UNIVERSAL REGISTRATION DOCUMENT

2021

RALLYE

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French language version of this Universal Registration Document was filed on 20 April 2022 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 €157,796,103
Registered with the Paris Trade and Companies Register under number 054 500 574
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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 [2]
Chairman of the Board of Directors

Philippe CHARRIER [3]
Director

Jacques DUMAS [3]
Director

Catherine FULCONIS [3]
Independent Director

Virginie GRIN
Representing Finatis [2]

Didier LÉVÊQUE
Representing Foncière Euris [2]

Odile MURACCIOLE
Representing Euris [2]

Anne YANNIC [2]
Independent Director

Gilbert DELAHAYE [4]
Director representing employees

Jean CHODRON DE COURCEL [2]
Christian PAILLOT [3]
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) Appointments of three new Directors and one non-voting Director are submitted to the Shareholders' Meeting on 17 May 2022.
(2) Reappointments submitted to the Shareholders' Meeting on 17 May 2022.
(3) Not renewed at the Shareholders' Meeting on 17 May 2022.
(4) Appointed on 27 June 2020 by the most representative union for a three-year term.

Simplified Group organisation chart
at 31 December 2021

(1) Of which 11.7 % of Casino's share capital transferred in fiduciary trusts – 62.0 % in theoretical voting rights.

Chairman's message

2021 was shaped by two adjustments to Rallye's safeguard plan as approved on 28 February 2020, just before the Covid-19 health crisis: (i) the completion of a tender offer on Rallye's unsecured debt and (ii) the deferral of the safeguard plan. Rallye provided holders of unsecured debt with the opportunity to have their claims repurchased at a discount in January 2021 and, more recently, in March 2022 (the March 2022 offer is subject to authorisation by the Paris Commercial Court). These operations offered a means of giving liquidity to holders of unsecured debt and reduced Rallye's total liabilities by nearly €400m. In addition, the plan administrators noted the impacts of the Covid-19 health crisis on disposals by Casino and requested that the Commercial Court defer the payment dates under the safeguard plans of Rallye and its parent companies by two years. On 26 October 2021, the Paris Commercial Court approved the plan administrators' request, giving Group time to continue its strategic repositioning and to carry out its disposal plan. After all, the retail sector must constantly adapt to its customers' expectations. However, these expectations are not the same as they were in the early 2000s. The everyday needs of consumers in France reflect a melting pot of influences. Demographic trends, socio-economic factors, technological change and the climate crisis are all intertwined, creating a radically new retail landscape. This constant evolution has been further accelerated by the pandemic and its profound impact on our lifestyles.

That's why in 20 years, and particularly since 2020, the rules for creating value in retail have changed dramatically. The challenge for us is to anticipate, prepare and support these changes and above all to consolidate our position as leader in the businesses and formats that will meet future consumer needs. To achieve this, Casino Group began undertaking major transformation projects as early as 2018. Firstly, we have repositioned all our retail activities in promising and profitable formats. Secondly, we have decided to leverage our expertise in energy and technology to drive our ecological and digital transformation, by developing related activities with high added value. This strategic roadmap is today more relevant than ever. We are constantly strengthening our lead in convenience, premium and e-commerce stores and activating new drivers for growth in our BtoB activities so Casino Group can build leadership positions in new areas to ensure continued growth.

These transformations, with all Group employees along for the journey, take time. In 2021, the health crisis also disrupted consumer habits and tourism and affected the Group's key geographies – particularly Paris, south-eastern France, and major cities in Brazil and Colombia. As a result, we are looking forward to 2022 to fully reap the rewards of our work to transform our models. 2021 nevertheless allowed us to make major progress along the road we have mapped out. We have refocused our retail activities on the most buoyant formats, with premium, convenience and e-commerce now representing more than three quarters of the Group's sales in France, compared with only half in 2018. With our sights set once again on expansion, we opened 730 convenience stores in France this year. Drawing on the appeal of our small urban store formats, these launches are continuing at pace with more than 800 stores set to open in 2022. The scale of our geographic coverage, the strength of our brands and the culture of innovation shared by our teams form a solid foundation that has helped our banners return to growth.

In addition, with Cdiscount, the Group foresaw the non-food e-commerce revolution coming over 20 years ago. The site, which now attracts 22 million unique visitors per month, is the French leader in the sector and is stepping up its development towards a powerful technological platform model.

Since 2018, we have forged strategic alliances with the best global players in the market to lead the way in home shopping delivery. Thanks to the unique technological and logistical tool deployed with Ocado shortly before the pandemic hit, the exclusive partnership with Amazon, the collaboration with delivery platforms and the recent agreement with Gorillas, the Group is now the leading player in food e-commerce in Île-de-France. We offer our customers a variety of solutions, from large-scale shopping to quick, small orders. The key is successfully combining digital performance, logistical efficiency and a close relationship with consumers. That is why we continue to innovate to harness the full potential of e-commerce and the strength of our store networks.

The culture of innovation, which has been a feature of Casino Group from the start, just keeps picking up speed. The continuous transformation of assets allows us to constantly adapt our banner portfolio, such as the conversion of Brazilian Extra hypermarkets into Assaí to develop the pipeline of the banner, whose cash & carry model is popular with consumers. Earlier, I mentioned the dual ecological and digital transformation that the economy is facing. Our Group is rising to the challenge thanks to innovation. We were the first to digitalise the customer experience on a large scale to provide a seamless and personalised shopping experience. We have developed crucial expertise in data analysis and enrichment with our intrapreneurial start-up relevanC. This technological expertise places the Group at the heart of new value creation models in retail.

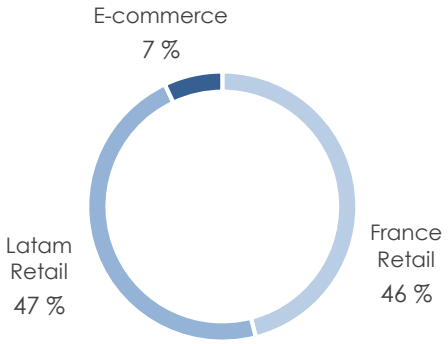
In this regard, artificial intelligence is set to make all the difference. By developing AI and machine learning tools, we will provide our customers with the best possible experience on our digital platforms, staying one step ahead of their needs and offering products tailored to each individual. To explore these possibilities, Casino Group is backing the creation of a sponsorship chair dedicated to algorithms and machine learning at France's prestigious École normale supérieure. We believe it is essential that talented people in France with the skills to drive this revolution are given all the training they need.

Innovation is also at the heart of our initiatives to preserve the climate and biodiversity. Casino Group has set out on an impact strategy designed to meet the challenges of resource conservation, by reducing negative externalities and bringing consumers on board. We take a comprehensive approach to ensuring this requirement is fulfilled, from the production and transport conditions of the products we sell to the way our stores and warehouses are designed, in a constant search for energy efficiency. This continuous improvement process, underpinned by the commitment of our employees every day, has been recognised by independent organisations. The B Corp certification awarded to Naturalia – the first French food retailer to receive it – is a perfect example. In 2021, the Group was once again the leading retailer in Europe in terms of its environmental and social performance, according to Moody's. This is a source of pride that we share at every level of the company, and it inspires us to go even further.

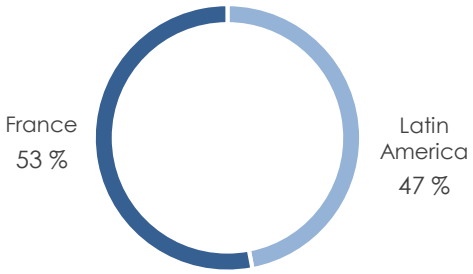
Jean-Charles Naouri

Group key figures
at 31 December 2021

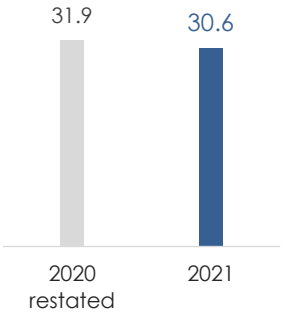
NET SALES BY BUSINESS
(%)



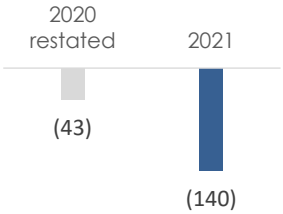
NET SALES BY REGION
(%)



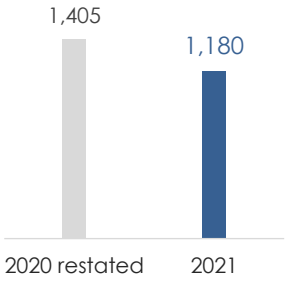
CONSOLIDATED NET SALES
(€ billions)



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



RECURRING OPERATING INCOME
(€ millions)



(€ millions)	2020 restated	2021
Net sales	31,919	30,555
EBITDA [1]	2,721	2,514
EBITDA margin (%)	***8.5 %***	***8.2 %***
Recurring operating income	1,405	1,180
Recurring operating income margin (%)	***4.4 %***	***3.9 %***
Net loss from continuing operations, Group share	(43)	(140)
Consolidated net loss, Group share	(306)	(274)

(1) EBITDA = recurring operating income + current depreciation and amortisation expense.

NB: The 2020 financial statements have been restated to permit meaningful comparisons with 2021. See note 1.3 to the consolidated financial statements.
Leader Price and Groupe Go Sport, whose disposals were finalised on 30 November 2020 and 10 December 2021 respectively, are presented in discontinued operations in the 2020 and 2021 financial statements.

Chapter 1

Management report

Significant events 2021

Casino

Asset disposal plan in France

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

At 31 December 2021, Casino Group had completed €3.2bn in asset sales since July 2018. The disposals carried out by Casino Group in 2021 are detailed below:

- On 27 July 2021, Casino Group and BNP Paribas signed a partnership and an agreement for the sale of FLOA for €200m [1] (€184m collected in early 2022). The planned sale provides for a new commercial partnership between BNP Paribas and the Casino Supermarchés, Géant and Cdiscount banners, as well as a strategic alliance between BNP Paribas and Casino to develop the "FLOA PAY" split payment solution. The Group also has an earn-out of 30% on the future value created through to 2025. The disposal was finalised on 31 January 2022.
- On 6 December 2021, Casino Group completed the disposal of a further 3% of Mercialys equity through a total return swap (TRS) maturing in March 2022 for €24m (received in 2021). On 21 February 2022, Casino Group completed the additional definitive disposal of 6.5% of Mercialys equity through a new TRS for €59m (received in early 2022). The Group's stake in Mercialys in terms of voting rights is reduced to 10.3%.
- In addition, Casino Group has secured and recorded in advance a €118m earn-out in relation to the Apollo and Fortress joint ventures (€24m received in 2021).

In view of the current outlook and the options available, Casino Group is confident in its ability to complete its €4.5bn disposal plan in France by the end of 2023 at the latest.

Casino Group financial structure

In 2021, Casino Group realised several transactions aimed at improving its financial terms and conditions and extending the maturity of its bonds and main syndicated credit facility.

Casino Group carried out several bond buybacks on tranches of its 2023, 2024, 2025 and 2026 bonds, along with refinancing operations including (i) issue of a new Term Loan B for €1bn, maturing in August 2025, topped up by a further €425m in November 2021, and (ii) issue of a new €525m unsecured bond maturing in April 2027, enabling to repay ahead of maturity its previous €1.225bn Term Loan due in January 2024.

Casino Group also announced in July 2021 that it had extended the maturity of its main syndicated credit facility (RCF) from October 2023 to July 2026 [2] for an amount of €1.8bn.

Lastly, Monoprix's syndicated credit facility which expired in July 2021 was also renewed. The new €130m syndicated facility matures in January 2026 and has a yearly margin adjustment clause based on the achievement of CSR targets.

As a result of these two operations, the amount of the undrawn lines of credit available at any time in the France Retail segment stands at €2.2bn, with an average maturity of 4.6 years (vs. 2.2 years prior to the operations).

At 31 December 2021, amounts held in a segregated account to repay debt totalled €339m. The amount on the secured segregated account totalled €145m.

Restructuring of Casino Group's operations in Latin America

After streamlining its structure in Latin America in 2019, Casino Group continued to restructure GPA's activities in Brazil.

The spin-off of the cash & carry business (Assaí) from the rest of GPA's activities was completed at the end of 2020. The listing of Assaí shares on the Novo Mercado and of its American Depositary Receipts (ADRs) on the New York Stock Exchange took place on 1 March 2021.

At the end of 2021, GPA and Assaí also announced plans for GPA to sell 70 Extra hypermarkets to Assaí with the intention of converting them into the cash & carry format, and for GPA to transform the remaining Extra hypermarkets into Pão de Açúcar or Mercado Extra supermarkets

Market operations concerning Cdiscount and GreenYellow subsidiaries

In April 2021, Casino Group announced that it had actively launched a preliminary review of potential additional capital raising for GreenYellow and Cdiscount. The capital raising could take the form of (i) market operations and (ii) secondary placements of shares held by the Group, with Casino nevertheless retaining the control of these strategic subsidiaries.

Given the unfavourable market conditions, Cnova announced on 8 October 2021 that the project would be postponed. Concerning GreenYellow, €200m was raised in February 2022 and other financing options continue to be explored to support GreenYellow's accelerated growth.

1 | Including €150m relating to the sale of shares and an earn-out of €50m linked to the sale of technology assets from the "FLOA PAY" split payment solution and to commercial agreements between Cdiscount, Casino banners and FLOA.

2 | July 2026 (May 2025 if the Term Loan B, maturing in August 2025, is not repaid or refinanced at that date).

Development of the food E-commerce offering

The Covid-19 pandemic led to a ramp-up in Casino Group's food E-commerce offering and the Group continued its efforts to roll out its home delivery services in various markets in 2021 :

Next-day delivery

The delivery service operated by the O'logistique warehouse for Monoprix (Monoprix Plus) and the Casino Supermarchés and Géant Casino banners (Casino Plus) was extended to Naturalia (Naturalia Marché Bio) at the end of August 2021. Casino Group recently signed a partnership agreement to develop Ocado's services in France.

Delivery in 2 hours

Launched in 2018, this commercial partnership brings a selection of items sourced from Monoprix, Casino and Naturalia to Amazon Prime customers in Paris, Nice, Lyon, Bordeaux and their surrounding areas, and was extended to customers in Montpellier and Strasbourg in 2021. During the year Monoprix became the only service provider on Amazon offering grocery home deliveries, with the termination of its own operations.

Delivery in 30 minutes

After an initial partnership with Géant during the first lockdown in April 2020, Uber Eats and Casino Group decided to extend their partnership to the Group's other banners in April 2021 to allow customers to order hundreds of everyday products on the Uber Eats app, with delivery in less than 30 minutes. In July 2021, Deliveroo and Casino Group renewed their May 2020 partnership for a further two years.

Delivery within 10 minutes (quick commerce)

- In November 2021, Casino Group announced that it had signed a strategic memorandum of understanding with Gorillas. Monoprix now supplies Gorillas dark stores.
- At the end of November 2021, Casino Group stepped up its presence on the quick commerce market in Latin America. The Colombian subsidiary Grupo Éxito rolled out its "Turbo" service, providing home deliveries of Éxito and Carulla banner products in under 10 minutes.

Development of strategic partnerships

- **On 15 April 2021, Intermarché and Casino Group announced that they had entered into a five-year partnership covering three distinct areas**, concerning:
  - purchasing, with the creation of (i) AUXO Achats Alimentaires, a centralised purchasing unit for food, to be managed by Intermarché, (ii) AUXO Achats Non-Alimentaires, a centralised purchasing unit in the non-food sector to be managed by Casino Group, and (iii) Global Retail Services, a joint international organisation to sell international services to large industrial groups operating in their territories (Europe and Latin America);
  - development of digital services marketing and advertising services, with the creation of Infinity Advertising, a joint venture to market a Retail Media offering to food producers and their agents in France;
  - the food industry, with a cooperation agreement.

This partnership with Intermarché will be extended to purchases of goods and services not for resale from April 2022

- **On 6 July 2021, Casino Group, Google Cloud and Accenture announced a strategic partnership to accelerate the digital and technological development of Casino Group**. The partnership is two-fold:
  - Casino Group's B-to-C distribution activities: the objective is to deploy innovative digital solutions within the Group's banners, enhancing customer experience and operational efficiency, by drawing on the extensive expertise of Google Cloud and of Accenture;
  - Casino Group's new B-to-B activities: the objective is to accelerate the development of RelevanC, a Casino Group subsidiary, by benefiting from the commercial and technological support of Google Cloud and Accenture for their international clients.

- **On 21 December 2021, Casino Group and GreenYellow announced a strategic collaboration on energy and cloud with Amazon Web Services (AWS).**

  Casino Group, through its energy subsidiary GreenYellow, announced that it had signed a private power purchase agreement with Amazon for a new solar energy production project in France.

  Casino Group and GreenYellow will benefit from AWS Cloud services powered by green energy. AWS will also work with RelevanC, the Group's subsidiary specialising in data marketing solutions, to develop algorithms to further enhance the customer experience.

Rallye

Global tender offer for Rallye's unsecured debt as part of a modified Dutch auction procedure

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 procedure (the "Tender Offer")

Tender Offer

The purpose of the Tender Offer was 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 until 5 February 2021. On 5 February 2021, after extension of the expiration deadline of the Tender Offer to 10 February 2021, Rallye set the purchase price under the Tender Offer at 20% of the amount of the claim (ie. the maximum purchase price initially set by Rallye). On 11 February 2021, after expiration deadline of the Tender Offer, a total amount of unsecured debt of €195.4m was acquired for a total repurchase price of approximately €39.1m, reducing the total amount of Rallye's debt by €156.3m.

Tender Offer Financing

The Tender Offer was financed by a new financing repayable *in fine*, consisting of a bond issue subscribed by Fimalac and a bank loan, for a global total amount of €82.4m (including the arrangement fee due to the lenders)

As guarantee for this new financing, 3.3m Casino shares held by Rallye and currently free of any encumbrance were transferred by Rallye into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing. In addition, upon repayment of the €210m bond financing granted to Rallye by Fimalac on 17 July 2020 for the purpose of repayment of derivatives transactions previously concluded by Rallye and its subsidiaries (see Rallye press release dated 17 July 2020), the 9.5m shares placed in a fiduciary trust (*fiducie-sûreté*) to the benefit of Fimalac, to secure the said financing, will be transferred into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing.

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

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of €5m may be paid to Rallye (which may be increased to a total amount of €6.6m if on 30 June 2022 the cash position of Rallye makes it necessary);
- 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[1] 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[2] and (iii) that 9.5m Casino shares be placed in fiduciary trust (*fiducie-sûreté*) 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 detachment 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 authorized 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 (*résolution*) 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 as defined by article L. 233-3 of the French Commercial Code;
- Rallye holding less than 40% of Casino's share capital or voting rights; and
- delisting of Casino shares.

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 relevant 12-month interest period + a 8% margin or (ii) interest capitalized annually at the Euribor rate (floored at zero) for the relevant 12-month interest period + 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 capitalized interest, i.e. 4.2% per annum, will also be applicable on the unused portion of the new financing throughout the availability period.

1 | This figure will be reduced to 34.5m if 9.5m Casino shares have been placed into fiduciary trust (*fiducie-sûreté*) in case of repayment of the financing granted by Fimalac.

2 | This first-rank pledge will have a target coverage ratio of 140% and must include at least 30m Casino shares.

This new financing has a maturity of 4 years from the signing of the agreements relating to such financing, it being specified that drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest, and following the settlement of the Tender Offer, the amount drawn on this new financing is €43.4m

Amendment of Rallye safeguard plan

Completion of the tender offer and the setting up of the tender offer financing were the subject of a request to amend the safeguard plan by filing an application with the Paris Commercial Court, dated 12 February 2021. On 4 May 2021, the Paris Commercial Court approved the amendment of Rallye safeguard plan, allowing the effective completion of the global tender offer on its unsecured debt launched on 22 January 2021 and the setting up of the financing of the tender offer. The tender offer was therefore settled on 18 May 2021

Deferment for two years of the payment dates under the safeguard plans of Rallye and its mother companies

The performance of the safeguard plans of Rallye and its mother companies approved on 28 February 2020 (i.e. before the beginning of the Covid-19 pandemic) mainly relies on Casino's ability to pay dividends and, consequently, on Casino's deleveraging timing. Casino has to deleverage below a certain threshold in order to make distributions.

In the context of the Covid-19 pandemic, Casino announced in March 2020 that it had suspended its objectives for 2020-2021, in particular relating to the completion of its plan to dispose of non-strategic assets for an amount of €4.5bn by the first quarter of 2021. By the end of March 2020, €2.8bn had been sold. However, since that date, the disposal plan has slowed down considerably, as only €300m of assets were disposed of over the period. At the end of July 2021, the total amount of disposals closed or secured by Casino was €3.1bn. Casino reaffirmed the total objective of €4.5bn euros during its FY 2020 and H1 2021 presentations, but no longer provides a precise timing for completion

Considering that the performance of the safeguard plans of the Rallye and its mother companies relies mainly on Casino's ability to pay dividends, the administrators overseeing the implement of the plans (CEPs, *commissaires à l'exécution du plan*) have considered that the effects of Covid-19 on Casino's disposal plan created an important uncertainty as to the respect, by Rallye and its mother companies, of the timing for payment of their claims under the safeguard plans. The CEPs have requested from the Paris Commercial Court to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and consequently to extend the duration of such safeguard plans, pursuant to Article 5, I, of the Order of 20 May 2020.

This request for deferment of the payment dates and consequent extension of the safeguard plans is made in the context of exceptional governmental measures put in place during the Covid-19 crisis. It aims at favoring the execution of the safeguard plans.

The Paris Commercial Court decided to agree to the request and decided on 26 October 2021 to defer for two years the payment dates under the safeguard plans of the Companies and consequently to extend the duration of such safeguard plans.

All other provisions of the safeguard plans remain unchanged, notably the following main principles applicable to the safeguard plans of each of Rallye and its mother companies:

- The safeguard plans of the companies are interdependent and are based on the economic holding chain. They provide for the ability of the companies to pay dividends during the term of the plans.
- The safeguard plans provide for a full repayment of liabilities of the companies.
- As soon as the creditors with pledges over securities accounts are repaid, the safeguard plans provide for the release of such pledges and the free use by the companies of the proceeds (*fruits et produits*) relating to the initially pledged securities.

Following the decision of the Paris Commercial Court on 26 October 2021, the duration of the safeguard plans of Rallye and its mother companies is equal to 12 years instead of 10 years

Agreement between Rallye and Fimalac

Following this decision of the Paris Commercial Court, Rallye and Fimalac have decided to extend by one year the initial 4-year maturity of the €210m bond financing granted on 17 July 2020 by Fimalac to Rallye for the purpose of repaying the derivative transactions previously entered into by Rallye and its subsidiaries (see Rallye press release of 17 July 2020), in accordance with the provisions of this financing. With regard to the 9.5 million Casino shares transferred into a fiduciary trust (*fiducie-sûreté*) for the benefit of Fimalac as collateral for the bond financing, Rallye and Fimalac have agreed that potential dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said financing, in order to contribute to the financing of Rallye's general corporate purposes. The other provisions of the bond financing granted by Fimalac remain unchanged.

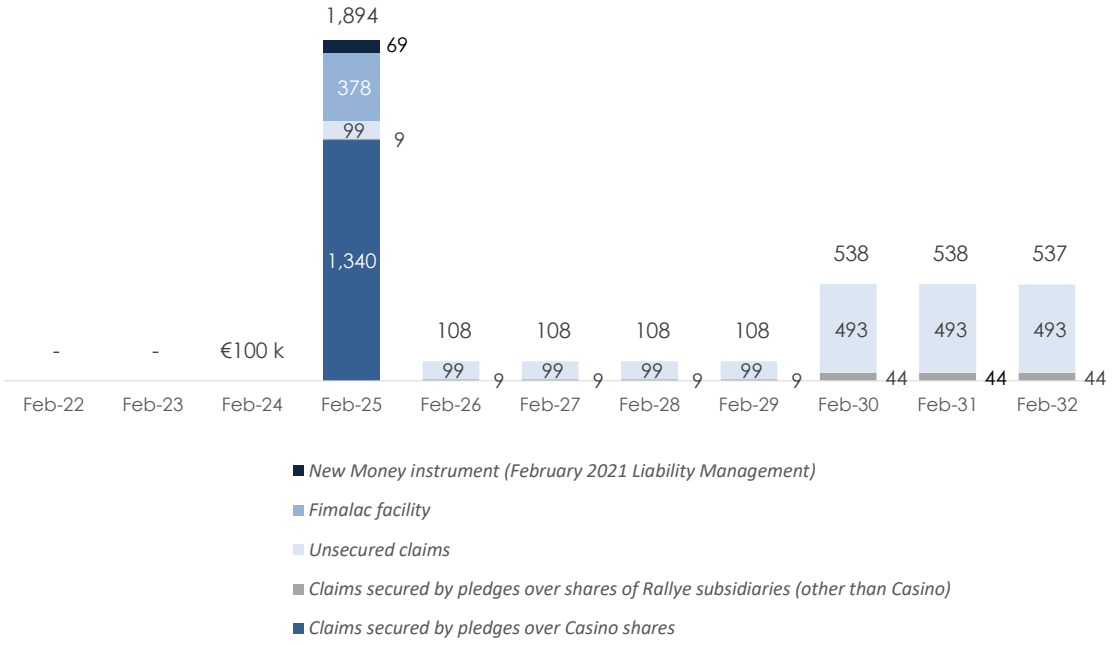
New repayment profiles for liabilities

As a result of the Paris Commercial Court's decision to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and of the agreement between Rallye and Fimalac, the new estimated repayment profiles [1] for Rallye and its mother companies including additional interest charges resulting in the shift in the maturity dates, are set out below (in €m):

1 | Secured and unsecured bank claims, Fimalac financing.

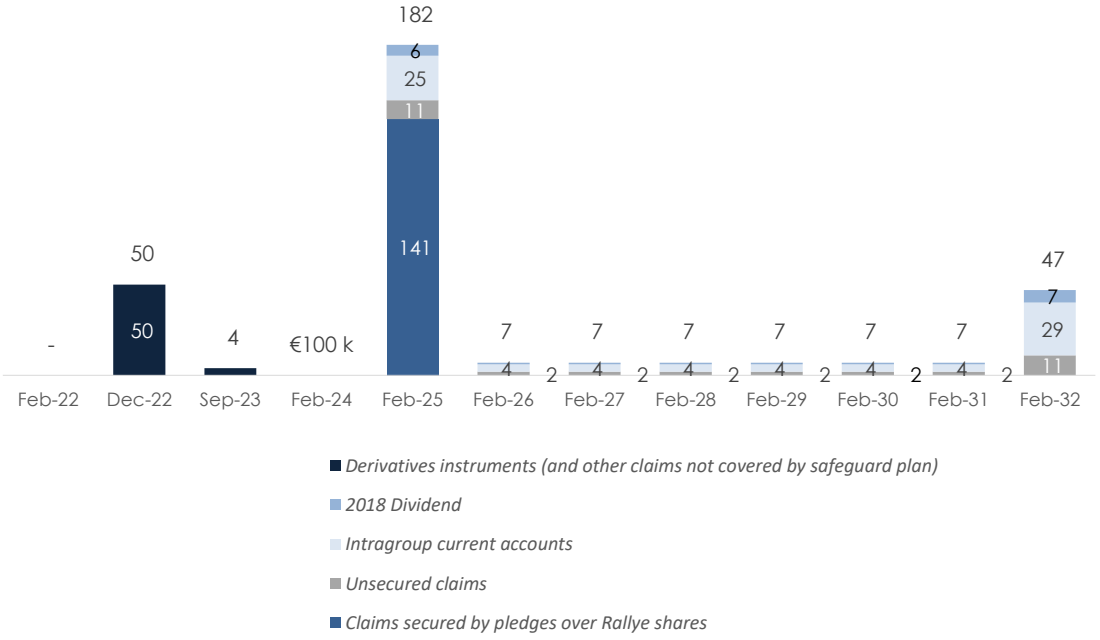
Rallye repayment schedule

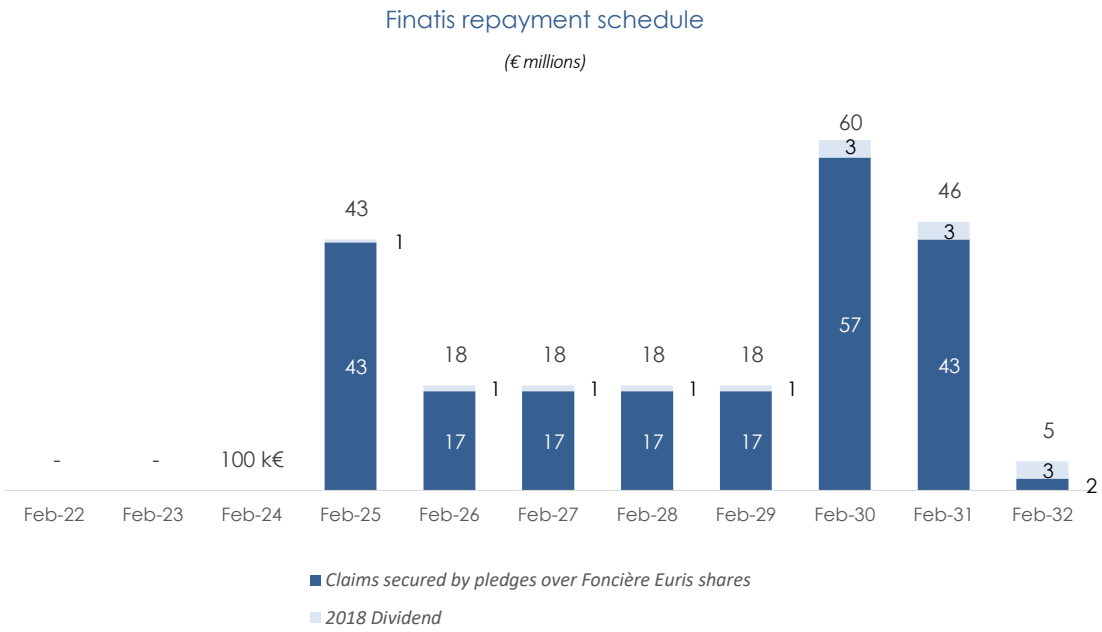
(€ millions)

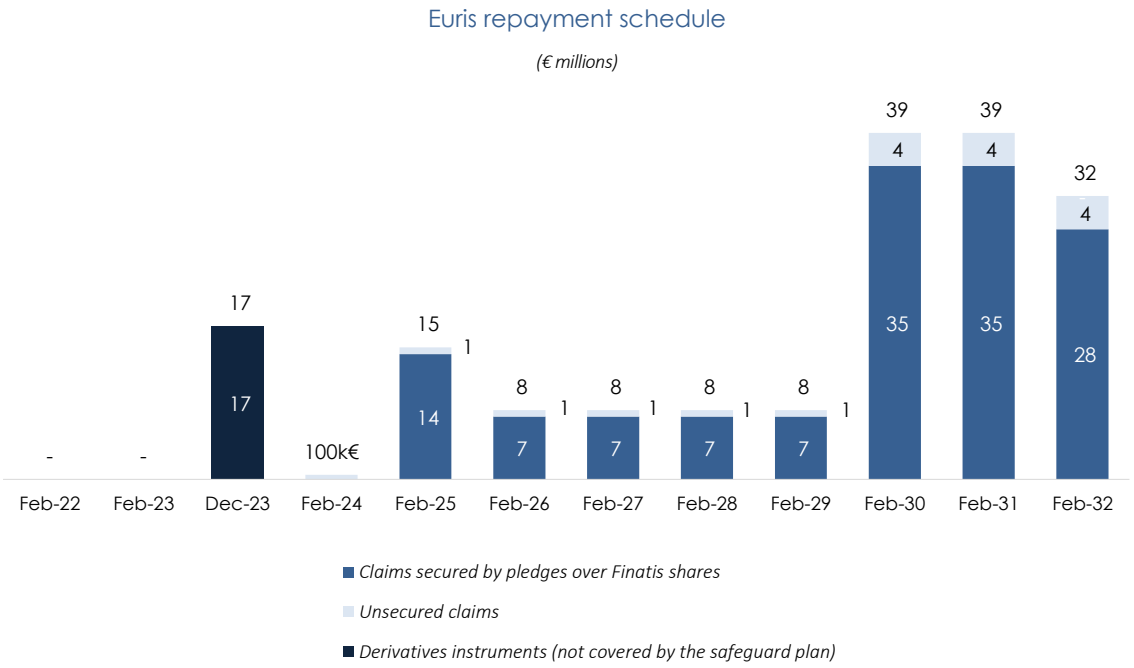


Foncière Euris repayment schedule

(€ millions)







Sale of Groupe Go Sport to Hermione People & Brand, subsidiary of Financière Immobilière Bordelaise

The Paris Commercial Court decided on **7 December 2021**, to waive the non-transferability of Groupe Go Sport shares held by Rallye and authorised consequently the sale of Groupe Go Sport shares to Hermione People and Brands (subsidiary of Financière Immobilière Bordelaise) for a price of €1 without any representation and warranties given by Rallye. The completion of the sale operation took place on **10 December 2021.**

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, after completing on 10 December 2021 the sale of Groupe Go Sport, a diversified investment portfolio consisting of financial investments in the form of direct shareholdings or through specialised funds, and commercial real estate programs.

Rallye

Rallye, the majority shareholder of Casino with a direct and indirect 52.3% stake in its capital at 31 December 2021, is one of the Group's holding companies, controlled by Jean-Charles Naouri. The Group operates almost 11,500 stores in France and abroad through its operating subsidiary Casino, employing 208,733 employees, 26% of whom are located in France and 74% in South America, and generates consolidated net sales of €30.5bn in 2021.

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.

In addition, the Paris Commercial Court decided on 26 October 2021 to extend the duration of the safeguard plans by two years and correspondingly, adapt the payment periods provided for in the latter to the duration of the plans as extended (See Significant events).

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

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 for all creditors, in accordance with the following new schedule which presents in comparison the previous schedule:

Annuity [1]	Annuity amount previous schedule	Annuity amount new schedule
Annuity no. 1 – 2021 – *settled*	€100,000 in total	€100,000 in total
Annuity no. 2 – 2022	€100,000 in total	€0
Annuity no. 3 – 2023	5%	€0
Annuity no. 4 – 2024	5%	€100,000 in total
Annuity no. 5 – 2025	5%	5%
Annuity no. 6 – 2026	5%	5%
Annuity no. 7 – 2027	5%	5%
Annuity no. 8 – 2028	5%	5%
Annuity no. 9 – 2029	5%	5%
Annuity no. 10 – 2030	65%, less the amounts paid under annuities 1 and 2	25%
Annuity no. 11 – 2031	-	25%
Annuity no. 12 – 2032	-	25%, less the amounts paid under annuities 1 and 4
Total	**100%**	**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 fifth annuity and the remainder under the sixth 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 twelve-year period in accordance with the above 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.
- The Rallye safeguard plan involves refinancing between 2030 and 2032, the realization of which will depend in particular on the market conditions in this horizon and on the value of Casino in the long term.
- As part of the request to defer for two years the payment dates and the consequential extension of the safeguard plans, the firm Accuracy carried out a review of the assumptions used in the plans of Foncière Euris, Rallye and their parent companies.
- The execution of Rallye safeguard plan depends mainly on Casino's distributive capacity, which is frames by its financial documentation, allowing the distribution of dividends[1] when the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is below 3.5x. As at 31 December 2021, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.47x.

The new estimated debt repayment profiles of Rallye and its mother companies are presented on pages 12 et 13 of this Universal Registration Document.

Casino

The comments reflect comparisons with 2020 results from continuing operations. Leader Price, whose disposals was finalised on 30 November 2020, is presented in discontinued operations in the 2020 and 2021 financial statements in accordance with IFRS 5.

The 2020 financial statements have been restated to permit meaningful comparisons with 2021. These restatements reflect the retrospective application of the IFRIC IC decision relating to the recognition of liabilities for certain post-employment benefits.

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, 2021 was marked by:

In France

- **Retail banners [2]**
  - The Group's key geographies, such as Paris and south-east France, were particularly hard hit by the 2020-2021 health crisis (decline in customer traffic and tourist numbers, restricted access to stores). The retail banners' net sales totalled €14.1bn, with same-store sales improving sequentially quarter on quarter to a negative 3.0% in Q4 (up 1.3 pt vs. Q3) and down 1.6% on the last four weeks[3] (up 1.4 pt vs. Q4). Franprix-Convenience gross sales under banner were up 2.5% in Q4 and 5.1% in February[3] driven by expansion with franchise.
  - In this environment, Casino Group has undergone a deep transformation and is now refocused on the most buoyant formats (premium, convenience and e-commerce), which now represent 76% of sales (up 16 pts vs. 2018). Expansion picked up in high-growth formats: (i) convenience stores (more than 730 stores opened since January 2021) and (ii) e-commerce up 15% (vs. +6% for the market[4]), including 48% growth for home delivery (vs. +25% for the market[4]).
  - Casino Group pushed ahead with its omnichannel innovation strategy:
    - New customer services: subscriptions (210,000 by end-2021, representing a two-fold increase over one year), digitalised customer journey, personalised deals, Tesla charging stations.

1 | Beyond ordinary dividend representing 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.

2 | France Retail excluding GreenYellow real estate development and Vindemia (sold on 30 June 2020).

3 | Net sales for the four weeks to 20 February 2022.

4 | Source: NielsenIQ, P13 MAT.

- Rollout of best-in-class artificial intelligence technology solutions in stores and logistics activities (partnerships with Google Cloud, Amazon Web Service, Belive.ai).
- Strengthening of partnerships with major e-commerce players (Ocado, Amazon and Gorillas).

— The cost savings plans implemented during the period reduced the cost base and sustainably increased banner profitability. As a consequence, the retail banners' EBITDA margin increased by 83 bps over two years (+31 bps over one year) to 9.1%, with a trading margin of 3.4%. The restructuring generated non-recurring expenses, which temporarily weighed on cash flow generation.

- **Cdiscount**

— Cdiscount's business model has been completely transformed over the last two years, shifting from a model based on direct sales to one based on the marketplace, digital marketing and B2B, with a decrease in direct sales;

— All Cdiscount indicators improved over two years, after an exceptional year in 2020: Marketplace GMV up 22% (stable over one year), digital marketing up 75% (up 32% over one year), 3.5-times increase in B2B GMV (up 30% over one year), NPS up 8 pts (up 6 pts over one year), and CDAV subscribers up 20% (up 9% over one year);

— Octopia has already won 12 major contracts (including Rakuten) and will now be offered to Ocado customers.

- **Disposal plan**

— Implementation of the disposal plan initiated in 2018, of which €3.2bn has been completed to date, slowed during the health crisis. In all, €400m in disposals were secured in 2021 and early 2022, of which €291m cashed-in to date (€48m in 2021 and €243m in early 2022). Due to the disposal slow-down in 2021 and transitory elements linked to the Group transformation, France Retail net debt (excluding IFRS 5) evolved from €3.7bn to €4.4bn in 2021 (excluding GreenYellow).

— In view of the current outlook and the options available, the Group is confident to complete its €4.5 billion disposal plan in France by the end of 2023 at the latest.

In Latin America

In Latin America, the Group's geographies were heavily affected by the pandemic and the Group's banners had to adapt to the new situation. Thanks to major transactions (Assaí spin-off, sale of GPA Extra Hypermarkets to Assaí), the Group now has well-adapted assets ready to accelerate growth in their respective markets:

— Assaí, in the cash & carry segment in Brazil: +17%[1] growth and 28 store openings over the year (total of 212 stores). The banner is aiming to open 50 stores by 2024, in addition to the conversion of the 70 Extra Hypermarkets sold by GPA to Assaí, to reach R$100 billion in gross sales by 2024;

— GPA, which operates buoyant formats (premium, convenience and e-commerce) in the most buoyant regions (São Paulo);

— Grupo Éxito, leader in Colombia and Uruguay: +21%[1] acceleration in sales in Q4 (vs. +7.5% over the year); omnichannel activities represent 12% of sales in Colombia (2.4-times increase vs. 2019).

France Retail

(€ millions)	2021	2020 restated
Net sales	14,071	15,219
EBITDA	1,358	1,447
EBITDA margin (%)	*9.7%*	*9.5%*
Trading profit	535	621
Trading margin (%)	*3.8%*	*4.1%*

France Retail net sales totalled €14,071m in 2021 versus €15,219m in 2020, down 5.4% on a same-store basis excluding fuel and calendar effects. This performance was mainly due to (i) an unfavourable basis of comparison resulting from the exceptional year in 2020, (ii) consumption in Paris still affected by the drop in tourist and office customers, and (iii) the negative impact of health measures (lockdown in the second quarter, curfews, closure of major shopping centres and aisles selling "non-essential" goods in the first half).

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

- Net sales at Monoprix came in at €4,408m for 2021, down 3.7% on a same-store basis. However, E-commerce posted double-digit growth, driven by the ramp-up of Monoprix Plus, leveraging disruptive technology for next-day delivery (a service extended this year to Naturalia), and the success of the partnership with Amazon Prime Now, extended to additional cities in the year (Montpellier and Strasbourg). Monoprix also developed its express delivery offer thanks to a new partnership with Uber Eats in 2021 (in addition to Deliveroo in 2020) and expanded its offer to quick commerce with Gorillas at the end of 2021. Monoprix continued to focus on innovation during the year, opening its first pedestrian and bicycle pick-up point in Paris in April. 2021 also saw the launch of the first truly omnichannel subscription in France, with identical discounts online and in stores.
- Franprix reported net sales of €1,438m in 2021, down 7.3% on a same-store basis, mainly due to the decline in consumption in Paris. The banner enhanced its click & collect and home delivery solutions, notably through the development of its partnerships

1 | Data published by the subsidiary.

(Deliveroo, Uber Eats and Gorillas), enabling it to record triple-digit growth in E-commerce in the year. At the same time, Franprix plans to step up its expansion strategy and aims to open 150 stores in two years, mainly on the outskirts of the major cities of Paris, Lyon and Marseille. The banner also continues to adapt to new consumer habits, developing bespoke customer services (newspapers and magazines, receipt of parcels, evening dining, electric bicycle hire) as well as its non-food offer (Decathlon, Claire's).

- Casino Supermarkets sales totalled €2,996m in 2021, down 5.9% on a same-store basis. E-commerce was once again a growth driver, delivering double-digit growth in net sales in the year, led by fast-paced growth in the drive-through service, partnerships with Deliveroo (86 stores) and Shopopop (87 stores), and the continued deployment of Casino Plus (home delivery service from the O'logistique automated warehouse). In addition, the banner continued to deploy autonomous solutions, with 259 stores offering such solutions to date (22 additional stores over the fourth quarter).
- Consolidated net sales for the Convenience & Other segment amounted to €1,788m (€2,125m in gross sales under banner), down 5.1% on a same-store basis. E-commerce net sales were boosted by the continued development of the Uber Eats and Deliveroo partnerships and the opening of the new mes courses deproximité.com website: 1,263 stores were able to offer an E-commerce solution at the end of 2021. The Group also ramped up the development of these fast-growing formats, opening new points of sale and creating a new brand, "L'épicerie d'à côté".
- Hypermarket sales came to €3,442m for 2021, down 8.1% on a same-store basis compared to 2020. The banner was hard hit by the health measures introduced in 2021, including curfews and the health pass. The E-commerce segment continued to enjoy good momentum, supported by partnerships with Uber Eats (19 stores), Deliveroo (14 stores) and Shopopop (48 stores). The banner accelerated its "shop-in-shop" strategy in 2021, signing new partnerships with specialist retailers La Grande Récré and Greenriders. The digitalisation strategy picked up pace, with 26% of net sales in supermarkets and hypermarkets now generated on the Casino Max app (versus 22% in 2020) and 66 hypermarkets able to operate autonomously at the end of 2021.

The Casino Hypermarkets/Supermarkets and Convenience banners have also sharply ramped up subscriptions via the Casino Max application, with an ever-growing number of subscribers.

France Retail EBITDA was €1,358m (€1,447m in 2020), with a 15 bp increase in the EBITDA margin up to 9.7% of net sales. EBITDA for the retail banners (France Retail excluding GreenYellow, Vindémia and property development) was stable over two years (down 1.7% vs. 2020) at €1,281m, reflecting an 83-bp increase in the margin (up 31 bps vs. 2020) due to the efficiency plans.

France Retail trading profit totalled €535m in the year (€621m in 2020). Trading profit for the retail banners (France Retail excluding GreenYellow, Vindémia and property development) was virtually stable (down 0.8%) at €484m, reflecting a 14-bp increase in the margin to 3.4%.

New businesses

GreenYellow

The photovoltaic business continues to grow. Capacity installed or under construction climbed 31% year-on-year to 740 MW at the end of 2021, while the advanced pipeline[1] was up sharply by 44% to 816 MW. The pipeline of additional opportunities[2] represents 3.7 GW.

In the energy efficiency business, GreenYellow had 985 GWh of projects deployed or under construction at the end of 2021, up 16% year-on-year, with the advanced pipeline up 26% to 317 GWh, and an additional opportunities pipeline of 918 GWh.

GreenYellow delivered €80m[3] in EBITDA in 2021, a rise of 30% year-on-year.

GreenYellow continued to expand its geographic reach and entered into promising partnerships in 2021:

- Geographic expansion continued on international markets, with GreenYellow's positions strengthened in all its traditional geographies (signature of the 200th PPA[4] in South-East Asia) and new markets captured such as Eastern Europe (4 MW project for Solvay in Bulgaria);
- Strategic partnerships:
  - In November 2021, GreenYellow signed a long-term strategic partnership with Schneider Electric to provide turnkey energy efficiency programmes to large international companies;
  - In December 2021, GreenYellow signed a strategic collaboration on energy and cloud with Amazon Web Services. GreenYellow will supply renewable electricity for Amazon's operations as part of a solar power project in France.

1 | Projects at the "awarded" and "advanced pipeline" stages within GreenYellow's portfolio of projects in development.

2 | The pipeline of projects in the "pipeline" and "early stage" within GreenYellow's portfolio of projects in development.

3 | Data published by the subsidiary. Contribution to consolidated EBITDA: €63m (€57m in 2020).

4 | Power Purchasing Agreement.

At the beginning of 2022, GreenYellow raised capital totalling €109m from an institutional investor (OCABSA[1] issue) and set up an €87m syndicated credit facility line to accelerate growth in 2022.

RelevanC

2021 represented a year of transformation and strategic expansion for RelevanC, shaped by the acquisition of Inlead, a local digital marketing technology platform, the launch of operations in Latin America (Brazil and Colombia), and the creation of Infinity Advertising, the joint subsidiary with Intermarché offering retail media and targeted advertising services for food banners (cumulative base of 17 million profiles).

RelevanC also signed partnerships with technology leaders:

- Google Cloud and Accenture: a commercial and technology partnership serving international customers.
- Amazon Web Service: a planned partnership to improve the customer experience through algorithms.

RelevanC continues to market its B2B retail media platform to other retailers in France and international markets in order to monetise their data and advertising space. One of its clients is Everli, the first European home delivery service through personal shoppers.

E-commerce (Cdiscount)

(€ millions)	2021	2020 restated
GMV (Gross Merchandise Volume) as published by Cnova	4,206	4,204
EBITDA	106	129
EBITDA margin (%)	*5.2%*	*6.4%*
Trading profit	18	53
Trading margin (%)	*0.9%*	*2.6%*

Cdiscount continued to transform its business model towards a more profitable business mix (increase in marketplace, digital marketing and B2B, decrease in direct sales), resulting in a favourable margin impact.

Cdiscount delivered a solid performance in 2021, with gross merchandise volume (GMV) of €4.2bn, up 8% over two years and stable compared to an exceptional 2020.

The marketplace continues to grow, reporting GMV of €1.5bn, up 22% over two years (stable over one year). The marketplace contribution to GMV grew by 6.7 pts over two years (up 1.3 pts over one year). Marketplace revenues came in at €193m, up 29% over two years (up 5% over one year).

Digital marketing revenues were up 75% over two years (up 32% over one year), buoyed by the CARS (Cdiscount Ads Retail Solution) digital marketing platform that enables vendors and suppliers to promote their products and brands on a proprietary self-service platform.

The banner has an increasing number of loyal and active customers, with a base of 10 million active customers, up 8% over two years. The Cdiscount à Volonté loyalty programme now has more than 2.5 million members (up 20% over two years, up 9% over one year), who have access to 2.8 million items available for express delivery. Customer satisfaction hit a record high, with NPS of 53 points, up 8.4 points over two years (up 5.7 points over one year).

The development of B2B activities picked up pace in 2021, with GMV of €114m, up 30% year-on-year (3.5-times higher over two years), including a rise of 26% for the marketplace services and technology ecosystem Octopia (3.3-times higher over two years), which now has 12 major contracts (including Rakuten) in seven different countries for its turnkey marketplace solutions. In addition, C-logistics and C Chez Vous logistics solutions are now serving 20 customers.

Lastly, Octopia and Ocado signed an agreement enabling Ocado customers to access the Octopia marketplace.

E-commerce (Cdiscount) EBITDA was €106m with a 5.2% EBITDA margin, while trading profit was €18m, reflecting a trading margin of 0.9%. 2021 saw a return to normality following an exceptional year in 2020 (start of the health crisis). All indicators have improved compared to 2019.

1 | Convertible bonds with warrants attached

Latam Retail

(€ millions)	2021	2020 restated
Net sales	14,448	14,656
EBITDA	1,063	1,161
EBITDA margin (%)	*7.4%*	*7.9%*
Trading profit	640	748
Trading margin (%)	*4.4%*	*5.1%*

Latam Retail net sales were €14,448m in 2021, up 6.4% on an organic basis and +2.7% on a same-store basis excluding fuel and calendar effects.

Food sales in Brazil rose 6.1% on an organic basis and +1.2% on a same-store basis excluding fuel and calendar effects.

- Assaí's highly profitable business model steps up a gear: Assaí reported EBITDA growth of 18%[1] in 2021 to €489m, reflecting a 51-bp margin improvement. The banner is now targeting R$100bn (€17bn) in gross sales in 2024 (a rise of 30% p.a.), driven by (i) the opening of around 50 stores between 2022 and 2024 on an organic basis and (ii) the conversion of the 70 Extra hypermarkets (40 stores expected to open in the second half of 2022 and 30 in 2023). The success of the 23 Extra Hiper stores already converted confirms the potential for future conversions (three-fold increase in sales). Assaí opened 28 stores in 2021, bringing its total number of stores to 212.
- GPA refocused on premium, convenience and e-commerce: GPA Brazil continues to optimise its store portfolio, accelerating its focus on profitable premium and convenience formats, particularly in the São Paulo region, and exiting the hypermarket format (conversion of the hypermarkets not sold into Pão de Açúcar or Mercado Extra supermarkets). However, the hypermarket closures or conversions had a transitory impact on 2021 earnings. GPA also continues to cement its leadership in food e-commerce, where sales have increased by 363%[2] vs. 2019, with a share of 8%[2] in 2021 (vs. 2% in 2019).
- Excellent performance from Grupo Éxito in 2021, with EBITDA up 20%[3] to €333m (9.0% EBITDA margin), and trading profit up 33%[3] to €211m. The Group confirmed its leadership in Colombia and saw a sharp increase in sales towards the end of the year, rising 21%[4] in Q4 (up 7.5% over the year to €3.7bn). In Colombia[2], sales jumped 16% in Q4 (up 7% over the year to €2.8bn), driven by innovation and omnichannel activities, which now account for 12% of sales in the country (2.4-times more vs. 2019). Trading profit in Colombia was up by 32% in Q4 and by 43% over the year, driven by the business and by property development. In Uruguay[2], the Group delivered faster 7% sales growth in Q4, with sales at €0.6bn for the year, and excellent profitability (EBITDA at €59m with an EBITDA margin of 10%).

In Latin America, EBITDA increased by 9% over one year and by 29% over two years, excluding tax credits and currency effects. Including tax credits[5] (€28m in 2021 and €139m in 2020), EBITDA came out at €1,063m compared to €1,161m in 2020.

Trading profit excluding tax credits and currency effects was up by 8% over one year and by 34% over two years. Including tax credits (€28m in 2021 and €139m in 2020), trading profit was €640m compared to €748m in 2020. Trading profit was driven by (i) the significant improvement in trading profit at Assaí, in line with business growth, and (ii) an excellent performance from Éxito, with renewed growth and an upturn in property development; but impacted by hypermarkets at GPA Brazil (inventory drawdowns before disposals).

1 | Change at constant exchange rates, excluding tax credits.
2 | Data published by the subsidiary.
3 | Change at constant exchange rates, excluding tax credits
4 | Change in local currency; data published by the subsidiary.
5 | Tax credits restated by subsidiaries in the calculation of adjusted EBITDA.

Casino financial highlights

Casino Group's key consolidated figures for 2021 were as follows:

(€ millions)	2021	2020 restated (*)	Total change	Change CER (1)
Consolidated net sales	30,549	31,912	- 4.3%	+ 0.1%
EBITDA(2)	2,527	2,738	-7.7%	-4.7% (3)
Trading profit	1,193	1,422	-16.1%	-12.5% (3)
Other operating income and expenses	(656)	(799)	+17.9%	
Net finance costs	(422)	(357)	- 18.3%	
Other financial income and expenses	(391)	(391)	+0.1%	
Income tax benefit (expense)	84	(80)	NA	
Share of profit of equity-accounted investees	49	50	-0 .9%	
Net profit (loss) from continuing operations, Casino Group share	(275)	(374)	+ 26.4%	
Net profit (loss) from discontinued operations, Casino Group share	(254)	(516)	+ 50.7%	
Consolidated net profit (loss), Casino Group share	(530)	(890)	+ 40.5%	
Underlying net profit, Casino Group share (4)	**94**	**266**	**- 64.6%**	**- 59.6%**

(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 : Leader Price, whose disposals was finalised on 30 November 2020, is presented in discontinued operations in the 2020 and 2021 financial statements in accordance with IFRS 5.

(*) The 2020 financial statements have been restated to permit meaningful comparisons with 2021. See note 1.3 to the consolidated financial statements

In 2021, **consolidated net sales** amounted to €30,549m versus €31,912m in 2020, up 0.1% on an organic[1] basis and down 4.3% overall after taking into account the effects of exchange rates and hyperinflation (negative -3.4%), changes in scope (negative -1.2%) and fuel (positive +0.7%).

Trading profit came to €1,193m in 2021 (€1,166m excluding tax credits), a decrease of 16.1% including currency effects and of 12.5% at constant exchange rates (down 5.4% excluding tax credits).

Other operating income and expenses amounted to -€656m (-€799m in 2020) and included -€264m in non-cash costs. In France (including Cdiscount), other operating income and expenses amounted to -€356m (-€696m in 2020), of which -€207m in cash costs excluding the disposal plan and GreenYellow (-€231m in 2020), -€48m for GreenYellow (mainly non-cash) and -€101m in other costs (-€451m in 2020) due mainly to lower asset impairment charges. In Latin America, other operating income and expenses amounted to -€300m (-€103m in 2020), mainly due to impairment charges and costs incurred in connection with the sale of GPA hypermarkets to Assaí.

Net financial expense totalled -€813m in 2021 (-€748m in 2020), reflecting:

- finance costs, net of -€422m versus -€357m in 2020;
- other net financial expenses of -€391m both in 2021 and 2020.

Underlying net financial expense for the period came to -€813m (-€500m excluding interest expense on lease liabilities) versus -€681m in 2020 (-€360m excluding interest expense on lease liabilities). In France, net financial expense excluding interest expense on lease liabilities was impacted by an increase in financial expenses related to a one-off cost of €38m (mostly non-cash) arising in connection with the refinancing of Term Loan B in the first quarter of 2021. E-commerce (Cdiscount) net financial expense was virtually stable compared with 2020. In Latin America, financial expenses were up due to a lower level of tax credits in 2021 (negative impact of -€81m in net financial expense).

Income tax represented a benefit of €84m versus an expense of -€80m in 2020.

Net profit (loss) from continuing operations, Group share came out at -€275m (vs. -€374m in 2020), due to impairment in Latin America relating to the sale of the Extra hypermarkets, and non-recurring expenses related to the completion of the transformation plans in France. It recorded an improvement of €99m over one year, reflecting a reduction in impairment charges.

Net profit (loss) from discontinued operations, Group share was -€254m (vs. -€516m in 2020), reflecting the reduction in operating losses recorded by Leader Price up until the transfer of the stores.

Consolidated net profit (loss), Group share amounted to -€530m vs. -€890m in 2020.

1 | Excluding fuel and calendar effects

Underlying net profit[1] from continuing operations, Group share totalled €94m compared with €266m in 2020, reflecting lower trading profit (o/w a -€111m decrease in tax credits in Latin America, a -€50m decrease relating to property development in France and a -€48m negative currency effect) and higher underlying financial expenses.

Financial position

Consolidated net debt excluding IFRS 5 stood at €5.9bn versus €4.6bn at 31 December 2020. For the France Retail scope excluding GreenYellow, net debt increased to €4.4bn at the end of 2021 from €3.7bn at end-2020, due mainly to the following transitory factors: (i) the temporary effect of year-end activity and strategic stockpiling (€130m negative impact on working capital), (ii) operating losses and working capital at Leader Price, with the last Leader Price stores transferred to Aldi in September 2021 (€0.4bn negative impact) and (iii) non-recurring expenses related to Group transformation. For GreenYellow, the change from a net cash position of €122m in 2020 to net debt of €34m in 2021 results from the increase in investments following the move to an infrastructure model (asset holding) financed by its own resources. In Latin America, Assaí's net debt increased from €664 million to €864m due to the acquisition of 70 Extra hypermarkets.

At 31 December 2021, Casino Group liquidity in France (including Cdiscount) was €2.6bn, with €562m in cash and cash equivalents and €2.1bn in confirmed undrawn lines of credit, available at any time. Casino Group also has €339m in the unsecured segregated account and €145m in the secured segregated account.

Financial information relating to the covenants

At 31 December 2021, the Group complied with the covenants contained in the revolving credit facility. The ratio of secured gross debt to EBITDA (after lease payments)[2] was 2.7x[3], within the 3.5x limit, representing headroom of €178m in EBITDA. The ratio of EBITDA (after lease payments) to net finance costs stood at 2.7x (above the required 2.5x), representing headroom of €55m in EBITDA, due to non-recurring financial expenses. The margin represents around €150m excluding one-off financial expenses of €38m recorded in first-quarter 2021 due to the refinancing of Term Loan B.

Other assets

Investment portfolio

Rallye's investment portfolio was valued at €26m at 31 December 2021 (versus €30m at 31 December 2020).

At the end of 2021, the portfolio comprised financial investments with a market value of €20m (versus €26m at end-2020) and property programmes measured at historical cost for €6m (versus €4m at end-2020).

1 | See section on alternative performance indicators on page 26.

2 | France scope (including Cdiscount), excluding GreenYellow.

3 | Secured debt of €2.1bn and EBITDA excluding GreenYellow of €780m

Comments on the financial statements

Consolidated financial statements

Comments are provided in comparison to fiscal year 2020 on the basis of continuing operations. Leader Price and Groupe Go Sport, whose disposals were finalised on 30 November 2020 and 10 December 2021 respectively, are presented in discontinued operations in the 2020 and 2021 financial statements in accordance with IFRS 5.

The 2020 financial statements have been restated to permit meaningful comparisons with 2021. These restatements are the result of the retrospective application of the IFRS IC decision relating to the recognition of liabilities for certain post-employment benefits.

Main changes in the scope of consolidation

- Sale of Groupe Go Sport on 10 December 2021.

Currency effects

- Currency effects were unfavourable in 2021, with the Brazilian real losing an average 7.6% against the euro compared with 2020.

Results

Rallye reported consolidated net sales of €30.6bn in 2021 versus €31.9bn in 2020. A more detailed review of changes in net sales can be found in the business review for each operating subsidiary.

Recurring operating income totalled €1,180m versus €1,405m in 2020. 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 -€661m, versus -€800m in 2020 (see note 6.5 of the consolidated financial statements).

Cost of net financial debt translates into a net charge of €494m versus a net charge of €151 million over the previous year; the charge on 2020 included the positive impact of the application of the standard IFRS 9 on Rallye's financial liabilities subject to the safeguard plan. The two-year extension of the Rallye safeguard plan, dated 26 October 2021, has resulted in a new application of IFRS 9 on these liabilities, with additional net income of €51m in the 2021 financial year (see notes 2.1 and 11.3.1 to the consolidated financial statements).

Other financial income and expenses amounted to - €280m compared to - €394m in 2020, a variation of + €114m at Rallye level due to a financial product (net of IFRS restatements) €113m following the offer to repurchase its unsecured debt made in the first half of 2021 (notes 2.1 and 11.3.2 to the consolidated financial statements).

Profit before tax recorded a loss of €255m against a profit of €60m in 2020.

The share of net income of equity-accounted investees was €48m versus 44 M€ in 2020.

The net loss from continuing operations, Rallye Group share, amounted €140m versus €43m in 2020.

The underlying net loss [1], Rallye Group share, stood at €104m in 2021 versus €40m in 2020.

Evolution of cash flows

The Group's cash flow (CIF) capacity amounted to €1,943m in 2021, down from the level recorded in 2020 (€2,128m).

The CIF and the change in the working capital requirement, net of taxes paid in 2021, bring the **cash flow generated by the activity** (net collection) to €1,643m, compared to €2,197m in 2020.

Net cash flow related to fiscal year 2021 investment transactions is characterized by a net disbursement of €1,142m, mainly due to acquisitions of tangible assets for €1,021m against a €472m disbursement in 2020.

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.

The Group thus generated a **positive free cash flow** of €501m over the year, compared with a positive amount of €1,725m in 2020.

Net cash flow from financing operations was net disbursement of €975m (versus a €2,118m disbursement in 2020).

Net cash decreased by €496m over the year to €2,242m at 31 December 2021.

Financial structure

Consolidated Group

At 31 December 2021, the **consolidated balance sheet** total was €31,585m compared to €31,878m at 31 December 2020, resulting in a decrease of €293m over the year.

Consolidated equity amounted to €3,829m, of which - €1,080m for the group's share and €4,909m for the non-controlling interest and unitholders of TSSDI Casino.

The impact of foreign currencies on equity was negative over the year for a net amount of €108m, of which a depreciation of - €124m recorded on the Colombian peso.

Net financial debt amounted to €7,875m compared to €6,751m at 31 December 2020. The contributions to the Group's consolidated net financial debt (Note 11.2.1 to the Consolidated Financial Statements) are broken down as follows:

(€ millions)	31 Dec. 2021	31 Dec. 2020	Change
Rallye holding	2,818	2,839	(21)
Casino	5,060	3,914	1,146
Other	(3)	(2)	(1)
Total	**7,875**	**6,751**	**1,124**

Interest coverage ratio and leverage

At 31 December 2021, the ratio of consolidated EBITDA (recurring operating income adjusted for recurring operating depreciation and amortisation expense) to the cost of net debt was 5.5x versus 18.0x in 2020.

The gearing ratio (consolidated net debt to equity) was 205% in 2021 compared with 155% in 2020, and can be analysed as follows:

(€ millions)	31 Dec. 2021	31 Dec. 2020 restated
Net debt	7,875	6,751
Total equity	3,829	4,337
Gearing ratio	205%	155%

Rallye holding perimeter

The Rallye holding perimeter is defined as Rallye and its wholly-owned subsidiaries that act as holding companies and own Casino shares and the investment portfolio.

Financial debt

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

(€ millions)	31 Dec. 2021	31 Dec. 2020
Claims secured by pledges over Casino shares	1,228	1,194
Unsecured claims	1,518	1,658
Claims secured by pledges over shares of Rallye subsidiaries (other than Casino)	137	134
Total - claims under the safeguard plan	**2,883**	**2,986**
Financings issued after the enforcement of the safeguard plan	295	222
Total - gross financial debt	**3,178**	**3,208**
Cash and other financial assets (1)	(17)	(34)
Total - net financial debt (before IFRS restatements)	**3,161**	**3,173**
IFRS restatements (including the impact of the approval of the safeguard plan) (2)	(343)	(334)
Total – net financial debt	**2,818**	**2,839**

(1) Of which €15.5m at Rallye company level

(2) In 2020, Rallye 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, and increased to €343m at 31 December 2021, following on the one hand, the global tender offer, and on the other hand, the deferment for two years of the payment dates under the safeguard plan. 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 comprising a reduction of the financial liability and as counterpart the future increase of the interest expenses is the translation of the IFRS 9 standard and does not amend the repayments undertakings or the financial liability to be reimbursed.

Rallye's holding perimeter gross financial debt stood at €3,178m as of 31 December 2021, down €30m over the year, mainly as a result of:

- Financial interests (excluding IFRS) of €123m over 2021, which will be repaid in accordance with the repayments undertakings approved by the Paris Commercial Court on 28 February 2020 and 26 October 2021 and its contractual documentation.
- Unsecured debt tendered for a total amount of €195.4m for a total repurchase price of €39.1m reducing the total amount of its debt by €156.3m.

Rallye's holding perimeter net financial debt, before IFRS restatements, amounted to €3,161m as of 31 December 2021, compared to €3,173m as of 31 December 2020.

The change in Rallye's holding perimeter net financial debt over 2021 breaks down as follows:

(€ millions)	2021	2020
Net financial debt (opening)	**2,839**	**3,000**
Financial interests (excluding IFRS)	123	127
Holding costs	19	38
Net impact of the global tender offer (1)	(113)	
Other	1	6
Variation of IFRS restatements (including the impact of the approval of the safeguard plan)	(52)	(333)
Net financial debt (closing)	**2,818**	**2,839**

(1) Excluding IFRS restatements (i.e. the accelerated amortization of liabilities under the IFRS 9 standard for the acquired debt), the net impact of the global tender offer would amount to €156m.

After taking into account the change in IFRS restatements (-€52m in 2021 and -€333m in 2020), Rallye's holding perimeter net financial debt amounted to €2,818m at 31 December 2021.

The new estimated amortization profiles of Rallye's liabilities[1] are presented below.

Following the decision of 26 October 2021 of the Paris Commercial Court on the postponement of the two-year maturities and the consequential extension of Rallye's safeguard

1 | Secured or unsecured bank loans, Fimalac financing.

plan, the repayment undertakings are based on the following principles:

- for claims secured by pledges over Casino shares, repayment of at least 85% of the claim under annuity 5 and the remainder under annuity 6;
- for claims not secured by pledges over Casino shares, repayment over a twelve-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 4: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuities 5 to 9: 5%;
  - Annuity 10 to 12: 25% (less the amounts paid under annuities 1 and 4 in annuity 12).

Details of the collateral granted to Rallye's creditor

As of 31 December 2021, the collateral granted to Rallye's creditors is as follows:

- Pledge of 43,988,624 Casino shares representing 40.57% of the capital of Casino
- 9,468,255 shares, previously pledged to financial institutions involved in derivative transactions, transferred on 17 July 2020 to a security trust concluded by Rallye with Equitis Gestion as a guarantee of a financing concluded by Rallye with the company F. Marc de Lacharrière (Fimalac) representing 8.73% of the capital of Casino,
- 3,257,384 shares transferred on 10 May 2021, into Rallye's security trusts with Equitis Gestion (i) 2,540,549 shares under the security trust for the benefit of a bank pool or 2.34% of the capital of Casino (ii) 716,835 shares under the security trust for the benefit of Fimalac or 0.66% of the capital of Casino, as a guarantee of a financing concluded by Rallye with a bank pool on the one hand and Fimalac on the other,
- Pledge of the securities of Parande, a wholly owned subsidiary of Rallye, which holds the portfolio of financial investments, and sale of Dailly as a guarantee of Rallye's current account with Parande.

As of 31 December 2021, all of Rallye's holdings in Casino are pledged and/or have been transferred to security trusts.

Appendix 1: Alternative performance indicators

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

Underlying net profit corresponds to net profit from continuing operations, adjusted for (i) the impact of other operating income and expenses, as defined in the "Significant accounting policies" section in the notes to the consolidated financial statements, (ii) the impact of 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, the effects of discounting Brazilian tax liabilities, the restatements and impacts of the implementation of IFRS 9 following Rallye's safeguard plan approval, the deferment for two years of the payment dates and the net result of the global tender offer launched by Rallye in 2021.

(€ millions)	2021	Adjusted items	2021 underlying	2020 restated	Adjusted items	2020 restated underlying
Trading profit	**1,180**		**1,180**	**1,405**		**1,405**
o/w tax credits in Brazil	*28*		*28*	*139*		*139*
o/w property development in France	*13*		*13*	*63*		*63*
Other operating income and expenses	(661)	661		(800)	800	
Operating profit	**519**	**661**	**1,180**	**605**	**800**	**1,405**
Cost of net financial debt [1]	(494)	(51)	(545)	(151)	(335)	(486)
o/w tax credits in Brazil	*23*		*23*	*104*		*104*
Other financial income and expenses [2]	(280)	(113)	(393)	(394)	67	(327)
Income taxes [3]	84	(147)	(63)	(80)	(179)	(259)
Share of net income of equity-accounted investees	48		48	44		44
Net profit (loss) from continuing operations	**(123)**	**350**	**227**	**24**	**353**	**377**
o/w attributable to non-controlling interests [4]	17	315	332	67	351	418
o/w Group share	**(140)**	**35**	**(105)**	**(43)**	**2**	**(41)**

(1) Cost of net financial debt restatements mainly relates to the implementation of IFRS 9 - Financial Instruments following Rallye's safeguard plan approval in 2020 and the deferment for two years of the payment dates in 2021.

(2) Other financial and expenses for 2021 have been restated for the positive net impact of Rallye's global tender offer.

(3) Income tax have been restated in accordance with items restated above.

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

Rallye parent company financial statements

Results

Rallye reported an operating loss of €33.9m compared to a loss of €22.0m in 2020.

Rallye had a headcount of 15 at 31 December 2021 (versus 19 at December 2020).

Rallye's financial result was a loss of €73.7m compared to a loss of €76.6m in 2020.

- In 2021, financial products recorded, on the one hand, a reversal of the financial provision on the equity securities of Groupe Go Sport for €225.8m, and, on the other hand, a gain on financial debt following the Tender Offer dated 10 February 2021, for an amount of €155.8m.
- Financial expenses in 2021 consist of interest on financial debts, a provision on Parande securities and on Casino securities for €119.2m, €20.8m and €315.0m respectively. As of 31 December 2021, the historical value of Rallye's participation in Casino (€80.04 per share) was compared to its utility value (€74.49) and resulted in a loss of value of €5.55 per share leading to an impairment of Casino securities of €315m.

In 2021, the exceptional result consists of a loss of value of €225.8m (fully provisioned) on the sale of the Groupe Go Sport to HPB.

The net loss for the year came out at €333.6m in 2021, versus €98.7m in 2020.

Financial structure

At end-December 2021, equity totalled €1,095.3m versus €1,428.9m at 31 December 2020, 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	30					2						1
Total value excluding taxes of the invoices concerned	219	-	-	-	-	0	-	-	-	26	-	26
% of total value of invoices received/ issued (excluding taxes) for the year	1.72%	0.0%	0.0%	0.0%	0.0%	0.0%						
% of net sales (excluding taxes) for the year							0.0%	0.0%	0.0%	1.73%	0.0%	1.73%
(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 2021 shows a net loss of €333,596,315.55, and the Board of Directors proposes that it be allocated to "Retained earnings", which will subsequently have a debit balance of €585,183,746.55 euros.

On 17 March 2022, the Board of Directors decided not to propose to the Shareholders' Meeting of 17 May 2022 the payment of a dividend for the 2021 financial year.

A table presenting net income for the past year and the four preceding years is presented on page 263 of this Universal Registration Document.

Dividend policy

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

	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021
Net dividend (€/share)	1.00	1.00	-	-	-
Number of shares	52,064,824	53,738,266	52,181,769	52,373,235	52,598,701
Maximum payout (€)	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

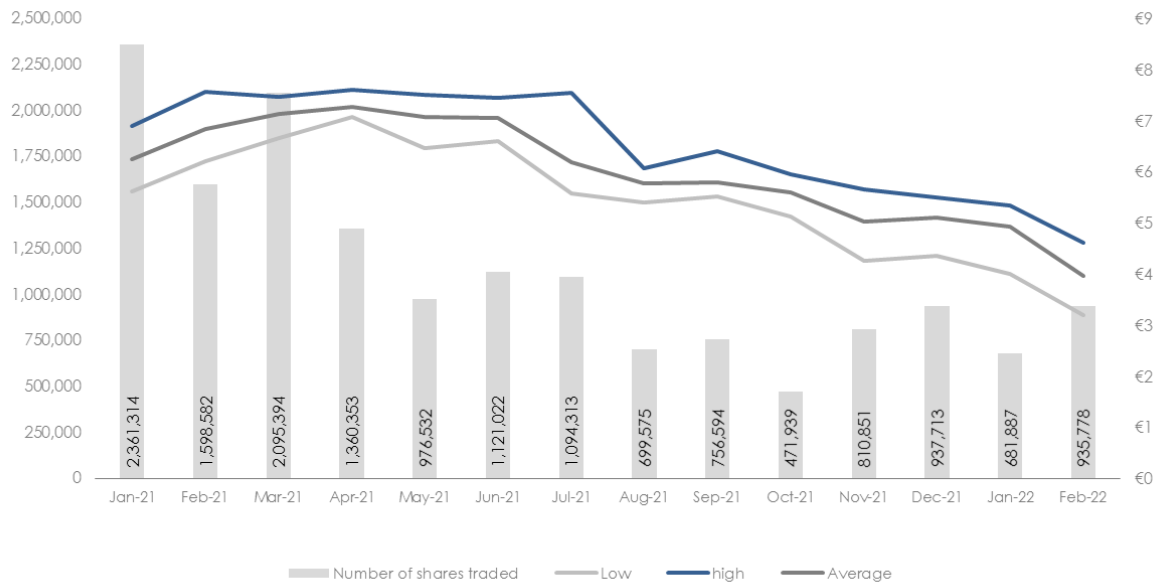
The Rallye share is listed for trading on Euronext Paris (compartment B).

ISINcode: FR0000060618

High (8 April 2021)	€7.60
Low (30 November 2021)	€4.27
Share price at 31 December 2021	€5.04
Trading volume in 2021 (in shares)	14,284,182
Trading volume in 2021 (in value)	€92m

At 31 December 2021, Rallye had a stock market capitalisation of €265m.

Rallye – share – monthly share price trends in 2021 and early 2022[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

Signature by Ocado and Casino groups of a memorandum of understanding to extend their unique partnership in France

On 17 February 2022, the Ocado and Casino groups announced that they had signed a memorandum of understanding to extend their unique partnership in France. The MoU provides for:

- the creation of a joint venture to provide logistics services to customer fulfilment centres (CFCs) powered by Ocado Smart Platform (OSP) technology, which will be available to all online grocery retailers in France;
- a partnership for Ocado to integrate Octopia's marketplace platform into OSP and allow OSP partners around the world to launch their own marketplace offering (Octopia is a subsidiary of Cdiscount);
- Casino Group to deploy Ocado's In-Store Fulfilment solution across its Monoprix store estate.

There is not expected to be any capital cost associated with the joint venture for either the Ocado or Casino groups. CFC-related capital costs typically associated with OSP partners will be funded in future CFCs by tenant grocery retailers in line with their capacity commitments.

GreenYellow raises nearly €200m in financing to support growth

On 21 February 2022, GreenYellow announced that it had completed two financing transactions for an aggregate amount of nearly €200 million:

- €109 million in convertible bonds with warrants attached, with a five-year maturity, subscribed by an institutional investor, Farallon Capital; and
- €87 million via a syndicated credit facility with a one-year initial maturity, with a pool of top-tier banks [1].

These operations demonstrate the Group's ability to accelerate its operator model and underscore the relevance of its decentralised, global and synergistic energy platform in solar energy, energy efficiency and smart energy services.

Disposal by Casino Group of its remaining stake in Mercialys

On 21 February 2022, following the disposal of 3% of Mercialys equity through a total return swap (TRS) concluded on 6 December 2021, Casino Group completed the additional definitive disposal of 6.5% of Mercialys equity through a new TRS (now settled).

Casino Group cashed in €59m for this transaction.

On 4 April 2022, Casino Group completed the disposal of the remaining stake in Mercialys, i.e. 10.3% of Mercialys equity, through a new TRS. Following this transaction, Casino Group no longer holds any voting rights in Mercialys.

Proceeds of this transaction amount to €86m.

1 | At 31 December 2022.

Rallye

Global Tender Offer on the unsecured debt

On March 23, 2022, Rallye has launched a global tender offer at a fixed purchase price of 15% for its unsecured debt (including the bonds and commercial paper) (the "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 fixed purchase price and to (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, as amended. Rallye proposed to purchase unsecured claims at a price equal to 15% of the amount of the outstanding claim under each unsecured debt instrument the relevant holder of unsecured debt is willing to offer.

The Tender Offer was opened from 23 March 2022 to 5 April 2022.

The Tender Offer was well received by the holders of unsecured debt so that the total amount of unsecured debt offered by creditors for purchase exceeds the maximum amount of the Tender Offer set at €37m. Considering the success of the Tender Offer, the pro ration factor was set at 75.64%.

Rallye will spend €36.6m of cash to acquire €242.3m of nominal amount of unsecured debt, reducing the total amount of its net financial debt by approximately €234.8m (including accrued interests). The total nominal amount of unsecured debt purchased under the Tender Offer is allocated as follows: €240.5m for bonds and €1.8m for the other unsecured claims.

Completion of the Tender Offer is, inter alia, subject to 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.

As an indication, it is anticipated that the settlement of the Tender Offer will occur at the beginning of May 2022.

The Tender Offer will be financed by the amount available under the financing made available to Rallye for the purpose of the tender offer which occured in the first half of 2021.

Outlook

Casino

- In 2021, the Casino Group completed its repositioning in structurally buoyant formats with a good profitability level.
- In 2022, as the health situation gradually gets back to normal, the Group is confident to recover growth momentum by capitalising on its differentiating assets and innovative services:
  - Convenience formats (Monop', Franprix, Naturalia, Spar, Vival, etc.) with a target of more than 800 stores to be opened, mainly under franchise.
  - Confirmation of leadership in e-commerce, particularly in home delivery, supported by its partners Ocado, Amazon and Gorillas and the store network.
  - Maintain high level of profitability and improve cash flow generation.
  - Continuation of the €4.5bn disposal plan in France. In view of the various options available, the Group is confident that this plan will be completed by the end of 2023.

Rallye

To the company's knowledge, on the closing date, no event occurred that would be likely to call into question the repayments undertakings provided in the safeguard plan.

Share capital and share ownership

Share capital

Rallye's share capital at 31 December 2021 totalled €157,796,103, divided into 52,598,701 shares with a par value of €3 each. At the same date in 2020, the share capital was €157,119,705, divided into 52,373,235 shares with a par value of €3 each.

The change reflects the creation of 225,466 new shares under a free share plan.

Shareholding structure

At 31 December 2021, Foncière Euris held 57.91% of the share capital and 71.85% of the voting rights.

The following notifiable interests were disclosed in 2021:

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)	29 Nov. 2021	6% decrease in share capital	3,145,376	3,145,376	5.98%	3.71%
Crédit Agricole SA (1)	30 Nov. 2021	6% increase in share capital	3,165,376	3,165,376	6.02%	3.73%

(1) The disclosures made by Crédit Agricole relate to technical changes in its shareholding resulting primarily 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 2021.

Share buyback programme

Transactions completed in 2021

No transactions were completed in 2021.

Share buyback programme submitted to the Shareholders' Meeting for approval

On 17 May 2022, 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. 5,259,870 shares based on the share capital at 17 March 2022, corresponding to a theoretical maximum investment of €157,796,100 calculated based on the maximum purchase price of €30 stipulated in the 20th resolution to be submitted to the vote at the Shareholders' Meeting of 17 May 2022.

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 2022 financial statements and management report, and no later than 17 November 2023.

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 strengthen its financial position, the Shareholders' Meeting of 18 May 2021 granted certain powers to the Board of Directors.

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	Terms and conditions	Authorisation date	Term	Expiry	Maximum amount
Delegation of authority to increase the share capital by capitalising reserves, profits, premiums or other sums eligible for capitalisation		18 May 2021	26 months	15 July 2023	€66m (1)
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)	With PE*	18 May 2021	26 months	15 July 2023	€66m (1) (2)
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)	Without PE*	18 May 2021	26 months	15 July 2023	€15m (1) (2)
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 (2)	Without PE*	18 May 2021	26 months	15 July 2023	€15m (1) (2)
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	Without PE*	18 May 2021	26 months	15 July 2023	€15m (1) (2)
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	Without PE*	18 May 2021	26 months	15 July 2023	9.55 % of the capital on the date the issue is decided
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	Without PE*	26 June 2020	38 months	26 August 2023	1 % of the total number of shares at 26 June 2020 (52,373,235 shares)
Capital increase for employees who are members of a company savings plan (PEE) of the Company or of its related companies	Without PE*	18 May 2021	26 months	18 July 2023	1% of the total number of shares

** PE = pre-emptive subscription rights*

(1) The aggregate par value of the shares which may be issued, immediately and/or in the future, pursuant to various authorisations, may not exceed €66m, it being specified that the par value of capital increases that may be carried out, immediately and/or in the future, without pre-emptive rights for existing shareholders may not exceed €15m, 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.

(2) The aggregate nominal amount of debt securities that may be issued pursuant to this authorisation, may not exceed €1bn or its equivalent value in other currencies or monetary units based on a basket of currencies, it being specified that the overall amount of debt securities that may be issued pursuant to this authorisation may not exceed €1bn or its equivalent value in any other currency or monetary unit based on a basket of several currencies.

None of the authorisations granted have been used, with the exception of those pertaining to the award of free shares. At its meetings on 26 June 2020 and 18 May 2021, the Board of Directors awarded respectively 276,515 free shares and 242,576 free shares (see section "Securities carrying rights to shares of the Company" hereafter). The Shareholders' Meeting of 17 May 2022 will be asked to renew in advance the authorisation for the allocation of free shares.

The Shareholders' Meeting of 18 May 2021 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 2021.

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 2021.

Free shares

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

At 31 December 2021, there were 331,169 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. 2021 (3)
26 June 2020	26 June 2022 (1)	26 June 2024	28	75,866	83,757	**162,652**
18 may 2021	18 May 2022 (2)	18 May 2023	25	73,237	99,836	**168,517**

(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 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.

(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 four performance criteria: two criteria linked to the safeguard proceedings for half and two criteria aimed at the evolution of Casino's EBITDA and compliance with financial covenants by the latter for half

(3) Corresponds to the number of shares originally allocated less rights cancelled due to the departure of beneficiaries or failure to comply with performance criteria

Potential capital at 28 February 2022

The potential capital at 28 February 2022 breaks down as follows:

Number of shares at 28 February 2022	52,598,701
Free shares to be issued	331,169
Number of potential shares	52,929,870

The maximum dilutive effect would amount to 0.6% for a shareholder holding 1% of the capital at 28 February 2022.

Change in capital over the past five years

Date	Change in capital	Movements			New capital	Total
		Number	Capital	Premium		
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**
2021	Issuance of shares (free share award)	225,466	676,398.00	(676,398.00)		
31/12/2021					**157,796,103.00**	**52,598,701**
28/02/2022					**157,796,103.00**	**52,598,701**

Breakdown of capital and voting rights

Amount of capital

- Amount of capital at 31 December 2021: €157,796,103.
- Amount of capital at 28 February 2022: €157,796,103.
- Number of shares at 31 December 2021: 52,598,701 shares.
- Number of shares at 28 February 2022: 52,598,701 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.

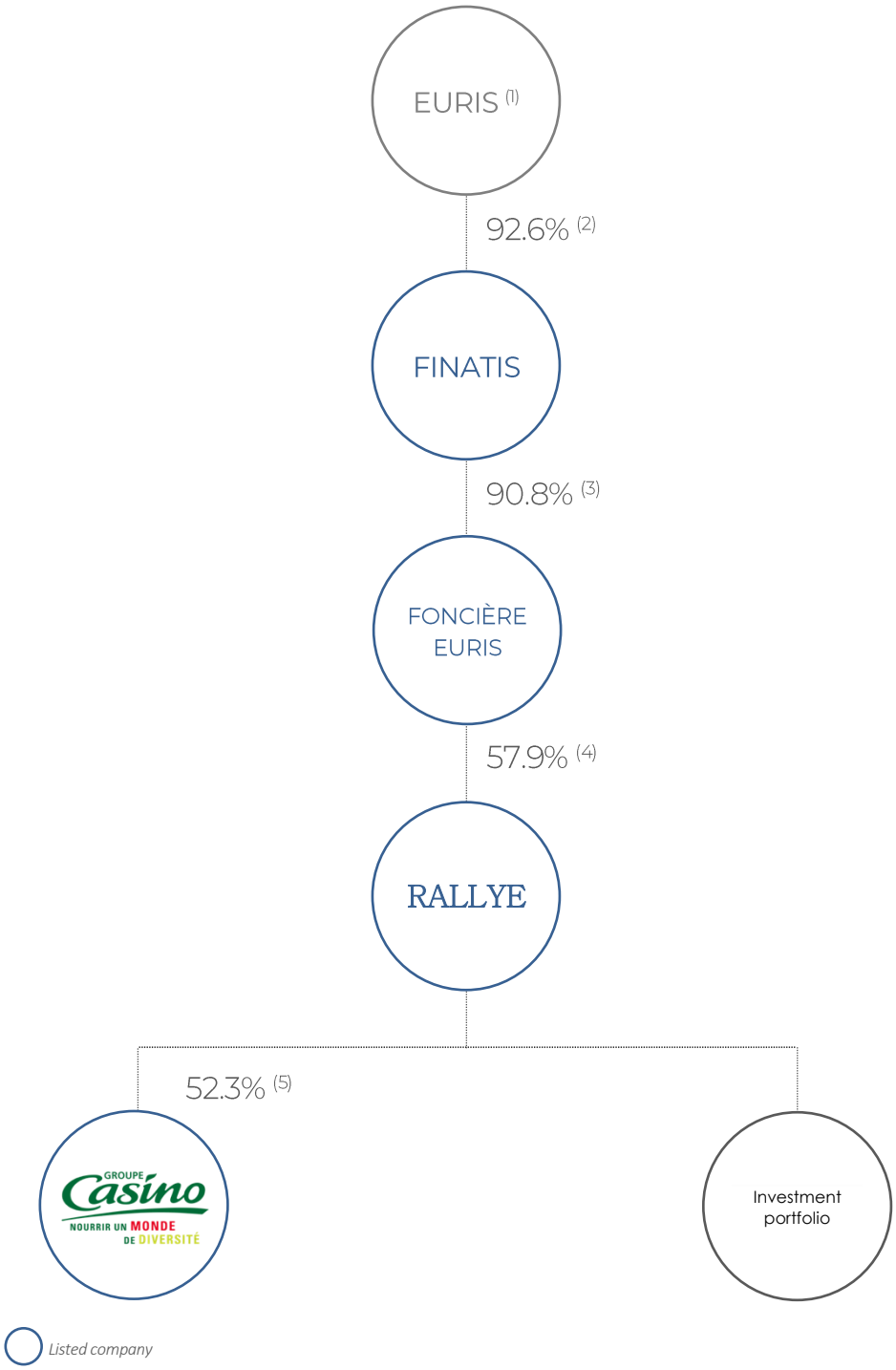
The Company keeps track of its shareholders, in compliance with applicable legislation.

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 2022, a double voting right had been granted on 32,198,239 shares, and the total number of voting rights was 84,796,940 for 52,598,701 shares.

Group organisation chart at 28 February 2022

Rallye is directly and indirectly controlled by Euris. The organisation chart below shows the Company's position within the Group on 28 February 2022:



(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) 71.8% of theoretical voting rights.
(5) Including the 11.7% of the Casino share capital held in fiduciary trusts – 62.0% 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;

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. 2021				31 Dec. 2020				31 Dec. 2019			
	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**	**57.91%**	**71.85%**	**71.98%**	30,462,478	58.16%	71.98%	71.98%	30,462,478	58.38%	71.36%	71.36%
Other Shareholders	**22,136,223**	**42.09%**	**28.15%**	**28.02%**	21,910,757	41.84%	28.02%	28.02%	21,719,291	41.62%	28.64%	28.64%
TOTAL	**52,598,701**	**100.00%**	**100.00%**	**100.00%**	**52,373,235**	**100.00%**	**100.00%**	**100.00%**	**52,181,769**	**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 2022 is as follows:

Shareholders	Shares	% capital	Voting rights	% voting rights
Foncière Euris	30,462,478	57.91%	60,924,956	71.85%
Other Euris Group companies	1,505	-	3,010	-
Other members of the Board of Directors	237,408	0.45%	354,502	0.42%
Sub-total	**30,701,391**	**58.37%**	**61,282,468**	**72.27%**
Other shareholders	21,897,310	41.63%	23,514,472	27.73%
— *o/w shares in registered form*	*2,021,478*	*3.84%*	*3,638,640*	*4.29%*
— *o/w shares in bearer form*	*19,875,832*	*37.79%*	*19,875,832*	*23.44%*
Total	**52,598,701**	**100.00%**	**84,796,940**	**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 2021, 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 3.4.2 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 group.

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 2021:

Shareholder	Financial instrument	Date	Type of transaction	Amount *(€)*	Number
Dumas Jacques [1]	Shares	17 May 2021	Purchase[2]	0.00	6,104
Grin Virginie [3]	Shares	17 May 2021	Purchase[2]	0.00	16,154
	Shares	22 November 2021	Sale	4.7227	2,757
	Shares	23 November 2021	Sale	4.6514	3,501
	Shares	24 November 2021	Sale	4.7480	4,898
	Shares	25 November 2021	Sale	4.7500	1,192
	Shares	30 November 2021	Sale	4.400	3,000
	Shares	1 December 2021	Sale	4.5800	3,808
Lévêque Didier [4]	Shares	31 March 2021	Sale	7.2214	9,847
	Shares	6 April 2021	Sale	7.3230	5,195
	Shares	7 April 2021	Sale	7.3671	7,292
	Shares	17 May 2021	Purchase[2]	0.00	23,034
Muracciole Odile [5]	Shares	17 May 2021	Purchase[2]	0.00	21,107

(1) Director.
(2) Free share awards under the 15 May 2019 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 2021.

Free shares

The free share plans in effect at 28 February 2022 for Rallye employees and employees of related companies are as follows:

Meeting date	Extraordinary Shareholders' Meeting of 26 June 2020	Extraordinary Shareholders' Meeting of 26 June 2020	Total
Date of Board meeting	26 June 2020	18 May 2021	
Type of plan	Free shares	Free shares	
Initial number of beneficiaries	28	25	
Total number of shares initially awarded	**276,515**	**242,576**	**519,091**
o/w total number of shares awarded to corporate officers	75,866	73,237	149,103
o/w total number of shares awarded to top ten employee beneficiaries	83,757	99,836	183,593
Plan expires on	26 June 2022	18 May 2022	
Rights cancelled at 28 February 2022[1]	**113,863**	**74,059**	**187,922**
o/w since 1 January 2021	106,863	74,059	180,922
Residual number of shares that may vest at 28 February 2022	**162,652**	**168,517**	**331,169**

(1) Following the departure of beneficiaries or failure to comply with performance criteria.

Investment strategy

Rallye's investment portfolio is discussed on page 22 of the management report.

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

(€ millions)	2021	2020
Casino	1,131	927
Other	-	-
Total	**1,131**	**927**

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, is primarily responsible for assisting and controlling administrative, financial and legal activities. To do so, it sets mandatory operating rules, 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 74.

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 77. 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 114 to 119, and 234 to 238.

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 quality control of the information provided by the subsidiaries is carried out in particular through the meetings of the various Audit and the Appointments and Remuneration Committees.

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.

Audit Committee

The role and duties of the Audit Committee are described on page 77. 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 (six 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	****	@@@@
	– Rallye liquidity risks	****	@@@@
	– Casino liquidity 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 and political risks	***	@@@
	– Food safety	**	@@@
	– 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 implementation 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 2032, to comply with the terms of the safeguard plans as extended by the decision of the Paris Commercial Court dated 26 October 2021, particularly with regard to the repayment deadlines set out therein. 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 and its financial documentation. Moreover, the safeguard plans require Rallye to obtain refinancings between 2030 and 2032, the realization of which will depend on market conditions in this horizon and on the value of Casino in the long term.	If the companies subject to the safeguard 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 (CEPs) 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 safeguard plan was drafted and adopted before the Covid-19 pandemic. However, the impacts of Covid-19 on the implementation of Casino's disposal plan have led the CEPs to request from the Paris Commercial Court, pursuant to Article 5, I, of the Order of 20 May 2020, to defer for two years the payment dates under the safeguard plan approved on 28 February 2020 and consequently to extend the duration of such safeguard plan. The Paris Commercial Court decided to agree to the request and decided on 26 October 2021 to defer for two years the payment dates under the safeguard plan, increasing it to 12 years instead of 10 years and, accordingly, to adapt the payment periods provided for under the latter to the duration of the plan as extended.

All other provisions of Rallye safeguard plan remain unchanged and provide for a full repayment of liabilities and the ability to pay dividends during the term of the plans.

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.

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 10 of this management report) and the financing planned in connection with the tender offer were approved by the Paris Commercial Court on 4 May 2021. 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.

Rallye liquidity risks

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

Rallye

Description of the risk	Potential impacts on the Group
The vast majority of Rallye's assets are pledged and the only resources expected by the first significant expiry of the safeguard plan in February 2025 would be the share not apprehended by Rallye secured creditors of the potential dividends paid by Casino and the drawing on the €15m line signed with Fimalac. However, the payment of dividends will depend on the distributive capacity and therefore the financial situation of Casino. The payment of dividends will be determined by Casino's Annual Shareholders' Meeting in keeping with the company's interests and its financial documentation[1].	In the event of a Rallye liquidity problem, which may occur before or after the first significant maturity of 2025, the cessation of payments status could be observed, the safeguard plan would be resolved and the Paris Commercial Court would then open a judicial recovery procedure, or if the recovery was manifestly impossible, a judicial liquidation procedure.

Risk management (control and mitigation)

Beyond Rallye secured creditors who appropriate in accordance with the safeguard plan all the dividends received in respect of the shares securing their claims, Rallye negotiated dividend exemptions on the two financings put in place since the safeguard plan was adopted and the implementation of which is not governed by the provisions of the plan.

- **As part of the Fimalac financing that enabled the refinancing of the derivative transactions**: Rallye will be able to dispose freely of any dividend paid by February 2025 for a maximum cumulative amount of €19m (or €2 per share) for the 9.5 million shares placed in fiduciary trust to the benefit of Fimalac.
- **As part of the financing set up with the banks and Fimalac to finance the tender offer**: Rallye will be able to dispose freely of any dividend paid by 31 December 2022 for a cumulative amount of €5m (or €1.5 per share) in respect of the 3.257 million shares placed in fiduciary trust for the benefit of the banks and Fimalac. This amount of €5 constitutes a floor that assumes a 100% drawing of the line and a cash position at Rallye 30 June 2022 above €13m. This amount could be increased in two cases:
  - If the line is not drawn in full, the dividend exemptions will apply to a number of shares prorated to the drawn amount. Thus, on the basis of the amounts drawn at 31 December 2021 (€43.3m) only 1.714 million shares are subject to dividend relief. For the other shares representing 1.542 million Casino shares, Rallye retains the entire amount of dividends that would be received in respect of those shares.
  - Assuming a full drawing of the line, if Rallye's cash position at 30 June 2022 (including the drawing of the €15m Fimalac line) is less than €13m, the maximum cumulative amount would be increased to €6.5m (or €2 per share).

At 31 December 2021, Rallye's cash position stood at €15.5m versus €29.5m at 31 December 2020. In order to prioritize deleveraging, the Casino Board of Directors will propose to the 2022 Annual General Meeting not to pay a dividend in 2022 in respect of 2021.

1 | See Casino liquidity risks next page describing the terms of ordinary and exceptional dividend payments in its existing financial documentation.

Casino liquidity risks

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 borrowings contracted by its French entities, which have maturities through to 2027. The Group's access to sources of financing (particularly negotiable Euro Commercial Paper "NEU CP") may be restricted in an environment of increased volatility (as was the case in May 2019 at the time of the Rallye safeguard plan, leading to a downgrade in the Group's credit rating by S&P and Moody's and to market volatility). Its loan and bond agreements include acceleration clauses, as described below. These clauses include financial covenants, for which non-compliance may lead to a request for cancellation and early repayment of credit from the lenders.	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 liabilities 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 for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2021, the Group's liquidity position was adequate and comprised:

- confirmed, undrawn lines of credit for a total of €2,216m (of which €2,051m for France Retail and e-commerce (excluding GreenYellow) due in more than one year; for this scope, the average maturity of confirmed facilities was extended during the year, from 2.6 years at the end of 2020 to 4.2 years at end-2021);
- gross cash and cash equivalents totalling €2,283m (of which €562m available for the France Retail and e-commerce scopes, including GreenYellow);
- a balance of €504m in two segregated accounts in France that can be used at any time to repay debt, including €145m placed in a segregated account intended to repay secured debt.

The Group renegotiated all of its credit facilities in November 2019 and signed a new €2.0bn confirmed credit line maturing in October 2023. In July 2021, the maturity of €1.8bn under this facility was extended to July 2026 (an amount of €252m still matures in October 2023). The new line was subscribed by 21 French and international banks.

At 31 December 2021, the Group also had two bilateral lines that had been drawn in an amount of €130m and €40m, and fall due in 2026 and 2023, respectively[1].

During the year, the Group continued to proactively manage its repayment schedule and the maturity of its debt.

1 | Extended from January 2023 to January 2024 (in February 2022).

It demonstrated its ability to access the capital markets and tap investors by entering the unsecured bond market. The Group issued a new unsecured high-yield bond totalling €525m, maturing in April 2027.

It also successfully completed the refinancing of its November 2019 secured term loan. The maturity of this term loan was extended to August 2025 and the loan was later increased by €425m. The Group's total term loan therefore now amounts to €1.425bn.

These operations enabled the Group to launch two public buyback offers during 2021: the EMTN 2023 issue was reduced by €51.4m, the EMTN 2024 issue by €53.4m, the EMTN 2025 issue by €12.5m and the EMTN 2026 issue by €48m.

At 31 December 2021, the Group had €308m in NEU CP commercial paper outstanding versus €179m at 31 December 2020. 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.

At 31 December 2021, Casino, Guichard-Perrachon was rated B (stable outlook) by Standard and Poor's and B3 (stable outlook) by Moody's, compared to B (negative outlook) and B3 (stable outlook), respectively, at the end of 2020. Scope Ratings initiated a credit review of Casino in January 2022 and assigned a rating of BB- with stable outlook.

The Group has posted collateral in respect of the €2.05bn syndicated credit line maturing in 2023 and 2026, the €1.425bn term loan maturing in 2025 and the high-yield bond maturing in 2024. Excluding these financing arrangements, debt carried by Casino, Guichard-Perrachon and its main subsidiaries (GPA, Sendas, Éxito, Monoprix) is not secured by significant collateral or assets.

Under its €2.05bn confirmed credit line, Casino is required to comply with two financial covenants, tested quarterly. These covenants are calculated for the France and e-commerce scope as follows:

- secured gross debt divided by EBITDA, which must be 3.50x or less (see details in Note 11.5.4 to the consolidated financial statements);
- EBITDA divided by net finance costs, which must be 2.50x or more.

These covenants were respected at 31 December 2021.

The financing facilities of GPA, Sendas, Éxito and Monoprix are also subject to covenants. All of the covenants were complied with at 31 December 2021.

An incurrence covenant applies in the event special dividends are paid in addition to ordinary dividends[1], as follows: gross debt/EBITDA including leases (France Retail + E-commerce): <3.5x. At 31 December 2021, the ratio is at 6.47x.

Liquidity risk is discussed at length in Note 11.5.4 to the 2021 consolidated financial statements

1 | 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.

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. Geopolitical tensions in Eastern Europe could be accompanied by an increase in cyber-attacks on European companies.	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 2021 and none since 1 January 2022.

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. Changes in the cybersecurity threat are monitored in line with the increase in the number of cyber-attacks and changes in the methods used. The Group continually adjusts existing measures to take any such changes into account.

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 2021. CITADEL is used by the Information Systems department to manage its IT continuity plan. In 2021, the Information Systems department performed 21 tests on the business recovery plan, with the results analysed and taken into account within the scope of the continuous improvement process.

Since 2020, cyber insurers have tightened their requirements on the prevention and management of cyber risks. The Group's cyber insurance policy was renewed in 2021. Brokers are again expecting a deterioration in the terms and conditions of the cyber insurance market. In this environment, the Group may face higher deductibles, lower capacity and/or higher premiums beyond 2022.

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 :

  A coordination unit was set up to provide general instructions to the Human Resources departments. 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 and political risks

Impact: *** / Likelihood : @@@

Description of the risk	Potential impacts on the Group
The Group's businesses and particularly its sales, operating profit and cash generation are strongly correlated with compulsory household expenditure, which is influenced by the cyclical nature of the economy at large, by rates of unemployment, demographic growth, revitalisation programmes, 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. In particular, the current health crisis could have an impact of varying degrees on purchasing power and consumer spending, depending on the nature of the support measures in place. 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 2021, 72% 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. In particular, measures taken by the government in response to the health crisis may significantly impact the level of business in the Group's stores. 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. Current geopolitical tensions caused by Russia's invasion of Ukraine could lead to increases in the cost of raw materials, and particularly agricultural products. There are many unknowns in this regard, including the duration and impact of the conflict in Ukraine, the consequences of the energy shock on transport costs, and the impact of these factors across the supply chain	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. A global economic downturn can also drive down sales of food and other essential products. In particular, the Covid-19 crisis or inflation trends (regardless of whether these are driven by geopolitical tensions in Eastern Europe) could have an impact of varying degrees on purchasing power and consumer spending, depending on the nature of the support measures in place. None of these factors are within the Group's control. 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.
- a purchasing alliance (AUXO) has been set up with Intermarché for food and non-food products and, from April 2022, for non-tradeable goods. This alliance should reduce the impact of inflation on the Group's financial performance.

Food safety

Impact: ** / Likelihood: @@@

Description of the risk	Potential impacts on the Group
From specifications for its private-label products to store operations, the Group strives to ensure that it sells safe, healthy and fair products. Guaranteeing product traceability and safety and complying with health and safety standards in stores is a major challenge. The sale of products for human consumption exposes the Group to risks such as: ▪ product spoilage due to poor control of the transport and storage processes (break in the cold chain, lack of hygiene, poor management of use-by dates, damage to the integrity of packaging during handling or storage, etc.). ▪ microbiological, chemical or physical contamination (e.g., foreign body) or labelling discrepancies (e.g., allergen not mentioned) on (i) pre-packaged private-label products and (ii) products that are not pre-packaged and are re-handled or processed in stores. ▪ safety or conformity defects in private-label products. The Group's responsibility is also to guarantee the fairness of information provided to the consumer on its private label items, ensuring that consumers are not deceived by false or inaccurate statements or claims (e.g., adulteration, fraud) and that regulatory requirements are met. A crisis may be caused by a quality, conformity or safety defect in private-label or national-brand products, a failure in recall measures, and/or a lack of traceability or good hygiene practices in warehouses or stores.	▪ Significant impacts on consumer health and safety. ▪ Impact on the functioning of the Quality Control department, with some department staff mobilised to deal with the crisis. ▪ Financial impact owing to the destruction of inventories, stock-outs and compliance costs. ▪ Possibility of complaints or legal action by consumers, authorities or consumer associations. ▪ Impact on the Company in terms of image and reputation through media coverage of the incident or through a media trial, involving the Company's customers, consumers and suppliers, and the authorities. Loss of confidence in the safety and quality of the Group's products could damage its brand, reputation and image and have negative impacts on stakeholder relations, sales, profitability, growth prospects and financial performance.

Risk management (control and mitigation)

The Group Quality department coordinates the actions of the various local Quality departments, which are responsible for guaranteeing the quality of private-label products and ensuring that all products sold are safe for the consumer.

Management of the quality and safety of products in warehouses and stores is based on the application of best logistics and health practices. Warehouses operated by Casino retailers in France are certified to the "IFS Logistic" standard, while hypermarkets and supermarkets under the Casino, Monoprix and Franprix banners in France are inspected once or twice a year in accordance with the Food Store Quality Standard.

Management of the quality and safety of private-label products is based in particular on:

- regular audits of production plants, either to an international standard (IFS) or, where applicable, to the Group's own internal standard.
- specifications shared with suppliers for each product and its packaging. Packaging and labelling are regularly updated in line with regulatory developments, the adjustment of ingredients in line with societal expectations or in connection with the application of France's National Pact on Plastics which Casino Group has signed.
- microbiological and physical/chemical product quality controls conducted throughout the year.

Withdrawals or recalls of defective or non-conforming products are formally documented and regularly updated, in line with regulatory developments or operational changes. In order to set up an efficient warning system and take proportionate action, a system has been deployed within AMC to assess the seriousness of each situation leading to the withdrawals/recalls.

Crisis management exercises are also regularly organised to test the robustness of procedures and provide ongoing training to internal stakeholders. In 2021, an expert consultancy was hired to analyse the current organisation, develop this procedure and deploy a new form of crisis management known as "restricted crisis unit" (or "level 1").

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 current inflationary environment and rising transport costs are exacerbating these potential impacts. Shortages of goods and raw materials due to Covid or inflation (regardless of whether this is driven by the crisis in Eastern Europe) can also intensify competition over product availability and drive up product prices. 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.

It has entered into partnerships with several players, including recently Gorillas, a major player in quick commerce, with a trade (supply, delivery of orders to the Group) and capital agreement.

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 include 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. The partnership with Gorillas will also enable the Group to meet the expectations of consumers in cities, offering them an express delivery service from dark stores.

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

On 28 February 2020, the safeguard plans for Euris, Finatis, Foncière Euris and Rallye were approved by the Paris Commercial Court. 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. The safeguard plans were also extended until 28 February 2032 by a decision of the Paris Commercial Court dated 26 October 2021.

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 been set for 7 June 2022.
- 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 judgments of the Court of Appeal declaring BRED's withdrawal were obtained on 7 October 2021. The appeal is closed.
- 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. It has been agreed that Natixis will prepare a statement of discontinuance after expiry of the time limit for reassessment by the tax authorities i.e. 31 December 2022.

The appeals filed against the decision to approve Rallye's safeguard plan by the management company Swisslife Gestion Privée are now closed.

The following appeals have been filed against the decision to extend Rallye safeguard plan:

- Third-party proceedings seeking withdrawal of the decision filed on 5 November 2021 by 7 investment funds as secured creditors by pledges over Casino shares, represented by the management company Angelo Gordon & Co, L.P.
- Third-party proceedings seeking withdrawal of the decision filed on 5 November 2021 by 4 investment funds as secured creditors by pledges over Casino shares, represented by the management company Angelo Gordon & Co, L.P.

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. The judgments were rendered on 30 September 2021 and declared Mr. Bernard Law-Wai inadmissible in his applications. The appeal is still pending from the judgment of 9 December 2021, which dismissed Mr. Bernard Law-Wai's requests for withdrawal from the procedural judgments of April 23, 2021, which granted the joining of several of his appeals and dismissed his request for a stay of proceedings, based on the requests for legitimate suspicion and revocation lodged against the members of the Court. Mr. Bernard Law-Wai also appealed those judgments of 23 April 2021. Finally, Mr. Bernard Law-Wai filed a third-party proceedings to the judgment having extended the safeguard plans of the companies Rallye, Foncière Euris, Finatis and Euris.

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 81 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, to which the Group pays particular attention, 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 2021 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 2021 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 2021, the reinsurance captive's commitments continued to be capped at €12m per year under the property damage policy, while its commitments under the consequential damages – pecuniary losses policy were set at €10m.

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 2021. 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 2021 Casino Group's Universal Registration Document.

8. Speculative attacks on the share price

In late 2015, Casino applied to the AMF, France's securities regulator, as regards the dissemination of false or misleading information by Muddy Waters Capital, preceded by short sales that led to a sudden, very steep fall in the share price. This led to an investigation by the AMF and two letters of observation (see page 285 of the Casino 2020 Universal Registration Document). In 2018, Casino and Rallye once again applied to the AMF concerning new speculative attacks, resulting in 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 and 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 2021 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 2021 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 2022 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2022/2023 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 83 and 285, respectively. A table summarising the delegations of authority to issue new shares granted at the Shareholders' Meeting is provided in Chapter 1, page 34. For further information about matters addressed in the Corporate Governance Report, please see the cross-reference table provided on page 294 of this Universal Registration Document.

The Corporate Governance Report was reviewed by the Appointments and Compensation Committee on 14 March 2022 and subsequently approved by the Board of Directors on 17 March 2022. 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 83.

Board of Directors

Composition of the Board of Directors at 17 March 2022[1]

At 17 March 2022, 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 17 March 2022	Independent Director	Audit Committee	Appointments and Compensation Committee	Safeguard Proceedings Monitoring Committee	First elected	Current term expires	Years on the Board
Directors appointed by the Shareholders' Meeting									
Jean-Charles Naouri	Chairman of the Board	73					25 Oct. 1993	17 May 2022	28
Philippe Charrier	Director	66		Chairman	Member	Member	3 June 2009	17 May 2022	13
Jacques Dumas	Director	69					19 July 1990	17 May 2022	31
Catherine Fulconis	Director	60	X		Chair	Member	13 May 2014	17 May 2022	8
Virginie Grin	Permanent representative of Finatis	54					18 May 2016	17 May 2022	6
Didier Lévêque	Permanent representative of Foncière Euris	60		Member		Member	4 June 2008	17 May 2022	13
Odile Muracciole	Permanent representative of Euris	61			Member		4 May 2011	17 May 2022	11
Anne Yannic	Director	59	X	Member		Chair	10 May 2017	17 May 2022	5
Director representing employees									
Gilbert Delahaye	Director	66			Member		27 June 2020	2023	2
Non-voting Directors									
Christian Paillot		74					18 May 2016	17 May 2022	6
Jean Chodron de Courcel		66					10 May 2017	17 May 2022	5

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

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 17 March 2022 at Board and Board Committee meetings held in 2021.

	Board of Directors	Audit Committee	Safeguard Proceedings Monitoring Committee	Appointments and Compensation Committee
Philippe Charrier	9/9 (100%)	3/3 (100%)	5/5 (100%)	4/4 (100%)
Gilbert Delahaye	9/9 (100%)			4/4 (100%)
Jacques Dumas	9/9 (100%)			
Catherine Fulconis	9/9 (100%)		4/5 (80%)	4/4 (100%)
Virginie Grin	9/9 (100%)			
Didier Lévêque	9/9 (100%)	3/3 (100%)	5/5 (100%)	
Odile Muracciole	9/9 (100%)			4/4 (100%)
Jean-Charles Naouri	8/9 (89%)			
Anne Yannic	9/9 (100%)	3/3 (100%)	5/5 (100%)	
Jean Chodron de Courcel (non-voting Director)	8/9 (89%)			
Christian Paillot (non-voting Director)	9/9 (100%)			

Summary of changes in the composition of the Board of Directors and of its Special Committees in 2021

All of the proposed reappointments of Directors and non-voting Directors were approved by shareholders at the Shareholders' Meeting held on 18 May 2021.

Director	Shareholders' Meeting of 18 May 2021	
	Current term expires	Reappointment
Philippe Charrier[2]	●	●
Gilbert Delahaye[3]	N/A	N/A
Jacques Dumas	●	●
Catherine Fulconis[1]	●	●
Jean-Charles Naouri	●	●
Anne Yannic[1]	●	●
Euris (Odile Muracciole)	●	●
Finatis (Virginie Grin)	●	●
Foncière Euris (Didier Lévêque)	●	●
Non-voting Directors:		
Jean Chodron de Courcel	●	●
Christian Paillot	●	●

(1) Independent Directors.

(2) External profile.

(3) Director representing employees, appointed on 27 June 2020 for a term of three years by the most representative union.

The composition of the Audit Committee, Appointments and Compensation Committee and Safeguard Proceedings Monitoring Committee has not changed since 18 May 2021.

Audit Committee	
Chairman	Philippe Charrier
Members	Didier Lévêque Anne Yannic[1]
Safeguard Proceedings Monitoring Committee	
Chair	Anne Yannic[1]
Members	Philippe Charrier Catherine Fulconis[1] Didier Lévêque
Appointments and Compensation Committee	
Chair	Catherine Fulconis[1]
Members	Philippe Charrier Gilbert Delahaye Odile Muracciole

(1) Independent members.

Board diversity policy

The Company is not subject to the provisions of Articles L. 225-37-4 or R. 225-104 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 17 May 2022, 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 concerned by this provision.

Change in the composition of the Board of Directors submitted to the Shareholders' Meeting

The terms of office of all the Directors expire at the Shareholders' Meeting of 17 May 2022.

. It should therefore be noted that, as of 3 June 2021, the date on which Philippe Charrier lost his status as an independent member with regard to the criteria set out in the Afep-Medef Code, less than one third of the Board of Directors' members are independent (the threshold provided for in the Afep-Medef Code for controlled companies).

In this respect, and in line with the decision of the Board of Directors of 18 March 2021 to ensure compliance with the Afep-Medef Code with regard to independent members no later than the 2022 Shareholders' Meeting, the Appointments and Compensation Committee, with the help of external advisors, implemented a procedure to select new independent members, in accordance with the duties entrusted to it and with the involvement of the Chairman of the Board of Directors.

After reviewing the candidates proposed by the external advisors against the selection criteria set out by the committee, and after confirming the availability and interest of the potential candidates in joining the Board of Directors, the Appointments and Compensation Committee made its recommendation to the Board of Directors.

Accordingly, at its meeting on 17 March 2022, acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to submit the appointment of the following two new independent directors for approval at the Shareholders' Meeting held on 17 May 2022:

- Laurence Dors, who has held executive management positions at Lagardère, EADS, Dassault Systèmes and Renault;
- Philippe Castagnac, who, among other positions, served as Chairman and Chief Executive Officer of the Mazars Group.

Their biographies are presented on pages 91 and 92.

Laurence Dors and Philippe Castagnac have in-depth experience in finance and company management.

By proposing these appointments, the Board is ensuring that it has within its ranks the complementary experience and appropriate skills required in light of the Company's situation and business.

Laurence Dors and Philippe Castagnac fulfill all the criteria of the Afep-Medef Code to qualify as independent Directors (see the section on independent Directors below).

. In this context, 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 appointment of Laurence Dors and Philippe Castagnac as Directors to replace Catherine Fulconis and Philippe Charrier;
- the renewal of the terms of office of: Anne Yannic and Jean-Charles Naouri as well as Euris (represented by Odile Muracciole), Finatis (represented by Didier Lévêque) and Foncière Euris (represented by Virginie Grin);
- the appointment of Matignon Diderot, a subsidiary of Euris (represented by Alexis Ravalais), to replace Jacques Dumas, who wished to step down as a Director following his retirement;
- the renewal of the term of office of Jean Chodron de Courcel as non-voting Director and the appointment of Philippe Charrier as non-voting Director to replace Christian Paillot.

  This appointment will allow the Board of Directors to continue to benefit from Philippe Charrier's excellent knowledge of the Group and the specific context of the safeguard proceedings.

Following the Shareholders' Meeting of 17 May 2022, the Board will have eight Directors, appointed by the Shareholders' Meeting, and one Director representing employees. It will include four women (50%) and once again independent Directors will account for more than a third of the Board's members (three independent Directors representing 37.5%), in accordance with the Afep-Medef Code for controlled companies[1].

Composition of the Board of Directors submitted to the Shareholders' Meeting of 17 May 2022

Director	Current term expires	Reappointment	Appointment
Philippe Castagnac(2)			●
Philippe Charrier	●		●(1)
Gilbert Delahaye(3)			
Laurence Dors(2)			●
Jacques Dumas	●		
Catherine Fulconis(2)	●		
Jean-Charles Naouri	●	●	
Anne Yannic(2)	●	●	
Euris (Odile Muracciole)	●	●	
Finatis (Virginie Grin)	●	●	
Foncière Euris (Didier Lévêque)	●	●	
Matignon Diderot (Alexis Ravalais)			●
Non-voting Directors:			
Jean Chodron de Courcel (non-voting Director)	●	●	
Christian Paillot (non-voting Director)	●		

(1) The Shareholders' Meeting will be asked to appoint Philippe Charrier as non-voting Director.

(2) Independent Directors.

(3) Director representing employees, appointed on 27 June 2020 for a term of three years by the most representative union.

1 | In accordance with Article L. 225-27-1 of the French Commercial Code, the Director representing employees is not taken into consideration when calculating the proportion of independent Directors or gender balance.

Subject to the approval by the Shareholders' Meeting of the reappointments and appointments of Directors referred to above, the composition of the committees will be amended by the Board meeting to be held following the Shareholders' Meeting, taking into account the experience and skills needed for the Committees' work and the guidelines on representation of Independent Directors set out in the Afep-Medef Code.

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 analysis of the independence of Directors (for whom the reappointment or appointment have been submitted to the Shareholders' Meeting of 17 May 2022) 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.*

Individual analysis of the independence of each Director for whom the reappointment or appointment is proposed at the Shareholders' Meeting

Afep-Medef Code independence criteria	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Independent Directors								
Philippe Castagnac	Y	Y	Y	Y	Y	Y	Y	Y
Laurence Dors	Y	Y	Y	Y	Y	Y	Y	Y
Anne Yannic	Y	Y	Y	Y	Y	Y	Y	Y
Directors not meeting independence criteria								
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
Alexis Ravalais, representing Matignon Diderot	N	Y	Y	Y	Y	Y	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".

Gender balance

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

Currently, Rallye's Board of Directors comprises 50% women. Subject to the approval of the proposed reappointments and appointments, following the Shareholders' Meeting of 17 May 2022, the Board will continue to include four women (50%).

Directors holding more than one office

No Director whose reappointment or appointment is proposed at the 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 reappointment. Each Director must disclose to the Company any and all terms of 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.

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 Shareholders' Meeting held on 18 May 2021.

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.

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 functioning 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 role.

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 2021. 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.

Article 2 of the Internal Rules, concerning the participation of members in Board meetings by videoconference or telecommunication, was simplified in 2021 to take into account this practice which has emerged mainly since the pandemic and in line with the applicable legal provisions.

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 80.

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 set up 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 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 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 99).

Activity of the Board of Directors during the past year

In 2021, the Board of Directors met nine times. The attendance of Directors at these meetings was 98.7%.

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 2020 and the interim financial statements of the Group for the first half of 2021, 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 also reviewed the Group's business activity, the Company's debt position and available cash and the Group's workforce on a quarterly basis and off-balance sheet commitments on a half-yearly basis.

As part of a modified Dutch auction process financed by a new financing repayable in fine, consisting of a bond issue and a bank loan, for a total amount of €82.4m, the Board of Directors authorised a global tender offer for the Rallye debt not secured by Casino shares (in particular bonds and commercial paper), (detailed information on the global tender offer and its financing is provided on page 10 of Chapter 1 of this Universal Registration Document).

In connection with the tender offer, the Board of Directors also authorised, pursuant to Article L. 225-38 of the French Commercial Code, the execution of a subscription agreement with Fimalac for a bond issue of a maximum amount of €18,133,334 and, as security for this new bond financing, the execution of a fiduciary trust agreement in favour of Fimalac.

The Board of Directors authorised Rallye to enter 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 or warranties given by Rallye.

Following the deferral of the payment dates set out under the safeguard plan, as authorised by the Paris Commercial Court on 26 October 2021 (see below), the Board of Directors reviewed and authorised, pursuant to Article L. 225-38 of the French Commercial Code, the conclusion of a side letter with Fimalac amending their agreements of 12 June 2020, (i) to extend by one year, in accordance with the option provided for by the parties, the initial four-year maturity of the bond financing granted on 17 July 2020 by Fimalac to Rallye in the amount of €210,042,400 for the purposes of repaying the derivatives transactions previously entered into by Rallye and its subsidiaries, and (ii) to agree that with regard to the 9,468,255 Casino shares transferred into a fiduciary trust to the benefit of Fimalac as collateral for the aforementioned bond financing, and in order to contribute to the financing of Rallye's general corporate needs, any dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said bond financing.

The members of the Board of Directors were informed of research conducted by Casino Group on potential market operations and their developments for GreenYellow and Cdiscount and received a specific presentation on the Latam segment and on the update to Casino Group's business plan.

The Board of Directors duly noted the partnership and agreement entered into between Casino Group and BNPP for the sale of Floa for an amount of €179m.

The Board of Directors was informed of the partnership agreement entered into between Amazon Web Services and Casino Group to support Casino Group in its digital transformation.

The Board of Directors approved the Corporate Governance Report.

Safeguard proceedings

In connection with the Safeguard Plan, the Board of Directors heard presentations on the work undertaken and the analyses conducted by the Company's financial and legal advisors and, in particular, reports and analyses from consultancy firm Accuracy.

It received information on the progress of the Company's safeguard proceedings as well as the related transactions and procedures.

The Board of Directors approved the request to defer the payment dates of Rallye's safeguard plan by two years, with the final payment in 2032, as requested by the plan administrators in a petition filed with the Paris Commercial Court further to the exceptional government measures put in place during the pandemic to facilitate the implementation of safeguard plans. The Paris Commercial Court responded favourably to this request, issuing a decision on 26 October 2021 to extend the duration of the above-mentioned safeguard plans by two years and, as a result, to amend the payment dates provided for under the plans in line with the extension.

Detailed information on the safeguard proceedings can be found on pages 14 *et seq.* of this Universal Registration Document.

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 18 May 2021.

Following the loss of Philippe Charrier's independent status in light of the strict application of the criteria set out in the Afep-Medef Code, at its meeting of 18 March 2021 the Board of Directors decided to ensure that the representation of independent members on the Board of Directors, as well as on the Audit Committee and the Appointments and Compensation Committee, is compliant with the Afep-Medef Code no later than the 2022 Shareholders' Meeting.

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, cash advances, guarantees, endorsements and securities, transactions in equities, marketable securities and derivative products, bond issues and commissions due in respect of contracts and mandates.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors reviewed the related-party agreements entered into in previous years that are still in effect and approved the 2020 report on arm's length agreements and decided to maintain their classification.

The Board of Directors approved the update to the Board of Directors' Internal Rules concerning the participation of members in Board meetings by videoconference or telecommunication in order to take into account this practice which has emerged mainly since the pandemic and in line with the applicable legal provisions.

Compensation

At its meeting on 18 March 2021, the Board of Directors determined the General Manager's 2020 variable compensation and also determined, based on the achievement of pre-defined conditions, the amount of the long-term incentive awarded in 2018 to be paid in 2021.

In accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors set the 2021 compensation policy for the General Manager. It also set the compensation policy for non-executive corporate officers for 2021/2022. It should be noted that the Chairman of the Board of Directors does not receive any fixed or variable compensation other than Directors' compensation, which is halved for Directors representing the majority shareholder.

The Board of Directors also decided how to allocate Directors' compensation for Directors' 2020/2021 term of office in accordance with the compensation policy approved by the Shareholders' Meeting of 26 June 2020.

In accordance with the 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.

Shareholders' Meeting

The Board approved the reports and the text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting held on 18 May 2021.

In the context of the pandemic and in compliance with government guidelines, the Board of Directors decided to hold the Annual Shareholders' Meeting of 18 May 2021 behind closed doors.

In accordance with Article L. 225-108 of the French Commercial Code, it examined a written question from a shareholder and determined the answers to be submitted to the Shareholders' Meeting of 18 May 2021.

*

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 responsibilities 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 17 March 2022

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Philippe Charrier	Chairman		13 May 2013 – 18 May 2021	3	100%
Anne Yannic	Member	*	10 May 2017 – 18 May 2021	3	100%
Didier Lévêque	Member		15 December 2017 – 18 May 2021	3	100%
Independence rate		33%			

The Audit Committee has three members: Philippe Charrier, Chairman, Anne Yannic, independent member, and Didier Lévêque. They are appointed to the Audit Committee 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 82).

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

Activity in 2021

In connection with the approval of the interim and annual financial statements, the Audit Committee verified the accounts closing process 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' audit plan for 2021.

The Committee reviewed the wording of the draft press releases relating to the annual and interim 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 addition, in accordance with the Charter for identifying and assessing related-party agreements approved by the Board of Directors on 28 February 2020, the Audit Committee reviewed Executive Management's annual report on arm's length

agreements entered into in the normal course of business, in force in 2020, and approved their continued classification as such.

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.

The Committee noted that the list of pre-approved non-audit services, which are subject to a cap of €100,000, beyond which specific approval from the Audit Committee is required, was relevant and appropriate to the responsibilities entrusted to the Audit Committee in this respect and approved its renewal.

The Committee also authorised several non-audit engagements.

The members held a meeting with the Statutory Auditors without Executive Management being present. 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 17 March 2022

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Catherine Fulconis	Chair	*	0 May 2017 – 18 May 2021	4	100%
Philippe Charrier	Member		0 May 2017 – 18 May 2021	4	100%
Gilbert Delahaye(1)	Member	N/A	27 June 2020	4	100%
Odile Muracciole	Member		8 May 2016 – 18 May 2021	4	100%
Independence rate		33%			

(1) In accordance with Article L. 225-27-1 of the French Commercial Code, the Director representing employees is not taken into consideration when calculating the proportion of independent Directors.

The Appointments and Compensation Committee has four members, one of whom is independent: Catherine Fulconis (Chair). The other members are Philippe Charrier, Gilbert Delahaye and 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 Directors 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 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 2021

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.

As such, 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 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 18 May 2021.

The Committee issued a favourable opinion on all the annual and multi-annual, exceptional and additional long-term variable components of the General Manager's compensation, the payment of which was submitted to the Shareholders' Meeting of 18 May 2021.

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 2018, to be paid in 2021 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 includes 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 its affiliates.

The Committee reviewed the compensation policy for non-executive directors for their 2021/2022 terms of office, to be submitted to the Shareholders' Meeting of 18 May 2021.

The Committee prepared the 2021 compensation policy for the General Manager as approved by the Board of Directors on 18 March 2021 and subsequently approved by the Shareholders' Meeting of 18 May 2021 based on the observations and recommendations of external specialists in executive compensation.

The committee also examined the actual allocation of Directors' compensation for 2020/2021.

The Committee implemented a process to select new independent directors so that the representation of independent members on the Board of Directors, the Audit Committee and the Appointments and Compensation Committee would comply with the recommendations set out in the Afep-Medef Code. It was assisted in this process by a specialised recruitment agency.

Following the selection process, the Committee submitted its recommendations to the Board of Directors.

The Committee issued a favourable opinion on the proposal to update the Board of Directors' Internal Rules concerning the participation of members in Board meetings by videoconference or telecommunication, in order to take into account this practice which has emerged mainly since the pandemic and in line with the applicable legal provisions.

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 17 March 2022

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Anne Yannic	Chair	*	25 June 2019 – 18 May 2021	5	100%
Philippe Charrier	Member		25 June 2019 – 18 May 2021	5	100%
Catherine Fulconis	Member	*	25 June 2019 – 18 May 2021	4	80%
Didier Lévêque	Member		25 June 2019 – 8 May 2021	5	100%
Independence rate		50%			

The Safeguard Proceedings Monitoring Committee has four members: Anne Yannic, Chair, and Catherine Fulconis, independent Directors, as well as Philippe Charrier 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 and its subsidiaries, which have been absorbed by Rallye (HMB, Cobivia and Alpétrol), and its parent companies.

The Board of Directors therefore set up an *ad hoc* committee, the Safeguard Proceedings Monitoring Committee. Half 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 progress of the plans;
- and is able to identify and manage potential conflicts of interest on the Board.

Activity in 2021

The Committee was regularly informed on the status of the safeguard proceedings, and kept abreast of all associated transactions.

In this context, the Committee was heard presentations on the work undertaken and the analyses conducted by the Company's financial and legal advisors and, in particular, reports and analyses from consultancy firm Accuracy.

The Committee was informed of the discussions held with the banks concerned and Fimalac concerning the global tender offer for Rallye's debt not secured by Casino shares (in particular bonds and commercial paper) as part of a modified Dutch auction process financed by a new financing repayable in fine, consisting of a bond issue and a bank loan, for a total amount of €82,400,000. The Committee took note of the terms and conditions of the planned financing operations and the implementation of fiduciary trust agreements for the benefit of Fimalac and the banking pool.

The Committee was informed of the ongoing legal proceedings in the context of the safeguard plan, details of which are provided on page 59 of this Universal Registration Document.

The Committee was given a presentation on Casino Group's updated business plan and the corresponding Accuracy analyses.

The Committee reviewed the proposed two-year deferral of the payment dates set out in Rallye's safeguard plan, with a final payment date in 2032, as requested by the plan administrators by filing a petition with the Paris Commercial Court further to the exceptional government measures put in place during the pandemic to facilitate the implementation of safeguard plans. The proposal was based on the work of the Company's financial and legal advisors and particularly on Accuracy's analyses and findings.

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 Directors. 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 for the last time 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.

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%.

As a reminder, having been informed of the renewal of the strategic advisory services as of 1 January 2020 under the same terms and conditions, the Audit Committee determined whether it aligned with the interests of Rallye and also assessed whether the agreement should be considered an arm's length agreement entered into in the normal course of business, as part of the assessment procedure required by Article L. 225-39 of the French Commercial Code.

In this context, the new financial opinions sought from external or independent 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 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 2021 to Euris by the Company for services provided in 2021 was €1.8m excluding VAT (versus €2.4m excluding VAT in 2020).

Moreover, Euris provides strategic consulting services to Company subsidiaries, and particularly to Casino Group, which represented total fees of €3.8m (excluding VAT) in 2021. 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 226 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 and the Appointments and Compensation Committee, as well as the Safeguard Proceedings Monitoring Committee 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 264.

- 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 in 2020, directly or through an intermediary, between a subsidiary of the Company and the General Manager, a Director or a shareholder holding more than 10% of the Company's voting rights.

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 is tasked with evaluating 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 285 to 287 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 32 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 281 et seq.

The powers of the Board of Directors are described on page 74.

With respect to the issuance of shares, the authorisations awarded to the Board of Directors are set forth on page 34 and, with regard to the repurchase of shares, the powers of the Board of Directors are described on page 32.

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 "Change in the composition of the Board of Directors" submitted to the Shareholders' Meeting", page 70
• Audit Committee *(Article 16 of the Code)*	See paragraph "Change in the composition of the Board of Directors" submitted to the Shareholders' Meeting", page 70
• Appointments and Compensation Committee *(Articles 17 and 18 of the Code)*	See paragraph "Change in the composition of the Board of Directors" submitted to the Shareholders' Meeting", page 70
• 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 80

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

I. Directors being proposed for reappointment at the Shareholders' Meeting of 17 May 2022

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, of which he is the Chairman and 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 17 May 2022
Chairman of the Board of Directors	2 April 1998	Ordinary Shareholders' Meeting of 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- Chairman of Euris Holding (SAS) and Financière Euris (SAS);
- 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);
- Chairman and Member (member A) of the Supervisory Board of GreenYellow;
- Vice-Chairman and Director of Casino Corporate Foundation;
- Chairman of the Euris Foundation.

Outside the Rallye/Euris Group

- 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

- Chairman and Chief Executive Officer and Director of Casino Finance.

Number of Rallye shares held: 369

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 2021 and continuing as of 17 March 2022

Within 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.

Outside the Rallye/Euris Group

- None.

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

Within 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).

Outside the Rallye/Euris Group

- None.

Number of Rallye shares held: 1,000

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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

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

Outside the Rallye/Euris Group

- Manager of Namasté Conseil;
- Manager of LaMaison;
- Director of Compagnie des Alpes (listed company);

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

Within the Rallye/Euris Group

- None.

Outside the Rallye/Euris Group

- Chair of the Executive Board of Financière d'Amneville;
- 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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

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, and is currently its Manager of Legal Affairs.

Main executive position

Legal Manager of Euris.

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- Chief Executive Officer of Parinvest, Pargest and Parande;
- Chair of Pargest Holding;
- Member of the Appointments and Compensation Committee of Rallye (listed company);
- Director of employment law matters at Casino;
- Permanent representative of Euris 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);
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Director of the Euris Foundation.

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);
- Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Chair of Saris;
- Representative of Saris, Manager of Euriscom.

Outside the Rallye/Euris Group

- Director of Wansquare.

Number of Rallye shares held: 99,387

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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

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: 741

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 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- Permanent representative of Par-Bel 2 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.

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), Centrum Baltica SA, Centrum Poznan SA and Centrum Warta SA (Luxembourg);
- Permanent representative of Saris SAS on the Board of Directors of Carpinienne de Participations SA (listed company).

Number of Rallye shares held: 50,637

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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

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 Chief Executive Officer of Finatis (listed company).

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within 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;
- 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;
- Representative of Finatis, Managing Partner of Euriscom;
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Director and Treasurer of the Euris Foundation.

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

Within 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), Centrum Baltica, Centrum Poznan and Centrum Warta (Luxembourg);
- Director of Euris Limited (United Kingdom);
- Co-manager of Silberhorn (Luxembourg).

Outside the Rallye/Euris Group

- Member of the Board of Directors of Wansquare.

Number of Rallye shares held: 41,284

II. Directors whose appointment is proposed at the Shareholders' Meeting of 17 May 2022

Philippe Castagnac

Date of birth: 19 May 1956

Business address: 9, avenue Niel – 75017 Paris, France

Biography

Philippe Castagnac, a graduate of ESC Rouen, joined Mazars in 1978. He was appointed Chief Executive Officer of Mazars in France in 2006 after having been Deputy Chief Executive Officer from 2003 to 2006, and then Chairman from 2010 to 2012.

In 2006, he became one of the five members of the Group Executive Board at international level. From 2011, he served as Chairman of the Group Executive Board and Chief Executive Officer of the Group. He has been Honorary Chairman of Mazars since 2019.

Main executive position

Honorary Chairman of Mazars.

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- None.

Outside the Rallye/Euris Group

- Managing partner of SCU 75, SCI B 57, SCI PB 75, SCI IMMO 16, SCI PB 64, SCI PB 67;
- Chairman of Mazars Humanitary Emergency (endowment fund);
- Chairman, member of the Audit Committee and the Campaign Committee of the Fondation pour la Recherche Médicale (FRM);
- Chairman of the Campaign Committee of the Unistra Foundation (University of Strasbourg).

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

Within the Rallye/Euris Group

- None.

Outside the Rallye/Euris Group

- Chairman of the Executive Board of Mazars;
- Chairman of Mazars SA, Mazars Strasbourg, Mazars Franex and Mazars & Cie (Belgian company).

Laurence Dors

Date of birth: 16 March 1956

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Laurence Dors, a former student of the École Normale Supérieure (1977) and the ENA (1983), began her career as a senior civil servant in the French Ministry of Finance, and was a member of the Minister of the Economy's staff (1994-1995) and then the Prime Minister's staff (1995-1997). She then held executive management positions at Lagardère, EADS, Dassault Systèmes and Renault and was then co-founder and Senior Partner of Theano Advisors (2012-2018). A specialist in governance matters, since 2018, she has served as an independent director of several listed and non-listed companies and as a member of the Board of Directors and Chair of the Prospective and Research Commission of the French Institute of Directors (IFA).

Main executive position

Independent Director.

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- None.

Outside the Rallye/Euris Group

- Director and Chair of the Audit and Risk Committee of Latécoère (listed company);
- Director, Chair of the Compensation Committee and member of the Risk Committee and Ethics and Governance Committee of Capgemini (listed company);
- Member of the Strategic Orientation Board of IHEAL (the Institute of Latin American Studies);
- Director and Chair of the Prospective and Research Commission of the IFA.

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

Within the Rallye/Euris Group

- None.

Outside the Rallye/Euris Group

- Director, Chair of the Compensation Committee and member of the Audit Committee and the Appointments and Governance Committee of Crédit Agricole;
- Director, Chair of the Compensation Committee and member of the Engagements and Strategy Committee of Egis;
- Senior Partner at Thenao Advisors;
- Member of the Strategic Orientation Board of CEFA.

Matignon Diderot

French joint stock company (*société anonyme*) with share capital of €83,038,500

Registered office: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Registration no. 433 586 260 R.C.S. Paris

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- Director of Casino, Guichard-Perrachon, Foncière Euris and Finatis (listed companies);
- Manager of SCI Penthièvre Neuilly.

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

Within the Rallye/Euris Group

- None.

Number of Rallye shares held: 345

Permanent representative of Matignon Diderot: Alexis Ravalais

Date of birth: 16 October 1984

Business address: 83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Biography

Alexis Ravalais is a graduate of Audencia Business School and holds a Master's degree in Corporate Law from the University of Paris-Dauphine. He started his career in 2011 as an analyst and then manager at Rothschild & Cie. He joined the Group in 2014 where he served as financing officer within Casino's Corporate Finance team and Deputy Chief Financial Officer of Rallye. Since January 2022, he has been Advisor to the Chairman of Euris in charge of strategic investments.

Main executive position

Advisor to the Chairman of Euris, in charge of strategic investments

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- Director of finance projects for Casino's senior management team.

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

Within the Rallye/Euris Group

- None.

III. Directors whose term of office is not being proposed for reappointment

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). Up until his retirement on 1 February 2022, he was Deputy Chief Executive Officer of Euris and Advisor to the Chairman of Casino, Guichard-Perrachon.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	19 July 1990	Ordinary Shareholders' Meeting of 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- 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.

Outside the Rallye/Euris Group

- 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

- 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);
- Permanent representative of Euris, Director of Casino, Guichard-Perrachon (listed company).

Outside the Rallye/Euris Group

- Member of the Audit, Risk & Sustainable Development Committee of Mercialys (listed company).

Number of Rallye shares held: 41,756

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 Chief Executive Officer of Hermès Parfums from 2010 to 2014. Since 2 March 2015, she has been Executive Vice-President, 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

- Executive Vice-President, 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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

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

IV. Directors whose appointment as a non-voting Director is proposed at the Shareholders' Meeting of 17 May 2022

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 from July 2019 to end-January 2022, was General Manager of Laboratoires Mayoly Spindler. He has been Chairman and Chief Executive Officer of Orpéa since end-January 2022.

Main position

Chairman and Chief Executive Officer of Orpéa.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	3 June 2009	Ordinary Shareholders' Meeting of 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

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

- 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, Chairman of Optic Link and Chief Executive Officer 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

Outside the Rallye/Euris Group

- General Manager of Laboratoires Mayoly Spindler;
- 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 and Yves Ponroy SA (Swiss company);
- Member of the Supervisory Board of Lilas 1 SAS.

Number of Rallye shares held: 1,614

V. Non-voting Director being proposed for reappointment at the Shareholders' Meeting of 17 May 2022

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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

Outside the Rallye/Euris Group

- Manager of Semper Consulting.

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

Within 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

VI. Non-voting Director whose term of office expires at the Shareholders' Meeting of 17 May 2022

Christian Paillot

Date of birth: 9 September 1947

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.

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 17 May 2022

Other offices and positions held in 2021 and continuing as of 17 March 2022

Outside the Rallye/Euris Group

- None.

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

Within the Rallye/Euris Group

- Director of Rallye (listed company).

Number of Rallye shares held: 1,055

Executive Management

The roles of Chairman of the Board and General Manager 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 18 May 2021, the Board reappointed Franck Hattab as General Manager for a term that will expire at the end of the Shareholders' Meeting of 17 May 2022 called to approve the financial statements for the year ended 31 December 2021.

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 (listed company).

Other offices and positions held in 2021 and continuing as of 17 March 2022

Within the Rallye/Euris Group

- 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

- Chairman and member of the Supervisory Board of Groupe GO Sport;
- 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

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 18 March 2021, and took effect on 26 March 2021.

On 17 March 2022, the Board of Directors, based on the recommendation of the Appointments and Compensation Committee, decided to renew in advance and effective 26 March 2022 the specific annual authorisations granted to Executive Management.

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.

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 2021 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 2022 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2022/2023 term of office as laid down in Article L. 22-10-8 of the French Commercial Code, respectively submitted to an *ex post* vote (16th and 17th resolutions) and an *ex ante* vote (18th and 19th resolutions) at the Annual Shareholders' Meeting of 17 May 2022 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

In line with previous years, the Chairman of the Board of Directors will not receive any fixed or variable compensation in 2022 other than compensation in respect of his term of office as Director, as set out in the 2022 compensation policy for non-executive corporate officers, presented below.

Determination of components of compensation for the year ended 31 December 2021

1. Compensation awarded or paid by Rallye

The compensation and benefits in kind awarded or paid by Rallye to the Chairman of the Board of Directors in respect of and during 2020 and 2021 are as follows:

(in €)	2020		2021	
	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	8,663 (3)	10,000	9,250
Benefits in kind	-	-	-	-
Total	**10,000**	**8,663**	**10,000**	**9,250**

(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

The Chairman of the Board of Directors has not been awarded any stock options or free shares in Rallye, or in companies controlled by Rallye.

3. Summary table of compensation awarded or 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 or paid to the Chairman of the Board of Directors for and during 2020 and 2021, by Rallye and the companies that it controls:

(in €)	2020		2021	
	Amounts awarded	Amount paid	Amounts awarded	Amount paid
Compensation due for the year (gross)	1,454,645[1]	1,670 883 [2]	1,836 250 [3]	1,213 374[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	**1,454,645**	**1,670,883**	**1,836,250**	**1,213,374**

(1) Compensation awarded for 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.*

(2) Compensation paid in 2020:

- *Casino, Guichard-Perrachon: €1,662,220, of which €460,000 in fixed compensation (the Chairman and Chief Executive Officer 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.*

(3) Compensation awarded for 2021:

- *Casino, Guichard-Perrachon: €1,826,250, of which €480,000 in fixed compensation, €96,250 in variable compensation in respect of 2021, €1,237,500 corresponding to the target amount of the 2021/2023 long-term incentive which may be paid in 2024 and €12,500 in Directors' compensation;*
- *Rallye: €10,000 in Directors' compensation.*

(4) Compensation paid in 2021:

- *Casino, Guichard-Perrachon: €1,204,124, of which €480,000 in fixed compensation, €472,145 in variable compensation in respect of 2020, €240,000 corresponding to the 2020/2022 long-term incentive, and €11,979 in Directors' compensation;*
- *Rallye: €9,250 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
No	No	No	No

Compensation of the General Manager in connection with his term of office

2022 compensation policy for the General Manager in respect of 2022

as provided for in Article L. 22-10-8 of the French Commercial Code

General principles

The Board of Directors uses the Afep-Medef Code 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 work and the recommendations of the Appointments and Compensation Committee, in accordance with its duties as presented on page 78 of the Universal Registration Document. 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 which include both quantitative and qualitative criteria, assessed annually and/or over several years. These criteria can be used to assess both the individual performance of the General Manager and the Company and/or the Group's performance.

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 comparable market practice. 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 for comparable functions and responsibilities.

Criteria for determining, distributing and allocating the components of compensation

Annual fixed compensation

Annual fixed compensation is reviewed annually by the Appointments and Compensation Committee and then by the Board of Directors.

Annual variable compensation

Annual variable compensation is subject to individual quantitative and qualitative performance criteria. The criteria are reviewed annually based on the Company's strategic objectives. There is no guaranteed minimum. They are defined by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, at the beginning of the year for the current year.

There is no provision for the possibility of requesting the return of an amount of variable compensation.

The payment in year Y of the annual variable compensation for Y-1 is subject to approval at the Shareholders' Meeting.

Long-term incentive (LTI)

The General Manager is entitled to an LTI bonus. The underlying aim is to align with market practice and is based on the recommendations of independent firms specialising in executive compensation regarding the variable component of the total compensation package and the creation of a closer correlation between the General Manager's compensation and the Company's long-term performance.

The LTI bonus is subject to quantitative performance criteria, which are defined by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

Payment of the LTI bonus will be contingent on a continuing service requirement and is subject to the achievement of performance conditions that reflect the Company's priorities. These performance conditions will be assessed at the end of a three-year period.

The General Manager has not and has never been awarded any stock options or free shares. He is expressly excluded from the list of beneficiaries under the terms of the resolution voted at the Extraordinary Shareholders' Meeting of 26 June 2020 and the resolution submitted for approval at the Shareholders' Meeting of 17 May 2022.

Deferred exceptional bonus

No deferred exceptional bonus will be awarded to the General Manager for 2022.

Benefits in kind

The General Manager is a member of the specific unemployment insurance plan for Directors and corporate officers (GSC), which is treated as a benefit in kind.

Defined benefit supplementary retirement plan

The General Manager is not covered by any defined benefit supplementary retirement plan. The General Manager 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.

Termination benefit

The General Manager is not entitled to any compensation for loss of office.

Non-compete obligation

The General Manager is not entitled to any compensation in connection with a non-compete clause.

Employment contract

Franck Hattab's employment contract dated 1 March 1999 was suspended on 4 April 2017 when he was appointed as General Manager.

Components of compensation awarded in respect of 2022

For 2022, the Board of Directors appointed an external consultant to review the General Manager's compensation package. Based on the conclusions of this and on observed market practice, 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.

Pursuant to Article L. 22-10-8 of the French Commercial Code, at its 17 March 2022 meeting and in line with the principles set out above, the Board of Directors set the components of the General Manager's compensation for 2022:

		Presentation
Annual fixed compensation	€500,000	The General Manager's fixed compensation is set at a gross amount of €500,000, i.e., a 4% increase in line with the increases applicable within the Group to senior staff and in line with inflation, taking into account the fact that it has remained unchanged since 2019.
Annual variable compensation	Up to 115.5% of fixed compensation	The target amount of the annual variable compensation is set at 70% of fixed compensation, in line with observed comparable market practice, representing a gross amount of €350,000 if the objectives are met.
Nature of performance criteria	**Target weighting:**	Annual variable compensation remains entirely contingent on the achievement of quantitative objectives and individual qualitative objectives.
▪ **Quantitative financial criteria:**		
– Growth in 2022 EBITDA France[1] (excluding lease payments)	30%	In addition, in line with market practice, the Board of Directors proposes to include a non-financial quantitative CSR objective for 2022, based on an assessment indicator that considers the average of the scores awarded to Casino by the following three rating agencies: FTSE Group, Moody's ESG/Vigeo Eiris and DJSI.
– Reduction in Rallye's gross debt	35%	
▪ **Non-financial quantitative criteria:**		The inclusion of this criterion reflects the care and attention given by Rallye to its subsidiary's strategic commitment to pursuing a CSR policy aimed at ensuring sustainable growth.
– Average of the scores awarded to Casino by rating agencies in 2022[2]	10%	
▪ **Individual qualitative criteria:**		The weighting of quantitative objectives was increased to 75% from 65% in 2021 and the weighting of individual qualitative objectives reduced to 25% from 35% in 2021.
– Day-to-day management of the safeguard proceedings	10%	As in 2021, outperformance continues to apply only to quantitative financial targets. As in 2021, the annual variable compensation can therefore represent a maximum amount of 165% of the target compensation, i.e., a gross amount of €577,500 for 2022.
– Financial reporting	10%	
– Managerial attitudes and behaviour (initiatives, decision-making, team management, employee development, Director relationships, etc.)	5%	A minimum threshold, a target level corresponding to the achievement of the objectives set and an outperformance level have also been set for each of the criteria. The variable compensation is calculated on a straight-line basis between the minimum and maximum levels.
Total	100%	There is no guaranteed minimum.

(1) Casino France Retail + Cdiscount scope, excluding GreenYellow, based on a comparable scope of consolidation.

(2) A target aligned with the average scores obtained in 2021 by Casino, i.e., 75/100, and a minimum threshold set at 73/100.

		Presentation
2022-2024 long-term incentive (LTI)	Up to 39.4% of the maximum aggregate compensation (fixed compensation, maximum annual variable compensation, maximum long-term variable compensation)	The method for determining the LTI bonus is assessed at the end of a three-year period (2022-2024) as follows: ▪ The target amount, to be awarded on achievement of performance conditions, is set at 70% of fixed compensation, in line with observed practices and with the target amount of the annual variable compensation, i.e., a gross amount of €350,000. ▪ The performance criteria remain unchanged from 2021, as does the outperformance criterion, at 200% of the target amount applied to both performance criteria.
Nature of quantitative performance criteria	**Target weighting:**	A minimum threshold, a target level corresponding to the achievement of the objectives and an outperformance level have been set for each of the criteria.
▪ Reduction in Rallye's gross debt	50%	In addition, as a retention measure and based on the recommendations of a compensation specialist, the payment of a portion of the target amount, i.e., €100,000, is contingent solely on the General Manager's continued service.
▪ Change in the Rallye share price	50%	
Total	100%	
		The compensation policy set by the Board of Directors does not provide for the payment of any deferred exceptional bonus for 2022.

Pursuant to Article L. 22-10-8 of the French Commercial Code, payment of the annual variable compensation for 2022, whose amount will be determined based on achievement of the above-defined objectives, will be contingent on shareholders' approval at the Company's Ordinary Shareholders' Meeting to be held in 2023.

Components of compensation paid to the General Manager in 2021 or awarded to him in respect of that year – *Disclosures required by Article L. 22-10-9 I of the French Commercial Code*

In accordance with the principles and criteria for determining all the components of the General Manager's compensation set by the Board of Directors on 18 March 2021 and approved by the shareholders of the Ordinary Shareholders' Meeting of 18 May 2021 at 99.64%, his compensation for 2021 comprised a fixed component, a conditional annual variable component and a conditional long-term incentive component (assessed over a three-year period), determined as follows:

Fixed compensation for 2021

Basic fixed compensation was set at €480,000 gross, unchanged since 2019.

2021 annual variable compensation

The 2021 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% of the target amount, i.e., €201,500, based on:
  - growth in consolidated EBITDA France (EBITDA Casino France Retail and Cdiscount) 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, 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.

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 18 March 2021 for determining compensation, at its meeting on 17 March 2022, the Board of Directors reviewed the results achieved and determined the amount of variable compensation due for 2021, as follows:

- the consolidated EBITDA France criterion was not met;
- the criterion for the reduction in Rallye's gross debt was achieved at a rate of 52.9% of the target amount of €108,500, i.e., a gross amount of €57,388;
- the individual objectives were achieved at a rate of 100% of the target amount of €62,000;

- 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.

Variable compensation for 2021 therefore amounted to €165,588 gross, representing 53.42% of its target amount and 34.5% of gross fixed compensation of €480,000.

2021-2023 long-term incentive (LTI)

In accordance with observed comparable 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 2021.

The terms and conditions for determining the LTI bonus were as follows:

- The gross target amount was unchanged at €300,000, representing 62.5% of fixed compensation.
- The performance conditions are assessed over a three-year period (2021-2023).
- Two quantitative objectives, each accounting for 50%, based on the reduction in Rallye's 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.

Compensation awarded or paid to the General Manager in respect of or during 2021 by a company included in the scope of consolidation

as defined in Article L. 233-16 of the French Commercial Code

None.

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 compensation under a non-compete clause.

Payment of annual variable compensation due for 2021 is subject to approval by the Shareholders' Meeting of 17 May 2022, under the conditions provided for in Article L. 22-10-34 II of the French Commercial Code.

Stock options granted during the year by the issuer and by any Group company

None.

Stock options exercised during the year

None.

Performance shares granted during the year

None.

Performance shares that became available during the year

None.

Historical information on stock options

None.

Summary of multi-annual variable compensation

See page 108 of this Universal Registration Document.

Employment contract, pension and employee benefit plans, termination benefits and non-compete clauses

Franck Hattab's employment contract dated 1 March 1999 was suspended on 4 April 2017 when he was appointed as General Manager.

Management of conflicts of interest

See page 81 of this Universal Registration Document.

The table below presents a summary of the components of the compensation awarded or paid to Franck Hattab in connection with his term of office as General Manager in 2020 and 2021.

(in €)	2020		2021	
	Amount awarded[1]	Amount paid[2]	Amount awarded[1]	Amount paid[2]
Fixed compensation	480,000	460,000[3]	480,000	480,000
Variable compensation	147,614	465,000	165,588[4]	147,614
Multi-annual variable compensation				
Long-term incentive	300,000[5]	82,510[6]	300,000[7]	152,447[8]
Deferred exceptional bonus		300,000[9]		300,000[9]
Long-term exceptional bonus				1,000,000[10]
Benefits in kind[11]	32,765	32,765	32,765	32,765
Total	**960,379**	**1,340,275**	**978,353**	**2,112,826**

(1) Compensation awarded for the year, irrespective of the payment date.

(2) Compensation paid in 2020 and 2021.

(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 2021 variable compensation is detailed on page 106 of this Universal Registration Document.

(5) 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.

(6) 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.

(7) Target amount of €300,000 of long-term incentive awarded to the General Manager in 2021 in connection with his office, assessed over a three-year period (2021/2023) and to be paid, if applicable, in 2024.

(8) Corresponds to the amount paid in 2021 in respect of the long-term incentive awarded in 2018 and assessed over a three-year period (2018/2020), and a target amount of €280,000.

(9) 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.

(10) Corresponds to 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.

(11) Corresponds to contributions to the specific unemployment insurance plan for Directors and corporate officers (GSC).

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, the following table presents information on the changes in the compensation of the General Manager and the Company's employees, as well as information on the pay ratios based on the average and median compensation of employees over the last five years.

. 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.

. The holding company scope's cost of debt and consolidated EBITDA/interest coverage ratio 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 2020 to measure changes in performance.

• Compensation paid or awarded:	2017	2018	2019	2020	2021
General Manager	€971,398	€975,717	€1,176,277	€1,340,275	€2,112,826
Average salary	€263,285	€264,918	€272,954	€297,834	€316,817
Median salary	€146,584	€173,564	€163,224	€198,668	€183,626
Average pay ratio	**3.7**	**3.7**	**4.3**	**4.5**	**6.7**
Median pay ratio	**6.6**	**5.6**	**7.2**	**6.7**	**11.5**
• Performance criteria:					
Change in holding company scope's cost of debt	105	107	121	120	130
Consolidated EBITDA/interest coverage ratio	3.93	4.04	4.14	3.59	5.62

2019-2021 long-term incentive (LTI)

. The Shareholders' Meeting held on 15 May 2019 approved, at a rate of 99.67%, the principles and criteria for determining and awarding the long-term incentive (2019-2021) set by the Board of Directors on 13 March 2019.

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 (2019-2021). 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 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 15 May 2019 and 17 March 2022 (based on the average closing share price over the 20 trading days preceding these two dates).

The maximum gross target amount was set at €300,000 gross, representing 62.5% of 2019 fixed compensation.

Based on the level of achievement and in light of the 66.3% decrease in the Rallye share price between 15 May 2019 and 17 March 2022 (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 €101,176, representing 33.7% of the target amount.

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.

Compensation policy for non-executive corporate officers in connection with their 2022/2023 term of office

(19th resolution at the Shareholders' Meeting of 17 May 2022)

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 17 March 2022, the Board of Directors determined the compensation policy for non-executive corporate officers in connection with their 2022/2023 terms of office, to be submitted to the Shareholders' Meeting of 17 May 2022.

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 17 March 2022, in line with the allocation principles applied in previous years, the Board of Directors decided to renew the compensation policy for the 2021/2022 terms of office of non-executive corporate officers for their 2022/2023 terms of office:

Individual basic compensation per Director

- Gross amount per Director unchanged at €20,000, comprising a gross fixed component of €4,000 (prorated for Directors who are appointed or who step down during the year) and a gross 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 gross (a gross fixed portion of €4,000 and a gross variable portion of €6,000).

Compensation of members of the three Special Committees

Compensation of the members of the Audit Committee, the Appointments, and Compensation Committee and the 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 the Chairs of each of the three Committees

- 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 17 May 2022 if the policy is approved, and will remain available to the public for at least the period during which the policy applies.

Components of compensation paid or awarded to the non-executive corporate officers in connection with their 2021/2022 term of office

– Disclosures required by Article L. 22-10-9-I of the French Commercial Code

In connection with the 2020/2021 term of office (paid in 2021)

. Based on the recommendation of the Appointments and Compensation Committee, at its meeting of 18 May 2021, the Board of Directors set the principles for allocating compensation to the Directors and members of Special Committees in connection with their 2020/2021 terms of office, as approved by the Shareholders' Meeting of 26 June 2020, in accordance with the provisions of Article L. 22-10-18 of the French Commercial Code.

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

Gross 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

Gross individual basic compensation of €10,000 allocated based on effective attendance.

Total compensation paid in 2020 and 2021 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:

	Compensation paid in 2020		Compensation paid in 2021	
(in €)	Compensation for service as a Director in 2019/2020*	Other compensation	Compensation for service as a Director in 2020/2021	Other compensation[1]
Philippe Charrier	54,747		60,000	
Gilbert Delahaye		98,394	25,500	100,826
Jacques Dumas[2]	8,663	895,789	10,000	952,721
Catherine Fulconis	45,309		50,000	
Virginie Grin	8,663		10,000	
Didier Lévêque[3]	27,726	12,500	30,000	11,979
Odile Muracciole[4]	18,100	199,166	20,000	211,135
Anne Yannic	45,498		50,000	

(1) Compensation and benefits in kind paid by the companies that Rallye controls.

(2) Other compensation paid in 2021 (by Casino): €952,721 gross, including gross variable compensation of €441,000 in respect of 2020, gross fixed compensation of €496,947, €2,795 in benefits in kind, and €11,979 in Directors' compensation (excluding a gross exceptional bonus of €1,000,000). In 2020, excluding gross exceptional bonus of €1,000,000.

(3) Other compensation paid by Casino in for his service as a Director

(4) Other compensation paid in 2021 (by Casino): €211,135 gross, including gross variable compensation of €62,000 in respect of 2020, gross fixed compensation of €138,866 and Directors' compensation of €10,269. In 2020, excluding gross exceptional bonus of €120,000.

* Taking into account the 25% reduction in the compensation for April and May 2020 requested by all of the Directors, Committee Chairs and members and the Lead Director. The corresponding amounts 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.

Aggregate compensation paid in 2021 to the non-executive corporate officers (including the Chairman of the Board of Directors) for their terms of office in 2020/2021 amounted to €264,750 gross versus €217,369 gross paid in 2020 for the 2019/2020 terms of office. The increase was due mainly to the appointment of a Director representing employees and his appointment to the Appointments and Compensation Committee.

In connection with the 2021/2022 term of office (to be paid in 2022)

The compensation policy for the non-executive corporate officers of Rallye in connection with the 2021/2022 term of office was approved by the Shareholders' Meeting of 18 May 2021 at a rate of 99.75%, in accordance with the following conditions:

Basic compensation paid to Directors

The principles remained unchanged (see above).

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 of non-voting Directors

As previously, under the authorisation granted by the shareholders on 26 June 2020, the Board of Directors decided on 18 May 2021 to pay basic compensation to the non-voting Directors in connection with their 2020/2021 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 €38,000 in 2021 in respect of 2020/2021.

Audit of the financial statements

Statutory Auditors

In compliance with legal requirements, Rallye appoints two 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 2021

Statutory Auditors' report on the Consolidated Financial Statements

Year ended 31 December 2021

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 your Annual General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Rallye for the year ended 31 December 2021.

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 2021 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 those standards are further described in the *Statutory Auditors' responsabilities for the audit of the consolidated financial statements* section of our report.

— *Independence*

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and by the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from 1 January 2021 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 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 retrospective application of the IFRS IC decision concerning the periods of service to which an entity attributes benefit for some defined benefit plans (IAS 19 - Employee benefit).

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 risks of

material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

— *Safeguard proceedings and plan approval*

See note 2.1 "Significant events Rallye" to the consolidated financial statements.

Risk identified

On 26 October 2021, the Paris Commercial Court authorized the deferment for two years of the payment dates under your Company safeguard plan approved on 28 February 2020, which provided for a ten-year liabilities repayment schedule.

Management has prepared the financial statements as at 31 December 2021 on a going concern basis. As set out in note 1.2.1 of the consolidated 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 the safeguard proceedings to be a key audit matter.

How our audit addressed this risk

As part of our audit, we notably:

- gained an understanding of the decisions of Paris Commercial Court regarding (i) the initiation of the safeguard proceedings on 23 May 2019 (ii) the approval of the safeguard plan on 28 February 2020 and (iii) the deferment for two years of the payment dates under the safeguard plan on 26 October 2021;
- assessed the impact of the implementation of the safeguard plan, and in particular the deferment of the payment dates, 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,
  - assessing the change in cash for the year against the previous year's cash flow forecasts,
  - comparing the starting point of the cash flow forecasts table with the audited financial statements for the year ended 31 December 2021,
  - gaining an understanding of the main assumptions used to prepare the cash flow forecasts and assessing their consistency with our knowledge of your Group and market conditions and the budgets and medium-term plans approved by management,
  - corroborating the financing maturities taken into account and their results in the cash flow forecasts with the financing agreements entered into by your Group and its subsidiaries;
- questioned management about its knowledge of any events or circumstances after 31 December 2021 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 2.1 to the consolidated financial statements about the safeguard proceedings, the approval of the plan and its two-year extension.

— *Impairment tests of goodwill and brands*

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 2021, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to €7,662m and €1,204m 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 some 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 used by 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 2.2 "Significant events Casino Group" 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 your 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 2021;
- we assessed 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 and Sendas*

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 and Sendas, the Group recognises ICMS, PIS and COFINS tax credits. The balance of the credits recognised amounted to €328m at 31 December 2021. These tax credits were recognised insofar as their recoverability is considered to be probable.

GPA and Sendas are 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 €2,129m as at 31 December 2021, were analysed as contingent liabilities and no provisions were recognised as at 31 December 2021, 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 at GPA and Sendas 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 2021, (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 and Sendas 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 position papers 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;

Thus, on a sampling basis:

- we reconciled the valuation of rebates receivables with the contractual terms relating to rebates to be received from suppliers;
- we assessed (i) the purchases amount used by Management to determine the percentage of rebates by product family for each supplier and (ii) 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.

Report on other legal and regulatory requirements

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information 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 the presentation of the consolidated financial statements intended to be included in the annual financial report*

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all significant respects, with the European single electronic reporting format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

— *Appointment of the Statutory Auditors*

We were appointed Statutory Auditors of Rallye by the Annual Shareholders' Meeting held on 29 June 1993 for KPMG SA and on 1 June 1999 for Ernst & Young et Autres.

At 31 December 2021, KPMG SA and Ernst & Young et Autres were in the twenty-ninth and twenty-third 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 risks management systems, and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsabilities for 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 (*Code de commerce*), our statutory audit does not include assurance on the viability or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory 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 modify the opinion express therein;
- 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 regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional 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 (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 31 March 2022

The Statutory Auditors,

French original signed by:

KPMG Audit	ERNST & YOUNG et Autres
Department of KPMG S.A.	
Jean-Marc Discours	Henri-Pierre Navas

Consolidated financial statements

Consolidated income statement

(€ millions)	Notes	Year 2021	Year 2020 (restated)[1]
Continuing operations			
Net sales	5/6.1	30,555	31,919
Other income	6.1	504	598
Total income	**6.1**	**31,059**	**32,517**
Cost of goods sold	6.2	(23,436)	(24,315)
Gross margin		**7,623**	**8,202**
Selling expenses	6.3	(5,126)	(5,512)
General and administrative expenses	6.3	(1,317)	(1,285)
Recurring operating income	**5.1**	**1,180**	**1,405**
Other operating income	6.5	346	312
Other operating expenses	6.5	(1,007)	(1,112)
Operating income		**519**	**605**
Income from cash and cash equivalents	11.3.1	27	16
Cost of gross debt	11.3.1	(521)	(167)
Cost of net debt	***11.3.1***	***(494)***	***(151)***
Other financial income	11.3.2	230	211
Other financial expenses	11.3.2	(510)	(605)
Income (loss) before tax		**(255)**	**60**
Income tax expense	9.1	84	(80)
Share of net income of equity-accounted investees	3.3.3	48	44
Net income (loss) from continuing operations		**(123)**	**24**
Attributable to owners of the parent		*(140)*	*(43)*
Attributable to non-controlling interests		*17*	*67*
Discontinued operations			
Net income (loss) from discontinued operations	**3.5.2**	**(255)**	**(500)**
Attributable to owners of the parent	*3.5.2*	*(134)*	*(263)*
Attributable to non-controlling interests	*3.5.2*	*(121)*	*(237)*
Continuing and discontinued operations			
Consolidated net income (loss)		**(378)**	**(476)**
Attributable to owners of the parent		*(274)*	*(306)*
Attributable to non-controlling interests	*12.7*	*(104)*	*(170)*
Per share, in €:			
From continuing operations	12.9	(2.68)	(0.82)
From continuing and discontinued operations	12.9	(5.22)	(5.84)

(1) Previously published comparative information has been restated (note 1.3).

Consolidated statement of comprehensive income

(€ millions)	Year	
	2021	2020 (restated)[1]
Consolidated net income (loss)	**(378)**	**(476)**
Items that may subsequently be reclassified to profit or loss	**(84)**	**(1,370)**
Cash flow hedges and cash flow hedge reserve [2]	38	(17)
Foreign currency translation reserves [3]	(108)	(1,328)
Debt instruments at fair value through other comprehensive income	(1)	1
Hedges of net investments in foreign operations	-	(4)
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	(3)	(27)
Income tax effects	(10)	5
Items that will never be reclassified to profit or loss	**(1)**	**(11)**
Equity instruments at fair value through other comprehensive income	(3)	(5)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	-	-
Actuarial gains and losses	2	(10)
Income tax effects	-	4
Other comprehensive income (loss), net of tax	**(85)**	**(1,381)**
Total comprehensive income (loss) for the year, net of tax	**(463)**	**(1,857)**
Attributable to owners of the parent	*(276)*	*(612)*
Attributable to non-controlling interests	*(187)*	*(1,245)*

(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 2021 or 2020.

(3) The €108m negative net amount in 2021 arose primarily from the depreciation of the Colombian peso for €124m. The €1,328m negative net amount in 2020 arose primarily from the depreciation of the Brazilian and Colombian currencies for respectively €957m and €235m.

Changes in other comprehensive income are presented in note 12.6.3.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

Assets

(€ millions)	*Notes*	31 December 2021	31 December 2020 (restated)[1]	1 January 2020 (restated)[1]
Non-current assets				
Goodwill	10.1	7,662	7,650	8,483
Intangible assets	10.2	2,024	2,061	2,296
Property, plant and equipment	10.3	4,643	4,281	5,115
Investment property	10.4	411	428	494
Right-of-use assets	7.1.1	4,749	4,889	5,603
Investments in equity-accounted investees	3.3.3	201	191	341
Other non-current assets	6.9	1,207	1,260	1,243
Deferred tax assets	9.2	1,191	1,019	768
Total non-current assets		**22,088**	**21,779**	**24,343**
Current assets				
Inventories	6.6	3,218	3,215	3,782
Trade receivables	6.7	772	941	836
Other current assets	6.8	2,036	1,774	1,659
Tax assets		196	167	111
Cash and cash equivalents	11.1	2,302	2,781	3,645
Assets held for sale	3.5.1	973	1,221	3,092
Total current assets		**9,497**	**10,099**	**13,125**
Total assets		**31,585**	**31,878**	**37,468**

(1) Previously published comparative information has been restated (note 1.3).

Equity and liabilities

(€ millions)	*Notes*	31 December 2021	31 December 2020 (restated)[1]	1 January 2020 (restated)[1]
Equity				
Share capital	12.2	158	157	157
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		(1,238)	(970)	(350)
Equity attributable to owners of the parent		***(1,080)***	***(813)***	***(193)***
Non-controlling interests	12.7	4,909	5,150	6,491
Total equity		**3,829**	**4,337**	**6,298**
Non-current liabilities				
Non-current provisions for employee benefits	8.2	274	289	294
Other non-current provisions	13.1	376	374	466
Non-current financial liabilities, gross	11.2	10,295	9,575	8,318
Non-current lease liabilities	7.1.1	4,174	4,282	4,763
Put options granted to owners of non-controlling interests	3.4.1	61	44	61
Other non-current liabilities	6.10	238	211	190
Deferred tax liabilities	9.2	405	508	566
Total non-current liabilities		**15,823**	**15,283**	**14,468**
Current liabilities				
Current provisions for employee benefits	8.2	12	12	11
Other current provisions	13.1	216	189	153
Trade payables	4.2	6,099	6,193	6,602
Current financial liabilities, gross	11.2	1,369	1,355	4,524
Current lease liabilities	7.1.1	718	706	724
Put options granted to owners of non-controlling interests	3.4.1	134	119	105
Current tax liabilities		8	98	48
Other current liabilities	6.10	3,202	3,085	2,872
Liabilities associated with assets held for sale	3.5.1	175	501	1,473
Total current liabilities		**11,933**	**12,258**	**16,512**
Total equity and liabilities		**31,585**	**31,878**	**37,468**

(1) Previously published comparative information has been restated (note 1.3).

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of cash flows

(€ millions)	Notes	Year 2021	Year 2020 (restated)[1]
Net cash from operating activities			
Net income (loss) before tax from continuing operations		(255)	60
Net income (loss) before tax from discontinued operations	3.5.2	(329)	(452)
Consolidated net income (loss) before tax		**(584)**	**(392)**
Depreciation/amortisation for the year	6.4	1,334	1,316
Provision and impairment expense	4.1	299	381
Unrealised losses (gains) arising from changes in fair value	11.3.2	(5)	78
Expenses (income) on share-based payment plans		14	13
Other income and expenses		(47)	(49)
(Gains) losses on disposals of non-current assets	4.4	(128)	(87)
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		20	58
Dividends received from equity-accounted investees	3.3.1/3.3.2	17	20
Cost of net debt	11.3.1	494	151
Interest paid on leases, net	11.3.2	313	320
Non-recourse factoring and associated transaction costs	11.3.2	88	60
Disposal gains and losses and adjustments related to discontinued operations		128	259
Net cash from operating activities before change in working capital and income tax		**1,943**	**2,128**
Income tax paid		(184)	(156)
Change in working capital	4.2	(27)	12
Income tax paid and change in working capital: discontinued operations		(89)	213
Net cash from operating activities	(A)	**1,643**	**2,197**
Of which continuing operations		***1,933***	***2,177***
Net cash from investing activities			
Acquisitions of property, plant and equipment, intangible assets and investment property	4.3	(1,131)	(927)
Disposals of property, plant and equipment, intangible assets and investment property	4.4	156	423
Acquisitions of financial assets	4.5	(174)	(942)
Disposals of financial assets	4.5	163	461
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.6	(41)	157
Effect of changes in scope of consolidation related to equity-accounted investees	4.7	1	(64)
Change in loans and advances granted		(30)	(29)
Net cash from investing activities of discontinued operations		(86)	449
Net cash from (used in) investing activities	(B)	**(1,142)**	**(472)**
Of which continuing operations		***(1,056)***	***(921)***

(€ millions)	Notes	Year 2021	Year 2020 (restated)[1]
Net cash flow from financing activities			
Dividends paid:			
▪ to owners of the parent	12.7		
▪ to non-controlling interests	4.8	(102)	(45)
▪ to holders of deeply-subordinated perpetual bonds (TSSDI)		(35)	(36)
Capital reductions/increases for cash			
Transactions between the Group and owners of non-controlling interests	4.9	15	(55)
Purchases and sales of treasury shares			(1)
Acquisitions and disposals of financial investments			115
Increase in loans and borrowings	4.10	4,246	2,277
Repayments of loans borrowings	4.10	(3,698)	(2,948)
Repayment of lease liabilities		(623)	(603)
Interest paid, net	4.11	(721)	(724)
Other repayments		(30)	(23)
Net cash from (used in) financing activities of discontinued operations		(27)	(75)
Net cash from (used in) financing activities	(C)	**(975)**	**(2,118)**
Of which continuing operations		***(948)***	***(2,043)***
Effect of changes in exchange rates on cash and cash equivalents:			
▪ of continuing operations	(D)	(22)	(493)
▪ of discontinued operations			
Change in cash and cash equivalents	(A+B+C+D)	**(496)**	**(886)**
Net cash and cash equivalents at beginning of year	(E)	**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
Net cash and cash equivalents at end of year	**(F)**	**2,242**	**2,738**
Of which net cash and cash equivalents from:			
▪ continuing operations	11.1	2,243	2,712
▪ operations held for sale		(1)	26
Change in cash and cash equivalents	(F-E)	**(496)**	**(886)**

(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	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 2020 (reported)	**157**	**1,483**	**(455)**	**(1,403)**	**(218)**	**6,469**	**6,251**
Effects of applying IFRS IC relating to IAS 19 (note 1.3)			15	10	**25**	**22**	**47**
Equity at 1 January 2020 (restated) (*)	**157**	**1,483**	**(440)**	**(1,393)**	**(193)**	**6,491**	**6,298**
Other comprehensive income (loss) for the year (*)				(306)	**(306)**	(1,075)	**(1,381)**
Net income (loss) for the year (restated) (*)			(306)		**(306)**	(170)	**(476)**
Total comprehensive income (loss) for the year (restated) (*)			***(306)***	***(306)***	***(612)***	***(1,245)***	***(1,857)***
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 [4]			8	5	**13**	2	**15**
Equity at 31 December 2020 (restated) (*)	**157**	**1,483**	**(759)**	**(1,694)**	**(813)**	**5,150**	**4,337**
Other comprehensive income (loss) for the year				(2)	**(2)**	(83)	**(85)**
Net income (loss) for the year			(274)		**(274)**	(104)	**(378)**
Total comprehensive income (loss) for the year			***(274)***	***(2)***	***(276)***	***(187)***	***(463)***
Equity transactions	1	(1)					
Purchases and sales of treasury shares					**-**		**-**
Dividends paid/to be paid [3]						(69)	**(69)**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries					**-**		**-**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries			(11)		**(11)**	(13)	**(24)**
Other movements			5	15	**20**	28	**48**
Equity at 31 December 2021	**158**	**1,482**	**(1,039)**	**(1,681)**	**(1,080)**	**4,909**	**3,829**

(*) 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 Sendas for €28m, GPA for €11m and Éxito for €19m (2020: GPA and Éxito for €49m and €22m respectively).

(4) Mainly related to the revaluation at Libertad under IAS 29 for the hyperinflationary economy

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 2021 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2021 consolidated financial statements of Rallye were approved for publication by the Board of Directors on 17 March 2022. They will be submitted for approval by the Annual Shareholders' Meeting to be held on 17 May 2022.

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.

Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial years beginning on or after 1 January 2021

The European Union has adopted the following standards, amendments and interpretations which must be applied by the Group for its financial year beginning on 1 January 2021 and do not have a material impact on its consolidated financial statements:

- *Amendments to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021*

  This amendment is applicable on a retrospective basis as from 1 April 2021 at the latest for financial years beginning on or after 1 January 2021.

  It provides a one-year extension for the practical expedient granted by the original amendment to IFRS 16 – Covid-19-Related Rent Concessions issued in May 2020. In applying the practical expedient, rent concessions are not accounted for as lease modifications. The scope of the original amendment has now been extended to rent concessions granted in respect of payments due up to 30 June 2022 (versus 30 June 2021 previously).

- *Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 Interest Rate Benchmark Reform (Phase 2)*

  These amendments published on 27 August 2020 and mandatory for financial years beginning on or after 1 January 2021, were early adopted by the Group as of 1 January 2020.

  They 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.

IFRS IC agenda decision – Attributing Benefit to Periods of Service (IAS 19 – Employee Benefits)

The effects of applying the IFRS IC decision on IAS 19 are presented in Note 1.3.

IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement

In April 2021 the IFRS IC issued a decision on accounting for the costs of configuring or customising software in a Software as a Service (SaaS) arrangement.

The decision clarifies the accounting treatment of these costs, which must be presented as either (i) intangible assets in application of IAS 38 if the customer obtains control of a software asset, or (ii) expenses over the period in which the cloud services are provided when the services are not distinct from the SaaS services, or (iii) expenses when the services are provided if those services are distinct from the SaaS services.

The Group has begun to identify the contracts and to analyse the different types of costs incurred in order to determine those items whose initial accounting treatment could be affected by this decision. These analyses were ongoing at the date of these financial statements. Due to technical difficulties surrounding this decision and operational difficulties in implementing it, the decision was not applied by the Group in its financial statements at 31 December 2021. The Group will complete its analyses during

the first half of 2022 and the decision will be applied in its financial statements at 30 June 2022.

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 2021 have been prepared on a going concern basis.

The cash flow forecasts prepared for the next 12 months for Rallye, its mother company Foncière Euris and its subsidiaries, 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 to be paid by Rallye to its shareholders over the next 12 months.

The Paris Commercial Court decided on 26 October 2021 to defer for two years the payment dates under the safeguard plans of Rallye and its mother companies and consequently to extend the duration of such safeguard plans.

In the event of an adverse change in the assumptions used, or the failure by Rallye to meet its obligations, Rallye 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 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 France Retail segment assets in accordance with IFRS 5 (Note 3.5);
- valuation 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 7);
- provisions for risks (Note 13), particularly tax and employee-related risks in Brazil.

1.2.4 Addressing risks related to climate change

Owing to its geographical footprint, Casino Group is exposed to significant country risks related to climate change. These involve a broad range of risks, since current climate-related disruptions can have impacts at several different levels, in particular:

- on the Group's businesses, due to the increase in extreme weather events such as a mix of drought and torrential rain in Brazil, and floods, storms, landslides and earthquakes in Colombia;
- on Group products sold by stores, due to significant, fast-paced changes in customers' purchasing behaviour;
- on the supply chain, due to the potential scarcity of raw materials;
- on access to financing, in the event of a failure to meet target greenhouse gas reduction goals under the Paris Agreement.

An increase in the occurrence of such extreme events would have not only direct consequences for the Casino Group's operations (business interruption/supply chain difficulties), but also an indirect impact through higher raw material prices, energy prices and insurance premiums, a drop in sales of seasonal products and changes in consumer habits.

As a result, the Casino Group is more systematically integrating climate change risks into its activities. This is done by assessing the value of some of its assets through their depreciation schedule or as events that may result in impairment indicators or have an impact on obtaining financing in the future. The following commitments also demonstrate how the Group is addressing climate risks:

- 18% reduction in its Scope 1 (direct emissions from combustion) and Scope 2 (indirect emissions associated with energy) greenhouse gas emissions by 2025 compared to 2015 and by 38% by 2030 compared to 2015;
- 10% reduction in its Scope 3 (indirect emissions arising from the Group's operations) emissions between 2018 and 2025.

These commitments could have an impact on certain choices regarding investments relating to its operations. The Group is implementing actions to limit the effects of its activities on climate change. At present, the direct impacts of climate change on the Group's financial statements are not considered to be material.

1.3 Changes in accounting methods and restatement of comparative information

In May 2021, the IFRS IC published an agenda decision concerning the periods of service to which an entity attributes benefit for a defined benefit plan under which:

- employees are entitled to a lump sum benefit payment when they reach a particular retirement age, provided they are employed by the entity when they reach that retirement age;
- the amount of the retirement benefit to which an employee is entitled depends on the length of employee service before the retirement age and is capped at a specified number of consecutive years of service.

In its decision, the IFRS IC specifies that when (i) employees are entitled to a retirement benefit only when they reach retirement age and (ii) the benefits are capped after a specified number of years of service, the retirement benefit is calculated using only the last years of employee service immediately before retirement age.

Applying this agenda decision reduces obligations for defined benefit plans under which benefits are capped at a specified number of consecutive years of service, and the fewer the years of service at which benefits are capped, the larger the reduction in the benefit obligation.

The Group has completed its analysis of the various collective and company agreements in order to identify those that could be affected by this decision.

The following tables show the impact on the previously published consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows resulting from the retrospective application of this decision:

Impact on the main consolidated income statement indicators in 2020

(€ millions)	2020 (reported)	Impact of the IFRS IC – IAS 19 agenda decision	2020 (restated)
Net sales	31,919		31,919
Other income	598		598
Total income	**32,517**		**32,517**
Cost of goods sold	(24,315)		(24,315)
Selling expenses	(5,509)	(3)	(5,512)
General and administrative expenses	(1,284)	(1)	(1,285)
Recurring operating income	**1,409**	**(4)**	**1,405**
Operating income	**611**	**(6)**	**605**
Cost of net debt	(151)		(151)
Other financial income and expenses	(394)		(394)
Income (loss) before tax	**66**	**(6)**	**60**
Income tax expense	(82)	2	(80)
Share of net income of equity-accounted investees	44		44
Net income (loss) from continuing operations	**28**	**(4)**	**24**
Net income (loss) from discontinued operations	(500)		(500)
Consolidated net income (loss)	**(472)**	**(4)**	**(476)**
Attributable to owners of the parent	*(303)*	*(3)*	*(306)*
Attributable to non-controlling interests	*(169)*	*(1)*	*(170)*

Impact on the main consolidated statement of comprehensive income indicators in 2020

(€ millions)	2020 (reported)	Impact of the IFRS IC – IAS 19 agenda decision	2020 (restated)
Consolidated net income (loss)	**(472)**	**(4)**	**(476)**
Items that may subsequently be reclassified to profit or loss	**(1,370)**		**(1,370)**
Items that will never be reclassified to profit or loss	**(15)**	**4**	**(11)**
of which actuarial gains and losses	*(15)*	*5*	*(10)*
of which income tax effects	*5*	*(1)*	*4*
Other comprehensive income (loss), net of tax	**(1,385)**	**4**	**(1,381)**
Total comprehensive income (loss) for the year, net of tax	**(1,857)**		**(1,857)**
Attributable to owners of the parent	*(611)*	*(1)*	*(612)*
Attributable to non-controlling interests	*(1,246)*	*1*	*(1,245)*

Impact on the main consolidated statement of financial position indicators at 1 January 2020

(€ millions)	1 January 2020 (reported)	Impact of the IFRS IC – IAS 19 agenda decision	1 January 2020 (restated)
Total non-current assets	**24,359**	**(16)**	**24,343**
of which deferred tax assets	*784*	*(16)*	*768*
Total current assets	**13,125**		**13,125**
Total assets	**37,484**	**(16)**	**37,468**
Total equity	**6,251**	**47**	**6,298**
of which attributable to owners of the parent	*(218)*	*25*	*(193)*
of which attributable to non-controlling interests	*6,469*	*22*	*6,491*
Total non-current liabilities	**14,721**	**(63)**	**14,658**
of which non-current provisions for employee benefits	*357*	*(63)*	*294*
Total current liabilities	**16,512**		**16,512**
of which current provisions for employee benefits	*11*		*11*
Total equity and liabilities	**37,484**	**(16)**	**37,468**

Impact on the main consolidated statement of financial position indicators at 31 December 2020

(€ millions)	31 December 2020 (reported)	Impact of the IFRS IC – IAS 19 agenda decision	31 December 2020 (restated)
Total non-current assets	**21,795**	**(16)**	**21,779**
of which deferred tax assets	*1,035*	*(16)*	*1,019*
Total current assets	**10,099**		**10,099**
Total assets	**31,894**	**(16)**	**31,878**
Total equity	**4,290**	**47**	**4,337**
of which attributable to owners of the parent	*(837)*	*24*	*(813)*
of which attributable to non-controlling interests	*5,127*	*23*	*5,150*
Total non-current liabilities	**15,346**	**(63)**	**15,283**
of which non-current provisions for employee benefits	*352*	*(63)*	*289*
Total current liabilities	**12,258**		**12,258**
of which current provisions for employee benefits	*12*		*12*
Total equity and liabilities	**31,894**	**(16)**	**31,878**

Impact on the main consolidated statement of cash flow indicators in 2020

(€ millions)	2020 (reported)	Impact of the IFRS IC – IAS 19 agenda decision	2020 (restated)
Net cash from operating activities	**2,197**		**2,197**
Of which consolidated net income (loss) before tax	*(386)*	*(6)*	*(392)*
Of which other components of cash flow	*2,514*	*6*	*2,520*
Net cash from (used in) investing activities	**(472)**		**(472)**
Net cash from (used in) financing activities	**(2,118)**		**(2,118)**
Effect of changes in exchange rates on cash and cash equivalents	(493)		(493)
Change in cash and cash equivalents	**(886)**		**(886)**
Net cash and cash equivalents at beginning of year	*3,624*		*3,624*
Net cash and cash equivalents at end of year	*2,738*		*2,738*

Note 2. Significant events of the year

Significant events of the year are the following:

2.1 Rallye

Global tender offer for Rallye's unsecured debt as part of a modified Dutch auction procedure

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 procedure (the "Tender Offer").

Tender Offer

The purpose of the Tender Offer was 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 untill 5 February 2021. On 5 February 2021, after extension of the expiration deadline of the Tender Offer to 10 February 2021, Rallye set the purchase price under the Tender Offer at 20% of the amount of the claim (ie. the maximum purchase price initially set by Rallye). On 11 February 2021, after expiration deadline of the Tender Offer, a total amount of unsecured debt of €195.4m was acquired for a total repurchase price of approximately €39.1m, reducing the total amount of Rallye's debt by €156.3m. The Tender Offer, net of the accelerated amortisation of IFRS restatements related to the repurchased debt, resulted in the recording of a financial income of €113m in the consolidated financial statements (note 11.3.2).

Tender Offer Financing

The Tender Offer was financed by a new financing repayable *in fine*, consisting of a bond issue subscribed by Fimalac and a bank loan, for a global total amount of €82.4m (including the arrangement fee due to the lenders).

As guarantee for this new financing, 3.3m Casino shares held by Rallye and currently free of any encumbrance were transferred by Rallye into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing. In addition, upon repayment of the €210m bond financing granted to Rallye by Fimalac on 17 July 2020 for the purpose of repayment of derivatives transactions previously concluded by Rallye and its subsidiaries (see Rallye press release dated 17 July 2020), the 9.5m shares placed in a fiduciary trust (*fiducie-sûreté*) to the benefit of Fimalac, to secure the said financing, will be transferred into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing.

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

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of €5m may be paid to Rallye (which may be increased to a total amount of €6.6m if on 30 June 2022 the cash position of Rallye makes it necessary);
- 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[1] 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[2] and (iii) that 9.5m Casino shares be placed in fiduciary trust (fiducie-sûreté) 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 detachment 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 authorized 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 (*résolution*) 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 as defined by article L. 233-3 of the French Commercial Code;
- Rallye holding less than 40% of Casino's share capital or voting rights; and
- delisting of Casino shares.

1 | This figure will be reduced to 34.5m if 9.5m Casino shares have been placed into fiduciary trust (*fiducie-sûreté*) in case of repayment of the financing granted by Fimalac.

2 | This first-rank pledge will have a target coverage ratio of 140% and must include at least 30m Casino shares.

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 relevant 12-month interest period + a 8% margin or (ii) interest capitalized annually at the Euribor rate (floored at zero) for the relevant 12-month interest period + 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 capitalized interest, i.e. 4.2% per annum, will also be applicable on the unused portion of the new financing throughout the availability period.

This new financing has a maturity of 4 years from the signing of the agreements relating to such financing, it being specified that drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest, and following the settlement of the Tender Offer, the amount drawn on this new financing is €43.4m.

Amendment of Rallye safeguard plan

Completion of the tender offer and the setting up of the tender offer financing were the subject of a request to amend the safeguard plan by filing an application with the Paris Commercial Court, dated 12 February 2021. On 4 May 2021, the Paris Commercial Court approved the amendment of Rallye safeguard plan, allowing the effective completion of the global tender offer on its unsecured debt launched on 22 January 2021 and the setting up of the financing of the tender offer. The tender offer was therefore settled on 18 May 2021.

Deferment for two years of the payment dates under the safeguard plans of Rallye and its mother companies

The performance of the safeguard plans of Rallye and its mother companies approved on 28 February 2020 (i.e. before the beginning of the Covid-19 pandemic) essentially relies on Casino's ability to pay dividends and, consequently, on Casino's deleveraging timing. Casino has to deleverage below a certain threshold in order to make distributions.

In the context of the Covid-19 pandemic, Casino announced in March 2020 that it had suspended its objectives for 2020-2021, in particular relating to the completion of its plan to dispose of non-strategic assets for an amount of €4.5bn by the first quarter of 2021. By the end of March 2020, €2.8bn had been sold. However, since that date, the disposal plan has slowed down considerably, as only €300m of assets were disposed of over the period. At the end of July 2021, the total amount of disposals closed or secured by Casino was €3.1bn. Casino reaffirmed the total objective of €4.5bn euros during its FY 2020 and H1 2021 presentations, but no longer provides a precise timing for completion

Considering that the performance of the safeguard plans of the Rallye and its mother companies relies mainly on Casino's ability to pay dividends, the the administrators overseeing the implement of the plans (CEPs, *commissaires à l'exécution du plan*) have considered that the effects of Covid-19 on Casino's disposal plan created an important uncertainty as to the respect, by Rallye and its mother companies, of the timing for payment of their claims under the safeguard plans. The CEPs have requested from the Paris Commercial Court to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and consequently to extend the duration of such safeguard plans, pursuant to Article 5, I, of the Order of 20 May 2020.

This request for deferment of the payment dates and consequent extension of the safeguard plans is made in the context of exceptional governmental measures put in place during the Covid-19 crisis. It aims at favoring the execution of the safeguard plans.

The Paris Commercial Court decided to agree to the request and decided on 26 October 2021 to defer for two years the payment dates under the safeguard plans of the Companies and consequently to extend the duration of such safeguard plans.

All other provisions of the safeguard plans remain unchanged, notably the following main principles applicable to the safeguard plans of each of Rallye and its mother companies:

- The safeguard plans of the companies are interdependent and are based on the economic holding chain. They provide for the ability of the companies to pay dividends during the term of the plans.
- The safeguard plans provide for a full repayment of liabilities of the companies.
- As soon as the creditors with pledges over securities accounts are repaid, the safeguard plans provide for the release of such pledges and the free use by the companies of the proceeds (fruits et produits) relating to the initially pledged securities.

Following the decision of the Paris Commercial Court on 26 October 2021, the duration of the safeguard plans of Rallye and its mother companies is equal to 12 years instead of 10 years.

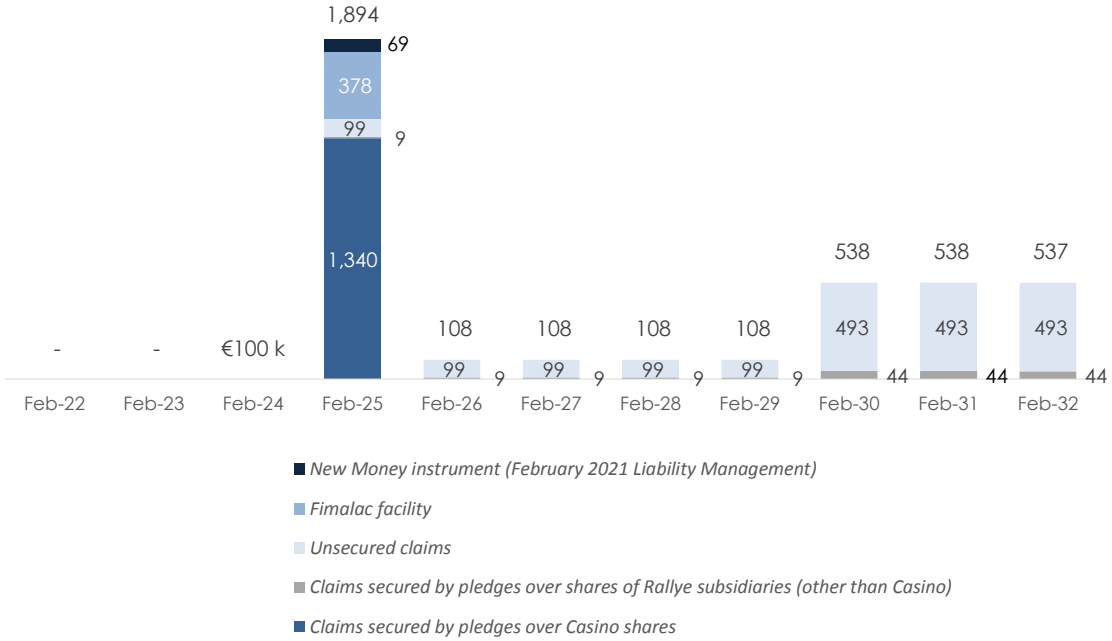
This decision of the Court is the subject of third-party opposition proceedings.

Agreement between Rallye and Fimalac

Following this decision of the Paris Commercial Court, Rallye and Fimalac have decided to extend by one year the initial 4-year maturity of the €210m bond financing granted on 17 July 2020 by Fimalac to Rallye for the purpose of repaying the derivative transactions previously entered into by Rallye and its subsidiaries (see Rallye press release of 17 July 2020), in accordance with the provisions of this financing. With regard to the 9.5 million Casino shares transferred into a fiduciary trust (fiducie-sûreté) for the benefit of Fimalac as collateral for the bond financing, Rallye and Fimalac have agreed that potential dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said financing, in order to contribute to the financing of Rallye's general corporate purposes. The other provisions of the bond financing granted by Fimalac remain unchanged.

New repayment profiles for Rallye's liabilities

As a result of the Paris Commercial Court's decision to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and of the agreement between Rallye and Fimalac, the new estimated repayment profiles [1] for Rallye, including additional interest charges resulting in the shift in the maturity dates, are set out below (in €m) [2].



Following this decision by the Paris Commercial Court relating to the deferment of the payment dates and consequent extension of the safeguard plans for Rallye, the repayment undertakings are based on the following principles:

- for claims secured by pledges over Casino shares, repayment of at least 85% of the claim under annuity 5 and the remainder under annuity 6 ;
- for claims not secured by pledges over Casino shares, repayment over a twelve-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 4: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuities 5 to 9: 5%;

Following the safeguard plan approval in 2020, Rallye 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 Instrument.

Given the specific characteristics of the safeguard proceedings, the application of IFRS 9 had led to the restatement of financial liabilities in an amount of €334m at 31 December 2020 (i.e. €306m of impact related to extinguishments of financial liabilities and €28m of impact related to non-material modifications to the financial liabilities terms), recognised as a reduction of consolidated debt.

In 2021, the determent for two-years of the payment dates under Rallye's safeguard plan led to a recalculation of these impacts, to arrive at a restatement amount of €343m (including €293m related to extinguishments of financial liabilities) net of accelerated amortisation recorded after the global tender offer relating to these financing liabilities. The operation to defer for two years the payment dates of the safeguard plan led to the recognition of additional financial income of €51m recorded under "Cost of net debt" (note 11.3.1.).

This amount is 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 | Secured and unsecured bank claims, Fimalac financing.

2 | The new estimated repayment profiles for liabilities of the mother companies Foncière Euris, Finatis and Euris are presented in part 1 "Significant events 2021" of the management report.

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 extinguish-ments	*Impact of non-material modifications*
Claims secured by pledges over Casino shares	1,228	1,214		14
Claims not secured by pledges over Casino shares	1,655	1,327	293	36
Total – claims under the safeguard plan	**2,883**	**2,541**	**293**	**50**
Financing issued after the enforcement of the safeuard plan	295	295		
Total – claims not subject to the safeguard plan	**295**	**295**		

Sale of Groupe Go Sport to Hermione People & Brand, subsidiary of Financière Immobilière Bordelaise

The Paris Commercial Court decided on 7 December 2021, to waive the non-transferability of Groupe Go Sport shares held by Rallye and authorised consequently the sale of Groupe Go Sport shares to Hermione People and Brands (subsidiary of Financière Immobilière Bordelaise) for a price of €1 without any representation and warranties given by Rallye. The completion of the sale operation took place on 10 December 2021.

2.2 Casino Group

Impact of the covid-19 global pandemic on the consolidated financial statements

The impacts of the health crisis continued to be felt throughout 2021 and uncertainties remain as to how the pandemic will evolve going forward. The impacts for the Group in 2021 were similar to those observed in second-half 2020 from both an operating and a financial perspective. These varying impacts are set out in Note 2.2 to the 2020 consolidated financial statements.

Disposal plan for non-strategic assets

In mid-2018, the Group initiated a plan to dispose of certain non-strategic assets, under which a total of €2.8bn in assets had been sold at 31 December 2020. The Group continued with this disposal plan in 2021, leading in particular to the sale of FLOA (Note 2), the recognition of contingent consideration in connection with the sale-and-leaseback transactions carried out in 2019 (Note 6.5), and the sale of a 3% stake in Mercialys (Note 3.1). The Group has now sold a total of €3.2bn in non-strategic assets out of the announced €4.5bn disposal plan.

Listing of Assaí in Brazil and conversion of Extra hypermarkets into Assaí stores

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 operations formed part of the transactions announced at the end of 2020 to restructure and spin off certain GPA assets. Assaí shares 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, Casino Group – which holds a 41.2% stake in GPA and an identical stake in Assaí – continues to exercise de facto control of these two companies. Fees relating to these transactions were recognised in 2021 within "Other operating expenses" for €25m (Note 6.5) (2020: €25m and a tax impact of €12m – Note 9.1.2).

The Boards of Directors of GPA and Sendas approved the conversion of 70 Extra Hiper stores operated by GPA into cash & carry stores operated by Assaí. This transaction involves (i) the sale of GPA's 70 businesses to Assaí, including 53 store properties leased and 17 store properties owned by GPA, (ii) a sale-and-leaseback transaction which should be completed before 28 February 2022 with an investment fund for an amount of BRL 1.2bn (€190m) relating to the 17 store properties owned by GPA (Assaí will act as lessee under the new leases), and (iii) the conversion, closure or disposal of the remaining 32 Extra Hiper stores. The transfer, conversion or closure of these stores implies a comprehensive restructuring of the stores concerned, resulting mainly in staff redundancy costs and asset impairment charges, notably in respect of equipment that cannot be reused, along with inventories and the Extra banner (Note 6.5).

The main accounting impacts of this transaction for Casino Group are as follows:

- a total expense of €232m recorded under "Other operating expenses" (Note 6.5) in "Net income/(expense) related to changes in the scope of consolidation",
- reclassification of property, plant and equipment as "Assets held for sale" in an amount of BRL 517m (€82m), relating to the 17 store properties concerned by the sale-and-leaseback transactions due to take place in 2022 (Notes 3.5.1 and 10.3.2).

Operations carried out to strengthen the group's financial structure

In 2021, the Group continued to refinance its debt to extend its maturity and improve its financial terms and conditions.

In the first half of the year, the Group repaid ahead of term its existing €1.225bn term loan ("Term Loan B") maturing in January 2024 and bearing interest at Euribor 5.5%, through:

- a new €1bn term loan ("Term Loan B") maturing in August 2025, issued at a price representing 99.75% of the nominal amount. The loan bears interest at Euribor 4.0% and the collateral posted is the same as for the existing term loan;
- a new €525m unsecured debt issue, maturing in April 2027 and with a 5.25% coupon.

This early repayment was made at 101% of the nominal amount, representing a repayment premium of €12m.

The repayment was treated as a settlement of a financial liability. The resulting accounting impacts were (i) derecognition of the initial Term Loan B and (ii) recognition of the new Term Loan B. The difference between the repayment price of the initial Term Loan B (€1,237m) and its carrying amount at the repayment date was immediately expensed within "Net finance costs" for €38m. The corresponding fees for this transaction included within the amortised cost of the debt amounted to €10m.

The Group also:

- topped up its Term Loan B maturing in August 2025 and contracted under the same conditions for an amount of €425m, issued at a price representing 99.25% of the nominal amount. The top-up was made in November 2021 and brings the nominal amount of the term loan to €1,425m; and
- launched two public buyback offers on a portion of its unsecured bond issues in November and December 2021 for a total nominal amount of €165m, of which €51m relating to the bonds maturing in January 2023, €53m to the bonds maturing in March 2024, €13m to the bonds maturing in February 2025 and €48m to the bonds maturing in August 2026.

On 19 July 2021, the Group also announced that it had extended the maturity of its syndicated credit facility ("RCF") and improved its financial conditions (Note 11.5.4). The amendment to the loan documentation was effective 22 July 2021, and provides for:

- an extension of the maturity of the facility from October 2023 to July 2026 (May 2025 if the Term Loan B maturing in August 2025 is not repaid or refinanced at that date) for an amount of €1.8bn;
- a review of the financial covenants, in line with the improvement in the Group's financial position and GreenYellow's growth plan (see below). Consequently, with effect from 30 June 2021, the Group has undertaken to comply, on a quarterly basis, with the following covenants, which supersede the previous covenants, for the France Retail and E-commerce scope (excluding GreenYellow):
  - a ratio of secured gross debt to EBITDA (after lease payments) not in excess of 3.5x
  - a ratio of EBITDA (after lease payments) to net finance costs not less than 2.5x

The security interests and collateral initially granted to the lenders remain unchanged. The documentation includes the same dividend restrictions as the financing raised in November 2019 (Note 11.5.4).

Outstanding fees relating to the amended RCF are being amortised on a yield-to-maturity basis over the residual term of the amended facility.

Monoprix's syndicated credit facility, which expired in July 2021, was also rolled over. The new €130m syndicated facility matures in January 2026 and has a yearly margin adjustment clause based on the achievement of CSR targets, as well as a covenant requirement (leverage ratio), the terms of which are outlined below (Note 11.5.4).

As a result of these last two operations, the amount of the confirmed credit lines available at any time in the France Retail segment (excluding GreenYellow) stands at €2.2bn, with an average maturity of 4.2 years at 31 December 2021.

Amounts held in segregated accounts to repay debt totalled €504m at 31 December 2021 (Note 6.8.1), of which €145m was held in the secured segregated account (Note 11.2.1).

End of the purchasing agreement with Auchan Retail, Dia, Metro and the Schiever group

The groups jointly decided not to renew their cooperation agreement for the 2022 purchasing negotiations. All commitments undertaken with suppliers and partners within the scope of finalised negotiations involving the "Horizon Achats et Appels d'offres" and "Horizon International Services" organisations have been met through to the end of 2021. The end of this cooperation has no material accounting impact.

Partnership with Intermarché in purchasing for leading brand products and in digital

On 15 April 2021, Intermarché and Casino Group announced that they had entered into a five-year partnership covering three distinct areas:

- purchasing, with the creation of (i) a centralised purchasing unit for food, to be managed by Intermarché, (ii) a centralised purchasing unit in the non-food sector to be managed by Casino Group, and (iii) a joint international organisation to sell international services to large industrial groups operating in their territories (Europe and Latin America);
- development of digital services in marketing and advertising fields, with the creation of a joint venture ("Infinity Advertising") to market a Retail Media offering to food producers and their agents in France;
- the food industry, with a cooperation agreement.

The food and non-food purchasing units ("AUXO Achats Alimentaires" and "AUXO Achats Non-Alimentaires", respectively) began operating on 1 September 2021.

All standard notification and information procedures have been completed with the competent competition authorities for these partnerships, which will therefore be effective for the 2022 purchasing round.

Sale of Floa to BNP Paribas completed

On 27 July 2021, Casino Group and Crédit Mutuel Alliance Fédérale announced (i) the signing of an exclusivity agreement for the sale of FLOA to BNP Paribas and (ii) the setting up of a strategic partnership between BNP Paribas and Casino Group.

The sale was completed on 31 January 2022 following authorisation from France's Competition Authority and the European Central Bank (ECB). The sale price amounts to €200m, including (i) €150m relating to the disposal of shares representing 50% of FLOA's capital based on its net equity as estimated at the date of the transaction and (ii) €50m relating to the sale of technology assets of the "FLOA PAY" split payment solution and the earn-out contingent on the renewal of commercial agreements between Cdiscount, the Casino banners and FLOA (Cdiscount will continue to operate its split payment solution via card through FLOA and BNP Paribas).

BNP Paribas will become the provider and distributor of consumer credit solutions, including split payment solutions for Casino Group customers through a business partnership set up with the Casino Supermarkets, Géant and Cdiscount banners. The planned partnership will also lead to a collaborative venture between Casino Group and BNP Paribas to develop the FLOA PAY split payment solution. Casino Group will also remain invested in the successful development of the "FLOA PAY" business through a 30% stake in future value created (by 2025).

Market operations concerning Cdiscount and GreenYellow subsidiaries

On 12 April 2021, the Group announced that it had actively launched a preliminary review of potential additional capital raising for GreenYellow and Cdiscount. The capital raising could take the form of (i) market operations and (ii) secondary placements of shares held by the Group, with Casino nevertheless retaining the control of these strategic subsidiaries.

On 14 May 2021, GreenYellow subsequently announced that it had decided with its shareholders to explore various funding options, including the possibility of an IPO on Euronext Paris, subject to market conditions and regulatory approvals. The transaction would chiefly consist of a capital increase. Casino Group would remain as GreenYellow's majority shareholder.

Given the unfavourable market conditions, Cnova announced on 8 October 2021 that the project would be postponed. Concerning GreenYellow, €200m was raised in February 2022 (Note 15) and other financing options continue to be explored to support GreenYellow's accelerated growth.

Strategic agreement signed with Gorillas

On 14 December 2021, the Group signed a major strategic partnership with Gorillas for the quick commerce market in France. Through this agreement, Casino Group gives Gorillas access to its national-brand products and to Monoprix private-label products, which are available on the Gorillas platform and can be delivered within minutes to customers in Paris, Lille, Lyon and Nice.

In a second phase, Casino will leverage the unparalleled technological and operational expertise of Gorillas, which will prepare and carry out ultra-fast deliveries of orders made by customers on Monoprix and Franprix platforms from its French stores. Casino Group is associated with value creation through a stake in Gorillas in France and in the German subsidiary.

The acquired stake is shown under "Other non-current assets" within equity instruments at fair value through other comprehensive income.

Disposal of 3% of Mercialys equity

In December 2021, the Group completed the definitive disposal of an additional 3% of Mercialys equity through a total return swap, or TRS (Note 3.1.1).

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 2021

3.1.1 Mercialys TRS

On 9 December 2021, the Casino Group completed the definitive disposal of an additional 3% of Mercialys equity through a total return swap (TRS) maturing in March 2022, leading to the immediate collection of an amount of €24m. At 31 December 2021, all of the shares underlying the TRS had been sold and Mercialys continued to be accounted for by the equity method based on a percentage interest of 16.9% (20.3% at 31 December 2020). In all, the Casino Group collected €23m in 2021 in respect of the TRS (Note 4.6).

3.1.2 Control of Supermercados Disco del Uruguay SA

Supermercados Disco del Uruguay SA was previously controlled by virtue of a shareholder agreement signed in April 2015, giving Éxito 75% of the voting rights it needed in order to exercise control. This agreement expired on 1 July 2021. There was no change in the control or management of this company and a new agreement was signed on 18 August 2021, under which Éxito continues to own 75% of the voting rights and therefore exercise control.

3.2 Transactions affecting the scope of consolidation in 2020

3.2.1 Mercialys TRS

On 26 July 2018, in connection with the announced asset disposal plan, the 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).

On 21 August 2020, the 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. All of the shares underlying the TRS had been sold at 31 December 2020. Upon unwinding the TRS, the Group recognised a loss of €72m in "Other operating expenses" (Note 6.5).

In all, the Group paid out €47m in 2020 in respect of the TRS, net of the €26m collected from the 5% stake transferred (Note 4.6).

3.2.2 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.

3.2.3 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 consideration of €648m, collected at closing (Note 3.5.2). The consideration may be adjusted to take account of an earn-out contingent on compliance with certain operating indicators during the transition period.

At closing, the Group has definitively lost control of Leader Price by transferring its voting rights and other attached rights in the entities sold to Aldi. However, the disposal agreement provided for a transition period during which Casino Group would continue to manage day-to-day operations in its capacity as "parent" while the stores are gradually converted to the Aldi banner throughout 2021. The transition period ended on 30 September 2021, when the last stores were converted.

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).

In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, this transaction led to the recognition of a disposal loss before tax of €206m in 2020, presented within "Net income (loss) before tax from discontinued operations" (Note 3.5.2). Also in accordance with this standard, the net post-tax income (loss) resulting from transactions carried out in 2021 in respect of this transition period is shown on a separate line of the income statement within "Net income (loss) from discontinued operations" (Note 3.5.2). The same applies to the related cash flows, which are presented on a separate line in the consolidated statement of cash flows.

Further to the transaction, 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. The Group thereby continues to operate its wholesale activity for internal and external customers (Leader Price franchises within and outside France, Casino Géant, Casino supermarkets, etc.).

3.3 Investments in equity-accounted investees

3.3.1 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)	2021				2020			
	Mercialys [1]	Tuya [2]	Floa Bank	FIC [3]	Mercialys [1]	Tuya [2]	Floa Bank	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]	17%	50%	50%	36%	20%	50%	50%	36%
Total income	228	243	275	162	231	276	224	168
Net income (loss) from continuing operations	78	2	20	42	61	6	9	56
Other comprehensive income								
Total comprehensive income (loss)	**78**	**2**	**20**	**42**	**61**	**6**	**9**	**56**
Non-current assets	2,755	25	39	6	2,858	31	35	8
Current assets [5]	365	843	2,119	1,385	541	747	1,798	1,057
Non-current liabilities	(1,275)	(322)	(37)	(7)	(1,403)	(403)	(35)	(3)
Current liabilities	(213)	(424)	(1,891)	(1,173)	(423)	(252)	(1,614)	(880)
Of which liabilities related to credit activities		*(662)*	*(1,865)*	*(307)*		*(579)*	*(1,591)*	*(241)*
Net assets	**1,632**	**121**	**230**	**211**	**1,573**	**124**	**184**	**182**
Dividends received from associates or joint ventures	**8**			**3**	**11**			**3**

(1) At 31 December 2021, the Group held 17% (20% at 31 December 2020) of the capital of Mercialys and considers it exercises significant influence over the company. This analysis is primarily based on the Group's representation on the Mercialys Board of Directors, which enables it to participate in the operating and financial policy decisions of the Mercialys Group. The percentage interest is 17% and 20% respectively at 31 December 2021 and 2020.

(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/Sendas in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA/Sendas customers. It is accounted for using the equity method as GPA and Sendas 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/Sendas). Since the spin-off of Sendas, the 36% stake in FIC has been owned in equal proportions by GPA and Sendas.

(5) The current assets of FLOA Bank, Tuya and FIC primarily concern their credit business.

3.3.2 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 €5m in 2021 (in 2020 : €3m).

3.3.3 Changes in investments in associates and joint ventures

(€ millions)	2021	2020
Balance at 1 January	**191**	**341**
Share of net income (loss) for the year	48	44
Dividends	(18)	(25)
Other movements	(20)	(169)
Balance at 31 December	**201**	**191**

3.3.4 Impairment losses on investments in equity-accounted investees

The fair value of the investment in Mercialys at the reporting date was €135m for 16.9% of net assets, determined using the share price on 31 December 2021 (31 December 2020: €134m for 20.3% of net assets), reflecting an impairment loss of €48m already recognised in "Other operating expenses" in the 2020 financial statements. A €7m impairment reversal was recognised in 2021.

A net impairment loss of €26m was recognised in 2021 against other unlisted associates and joint ventures.

3.3.5 Share of contingent liabilities of equity-accounted investees

At 31 December 2021 and 31 December 2020, none of the Group's associates or joint ventures had any material contingent liabilities.

3.3.6 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) that are accounted for in the consolidated financial statements using the equity method. These transactions are carried out on arm's length terms.

(€ millions)	2021		2020	
	Associates	Joint ventures	Associates	Joint ventures
Loans	77	47	55	23
of which impairment	*(4)*		*(2)*	
Receivables	33	26	37	26
of which impairment				*(1)*
Payables	109 (1)	234 (3)	178 (1)	143
Expenses	39 (2)	969 (3)	62 (2)	798 (3)
Income	200 (4)	52	287 (4)	46

(1) Including lease liabilities in favour of Mercialys for property assets amounting to €100m at 31 December 2021, of which €29m due within one year (31 December 2020: €150 million, of which €32 million due within one year).

(2) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 51 leases signed with Mercialys. These payments represented €39m in 2021 (2020: 57 leases for €5m).

(3) Including €928m in fuel purchases from Distridyn (2020: €764m). At 31 December 2021, the Casino group had a current account with Distridyn for €30m.

(4) Income of €200m in 2021 includes sales of goods by Franprix to master franchisees accounted for by the equity method amounting to €94m (2020 : income of €287m which includes sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method amounting to €115m). The income figure also includes proceeds from property development transactions with Mercialys reported under "Other income" for €21m, including an EBITDA impact of €12m (note 5.1), compared to €116m reported under "Other income" in 2020 including an EBITDA impact of €65m.

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 provides rental management services for nearly all Mercialys properties. In 2021, the related management fees amounted to €6m (2020: €5m).
- Support services agreement: the Group provides administrative, finance/accounting, IT and real estate support services to Mercialys. In 2021, the related fees amounted to €1m (2020: €1m).
- Current account agreement: Casino may grant Mercialys cash advances of up to €50m. 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 2021. This agreement was terminated early in January 2022.

3.3.7 Commitments to joint ventures

Casino Group had given guarantees to Distridyn (also presented in Note 6.11) for an amount of €60m at 31 December 2021 (€68m at end-December 2020).

3.4 Commitments related to the scope of consolidation

3.4.1 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 2021 :

(€ 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]	60.00% to 70.00%	40.00% to 30.00%	V	45	
Éxito (Disco) [2]	62.49%	29.82%	V		113
Other				16	21
Total put options granted to owners of non-controlling interests				**61**	**134**

(1) The value of the NCI puts 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 options expire between 2023 and 2026.

(2) This option is exercisable at any time until 30 June 2025. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2021, the exercise price represents the minimum price.

(3) At 31 December 2020, NCI put liabilities amounted to €163m, including current liabilities of €119m.

3.4.2 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 2021, there were no outstanding puts relating to non-controlling interests.

Call options granted to the Group on shares in non-controlled companies stood at €312m at 31 December 2021 (31 December 2020: €316m), the most important of which was granted in connection with transactions involving Mercialys, i.e., the 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.

3.5 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.

3.5.1 Assets held for sale and liabilities associated with assets held for sale

(€ millions)	*Notes*	31 December 2021		31 December 2020	
		Assets	Liabilities	Assets	Liabilities
Other France Retail [1]		836	175	913	210
Other [2]		137		308	291
Total		**973**	**175**	**1,221**	**501**
Net assets		798		720	
Of which attributable to owners of the parent of the selling subsidiary	11.2	*798*		*720*	

(1) At 31 December 2021 and 2020, this line corresponds mainly to stores, property assets and the shareholding in FLOA Bank in connection with asset disposal plans and plans to streamline the store base.

(2) At 31 December 2021, this line corresponds mainly to (i) 17 store properties at GPA for BRL 517m (€82m) as part of the conversion of Extra stores into Assaí stores (Note 2) and (ii) real estate assets at Sendas in connection with sale-and-leaseback transactions for BRL 147m, or €23m (Note 7.1.4) ; in 2020, this line corresponded mainly to Latam Retail assets and the operations of Groupe GO Sport sold end of 2021 (Note 2.1).

3.5.2 Discontinued operations

In 2021, net income (loss) from discontinued operations essentially reflects (i) Groupe GO Sport up to the date of its sale on 10 December 2021, (ii) commitments made with Aldi France in connection with the gradual conversion of the Leader Price stores sold (completed in late September 2021), and (iii) upstream and logistics activities along with the Leader Price head office, which were to a large extent involved in the supply of these stores. In 2020, net income (loss) from discontinued operations primarily reflected 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.

Net income (loss) from discontinued operations can be analysed as follows:

(€ millions)	2021	2020
Net sales	611	1,874
Net expenses [1]	(940)	(2,120)
Gains (losses) on disposals of non-current assets [2]		(206)
Disposal price		*648*
Disposal costs		*(4)*
Adjusted carrying amount of net assets sold [3]		*(850)*
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax		
Net income (loss) before tax from discontinued operations	**(329)**	**(452)**
Income tax (expense) benefit	75	14
Share of net income (loss) of equity-accounted investees	(1)	(62)
Net income (loss) from discontinued operations	**(255)**	**(500)**
Attributable to owners of the parent	*(134)*	*(263)*
Attributable to non-controlling interests	*(121)*	*(237)*

(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 €44m (Note 13.3).

(2) The 2020 disposal loss relates to the sales of Leader Price on 30 November 2020.

(3) At end-2020, 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.

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	
		2021	2020
Goodwill impairment	10.1.2		(15)
Impairment of intangible assets	10.2.2	(90)	(20)
Impairment of property, plant and equipment	10.3.2	(123)	(121)
Impairment of investment property	10.4.2	(3)	(2)
Impairment of right-of-use assets	7.1.1	(33)	(78)
Impairment of other assets		(51)	(89)
Net (additions to) reversals of provisions for risks and charges	13.1	(27)	(70)
Total provision expense		**(327)**	**(395)**
Provision expense adjustment reported under "Net income (loss) from discontinued operations"		28	14
Provision expense adjustment in the statement of cash flows		**(299)**	**(381)**

4.2 Reconciliation of changes in working capital to the statement of financial position

(€ millions)	1 Jan. 2021	Cash flows from operating activities	Other cash flows	Cash flows from operating activities, discontinued operations	Other cash flows from discontinued operations	Changes in scope of consolidation	Effect of movements in exchange rates	Reclass. and other	31 Dec. 2021
Goods inventories	(3,060)	(82)		4		(4)	24	(5)	**(3,123)**
Property development work in progress	(155)	3				(1)	1	57	**(95)**
Trade payables	6,194	171		(148)		1	(53)	(66)	**6,099**
Trade and other receivables	(941)	124		3		10	5	27	**(772)**
Other (receivables) payables	263	(243)	54	45	(79)	57	(12)	111	**196**
Total	**2,301**	**(27)**	**54**	**(96)**	**(79)**	**63**	**(35)**	**124**	**2,305**

(€ millions)	1 Jan. 2020	Cash flows from operating activities	Other cash flows	Cash flows from operating activities, discontinued operations	Changes in scope of consolidation	Effect of movements in exchange rates	Reclass. and other [2]	31 Dec. 2020
Goods inventories	(3,487)	(43)			(8)	483	(5)	**(3,060)**
Property development work in progress	(295)	(29)		(8)	11	27	139	**(155)**
Trade payables	6,602	30		(24)	69	(743)	260	**6,194**
Trade and other receivables	(836)	(122)			(3)	39	(19)	**(941)**
Other (receivables) payables	160	176	(467) [1]	1	106	143	144	**263**
Total	**2,144**	**12**	**(467)**	**(31)**	**175**	**(51)**	**519**	**2,301**

(1) In 2020, these amounts primarily reflect cash inflows and outflows relating to financial assets (note 4.5).

(2) In 2020, this primarily concerned 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	
		2021	2020
Additions to and acquisitions of intangible assets	10.2.2	(272)	(239)
Additions to and acquisitions of property, plant and equipment	10.3.2	(1,021)	(660)
Additions to and acquisitions of investment property	10.4.2	(22)	(3)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	(6)	(3)
Change in amounts due to suppliers of non-current assets		179	(26)
Neutralisation of capitalised borrowing costs (IAS 23) [1]	10.3.3	8	3
Effect of discontinued operations		3	1
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(1,131)**	**(927)**

(1) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	*Notes*	Year	
		2021	2020
Derecognition of intangible assets	10.2.2	2	5
Derecognition of property, plant and equipment	10.3.2	46	237
Derecognition of investment property	10.4.2		
Disposals of lease premiums included in right-of-use assets	7.1.1	3	6
Gains on disposals of non-current assets [1]		131	141
Change in receivables related to non-current assets		(71)	(27)
Reclassification of non-current assets as "Assets held for sale" (IFRS 5)		46	61
Effect of discontinued operations		(1)	
Cash from disposals of intangible assets, property, plant and equipment and investment property		**156**	**423**

(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 2021, cash outflows and inflows related to financial assets amounted to €174m and €163m, respectively, representing a net cash outflow of €11m. They are mainly attributable to changes in escrow accounts (Note 11.2.1).

In 2020, cash outflows and inflows related to financial assets amounted to €942m and €461m, respectively, representing a net cash outflow of €481m. This primarily related to the outflow of €248m upon unwinding the TRS on GPA shares (note 11.3.2) and the net outflow related to the escrow account held in connection with the refinancing of the rollover credit facility (RCF) for €295m. Changes in the escrow account reflected the transfer to this account of disposal proceeds from the sale of (i) Vindémia (note 3.2.2), Leader Price (note 3.2.3), and the 5% stake in Mercialys (note 3.2.1), 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.

4.6 Effect of changes in scope of consolidation resulting in acquisition or loss of control

(€ millions)	Year	
	2021	2020
Amount paid for acquisitions of subsidiaries	(21)	(20)
Cash (bank overdrafts) acquired		9
Proceeds from disposals of subsidiaries	4	211
(Cash) bank overdrafts sold	(24)	(43)
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**(41)**	**157**

In 2020, the net impact of these transactions on the Group's cash and cash equivalents was mainly due to the loss of control of Vindémia (Note 3.2.2).

4.7 Effect of changes in scope of consolidation related to equity-accounted investees

(€ millions)	*Notes*	Year	
		2021	2020
Amount paid for the acquisition of shares in equity-accounted investees		(19)	(17)
Net outflow relating to the Mercialys TRS	3.1.1 / 3.2.1	23	(47)
Other		(3)	
Effect of changes in scope of consolidation related to equity-accounted investees		**1**	**(64)**

4.8 Reconciliation of dividends paid to non-controlling interests

(€ millions)	*Note*	Year	
		2021	2020
Dividends paid and payable to non-controlling interests	12.7	(69)	(80)
Change in the liability for dividends payable to non-controlling interests		(32)	35
Currency effects		(1)	
Effect of discontinued operations			
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(102)**	**(45)**

4.9 Effect on cash and cash equivalents of transactions with non-controlling interests

(€ millions)	Year	
	2021	2020
GPA – cost related to the acquisition of 41.27% of Éxito shares in 2019		(21)
GPA – exercise of stock options	8	
Other	7	(34)
Effect on cash and cash equivalents of transactions with non-controlling interests	**15**	**(55)**

4.10 Reconciliation between change in cash and cash equivalents and change in net debt

(€ millions)	Notes	Year	
		2021	2020
Change in cash and cash equivalents		**(496)**	**(886)**
Increase in loans and borrowings [1]		(4,246)	(2,277)
Repayments of loans and borrowings [1]		3,698	2,948
Allocation to (use of) escrow account	4.5	(3)	180
Outflows (inflows) of financial assets		16	(55)
Non-cash changes in debt [1]		(110)	(506)
Change in net assets held for sale attributable to owners of the parent		*77*	*(817)*
Change in other financial assets		*60*	*7*
Effect of changes in scope of consolidation		*(62)*	*102*
Change in fair value hedges		*13*	*(27)*
Change in accrued interest		*(168)*	*(152)*
Impact of the approval of the safeguard plan for the Rallye scope		*9*	*332*
Other		*(39)*	*49*
Effect of movements in exchange rates [1]		(4)	887
Change in loans and borrowings of discontinued operations		21	14
Change in net debt		**(1,124)**	**305**
Net debt at beginning of year	11.2.1	6,751	7,056
Net debt at end of year	11.2.1	7,875	6,751

(1) These impacts relate exclusively to continuing operations.

4.11 Reconciliation of net interest paid

(€ millions)	Notes	Year	
		2021	2020
Cost of net debt reported in the income statement	11.3.1	**(494)**	**(151)**
Neutralisation of unrealised exchange gains/losses		9	(6)
Neutralisation of amortisation of debt issuance/redemption costs and premiums		64	53
Impact of the approval of the safeguard plan for the Rallye scope	11.3.1 / 11.3.2	(9)	(333)
Capitalised borrowing costs	10.3.3	(8)	(3)
Change in accrued interest and fair value hedges of borrowings		113	93
Interest paid on lease liabilities	11.3.2	(308)	(317)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs	11.3.2	(88)	(60)
Interest paid, net as presented in the statement of cash flows		**(721)**	**(724)**

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.

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 and financial and property investments. Taken individually, these activities are not material at Group level.

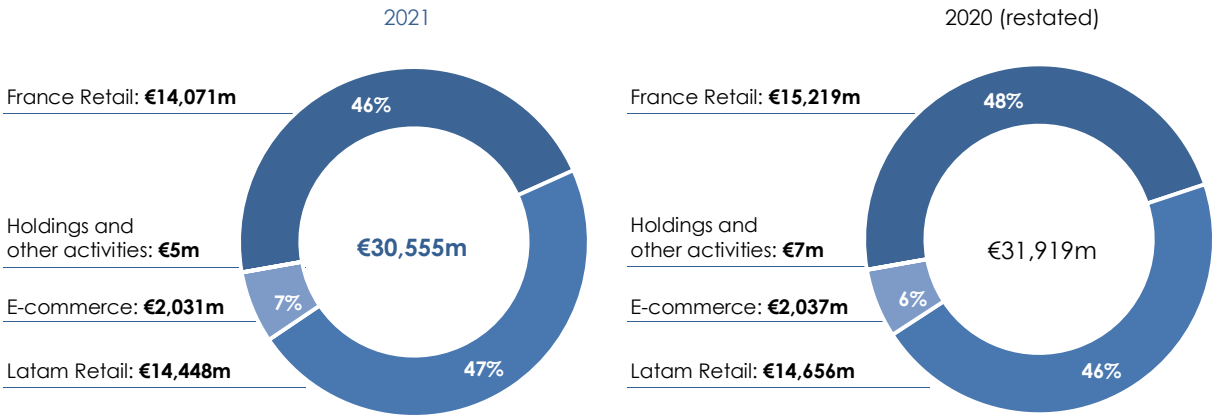
Management assesses the performance of these segments on the basis of net sales, recurring operating income (which includes the allocation of Casino sub-group holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) 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



Breakdown of other key indicators by segment

(€ millions)	Notes	Food and general retailing			Holdings and other activities	Total
		France Retail	Latam Retail	E-commerce		
2021						
EBITDA[1]		1,358 [2]	1,063 [3]	106	(13)	**2,514**
Net depreciation and amortisation expense	6.3 / 6.4	(823)	(423)	(87)	(1)	**(1,334)**
Recurring operating income (loss)		535	640 [3]	18	(13)	**1,180**
2020 (restated)						
EBITDA[1]		1,447 [2]	1,161 [3]	129	(16)	**2,721**
Net depreciation and amortisation expense	6.3 / 6.4	(826)	(413)	(77)		**(1,316)**
Recurring operating income (loss)		621 [2]	748 [3]	53	(17)	**1,405**

(1) EBITDA is defined in the accounting principle on the previous page.

(2) Of which €14m in respect of property development transactions carried out in France, versus €64m in 2020, 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. In 2020, this recognition followed the decrease in Casino's stake in Mercialys and the sale of assets by Mercialys, amounting to €45m and €19m, respectively (note 3.3.6).

(3) In May 2021, a new ruling by the Brazilian federal supreme court (STF) upheld the decisoins in favour of the taxpayers that had been handed down in 2017 in relation to the exclusion of ICMS from the PIS/COFINS tax base. In light of this ruling, in 2021 Sendas recognised a BRL 216m (€34m) tax credit, of which BRL 175m (€28m) was recognised in net sales and BRL 41m (€6m) in other financial income (Note 11.3.2). In 2021, GPA also revalued the tax credits recognised in 2020 and, as a result, reversed the provision set aside in 2020 for BRL 280m (€44m), of which BRL 171m (€27m) in sales and BRL 109m (€17m) in other financial income (Note 11.3.2).

In 2020, 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 2021						
External net sales	16,073	14,448	28	6		**30,555**
Non-current assets [1]	11,396	8,121	183	4		**19,704**
At 31 December 2020 (restated)						
External net sales	17,235	14,656	21	4	3	**31,919**
Non-current assets [1]	11,553	7,898	56	3		**19,510**

(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 IFRS 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	2021
	France Retail	Latam Retail	E-commerce		
Net sales	14,071	14,448	2,031	5	**30,555**
Other income	341	163			**504**
Total income	**14,412**	**14,611**	**2,031**	**5**	**31,059**

(€ 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**

6.1.2 Incremental costs of obtaining and fulfilling contracts, contract assets and liabilities

(€ millions)	*Notes*	2021	2020
Incremental costs of obtaining contracts included in "Intangible assets"	10.2	101	111
Contract assets	6.8 / 6.9	2	
Right-of-return assets included in "Inventories"	6.6	2	3
Contract liabilities	6.10	127	135

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)	*Note*	2021	2020 (restated)
Purchases and changes in inventories		(22,066)	(22,881)
Logistics costs	6.3	(1,370)	(1,434)
Cost of goods sold		**(23,436)**	**(24,315)**

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	2021 total
Employee benefits expense		(511)	(2,226)	(700)	**(3,437)**
Other expenses		(716)	(1,941)	(385)	**(3,042)**
Depreciation/amortisation for the year	5.1 / 6.4	(143)	(959)	(232)	**(1,334)**
Total		**(1,370)**	**(5,126)**	**(1,317)**	**(7,813)**

(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	2020 total (restated)
Employee benefits expense		(518)	(2,478)	(744)	**(3,740)**
Other expenses		(780)	(2,064)	(331)	**(3,175)**
Depreciation/amortisation for the year	5.1 / 6.4	(136)	(970)	(210)	**(1,316)**
Total		**(1,434)**	**(5,512)**	**(1,285)**	**(8,231)**

(1) Logistics costs are reported in the consolidated income statement under "Cost of goods sold".

6.4 Depreciation and amortisation

(€ millions)	*Notes*	2021	2020
Amortisation of intangible assets	10.2.2	(223)	(199)
Depreciation of property, plant and equipment	10.3.2	(440)	(442)
Depreciation of investment property	10.4.2	(13)	(12)
Depreciation of right-of-use assets	7.1.1	(667)	(663)
Total depreciation and amortisation		**(1,343)**	**(1,316)**
Depreciation and amortisation reclassified under "Net income (loss) from discontinued operations"		9	
Depreciation and amortisation expense of continuing operations	**5.1 / 6.3**	**(1,334)**	**(1,316)**

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)	2021	2020 (restated)
Total other operating income	346	312
Total other operating expenses	(1,007)	(1,112)
Total other operating income (expense), net	**(661)**	**(800)**
Breakdown by type		
Gains and losses on disposal of non-current assets [(1)(7)]	133	89
Net asset impairment losses [(2)(7)]	(113)	(303)
Net income (expense) related to changes in scope of consolidation [(3)(7)]	(302)	(245)
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	**(282)**	**(459)**
Restructuring provisions and expenses [(4)(7)]	(270)	(221)
Provisions and expenses for litigation and risks [(5)]	(54)	(100)
Other [(6)]	(55)	(20)
Other operating income and expenses	**(379)**	**(341)**
Total other operating income (expense), net	**(661)**	**(800)**

(1) Net gains on disposal of non-current assets in 2021 primarily reflect the France Retail segment, with the recognition of contingent consideration deemed highly probable relating to the sale-and-leaseback transactions carried out in 2019 with the funds managed by Fortress and Apollo Global Management, for €118m (Note 11.2.2). The net gain on disposal of non-current assets in 2020 mainly concerned 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.

(2) The impairment loss recognised in 2021 and 2020 mainly concerns the France Retail segment and relates to the asset disposal plan and to impairment tests performed on individual stores.

(3) The net €302m expense recognised in 2021 is mainly due to the conversion of Extra hypermarkets into Assaí stores, (impact of €232m), as well as fees of €25m in connection with the listing of Assaí in Brazil (Note 2.2). 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.

(4) Restructuring provisions and expenses in 2021 primarily concerned the France Retail segment for €234m (mainly employee-related costs, store closure and reorganisation costs and costs incurred in connection with the restructuring of logistics operations and converting stores to new concepts for €199m) and the Latam Retail segment (mainly GPA) for €35m. Restructuring provisions and expenses for 2020 primarily concerned the France Retail segment for €149m, relating mostly to store closure, transformation and reorganisation costs, and the Latam Retail segment for €66m (mainly GPA).

(5) Provisions and expenses for litigation and risks represented a net expense of €54m in 2021, including €20m for tax and payroll risks at GPA and Sendas. Provisions and expenses for litigation and risks represented a net expense of €100m in 2020, including €66m mainly for tax risks at GPA.

(6) In 2021, this mainly includes recognition of a €30m charge in a France Retail subsidiary resulting from prior year process deficiencies that were remedied during the year.

(7) Reconciliation of net asset impairment losses with the breakdown of changes in non-current assets:

(€ millions)	*Notes*	2021	2020
Goodwill impairment losses	10.1.2		(15)
Impairment (losses) reversals on intangible assets, net	10.2.2	(90)	(20)
Impairment (losses) reversals on property, plant and equipment, net	10.3.2	(123)	(121)
Impairment (losses) reversals on investment property, net	10.4.2	(3)	(2)
Impairment (losses) reversals on right-of-use assets, net	7.1.1	(33)	(78)
Impairment (losses) reversals on other assets, net (IFRS 5 and other)		(56)	(111)
Total net impairment losses		**(305)**	**(347)**
Net impairment losses of discontinued operations		16	17
Net impairment losses of continuing operations		**(289)**	**(330)**
Of which presented under "Restructuring provisions and expenses"		*(45)*	*(31)*
Of which presented under "Net impairment (losses) reversals on assets"		*(113)*	*(303)*
Of which presented under "Net income (expense) related to changes in scope of consolidation"		*(131)*	*4*
Of which presented under "Gains and losses on disposal of non-current assets"		*(1)*	

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 GPA and Sendas which uses the weighted average unit cost method, primarily for tax reasons. As the inventory turnover rate of GPA and Sendas 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)	*Note*	31 December 2021			31 December 2020		
		Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods inventories		3,165	(41)	**3,124**	3,106	(45)	**3,061**
Property assets		105	(11)	**94**	171	(17)	**154**
Net inventories	**4.2**	**3,270**	**(52)**	**3,218**	**3,277**	**(62)**	**3,215**

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 or other financial institutions 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 2021	31 December 2020
Trade and other receivables	11.5.3	882	1,041
Accumulated impairment losses on trade and other receivables	6.7.2	(110)	(100)
Net trade receivables	**4.2**	**772**	**941**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2021	2020
Accumulated impairment losses on trade receivables at 1 January	**(100)**	**(104)**
Additions	(48)	(49)
Reversals	36	54
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	2	(1)
At 31 December	**(110)**	**(100)**

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 2021	31 December 2020
Other receivables [1]		769	716
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	99	12
Guarantees and escrow accounts [2]	11.2.1	514	505
Current accounts of non-consolidated companies		12	27
Accumulated impairment losses on other receivables and current accounts	6.8.2	(32)	(34)
Fair value hedges – assets	11.5.1	7	15
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	12	
Contract assets	6.1.2	2	
Financial assets		**1,384**	**1,242**
Other receivables [1]		289	296
Tax and employee-related receivables in Brazil	6.9.1	269	151
Accumulated impairment losses on other receivables	6.8.2		
Prepaid expenses		94	85
Non-financial assets		**652**	**532**
Other current assets		**2,036**	**1,774**

(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 €484m relating to the escrow account associated with the November 2019 refinancing transaction (2020: €487m).

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2021	2020
Accumulated impairment losses on other receivables and current accounts at 1 January	**(34)**	**(33)**
Additions	(36)	(33)
Reversals	37	33
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	1	(1)
Accumulated impairment losses on other receivables and current accounts at 31 December	**(32)**	**(34)**

6.9 Other non-current assets

6.9.1 Breakdown of other non-current assets

(€ millions)	*Notes*	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss		33	38
Financial assets at fair value through other comprehensive income		66	31
Financial assets arising from a significant disposal of non-current assets	11.2.1	24	48
Non-current fair value hedges – assets	11.5.1	28	77
Other financial assets		420	306
Loans		*160*	*118*
Non-hedging derivatives – assets	*11.5.1*	*1*	
Other long-term receivables		*259*	*188*
Impairment of other non-current assets	6.9.2	(13)	(7)
Financial assets		**558**	**493**
Other financial assets		135	125
Legal deposits paid by GPA and Sendas	*13.2*	*135*	*109*
Other long-term receivables			*16*
Impairment of other non-current assets	6.9.2		
Tax and employee-related receivables in Brazil (see below)		501	632
Prepaid expenses		13	10
Non-financial assets		**649**	**767**
Other non-current assets		**1,207**	**1,260**

GPA and Sendas have tax receivables respectively totalling €520m (of which €379m of long-term receivables and €141m of short-term receivables) and €250m (€122m long-term and €128m short-term) corresponding primarily to ICMS (VAT) for €328m, PIS/COFINS (VAT) and INSS (employer social security contributions). The main tax receivable (PIS/COFINS) is expected to be recovered as follows:

(€ millions)	31 December 2021	*o/w GPA*	*o/w Sendas*
Within one year	114	*55*	*59*
In one to five years	191	*191*	
In more than five years	81	*81*	
Total	**386**	***327***	***59***

The ICMS tax receivable is expected to be recovered as follows:

(€ millions)	31 December 2021	*o/w GPA*	*o/w Sendas*
Within one year	136	*72*	*64*
In one to five years	168	*64*	*104*
In more than five years	25	*10*	*15*
Total	**328**	***146***	***183***

GPA and Sendas recognise ICMS and other tax credits when they have formally established and documented their right to use the credits and expect to use them within a reasonable period. These credits are mainly recognised as a deduction from the cost of goods sold.

6.9.2 Impairment of other non-current assets

(€ millions)	2021	2020
Accumulated impairment losses on other non-current assets at 1 January	**(7)**	**(47)**
Additions	(5)	(1)
Reversals	1	
Other reclassifications and movements	(2)	41
Accumulated impairment losses on other non-current assets at 31 December	**(13)**	**(7)**

6.10 Other liabilities

(€ millions)	*Notes*	31 December 2021			31 December 2020		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities	11.5.1	23	1	**24**	46	19	**65**
Tax, employee-related and other liabilities		77	1,648	**1,725**	49	1,651	**1,700**
Amounts due to suppliers of non-current assets		46	261	**307**	3	140	**143**
Current accounts			39	**39**		27	**27**
Financial liabilities		**146**	**1,949**	**2,095**	**98**	**1,837**	**1,935**
Tax, employee-related and other liabilities		56	1,025	**1,081**	107	1,021	**1,128**
Contract liabilities	6.1.2	23	104	**127**		134	**134**
Deferred income		13	124	**137**	6	93	**99**
Non-financial liabilities		**92**	**1,253**	**1,345**	**113**	**1,248**	**1,361**
Other liabilities		**238**	**3,202**	**3,440**	**211**	**3,085**	**3,296**

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 3.4.2.

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)	*Note*	31 December 2021	31 December 2020
Assets pledged as collateral [1]		301	145
Bank guarantees given [2]		2,205	2,023
Guarantees given in connection with disposals of non-current assets		7	11
Other commitments given		52	60
Due:			
Within one year		154	155
In one to five years		2,320	2,066
In more than five years		91	18
Total commitments given		**2,565**	**2,239**
Bank guarantees received		52	47
Secured financial assets		65	65
Undrawn confirmed lines of credit	11.2.6	2,216	2,496
Other commitments received		92	32
Due:			
Within one year		218	354
In one to five years		2,115	2,197
In more than five years		92	89
Total commitments received		**2,425**	**2,640**

(1) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2021, this concerns GPA for €116m, mainly in connection with the tax disputes described in Note 13.2 (2020 : €119m) and GreenYellow for an amount of €101m in connection with project-related liabilities. The amount of €301m at 31 December 2021 (€145m at 31 December 2020) does not include the guarantees given in connection with the November 2019 refinancing transaction (Note 11.5.4).

(2) At 31 December 2021, this amount includes €1,985m in bank guarantees obtained by GPA and Sendas (31 December 2020: €1,821m) mainly in connection with the tax disputes described in Note 13.2. It also comprises guarantees issued on behalf of joint ventures for €60m (31 December 2020 : €68m) described in Note 3.3.7 and a guarantee granted to Aldi in connection with the sale of Leader Price for €100m (2020: €100m – Note 3.2.3).

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 property, plant and equipment	Other intangible assets	**Total**
Carrying amount at 1 January 2020	**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**
New assets	8	457	14		479
Remeasurements	4	403	2	6	415
Assets derecognised during the year	(7)	(260)	(23)		(290)
Depreciation/amortisation for the year	(6)	(603)	(49)	(9)	(667)
Impairment (losses) reversals, net		(21)	(12)		(33)
Changes in scope of consolidation		(15)			(15)
Effect of movements in exchange rates		(9)	(1)	1	(9)
IFRS 5 reclassifications		(7)			(7)
Other reclassifications and movements		(21)	7	1	(13)
Carrying amount at 31 December 2021	**34**	**4,469**	**119**	**126**	**4,749**

Lease liabilities

(€ millions)	*Notes*	31 December 2021	31 December 2020
Current portion		718	706
Non-current portion		4,174	4,282
Total	**11.5.4**	**4,892**	**4,988**
of which France Retail		*2,904*	*3,128*
of which Latam Retail		*1,820*	*1,685*
of which E-commerce		*167*	*174*
of which Other		*1*	*1*

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 2021 income statement in respect of leases, excluding lease liabilities:

(€ millions)	2021	2020
Rental expense relating to variable lease payments (1)	62	52
Rental expense relating to short-term leases (1)	6	7
Rental expense relating to leases of low-value assets that are not short-term leases (1)	104	88

(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 €1,058m (2020 : €1,112m).

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 2021 are as follows:

- recognition of a right-of-use asset for €25m and a lease liability for €31m;
- decrease of €59m in property, plant and equipment (Note 10.3.2), including €23m for real estate assets recorded in "Assets held for sale" at 31 December 2021 (Note 3.5.1);
- recognition of a disposal gain recorded in "Other operating income" for €1m and in trading profit for €10m.

The main transaction involved Sendas, which entered into a sale-and-leaseback agreement with investment fund BRL Trust Distribuidora de Titulos e Valores Mobiliarios SA on 19 July 2021. The purpose of the transaction is the sale, construction and leasing of five store properties located in São Paulo, Rio de Janeiro and Rondônia.

This transaction includes the sale and leaseback of a store property and four plots of land on which construction will soon begin and represents a total price of BRL 364m (€57m).

At 31 December 2021, the sale of three of the assets was completed for BRL 209m (€33m). The remaining two assets concerned by this transaction were classified as "Assets held for sale" in accordance with IFRS 5 for an amount of BRL 147m, or €23m (Note 3.5.1).

7.2 Group as lessor

Operating leases

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	31 December 2021	31 December 2020
Due within one year	66	56
In one to two years	27	28
In two to three years	15	17
In three to four years	11	10
In four to five years	10	9
In five or more years	44	50
Undiscounted value of lease payments receivable	**173**	**170**

The following amounts were recognised in the 2021 income statement:

(€ millions)	2021	2020
Operating leases:		
Lease income [1]	119	121
Sub-letting income included within right-of-use assets	39	33

(1) Including €12m in variable lease payments in 2021 that do not depend on an index or rate (2020: €9m).

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

Provisions for pensions and other post-employment benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans,** 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. Contributions to these plans are expensed as incurred.
- **Under defined benefit plans,** the Group's obligation is measured using the projected unit credit method based on the agreements effective in 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. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates (based on resignations only).

Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All actuarial gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income (loss).

Past service cost, corresponding to the increase in the benefit obligation resulting from the introduction of a new benefit plan or modification of an existing plan, is expensed immediately.

The expense in the income statement comprises:

- service cost, i.e., the cost of services provided during the year, recognised in "Recurring operating income";
- past service cost and the effect of plan curtailments or settlements, recognised either in "Recurring operating income" or in "Other operating income and expenses";
- interest cost, corresponding to the discounting adjustment to the projected benefit obligation net of the return on plan assets, recorded in "Other financial income and expenses". Interest cost is calculated by applying the discount rate defined in IAS 19 to the net obligation (i.e., the projected obligation less related plan assets) recognised in respect of defined benefit plans, as determined at the beginning of the year.

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 in-service 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 2021			31 December 2020 (restated)		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	233	11	**244**	244	11	**255**
Jubilees	30	1	**31**	33	1	**34**
Bonuses for services rendered	10		**10**	12		**12**
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**273**	**12**	**285**	**289**	**12**	**301**

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	
	2021	2020	2021	2020
Discount rate	1.0%	0.7%	7.8% - 8.5%	4.8% - 5.9%
Expected rate of future salary increases	1.0% - 1.9%	1.0% - 1.9%	3.50%	3.25%
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

The expense relating to defined contribution plans in 2021 was €237m, of which 90% concerned the Group's French subsidiaries.

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	
	2021	2020 (restated)	2021	2020 (restated)	2021	2020 (restated)
Provisions recognised in the statement of financial position	240	250	4	5	**244**	**255**
Service cost	20	20			**20**	**20**
Interest cost [1]	2	1			**2**	**1**
Past service costs						
Curtailments/settlements	(18)	(15)	1		**(17)**	**(15)**
Expense for the year of continuing operations	**4**	**6**	**1**		**5**	**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 €15m in 2021 (2020: €14m) of which €1m for Rallye, €8m for Casino, €4m for GPA and €2m for Sendas. 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 June 2020 and May 2021. 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.

A breakdown of free share plans is provided in the table below:

Grant date	26 June 2020 (1)	18 May 2021 (2)
Maturity date	25 June 2022	18 May 2022
Original number of beneficiaries	28	25
Number of shares initially awarded	276,515	242,576
Number of shares waived	(113,863)	(74,059)
Number of shares outstanding at year-end	**162,652**	**168,517**
Measurement of shares:		
Fair value of the share *(€)*	5.63	6.32
Vesting period	2 years	1 year

(1) The final vesting of the free shares granted is subject 100% to the condition of continued employment in the Group at that date and to three performance criteria : 2 criteria related to the safeguard procedure for two thirds and 1 criterion aimed at the evolution of Casino average EBITDA/Net Sales ratio for one third.

(2) The final vesting of the free shares granted is subject 100% to the condition of continued employment in the Group at that date and to four performance criteria : 2 criteria related to the safeguard procedure for half and 2 criteria aimed at the evolution of Casino EBITDA and the compliance with financial covenants by the latter for half.

— *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. 2021	Of which number of performance shares (1)	Share price (2) (€)	Fair value of the share(2) (€)
15/12/2021	31/07/2022	9,052	9,052		23.25	22.55
28/07/2021	30/04/2022	22,641	22,641		24.50	23.62
28/07/2021	28/07/2022	72,533	72,533		24.50	22.81
28/07/2021	28/07/2022	152,885	152,885		24.50	22.81
28/07/2021	31/12/2022	38,905	37,812		24.50	23.27
28/07/2021	31/01/2023	7,049	7,049		24.50	23.35
28/07/2021	28/07/2026	3,972	3,972	3,972	24.50	16.76
28/07/2021	28/07/2024	231,932	231,932	231,932	24.50	18.46
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	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	146,787	148,760	35.87	25.34
12/12/2019	12/12/2022	28,043	25,706		45.15	42.37
07/05/2019	07/05/2024	7,809	7,809	7,809	35.49	14.65
07/05/2019	07/05/2022	184,608	124,954	124,954	35.49	16.44
15/05/2018	15/05/2023	7,326	3,808	3,808	40.75	17.01
20/04/2017	20/04/2022	5,666	4,250	4,250	51.00	27.25
Total		**968,166**	**880,921**	**533,656**		

(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	2021	2020
Unvested shares at 1 January	**621,481**	**641,801**
Free share rights granted	538,969	304,202
Free share rights cancelled	(47,082)	(136,679)
Shares issued	(232,447)	(187,843)
Unvested shares at 31 December	**880,921**	**621,481**

— *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 stock exchange.

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. 2021 *(in thousands)*
C6 Series	31/05/2019	31/05/2022	30/11/2022	359	17.39	195
B6 Series	31/05/2019	31/05/2022	30/11/2022	462	0.01	300
C7 Series	31/01/2021	31/05/2023	30/11/2023	497	12.6	370
B7 Series	31/01/2021	31/05/2023	30/11/2023	673	0.01	547
					5.71	**1,412**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans ("Series" 6 and 7 respectively):

- dividend yield: 0.67% and 1.61%;
- projected volatility: 32.74% and 37.09%;
- risk-free interest rate: 7.32% and 5.47%.

The average fair value of outstanding stock options at 31 December 2021 was BRL 16.02.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2021		2020	
	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	**1,468**	**30.71**	**2,153**	**30.25**
Of which exercisable options	-	-	-	-
Options granted during the year	1,225	22.37		
Options exercised during the year	(1,157)	10.50	(489)	42.59
Options cancelled during the year	(55)	7.65	(69)	23.93
Options that expired during the year	(69)	11.57	(127)	42.44
Options outstanding at 31 December	**1,412**	**5.71**	**1,468**	**30.71**
Of which exercisable options	-	-	-	-

— *Sendas*

Features of Sendas stock option plans

- "B Series" stock options are exercisable between the 37 th and the 42 nd months following the grant date. The exercise price is BRL 0.01 per option.
- "C Series" stock options are exercisable between the 37 th and the 42 nd months following the grant date. The exercise price corresponds to 80% of the average of the last 20 closing prices for Sendas shares quoted on Bovespa stock exchange.

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. 2021 *(in thousands)*
B8 Series	31/05/2021	01/06/2024	30/11/2024	363	0.01	334
C8 Series	31/05/2021	01/06/2024	30/11/2024	363	13.39	334
					6.70	**668**

Main assumptions used to value stock options

Sendas uses the following assumptions to value its plans:

- dividend yield: 1.28%;
- projected volatility: 37.96%;
- risk-free interest rate: 7.66%;
- exit rate: 8%.

The average fair value of outstanding stock options at 31 December 2021 was BRL 17.21 and BRL 7.69 for the B8 and C8 Series, respectively.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2021	
	Number of outstanding options *(in thousands)*	Weighted average exercise price *(BRL)*
Options outstanding at 1 January		
Of which exercisable options		
Options granted during the year	726	6.70
Options exercised during the year		
Options cancelled during the year	(58)	6.70
Options that expired during the year		
Options outstanding at 31 December	**668**	**6.70**
Of which exercisable options	-	-

8.4 Gross compensation and benefits of directors and officers

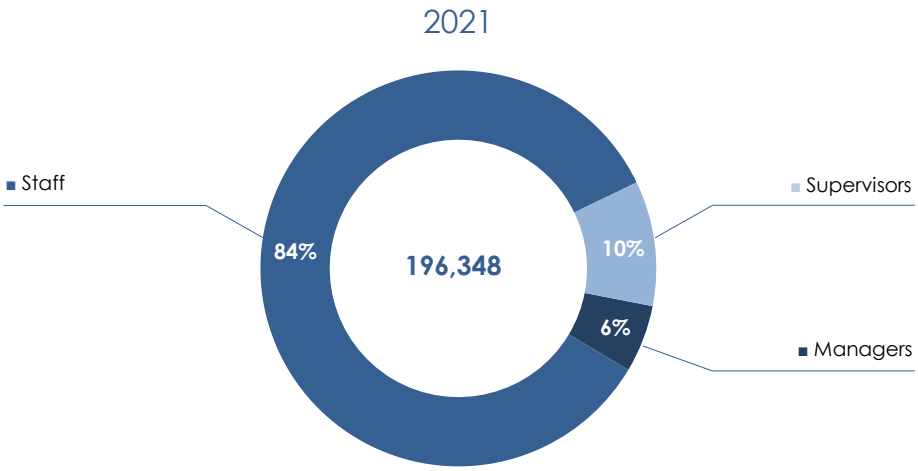
(€ millions)	31 December 2021	31 December 2020
Short-term benefits excluding social security contributions (1)	6	5
Social security contributions on short-term benefits	2	2
Termination benefits for key executives		
Share-based payments (2)	1	1
Total	**9**	**8**

(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	2021	2020
Managers	10,823	11,014
Staff	165,480	171,289
Supervisors	20,045	20,697
Group total	**196,348**	**203,000**



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)	*Note*	2021			2020 (restated)		
		France	International	Total	France	International	Total
Current income tax		(35)	(79)	**(114)**	(17)	(153)	**(170)**
Other taxes (CVAE)		(30)		**(30)**	(58)		**(58)**
Deferred taxes		28	200	**228**	162	(14)	**148**
Total income tax benefit (expense) recorded in the income statement		**(37)**	**121**	**84**	**87**	**(167)**	**(80)**
Income tax on items recognised in "Other comprehensive income"	12.6.3	(10)	(1)	**(11)**	9		**9**
Income tax on items recognised in equity		1		**1**		1	**1**

9.1.2 Tax proof

(€ millions)	2021	2020 (restated)
Income (loss) before tax	**(255)**	**60**
Theoretical tax rate	*28.41%*	*32.02%*
Theoretical income tax expense [1]	**72**	**(19)**
Impact of differences in foreign tax rates	(29)	19
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences [2]	13	16
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences [3]	(47)	19
Change in corporate tax rate [4]	(18)	(86)
CVAE net of income tax	(22)	(40)
Non-deductible interest expense [5]	(30)	(42)
Non-deductible asset impairment losses	(3)	(31)
Other taxes on distributed earnings [6]	(4)	(6)
Deductible interest on deeply subordinated perpetual bonds (TSSDI)	10	11
Taxation of Mercialys shares	1	1
Reduced-rate asset disposals and changes in scope of consolidation	(31)	(15)
Change in Brazilian taxation [7]	171	
Restructuring of Brazilian operations and the Franprix-Leader Price sub-group [8]	7	123
Other	(6)	(30)
Actual income tax expense	**84**	**(80)**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 28.41% (32.02% in 2020).

(2) In 2021, this concerns the France Retail segment for €9m and the Latam Retail segment for €4m. In 2020, this concerned the E-commerce segment for €6m and the Latam Retail segment for €9m.

(3) In 2021, this concerns the France Retail segment for €21m, the Latam Retail segment for €22m and the E-commerce segment for €15m. In 2020, this concerned the France Retail segment for €29m, the Latam Retail segment for €13m and the E-commerce segment for €9m.

(4) In 2020, the main impact relates to the revised timing of recovery for deferred taxes and the free revaluation of Immobilière Groupe Casino.

(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) As a result of a change in Brazilian legislation, the tax on investment grants was cancelled and a tax credit of €125m recognised in respect of taxation levied in previous years. The Brazilian subsidiaries also benefited from a favourable ruling by the STF on the exclusion of monetary corrections relating to judicial proceedings from the tax base. This resulted in the recognition of a tax credit for €46m.

(8) In 2020, in connection with the sale of Leader Price stores and warehouses (positive €136m impact – see Note 3.2.3) and restructuring of Brazilian operations following the spin-off of Assaí in Brazil (negative €12m impact).

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2021	2020 (restated)
At 1 January	**1,019**	**768**
(Expense) benefit for the year	190	199
Impact of changes in scope of consolidation	1	14
IFRS 5 reclassifications		(4)
Effect of movements in exchange rates and other reclassifications	(12)	34
Changes in deferred tax assets recognised directly in equity	(7)	8
At 31 December	**1,191**	**1,019**

The deferred tax benefit net of deferred tax liabilities (Note 9.2.2) relating to discontinued operations was €76m in 2021 (€23m in 2020).

9.2.2 Change in deferred tax liabilities

(€ millions)	2021	2020
At 1 January	**508**	**566**
Expense (benefit) for the year	(115)	28
Impact of changes in scope of consolidation	1	(1)
Effect of movements in exchange rates and other reclassifications	11	(84)
Changes in deferred tax liabilities recognised directly in equity		(1)
At 31 December	**405**	**508**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Net	
	31 December 2021	31 December 2020 (restated)
Intangible assets	(470)	(488)
Property, plant and equipment	(34)	(13)
Right-of-use assets net of lease liabilities	166	155
Inventories	26	26
Financial instruments	15	42
Other assets	(41)	(85)
Provisions	174	180
Regulated provisions	(58)	(56)
Other liabilities	43	28
Tax loss carryforwards and tax credits	965	722
Net deferred tax asset (liability)	**786**	**511**
Deferred tax assets	1,191	1,019
Deferred tax liabilities	(405)	(508)
Net	**786**	**511**

The tax saving realised by the Casino, GuichardPerrachon tax group amounted to €103m in 2021 (versus €1m for Rallye and €253m for Casino, Guichard-Perrachon in 2020).

Recognised tax loss carryforwards and tax credits mainly concern the Casino, Guichard-Perrachon, GPA 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 profits of the companies concerned. At 31 December 2021, deferred tax assets

amounted to €597m for Casino, Guichard-Perrachon, €113m for GPA and €104m for Éxito. These amounts are expected to be recovered by 2030, 2026 and 2026, respectively.

9.2.4 Unrecognised deferred taxes

At 31 December 2021, unrecognised tax loss carryforwards amounted to around €3,715m, representing an unrecognised deferred tax effect of €988m (31 December 2020: €3,757m, representing an unrecognised deferred tax effect of €995m). 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 2021	31 December 2020
Within one year	2	1
In one to two years	1	1
In two to three years	1	1
In more than three years	1	
Without maturity	983	992
At 31 December	**988**	**995**

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
France Retail [1]	**5,303**	**5,293**
Hypermarkets, supermarkets and convenience stores	*1,523*	*1,514*
Franprix	*1,449*	*1,451*
Monoprix	*1,327*	*1,326*
Divers	*10*	*7*
E-commerce (France)	**61**	**61**
Latam Retail	**2,298**	**2,296**
Argentina	*75*	*56*
Brazil – GPA [2]	*569*	*1,584*
Brazil – Assaí [2]	*1,031*	*-*
Colombia	*406*	*444*
Uruguay	*217*	*212*
Total	**7,662**	**7,650**

(1) Of which €1,011m corresponding to goodwill recognised by Rallye on Casino Group (note 10.5.1).

(2) Goodwill in Brazil was allocated between GPA and Assaí following the spin-off of certain GPA assets in early 2021.

10.1.2 Movements for the year

(€ millions)	2021	2020
Carrying amount at 1 January	**7,650**	**8,483**
Goodwill recognised during the year	17	4
Impairment losses recognised during the year		(15)
Goodwill written off on disposals	(5)	(6)
Effect of movements in exchange rates	(24)	(786)
Reclassifications and other movements	24	(30)
Total	**7,662**	**7,650**

10.2 Intangible assets

Accounting principle

Immobilisations incorporelles

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 2021			31 December 2020		
	Gross	Accumulated amortisation and impairment	Net	Gross	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,313	(109)	**1,204**	1,288	(25)	**1,263**
Software	1,570	(1,010)	**560**	1,419	(926)	**493**
Other intangible assets	491	(231)	**260**	513	(208)	**305**
Total intangible assets	**3,374**	**(1,350)**	**2,024**	**3,220**	**(1,159)**	**2,061**

10.2.2 Variations

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2020	**1,512**	**440**	**344**	**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	(1)	196	(131)	**64**
Carrying amount at 31 December 2020	**1,263** (1)	**493**	**305** (2)	**2,061**
Changes in scope of consolidation	29		(5)	**24**
Additions and acquisitions	1	96	175	**272**
Assets disposed of during the year		(1)	(1)	**(2)**
Amortisation for the year	(2)	(154)	(68)	**(224)**
Impairment (losses) reversals, net (3)	(78)	(3)	(9)	**(90)**
Effect of movements in exchange rates	(7)	1	(1)	**(7)**
IFRS 5 reclassifications		(10)	(18)	**(28)**
Other reclassifications and movements	(2)	138	(118)	**18**
Carrying amount at 31 December 2021	**1,204** (1)	**560**	**260** (2)	**2,024**

(1) Including trademarks for €1,176m (31 December 2020: €1,262m).

(2) Including costs to obtain contracts for €101m (31 December 2020: €111m) (Note 6.1.2)..

(3) Of which €78m relating to impairment losses recognised against the Extra trademark (Notes 6.5 and 10.5.3).

Internally-generated intangible assets (mainly information systems developments) represented €106m in 2021 (31 December 2020: €90m).

10.2.3 Breakdown of trademarks

Intangible assets at 31 December 2021 include trademarks with an indefinite life, carried in the statement of financial position for €1,176m, allocated to the following groups of CGUs:

(€ millions)	31 December 2021	31 December 2020
Latam Retail	**600**	**686**
of which Brazil - GPA [1]	*371*	*446*
of which Brazil - Sendas [1]	*81*	*80*
of which Colombia	*127*	*139*
of which Uruguay	*21*	*20*
France Retail	**567**	**567**
of which Casino France	*1*	*1*
of which Monoprix [1]	*566*	*566*
E-commerce	**9**	**9**

(1) Trademarks are allocated to the following banners in Brazil and Monoprix banners in France

(€ millions)	31 December 2021	31 December 2020
Brazil - GPA	**371**	**446**
Pão de Açúcar	*165*	*164*
Extra	*205*	*281*
Other	*1*	*1*
Brazil - Sendas	**81**	**80**
Assaí	*81*	*80*
Monoprix	**566**	**566**
Monoprix	*552*	*552*
Other	*14*	*14*

Intangible assets were tested for impairment at 31 December 2021 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 2021			31 December 2020		
	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and land improvements	753	(88)	**665**	742	(82)	**660**
Buildings, fixtures and fittings	2,818	(1,078)	**1,740**	2,591	(1,029)	**1,562**
Other property, plant and equipment	6,660	(4,422)	**2,238**	6,255	(4,196)	**2,059**
Total property, plant and equipment	**10,231**	**(5,588)**	**4,643**	**9,588**	**(5,307)**	**4,281**

10.3.2 Movements

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	**Total**
Carrying amount at 1 January 2020 (restated)	**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**
Changes in scope of consolidation		(5)	46	**41**
Additions and acquisitions	35	267	719	**1,021**
Assets disposed of during the year	(10)	(3)	(33)	**(46)**
Depreciation for the year	(3)	(104)	(333)	**(440)**
Impairment (losses) reversals, net	(3)	(21)	(99)	**(123)**
Effect of movements in exchange rates	(15)	(22)	(11)	**(48)**
IFRS 5 reclassifications [2]	(22)	(75)	(21)	**(118)**
Other reclassifications and movements	23	141	(89)	**75**
Carrying amount at 31 December 2021	**665**	**1,740**	**2,238**	**4,643**

(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.

(2) In 2021, this mainly corresponds to the reclassification of property, plant and equipment as "Assets held for sale" (i) at GPA, for an amount of BRL 517m (€82m) in respect of the 17 store properties concerned by a sale-and-leaseback transaction (Notes 2.2 and 3.5.1) and (ii) at Sendas, for an amount of BRL 349m (€59m) (Notes 7.1.4 and 3.5.1).

Property, plant and equipment were tested for impairment at 31 December 2021 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 2021 amounted to €8m, reflecting an average interest rate of 7.4% (2020: €3m at an average rate of 4.1%).

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

	31 December 2021			31 December 2020		
(€ millions)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Total investment property	**540**	**(129)**	**411**	**546**	**(118)**	**428**

10.4.2 Movements

(€ millions)	2021	2020
Carrying amount at 1 January	**428**	**494**
Changes in scope of consolidation		
Additions and acquisitions	22	3
Assets disposed of during the year		
Depreciation for the year	(13)	(12)
Impairment (losses) reversals, net	(3)	(2)
Effect of movements in exchange rates	(31)	(62)
Other reclassifications and movements [1]	8	7
Carrying amount at 31 December	**411**	**428**

(1) Including €19m (31 December 2020: €12m) relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2021, investment property totalled €411m, of which 68% (€279m) concerned Éxito. Investment property at 31 December 2020 amounted to €428m, of which 71% concerned Éxito.

At 31 December 2021, the fair value of investment property was €687m (31 December 2020: €671m). For most investment properties, fair value is determined on the basis of valuations carried out by independent 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 €1m at 31 December 2021 and primarily concerned the Latam Retail segment (31 December 2020: €5m, primarily concerning the Latam 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)	2021	2020
Rental revenue from investment property	66	67
Directly attributable operating expenses on investment property		
- that generated rental revenue during the year	(13)	(15)
- that did not generate rental revenue during the year	(21)	(28)

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 Casino

The cash genereting unit (CGU) used corresponds to the Casino group as a whole. Goodwill allocated to the Casino Group CGU amounted to €1,011m.

The value in use of the CGU is determined by a valuation method based on the discounted cash flows method; it is based on market inputs which are, by definition, subject to fluctuations.

The value in use of this CGU is calculated on the basis of the following discount rates and perpetual growth rates:

- regarding the dicount rate, 6.1% for France Retail, 8.9% for Cdiscount and 10.7 % for Latin America;
- regarding the perpetual growth rate, 1.4% for France Retail, 1.9% for Cdiscount and 4.0% for Latin America.

Moreover, the widening of the EBITDA margin is in line with the assumptions in Casino's business plans.

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.

The Casino goodwill impairment testing consisted of determining the recoverable amount of the cash generating unit (CGU) and comparing it to the net carrying amount of the relevant asset. The annual impairment test of this goodwill, conducted at the end of the financial year, did not lead to the recognition of any impairment loss at 31 December 2021.

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 2021 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €249m (Note 6.5), of which €73m arose in relation to individual assets (mainly in the France Retail segment for €65m, the Latam Retail segment for €7m and the E-commerce segment for €2m), €131m in relation to acquisitions and disposals (mainly in the Latam Retail segment for €113m and in the France Retail segment for €18m), and €45m in relation to restructuring operations (mainly in the France Retail segment for €34m and the Latam Retail segment for €11m).

Following the tests carried out in 2020, net impairment losses were recognised against goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets for €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).

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 2021 for internal calculations of values in use:

Region	2021 perpetual growth rate (1)	2021 after-tax discount rate (2)	2020 perpetual growth rate (1)	2020 after-tax discount rate (2)
Retailing business				
France (retail)	1.4%	5.5%	1.6%	5.6%
France (other)(3)	1.4% et 1.9%	5.5% et 7.5%	1.6% et 2.1%	5.6% et 8.0%
Argentina	4.0%	11.6%	5.0%	19.6%
Brazil - GPA (3)	4.6%	10.0%	4.6%	7.9%
Brazil - Assaí (3)	6.6%	10.4%	4.6%	9.8%
Colombia (3)	3.0%	7.4%	3.0%	6.6%
Uruguay	5.8%	8.6%	6.3%	9.4%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.5% (2020: between 0% and 1.3%) 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 the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.

(3) At 31 December 2021, the market capitalisation of the listed subsidiaries was as follows: GPA €928m, Sendas €2,766m, Éxito €1,115m and Cnova €2,382m. With the exception of Cnova and Sendas, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA, Sendas and Éxito goodwill were performed based on their value in use (see below).

No impairment loss was recognised at 31 December 2021 from the annual goodwill impairment test conducted at the end of the year.

With the exception of Franprix and Argentina, in view of the positive difference between value in use and carrying amount, the 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. The 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.

The recoverable amount of the Franprix CGU was determined by reference to its value in use, calculated from cash flow projections based on three-year financial budgets approved by Senior Management, extrapolation of projections over a period of three years, a terminal value calculated from perpetual capitalisation of notional annual cash flow based on cash flows taken from the last year of forecasts, and a 5.5% discount rate (2020: 5.6%).

The cash flow projections for the budget period were based on the following assumptions:

- continuation of the strong expansion begun in 2021;
- fast-paced development of E-commerce;
- greater synergies with Monoprix.

Management believes that a change in a key assumption could result in a carrying amount greater than the recoverable amount. The table below shows the individualchange of the key assumptions required for the estimated recoverable value of the Franprix CGU to equal its carrying amount (including €1,449m in goodwill).

Change required for the Franprix CGU carrying amount to equal its recoverable value	31 December 2021 (1)
Post-tax discount rate	+87 pbs
Perpetual growth rate net of inflation	-116 pbs
EBITDA margin used for the annual cash flow projection	-130 pbs

(1) Assuming a reasonable 100-bps increase in the discount rate and/or a 50-bps decrease in the EBITDA margin used for the cash flow projection and/or a 25-bps decrease in the perpetual growth rate net of inflation, the carrying amount of the Franprix CGU would exceed its recoverable amount by between zero and €270m.

The recoverable amount of the Argentina CGU was determined by reference to its value in use, calculated according to the subsidiary's cash flow projections and a terminal value calculated from the perpetual capitalisation of notional annual cash flows based on cash flows taken from the last year of forecasts, and an 11.6% discount rate (2020: 19.6%). The recoverable amount of the CGU represents its carrying amount.

Assuming a reasonable 100-bps increase in the discount rate, and/or a 50-bps decrease in the EBITDA margin used for the annual cash flow projection and/or a 25-bps decrease in the perpetual growth rate net of inflation, an additional impairment loss may be recognised in an amount between zero and €40m.

10.5.3 Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method. The main trademarks concern the subsidiaries GPA and Monoprix. Note that the Extra banner in Brazil, which owns the brand with a net carrying amount of €205m at 31 December 2021, was tested for impairment and an impairment loss of €78m was recognised for the year as a result (Notes 6.5 and 10.2.2). This impairment loss is related to the conversion of Extra hypermarkets into Assaí stores (Note 2).

The table below shows the additional provision for the Extra trademark to be recognised in the event of individual changes in the key assumptions used in the impairment test:

Impact of changes in key assumptions in the impairment test for the Extra trademark *(€ millions)*	31 December 2021
100-bps increase in the post-tax discount rate	124
25-bps decrease in the perpetual growth rate net of inflation	28
50 bps-decrease in the EBITDA margin used in the annual cash flow projections	121

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 and Sendas 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 and Sendas 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. Gains 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 2021	31 December 2020
Cash equivalents		1,169	1,383
Cash		1,133	1,398
Gross cash and cash equivalents [1]	**11.4.1**	**2,302**	**2,781**
Bank overdrafts	11.2.4	(59)	(69)
Net cash and cash equivalents		**2,243**	**2,712**

(1) The main currencies making up gross cash and cash equivalents are the euro, the Brazilian real and the Colombian peso, representing 24%, 51% and 21%, respectively, at 31 December 2021, compared with 29%, 48% and 18%, respectively, at 31 December 2020.

As of 31 December 2021, 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 €7,875m at 31 December 2021 (31 December 2020: €6,751m), breaking down as follows:

		31 December 2021			31 December 2020		
(€ millions)	*Notes*	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds [1]	11.2.3	5,983	492	**6,475**	5,818	615	**6,433**
Other loans and borrowings	11.2.4	4,303	876	**5,179**	3,754	732	**4,486**
Fair value hedges – liabilities [2]	11.5.1	9	1	**10**	3	8	**11**
Gross borrowings and debt [3]		**10,295**	**1,369**	**11,664**	**9,575**	**1,355**	**10,930**
Fair value hedges – assets [4]	11.5.1	(28)	(7)	**(35)**	(77)	(15)	**(92)**
Other financial assets [3][5]	6.8.1 / 6.9.1	(41)	(613)	**(654)**	(68)	(518)	**(586)**
Loans and borrowings [6]		**10,226**	**749**	**10,975**	**9,430**	**822**	**10,252**
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5.1		(798)	**(798)**		(720)	**(720)**
Cash and cash equivalents	11.1		(2,302)	**(2,302)**		(2,781)	**(2,781)**
Cash and cash equivalents and net assets held for sale			**(3,100)**	**(3,100)**		**(3,501)**	**(3,501)**
Net debt		**10,226**	**(2,351)**	**7,875**	**9,430**	**(2,679)**	**6,751**
Rallye				2,818			2,839
Casino, of which:				5,060			3,914
France Retail				*3,737*			*2,835*
Latam Retail [7]				*991*			*866*
E-commerce				*333*			*213*

(1) Including €4,752m in France and €1,724m in Brazil at 31 December 2021 (31 December 2020: including €4,706m in France and €1,727m in Brazil) (note 11.2.3).

(2) Including €4m in France and €7m in Brazil at 31 December 2021 (at 31 December 2020: including €8m in France and €3m in Brazil).

(3) Including secured gross debt of €2,107m at Casino Group level (net of the secured segregated account of €145m). Since 30 June 2021, this indicator is used to calculate the covenants of Casino Group following the amendment to the revolving credit facility (RCF) (Notes 2.2 and 11.5.4).

(4) Including €30m in France and €5m in Brazil at 31 December 2021 (at 31 December 2020: including €79m in France and €12m in Brazil).

(5) Including mainly €514m placed in escrow accounts and posted as collateral (of which €484m in respect of the revolving credit facility – see Note 11.5.4) and €122m in financial assets further to a major disposal of non-current assets at 31 December 2021, comprising contingent consideration recognised in the year for €94m, of which €5m in non-current items (Note 6.5) (31 December 2020 : €505m placed in escrow accounts and posted as collateral of which €484m in respect of the RCF refinancing and €60m in financial assets further to a major disposal of non-current assets).

(6) The Group defines "Loans and borrowings" as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets. At Casino Group level, this indicator was used up to 31 March 2021 to calculate the covenants as defined in the revolving credit facility (RCF) prior to the signature of the amendment in July 2021.

(7) Including Ségisor amounting to €149m at 31 December 2021 (31 December 2020: €188m).

11.2.2 Change in financial liabilities

(€ millions)	*Notes*	2021	2020
Gross borrowings and debt at 1 January		10,930	12,842
Fair value hedges – assets		(92)	(78)
Other financial assets		(586)	(456)
Loans and borrowings at 1 January		**10,252**	**12,308**
New borrowings (1) (3) (8) (9)		4,246	2,277
Repayments of borrowings (2) (3) (8) (9)		(3,698)	(2,948)
Change in fair value of hedged debt		(13)	27
Change in accrued interest (9)		168	150
Foreign currency translation reserves (4)		4	(915)
Changes in scope of consolidation (5)		62	(101)
Impact of the approval of the safeguard plan for the Rallye scope (9)	2.1	(9)	(332)
Change in other financial assets (6)		(67)	(133)
Other and reclassifications (7)		30	(81)
Loans and borrowings at end of period		**10,975**	**10,252**
Gross borrowings and debt at end of period	11.2.1	11,664	10,930
Fair value hedges – assets	11.2.1	(35)	(92)
Other financial assets	11.2.1	(654)	(586)

(1) New borrowings in 2021 mainly included the following: (a) an unsecured bond issue by Casino, Guichard-Perrachon maturing in April 2027 and a new term loan ("Term Loan B") maturing in August 2025 for a total nominal amount of €1,950m (Note 2), (b) issues by GPA of debentures for BRL 1,500m (€235m) and promissory notes for BRL 1,000m (€157m), along with new bank loans contracted for BRL 1,067m (€167m), (c) issues by Sendas of debentures for BRL 3,100m (€486m) and promissory notes for BRL 2,500m (€392m), along with new bank loans contracted for BRL 591m (€93m), (d) drawdowns on confirmed bank credit lines at Monoprix for €170m, (e) drawdowns on confirmed bank credit lines and new bank loans taken out by Éxito for COP 810bn (€183m), (f) the refinancing at Segisor of the €188m bank loan maturing in December 2021, resulting in the repayment of €188m in the period and a new liability contracted for the same amount (see below in (ii)), and (g) a new €30m bond issue at GreenYellow along with new bank loans and liabilities contracted with its subsidiaries' shareholders (€82m).

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.

(2) Repayments of borrowings in 2021 mainly concerned (i) Casino, Guichard-Perrachon (of which €1,225m relating to the early repayment of the initial Term Loan B (Note 2), €148m relating to redemption of the 2021 and 2022 bonds and €165m to partial early redemptions of the January 2023, March 2024, February 2025 and August 2026 bonds in connection with the public buyback offers launched at the end of the year (Note2)), (ii) GPA (of which BRL 2,450m (€384m) in redemptions of bonds and BRL 902m (€141m) in repayments of bank loans), (iii) Sendas (of which BRL 5,796m (€908m) in redemptions of bonds and BRL 279m (€44m) in repayments of bank loans), (iv) Éxito for COP 916bn (€207m) in repayments of confirmed credit lines and bank loans, and (v) Segisor for €226m.

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.

(3) In 2021, cash flow from financing activities could be summarised as a net inflow of €135m ; with new borrowings of €4,246m broadly offset by repayments of borrowings for €3,698m and net interest payments of €413m (excluding interest on lease liabilities).
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 4.5), offset by new borrowings in an amount of €2,277m.

(4) In 2020, foreign currency translation reserves primarily concerned GPA.

(5) In 2020 : changes in scope of consolidation included an outflow of €102m related to the total return swap (TRS) on Mercialys shares.

(6) In 2021, changes in other financial assets primarily result from the recognition of contingent consideration (earn-out) not collected, representing a negative €94m impact (Notes 11.2.1 and 6.5). In 2020, changes in other financial assets essentially related to changes in the escrow account.

(7) Including a reduction in bank overdrafts of €11m in 2021 and €58m in 2020.

(8) Changes in NEU CP are presented net in this table.

(9) Through a global tender offer for its unsecured debt, carried out at the start of 2021, Rallye acquired a total amount of debt of €195m, for a total repurchase price of €39m, i.e. a reduction in the amount of debt of €156m (before IFRS restatements in the amount of €43m) (note 2.1).

11.2.3 Outstanding bond issues

Bond issues *(€ millions)*	Currency	Principal [1]	Issue rate [2]	Issue date	Maturity date	31 Dec. 2021 [3]	31 Dec. 2020 [3]
Rallye [4]		**1,276**				**1,065**	**1,155**
2020 bonds	EUR	3	F : 1.00%	Oct. 2013	Feb. 2032	1	1
2020 bonds	CHF	61	F : 4.00%	Nov. 2016	Feb. 2032	56	62
2021 EMTN	EUR	439	F : 4.00%	Apr. 2014	Feb. 2032	397	429
2022 bonds	EUR	154	F : 5.25%	Oct. 2016	Feb. 2032	27	47
2023 EMTN	EUR	328	F : 4.37%	May 2017	Feb. 2032	298	325
2024 bonds	EUR	210	V : 12-month Euribor +12%	July 2020	June 2025	210	210
2024 bonds	CHF	71	F : 3.25%	Feb. 2018	Feb. 2032	67	80
2025 bonds	EUR	10	V : 12-month Euribor +12%	May 2021	Jan. 2025	9	
Casino, Guichard-Perrachon		**2,834**				**2,892**	**2,758**
2021 bonds	EUR		F : 5.98%	May 2011	May 2021		131
2022 bonds	EUR	314	F : 1.87%	June 2017/ Jan. 2018	June 2022	313	329
2023 bonds	EUR	220 [5]	F : 4.56%	Jan. 2013/ May 2013	Jan. 2023	224	283
2024 bonds	EUR	558 [5]	F : 4.50%	Mar. 2014	Mar. 2024	574	643
2025 bonds	EUR	357 [5]	F : 3.58%	Dec. 2014	Feb. 2025	333	396
2026 bonds	EUR	460 [5]	F : 4.05%	Aug. 2014	Aug. 2026	528	578
2026 bonds	EUR	400	F : 6.625%	Dec. 2020	Jan. 2026	396	398
2027 bonds	EUR	525	F : 5.25%	Apr. 2021	Apr. 2027	523	
Quatrim		**800**				**790**	**793**
2024 bonds	EUR	800	F : 5.88%	Nov. 2019	Jan. 2024	790	793
GreenYellow		**30**				**29**	
2023 bonds	EUR	5	F : 6%	June 2021	June 2023	5	
2028 bonds	BRL	25	V : CDI 3.5%	Sept. 2021	Sept. 2028	24	
GPA		**713**				**710**	**704**
Debentures – 15th issue	BRL		V: 104.75% CDI	Jan. 2018	Jan. 2021		71
Debentures - 16th issue – 1st Series	BRL		V: 106.0% CDI	Sept. 2018	Sept. 2021		111
Debentures - 16th issue – 2nd Series	BRL		V: 107.4% CDI	Sept. 2018	Sept. 2022		81
Promissory notes - 4e issue	BRL		V: 105.75% CDI	Jan. 2019	Jan. 2022		128
Debentures - 17th issue	BRL	317	V: CDI 1.45%	Jan. 2020	Jan. 2023	317	313
Debentures - 18th issue - 1st Series	BRL	155	V : 106% CDI	May 2021	May 2025 / May 2026	155	
Debentures - 18th issue - 2nd Series	BRL	82	V : 107.4% CDI	May 2021	May 2027 / May 2028	82	
Promissory notes - 5th issue - 1st Series	BRL	79	V : 105.75% CDI	July 2021	July 2025	79	
Promissory notes - 5th issue - 2nd Series	BRL	79	V : 105.75% CDI	July 2021	July 2026	79	
Issue fees	BRL					(3)	

Bond issues *(€ millions)*	Currency	Principal (1)	Issue rate (2)	Issue date	Maturity date	31 Dec. 2021 (3)	31 Dec. 2020 (3)
Sendas		**998**				**989**	**1,023**
Promissory notes - 1st issue - 2nd Series	BRL		V : CDI 0.72%	July 2019	July 2021		8
Promissory notes - 1st issue - 3rd Series	BRL	8	V : CDI 0.72%	July 2019	July 2022	8	8
Promissory notes - 1st issue - 4th Series	BRL	40	V : CDI 0.72%	July 2019	July 2023	40	39
Promissory notes - 1st issue - 5th Series	BRL	32	V : CDI 0.72%	July 2019	July 2024	32	31
Promissory notes - 1st issue - 6th Series	BRL	32	V : CDI 0.72%	July 2019	July 2025	32	31
Debentures - 1st issue - 2nd Series	BRL		V : CDI 1.74%	Sept. 2019	Aug. 2021		274
Debentures - 1st issue - 3rd Series	BRL		V : CDI 1.95%	Sept. 2019	Aug. 2022		315
Debentures - 1st issue - 4th Series	BRL		V : CDI 2.20%	Sept. 2019	Aug. 2023		316
Debentures - 2nd issue - 1st Series	BRL	149	V : CDI 1.70%	June 2021	May 2026	149	
Debentures - 2nd issue - 2nd Series	BRL	105	V : CDI 1.95%	June 2021	May 2028	105	
Promissory notes - 2nd issue - 1st Series	BRL	198	V : CDI 1.47%	Aug. 2021	Aug. 2024	198	
Promissory notes - 2nd issue - 2nd Series	BRL	198	V : CDI 1.53%	Aug. 2021	Aug. 2025	198	
Debentures - 3rd issue - 1st Series - CRI	BRL	156	V : IPCA 5.15%	Oct. 2021	Oct. 2028	156	
Debentures - 3rd issue - 2nd Series - CRI	BRL	82	V : IPCA 5.27%	Oct. 2021	Oct. 2031	82	
Issue fees	BRL					(9)	
Total bonds						**6,475**	**6,433**

(1) Corresponds to the principal of the bonds outstanding at 31 December 2021.

(2) F (Fixed rate) – V (Variable rate) – CDI (Certificado de Depósito Interbancário) – IPCA (Extended National Consumer Price Index). 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 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 €115m.

(5) In 2021, the Group carried out early redemptions of a portion of its bonds maturing in January 2023 (€51m), March 2024 (€53m), February 2025 (€13m), and August 2026 (€48m) (Note 2.2).

11.2.4 Breakdown of other loans and borrowings

Other loans and borrowings *(€ millions)*	Principal [1]	Rate	Issue date	Maturity date	31 Dec. 2021	31 Dec. 2020
Rallye Group [2]	**1,598**				**1,770**	**1,720**
Bank borrowings	135	Variable		Feb. 2025	134	136
Bank borrowings [3]	233	Variable/Fixed		Feb. 2032	221	279
Syndicated loans – credit lines	1,001	Variable		Feb. 2025	988	997
Syndicated loans – credit lines	147	Variable		Feb. 2032	42	55
Other borrowings	34	Variable		Jan. 2025	33	
NEU CP	49	Fixed		Feb. 2032	49	59
Accrued interest [4]					304	193
Casino	**3,102**				**3,409**	**2,766**
▪ **France**						
Term Loan B	1,425	Variable [5]	Apr. 2021 / Nov. 2021	Aug. 2025	1,416	1,193
NEU CP (Casino Guichard-Perrachon)	308	Fixed	[6]	[6]	308	180
Government-backed loan (Cdiscount)	120	Variable	Aug. 2020	Aug. 2026 [7]	120	120
Confirmed credit lines - Monoprix	170	Variable	July 2021	Jan. 2023 to Jan. 2026 [8]	170	
Other [9]					99	9
▪ **International**						
GPA	492	Variable [10]	Nov. 2014 to Nov. 2021	May 2023 to Nov. 2026	491	458
Sendas	244	Variable [10]	Jan. 2015 to Dec. 2021	Apr. 2022 à May 2027	240	191
Éxito	193	Variable/ Fixed [10]	June 2017 to March 2021	June 2022 to March 2030	193	237
Ségisor	150	Variable	May 2021	July 2023	149	188
Other		Fixed				4
Bank overdrafts [11]					59	69
Accrued interest [4]					164	118
Total other loans and borrowings					**5,179**	**4,486**
Of which variable rate					***3,991***	***3,601***

(1) Corresponds to the nominal amount at 31 December 2021.

(2) In February 2021, as part of the global tender offer on Rallye's unsecured debt, Rallye reduced its outstanding debt by €68m, of which €10m in commercial paper.

(3) Including €126m in fixed-rate borrowings at 31 December 2021 (2020 : €153m).

(4) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2021, accrued interest at the level of Casino primarily concerned Casino for €90m, GPA for €35m and Sendas for €39m (31 December 2020: Casino for €76m and GPA for €39m).

(5) Interest on this loan is based on Euribor with a zero floor, plus a spread reduced to 4% following the refinancing operations in first-half 2021 (Note 2.2).

(6) Negotiable European commercial paper (NEU CP) is short-term financing generally with a maturity of less than 12 months.

(7) Loan initially maturing in August 2021 for which Cdiscount exercised its five-year extension option, bringing the new maturity to August 2026 with intermediate instalment requirements. This loan is shown in non-current liabilities (€60m) and current financial liabilities (€60m) at 31 December 2021.

(8) An amount of €130m falls due in January 2026. In February 2022, the maturity of the confirmed €40m credit line was extended from January 2023 to January 2024.

(9) An amount of €90m relates to GreenYellow and €13m to Cdiscount (2020: €8m concerning Cdiscount).

(10) The variable-rate loans in Brazil (GPA and Sendas) and Colombia (Éxito) pay interest at rates based on the CDI and IBR, respectively. Including borrowings in Colombia originally denominated in Colombian pesos for COP 303bn, or €66m (31 December 2020: COP 389bn, or €93m), swapped for variable-rate debt.

(11) Overdrafts are mostly in France.

11.2.5 Restructuring agreements on derivatives transactions

Refinancing of Rallye 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 [1]. 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.

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 [2]. 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.

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. 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.

Financing of the global tender offer for Rallye's unsecured debt

The Tender Offer launched in January 2021 (Note 2.1) was financed by a new financing repayable *in fine*, consisting of a bond issue subscribed by Fimalac and a bank loan, for a global total amount of €82.4m (including the arrangement fee due to the lenders)

As guarantee for this new financing, 3.3m Casino shares held by Rallye and currently free of any encumbrance were transferred by Rallye into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing. In addition, upon repayment of the €210m bond financing granted to Rallye by Fimalac on 17 July 2020 for the purpose of repayment of derivatives transactions previously concluded by Rallye and its subsidiaries (see Rallye press release dated 17 July 2020), the 9.5m shares placed in a fiduciary trust (*fiducie-sûreté*) to the benefit of Fimalac, to secure the said financing, will be transferred into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing.

Deferment for two years of the payment dates under the safeguard plans: Agreement between Rallye and Fimalac

Following this decision of the Paris Commercial Court (Note 2.1), Rallye and Fimalac have decided to extend by one year the initial 4-year maturity of the €210m bond financing granted on 17 July 2020 by Fimalac to Rallye for the purpose of repaying the derivative transactions previously entered into by Rallye and its subsidiaries (see Rallye press release of 17 July 2020), in accordance with the provisions of this financing. With regard to the 9.5 million Casino shares transferred into a fiduciary trust (*fiducie-sûreté*) for the benefit of Fimalac as collateral for the bond financing, Rallye and Fimalac have agreed that potential dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said financing, in order to contribute to the financing of Rallye's general corporate purposes. The other provisions of the bond financing granted by Fimalac remain unchanged

1 | This article authorises security interests granted in respect of financing agreements to be terminated, offset or exercised despite the initiation of safeguard proceedings.

2 | 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.

11.2.6 Casino Group confirmed bank credit lines in 2021

At 31 December 2021, Casino Group had confirmed undrawn bank credit lines totalling €2.2bn, 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]		2,051	2,051	
Syndicated lines					
Casino Group [2]	Variable [3]	160	192	352	187
Total		**160**	**2,243**	**2,403**	**187**

(1) Syndicated credit lines comprised a revolving credit facility (RCF) for a total of €2,051m, of which (a) a €1,799m tranche maturing in July 2026 (May 2025 if the Term Loan B maturing in August 2025 is not repaid or 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 (excluding GreenYellow) and E-commerce segments as well as the Segisor holding company (no more than 3%), and (b) a €252m tranche maturing in October 2023 (October 2022 if the bond maturing in January 2023 is not redeemed or 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 Segisor holding company (no more than 3.50%).

(2) Other confirmed bank credit lines cocern Monoprix, GreenYeoow and Éxito for €170m (including a syndicated facility of €130m – Note 2.2), €30m and €152m (COP 700bn), respectively, of which €170m in lines drawn down at Monoprix. In February 2022, the maturity of the confirmed €40m line at Monoprix was extended from January 2023 to January 2024.

(3) Interest on the other lines is based on a reference rate (depending on the currency of the credit line) plus a spread. For Monoprix, the spread applicable to the €130m line varies depending on (i) whether or not societal and environmental performance targets are met and (ii) the amount of the drawdown.

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 (including issuance costs), 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)	Note	2021	2020
Gains (losses) on disposals of cash equivalents			
Income from cash and cash equivalents		27	16
Income from cash and cash equivalents		**27**	**16**
Interest expense on borrowings after hedging		(572)	(501)
Impact of the approval of the safeguard plan for the Rallye scope [1]	2.1	51	334
Cost of gross debt		**(521)**	**(167)**
Cost of net debt		**(494)**	**(151)**
Of which Holding scope		*(72)*	*206*
Of which France Retail [2]		*(267)*	*(210)*
Of which Latam Retail		*(144)*	*(135)*
Of which E-commerce		*(11)*	*(12)*

(1) In 2020, following the safeguard plan approval, Rallye 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 Instrument. Given the specific characteristics of the safeguard proceedings, the application of IFRS 9 had led to the restatement of financial liabilities in an amount of €334m at 31 December 2020, recognised as a reduction of consolidated debt.

The determent for two-years of the payment dates under Rallye's safeguard plan, on 26 October 2021 (Note 2.1), led to a new application of IFRS 9 on those financial liabilities, with the recognition of an additional net income of €51m.

(2) Including a negative €38m impact recognised during 2021 in connection with the derecognition of the former Term Loan B (Note 2.2).

11.3.2 Other financial income and expenses

(€ millions)	Note	2021	2020 (restated)
Other financial income		**230**	**211**
Other financial expenses		**(510)**	**(605)**
Net foreign currency exchange gains (losses) (other than on borrowings) [1]		(12)	(8)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments [2]		11	(73)
Gains (losses) on remeasurement at fair value of financial assets		(6)	(5)
Interest expense on lease liabilities	7.1.2	(313)	(320)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs		(88)	(60)
Impact of applying IAS 29 to operations in Argentina		(10)	(7)
Net impact of the global tender offer [3]		113	
Other [4]		25	79
Other financial income and expenses		**(280)**	**(394)**

(1) Including €29m in foreign currency exchange gains and €40m in foreign currency exchange losses in 2021 (2020: €52m in forex gains and €60m in forex losses).

(2) In 2020, the €73m net expense primarily reflected the €70m adverse impact of the fair value adjustment of the GPA total return swap (€70m). This swap was unwound during the first half of 2020, generating a cash outflow of €248m (note 4.11).

(3) Impact of the global tender offer for Rallye's unsecured debt (note 2.1) net of IFRS restatements.

(4) In 2021, this item included BRL 41m (€6m) recognised by Sendas in conection with the exclusion of ICMS from the PIS/COFINS tax base and BRL 109m (€17m) recognised by GPA (Note 5.1). In 2020, this item included 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 2021						
Other non-current assets [1]	6.9	**558**	33	67	29	429
Trade and other receivables	6.7	**772**		41		731
Other current assets [1]	6.8	**1,384**	5		15	1,364
Cash and cash equivalents	11.1	**2,302**				2,302
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

(1) Excluding non-financial assets.

The following table shows financial liabilities by instrument category.

(€ millions)	Notes	Total financial liabilities	Breakdown by instrument category		
			Liabilities at amortised cost	NCI puts	Derivative instruments
At 31 December 2021					
Bonds	11.2.3	**6,475**	6,475		
Other loans and borrowings	11.2.4	**5,189**	5,179		10
Put options granted to owners of non-controlling interests	3.4.1	**195**		195	
Lease liabilities	7.1.1	**4,892**	4,892		
Trade payables		**6,099**	6,099		
Other liabilities [1]	6.10	**2,095**	2,071		24
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	3.4.1	**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

(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 (unadjusted) 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 2021					
Assets recognised at fair value:					
Financial assets at fair value through profit or loss [1]	33	**33**			33
Financial assets at fair value through other comprehensive income [1]	108	**108**	11	80	17
Fair value hedges – assets [2]	35	**35**		35	
Cash flow hedges and net investment hedges – assets [2]	8	**8**		8	
Other derivative instruments – assets	5	**5**		5	
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					

(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 2021					
Liabilities recognised at fair value:					
Fair value hedges – liabilities [1]	11	**11**		11	
Cash flow hedges and net investment hedges – liabilities [1]	24	**24**		24	
Other derivative instruments – liabilities [1]					
Put options granted to owners of non-controlling interests [2]	195	**195**			195
Liabilities not recognised at fair value:					
Bonds [3]	6,475	**6,015**	3,891	2,124	
Other loans and borrowings [4]	5,179	**5,157**	18	5,136	3
Lease liabilities	4,892	**4,892**		4,892	
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	

(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 3.4.1).

(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 Dec. 2021	31 Dec. 2020
Assets						
Derivatives at fair value through profit or loss	6.8.1 / 6.9		3	2	5	
Cash flow hedges	6.8.1	1	7		8	
Fair value hedges	6.8.1 / 6.9 / 11.2.1	34			34	92
Total derivatives – assets		**35**	**10**	**2**	**47**	**92**
of which non-current		*28*			*28*	*77*
of which current		*7*	*10*	*2*	*19*	*15*
Liabilities						
Derivatives at fair value through profit or loss	6.10					9
Cash flow hedges	6.10	24			24	57
Fair value hedges	11.2.1	4	7		11	11
Total derivatives – liabilities		**28**	**7**		**35**	**77**
of which non-current		*27*	*6*		*33*	*50*
of which current		*1*	*1*		*2*	*27*

At 31 December 2021, derivatives held as fair value hedges (on a notional amount of €3,098m) had a positive net fair value of €24m and mainly comprised interest rate hedges and currency hedges in France on a notional amount of €2,725m with a positive fair value of €26m and in Brazil on a notional amount of €373m with a negative fair value of €2m. 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 2021, the cash flow hedge reserve included in equity had a debit balance of €14m after tax (31 December 2020: debit balance of €43m 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 2021 was USD 215m (€190m – note 11.5.2). France, Colombia and Thailand applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €834m, €66m and €16m, respectively, at 31 December 2021. 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 positive fair value of €5m at 31 December 2021 (31 December 2020: negative fair value of €9m).

The fair value calculation at 31 December 2021 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is 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 €4,910m and €1,425m, respectively, as at 31 December 2021 (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 2021, Casino Group had a portfolio of 41 interest-rate swaps with around ten bank counterparties. These instruments expire at various dates between 2022 and 2026.

At 31 December 2021, after hedging, 46% of bond debt was at fixed rates (€2,902m), 26% was at capped or floored variable rates (€1,645m) and 28% was at variable rates (€1,788m).

Sensitivity to changes in interest rates

(€ millions)	*Notes*	31 December 2021	31 December 2020 (restated)
Casino, Guichard-Perrachon variable-rate bonds [1]	11.2.3	1,788	2,083
Term Loan B [1]	11.2.4	1,425	1,225
Brazil variable-rate bonds [2]	11.2.3	1,712	1,717
Rallye variable-rate bond [1]	11.2.3	219	210
Other variable-rate loans and borrowings [3][4][5]	11.2.4	2,809	2,478
Total variable-rate borrowings		**7,953**	**7,713**
Cash and cash equivalents	11.1	(2,302)	(2,781)
Net variable-rate position		**5,651**	**4,932**
1-point change in interest rates		**47**	**42**
Cost of net debt (excluding impact of the Safeguard Plan)	11.3.1	545	485
Impact of change on cost of net debt		**8.6%**	**8.6%**

(1) Corresponding to fixed-rate or floored-rate bonds and to the Term Loan B, representing a principal amount of €6,335m (31 December 2020: €6,027m) (note 11.2.3), including a principal amount of €1,788m (31 December 2020: €2,083m) swapped for variable-rate debt, and a principal amount of €1,645m (31 December 2020: €1,435m) for Term Loan B and floored-rate bond.

(2) Nominal amount.

(3) Excluding accrued interest.

(4) Including variable-rate loans and borrowings in Brazil for BRL 4,645m, or €736m (31 December 2020: BRL 4,152m, or €652m).

(5) Including variable-rate borrowings in Colombia for COP 589bn, or €128m (31 December 2020: COP 610bn, or €145m).

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 €47m increase (7.3% or €40m 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 2021	Of which USD	Total exposure 2020
Exposed trade receivables	(6)	(6)	(19)
Exposed other financial assets	(84)	(48)	(71)
Exposed derivatives at fair value through profit or loss			(224)
Exposed trade payables	179	164	114
Exposed financial liabilities	237	237	245
Exposed other financial liabilities	53	53	44
Gross exposure payable (receivable)	**379**	**400**	**89**
Hedged other financial assets			
Hedged trade payables	141	127	62
Hedged financial liabilities	235	235	243
Other hedged financial liabilities	49	49	42
Net exposure payable (receivable)	**(46)**	**(11)**	**(258)**
Hedges of future purchases	**190**	**190**	**144**
Put options granted to owners of non-controlling interests (1)	**113**	**113**	**100**

(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 3.4.1).

At 31 December 2020, the net statement of financial position exposure (negative €258m) was 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).

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro at 31 December 2021 and 2020 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)	2021	2020
US dollar	(1)	(23)
Other currencies	(4)	(1)
Total	**(5)**	**(24)**

A 10% depreciation of the euro against those currencies at 31 December 2021 and 2020 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)	2021		2020	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total income	(985)	(268)	(1,008)	(264)
Recurring operating income	(41)	(15)	(54)	(11)
Net income	(8)	(8)	(23)	(5)
Equity	(242)	(123)	(234)	(130)

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	2021		2020	
	Closing balance	Average rate	Closing balance	Average rate
Brazilian real (BRL)	6.3101	6.3797	6.3735	5.8936
Colombian peso (COP)	4,611.32	4,426.54	4,204.58	4,216.03
Argentine peso (ARS)(1)	116.7629	116.7629	103.1176	103.1176
Uruguayan peso (UYP)	50.5625	51.5217	51.7764	47.9825
US dollar (USD)	1.1326	1.1829	1.2271	1.1419
Polish zloty (PLN)	4.5969	4.5655	4.5597	4.4445
Romanian leu (RON)	4.9490	4.9209	4.8683	4.8380

(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 2021, 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 2021	504	135	93	150	**378**	(110)	**772**
31 December 2020	709	104	78	150	**332**	(100)	**941**

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 Sendas 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

By decisions dated 28 January 2020 and 26 October 2021, 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 27 October 2021. The repayment profiles of debt resulting from the undertakings related to securities pledges are described in note 2.1.

The execution of the safeguard plans of Rallye and its parent companies depends primarily on Casino's distributive capacity as well as different refinancing options. Casino's distributive capacity is frames by its financial documentation, allowing the distribution of dividends [1] when the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is below 3.5x. As at 31 December 2021, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.47x

The safeguard plans involve refinancing at Rallye's level between 2030 and 2032, the realization of which will depend in particular on the market conditions in this horizon and on the value of Casino in the long term.

As part of the request to defer for two years the payment dates and the consequential extension of the safeguard plans, the firm Accuracy carried out a review of the assumptions used in the plans of Rallye and its parent companies.

Securities pledges

Rallye has a 40.57% direct stake in the share capital of Casino, Guichard-Perrachon, and an 11.74% indirect stake through a fiduciary trust. The direct and indirect stake in Casino's share capital represented 56.7 million securities at 31 December 2021.

As of 31 December 2021, all of Rallye's holdings in Casino are pledged and/or have been transferred to security trusts. So on this date, the collateral granted to Rallye's creditors is as follows:

- pledge of 43,988,624 Casino shares representing 40.57% of the capital of Casino;
- 9,468,255 shares, previously pledged to financial institutions involved in derivative transactions, transferred on 17 July 2020 to a trust-security concluded by Rallye with Equitis Gestion as a guarantee of a financing concluded by Rallye with the company F. Marc de Lacharrière (Fimalac) representing 8.73% of the capital of Casino;
- 3,257,384 shares transferred on 10 May 2021, into Rallye's security trusts with Equitis Gestion (i) 2,540,549 shares under the security trust for the benefit of a bank pool or 2.34% of the capital of Casino (ii) 716,835 shares under the security trust for the benefit of Fimalac or 0.66% of the capital of Casino, as a guarantee of a financing concluded by Rallye with a bank pool on the one hand and Fimalac on the other;
- pledge of the securities of Parande, a wholly owned subsidiary of Rallye, which holds the portfolio of financial investments, and sale of Dailly as a guarantee of Rallye's current account with Parande.

Casino Group financing

Corporate financing

The 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 the Casino Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Casino Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2021, the Casino Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,216m (of which a non-current portion of €2,051m for France);
- gross cash and cash equivalents totalling €2,283m (of which €562m available in France);
- a balance of €504m in segregated accounts in France that can be used at any time to repay debt, including €145m placed in a secured segregated account.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2021 (France Retail):

- unsecured bonds amounting to €2,863m, of which €400m in high-yield bonds maturing in January 2026 and €525m in high-yield bonds maturing in April 2027 (Note 2.2);
- secured high-yield bonds for €800m maturing in January 2024;
- a term loan ("Term Loan B") for €1,425m, maturing in August 2025 (Note 2).

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €308m was outstanding at 31 December 2021 (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, the Casino Group's other functional currencies and the US dollar;

1 | Beyond ordinary dividend representing 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.

- maintaining a level of confirmed financing facilities significantly in excess of the 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 €308m at 31 December 2021 versus €179m at 31 December 2020.

In addition, the Casino Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

At 31 December 2021, trade payables totalling €1,158m (including €509m in France Retail payables, €604m in Latam Retail payables and €45m in E-commerce payables) had been reverse factored, versus €1,181m at 31 December 2020 (€434m, €709m, and €38m, respectively).

Management of medium- and long-term debt

In 2021, the Casino Group continued to refinance its debt to extend its maturity and improve its financial terms and conditions.

In the first half of the year, the Casino Group repaid ahead of term its existing €1.225bn term loan ("Term Loan B") maturing in January 2024 and bearing interest at Euribor 5.5%, through:

- a new €1bn term loan ("Term Loan B") maturing in August 2025, issued at a price representing 99.75% of the nominal amount. The loan bears interest at Euribor 4.0% and the collateral posted is the same as for the existing term loan;
- a new €525m unsecured debt issue, maturing in April 2027 and with a 5.25% coupon.

This early repayment was made at 101% of the nominal amount, representing a repayment premium of €12m.

The repayment was treated as a settlement of a financial liability. The resulting accounting impacts were (i) derecognition of the initial Term Loan B and (ii) recognition of the new Term Loan B. The difference between the repayment price of the initial Term Loan B (€1,237m) and its carrying amount at the repayment date was immediately expensed within "Cost of net debt" for €38m. The corresponding fees for this transaction included within the amortised cost of the liability amounted to €10m.

The Casino Group also:

- topped up its Term Loan B maturing in August 2025 under the same conditions for an amount of €425m, issued at a price representing 99.25% of the nominal amount. The top-up was made in November 2021 and brings the nominal amount of the term loan to €1,425m; and
- launched two public buyback offers on its unsecured bond issues in November and December 2021 for a total nominal amount of €165m, of which €51m on the bonds maturing in January 2023, €53m on the bonds maturing in March 2024, €13m on the bonds maturing in February 2025 and €48m on the bonds maturing in August 2026.

On 19 July 2021, the Group also announced that it had extended the maturity of its syndicated credit facility ("RCF") and improved its financial conditions (Note 11.5.4). The amendment to the loan documentation was effective 22 July 2021, and provides for:

- an extension of the maturity of the facility from October 2023 to July 2026 (May 2025 if the Term Loan B maturing in August 2025 is not repaid or refinanced at that date) for an amount of €1.8bn;
- a review of the financial covenants, in line with the improvement in the Group's financial position and GreenYellow's growth plan (see below). Consequently, with effect from 30 June 2021, the Group has undertaken to comply, on a quarterly basis, with the following covenants, which supersede the previous covenants, for the France Retail and E-commerce scope (excluding GreenYellow):
  - a ratio of secured gross debt to EBITDA (after lease payments) not in excess of 3.5x;
  - a ratio of EBITDA (after lease payments) to net finance costs not less than 2.5x.

The security interests and collateral initially granted to the lenders remain unchanged. The documentation includes the same dividend restrictions as the financing raised in November 2019 (see Note 11.5.4 "Other clauses and restrictions").

Outstanding fees relating to the amended RCF are being amortised on a yield-to-maturity basis over the residual term of the amended facility.

Monoprix's syndicated credit facility, which expired in July 2021, was also rolled over. The new €130m syndicated facility matures in January 2026 and has a yearly margin adjustment clause based on the achievement of CSR targets as well as a covenant requirement (leverage ratio), the terms of which are outlined below.

As a result of these two operations, the amount of the Group's confirmed lines of credit available at any time in the France Retail segment (excluding GreenYellow) stands at €2.2bn, with an average maturity of 4.2 years at 31 December 2021.

The table below shows the ratings of Moody's, Standard & Poor's and Scope Ratings for the Group's financial instruments:

Financial instrument rating	Moody's	Standard & Poor's	Scope Ratings
Casino, Guichard-Perrachon	B3/stable outlook *6 August 2020*	B/stable outlook *3 November 2021*	BB-/stable outlook *11 January 2022*
Secured high-yield bonds	B2/stable outlook *6 August 2020*	B+/stable outlook *3 November 2021*	BB, *11 January 2022*
Term Loan B	B2/stable outlook *6 August 2020*	B+/stable outlook *3 November 2021*	BB, *11 January 2022*
Bonds issued under the EMTN programme	Caa1/stable outlook *6 August 2020*	B/stable outlook *3 November 2021*	S-3, *11 January 2022*
Deeply-subordinated perpetual bonds (TSSDI)	Caa2/stable outlook *6 August 2020*	CCC *28 May 2019*	B-, *11 January 2022*

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).

For the €2,051m revolving credit facility (RCF) and €1,425m Term Loan B, 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 the Casino Group's Latin American operations.

Surety rights have also been granted in respect of miscellaneous liabilities totalling €27m (mainly loans to companies-stores).

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

Casino, Guichard-Perrachon debt covenants

Following the July 2021 signature of the amendment to the RCF, applicable as from 30 June 2021 in terms of the covenants (see above), Casino, Guichard-Perrachon is required to comply with the following covenants in the France Retail (excluding GreenYellow) and E-commerce scope, calculated each quarter (on a rolling 12-month basis):

Type of covenant (France [excluding GreenYellow] and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2021
Secured gross debt[(1)]/EBITDA[(2)] not more than 3.5x.	RCF for €2,051m	Quarterly	2.70
EBITDA[(2)]/net finance costs[(3)] not less than 2.5x.			2.69

(1) Gross debt as defined in the loan documentation only concerns loans and borrowings for which collateral has been posted for the France Retail (excluding GreenYellow) and E-commerce segments as presented in Note 11.2.1, and certain GPA and Sendas holding companies reported in the Latam Retail segment (notably Segisor). At 31 December 2021, the debt concerned was mainly (i) the Term Loan B for €1,425m, (ii) high-yield bonds for €800m, and (iii) the drawn portion of the RCF facility (entirely undrawn at end-2021).

(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail (excluding GreenYellow) 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 for the France Retail (excluding GreenYellow) and E-commerce scope.

(3) Net finance costs as defined in the loan agreement represent net finance costs for the France Retail (excluding GreenYellow) and E-commerce scope.

Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issues put in place since late 2019 include the usual restrictions for high-yield borrowings applicable to the 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 Segisor). 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 bonds 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;
- leverage and secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation

1 | 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.

may be applied on an independent or additional basis, depending on the transactions planned:

— FCCR: EBITDA [1] / Fixed charges [1] > 2

— Secured debt leverage:
Consolidated Leverage [1] / EBITDA [1] < 2

The 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 Casino Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €1,909m at 31 December 2021, 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 refinancing transactions put in place since 2019 also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings/2026 and 2027 high-yield bonds): 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%.

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 the Group's other loan agreements – primarily concerning GPA, Sendas, Monoprix and Segisor – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix Exploitation	Gross Debt/EBITDA < 2.0 (1)	Annual	▪ €130m syndicated credit line
GPA (2)	Net debt (3) may not be higher than equity (4)	Quarterly	▪ All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Sendas (2)	Net debt/equity < 3.0	Quarterly	▪ All bond issues and certain bank borrowings
	Net debt/EBITDA < 3.0		
Ségisor	Net debt/value of GPA shares < 50% (5)	Quarterly	▪ Bank loans totalling €150m (Note 11.2.4)

(1) Monoprix Exploitation's covenant is based on its individual financial statements.

(2) All GPA and Sendas covenants are based on consolidated data.

(3) Debt less cash, cash equivalents and receivables.

(4) Consolidated equity (attributable to owners of the parent and non-controlling interests).

(5) *Segisor's covenant is based on its parent company financial statements*

These covenants were respected at 31 December 2021.

1 | As defined in the loan agreements.

Exposure to liquidity risk

The table below presents a schedule of financial liabilities by maturity at 31 December 2021, 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 in 2020 through drawdowns on a credit facility, which is backed by a fiduciary trust agreement. The characteristics of this line are described in note 11.2.5.

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. 2021	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	11,654	14,698	1,668	1,410	2,137	6,404	3,079
Lease liabilities	4,892	7,109	996	964	902	1,372	2,875
Put options granted to owners of non-controlling interests	195	202	133	52		5	12
Trade payables and other financial liabilities	8,170	8,170	8,047	25	15	24	59
Total	**24,911**	**30,179**	**10,844**	**2,451**	**3,054**	**7,805**	**6,026**
Derivative financial instruments							
cash inflows		*427*	*392*	*28*	*4*	*3*	
cash outflows		*(411)*	*(375)*	*(27)*	*(5)*	*(4)*	
Derivative contracts – net settled		*(8)*	*4*	*(4)*	*10*	*28*	*(46)*
Total	**13**	**8**	**21**	**(3)**	**9**	**27**	**(46)**

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 and the deferment for two years of the payment dates are specified in note 2.1.

Like the rescheduling of debts related to the safeguard plans for the Rallye holding company scope in 2020, the accounting treatment of the deferment for two years of the payment dates under the safeguard plans was subject to an assessment, the impacts of which are presented in notes 2.1 and 11.3.1

11.5.6 Risks relating to the implementation of Rallye's safeguard plan

Rallye is required, until 28 February 2032, to comply with the terms of the safeguard plans as extended by the decision of the Paris Commercial Court dated 26 October 2021, particularly with regard to the repayment deadlines set out therein. There is no certainty as to the smooth running of the safeguard plans until their maturity date. The safeguard plans depend essentially 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 and its own commitments towards its creditors. Moreover, the safeguard plans require Rallye to obtain refinancings between 2030 and 2032, the realization of which will depend on market conditions in this horizon and on the value of Casino in the long.

If the company subject to the safeguard plans fail to fulfil its commitments by the deadline set in the plans, the Paris Commercial Court may vote on the cancellation of the plan after consulting the public prosecutor and the administrators appointed to oversee the plan (CEPs) 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.

Any substantial changes within the meaning of Article L. 626-26 of the French Commercial Code (*Code de commerce*) would 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 management report) and the financing planned in connection with the tender offer were approved by the Paris Commercial Court on 4 May 2021. 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 the financial position and cash flow of the company.

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.

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 €158m, made up of 52,598,701 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 2021, the average coupon was 1% (2020: 1%).

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 2020 (reported)	**(17)**	**(6)**	**(1,259)**	**(63)**	**(57)**	**(1)**	**(1,403)**
IAS 19 impact				10			10
At 1 January 20 (restated)	**(17)**	**(6)**	**(1,259)**	**(53)**	**(57)**	**(1)**	**(1,393)**
Movements for the year	(6)	(4)	(286)	(3)	(2)		(301)
At 31 December 2020	**(23)**	**(10)**	**(1,545)**	**(56)**	**(59)**	**(1)**	**(1,694)**
Movements for the year	16	3	(14)	2	5	1	13
At 31 December 2021	**(7)**	**(7)**	**(1,559)**	**(54)**	**(54)**		**(1,681)**

(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 €112m change in 2021 included a negative €14m impact on equity attributable to owners of the parent.

(€ millions)	31 December 2021			31 December 2020		
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	(1,192)	(4,571)	**(5,763)**	(1,198)	(4,594)	**(5,792)**
Argentina	(126)	(195)	**(321)**	(121)	(181)	**(302)**
Colombia	(195)	(758)	**(953)**	(180)	(643)	**(823)**
Uruguay	(59)	(147)	**(206)**	(58)	(157)	**(215)**
United States	10	10	**20**	9	10	**19**
Poland	3	3	**6**	3	4	**7**
Hong Kong	1		**1**			
Other	(1)	(2)	**(3)**		(1)	**(1)**
Total	**(1,559)**	**(5,660)**	**(7,219)**	**(1,545)**	**(5,562)**	**(7,107)**

12.6.3 Notes to the statement of comprehensive income

(€ millions)	2021	2020 (restated)
Cash flow hedges and cash flow hedge reserve [1]	**28**	**(12)**
Change in fair value during the year	40	(15)
Reclassifications to profit or loss	(2)	(2)
Income tax (expense) benefit	(10)	5
Hedges of net investments in foreign operations		**(4)**
Change in fair value during the year		(4)
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)**	**1**
Change in fair value during the year	(1)	1
Reclassifications to profit or loss		
Income tax (expense) benefit		
Foreign currency translation reserves (note 12.6.2)	**(108)**	**(1,328)**
Foreign currency translation reserves for the year	(108)	(1,341)
Reclassifications to profit or loss related to disposals over the year		13
Income tax (expense) benefit		
Equity instruments at fair value through other comprehensive income	**(3)**	**(5)**
Change in fair value during the year	(3)	(5)
Income tax (expense) benefit		
Actuarial gains and losses	**2**	**(6)**
Adjustments for the year	2	(10)
Income tax (expense) benefit		4
Share of other comprehensive income (loss) of equity-accounted investees	**(3)**	**(27)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	2	
Foreign currency translation reserve – adjustments for the year	(4)	(27)
Equity instruments at fair value through other comprehensive income – change in fair value		
Total	**(85)**	**(1,381)**

(1) The change in the cash flow hedge reserve in 2021 and 2020 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] [3] *Brazil*	Sendas *Brazil*	Other	Total *restated*
1 January 2020 (restated)	**3,002**	**3,419**		**70**	**6,491**
% ownership interests held by non-controlling interests [4]	*47.3%*	*58.7%*			
% voting rights held by non-controlling interests [4]	*38.2%*	*0.1%*			
Net income (loss) for the year	**(394)**	**223**		**1**	**(170)**
Other comprehensive income (loss) [5]	(269)	(798)		(8)	(1,075)
Dividends paid/payable		(75)		(5)	(80)
Other movements	(46)	13		17	(16)
31 December 2020 (restated)	**2,293**	**2,782**		**75**	**5,150**
% ownership interests held by non-controlling interests [4]	*47.4%*	*58.8%*			
% voting rights held by non-controlling interests [4]	*36.9%*	*58.8%*			
Net income (loss) for the year	**(237)**	**(8)**	**149**	**(8)**	**(104)**
Other comprehensive income (loss) [5]		(84)	3	(2)	(83)
Dividends paid/payable		(40)	(28)	(1)	(69)
Other movements [6]	(31)	(575)	621		15
31 December 2021	**2,025**	**2,075**	**745**	**64**	**4,909**
% of ownership interests held by non-controlling interests [4]	*47.4%*	*59.0%*	*59.0%*		
% voting rights held by non-controlling interests [4]	*36.9%*	*59.0%*	*59.0%*		

(1) Including holders of deeply-subordinated perpetual bonds (TSSDI) for €1,350m (note 12.5).

(2) As from 2021, this reflects GPA after the asset spin-off (Note 2) and including Éxito, Uruguay and Argentina (Note 17).

(3) Up to 31 December 2020, it reflects GPA before the asset spin-off (Note 2) and including Éxito, Uruguay and Argentina (Note 17).

(4) 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 2021, Casino holds 41% of the capital and voting rights of GPA and Sendas, which are fully consolidated in the Group's consolidated financial statements. Full consolidation results from the Group's assessment that it has de facto control owing to the fact that (i) the remaining shares of GPA and Sendas are held by widely-dispersed shareholders and (ii) a majority of Casino members have been appointed to the Board of Directors (31 December 2020: 41.2% of capital and voting rights held in GPA).

(5) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.

(6) In 2021, other movements at GPA and Sendas reflect the spin-off transaction described in Note 2.2.

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	
	2021	2020 (restated)
% ownership interests held by non-controlling interests	*47.49%*	*47.38%*
% voting rights of non-controlling interests	*37.79%*	*36.86%*
Net sales	30,549	31,912
Net income (loss) from continuing operations	(142)	(156)
Net income (loss) from discontinued operations	(255)	(508)
Consolidated net income (loss)	**(397)**	**(664)**
Attributable to non-controlling interests in Casino subsidiaries	*133*	*225*
Attributable to non-controlling interests in Casino	*(236)*	*(396)*
Attributable to non-controlling interests in Casino Group	***(103)***	***(170)***
Other comprehensive income (loss)	(82)	(1,373)
Total comprehensive income (loss) for the year	**(479)**	**(2,037)**
Attributable to non-controlling interests in Casino subsidiaries	*50*	*(581)*
Attributable to non-controlling interests in Casino	*(236)*	*(664)*
Attributable to non-controlling interests in Casino Group	***(186)***	***(1,245)***
Non-current assets	21,067	20,738
Current assets	9,470	9,763
Non-current liabilities	(12,975)	(12,398)
Current liabilities	(11,925)	(11,937)
Net assets	**5,638**	**6,165**
Attributable to non-controlling interests in Casino subsidiaries	*2,883*	*2,856*
Attributable to non-controlling interests in Casino [(1)]	*2,027*	*2,294*
Attributable to non-controlling interests in Casino Group	***4,909***	***5,150***
Net cash from operating activities	1,529	2,222
Net cash from (used in) investing activities	(1,111)	(466)
Net cash from (used in) financing activities	(848)	(2,117)
Effect of changes in exchange rates on cash and cash equivalents	(22)	(494)
Change in cash and cash equivalents	**(452)**	**(855)**
Dividends paid during the year to:		
Non-controlling interests in Casino subsidiaries	*(69)*	*(80)*
Non-controlling interests in Casino		
Total dividends paid by Casino and its subsidiaries to non-controlling interests	***(69)***	***(80)***

(1) Including €1,350m relating to issues of TSSDIs by Casino (note 12.5).

12.8 Dividends

In connection with the safeguard proceedings, Rallye's Board of Directors asked shareholders at the 2021 Shareholders' Meeting to approve the proposal not to pay a dividend in respect of 2020. The same proposal will be submitted for the 2021 dividend at the 2022 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 2021	31 December 2020
Weighted average number of shares outstanding during the year:		
▪ total shares	52,514,692	52,298,222
▪ treasury shares		
Weighted average number of shares before dilution	**52,514,692**	**52,298,222**
▪ Free share plans	275,725	368,330
Dilutive effect of stock option plans	**275,725**	**368,330**
Weighted average number of shares after dilution	**52,790,417**	**52,666,552**

12.9.2 Net income (loss) attributable to owners of the Company

(€ millions)	*Note*	2021	2020 (restated)
Net income (loss), Group share		**(274)**	**(306)**
Diluted net income (loss), Group share		**(274)**	**(306)**
Net income (loss) from discontinued operations	3.5.2	(134)	(263)
Diluted net income (loss) from continuing operations		**(140)**	**(43)**

12.9.3 Earnings per share

	2021	2020 (restated)
Consolidated net income (loss), Group share *(€ millions)*	**(274)**	**(306)**
Consolidated net income (loss), Group share *(€ per share)*:		
▪ before dilution	(5.22)	(5.84)
▪ after dilution	(5.22)	(5.84)
Net income (loss) from continuing operations, Group share *(€ millions)*	**(140)**	**(43)**
Net income (loss) from continuing operations, Group share *(€ per share)*:		
▪ before dilution	(2.68)	(0.82)
▪ after dilution	(2.68)	(0.82)
Net income (loss) from discontinued operations, Group share *(€ millions)*	**(134)**	**(263)**
Net income (loss) from discontinued operations, Group share *(€ per share)*:		
▪ before dilution	(2.54)	(5.03)
▪ after dilution	(2.54)	(5.03)

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 Jan. 2021	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. 2021
Claims and litigation	409	120	(57)	(94)	1	3	(1)	**381**
Other risks and expenses	97	39	(24)	(11)			(2)	**99**
Restructuring	57	104	(33)	(17)			1	**112**
Total other provisions	**563**	**263**	**(114)**	**(122)**	**1**	**3**	**(2)**	**592**
… of which non-current	*374*	*99*	*(29)*	*(89)*		*3*	*18*	***376***
… of which current	*189*	*164*	*(85)*	*(33)*	*1*		*(20)*	***216***

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 €381m and include €345m 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 €99m, a negative €27m and a negative €82m.

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 2021	45	197	66	37	**345**
Dont GPA	*33*	*192*	*55*	*33*	***313***
Dont Sendas	*12*	*5*	*11*	*4*	***32***
31 December 2020	48	223	55	25	**351**

(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 and Sendas 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 and Sendas has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (note 6.11).

(€ millions)	31 décembre 2021						31 décembre 2020		
	Bonds posted [1]		Assets pledged as collateral [2]		Bank guarantees [2]		Bonds posted [1]	Assets pledged as collateral [2]	Bank guarantees [2]
	GPA	Sendas	GPA	Sendas	GPA	Sendas			
Tax disputes	33	10	115		1,573	100	29	118	1,618
Employee disputes	79	8			183	16	74		112
Civil and other litigation	4	1	1		78	35	5	1	91
Total	**116**	**19**	**116**		**1,834**	**151**	**109**	**119**	**1,821**

(1) See note 6.9.
(2) See note 6.11.

13.3 Contingent assets and liabilities

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties, social security bodies or tax authorities in certain countries (mainly Brazil – see below – and France Retail concerning disputes with the customs authorities and URSSAF representing a risk of €41m).

As stated in Note 3.3.5, no associates or joint ventures have any significant contingent liabilities.

Proceedings brought by the DGCCRF (French competition authority) against AMC and INCA-A and investigations by the French and European competition authorities

In February 2017, the Minister of the Economy, represented by the Department for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino Group companies before the Paris Commercial Court. The DGCCRF is seeking repayment to 41 suppliers of a total of €22m relating to a series of credit notes issued in 2013 and 2014, 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 the DGCCRF's claims of unlawful behaviour concerning 34 suppliers. It partly accepted the DGCCRF's claims concerning the other 7 suppliers. AMC was ultimately ordered to refund credit notes issued in 2013 and 2014 by the 7 suppliers for a total of €2m, and to pay a fine of €1m.

However, the DGCCRF appealed this decision in January 2021. As no application was made for provisional enforcement, the appeal has suspensive effect.

The proceedings are still in progress. 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, the 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.

On 31 May 2021, the Paris Commercial Court handed down its decision, ordering Casino to pay a fine of €2m. On 12 July 2021, the Casino Group appealed the decision before the Paris Court of Appeal, maintaining that it acted in accordance with applicable regulations in its negotiations with the suppliers concerned. However, as a provisional enforcement request was granted, the fine had to be paid in December 2021.

Lastly, in February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon, Achats Marchandises Casino – AMC (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 addition, 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 complaint 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 by the plaintiffs 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 Casino Group is not currently able to predict the outcome of these pending proceedings.

Arbitration between GPA and Península

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Imobiliáro Península ("Península") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Península 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.

On 7 July 2021, GPA announced that it had reached an out-of-court settlement with Fundo de Investimento Imobiliário

Peninsula ("Península"), enabling the various amounts outstanding between the parties to be closed out, while maintaining the long-term leases and amending the terms and conditions of the agreements in order to more closely reflect the current market environment. From an accounting perspective, this out-of-court settlement led to a remeasurement of right-of-use assets under these lease agreements and of the lease liability.

Dispute between Cnova and Via Varejo

On 31 October 2016, ahead of 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.

Brazil tax, social and civil contingent liabilities

(€ millions)	2021	*Of whicht GPA*	*Of which Sendas*	2020
INSS (employer's social security contributions)	100	*91*	*9*	78
IRPJ – IRRF and CSLL (corporate income taxes)	195	*119*	*76*	163
PIS, COFINS and CPMF (VAT and similar taxes)	835	*739*	*97*	560
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	25	*22*	*2*	24
ICMS (state VAT)	974	*795*	*179*	967
Civil litigation	59	*52*	*7*	65
Total	**2,188**	***1,819***	***369***	**1,858**

GPA and Sendas employ consulting firms to advise them in tax disputes, whose fees are contingent on the disputes being settled in the company's favour. At 31 December 2021, the estimated amount totalled €27m, comprising €25m for GPA and €2m for Sendas (31 December 2020: €30m).

Moreover, Casino has given a specific guarantee to GPA concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,467m (€232m) at 31 December 2021 (31 December 2020: BRL 1,432m), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify its subsidiary 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 734m (€116m) (31 December 2020: BRL 716m, representing €112m). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

Brazil 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 and Sendas have challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA and Sendas' 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 in 2020, net of provisions, amounting to BRL 1,608m (income of €273m), 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). For 2021, GPA reassessed the amount of tax credits recognised in 2020 and reversed the provision that had been set aside in 2020 for BRL 280m, or €44m (Notes 5.1 and 11.3.2).

On 16 July 2021, a ruling was handed down in favour of Sendas. In light of this ruling, associated with the ruling of the Brazilian federal supreme court (STF) of May 2021 (see Note 5.1), Sendas considered that the uncertainty that had previously led it to consider this asset as "contingent" within the meaning of IAS 37 had resolved. Accordingly, in 2021 it recognised a tax credit for BRL 216m (€34m), of which BRL 175m (€28m) in net sales and BRL 41m (€6m) in other financial income.

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 2021, 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. In 2020, GPA had 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 (€44m) at 31 December 2021.

Note 14. Related-party transactions

Related parties are:

- parent companies (mainly Foncière Euris, Finatis, Euris and Euris Holding);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (note 17);
- associates (primarily Mercialys) (note 3.3);
- joint ventures (note 3.3);
- 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 3.3.6.

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 2021.

The Company and its subsidiaries receive strategic advice from Foncière Euris and Euris 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 €6.4m, of which €5.9m for strategic and technical advisory services and €0.5m 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 3.3.6).

Note 15. Subsequent events

— *Completion of the sale of FLOA to BNP Paribas*

On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of FLOA to BNP Paribas (Note 2).

— *Signing of a memorandum of understanding with Ocado to extend their partnership*

On 17 February 2022, Casino Group and Ocado announced that they had signed a memorandum of understanding to extend their exclusive partnership in France. The MoU provides for:

- the creation of a joint venture to provide services for automated warehouses equipped with Ocado technology to all online food retailers in France;
- an agreement under which Ocado will integrate technology from Octopia (a Cdiscount subsidiary) into its service platform, enabling Ocado's international partners to launch their own marketplace;
- the deployment by Casino Group of Ocado's in-store fulfilment solutions in its Monoprix stores.

— *Disposal of 6.5% of Mercialys equity*

On 21 February 2022, Casino Group completed the additional definitive disposal of 6.5% of Mercialys equity through a new TRS. An amount of €59m was collected as a result of this transaction, which reduces the proportion of Mercialys voting rights owned by the Group to 10.3%.

— *GreenYellow borrowings*

On 21 February 2022, GreenYellow announced that it had raised nearly €200m in financing, including:

- €109m in 5-year convertible bonds with warrants attached subscribed by an institutional investor, Farallon Capital;
- €87m via a syndicated credit facility with a pool of top-tier banks with a 1-year initial maturity (31 December 2022).

— *War in Ukraine and consequences of sanctions with regard to Russia*

At this stage, Rallye does not see any direct effect of the war in Ukraine on its business given the lack of Group stores in Ukraine or Russia, and very limited purchases in these two countries. However, in view of the uncertainties about the future evolution of consumer behaviour and the economic consequences of the conflict, it is premature to give an estimate of the indirect impacts (inflation on food products, energy costs, etc.) for the Company.

Note 16. Statutory Auditors' fees

(€ millions)	2021		2020	
	EY	KPMG	EY	KPMG
Statutory audit and review of the parent company and consolidated financial statements	5.1	0.3	7.1	0.5
Non-audit services	1.6	0.0	1.3	0.1
Total	**6.7**	**0.3**	**8.4**	**0.6**

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 2021, the scope of consolidation covered 1,345 companies (compared with 1,514 companies at 31 December 2020).

Company	Registered office	Business segment	2021			2020		
			Consolidation method	% interest	% control	Consolidation method	% interest	% control
Rallye SA*	**75008 Paris, France**	**Holding company**	**Société mère**			**Société mère**		
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
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	100.0	100.0	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
Centrum Development Luxembourg SA	Luxembourg	Holding company	EM	20.0	20.0	EM	20.0	20.0
Centrum Krakow SA	Luxembourg	Holding company	EM	20.0	20.0	EM	20.0	20.0
Centrum Krokus SP Zoo	Varsovie (Poland)	Property development	EM	26.5	36.0	EM	26.5	36.0
Centrum Lacina SP Zoo	Varsovie (Poland)	Property development	EM	5.4	27.0	EM	5.4	27.0
Centrum Serenada SP Zoo	Varsovie (Poland)	Property development	EM	26.5	36.0	EM	26.5	36.0
Centrum Poznan SA	Luxembourg	Holding company	-	-	-	EM	20.0	20.0
Centrum Warta SA	Luxembourg	Holding company	-	-	-	EM	20.0	20.0
IG Real Estate Investments SRL	Bucarest (Romania)	Property development	FC	81.6	100.0	FC	81.6	100.0
IG Romanian Investments Ltd	Nicosie (Cyprus)	Investments	FC	81.6	81.6	FC	81.6	81.6
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	Varsovie (Poland)	Property development	EM	33.0	33.0	EM	33.0	33.0
Ruban Bleu Saint-Nazaire SCI	92300 Levallois-Perret, FR	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
Groupe GO Sport SAS	38360 Sassenage, France	Sport	-	-	-	FC	100.0	100.0
Buissières (Les) SAS	38360 Sassenage, France	Property	-	-	-	FC	100.0	100.0
GO Sport France SAS	38360 Sassenage, France	Sport	-	-	-	FC	100.0	100.0
GO Sport Les Halles SNC	38360 Sassenage, France	Sport	-	-	-	FC	100.0	100.0
Grand Large Sport SAS	38360 Sassenage, France	Sport	-	-	-	FC	100.0	100.0
Sport Trade Marketing International (« STMI ») Sàrl	CH1215 Genève (Switzerland)	Sport	EM	50.0	50.0	EM	50.0	50.0
Casino, Guichard-Perrachon SA*	**42000 Saint-Etienne, France**	**Retailing**	**FC**	**52.5**	**62.2**	**FC**	**52.6**	**63.1**
Achats Marchandises Casino (« AMC ») SAS	94400 Vitry-sur-Seine, FR	Purchases	FC	52.5	100.0	FC	52.6	100.0
AUXO Achats Alimentaires SAS	91300 Massy, France	Purchases	EM	15.8	30.0	-	-	-
AUXO Achats Non-Alimentaires SAS	91300 Massy, France	Purchases	EM	36.8	70.0	-	-	-
Casino Carburants SAS	42000 Saint-Etienne, FR	Service stations	FC	52.5	100.0	FC	52.6	100.0
Casino Finance SA	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
Casino International SAS	42000 Saint-Etienne, FR	Services	FC	52.5	100.0	FC	52.6	100.0
Casino Participations France SAS	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
Casino Services SAS	42000 Saint-Etienne, FR	Services	FC	52.5	100.0	FC	52.6	100.0
Distribution Casino France SAS (« DCF »)	42000 Saint-Etienne, FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Distridyn SA	75008 Paris, France	Retailing	EM	26.2	50.0	EM	26.3	50.0
Easydis SAS	42160 Andrézieux-Bouthéon, FR	Logistics	FC	52.5	100.0	FC	52.6	100.0

** Listed company*

Company	Registered office	Business segment	2021			2020		
			Conso-lidation method	% interest	% control	Conso-lidation method	% interest	% control
Floa Bank SA	75116 Paris, France	Bank	EM	26.3	50.0	EM	26.3	50.0
Floréal SA	42000 Saint-Etienne, FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Forézienne de Participations SAS	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
Géant Holding BV	Amsterdam (Netherlands)	Holding company	FC	52.5	100.0	FC	52.6	100.0
Géant International BV	Amsterdam (Netherlands)	Holding company	FC	52.5	100.0	FC	52.6	100.0
Geimex SA	75001 Paris, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Gelase SA	Bruxelles (Belgium)	Holding company	FC	20.9	100.0	FC	20.9	100.0
Global Retail Services	Bruxelles (Belgium)	Services	EM	26.3	50.0	-	-	-
GreenYellow SAS	42000 Saint-Etienne, FR	Photovoltaïque	FC	38.0	72.4	FC	38.2	72.5
Helicco Participacoes Ltda	São Paulo (Brazil)	Holding company	FC	52.5	100.0	FC	52.6	100.0
Inlead SAS	44000 Nantes, France	Marketing Digital	FC	47.9	100.0	-	-	-
Infinity Advertising SA	75009 Paris, France	Marketing Digital	EM	26.3	50.0	-	-	-
IRTS SARL	Genève (Switzerland)	Achats	FC	52.5	100.0	-	-	-
Intexa SA *	42000 Saint-Etienne, FR	Photovoltaics	FC	51.4	98.9	FC	51.5	98.9
L'Immobilière Groupe Casino SAS	42000 Saint-Etienne, FR	Property	FC	52.5	100.0	FC	52.6	100.0
Mayland Real Estate Sp Zoo	Varsovie (Poland)	Property development	FC	52.5	100.0	FC	52.6	100.0
Mercialys SA*	75016 Paris, France	Property	EM	8.9	16.9	EM	10.7	20.3
Perspecteev SAS	75011 Paris, France	Software development	EM	25.7	49.0	EM	25.8	49.0
Quatrim SAS	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
RelevanC SAS	75008 Paris, France	Digital marketing	FC	52.5	100.0	FC	52.6	100.0
Ségisor SA	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
Sudéco SAS	42000 Saint-Etienne, FR	Property management	FC	52.5	100.0	FC	52.6	100.0
Tevir SA	42000 Saint-Etienne, FR	Holding company	FC	52.5	100.0	FC	52.6	100.0
Tonquin BV	Eindhoven (Netherlands)	Holding company	FC	52.5	100.0	FC	52.6	100.0
Uranie SAS	42000 Saint-Etienne, FR	Property	FC	52.5	100.0	FC	52.6	100.0
Wilkes	São Paulo (Brazil)	Retailing	FC	52.5	100.0	FC	52.6	100.0
Monoprix SA (Monoprix Group)	**92116 Clichy, France**	**Retailing**	**FC**	**52.5**	**100.0**	**FC**	**52.6**	**100.0**
Aux Galeries de la Croisette SAS	92110 Clichy, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Monoprix Exploitation SAS	92110 Clichy, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Monoprix On Line (ex Sarenza) SAS	92110 Clichy, France	E- commerce	FC	52.5	100.0	FC	52.6	100.0
Monop' SAS	92110 Clichy, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Naturalia France SAS	92110 Clichy, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires (« S.A.M.A.D.A. »)	92110 Clichy, France	Logistics	FC	52.5	100.0	FC	52.6	100.0
Société L.R.M.D.	92110 Clichy, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Codim 2 SA (Codim Group)	**20200 Bastia, France**	**Retailing**	**FC**	**52.5**	**100.0**	**FC**	**52.6**	**100.0**
Hyper Rocade 2 SNC	20600 Furiani, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Pacam 2 SNC	20167 Mezzavia, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Poretta 2 SNC	20137 Porto-Vecchio, FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Prodis 2 SNC	20110 Propriano, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Franprix-Leader Price Group	**75016 Paris, France**	**Retailing**	**FC**	**52.5**	**100.0**	**FC**	**52.6**	**100.0**
Cofilead SAS	75017 Paris, France	Holding company	FC	52.5	100.0	FC	52.6	100.0
Distribution Franprix SAS	94430 Chennevières-sur-M., FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Distribution Leader Price SNC	77220 Gretz-Armainvilliers, FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Franprix Holding SA	75016 Paris, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Franprix-Leader Price Holding SASU	94400 Vitry-sur-Seine, FR	Retailing	FC	52.5	100.0	FC	52.6	100.0
Franprix Leader Price Finance SNC	94430 Chennevières-sur-M., FR	Holding company	FC	52.5	100.0	FC	52.6	100.0

** Listed company*

Company	Registered office	Business segment	2021			2020		
			Consolidation method	% interest	% control	Consolidation method	% interest	% control
Holding Ile de France 2 SAS	92310 Sèvres, France	Holding company	FC	52.5	100.0	FC	52.6	100.0
Holding Spring Expansion SAS	92310 Sèvres, France	Holding company	EM	52.5	49.0	EM	52.6	49.0
Holdi Mag SAS	92024 Nanterre, France	Holding company	FC	52.5	100.0	FC	52.6	100.0
Pro Distribution SA	92370 Chaville, France	Holding company	FC	36.8	70.0	FC	36.8	70.0
Sarjel SAS	94100 St-Maur-des-Fossés, FR	Finance	FC	52.5	100.0	FC	52.6	100.0
Sédifrais SA	95560 Montsoult, France	Retailing	FC	52.5	100.0	FC	52.6	100.0
Cnova Group N.V.*	**Amsterdam (Netherlands)**	**E- commerce**	**FC**	**41.4**	**99.5**	**FC**	**41.5**	**99.5**
Cdiscount SA	33700 Merignac, France	E- commerce	FC	41.5	100.0	FC	41.6	100.0
C-Logistics SAS	33700 Merignac, France	E- commerce	FC	43.2	100.0	FC	43.3	100.0
Cnova Pay SAS	33300 Bordeaux, France	E- commerce	FC	41.4	100.0	FC	41.5	100.0
GPA Group * (1)	**São Paulo (Brazil)**	**Retailing**	**FC**	**21.5**	**41.0**	**FC**	**21.7**	**41.2**
Financeira Itaú CBD SA - Crédito. Financiamento e Investimento (« FIC ») (2)	São Paulo (Brazil)	Financing	EM	3.9	25.0	EM	7.8	50.0
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda.	São Paulo (Brazil)	Property	FC	21.5	100.0	FC	21.7	100.0
Novasoc Comercial Ltda	São Paulo (Brazil)	Retailing	FC	21.5	100.0	FC	21.7	100.0
Sendas Distribuidora SA *	**São João de Meriti (Brazil)**	**Retailing**	**FC**	**21.5**	**41.0**	**FC**	**21.7**	**41.2**
Financeira Itaú CBD SA - Crédito. Financiamento e Investimento (« FIC ») (2)	São Paulo (Brazil)	Financing	EM	3.9	25.0	-	-	-
Éxito Group * (3) (4)	**Medellin (Colombia)**	**Retailing**	**FC**	**20.8**	**96.6**	**FC**	**20.9**	**96.6**
Devoto	Montevideo (Uruguay)	Retailing	FC	20.8	100.0	FC	20.9	100.0
Éxito Industrias S.A.S.	Municipio de Envigado (Colombia)	Retailing	FC	20.4	98.0	FC	20.5	98.0
Grupo Disco Uruguay (3)	Montevideo (Uruguay)	Retailing	FC	13.0	75.1	FC	13.1	75.1
Libertad SA	Cordoba (Argentina)	Retailing	FC	20.8	100.0	FC	20.9	100.0
Logistica y transporte de Servicios SAS	Medellin (Colombia)	Logistics	FC	20.8	100.0	FC	20.9	100.0
Tuya SA	Medellin (Colombia)	Financing	EM	10.4	50.0	EM	10.5	50.0
Trust Barranquilla	Medellin (Colombia)	Property	FC	9.5	90.0	FC	9.6	90.0
Trust Viva Malls (5)	Medellin (Colombia)	Property	FC	10.6	51.0	FC	10.7	51.0
Trust Viva Villavincencio	Medellin (Colombia)	Property	FC	5.4	51.0	FC	5.4	51.0

** Listed company*

(1) 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 had a 41.2% stake in GPA, held 41.2% of GPA and an identical stake in the new entity, Sendas Distribuidora SA (Assai) which was listed on 1 March (Note 2.2).

(2) FIC finances purchases made by GPA and Sendas customers. This entity was created through a partnership between Banco Itaú Unibanco SA ("Itaú Unibanco") and GPA and Sendas, and is accounted for by the equity method as GPA and Sendas exercise only significant influence over its operating and financial policies.

(3) 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 sub-group's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019 and was rolled over automatically until 30 June 2021. A new agreement was signed in August 2021, giving Éxito 75% of the voting rights and therefore control over the company (Note 3.1).

(4) Following measures taken at the end of 2019 to streamline the Group's structure in Latin America, 96.57% of Éxito is now held by GPA.

(5) 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, amendments and interpretations adopted by the european union at the reporting date but not yet mandatory

The IASB has published the following standards, amendments to existing standards and interpretations, adopted by the European Union but not mandatory at 1 January 2021:

Standard *(Group application date)*	Description of the standard
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 – Cost 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 (for example: labor and material costs) 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.

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 IAS 1 *and the Materiality Practice Statement - Disclosure of Accounting Policies* (1 January 2023)	These amendments will be applicable on a prospective basis. They are intended to help companies identify useful information to provide to users of financial statements about accounting policies.
Amendments to IAS 8 *Definition of Accounting Estimates* (1 January 2023)	These amendments will be applicable on a prospective basis. They are intended to facilitate the distinction between accounting policies and accounting estimates. In the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty".
Amendments to IAS 12 *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (1 January 2023)	These amendments will be applicable on a limited retrospective basis as from the first comparative period presented. They specify how entities should account for deferred taxes arising on transactions such as leases and decommissioning obligations. In particular, they clarify that the exemption from deferred tax recognition on the initial recognition of assets and liabilities does not apply to such transactions.

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 2021

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 2021.

The annual financial statements were adopted by your Board of Directors on 17 March 2022. These annual accounts were the subject of our first report dated 31 March 2022, in which we issued an unqualified audit opinion.

Following the identification of drafting errors in the notes to the financial statements, your Board of Directors authorised the updating of the relevant notes to the notes to the annual accounts on 19 April 2022. As a result, we are issuing a new report replacing our first report of 31 March 2022.

In our opinion, the modified financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 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 those 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 requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2021 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.

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 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 in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

— *Safeguard proceedings and plan approval*

See notes I "Accounting policies", II "Rallye safeguard proceedings" and III "Other significant events of the year" of the financial statements

Risk identified

On 26 October 2021, the Paris Commercial Court authorized the deferment for two years of the payment dates under your Company safeguard plan approved on 28 February 2020, which provided for a ten-year liabilities repayment schedule.

Management has prepared the financial statements as at 31 December 2021 on a going concern basis. 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 the safeguard proceedings to be a key audit matter.

Our response

As part of our audit, we notably:

- gained an understanding of the decisions of the Paris Commercial Court regarding (i) the initiation of the safeguard proceedings on 23 May 2019 (ii) the approval of the safeguard plan on 28 February 2020 and (iii) the deferment for two years of the payment dates under the safeguard plan on 26 October 2021;
- assessed the impact of the implementation of the revised safeguard plan on the going concern assumption by analysing the next 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,
  - assessing the change in cash for the year against the previous year's cash flow forecasts,
  - comparing the starting point of the cash flow forecasts table with the audited financial statements for the year ended 31 December 2021,
  - 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 2021 that may cause the Company to cease to continue as a going concern,
- assessed the appropriateness of the information provided in the notes to the financial statements about the safeguard proceedings, the approval of the plan and its two-year extension.

— *Valuation of investments in subsidiaries and associates*

See notes I.1.2 "Long-term investments" and IV.6. "Long-term investments" of the financial statements.

Risk identified

At 31 December 2021, the net carrying amount of investments in subsidiaries and associates recorded in the statement of financial position amounted to €4,225.2m, 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 in which your Group operates;
- 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 rates used by several companies operating in the same business segment as your 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

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

— *Information given in the management report and in the other documents 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 the fair presentation and the consistency with the financial statements of the information relating to payment terms referred to in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

— *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 received by the 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 included in the scope of consolidation. Based on these procedures, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

— *Other information*

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Format of presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on our work, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all significant respects, with the European single electronic reporting format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

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 2021, KPMG S.A. and Ernst & Young et Autres were in the twenty-ninth and twenty-third 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 the preparation and fair presentation of the financial statements 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 on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory 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 and related disclosures made by management 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 modify the opinion expressed therein;
- 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, if 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 in 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 (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 19 April 2022
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*	2021	2020
Net revenue		**1.5**	**2.0**
Other purchases and external expenses		(17.2)	(23.2)
Taxes and duties		(0.1)	(0.1)
Payroll expenses		(5.2)	(7.5)
Net additions to depreciation, amortisation and provisions		(13.0)	7.1
Other net operating expenses		0.2	(0.3)
Operating income (loss)	1	**(33.9)**	**(22.0)**
Financial income		381.7	84.4
Financial expenses		(455.4)	(161.0)
Net financial income (expense)	2	**(73.7)**	**(76.6)**
Recurring income (loss) before tax		**(107.6)**	**(98.6)**
Non-recurring income		0.0	0.0
Non-recurring expenses		(226.1)	(0.1)
Net non-recurring income (expense)	3	**(226.0)**	**(0.1)**
Income tax	4	**0.0**	**0.0**
Net income (loss)		**(333.6)**	**(98.7)**

PARENT COMPANY FINANCIAL STATEMENTS

Statement of financial position

Assets

(€ millions)	Notes	Gross	Depreciation, amortisation and impairment	31 December 2021	31 December 2020
Intangible assets	5	0.1	0.1		
Property, plant and equipment	5	0.5	0.5	0.0	0.0
Long-term investments	6	4,856.8	631.4	4,225.3	4,561.1
Total non-current assets		**4,857.4**	**632.1**	**4,225.3**	**4,561.2**
Receivables	7	58.1	12.0	46.1	61.6
Marketable securities	8	0.0		0.0	0.0
Cash and cash equivalents	8	15.5		15.5	29.5
Prepaid expenses	7	0.2		0.2	0.0
Total current assets		**73.8**	**12.0**	**61.8**	**91.2**
Accruals and other assets	9	7.2		7.2	7.3
Total assets		**4,938.4**	**644.0**	**4,294.3**	**4,659.7**

Shareholders' equity and liabilities

(€ millions)	Notes	31 December 2021	31 December 2020
Share capital		157.8	157.1
Share issue premiums		1,481.4	1,482.1
Reserves		41.3	41.3
Retained earnings		(251.6)	(152.9)
Net income (loss) for the year		(333.6)	(98.7)
Shareholders' equity	**10**	**1,095.3**	**1,428.9**
Provisions	**11**	**3.1**	**3.2**
Borrowings and financial liabilities	12	3,165.9	3,200.0
Accounts payable	13	5.0	8.0
Other liabilities	13	25.0	19.7
Deferred income	13		
Total liabilities		**3,195.9**	**3,227.6**
Total shareholders' equity and liabilities		**4,294.3**	**4,659.7**

Cash flow statement

(€ millions)	2021	2020
Cash flow from operating activities:		
Net income (loss)	**(333.6)**	**(98.7)**
Elimination of non-cash and non-operating expenses and income:		
▪ Depreciation, amortisation, impairment and provisions	122.1	7.8
▪ Capital gains on disposals, net of tax	225.8	(60.0)
▪ Gain on debt buy-back	(156.3)	
Cash from (used in) operating activities before change in working capital	**(142.0)**	**(150.9)**
Change in working capital related to operating activities		
▪ Net operating receivables	1.2	5.6
▪ Accounts payable	(2.9)	(16.7)
Net cash flow from (used in) operating activities (A)	**(143.7)**	**(162.0)**
Cash flow from investing activities:		
Acquisition of property, plant and equipment and intangible assets		(0.0)
Disposal of property, plant and equipment and intangible assets		
Acquisition of long-term investments	(0.0)	(0.0)
Disposal of long-term investments	0.0	81.6
Net cash flow (used in) investing activities (B)	**0.0**	**81.6**
Cash flow from financing activities:		
Dividends paid to shareholders of the Company		
Increase in financial liabilities	43.4	215.3
Decrease in financial liabilities	(28.9)	(290.9)
Change in financial instruments	8.2	(51.9)
Change in accrued interest	107.0	116.0
Current account advances to subsidiaries of the Company	0.1	55.4
Net cash flow from (used in) financing activities (C)	**129.7**	**43.9**
Change in cash and cash equivalents (A+B+C)	**(14.0)**	**(36.6)**
Cash and cash equivalents at beginning of year (D)	29.5	66.1
Cash and cash equivalents at end of year (E)	15.5	29.5
Change in cash and cash equivalents (E-D)	**(14.0)**	**(36.6)**

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, 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.

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.

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. 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 11 to the financial statements.

1.7. Liabilities

Accounts payable and other liabilities are recorded at their nominal value.

1.8. 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.

1.9. 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.

1.10. Income tax

Rallye is the head of a tax group that includes its subsidiaries that meet the eligibility criteria. At 31 December 2021, the tax group consisted of 6 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.

The 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

Rallye obtained, further to the Court decision of 23 May 2019, the initiation of safeguard proceedings for an initial six-month observation period. On 25 November 2019, the Paris Commercial Court granted a further six-month extension of the observation period.

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*). This article authorises security interests granted in respect of financing agreements to be terminated, offset or exercised despite 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 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 and its mother companies will be non-transferable during the duration of the safeguard plans, except as specifically provided by the Court decision notably to allow for the proper execution of the safeguard plans.

In addition, on 26 October 2021, the Paris Commercial Court decided to extend the duration of the safeguard plans by two years and to adapt the payment deadlines provided for in the terms of the latter to the duration of the plans as extended (cf. Significant events)

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 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. In addition, in order to simplify Rallye's stake in Casino, the companies Cobivia, HMB and Alpétrol (as provided for in the company's safeguard plans) were absorbed by Rallye with retroactive effect from 1 January 2020.

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, with the same payment deadlines for all creditors, in accordance with the following new schedule, which compares with the previous one:

Annuity (1)	Annuity amount previous schedule	Annuity amount new schedule
Annuity no. 1 – 2021 – *settled*	€100,000 in total	€100,000 in total
Annuity no. 2 – 2022	€100,000 in total	€0
Annuity no. 3 – 2023	5%	€0
Annuity no. 4 – 2024	5%	€100,000 in total
Annuity no. 5 – 2025	5%	5%
Annuity no. 6 – 2026	5%	5%
Annuity no. 7 – 2027	5%	5%
Annuity no. 8 – 2028	5%	5%
Annuity no. 9 – 2029	5%	5%
Annuity no. 10 – 2030	65%, less the amounts paid under annuities 1 and 2	25%
Annuity no. 11 – 2031	-	25%
Annuity no. 12 – 2032	-	25%, less the amounts paid under annuities 1 and 4
Total	**100%**	**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 fifth annuity and the remainder under the sixth annuity in accordance with the new schedule;
  - 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 twelve-year period in accordance with the above 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.
- The Rallye safeguard plan involves refinancing between 2030 and 2032, the completion of which will depend in particular on market conditions on this horizon and the value of Casino in the future.
- As part of the request to defer the payment dates and consequently to extend the duration of the safeguard plans, the firm Accuracy carried out a review of the assumptions used in the plans of Foncière Euris, Rallye and their parent companies.
- The performance of the Rallye safeguard plan depends mainly on Casino's distributive capacity, which is framed by its financial documentation, allowing the distribution of dividends[1] when the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is below 3.5x. As at 31 December 2021, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.47x.

1 | Beyond ordinary dividend representing 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

III.
Other significant events of the year

Global tender offer for Rallye's unsecured debt as part of a modified Dutch auction procedure

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 procedure (the "Tender Offer").

Tender Offer

The purpose of the Tender Offer was 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 until 5 February 2021. On 5 February 2021, after extension of the expiration deadline of the Tender Offer 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). On 11 February 2021, after expiration deadline of the Tender Offer, a total amount of unsecured debt of €195.4m was acquired for a total repurchase price of approximately €39.1m, reducing the total amount of Rallye's debt by €156.3m.

Tender Offer Financing

The Tender Offer was financed by a new financing repayable *in fine*, consisting of a bond issue subscribed by Fimalac and a bank loan, for a global total amount of €82.4m (including the arrangement fee due to the lenders)

As guarantee for this new financing, 3.3m Casino shares held by Rallye and currently free of any encumbrance were transferred by Rallye into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing. In addition, upon repayment of the €210m bond financing granted to Rallye by Fimalac on 17 July 2020 for the purpose of repayment of derivatives transactions previously concluded by Rallye and its subsidiaries (see Rallye press release dated 17 July 2020), the 9.5m shares placed in a fiduciary trust (*fiducie-sûreté*) to the benefit of Fimalac, to secure the said financing, will be transferred into fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing.

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

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of €5m may be paid to Rallye (which may be increased to a total amount of €6.6m if on 30 June 2022 the cash position of Rallye makes it necessary);
- 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 [1] 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 [2] and (iii) that 9.5m Casino shares be placed in fiduciary trust (*fiducie-sûreté*) 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 detachment 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 authorized 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 (*résolution*) 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 as defined by article L. 233-3 of the French Commercial Code;
- Rallye holding less than 40% of Casino's share capital or voting rights; and
- delisting of Casino shares.

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 relevant 12-month interest period + a 8% margin or (ii) interest capitalized annually at the Euribor rate (floored at zero) for the relevant 12-month interest period + 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 capitalized interest, i.e. 4.2%

1 | This figure will be reduced to 34.5m if 9.5m Casino shares have been placed into fiduciary trust (*fiducie-sûreté*) in case of repayment of the financing granted by Fimalac.

2 | This first-rank pledge will have a target coverage ratio of 140% and must include at least 30m Casino shares.

per annum, will also be applicable on the unused portion of the new financing throughout the availability period.

This new financing has a maturity of 4 years from the signing of the agreements relating to such financing, it being specified that drawdowns, subject to compliance with certain prior requirements, may be made until 30 June 2022 at the latest, and following the settlement of the Tender Offer, the amount drawn on this new financing is €43.4m.

Amendment of Rallye safeguard plan

Completion of the tender offer and the setting up of the tender offer financing were the subject of a request to amend the safeguard plan by filing an application with the Paris Commercial Court, dated 12 February 2021. On 4 May 2021, the Paris Commercial Court approved the amendment of Rallye safeguard plan, allowing the effective completion of the global tender offer on its unsecured debt launched on 22 January 2021 and the setting up of the financing of the tender offer. The tender offer was therefore settled on 18 May 2021.

Deferment for two years of the payment dates under the safeguard plans of Rallye and its mother companies

The performance of the safeguard plans of Rallye and its mother companies approved on 28 February 2020 (i.e. before the beginning of the Covid-19 pandemic) mainly relies on Casino's ability to pay dividends and, consequently, on Casino's deleveraging timing. Casino has to deleverage below a certain threshold in order to make distributions.

In the context of the Covid-19 pandemic, Casino announced in March 2020 that it had suspended its objectives for 2020-2021, in particular relating to the completion of its plan to dispose of non-strategic assets for an amount of €4.5bn by the first quarter of 2021. By the end of March 2020, €2.8bn had been sold. However, since that date, the disposal plan has slowed down considerably, as only €300m of assets were disposed of over the period. At the end of July 2021, the total amount of disposals closed or secured by Casino was €3.1bn. Casino reaffirmed the total objective of €4.5bn euros during its FY 2020 and H1 2021 presentations, but no longer provides a precise timing for completion.

Considering that the performance of the safeguard plans of Rallye and its mother companies relies mainly on Casino's ability to pay dividends, the administrators overseeing the implement of the plans (CEPs, *commissaires à l'exécution du plan*) have considered that the effects of Covid-19 on Casino's disposal plan created an important uncertainty as to the respect, by Rallye and its mother companies, of the timing for payment of their claims under the safeguard plans. The CEPs have requested from the Paris Commercial Court to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and consequently to extend the duration of such safeguard plans, pursuant to Article 5, I, of the Order of 20 May 2020.

This request for deferment of the payment dates and consequent extension of the safeguard plans is made in the context of exceptional governmental measures put in place during the Covid-19 crisis. It aims at favoring the execution of the safeguard plans.

The Paris Commercial Court decided to agree to the request and decided on 26 October 2021 to defer for two years the payment dates under the safeguard plans of the companies and consequently to extend the duration of such safeguard plans.

All other provisions of the safeguard plans remain unchanged, notably the following main principles applicable to the safeguard plans of each of Rallye and its mother companies:

- The safeguard plans of the companies are interdependent and are based on the economic holding chain. They provide for the ability of the companies to pay dividends during the term of the plans.
- The safeguard plans provide for a full payment of liabilities of the companies.
- As soon as the creditors with pledges over securities accounts are repaid, the safeguard plans provide for the release of such pledges and the free use by the companies of the proceeds (*fruits et produits*) relating to the initially pledged securities.

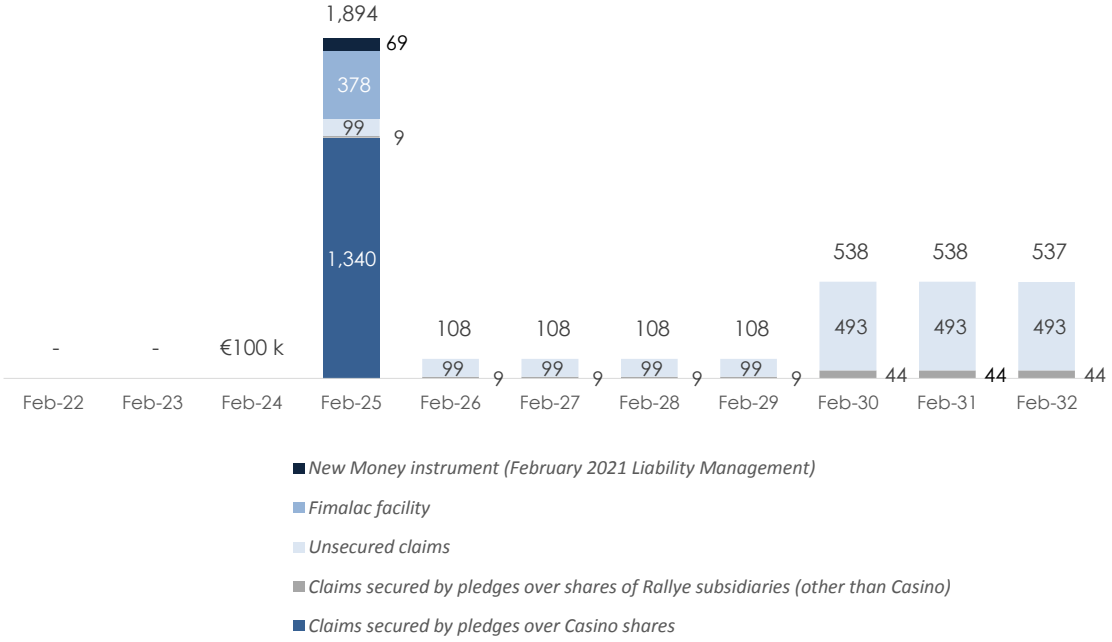
Following the decision of the Paris Commercial Court on 26 October 2021, the duration of the safeguard plans of Rallye and its mother companies is equal to 12 years instead of 10 years.

Agreement between Rallye and Fimalac

Following this decision of the Paris Commercial Court, Rallye and Fimalac have decided to extend by one year the initial 4-year maturity of the €210m bond financing granted on 17 July 2020 by Fimalac to Rallye for the purpose of repaying the derivative transactions previously entered into by Rallye and its subsidiaries (see Rallye press release of 17 July 2020), in accordance with the provisions of this financing. With regard to the 9.5 million Casino shares transferred into a fiduciary trust (*fiducie-sûreté*) for the benefit of Fimalac as collateral for the bond financing, Rallye and Fimalac have agreed that potential dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said financing, in order to contribute to the financing of Rallye's general corporate purposes. The other provisions of the bond financing granted by Fimalac remain unchanged.

New repayment profiles for Rallye liabilities

As a result of the Paris Commercial Court's decision to defer for two years the payment dates under the safeguard plans approved on 28 February 2020 and of the agreement between Rallye and Fimalac, the new estimated repayment profiles[1] for Rallye , including additional interest charges resulting in the shift in the maturity dates, are set out below (in €m):



Sale of Groupe Go Sport to Hermione People & Band, subsidiary of Financière Immobilière Bordelaise

The Paris Commercial Court decided on **7 December 2021** to waive the non-transferability of Groupe Go Sport shares held by Rallye and authorised consequently the sale of Groupe Go Sport shares to Hermione People & Brand (subsidiary of Financière Immobilière Bordelaise) for a price of €1 without any representation and warranties given by Rallye. The completion of the sale operation took place on **10 December 2021**.

1 | Secured and unsecured bank claims, Fimalac financing.

IV.
Notes on items in the financial statements

Note 1 · Operating income (loss)

1.1 Breakdown

(€ millions)		2021	2020
Net revenue:	▪ Services	1.5	2.0
	▪ Financial services	0.0	0.0
Operating income		**1.5**	**2.0**
Other purchases and external expenses		17.2	23.2
Taxes and duties		0.1	0.1
Payroll expenses		5.2	7.5
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	1.1	3.1
	▪ impairment of receivables	11.9	(10.2)
	▪ provisions for risks and liabilities	(0.1)	(0.1)
Other operating expenses		(0.2)	0.3
Operating expenses		**35.3**	**24.0**
Operating income (loss)		**(33.9)**	**(22.0)**

Revenue is generated in France and mainly comprises services to subsidiaries.

Other purchases and external expenses mainly include bank commissions and fees.

Other operating expenses mainly concern Directors' fees paid to the Company's Directors of €0.3m (as in 2020) and the gain on the repurchase of trade payable for €0.5m.

Expense transfers are recorded by type within "Other purchases and external expenses" and concern debt issuance costs of €1.3m and insurance reimbursements of €0.2m in 2021.

The €11.9m impairment of receivables relates to the repayment claim relating to the Dailly sale of the Parande current account.

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

	2021	2020
Managers	15	19
Staff		
Total average number of employees	**15**	**19**
Compensation awarded to Directors (€ millions)	2.4	2.2

Note 2 • Net financial income (expense)

2.1. Breakdown

(€ millions)	*Notes*	2021	2020
Income from investments in subsidiaries and associates		0.0	0.0
Reversals of financial provisions	2.2	225.8	8.6
Interest and similar income	2.3	155.9	73.1
Foreign exchange gains		0.0	2.7
Net gains on the sale of marketable securities			
Financial income		**381.7**	**84.4**
Interest and similar expenses	2.4	119.2	141.1
Additions to financial provisions	2.2	336.1	15.8
Foreign exchange losses		0.0	3.7
Net loss on the sale of marketable securities			0.4
Financial expenses		**455.4**	**161.0**
Net financial income (expense)		**(73.7)**	**(76.6)**

2.2. Breakdown of provisions and impairment

Reversals of financial provisions in 2021 mainly concern Groupe Go Sport for €225.8m.

Additions to depreciation, amortisation, impairment and provisions for the year primarily concern the impairment recorded on Casino shares for €315m and on Parande shares for €20.8m.

Movements in provisions and impairment in 2020 were primarily attributable to investments in subsidiaries and associates for €12.6m and the provision recorded for the premium on the remaining Casino call option for €2.6m.

Reversals of provisions in 2020 concerned the 2020 exchangeable bond redemption premium for €0.4m, late payment penalties following the initiation of safeguard proceedings for €7.5m and the reversal of the negative net position of MFD for €0.6m

2.3. Breakdown of interest and similar income

(€ millions)	2021	2020
Interest on current accounts	0.0	0.2
Financial income on companies wound up		72.6
Financial income on interest rate hedging instruments		0.3
Miscellaneous financial income	155.9	0.0
Interest and similar income	**155.9**	**73.1**

In 2021, miscellaneous financial income mainly concerned the gain on the repurchase of unsecured debt following the Tender Offer for €155.8m.

In 2020, financial income on companies wound up relates to the technical gain of €72.6m recorded after Alpétrol was wound up into HMB.

2.4. Breakdown of interest and similar expenses

(€ millions)	2021	2020
Interest on financial liabilities	119.2	122.6
Financial expenses on companies wound up		10.8
Miscellaneous financial expenses		7.7
Interest and similar expenses	**119.2**	**141.1**

In 2020, financial expenses on companies wound up included 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.

Note 3 · Net non-recurring income (expense)

(€ millions)	2021	2020
Gains (losses) on disposals of financial assets	(225.8)	(0.0)
Other non-recurring income (expense)	(0.2)	(0.1)
Net non-recurring income (expense)	**(226.0)**	**(0.1)**

The result of the disposals of financial assets consists of a loss of value of €225.8m (fully provisioned) on the sale of the Groupe Go Sport to HPB.

Note 4 · Income tax

Rallye is the head of the tax consolidation group. In 2021, 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 2021, the tax group had tax loss carryforwards amounting to €2,894m 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 2021	31 December 2020
Intangible assets, gross	0.1	0.1
Amortisation	(0.1)	(0.1)
Intangible assets, net	**0.0**	**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**	**0.0**
Intangible assets and property, plant and equipment, net	**0.0**	**0.0**

5.2. Movements

(€ millions)	Gross	Depreciation and amortisation	Net
At 1 January 2020	**0.7**	**(0.6)**	**0.1**
Increases	0.0	(0.0)	(0.0)
Decreases			
At 31 December 2020	**0.7**	**(0.6)**	**0.0**
Increases			
Decreases	(0.0)	(0.0)	(0.0)
At 31 December 2021	**0.7**	**(0.6)**	**0.0**

Note 6 · Long-term investments

6.1. Breakdown of long-term investments

(€ millions)	31 December 2021	31 December 2020
Investments in subsidiaries and associates	3,454.0	4,032.3
Casino, Guichard-Perrachon securities placed in trust	1,050.4	697.9
Technical losses from merger transactions allocated to investments in subsidiaries and associates[1]	352.2	352.2
Investments in subsidiaries and associates, gross	**4,856.7**	**5,082.5**
Impairment	(631.4)	(521.4)
Investments in subsidiaries and associates, net	**4,225.2**	**4,561.0**
Other long-term investments	0.1	0.1
Other long-term investments, net	**0.1**	**0.1**
Long-term investments, net	**4,225.3**	**4,561.1**

(1) Technical losses from merger transactions are allocated to Casino, Guichard-Perrachon shares.

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.

On 10 May 2021, Rallye entered into two additional fiduciary-trust management agreements for respectively 2,540,549 and 716,835 Casino shares held by Rallye.

6.2. Movements in investment in subsidiaries and associates

(€ millions)	Gross	Provisions	Net
At 1 January 2020	**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**	**(521.14)**	**4,561.0**
Increases	352.5	(335.8)	16.7
Decreases	(578.3)	225.8	(352.5)
At 31 December 2021	**4,856.7**	**(631.4)**	**4,225.2**

In 2021, the movements in equity securities for €352.5m resulted in Casino shares placed in fiduciary trusts and for €225.8m in the sale of Groupe Go Sport shares, with a reversal of provision for the entire amount.

The change in provision corresponds to the impairment loss on Casino shares for €315m and the impairment loss on Parande shares fully provisioned for €20.8m.

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 corresponded to shares of absorbed companies as well as Casino shares placed in fiduciary trust.

Impairment losses concerned Magasins Jean, Groupe Go Sport and Parande shares and the reversal of impairment charged against MFD shares.

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.

At 31 December 2021, 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 €20.8m relating to Parande shares (note 2.2) and of €315m relating to Casino shares.

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.

This multicriteria methodology was applied by market (France Retail, E-commerce, Latam Retail) in 2021 versus a consolidated approach in 2020. It incorporates market-specific metrics that are inherently scalable based on Casino's 2021 performance in relation to industry and competitive developments in the food and non-food distribution sector.

The discounted valuation of future cash flows is based on EBITDA margin projections from the Casino Group's business plans and the following actuarial assumptions:

2021	Discount rate	Perpetual growth rate
France Retail	6.1 %	1.4 %
E-commerce	8.9 %	1.9 %
Latam Retail	10.7 %	4.0 %

Regarding the multiple valuation method, it is based on the aggregates of turnover and EBITDA, including a 25% control premium.

The annual impairment test shows a value in use of €74.49 per share versus a gross value of Casino shares of €80.04 per share, which leads to the accounting of an impairment of €315 million at 31 December 2021.

In the event of a change in a key assumption (increase in the discount rate by 50 basis points or a decrease of 50 basis points on the perpetual growth rate or a decrease of 50 basis points in the EBITDA margin rate of the normative flow) a further impairment of Casino securities could be recognised for an amount between €257m and €322m.

A list of the Company's subsidiaries and associates is provided at the end of the notes to the financial statements.

Note 7 · Receivables

The amounts and maturities of the receivables recorded in the statement of financial position break down as follows:

(€ millions)		31 December 2021	31 December 2020
Non-current receivables		**0.1**	**0.1**
Trade receivables		0.1	0.3
Current accounts		2.5	2.5
Tax and employee-related receivables		0.5	1.6
Other operating receivables		43.0	57.3
Current receivables		**46.1**	**61.6**
Prepaid expenses		**0.2**	**0.0**
Maturity of net receivables [1]:	*due within one year*	*0.7*	*1.6*
	due in more than 1 year	*45.6*	*60.1*

(1) This schedule reflects the approval of the safeguard plan on 28 February 2020 and the deferment for two years of the payment dates under the safeguard plan on 26 October 2021

Current account advances are granted by Rallye to its subsidiaries as part of the centralised cash management system.

In 2021, other operating receivables concerned a receivable relating to the assignment of the Parande current account under the Dailly mechanism for €52.4m (versus €54.6m in 2020) for which a provision has been recognised for €11.9m, and a premium on the Casino call option for €2.6m (as in 2020) provisioned for the full amount (note 11).

Note 8 · Marketable securities and cash and cash equivalents

Marketable securities and cash and cash equivalents break down as follows:

(€ millions)	31 December 2021	31 December 2020
Marketable securities	0.0	0.0
Cash	15.5	29.5
Gross cash and cash equivalents	**15.5**	**29.5**

Note 9 · Accruals and other assets and liabilities

(€ millions)	31 December 2021	31 December 2020
Deferred loan arranging fees and bond early redemption premiums	7.2	7.2
Bond redemption premiums	0.0	0.1
Accruals and other assets	**7.2**	**7.3**
of which: due within one year	*1.7*	*2.2*
due in more than one year	*5.5*	*5.1*

Note 10 • Shareholders' equity

10.1. Breakdown

At 31 December 2021, share capital amounted to €157,796,103 made up of 52,598,701 shares with a par value of €3.

(€ millions)	31 December 2021	31 December 2020
Share capital	157.8	157.1
Share issue, merger and contribution premiums	1,482.4	1,482.1
Legal reserve	16.1	16.1
Tax-driven reserves	1.4	1.4
Other reserves	23.7	23.7
Retained earnings	(251.6)	(152.9)
Net income (loss) for the year	(333.6)	(98.7)
Shareholders' equity	**1,095.3**	**1,428.9**

10.2. Changes in shareholders' equity

(€ millions)	2021	2020
At 1 January	**1,428.9**	**1,527.6**
Increase in capital	0.7	0.6
Share issue premium	(0.7)	(0.6)
Net income (loss) for the year	(333.6)	(98.7)
At 31 December	**1,095.3**	**1,428.9**

At 31 December 2021, the increase in capital reflects the issuance of shares under a free share plan that matured in 2021, which led to the change in the share issue premium during the period.

The same was true at 31 December 2020 concerning a free share plan that matured in 2020

10.3. Movements in share capital and number of shares

	2021	2020
Number of shares at 1 January	**52,373,235**	**52,181,769**
Issuance of shares	225,466	191,466
Number of shares at 31 December	**52,598,701**	**52,373,235**

10.4. Potential dilution

	31 December 2021	31 December 2020
Number of shares	**52,598,701**	**52,373,235**
Free shares to be issued	331,169	499,026
Total number of shares after dilution	**52,939,574**	**52,872,261**

10.5. Securities carrying rights to shares of the Company

A breakdown of free share plans at 31 December 2021 is provided in the following table:

Grant date	26 June 2020	18 May 2021
End of vesting period	26 June 2022	18 May 2022
End of lock-up period	26 June 2024	18 May 2023
Number of shares initially awarded	276,515	242,576
Number of shares that may be issued or purchased	162,652	168,517
Number of shares cancelled	113,863	74,059
Value of shares at time of award (€)	6.32	5.63
Service condition	Yes	Yes
Performance conditions	Yes (1)	Yes (2)

(1) The final vesting of the free shares granted is subject 100% to the condition of continued employment in the Group at that date and to three performance criteria : 2 criteria related to the safeguard procedure for two thirds and 1 criterion aimed at the evolution of Casino average EBITDA/Net Sales ratio for one third.

(2) The final vesting of the free shares granted is subject 100% to the condition of continued employment in the Group at that date and to four performance criteria : 2 criteria related to the safeguard procedure for half and 2 criteria aimed at the evolution of Casino EBITDA and the compliance with financial covenants by the latter for half.

Note 11 · Provisions

11.1. Breakdown

(€ millions)	2021	2020
Provision for miscellaneous risks	2.6	2.6
Provision for pension commitments	0.5	0.6
Provisions	**3.1**	**3.2**

11.2. Movements

(€ millions)		2021	2020
At 1 January		**3.2**	**9.2**
Additions			2.6
Reversals		(0.1)	(8.6)
At 31 December		**3.1**	**3.2**
Of which reversals (additions):	*- operating*	*0.1*	*0.1*
	- financial		*6.0*
	- non-recurring		

In 2020, reversals primarily concerned €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 concerned the premium on the remaining Casino call options intended to cover the 2022 exchangeable bond.

Note 12 · Financial liabilities

12.1. Breakdown of financial liabilities

(€ millions)	31 December 2021	31 December 2020
Bonds	1,440.1	1,483.4
Bank borrowings	1,676.9	1,657.8
Commercial paper and other financial liabilities	48.9	58.8
Borrowings and financial liabilities (1)	**3,165.9**	**3,200.0**

(1) Of which €292.4m in accrued interest at 31 December 2021 and €185.5m at 31 December 2020.

12.2. Maturity of financial liabilities

In its decisions dated 28 February 2020 and 26 October 2021, the Paris Commercial Court approved Rallye's safeguard plan, its two-year extension 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 5 and the remainder under annuity 6;
- for claims not secured by pledges over Casino shares, repayment over a twelve-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 4: €100,000 to be distributed among creditors pro rata to their definitively admitted debts;
  - Annuities 5 to 9: 5%;
  - Annuity 10 to 12: 25% (less the amounts paid under annuities 1 and 4 in annuity 12).

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 2021	31 December 2020
Liabilities within the scope of the safeguard proceedings:	Due within one year		0.1
	Due in one to five years	1,761.2	1,767.9
	Due in more than five years	1,404.7	1,432.0
Total		**3,165.9**	**3,200.0**

12.3. Breakdown of borrowings

	Rate	Issue date	Nominal amount (€ millions)	
			31 December 2021	31 December 2020
2020 bond	Fixed 1.00%	October 2013	2.9	4.6
2021 bond	Fixed 4.00%	April 2014	438.6	464.6
2020 CHF bond (1)	Fixed 4.00%	November 2016	61.0	66.8
2022 bond	Fixed 5.25%	October 2016	154.2	200.0
2023 bond	Fixed 4.37%	May 2017	328.0	350.0
2024 CHF bond (2)	Fixed 3.25%	February 2018	71.2	84.6
2024 bond	Euribor + 12.00%	July 2020	210.0	210.0
2025 bond	Euribor + 12.00%	May 2021	9.5	
Accrued interest			164.6	102.6
Total bonds			**1,440.1**	**1,483.4**
Other bank borrowings	Fixed/Variable (3)		401.4	425.1
Drawn credit lines	Variable (3)		1,148.1	1,150.2
NEU CP	Variable (3)		48.5	58.5
Accrued interest			127.8	82.8
Total other borrowings and financial liabilities			**1,725.8**	**1,716.6**
Total financial liabilities			**3,165.9**	**3,200.0**

(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) Interest on variable-rate liabilities is based on Euribor plus a contractual spread.

On 11 May 2021, Rallye issued €9.5m worth of bonds, which were subscribed by Fimalac and drew a €33.8m line of credit to finance the purchase of the unsecured debt acquired in the Tender Offer.

12.4 Exposure to risks

Interest rate risk

Of the total gross financial liabilities (excluding accrued interest) of €2,873.5m outstanding at 31 December 2021, €1,441.9m was at fixed rates and €1,431.6m 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 at 31 December 2021 gave rise to an impairment for an amount of €315m.

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 2021:

- 43,988,624 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
- 12,725,639 Casino, Guichard-Perrachon shares representing 11.7% of Casino, Guichard-Perrachon's share capital were placed in fiduciary trust.

On the sole basis of the Casino share price at 31 December 2021, the market value of this direct and indirect stake would be €1,313m, for a net carrying amount of €4,225m.

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 and extended on 26 October 2021. 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 and their extension on 26 October 2021.

Note 13 • Accounts payable and other liabilities

(€ millions)		2021	2020
Accounts payable [1]		**5.0**	**8.0**
Current accounts		0.5	1.0
Securities lending		5.0	5.0
Miscellaneous liabilities [2]		19.5	13.7
Other liabilities		**25.0**	**19.7**
Maturity of accounts payable and other liabilities:	*due within one year*	*14.7*	*15.0*
	due in more than one year	*15.3*	*12.6*

(1) Of which €3.3m in accrued expenses at 31 December 2021 and €5.2m in accrued expenses at 31 December 2020.
(2) Of which €16.7m in accrued expenses at 31 December 2021 and €10.7m in accrued expenses at 31 December 2020.

Current account advances comprise:

- advances received from Rallye subsidiaries as part of the centralised cash management system representing €0.2m at 31 December 2021 (unchanged from 2020);
- advances received within the tax consolidation group in respect of the competitiveness and employment tax credit (CICE) for 2016 to 2018.

Note 14 • Off-balance sheet commitments

Off-balance sheet commitments entered into in the ordinary course of business break down as follows:

(€ millions)	31 December 2021	31 December 2020
Bonds and guarantees given to banks		
Total commitments given		
Other commitments received	39.0	
Total commitments received	**39.0**	

At 31 December 2021, Rallye had pledged 43,988,624 Casino shares and 100% of Parande shares.

Note 15 · 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)	2021
Assets	
Long-term investments, net	4,225.2
Receivables, net	2.6
Marketable securities	
Liabilities	
Financial liabilities	
Other liabilities	0.8
Income statement	
Investment income	
Other financial income	0.0
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 16 · 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

War in Ukraine and consequences of sanctions with regard to Russia

At this stage, Rallye does not see any direct effect of the war in Ukraine on its business given the lack of Group stores in Ukraine or Russia, and very limited purchases in these two countries. However, in view of the uncertainties about the future evolution of consumer behaviour and the economic consequences of the conflict, it is premature to give an estimate of the indirect impacts (inflation on food products, energy costs, etc.) for the Company.

Global Tender Offer on the unsecured debt

On March 23, 2022, Rallye has launched a global tender offer at a fixed purchase price of 15% for its unsecured debt (including the bonds and commercial paper) (the "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 fixed purchase price and to (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, as amended. Rallye proposed to purchase unsecured claims at a price equal to 15% of the amount of the outstanding claim under each unsecured debt instrument the relevant holder of unsecured debt is willing to offer.

The Tender Offer was opened from 23 March 2022 to 5 April 2022.

The Tender Offer was well received by the holders of unsecured debt so that the total amount of unsecured debt offered by creditors for purchase exceeds the maximum amount of the Tender Offer set at €37m. Considering the success of the Tender Offer, the pro ration factor was set at 75.64%.

Rallye will spend €36.6m of cash to acquire €242.3m of nominal amount of unsecured debt, reducing the total amount of its net financial debt by approximately €234.8m (including accrued interests). The total nominal amount of unsecured debt purchased under the Tender Offer is allocated as follows: €240.5m for bonds and €1.8m for the other unsecured claims.

Completion of the Tender Offer is, inter alia, subject to 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.

As an indication, it is anticipated that the settlement of the Tender Offer will occur at the beginning of May 2022.

The Tender Offer will be financed by the amount available under the financing made available to Rallye for the purpose of the tender offer which occurred in 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	2021 net revenue	2021 net income (loss)	Dividends received by the Company during the year
				Gross	Net					
A – Subsidiaries [1]										
(at least 50%-owned)										
Magasins Jean	0.3	(0.6)	100%	2.2		2.0		4.5	(0.2)	
Parande	0.1	6.6	100%	303.8		0.2			(18.7)	
B – Associates [1]										
(10% to 50%-owned)										
Casino, Guichard-Perrachon	165.9	7,646.3	40.6%	3,137.0	3,137.0			141.4	(674.9)	
C – Other subsidiaries and associates										
Subsidiaries other than in A				0.6	0.6	0.4				
Associates other than in B										

[1] *The carrying amount of which is more than 1% of the company's share capital.*

Five-year financial summary

(€)	31 December 2021 (1)	31 December 2020	31 December 2019	31 December 2018	31 December 2017
1 - Financial position at end of the year					
Share capital	157,796,103	157,119,705	156,545,307	161,214,798	156,194,472
Number of existing ordinary shares	52,598,701	52,373,235	52,181,769	53,738,266	52,064,824
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	331,169	499,026	437,158	368,564	423,951
2 – Operations and income (loss) for the year					
Net revenue	1,456,704	1,998,324	3,043,810	3,600,314	1,287,943
Income (loss) before tax, employee profit-sharing and depreciation, amortisation and provisions	(210,221,379)	(98,599,048)	(51,131,720)	48,631,565	78,285,076
Income tax					9,505,967
Income (loss) after tax, employee profit-sharing and depreciation, amortisation and provisions	(333,596,316)	(98,690,018)	(190,258,900)	47,072,388	57,987,609
Distributed earnings (1)				53,738,266	52,064,824
3 – Per share data					
Earnings (loss) per share after tax, employee profit-sharing, but before depreciation, amortisation and provisions	(4.00)	(1.88)	(0.98)	0.90	1.50
Earnings (loss) per share after tax, employee profit-sharing and depreciation, amortisation and provisions	(6.34)	(1.88)	(3.65)	0.88	1.11
Dividend per share (1)				1.00	1.00
4 – Employee data					
Average number of employees during the year	15	19	20	23	23
Total payroll	3,721,719	5,214,395	4,744,913	4,030,170	4,427,015
Total benefits	1,437,003	2,328,011	2,191,310	2,006,102	1,794,486

(1) Subject to the approval of the financial statements by the Shareholders' Meeting.

Special report of the statutory Auditors in relation to the related party agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2021

This is a translation into English of the Statutory Auditors' special report in relation to the related party agreements issued in French and is provided solely for the convenience of English-speaking readers. This report in relation to the related party 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 agreements described in IAS 24 or other equivalent accounting standards.

To the Shareholders of Rallye,

In our capacity as Statutory Auditors of Rallye, we hereby report to you on related party 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 performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

Agreements to be 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.

— *Subscription agreement and fiduciary trust agreement entered into on 5 May 2021 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 meeting on 18 March 2021, the Board of Directors authorised, the conclusion of a subscription contract with Fimalac on 5 May 2021 as part of the establishment of a bond financing to enable it to finance the repurchase with a discount of part of its debt not secured by Casino shares under an initial buyback offer then, additional buybacks for a maximum principal amount of €18,133,334.

On 17 Mai 2021, your Company issued 9,544,935 bonds, which were fully subscribed by Fimalac, for an amount of €9,544,935.

Terms and conditions

The bonds issued by your Company will mature on 22 January 2025 with an annual interest rate at your Company's option for each interest period, interest in cash at the Euribor rate (with a floor to zero) the corresponding 12-month interest period with an 8% margin or interest capitalised annually at the Euribor rate (with a floor to zero) of the corresponding 12-month interest period with a 12% margin, an arrangement fee of 3% of the principal amount of bonds subscribed under the relevant tranche, a commitment fee of 4.20% per annum applied to the outstanding bond issue amount and a voluntary early depreciation allowance, your Company may decide to make early repayments for a minimum of €2,800,000.

As security and collateral for its payment and repayment obligations in respect of the subscription agreement, your Company entered into:

- a fiduciary-trust management agreement, governed by French law, with Fimalac, under which a fiduciary trust was created in which the 716,835 Casino shares held by your Company were deposited;

- a pledge agreement under which a pledge of senior financial instruments account has been established, 100 Casino shares are initially credited to the pledged financial instruments account and subsequently a maximum of 9,680,245 Casino shares will be credited.

In 2021, Rallye recorded an expense of €728,597 in respect of interest and an expense of €759,084 in respect of commissions.

Reasons justifying that the agreement is in the Company's interest

Your Board of Directors gave the following reasons for this agreement: The conclusion of the subscription agreement allows your Company to finance the repurchase with a discount part of its debt not secured by Casino shares under an initial tender offer and then, additional buybacks for a maximum principal amount of €18,133,334.

The fiduciary trust agreement was entered into as security and collateral for your Company's payment and repayment obligations under the subscription agreement.

— *Amendment to the bond financing agreement entered into with Fimalac on 12 June 2020*

Person concerned

Jean-Charles Naouri, Chairman of the Company in his capacity as member of the Board of Directors of Fimalac.

Nature and purpose

Following the decision of the Paris Commercial Court dated 26 October 2021 to defer for 2 years the payment dates under the safeguard plan of your Company and consequently to extend the duration of the plan, your Board of Directors of 16 December 2021 authorized the conclusion with Fimalac of an amendment letter to their existing agreements of 12 June 2020 to:

- extend for one year, in accordance with the option provided for between the parties, the initial four-year maturity of the €210,042,400 bond financing granted on 17 July 2020 by Fimalac to your Company for the purpose of repaying the derivative transactions previously concluded by your Company.
- agree that, in respect of the 9,468,255 Casino shares placed in fiduciary trust for the benefit of Fimalac as security for the aforementioned bond financing, and in order to contribute to the financing of the general corporate purposes of your Company, the potential dividends paid by Casino in respect of such shares will be paid to your Company up to a total cumulative amount of €2 per Casino share until the maturity of the said financing.

Terms and conditions

To the extent that the financial conditions previously set have not been modified by the amendment letter, the financial charges paid by your Company remain unchanged.

Reasons justifying that the agreement is in the Company's interest

Your Board of Directors gave the following reasons for this agreement: The conclusion of the amendment letter allows your Company to (i) extend for one year the initial four-year maturity of the bond financing of €210,042,400 and (ii) benefit from potential dividends paid by Casino in respect of the 9,468,255 Casino shares placed in fiduciary trust up to a total cumulative amount of €2 per Casino share until the maturity of the said financing.

Agreements already approved by the Shareholders' Meeting

Agreements approved in previous years

a) that were implemented during the year

In accordance with Article L. 225-30 of the French Commercial Code, we were informed of the following agreements approved by the Shareholders' Meetings in prior years with continuing effect during the year.

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 on 12 June 2020*

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, Euris and your Company 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 your Company, of bonds for a maximum principal of €215,000,000, to repay all the derivatives transactions entered into by your Company, which were not covered by the safeguard plans but were subject to specific agreements;
- a subscription agreement for the issue, by your Company, of bonds for a maximum principal of €15,000,000, in order to finance its operational needs.

On 17 July 2020, your Company 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 your Company.

No drawdowns were made under the subscription agreement for a maximum amount of €15,000,000 in 2021.

Terms and conditions

The bonds have a four-year maturity, i.e. 17 July 2020, 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, your Company 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 your Company were deposited.

In 2021, your Company recorded an expense of €25,555,159 in respect of interest and an expense of €426,250 in respect of commissions.

b) that were not implemented during the year

In addition, we were informed of the following agreement approved by the Shareholders' Meeting in previous years, which was 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 SCI Ruban Bleu Saint-Nazaire under a 12-year lease agreement for an annual sum of €2,500,000.

Terms and conditions

This agreement ended on 30 June 2021.

The Statutory Auditors

Paris-La Défense, 31 March 2022

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 17 May 2022

Presentation and draft resolutions

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 2021, 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 2021

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 2021 as presented, together with any and all transactions reported therein or mentioned in said reports, and which show a net loss of €333,596,315.55.

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 2021

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 2021 as presented, which show a consolidated net loss of €378 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 no dividend will be paid in respect of 2021.

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 €333,596,315.55 for the year ended 31 December 2021 to "Retained earnings", which will have a debit balance of €585,183,746.55.

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 2018	1.00
31 December 2019	None
31 December 2020	None

(1) For individuals who are tax residents in France, the 2018 dividend is 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 and 5: Agreements governed by Article L. 225-38 of the French Commercial Code

Presentation

Under the 4th and 5th resolutions, the Board of Directors asks you to approve, within the scope of Article L. 225-38 of the French Commercial Code on related-party agreements and commitments, the following agreements entered into between Rallye and F. Marc de Lacharrière ("Fimalac").

1/ In respect of the tender offer providing for the repurchase by Rallye, at a discount, of a portion of its debt not secured by Casino shares (see press release dated 22 January 2021):

— The bond subscription agreement set up to fund the initial tender offer and, if necessary, any additional tender offers, for a maximum principal amount of €18,133,334.
Pursuant to this agreement, on 17 May 2021, Rallye issued 9,544,935 bonds in an amount of €9,544,935 maturing on 22 January 2025 and bearing, at Rallye's discretion for each interest period, (i) cash interest at Euribor (floored at zero) for the corresponding twelve-month (12-month) interest period plus an 8% margin, or (ii) interest capitalised annually at Euribor (floored at zero) for the corresponding twelve-month (12-month) interest period plus a 12% margin. These bonds were taken up in full by Fimalac. An arrangement fee of 3% of the principal amount of bonds subscribed under the relevant tranche, a commitment fee of 4.20% per annum applied to the amount of the remaining bond issue and a voluntary early redemption fee, it being specified that Rallye may decide to redeem the bonds ahead of term for minimum amounts of €2.8m.

— The fiduciary trust agreement as security and collateral for its payment and redemption obligations as well as for the Rallye bonds under the abovementioned subscription agreement pursuant to which a fiduciary trust was created into which the 716,835 Casino shares held by Rallye were deposited.

— The pledge agreement pursuant to which a first-rank financial instruments account was set up, to which 100 Casino shares were initially credited, with a maximum of 9,680,245 Casino shares to be subsequently credited.

These agreements were approved by the Board of Directors on 18 March 2021.

2/ In respect of an amendment to the agreements of 12 June 2020 (entered into for the purposes of repaying the derivatives transactions set up by Rallye with the relevant banking institutions and of financing Rallye's operating needs):

— The side letter entered into on 17 December 2021, in connection with the Paris Commercial Court decision of 26 October 2021 to defer the payment dates of Rallye's safeguard plan by two years and, consequently, to extend its duration, aimed at:

- extending by one year, in accordance with the option agreed between the parties, the initial four-year maturity of the bond financing granted on 17 July 2020 by Fimalac to Rallye in the amount of €210,042,400 for the purposes of repaying the derivative transactions previously entered into by Rallye and its subsidiaries;
- agreeing that, with regard to the 9,468,255 Casino shares transferred into a fiduciary trust for the benefit of Fimalac as collateral for the bond financing, any dividends paid by Casino in respect of these shares will be paid to Rallye up to a maximum aggregate amount of €2 per Casino share until the maturity of the said financing, in order to contribute to the financing of Rallye's general corporate needs.

These amendments were approved by the Board of Directors on 16 December 2021.

The Statutory Auditors' special report on related-party agreements, included in this Universal Registration Document, also covers the agreements and commitments that have been published on the Company website in accordance with Article 22-10-13 of the French Commercial Code.

Fourth resolution

Related-party agreement: Approval of the Rallye Bond Subscription Agreement and the Fiduciary Trust Agreement entered into on 5 May 2021 between Rallye and F. Marc de Lacharrière ("Fimalac")

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 Rallye bond subscription agreement and the fiduciary trust agreement, entered into with Fimalac as part of the financing of the tender offer on Rallye's unsecured debt, as authorised by Rallye's Board of Directors on 18 March 2021.

Fifth resolution

Related-party agreement: Approval of the side letter entered into on 17 December 2021 between Rallye and F. Marc de Lacharrière ("Fimalac")

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 conclusion of the side letter dated 17 December 2021 between Rallye and Fimalac concerning the amendments to the agreements entered into on 12 June 2020 following the decision of the Paris Commercial Court on 26 October 2021 to postpone the deadlines of Rallye's safeguard plan by two years, as authorised by Rallye's Board of Directors on 16 December 2021.

Resolutions 6 to 15: Appointment of Directors – Renewal of the appointment of Directors – Appointment

Presentation

The Board of Directors currently comprises eight Directors appointed by the Shareholders' Meeting, whose terms of office expire at the end of this Shareholders' Meeting, and one Director representing employees, appointed by the most representative union. The term of office of the Director representing employees, appointed in 2020 for three years, will expire in 2023.

Under the terms of the 6th to 13th resolutions, the Board of Directors asks you, on the recommendation of the Appointments and Compensation Committee:

— To appoint two new independent Directors:
  - Laurence Dors, who has held executive and financial management positions at Lagardère, EADS, Dassault Systèmes and Renault;
  - Philippe Castagnac, who, among other positions, served as Chairman and Chief Executive Officer of Mazars.

  By proposing these appointments, the Board is ensuring that it has within its ranks the complementary experience and appropriate skills required in light of the Company's situation and business.

  If appointed, these new independent Directors would replace Catherine Fulconis, who did not wish to renew her term of office as a Director, and Philippe Charrier who lost his independent status in light of the strict application of the criteria set out in the Afep-Medef Code after having served for the maximum 12-year term in June 2021.

  These two appointments would therefore allow the Board to continue to ensure that independent Directors account for at least a third of its members, as recommended by the Afep-Medef Code for controlled companies.

— To renew the appointment as Director of Anne Yannic and Jean-Charles Naouri as well as Euris (Odile Muracciole), Finatis (Virginie Grin) and Foncière Euris (Didier Lévêque) (see presentation on pages 84 *et seq.*).

— To appoint Matignon Diderot (Alexis Ravalais) to replace Jacques Dumas following his retirement.

The Directors' biographies are presented on pages 84 *et seq*.

Under the terms of the 14th and 15th resolutions, you are also asked to renew the appointment as non-voting Director of Jean Chodron de Courcel and to appoint Philippe Charrier as non-voting Director, enabling the Board to continue benefiting from his excellent knowledge of the Group and the specific context of the safeguard proceedings, it being specified that Christian Paillot did not wish to renew his term of office as non-voting Director.

The independence of all Directors was assessed by the Appointments and Compensation Committee based on all the criteria in the Afep-Medef Code and then reviewed by the Board of Directors. It is presented in the Corporate Governance Report. The assessment 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 renewals and appointments, the Board of Directors will still have nine Directors at the next Shareholders' Meeting and the proportion of women on the Board would continue to meet the 50% threshold[1].

It would have three independent members, i.e. representing 37.5%[1] of the Board's total members, thereby satisfying the one-third threshold recommended by the Afep-Medef Code for controlled companies, one Director representing the employees and five Directors representing the controlling shareholder, as well as two non-voting Directors.

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 Company's 2021 Universal Registration Document.

1 | The Director representing employees is not taken into consideration in the assessment of gender balance and of the proportion of independent Directors.

Sixth 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 2022.

Seventh 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 2022.

Eighth 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 2022.

Ninth 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 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 2022.

Tenth 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 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 2022.

Eleventh resolution

Appointment as Director of Matignon Diderot

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Matignon Diderot, whose permanent representative to the Board of Directors is Alexis Ravalais, 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 2022.

Twelfth resolution

Appointment as Director of Laurence Dors

The Ordinary Shareholders' Meeting hereby appoints Laurence Dors as Director 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 2022.

Thirteenth resolution

Appointment as Director of Philippe Castagnac

The Ordinary Shareholders' Meeting hereby appoints Philippe Castagnac as Director 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 2022.

Fourteenth 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 2022.

Fifteenth resolution

Renewal of the appointment as non-voting Director of Philippe Charrier

The Ordinary Shareholders' Meeting hereby appoints Philippe Charrier as non-voting Director 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 2022.

Resolution 16: Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the 2021 compensation of corporate officers

Presentation

In the 16th 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 in 2021 or granted to them, for that year, in connection with their term of office, as presented to the Shareholders' Meeting in the Board of Directors' Corporate Governance Report (section on executive compensation) contained in Chapter 2 of the Company's 2021 Universal Registration Document.

Sixteenth resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the compensation of corporate officers paid in or awarded in respect of 2021

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, which includes information relating to the compensation paid to corporate officers of the Company in 2021 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 17: Approval of the components of compensation paid to the General Manager in 2021 or granted in respect of that year

Presentation

In the 17th 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 2021, or awarded to him in respect of that year, in connection with his term of office, as presented in the Board of Directors' Corporate Governance Report in Chapter 2 of the 2021 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 2021 were submitted to a vote at the Shareholders' Meeting held on 18 May 2021 and were approved at a rate of 99.64%.

The components for determining the annual variable compensation for 2021, the payment of which is contingent on approval at the Shareholders' Meeting, were set out at that time, as required by law.

Pursuant to the 17th resolution proposed at the Shareholders' Meeting of 15 May 2019, payment of the long-term incentive (LTI) awarded to the General Manager in 2019, approved at a rate of 97.71% and calculated over a three-year period (2019-2021), as presented in the section of the Board of Directors' Corporate Governance Report contained in Chapter 2 of the 2021 Universal Registration Document, is also subject to the approval of this Shareholders' Meeting under the 17th resolution. The components for determining the long-term incentive were set out at that time.

Information on the compensation referred to above is presented in the Board of Directors' Corporate Governance Report (section on executive compensation) in Chapter 2 of the 2021 Universal Registration Document (see pages 102 *et seq.*).

Seventeenth resolution

Approval of the aggregate compensation and benefits in kind paid to the General Manager in 2021 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 2021 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 18: 2022 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 its management report and must be submitted each year for approval at the Shareholders' Meeting.

In the 18th resolution, you are therefore asked to approve the components of the 2022 compensation policy for the General Manager in connection with his term of office, determined by the Board of Directors on 17 March 2022 on the recommendation of the Appointments and Compensation Committee, as presented in the Board of Directors' Corporate Governance Report (section on executive compensation) in Chapter 2 of the Company's 2021 Universal Registration Document.

Eighteenth resolution

Approval of the 2022 compensation policy for the General Manager in connection with his 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 2022 compensation policy for the General Manager in connection with his term of office, as presented in said report.

Resolution 19: Compensation policy for non-executive corporate officers in connection with their 2022/2023 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 19th resolution, you are asked to approve the compensation policy for non-executive corporate officers in respect of their 2022/2023 term of office, determined by the Board of Directors on 17 March 2022 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 Board of Directors' Corporate Governance Report (section on executive compensation) in Chapter 2 of the Company's 2021 Universal Registration Document.

Nineteenth resolution

Approval of the compensation policy for non-executive corporate officers in connection with their 2022/2023 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 2022/2023 term of office, as presented in said report.

Resolution 20: Authorisation for the Company to buy back its own shares

Presentation

The 20th resolution renews the authorisation granted to the Board of Directors at the Shareholders' Meeting of 17 May 2022, for 18 months, to purchase 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 17 March 2022, the maximum theoretical amount that the Company could invest in buying back 5,259,870 shares would total €157 million.

The goals of the share buyback programme are described below in the 20th resolution as well as in the description of the programme provided in Chapter 1 of the 2021 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 tender offer.

Rallye has not had a liquidity agreement in place since 24 May 2019.

Twentieth 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., 5,259,870 shares based on the share capital as of 17 March 2022, 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. The shares may also be placed on loan, pursuant to Articles L. 211-22 et seq. of the French Monetary and Financial Code.

This authorisation to buy back shares is given for a period that will expire at the Shareholders' Meeting called to approve the 2022 financial statements and management report, and no later than 17 November 2023.

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

Resolution 21: Free awards of Company shares to employees of the Group

Presentation

At the Shareholders' Meeting of 26 June 2020, in the 22nd resolution, the Board of Directors was authorised for a period of 38 months to award free Company shares to employees of the Company and its related companies, with no executive corporate officers of the Company entitled to receive free share awards, in accordance with the Company's policy.

Shareholders are reminded that for several years the Group has pursued a merit-based policy of involving its employees in the Company's development.

In the 21st resolution, on the recommendation of the Appointments and Compensation Committee, you are asked to maintain this option and vote to renew for a 38-month period the authorisation granted to the Board of Directors to award free shares to employees, with no executive corporate officer of the Company eligible to receive free shares, as was previously the case.

The proposed resolution sets the proportion of the share capital that may be granted over 38 months at 1% (excluding adjustments), unchanged from 2020.

The percentage of free shares awarded under the authorisation granted in 2020 was 0.89%.

As of the date of this Meeting, the Company did not have any stock option plans currently in effect or authorised.

As was previously the case, in accordance with the applicable legal provisions, the authorisation specifies that title to the shares would be transferred to the beneficiaries at the end of a vesting period of at least one year to be determined by the Board of Directors and that the shares would be held by beneficiaries for a minimum lock-up period to be set by the Board of Directors, such that the combined vesting and lock-up period would represent at least two years. However, insofar as the vesting period, for all or part of one or several awards, is not shorter than a two-year minimum, the Board of Directors would be authorised to decide not to impose a lock-up period on the shares concerned. In addition, the Board of Directors would be authorised to decide, in the event that the beneficiary suffers from a category 2 or 3 disability as provided for in Article L. 341-4 of the French Social Security Code (*Code de la sécurité sociale*), or their respective equivalents in other countries, that the shares could ultimately be delivered to said beneficiary prior to the end of the vesting period.

Twenty-first resolution

Authorisation granted to the Board of Directors to make free awards of existing or newly-issued shares of the Company to employees of the Company and its related companies; full waiver by shareholders of their preferential subscription rights thereto;

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, in accordance with Article L. 225-197-1 et seq. of the French Commercial Code:

- authorises the Board of Directors, in accordance with, and on the conditions set forth in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to carry out free awards of existing or newly-issued shares of the Company, on one or more occasions, to employees of the Company or certain categories thereof, as well as to employees of companies or economic interest groupings affiliated with the Company on the terms and conditions provided in Article L. 225-197-2 of the French Commercial Code, provided, however, that the Company's executive corporate officers shall not be eligible to receive free share awards;
- resolves that the total number of shares that may be awarded shall not exceed 1% of the total number of shares representing the Company's share capital as of the Shareholders' Meeting of 17 May 2022, but without taking into consideration the adjustments that may be made to preserve the rights of beneficiaries as provided in applicable laws and regulations as well as applicable contractual provisions.
- The Shareholders' Meeting authorises the Board of Directors, to carry out, alternatively or cumulatively, within the limit set out in the foregoing paragraph:
  - to award shares from repurchases made by the Company on the terms and conditions provided in Articles L. 225-208 and L. 225-209 of the French Commercial Code; and/or
  - to award shares that are newly issued in connection with capital increases; in such case, the Shareholders' Meeting hereby authorises the Board of Directors to increase the share capital by the maximum nominal amount corresponding to the number of shares awarded and hereby takes due note that this authorisation automatically and ipso jure operates a waiver in favour of the beneficiaries of the free share awards by the existing shareholders of their preferential right to subscribe for the shares to be issued, as well as to the portion of reserves, retained earnings or additional paid-in capital to be capitalised upon the free award of new shares, and to all rights to existing shares awarded without consideration.

The Shareholders' Meeting decides that the shares will be ultimately delivered to the beneficiaries thereof at the end of a vesting period, the duration of which will be set by the Board of Directors, provided, however, that such duration shall not be less than one

year, and the shares shall be held thereby for a duration set by the Board of Directors, it being specified, however, that the aggregate duration of the vesting and lock-up periods shall not be less than two years. However, insofar as the vesting period for all or part of one or several awards is not shorter than a two-year minimum, the Board of Directors will be authorised to decide not to impose a lock-up period on the shares concerned.

The Board of Directors will also have the right to determine the vesting and lock-up periods in accordance with applicable laws and regulations in the beneficiaries' country of residence.

The Shareholders' Meeting authorises the Board of Directors to decide, in the event that the beneficiary suffers from a category 2 or 3 disability as provided for in Article L. 341-4 of the French Social Security Code (Code de la sécurité sociale), or their respective equivalents in other countries, that the shares could ultimately be delivered to said beneficiary prior to the end of the vesting period.

The Shareholders' Meeting resolves that the vesting of shares awarded to employees may be subject to one or several performance and/or service conditions determined by the Board of Directors.

The Shareholders' Meeting grants full authority to the Board of Directors, with the power to sub-delegate such authority on applicable legal terms and conditions, for the purpose of, and within the limits hereinabove set forth:

- selecting the beneficiaries, or the category or categories of beneficiaries, of free share awards, and determining the number of shares awarded to each of them, it being specified that any employee who holds more than a 10% equity stake in the share capital cannot receive shares, and that the grant of free shares cannot lead any one employee to hold more than a 10% equity stake in the share capital of the Company;
- allocating rights to receive shares on one or more occasions and at the times it deems appropriate;
- setting the terms and conditions and criteria for awarding the shares, such as, yet not limited to, seniority conditions, continuous service conditions for employees and corporate officers during the vesting period, and any other individual or collective financial or performance criterion;
- determining, under the applicable statutory conditions and limits, the final duration of the vesting period and, if applicable, the lock-up period;
- registering the free shares awarded, as the case may be, in an account held in the name of the rights-holder, referencing the lock-up condition and its duration;
- lifting restrictions on the sale of the shares during the lock-up period in the event of redundancy or retirement, while complying with the minimum lock-up period required;
- setting the retrospective or prospective cum rights date of the new shares issued in respect of the share awards;
- recording a locked-up reserve assigned to the rights of beneficiaries, corresponding to the aggregate par value of the shares that could potentially be issued through a capital increase, by withholding the necessary amounts from any and all reserves that can be freely used by the Company;
- withholding the necessary amounts from the locked-up reserve to cover the par value of the shares to be issued to beneficiaries and, if deemed appropriate, charging the capital increase costs against the reserve;
- in the event of a capital increase, amending the articles of association accordingly and carrying out any necessary formalities;
- making any necessary adjustments, as the case may be, during the vesting period, to the number of shares freely awarded based on the impact of any potential transactions involving the Company's share capital, in order to protect the rights of beneficiaries, it being specified that any additional shares awarded as a result of these adjustments will be considered to have been awarded on the same date as the initially awarded shares;

As provided in Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, a special report will be presented each year to the Ordinary Shareholders' Meeting on the transactions completed under this authorisation.

The Shareholders' Meeting sets the period during which the Board of Directors may use this authorisation at 38 months. It supersedes the earlier authorisation granted by the Shareholders' Meeting of 26 June 2020 for the same purpose.

Resolution 22: Powers to carry out formalities

Presentation

The 22nd resolution is a standard authorisation to carry out publication and legal formalities.

Twenty-second 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.

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. "

20 April 2022

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 2020:
  - the consolidated financial statements prepared in accordance with IFRS, and the parent company financial statements for the year ended 31 December 2020, the corresponding Statutory Auditors' reports and Group management report on pages 114 to 221, 228 to 255, 108 to 113, 224 to 227 and 7 to 60, respectively, of the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 22 April 2021 under number D.21-0339.
- 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 103, 202 to 205 and 7 to 57, respectively, of the Registration Document filed with the AMF on 29 April 2020 under number D.20-0404.

Other information contained in the Registration Documents for 2020 and 2019 has, where applicable, been replaced by or updated with the information contained in this Universal Registration Document. The Registration Documents for 2020 and 2019 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 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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Cross-reference table for the Annual Financial Report

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Cross-reference table for the Board of Directors' management report

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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