately recognised in shareholders' equity. Past service costs are defined as the increase in an obligation due to the introduction of a new plan or a modification of an existing plan. They are immediately expensed in "Recurring operating income" and "Other financial income and expenses". The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other in service long-term employee benefits

Other long-term employee benefits, such as jubilees, are also covered by provisions, determined on the basis of an actuarial estimate of vested rights as of the reporting date. Actuarial gains and losses on these benefit plans are recognised immediately in profit or loss.

Provisions for pensions and other post-employment benefits and for long-term employee benefits

(€ millions)	31 December 2020			31 December 2019		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	307	10	**317**	310	10	**320**
Jubilees	33	1	**34**	35	1	**36**
Bonuses for services rendered	12	1	**13**	11		**11**
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**352**	**12**	**364**	**356**	**11**	**367**

Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salaries and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2020	2019	2020	2019
Discount rate	0.7%	0.6%	4.8% - 5.9%	6.1% - 6.6%
Expected rate of future salary increases	1.0% - 1.9%	1.0% - 1.7%	3.25%	3.5%
Retirement age	62 - 65	62 - 65	57 - 62	57 - 62

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

Impacts during the year

In 2020, defined contribution plans represented a cost of €262m, of which 93% concerned the Group's French subsidiaries (€252m excluding discontinued operations and 92%).

Defined benefit plans are mainly at the level of Casino Group. They are represented in provisions and expenses as set out below. These plans are measured by actuaries. The assumptions used are described in note 8.2 of Casino Group's Universal Registration Document.

(€ millions)	France		International		Total	
	2020	2019	2020	2019	2020	2019
Provisions recognised in the statement of financial position	312	313	5	7	**317**	**320**
Service cost	18	19			**18**	**19**
Interest cost [1]	2	5			**2**	**6**
Past service costs				(2)		**(2)**
Curtailments/settlements	(19)	(17)			**(19)**	**(17)**
Expense for the year of continuing operations	**1**	**7**		**(2)**	**1**	**6**

(1) Reported under financial income and expenses.

8.3 Share-based payment

Accounting principle

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by **stock options**, measured at fair value on the grant date, constitutes additional compensation. The fair value of the options at the grant date is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (note 6.5).

The fair value of options is determined using Black-Scholes option pricing models, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of **free shares** is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise, it is deferred and recognised over the vesting period as and when the vesting conditions are met. When free shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Impact of share-based payments on earnings and equity

The total net expense recorded under recurring operating income by the Group was €14m in 2020 (2019: €25m) of which €2m for Rallye, €7m for Casino and €5m for GPA. The impact on equity was an increase for the same amount.

Features of main share-based payments in consolidated subsidiaries

— *Rallye*

Rallye granted free shares in May 2019 and June 2020. The final vesting of the shares for beneficiaries is subject to the condition of continued employment and to the achievement of the Company's annually assessed performance criteria, which results each year in the determination of the percentage of shares vested for the year in question. The total number of free shares that finally vest is equal to the average of the annual award. The performance criteria used for the 2019 and 2020 plans are 50% based on the coverage of financial costs by EBITDA and 50% based on a cost of debt condition.

A breakdown of free share plans is provided in the table below:

Grant date	15 May 2019	26 June 2020
Maturity date	15 May 2021	25 June 2022
Original number of beneficiaries	36	28
Number of shares initially awarded	263,896	276,515
Number of shares waived	34,385	7,000
Number of shares outstanding at year-end	**229,511**	**269,515**
Measurement of shares:		
Fair value of the share *(€)*	5.97	5.63
Vesting period	2 years	2 years

— *Casino*

Features of Casino, Guichard-Perrachon free share plans:

Features and assumptions used to value the free share plans

Date of plan	Vesting date	Number of free shares authorised	Number of vested shares at 31 Dec. 2020	Of which number of performance shares [1]	Share price [2] (€)	Fair value of the share[2] (€)
16/12/2020	31/07/2022	14,510	11,487	-	25.44	23.70
27/04/2020	27/04/2023	4,226	4,226	-	35.87	34.01
27/04/2020	27/04/2021	108,457	108,457	-	35.87	32.58
27/04/2020	31/03/2022	8,805	5,847	-	35.87	33.99
27/04/2020	27/04/2025	8,171	8,171	8,171	35.87	26.25
27/04/2020	27/04/2023	160,033	148,760	148,760	35.87	25.34
12/12/2019	12/12/2022	28,043	25,706	-	45.15	42.37
12/12/2019	12/12/2021	19,260	9,175	-	45.15	44.23
12/12/2019	31/10/2021	8,939	8,939	-	45.15	43.43
12/12/2019	31/07/2021	27,626	19,997	-	45.15	42.88
07/05/2019	31/03/2021	5,252	5,252	-	35.49	28.65
07/05/2019	31/01/2021	15,553	12,052	-	35.49	28.37
07/05/2019	07/05/2024	7,809	7,809	7,809	35.49	14.65
07/05/2019	07/05/2022	184,608	126,301	126,301	35.49	16.44
13/12/2018	14/12/2021	32,218	12,493	-	37.10	27.70
15/05/2018	15/05/2021	1,500	1,500	-	40.75	31.36
15/05/2018	15/05/2023	7,326	6,853	6,853	40.75	17.01
15/05/2018	15/05/2021	177,117	94,206	94,206	40.75	18.35
20/04/2017	20/04/2022	5,666	4,250	4,250	51.00	27.25
Total		**825,119**	**621,481**	**396,350**		

(1) Performance conditions mainly concern organic sales growth and the level of trading profit or EBITDA of the company that employs the grantee.

(2) Weighted average.

Unvested Casino free share grants changed as follows over the years presented:

Free share grants	2020	2019
Unvested shares at 1 January	**641,801**	**487,276**
Free share rights granted	304,202	400,755
Free share rights cancelled	(136,679)	(113,768)
Shares issued	(187,843)	(132,462)
Unvested shares at 31 December	**621,481**	**641,801**

— *GPA*

Features of GPA stock option plans:

- "B Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price is BRL 0.01 per option.
- "C Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price corresponds to 80% of the average of the last 20 closing prices for GPA shares quoted on Bovespa.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted *(in thousands)*	Option exercise price *(BRL)*	Number of options outstanding as at 31 Dec. 2020 *(in thousands)*
C6 Series	31/05/2019	31/05/2022	30/11/2022	331	70.62	289
B6 Series	31/05/2019	31/05/2022	30/11/2022	434	0.01	392
C5 Series	31/05/2018	31/05/2021	30/11/2021	594	62.61	394
B5 Series	31/05/2018	31/05/2021	30/11/2021	594	0.01	393
					30.71	**1,468**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans ("Series" 5 and 6 respectively):

- dividend yield: 0.41% and 0.67%;
- projected volatility: 36.52% and 32.74%;
- risk-free interest rate: 9.29% and 7.32%.

The average fair value of outstanding stock options at 31 December 2020 was BRL 58.78.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2020		2019	
	Number of outstanding options *(in thousands)*	Weighted average exercise price *(BRL)*	Number of outstanding options *(in thousands)*	Weighted average exercise price *(BRL)*
Options outstanding at 1 January	**2,153**	**30.25**	**2,755**	**26.03**
Of which exercisable options	-	-	-	-
Options granted during the year	-	-	765	30.55
Options exercised during the year	(489)	42.59	(1,080)	21.55
Options cancelled during the year	(69)	23.93	(126)	31.75
Options that expired during the year	(127)	42.44	(161)	16.74
Options outstanding at 31 December	**1,468**	**30.71**	**2,153**	**30.25**
Of which exercisable options	-	-	-	-

8.4 Gross compensation and benefits of directors and officers

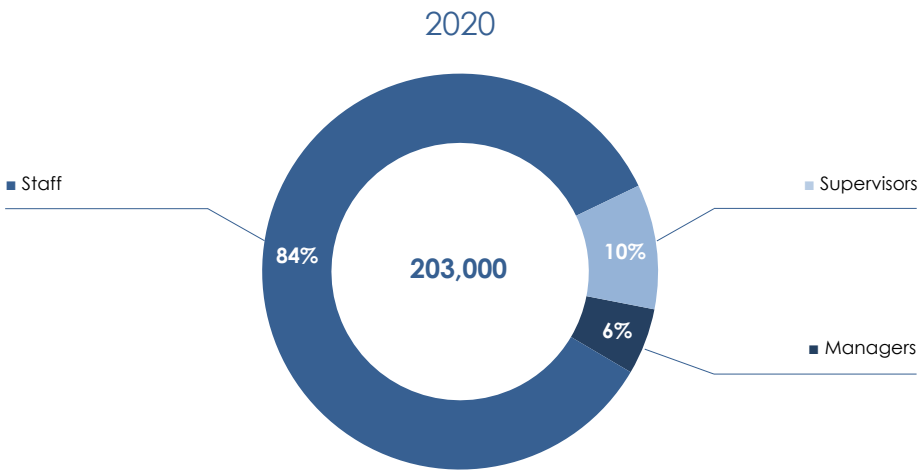
(€ millions)	31 December 2020	31 December 2019
Short-term benefits excluding social security contributions (1)	5	5
Social security contributions on short-term benefits	2	1
Termination benefits for key executives		
Share-based payments (2)	1	1
Total	**8**	**7**

(1) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and Directors' fees paid.

(2) Expense recognised in income statement in respect of stock option and free share plans.

8.5 Average number of Group employees

Average full-time equivalent Group employees by category	2020	2019
Managers	11,014	10,993
Staff	171,289	177,389
Supervisors	20,697	21,364
Group total	**203,000**	**209,746**



Note 9. Income tax

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.

The French subsidiaries that satisfy tax consolidation criteria are generally members of a tax group and file a consolidated tax return.

Current tax expense reported in the income statement corresponds to the tax expense of the parent company of the tax group and of companies that are not members of a tax group.

Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards, unused tax credits and certain consolidation adjustments that are expected to be recoverable.

Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting income nor taxable income or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.

The Group reviews the probability of deferred tax assets being recovered on a periodic basis for each tax entity. This review may, if necessary, lead to the derecognition of deferred tax assets recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable income.

The assumptions underlying the tax plan are consistent with those used in the medium-term business plans and budgets prepared by Group entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE) which is based on the value-added reflected in the separate financial statements, is included in "Income tax expense" in the consolidated income statement.

When payments to holders of equity instruments are deductible for tax purposes, the tax effect is recognised by the Group in the income statement.

In accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, the Group presents provisions for uncertain income tax positions within income tax liabilities.

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	*Notes*	2020			2019 (restated)		
		France	International	Total	France	International	Total
Current income tax		(17)	(153)	**(170)**	(46)	(80)	**(126)**
Other taxes (CVAE)		(58)		**(58)**	(63)		**(63)**
Deferred taxes		160	(14)	**146**	54	3	**57**
Total income tax benefit (expense) recorded in the income statement		**85**	**(167)**	**(82)**	**(55)**	**(77)**	**(132)**
Income tax on items recognised in "Other comprehensive income"	12.6.3	10		**10**	14	(2)	**12**
Income tax on items recognised in equity			1	**1**	1	13	**14**

9.1.2 Tax proof

(€ millions)	2020	2019 (restated)
Income (loss) before tax	**66**	**(391)**
Theoretical tax rate [1]	*32.02%*	*34.43%*
Theoretical income tax expense	**(21)**	**135**
Impact of differences in foreign tax rates	19	8
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences [2]	16	15
Unrecognised deferred tax assets on tax loss carryforwards or other deductible temporary differences [3]	19	(107)
Change in corporate tax rate [4]	(85)	(45)
CVAE net of income tax	(40)	(42)
Non-deductible interest expense [5]	(42)	(33)
Non-deductible asset impairment losses	(31)	(24)
Other taxes on distributed earnings [6]	(6)	(15)
Deductible interest on deeply-subordinated perpetual bonds (TSSDI)	11	10
Taxation of Mercialys shares	1	5
Reduced-rate asset disposals and changes in scope of consolidation	(15)	(22)
Restructuring of Brazilian operations and the Franprix-Leader Price sub-group [7]	123	
Other	(31)	(17)
Actual income tax expense	**(82)**	**(132)**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 32.02% (34.43% in 2019).

(2) In 2020, this concerned the E-commerce segment for €6m and the Latam Retail segment for €9m. In 2019, this concerned the E-commerce segment for €3m and the France Retail segment for €11m.

(3) In 2020, this mainly concerned Casino Group for a negative €52m (€29m for France Retail, €13m for Latam Retail and €9m for E-commerce) and the impact of the implementation of the Safeguard Plan at Rallye for a positive €107m. In 2019, this concerned the E-commerce segment for €29m and the France Retail segment for €20m.

(4) In 2020, the main impacts relate to the revised timing of recovery for deferred taxes and the free revaluation of Immobilière Groupe Casino. In 2019, the main impact related to disposals of store properties and stores in the France Retail segment.

(5) Tax laws in some countries cap the deductibility of interest paid by companies. The impact on the two periods presented essentially concerns the France scope.

(6) Corresponding to taxation of intra-group dividends.

(7) Associated with the sale of Leader Price stores and warehouses (positive €136m impact – see note 3.1.3) and restructuring of Brazilian operations following the spin-off of Assaï in Brazil (negative €12m impact – see note 2.2).

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2020	2019 (restated)
At 1 January	**784**	**672**
(Expense) benefit for the year	197	52
Impact of changes in scope of consolidation	14	(1)
IFRS 5 reclassifications	(4)	(27)
Effect of movements in exchange rates and other reclassifications	35	62
Changes in deferred tax assets recognised directly in equity	9	26
At 31 December	**1,035**	**784**

The deferred tax benefit, net of deferred tax liabilities (note 9.2.2) of discontinued operations, was a benefit of €23m in 2020 and a benefit of €46m in 2019.

9.2.2 Change in deferred tax liabilities

(€ millions)	2020	2019
At 1 January	**566**	**667**
Expense (benefit) for the year	28	(52)
Impact of changes in scope of consolidation	(1)	(44)
IFRS 5 reclassifications		1
Effect of movements in exchange rates and other reclassifications	(84)	(6)
Changes in deferred tax liabilities recognised directly in equity	(1)	
At 31 December	**508**	**566**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Net	
	31 December 2020	31 December 2019 (restated)
Intangible assets	(488)	(599)
Property, plant and equipment	(13)	(132)
Right-of-use assets net of lease liabilities	155	143
Inventories	26	31
Financial instruments	42	71
Other assets	(85)	(78)
Provisions	196	200
Regulated provisions	(56)	(89)
Other liabilities	28	14
Tax loss carryforwards and tax credits	722	657
Net deferred tax asset (liability)	**527**	**218**
Deferred tax assets	1,035	784
Deferred tax liabilities	(508)	(566)
Net	**527**	**218**

The tax savings realised by the Rallye and Casino, Guichard-Perrachon tax groups amounted to €1m and €253m, respectively, in 2020 (2019: €10m and €346m).

Recognised tax loss carryforwards and tax credits mainly concern the Casino, Guichard-Perrachon and Éxito tax groups. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable income of the companies concerned. At 31 December 2020, deferred tax assets amounted to €456m for Casino, Guichard-Perrachon and €110m for Éxito. These amounts are expected to be recovered by 2028 and 2025, respectively.

9.2.4 Unrecognised deferred taxes

At 31 December 2020, unrecognised tax loss carryforwards amounted to around €3,757m, representing an unrecognised deferred tax effect of €995m (31 December 2019: €3,317m, representing an unrecognised deferred tax effect of €880m). These tax loss carryforwards mainly concern the Rallye tax consolidation group and, to a lesser extent, the Franprix and Cdiscount sub-groups.

Expiry dates of unrecognised tax loss carryforwards are as follows:

(€ millions)	31 December 2020	31 December 2019
Within one year	1	1
In one to two years	1	2
In two to three years	1	1
In more than three years		1
Without maturity	992	875
At 31 December	**995**	**880**

Note 10. Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of non-current assets corresponds to their purchase cost plus transaction expenses including tax. For intangible assets, property, plant and equipment, and investment property, these expenses are added to the assets' carrying amount and follow the same accounting treatment.

10.1 Goodwill

Accounting principle

Goodwill

At the acquisition date, goodwill is measured in accordance with the accounting principle applicable to "Business combinations", described in note 3.

Goodwill is not amortised but it is tested for impairment at each year-end, or whenever events or a change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible.

The impairment testing methods used by the Group are described in "Impairment of non-current assets" (note 10.5).

Negative goodwill is recognised directly in profit or loss for the year of acquisition, after valuation of any identifiable acquired assets, liabilities and contingent liabilities.

10.1.1 Breakdown of goodwill by business line and geographical area

(€ millions)	Net	
	31 December 2020	31 December 2019
Food and general retailing	**7,650**	**8,483**
France Retail [1]	**5,293**	**5,354**
Hypermarkets, supermarkets and convenience stores	*1,365*	*1,405*
Franprix	*1,451*	*1,450*
Geimex	*149*	*149*
Monoprix	*1,326*	*1,333*
Other	*7*	*22*
E-commerce (France)	**61**	**61**
Latam Retail	**2,296**	**3,068**
Argentina	*56*	*64*
Brazil	*1,584*	*2,236*
Colombia	*444*	*505*
Uruguay	*212*	*263*
Total	**7,650**	**8,483**

(1) Of which €1,011m corresponding to goodwill recognised by Rallye on Casino Group (note 10.5.1).

10.1.2 Movements for the year

(€ millions)	2020	2019
Carrying amount at 1 January	**8,483**	**9,684**
Goodwill recognised during the year	4	18
Impairment losses recognised during the year	(15)	(18)
Goodwill written off on disposals	(6)	(4)
Effect of movements in exchange rates	(786)	(88)
Reclassifications and other movements [1]	(30)	(1,109)
Total	**7,650**	**8,483**

(1) In 2019, this line mainly reflected the reclassification of Leader Price within assets held for sale in an amount of €1,106m.

10.2 Intangible assets

Accounting principle

Intangible assets

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks and costs to obtain contracts. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including lease premiums and purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and amortisation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1 Breakdown

(€ millions)	31 December 2020			31 December 2019		
	Gross	Accumulated amortisation and impairment	Net	Gross	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,288	(24)	**1,264**	1,538	(26)	**1,512**
Software	1,419	(927)	**492**	1,295	(855)	**440**
Other intangible assets	513	(208)	**305**	505	(161)	**344**
Total intangible assets	**3,220**	**(1,159)**	**2,061**	**3,338**	**(1,042)**	**2,296**

10.2.2 Movements

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2019	**1,547**	**382**	**362**	**2,292**
Changes in scope of consolidation			(5)	**(5)**
Additions and acquisitions	2	66	201	**269**
Assets disposed of during the year	1	(4)	(4)	**(7)**
Amortisation for the year		(113)	(64)	**(177)**
Impairment (losses) reversals, net	(3)	(2)	(4)	**(8)**
Effect of movements in exchange rates	(14)	(3)		**(17)**
IFRS 5 reclassifications	(21)	(4)	(32)	**(57)**
Other reclassifications and movements	(2)	118	(110)	**6**
Carrying amount at 31 December 2019	**1,512** (1)	**440**	**344** (2)	**2,296**
Changes in scope of consolidation				
Additions and acquisitions	1	51	187	**239**
Assets disposed of during the year		(1)	(5)	**(6)**
Amortisation for the year	(1)	(132)	(66)	**(199)**
Impairment (losses) reversals, net	(1)	(5)	(14)	**(20)**
Effect of movements in exchange rates	(241)	(56)	(2)	**(299)**
IFRS 5 reclassifications	(6)		(8)	**(14)**
Other reclassifications and movements		195	(131)	**64**
Carrying amount at 31 December 2020	**1,264** (1)	**492**	**305** (2)	**2,061**

(1) Including trademarks for €1,262m (31 December 2019: €1,509m).

(2) Including costs to obtain contracts for €111m (31 December 2019: €113m) (note 6.1.2).

Internally-generated intangible assets (mainly information systems developments) represented €90m at 31 December 2020 (31 December 2019: €92m).

10.2.3 Breakdown of trademarks

Intangible assets at 31 December 2020 include trademarks with an indefinite life, carried in the statement of financial position for €1,262m, allocated to the following groups of CGUs:

(€ millions)	31 December 2020	31 December 2019
Latam Retail	**686**	**926**
of which Brazil (GPA Food) (1)	*526*	*742*
of which Colombia	*139*	*159*
of which Uruguay	*20*	*25*
France Retail	**567**	**573**
of which Casino France	*1*	*1*
of which Monoprix (1)	*566*	*572*
E-commerce	**9**	**9**

(1) Trademarks are allocated to the following GPA Food banners in Brazil and Monoprix banners in France:

(€ millions)	31 December 2020	31 December 2019
GPA Food	**526**	**742**
Pão de Açúcar	*164*	*231*
Extra	*281*	*397*
Assaí	*80*	*113*
Other	*1*	*1*
Monoprix	**566**	**572**
Monoprix	*552*	*552*
Other	*14*	*20*

Intangible assets were tested for impairment at 31 December 2020 using the method described in note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3 Property, plant and equipment

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before incurring the expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of asset, with generally no residual value.

Asset category	Depreciation period
▪ Land	-
▪ Buildings (structure)	50 years
▪ Roof waterproofing	15 years
▪ Fire protection of the building structure	25 years
▪ Land improvements	10 to 40 years
▪ Building fixtures and fittings	5 to 20 years
▪ Technical installations, machinery and industrial equipment	5 to 20 years
▪ Computer equipment	3 to 5 years

"Roof waterproofing" and "Fire protection of the building structure" are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the "Building (structure)" category.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1 Breakdown

(€ millions)	31 December 2020			31 December 2019		
	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and land improvements	742	(82)	**660**	960	(75)	**885**
Buildings, fixtures and fittings	2,591	(1,029)	**1,562**	3,268	(1,232)	**2,036**
Other property, plant and equipment	6,255	(4,196)	**2,059**	6,288	(4,094)	**2,194**
Total property, plant and equipment	**9,588**	**(5,307)**	**4,281**	**10,516**	**(5,401)**	**5,115**

10.3.2 Movements

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	**Total**
Carrying amount at 1 January 2019 (restated)	**1,146**	**2,276**	**2,444**	**5,866**
Changes in scope of consolidation		(2)	3	**1**
Additions and acquisitions	20	218	631	**869**
Assets disposed of during the year	(21)	(110)	(57)	**(188)**
Depreciation for the year	(3)	(125)	(349)	**(477)**
Impairment (losses) reversals, net	(7)	(9)	(54)	**(70)**
Effect of movements in exchange rates	(23)	(42)	(15)	**(80)**
IFRS 5 reclassifications	(228)	(271)	(276)	**(775)**
Other reclassifications and movements	1	101	(133)	**(31)**
Carrying amount at 31 December 2019	**885**	**2,036**	**2,194**	**5,115**
Changes in scope of consolidation		2	2	**4**
Additions and acquisitions	13	117	530	**660**
Assets disposed of during the year	(62)	(170)	(5)	**(237)**
Depreciation for the year	(3)	(101)	(338)	**(442)**
Impairment (losses) reversals, net	(8)	32	(145)	**(121)**
Effect of movements in exchange rates	(138)	(461)	(232)	**(831)**
IFRS 5 reclassifications	(29)	(10)	(27)	**(66)**
Other reclassifications and movements[1]	2	117	80	**199**
Carrying amount at 31 December 2020	**660**	**1,562**	**2,059**	**4,281**

(1) At 31 December 2020, €158m was reclassified from inventories and assets held for sale to property, plant and equipment in order to reflect the strategic shift in GreenYellow's business model, which is now focused on holding and operating its assets.

Intangible assets were tested for impairment at 31 December 2020 using the method described in note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3.3 Capitalised borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised in 2020 amounted to €3m, reflecting an average interest rate of 4.1% (2019: €5m at an average rate of 6.1%).

10.4 Investment property

Accounting principle

Investment property is property held by the Group or leased by the Group (in which case it gives rise to a right-of-use asset) to earn rental revenue or for capital appreciation or both. For the Group, investment property consists of shopping centres associated with Group banners and property development projects.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1 Breakdown

(€ millions)	31 December 2020			31 December 2019		
	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Total investment property	**546**	**(118)**	**428**	**609**	**(115)**	**494**

10.4.2 Movements

(€ millions)	2020	2019
Carrying amount at 1 January	**494**	**497**
Changes in scope of consolidation		4
Additions and acquisitions	3	14
Assets disposed of during the year		
Depreciation for the year	(12)	(14)
Impairment (losses) reversals, net	(2)	(4)
Effect of movements in exchange rates	(62)	(15)
IFRS 5 reclassifications		(7)
Other reclassifications and movements [1]	7	19
Carrying amount at 31 December	**428**	**494**

(1) Including €12m (31 December 2019: €19m) relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2020, investment property totalled €428m, of which 71% (€304m) concerned Éxito. Investment property at 31 December 2019 amounted to €494m, of which 72% concerned Éxito.

At 31 December 2020, the fair value of investment property was €671m (31 December 2019: €799m). For most investment property, fair value is determined on the basis of valuations carried out by independent external valuers. In accordance with international valuation standards, they are based on market value as confirmed by market indicators, representing a level 3 fair value input.

The fair value of investment property classified as "Assets held for sale" was €5m at 31 December 2020 and primarily concerned the Latam Retail segment (31 December 2019: €16m, primarily concerning the France Retail segment).

10.4.3 Rental revenue

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment property were as follows:

(€ millions)	2020	2019
Rental revenue from investment property	67	86
Directly attributable operating expenses on investment property		
- that generated rental revenue during the year	(15)	(19)
- that did not generate rental revenue during the year	(28)	(33)

10.5 Impairment of non-current assets (intangible assets, property, plant and equipment, investment property and goodwill)

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.

Intangible assets and property, plant and equipment are tested for impairment whenever there is an indication that their carrying amount may not be recoverable and at least annually, at the year-end, for goodwill and intangible assets with an indefinite useful life.

Cash generating units (CGUs)

A CGU is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For the purposes of impairment tests, the goodwill recognised upon business combinations is allocated to CGUs or groups of CGUs. These CGUs or groups of CGUs are the level at which goodwill is monitored for internal management purposes and do not exceed the operating segment level as presented in note 5 "Segment information", by activity.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the CGU): ratio of net carrying amount of store assets divided by sales (including VAT) higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Impairment tests

Impairment tests consist in comparing the recoverable amount of assets or CGUs to their net carrying amount.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retail industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset and from its ultimate disposal. It is determined internally or by external experts on the basis of:

- cash flow projections usually based on business plans covering three years. Cash flows beyond this projection period are usually estimated over a period of three years by applying a growth rate as determined by management (generally constant);
- a terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

Impairment loss

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recognised in "Other operating expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1 Impairment losses on the goodwill of Rallye's operating subsidiaries

The CGUs used are the Group's operating subsidiaries. Goodwill allocated to the Casino Group CGU amounted to €1,011m.

The value in use of the CGU is estimated using a multicriteria method using:

- the present value of future cash flows net of debt;
- comparable multiples (sales and profitability indicators), to which a control premium of 25% is applied.

This multicriteria method is based on market inputs which are, by definition, subject to fluctuations.

In 2020, the value in use of this CGU is calculated on the basis of a perpetual growth rate of 2.5% (3% in 2019), a discount rate of 8.9% (8.4% in 2019), and a widening of the EBITDA margin in line with the assumptions in Casino's business plans.

In accordance with the AMF recommendation on the 2020 financial statements and the review of the financial statements, the Company decided to pay particular attention to the key assumptions used in the presentation of sensitivity tests and to extend the levels of sensitivity used in its model. Consequently, a 50-basis point increase in the discount rate, a 50-basis point decrease in the perpetual growth rate or a 50-point decrease in the EBITDA margin used to calculate terminal value would not have led to the recognition of an impairment loss.

In 2020 and 2019, measurement of the value in use of the Group's operating subsidiaries did not lead to the recognition of an impairment loss, except for Groupe GO Sport in 2019, which has since been classified under IFRS 5.

10.5.2 Impairment of non-current assets in operating subsidiaries

Casino Group has defined its CGUs as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Indications of impairment losses used in Casino Group depend on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the CGU): net carrying amount of store assets/sales (including VAT) ratio higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Casino Group also uses external sources of information (economic environment, market value of assets, etc.).

Movements for the year

Net impairment losses recognised in 2020 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €237m (note 6.5), of which €205m arose in relation to individual assets (mainly in the France Retail segment for €189m, the Latam Retail segment for €13m and the E-commerce segment for €4m) and €31m in relation to restructuring operations (mainly in the France Retail segment for €15m and the Latam Retail segment for €16m).

Following the tests carried out in 2019, impairment losses totalling €111m had been recognised on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets, of which €52m arose from restructuring operations mainly in the France Retail segment and €59m related to individual assets primarily in the France Retail segment.

Casino goodwill impairment

Annual impairment testing consists of determining the recoverable amounts of the CGUs or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications presented in note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

Annual impairment testing consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles described in note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Assumptions used in 2020 for internal calculations of values in use:

Region	2020 perpetual growth rate (1)	2020 after-tax discount rate (2)	2019 perpetual growth rate (1)	2019 after-tax discount rate (2)
Retailing business				
France (retail)	1.6%	5.6%	1.7%	5.6%
France (other)	1.6% and 2.1%	5.6% and 8.0%	1.7% and 2.2%	5.6% and 7.9%
Argentina	5.0%	19.6%	5.0%	21.1%
Brazil (3)	4.6%	7.9% to 9.8%	4.8%	8.4%
Colombia (3)	3.0%	6.6%	3.0%	8.0%
Uruguay	6.3%	9.4%	7.0%	11.9%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.3% (2019: between 0% and 1.5%) depending on the nature of the CGU's business/banner and country.

(2) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and Casino Group's cost of debt for France and the local cost of debt for subsidiaries outside France.

(3) At 31 December 2020, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €3,160m, €1,481m and €1,036m, respectively. With the exception of Cnova, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA and Éxito goodwill were performed by Casino Group based on their value in use (see below).

No impairment loss was recognised at 31 December 2020 from the annual goodwill impairment test conducted at the end of the year. The tests carried out at 30 June 2020 on CGU goodwill for which there was evidence of impairment resulted in the recognition of an impairment loss of €15m for the Catering business, leading to the write-down of the full amount of goodwill relating to this business.

In view of the positive difference between value in use and carrying amount, Casino Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. Casino Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value.

Impairment of Casino Group trademarks

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method. The main trademarks concern GPA. Note that the Extra banner in Brazil which owns the brand with a net carrying amount of €281m at 31 December 2020 was tested for impairment. No impairment was recognised as a result of this test. This would also have been the case in the event of the following changes in the key assumptions used: a 100-basis point increase in discount rates, a 25-basis point decrease in the perpetual growth rate used to calculate terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value.

Note 11. Financial structure and finance costs

Accounting principle

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs in the case of instruments not measured at fair value through profit or loss. Directly attributable transaction costs of financial assets measured at fair value through profit or loss are recorded in the income statement.

Financial assets are classified in the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss.

The classification depends on the business model within which the financial asset is held and the characteristics of the instrument's contractual cash flows.

Financial assets are classified as current if they are due in less than one year and non-current if they are due in more than one year.

– *Financial assets at amortised cost*

Financial assets are measured at amortised cost when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion).

They are subsequently measured at amortised cost, determined using the effective interest method, less any expected impairment losses in relation to the credit risk. Interest income, exchange gains and losses, impairment losses and gains and losses arising on derecognition are all recorded in the income statement.

This category primarily includes trade receivables (except for GPA credit card receivables), cash and cash equivalents as well as other loans and receivables.

Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material.

– *Financial assets at fair value through other comprehensive income (OCI)*

This category comprises debt instruments and equity instruments.

- Debt instruments are measured at fair value through OCI when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI” criterion). Interest income, exchange gains and losses and impairment losses are recorded in the income statement. Other net gains and losses are recorded in OCI. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

  This category mainly consists of GPA credit card receivables.
- Equity instruments that are not held for trading may also be measured at fair value through OCI. This method may be chosen separately for each investment. The choice is irrevocable. Dividends received are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recorded in OCI and are never reclassified to profit or loss.

– *Financial assets at fair value through profit or loss*

All financial assets that are not classified as financial assets at amortised cost or at fair value through OCI are measured at fair value through profit or loss. Gain and losses on these assets, including interest or dividend income, are recorded in the income statement.

This category mainly comprises derivative instruments that do not qualify for hedge accounting and investments in non-consolidated companies, for which the Group decided not to retain the fair value through OCI option.

– *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and short-term investments.

To be classified as cash equivalents under IAS 7, investments must be:

- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

The Group typically uses interest bearing bank accounts or term deposits of less than three months.

Impairment of financial assets

IFRS 9 requires the recognition of lifetime expected credit losses on financial assets. This impairment model applies to financial assets at amortised cost (including cash-based instruments), contract assets and debt instruments at fair value through OCI.

The main financial assets concerned are trade receivables relating to Brazilian credit activities, trade receivables from franchisees and affiliated stores and rent receivables.

For trade and rent receivables and contract assets, the Group applies the simplified approach provided for in IFRS 9. This approach consists of estimating lifetime expected credit losses on initial recognition, usually using a provision matrix that specifies provision rates depending on the number of days that a receivable is past due.

For other financial assets, the Group applies the general impairment model.

Derecognition of financial assets

Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset have expired; or
- the contractual rights have been transferred. In this latter case:
  - if substantially all the risks and rewards of ownership of the financial asset have been transferred, the asset is derecognised in full,
  - if substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the statement of financial position for its total amount.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

The accounting treatment of put options granted to owners of non-controlling interests ("NCI puts") is described in note 3.3.1.

– *Financial liabilities recognised at amortised cost*

Borrowings and other financial liabilities at amortised cost are initially measured at the fair value of the consideration received, and subsequently at amortised cost, using the effective interest method. Transaction costs and issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. The costs are then amortised over the life of the liability by the effective interest method.

Within the Group, some loans and other financial liabilities at amortised cost are hedged.

Several subsidiaries have set up reverse factoring programmes with financial institutions to enable their suppliers to collect receivables more quickly in the ordinary course of the purchasing process. The accounting policy for these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and due date, consideration, face value) they continue to be recorded under "Trade payables". Otherwise, they are qualified as financing transactions and included in financial liabilities under "Trade payables – structured programme".

– *Financial liabilities at fair value through profit or loss*

These are mainly derivative instruments (see below). There are no financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not hold any financial liabilities for trading other than derivative instruments at fair value through profit or loss.

Derivative instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

Derivative financial instruments that qualify for hedge accounting: recognition and presentation

In accordance with IFRS 9, the Group applies hedge accounting to:

- fair value hedges of a liability (for example, swaps to convert fixed rate debt to variable rate). The hedged item is recognised at fair value and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement at fair value of the derivative are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate or to change the borrowing currency, and hedges of budgeted purchases billed in a foreign currency). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit or loss and the effective portion is recognised in other comprehensive income and subsequently reclassified to profit or loss on a symmetrical basis with the hedged cash flows in terms of both timing and classification (i.e., in recurring operating income for hedges of operating cash flows and in net financial income and expense for other hedges). The premium/discount component of forward foreign exchange contracts is treated as a hedging cost. Changes in the fair value of this component are recorded in "Other comprehensive income" and reclassified to profit or loss as part of the cost of the hedged transaction on the transaction date ("basis of adjustment" method);
- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in financial income or expense. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:

- the hedging instruments and hedged items included in the hedging relationship are all eligible for hedge accounting;
- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

Derivative financial instruments that do not qualify for hedge accounting: recognition and presentation

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, successive changes in its fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

Definition of net debt

Net debt corresponds to gross loans and other borrowings including derivatives designated as fair value hedges (liabilities) and trade payables – structured programme, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and as short-term investments, (iii) derivatives designated as fair value hedges (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent of the selling subsidiary.

11.1 Net cash and cash equivalents

(€ millions)	*Notes*	31 December 2020	31 December 2019
Cash equivalents		1,383	1,074
Cash		1,398	2,571
Gross cash and cash equivalents [1]	**11.4.1**	**2,781**	**3,645**
Bank overdrafts	11.2.4	(69)	(101)
Net cash and cash equivalents		**2,712**	**3,544**

(1) The main currencies making up gross cash and cash equivalents are the euro, the Brazilian real and the Colombian peso, representing 29%, 48% and 18%, respectively, at 31 December 2020, compared with 50%, 29% and 17%, respectively, at 31 December 2019.

As of 31 December 2020, cash and cash equivalents are not subject to any material restrictions.

Bank guarantees are presented in note 6.11.

11.2 Loans and borrowings

11.2.1 Breakdown of net debt

Net debt amounted to €6,751m at 31 December 2020 (31 December 2019: €7,057m), breaking down as follows:

		31 December 2020			31 December 2019		
(€ millions)	*Notes*	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds [1]	11.2.3	5,818	615	**6,433**	6,661	1,918	**8,579**
Other loans and borrowings	11.2.4	3,754	732	**4,486**	1,647	2,598	**4,245**
Fair value hedges – liabilities [2]	11.5.1	3	8	**11**	10	8	**18**
Gross financial liabilities		**9,575**	**1,355**	**10,930**	**8,318**	**4,524**	**12,842**
Fair value hedges – assets [3]	11.5.1	(77)	(15)	**(92)**	(62)	(17)	**(78)**
Investment securities [4]	6.8.1/6.9.1	(68)	(518)	**(586)**	(54)	(402)	**(456)**
Loans and borrowings [5]		**9,430**	**822**	**10,252**	**8,202**	**4,105**	**12,308**
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.4		(720)	**(720)**		(1,606)	**(1,606)**
Cash and cash equivalents	11.1		(2,781)	**(2,781)**		(3,645)	**(3,645)**
Cash and cash equivalents and net assets held for sale				**(3,501)**	**(3,501)**	**(5,251)**	**(5,251)**
Net debt		**9,430**	**(2,679)**	**6,751**	**8,202**	**(1,146)**	**7,057**
Rallye				2,839			3,000
Casino, of which:				3,914			4,055
France Retail				*2,835*			*2,284*
Latam Retail [6]				*866*			*1,550*
E-commerce				*213*			*221*

(1) Including €4,706m in France and €1,727m in Brazil at 31 December 2020 (31 December 2019: including €6,011m in France and €2,568m in Brazil) (note 11.2.3).

(2) Including €8m in France and €3m in Brazil at 31 December 2020 (at 31 December 2019: including €11m in France and €7m in Brazil).

(3) Including €79m in France and €12m in Brazil at 31 December 2020 (31 December 2019: including €66m in France and €13m in Brazil).

(4) At 31 December 2020, including mainly €505m placed in escrow accounts and posted as guarantees (of which €487m in respect of the RCF refinancing – see note 11.5.4) and €60m in financial assets following the disposal of non-current assets (31 December 2019: €371m placed in escrow accounts and posted as guarantees (of which €193m in respect of the RCF refinancing) and €60m in financial assets following a major disposal of non-current assets).

(5) The Group defines "Loans and borrowings" as gross financial liabilities adjusted for fair value hedges (assets) and other financial assets. At Casino Group level, this indicator is used to calculate the covenants included in the revolving credit facility (RCF) (note 11.5.4).

(6) Including Ségisor amounting to €188m at 31 December 2020 (31 December 2019: €195m).

11.2.2 Change in financial liabilities

(€ millions)	*Notes*	2020	2019
Gross financial liabilities at 1 January		12,842	12,269
Fair value hedges – assets		(78)	(116)
Other financial assets		(456)	(195)
Loans and borrowings at 1 January		**12,308**	**11,958**
New borrowings (1)(3)(7)		2,277	5,188
Repayments of borrowings (2)(3)(7)		(2,948)	(4,280)
Change in fair value of hedged debt		27	91
Change in accrued interest		150	52
Foreign currency translation reserves (4)		(915)	(63)
Changes in scope of consolidation (5)		(101)	(135)
Reclassification of financial liabilities associated with assets held for sale			(217)
Impact of the approval of the safeguard plan for the Rallye scope	2.1	(332)	
Change in other financial assets		(133)	(247)
Other and reclassifications (6)		(81)	(38)
Loans and borrowings at 31 December		**10,252**	**12,309**
Gross financial liabilities at 31 December	11.2.1	10,930	12,842
Fair value hedges – assets	11.2.1	(92)	(78)
Other financial assets	11.2.1	(586)	(456)

(1) New borrowings in 2020 mainly included the following: (a) an unsecured bond issue by Casino, Guichard-Perrachon maturing in January 2026 and the Term Loan B tap for a total amount of €625m (note 2); (b) a debenture issue by GPA for BRL 2,000m (€339m) along with new bank borrowings for BRL 3,070m (€521m); (c) new bank loans taken out by Éxito for COP 1,025bn (€243m); (d) a bond issue by Rallye for €210m; and (e) a government-backed loan granted to Cdiscount for €120m.

New borrowings in 2019 mainly included the following: (a) a bond issue by Quatrim, a wholly-owned subsidiary of Casino, Guichard-Perrachon, and an issue by Casino, Guichard-Perrachon of a term loan placed with investors ("Term Loan B") for a total amount of €1,800m in November 2019; (b) issues by the GPA sub-group of BRL 8,000m (€1,812m) in bonds, primarily following efforts to simplify Casino Group's structure in Latin America at end-2019, BRL 1,600m (€362m) in promissory notes, and BRL 2,168m (€491m) in loans taken out with banks; and (iii) financing set up at the level of the Rallye holding company scope totalling €644m.

(2) Repayments of borrowings in 2020 mainly concerned (i) Casino, Guichard-Perrachon (of which €257m in redemptions of bonds maturing in March 2020 and €1,400m in early bond redemptions – note 2); (ii) GPA (of which BRL 2,734m [€464m] in redemptions of bonds and BRL 1,186m [€201m] in repayments of bank loans); (iii) Rallye for €219m in structured derivatives and €96m in bank loans; and (iv) Éxito for COP 786bn (€186m) in repayments of confirmed credit facilities and bank loans.

Repayments of borrowings in 2019 mainly concerned Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560m (of which (i) the €784m bond tender in November 2019, and (ii) redemption of a €675m bond in August 2019), Éxito for €1,160m and Ségisor for €204m (including €198m following efforts to simplify Casino Group's structure in Latin America at end-2019), GPA for €717m and Rallye for €579m.

(3) In 2020, cash flow from financing activities could be summarised as a net outflow of €1,078m, consisting of repayments of borrowings for €2,948m and net interest paid (excluding on lease liabilities) for €407m (note 4.11), offset by new borrowings in an amount of €2,277m.

In 2019, cash flow from financing activities could be summarised as a net inflow of €485m, consisting of repayments of borrowings for €4,273m and net interest paid (excluding on lease liabilities) for €429m (note 4.11), offset by new borrowings in an amount of €5,187m.

(4) In 2020, foreign currency translation reserves primarily concerned GPA.

(5) Including a reduction of €102m in 2020 relating to the total return swap (TRS) on Mercialys shares (note 3.1.1).
In 2019, including a reduction of €97m and €50m related to TRSs on Mercialys and Via Varejo shares, respectively. The TRS on Via Varejo was unwound in June 2019.

(6) Including a reduction in bank overdrafts of €58m in 2020 and €20m in 2019.

(7) Changes in NEU CP are presented net in this table.

11.2.3 Outstanding bond issues

Bond issues *(€ millions)*	Currency	Principal (1)	Issue rate (2)	Issue date	Maturity date	31 Dec. 2020 (3)	31 Dec. 2019 (3)
Rallye (4)		**1,380**				**1,155**	**1,160**
2020 bond	EUR	4	F: 1.00%	Oct. 2013	Feb. 2030	1	4
2020 bonds	CHF	67	F: 4.00%	Nov. 2016	Feb. 2030	62	66
2021 EMTN	EUR	465	F: 4.00%	Apr. 2014	Feb. 2030	429	469
2022 bond	EUR	200	F: 5.25%	Oct. 2016	Feb. 2030	47	188
2023 EMTN	EUR	350	F: 4.37%	May 2017	Feb. 2030	325	348
2024 bonds	EUR	210	V: 12-month Euribor +12%	July 2020	June 2024	210	
2024 bond	CHF	84	F: 3.25%	Feb. 2018	Feb. 2030	80	84
Casino, Guichard-Perrachon		**2,622**				**2,758**	**4,059**
2020 bonds	EUR		F: 5.24%	Mar. 2012	Mar. 2020		258
2021 bonds	EUR	130 (5)	F: 5.98%	May 2011	May 2021	131	611
2022 bonds	EUR	331 (5)	F: 1.87%	June 2017/Jan. 2018	June 2022	329	447
2023 bonds	EUR	272 (5)	F: 4.56%	Jan. 2013/May 2013	Jan. 2023	283	762
2024 bonds	EUR	611 (5)	F: 4.50%	Mar. 2014	Mar. 2024	643	950
2025 bonds	EUR	370 (5)	F: 3.58%	Dec. 2014	Feb. 2025	396	469
2026 bonds	EUR	508	F: 4.05%	Aug. 2014	Aug. 2026	578	562
2026 bonds	EUR	400	F: 6.625%	Dec. 2020	Jan. 2026	398	
Quatrim		**800**				**793**	**791**
2024 bonds	EUR	800	F: 5.88%	Nov. 2019	Jan. 2024	793	791
GPA		**1,717**				**1,727**	**2,568**
2020 bonds	BRL		V: 96.0% CDI	Apr. 2017	Apr. 2020		239
2020 bonds	BRL		V: CDI 0.72%	July 2019	July 2020		11
2020 bonds	BRL		V: CDI 1.60%	Sept. 2019	Aug. 2020		221
2021 bonds	BRL	71	V: 104.75% CDI	Jan. 2018	Jan. 2021	71	177
2021 bonds	BRL	110	V: 106.0% CDI	Sept. 2018	Sept. 2021	111	155
2021 bonds	BRL	8	V: CDI 0.72%	July 2019	July 2021	8	11
2021 bonds	BRL	274	V: CDI 1.74%	Sept. 2019	Aug. 2021	274	443
2022 bonds	BRL	78	V: 107.4% CDI	Sept. 2018	Sept. 2022	81	111
2022 bonds	BRL	126	V: 105.75% CDI	Jan. 2019	Jan. 2022	128	177
2022 bonds	BRL	8	V: CDI 0.72%	July 2019	July 2022	8	11
2022 bonds	BRL	314	V: CDI 1.95%	Sept. 2019	Aug. 2022	315	443
2023 bonds	BRL	39	V: CDI 0.72%	July 2019	July 2023	39	55
2023 bonds	BRL	314	V: CDI 2.20%	Sept. 2019	Aug. 2023	316	426
2024 bonds	BRL	31	V: CDI 0.72%	July 2019	July 2024	31	44
2025 bonds	BRL	31	V: CDI 0.72%	July 2019	July 2025	31	44
2023 bonds	BRL	314	V: CDI 1.45%	Jan. 2020	Jan. 2023	313	
Total bonds						**6,433**	**8,579**

(1) Corresponds to the principal of the bonds outstanding at 31 December 2020.

(2) F (Fixed rate) – V (Variable rate) – CDI (Certificado de Depósito Interbancário). The effective interest rates on Casino, Guichard-Perrachon bonds do not reflect the possible impact of the remeasurement component relating to fair value hedges.

(3) The amounts shown above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.

(4) In February 2021, as part of the global tender offer on Rallye's unsecured debt, Rallye reduced its outstanding bond debt by €141m (note 15).

(5) In the second half of 2020, Casino Group carried out early redemptions of a portion of its bonds maturing in 2021 (€467m), 2022 (€122m), 2023 (€449m), 2024 (€289m) and 2025 (€74m) (note 2).

11.2.4 Breakdown of other loans and borrowings

Other loans and borrowings *(€ millions)*	Principal [1]	Rate	Issue date	Maturity date	31 Dec. 2020	31 Dec. 2019
Rallye Group [2]	**1,635**				**1,720**	**2,031**
Bank borrowings	135	Variable		Feb. 2023	136	150
Bank borrowings [3]	291	Variable/Fixed		Feb. 2030	279	290
Syndicated loans – credit lines	1,001	Variable		Feb. 2023	997	998
Syndicated loans – credit lines	149	Variable		Feb. 2030	55	232
Other borrowings [4]		Variable				231
NEU CP	59	Fixed		Feb. 2030	59	59
Accrued interest [6]					193	73
Casino	**2,606**				**2,766**	**2,214**
▪ **France**						
Term Loan B	1,225	Variable[7]	Nov. 2019	Jan. 2024	1,193	959
NEU CP(Casino, Guichard-Perrachon)	179	Fixed	[5]	[5]	180	129
Mercialys TRS (Casino, Guichard-Perrachon)		Variable	July 2018	Dec. 2020		102
Government-backed loan (Cdiscount)	120	Variable	Aug. 2020	Aug. 2026 [8]	120	
Other[9]					9	29
▪ **International**						
GPA	652	Variable [10]	Nov. 2014 to Nov. 2020	Jan. 2021 to May 2027	649	431
Éxito	238	Variable/ Fixed [10]	June 2017 to June 2020	March 2021 to March 2026	237	71
Ségisor	188	Variable	June 2018	Dec. 2021 [11]	188	195
Other	4	Fixed			4	
Bank overdrafts [12]					69	101
Accrued interest [6]					118	197
Total other loans and borrowings					**4,486**	**4,245**
Of which variable rate					***3,601***	***3,726***

(1) Corresponds to the nominal amount at 31 December 2020.

(2) As part of Rallye's safeguard plan, and in accordance with IAS 1, loans and borrowings concerned by the proceedings were temporarily reclassified to current debt in 2019. In February 2021, as part of the global tender offer on Rallye's unsecured debt, Rallye reduced its outstanding debt by €41m, of which €10m in commercial paper.

(3) Including €153m in fixed-rate borrowings.

(4) At 31 December 2019, these amounts corresponded to derivatives transactions. These transactions, which were the subject of restructuring agreements on 25 November 2019 (note 11.2.5), were not covered by the companies' safeguard plans and were repaid ahead of term on 17 July 2021.

(5) Negotiable European commercial paper (NEU CP) is short-term financing generally with a maturity of less than 12 months.

(6) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2020, accrued interest at the level of Casino primarily concerned Casino for €76m and GPA for €39m (31 December 2019: Casino for €136m and GPA for €61m). At the level of Rallye, accrued interest amounted to €193m at 31 December 2020 (31 December 2019: €73m).

(7) Interest on this loan is based on Euribor with a zero floor, plus a 5.5% spread.

(8) Loan initially falling due in August 2021 including extension options exercisable at Cdiscount's discretion, with final repayment due in August 2026. This loan is shown in non-current financial liabilities at 31 December 2020.

(9) Of which €8m concerning Cdiscount (31 December 2019: €11m concerning Cdiscount).

(10) GPA and Éxito's variable-rate loans pay interest at rates based on the CDI and IBR, respectively. Including borrowings in Colombia originally denominated in Colombian pesos for COP 610bn, or €145m (31 December 2019: COP 259bn, or €70m), swapped for variable-rate debt.

(11) A commitment letter was signed by Casino Group and the bank to extend the debt's maturity from December 2021 to July 2023.

(12) Overdrafts are mostly in France.

11.2.5 Restructuring agreements on derivatives transactions

At the date of the restructuring agreements, derivatives transactions in the form of forward sales and equity swaps entered into by Rallye (and its subsidiaries) for a total amount of €231m, were not covered by the safeguard plans in accordance with Article L. 211-40 of the French Monetary and Financial Code. This article authorises security interests granted in respect of financing agreements to be terminated, offset or exercised despite the initiation of safeguard proceedings. The other exemptions granted under safeguard proceedings are, however, applicable to these agreements.

On 25 November 2019, Rallye announced it had entered into an agreement with its banks regarding all derivatives transactions.

The main principles provided for in the restructuring agreements, which apply to all companies concerned, are as follows:

- all financial institutions that have agreed to the restructuring of the terms and conditions of the derivatives transactions (the "Relevant Financial Institutions") were treated in an equal manner;
- the Relevant Financial Institutions waived 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;
- derivatives transactions would only bear capitalised interest.

Refinancing of Rallye derivatives transactions

On 26 March 2020, in the context of stock market developments relating to the Coronavirus (Covid-19) epidemic, Rallye entered into an agreement with Fimalac (a company controlled by Marc Ladreit de Lacharrière) in view of refinancing the derivatives transactions of Rallye, Cobivia and HMB and financing Rallye's day-to-day operations for an amount of €15m.

On 17 July 2020, Rallye issued €210,042,400 in bonds with a par value of €1 each, which were subscribed by Fimalac. The entire proceeds of the issue were used to repay all the derivatives transactions entered into by Rallye, Cobivia and HMB, which were not covered by the safeguard plans of such companies but had been the subject of specific agreements (see Rallye press release dated 25 November 2019).

The bonds subscribed by Fimalac bear PIK interest and have a maturity of four years (with a one-year extension subject to agreement between Rallye and Fimalac).

The early repayment events provided for under the issue, which are customary for such types of financing, are set out below:

- occurrence of an event following which Jean-Charles Naouri no longer holds directly or indirectly at least 50% of the voting rights of Casino, plus one vote; and
- rescission of Rallye's safeguard plan.

As security for the refinancing of Rallye's derivatives transactions and the financing of Rallye's general corporate needs, 9,468,255 Casino shares (i.e., 8.73% of Casino's share capital), previously pledged to the financial institutions party to the derivatives transactions, have been transferred by Rallye to a fiduciary trust for the benefit of Fimalac.

The characteristics of the financing of Rallye's general corporate needs are the same as those relating to the bonds subscribed by Fimalac for the refinancing of derivatives transactions. At the date of this document, the facility has not yet been drawn down.

The Casino shares previously pledged to banks party to the derivatives transactions were transferred to the fiduciary trust on 20 July 2020, resulting in two threshold crossings: Rallye's stake in Casino fell below 50% of the share capital, and the share capital and voting rights held by Equitis Gestion (the fiduciary) in Casino rose above 5% of the share capital. In accordance with the trust agreement, and for as long as Equitis Gestion is not notified of any of the early repayment events provided for under the financing facility, the voting rights associated with the 9,468,255 Casino, Guichard-Perrachon shares placed in the fiduciary trust will be exercised by Equitis Gestion acting on Rallye's instructions. Any distributions, such as dividends, relating to the 9,468,255 Casino, Guichard-Perrachon shares placed in the fiduciary trust will be immediately used to pay back the facility ahead of term.

The transfer of the Casino shares to the fiduciary trust is neutral for accounting and tax purposes and does not affect the percentage interest held by Rallye in Casino for consolidation purposes.

11.2.6 Casino Group confirmed bank credit lines in 2020

At 31 December 2020, Casino Group had confirmed undrawn bank credit lines totalling €2.5bn, breaking down as follows:

(€ millions)	Interest rate	Maturity date		Authorised	Drawn
		within one year	in more than one year		
Syndicated lines					
Casino, Guichard-Perrachon, Casino Finance [1]	Variable [1]	198	2,020	2,218	
Other confirmed bank credit lines					
Casino Group[3]	Variable [2]	135	143	278	
Total		**333**	**2,163**	**2,496**	

(1) In 2020 and 2019, syndicated credit lines comprised (a) the revolving credit facility (RCF) for €2,000m maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date), bearing interest at Euribor with a zero floor, plus a spread that depends on the amount drawn down and the "loans and borrowings"/EBITDA ratio for the France Retail and E-commerce segments, as well as the Ségisor holding company (no more than 3.50%); (b) a €198m line maturing in February 2021 and bearing interest at Euribor plus a spread that depends on the amount drawn down and the Group's net debt/EBITDA ratio (note 11.5.4); and (c) a USD 25m line maturing in July 2022 and bearing interest at US Libor plus a spread that depends on Casino Group's net debt/EBITDA ratio (note 11.5.4).

(2) Interest on the other lines is based on a reference rate (depending on the currency of the credit line) plus a spread. In some cases, the spread varies depending on the subsidiary's net debt/EBITDA ratio and the amount drawn down (lines totalling €111m).

(3) In 2020, other confirmed bank credit lines concern Monoprix for €111m and Éxito for €166m (COP 700bn). In 2019, other confirmed bank credit lines concerned Monoprix (€111m), GPA (€199m) and Éxito (€190m).

11.3 Cost of net debt and other financial income and expenses, net

Accounting principle

Cost of net debt

Cost of net debt corresponds to all income and expenses generated by cash and cash equivalents and loans and borrowings during the period, including income from cash and cash equivalents, gains and losses on disposals of cash equivalents, interest expense on loans and borrowings, gains and losses on interest rate hedges (including the ineffective portion) and related currency effects, and trade payable – structured programme costs.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in cost of net debt.

It includes dividends received from non-consolidated companies, non-recourse factoring and associated transaction costs (including fees relating to instalment program CB4X at Cdiscount), credit line non-utilisation fees, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations), interest expense on lease liabilities, gains and losses arising from remeasurement at fair value of equity derivatives, and impairment losses and realised gains and losses on financial assets other than cash and cash equivalents.

Exchange gains and losses are also recorded under this caption, apart from (i) exchange gains and losses on cash and cash equivalents and loans and borrowings, which are presented under cost of net debt, and (ii) the effective portion of accounting hedges of operating transactions, which are included in operating income.

Cash discounts are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the balance.

11.3.1 Cost of net debt

(€ millions)	*Notes*	2020	2019
Gains (losses) on disposals of cash equivalents			
Income from cash and cash equivalents		16	39
Income from cash and cash equivalents		**16**	**39**
Interest expense on borrowings after hedging		(501)	(515)
Impact of the approval of the safeguard plan for the Rallye scope	2.1	334	
Cost of gross debt		**(167)**	**(515)**
Cost of net debt		**(151)**	**(476)**
Of which Holding scope		*206*	*(120)*
Of which France Retail [1]		*(210)*	*(161)*
Of which Latam Retail		*(135)*	*(184)*
Of which E-commerce		*(12)*	*(12)*

(1) At the level of Casino Group, the increase in 2020 reflects the full-year impact of the refinancing transaction carried out at the end of 2019 (see notes to the 2019 financial statements), partly offset by the gain relating to the bond redemptions (note 2).

11.3.2 Other financial income and expenses

(€ millions)	*Notes*	2020	2019 (restated)
Other financial income		**211**	**267**
Other financial expenses		**(605)**	**(745)**
Net foreign currency exchange gains (losses) (other than on borrowings) [1]		(8)	(11)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments [2]		(73)	(35)
Gains (losses) on remeasurement at fair value of financial assets		(5)	(9)
Interest expense on lease liabilities	7.1.2	(320)	(324)
Non-recourse factoring and associated transaction costs		(60)	(77)
Impact of applying IAS 29 to operations in Argentina		(7)	(10)
Other [3]		79	(12)
Other financial income and expenses		**(394)**	**(478)**

(1) Including €52m in foreign currency exchange gains and €60m in foreign currency exchange losses in 2020 (2019: €53m in forex gains and €63m in forex losses).

(2) In 2020, the €73m net expense primarily reflects the €70m adverse impact of the fair value adjustment of the GPA total return swap. This swap was unwound during the first half of the year, generating a cash outflow of €248m (note 4.11). The net loss on remeasurement at fair value of non-hedging derivative instruments reported in 2019 in an amount of €35m mainly reflected (i) fair value adjustments to the GPA TRS (negative adjustment of €6m) and GPA forward (negative adjustment of €9m) as well as dividend income (€2m) and the cost of carry (€13m) associated with these instruments, and (ii) negative impacts related to other derivative instruments (€7m). The GPA forward was unwound between August and December 2019, resulting in a cash outflow of €109m (for a negative fair value of €101m).

(3) Of which BRL 613m (€104m) recognised by GPA in 2020 in respect of the monetary adjustment relating to the exclusion of ICMS tax from the PIS/COFINS tax base following a favourable court decision in October 2020 (note 13.3).

11.4 Fair value of financial instruments in assets and liabilities

11.4.1 Breakdown in the carrying amount of financial assets and liabilities by instrument category

The tables below analyse financial assets according to the measurement categories under IFRS 9.

(€ millions)	*Notes*	Total financial assets	Breakdown by instrument category			
			Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Hedging instruments	Financial assets at amortised cost
At 31 December 2020						
Other non-current assets [1]	6.9	493	38	31	77	347
Trade and other receivables	6.7	941		33		908
Other current assets [1]	6.8	1,242	1		15	1,226
Cash and cash equivalents	11.1	2,781				2,781
At 31 December 2019						
Other non-current assets [1]	6.9	441	48	38	62	293
Trade and other receivables	6.7	836		22		814
Other current assets [1]	6.8	1,098	6	1	17	1,074
Cash and cash equivalents	11.1	3,645	17			3,628

(1) Excluding non-financial assets.

The following table shows financial liabilities by instrument category.

(€ millions)	*Notes*	**31 December 2020**	Breakdown by instrument category		
			Liabilities at amortised cost	NCI puts	Derivative instruments
At 31 December 2020					
Bonds	11.2.3	**6,433**	6,433		
Other loans and borrowings	11.2.4	**4,496**	4,485		11
Put options granted to owners of non-controlling interests	3.3.1	**164**		164	
Lease liabilities	7.1.1	**4,988**	4,988		
Trade payables		**6,193**	6,193		
Other liabilities [1]	6.10	**1,935**	1,870		65
At 31 December 2019 (restated)					
Bonds	11.2.3	**8,579**	8,579		
Other loans and borrowings	11.2.4	**4,263**	4,246		17
Put options granted to owners of non-controlling interests	3.3.1	**166**		166	
Lease liabilities	7.1.1	**5,487**	5,487		
Trade payables		**6,602**	6,602		
Other liabilities [1]	6.10	**1,885**	1,650		235

(1) Excluding non-financial liabilities.

11.4.2 Fair value hierarchy for financial instruments

Accounting principle

Fair value measurements are classified into three levels using the following fair value hierarchy:

- **Level 1**: quoted prices in active markets for identical assets or liabilities;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments that are not quoted in an active market (in particular investments in private equity funds as well as over-the-counter derivatives) is determined using measurement techniques. These techniques use observable market data wherever possible, or information from fund managers. This information is actively researched, so that estimates are only based on the Group's own estimates in addition to observable data or data from fund managers, or if this data is not available. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

The tables below compare the carrying amount and the fair value of consolidated assets and liabilities, other than those whose carrying amount corresponds to a reasonable approximation of fair value such as trade receivables, trade payables, cash and cash equivalents, and bank loans.

Assets

(€ millions)	Carrying amount	Fair value	Fair value level		
			level 1	level 2	level 3
At 31 December 2020					
Assets recognised at fair value:					
Financial assets at fair value through profit or loss [1]	39	**39**			39
Financial assets at fair value through other comprehensive income [1]	64	**64**	9	34	21
Fair value hedges – assets [2]	92	**92**		92	
Cash flow hedges and net investment hedges – assets [2]					
Other derivative instruments – assets					
At 31 December 2019 (restated)					
Assets recognised at fair value:					
Financial assets at fair value through profit or loss [1]	41	**41**	1		40
Financial assets at fair value through other comprehensive income [1]	61	**61**	13	22	26
Fair value hedges – assets [2]	79	**79**		79	
Cash flow hedges and net investment hedges – assets [2]	1	**1**		1	
Other derivative instruments – assets	22	**22**	9	6	7

(1) Financial assets recognised at fair value are generally measured using standard valuation techniques. In particular, they correspond to investments in private equity funds, which are valued using the most recent data provided by the managers of said funds. These fair value measurements are generally Level 3. If their fair value cannot be determined reliably, they are not included in this note.

(2) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.

Liabilities

(€ millions)	Carrying amount	Fair value	Fair value level		
			level 1	level 2	level 3
At 31 December 2020					
Liabilities recognised at fair value:					
Fair value hedges – liabilities [1]	11	**11**		11	
Cash flow hedges and net investment hedges – liabilities [1]	57	**57**		57	
Other derivative instruments – liabilities [1]	9	**9**		9	
Put options granted to owners of non-controlling interests [2]	164	**164**			164
Liabilities not recognised at fair value:					
Bonds [3]	6,433	**5,819**	3,688	2,131	
Other loans and borrowings [4]	4,486	**4,400**	19	4,381	
Lease liabilities	4,988	**4,988**		4,988	
At 31 December 2019 (restated)					
Liabilities recognised at fair value:					
Fair value hedges – liabilities [1]	18	**18**		18	
Cash flow hedges and net investment hedges – liabilities [1]	41	**41**		41	
Other derivative instruments – liabilities [1]	195	**195**		195	
Put options granted to owners of non-controlling interests [2]	166	**166**			166
Liabilities not recognised at fair value:					
Bonds [3]	8,579	**7,465**	5,049	2416	
Other loans and borrowings [4]	4,245	**4,168**	34	4,134	
Lease liabilities	5,487	**5,487**		5,487	

(1) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.

(2) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulas and is discounted, if necessary. These formulas are considered to be representative of fair value and notably use net income multiples (note 3.3.1).

(3) The fair value of bonds is based on the latest quoted price on the reporting date.

(4) The fair value of other borrowings has been measured using other valuation techniques such as the discounted cash flow method, taking into account the Group's credit risk and interest rate conditions at the reporting date.

11.5 Financial risk management objectives and policies and hedge accounting

The main risks associated with the Group's financial instruments are market risks (foreign currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

The Group manages its exposure to interest rate risks and currency risks using derivative financial instruments such as interest rate swaps and options (caps, floors, swaptions), currency swaps, forward currency contracts and currency options.

These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

However, like many other large corporates, the Group may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate and currency exposures.

11.5.1 Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of hedged risk and accounting classification:

(€ millions)	*Notes*	Interest rate risk	Foreign currency risk	Other market risks	31 December 2020	31 December 2019
Assets						
Derivatives at fair value through profit or loss	6.8.1/6.9					22
Cash flow hedges	6.8.1					1
Fair value hedges	6.8.1/6.9/11.2.1	81	11		92	79
Total derivatives – assets		**81**	**11**		**92**	**102**
of which non-current		*75*	*2*		*77*	*78*
of which current		*6*	*9*		*15*	*24*
Liabilities						
Derivatives at fair value through profit or loss	6.10	5	4		9	195
Cash flow hedges	6.10	47	10		57	41
Fair value hedges	11.2.1	1	10		11	18
Total derivatives – liabilities		**53**	**24**		**77**	**254**
of which non-current		*47*	*3*		*50*	*59*
of which current		*6*	*21*		*27*	*195*

At 31 December 2020, derivatives held as fair value hedges (on a notional amount of €3,440m) had a positive net fair value of €81m and mainly comprised (i) interest rate hedges in France on a notional amount of €3,344m with a positive fair value of €72m and (ii) currency hedges in Brazil on a notional amount of €96m with a positive fair value of €9m. All the currency and interest rate derivatives are backed by bank borrowings or bonds denominated either in the same currency or in a currency other than the borrower entity's functional currency. The ineffective portion of these fair value hedges is not material.

At 31 December 2020, the cash flow hedge reserve included in equity had a debit balance of €43m (31 December 2019: debit balance of €32m after tax). These derivatives concern operations in France and hedge goods purchases billed in currencies other than the euro (mainly the US dollar). Their notional amount at 31 December 2020 was USD 177m (€144m – note 11.5.2). France and Colombia applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €878m and €94m, respectively, at 31 December 2020. The ineffective portion of these cash flow hedges is not material.

Derivative instruments that do not qualify for hedge accounting under IFRS 9 had a negative fair value of €9m at 31 December 2020 (31 December 2019: negative fair value of €173m). In 2019, these instruments related to TRSs on GPA shares with a negative fair value of €177m.

The fair value calculation at 31 December 2020 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments was not material.

11.5.2 Market risk

Interest rate risk

The Group's gross debt in France is mainly composed of fixed-rate or floored variable-rate bonds and the variable-rate Term Loan B, representing a principal amount of €4,802m and €1,225m, respectively, as at 31 December 2020 (note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date; all of these hedges qualify for hedge accounting.

At 31 December 2020, Casino Group had a portfolio of 44 interest rate swaps with ten bank counterparties. These instruments expire at various dates between 2021 and 2026.

At 31 December 2020, after hedging, 42% of bond debt was at fixed rates (€2,509m), 24% was at capped or floored variable rates (€1,435m) and 34% was at variable rates (€2,083m).

Sensitivity to changes in interest rates

(€ millions)	*Notes*	31 December 2020	31 December 2019 (restated)
Casino, Guichard-Perrachon variable-rate bonds [1]	11.2.3	2,083	2,601
Casino, Guichard-Perrachon capped variable-rate bonds [1]	11.2.3		607
Term Loan B [1]	11.2.4	1,225	1,000
Brazil variable-rate bonds [2]	11.2.3	1,717	2,585
Rallye variable-rate bond [1]	11.2.3	210	
Other variable-rate loans and borrowings [3][4][5]	11.2.4	2,478	2,717
Total variable-rate borrowings		**7,713**	**9,510**
Cash and cash equivalents	11.1	(2,781)	(3,645)
Net variable-rate position		**4,932**	**5,865**
1-point change in interest rates		**42**	**51**
Cost of net debt (excluding impact of the Safeguard Plan)	11.3.1	485	476
Impact of change on cost of net debt		**8.6%**	**10.8%**

(1) Corresponding to fixed-rate or floored-rate bonds and to the Term Loan B, representing a principal amount of €6,027m (31 December 2019: €6,849m) (note 11.2.3), including a principal amount of €2,083m (31 December 2019: €2,601m) swapped for variable-rate debt, and a principal amount of €1,435m (31 December 2019: €1,000m) for Term Loan B and floored-rate bond.

(2) Nominal amount.

(3) Excluding accrued interest.

(4) Including borrowings in Brazil originally denominated in BRL or USD for BRL 4,152m (€652m) swapped for variable-rate debt in BRL by means of cross-currency swaps where applicable (31 December 2019: BRL 1,947m, representing €431m).

(5) Including borrowings in Colombia originally denominated in Colombian pesos for COP 610bn, or €145m (31 December 2019: COP 259bn, or €70m, swapped for variable-rate debt).

Assuming the net debt structure and management policy are constant, a 100-bps annual increase (decrease) in rates across the yield curve would lead to an 8.6% or €42m increase (7.2% or €35m decrease) in cost of debt. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Foreign currency risk

Due to its geographically diversified business base, the Group is exposed to both currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the eurozone and to transaction risk on transactions denominated in currencies other than the euro.

Translation risk (or balance sheet currency risk) is the risk of an unfavourable change in the exchange rates used to translate the financial statements of subsidiaries located outside the eurozone into euros for inclusion in the consolidated financial statements adversely affecting the amounts reported in the consolidated statement of financial position and income statement, leading to a deterioration of the Group's gearing ratios.

Transaction risk is the risk of an unfavourable change in exchange rates that adversely affects a cash flow denominated in foreign currency.

The Group's policy for managing transaction risk is to hedge highly probable budgeted exposures, which mainly concern cash flows arising from purchases made in a currency other than the buyer's functional currency and particularly purchases in US dollars which are hedged using forward contracts. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

As a general principle, budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

Currency risks on debts denominated in a currency other than the borrower's functional currency are systematically hedged, except where the debt represents a designated and documented hedge of a net investment in a foreign operation.

The Group's net exposure based on notional amounts after hedging mainly concerns the US dollar (excluding the functional currencies of entities), as shown below:

(€ millions)	Total exposure 2020	Of which USD	Total exposure 2019
Exposed trade receivables	(19)	(8)	(23)
Exposed other financial assets	(71)	(64)	(101)
Exposed derivatives at fair value through profit or loss	(224)	(224)	271
Exposed trade payables	114	96	263
Exposed financial liabilities	245	245	245
Exposed other financial liabilities	44	44	42
Gross exposure payable (receivable)	**89**	**89**	**698**
Hedged other financial assets			94
Hedged trade payables	62	57	85
Hedged financial liabilities	243	243	229
Other hedged financial liabilities	42	42	32
Net exposure payable (receivable)	**(258)**	**(253)**	**258**
Hedges of future purchases	**144**	**144**	**132**
Put options granted to owners of non-controlling interests (1)	**100**	**100**	**104**

(1) Changes in fair value of put options granted to owners of non-controlling interests (including the effect of movements in exchange rates) have no impact on profit or loss, because the puts are treated as transactions between owners and changes in their fair value are therefore recorded directly in equity (note 3.3.1).

At 31 December 2020, the net statement of financial position exposure (negative €258m) is mainly attributable to the timelag of several days between setting up the hedging instrument (arranged prior to 31 December 2020 for an effective date subsequent to 31 December 2020) and the hedged item (effective date after 31 December 2020).

At 31 December 2019, the net statement of financial position exposure of €258m mainly concerned the US dollar.

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro at 31 December 2020 and 2019 against the currencies included in the Group's exposure would impact financial income and expenses in the amounts indicated in the table below. For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

(€ millions)	2020	2019
US dollar	(23)	25
Other currencies	(1)	(1)
Total	**(24)**	**24**

A 10% depreciation of the euro against those currencies at 31 December 2020 and 2019 would have produced the opposite effect.

Sensitivity to translation risk

A 10% appreciation of the euro compared to the Group's other main currencies would have the following impact on the translation into euros of the income and equity of subsidiaries whose functional currency is not the euro:

(€ millions)	2020		2019 (restated)	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total income	(1,008)	(264)	(1,124)	(291)
Recurring operating income	(54)	(11)	(41)	(14)
Net income	(23)	(5)	(9)	(1)
Equity	(234)	(130)	(465)	(167)

A 10% decline in the euro against those currencies would have produced the opposite effect.

For the purposes of the analysis, all other variables are assumed to be constant.

Exchange rates

Exchange rates against the euro	2020		2019	
	Closing balance	Average rate	Closing balance	Average rate
Brazilian real (BRL)	6.3735	5.8936	4.5157	4.4143
Colombian peso (COP)	4,204.58	4,216.03	3,692.38	3,672.20
Argentine peso (ARS)(1)	103.1176	103.1176	67.2695	67.2695
Uruguayan peso (UYP)	51.7764	47.9825	41.7621	39.4526
US dollar (USD)	1.2271	1.1419	1.1234	1.1194
Polish zloty (PLN)	4.5597	4.4445	4.2568	4.2971
Romanian leu (RON)	4.8683	4.8380	4.7830	4.7457

(1) In accordance with IAS 29, the financial statements of Libertad have been translated at the year-end exchange rate.

Equity risk

At 31 December 2020, the Group did not hold any significant investments in any listed companies other than its listed subsidiaries or treasury shares.

In addition, the Group does not hold any options or any derivatives backing its own shares. With regard to cash management, the Group invests only in money market instruments that are not exposed to equity risk.

11.5.3 Counterparty risk

The Group is exposed to various aspects of counterparty risk through its operating activities, cash deposits and interest rate and currency hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

Counterparty risk related to trade receivables

Customer credit risk

Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are monitored regularly; consequently, the Group's exposure to bad debts is not material. Trade receivables break down as follows by maturity:

(€ millions)	Non-credit impaired trade receivables not yet due	Non-credit impaired past-due trade receivables				Allowance for lifetime expected losses	Total
		Up to one month past due	Between one and six months past due	More than six months past due	**Total**		
31 December 2020	709	104	78	150	**332**	(100)	**941**
31 December 2019	579	79	120	162	**361**	(104)	**836**

Counterparty risk related to other assets

Credit risk on other financial assets – i.e., comprising cash and cash equivalents, equity instruments, loans, legal deposits paid by GPA and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is limited and equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-tier counterparties and in first-tier rated instruments.

11.5.4 Liquidity risk

The Group's bank loans and bonds contain the standard commitment and default clauses found in such contracts, in particular, maintaining the loan at the same level (*pari passu*), limiting the securities allocated to other lenders (negative pledge) and cross-default.

Rallye financing

Safeguard proceedings protect companies which are unable to suspend payments, and are designed to afford them time to restructure their debt repayments (which can be spread over a maximum period of 10 years) and secure their long-term operations. Pending the establishment of a safeguard plan, it suspends the payment of debt contracted prior to the initiation of the proceedings. On 28 February 2020, the Paris Commercial Court approved the safeguard plans for all of the companies.

It is within this context that the Group consolidated financial statements were prepared on a going concern basis.

Under the safeguard proceedings, Rallye intends to manage liquidity risk by restructuring its debt and continuing its development with confidence, thereby ensuring the Group's integrity and consolidating its financial position in a more stable environment.

By decisions dated 28 January 2020, the Paris Commercial Court (*Tribunal de Commerce de Paris*) has approved the repayment undertakings included in the liabilities repayment proposals as described in the Companies' press release dated 9 December 2019. The repayment profiles of debt resulting from the undertakings related to securities pledges are described in note 11.5.5.

The repayment profiles are based on the following assumptions:

- the chain of control over Casino being maintained over the period 2020-2030, thus securing the dividend flows for the relevant companies; and
- the refinancing of the 2030 Rallye maturity.

The Companies benefit from three categories of resources to repay their liabilities:

- dividends from Casino;
- sale of their non-strategic assets; and
- various refinancing options.

Repayment schedules for Rallye in particular are set out below.

Securities pledges

Rallye has a 43.57% direct stake in the share capital of Casino, Guichard-Perrachon, and an 8.73% indirect stake through a fiduciary trust. The direct and indirect stake in Casino's share capital represented 56.7 million securities at 31 December 2020.

As at 31 December 2020, all guarantees granted to banks in the form of cash collateral have been understood and the level of other security interests granted to financial institutions is unchanged from those admitted to the Safeguard Plan:

- 53.5 million Casino shares out of a total of 56.7 million shares held by Rallye;
- a portion of the shares in Groupe GO Sport (70%) and in Parande – a wholly-owned Rallye subsidiary carrying the financial investment portfolio on its books – and the Rallye current account held with Parande as part of the assignment of receivables as security under the French Dailly mechanism.

Casino Group financing

Corporate financing

Casino Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The liquidity analysis is performed both for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of Casino Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to Casino Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2020, Casino Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,496m (of which a non-current portion of €2,020m for France);
- cash and cash equivalents totalling €2,744m (of which €819m available in France);
- €487m held in a segregated account in France in connection with the refinancing of the revolving credit facility (RCF) and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2020 (France Retail):

- unsecured bonds amounting to €2,622m, of which €400m in high-yield bonds maturing in 2026 (note 2.2);
- secured high-yield bonds for €800m;
- Term Loan B for €1,225m.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €179m was outstanding at 31 December 2020 (France Retail); these issues are made under a programme capped at €2,000m, with the availability of funds depending on market conditions and investor appetite. These issues are not subject to any covenants.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues and discounting facilities;
- diversifying financing currencies to include the euro, Casino Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of Casino Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

Management of short-term debt

Access to the European negotiable commercial paper (NEU CP) market is subject to market conditions and investor appetite for Casino debt. Outstanding commercial paper issues represented €179m at 31 December 2020 versus €129m at 31 December 2019. In addition, Casino Group has non-recourse receivables discounting programmes, with no continuing involvement in the receivables within the meaning of IFRS 7, as well as reverse factoring programmes.

At 31 December 2020, trade payables totalling €1,181m (including €434m in France Retail payables, €709m in Latam Retail payables and €38m in E-commerce payables) had been reverse factored, versus €1,594m at 31 December 2019 (€445m, €1,092m, and €57m, respectively).

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, at end-2019 Casino Group refinanced all of its confirmed credit facilities via a new €2bn confirmed credit line ("RCF") maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date).

Casino Group also raised funds in two transactions carried out in November 2019 in the form of a €1bn secured term loan and an €800m secured bond issue.

In 2020, Casino Group continued to strengthen its financial structure by carrying out several transactions.

It redeemed its unsecured bond issues on the financial markets and launched two public buyback offers in November and December 2020. In all, the redemptions represented a nominal amount of €1,400m, of which €467m was due to mature in May 2021, €122m in June 2022, €448m in January 2023, €289m in March 2024, and €74m in February 2025.

The December 2020 buyback offer was accompanied by two new sources of financing:

- issue of €400m worth of unsecured bonds, paying a coupon of 6.625% and maturing in January 2026. These new bonds include the same dividend restrictions as the financing raised in November 2019, i.e., dividends may only be freely paid out if the gross leverage ratio is less than 3.5x following the payout;
- Term Loan B tap of €225m maturing in January 2024, at an issue price representing 99.75% of the nominal amount.

The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments:

Financial instrument rating	Moody's	Standard & Poor's
Casino, Guichard-Perrachon	B3/stable outlook *6 August 2020*	B/negative outlook *28 May 2019*
Secured high-yield bonds	B2/stable outlook *6 August 2020*	B+/negative outlook *22 October 2019*
Term Loan B	B2/stable outlook *6 August 2020*	B+/negative outlook *22 October 2019*
Bonds issued under the EMTN programme	Caa1/stable outlook *6 August 2020*	B/negative outlook *28 May 2019*
Deeply-subordinated perpetual bonds (TSSDI)	Caa2/stable outlook *6 August 2020*	CCC *28 May 2019*

The high-yield bond issue by Quatrim is secured by shares in L'Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets pending disposal).

In connection with the 2019 revolving credit facility (RCF) and Term Loan B financing, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries and holding companies in France holding shares in Casino Group's Latin American operations.

The confirmed €2,000m facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its subsidiaries is not secured by collateral or assets.

Casino, Guichard-Perrachon debt covenants

As from 31 March 2020, Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail and E-commerce segments, calculated each quarter (on a rolling 12-month basis):

Type of covenant (France Retail and E-commerce)	Main types of debt subject to covenants	Frequency of tests	Ratio at 31 December 2020
Debt [1]/EBITDA [2]: < specified amount (subject to change) [3]	RCF for €2,000m	Quarterly	5.03
EBITDA[2]/net finance costs: >2.25			4.01

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in note 11.2.1, and certain GPA holding companies reported in the Latam segment (notably Ségisor).

(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities.

(3) 5.75x at 31 December 2020, 6.50x at 31 March 2021, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021.

Two syndicated credit lines (the first for €198m maturing in February 2021 and the second for USD 25m maturing in July 2022) are subject to a covenant tested annually: this covenant was complied with at 31 December 2020.

Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issue put in place as part of the Group's refinancing in late 2019 include the usual restrictions for high-yield borrowings applicable to Casino Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably Ségisor). These restrictions concern Casino, Guichard-Perrachon dividend payments, sales of assets as defined in the documentation, additional borrowings, and additional security interests and collateral.

The Term Loan B and high-yield bond also include incurrence covenants which only apply upon the occurrence of certain specific events or to enable certain transactions to proceed, in particular:

- an incurrence covenant will apply in the event special dividends are paid in addition to ordinary dividends[1], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x;
- secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation may be applied on an independent or additional basis, depending on the transactions planned:
  - FCCR: EBITDA[2]/Fixed charges[2]: > 2,
  - Secured debt leverage: Consolidated leverage[2]/EBITDA[2]: < 2.

Casino Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses.

Change-of-control clauses are included in all of Casino's bond financing documentation issued up to 2018, except for the documentation relating to the €600m deeply-subordinated perpetual bonds (TSSDI) issued in 2005. Change of control is established when two criteria are met:

- a third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
- this change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €2,222m at 31 December 2020, each bond investor would be entitled to request from Casino the early redemption of all its bonds at par, at its individual discretion;
- for €750m worth of TSSDI issued in 2013, the interest would be raised by an additional spread of 5% per annum and Casino would be entitled to buy back all of the bonds at par.

The documentation for the 2019 and 2020 refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings/2026 high-yield bond): an entity other than Rallye or one of its affiliated entities holds more than 50% of Casino's share capital or if substantially all of the Group's assets are sold/transferred;
- Casino Finance (RCF): a third party (other than Rallye or its affiliates) takes control of Casino Finance;
- Monoprix (RCF): Monoprix is no longer controlled by Casino and/or its subsidiaries or if the percentage of ownership interest or voting rights held (by Casino and/or its subsidiaries) is lower than 40%.

[1] 50% of Casino Group net profit attributable to owners to the parent, with a minimum of €100m per year from 2021 and an additional €100m that may be used for one or several distributions during the life of the debt.

[2] As defined in the loan agreements.

A change of control would offer the lenders the possibility of cancelling their commitments at their individual discretion (limited to one-third of the nominal amount of the RCF in the event of a change of control of Monoprix). In the case of the high-yield bond issue, Quatrim, the wholly-owned subsidiary of Casino, Guichard-Perrachon that issued the bonds, would launch a tender offer (at a specified price) in which investors could participate.

Financing of subsidiaries subject to covenants

Most of Casino Group's other loan agreements – primarily concerning Monoprix, GPA and Ségisor – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5 (4)	Annual	▪ €111m syndicated credit line
GPA (1)	Net debt (2) must not be higher than equity (3)	Quarterly/half-yearly/annually	▪ All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Ségisor	Net debt/value of GPA shares < 50% (5)	Quarterly	▪ Bank loans totalling €188m (note 11.2.4)

(1) All of GPA's covenants are based on the subgroup's consolidated financial statements.
(2) Debt less cash, cash equivalents and receivables.
(3) Consolidated equity (attributable to owners of the parent and non-controlling interests).
(4) Monoprix's covenant is based on its consolidated financial statements.
(5) Ségisor's covenant is based on its parent company financial statements.

These covenants were respected at 31 December 2020.

Exposure to liquidity risk

The table below presents a schedule of financial liabilities by maturity at 31 December 2020, including principal and interest and for undiscounted amounts.

For Rallye and the holding company scope, the repayment schedule for financial liabilities and the financial costs set out include:

- the effects of the Safeguard Plan as described in note 11.5.5, as well as the payment of interest based on the same repayment profile as the debts to which they relate;
- derivatives transactions repaid through drawdowns on a credit facility, which is backed by a fiduciary trust agreement. The characteristics of this line are described in note 2.1.

For derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. For interest rate instruments, when the amount payable or receivable is not fixed, the amount presented has been determined by reference to observed yield curves at the reporting date.

(€ millions)	Fair value at 31 Dec. 2020	Contractual cash flows	Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due in more than five years
Financial liabilities							
Bonds and other borrowings	10,919	13,117	1,508	2,038	2,900	3,668	3,003
Lease liabilities	4,988	7,047	929	908	872	1,392	2,946
Put options granted to owners of non-controlling interests	163	167	119	10	38		
Trade payables and other financial liabilities	8,063	8,063	8,012	4	8	1	38
Total	**24,133**	**28,394**	**10,568**	**2,960**	**3,818**	**5,061**	**5,987**
Derivative financial instruments							
cash inflows		*669*	*609*	*18*	*15*	*22*	*5*
cash outflows		*(664)*	*(626)*	*(11)*	*(9)*	*(15)*	*(3)*
Derivative contracts – net settled		*6*		*9*	*(3)*		
Total	**15**	**11**	**(17)**	**16**	**3**	**7**	**2**

11.5.5 Terms for the repayment of liabilities under the Safeguard Plan

The terms for the repayment of liabilities provided for by Rallye's safeguard plan are summarised below:

- The **holders of claims secured by pledges over Casino shares** (€1,153m) have all accepted the proposal set out in the Safeguard Plan. Creditors would therefore receive 85% of their claim on the third anniversary of the plan and the remaining 15% on the fourth anniversary of the plan.
- The **holders of claims secured by pledges over shares of Rallye subsidiaries other than Casino** (€204m) have all accepted the terms of the ten-year repayment schedule.
- For **unsecured claims** (in particular certain bilateral credit lines, bonds and commercial paper): 46% of the creditors concerned have accepted the terms of the ten-year repayment schedule. Following approval, the Safeguard Plan provides for the possibility of early repayment by means of the transfer of pledged UCITS units.

The ten-year repayment schedule provides for: annual repayment of 5% of the claim, starting from the third anniversary of the plan, until 2029, followed by repayment by Rallye of the remaining 65% in 2030. The last annuity of the schedule may, if applicable, be repaid through refinancing.

At 2 March 2020, 71% of creditors (representing €2,075) had accepted the Safeguard Plan.

The accounting treatment of the rescheduled debt related to the safeguard plans for the Rallye holding company scope was subject to an assessment, the impacts of which are presented in note 2.1.

In order to streamline Rallye's ownership stake in Casino and Groupe GO Sport, the companies Cobivia, HMB, Alpétrol (as provided in their safeguard plans), and MFD were absorbed by Rallye with retroactive effect as of 1 January 2020.

11.5.6 Risks relating to the implementation of Rallye's safeguard plan

The Safeguard Plan was approved on 28 February 2020 for a duration of ten years. Its implementation remains under the supervision of the plan administrators. Any substantial changes to the Safeguard Plan within the meaning of Article L. 626-26 of the French Commercial Code would require the approval of the Paris Commercial Court. If the company subject to the safeguard proceedings does not fulfil its commitments within the timeframe set out in the plan, the Paris Commercial Court could vote on the resolution of the plan after obtaining the opinion of the public prosecutor and the plan administrators upon presentation of their report. In the event that the Court acknowledges the suspension of payments during the implementation of the Safeguard Plan, the Court will initiate administration proceedings, unless administration is manifestly not possible, in which case the Court will initiate liquidation proceedings.

Note 12. Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Rallye shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control only affect shareholders' equity because there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in shareholders' equity attributable to owners of Rallye. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met:

- the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and
- in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the entity's own equity instruments, or it is a derivative that will be settled solely by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

Eligible external and internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Treasury shares are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact on profit or loss for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in note 11.

12.1 Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development.

Rallye signed a new liquidity agreement with Rothschild Martin Maurel, which came into effect on 1 January 2019 and replaced the previous agreement dated 10 June 2005. The new agreement takes into account the changes in regulations governing such agreements, and complies with AMF decision 2018-01 dated 2 July 2018. On 24 May 2019, Rallye announced that it had terminated this liquidity agreement.

In addition, under a share buyback programme approved by the Annual Shareholders' Meeting, Rallye is authorised to purchase Company shares in order to cover stock option plans for new or existing shares, allocate free shares to employees and Directors, promote market liquidity for the Company's shares, keep them for subsequent delivery in payment or exchange in possible merger and acquisition transactions, and cancel them up to a maximum number not to exceed 10% of share capital.

12.2 Share capital

Share capital amounts to €157m, made up of 52,181,769 shares, each with a par value of €3.

Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, other than by capitalisation of reserves, retained earnings or additional paid-in capital, by up to €66m.

12.3 Securities with entitlement to new shares

The Group has awarded shares to its employees under the free share plans described in note 8.3.

12.4 Breakdown of additional paid-in capital, treasury shares and retained earnings

Share issue, merger and contribution premiums relate to the parent company.

Consolidated reserves comprise:

- parent company reserves after consolidation adjustments;
- equity of subsidiaries – as restated in accordance with Group accounting policies – less the carrying amount of the shares held by the Group, plus any goodwill;
- the cumulative effect of changes in accounting policies and corrections of errors;
- foreign currency translation reserves in foreign subsidiaries (note 12.6.2);
- net change in fair value of available-for-sale financial assets;
- net change in fair value of cash flow hedges.

12.5 Other equity instruments

Casino TSSDIs

At the beginning of 2005, Casino Group issued 600,000 deeply-subordinated perpetual bonds (TSSDI) for a total amount of €600m. The bonds are redeemable solely at Casino Group's discretion and interest payments are due only if Casino Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the ten-year constant maturity swap rate plus 100 bps, capped at 9%. In 2020, the average coupon was 1% (2019: 1.65%).

On 18 October 2013, Casino Group issued €750m worth of perpetual hybrid bonds (7,500 bonds) on the market. The bonds are redeemable at Casino Group's discretion with the first call date set for 31 January 2019 (not exercised) and the second on 31 January 2024. The bonds paid interest at 4.87% until 31 January 2019. Since then, as specified in the prospectus, the interest rate has been reset at 3.992%. This rate will be reset every five years.

Given their specific characteristics in terms of maturity and remuneration, these bonds are carried in equity for a total amount of €1,350m.

Issuance costs net of tax have been recorded as a deduction from equity.

12.6 Other information on consolidated reserves

12.6.1 Breakdown of other reserves

(€ millions)	Cash flow hedges	Net investment hedges	Foreign currency translation reserves	Actuarial gains and losses	Equity instruments[1]	Debt instruments[1]	Total other reserves
At 1 January 2019 (restated)	**(3)**	**(4)**	**(1,217)**	**(56)**	**(57)**	**(3)**	**(1,340)**
Movements for the year	(14)	(2)	(42)	(7)		2	(63)
At 31 December 2019 (restated)	**(17)**	**(6)**	**(1,259)**	**(63)**	**(57)**	**(1)**	**(1,403)**
Movements for the year	(6)	(4)	(286)	(5)	(2)		(303)
At 31 December 2020	**(23)**	**(10)**	**(1,545)**	**(68)**	**(59)**	**(1)**	**(1,706)**

(1) Financial instruments at fair value through other comprehensive income.

12.6.2 Foreign currency translation reserves

The foreign currency translation reserve corresponds to cumulative exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables included in the Group's net investment in these subsidiaries, at the closing rate.

Translation reserves by country

The following table presents foreign currency translation reserves by country. The negative €1,355m change in 2020 included a negative €286m impact on equity attributable to owners of the parent.

(€ millions)	31 December 2020			31 December 2019 (restated)		
Country	Attributable to owners of the parent	Attributable to non-controlling interests	Total translation reserve	Attributable to owners of the parent	Attributable to non-controlling interests	Total translation reserve
Brazil	(1,198)	(4,594)	**(5,792)**	(978)	(3,838)	**(4,816)**
Argentina	(121)	(181)	**(302)**	(110)	(137)	**(247)**
Colombia	(180)	(643)	**(823)**	(149)	(432)	**(581)**
Uruguay	(58)	(157)	**(215)**	(36)	(97)	**(133)**
United States	9	10	**19**	9	10	**19**
Poland	3	4	**7**	8	7	**15**
Indian Ocean				(5)	(7)	**(12)**
Hong Kong				1		**1**
Other		(1)	**(1)**	1	1	**2**
Total	**(1,545)**	**(5,562)**	**(7,107)**	**(1,259)**	**(4,493)**	**(5,752)**

12.6.3 Notes to the statement of comprehensive income

(€ millions)	2020	2019
Cash flow hedges and cash flow hedge reserve (1)	**(12)**	**(20)**
Change in fair value during the year	(15)	(27)
Reclassifications to profit or loss	(2)	
Income tax (expense) benefit	5	7
Hedges of net investments in foreign operations	**(4)**	**(1)**
Change in fair value during the year	(4)	(1)
Reclassifications to profit or loss related to disposals over the year		
Income tax (expense) benefit		
Debt instruments and other instruments at fair value through other comprehensive income	**1**	**8**
Change in fair value during the year	1	9
Reclassifications to profit or loss		
Income tax (expense) benefit		(1)
Foreign currency translation reserves (note 12.6.2)	**(1,328)**	**(110)**
Foreign currency translation reserves for the year	(1,341)	(124)
Reclassifications to profit or loss related to disposals over the year	13	14
Income tax (expense) benefit		
Equity instruments at fair value through other comprehensive income	**(5)**	**(12)**
Change in fair value during the year	(5)	(12)
Income tax (expense) benefit		
Actuarial gains and losses	**(10)**	**(12)**
Adjustments for the year	(15)	(18)
Income tax (expense) benefit	5	6
Share of other comprehensive income (loss) of equity-accounted investees	**(27)**	**(5)**
Cash flow hedges and cash flow hedge reserve – net change in fair value		(3)
Foreign currency translation reserve – adjustments for the year	(27)	(1)
Equity instruments at fair value through other comprehensive income – change in fair value		(1)
Total	**(1,385)**	**(152)**

(1) The change in the cash flow hedge reserve in 2020 and 2019 was not material.

12.7 Material non-controlling interests

The following table provides detailed information on material non-controlling interests:

(€ millions) *Country*	Casino [1] *France*	GPA [2] *Brazil*	Other	Total *restated*
1 January 2019 (restated)	**3,819**	**5,153**	**52**	**9,024**
% ownership interests held by non-controlling interests [3]	*47.9%*	*66.9%*		
% voting rights held by non-controlling interests [3]	*36.6%*	*0.1%*		
Net income (loss) for the year	**(657)**	**117**	**(11)**	**(551)**
Other comprehensive income (loss) [4]	(44)	(48)		(92)
Dividends paid/payable	(80)	(73)	(19)	(172)
Other movements	(58)	(1,730)	48	(1,740)
31 December 2019 (restated)	**2,980**	**3,419**	**70**	**6,469**
% ownership interests held by non-controlling interests [3]	*47.3%*	*58.7%*		
% voting rights held by non-controlling interests [3]	*38.2%*	*0.1%*		
Net income (loss) for the year	**(393)**	**223**	**1**	**(169)**
Other comprehensive income (loss) [4]	(270)	(798)	(10)	(1,078)
Dividends paid/payable		(75)	(5)	(80)
Other movements	(47)	13	19	(15)
31 December 2020	**2,270**	**2,782**	**75**	**5,127**
% of ownership interests held by non-controlling interests [3]	*47.4%*	*58.8%*		
% voting rights held by non-controlling interests [3]	*36.9%*	*0.1%*		

(1) Including holders of deeply-subordinated perpetual bonds (TSSDI) for €1,350m (note 12.4).

(2) GPA owns 97% of Éxito (Colombia), which in turn owns the Uruguayan and Argentinian operations (note 17).

(3) The percentages of non-controlling interests set out in this table do not include the Group's own non-controlling interests in sub-groups.

Percentages for GPA relate to the Casino Group scope; percentages for Casino relate to the Rallye Group scope.

At 31 December 2019, Casino held 99.9% of GPA's voting rights and 41.3% of its capital. Since GPA was first listed on the B3 listing segment of Brazil's Novo Mercado on 2 March 2020, its share capital has comprised a single share class. At 31 December 2020, Casino holds 41.2% of the capital and voting rights of GPA, which is fully consolidated in Casino Group's consolidated financial statements. Full consolidation results from Casino Group's assessment that it has de facto control of GPA owing to the fact that (i) the remaining shares of GPA are held by widely-dispersed shareholders and (ii) a majority of Casino members have been appointed to GPA's Board of Directors.

(4) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.

The table below presents the summarised financial information of the main subsidiary (Casino) in which the Rallye Group has material non-controlling interests. These disclosures are presented in accordance with IFRS, adjusted if necessary to reflect fair value re-measurements on the date control was taken or lost, and restatements to ensure consistency of accounting principles with those of the Group. The amounts are shown before intragroup eliminations.

(€ millions)	Casino Group	
	2020	2019 (restated)
% ownership interests held by non-controlling interests	*47.38%*	*47.29%*
% voting rights of non-controlling interests	*36.86%*	*38.18%*
Net sales	31,912	34,645
Net income (loss) from continuing operations	(152)	(283)
Net income (loss) from discontinued operations	(508)	(1,054)
Consolidated net income (loss)	**(660)**	**(1,338)**
Attributable to non-controlling interests in Casino subsidiaries	*225*	*106*
Attributable to non-controlling interests in Casino	*(394)*	*(657)*
Attributable to non-controlling interests in Casino Group	***(168)***	***(551)***
Other comprehensive income (loss)	(1,377)	(142)
Total comprehensive income (loss) for the year	**(2,037)**	**(1,480)**
Attributable to non-controlling interests in Casino subsidiaries	*(581)*	*58*
Attributable to non-controlling interests in Casino	*413*	*(608)*
Attributable to non-controlling interests in Casino Group	***(168)***	***(550)***
Non-current assets	20,754	23,300
Current assets	9,763	12,647
Non-current liabilities	(12,461)	(14,485)
Current liabilities	(11,937)	(13,206)
Net assets	**6,118**	**8,256**
Attributable to non-controlling interests in Casino subsidiaries	*2,855*	*3,488*
Attributable to non-controlling interests in Casino (1)	*2,272*	*2,981*
Attributable to non-controlling interests in Casino Group	***5,127***	***6,469***
Net cash from operating activities	2,222	1,120
Net cash from (used in) investing activities	(466)	(32)
Net cash from (used in) financing activities	(2,117)	(2,088)
Effect of changes in exchange rates on cash and cash equivalents	(494)	16
Change in cash and cash equivalents	**(856)**	**(984)**
Dividends paid during the year to:		
Non-controlling interests in Casino subsidiaries (2)	*(80)*	*(92)*
Non-controlling interests in Casino (2)		*(80)*
Total dividends paid by Casino and its subsidiaries to non-controlling interests	***(80)***	***(172)***

(1) Including €1,350m relating to issues of TSSDIs by Casino (note 12.5).

(2) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.8 Dividends

In connection with the safeguard proceedings, Rallye's Board of Directors asked shareholders at the 2020 Shareholders' Meeting to approve the proposal not to pay a dividend in respect of 2019. The same proposal will be submitted for the 2020 dividend at the 2021 Shareholders' Meeting.

12.9 Earnings per share

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, less treasury shares.

Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings are adjusted for the dilutive effects on earnings of subsidiaries;
- denominator: the basic number of shares is adjusted to include potential shares corresponding to dilutive instruments (stock options and free shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments giving access to capital ("Securities with entitlement to new shares") are only included in the above calculation when their settlement would have a dilutive impact on earnings per share.

12.9.1 Weighted average number of shares

	31 December 2020	31 December 2019
Weighted average number of shares outstanding during the year:		
▪ total shares	52,298,222	52,496,931
▪ treasury shares		(3,754)
Weighted average number of shares before dilution	**52,298,222**	**52,493,177**
▪ Free share plans	368,330	346,959
Dilutive effect of stock option plans	**368,330**	**346,959**
Weighted average number of shares after dilution	**52,666,552**	**52,840,136**

12.9.2 Net income (loss) attributable to owners of the Company

(€ millions)	*Notes*	2020	2019 (restated)
Net income (loss), Group share		**(303)**	**(970)**
Diluted net income (loss), Group share		**(303)**	**(970)**
Net income (loss) from discontinued operations	3.4.2	(263)	(550)
Diluted net income (loss) from continuing operations		**(40)**	**(420)**

12.9.3 Earnings per share

	2020	2019 (restated)
Consolidated net income (loss), Group share *(€ millions)*	**(303)**	**(970)**
Consolidated net income (loss), Group share *(€ per share)*:		
▪ before dilution	(5.80)	(18.47)
▪ after dilution	(5.80)	(18.47)
Net income (loss) from continuing operations, Group share *(€ millions)*	**(40)**	**(420)**
Net income (loss) from continuing operations, Group share *(€ per share)*:		
▪ before dilution	(0.77)	(7.99)
▪ after dilution	(0.77)	(7.99)
Net income (loss) from discontinued operations, Group share *(€ millions)*	**(263)**	**(550)**
Net income (loss) from discontinued operations, Group share *(€ per share)*:		
▪ before dilution	(5.03)	(10.48)
▪ after dilution	(5.03)	(10.48)

Note 13. Other provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.

In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the notes to the financial statements.

13.1 Breakdown of and movements in provisions

(€ millions)	Provisions at 1 January 2020	Additions during the year	Reversals used during the year	Reversals not used during the year	Changes in scope of consolidation	Effect of movements in exchange rates	Other	Provisions at 31 Dec. 2020
Claims and litigation	444	156	(28)	(49)	2	(125)	9	**409**
Other risks and expenses	125	31	(29)	(22)	(2)	(1)	(5)	**97**
Restructuring	50	54	(37)	(5)	4		(9)	**57**
Total other provisions	**619**	**241**	**(94)**	**(76)**	**4**	**(126)**	**(5)**	**563**
... of which non-current	*466*	*138*	*(31)*	*(44)*	*(4)*	*(125)*	*(26)*	***374***
... of which current	*153*	*103*	*(63)*	*(32)*	*8*	*(1)*	*21*	***189***

Provisions for claims and litigation, and for other risks and expenses are composed of a wide variety of provisions for employee-related disputes (before a labour court), property disputes (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax disputes and business claims (trademark infringement, etc.) or indirect taxation disputes.

Provisions for claims and litigation amount to €409m and include €351m for GPA (note 13.2). Of this amount, additions to provisions, reversals of used provisions and reversals of surplus provisions, respectively, amounted to a positive €123m, a negative €22m and a negative €36m.

13.2 Breakdown of GPA provisions for claims and litigation

(€ millions)	PIS/Cofins/CPMF disputes (1)	Other tax disputes (2)	Employee disputes	Civil litigation	**Total**
31 December 2020	48	223	55	25	**351**
31 December 2019	13	302	68	28	**411**

(1) VAT and similar taxes.

(2) Indirect taxes (mainly ICMS tax on sales and services in Brazil).

In the context of the litigation disclosed above and below in note 13.3, GPA is contesting the payment of certain taxes, contributions and payroll obligations. The bonds posted by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets" (note 6.9.1). GPA has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (note 6.11).

(€ millions)	31 December 2020			31 December 2019		
	Bonds posted by GPA (1)	Assets pledged as collateral (2)	Bank guarantees (2)	Bonds posted by GPA (1)	Assets pledged as collateral (2)	Bank guarantees (2)
Tax disputes	29	118	1,618	53	187	2,029
Employee disputes	74		112	105		119
Civil and other litigation	5	1	91	18	2	104
Total	**108**	**119**	**1,821**	**176**	**189**	**2,252**

(1) See note 6.9.

(2) See note 6.11.

13.3 Contingent assets and liabilities

In the normal course of its business, Casino Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries (mainly involving GPA – see below).

As stated in note 3.2.5, no associates or joint ventures have any significant contingent liabilities.

Proceedings brought by the DGCCRF (French competition authority) against AMC and INCAA and investigations by the French and European competition authorities

On 28 February 2017, the French Ministry of the Economy, represented by the Department of Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino in the Paris Commercial Court. The case involves a series of credit notes totalling €22m issued in 2013 and 2014 by 41 suppliers. The DGCCRF is seeking repayment of this sum to the suppliers concerned together with a fine of €2m.

On 27 April 2020, the Paris Commercial Court handed down its decision, dismissing most of the DGCCRF's claims. The Court considered that there was no evidence to support DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepted the DGCCRF's claims concerning the other seven suppliers. Casino Group was ordered to refund a series of credit notes issued in 2013 and 2014 by the seven suppliers for a total of €2m, and to pay a fine of €1m.

In early January 2021, the DGCCRF filed an appeal against the Paris Commercial Court's decision. As no application was made for provisional enforcement, the appeal has suspensive effect.

Casino Group maintains that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned. Based on this and on the advice of its legal counsel, Casino Group considers that the associated risk on its financial statements is limited.

On 11 April 2017, the common purchasing entity INCA Achats, and its parent companies Intermarché and Casino, were prosecuted for economic imbalance and abusive commercial practices that allegedly took place in 2015 against 13 multinational companies in the hygiene and fragrance industry, with a fine of €2m.

The proceedings in both cases are still in progress. Casino Group considers that it complied with the applicable regulations during negotiations with the suppliers concerned by both sets of proceedings. Based on this and on the advice of its legal counsel, Casino Group considers that the associated risk on its financial statements is limited.

Casino Group is also the subject of regular investigations conducted by the French and European competition authorities.

In early February 2017, representatives of France's Competition Authority raided the premises of Vindémia Logistique and Vindémia Group and seized certain documents concerning their consumer goods supply and distribution activities on Reunion Island.

On 7 December 2020, the Competition Authority officially ruled that it no longer has jurisdiction over this case.

At the end of February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon, Achats Marchandises Casino – A.M.C. (formerly E.M.C. Distribution) and Intermarché-Casino Achats (INCA-A), in connection with an investigation into fast-moving consumer goods supply contracts, contracts for the sale of services to manufacturers of branded products and contracts for the sale of fast-moving consumer goods to consumers.

In May 2019, representatives of the European Commission conducted additional raids of the premises of the same companies (except for INCA-A, which has since ceased operations and is in the process of being liquidated).

The European Commission has not issued any complaints at this stage.

On 5 October 2020, the General Court of the European Union ruled that the raids conducted by the Commission in February 2017 were partially unlawful. The case is currently being appealed before the Court of Justice of the European Union, seeking to have all of the 2017 raids classified as unlawful; proceedings are also currently pending before the General Court of the European Union in respect of the raids carried out in May 2019. The Group is not currently able to reliably predict the outcome of this matter.

In June 2018, after giving notice in accordance with French law No. 2015-990 of 6 August 2015, the French Competition Authority launched an investigation into the creation of joint purchasing organisations in the food retailing sector.

The investigation concerns in particular the Horizon central purchasing organisation set up between Auchan, Casino, Metro and Schiever. On 22 October 2020, the Competition Authority officially closed its investigation into the Horizon central

purchasing organisation, subject to Horizon's compliance with the commitments undertaken to limit the extent of its cooperation on private-label brands.

Arbitration between GPA and Peninsula

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Inmobiliáro Peninsula ("Peninsula") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Peninsula and operated by GPA. The agreements have a duration of 20 years as from 2005 and are renewable for another 20-year period at the sole discretion of GPA. They set out the method for calculating rental charges.

Despite the discussions concerning application of the lease terms, the request for arbitration has no impact on the operation of the leased stores, which is contractually guaranteed. At this stage of the arbitration process, it is not possible to make a reasonable estimate of the related risk. Based on the opinion of its legal advisors, the Company considers as possible the risk of an unfavourable ruling by the arbitral tribunal.

Dispute between Cnova and Via Varejo

On 31 October 2016, ahead of the GPA's announcement of its decision to start negotiations for the sale of its stake in Via Varejo, Via Varejo completed its combination with Cnova Brazil, responsible for the Group's E-commerce business in the country. The combination involved the acquisition by Via Varejo of 100% of Cnova Brazil's shares from Cnova N.V. ("Cnova"). The combination agreement included the usual vendor warranty compensation clauses.

In September 2019, Via Varejo notified Cnova of a guarantee call for an undocumented amount of around BRL 65m (€11m), concerning litigation with employees and customers. Following this notification, Cnova and Via Varejo exchanged information in order to determine the substance and, where appropriate, the scope of the compensation claim. In light of the extensive analyses currently in progress and the discussions that are likely to result from the analyses, Cnova is unable to determine the extent of its exposure to this risk. On 20 July 2020, Cnova received notification that Via Varejo had commenced arbitration proceedings. On 22 January 2021, Via Varejo submitted its declaration in connection with these proceedings but no additional evidence has been provided. Accordingly, Cnova remains unable to determine the extent of the risk and/or of its liability, if any.

GPA tax, social and civil contingent liabilities

(€ millions)	31 December 2020	31 December 2019
INSS (employer's social security contributions)	78	100
IRPJ – IRRF and CSLL (corporate income taxes)	163	234
PIS, COFINS and CPMF (VAT and similar taxes)	560	448
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	24	27
ICMS (state VAT)	967	1,355
Civil litigation	65	89
Total	**1,858**	**2,253**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. At 31 December 2020, the estimated amount was €30m (31 December 2019: €44m).

Moreover, Casino has given a specific guarantee to its Brazilian subsidiary concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,432m at 31 December 2020 (31 December 2019: BRL 1,409m), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify GPA for 50% of any damages incurred, provided those damages are definitive. Based on the commitment given by Casino to its subsidiary, the risk exposure amounts to BRL 716m (€112m) (31 December 2019: BRL 705m, representing €156m). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

GPA contingent assets

Exclusion of ICMS from the PIS/COFINS tax base

Since the adoption of non-cumulative regime to calculate PIS and COFINS tax credits, GPA has challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA's position was supported by a Brazilian federal supreme court (STF) ruling on 15 March 2017 that the ICMS tax should be excluded from the PIS and COFINS tax base.

On 29 October 2020, GPA was notified of a final favourable ruling on its main claim initially filed in 2003. Based on this court decision, GPA considered that the uncertainty that had previously led it to consider this asset as "contingent" within the meaning of IAS 37 had resolved. Accordingly, it recognised a tax credit, net of provisions, amounting to BRL 1,608m (i.e., income of €273m recorded in profit before tax for the year), of which BRL 995m (€169m) recognised in net sales (note 5.1) and BRL 613m (€104m) recognised in "Other financial income" (note 11.3.2).

At 31 December 2020, the only decision pending related to the legal proceedings concerning the former Sendas subsidiaries, which have since been merged into Sendas SA. Consequently, the corresponding tax credit, estimated at BRL 118m (€19m) continues to be classified as a contingent asset and is not recognised in the statement of financial position.

Pursuant to the shareholder agreements between GPA and the Klein family following the creation of Via Varejo, which were still in force at 31 December 2020, GPA has a legal right to obtain from Via Varejo the aforementioned tax credits in respect of its former subsidiary Globex for the 2003-2010 period. As a result of the final ruling obtained by Via Varejo on its proceedings with the tax authorities in May 2020, GPA has an unconditional right to obtain a refund of these tax credits from Via Varejo. GPA has recognised a gross amount of BRL 231m (€39m) in its income statement in this respect (note 3.4.2). Pending full legal documentation from Via Varejo for the 2003-2007 period, GPA considers these tax credits as a contingent asset with an estimated value of BRL 277m (€43m) at 31 December 2020.

Note 14. Related-party transactions

Related parties are:

- parent companies (mainly Foncière Euris, Finatis and Euris);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (note 17);
- associates (primarily Mercialys) (note 3.2.6);
- joint ventures (note 3.2.6);
- members of the Board of Directors and Management Committee (note 8.4).

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Transactions with related equity-accounted investees are presented in note 3.2.6.

The Company has relations with all of its subsidiaries in its day-to-day management of the Group.

The Rallye Group's financial statements are included in the consolidated financial statements of Foncière Euris, whose registered office is located at 83, rue du Faubourg Saint-Honoré – 75008 Paris – France (Siren no. 702 023 508) for the year ended 31 December 2020.

The Company and its subsidiaries receive strategic advice from Foncière Euris and Euris, the ultimate holding company, under strategic advice and assistance agreements, as well as other routine services from Euris and Foncière Euris (technical assistance, provision of staff and premises).

The expenses recorded during the year in respect of these agreements totalled €7.8m, of which €7.1m for strategic and technical advisory services and €0.7m for the provision of staff and premises.

In connection with the deployment of its dual model combining retail and commercial real estate activities, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (note 3.2.6).

In November 2020, Casino Group signed an agreement with the Foncière Euris group to incorporate the Centrum Krakow shopping centre into its 2014 partnership agreement concerning the Serenada shopping mall. This agreement provides for a link-up between these two centres with the aim of creating a regional leader in the north of Krakow. In 2020, Casino Group committed to this new partnership by investing €13m in two companies jointly controlled with the Foncière Euris group.

Note 15. Subsequent events

— *Global offer on Rallye's unsecured debt as part of a modified Dutch auction process*

On 22 January 2021, Rallye launched a global tender offer for its unsecured debt (including bonds and commercial paper) as part of a modified Dutch auction process (the "Tender Offer").

Tender Offer

The purpose of the Tender Offer is to (i) provide holders of unsecured debt with the opportunity of having all or part of their claims repurchased at a price determined as part of a modified Dutch auction and (ii) improve Rallye's debt profile, in the context of the implementation of its Safeguard Plan approved on 28 February 2020 by the Paris Commercial Court.
The Tender Offer, for a maximum amount of €75m, began on 22 January 2021 and expired on 5 February 2021.

Tender Offer financing

The Tender Offer will be financed by a new financing repayable in fine, consisting of a bond issue and a bank loan for a total of €82.4m (including the financing of the arrangement fee due to the lenders), for which Rallye has already obtained firm commitments from Marc Ladreit de Lacharrière and some banks.

This new financing, the terms and conditions of which are set out in the press release dated 22 January 2021, will have a four-year maturity from the signing of the agreements related to said financing, it being specified that drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest, up to a limit of two drawdowns.

Determination of the purchase price of the global Tender Offer

On 5 February 2021, after it was announced that the closing date of the Tender Offer would be postponed to 10 February 2021, Rallye set the purchase price under the Tender Offer at 20% of the amount of the claim (i.e., the maximum purchase price initially set by Rallye).

Results of the global Tender Offer

On 11 February 2021, Rallye announced the revised results of its Tender Offer.

Subject to the fulfilment of the conditions precedent set out below:

- Rallye will acquire a total amount of unsecured debt of approximately €195.4m for a total repurchase price of approximately €39.1m, reducing the total amount of its net debt by approximately €156.3m; and
- the total amount of unsecured debt purchased under the Tender Offer is allocated between different instruments.

Completion of the Tender Offer is notably subject to (i) the approval by the Paris Commercial Court of the amendment to Rallye's safeguard plan in order to authorise the effective completion of the Tender Offer and the implementation of the new financing for the Tender Offer (see Rallye press release dated 22 January 2021) and (ii) the availability of the proceeds of the new financing.

On 12 February 2021, Rallye filed a request with the Paris Commercial Court to amend its safeguard plan.

— *Approval for the listing of Assaí*

On 19 February 2021, GPA announced that it had received (i) on 10 February 2021 approval to list the shares issued by Sendas Distribuidora SA (Assaí) on the Novo Mercado segment of the B3 SA – Brasil, Bolsa, Balcão, and (ii) on 12 February 2021, approval to list the American Depositary Securities (ADSs) of Assaí on the New York Stock Exchange. These listings take place in the context of previously announced transactions to restructure and spin off certain GPA assets (note 2.2). Assaí shares, which were initially wholly owned by GPA, were distributed to GPA shareholders at a ratio of one Assaí share for each GPA share. The trading of Assaí shares and ADSs began on 1 March 2021.

Following the listing of Assaí, Casino Group, which previously held a 41.2% stake in GPA, held 41.2% of GPA and an identical stake in Assaí.

— *Rallye announces its entry into exclusive negotiations with Financière Immobilière Bordelaise for the sale of Groupe GO Sport*

On 10 March 2021, Rallye announced it had entered into exclusive negotiations with Financière Immobilière Bordelaise for the sale of the entire share capital of Groupe GO Sport for a price of €1 without any representation and warranties given by Rallye.

Completion of the sale is notably subject to the consultation of Groupe GO Sport employee representative bodies (*instances représentatives du personnel*), the approval of the transaction by the relevant antitrust authorities, the waiver by the Paris Commercial Court of the non-transferability of Groupe GO Sport shares, and the agreement of Groupe GO Sport banks to maintain and amend their current outstanding loans.

Completion of the sale may occur before the end of the first half of 2021.

Note 16. Statutory Auditors' fees

(€ millions)	2020		2019	
	EY	KPMG	EY	KPMG
Statutory audit and review of the parent company and consolidated financial statements	7.1	0.5	6.8	0.7
Non-audit services	1.3	0.1	0.7	0.5
Total	**8.4**	**0.6**	**7.5**	**1.2**

Services other than the statutory audit of the financial statements ("non-audit services") provided by the Statutory Auditors to Rallye, the consolidating entity, and its subsidiaries correspond mostly to procedures related to the issuance of statements and reports on agreed-upon procedures regarding data issued from the accounting records, or regarding internal control.

Note 17. List of main consolidated companies

FC – fully consolidated; EM – equity method.
At 31 December 2020, the scope of consolidation covered 1,514 companies (compared with 1,807 companies at 31 December 2019).

Company	Registered office	Business segment	2020			2019		
			Consolidation method	% interest	% control	Consolidation method	% interest	% control
Rallye SA*	**75008 Paris, France**	**Holding company**	**Parent company**			**Parent company**		
Alpétrol SAS	75008 Paris, France	Holding company	-	-	-	FC	100.0	100.0
Cobivia SAS	75008 Paris, France	Holding company	-	-	-	FC	100.0	100.0
H.M.B SAS	75008 Paris, France	Holding company	-	-	-	FC	100.0	100.0
Kergorju SCI	29200 Brest, France	Retailing	FC	100.0	100.0	FC	100.0	100.0
Magasins Jean SAS	29200 Brest, France	Retailing	FC	100.0	100.0	FC	100.0	100.0
Miramont Finance & Distribution SA	75008 Paris, France	Holding company	-	-	-	FC	100.0	100.0
Perrières (Des) SCI	75008 Paris, France	Property	FC	100.0	100.0	FC	100.0	100.0
Sables (Les) SCI	75008 Paris, France	Property	FC	62.5	62.5	FC	62.5	62.5
Parande SAS	**75008 Paris, France**	**Holding company**	**FC**	**100.0**	**100.0**	**FC**	**100.0**	**100.0**
Centrum Baltica SA	Luxembourg	Holding company	EM	40.0	25.0	EM	25.0	25.0
Centrum Development Luxembourg SA	Luxembourg	Holding company	EM	20.0	20.0	FC	100.0	100.0
Centrum Krakow SA	Luxembourg	Holding company	EM	20.0	20.0	-	-	-
Centrum Krokus SP Zoo	Warsaw, Poland	Property development	EM	16.0	16.0	-	-	-
Centrum Lacina SP Zoo	Warsaw, Poland	Property development	EM	5.4	27.0	EM	8.6	27.0
Centrum Serenada SP Zoo	Warsaw, Poland	Property development	EM	16.0	16.0	-	-	-
Centrum Poznan SA	Luxembourg	Holding company	EM	20.0	20.0	EM	35.0	35.0
Centrum Warta SA	Luxembourg	Holding company	EM	20.0	20.0	EM	35.0	35.0
IG Real Estate Investments SRL	Bucharest, Romania	Property development	FC	81.6	100.0	FC	81.6	100.0
IG Romanian Investments Ltd	Nicosia, Cyprus	Investments	FC	81.6	81.6	FC	81.6	81.6
Immat Bel SNC	75008 Paris, France	Holding company	-	-	-	EM	20.0	20.0
Pargest SAS	75008 Paris, France	Investments	FC	100.0	100.0	FC	100.0	100.0
Pargest Holding SAS	75008 Paris, France	Holding company	FC	100.0	100.0	FC	100.0	100.0
Parinvest SAS	75008 Paris, France	Investments	FC	100.0	100.0	FC	100.0	100.0
Pont de Grenelle SCI	75008 Paris, France	Holding company	EM	20.0	20.0	EM	20.0	20.0
Projekt SP Zoo	Warsaw, Poland	Property development	EM	33.0	33.0	EM	33.0	33.0
Ruban Bleu Saint-Nazaire SCI	92300 Levallois-Perret, France	Property management	EM	50.0	50.0	EM	50.0	50.0
Euristates Inc.	Wilmington, Delaware, USA	Holding company	FC	100.0	100.0	FC	100.0	100.0
EREC Ventures LLC	Wilmington, Delaware, USA	Holding company	-	-	-	FC	99.7	100.0
Euris Real Estate Corp.	Wilmington, Delaware, USA	Holding company	-	-	-	FC	100.0	100.0
Groupe GO Sport SAS	**38360 Sassenage, France**	**Sport**	**FC**	**100.0**	**100.0**	**FC**	**100.0**	**100.0**
Buissières (Les) SAS	38360 Sassenage, France	Property	FC	100.0	100.0	FC	100.0	100.0
GO Sport France SAS	38360 Sassenage, France	Sport	FC	100.0	100.0	FC	100.0	100.0
GO Sport Les Halles SNC	38360 Sassenage, France	Sport	FC	100.0	100.0	FC	100.0	100.0
Grand Large Sport SAS	38360 Sassenage, France	Sport	FC	100.0	100.0	FC	100.0	100.0
Sport Trade Marketing International ("STMI") Sàrl	CH1215 Geneva, Switzerland	Sport	EM	50.0	50.0	EM	50.0	50.0
Casino, Guichard-Perrachon SA*	**42000 Saint-Étienne, France**	**Retailing**	**FC**	**52.6**	**63.1**	**FC**	**52.7**	**61.8**
Achats Marchandises Casino ("AMC") SAS	94400 Vitry-sur-Seine, France	Purchases	FC	52.6	100.0	FC	52.7	100.0
Casino Carburants SAS	42000 Saint-Étienne, France	Service stations	FC	52.6	100.0	FC	52.7	100.0
Casino Finance SA	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
Casino International SAS	42000 Saint-Étienne, France	Services	FC	52.6	100.0	FC	52.7	100.0
Casino Participations France SAS	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
Casino Restauration SAS	42000 Saint-Étienne, France	Food services	FC	52.6	100.0	FC	52.7	100.0

** Listed company.*

Company	Registered office	Business segment	2020			2019		
			Consolidation method	% interest	% control	Consolidation method	% interest	% control
Casino Services SAS	42000 Saint-Étienne, France	Services	FC	52.6	100.0	FC	52.7	100.0
CD Supply Innovation SL	Madrid, Spain	Purchases	EM	26.3	50.0	EM	26.4	50.0
Distribution Casino France SAS ("DCF")	42000 Saint-Étienne, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Distridyn SA	75008 Paris, France	Retailing	EM	26.3	50.0	EM	26.3	50.0
Easydis SAS	42160 Andrézieux-Bouthéon, Fr.	Logistics	FC	52.6	100.0	FC	52.7	100.0
Floa Bank (formerly Banque du Groupe Casino)	75116 Paris, France	Bank	EM	26.3	50.0	EM	26.4	50.0
Floréal SA	42000 Saint-Étienne, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Forézienne de Participations SAS	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
Géant Holding BV	Amsterdam, Netherlands	Holding company	FC	52.6	100.0	FC	52.7	100.0
Géant International BV	Amsterdam, Netherlands	Holding company	FC	52.6	100.0	FC	52.7	100.0
Geimex SA	75001 Paris, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Gelase SA	Brussels, Belgium	Holding company	FC	20.9	100.0	FC	21.0	100.0
GreenYellow SAS	42000 Saint-Étienne, France	Photovoltaics	FC	38.2	72.5	FC	38.8	73.6
Helicco Participacoes Ltda	São Paulo, Brazil	Holding company	FC	52.6	100.0	FC	52.7	100.0
Horizon Achats SARL	75002 Paris, France	Purchases	EM	23.2	44.0	EM	23.2	44.0
Horizon Appels d'Offres SARL	75002 Paris, France	Purchases	EM	23.2	44.0	EM	23.2	44.0
Intermarché Casino Achats ("INCAA") SARL	75017 Paris, France	Purchases	EM	26.3	50.0	EM	26.4	50.0
Intexa SA*	42000 Saint-Étienne, France	Photovoltaics	FC	51.5	98.9	FC	51.6	98.9
L'Immobilière Groupe Casino SAS	42000 Saint-Étienne, France	Property	FC	52.6	100.0	FC	52.7	100.0
Mayland Real Estate Sp Zoo	Warsaw, Poland	Property development	FC	52.6	100.0	FC	52.7	100.0
Mercialys SA*	75016 Paris, France	Property	EM	10.7	20.3	EM	16.1	25.2
Perspecteev SAS	75011 Paris, France	Software development	EM	25.8	49.0	EM	25.8	49.0
Quatrim SAS	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
RelevanC SAS	75008 Paris, France	Digital marketing	FC	52.6	100.0	FC	52.7	100.0
Ségisor SA	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
Sudéco SAS	42000 Saint-Étienne, France	Property management	FC	52.6	100.0	FC	52.7	100.0
Tevir SA	42000 Saint-Étienne, France	Holding company	FC	52.6	100.0	FC	52.7	100.0
Tonquin BV	Eindhoven, Netherlands	Holding company	FC	52.6	100.0	FC	52.7	100.0
Uranie SAS	42000 Saint-Étienne, France	Property	FC	52.6	100.0	FC	52.7	100.0
Vindémia Distribution SAS	Sainte-Marie, Réunion	Retailing	-	-	-	FC	52.7	100.0
Vindémia Logistique SAS	Sainte-Marie, Réunion	Logistics	-	-	-	FC	52.7	100.0
Wilkes	São Paulo, Brazil	Retailing	FC	52.6	100.0	FC	52.7	100.0
Monoprix SA (Monoprix Group)	**92116 Clichy, France**	**Retailing**	**FC**	**52.6**	**100.0**	**FC**	**52.7**	**100.0**
Aux Galeries de la Croisette SAS	92110 Clichy, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Monoprix Exploitation SAS	92110 Clichy, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Monoprix On Line (formerly Sarenza) SAS	92110 Clichy, France	E-commerce	FC	52.6	100.0	FC	52.7	100.0
Monop' SAS	92110 Clichy, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Naturalia France SAS	92110 Clichy, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "S.A.M.A.D.A."	92110 Clichy, France	Logistics	FC	52.6	100.0	FC	52.7	100.0
Société L.R.M.D.	92110 Clichy, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Codim 2 SA (Codim Group)	**20200 Bastia, France**	**Retailing**	**FC**	**52.6**	**100.0**	**FC**	**52.7**	**100.0**
Hyper Rocade 2 SNC	20600 Furiani, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Pacam 2 SNC	20167 Mezzavia, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Poretta 2 SNC	20137 Porto-Vecchio, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Prodis 2 SNC	20110 Propriano, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Franprix-Leader Price Group	**75016 Paris, France**	**Retailing**	**FC**	**52.6**	**100.0**	**FC**	**52.7**	**100.0**
Cofilead SAS	75017 Paris, France	Holding company	FC	52.6	100.0	FC	52.7	100.0

** Listed company.*

Company	Registered office	Business segment	2020			2019		
			Consolidation method	% interest	% control	Consolidation method	% interest	% control
DBMH SAS	92500 Rueil-Malmaison, Fr.	Retailing	FC	52.6	100.0	FC	52.7	100.0
Distribution Franprix SAS	94430 Chennevières-sur-Marne, Fr.	Retailing	FC	52.6	100.0	FC	52.7	100.0
Distribution Leader Price SNC	77220 Gretz-Armainvilliers, F.	Retailing	FC	52.6	100.0	FC	52.7	100.0
Distri Sud-Ouest (DSO)	31700 Blagnac, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Franprix Holding SA	75016 Paris, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Franprix Leader Price Finance SNC	94430 Chennevières-sur-Marne, Fr.	Holding company	FC	52.6	100.0	FC	52.7	100.0
HLP Ouest SAS	56100 Lorient, France	Retailing	FC	52.6	100.0	FC	36.9	70.0
Holding Ile de France 2 SAS	92310 Sèvres, France	Holding company	FC	52.6	100.0	EM	52.7	49.0
Holding Spring Expansion SAS	92310 Sèvres, France	Holding company	EM	52.6	49.0	EM	52.7	49.0
Holdi Mag SAS(1)	92024 Nanterre, France	Holding company	FC	52.6	100.0	FC	52.7	49.0
Holdev Mag SAS	92300 Levallois-Perret, Fr.	Holding company	FC	52.6	100.0	FC	52.7	100.0
Gesdis SAS(1)	92310 Sèvres, France	Holding company	FC	52.6	100.0	FC	52.7	40.0
Leader Price Exploitation SA (formerly LPH)	75016 Paris, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
N.F.L. Distribution SAS	05000 Gap, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Parfidis SAS	11000 Carcassonne, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Pro Distribution SA	92370 Chaville, France	Holding company	FC	36.8	70.0	FC	36.9	70.0
R.L.P. Investissement SARL	77220 Gretz-Armainvilliers, Fr.	Retailing	FC	52.6	100.0	FC	52.7	100.0
Sarjel SAS	94100 St-Maur-des-Fossés, Fr.	Finance	FC	52.6	100.0	FC	52.7	100.0
Sédifrais SA	95560 Montsoult, France	Retailing	FC	52.6	100.0	FC	52.7	100.0
Sofigep	92500 Rueil-Malmaison, Fr.	Retailing	FC	52.6	100.0	FC	52.7	100.0
Cnova N.V. Group*	**Amsterdam, Netherlands**	**E-commerce**	**FC**	**41.5**	**99.5**	**FC**	**41.6**	**99.5**
Cdiscount SA	33700 Merignac, France	E-commerce	FC	41.6	100.0	FC	41.6	100.0
C-Logistics SAS	33700 Merignac, France	E-commerce	FC	43.3	100.0	FC	43.4	100.0
Cnova Pay SAS	33300 Bordeaux, France	E-commerce	FC	41.5	100.0	FC	41.6	100.0
Groupe GPA* (3)	**São Paulo, Brazil**	**Retailing**	**FC**	**21.7**	**41.2**	**FC**	**21.7**	**99.9**
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento ("FIC")(2)	São Paulo, Brazil	Financing	EM	7.8	50.0	EM	7.8	50.0
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda.	São Paulo, Brazil	Property	FC	21.7	100.0	FC	21.7	100.0
Novasoc Comercial Ltda	São Paulo, Brazil	Retailing	FC	21.7	100.0	FC	21.7	100.0
Sendas Distribuidora SA(3)	São João de Meriti, Brazil	Retailing	FC	21.7	41.2	FC	21.7	100.0
Éxito Group*(4) (5)	**Medellín, Colombia**	**Retailing**	**FC**	**20.9**	**96.6**	**FC**	**21.0**	**96.6**
Devoto	Montevideo, Uruguay	Retailing	FC	20.9	100.0	FC	21.0	100.0
Éxito Industrias S.A.S.	Municipio de Envigado, Colombia	Retailing	FC	20.5	98.0	FC	20.6	98.0
Grupo Disco Uruguay	Montevideo, Uruguay	Retailing	FC	13.1	75.1	FC	13.1	75.1
Libertad SA	Córdoba, Argentina	Retailing	FC	20.9	100.0	FC	21.0	100.0
Logistica y transporte de Servicios SAS	Medellín, Colombia	Logistics	FC	20.9	100.0	FC	21.0	100.0
Tuya SA	Medellín, Colombia	Financing	EM	10.5	50.0	EM	10.5	50.0
Barranquilla Trust	Medellín, Colombia	Property	FC	9.6	90.0	FC	9.6	90.0
Trust Viva Malls(6)	Medellín, Colombia	Property	FC	10.7	51.0	FC	10.7	51.0
Viva Villavincencio Trust	Medellín, Colombia	Property	FC	5.4	51.0	FC	5.5	51.0

** Listed company.*

(1) As of 31 December 2019, Casino Group held potential rights conferring control.

(2) FIC finances purchases made by GPA's customers. This entity was created through a partnership between Banco Itaú Unibanco SA ("Itaú Unibanco") and GPA, and is accounted for by the equity method as GPA exercises significant influence only over its operating and financial policies.

(3) On 31 December 2020, GPA spun off its cash and carry business (Assaí) from the rest of its businesses. As a result of this operation, Casino Group, which currently holds a 41.2% stake in GPA, will hold 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assaí), whose shares were admitted to trading on 1 March 2021.

(4) Following measures taken at the end of 2019 to streamline Casino Group's structure in Latin America, 96.57% of Éxito is now held by GPA. Based on Colombian rules and regulations, a sole shareholder cannot own more than 95% of an entity's share capital. GPA therefore has 18 months from the date of the restructuring to reduce its direct shareholding in Éxito. This operation is currently in progress at GPA.

(5) On 27 April 2015, Éxito signed a contractual agreement, initially with a two-year term, granting it more than 75% of the Disco voting rights and exclusive control over the subgroup's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019 and was rolled over automatically until 30 June 2021.

(6) The trust's governance is specified in the agreement between the parties. Éxito is the majority partner and FIC has rights with respect to certain Viva Malls business decisions concerning such matters as acquisitions and disposals in excess of a certain amount or the method of setting budgets and business plan targets. The agreement also states that Éxito is the sole provider of property management, administrative and marketing services for Viva Malls and that it is paid an arm's length fee for these services. A review of the substance of FIC's rights under the agreement confirms that their effect is solely to protect FIC's investment and that, consequently, Viva Malls is controlled by Éxito.

Note 18. Standards, amendments to existing standards and interpretations published but not yet mandatory

Standards and interpretations not adopted by the European Union at the reporting date

The IASB has published the following standards, amendments to existing standards and interpretations applicable to the Group which have not yet been adopted by the European Union:

Standard *(application date for the Group subject to adoption by the European Union)*	Description of the standard
Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* (1 January 2023)	These amendments will be applicable on a retrospective basis. They aim to clarify the classification of debt and other liabilities as current or non-current.
Amendments to IFRS 3 *Reference to the Conceptual Framework* (1 January 2022)	These amendments will be applicable on a prospective basis. They update a reference to the Conceptual Framework but do not change the accounting requirements.
Amendments to IAS 16 *Property, Plant and Equipment – Proceeds before Intended Use* (1 January 2022)	These amendments will be applicable on a retrospective basis. They cancel the exception to the general rule set out in IAS 16.17e. The amendments prevent entities from deducting from the cost of an item of property, plant and equipment any proceeds produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Proceeds from the sale of such assets must be recognised in the income statement.
Amendments to IAS 37 *Onerous Contracts – Costs of Fulfilling a Contract* (1 January 2022)	These amendments will be applicable on a retrospective basis. They specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. In particular, they specify that the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract, such as for example depreciation charged against an item of property, plant and equipment used to fulfil the contract.
IFRS Annual Improvements 2018-2020 Cycle (1 January 2022)	The main standards concerned are: ▪ IFRS 9: these amendments clarify which fees an entity includes when it applies the '10% test' in assessing whether to derecognise a financial liability; ▪ IFRS 16: these amendments modify illustrative example 13 and eliminate the example dealing with payments by the lessor in respect of leasehold improvements; ▪ IFRS 1 and IAS 41 are also concerned by minor amendments. These are not applicable by the Group.

These interpretations and amendments are not expected to have any material impact on the Group's consolidated financial statements.

Chapter 4

Parent company financial statements

Statutory Auditors' report on the financial statements

Year ended 31 December 2020

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of Statutory Auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Shareholders of Rallye,

Opinion

In compliance with the engagement entrusted to us by the General Meeting of Shareholders, we have audited the accompanying financial statements of Rallye for the year ended 31 December 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

— *Audit framework*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

— *Independence*

We conducted our audit engagement in compliance with the independence rules provided for by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

— *Safeguard proceedings and plan approval*

See notes I "Accounting policies", and II "Rallye safeguard proceedings" of the financial statements

Risk identified

On 28 February 2020, the Company obtained approval for the Safeguard Plan by the Paris Commercial Court, which provides for a ten-year liabilities repayment schedule. The Paris Commercial Court had initiated safeguard proceedings for a six-month period on 23 May 2019 and extended the observation period on 25 November 2019.

Management assessed the going concern assumption based on cash flow forecasts. As set out in note I of the financial statements, the cash flow forecasts prepared for the next 12 months show a cash flow position that management considers to be in line with the estimated obligations resulting from the initiation of the safeguard proceedings.

Given the significance of the safeguard proceedings and the judgement required to prepare the cash flow forecasts, we deemed the assessment of the going concern assumption and the presentation in the notes to the financial statements of the information about significant events to be a key audit matter.

Our response

As part of our audit, we notably:

- familiarised ourselves with the decisions of Paris Commercial Court regarding (i) the initiation of the safeguard proceedings on 23 May 2019 and (ii) the approval of the Safeguard Plan on 28 February 2020;
- assessed the impact of the implementation of the Safeguard Plan on the going concern assumption by analysing the 12-month cash flow forecasts prepared by management. As such and in order to assess the main assumptions used, our work also consisted in:
  - gaining an understanding of the procedures implemented to prepare the cash flow forecasts,
  - comparing the starting point of the cash flow forecasts table with the audited financial statements for the year ended 31 December 2020,
  - gaining an understanding of the main assumptions used to prepare the cash flow forecasts and assessing their consistency with our knowledge of the Company and market conditions,
  - corroborating the financing maturities taken into account and their results in the cash flow forecasts with the financing agreements entered into by the Company and its subsidiaries,
  - questioned management about its knowledge of any events or circumstances after 31 December 2020 that may cause the Company to cease to continue as a going concern,
  - assessed the appropriateness of the information provided in note II of the financial statements about the safeguard proceedings and the approval of the plan.

— *Valuation of investments in subsidiaries and associates*

See notes I.1.2 "Long-term investments", III, "Other significant events of the year", and IV.6. "Long-term investments" of the financial statements.

Risk identified

At 31 December 2020, the net carrying amount of investments in subsidiaries and associates recorded in the statement of financial position amounted to €4,561m, representing 98% of total assets.

Investments in subsidiaries and associates and the related technical losses are recognised at their cost or transfer value. Impairment losses are recognised where the carrying amount of investments, including the allocated portion of technical losses, exceeds value in use.

The Company measures the value in use of its investments in subsidiaries and associates on the basis of several criteria, including net asset value, adjusted net asset value, present value of future cash flows net of debt, comparable multiples and independent valuations.

We deemed the valuation of investments in subsidiaries and associates, including those relating to Casino, to be a key audit matter given their materiality in the Company's statement of financial position and management's use of material judgements, estimates and assumptions to which the assessment may be sensitive.

Our response

We assessed the compliance of the methodology used by management with the applicable accounting standards. Regarding the investment in Casino, we also assessed the main estimates used, analysing in particular the following:

- the consistency of projected cash flows with the budgets and medium-term plans approved by management using internal and external data as well as with the historical performance of the Group and the economic environment;
- the methods and parameters used to determine the discount rate and perpetual growth rate applied to estimated cash flows. With the assistance of our valuation experts, we recalculated the discount rate and compared it with the rates used by major financial analysts, as well as with observed rates for several companies operating in the same business segment as the Group;
- the sensitivity scenarios used by management, of which we verified the arithmetical accuracy;
- the methodology for calculating impairment.

Lastly, we examined the appropriateness of the information provided in the notes to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

— *Information given in the management report and in the other documents provided to the shareholders with respect to the financial position and the financial statements*

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D. 441-6 of the French Commercial Code.

— *Report on corporate governance*

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by Articles L. 225-37-4, L. 22 10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

— *Other information*

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

— *Presentation of the financial statements to be included in the annual financial report*

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451 1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

— *Appointment of the Statutory Auditors*

We were appointed Statutory Auditors of Rallye by the Annual Shareholders' Meetings held on 29 June 1993 for KPMG S.A. and on 1 June 1999 for Ernst & Young et Autres.

At 31 December 2020, KPMG S.A. and Ernst & Young et Autres were in the twenty-eigth and twenty-second consecutive year of their engagement, respectively.

Previously, Barbier Finault et Associés had been Statutory Auditor of Rallye since 1995.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit and furthermore:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Courbevoie and Paris-La Défense, 6 April 2021
The Statutory Auditors
French original signed by:

KPMG Audit
Department of KPMG S.A.
Jean-Marc Discours

Ernst & Young et Autres
Henri-Pierre Navas

Parent company financial statements

Income statement

(€ millions)	*Notes*	2020	2019
Net revenue		**2.0**	**3.0**
Other purchases and external expenses		(23.2)	(44.6)
Taxes and duties		(0.1)	(0.3)
Payroll expenses		(7.5)	(6.9)
Net additions to depreciation, amortisation and provisions		7.1	(29.7)
Other net operating expenses		(0.3)	(0.3)
Operating income (loss)	1	**(22.0)**	**(78.9)**
Financial income		84.4	136.0
Financial expenses		(161.0)	(239.7)
Net financial income (expense)	2	**(76.6)**	**(103.7)**
Recurring income (loss) before tax		**(98.6)**	**(182.6)**
Non-recurring income		0.0	0.1
Non-recurring expenses		(0.1)	(7.8)
Net non-recurring income (expense)	3	**(0.1)**	**(7.7)**
Income tax	4	**0.0**	**0.0**
Net income (loss)		**(98.7)**	**(190.3)**

Statement of financial position

Assets

(€ millions)	*Notes*	Gross	Depreciation, amortisation and impairment	31 December 2020	31 December 2019
Intangible assets	5	0.1	0.1		0.0
Property, plant and equipment	5	0.5	0.5	0.0	0.1
Long-term investments	6	5,082.6	521.4	4,561.1	3,889.9
Total non-current assets		**5,083.2**	**522.1**	**4,561.2**	**3,889.9**
Receivables	7	61.6	0.0	61.6	1,283.6
Derivative financial instruments	8				
Marketable securities	9	0.0		0.0	81.9
Cash and cash equivalents	9	29.5		29.5	86.9
Prepaid expenses	7	0.0		0.0	0.1
Total current assets		**91.2**	**0.0**	**91.2**	**1,452.5**
Accruals and other assets	10	7.3		7.3	81.4
Total assets		**5,181.8**	**522.1**	**4,659.7**	**5,423.8**

Shareholders' equity and liabilities

(€ millions)	*Notes*	31 December 2020	31 December 2019
Share capital		157.1	156.5
Share issue premiums		1,482.1	1,482.6
Reserves		41.3	41.3
Retained earnings		(152.9)	37.4
Net income (loss) for the year		(98.7)	(190.3)
Shareholders' equity	**11**	**1,428.9**	**1,527.6**
Provisions	**12**	**3.2**	**9.2**
Borrowings and financial liabilities	13	3,200.0	3,102.1
Accounts payable	14	8.0	29.2
Other liabilities	14	19.7	685.1
Derivative financial instruments	8		
Deferred income	14		
Total liabilities		**3,227.6**	**3,816.4**
Accruals and other liabilities	10		70.6
Total shareholders' equity and liabilities		**4,659.7**	**5,423.8**

PARENT COMPANY FINANCIAL STATEMENTS

Cash flow statement

(€ millions)	2020	2019
Cash flow from operating activities:		
Net income (loss)	**(98.7)**	**(190.3)**
Elimination of non-cash and non-operating expenses and income:		
▪ Depreciation, amortisation, impairment and provisions	7.8	140.9
▪ Capital gains on disposals, net of tax	(60.0)	0.0
Cash from (used in) operating activities before change in working capital	**(150.9)**	**(49.3)**
Change in working capital related to operating activities		
▪ Net operating receivables	5.6	(1.4)
▪ Accounts payable	(16.7)	22.5
Net cash flow from (used in) operating activities (A)	**(162.0)**	**(28.3)**
Cash flow from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(0.0)	(0.0)
Disposal of property, plant and equipment and intangible assets		0.1
Acquisition of long-term investments	(0.0)	(0.5)
Disposal of long-term investments	81.6	0.5
Net cash flow (used in) investing activities (B)	**81.6**	**0.0**
Cash flow from financing activities:		
Dividends paid to shareholders of the Company		(52.2)
Increase in financial liabilities	215.3	330.2
Decrease in financial liabilities	(290.9)	(353.7)
Change in financial instruments	(51.9)	8.7
Change in accrued interest	116.0	22.3
Current account advances to subsidiaries of the Company	55.4	78.4
Net cash flow from (used in) financing activities (C)	**43.9**	**33.7**
Change in cash and cash equivalents (A+B+C)	**(36.6)**	**5.5**
Cash and cash equivalents at beginning of year[1] (D)	66.1	60.6
Cash and cash equivalents at end of year[1] (E)	29.5	66.1
Change in cash and cash equivalents (E-D)	**(36.6)**	**5.5**

(1) Cash and cash equivalents at the beginning of 2019 and 2020 and at the end of 2019 do not include cash pledged as collateral for bank debt. They amounted to €20.8m at 31 December 2019 and were recorded within "Increase in financial liabilities" and "Decrease in financial liabilities". At 31 December 2020, the group had no more cash and cash equivalents.

Notes to the parent company financial statements

I. Accounting policies

General information

The financial statements have been prepared in accordance with the French General Chart of Accounts (*Plan Comptable Général*) approved by ministerial decree dated 26 December 2017 and all additional regulations issued by the French accounting standards authority (*Autorité des normes comptables* – ANC).

The generally accepted accounting principles have been applied, in accordance with the basic principle of prudence and based on the following underlying assumptions:

- Going concern:

The cash flow forecasts prepared for Rallye for the next 12 months show a cash flow position in line with the estimated obligations resulting from the initiation of the safeguard proceedings. The forecasts include the following assumptions:

- stable recurring operating expenses for the next 12 months, in line with historical operating expenses;
- financial income assuming that no dividends will be paid by Casino over the next 12 months;
- no dividend payment by Rallye to its shareholders over the next 12 months.

On 28 February 2020, the Paris Commercial Court approved the Rallye Safeguard Plan. In the event of an adverse change in the assumptions used, or the failure by Rallye to meet its obligations at the end of the period covered by the safeguard proceedings, Rallye may not be able to realise its assets or settle its liabilities within the ordinary course of its operations.

As there is no doubt regarding Rallye's ability to continue as a going concern, the financial statements have been prepared on a going concern basis.

- Accrual
- Consistency

The accounting policies applied are consistent with those used for the previous year.

Non-mandatory information is only presented when it is materially important. Accounting entries are recognised using the historical cost method.

The parent company financial statements are expressed in millions of euros, rounded to the closest million. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the financial statements.

Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and mainly concern the measurement of investments in subsidiaries and associates (note 6).

1.1. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are stated in the statement of financial position at their cost or transfer value. They mainly include software, fittings and improvements, office equipment and transportation equipment.

Non-current assets are depreciated/amortised on a straight-line basis over the following periods:

Asset category	Depreciation/amortisation period
Software	1 to 3 years
Furniture, office equipment	2 to 10 years
Transportation equipment	4 years
Fittings and improvements	10 years

1.2. Long-term investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates and any related technical losses are recognised in the statement of financial position at their cost or transfer value. Impairment losses are recognised where the carrying amount of investments, including the allocated portion of technical losses exceeds value in use.

Rallye measures the value in use of its investments in subsidiaries and associates on the basis of several criteria, including net asset value, adjusted net asset value, present value of future cash flows net of debt, comparable multiples and independent valuations. An impairment loss may be recognised against any current account or a provision for risks recorded when the subsidiary has negative shareholders' equity. The methods used to measure the value in use of shares are consistent from one year to the next.

Other long-term investments

Other long-term investments mainly include loans and other long-term investments recorded at cost in the statement of financial position. Impairment losses are recorded when the carrying amount exceeds expected net realisable value.

Securities borrowed for a period of more than one year are recorded at fair value on the transaction date. At year-end, securities are measured at the closing price on the last trading day.

With regard to Rallye shares acquired in connection with buyback programmes, the expected net realisable value is the average share price over the last twenty trading days of the financial year. With regard to Rallye shares held for cancellation, no impairment losses are recognised.

1.3. Receivables

Receivables are recorded under assets at their nominal value. A provision for impairment is recorded when their fair value, taking account of recoverability, is lower than their carrying amount.

1.4. Marketable securities

Marketable securities are recognised at their acquisition value. An impairment loss is recorded when the acquisition value is lower than the year-end net asset value.

Securities borrowed for a period of less than one year are recorded at fair value on the transaction date. At year-end, securities are measured at the closing price on the last trading day.

1.5. Bond redemption premiums and deferred charges

Bond issue and redemption premiums and arranging fees for bank loans and lines of credit are deferred and recognised over the term of the loans and lines of credit based on their terms and conditions.

1.6. Unrealised foreign exchange gains and losses

Receivables and liabilities denominated in foreign currencies are translated at the closing rate. Any differences that arise between the amounts originally recorded and the amounts as converted at the closing rate are booked under unrealised foreign currency exchange gains or losses. A provision for risks is recorded for unrealised foreign currency exchange losses.

Where the Company can justify an overall foreign exchange position with similar terms, unrealised gains and losses may be offset and only the net loss will be subject to a provision.

1.7. Provisions

When the Company has an obligation towards a third party which is probable or certain to result in an outflow of resources without any consideration in return, a provision is recognised in respect of the risks and liabilities relating to that obligation.

For pension commitments, the projected obligation corresponding to all the rights vested by the persons concerned is recognised as a provision for liabilities. The provision is measured using the projected unit credit method, taking into account social security contributions.

A provision for conditional redemption premiums on bonds may be recognised when it becomes likely that a premium will be paid. The provision is recognised over the life of the bonds. The Company has assessed the need to recognise a provision for redemption premiums, mainly taking into account the maturity date of the bonds and the difference between the current market price of the underlying shares and the redemption value of the bonds.

The Company has set up free share plans for Group employees. A liability is recognised when it is probable that the Company will grant existing shares to plan beneficiaries based on the probable outflow of resources. If the free shares are contingent upon the employee's presence in the Company for a specific period, the liability is deferred over the vesting period. No liability is recognised for plans settled in new shares.

Other provisions correspond to specifically identified risks and liabilities, and are detailed in note 12 to the financial statements.

1.8. Liabilities

Accounts payable and other liabilities are recorded at their nominal value.

Liabilities representing debt securities are recorded under "Other liabilities" at fair value on the transaction date. The liability is measured based on the market value of the securities at year-end. Income relating to liabilities representing debt securities was recorded in the income statement on a pro rata basis until the initiation of the safeguard proceedings, after which date liabilities representing debt securities no longer bear interest.

1.9. Financial instruments

The Company may use various financial instruments to hedge its exposure to interest rate and currency risk. The instruments used are swaps, floors, and put and call options.

The income and expenses resulting from financial instruments are recognised in the income statement for the period on a pro rata basis.

When hedge accounting is not applied, financial instruments are measured at fair value in the statement of financial position. A provision is booked for net unrealised losses resulting from changes in the estimated market value of the financial instruments.

Financial instruments that qualify for hedge accounting are recorded at their nominal value in off-balance sheet commitments. Changes in fair value are not recognised in the statement of financial position, except when this accounting treatment is symmetrical with that applied to the hedged items.

1.10. Recurring income (loss)

Recurring income (loss) includes all the income and expenses relating to the Company's ordinary activities, and items that are part of the continuation of such activities.

1.11. Net non-recurring income (expense)

Net non-recurring income (expense) includes the income and expenses that do not correspond to the Company's ordinary activities or that are material in view of their amounts.

1.12. Income tax

Rallye is the head of a tax group that includes its subsidiaries that meet the eligibility criteria. At 31 December 2020, the tax group consisted of 10 companies.

The tax consolidation agreement signed between Rallye and the members of the tax group, which took effect as from 1 January 2015, sets out the terms and conditions for the allocation of tax within the tax group:

- Groupe GO Sport and its subsidiaries recognise the tax expense that they would have paid had they been taxed on a stand-alone basis. Any tax savings generated by Groupe GO Sport and its subsidiaries continue to be allocated to Groupe GO Sport;
- the other members of the tax group do not recognise a tax expense, since this is directly and definitively paid by Rallye.

In the event that a subsidiary leaves the tax group, Rallye is solely liable for the payment of tax and any other charges that may be due. Rallye may compensate the subsidiary leaving the scope for additional taxes that might be due as a result of belonging to the Group.

II. Rallye safeguard proceedings

Following persistent and massive speculative attacks against the Group's securities, Rallye and its subsidiaries Cobivia, L'Habitation Moderne de Boulogne (HMB) and Alpétrol, along with the Foncière Euris, Finatis and Euris parent companies, requested and obtained the initiation of safeguard proceedings (*procédure de sauvegarde*), further to the Court decisions of 23 May 2019 and 17 June 2019.

Key steps of the safeguard proceedings

The initiation of safeguard proceedings suspended the activation of all further guarantees, whether relating to Casino shares or cash collateral. The enforcement of security interests granted by Rallye has also been suspended by the proceedings, except for derivatives transactions falling within the scope of Article L. 211-40 of the French Monetary and Financial Code (*Code monétaire et financier*). Rallye and its subsidiaries Cobivia and HMB retain all of the economic interests and voting rights attached to pledged shares.

On 2 March 2020, Rallye, Cobivia, HMB, Alpétrol, Foncière Euris, Finatis and Euris announced that the Paris Commercial Court had approved their safeguard plans on 28 February 2020. SCP Abitbol & Rousselet (Frédéric Abitbol) and SELARL FHB (Hélène Bourbouloux) were appointed as administrators to oversee the implementation of the plan. The Paris Commercial Court has also decided, in accordance with Article L. 626-14 of the French Commercial Code, that all assets owned by Rallye will be non-transferable during the duration of the Safeguard Plan, except as specifically provided by the Court decision notably to allow for the proper execution of the safeguard plans.

Recap of Rallye's debt structure as of the initiation of the safeguard proceedings

As of the initiation of the safeguard proceedings, Rallye's gross debt (excluding debt under derivatives transactions) was as follows:

(€ millions)	Rallye
Claims secured by pledges over:	
▪ Casino shares[1]	1,153
▪ shares of Rallye subsidiaries (other than Casino)	204
Unsecured claims	1,566
Total[2]	**2,923**

(1) As a reminder, the margin call mechanisms provided for in the existing share pledges are suspended for the duration of the safeguard plans.
(2) Including €17m in accrued interest at 23 May 2019.

Derivatives transactions mainly structured in the form of forward sales and equity swaps are hereafter referred to as "derivatives transactions". The derivatives transactions entered into by Rallye, Cobivia and HMB for a total amount of €231m, of which €142.8m relating to Rallye, are not covered by the safeguard plans in accordance with Article L. 211-40 of the French Monetary and Financial Code. This article authorises security interests granted in respect of financing agreements to be terminated, offset or exercised despite the initiation of safeguard proceedings. The other exemptions granted under safeguard proceedings are, however, applicable to these agreements. These derivatives transactions were the subject of refinancing in first-half 2020 (see III. Refinancing of derivative transactions below).

Main terms of the Safeguard Plan

The Safeguard Plan is based on the following guiding principles:

- The margin call mechanisms (*clauses d'arrosage*) are suspended during the Safeguard Plan and all pledged securities, after full repayment of claims secured by pledges over Casino shares (Priority Secured Claims), will be returned to Rallye.
- Subject to the specific procedure for handling Priority Secured Claims and claims secured by pledges over shares of Rallye subsidiaries other than Casino, such as those outlined below, the Safeguard Plan provides for Rallye to repay its liabilities over a ten-year period, with the same payment deadlines for all creditors, in accordance with the following schedule:

Annuity[1]	Annuity amount
Annuity 1	€100,000 in total
Annuity 2	€100,000 in total
Annuity 3	5%
Annuity 4	5%
Annuity 5	5%
Annuity 6	5%
Annuity 7	5%
Annuity 8	5%
Annuity 9	5%
Annuity 10	65%, less the amounts paid under annuities 1 and 2
Total	100%

(1) *Annuities are paid annually on the anniversary date on which the Safeguard Plan was approved.*

- Priority Secured Claims are settled in accordance with the following principles:
  - repayment, in advance where possible, by the appropriation of proceeds falling within the scope of pledges over Casino shares (said proceeds having been locked in the pledged share accounts);
  - 85% repayment under the third annuity and the remainder under the fourth annuity;
  - waiver by Rallye of the capping clauses until full repayment;
  - possibility to create a second-rank pledge over Casino shares, provided that the pledge does not infringe the rights of creditors benefiting from a first-rank pledge over Casino shares.
- Claims secured by pledges over shares of Rallye subsidiaries other than Casino are repaid in accordance with the following principles:
  - repayment over a ten-year period in accordance with the below schedule;
  - early repayment of rights attached to securities by the appropriation of:
    - (i) net proceeds on disposal of pledged UCITS;
    - (ii) proceeds on the disposal of assets held directly or indirectly by Parande (a Rallye subsidiary) or distributions received by Parande as a result of the assignment under the Dailly mechanism of the current account held by Rallye with Parande; and
    - (iii) 70% of the net disposal proceeds in the event of completion of the sale of Groupe GO Sport (corresponding to the stake held directly by Rallye in Groupe GO Sport on the date of approval of the Safeguard Plan).
- Payment of the final annuity of the Safeguard Plan may be financed through refinancing.

III.
Other significant events of the year

Streamlining of the holding scope

In order to streamline Rallye's ownership stake in Casino and Groupe GO Sport, the companies Cobivia, HMB and Alpétrol (as provided in their safeguard plans), and MFD were absorbed by Rallye with retroactive effect from 1 January 2020.

Refinancing of derivatives transactions

On 26 March 2020, in the context of stock market developments relating to the Coronavirus (Covid-19) epidemic, Rallye entered into an agreement with Fimalac (a company controlled by Marc Ladreit de Lacharrière) in view of refinancing the derivatives transactions of Rallye, Cobivia and HMB and financing Rallye's day-to-day operations for an amount of €15m.

On 17 July 2020, Rallye issued €210,042,400 in bonds with a par value of €1 each, which were subscribed by Fimalac. The entire proceeds of the issue were used to repay all the derivatives transactions entered into by Rallye, Cobivia and HMB, which were not covered by the safeguard plans of such companies but had been the subject of specific agreements (see Rallye press release dated 25 November 2019).

The bonds subscribed by Fimalac bear PIK interest and have a maturity of four years (with a one-year extension subject to agreement between Rallye and Fimalac). The early repayment events provided for under the issue, which are customary for such types of financing, are set out below:

- occurrence of an event following which Jean-Charles Naouri no longer holds directly or indirectly at least 50% of the voting rights of Casino, plus one vote; and
- rescission of Rallye's safeguard plan.

As security for the refinancing of Rallye's derivatives transactions and the financing of Rallye's general corporate needs, 9,468,255 Casino shares (i.e., 8.73% of Casino's share capital), previously pledged to the financial institutions party to the derivatives transactions, have been transferred by Rallye to a fiduciary trust for the benefit of Fimalac.

The characteristics of the financing of Rallye's general corporate needs are the same as those relating to the bonds subscribed by Fimalac for the refinancing of derivatives transactions. At the date of this document, the facility has not yet been drawn down.

The Casino shares previously pledged to banks party to the derivatives transactions were transferred to the fiduciary trust on 20 July 2020, resulting in two threshold crossings: Rallye's stake in Casino fell below 50% of the share capital, and the share capital and voting rights held by Equitis Gestion (the fiduciary) in Casino rose above 5% of the share capital. In accordance with the trust agreement, and for as long as Equitis Gestion is not notified of any of the early repayment events provided for under the financing facility, the voting rights associated with the 9,468,255 Casino, Guichard-Perrachon shares placed in the fiduciary trust will be exercised by Equitis Gestion acting on Rallye's instructions. Any distributions, such as dividends, relating to the 9,468,255 Casino, Guichard-Perrachon shares placed in the fiduciary trust will be immediately used to pay back the facility ahead of term.

The transfer of the Casino shares to the fiduciary trust is neutral for accounting and tax purposes and does not affect the percentage interest held by Rallye in Casino for consolidation purposes.

IV.
Notes on items in the financial statements

Note 1 · Operating income (loss)

1.1 Breakdown

(€ millions)		2020	2019
Net revenue:	▪ Services	2.0	2.6
	▪ Financial services	0.0	0.4
Operating income		**2.0**	**3.0**
Other purchases and external expenses		23.2	44.6
Taxes and duties		0.1	0.3
Payroll expenses		7.5	6.9
Net additions to (reversals of):	▪ depreciation and amortisation of property, plant and equipment and intangible assets	0.0	0.0
	▪ amortisation of debt issuance costs	3.1	19.4
	▪ impairment of receivables	(10.2)	10.2
	▪ provisions for risks and liabilities	(0.1)	0.1
Other operating expenses		0.3	0.3
Operating expenses		**24.0**	**81.9**
Operating income (loss)		**(22.0)**	**(78.9)**

Revenue is generated in France and mainly comprises services to subsidiaries.

Other purchases and external expenses mainly include bank commissions and fees. A €22.7m increase was recorded in 2019, reflecting the initiation of the safeguard proceedings at Rallye and the expenses incurred in that respect.

Other operating expenses mainly concern Directors' fees paid to the Company's Directors.

Expense transfers are recorded by type within "Other purchases and external expenses" and concern debt issuance costs of €0.9m in 2019.

The decrease in amortisation of debt issuance costs is partially due to the early termination of credit lines for which accelerated amortisation was recorded in 2019. These expenses were recalculated in 2020 in accordance with the Safeguard Plan.

The €10.2m reversal of impairment of receivables recorded in 2020 relates to the impairment loss recorded in 2019 against the current account with Miramont Finance et Distribution (MFD). This current account was eliminated following the absorption of MFD.

1.2. Number of employees and compensation paid to Directors and management

	2020	2019
Managers	19	20
Staff		
Total average number of employees	**19**	**20**
Compensation awarded to Directors (€ millions)	2.2	1.9

Note 2 • Net financial income (expense)

2.1. Breakdown

(€ millions)	*Notes*	2020	2019
Income from investments in subsidiaries and associates		0.0	56.5
Reversals of financial provisions	2.2	8.6	6.6
Interest and similar income	2.3	73.1	72.8
Foreign exchange gains		2.7	0.0
Net gains on the sale of marketable securities			
Financial income		**84.4**	**136.0**
Interest and similar expenses	2.4	141.1	131.1
Additions to financial provisions	2.2	15.8	108.5
Foreign exchange losses		3.7	0.0
Net loss on the sale of marketable securities		0.4	0.0
Financial expenses		**161.0**	**239.7**
Net financial income (expense)		**(76.6)**	**(103.7)**

In 2019, income from investments in subsidiaries and associates related to Casino, Guichard-Perrachon for €56.5m, and concerned the 2018 dividend balance.

2.2. Breakdown of provisions and impairment

Reversals of financial provisions in 2020 mainly concern:

- the 2020 exchangeable bond redemption premium for €0.4m;
- late payment penalties following the initiation of safeguarding proceedings for €7.5m;
- the reversal of the negative net position of MFD for €0.6m.

Additions to depreciation, amortisation, impairment and provisions for the year primarily concern:

- investments in subsidiaries and associates for €12.6m (of which €12.3m relating to Parande shares and €0.3m relating Les Magasins Jean shares);
- the provision recorded for the premium on the remaining Casino call option for €2.6m.

Movements in provisions and impairment in 2019 were primarily attributable to:

- impairment charged against investments in Groupe GO Sport for €71.5m, Parande for €13.1m, Miramont Finance & Distribution for €20.8m and Magasins Jean for €0.1m;
- the amortisation of early bond redemption premiums for €2.2m and bond redemption premiums for €0.1m;

Reversals of provisions in 2019 concerned a swaption for €0.1m and the redemption premium on the 2020 exchangeable bond, virtually all of which (€24.2m) was redeemed ahead of maturity.

2.3. Breakdown of interest and similar income

(€ millions)	2020	2019
Interest on current accounts	0.2	31.7
Financial income on companies wound up	72.6	
Financial income on interest rate hedging instruments	0.3	14.5
Miscellaneous financial income	0.0	26.6
Interest and similar income	**73.1**	**72.8**

Interest on current accounts concerns interest on advances under the centralised cash management system. In 2020, the €31.5m decrease in interest on current accounts reflects the initiation of the safeguard proceedings at Cobivia, HMB and Alpétrol. As of the date of the Court decision initiating the these proceedings (23 May 2019 for Cobivia and HMB and 17 June 2019 for Alpétrol), the current accounts with these subsidiaries no longer generate any interest. The current accounts were eliminated following the merger of these companies.

Financial income on companies wound up relates to the technical gain of €72.6m recorded after Alpétrol was wound up into HMB.

In 2019, financial income on interest rate hedging instruments partially concerned cash payments received following the early unwinding of these instruments.

In 2019, miscellaneous financial income primarily comprised:

- income from Casino, Guichard-Perrachon securities borrowed by Rallye from Cobivia, HMB and Alpétrol for €25.4m;
- dividends received in respect of the two total return swaps (TRSs) on Mercialys shares for €1.1m.

2.4. Breakdown of interest and similar expenses

(€ millions)	2020	2019
Interest on financial liabilities	122.6	89.3
Interest on current accounts		0.0
Financial expenses on companies wound up	10.8	
Financial expenses on interest rate hedging instruments		4.4
Miscellaneous financial expenses	7.7	37.4
Interest and similar expenses	**141.1**	**131.1**

In 2020, financial expenses on companies wound up include the technical loss recognised on the absorption of MFD;

Miscellaneous financial expenses mainly comprised the deferral of an option premium for €7.3m and a bond redemption premium for €0.4m.

In 2019, miscellaneous financial expenses mainly comprised:

- the transfer to Cobivia, HMB and Alpétrol of income from borrowed Casino securities for €25.4m;
- the unwinding of the two TRSs on Mercialys shares for €7.3m;
- the deferral of an option premium for €4.7m.

Note 3 · Net non-recurring income (expense)

(€ millions)	2020	2019
Gains (losses) on disposals of property, plant and equipment and intangible assets	0.0	(0.0)
Gains (losses) on disposals of financial assets	(0.0)	(0.0)
Reversals of (additions to) provisions		(7.5)
Other non-recurring income (expense)	(0.1)	(0.1)
Net non-recurring income (expense)	**(0.1)**	**(7.7)**

Additions to provisions for 2019 mainly concerned late payment penalties following the initiation of the safeguard proceedings at Rallye, which are now recognised in net financial income (expense).

Note 4 · Income tax

Rallye is the head of the tax consolidation group. In 2020, the tax group recorded a loss. Accordingly, no tax expense was recorded. Rallye would not have been taxable had it not elected for group relief.

At 31 December 2020, the tax group had tax loss carryforwards amounting to €2,928m which may be carried forward indefinitely. Long-term capital loss carry-forwards amounting to €0.2m were recorded within the tax consolidation group and may be offset against the same type of long-term gains until 31 December 2027.

Note 5 • Intangible assets and property, plant and equipment

5.1. Breakdown

(€ millions)	31 December 2020	31 December 2019
Intangible assets, gross	**0.1**	**0.1**
Amortisation	(0.1)	(0.1)
Intangible assets, net		**0.0**
Buildings	0.3	0.3
Other property, plant and equipment	0.2	0.2
Property, plant and equipment, gross	**0.5**	**0.5**
Depreciation	(0.5)	(0.5)
Property, plant and equipment, net	**0.0**	**0.1**
Intangible assets and property, plant and equipment, net	**0.0**	**0.1**

5.2. Movements

(€ millions)	Gross	Depreciation and amortisation	Net
At 1 January 2019	**0.7**	**(0.6)**	**0.2**
Increases	0.0	(0.1)	(0.0)
Decreases	(0.1)	0.0	(0.1)
At 31 December 2019	**0.7**	**(0.6)**	**0.1**
Increases	0.0	(0.0)	(0.0)
Decreases			
At 31 December 2020	**0.7**	**(0.6)**	**0.0**

Note 6 • Long-term investments

6.1. Breakdown of long-term investments

(€ millions)	31 December 2020	31 December 2019
Investments in subsidiaries and associates	4,032.3	3,929.0
Casino, Guichard-Perrachon securities placed in trust	697.9	
Technical losses from merger transactions allocated to investments in subsidiaries and associates[1]	352.2	54.6
Investments in subsidiaries and associates, gross	**5,082.5**	**3,983.6**
Impairment	(521.4)	(772.3)
Investments in subsidiaries and associates, net	**4,561.0**	**3,211.3**
Other long-term investments	0.1	0.1
Borrowed securities[2]		678.4
Other long-term investments, net	**0.1**	**678.5**
Long-term investments, net	**4,561.1**	**3,889.9**

(1) Technical losses from merger transactions are allocated to Casino, Guichard-Perrachon shares. Changes in this item are detailed in note 6.2.

(2) 16,269,505 Casino securities borrowed from Alpétrol, Cobivia and HMB, representing 15% of Casino's share capital and measured at the share price at 31 December 2019.

In October 2018, Rallye signed a securities lending agreement with Alpétrol covering 6.7 million Casino, Guichard-Perrachon securities (representing 6.2% of Casino's share capital). The borrowed securities were initially recognised within "Marketable securities", as the agreement matured within less than one year. In 2019, the agreement was extended until 31 December 2021 and the borrowed securities were reclassified to "Long-term investments".

In February 2019, Rallye signed two further securities lending agreements with its subsidiaries Cobivia and HMB covering 6.9 million and 2.7 million Casino securities, respectively (representing 6.3% and 2.5% of Casino's share capital). The agreements expire on 31 December 2021.

In first-half 2020, in order to streamline the Group's corporate structure, Cobivia, HMB, MFD and Alpétrol were absorbed by Rallye. As a result, loans of Casino shares were eliminated along with inter-company current accounts.

On 20 July 2020, Rallye entered into a fiduciary-trust management agreement, governed by French law, with Fimalac, under which a fiduciary trust was created in which the 9,468,255 Casino shares held by Rallye were deposited.

6.2. Movements

(€ millions)	Gross	Provisions	Net
At 1 January 2019	**3,983.6**	**(666.8)**	**3,316.8**
Increases		(105.5)	(105.5)
Decreases			
At 31 December 2019	**3,983.6**	**(772.3)**	**3,211.3**
Increases	2,416.1	(56.6)	2,359.4
Decreases	(1,317.2)	307.5	(1,009.7)
At 31 December 2020	**5,082.5**	**(521.4)**	**4,561.0**

In 2020, the increase in investments in subsidiaries and associates, and technical losses correspond to:

- 20,478,059 Casino, Guichard-Perrachon shares, i.e., 15% of the share capital, following the absorption of Cobivia, HMB and Alpétrol, and the related technical losses allocated to Casino, Guichard-Perrachon in an amount of €99.8m from Cobivia and €197.8m from HMB;
- Groupe GO Sport shares as a result of the winding-up of MFD, bringing the percentage ownership to 100%.

Decreases in investments in subsidiaries and associates correspond to shares of absorbed companies as well as Casino shares placed in fiduciary trust.

Impairment losses concern Magasins Jean, Groupe GO Sport and Parande shares (see notes 2.2 and 6.3) and the reversal of impairment charged against MFD shares.

In 2019, the impairment loss of €105.5m primarily concerned Groupe GO Sport, Miramont Finance & Distribution and Parande.

6.3. Impairment of investments in subsidiaries and associates

In application of the accounting policies set out in note 1.2, shares are remeasured at value in use. Impairment losses are recorded when their carrying amount exceeds value in use. Value in use is determined on the basis of several criteria depending on the activities of the companies concerned.

At 31 December 2020, Rallye performed impairment tests on each of its investments, including the allocated portion of technical losses, by comparing their net carrying amount to their recoverable amount based on value in use. These tests led to the recognition of impairment losses of €12.6m, of which €12.3m relating to Parande shares and €0.3m relating to Magasins Jean shares (note 2.2).

At 31 December 2020, during the annual asset impairment test, the historical value of Rallye's stake in the share capital of Casino was compared to its value in use and did not give rise to the recognition of an impairment loss.

The value in use of Casino shares is estimated using a multicriteria method using:

- the present value of future cash flows net of debt;
- comparable multiples (sales and profitability indicators), to which a control premium of 25% is applied.

This multicriteria method is based on market inputs which are, by definition, subject to fluctuations.

In 2020, the value in use of this CGU is calculated on the basis of a perpetual growth rate of 2.5% (compared to 3% in 2019), a discount rate of 8.9% (compared to 8.4% in 2019) and an increase in the EBITDA margin in line with the assumptions used to prepare Casino's business plans.

In accordance with the AMF recommendation on the 2020 financial statements and the review of the financial statements, the Company decided to pay particular attention to the key assumptions used in the presentation of sensitivity tests and to extend the levels of sensitivity used in its model. Consequently, a 50 basis-point increase in the discount rate, a 50 basis-point decrease in the perpetual growth rate or a 50 basis-point decrease in the EBITDA margin used to calculate terminal value would have led to the recognition of an impairment loss against Casino securities in a maximum amount of €4m.

A list of the Company's subsidiaries and associates is provided at the end of the notes to the financial statements.

6.4. Treasury shares

Rallye signed a new liquidity agreement with Rothschild Martin Maurel, which came into effect on 1 January 2019 and replaced the previous agreement dated 10 June 2005. The new agreement takes into account the changes in regulations governing such agreements, and complies with AMF decision 2018-01 dated 2 July 2018.

On 24 May 2019, Rallye announced that it had terminated this liquidity agreement.

Note 7 · Receivables

The amounts and maturities of the receivables recorded in the statement of financial position break down as follows:

(€ millions)		31 December 2020	31 December 2019
Non-current receivables		**0.1**	**0.1**
Trade receivables		0.3	32.5
Current accounts		2.5	1,236.4
Tax and employee-related receivables		1.6	4.9
Other operating receivables		57.3	9.8
Current receivables		**61.6**	**1,283.6**
Prepaid expenses		**0.0**	**0.1**
Maturity of net receivables [1]:	*due within one year*	*1.6*	*39.3*
	due in more than 1 year	*60.1*	*1,244.5*

(1) This schedule reflects the approval of the safeguard plan on 28 February 2020.

Current account advances are granted by Rallye to its subsidiaries as part of the centralised cash management system. The reduction in the current account is explained in note 2.3.

In 2020, other operating receivables concerned a receivable relating to the assignment of the Parande current account under the Dailly mechanism for €54.6m, and a premium on the Casino call option for €2.6m (versus €9.8m in 2019), for which a provision has been recognised for the full amount (note 12).

Note 8 · Financial instruments

Under the accounting policies set out in note 1.9, financial instruments are measured at fair value in the statement of financial position by debiting or crediting a suspense account included in accruals and other assets or liabilities.

In 2019, Rallye unwound all of the financial instruments held in 2018: the two TRSs on Mercialys shares, two cross-currency swaps and a swaption.

Note 9 · Marketable securities and cash and cash equivalents

Marketable securities and cash and cash equivalents break down as follows:

(€ millions)	31 December 2020	31 December 2019
Marketable securities [1]	0.0	82.0
Cash [2]	29.5	86.9
Gross cash and cash equivalents	**29.5**	**168.9**

(1) At 31 December 2019, "Marketable securities" primarily comprised money-market funds pledged as collateral for a €202m bank debt.
(2) At 31 December 2019, "Cash" includes €20.8m of cash pledged as collateral for bank debt (€5.8m to guarantee liabilities under a derivatives transaction not included in the safeguard plan and €15m to guarantee bank debt).

In 2020, the money-market funds pledged as collateral for a €202m bank debt were sold for €81.6m and used to pay down the bank debt in the same amount.

Note 10 • Accruals and other assets and liabilities

10.1. Accruals and other assets

(€ millions)	31 December 2020	31 December 2019
Deferred loan arranging fees and bond early redemption premiums	7.2	10.0
Bond redemption premiums	0.1	0.2
Unrealised losses [1]		67.7
Unrealised foreign exchange losses		3.5
Accruals and other assets	**7.3**	**81.4**
of which: due within one year	*2.2*	*77.2*
due in more than one year	*5.1*	*4.2*

(1) Unrealised losses concerned the adjustment to the closing price of the Casino, Guichard-Perrachon securities borrowed by Rallye from its subsidiaries.

10.2. Accruals and other liabilities

(€ millions)	31 December 2020	31 December 2019
Unrealised gains [1]		67.7
Unrealised foreign exchange gains		2.9
Accruals and other liabilities		**70.6**

(1) Unrealised gains concerned the adjustment to the closing price of the Casino, Guichard-Perrachon securities, borrowed by Rallye from its subsidiaries.

Note 11 • Shareholders' equity

11.1. Breakdown

At 31 December 2020, share capital amounted to €157,119,705, made up of 52,373,235 shares with a par value of €3.

(€ millions)	31 December 2020	31 December 2019
Share capital	157.1	156.5
Share issue, merger and contribution premiums	1,482.1	1,482.6
Legal reserve	16.1	16.1
Tax-driven reserves	1.4	1.4
Other reserves	23.7	23.7
Retained earnings	(152.9)	37.4
Net income (loss) for the year	(98.7)	(190.3)
Shareholders' equity	**1,428.9**	**1,527.6**

11.2. Changes in shareholders' equity

(€ millions)	2020	2019
At 1 January	**1,527.6**	**1,787.7**
Increase in capital	0.6	0.4
Reduction in capital		(5.1)
Share issue premium	(0.6)	(13.0)
Dividend paid		(52.2)
Net income (loss) for the year	(98.7)	(190.3)
At 31 December	**1,428.9**	**1,527.6**

At 31 December 2020, the increase in capital reflects the issuance of shares under a free share plan that matured in 2020, which led to the change in the share issue premium during the period.

At 31 December 2019, the increase in capital reflected the issuance of shares under a free share plan that matured in 2019, while the €5.1m reduction in capital was due to the cancellation of 1,702,118 treasury shares.

Changes in the 2019 share issue premium were attributable to a €0.4m decrease as a result of the issuance of shares and a €12.6m decrease following the cancellation of treasury shares.

11.3. Movements in share capital and number of shares

	2020	2019
Number of shares at 1 January	**52,181,769**	**53,738,266**
Issuance of shares	191,466	145,621
Cancellation of shares		(1,702,118)
Number of shares at 31 December	**52,373,235**	**52,181,769**

11.4. Potential dilution

	31 December 2020	31 December 2019
Number of shares	**52,373,235**	**52,181,769**
Free shares to be issued	499,026	437,158
Total number of shares after dilution	**52,872,261**	**52,618,927**

11.5. Securities carrying rights to shares of the Company

A breakdown of free share plans at 31 December 2020 is provided in the following table:

Grant date	15 May 2019	26 June 2020
End of vesting period	15 May 2021	26 June 2022
End of lock-up period	15 May 2023	26 June 2024
Number of shares initially awarded	263,896	276,515
Number of shares that may be issued or purchased	229,511	269,515
Number of shares cancelled	34,385	7,000
Value of shares at time of award (€)	5.97	5.63
Service condition	Yes	Yes
Performance conditions	Yes	Yes

Note 12 • Provisions

12.1. Breakdown

(€ millions)	2020	2019
Provision for miscellaneous risks	2.6	8.1
Provision for redemption premiums		0.4
Provision for pension commitments	0.6	0.7
Provisions	**3.2**	**9.2**

12.2. Movements

(€ millions)		2020	2019
At 1 January		**9.2**	**5.3**
Additions		2.6	8.2
Reversals		(8.7)	(4.3)
At 31 December		**3.0**	**9.2**
Of which reversals (additions):	*- operating*	*0.1*	*(0.1)*
	- financial	*6.0*	*3.7*
	- non-recurring		*(7.5)*

Reversals primarily concern €7.5m in late payment penalties for which a provision was set aside in 2019, a redemption premium for €0.4m and a provision for the negative net position of subsidiary Miramont Finance and Distribution for €0.6m.

The €2.6m addition concerns the the premium on the remaining Casino call options intended to cover the 2022 exchangeable bond.

Note 13 • Financial liabilities

13.1. Breakdown of financial liabilities

(€ millions)	31 December 2020	31 December 2019
Bonds	1,483.4	1,211.2
Bank borrowings	1,657.8	1,832.3
Commercial paper and other financial liabilities	58.8	58.5
Borrowings and financial liabilities[1]	**3,200.0**	**3,102.1**

(1) Of which €185.5m in accrued interest at 31 December 2020 and €69.4m at 31 December 2019.

13.2. Maturity of financial liabilities

In its decision dated 28 February 2020, the Paris Commercial Court approved Rallye's safeguard plan and the repayment undertakings, based on the following principles:

- for claims secured by pledges over Casino shares, repayment of at least 85% of the claim under annuity 3 and under annuity 4;
- for claims not secured by pledges over Casino shares, repayment over a ten-year period starting on the plan approval date, in accordance with the following schedule:
  - Annuity 1: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuity 2: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuities 3 to 9: 5%;
  - Annuity 10: 65% (less the amounts paid under annuities 1 and 2).

For the liabilities that fall within the scope of the safeguard proceedings, the following schedule reflects the proposals for the repayment of Rallye's liabilities as set out in the Safeguard Plan.

(€ millions)		31 December 2020	31 December 2019
Liabilities within the scope of the safeguard proceedings:	Due within one year [1]	0.1	97.0
	Due in one to five years	1,767.9	1,322.1
	Due in more than five years	1,432.0	1,548.9
		3,200.0	**2,968.0**
Financial liabilities under derivatives transactions:	Due within one year		5.8
	Due in one to five years		128.3
	Due in more than five years		
			134.1
Total		**3,200.0**	**3,102.1**

(1) Settled by deducting the amount due from the cash pledged as collateral for the liabilities (see note 9).

13.3. Breakdown of borrowings

			Nominal amount (€ millions)	
	Rate	Issue date	31 December 2020	31 December 2019
2020 bond	Fixed 1.00%	October 2013	4.6	4.6
2021 bond	Fixed 4.00%	April 2014	464.6	464.6
2020 CHF bond (1)	Fixed 4.00%	November 2016	66.8	66.7
2022 bond	Fixed 5.25%	October 2016	200.0	200.0
2023 bond	Fixed 4.37%	May 2017	350.0	350.0
2024 CHF bond (2)	Fixed 3.25%	February 2018	84.6	84.4
2024 bond	Euribor + 12.00%	July 2020	210.0	
Accrued interest			102.6	44.4
Total bonds			**1,483.4**	**1,214.7**
Other bank borrowings	Fixed/Variable (4)		425.1	440.0
Derivatives transactions (3)	Fixed			130.9
Drawn credit lines	Variable (4)		1,150.2	1,233.0
NEU CP	Variable (4)		58.5	58.5
Accrued interest			82.8	25.0
Total other borrowings and financial liabilities			**1,716.6**	**1,887.4**
Total financial liabilities			**3,200.0**	**3,102.1**

(1) The nominal amount corresponds to the CHF 75m bond issue converted at the exchange rate prevailing at the date of the initiation of the safeguard proceedings at Rallye. The cross-currency swap hedging the bond has been unwound.

(2) The nominal amount corresponds to the CHF 95m bond issue converted at the exchange rate prevailing at the date of the initiation of the safeguard proceedings at Rallye. The cross-currency swap hedging the bond has been unwound.

(3) Not within the scope of the Safeguard Plan. All derivatives transactions were repaid in full using the proceeds of a bond issue.

(4) Interest on variable-rate liabilities is based on Euribor plus a contractual spread.

On 17 July 2020, Rallye issued €210,042,400 worth of bonds with a par value of €1, which were subscribed by Fimalac. The proceeds were used to repay all the derivatives transactions entered into by Rallye.

13.4 Exposure to risks

Interest rate risk

Of the total gross financial liabilities (excluding accrued interest) of €3,014.5m outstanding at 31 December 2020, €1,540.7m was at fixed rates and €1,473.5m was at variable rates.

Liquidity risk and equity risk

Rallye holds a 52.31% direct and indirect stake in the capital of Casino, Guichard-Perrachon, listed on Euronext Paris, in compartment A. In accordance with note 1.2 of the Accounting policies, measurement of these shares did not give rise to a provision at 31 December 2020.

This measurement is no guarantee of the price that may be obtained in the event of full or partial disposal of the shares.

The direct and indirect stake in Casino's share capital represented 56.7 million securities at 31 December 2020:

- 43,988,424 Casino, Guichard-Perrachon shares representing 40.6% of Casino, Guichard-Perrachon's share capital were pledged to financial institutions as collateral for loans and lines of credit, and
- 9,468,255 Casino, Guichard-Perrachon shares representing 8.7% of Casino, Guichard-Perrachon's share capital were placed in fiduciary trust.

On the sole basis of the Casino share price at 31 December 2020, the market value of this direct and indirect stake would be €1,429m, for a carrying amount of €4,540m.

Rallye's liquidity depends on the implementation of its Safeguard Plan as well as those of Foncière Euris, Finatis and Euris, approved by the Paris Commercial Court on 28 February 2020. The Safeguard Plans are inter-dependent to the extent that each company's resources under the safeguard proceedings primarily consist of dividend flows from its subsidiaries, mainly from Casino Group. The implementation of the safeguard plans chiefly depends on the results of the operating company, Casino, as well as maintaining the chain of ownership of each of the entities right up to Euris. The other resources of the entities subject to the safeguard proceedings include the disposal of non-strategic assets as well as various refinancing options.

The financial flows set out in the safeguard plans were reviewed by Accuracy, a third-party consulting firm, in connection with the court approval process for the safeguard plans.

Note 14 • Accounts payable and other liabilities

(€ millions)		2020	2019
Accounts payable [1]		**8.0**	**29.2**
Current accounts		1.0	1.0
Securities lending [2]		5.0	679.7
Miscellaneous liabilities [3]		13.7	4.4
Other liabilities		**19.7**	**685.1**
Financial instruments			
Deferred income			
Maturity of accounts payable and other liabilities:	*due within one year*	*15.0*	*30.4*
	due in more than one year	*12.6*	*683.9*

(1) Of which €5.2m in accrued expenses at 31 December 2020 and €24.4m in accrued expenses at 31 December 2019.

(2) In 2019, this amount concerned the liabilities representing Casino, Guichard-Perrachon securities borrowed by Rallye from its subsidiaries Cobivia, HMB and Alpétrol.

(3) Of which €10.7m in accrued expenses at 31 December 2020 and €0.3m in accrued expenses at 31 December 2019.

Current account advances comprise:

- advances received from Rallye subsidiaries as part of the centralised cash management system representing €0.2m at 31 December 2020 (unchanged from 2019);
- advances received within the tax consolidation group in respect of the competitiveness and employment tax credit (CICE) for 2016 to 2018.

Note 15 • Off-balance sheet commitments

Off-balance sheet commitments entered into in the ordinary course of business break down as follows:

(€ millions)	31 December 2020	31 December 2019
Bonds and guarantees given to banks		79.9
Debt redemption premiums		0.4
Total commitments given		**80.3**

There were no off-balance sheet commitments at 31 December 2020.

At 31 December 2020, Rallye had pledged 43,988,424 Casino shares as well as 69.8% of Groupe GO Sport shares and 100% of Parande shares to banking institutions.

Note 16 • Related companies and related parties

Related companies are fully consolidated Rallye Group companies.

The items in the statement of financial position and income statement that concern related companies are as follows:

(€ millions)	2020
Assets	
Long-term investments, net	4,561.0
Receivables, net	2.8
Marketable securities	
Liabilities	
Financial liabilities	
Other liabilities	1.3
Income statement	
Investment income	0.0
Other financial income	0.2
Financial expenses	

Related parties include entities likely to be fully consolidated, parent companies, members of the Board of Directors and members of the Management Committee, and all jointly controlled entities or entities over which Rallye exercises joint control or significant influence.

As part of the day-to-day management of the Group, Rallye has arm's length business relationships with its related parties.

Note 17 • Consolidation

Rallye prepares consolidated financial statements. The parent company financial statements are in turn included in the consolidated financial statements of Foncière Euris, whose registered office is located at 83, rue du Faubourg Saint-Honoré – 75008 Paris – France (Siren no. 702 023 508).

IV. Subsequent events

Launch of a global tender offer on unsecured debt as part of a modified Dutch auction process

On 22 January 2021, Rallye launched a global tender offer for its unsecured debt (including bonds and commercial paper) as part of a modified Dutch auction process (the "Tender Offer").

Tender Offer

The purpose of the Tender Offer is to (i) provide holders of unsecured debt with the opportunity of having all or part of their claims repurchased at a price determined as part of a modified Dutch auction and (ii) improve Rallye's debt profile, in the context of the implementation of the Safeguard Plan approved on 28 February 2020 by the Paris Commercial Court.

The Tender Offer, for a maximum amount of €75m, began on 22 January 2021 and expired on 5 February 2021 at 5:00 p.m. (Paris time). Rallye will keep the market informed of the results of the Tender Offer, its follow-up as well as the impact on Rallye's liabilities repayment profile.

Completion of the Tender Offer is, *inter alia*, subject to (i) the approval by the Paris Commercial Court of the amendment to Rallye's Safeguard Plan in order to authorize the effective completion of the Tender Offer and the implementation of the new financing described below (including the related security interests) and (ii) the availability of the proceeds of the new financing. Rallye will seek this approval immediately after announcing the results of the Tender Offer, subject to the results.

Tender Offer financing

The Tender Offer will be financed by a new financing repayable *in fine*, consisting of a bond issue and a bank loan for a total of €82.4m (including the financing of the arrangement fee due to the lenders), for which Rallye has already obtained firm commitments from Marc Ladreit de Lacharrière and some banks.

This new financing will bear, at Rallye's discretion for each interest period, (i) cash interest at the Euribor rate (floored at zero) for the corresponding 12-month interest period plus an 8% margin, or (ii) interest capitalised annually at the Euribor rate (floored at zero) for the corresponding 12-month interest period plus a 12% margin. An arrangement fee of 3% of the amount drawn under the new financing will be due by Rallye to the lenders. A non-use fee equal to 35% of the margin retained for capitalised interest, i.e., 4.2% per annum, will also be applicable on the unused portion of the new financing throughout the availability period, it being specified that in the absence of any drawdowns by 30 April 2021 and the subsequent cancellation of the lenders' commitments under the new financing, the amount due under the non-use fee will be €400,000.

This new financing will have a 4-year maturity from the signing of the agreements related to said financing, it being specified that a maximum ot two drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest.

Rallye may also decide to make early repayments in amounts of at least €10m, subject to payment of break-up fees and an early repayment fee of at least 27% of the principal repaid under the new financing (taking into account, in proportion to the principal repaid (accrued or capitalised under the new financing) since the signing of the agreements relating to said financing, and any other amounts paid to the lenders under the arrangement fee or non-use fee since the signing of the new financing agreements).

As a guarantee for this new financing, 3.3m Casino, Guichard-Perrachon shares held by Rallye, and currently free of any encumbrance, will be transferred by Rallye into a fiduciary trust to the benefit of the lenders under the new financing. In addition, upon repayment of the financing granted to Rallye by Fimalac (see Rallye press release dated 17 July 2020), the 9.5m shares placed in a fiduciary trust to the benefit of Fimalac will be transferred into a fiduciary trust to the benefit of the lenders under the new financing.

In this context, dividends or other profits and proceeds will remain in a fiduciary trust, and will be used as mandatory early repayment, with the exception of, in particular (except in case of a mandatory early repayment event):

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of €5m (which may be increased to a total amount of €6.6m if, on 30 June 2022, the cash position of Rallye makes it necessary) may be paid to Rallye;
- in 2023: the potential dividends will be paid to Rallye, subject to (i) the payment by the fiduciary trustee to the new financing providers of an amount of €10m drawn from these dividends in order to be used for the mandatory early repayment of the new financing, (ii) a maximum of 44m Casino, Guichard-Perrachon shares currently pledged to the benefit of Rallye's secured creditors being transferred to the securities account that will have been pledged in first rank to the benefit of the lenders under the new financing and (iii) that 9.5m Casino, Guichard-Perrachon shares be placed in a fiduciary trust to the benefit of the lenders under the new financing, if the financing granted to Rallye by Fimalac has been repaid; and
- in 2024; the potential dividends will be kept by Rallye provided that (i) a maximum of 44m Casino shares have effectively been recorded in the securities account pledged to the benefit of the lenders under this new financing in 2023 and that (ii) the value of the securities included in the fiduciary trust assets (based on the closing price of the 30 trading days prior to the ex-dividend date, as reduced by the amount of the distribution)
- is at least equal to 120% of the outstanding amount of this new financing on such date. If this 120% coverage is not achieved, payment of such dividends to Rallye will only be authorised if all of the 44m Casino shares are registered in the securities account pledged to the lenders under this new financing on the payment date of such dividends.

The main mandatory early repayment events are the following:

- rescission of Rallye's safeguard plan;
- loss of control by Jean-Charles Naouri and his family over Rallye as defined by Article L. 233-3 of the French Commercial Code;
- Jean-Charles Naouri and his family holding directly or indirectly less than 40% of Rallye's share capital or voting rights;

- loss of control by Rallye over Casino, Guichard-Perrachon as defined by Article L. 233-3 of the French Commercial Code;
- Rallye holding less than 40% of Casino, Guichard-Perrachon's share capital or voting rights; and
- delisting of Casino, Guichard-Perrachon shares.

Determination of the purchase price of the global tender offer launched by Rallye on its unsecured debt and extension of the tender offer expiration deadline

On 5 February 2021, Rallye decided to (i) extend the expiration deadline of the global tender offer on its unsecured debt launched on 22 January 2021 (the "Tender Offer"), initially set for 5 February 2021 at 5:00 p.m. (Paris time), and (ii) set the purchase price under the Tender Offer at 20% of the amount of the claim.

The new expiration deadline of the Tender Offer has been set for 10 February 2021, at 5:00 p.m. (Paris time). Rallye will announce the results of the Tender Offer after this new expiration deadline.

Accordingly, and subject to the conditions set out below:

- valid offers submitted as part of the Tender Offer and accepted by Rallye will be repurchased on the basis of a purchase price equal to 20% of the amount of the claim (i.e. the maximum purchase price initially set by Rallye);
- the valid offers submitted by creditors before 5 February 2021, at 5:00 p.m. (Paris time) will not be subject to any pro-ration factor on the amount of their claims repurchased under the Tender Offer; and
- only the valid offers submitted by creditors as from 5 February 2021 at 5:00 p.m. (Paris time) and until 10 February 2021 at 5:00 p.m. (Paris time), will be subject, if any, to a pro-ration factor on the amount of their claims repurchased, in the event that the maximum amount of €75m allotted by Rallye to the Tender Offer is exceeded.

The other terms of the tender offer, in particular the expected settlement date of the Tender Offer, remain unchanged.

Results of the global tender offer launched by Rallye on its unsecured debt

Subject to the fulfilment of the conditions precedent set out below, Rallye will acquire a total amount of unsecured debt of approximately €195.4m for a total repurchase price of approximately €39.1m, reducing the total amount of its unsecured debt by approximately €156.3m.

Completion of the Tender Offer is notably subject to (i) the approval by the Paris Commercial Court of the amendment to Rallye's safeguard plan in order to authorise the effective completion of the Tender Offer and the implementation of the new financing for the Tender Offer, and (ii) the availability of the proceeds of the new financing.

On 12 February 2021, Rallye filed a request with the Paris Commercial Court to amend its safeguard plan.

Settlement and delivery of the Tender Offer is expected to take place at the beginning of April 2021.

Rallye announces its entry into exclusive negotiations with Financière Immobilière Bordelaise for the sale of Groupe GO Sport

Today, Rallye announces it has entered into exclusive negotiations with Financière Immobilière Bordelaise for the sale of the entire share capital of Groupe Go Sport for a price of €1 without any representation and warranties given by Rallye.

Completion of the sale is notably subject to the consultation of Groupe GO Sport employee representative bodies (*instances représentatives du personnel*), the approval of the transaction by the relevant antitrust authorities, the waiver by the Paris Commercial Court of the non-transferability of Groupe GO Sport shares, and the agreement of Groupe GO Sport banks to maintain and amend their current outstanding loans.

Completion of the sale may occur before the end of the first half of 2021.

Table of subsidiaries and associates

(€ millions)	Share capital	Shareholders' equity excluding share capital	Ownership (as a %)	Carrying amount of shares owned		Outstanding loans and advances granted by the Company	Sureties and guarantees granted by the Company	2020 net revenue	2020 net income (loss)	Dividends received by the Company during the year
				Gross	Net					
A – Subsidiaries [1]										
(at least 50%-owned)										
Groupe GO Sport	45.0	94.5	100%	181.8				46.3	5.0	
Magasins Jean	0.3	(0.5)	100%	2.2		2.0		4.1	(0.5)	
Parande	0.1	6.6	100%	303.8	20.8				12.1	
B – Associates [1]										
(10% to 50%-owned)										
Casino, Guichard-Perrachon	165.9	8,321.2	43.6%	3,489.5	3,489.5			159.1	(2.5)	
C – Other subsidiaries and associates										
Subsidiaries other than in A				0.6	0.6	0.5				
Associates other than in B										

(1) The carrying amount of which is more than 1% of Rallye's share capital.

Five-year financial summary

(€)	31 December 2020 (1)	31 December 2019	31 December 2018	31 December 2017	31 December 2016
1 - Financial position at end of the year					
Share capital	157,119,705	156,545,307	161,214,798	156,194,472	146,493,339
Number of existing ordinary shares	52,373,235	52,181,769	53,738,266	52,064,824	48,831,113
Maximum number of shares to be issued:					
▪ on redemption of bonds					
▪ on the exercise of stock options					
▪ on the exercise of subscription warrants					
▪ on the allotment of free shares	499,026	437,158	368,564	423,951	337,985
2 – Operations and income (loss) for the year					
Net revenue	1,998,324	3,043,810	3,600,314	1,287,943	2,710,879
Income (loss) before tax, employee profit-sharing and depreciation, amortisation and provisions	(98,599,048)	(51,131,720)	48,631,565	78,285,076	120,102,986
Income tax				9,505,967	(2,677,941)
Income (loss) after tax, employee profit-sharing and depreciation, amortisation and provisions	(98,690,018)	(190,258,900)	47,072,388	57,987,609	105,577,813
Distributed earnings (1)			53,738,266	52,064,824	68,363,558
3 – Per share data					
Earnings (loss) per share after tax, employee profit-sharing, but before depreciation, amortisation and provisions	(1.88)	(0.98)	0.90	1.50	2.46
Earnings (loss) per share after tax, employee profit-sharing and depreciation, amortisation and provisions	(1.88)	(3.65)	0.88	1.11	2.16
Dividend per share (1)			1.00	1.00	1.40
4 – Employee data					
Average number of employees during the year	19	20	23	23	23
Total payroll	5,214,395	4,744,913	4,030,170	4,427,015	4,442,149
Total benefits	2,328,011	2,191,310	2,006,102	1,794,486	2,086,616

(1) Subject to the approval of the financial statements by the Shareholders' Meeting.

Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2020

*This is a translation into English of the Statutory Auditors' special report on regulated agreements issued in French and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (*Code de commerce*) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Shareholders of Rallye S.A.,

In our capacity as Statutory Auditors of Rallye, we hereby report to you on regulated agreements.

We are required to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying why they benefit the Company, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires au comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the Shareholders' Meeting for approval

In accordance with Article L. 225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorised in advance by the Board of Directors.

Bond financing agreement entered into with Fimalac

Person concerned

Jean-Charles Naouri, Chairman of the Company in his capacity as member of the Board of Directors of Fimalac.

Nature and purpose

At its meetings on 26 March 2020 and 7 May 2020, the Board of Directors authorised, in connection the agreements entered into with F. Marc de Lacharrière – Fimalac as well as Rallye and Euris in view of the refinancing of the derivatives transactions of Rallye (including its subsidiaries HMB and Cobivia), the signature of two subscription agreements between Rallye and Fimalac on 12 June 2020:

- a subscription agreement for the issue, by Rallye, of bonds for a maximum principal of €215,000,000, to repay all the derivatives transactions entered into by Rallye, HMB and Cobivia, which were not covered by the safeguard plans of said companies but were subject to specific agreements;
- a subscription agreement for the issue, by Rallye, of bonds for a maximum principal of €15,000,000, in order to finance its operational needs.

On 17 July 2020, Rallye issued 210,042,400 bonds, which were fully subscribed by Fimalac, for an amount of €210,042,400. The proceeds of the issue were used in full on the same date to repay all the derivatives transactions entered into by Rallye, HMB and Cobivia.

No drawdowns were made under the subscription agreement for a maximum amount of €15,000,000 in 2020.

Terms and conditions

The bonds have a four-year maturity, which may be extended by one year subject to agreement between Rallye and Fimalac. They bear capitalised interest at Euribor plus a 12% margin and with a commitment fee of 3% per year, carrying interest at the same rate,

which is capitalised and applied to the total amount of the Fimalac financing commitments, less the amount of bonds actually subscribed by Fimalac.

As security and collateral for its payment and repayment obligations in respect of each subscription agreement, Rallye entered into a fiduciary-trust management agreement, governed by French law, with Fimalac, under which a fiduciary trust was created in which the 9,468,255 Casino shares held by Rallye were deposited.

In 2020, Rallye recorded an expense of €11,762,374 in respect of interest and an expense of €2,529,167 in respect of fees.

Reasons justifying that the agreement is in the Company's interest

Subscription agreements enable Rallye to (i) repay all derivatives transactions entered into by Rallye, HMB and Cobivia, which are not covered by the safeguard plans of said companies but were subject to specific agreements and (ii) to finance the operational needs of Rallye.

The fiduciary trust agreement was entered into as security and collateral for Rallye's payment and repayment obligations under each subscription agreement.

Agreements already approved by the Shareholders' Meeting

Agreements approved in previous years

a) that were implemented during the year

We hereby inform you that we have not been advised of any agreements which were approved by the Shareholders' Meetings in prior years and had continuing effect during the year.

b) that were not implemented during the year

In addition, we were informed of the following agreements approved by the Shareholders' Meeting in previous years, which were not implemented during the year.

— *Guarantee of SCI Ruban Bleu Saint-Nazaire, an indirect subsidiary of the Company*

Nature and purpose

At its meeting of 27 August 2009, the Board of Directors authorised the Company to give an independent first demand guarantee to Locindus for the payment of rent and related expenses owed by S.C.I. Ruban Bleu Saint-Nazaire under a 12-year lease agreement for an annual sum of €2.5m.

Terms and conditions

This guarantee was not enforced during 2020 and the claim was not reported under the liabilities falling within the scope of the Rallye safeguard proceedings.

The Statutory Auditors
Paris-La Défense, 22 April 2021
French original signed by:

KPMG Audit	Ernst & Young et Autres
Department of KPMG S.A.	
Jean-Marc Discours	Henri-Pierre Navas
Partner	Partner

Chapter 5

Ordinary and Extraordinary Shareholders' Meeting of 18 May 2021

Presentation and draft resolutions

In the context of the Covid-19 health crisis, and in accordance with the provisions of French government order no. 2020-321 of 25 March 2020 and French decree no. 2020-418 of 10 April 2020 as extended by French decree no. 2021-255 of 9 March 2021, the Chairman of the Board of Directors, exceptionally decided, on the authority of the Board of Directors, to hold the Ordinary and Extraordinary Shareholders' Meeting of 18 May 2021 behind closed doors, without the physical presence of shareholders and other persons eligible to attend.

On the date of publication of this notice of meeting, administrative measures restricting or prohibiting travel or gatherings for health reasons prevent Rallye's shareholders from attending the Shareholders' Meeting in person, notably in view of the number of people usually present at previous Shareholders' Meetings, the obligation to comply with social distancing measures and the fact that conference and meeting rooms are closed.

In light of these factors, we invite shareholders to exercise their voting rights prior to the Shareholders' Meeting either by (i) returning the postal voting form or (ii) giving proxy to the Chairman, in accordance with the procedures to be described in the notice of meeting published in the French legal gazette (*Bulletin des Annonces Légales Obligatoires* – BALO). No admission cards will be issued for this Shareholders' Meeting.

As they will not be physically present, the shareholders will not be able to ask questions or propose amendments or new resolutions during the meeting.

Written questions can be sent by registered letter with acknowledgement of receipt or by email under the conditions provided for by the regulations in force.

Audio of the entire Meeting will be broadcast live in French on the Company's website. A replay will also be available online. The practical details of these arrangements will be available on the Company's website www.rallye.fr, in the Shareholders/Shareholders' Meeting section.

The shareholders are encouraged to regularly check the Shareholders' Meeting section of the Company's website (www.rallye.fr/en) to have access to all updated information on the Shareholders' Meeting.

Ordinary resolutions

Resolutions 1 and 2: Approval of the parent company and consolidated financial statements

Presentation

In the 1st and 2nd resolutions, the shareholders are asked to approve the parent company financial statements and the consolidated financial statements of the Company for the year ended 31 December 2020, as well as the transactions recorded in these financial statements.

The Statutory Auditors have issued an unqualified opinion on these financial statements.

First resolution

Approval of the parent company financial statements for the year ended 31 December 2020

The Ordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, approves the parent company financial statements for the year ended 31 December 2020 as presented, together with any and all transactions reported therein or mentioned in said reports, and which show a net loss of €98,690,018.19.

The Meeting also notes that the parent company financial statements do not include any of the surplus amortisation or expenses relating to luxury items set out in Article 39-4 of the French Tax Code (*Code général des impôts*).

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2020

The Ordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, approves the consolidated financial statements for the year ended 31 December 2020 as presented, which show a consolidated net loss of €472 million.

Resolution 3: Allocation of the net loss

Presentation

In the 3rd resolution, the Board of Directors asks you to approve the allocation of the net loss for the year, it being specified that on 18 March 2021, the Board of Directors decided not to ask shareholders at the Shareholders' Meeting of 18 May 2021 to approve the payment of a dividend in respect of 2020.

Third resolution

Allocation of the net loss for the year

The Ordinary Shareholders' Meeting, on the recommendation of the Board of Directors, resolves to allocate the net loss of €98,690,018.19 for the year ended 31 December 2020 to "Retained earnings", which will subsequently have a debit balance of €251,587,431.00.

The Shareholders' Meeting also notes that the dividend amounts paid to shareholders for the past three years were as follows:

Year ended	Amount [1] *(in €)*
31 December 2017	1.00
31 December 2018	1.00
31 December 2019	None

(1) For individuals who are tax residents in France, the 2017 and 2018 dividends were subject to a 30% flat tax rate, comprising 17.20% in social security withholdings and 12.80% in income tax (not eligible for the 40% tax relief), except in cases where taxpayers specifically requested that they be taxed at the progressive income tax rate (eligible for the 40% tax relief).

Resolution 4: Agreements governed by Article L. 225-38 of the French Commercial Code

Presentation

In the 4th resolution, the Board of Directors asks you to approve the agreements entered into between F. Marc de Lacharrière – Fimalac, and Rallye and Euris, within the scope of Article L. 225-38 of the French Commercial Code (*Code de commerce*).

The person concerned is Jean-Charles Naouri, Chairman of the Board of Directors of the Company and also member of the Board of Directors of Fimalac.

As part of these agreements, at its meetings held on 26 March and 7 May 2020, the Board of Directors authorised two subscription agreements signed between Rallye and Fimalac on 12 June 2020:

- a subscription agreement for the issue, by Rallye, of bonds for a maximum principal of €215,000,000, to repay all the derivatives transactions entered into by Rallye and its subsidiaries, HMB and Cobivia, which were not covered by the safeguard plans of said companies but were subject to specific agreements;
- a subscription agreement for the issue, by Rallye, of bonds for a maximum principal of €15,000,000, in order to finance its general operational needs.

On 17 July 2020, Rallye issued 210,042,400 bonds under these agreements for an amount of €210,042,400, which were taken up in full by Fimalac. The proceeds of the issue were used in full on the same date to repay all the derivatives transactions entered into by Rallye, HMB and Cobivia.

The bonds have a four-year maturity, which may be extended subject to agreement between Rallye and Fimalac. They bear capitalised interest at Euribor plus a 12% margin with a commitment fee of 3% per year, carrying interest at the same rate, which is capitalised and applied to the total amount of the Fimalac financing commitments, less the amount of bonds actually subscribed by Fimalac.

As security and collateral for its payment and repayment obligations in respect of each subscription agreement, Rallye entered into a fiduciary-trust management agreement, governed by French law, with Fimalac, under which a fiduciary trust was created in which the 9,468,255 Casino shares held by Rallye were deposited.

The Statutory Auditors' special report on related-party agreements, included in this Universal Registration Document, also covers this agreement and the related transactions, which have been published on the Company website in accordance with Article 22-10-13 of the French Commercial Code.

Fourth resolution

Agreements governed by Article L. 225-38 of the French Commercial Code

The Ordinary Shareholders' Meeting, having reviewed the Statutory Auditors' special report on the agreements governed by Article L. 225-38 of the French Commercial Code, approves the related-party agreement relating to the agreements entered into with Fimalac for the refinancing of the derivatives transactions.

Resolutions 5 to 14: Renewal of the appointments of Directors and non-voting Directors

Presentation

The Board of Directors currently comprises nine Directors, including one director representing employees, appointed by the most representative union, and two non-voting Directors.

Under the terms of the 5th to 14th resolutions, the Board of Directors asks you, on the recommendation of the Appointments and Compensation Committee, to renew for a one-year term the directorships expiring at this Shareholders' Meeting, i.e., those of: Catherine Fulconis, Anne Yannic, Jean-Charles Naouri, Philippe Charrier and Jacques Dumas, as well as Euris (represented by Odile Muracciole), Finatis (represented by Virginie Grin) and Foncière Euris (represented by Didier Lévêque) (see pages 72 *et seq.*). Under the terms of the 13th and 14th resolutions, you are also asked to renew the directorships of Jean Chodron de Courcel and Christian Paillot as non-voting Directors. The term of office of the Director representing employees, appointed in 2020 for three years, will expire in 2023.

The analysis of Director's independence, as reviewed annually by the Board of Directors, is presented in the Corporate Governance Report. It is based on the criteria recommended by the Afep-Medef Code. The assessments found that none of the independent Directors have a business relationship, either directly or indirectly, with the Company or with one of the Group companies.

If you approve the proposed reappointments, the Board of Directors will still have nine Directors following the Shareholders' Meeting. The proportion of women on the Board will continue to meet the 50% threshold.

It will have two independent Directors, Catherine Fulconis and Anne Yannic, (i.e., a 25% independence rate), one non-independent external Director, Philippe Charrier (as of 3 June 2021 based on the strict application of the criteria set out in the Afep-Medef Code limiting independent Directors' terms of office to 12 years), one Director representing employees and five Directors representing the controlling shareholder, as well as two non-voting Directors.

The Board of Directors will work to raise the proportion of independent members on the Board to above the one-third threshold recommended by the Afep-Medef Code for controlled companies.

The membership of the Board Committees and the Directors' attendance rates at meetings of the Board are also presented in the Board of Directors' Corporate Governance Report in Chapter 2 of the 2020 Universal Registration Document.

Fifth resolution

Renewal of the appointment as Director of Philippe Charrier

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Philippe Charrier for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Sixth resolution

Renewal of the appointment as Director of Jacques Dumas

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Jacques Dumas for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Seventh resolution

Renewal of the appointment as Director of Catherine Fulconis

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Catherine Fulconis for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Eighth resolution

Renewal of the appointment as Director of Jean-Charles Naouri

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Jean-Charles Naouri for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Ninth resolution

Renewal of the appointment as Director of Anne Yannic

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Anne Yannic for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Tenth resolution

Renewal of the appointment as Director of Euris

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Euris, whose permanent representative to the Board of Directors is Odile Muracciole, for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Eleventh resolution

Renewal of the appointment as Director of Finatis

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Finatis, whose permanent representative to the Board of Directors is Virginie Grin, for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Twelfth resolution

Renewal of the appointment as Director of Foncière Euris

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Foncière Euris, whose permanent representative to the Board of Directors is Didier Lévêque, for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Thirteenth resolution

Renewal of the appointment as non-voting Director of Jean Chodron de Courcel

The Ordinary Shareholders' Meeting hereby renews the appointment as non-voting Director of Jean Chodron de Courcel for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Fourteenth resolution

Renewal of the appointment as non-voting Director of Christian Paillot

The Ordinary Shareholders' Meeting hereby renews the appointment as non-voting Director of Christian Paillot for a period of one (1) year which will expire at the end of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2021.

Resolution 15: Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the 2020 compensation of corporate officers

Presentation

In the 15th resolution, pursuant to Article L. 22-10-34 I, of the French Commercial Code, you are asked to approve all of the information, referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code, relating to the compensation paid to corporate officers of the Company 2020 or granted to them, for that year, in connection with their term of office, as presented to the Ordinary Shareholders' Meeting in the Board of Directors' Corporate Governance Report (section on executive compensation) contained in Chapter 2 of the Company's 2020 Universal Registration Document.

Fifteenth resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the 2020 compensation of corporate officers

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-34 I of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report appended to the management report, which includes information relating to the compensation paid to corporate officers of the Company in 2020 or awarded to them in respect of that year in connection with their term of office, approves the information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code as presented to the Shareholders' Meeting in said report.

Resolution 16: Approval of the components of compensation paid to the General Manager in 2020 or granted in respect of that year

Presentation

In the 16th resolution, in accordance with Article L. 22-10-34-II of the French Commercial Code, you are asked to approve the fixed, variable and exceptional components comprising the aggregate compensation and benefits in kind paid to the General Manager for the year ended 31 December 2020, or awarded to him in respect of that year, in connection with his term of office, as presented in the Appendices (see page 278) and in the Board of Directors' Corporate Governance Report in Chapter 2 of the 2020 Universal Registration Document.

As required by Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and allocating the components of the General Manager's compensation for 2020 were submitted to a vote at the Shareholders' Meeting held on 26 June 2020 and were approved at a rate of 99.67%. The components for determining the variable compensation, the payment of which is contingent on approval at the Shareholders' Meeting, were explained at that time, as required by law.

Pursuant to the 18th resolution approved by the Shareholders' Meeting of 23 May 2018 at a rate of 97.43%, payment of the long-term incentive (LTI) awarded to the General Manager in 2018 and calculated over a three-year period (2018-2020), as presented in the Appendix (page 279), is subject to shareholder approval.

The Shareholders' Meeting approved the award of long-term exceptional bonuses to the General Manager, on 10 May 2017, at a rate of 96.63%, in respect of his new general management duties and his increased responsibility, and on 23 May 2018, at a rate of 97.43%, in respect of the first year in his general management role and a further increase in responsibility. In order to ensure that the key objectives of incentivising, motivating and retaining the General Manager are achieved, these components of compensation cover a period of three and two years, respectively, from the date they are awarded, and are therefore only paid if the General Manager is still with the Group on the date of the 2021 Shareholders' Meeting.

The Shareholders' Meeting of 26 June 2020 also approved, at a rate of 95.44%, the payment of additional compensation to the General Manager, reflecting, amid complex circumstances, his outstanding mobilisation and engagement, the acceleration of the safeguard proceedings and adherence to the related schedule. The additional compensation will be paid in two equal instalments in 2020 and 2021, if the General Manager is still with the Group on the date of the 2021 Shareholders' Meeting.

The payment of this compensation was submitted for approval at the Shareholders' Meeting of 18 May 2021.

Information on the compensation referred to above is presented in the section on executive compensation in the Board of Directors' Corporate Governance Report in Chapter 2 of the 2020 Universal Registration Document (see page 95).

Sixteenth resolution

Approval of the aggregate compensation and benefits in kind paid to the General Manager in 2020 or awarded to him in respect of that year in connection with his term of office

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-34 II of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report appended to the management report, approves the fixed, variable and exceptional components comprising the aggregate compensation and benefits in kind paid to the General Manager in 2020 or awarded to him in respect of that year in connection with his term of office, as presented to the Shareholders' Meeting in said report.

Resolution 17: 2021 compensation policy for the General Manager pursuant to Article L. 22-10-8 of the French Commercial Code

Presentation

Pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for corporate officers set by the Board of Directors is presented in its Corporate Governance Report appended to the management report and must be submitted each year for approval at the Shareholders' Meeting.

Under the 17th resolution, you are therefore asked to approve the components of the 2021 compensation policy for the General Manager in connection with his term of office, determined by the Board of Directors on 18 March 2021 on the recommendation of the Appointments and Compensation Committee, as presented in the appendix (page 280).

Information on the components of the 2021 compensation policy for the General Manager is also provided in the section on executive compensation in the Board of Directors' Corporate Governance Report in Chapter 2 of the Company's 2020 Universal Registration Document (see page 95).

Seventeenth resolution

Approval of the 2021 compensation policy for the General Manager

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-8 of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report appended to the management report, approves the 2021 compensation policy for the General Manager in connection with his term of office, as presented in said report.

Resolution 18: Compensation policy for non-executive corporate officers in connection with their 2021/2022 term of office

Presentation

Pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy for corporate officers set by the Board of Directors is presented in its Corporate Governance Report and must be submitted once a year for approval at the Shareholders' Meeting.

Under the 18th resolution, you are asked to approve the compensation policy for non-executive corporate officers in respect of their 2021/2022 term of office, determined by the Board of Directors on 18 March 2021 on the recommendation of the Appointments and Compensation Committee.

Information on the components of the compensation policy for non-executive corporate officers is provided in the section on executive compensation in the Board of Directors' Corporate Governance Report in Chapter 2 of the 2020 Universal Registration Document.

Eighteenth resolution

Approval of the compensation policy for non-executive corporate officers in connection with their 2021/2022 term of office

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-8 of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report appended to the management report, approves the compensation policy for non-executive corporate officers in connection with their 2021/2022 term of office, as presented in said report.

Resolution 19: Authorisation for the Company to buy back its own shares

Presentation

The 19th resolution renews for 18 months the authorisation granted to the Board of Directors at the Shareholders' Meeting of 26 June 2020 to buy back Company shares. The maximum purchase price is set at €30 per share and the maximum number of shares that may be bought back will be capped at 10% of the number of shares comprising the Company's share capital as of the date of the Shareholders' Meeting. For example, based on the share capital as of 18 March 2021, the maximum theoretical amount that the Company could invest in buying back 5,237,323 shares would total €157 million.

The goals of the share buyback programme are described below in the 19th resolution as well as in the description of the programme provided in Chapter 1 of the 2020 Universal Registration Document.

In the event of a public tender offer for the shares or other securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, notably in the context of free share plans, or strategic transactions, initiated and announced prior to the launch of said public tender offer.

Rallye has not had a liquidity agreement in place since 24 May 2019.

Nineteenth resolution

Authorisation for the Company to buy back its own shares

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report and acting in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code, Articles 241-1 to 241-7 of the General Regulations of the French securities regulator (*Autorité des marchés financiers* – AMF), as well as European Union regulations on market abuse (particularly Regulation (EU) No. 596/2014 of 16 April 2014), authorises the Board of Directors to buy back Company shares, notably in order to:

- ensure the liquidity of and make a market for the Company's shares through an investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement that complies with a Code of Conduct recognised by the AMF;
- implement any shareholding or savings plan in accordance with Articles L. 3332-1 *et seq*. of the French Labour Code (*Code du travail*), or any free share award made under Articles L. 22-10-59, L. 22-10-60 and L. 225-197-1 of the French Commercial Code, or any other share-based compensation mechanism;
- deliver shares in connection with the exercise of rights attached to securities redeemable, convertible or exchangeable for shares or exercisable for shares upon presentation of a warrant or a debt security convertible or exchangeable for shares, or otherwise;
- hold shares for later use as payment or consideration in the context of or following any external growth transactions;
- cancel all or some of the shares in order to optimise earnings per share through a share capital reduction under the conditions provided for by law;
- implement any future market practice authorised by the AMF and, generally, carry out any transaction that complies with the applicable regulations.

The maximum unit purchase price is set at €30 per share.

This authorisation may be used within the limit of a number of shares representing 10% of the number of shares comprising the Company's share capital as of the date of this Shareholders' Meeting, i.e., 5,237,323 shares based on the share capital as of 18 March 2021, for a maximum amount of €157 million.

These shares may be acquired, sold, transferred or exchanged by any method and, in particular, on regulated markets or over the counter, including via block trades. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies under the conditions authorised by the relevant financial markets' regulator, provided said methods do not cause a significant increase in the price volatility of the shares. Furthermore, the shares may also be placed on loan, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

This authorisation to buy back shares is given for a period that will expire at the Shareholders' Meeting called to approve the 2021 financial statements and management report, and no later than 18 November 2022.

In the event of a public tender offer for the shares or other securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, notably in the context of free share plans, or strategic transactions, initiated and announced prior to the launch of said public tender offer.

Consequently, full powers are granted to the Board of Directors, with the ability to sub-delegate, to implement this authorisation, place any and all stock market orders, enter into any and all agreements for the purpose of, in particular, keeping account of share purchases and sales, allocate or reallocate the purchased shares in support of various objectives under applicable legal and regulatory conditions, complete any and all reporting to the AMF and perform any other formalities and, generally, do all that is necessary.

Extraordinary resolutions

Resolutions 20 to 22: Share capital increase with and without pre-emptive subscription rights for existing shareholders

Presentation

The Extraordinary Shareholders' Meeting of 15 May 2019 delegated its authority to the Board of Directors, for a period of 26 months, for the purpose of issuing shares or securities carrying rights to shares of the Company or one of its subsidiaries, with pre-emptive subscription rights (20th resolution) and without pre-emptive subscription rights via a public offering (21st resolution) or via a private placement (22nd resolution).

The Board of Directors did not use these delegations and you are being asked to renew them.

- Under the 20th resolution, you are being asked to delegate authority to the Board of Directors, for a further 26-month period, for the purpose of deciding on the issue, with or without pre-emptive subscription rights for existing shareholders, of shares or securities carrying rights immediately and/or in the future, to shares of the Company or one of its subsidiaries, it being specified that the total par value of the securities that may be issued under this delegation may not exceed:
  - €66 million, if they are equity securities (unchanged from 2019), corresponding to 42% of the share capital at 31 December 2020; and
  - €1 billion, if they are debt securities (unchanged from 2019).

Each of these amounts would also constitute an aggregate ceiling by virtue of the 28th resolution, which limits the aggregate par value of issues of shares, with and without pre-emptive subscription rights, or of debt securities that may be carried out by virtue of the 20th to 27th resolutions, to €66 million and €1 billion, respectively.

- Under the terms of the 21st and 22nd resolutions, you are being asked to delegate the necessary authority to the Board of Directors for a further 26-month period for the purpose of issuing shares or securities, without pre-emptive subscription rights for existing shareholders, either via a public offer with the option of granting a priority subscription period to shareholders (21st resolution) or via a private placement as referred to in Article L. 411-2-II of the French Monetary and Financial Code (22nd resolution), it being specified that the par value of the securities that may be issued by virtue of these delegations may not exceed:
  - €15 million (9.55% of the share capital as of 31 December 2020), if they are securities representing a portion of the share capital (unchanged from 2019), it being specified that this amount, by virtue of the 28th resolution, is an aggregate ceiling for capital increases without pre-emptive subscription rights (excluding issues for the benefit of members of a Company savings plan); and
  - €1 billion, if they are debt securities (aggregate ceiling set in the 28th resolution).

You are being asked to suspend these delegations in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The ability to issue financial instruments without pre-emptive subscription rights would ensure that the Company still has the resources it requires to raise funds on the financial markets.

For issues carried out without pre-emptive subscription rights, the issue price of the securities will be set such that the Company receives, for each share issued by the Company, an amount equal to no less than the minimum authorised under applicable regulations as of the issue date or an amount equal to the weighted average of the prices of the share on Euronext Paris over the last three trading days preceding the date on which it was set less, where appropriate, a maximum 10% discount.

For issues carried out with pre-emptive subscription rights in the context of the 20th resolution, the sum paid or to be paid to the Company for each of the Company shares that may be issued must be at least equal to the par value of the share.

The issue price of all securities carrying rights to shares would be determined based on market practices and conditions.

The rights attached to the securities that may be issued under the terms of these resolutions could be exercised on set dates, at any time, or during one or several set periods determined by the Board, beginning no earlier than on the issue date of the primary security and ending in the event of redemption, conversion, or exchange of a debt security no later than three months after it has reached maturity or, in other cases, no later than seven years after the issue of the security carrying rights thereto.

Twentieth resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of one of its subsidiaries, with pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with Articles L. 225-127, L. 225-129, L. 225-129-2 and L. 228-91 *et seq*. of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, in one or several transactions and at its sole discretion, in the amounts and at the times that it shall determine, both in France and abroad, with pre-emptive rights for existing shareholders, by granting, at the Company's discretion, new and/or existing shares of the Company or existing shares of one of its subsidiaries. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of its subsidiaries, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or an equivalent value in foreign currency or composite monetary units.

The Company's share warrants may be issued through a subscription offering, but also by free allocation to the owners of old shares, on the understanding that the Board of Directors will have the right to decide that rights to fractional shares will not be negotiable and that the corresponding securities will be sold.

The total par value of the securities that may be issued under this delegation of authority may not exceed sixty-six million euros (€66 million), if they are equity securities, and one billion euros (€1 billion) or the equivalent value in foreign currency or composite monetary unit, if they are debt securities.

In order to allow securities holders to exercise their rights to the Company's new shares, the Shareholders' Meeting also authorises the Board of Directors to increase the share capital by a maximum par value of sixty-six million euros (€66 million) in addition to, if necessary, the par value of any additional shares that may be issued to protect the rights of the holders of the securities carrying rights to the Company's shares, in accordance with the law.

In accordance with the law, the Board of Directors may introduce, if deemed necessary, a subscription right for excess shares in the event of a share or securities issue. This right would allow any excess shares or securities, after subscriptions as of right, to be allocated to shareholders who subscribed for a larger number of shares than the number they were entitled to as of right, in proportion to the subscription rights that they hold, and in any event, within the limit of their requests.

If subscriptions as of right and subscriptions for excess shares do not absorb the entire issue, the Board may limit the issue to the amount of the subscriptions received, on the condition that this amount represents at least three quarters of the initially decided issue amount.

In addition, if the issue is not taken up in full by shareholders exercising their pre-emptive rights as provided for above, the Board may freely distribute and/or offer all or some of the unsubscribed securities to the public.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued, in compliance with the applicable formalities;

- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one-tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Twenty-first resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of one of its subsidiaries, without pre-emptive subscription rights for existing shareholders, via a public tender offer

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with Articles L. 225-129 to L. 225-129-6, L. 22-10-49 to L. 22-10-52 and L. 228-91 *et seq*. of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, via a public tender offer, in one or several transactions and at its sole discretion, in the amounts and at the times that it shall determine, both in France and abroad, by granting, at the Company's discretion, new shares and/or existing shares of the Company or existing shares of one of its subsidiaries. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of its subsidiaries, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or an equivalent value in foreign currency or composite monetary units.

The total par value of the securities that may be issued under this delegation of authority may not exceed fifteen million euros (€15 million), if they are equity securities, and one billion euros (€1 billion) or the equivalent value in foreign currency or composite monetary units, if they are debt securities.

The Shareholders' Meeting also authorises the Board of Directors, in order to allow securities holders to exercise their right to new Company shares, to increase the share capital by a maximum par value of fifteen million euros (€15 million).

The Shareholders' Meeting resolves to waive the pre-emptive rights of existing shareholders to subscribe to the shares and securities carrying rights to the shares to be issued pursuant to this delegation of authority. However, the Shareholders' Meeting delegates the necessary powers to the Board of Directors to introduce, if considered useful for all or part of an issue, a priority subscription period for shareholders to acquire shares in proportion to existing stock and/or for excess shares and to determine the exercise terms and conditions thereof, in accordance with the applicable legal and regulatory provisions, on the understanding that the securities left unsubscribed under this right may be offered through a public placement in or outside France and on the international market.

In the event of a public exchange offer initiated by the Company on its own shares, the Shareholders' Meeting delegates to the Board of Directors the necessary powers to tender the securities described under Article L. 228-91 of the French Commercial Code and issued in connection with this authorisation.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on Euronext Paris over the last three trading days preceding the day on which the price is set less, where appropriate, a maximum 10% discount, and after correcting this average, if necessary, for any difference in the dividend entitlement date.

The issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities will carry rights, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, where

appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued, in compliance with the applicable formalities;
- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Twenty-second resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of one of its subsidiaries, without pre-emptive subscription rights for existing shareholders, via a private placement defined in Article L. 411-2-II of the French Monetary and Financial Code

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with Articles L. 225-127, L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, L. 22-10-49 to L. 22-10-52 and L. 228-91 *et seq*. of the French Commercial Code,

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, in one or several transactions and at its sole discretion, in the proportions and at the times that it shall determine, both in France and abroad, through a private placement defined in Article L. 411-2 of the French Monetary and Financial Code, by granting, at the Company's discretion, new shares and/or existing shares of the Company, or existing shares of one of its subsidiaries. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of its subsidiaries, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or an equivalent value in foreign currency or composite monetary units.

The total par value of the securities that may be issued under this delegation of authority may not exceed fifteen million euros (€15 million), if they are equity securities, and one billion euros (€1 billion) or the equivalent value in foreign currency or composite monetary units, if they are debt securities.

The Shareholders' Meeting also authorises the Board of Directors, in order to allow securities holders to exercise their right to new Company shares, to increase the share capital by a maximum par value of fifteen million euros (€15 million).

The Shareholders' Meeting resolves to cancel the pre-emptive rights of shareholders to subscribe for shares and securities carrying rights to the shares to be issued, for the benefit of the persons and entities referred to in Article L. 411-2 II of the French Monetary and Financial Code.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on Euronext Paris over the last three trading days preceding the day on which the price is set less, where appropriate, a maximum 10% discount, and after correcting this average, if necessary, for any difference in the dividend entitlement date.

The issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities will carry rights, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, where appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- determine the persons and entities referred to in Article L. 411-2 II of the French Monetary and Financial Code and to whom the shares or securities would be issued;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with the applicable formalities;
- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Resolution 23: Exceptional option to set the issue price in the event of capital increases without pre-emptive subscription rights for existing shareholders

Presentation

Under the terms of the 23rd resolution, you are being asked to authorise your Board of Directors, in the event of increases without pre-emptive subscription rights, via public offerings (21st resolution) or private placements (22nd resolution), for the purpose of, if deemed appropriate, setting the issue price based on the weighted average market price of the share during the last ten trading days preceding the date on which it as set less, where appropriate, a maximum 10% discount in accordance with the conditions set forth by law.

The 28th resolution limits the aggregate amount of issues of shares, with and without pre-emptive subscription rights, or debt securities, that may be carried out pursuant to the 20th to 27th resolutions.

Twenty-third resolution

Authorisation granted to the Board of Directors to set the issue price according to the methods determined by the Shareholders' Meeting, in the event of issues, via public tender offers or private placements, without pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, in accordance with Article L. 22-10-52 of the French Commercial Code, during an issue carried out on the basis of the 21st and 22nd resolutions of this Meeting, to set, notwithstanding the provisions of Article L. 22-10-52 paragraph 2 of the French Commercial Code, the issue price under the conditions below:

- the issue price will be equal to the weighted average market price of the share over the ten trading days preceding the date on which it is set less, where appropriate, a maximum 10% discount;
- the issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities carry rights, will be such that the sum immediately received by the Company plus, where appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

The aggregate par value of share capital increases carried out pursuant to this resolution may not exceed 10% of the share capital per year. This ceiling shall be assessed on the date on which the Board of Directors sets the issue price.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 24: Option to increase the amount of issues in the event of capital increases with or without pre-emptive rights, in the event they are oversubscribed

Presentation

The purpose of the 24th resolution is to renew the authorisation granted to your Board of Directors in the context of share capital increases carried out with or without pre-emptive subscription rights (20th, 21st 22nd and 23rd resolutions), to increase the initial amount of the issues in the event they are oversubscribed, in accordance with the applicable regulatory conditions.

During the 30 days preceding the closing of the subscription period, your Board of Directors would thus have the ability to increase the number of securities issued at the same price as that retained in the initial issue, by up to 15% of the initial issue, subject to the ceiling set in the 20th, 21st, 22nd and 23rd resolutions depending on the case, and subject to the aggregate ceiling set in the 28th resolution.

Twenty-fourth resolution

Authorisation granted to the Board of Directors to increase the initial amount of issues with or without pre-emptive subscription rights, in the event they are oversubscribed

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, with the ability to sub-delegate to the General Manager, or, in agreement with the latter, to one or several Deputy General Managers, in accordance with the provisions of Articles L. 225-135-1 and L. 22-10-49 of the French Commercial Code, and in the event of any issue carried out under the 20th to 23rd resolutions of this Meeting and at its sole discretion, for the purpose of issuing a higher number of shares or securities than initially set, within the time frame and limits provided for by the applicable regulations as of the issue date (or, currently, within 30 days of the end of the subscription period, and in an amount no higher than 15% of the initial issue and at the same price as that retained for the initial issue), and subject to compliance with the ceiling set in the resolution pursuant to which the issue was decided and to the aggregate ceiling set forth in the 28th resolution.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 25: Share capital increase carried out by capitalising reserves, profits, premiums or other capitalisable sums

Presentation

At its meeting of 15 May 2019, the Extraordinary Shareholders' Meeting delegated its authority to the Board of Directors for a period of 26 months, for the purpose of increasing the share capital by capitalising reserves, profits, premiums, or other sums eligible for capitalisation.

The Board of Directors did not use this delegation.

Under the terms of the 25th resolution, you are being asked to renew this delegation for 26 months, within a limit not to exceed an aggregate par value of €66 million euros (42% of the share capital as of 31 December 2020) (unchanged from 2019), which constitutes the aggregate share capital increase ceiling applicable to all issues, with pre-emptive subscription rights for existing shareholders, as set forth in the 28th resolution. You are also being asked to suspend this delegation in the event of a public offering, unless previously approved by the Shareholders' Meeting.

Twenty-fifth resolution

Delegation of authority granted to the Board of Directors to increase the share capital by capitalising reserves, profits, premiums or other sums eligible for capitalisation

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and voting in accordance with Articles L. 225-129, L. 225-129-2, L. 22-10-49, L. 225-130 and L. 22-10-50 of the French Commercial Code, delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to increase the share capital, on one or several occasions, at the times and according to the procedures that it will determine, via the capitalisation of reserves, profits, premiums or other sums that may be eligible for capitalisation, by issuing and awarding free shares or by raising the par value of existing shares or a combination of the two methods.

The amount by which the capital may be increased pursuant to this delegation of authority shall not exceed sixty-six million euros (€66 million), not including the amount necessary to protect the rights of holders of securities carrying rights to shares in accordance with the law.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate, for the purpose of implementing this delegation and, in particular, to:

- define all the terms and conditions for the authorised transactions and, in particular, set the amount and type of the reserves and share premiums to be capitalised, set the number of new shares to be issued or the amount of the increase in the par value of existing shares that make up the share capital, set the date, which may be retroactive, from which the new shares will carry rights to the dividend or the date from which the higher par value will take effect;
- take all the necessary steps to protect the rights of holders of securities carrying rights to shares of the Company on the day of the share capital increase;
- define the conditions for using fractional shares and, in particular, decide that these rights will be neither tradable nor transferable and that the corresponding shares will be sold, while allocating the proceeds from the sale to rights holders, no later than 30 days after the date on which the whole number of shares is registered in their account;
- record the completion of the capital increase resulting from the share issue, amend the articles of association accordingly, request the admission of the shares on a regulated market and carry out any and all required publication formalities; and
- generally, take any and all measures and complete any and all formalities required to ensure the successful completion of each capital increase.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 26: Share capital increase carried out in the event of a public offering launched by the Company

Presentation

The Extraordinary Shareholders' Meeting of 15 May 2019 delegated its authority to the Board of Directors for 26 months for the purpose of issuing shares and securities carrying rights to shares of the Company in the event of a public offering launched by the Company and targeting the securities of another publicly traded company, without pre-emptive subscription rights for existing shareholders.

The Board of Directors did not use this delegation.

Under the terms of the 26th resolution, you are being asked to renew this delegation for 26 months.

The aggregate par value of the securities that may be issued by virtue of this delegation may not exceed:

- €15 million (9.55% of the share capital as of 31 December 2020), if they are securities representing a portion of the share capital (unchanged from 2019); and
- €1 billion, if they are debt securities.

You are also being asked to suspend this delegation in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The 28th resolution limits the aggregate amount of shares, with and without pre-emptive subscription rights, or debt securities, that may be issued pursuant to the 20th to 27th resolutions.

Twenty-sixth resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to shares of the Company in the event of a public tender offer launched by Rallye for the securities of another publicly traded company, without pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to decide, at its sole discretion, to issue shares or any other securities carrying rights, by any means, immediately or in the future, to shares of the Company in consideration for the shares or securities tendered in any mixed or alternative public exchange offer launched by the Company and targeting the shares or securities of another company registered on one of the regulated markets specified by Article L. 22-10-54 of the French Commercial Code.

The Shareholders' Meeting resolves that securities thus issued, carrying rights to Company shares, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as intermediate securities. These securities may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or an equivalent value in foreign currency or composite monetary units.

The Shareholders' Meeting expressly resolves to waive as necessary the pre-emptive rights of existing shareholders to these shares or securities.

The total par value of the securities that may be issued under this delegation of authority may not exceed fifteen million euros (€15 million), if they are equity securities, and one billion euros (€1 billion) or the equivalent value in foreign currency or composite monetary units, if they are debt securities.

The Shareholders' Meeting also authorises the Board of Directors, in order to allow securities holders to exercise their right to new Company shares, to increase the share capital by a maximum par value of fifteen million euros (€15 million).

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

The Shareholders' Meeting notes that the issue of securities carrying rights to shares of the Company implies the waiver by shareholders of their pre-emptive right to subscribe for the shares to which the securities may entitle them.

The Board of Directors will have full powers, with the ability to sub-delegate, to implement the public tender offers described by this resolution. In particular, it will set the exchange rate and if necessary, the amount of the cash balance to be paid; record the number of securities tendered at maturity; set the conditions, the nature and the characteristics of the shares or securities delivered in exchange, the date, which may be retroactive, from which the new shares will have dividend rights; record as a statement of financial position liability the contribution premium against which, if necessary, all the costs and duties incurred by the transaction will be charged, and place on record the completion of the capital increases and amend the articles of association accordingly. It will also carry out any and all formalities and declarations and request any and all authorisations that might be required for the execution and successful completion of the transactions authorised by this delegation of authority, and generally, do all that is necessary.

This delegation of authority is granted for a period of 26 months as from the date of this Meeting; it supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 27: Share capital increase to compensate contributions in kind granted to the Company

Presentation

The Extraordinary Shareholders' Meeting of 15 May 2019 delegated authority to the Board of Directors, for a period of 26 months, to issue shares or securities carrying rights to the share capital, for the purpose of compensating contributions in kind granted to the Company and comprising shares or securities carrying rights to shares.

The Board of Directors did not use this delegation.

Under the terms of the 27th resolution, you are being asked to renew this authorisation for a period of 26 months, on the same terms so that the Company may have this option.

You are also being asked to suspend this delegation in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The 28th resolution limits the aggregate amount of shares, with and without pre-emptive subscription rights, or debt securities, that may be issued pursuant to the 20th to 27th resolutions.

Twenty-seventh resolution

Delegation of powers granted to the Board of Directors to issue shares or securities carrying rights to shares in order to compensate contributions in kind granted to the Company and composed of shares or securities carrying rights to shares

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and voting in accordance with Articles L. 225-129 *et seq.*, L. 225-147, L. 22-10-49 and L. 22-10-53 of the French Commercial Code, delegates full powers to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to decide, on the basis of the report of the independent valuer(s) (*Commissaire(s) aux apports*) referred to in the paragraphs 1 and 2 of abovementioned Article L. 225-147, to issue shares or securities carrying rights to the shares of the Company, in order to compensate contributions in kind granted to the Company and comprising shares or securities carrying rights to shares of the Company, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable. It also resolves, as necessary, to waive, for the benefit of holders of these securities tendered under the contributions in kind, the pre-emptive rights of shareholders to the shares or securities to be issued.

The Shareholders' Meeting notes that this delegation of powers automatically implies the waiver by shareholders of their pre-emptive rights to subscribe for the Company shares that would have been associated with the securities issued on the basis of this delegation of powers, for the benefit of holders of securities carrying rights to shares of the Company issued under this delegation of powers.

The Board of Directors will have full powers, with the ability to sub-delegate, to implement this resolution, in particular to decide, based on the report of the independent valuer(s) described in paragraphs 1 and 2 of the abovementioned Article L. 225-147, whether the contributions in kind and the grant of special benefits and their value have been measured appropriately (including, to reduce, with the contributors' agreement, the valuation of contributions or the compensation to be awarded for special benefits), to set the conditions, the nature and characteristics of the shares and other securities to be issued, to place on record the completion of the capital increases carried out under this delegation of powers, amend the articles of association accordingly, carry out any and all formalities and declarations and apply for any and all authorisations that might be necessary to make these contributions and generally, do all that is necessary.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

This delegation of powers, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 28: Aggregate ceiling applicable to the financial authorisations

Presentation

The purpose of the 28th resolution is to limit the aggregate amount of issues of shares or debt securities that may be carried out pursuant to the 20th to 27th resolutions.

Accordingly, the aggregate par value of the share capital increases that may be carried out, immediately and/or in the future, may not exceed sixty-six million euros (€66 million), corresponding to 42% of the share capital as of 31 December 2020 (unchanged from 2019), it being specified that the aggregate par value of share capital increases that may be carried out, immediately and/or in the future without pre-emptive subscription rights pursuant to the 21st, 22nd, 23rd, 24th, 26th, and 27th resolutions may not exceed fifteen million euros (€15 million), i.e., 9.55% of the share capital at 31 December 2020, also unchanged from 2019.

The aggregate par value of debt securities that may be issued is limited to one billion euros (€1 billion).

Twenty-eighth resolution

Aggregate ceiling applicable to the financial authorisations granted to the Board of Directors

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report, and subject to adoption of the 20th to 27th resolutions above, resolves that:

- the total nominal value of debt securities that may be issued under these resolutions may not exceed one billion euros (€1 billion) or the equivalent value in foreign currency or in composite monetary units,
- the total par value of the shares that may be issued, immediately and/or in the future, pursuant to the 20th to 27th resolutions, may not exceed sixty-six million euros (€66 million), it being specified that the par value of the capital increases that may be carried out, immediately and/or in the future, without pre-emptive rights for existing shareholders, may not exceed fifteen million euros (€15 million) under the 21st, 22nd, 23rd, 24th, 26th and 27th resolutions, without taking account of the par value of the additional shares to be issued to safeguard the rights of securities holders, as required by law.

The Shareholders' Meeting notes that the aggregate par values of sixty-six million euros (€66 million) and of fifteen million euros (€15 million) do not include the par value of the shares:

- to be issued upon the exercise of stock options reserved for employees and corporate officers;
- to be awarded to employees and corporate officers under free share plans where the shares are allocated via a capital increase;
- to be issued, if necessary, for the benefit of employees who are members of the Company savings plan, in accordance with the 29th resolution;
- to be paid to shareholders in the form of a scrip dividend.

The Extraordinary Shareholders' Meeting resolves that the Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use delegations of authority and authorisations granted in the 20th to the 27th resolutions as from the date a third party files a tender offer for the Company's shares until the end of the tender offer period.

Resolution 29: Share capital increase reserved for members of a Company savings plan *(plan d'épargne d'entreprise)*

Presentation

The Extraordinary Shareholders' Meeting of 15 May 2019 authorised the Board of Directors, for a period of 26 months, to increase the share capital or sell treasury shares for the benefit of members of a Company savings plan offered by the Company and related companies, on implementing a cash issue of securities carrying rights to shares of the Company.

The Board of Directors did not use this delegation.

Under the terms of the 29th resolution, you are being asked to renew this authorisation for a period of 26 months.

The total number of shares that may be issued under the terms of this resolution remains at 1% of the share capital as of the date of the Shareholders' Meeting and will not be deducted from the aggregate ceiling on share capital increases set in the 28th resolution.

You are being asked to waive shareholders' pre-emptive subscription rights to the shares and securities carrying rights to shares that could potentially be issued under this authorisation. In accordance with the terms of Article L. 3332-19 of the French Labour Code, the subscription price of the shares may not be lower than the average of the prices quoted for the share during the last 20 trading days preceding the date of the decision setting the opening day of the subscription period, less a maximum discount of 20%, or 30% if the plan's lock-up period is at least ten years.

The Board of Directors will have also the authority to make free awards of shares or other securities carrying rights to shares of the Company, it being understood that the total benefit derived from such awards and, where appropriate, from any employer matching contribution or discount on the subscription price, may not exceed legal or regulatory limits.

Twenty-ninth resolution

Authorisation granted to the Board of Directors to increase the share capital and/or sell shares held in treasury for the benefit of employees

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and voting in accordance with Articles L. 3332-18 *et seq.* of the French Labour Code and Article L. 225-138-1 of the French Commercial Code, authorises the Board of Directors, under the conditions provided for by law, with the ability to sub-delegate in application of Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code, to increase the share capital at its sole discretion and if considered necessary, in one or several transactions, through share issues, on implementing a cash issue of securities carrying rights to shares of the Company.

Participation in the capital increase will be restricted to employees who are members of a Company savings plan offered by Rallye and related companies under the conditions specified in Article L. 233-16 of the French Commercial Code and in Article L. 3332-18 *et seq*. of the French Labour Code.

The Shareholders' Meeting hereby resolves to cancel, for the benefit of the beneficiaries of any capital increases decided under this authorisation, the pre-emptive rights of existing shareholders to subscribe for the shares that will be issued.

The total number of shares that may be issued under this authorisation may not exceed 1% of the total number of shares representing the Company's share capital, it being specified that this ceiling is separate from the ceiling set in the 23rd resolution and from the aggregate ceiling set in the 28th resolution.

The subscription price of the shares will be set in accordance with the provisions of Article L. 3332-19 of the French Labour Code.

The Shareholders' Meeting also resolves that the Board of Directors will have the authority to award free shares or other securities carrying rights to shares of the Company, it being understood that the total benefit derived from such awards and, where appropriate, from any employer matching contribution or discount on the subscription price, may not exceed legal or regulatory limits.

The Shareholders' Meeting authorises the Board of Directors to sell the shares bought back by the Company pursuant to the provisions of Article L. 225-206 *et seq*. of the French Commercial Code, in one or several transactions and at its sole discretion, within the limit of 1% of the shares issued by the Company to the employees who are members of a savings plan offered by the Company and related companies under the conditions set forth in Article L. 233-16 of the French Commercial Code and in Article L. 3332-18 *et seq.* of the French Labour Code.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Capital increases may only be carried out under this authorisation insofar as they correspond to the number of shares subscribed by employees individually or through the intermediary of a corporate mutual fund (FCPE).

The Shareholders' Meeting authorises the Board of Directors, in accordance with and under the conditions of Article L. 225-135-1 of the French Commercial Code, to issue a higher number of shares than initially set, at the same price as for the initial issue, within the limit of the abovementioned ceiling.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, to implement this authorisation and carry out this or these issue(s) within the limits set above, on the dates, within the time frames and according to the methods that it shall determine in accordance with statutory and legal provisions and more particularly to:

- define the methods for the restricted issue or issues and, in particular, determine whether the issues can be carried out for the direct benefit of beneficiaries or through collective investment vehicles;
- set the amounts of the capital increases, the dates and duration of the subscription period, the terms and conditions and amount of time granted to subscribers to pay for their securities and the seniority conditions that should be met by the subscribers of new shares;
- after each capital increase and at its sole discretion, deduct the capital increase costs from the amount of the associated premiums and deduct from this amount the sums required to raise the legal reserve to one tenth of the new share capital;
- record the amount of the corresponding capital increases and amend the articles of association accordingly to reflect the direct or deferred capital increases; and
- generally, take any and all measures to complete any and all formalities required for the issue, the listing and the servicing of securities that may be issued under this authorisation.

Resolution 30: Capital reduction by cancelling treasury shares

Presentation

The Extraordinary Shareholders' Meeting of 15 May 2019 authorised the Board of Directors, for a period of 26 months to reduce the share capital by cancelling, within the limit of 10% of the share capital existing on the cancellation date (i.e., adjusted to reflect any transactions in the share capital), shares that the Company may have purchased under an authorisation given by the Ordinary Shareholders' Meeting and to do so by 24-month periods.

The Board of Directors did not use this delegation.

Under the terms of the 30th resolution, you are being asked to renew this authorisation for a period of 26 months, under the same conditions.

Thirtieth resolution

Authorisation to reduce the share capital by cancelling shares held in treasury

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, in accordance with Article L. 22-10-62 of the French Commercial Code, to reduce the share capital, in one or several transactions, within the limit of 10% of the share capital as of the cancellation date (i.e., adjusted to reflect any transactions in the share capital since the effective date of this resolution), by cancelling shares bought back by the Company pursuant to an authorisation given by the Ordinary Shareholders' Meeting, and to do so by 24-month periods.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate, for the purpose of completing this or these share capital reduction(s) within the limits set forth above and, in particular, to record its or their completion and charge the difference between the purchase price of the shares and their par value against the reserve item or premium of its choice, amend the articles of association accordingly, and carry out any and all formalities.

Consequently, the Board of Directors will take all necessary measures and perform any and all legal and statutory formalities to successfully complete these transactions and, in particular, make the corresponding amendments to the articles of association.

This authorisation granted to the Board of Directors is valid for a period of 26 months as from the date of this Meeting and supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 31: Powers to carry out formalities

Presentation

The 31st resolution is a standard authorisation to carry out publication and legal formalities.

Thirty-first resolution

Powers to carry out formalities

The Shareholders' Meeting grants full powers to the bearers of an original, excerpt or copy of the minutes of this Meeting to complete all filings, publications and formalities prescribed by law.

Appendices to the text of resolutions 16 to 17

Information on the aggregate compensation and benefits in kind paid to the General Manager in 2020 or awarded to him in respect of that year in connection with his term of office

(16th resolution of the Ordinary Shareholders' Meeting of 18 May 2021)

Pursuant to Article L. 22-10-34 II of the French Commercial Code, you are asked to approve the fixed, variable and exceptional components comprising the aggregate compensation and benefits in kind paid or awarded to the General Manager for the year ended 31 December 2020 in connection with his term of office, as presented in the table below. All of these components are also detailed in the Board of Directors' Corporate Governance Report in Chapter 2 of this Universal Registration Document:

Components of compensation submitted to vote	Gross amounts paid in 2020	Amounts awarded in respect of 2020 or book value	Presentation
Fixed compensation	€460,000	€480,000	Unchanged since 2019. The General Manager decided to waive 25% of his compensation for April and May 2020 in light of the health crisis.
Annual variable compensation	€465,000	€147,614	The 2020 target annual variable compensation could represent 64.5% of the fixed compensation (i.e., a gross amount of €310,000) if all of the objectives were met. It was calculated based on set financial quantitative objectives and individual qualitative objectives: ▪ Two quantitative financial objectives, accounting for 65% (versus 50% previously) of the target amount, i.e., €201.5 thousand, based on: — EBITDA France, corresponding to a weighting of 30%, i.e., €93,000, — a reduction in Rallye's gross debt, corresponding to a weighting of 35%, i.e., €108,500. ▪ Three individual qualitative objectives, whose weighting was reduced from 30% to 20% of the target amount: day-to-day management of the safeguard proceedings, asset disposals and financial reporting, i.e., €62,000. ▪ Assessment of managerial attitudes and behaviour, whose weighting was reduced from 20% to 15% of the target amount, i.e., €46,500. ▪ An outperformance bonus representing up to 200% for the two quantitative financial criteria only. The maximum potential gross annual variable compensation is therefore €511,500 (106.6% of fixed compensation) in the event of outperformance. On that basis, in strict application of the methods set by the Board of Directors on 26 March 2020 for determining compensation, acting on the recommendation of the Appointments and Compensation Committee, at its meeting on 18 March 2021 the Board of Directors reviewed the results achieved and determined the amount of variable compensation due for 2020, as follows: ▪ the EBITDA France criterion was achieved at a rate of 26.6% of the target amount of €93,000, i.e., a gross amount of €24,800; ▪ the criterion for the reduction in Rallye's gross debt was achieved at a rate of 27.48% of the target amount of €108,500, i.e., a gross amount of €29,814; ▪ the individual objectives were achieved at a rate of 75% of the target amount of €62,000, i.e., a gross amount of €46,500; ▪ the assessment of managerial attitudes and behaviour was achieved at a rate of 100% of its target amount, i.e., a gross amount of €46,500. Total variable compensation for 2020 therefore amounted to €147,614 gross, representing 47.6% of its target amount and 31% of annual gross fixed compensation of €480,000. As required by Article L. 22-10-8 of the French Commercial Code, payment of the annual variable compensation due for 2020, as determined, is subject to approval at the Ordinary Shareholders' Meeting of 18 May 2021 (16th resolution).
Additional compensation		€300,000 *(Balance of the additional compensation in respect of 2019, paid following approval of the 16th resolution at the Shareholders' Meeting of 18 May 2021)*	The Shareholders' Meeting held on 26 June 2020 approved, at a rate of 95.44%, the award and payment to the General Manager of additional compensation for 2019 in light of an amendment to his 2019 compensation policy (previously approved by the Shareholders' Meeting held on 15 May 2019), as proposed by the Board of Directors. Based on the recommendation of the Appointments and Compensation Committee and acting on the recommendations of specialised external consultants with regard to both the type of compensation and its amount, as well as the performance conditions, at its meeting on 26 March 2020 the Board of Directors decided to grant the General Manager additional compensation in respect of 2019 to reflect, amid complex circumstances, his outstanding commitment and engagement, the effective management and stability of the teams, the acceleration of the safeguard proceedings and compliance with the related schedule. The Board of Directors noted that this compensation was in line with the additional compensation policy established for the Company's employees and personnel to reward him for his decisive contribution. The amount of additional compensation was set at €600,000 gross, paid in two equal instalments in 2020 and 2021, subject to a continuous service condition.
Multi-annual variable compensation	Not applicable	Not applicable	

Components of compensation submitted to vote	Gross amounts paid in 2020	Amounts awarded in respect of 2020 or book value	Presentation
Long-term incentives (LTI)	€82,510 *(long-term incentives paid after approval of the 16th resolution of the 26 June 2020 Shareholders' Meeting)*		**2020-2022 long-term incentive (2020 LTI)** In accordance with market practice and the recommendations made as regards the heavy weighting of the variable component in the overall compensation package and the assessment of the Company's longer-term performance, the Board of Directors decided to once again renew the long-term cash incentive plan in 2020. To determine the long-term incentive and the related performance conditions, the Board of Directors has decided to retain the criteria concerning the reduction in gross debt and the change in the share price (replacing the criteria of (i) the ratio of consolidated EBITDA to the cost of net debt, and (ii) the cost of net debt of the Rallye scope), considered more suitable in light of the Company's specific situation and its priorities. The long-term incentive would be determined as follows: ▪ The gross target amount is unchanged at €300,000, representing 62.5% of fixed compensation. ▪ The performance conditions continue to be assessed over a three-year period (2020-2022). ▪ Two quantitative objectives, each accounting for 50%, based on the reduction in gross debt and the change in the Rallye share price. ▪ An outperformance bonus representing up to 200% for the two criteria. A minimum threshold, a target level corresponding to the achievement of the objectives and an outperformance level have been set for the two criteria. There is no guaranteed minimum. **2017-2019 long-term incentive (2017 LTI)** Pursuant to the resolution proposed at the Shareholders' Meeting of 10 May 2017, payment of the long-term incentive (LTI) to the General Manager in 2017, assessed over a three-year period (2017-2019), was also contingent on approval at the Shareholders' Meeting of 26 June 2020 (16th resolution). Payment of the long-term incentive was contingent on a continuous service condition and the achievement of two performance conditions assessed at the end of a three-year period (2017-2019). The performance conditions, each accounting for 50% of the target amount, were based on: – the ratio of consolidated EBTIDA to the cost of consolidated net debt; – the cost of net debt of the Rallye holding company scope. In addition, for 100% of the variable compensation as determined by the achievement of the above two criteria, a weighting will be applied based on the upward or downward change in the Rallye share price between the grant date and the vesting date (based on the average closing share price over the 20 trading days preceding these two dates). The maximum amount equal to the target was set at €250,000, representing 59.52% of the 2017 fixed compensation. Based on the level of achievement and in light of the 67% decrease in the Rallye share price between 10 May 2017 and 26 March 2020 (date of the Board of Directors' meeting setting the amount of the long-term incentive), the gross amount of the long-term incentive awarded was €82,510, representing 33% of the target amount. **2018-2020 long-term incentive (2018 LTI)** • The Shareholders' Meeting held on 23 May 2018 approved, at a rate of 97.43%, the principles and criteria for determining and awarding the long-term incentive (2018-2020) set by the Board of Directors on 7 March 2018. Payment of the long-term incentive was contingent on a continuous service condition and the achievement of two performance conditions assessed at the end of a three-year period (2018-2020). The performance conditions, each accounting for 50% of the target amount, are based on: ▪ the ratio of consolidated EBTIDA to the cost of consolidated net debt; ▪ the cost of net financial debt of the Rallye holding company scope. In addition, for 100% of the variable compensation as determined by the achievement of the above two criteria, a weighting will be applied based on the upward or downward change in the Rallye share price between 23 May 2018 and 18 March 2021 (based on the average closing share price over the 20 trading days preceding these two dates). The maximum gross target amount was set at €280,000, representing 62% of 2018 fixed compensation. Based on the level of achievement and in light of the 45.55% decrease in the Rallye share price between 23 May 2018 and 18 March 2021 (date of the Board of Directors' meeting setting the amount of the long-term incentive), the gross amount of the long-term incentive awarded was €152,447, representing 54.45% of the target amount. Payment of the incentive long-term incentive (2018-2020) was submitted for approval at the Shareholders' Meeting of 18 May 2021.
Deferred exceptional bonus			The Shareholders' Meeting approved the award of long-term exceptional bonuses to the General Manager on (i) 10 May 2017, approved at a rate of 96.63%, for a gross amount of €600,000 in respect of his new general management duties and his increased responsibility, and (ii) 23 May 2018, approved at a rate of 97.43%, for a gross amount of €400,000 in respect of the first year in his general management role and a further increase in responsibility. In order to ensure that the key objectives of incentivising, motivating and retaining the General Manager are achieved, these components of compensation cover a period of three and two years, respectively, from the date they are awarded, and are therefore only paid if the General Manager is still with the Group on the date of the 2021 Shareholders' Meeting, i.e., 18 May 2021, during which shareholders are asked to approve payment of said compensation (16th resolution).

Components of compensation submitted to vote	Gross amounts paid in 2020	Amounts awarded in respect of 2020 or book value	Presentation
Stock options and performance shares	Not applicable		The General Manager of the company is not awarded any free shares or performance shares. He has been excluded from the authorisations voted on at Shareholders' Meeting since 2017, it being noted that no stock options or shares plans have been authorised.
Benefits in kind	€32,765 gross		The General Manager is a member of the specific unemployment insurance plan for Directors and corporate officers (GSC), which is considered to be a benefit in kind.
Termination benefit	Not applicable		The General Manager is not entitled to any severance package.
Non-compete benefits	Not applicable		The General Manager is not entitled to any compensation under a non-compete clause.
Supplementary retirement plan	-		The General Manager is a member of the mandatory pension, health and supplementary retirement plan set up at Rallye for all employees. He also benefits from the defined benefit supplementary retirement plan in force at Rallye.

2021 compensation policy for the General Manager in connection with his term of office

(17th resolution of the Ordinary General Shareholders' Meeting of 18 May 2021)

Pursuant to Article L. 22-10-9 of the French Commercial Code on corporate officer compensation, at its meeting on 18 March 2021 and in line with the general principles set out above, the Board of Directors set the 2021 compensation policy for the General Manager, ensuring that it remains consistent with the Company's interests and strategy and with the interests of the shareholders and other stakeholders.

The Board of Directors also used the principles set out in the Afep-Medef Code as a guide.

Prior to the decision taken by the Board of Directors, the Appointments and Compensation Committee conducted its annual review of the components making up the General Manager's compensation package in order to make its recommendation to the Board.

The Board of Directors decided to renew in 2021 the 2020 compensation policy:

Fixed compensation for 2021

Gross fixed compensation for 2021 is unchanged since 2019 at €480,000.

Annual variable compensation for 2021

Annual variable compensation would continue to be set at a target of 64.5% of fixed compensation, corresponding to a gross amount of €310,000 if the objectives are met.

Annual variable compensation would remain entirely contingent on the achievement of quantitative financial objectives and individual qualitative objectives:

- Two unchanged quantitative financial objectives, accounting for 65% of the target amount, i.e., €201,500, based on:
  - growth in consolidated EBITDA France, corresponding to a weighting of 30%, i.e., €93,000;
  - 35%reduction in Rallye's gross debt i.e., €108,500.
- Three individual qualitative objectives, accounting for 20% of the target amount: day-to-day management of the safeguard proceedings, asset disposals and financial reporting, i.e., €62,000.
- Assessment of managerial attitudes and behaviour, accounting for 15% of the target amount, i.e., €46,500.

An outperformance bonus representing up to 200% for the two quantitative financial criteria only.

In the event of outperformance, annual variable compensation could therefore represent up to 106.6% of fixed compensation (corresponding to a gross amount of €511,500).

The quantitative and qualitative criteria and their weighting in the General Manager's 2021 variable compensation break down as follows:

OBJECTIVES Target level: €310,000	Variable component as a % of the target level	Maximum variable component as a % of the target level
I/ Two quantitative objectives (65%)		
1 – Growth in consolidated EBITDA France [1]	*30%*	*60%*
Corresponding variable component	€93,000	€186,000
2 – Reduction in Rallye's gross debt	*35%*	*70%*
Corresponding variable component	€108,500	€217,000
II/ Three individual qualitative objectives (20%)		
1 – Day-to-day management of the safeguard proceedings	*10%*	*10%*
Corresponding variable component	€31,000	€31,000
2 – Financial reporting	*5%*	*5%*
Corresponding variable component	€15,500	€15,500
3 – Asset disposals	*5%*	*5%*
Corresponding variable component	€15,500	€15,500
III/ Managerial attitudes and behaviour	15%	15%
(initiatives, decision-making, team management, employee development, Director relationships, etc.)		
Corresponding variable component	€46,500	€46,500

* *Linear change between amounts.*

(1) EBITDA as defined in Casino's bank covenants, i.e., EBITDA France Retail and Cdiscount.

Long-term incentive for 2021-2023

In order to maintain a significant variable component in the General Manager's compensation and to continue to take into account longer-term performance, the Board of Directors decided to once again award the General Manager a cash-based long-term incentive for 2021, to be determined as follows:

- The gross target amount is unchanged at €300,000, representing 62.5% of fixed compensation.
- The performance conditions continue to be assessed over a three-year period (2021-2023).
- Two quantitative objectives, unchanged from the objectives used in 2020, each accounting for 50%, based on the reduction in gross debt and the change in the Rallye share price.
- An outperformance bonus representing up to 200% for the two criteria.

A minimum threshold, a target level corresponding to the achievement of the objectives and an outperformance level have been set for the two criteria. There is no guaranteed minimum.

Other components of compensation and benefits in kind awarded to the General Manager

The General Manager does not receive any stock options (no authorisation to grant stock options is in force) or performance shares and was expressly excluded from any such plans under the resolutions submitted to the Extraordinary Shareholders' Meeting on 26 June 2020.

The General Manager is a member of the specific unemployment insurance plan for Directors and corporate officers (GSC), which is considered to be a benefit in kind, and is covered by all of the compulsory group retirement plans in existence at Rallye (ARRCO and AGIRC), the defined contribution supplementary retirement plan, and the health insurance and death and disability plans.

Furthermore, the General Manager is not covered by any defined benefit supplementary retirement plan, and is not entitled to any compensation for loss of office or any non-compete indemnity.

Chapter 6

Additional information

Information about the Company

General information

Corporate name: Rallye

Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris, France

Administrative headquarters: 32, rue de Ponthieu - 75008 Paris, France

Telephone number: +33 (0)1 44 71 13 73 - Website: www.rallye.fr/en

Legal form

Rallye is a joint-stock company (*société anonyme*) governed by Book II of the French Commercial Code (*Code de commerce*).

Governing law: French law

Formation – term

Date of formation: 20 January 1925

Expiry date: 31 December 2064

Term: 90 years, starting from 31 December 1974, the date of its first extension.

Corporate purpose

Article 3 of the articles of association

"The Company's purpose is to:

- acquire equity interests in any French or foreign business, whatever its legal form or purpose, and to manage these interests;
- provide administrative, accounting, legal, financial, IT, commercial or other services to further the interests of any company, as well as public relations services;
- acquire and manage all types of real estate;
- undertake any form of business, commission, or brokerage in its own name, or on behalf of others;
- and, in general, undertake any commercial, industrial, real estate, personal property or financial transactions either directly or indirectly related to, or likely to serve the Company's purpose or to help in its achievement.

It may, in France or abroad, create, acquire, use under licence or grant licences to use, any and all trademarks, designs, models, patents and manufacturing processes related to the above purpose.

It may act in any country, directly or indirectly, on its own account or on behalf of others, alone or in association, participation, grouping or company, with any other person or company, and carry out the transactions necessary to its purpose, under any form."

Trade and Companies Register

Registered with the Paris Trade and Companies Register (RCS) under number 054 500 574.

Consultation of the documents and information relating to the Company

Company documents relating to the last three financial years (annual financial statements, minutes of Shareholders' Meetings, Directors, Statutory Auditors' reports, articles of association, etc.) may be consulted at Rallye's administrative headquarters at 32, rue de Ponthieu - 75008 Paris, France.

Accounting year

Article 32 of the articles of association

The accounting year starts on 1 January and ends on 31 December.

Articles of association relating to the management and governance bodies – Board of Directors' Internal Rules

Board of Directors

Composition of the Board of Directors (excerpt from Article 14 of the articles of association)

I - The Company is administered by a Board composed of at least three and at most eighteen members.

II - The Board of Directors may also include, in accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, one or two Directors representing employees, for whom the specific rules are subject to the legal provisions in force and the articles of association.

Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is lower than or equal to eight (8), a Director representing employees is appointed by the labour organisation that received the most votes in the first round of the elections, referenced in Articles L. 2122-1 and L. 2122-4 of the French Labour Code (Code du travail), held at the Company and its direct or indirect subsidiaries, the registered office of which is located on French territory. Whenever the number of Directors appointed by the Ordinary Shareholders' Meeting is higher than eight (8), two Directors representing employees must be appointed by each of the two labour organisations that received the most votes in the first round of elections.

The number of Directors appointed by the Ordinary Shareholders' Meeting to be taken into account to determine the number of Directors representing employees is assessed on the date the employee representatives are appointed to the Board.

Directors' shares (excerpt from Article 15 of the articles of association)

Each Director must own at least one (1) share.

If Directors do not own the required number of shares on the day of their appointment, or cease to own them during their term of office, they shall automatically resign from office unless they remedy the position within six months.

Term of office – Age limit – Replacement of Directors appointed by the Shareholders' Meeting (excerpt from Article 16 of the articles of association)

I - Directors, with the exception of Director(s) representing employees, as provided for in paragraph II of Article 14 of the articles of association, are appointed for a term of office of one year expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended and held during the year in which their term of office expires.

II - All Directors who are natural persons or who are permanent representatives of a legal entity are deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting held to approve the financial statements for the year during which they reach 75 years of age.

III - Directors are appointed or reappointed by the Shareholders' Meeting.

In the event of a vacancy due to the death or resignation of one or more Directors, the Board may, between two Shareholders' Meetings, make provisional appointments. These appointments shall be subject to ratification at the next Shareholders' Meeting.

Even if the appointment of a Director is not ratified by the Shareholders' Meeting, the actions performed by this Director and the resolutions passed by the Board during the provisional appointment are nonetheless valid.

If the number of Directors falls below three, the remaining Directors (or the Statutory Auditors or a representative designated at the request of any interested party by the President of the Commercial Court) must immediately convene an Ordinary Shareholders' Meeting to appoint one or more new Directors to fill the vacancies and to bring the number of Directors up to the required legal minimum.

The Director appointed to replace another Director shall only fill the vacancy for the remainder of the unexpired term of his or her predecessor.

The appointment of a new Director in addition to the serving Directors may only be decided on by the Shareholders' Meeting that sets the term of office.

Organisation, meetings and decisions of the Board of Directors

Chairman - Board Committee (excerpts from Articles 17 and 20 of the articles of association)

The Board of Directors appoints a Chairman from among its members who are natural persons.

The Chairman of the Board of Directors organises and directs the activities of the Board and reports thereon to the Shareholders' Meeting. The Chairman ensures that the Company's management bodies function correctly and that the Directors are able to fulfil their duties.

The Chairman may be appointed for the entire term of his or her office as a Director, subject to the right of the Board of Directors to remove him or her from office and to the Chairman's right to resign before the expiry of his or her term of office. The Chairman is eligible for reappointment.

The Chairman is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 75 years of age.

The Board of Directors may remove him or her from office at any time.

In the event of the temporary incapacity or death of the Chairman, the Board of Directors may delegate the powers and duties of the Chairman to another Director. In the event of temporary incapacity, the delegation of the powers and duties shall be given for a limited period, which may be renewed. In the event of death, the delegation shall be valid until the appointment of a new Chairman.

Non-voting Directors (*censeurs*) (excerpt from Article 23 of the articles of association)

The Ordinary Shareholders' Meeting may appoint one or more non-voting Directors, which may be either legal entities or natural persons, chosen from among the shareholders. The Board of Directors may appoint non-voting Directors subject to ratification at the next Shareholders' Meeting.

Non-voting Directors are appointed for a term of office of one year. Their appointment expires at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous year and held in the year during which their term of office expires.

Any non-voting Director is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 80 years of age.

Non-voting Directors shall be eligible for reappointment any number of times, and may be removed from office at any time by decision of the Ordinary Shareholders' Meeting.

Non-voting Directors attend Board of Directors' meetings, and offer their opinions and observations and take part in the decision-making process in an advisory capacity.

They may receive compensation, the amount and distribution of which are set by the Board of Directors as part of the Directors' fees granted by the Shareholders' Meeting.

Meetings of the Board of Directors (excerpt from Article 18 of the articles of association)

I - The Board meets as often as required in the Company's interest and every time said Board deems it appropriate, at the location indicated in the meeting notification.

Notices of meeting are prepared by the Chairman or by any person he or she appoints to do so on his or her behalf; if the Board has not met for more than two months, one-third of the Directors in office can ask the Chairman to call for a meeting based on a predetermined agenda. The General Manager can also ask the Chairman to call for a meeting based on a predetermined agenda.

A Director can grant proxy to another Director for the purpose of being represented in the Board of Directors' decision-making process. The Board is the only body authorised to validate said proxy, which can be granted by any means, provided the request is completed in writing and is unambiguous as to the grantor's wishes. A Director may represent only one other Director.

II - In order for the Board's decisions to be considered fully valid and binding, the attendance of at least half of the Directors in office is necessary and sufficient. An attendance register shall be kept, which shall be signed by all Directors present at the meeting.

Decisions are taken based on a majority vote of the members present and represented. In the event of a split ballot, the Chairman of the meeting shall have the casting vote. However, in the event that the Board is composed of less than five members, decisions can be taken by two Directors in attendance, provided they are in agreement.

Directors may participate in the deliberations by videoconference or means of telecommunication, under the conditions and according to the terms provided under applicable regulations and the Board of Directors' Internal Rules.

III - The Board of Directors may, at the initiative of the Chairman, adopt by written consultation decisions falling within its remit in accordance with Article L. 225-37 of the French Commercial Code, and any decision to transfer the registered office within the same county (*département*).

IV - Decisions are recorded in minutes signed by the meeting's Chairman and at least one Director. Written consultations are recorded in minutes signed by the Chairman and at least one of the Directors present and must include the supporting documents for each Director's response in the appendices.

Copies or excerpts of these minutes, to be presented in court or elsewhere, are validly certified by the Chairman of the Board of Directors, the General Manager, the Deputy General Manager(s), the Director temporarily appointed to replace the Chairman, or a person duly authorised for this purpose.

The information and statements contained in the copies or excerpts of Board meeting minutes are binding on third parties and serve as proof of the number of Directors in office, their attendance or representation at a meeting, of whether they are acting as Directors or as permanent representatives of a legal entity appointed as Director, of the identity of the Chairman or Vice-Chairman of the Board of Directors currently in office, of the General Manager, the Deputy General Manager or the Director temporarily appointed to replace the Chairman, as well as regarding any proxies granted by represented Directors.

Powers of the Board of Directors (excerpt from Article 19 of the articles of association)

I - The Board of Directors sets the Company's business strategy and oversees its implementation, in line with its corporate interests, taking into consideration the social and environmental challenges of its business. Subject to powers expressly granted at Shareholders' Meetings and within the limit of the Company's corporate purpose, it handles any matters relating to the Company's proper functioning and votes on the matters for which it is responsible.

The Board of Directors carries out the controls and checks it deems appropriate.

II - When the Chairman is appointed or reappointed, the Board of Directors sets out the arrangements governing the Executive Management of the Company, which is performed either by the Chairman or by another natural person appointed for that purpose.

However, the Board of Directors may, at its sole discretion and at any time, modify the arrangements governing the Executive Management of the Company, without requiring any amendment to the Company's articles of association. Shareholders and third parties are informed of this choice under the conditions set by decree.

III - The Board may appoint committees and determine their composition and powers. The members of these committees are responsible for examining issues referred to them by the Chairman or the Board.

IV - In accordance with the law, the Board authorises the related-party agreements, other than those entered into in the normal course of business on arm's length terms, of the type referred to in Article L. 225-38 of the French Commercial Code. The Company is, however, forbidden from granting loans, overdrafts, sureties or guarantees to the persons referred to in Article L. 225-43 of the French Commercial Code or for reasons specified in Article L. 225-219 of the French Commercial Code.

V - In accordance with the provisions of the last paragraph of Article L. 225-35 of the French Commercial Code, the commitment of any sureties, underwritings or guarantees granted on behalf of the Company are subject to a Board of Directors' authorisation. The Board may, however, grant this authorisation in the aggregate and annually without a limit on the amount to guarantee the commitments made by the controlled companies within the meaning of paragraph II of Article L. 233-16 of the French Commercial Code. It may also authorise the General Manager to grant, in the aggregate and without a limit on the amount, sureties, underwritings or guarantees to secure the commitments made by controlled companies within the meaning of paragraph II of said Article, provided that he reports back to the Board at least once a year. The General Manager may also be authorised to grant sureties, underwritings or guarantees on behalf of the Company with no limit on the amount, with respect to the tax and customs authorities.

VI - Except where prohibited by law, all powers, offices and duties limited to one or more transactions or types of transaction may be delegated to any persons, whether Directors or not.

Furthermore, the Company's Board of Directors has set up a number of mechanisms in its internal rules to ensure the oversight of the Executive Management of the Company (see the "Corporate Governance" chapter).

Functions of Executive Management

Separation of the functions of Chairman of the Board of Directors from those of the General Manager (excerpt from Article 21 of the articles of association)

Executive Management

The Executive Management of the Company may be conducted either under the responsibility of the Chairman of the Board of Directors or by another natural person, whether a Director or not, appointed by the Board of Directors and with the title of General Manager.

If the Executive Management of the Company is conducted by the Chairman, the provisions of this Article apply to him or her. He or she then takes the title of Chairman and General Manager.

The General Manager has the broadest powers to act in all circumstances on behalf of the Company. He or she exercises these powers within the limits of the Company's corporate purpose and subject to the powers expressly attributed by law to Shareholders' Meetings and to the Board of Directors.

He or she represents the Company in its dealings with third parties.

The term of office of the General Manager is freely set by the Board of Directors. It may not exceed the Directors' term of office as set forth in Article 16 above.

The General Manager is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year during which he or she reaches 75 years of age.

The General Manager may be removed from office at any time by the Board of Directors. If the General Manager is removed without just cause, he or she may seek compensation, unless he or she is also Chairman of the Board of Directors.

Deputy General Managers

At the proposal of the General Manager, the Board of Directors may appoint one or more natural persons to assist the General Manager, with the title of Deputy General Manager.

The maximum number of Deputy General Managers is five.

In agreement with the General Manager, the Board of Directors determines the scope and duration of the powers to be vested in the Deputy General Managers. In dealings with third parties, Deputy General Managers have the same powers as the General Manager.

Deputy General Managers may be removed from office at any time by the Board of Directors at the proposal of the General Manager. If they are removed without just cause, they may seek compensation.

The Chairman, if he or she is also General Manager, the General Manager and the Deputy General Managers are authorised to delegate or substitute powers to carry out one or several specific transactions or categories of transaction.

Board of Directors' internal rules

The Board of Directors of the Company has adopted internal rules to describe the manner in which it functions, in addition to the laws, external regulations and articles of association governing the Company.

These internal rules specify firstly how the Board is organised and functions, and sets out the powers and duties of the Board of Directors and of the committees that it has established; and secondly the methods for monitoring and assessing their performance. (See the "Corporate Governance" chapter, which describes the various Board committees, the limits placed on the powers of Executive Management and the system for monitoring and assessing the Board of Directors' performance).

Allocation of net income

Article 33 of the articles of association

"I - The income statement shows the income or loss for the period, after the deduction of depreciation, amortisation and provisions.

From this income, after deduction of losses carried forward, if any, the following is withheld in priority:

- at least five percent, to constitute the legal reserve fund. This ceases to be mandatory once said fund has reached one-tenth of the capital, but becomes mandatory again if, for whatever reason, this requirement is no longer met; and
- any amounts to be set aside as reserves in compliance with the law.

The balance, together with any income carried forward, constitutes the earnings available for distribution. It may be distributed, by the Shareholders' Meeting on the proposal of the Board of Directors, either wholly or in part, to the shares as a dividend, or appropriated to any reserve or capital amortisation accounts, or to retained earnings.

The Shareholders' Meeting held to approve the financial statements for the period may grant each shareholder, for all or part of the dividend to be distributed, the option to choose between receiving the dividend in cash or in shares.

II - The Shareholders' Meeting may choose to use the reserves at its disposal to pay a dividend to the shares. In this case, the decision must expressly indicate the line items from which the amounts are to be withheld."

Information regarding Shareholders' Meetings

Shareholders' Meetings are convened as follows

Article 27, paragraphs I, II and III of the articles of association

I - The Shareholders' Meeting is convened by the Board of Directors, or, failing that, by the Statutory Auditors or by an agent appointed by the President of the Commercial Court ruling in summary proceedings at the request of one or more shareholders representing at least one-fifth of the share capital, or of an association of shareholders in the manner provided for in Article L. 225-120 of the French Commercial Code.

The meeting is convened at least fifteen days in advance on first call and at least ten days in advance for subsequent calls, by means of a notice published in a publication authorised to receive legal notices in the *département* of the Company's registered office and in the French official journal (*Bulletin des Annonces Légales Obligatoires*, known as the "BALO").

Shareholders holding registered shares for at least one month as of the date of such notices are convened by regular mail or by any means of electronic telecommunication.

The invitation is preceded by a notice containing the details provided for by law and published in the BALO at least thirty-five days prior to the Shareholders' Meeting.

II - Shareholders' Meetings are held in the city or town where the Company has its registered office, or in any other town in France, depending on what has been decided by the person convening the meeting, and at the venue indicated in the invitation.

III - The agenda for each Shareholders' Meeting is established by the person convening the meeting. If applicable, it contains proposals made by one or more shareholders, in the manner provided for by law.

Conditions of admission

Article 25, paragraphs I, II and III of the articles of association

I - Subject to forfeiture due to the failure to pay up shares within the prescribed deadlines, all shareholders are entitled to attend the Shareholders' Meeting, regardless of the number of shares they hold.

The Shareholders' Meeting, duly convened and constituted, represents all the shareholders; its decisions are binding on all, even dissenters and those lacking capacity or absent.

"II - Any shareholder may be represented in accordance with the law.

Minors and those lacking capacity are represented by their guardians and administrators, who need not personally be shareholders. Legal entities are validly represented by any authorised legal representative or by a person specifically authorised for that purpose.

Shareholders not resident in France may be represented by an agent duly registered as the holder of such shares on behalf of the former."

Any shareholder may also vote by mail in the manner and in accordance with the time limits prescribed by law.

The form for postal voting and for voting by proxy may be completed using the same document prepared by the author of the notice of meeting.

III - The right to attend Shareholders' Meetings is conditional on the shares being recorded in the share register in the name of the shareholder or of the intermediary registered on the shareholder's behalf, if the shareholder resides outside France, within the deadline provided for in Article R. 225-85 of the French Commercial Code. Shares are recorded either in the registered securities account held by the Company or by its authorised representative, or in the bearer securities account held by the broker authorised for this purpose.

The registration of shares in the bearer securities account maintained by the authorised broker is confirmed by a certificate of participation issued by the latter, including by e-mail, as an attachment to the postal voting or proxy form or in response to a request for an admission card drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A statement is also issued to shareholders who wish to attend the Shareholders' Meeting in person and who have not received an admission card within the time frame provided for under the terms of Article R. 225-85 of the French Commercial Code.

Article 12 of the articles of association

Beneficial owners, bare owners and joint owners of shares may attend Shareholders' Meetings in accordance with the law.

Composition of the Shareholders' Meeting

Article 25, paragraph IV of the articles of association

IV - Shareholders may, if the Board so decides, attend Shareholders' Meetings and vote remotely by videoconference or by any means of telecommunication or remote transmission, including the Internet, which allows for their identification in the manner prescribed by applicable regulations and those decided on by the Board.

On a decision of the Board of Directors, the shareholders may prepare the forms for postal voting or voting by proxy using an electronic medium, in the manner set by current regulations. These forms may be completed and signed directly on the website created by the centralised body responsible for Shareholders' Meetings. The form may be signed electronically using any means that complies with the provisions of the second paragraph of Article R. 225-79 of the French Commercial Code or any other subsequent legal provision that may replace it, including the use of an identification code and password.

Votes cast electronically, as well as any acknowledgement of receipt that is provided for it, shall be considered to be an irrevocable document, enforceable against all, except in the event of a transfer of shares notified in the manner provided for in the second paragraph of Article R. 225-85 IV of the French Commercial Code or by any other subsequent legal or regulatory provision that may replace it.

A proxy vote cast electronically, as well as an acknowledgement of receipt provided for it, shall be considered to be an irrevocable document enforceable against all persons, on the terms defined by law.

Conditions for exercise of voting rights

Article 28, paragraph III of the articles of association

III - Shareholders have as many votes as the shares they own or represent, with no limits, save as otherwise provided for by law or these articles of association.

Votes are cast by a show of hands, electronically or by any means of telecommunication that enables identification of the shareholders in the manner provided for by current regulations. The Shareholders' Meeting may also decide to vote by secret ballot at the proposal of the Meeting Committee.

Conditions for acquiring double voting rights

Article 28, paragraph III of the articles of association

However, double voting rights are granted, in the manner provided by law: (i) to all fully paid-up shares that are proven to have been registered for at least two years in the name of the same shareholder; and (ii), in the case of a capital increase by capitalisation of reserves, retained earnings or additional paid-in capital, to registered bonus shares that were granted to a shareholder on the basis of existing shares entitled to such rights.

The list of registered shares entitling their holders to double voting rights is approved by the Board of Directors.

The double voting rights thus granted to registered, fully paid-up shares cease, as a matter of law, for any shares that are converted into bearer shares or transferred to a different owner, except in the event of transfer from registered to registered ownership, pursuant to the provisions of Article L. 225-124 of the French Commercial Code.

For any proxy voting form from a shareholder that does not indicate the name of the representative, the Chairman of the Shareholders' Meeting votes for adoption of the draft resolutions presented or approved by the Board of Directors and votes against the adoption of any other draft resolutions. To cast any other vote, the shareholder must select a representative who agrees to vote as indicated by the shareholder.

Votes are cast by a show of hands, electronically or by any means of telecommunication that enables identification of the shareholders in the manner provided for by current regulations. The Shareholders' Meeting may also decide to vote by secret ballot at the proposal of the Meeting Committee.

Shareholders may also vote by absentee ballot in the manner prescribed by law.

Votes cast or proxies given by an intermediary that either has not disclosed its status as nominee shareholder acting on behalf of non-resident shareholders or has not disclosed the identity of those non-resident shareholders, as required by the applicable regulations, are not taken into account.

Ownership thresholds required to be declared to the Company

Article 10, paragraph II of the articles of association

Apart from being required to fulfil the legal obligation of informing the Company of the ownership of certain percentages of the Company's capital and the attached voting rights, any individual or legal entity - including any broker registered as the holder of shares owned by persons not resident in France - , who, alone or acting in concert with other natural persons or legal entities, should come to hold, or should cease to hold, in whatever manner, a fraction equal to 1% of the voting rights or any multiple thereof, must notify the Company of the total number of shares and voting rights held, by means of registered letter with acknowledgement of receipt, to the Company's registered office within five trading days from the date when one of these thresholds is crossed.

In the event that this notification obligation is not respected, and on the request, as recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the capital, the voting rights exceeding the fraction which should have been declared may not be exercised at any Shareholders' Meeting held for a period of two years following the date of correct notification.

Identification of shareholders

Article 10, paragraph III of the articles of association

III - The Company or its agent may, under applicable legal and regulatory conditions, ask the main custodian of financial instruments at any time, directly or through one or more intermediaries in accordance with Article L. 211-3 of the French Monetary and Financial Code (*Code monétaire et financier*), for the name or, if it is a legal entity, the corporate name, the nationality, the year of birth or, if it is a legal entity, the year of incorporation, the postal and, if necessary, e-mail address of the holders of bearer shares granting immediate or future access to a voting right at Shareholders' Meetings, the number of securities each of them holds and, as the case may be, the restrictions attached to these securities, as well as any other information provided for by the applicable legal and regulatory provisions.

When a financial institution identifies, in the list it is responsible for drawing up, following a request referred to in the first paragraph above, an intermediary mentioned in the seventh paragraph of Article L. 228-1 of the French Commercial Code registered on behalf of one or more third-party shareholders, it will forward this request to him or her, unless the Company or its agent expressly objects at the time of the request. Said registered intermediary is required to forward the information to the financial institution, which is responsible for disclosing it, as the case may be, to the Company, its agent or the main custodian.

In addition, by virtue of Article L. 228-3-1 II of the French Commercial Code, any legal entity owning shares in excess of 2.5% of the capital or the voting rights must, when so requested by the Company, reveal the identity of the individuals and/or legal entities that own, either directly or indirectly, more than one-third of its capital or voting rights.

In application of Article L. 228-3-3 of the French Commercial Code, failure to provide the information requested under Articles L. 228-2 II, L. 228-3 or L. 228-3-1 of the French Commercial Code, or the provision of incomplete or erroneous information, will be punishable by the loss of voting and dividend rights attached to the shares held by the person who received the request for information, until such date as the correct information is supplied.

Person responsible for the Universal Registration Document and the Annual Financial Report

Person responsible for the Universal Registration Document and the Annual Financial Report

Franck Hattab, General Manager

Business address: 83, rue du Faubourg Saint-Honoré - 75008 Paris, France

The information is provided under the sole responsibility of the Company's senior management.

Statement by the person responsible for the Universal Registration Document including the Annual Financial Report

"I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all subsidiaries included in the scope of consolidation. I also declare that the information contained in the management report appearing on page 7 onwards gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I have obtained from the Statutory Auditors an audit completion letter, in which they state that they have verified the information concerning the financial position and the financial statements in this Universal Registration Document and have read the entire document. "

22 April 2021

Franck Hattab,
General Manager

Documents incorporated by reference

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council, the following information is incorporated by reference in this Universal Registration Document:

- For the year ended 31 December 2019:
  - the consolidated financial statements prepared in accordance with IFRS, and the parent company financial statements for the year ended 31 December 2019, the corresponding Statutory Auditors' reports and Group management report on pages 103 to 200, 206 to 233, 96 to 102, 202 to 205 and 7 to 57, respectively, of the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 29 April 2020 under number D.20 -0404.
- For the year ended 31 December 2018:
  - the consolidated financial statements prepared in accordance with IFRS, and the parent company financial statements for the year ended 31 December 2018, the corresponding Statutory Auditors' reports and Group management report on pages 82 to 176, 182 to 207, 76 to 81, 178 to 181 and 7 to 42, respectively, of the Registration Document filed with the AMF on 18 April 2019 under number D.19-0361.

Other information contained in the Registration Documents for 2019 and 2018 has, where applicable, been replaced by or updated with the information contained in this Universal Registration Document. The Registration Documents for 2019 and 2018 are available at the Company's registered office and online at www.rallye.fr/en.

Auditing of the financial statements

Statutory Auditors

KPMG Audit Departement of KPMG SA

Tour Eqho - 2, avenue Gambetta - 92066 Paris-La Défense Cedex, represented by Jean-Marc Discours, appointed at the Ordinary Shareholders' Meeting of 29 June 1993 and successively reappointed at the Ordinary Shareholders' Meetings of 6 June 2001, 6 June 2007, 14 May 2013 and 15 May 2019 for terms of six years, i.e., until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2024.

Ernst & Young et Autres

1/2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1, represented by Henri-Pierre Navas, appointed at the Ordinary Shareholders' Meeting of 1 June 1999 and successively reappointed at the Ordinary Shareholders' Meetings of 8 June 2005, 4 May 2011 and 10 May 2017 for terms of six years, i.e., until the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2022.

Person responsible for the financial information

Franck Hattab - General Manager

Phone: +33 (0)1 44 71 13 73

Fax: +33 (0)1 44 71 13 70

E-mail: info@rallye.fr

Documents on display - Shareholder information

Rallye is committed to the continual improvement of its financial information and exchanges with its shareholders and French and international investors.

Rallye's Financial Communication Department provides the financial community with access to the following information:

- the Universal Registration Document;
- financial press releases;
- Company documents relating to the past three financial years;
- reports, letters, valuations and special reports prepared by expert assessors at the Company's request;
- historical financial information regarding the Company and its subsidiaries;
- the dedicated website: www.rallye.fr/en.

In line with its communication policy, Rallye provides all shareholders and investors with unlimited access to this information via download or on request.

Rallye's Finance Department makes the Group's financial results presentation available on the Company's website.

Cross-reference table for the Universal Registration Document

To facilitate the reading of the Universal Registration Document, the subject-based table below can be used to identify the main information required by Annex 1 to Commission Delegated Regulation (EU) No. 2019/980 supplementing Regulation No. 2017/1129.

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To facilitate the reading of the Universal Registration Document, the table below can be used to identify the information comprising the Board of Directors' management report as required by Articles L. 225-100 *et seq.* of the French Commercial Code.

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To facilitate the reading of the Universal Registration Document, the table below can be used to identify the information comprising the Board of Directors' corporate governance report as required by Article L. 225-37 of the French Commercial Code:

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Production: Rallye

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