UNIVERSAL REGISTRATION DOCUMENT 2022

RALLYE

The French language version of this Universal Registration Document was filed on 18 April 2023 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 €158,775,609
Registered with the Paris Trade and Companies Register under number 054 500 574
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Website: http://www.rallye.fr/en/home – E-mail: info@rallye.fr

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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

Jean-Charles NAOURI (1)
Chairman of the Board of Directors

Philippe CASTAGNAC (1)
Independent Director

Gilbert DELAHAYE (2)
Director representing employees

Laurence DORS (1)
Independent Director

Virginie GRIN
Representing Foncière Euris (1)

Didier LÉVÊQUE
Representing Finatis (1)

Odile MURACCIOLE
Representing Euris (1)

Alexis RAVALAIS
Representing Matignon Diderot (1)

Anne YANNIC (1)
Independent Director

Philippe CHARRIER (3)
Jean CHODRON DE COURCEL (3)
Non-voting Directors

Executive Management

Alexis RAVALAIS
General Manager

Statutory Auditors

Ernst & Young et Autres (3)(4)
Represented by Alexis Hurtrel

KPMG S.A.
Represented by Jean-Marc Discours

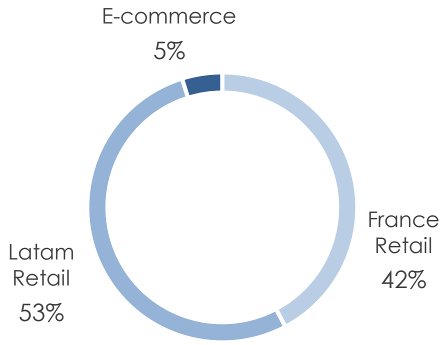
(1) Reappointments submitted to the Shareholders' Meeting on 16 May 2023.
(2) Appointed on 27 June 2020 by the most representative union for a three-year term.
(3) Not renewed at the Shareholders' Meeting on 16 May 2023.
(4) The appointment of a new statutory auditor is proposed to the Shareholders' Meeting on 16 May 2023.

Simplified Group organisation chart
at 31 December 2022

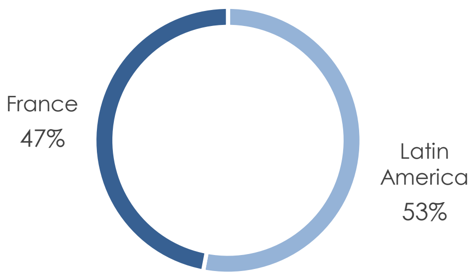
(1) Of which 11.7 % of Casino's share capital transferred in fiduciary trusts – 63.3 % in theoretical voting rights.

Group key figures
at 31 December 2022

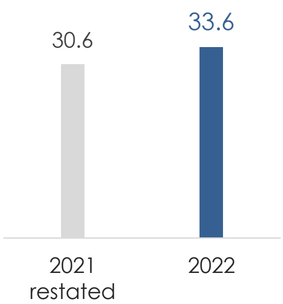
NET SALES BY BUSINESS
(%)



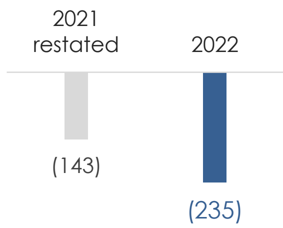
NET SALES BY BUSINESS
(%)



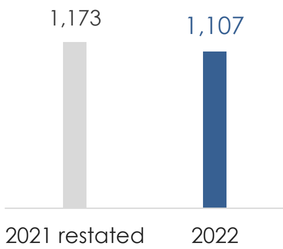
CONSOLIDATED NET SALES
(€ billions)



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



RECURRING OPERATING INCOME
(€ millions)



(€ millions)	2021 restated	2022
Net sales	30,555	33,615
EBITDA [1]	2,503	2,498
EBITDA margin (%)	***8.2%***	***7.4%***
Recurring operating income	1,173	1,107
Recurring operating income margin (%)	***3.8%***	***3.3%***
Net loss from continuing operations, Group share	(143)	(235)
Consolidated net loss, Group share	(277)	(254)

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

NB: The 2021 financial statements have been restated to permit meaningful comparisons with 2022. See note 1.3 to the consolidated financial statements.

Chapter 1

Management report

Significant events 2022

Casino

Impact of the war in Ukraine and of the economic crisis

The geopolitical situation in Eastern Europe worsened on 24 February 2022 following Russia's invasion of Ukraine. Casino Group is not directly exposed to the countries involved in the conflict and has not observed any material direct impact on its performance, given that it has no stores in Ukraine or Russia and makes very limited purchases in the two countries.

However, the conflict continues to weigh heavily on the global economy and capital markets, and is exacerbating an already difficult macro-economic climate due to accelerating inflation and disruptions to global supply chains.

The indirect effects of the conflict (higher inflation and fluctuating energy and commodity prices) lead to higher freight costs and higher purchasing costs for some products, and this may negatively impact Casino Group's supply chain. All of these effects may compromise Casino Group's ability to supply certain products and lead to changes in customer purchasing behaviour and cost structures.

Asset disposal plan in France

Casino Group has launched a vast asset disposal programme in France to focus on buoyant formats. The €1.5bn plan launched in June 2018 was raised to €2.5bn in March 2019 and completed with an additional €2.0bn plan, as announced in August 2019, bringing the plan total to €4.5bn.

As of 31 December 2022, the Group had signed or secured €4.1bn in asset sales since 2018. The disposals carried out by Casino Group in 2022 are detailed below:

- On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of Floa to BNP Paribas for €200m (of which €192m were collected net of costs in early 2022), with an earn-out for Casino Group representing 30% of the future value created by 2025.
- On 21 February 2022, Casino Group completed the disposal of 6.5% of Mercialys equity through a total return swap (TRS) for €59m. On 4 April 2022, Casino Group sold its remaining 10.3% stake in Mercialys under a new TRS maturing in December 2022 for €86m.
- On 18 October 2022, Casino Group completed the sale of GreenYellow to Ardian. At end-December 2022, it continued to have a stake in the company's value creation through a €150m reinvestment. Net of the reinvestment, disposal proceeds for Casino Group amount to €617m, including €30m paid into a segregated account that will be released if certain operating indicators are met.
- Casino Group had €152m in multiple secured disposals in 2022 (Sarenza, CChezVous, real estate).
- In addition, Casino Group secured and recorded in advance a €12m earn-out in 2022 in relation to the Apollo and Fortress joint ventures (in addition to €118m already secured in 2021).

In view of the current outlook and the options available, the Group is confident to complete its €4.5bn disposal plan in France (of which €0.4bn remains outstanding) by the end of 2023 at the latest.

Debt reduction in France: €1,062m of debt[1] repaid in 2022

- **Bond buybacks :** €673m of bonds cancelled in 2022

  In 2022, the Group cancelled its bonds maturing in 2022, 2023 and 2024 and its secured 2024 Quatrim bonds for an aggregate nominal amount of €673m.
- **2023 Segisor debt repayment:** €150m,
- **Repayment of the first half of the Cdiscount government-backed loan (PGE)** in August 2022: €60m,
- **€179m reduction in short-term debt** [2] (mainly NEUCP).

Restructuring of the group's operations in Latin America

Following the simplification of the Group's structure in Latin America and the spin-off of GPA and Assaí activities at the end of 2020, Casino Group continued to reorganise its operations.

At the end of 2021, GPA and Assaí 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 remaining Extra hypermarkets into Mercado Extra, Compre Bem and Pão de Açúcar supermarkets. In 2022, the process of converting Extra hypermarkets to Assaí's cash & carry format made excellent progress, with a total of 47 conversions during the year. GPA completed the conversion of the 23 hypermarkets that were not sold.

1 | Data are presented based on nominal values.

2 | Commercial paper, RCF drawdown.

In order to accelerate its deleveraging, Casino Group sold 10.44% of Assaí's capital for approximately €491m in November 2022.

Following the success of the GPA and Assaí spin-off, a plan to spin off Grupo Éxito was launched on 5 September 2022 in order to unlock Grupo Éxito's value. GPA's Board of Directors announced that it was considering distributing approximately 83% of Grupo Éxito's capital to its shareholders and retaining a minority stake of around 13% which could be sold at a later date. The Grupo Éxito spin-off was approved by GPA's Extraordinary Shareholders' Meeting of 14 February 2023 and should be completed in the first half of 2023, subject to obtaining the On completion of the transaction, Casino Group would hold interests in three separate listed assets in Latin America, opening up various monetisation options. Following the Grupo Éxito spin-off, Casino Group would have a direct 34% stake in Grupo Éxito and an indirect holding via GPA's minority stake of 13% (i.e., 47% of voting rights and 39% of capital overall). At 31 December 2022, Casino Group held 30.5% of Assaí [1] and 40.9% of GPA.

Legal reorganisation of operations in France

On 15 June 2022, Casino Group announced that it planned to simplify and increase the clarity of its legal organisation in France by placing all of its food retail subsidiaries (mainly Franprix, Monoprix, Distribution Casino France, Easydis and AMC) under a common holding company wholly owned by Casino, Guichard-Perrachon.

This company, CGP Distribution France, was incorporated in the second half of 2022. After informing and consulting the employee representative bodies of the subsidiaries concerned, the Group's subsidiaries in the Monoprix scope were immediately placed under this holding company, which is wholly owned by Casino, Guichard-Perrachon. The final stage of this reorganisation, consisting of the transfer of Distribution Casino France's activities, will take place in the first half of 2023.

Strengthening partnerships

- **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 memorandum provides for:
  - the creation of a joint venture to provide services for automated warehouses equipped with Ocado technology to online food retailers in France;
  - the integration of Octopia's marketplace solution into the Ocado smart platform, allowing Ocado's partners across the globe to launch their own marketplace offerings;
  - Casino Group to deploy Ocado's in-store fulfilment solution across its Monoprix store estate.
- **On 30 June 2022, Casino Group and Gorillas signed a strategic agreement to extend their partnership to the Frichti banner.**

  This agreement gives Frichti access to Casino's nationalbrand products and to Monoprix's private-label products. These products are now available on the Frichti platform for delivery to consumers in a matter of minutes in the areas where Frichti currently operates.

  Through this partnership, which follows Gorillas' acquisition of French banner Frichti, Casino Group intends to strengthen the ties between Monoprix and Frichti, the French leader in quick commerce. As a result, Casino Group will become directly involved in Frichti's value creation through its stake in the company's capital.

Conversion of traditional hypermarkets

The Casino Group's banners adapted their offerings to new consumer trends in 2022. Casino Group has accelerated the conversion of its traditional Géant hypermarkets into (i) Casino Supermarkets (20 conversions completed in 2022) and (ii) Casino #Hyper Frais, a new concept launched in 2022 to replace the 61 remaining Géant Casino stores in France. At the end of 2022, 51 conversions had been completed and the remaining 10 hypermarkets will be converted to the Casino #Hyper Frais format in the first half of 2023. This new concept allows hypermarkets to increase the percentage of fresh produce in the store from 35% to 50%, while maintaining their fundamentals (accessible prices and high-quality, diversified products). There will also be more regional products to better reflect the area in which each store is located.

1 | Casino Group announced a new secondary offering of Assaí shares on 7 March 2023. On completion of the transaction, Casino Group's Assaí capital stake will be 11.7% (see "Subsequent events" on page 28).

Rallye

Global offer on Rallye's unsecured debt

On 23 March 2022, Rallye has launched a global tender offer at a fixed purchase price for its unsecured debt (including the bonds and commercial paper) (the "Tender Offer"). This operation follows a first global tender offer made in the first half of 2021 (see « Business report »).

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 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 was willing to offer.

The Tender Offer, for a maximum amount of €37m, began on 23 March 2022 and expired on 5 April 2022.

Success of the global tender offer

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 exceeded 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 spent €36.6m of cash to acquire €242.3m of nominal amount of unsecured debt, reducing the total amount of its net financial debt by €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 was, 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

The operation was financed by the financing of €82.4m set up with Fimalac and financial institutions during the first Tender offer carried out in 2021. The nominal value of the first tranche drawn in May 2021 is €43.4m, and that of the second tranche drawn in May 2022 is €39.0m.

Amendment to Rallye's safeguard plan

On 9 May 2022, the Paris Commercial Court approved the amendment to Rallye's safeguard plan, authorizing the effective completion of the global tender offer on its unsecured debt launched on 23 March 2022. The settlement-delivery of the Tender Offer took place on 16 May 2022.

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 a residual 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 2022, is one of the Group's holding companies, controlled by Jean-Charles Naouri. The Group operates almost 12,400 stores in France and abroad through its operating subsidiary Casino, employing 208,000 employees, located in France and South America, and generates consolidated net sales of €33.6bn in 2022.

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 and operations that have taken place since the initiation of safeguard proceedings

Approval of the safeguard plans of Rallye and its parent companies

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.

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 had been 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 provided 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 was made in the context of exceptional governmental measures put in place during the Covid-19 crisis. It aimed 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 have remained 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.

Global offers on Rallye's unsecured debt

On 22 January 2021, Rallye launched a first 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 for a maximum amount of €75m 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. On 11 February 2021, after expiration deadline of the Tender Offer, a total amount of unsecured debt of €195.4m was acquired, based on a purchase price at 20 % of the amount of the claim (ie. the maximum purchase price initially set by Rallye), 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.

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.

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 this first 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.

On **March 23, 2022**, Rallye launched a second global tender offer for its unsecured debt (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, prior to the initiation of the safeguard proceedings, were not covered by the safeguard plans in accordance with Article L. 211-40 of the French Monetary and Financial Code. These derivatives transactions were refinanced with Fimalac 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 Rallye and its 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 2022, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.86x.

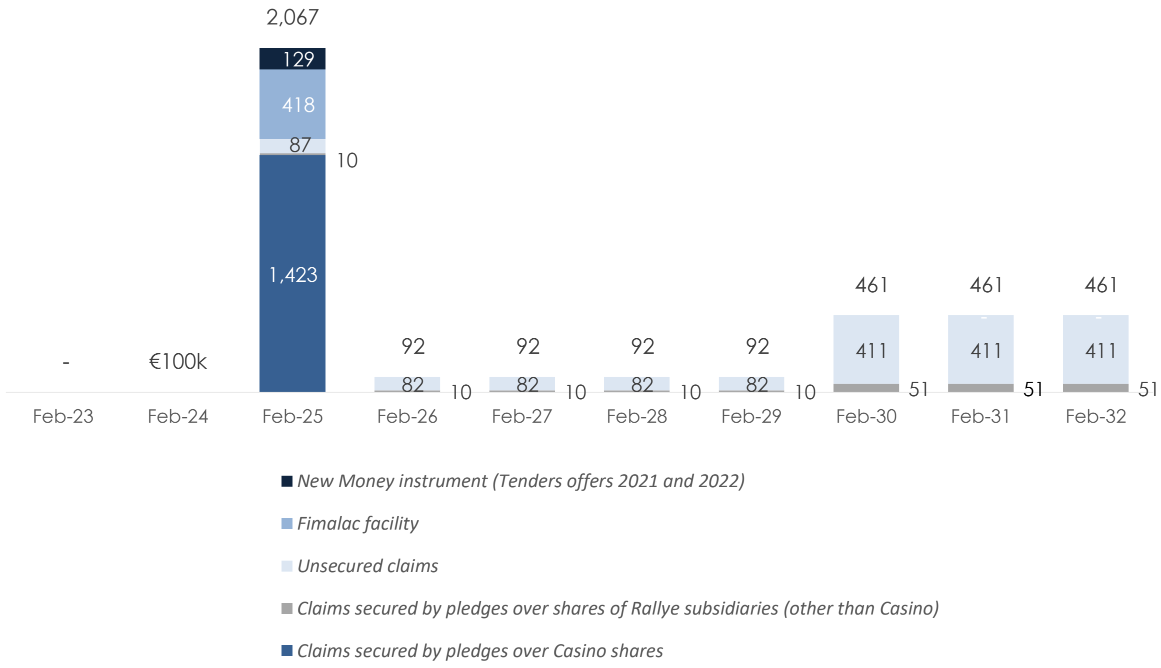
1 | Beyond ordinary dividend representing 50% of net profit attributable to owners to the parent, with a minimum of €100m per year from 2021 and an additional €100m that may be used for one or several distributions during the life of the debt.

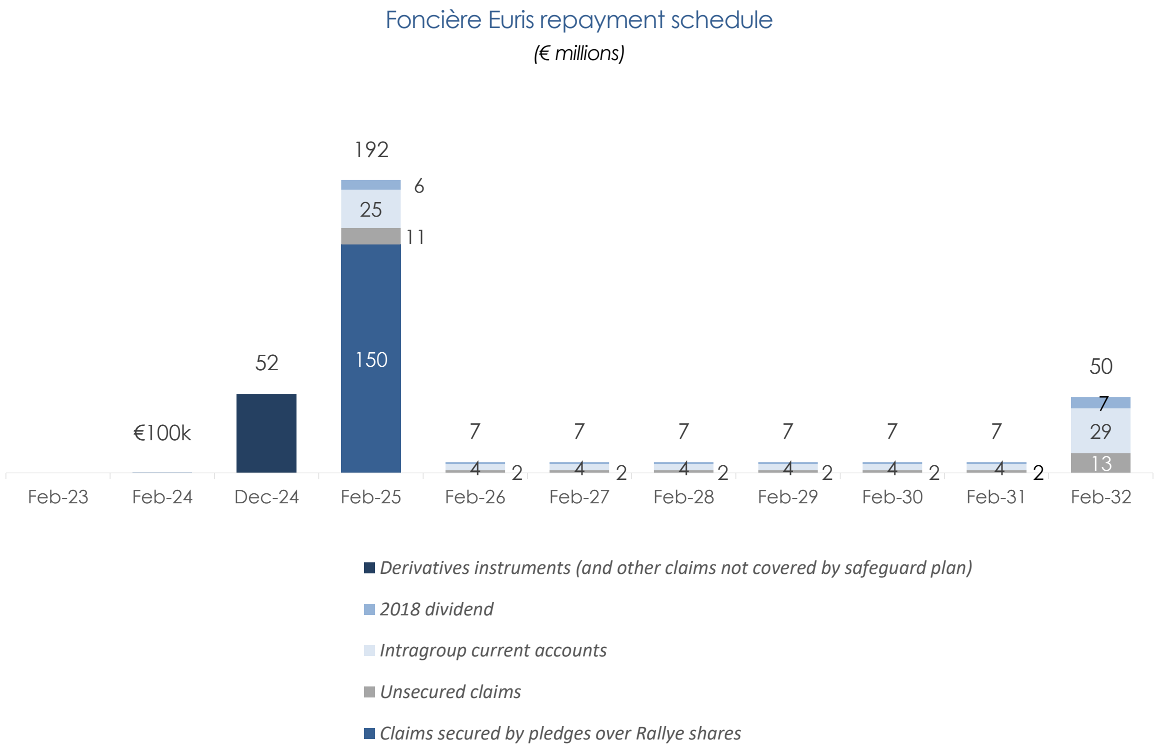
The Board of Directors of Rallye has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. Rallye draws the attention of investors to the fact that the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principle and amount of which will depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan. Rallye therefore considers that the risk factor related to the implementation of the safeguard plans has increased (cf. « Risks relating to the implementation of the safeguard plans » page 49).

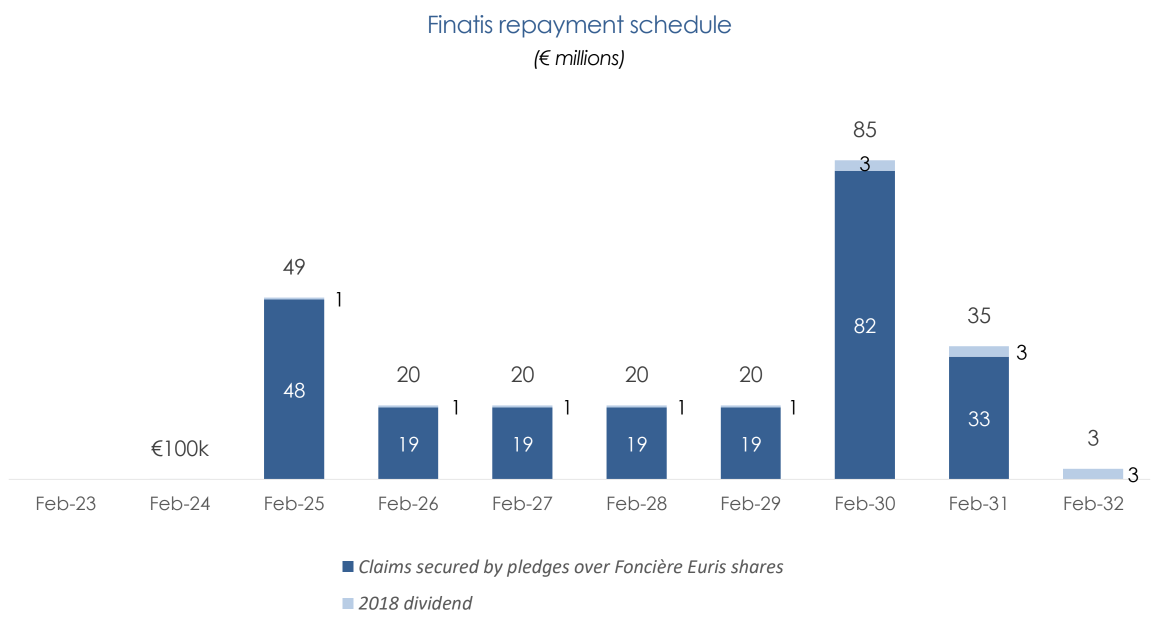
Rallye will liaise with its creditors in order to examine the possibilities and possible ways of adjusting its safeguard plan.

As a result of the safeguard plans for all of the Group's structures (including the parent companies, Foncière Euris, Finatis and Euris), and given the mechanisms of pledges over securities accounts, the debt repayment profiles, including interest and commissions that continue to run, resulting from these commitments, increased by the amounts due for transactions not subject to the safeguard plan, can be estimated as follows. These estimates also include the impacts of Tender Offers on Rallye's unsecured debt, renegotiations on transactions not subject to the safeguard plan and taking into account changes in the forward yield curve.

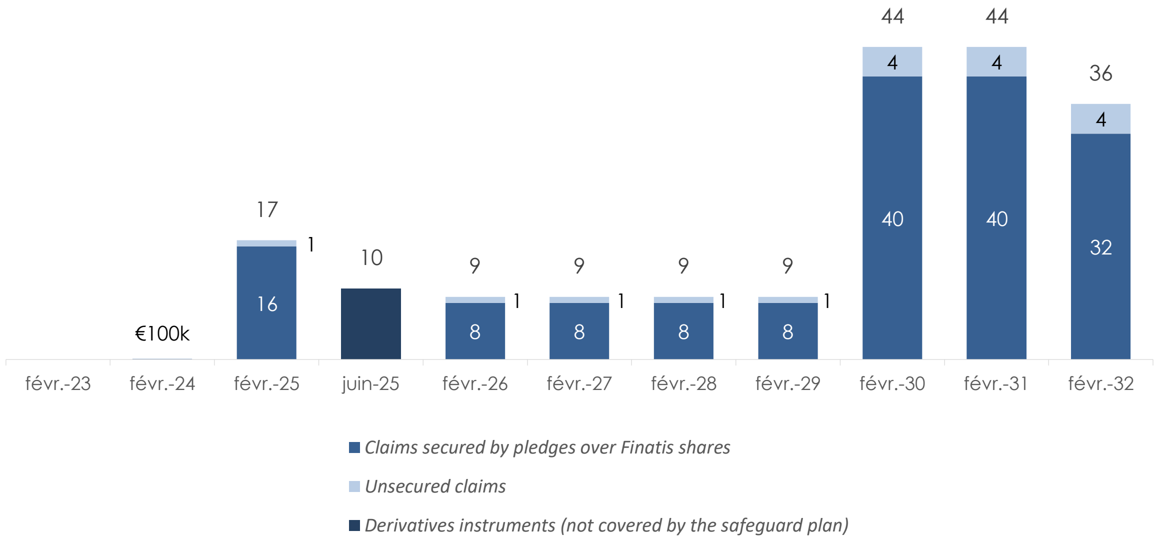
Rallye repayment schedule
(€ millions)




Foncière Euris repayment schedule
(€ millions)
192
6
25
11
150
52
€100k
7
4
2
50
7
29
13
Feb-23
Feb-24
Dec-24
Feb-25
Feb-26
Feb-27
Feb-28
Feb-29
Feb-30
Feb-31
Feb-32
Derivatives instruments (and other claims not covered by safeguard plan)
2018 dividend
Intragroup current accounts
Unsecured claims
Claims secured by pledges over Rallye shares


Finatis repayment schedule
(€ millions)
85
3
82
49
1
48
20
1
19
35
3
33
3
3
€100k
Feb-23
Feb-24
Feb-25
Feb-26
Feb-27
Feb-28
Feb-29
Feb-30
Feb-31
Feb-32
Claims secured by pledges over Foncière Euris shares
2018 dividend

Euris repayment schedule
(€ millions)



Casino

The comments in the Annual Financial Report reflect comparisons with 2021 results from continuing operations.

The financial statements for 2021 have been restated following the retrospective application of the IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement.

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, 2022 was marked by:

In France

- **France Retail**

— The Group continued to develop its buoyant formats:

  - Renewed growth for Parisian banners and convenience stores (same-store sales growth [1] of 6.6% for convenience stores, 3.4% for Franprix and 11.2% for Monop'), in line with the upturn in tourism and consumer spending in the Paris region;
  - Strong growth in convenience formats: success of the expansion plan, with 879 store openings (Franprix, Vival, Spar, etc.) and supermarkets joining the franchise network;
  - Growth in food E-commerce of 17% over the year, vindicating the focus on home delivery and partnerships forged with world leaders (Amazon and Ocado);
  - Development of a discount offering (Leader Price) adapted to the inflationary environment in hypermarkets and supermarkets (up 95% in Q4) and in the franchise network.

— EBITDA margin for the retail banners came in at 9.9% in H2 (8.4% for the year). Trading profit for the retail banners was stable in the second half, with an increase in trading profit and the trading margin at Monoprix, Franprix and Casino convenience stores..

- **Cdiscount [2]**

— The transformation of the business model continued, with progress on growth and profitability drivers: (i) increase in the marketplace share, to 52% of GMV in 2022 (up 6 pts), (ii) growth in Advertising Services (up 5% year on year, x1.8 vs. 2019), with the deployment of the AI-based CARS platform, and (iii) acceleration of B2B services with Octopia (up 66% year on year).

— The swift implementation of the cost savings plan led to a sequential improvement in EBITDA during the year after a difficult first half (EBITDA at €15 million in H1 and €39 million in H2).

- **Disposal plan in France**

— By end-2022, a total of €4.1bn in disposals had been made under the disposal plan launched in 2018.

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

1 | Excluding fuel and calendar effects.
2 | Data published by the subsidiary.

- **Net debt in France**

— Net debt in France [1] fell to €4.5bn at 31 December 2022 (from €4.9bn at the end of 2021), mainly due to the early repayment of the entire bank debt subscribed by Segisor (initial maturity July 2023) using proceeds from the partial disposal of Assaí.

— Casino Group met the covenants contained in its revolving credit facility [2], with gross debt headroom of €270 million for the secured gross debt/EBITDA after lease payments covenant, and EBITDA headroom of €115 million for the EBITDA after lease payments/net finance costs covenant.

In Latin America

— In Latin America, EBITDA was up 11.9% for the year (14.9% excluding tax credits) [3]:
  - In Latin America, EBITDA was up 11.9% for the year (14.9% excluding tax credits) [3] ;
  - Grupo Éxito EBITDA up 8.7%;
  - Decline in GPA EBITDA amid efforts to reposition the business model following the sale of Extra hypermarkets.

— The Group continues to reorganise its operations in Brazil, with good progress on the conversion plan for the Extra hypermarkets (47 conversions to the cash & carry format in 2022, conversion plan completed at GPA for the 23 hypermarkets not sold to Assaí).

— The Grupo Éxito spin-off was approved by GPA's Extraordinary Shareholders' Meeting of 14 February 2023 and should be completed in the first half of 2023, subject to obtaining the necessary authorisations. Following the spin-off, the Group would hold interests in three separate listed assets, opening up various monetisation options for these assets.

— In this context, the Group sold 10.44% of Assaí's capital for approximately €491 million in November 2022 [4].

France Retail

(€ millions)	2022	2021 restated
Net sales	14,205	14,071
EBITDA	1,268	1,351
EBITDA margin (%)	*8.9%*	*9.6%*
Trading profit	482	530
Trading margin (%)	*3.4%*	*3.8%*

France Retail net sales totalled €14,205m in 2022 versus €14,071m in 2021, up 1.5% on a same-store basis excluding fuel and calendar effects. All banners returned to growth in the second quarter, maintaining the good momentum into the third quarter with a sharp acceleration in Parisian banners (Franprix, Monoprix) in a market shaped by the return of tourists. The fourth quarter remained stable, with a further solid performance in buoyant formats (Paris, convenience and premium) and a more difficult environment for hypermarkets and supermarkets.

The year saw a significant ramp-up in the expansion strategy, with 879 new stores opened in convenience formats (Franprix, Spar, Vival, etc.), exceeding the initial target of 800 openings in 2022. The Group also accelerated its pace of converting traditional Géant hypermarkets into Casino Hyper Frais stores, with 32 new conversions completed in the fourth quarter (after 15 conversions in the third quarter and 4 in the second quarter), bringing the total number of converted stores to 51 at end-2022. The remaining 10 hypermarkets will be converted into the Casino #Hyper Frais format in first-half 2023. This strategy is reflected in increased customer loyalty, with the success of subscriptions in the Casino, Monoprix and Naturalia banners. The Group had over 370,000 paying subscribers at end-2022.

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

- Net sales at Monoprix [5] came in at €4,393m for 2022, up 1.2% on a same-store basis. Growth was driven by strong momentum at Monoprix City and Monop' stores, which recorded same-store sales growth of 2.1% over the year and a 9.2% rise in customer traffic. Food e-commerce continues to grow rapidly, driven by partnerships with Ocado, Amazon, Gorillas, Uber Eats and Deliveroo. The banner further expanded its store network, with 54 new store openings over the year, and plans to accelerate its expansion, with almost 100 store openings planned for 2023, primarily under the Monop' banner. Monoprix also continued to focus on innovation, with the opening of the first Monoprix Maison home decor store in October 2022.
- Franprix net sales were up by 3.4% on a same-store basis in 2022 to €1,477m, driven by the recovery in consumption in Paris due to the return of tourists and office workers. The banner benefited from good momentum in customer traffic, the sale of Leader Price products (a target share of 10% in stores by 2023) and the acceleration of e-commerce. Total gross sales under

1 | France including Cdiscount, GreenYellow and Segisor.

2 | Covenants tested on the last day of each quarter – outside of these dates, there is no limit on the amounts that can be drawn down.

3 | Tax credits restated by the Brazilian subsidiaries in the calculation of adjusted EBITDA and adjusted trading profit.

4 | Casino Group announced a new secondary offering of Assaí shares on 7 March 2023 (see "Subsequent events").

5 | Monoprix City including e-commerce, Monop' and Naturalia.

banner rose by 4.1% over the year. The expansion strategy in target areas (Paris and the Île-de-France region, the Rhône-Alpes region and the northern Mediterranean region) continued, with 181 new stores opened during the year, including 136 in the Île-de-France region (960 stores in Île-de-France at end-2022). The banner plans to maintain this pace of new store openings in 2023 and step up its strategy in first-half 2023 of attracting independent retailers to the franchise network.

- Net sales in the Convenience segment came to €1,507m. The banner reported good sales momentum with same-store net sales growth of 6.6% and an increase of 7.8% in gross sales under banner, driven by the appeal of a format suited to customer needs in high-growth areas (notably Rhône-Alpes and Côte d'Azur) and the development of partnerships with Uber Eats, Deliveroo and the "mescoursesdeproximité.com" website. Store network expansion accelerated over the year, with 652 stores opened, i.e., almost two new stores per day.
- Casino Supermarkets and Hypermarkets sales totalled €3,402m and €3,091m, respectively, in 2022, down 0.4% and 0.1%, respectively, on a same-store basis. After expanding in the first nine months of the year, the two banners experienced a reverse trend in the fourth quarter, due to a more difficult competitive environment late in the year, in which the Group controlled its spending on promotions and communication. E-commerce nevertheless remains upbeat, with double-digit growth driven notably by partnerships with Uber Eats, Deliveroo and Shopopop.

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 €1,268m (€1,351m in 2021), with an 8.9% EBITDA margin. EBITDA for the retail banners (France Retail excluding GreenYellow and property development) was €1,199m (€1,273m in 2021). The EBITDA margin, at 8.4%, improved in the second half of the year (9.9%) thanks to renewed growth at Monoprix, Franprix and convenience stores.

France Retail trading profit was €482m (€530m in 2021), with a trading margin of 3.4%. Trading profit for the retail banners (France Retail excluding GreenYellow and property development) was €421m (€479m in 2021), with a trading margin of 3.0%.

RelevanC

RelevanC pursued its strategy of external development after having built up its expertise with the Group's banners:

- Launch of the white label Retail Media solution launched with GPA in Brazil;
- Launch of the white label Retail Media solution launched with GPA in Brazil.

RelevanC continued to forge strategic and ambitious partnerships during the year, which included a new five-year partnership with In The Memory signed in the fourth quarter. Internationally, Latin America continued to enjoy strong momentum after the opening of new offices in Colombia.

E-commerce (Cdiscount)

(€ millions)	2022	2021 restated
GMV (Gross Merchandise Volume) as published by Cnova	3,497	4,206
EBITDA	54	105
EBITDA margin (%)	*3.3%*	*5.2%*
Trading profit	(42)	18
Trading margin (%)	*- 2.6%*	*0.9%*

In 2022, Cdiscount [1] accelerated its transformation towards a profitable business model.

Sharp increase in Cdiscount's gross margin, up to 23.2% of net sales in 2022 (up 1.3 pts year on year, up 5.4 pts versus 2019), driven by an improved business mix in favour of marketplace GMV, which accounted for 52% of total GMV over the year (up 6 pts year on year, up 13 pts versus 2019.

€191m in marketplace revenues in 2022 (down 2% year on year), up 28% on 2019, with a solid and steady increase in the GMV take rate [2] to 16.2% (up 0.7 pts year on year, up 1.7 pts on 2019).

Continued development of digital marketing, with revenues up 5% over the year (x1.8 versus 2019). The GMV take rate [2] has risen steadily over the last few years, reaching 3.1% in 2022 (up 0.7 pts versus 2021, up 1.6 pts versus 2019).

1 | Data published by the subsidiary.

2 | Calculated as revenues divided by product GMV excluding tax.

B2B business growth remains a major source of long-term value creation. Octopia reported 66% growth in B2B revenues in 2022, with 14 new clients over the year for its turnkey marketplace solution. It had a total of 26 clients at the end of 2022, of which 17 are already on the platform.

The cost savings plan targeting €75m on a full-year basis by end-2023 is ongoing, outperforming the objectives initially set. It generated €47m in savings in 2022 (a €29m decrease in general expenses and an €18m decrease in capital expenditure), or €17m more than the expected savings.

E-commerce EBITDA [1] was €54m (versus €105m in 2021), with a sequential improvement in the second half of 2022 driven by the success of the cost savings plan (€39m in the second half after €15m in the first).

E-commerce [11] reported a €42m trading loss (€18m trading profit in 2021), impacted in particular by the increase in depreciation and amortisation linked to investments made over the last few years to expand Octopia's operations.

Latam Retail

(€ millions)	2022	2021 restated
Net sales	17,785	14,448
EBITDA	1,186	1,060
EBITDA margin (%)	*6.7%*	*7.3%*
Trading profit	677	638
Trading margin (%)	*3.8%*	*4.4%*

Latam Retail net sales were €17,785m in 2022, up 10.5% on an organic basis and 12.3% on a same-store basis excluding fuel and calendar effects. Food sales in Brazil rose 6.9% on an organic basis and 9.1% on a same-store basis excluding fuel and calendar effects.

- Assaí stepped up its development in 2022, with (i) a 30% [2], increase in net sales, (ii) a 27% [12] increase in EBITDA, and (iii) record expansion with the opening of 60 stores over the year, including 47 conversions of Extra hypermarkets, bringing the total number of stores to 263 at the end of 2022.
- Grupo Éxito also continued to enjoy strong commercial momentum, with a 21% [12] increase in net sales driven by innovative formats and omnichannel. The store base also continued to expand, with 92 store openings during the year.
- Following the sale of Extra hypermarkets, GPA is focusing its development on premium and convenience formats.

EBITDA for Latin America increased by 14.9% year on year excluding tax credits, driven by Assaí (49.4% excluding tax credits). Including tax credits [3] (€28m in 2021 and €0 in 2022), EBITDA came out at €1,186m, a rise of 11.9%.

Trading profit excluding tax credits was up 10.9% year on year, driven by Assaí (up 44% excluding tax credits), in line with business growth. Including tax credits [13], trading profit was up 6.1% to €677m.

1 | Contribution to consolidated EBITDA.
2 | Change at constant exchange rates, excluding tax credits.
3 | Tax credits restated by the Brazilian subsidiaries in the calculation of adjusted EBITDA and adjusted trading profit.

Casino financial highlights

Casino Group's key consolidated figures for 2022 were as follows:

(€ millions)	2022	2021 restated (*)	Total change	Change CER [(1)]
Consolidated net sales	33,610	30,549	+ 10.0%	+ 3.8%
EBITDA[(2)]	2,508	2,516	- 0.3%	- 5.5%
Trading profit	1,117	1,186	- 5.9%	- 12.1%
Other operating income and expenses	(512)	(656)	+ 22.0%	
Net finance costs	(581)	(422)	- 37.6%	
Other financial income and expenses	(358)	(391)	+ 8.4%	
Income tax benefit (expense)	9	86	- 89.5%	
Share of profit of equity-accounted investees	10	49	- 79.1%	
Net profit (loss) from continuing operations, Casino Group share	(279)	(280)	+ 0.3%	
Net profit (loss) from discontinued operations, Casino Group share	(37)	(254)	+ 85.5%	
Consolidated net profit (loss), Casino Group share	(316)	(534)	+ 40.9%	
Underlying net profit, Casino Group share [(3)]	(102)	89	n.m.	n.m.

(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) 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.

(*)The 2021 financial statements have been restated to permit meaningful comparisons with 2022. See note 1.3 to the consolidated financial statements.

Pursuant to European Commission Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2022.

The accounting methods described in the notes to the consolidated financial statements have been applied continuously across the periods presented in the consolidated 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

A more detailed review of changes in net sales, EBITDA and trading profit can be found above in the review of each of Casino Group's three business segments.

In 2022, Casino Group's consolidated **net sales** amounted to €33,610m versus €30,549m in 2021, up 5.2% on a same-store basis [1], up 3.8% on an organic basis [14] and up 10.0% as reported after taking into account the effects of exchange rates (+6.4%), fuel (+0.3%), the calendar effect (-0.2%) and changes in scope (-0.3%).

Casino Group's consolidated **EBITDA** came to €2,508m, a decrease of 0.3% including currency effects and of 5.5% at constant exchange rates.

Casino Group's consolidated **trading profit** came to €1,117m in 2022, down 5.9% including currency effects (down 3.6% excluding tax credits) and down 12.1% at constant exchange rates (down 5.2% excluding tax credits).

Net financial expense totalled €939 million in 2022 (€813 million in 2021), reflecting:

- Finance costs, net of €581m versus €422m in 2021;
- Other net financial expenses of €358m, compared with other net financial expenses of €391m in 2021.

Underlying net financial expense for the period was €935m (€592m excluding interest on lease liabilities) compared to €813m in 2021 (€500m excluding interest on lease liabilities), reflecting a decrease in financial expenses in France linked to debt repayments and redemptions, and an increase in financial expenses in Latin America due to the Assaí investment plan and higher interest rates.

Other operating income and expenses represented a net expense of €512m (net expense of €656m in 2021). In France (including Cdiscount, excluding GreenYellow), other operating income and expenses amounted to a net expense of €170m (€309m in 2021), an improvement of €139m primarily due to net capital gains on the France disposal plan. In Latin America, other operating income and expenses amounted to a net expense of €336m (€300m in 2021), reflecting the completion of the sale of Extra hypermarkets to Assaí.

Income tax represented a benefit of €9m versus €86m in 2021.

1 | Excluding fuel and calendar effects.

Casino Group's share of **profit of equity-accounted investees** was €10m (€49m in 2021).

Non-controlling interests in profit/(loss) from continuing operations came to a loss of €35m compared to a profit of €132m in 2021. Excluding non-recurring items, underlying minority interests were €117m in 2022 versus €272m in 2021.

Profit (loss) from continuing operations, Group share came out at a loss of €279m, compared with a loss of €280m in 2021, excluding the capital gain on the disposal of Assaí recognized in equity.

Net profit (loss) from discontinued operations, Group share came out at a net loss of €37m in 2022, compared with a net loss of €254m in 2021, which included the impacts of the Leader Price sale.

Consolidated net profit (loss), Group share amounted to a net loss of €316m, versus a net loss of €534m in 2021.

Underlying net loss from continuing operations, Group share totalled €102m compared with underlying net profit of €89m in 2021, reflecting lower trading profit owing to business in the first quarter in France and at Cdiscount, a rise in net finance costs in Latin America, and an accounting tax charge (no cash impact) of €240m relating to the review of capitalisable tax loss carry-forwards in France.

Diluted underlying earnings per share [1] stood at a loss of €1.38, vs. earnings of €0.49 in 2021.

Financial position at 31 December 2022

Casino Group's Consolidated net debt was €6.4bn (versus €5.9bn at end-2021), including €4.5bn in France [2] (€4.9bn at end-2021) and €1.9bn in Latin America (€979m at end-2021).

In France [16], the reduction in debt was notably due to bond redemptions and to the Segisor repayment (€150m). The increase in debt in Latin America is the result of higher debt at Assaí owing to its investment plan.

At 31 December 2022, Casinio Group's liquidity in France (including Cdiscount) was €2.4bn, with €434m in cash and cash equivalents and €2.0bn in confirmed undrawn lines of credit, available at any time. The balance of the unsecured segregated account was €36m at 31 December 2022, enabling Casino Group to meet its January 2023 debt servicing obligations.

Financial information relating to the covenants

At 31 December 2022, Casino Group complied with the covenants contained in the revolving credit facility. The ratio of secured gross debt to EBITDA (after lease payments [3]) was 3.1x [4], within the 3.5x limit, representing debt headroom of €270m and EBITDA headroom of €77m. The ratio of EBITDA (after lease payments) to net finance costs stood at 3.0x (above the required 2.5x), representing EBITDA headroom of €115m.

Other assets

Investment portfolio

Rallye's investment portfolio was valued at €26m at 31 December 2022, stable compared to 31 December 2021.

At the end of 2022, the portfolio comprised financial investments with a market value of €20m (versus €20m at end-2021) and property programmes measured at historical cost for €6m (versus €6m at end-2021).

1 | Underlying diluted EPS includes the dilutive effect of TSSDI deeply-subordinated bond distributions.

2 | France including Cdiscount, GreenYellow and Segisor.

3 | As defined in the refinancing documentation.

4 | Secured debt of €2.1bn and EBITDA after lease payments of €690m.

Comments on the financial statements

Consolidated financial statements

The comments in the Annual Financial Report reflect comparisons with 2021 results from continuing operations.

The financial statements for 2021 have been restated following the retrospective application of the IFRS IC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement.

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.

Main changes in the scope of consolidation in 2022

- Disposal of Floa Bank completed on 31 January 2022
- Disposal of Mercialys completed through two TRS fully settled in 2022
- Disposal of GreenYellow completed on 18 October 2022
- Disposal of a 10.44% stake in Assaí on 29 November 2022

Currency effects

- Currency effects were favourable in 202, with the Brazilian real gaining an average 17.3% against the euro compared with 2021.

Results

Rallye reported consolidated net sales of €33.6bn in 2022 versus €30.6bn in 2021 and comes mainly from the Casino group. A more detailed review of changes in net sales can be found in the business review for each operating subsidiary.

Recurring operating income totalled €1,107m versus €1,173m in 2021. 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 -€590m, versus -€661m in 2021 (see note 6.5 of the consolidated financial statements).

Cost of net financial debt translates into a net charge of €697m versus a net charge of €494 million over the previous year (see note 11.3.1 to the consolidated financial statements).

Other financial income and expenses amounted to - €221m compared to - €280m in 2020, a variation of + €59m. Rallye recorded a financial product (net of IFRS restatements) of €139m in 2022 and €113m in 2021 following the offers to repurchase its unsecured debt made in the first half of 2022 and in the first half of 2021 respectively (note 11.3.2 to the consolidated financial statements).

Profit before tax recorded a loss of €401m against a loss of €262m in 2021.

The share of net income of equity-accounted investees was €11m versus €48m in 2021.

The net loss from continuing operations, Rallye Group share, amounted €235m versus €143m in 2021.

The underlying net loss [1]**, Rallye Group share**, stood at €220m in 2021 versus €108m in 2021.

Evolution of cash flows

The Group's cash flow (CIF) capacity amounted to €1,875m in 2022, stable compared to the level recorded in 2021.

The CIF and the change in the working capital requirement, net of taxes paid in 2022, bring the **cash flow generated by the activity** (net collection) to €1,140m, compared to €1,521m in 2021.

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.

Net cash flow related to fiscal year 2022 investment transactions is characterized by a net collection of €108m, related to net disposals of assets and changes in scope, against a €1,133m disbursement in 2021.

The Group thus generated a **positive free cash flow** of €1,248m over the year, compared with a positive amount of €388m in 2021.

Net cash flow from financing operations was a net disbursement of €1,300m (versus a €862m disbursement in 2021).

Net cash remained stable at 31 December 2022 and stood at €2,286m, compared to €2,242m at 31 December 2021.

Financial structure

Consolidated Group

At 31 December 2022, the **consolidated balance sheet** total was €32,670m compared to €31,571m at 31 December 2021, resulting in an increase of €1,099m over the year.

Consolidated equity amounted to €3,861m, of which - €1,178m for the group's share and €5,039m for the non-controlling interest and unitholders of TSSDI Casino.

The impact of foreign currencies on equity was positive over the year for a net amount of €194m, with an appreciation of €299m recorded on the Brazilian currency, offset by the depreciation of the Colombian peso for - €123m.

Net financial debt amounted to €9,087m compared to €7,875m at 31 December 2021. 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. 2022	31 Dec. 2021	Change
Rallye holding	2,815	2,818	(3)
Casino	6,273	5,060	1,213
Other	(1)	(3)	2
Total	**9,087**	**7,875**	**1,212**

Interest coverage ratio and leverage

At 31 December 2022, the ratio of consolidated EBITDA (recurring operating income adjusted for recurring operating depreciation and amortisation expense) to the cost of net debt was 3.6x versus 5.1x in 202.

The gearing ratio (consolidated net debt to equity) was 235% in 2022 compared with 206% in 2021 restated, and can be analysed as follows:

(€ millions)	31 Dec. 2022	31 Dec. 2021 restated
Net debt	9,087	7,875
Total equity	3,861	3,814
Gearing ratio	235%	206%

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. 2022	31 Dec. 2021
Claims secured by pledges over Casino shares	1,268	1,228
Unsecured claims	1,293	1,518
Claims secured by pledges over shares of Rallye subsidiaries (other than Casino)	142	137
Total - claims under the safeguard plan	**2,703**	**2,883**
Financings issued after the enforcement of the safeguard plan	397	295
Total - gross financial debt	**3,100**	**3,178**
Cash and other financial assets (1)	(20)	(17)
Total - net financial debt (before IFRS restatements)	**3,080**	**3,161**
IFRS restatements (including the impact of the approval of the safeguard plan) (2)	(265)	(343)
Total – net financial debt	**2,815**	**2,818**

(1) Of which €19m at Rallye company at 31 December 2022, including the drawing made in June 2022 of the €15m subscribed with Fimalac and €16m at 31 December 2021.

(2) As part of the safeguard procedure, the restatement of financial liabilities in accordance with IFRS 9 "Financial Instruments" amounted to €265m as at 31 December 2022 compared to €343m as at 31 December 2021, the decrease observed over the financial year mainly comes from the second tender offer carried out at the beginning of 2022.

The accounting treatment characterized by 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 €3,100m as of 31 December 2022, down €78m over the year, mainly as a result of:

- Financial interests (excluding IFRS) of €134m over 2022, 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 €242.3m for a total repurchase price of €36.6m reducing the total amount of its debt by €234.9m (including accrued interest).

Rallye's holding perimeter net financial debt, before IFRS restatements, amounted to €3,080m as of 31 December 2022, compared to €3,161m as of 31 December 2021.

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

(€ millions)	2022	2021
Net financial debt (opening)	**2,818**	**2,839**
Financial interests (excluding IFRS)	134	123
Holding costs	14	19
Net impact of the global tender offer (1)	(166)	(113)
Other	6	1
Variation of IFRS restatements (including the impact of the approval of the safeguard plan)	9	(52)
Net financial debt (closing)	**2,815**	**2,818**

(1) Excluding IFRS restatements (i.e. the accelerated amortization of liabilities under the IFRS 9 standard for the acquired debt), the net impacts of the global tender made in the first half of 2022 and in the first half of 2021 amounted to €156m and €235m respectively.

After taking into account the change in IFRS restatements (+€9m in 2022 and -€52m in 2021), Rallye's holding perimeter net financial debt amounted to €2,815m at 31 December 2022.

Details of the collateral granted to Rallye's creditors

As of 31 December 2022, 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 2022, 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 offers made by Rallye in 2021 and 2022.

(€ millions)	2022	Adjusted items	2022 underlying	2021 restated	Adjusted items	2021 restated underlying
Trading profit	**1,107**		**1,107**	**1,173**		**1,173**
Other operating income and expenses	(590)	590		(661)	661	
Operating profit	**517**	**590**	**1,107**	**512**	**661**	**1,173**
Cost of net financial debt (1)	(697)	(17)	(714)	(494)	(51)	(545)
Other financial income and expenses (2)	(221)	(136)	(357)	(280)	(113)	(393)
Income taxes (3)	9	(185)	(176)	86	(147)	(61)
Share of net income of equity-accounted investees	11		11	48		48
Net profit (loss) from continuing operations	**(381)**	**252**	**(129)**	**(128)**	**350**	**222**
o/w attributable to non-controlling interests (4)	(146)	237	91	15	315	330
o/w Group share	**(235)**	**15**	**(220)**	**(143)**	**35**	**(108)**

(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 amended in 2021, as well as the cancellation of the interest calculated, since the start of the safeguard procedure, on Rallye's unsecured debt repurchased during the tender offer made in the 1st half of 2022.

(2) Other financial and expenses have been restated for the positive net impacts of Rallye's global tender offers carried out in the first half 2021 and 2022.

(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 €34.1m compared to a loss of €33.9m in 2021.

Rallye had a headcount of 12 at 31 December 2022 (versus 15 at December 2021).

Rallye's financial result was a loss of €1,661.9m compared to a loss of €73.7m in 2021.

- In 2022, financial incomes mainly relate to the gain on the repurchase of unsecured debt following the Tender Offer for €234.9m versus €155.8m for the offer made in 2021.
- Financial expenses in 2022 consist of interest on financial debts in the amount of €131.5m and an impairment on Casino securities for €1,768.4m. As at 31 December 2022, the net book value of Rallye's stake in Casino (€74.49 per share) was compared to its utility value (€43.31) and resulted in the recognition of a loss value of €31.18 per share leading to an impairment of Casino securities for an amount of €1,768.4m.

  In 2021, the financial result included in particular a provision on Casino securities for €315m.

The net loss for the year came out at €1,696.2m in 2022, versus €333.6m in 2021.

Financial structure

At end-December 2022, equity comes out for a negative amount of - €600.9m, versus €1,095.3m at 31 December 2021, 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	None.						None.					
Total value excluding taxes of the invoices concerned	None.						None.					
% of total value of invoices received/ issued (excluding taxes) for the year	None.						None.					
% of net sales (excluding taxes) for the year												
(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 €1,696,208,494.95, and the Board of Directors proposes that it be allocated to "Retained earnings", which will subsequently have a debit balance of €2,281,392,241.50.

A table presenting net income for the past year and the four preceding years is presented on page 258 of this Universal Registration Document.

The Company's accounts as of 31 December 2022 showed shareholders' equity less than half of the share capital.

At its meeting of 22 March 2023, the Board of Directors noted that pursuant to paragraph 7 of Article 225-248 of the French Commercial Code, the Company Rallye, which benefits from a safeguard plan, was not required to apply the obligations to convene the Shareholders' Meeting and to replenish equity provided for in this article.

Dividend policy

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

	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Net dividend (€/share)	1.00	-	-	-	-
Number of shares	53,738,266	52,181,769	52,373,235	52,598,701	52,925,203
Maximum payout (€)	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

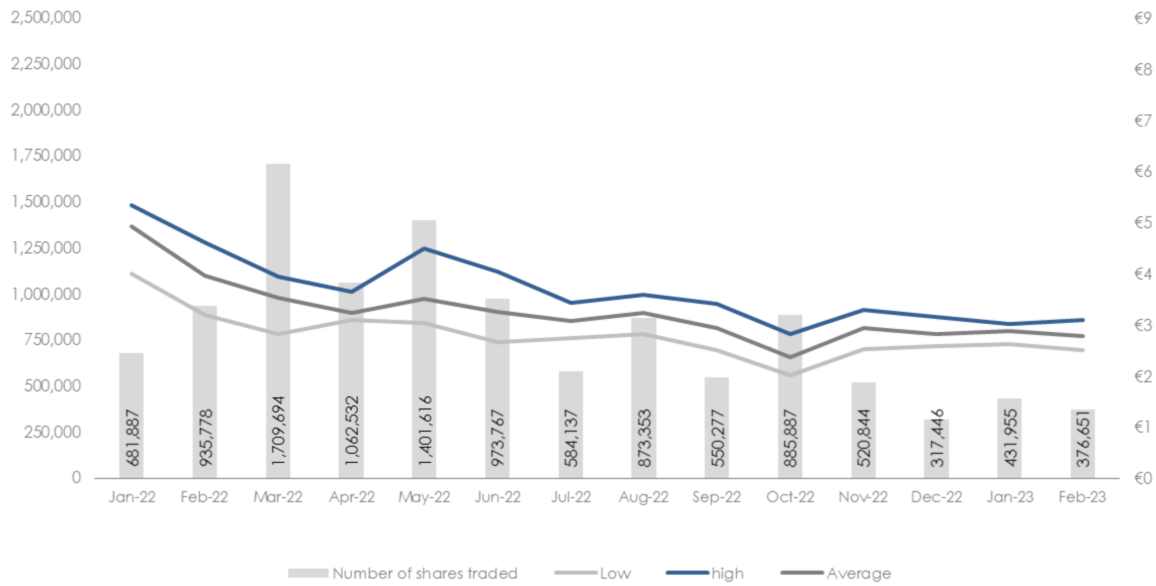
The Rallye share is listed for trading on Euronext Paris (compartment B).

Code ISIN: FR0000060618

High (7 January 2022)	€5.35
Low (13 October 2022)	€2.02
Share price at 31 December 2022	€2.68
Trading volume in 2022 (in shares)	10,497,218
Trading volume in 2022 (in value)	€35m

At 31 December 2022, Rallye had a stock market capitalisation of €142m.

Rallye – share – monthly share price trends in 2022 and early 2023 [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

Teract and Casino Group sign an exclusive agreement to create the French leader in responsible and sustainable retail activities

On 9 March 2023, TERACT and Casino Group announced that they had entered into an exclusive agreement to create two separate entities:

- an entity, controlled by Casino, bringing together the retail activities in France. Casino Group would contribute over 9,100 stores, its undisputed leadership in convenience formats, the strength of its banners, its digital offering and its good CSR practices. TERACT would bring its know-how and expertise in the operation of garden centres, pet retail and food distribution;
- a new entity, named TERACT Ferme France and controlled by InVivo, in charge of supplying local agricultural products through short food supply chains that help to promote France's regions and showcase agricultural products. TERACT Ferme France will benefit from strong proximity to the agricultural industry through the InVivo group, its majority shareholder.

The transaction would value the activities contributed by Casino Group and TERACT at 85% and 15%, respectively, on a debt-free cash-free basis.

This project remains subject to the signing of a binding agreement between Casino Group and TERACT, which could be achieved before the end of the second quarter of 2023. This project would be subject to the consultation of the employee representative bodies of both groups as well as to the approval of the respective governance bodies of Casino Group, TERACT and InVivo. Further communication to the market would be made upon the signing of the binding agreement, which would be submitted to the approval of the antitrust authorities and of the shareholders and creditors of both parties.

Sale of a stake in Assaí

In order to accelerate its deleveraging, on 7 March 2023 Casino Group announced that it was considering a plan to sell part of its stake [1] in Assaí for approximately USD 600m. This amount could be increased depending on market conditions.

On 17 March 2023, the Group announced that it had completed the book building process for the secondary offering of Assaí shares. As part of the offering, 254 million Assaí shares held by Casino Group (representing 18.8% of Assaí's share capital) were allocated for a total placement amount of approximately €723m[2]. The transaction took place on 21 March 2023.

Upon completion of the transaction, Casino Group will hold an 11.7% stake in Assaí's capital and will therefore no longer control the company.

Successful tender offer for Quatrim notes maturing in January 2024

On 31 March 2023, Casino Group announced the success the tender offer launched on 24 March 2023 for the notes issued by its subsidiary Quatrim S.A.S. which mature on 15 January 2024.

This transaction results in the early redemption and cancellation of tendered notes in an aggregate principal amount of €100m at a purchase price of 94% (plus accrued and unpaid interest) and is being financed with available cash on hand.

Following the cancellation of these notes, the aggregate principal amount outstanding will be €553m.

1 | Casino held 30.5% of Assaí's capital at 31 December 2022.

2 | Based on an exchange rate of BRL 5.62/euro.

Outlook

Casino

Casino Group's priorities for 2023 are increased operational efficiency and a reduction in debt:

- **Operational efficiency and development**
  - Inventory reduction plan: €190m reduction in the first half of the year to compensate for surplus inventories at end-2022,
  - New cost reduction plan: €250m in savings in the retail banners,
  - Acceleration of the expansion strategy in convenience formats: +1,000 stores representing more than €500m in full-year gross sales under banner.
- **Deleveraging**
  - Completion of the disposal plan in France: €400m by the end of 2023,
  - Continued monetisation of assets in Latin America,
  - Debt decrease.

Rallye

The Board of Directors of Rallye on 22 March 2023 has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. Rallye draws the attention of investors to the fact that the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principle and amount of which will depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan. Rallye therefore considers that the risk factor related to the implementation of the safeguard plans has increased (cf. "Risks relating to the implementation of the safeguard plans" page 45).

Rallye will liaise with its creditors in order to examine the possibilities and possible ways of adjusting its safeguard plan.

Share capital and share ownership

Share capital

Rallye's share capital at 31 December 2022 totalled €158,775,609, divided into 52,925,203 shares with a par value of €3 each. At the same date in 2021, the share capital was €157,796,103, divided into 52,598,701 shares with a par value of €3 each.

The change reflects the creation of 326,502 new shares under two free share plans.

Shareholding structure

At 31 December 2022, Foncière Euris held 57.56% of the share capital and 71.50% of the voting rights.

The following notifiable interests were disclosed in 2022:

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]	01 August 2022	5% decrease in share capital	2,499,638	2,499,638	4.72%	2.93%

(1) *The disclosure made by Crédit Agricole relates 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 2022.

Share buyback programme

Transactions completed in 2022

No transactions were completed in 2022.

Share buyback programme submitted to the Shareholders' Meeting for approval

At its meeting on 22 March 2023, the Board of Directors decided not to propose to the Shareholders' Meeting of 16 May 2023 to renew the authorization given to the Board of Directors to acquire shares of the Company under Article L. 22-10-62 of the French Commercial Code.

Authorised and unissued capial

To allow the Company to raise money on the financial markets, if necessary, in order to strengthen its financial position, the Shareholders' Meetings of 18 May 2021 and 17 May 2022 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 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*	17 May 2022	38 months	17 July 2025	1% of the total number of shares at 17 May 2022 (52,598,701 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 in 2022.

The Shareholders' Meeting of 16 May 2023 will be asked to renew all the expiring authorisations.

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 and 2022.

The renewal of this autorisation is not proposed.

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 2022.

Free shares

The Extraordinary Shareholders' Meeting of 17 May 2022 authorised the Board of Directors to award free shares to Rallye employees and employees of related companies. There is no free share plan valid as of 31 December 2022.

Potential capital at 28 February 2023

There is no dilutive instrument as of 28 February 2023.

Change in capital over the past five years

Date	Change in capital	Movements			New capital	Total
		Number	Capital	Prime		
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 Dec. 2021					**157,796,103.00**	**52,598,701**
2022	Issuance of shares (free share award)	326,502	979,506.00	(979,506.00)		
31 Dec. 2022					**158,775,609.00**	**52,925,203**
28 Feb. 2023					**158,775,609.00**	**52,925,203**

Breakdown of capital and voting rights

Amount of capital

- Amount of capital at 31 December 2022: €158,775,609.
- Amount of capital at 28 February 2023: €158,775,609.
- Number of shares at 31 December 2022: 52,925,203 shares.
- Number of shares at 28 February 2023: 52,925,203 shares.

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

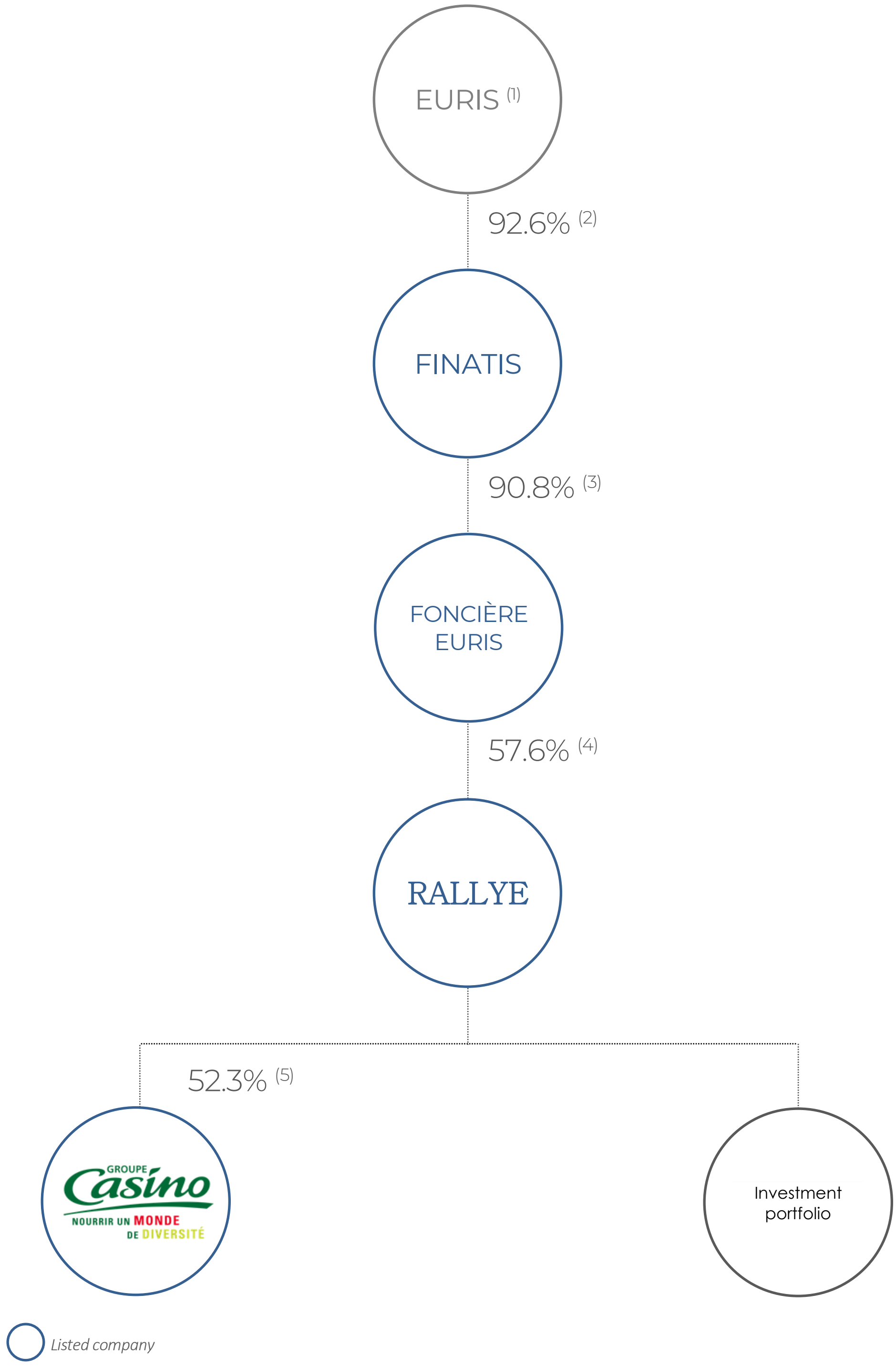
The Company keeps track of its shareholders, in compliance with applicable legislation.

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 2023, a double voting right had been granted on 32,273,794 shares, and the total number of voting rights was 85,198,997 for 52,925,203 shares.

Group organisation chart at 28 February 2023

Rallye is directly and indirectly controlled by Euris. The organisation chart below shows the Company's position within the Group on 28 February 2023:



(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) 71.5% of theoretical voting rights.

(5) Including the 11.7% of the Casino share capital held in fiduciary trusts – 64.4% 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. 2022				31 Dec. 2021				31 Dec. 2020			
	Number of shares	% of capital	% of voting rights that may be exercised at the Share-holders' Meeting[1]	% of theoretical voting rights[1]	Number of shares	% of capital	% of voting rights that may be exercised at the Share-holders' Meeting[1]	% of theoretical voting rights[1]	Number of shares	% of capital	% of voting rights that may be exercised at the Share-holders' Meeting[1]	% of theoretical voting rights[1]
Foncière Euris	**30,462,478**	**57.56%**	**71.50%**	**71.50%**	30,462,478	57.91%	71.85%	71.85%	30,462,478	58.16%	71.98%	71.98%
Other Shareholders	**22,462,725**	**42.44%**	**28.50%**	**28.50%**	22,136,223	42.09%	28.15%	28.15%	21,910,757	41.84%	28.02%	28.02%
TOTAL	**52,925,203**	**100.00%**	**100.00%**	**100.00%**	**52,598,701**	**100.00%**	**100.00%**	**100.00%**	**52,373,235**	**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.

The breakdown of share capital and voting rights at 28 February 2023 is as follows:

Shareholders	Shares	% capital	Voting rights	% voting rights
Foncière Euris	30,462,478	57.56%	60,924,956	71.51%
Other Euris Group companies	1,505	-	3,010	-
Other members of the Board of Directors	316,631	0.60%	436,760	0.51%
Sub-total	**30,780,614**	**58.17%**	**61,364,726**	**72.02%**
Other shareholders	22,144,589	41.83%	23,834,271	27.98%
— *o/w shares in registered form*	*2,109,457*	*3.99%*	*3,799,139*	*4.46%*
— *o/w shares in bearer form*	*20,035,132*	*37.84%*	*20,035,132*	*23.52%*
Total	**52,925,203**	**100.00%**	**85,198,997**	**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 2022, a total of 26,658,272 Rallye shares held by Foncière Euris were pledged, accounting for 50.4% of Rallye's capital, of which 10,787,773 shares pledged as collateral in transactions not subject to Foncière Euris safeguard plan.

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 2022:

Shareholder	Financial instrument	Date	Type of transaction	Amount *(€)*	Number
Grin Virginie [1]	Shares	18 May 2022	Purchase [2]	0.00	13,354
	Shares	27 June 2022	Purchase [3]	0.00	12,296
Lévêque Didier [4]	Shares	18 May 2022	Purchase [2]	0.00	19,066
	Shares	27 June 2022	Purchase [3]	0.00	17,555
	Shares	01 August 2022	Sale	3.04	18,250
Muracciole Odile [5]	Shares	18 May 2022	Purchase [2]	0.00	17,456
	Shares	27 June 2022	Purchase [3]	0.00	16,074
Alexis Ravalais [6]	Shares	18 May 2022	Purchase [2]	0.00	12,791
	Shares	27 June 2022	Purchase [3]	0.00	11,555

(1) *Permanent representative of Foncière Euris, Director.*
(2) *Free share awards under the 18 May 2021 plan.*
(3) *Free share awards under the 26 June 2020 plan.*
(4) *Permanent representative of Finatis, Director.*
(5) *Permanent representative of Euris, Director.*
(6) *Permanent representative of Matignon Didierot, 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 2022.

Investment strategy

Rallye's investment portfolio is discussed on page 20 of the management report.

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

(€ millions)	2022	2021 restated
Casino	1,651	1,122
Total	**1,651**	**1,122**

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 75.

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 78. 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 112 to 117, and 230 to 233.

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 executive management.

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 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, 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 78. 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 an accurate, precise and sincere information 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 mainly related to its majority stake in Casino Group (seven 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 mainly related 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	**	@@@
	– Climate change	**	@@
Category 3: legal risks	– Risks related to ongoing 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 and liquidity risks.

Risks relating to implementation of the safeguard plans

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

Rallye

Description of the risk

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 as well as its refinancing. 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.

Potential impacts on the Group

If the companies subject to the safeguard plans fail to fulfill 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 the 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 which may be impacted by the upward trend in interest rates for variable rate claims. 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 2020-2032, 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:

- mainly 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 offers made by Rallye on its unsecured debt (see page 8 of this management report) in 2021 and in 2022 as well as the financing planned in connection with the tender offers were approved by the Paris Commercial Court on 4 May 2021 and on 9 May 2022. 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.

The company Rallye follows quarterly the evolution of Casino's financial situation on which depends the proper execution of the safeguard plans.

The Board of Directors of Rallye on 22 March 2023 has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. Rallye draws the attention of investors to the fact that the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principle and amount of which will depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan. Rallye therefore considers that the risk factor related to the implementation of the safeguard plans has increased.

Rallye will liaise with its creditors in order to examine the possibilities and possible ways of adjusting its safeguard plan.

Rallye liquidity risks

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

Rallye

Description of the risk	Potential impacts on the Group
Current liquidity is limited to its available cash as 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. 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 suspension of payments status could be observed, the safeguard plan would be resolved and the Paris Commercial Court would then open an administration proceeding, or if administration was manifestly impossible, liquidation proceedings.

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:** The dividend exemption negotiated by Rallye of €5 million (or €1.5 per share) in respect of the 3.257 million shares placed in fiduciary trusts to the benefit of banks and Fimalac, applied to any dividends paid by Casino until 31 December 2022. In the absence of a dividend payment by Casino, this franchise mechanism was never implemented.

At 31 December 2022, Rallye's cash position stood at €19.3m versus €15.5m at 31 December 2021. In order to prioritize deleveraging, the Casino Board of Directors will propose to the 2023 Annual General Meeting not to pay a dividend in 2023 in respect of 2022.

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 on (i) the amount of borrowings contracted by its French entities that mature through to 2027, and (ii) its operating commitments. The Casino Group's access to short-term sources of financing (notably short-term "NEU CP" commercial paper, overdraft facilities, receivables factoring and reverse factoring programmes) may be limited in a context of increased volatility and may depend on the appetite of the Casino Group's financial partners. Liquidity risk could also arise in the event of a significant deterioration in the payment terms of its main suppliers. Lastly, 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 Casino Group's liquidity policy is to ensure, to the extent possible, that it always has sufficient liquid asset 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,
- limiting the amount of annual repayments and proactively managing the repayment schedule,
- carrying out disposals in order to service its debt obligations,
- 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 Casino Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2022, the Casino Group's liquidity position in France comprised:

- a €2.1bn revolving credit facility granted to Casino Guichard-Perrachon, Casino Finance and Monoprix (of which €1.8bn maturing in July 2026 and €252m maturing in October 2023) by 21 French and international banks;
- available cash of €434m;
- a balance of €36m in a segregated account in France to be used to redeem the outstanding January 2023 bond debt.

At 31 December 2022, Monoprix and its subsidiaries also had two financing lines that had been drawn in an amount of €130m and €40m and fall due in 2026 and 2024[1], respectively.

The Casino Group continued to reduce its bond and bank debt in 2022 and up to 10 March 2023, with redemptions and repayments totalling €940m (bond debt: €314m of 2022 EMTN, €220m of 2023 EMTN, €147m of 2024 HY Quatrim, €49m of 2024 EMTN; bank debt: €150m repayment of the Segisor loan, €60m repayment of the Cdiscount government-backed loan [PGE]).

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

At 31 December 2022, the Group had €59m in NEU CP commercial paper outstanding (versus €308m at end-2021).

At 31 December 2022, Casino, Guichard-Perrachon was rated B3 with a negative outlook by Moody's (B3 with a stable outlook at 31 December 2021), CCC+ with a developing outlook by Standard & Poor's (B with a stable outlook at 31 December 2021), BB- with a stable outlook by Scope Ratings (rating downgraded to B+ with a stable outlook on 27 January 2023) and B- with a positive outlook by Fitch Ratings (first rating on 25 November 2022). On 23 March 2023, Moody's downgraded the Group's credit rating to Caa1 with a negative outlook.

The Casino Group has posted collateral and sureties 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 (see details in Note 11.5.4 to the consolidated financial statements), 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;
- EBITDA divided by net finance costs, which must be 2.50x or more.

These covenants were respected at 31 December 2022.

The financing facilities of GPA, Sendas, Éxito, Monoprix and Segisor are also subject to hard covenants. All of the covenants were complied with at 31 December 2022.

An incurrence covenant applies in the event special dividends are paid in addition to ordinary dividends [1] as follows: gross debt/EBITDA (France Retail + E-commerce): <3.5x. At 31 December 2022, the ratio is at 6.86x.

Liquidity risk is discussed at length in Note 11.5.4 to the 2022 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 mainly related 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 and directly with respect to the risks related to its own information systems and cybercrime.

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 2022 and none since 1 January 2023 at Casino Group level. As for Rallye, the company suffered a cyberattack in June 2022 that did not have a material impact on its activity.

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 November 2022. CITADEL is used by the Information Systems department to manage its IT continuity plan. In 2022, the Information Systems department performed 36 tests on the business recovery plan, with the results analysed and taken into account within the scope of the continuous improvement process. Since 2021, cyber insurers have continued to tighten their requirements in terms of cyber risk prevention and management. The Group's cyber insurance policy was renewed in 2022 under less favourable terms and conditions. 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 2023.

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, electricity cuts, 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. Inflation and supply tensions: the changing economic environment could lead to product shortages or unavailability due to inflation in raw materials, packaging and energy costs. Recruitment: the difficulty in recruiting drivers and warehouse handling staff could lead to supply chain disruptions. 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. Covid-19: A future spike in 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.). Any resurgence of the pandemic could also indirectly lead to shortages of goods and raw materials, and to higher transport costs for imported goods. This could have an adverse impact on the Group's net sales and operating performance.

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:
  - An AMC unit to secure scarce goods has been put in place to build up strategic reserve stocks in the banners' warehouses.
  - Energy: Energy saving plans have been rolled out within the different banners (in connection with the goals outlined by retail association Perifem). All the BUs have drawn up an action plan in the event of power cuts.
  - 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.
  - Crisis management units have been set up within the Group's main international business units (GPA, Assaí, Éxito et 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.
- Covid-19: a coordination unit has been set up which provides general instructions to the Human Resources department. Theses 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.

Economic and political risks

Impact: *** / Likelihood: @@@

Description of the risk	Potential impacts on the Group
Group's sales, trading profit and cash flow are strongly correlated with household expenditure, which is influenced by economic cycles (rates of unemployment, demographic growth, revitalisation programmes, inflation/deflation, disposable income, VAT increases and interest rates), the availability of consumer credit, and consumers' perception of the global economic environment and their own economic prospects. In particular, inflation could affect purchasing power, consumption patterns and consumer spending in varying degrees, depending on measures taken by public authorities (stimulus plans, price shields, interest rate rises, etc.). Rising energy costs are the main factor underlying current inflationary pressures. 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 2022, 74% 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. Current geopolitical tensions caused by the war in Ukraine could continue to drive up 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 and duration of the energy shock on transport costs, and the impact of these factors across the supply chain. In France, the effects of exchange rate fluctuations (rise of the dollar against the euro) could have an unfavourable impact on the Group. Traditionally, Latin American economies have been subject to sharp fluctuations in business volumes, as illustrated for example by the economic downturn in Brazil in 2015 and 2016 and its near-recession in 2019, or by the hyperinflationary economy in Argentina.	A global economic downturn concerning all of the countries in which the Group operates 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. The prevailing uncertainty as to the post-pandemic economic recovery and current inflationary pressures impact purchasing power and consumer spending in varying degrees, depending on the nature of the stimulus measures in place. Rising energy costs are the main factor underlying the current inflationary environment and could impact the Group in two ways. Firstly, energy cost inflation could have an indirect impact by making it more expensive to produce and transport goods. These higher costs are then passed on by the Group's suppliers to the prices for those goods. Secondly, and more directly, the Group is impacted on account of the energy it purchases to cover its needs in terms of electricity (lighting of stores, heating) and cooling (refrigeration in stores). The war in Ukraine could keep energy and raw material costs high over a prolonged period, and could also lead to shortages of goods and raw materials and higher transport costs for imported goods. 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:

- A purchasing alliance (AUXO) has been set up with Intermarché for food and non-food products. Goods not for resale have also been covered by the alliance since April 2022, and private-label brands as from 2023. This alliance should reduce the impact of inflation on the Group's business positioning and financial performance.
- The risk of further increases in energy costs for the Group's electricity and gas supplies has been hedged through the supply contract negotiated for 2023 with TSI (a GreenYellow subsidiary). As a result, uncertainties as to the Group's 2023 energy bill are now limited to some specific costs such as those resulting from the French State's power capacity mechanism for next winter.
- Cost control measures have been rolled out, including:
  - energy saving plans at the level of the different banners (in connection with the goals outlined by retail association Perifem);
  - a continuous process (in place since 2018) to improve profitability through the implementation of cost savings and efficiency plans in all BUs, with €280m in savings targeted by the end of 2023;
  - a portion of the rise in costs (transport, energy, goods and raw materials) passed on to sales prices.
- An AMC unit to secure scarce goods has been put in place in order to build up strategic reserve stocks in the banners' warehouses.

- Omni-channel distribution is being developed, involving a broad spectrum of both digital and bricks-and-mortar formats, from hypermarkets and supermarkets to convenience stores, wholesalers and e-commerce.
- Growth in buoyant formats is being stepped up, with 4,000 new convenience stores to be opened by 2026.
- A mature asset divestment strategy has been rolled out to help reduce the Group's debt and limit its exposure to the risk of rising interest rates.
- Business has been diversified by developing new data-based activities (Infinity, RelevanC, ScaleMax, etc.), enhancing the value of Group assets (self-storage repurposing) and digital assets (metaverse, NFT platforms, etc.).

Food safety

Impact: ** / Likelihood: @@

Description of the risk

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 withdrawal and recall measures, and/or a lack of traceability or good hygiene practices in warehouses or stores.

Potential impacts on the Group

- 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.
- a Group Quality Policy setting out a list of controversial substances to be removed from private-label products.

. 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 2022, an expert consultancy was hired to overhaul the level 1 crisis management procedure (restricted crisis unit), to carry out a level 2 crisis exercise (extended crisis unit) and to begin the overhaul of the level 2 crisis management procedure.

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 constantly evolving markets. 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 particular, the current inflationary environment is exacerbating price competition for basic necessities. 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 trends.	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 which, depending on the resulting impact on volumes, could lead to reduced 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. In this inflationary environment, the Group has stepped up its low-price strategy, which consists in promoting private-label products – in particular Leader Price in the French BUs, offering unbeatable prices ("Plus bas y'a pas", or "You won't find it for less" offers at Casino, price freezes on essential products, etc.), and revisiting and reinforcing the promotional strategy.

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. In the current inflationary environment, consumers are focused above all on low prices. Demand for the Group’s food products could be impacted by new consumer trends, which accelerated on the back of the Covid-19 crisis. These include (i) consumers’ growing concern about food safety, health and well-being in relation to the food products they buy, as illustrated for example by a growing concern about the health effects of certain controversial ingredients such as processed fats, gluten, sugar, processed wheat or other ingredients, (ii) an increased preference for local products, with a real demand for transparency regarding traceability, the fight against waste (food, packaging, flyers, etc.), sustainability and nutritional value, (iii) a sharp increase in digital purchases underpinned by a search for a seamless customer experience, and (iv) a change in the location of purchase locations due to the widespread increase in remote working.	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 these risks, 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 this inflationary environment, the Group has stepped up its low-price strategy to protect consumers’ purchasing power by promoting private-label products (in particular Leader Price in the French BUs), rolling out unbeatable price offers (“Plus bas y’a pas”, or “You won’t find it for less”, discounts on fuel, price freezes on essential products), subscription offers and revisiting its promotional strategy: for example, freezing the prices of 550 products at Casino from September to December 2022. The Group is also expanding its network of convenience stores with the aim of doubling the number of stores in three years in order to move even closer to consumers. And it has continued to develop partnerships with players at the forefront of new technology usages, offering services that meet consumers’ emerging expectations. In particular, the Group’s alliance with Intermarché through Infinity Advertising has strengthened its position in connected commerce and retail media. During the Covid-19 crisis, Grupo Éxito experimented with a “conversational commerce” ordering tool using WhatsApp. This was replicated by Casino in 2022. 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 Greater Paris area) – 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 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 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. Similarly, in France, Monoprix has done away with paper copies of its catalogues and the Group's banners now have the digital tools they need to gradually replace paper catalogues. Franprix also phased out single-use plastic in 2020.

Climat change

Impact: ** / Likelihood: @@

Description of the risk	Potential impacts on the Group
Owing to its geographical footprint, Casino Group is exposed to country risks related to climate change. These involve a broad range of physical and transition risks, which can have impacts at several different levels, for example: ▪ on the Group's businesses, due to the increase in extreme weather events such as extreme rainfall in France, which resulted in the Seine river reaching a 100-year high in Paris, a mix of drought and torrential rain in Brazil, and floods, storms, landslides and earthquakes in Colombia; ▪ on the products sold in stores, with significant changes to customers' purchasing behaviours; ▪ 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; ▪ on the Group's image and reputation among its customers and stakeholders, who expect companies to actively fight against climate change; ▪ on its employees, whose working conditions could be affected, particularly in areas that will be subject to heatwaves.	Natural disasters could affect the continuity of the Group's business, or its assets, customers and employees, with potential consequences for its operations and financial position. An increase in the occurrence of such extreme or chronic events would have not only direct consequences for the 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.

Risk management (control and mitigation)

Policies and action plans are in place to help reduce greenhouse gases, and thereby mitigate the impacts of climate change.

The Group is contributing to the effort to limit global warming by deploying a low-carbon strategy that is aligned with international objectives for the reduction of greenhouse gas emissions. In this respect, Casino has committed to reducing its scope 1 and 2 greenhouse gas emissions by 18% by 2025 compared with 2015, and its Scope 3 emissions by 10% between 2018 and 2025. These commitments have been validated by the Science Based Targets Initiative and are consistent with the objectives of reducing the increase in global surface temperature to less than 2°C, as defined by the Paris Agreement. In 2021, Casino stepped up its commitment, targeting a 38% reduction in its Scope 1 and 2 greenhouse gas emissions by 2030 compared with 2015.

This concerns all the main sources of greenhouse gas emissions generated by the Group's business activities. Each of the Group's business units defines action plans to reduce their energy and refrigerant-related emissions, as well as their transport-related emissions. The Group draws up action plans and implements measures to mitigate the impacts of these risks. For example, on the issue of refrigerant leakage, cooling equipment carrying refrigerant with a significant adverse impact on global warming is gradually being replaced. Regular maintenance operations are also performed to limit leakage. Actions are also taken to reduce the carbon footprint of upstream and downstream goods transport. The Group favours modes of transport that emit less greenhouse gas (river transport or electric vehicles in France), and optimises transit and loading rates. To reduce its indirect carbon impact, the Group also endeavours to reduce the carbon emissions related to its product range and has developed a line of plant-based protein products, local products and "scoop and weigh" solutions, thereby anticipating the expectations of consumers looking to purchase products with a smaller environmental footprint. The Group also organises a Carbon Forum designed to encourage its main suppliers to reduce the greenhouse gas emissions of products sold in the Group's stores.

In the event of extreme weather events, the business units all have their own business continuity plans.

The Group's policy of improving coverage of these risks was continued during the year. Natural disaster cover represents €250m in France, while flood insurance cover is limited to €100m. Internationally, natural disaster cover is between €80m and €100m, depending on the country; earthquake cover in Colombia is for up to €190m.

Casino Group supports the TCFD's recommendations on governance, strategy, risk management, and metrics and targets (see Chapter 3 Corporate Social Responsibility (CSR) and Non-Financial Statement (NFS), section 3.5.4. of Casino URD "Casino Group, actively committed to protecting the environment and climate"). The Group became a "TCFD supporter" in February 2021.

In 2022, the Group hired an external firm to conduct a climate change physical risk study in France, Colombia and Brazil to identify potential risks to assets. This study found that the Group has low exposure to acute and chronic climate change physical risks (see Note 1.2.3. "Accounting for climate change risks" in the notes to the consolidated financial statements).

Legal risks

Risks related to ongoing proceedings

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

Description of the risk	Potential impacts on the Group
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. 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. The investigation of the *Autorité des Marchés Financiers* ("AMF") opened in autumn 2018 against Rallye and its director is ongoing and has led to the issuance of a letter of observations to which it was replied. Rallye has been referred to the Sanctions Commission. The proceeding is ongoing.	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. The possible sanction in the context of the sanction procedure opened against Rallye is likely to call into question its going concern and correlatively, to lead to the conversion of the safeguard procedure into administration proceedings, and even into liquidation proceedings.

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. The parties have agreed to jointly request a deferral of the decision to admit the claims declared by Diis Group under the Additional Amount mechanisms (corresponding to tax claims that may arise and become due upon the occurrence of certain events) provided for in the terms and conditions of the bonds. The hearing took place on 7 June 2022. By judgments of 10 January 2023, the Court of Appeal of Paris declared inadmissible the exception to defer the decision on the Additional Amounts, but nevertheless decided to defer the decision for the proper administration of justice.
- 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. A statement of discontinuance has been filed and the hearing has been set for the 16 May 2023.

Third-party proceedings from Angelo Gordon funds:

- Angelo Gordon, representing various Rallye creditor funds, secured on Casino shares, filed on 5 November 2021 two statements of third-party proceedings against the judgment of 26 October 2021 having extended the duration of Rallye safeguard plan. By judgment of 13 October 2022, the Paris Commercial Court declared Angelo Gordon admissible but unfounded in his application for revocation and dismissed him. Angelo Gordon appealed the judgment of 13 October 2022. The hearing before the Paris Court of Appeal took place on 23 March 2023.

Other appeals from Bernard Law-Wai:

- Mr. Bernard Law-Wai filed applications to revise/withdraw the decisions handed down by the Paris Commercial Court on 25 November 2019 (renewal of the observation periods) and 28 February 2020 (approval of the safeguard plans) in connection with the safeguard proceedings for Rallye, Foncière Euris, Finatis and Euris. Mr. Bernard Law-Wai was declared inadmissible in his applications by judgment of the Paris Commercial Court of 30 September 2021. Mr. Bernard Law-Wai appealed these judgments. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgments declaring Mr. Bernard Law-Wai inadmissible by judgments of 7 February 2023.

- Mr. Bernard Law-Wai appealed from the judgment of the Paris Commercial Court of 9 December 2021, which (i) dismissed his applications for withdrawal of various procedural judgments of 23 April 2021 and (ii) dismissed his application for stay of proceedings, based on the requests for legitimate suspicion and revocation lodged against the members of the Court. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgment dismissing the applications of Mr. Bernard Law-Wai by judgment of 7 February 2023.
- Mr. Bernard Law-Wai filed third-party proceedings to the judgments of 26 October 2021, which extended the safeguard plans of Rallye, Foncière Euris, Finatis and Euris. By judgments of 1 December 2022, the Commercial Court of Paris declared the nullity of these four third-party proceedings.

The AMF procedure is ongoing and the hearing before the Sanctions Commission could take place as early as 2023.

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 82 of this document. Since 2018, measures have been 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 European General Data Protection Regulation (GDPR) give rise to the greatest legal and regulatory risks, because they have only recently been adopted and because their impact in terms of penalties 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. The Group's 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. Exposure to this risk is increased by the growth of E-commerce activities and by the increasing digitisation of both customer and/or employee data media. 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. Specific policies and procedures are deployed for business unit heads. Future campaigns will feature more numerous and specific control points. Regular audits of the personal data processing log are carried out.

A Group Ethics Committee was set up in 2016 and 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 3.4 "Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)" of Casino Group's 2022 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 2022 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 2022, 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 Casino 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 2022. 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, in particular to take account of insurance market capacity, available cover and rates.

Additional information on insurance costs and programmes is provided in section 4.4 "Insurance - risk cover" of 2022 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 on the attacks opened by both the AMF and the Financial Prosecutor in autumn 2018 are still in progress.

During searches of premises conducted in May 2022 at the request of the AMF, Casino Group discovered the existence of a preliminary investigation opened by the Financial Public Prosecutor in February 2020, in particular for alleged price manipulation. This investigation stemmed from proceedings initiated against a former consultant of Casino Group.

Casino Group and the managers concerned formally contest these allegations and have initiated all necessary proceedings against them.

Following the filing of complaints by two activist shareholders, the existence of which was reported in the press in March 2023, Casino, Guichard-Perrachon and Rallye initiated legal proceedings against Xavier Kemlin and Pierre-Henri Leroy for libel, false accusations and attempted fraud.

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, are properly applied and their effectiveness evaluated 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 2022 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 2022 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 2023 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2023/2024 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 85 and 289, respectively. A table summarising the delegations of authority to issue new shares granted at the Shareholders' Meeting is provided in Chapter 1, page 31. For further information about matters addressed in the Corporate Governance Report, please see the cross-reference table provided on page 298 of this Universal Registration Document.

The Corporate Governance Report was reviewed by the Appointments and Compensation Committee on 13 March 2023 and subsequently approved by the Board of Directors on 22 March 2023. 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 December 2022 in particular, when drafting the Corporate Governance Report.

The Afep-Medef Code, as revised in December 2022, 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 85.

Board of Directors

Composition of the Board of Directors at 22 March 2023 [1]

At 22 March 2023, 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 16 May 2023	Inde-pendent 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	74					25 Oct. 1993	16 May 2023	29
Philippe Castagnac	Director	66	☑	Chairman		Member	17 May 2022	16 May 2023	1
Laurence Dors	Director	67	☑		Chair		17 May 2022	16 May 2023	1
Virginie Grin	Permanent representative of Foncière Euris	55					18 May 2016	16 May 2023	7
Didier Lévêque	Permanent representative of Finatis	61		Member		Member	4 June 2008	16 May 2023	14
Odile Muracciole	Permanent representative of Euris	62			Member		4 May 2011	16 May 2023	12
Alexis Ravalais	Permanent representative of Matignon Diderot	38					17 May 2022	16 May 2023	1
Anne Yannic	Director	61	☑	Member	Member	Chair	10 May 2017	16 May 2023	6
Director representing employees									
Gilbert Delahaye	Director	67			Member		27 June 2020	16 May 2023	3
Non-voting Directors									
Philippe Charrier		68					17 May 2022	16 May 2023	1
Jean Chodron de Courcel		68					10 May 2017	16 May 2023	6

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

Summary of changes in the composition of the Board of Directors and of its Special Committees in 2022

All of the proposed reappointments and appointments of Directors and Non-voting Directors were approved by shareholders at the Shareholders' Meeting held on 17 May 2022.

Composition of the Board of Directors following the Shareholders' Meeting of 17 May 2022

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

(1) *Independent Directors.*
(2) *Director representing employees, appointed on 27 June 2020 for a term of three years by the most representative union.*

Composition of the Audit Committee, Appointments and Compensation Committee and Safeguard Proceedings Monitoring Committee

Audit Committee	
Chairman	Philippe Castagnac (1)
Members	Didier Lévêque Anne Yannic (1)
Safeguard Proceedings Monitoring Committee	
Chairman	Anne Yannic (1)
Members	Philippe Castagnac (1) Laurence Dors (1) Didier Lévêque
Appointments and Compensation Committee	
Chairman	Laurence Dors (1) (2)
Members	Gilbert Delahaye Odile Muracciole Anne Yannic (1) (2)

(1) *Independent members.*
(2) *Laurence Dors was appointed Chairman of the Appointments and Compensation Committee on 16 December 2022, replacing Anne Yannic, Chairman of the said Committee from 17 May 2022 to 16 December 2022.*

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 22 March 2023 at Board and Board Committee meetings held in 2022.

Directors and Non-voting Director reappointed by the Shareholders' Meeting of 17 May 2022

	Board of Directors	Audit Committee	Safeguard Proceedings Monitoring Committee	Appointments and Compensation Committee
Gilbert Delahaye	8/8 (100%)			4/4 (100%)
Virginie Grin	8/8 (100%)			
Didier Lévêque	8/8 (100%)	5/5 (100%)	4/4 (100%)	
Odile Muracciole	8/8 (100%)			4/4 (100%)
Jean-Charles Naouri	7/8 (87.5%)			
Anne Yannic (1)	8/8 (100%)	5/5 (100%)	4/4 (100%)	2/2 (100%)
Jean Chodron de Courcel (Non-voting Director)	8/8 (100%)			

Directors and Non-voting Director appointed by the Shareholders' Meeting of 17 May 2022

	Board of Directors	Audit Committee	Safeguard Proceedings Monitoring Committee	Appointments and Compensation Committee
Philippe Castagnac (1)	4/5 (80%)	4/4 (100%)	3/3 (100%)	
Laurence Dors (1)	5/5 (100%)		3/3 (100%)	2/2 (100%)
Alexis Ravalais	5/5 (100%)			
Philippe Charrier (Non-voting Director)	5/5 (100%)			

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

	Board of Directors	Audit Committee	Safeguard Proceedings Monitoring Committee	Appointments and Compensation Committee
Philippe Charrier	3/3 (100%)	1/1 (100%)	1/1 (100%)	
Jacques Dumas	3/3 (100%)			
Catherine Fulconis	3/3 (100%)		1/1 (100%)	2/2 (100%)
Christian Paillot (Non-voting Director)	2/3 (67%)			

(1) Independent members.

Board diversity policy

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

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

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

Board of Directors' skills matrix excluding the Chairman of the Board of Directors

	Commerce Retail	Banque / Finance / Risk management	Real Property / Asset management	Governance	International experience	Senior management experience	Social responsibility
Philippe Castagnac		●				●	
Gilbert Delahaye	●						●
Laurence Dors		●	●	●	●	●	●
Virginie Grin	●	●					
Didier Lévêque	●	●	●			●	
Odile Muracciole	●		●	●		●	
Alexis Ravalais	●	●	●		●	●	
Anne Yannic	●	●		●	●	●	

Terms of office

The one-year terms of office of each of the Directors expires at the Shareholders' Meeting on 16 May 2023, it being noted that the one of the Director representing the employees, appointed for a term of three years, will also take end at the close of the Shareholders' Meeting on 16 May 2023.

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.

It is proposed at the Shareholders' Meeting on 16 May 2023 to extend the age limit for the functions of Director and Chairman of the Board of Directors and to raise it to 78 years.
In order to unify the age limit, it is proposed to also extend it to 78 years for the functions of General Manager.

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 16 May 2023) 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.

In addition, the Board also noted that none of the independent Directors whose renewal is proposed to the Shareholders' Meeting of 16 May 2023 will reach the limit of 12 years of exercise of their functions during the year 2023.

Individual analysis at 22 March 2023 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, representative of Finatis	N	Y	Y	Y	Y	Y	N	N
Didier Lévêque, representative of Foncière Euris	N	Y	Y	Y	Y	N	N	N
Odile Muracciole, representative of Euris	N	Y	Y	Y	Y	Y	N	N
Jean-Charles Naouri	N	Y	Y	Y	Y	N	N	N
Alexis Ravalais, representative of Matignon Diderot	N	N	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 16 May 2023, 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 Board of Directors may propose the election of Non-Voting Directors. Non-Voting Directors, elected for one-year terms, attend Board meetings in an advisory capacity only. They express opinions or make observations that they deem appropriate. No more than five Non-Voting Directors can sit on the Board. The age limit for serving as a non-voting Director is 80. The Non-Voting Directors are subject to the same obligations as the other Directors with regard to keeping information confidential and abstaining from carrying out transactions involving Company securities, under the conditions set forth in the Company's Insider Trading Policy.

On the proposal of the Board, based on the recommendation of the Appointments and Compensation Committee, Jean Chodron de Courcel was reappointed as Non-voting Director at the Shareholders' Meeting held on 17 May 2022 and Philippe Charrier was appointed as Non-voting Director at the same Meeting.

Taking into account the governance recommendations and after obtaining the advice of the Appointments and Compensation Committee, the Board of Directors, at its meeting on March 22 2023, decided not to propose the renewal of the terms of office of current Non-voting Directors.

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.

In accordance with the provisions of Article 14 of the articles of association, the term of office of Gilbert Delahaye shall end at the end of the meeting of the Shareholders' Meeting having decided on the accounts of the preceding financial year and being held in the year in which the term of office expires, i.e 16 May 2023. His mandate may be renewed and is subject to the maintenance of the conditions of application set out in 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 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 the staff by virtue of the provisions of the articles of association established by the Company) of the French Commercial Code.

Proposal for the composition of the Board of Directors submitted to the Shareholders' Meeting

Taking into account these different elements, in particular its gender balance and number of Independent Directors, and acting on the recommendation of the Appointments and Compensation Committee, the Board of Directors has decided to submit the following items for the approval of the Shareholders' Meeting:

- the renewal of the terms of all Directors in office: Laurence Dors, Anne Yannic, Philippe Castagnac and Jean-Charles Naouri as well as Euris (represented by Odile Muracciole), Finatis (which will be represented by Virginie Grin), Foncière Euris (which will be represented by Franck Hattab) and Matignon Diderot (represented by Alexis Ravalais).

The terms as Non-Voting Directors of Philippe Charrier and Jean Chodron de Courcel expire at the close of the Shareholders' Meeting of 16 May 2023.

Following the Shareholders' Meeting of 16 May 2023, 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].

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.

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.

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 81.

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 the report on Rallye's risks and 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, by delegation of the Shareholders' Meeting, 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 2022, the Board of Directors met eight times. The attendance of Directors at these meetings was 99%.

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 2021 and the interim financial statements of the Group for the first half of 2022, together with the related reports and the Company's management forecasts.

Its review also covered the business performance of the Company and its subsidiaries and its development, 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 available cash and the Group's workforce on a quarterly basis and off-balance sheet commitments as well as the Company's cash forecasts on a half-yearly basis.

The Board of Directors authorised a second global tender offer for the Rallye debt not secured by Casino shares (in particular bonds and commercial paper) for a maximum amount of €37m, financed by the financing of €82.4m set up with Fimalac and financial institutions during the first Tender offer carried out in 2021 (detailed information on the global tender offer and its financing is provided on page 8 of Chapter 1 of this Universal Registration Document).

The members of the Board of Directors were informed of of the proposed sale by the Casino Group of a majority stake in GreenYellow and a minority stake in Sendas Distribuidora S.A (Assaí), the spin-off project for GPA's participation in Exito and the legal simplification project for food distribution activities in France.

The Board of Directors received a specific presentation on the Casino Group's CSR policy.

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, Rothschild & Co's analyses on the impact of Casino's performance, business plans and asset divestments on the Company's safeguard plan and those of its parent companies, Euris, Finatis and Foncière Euris.

As part of the evolution of the Casino Group's asset disposal plan, the Board of Directors received information on the updating of the plan and on the analysis of Casino's distributive capacity.

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

Detailed information on the safeguard proceedings can be found on pages 9 *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 17 May 2022.

The Board of Directors of 17 March 17 2022 decided, following the recommendation of the Appointments and Compensation Committee, to propose to the Shareholders' Meeting of 17 May 2022 the appointment of two independent directors, Laurence Dors and Philippe Castagnac, replacing Catherine Fulconis and Philippe Charrier, and the appointment of Matignon Diderot replacing Jacques Dumas.

It also gave, after consulting the Appointments and Compensation Committee, a favourable opinion on the proposal for the reorganization of the Specialised Committees by including the new independent directors appointed by the Shareholders' Meeting on 17 May 2022.

In the framework of the renewal of the mandate of 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.

The Board of Directors also approved the Corporate Governance Report.

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 and carried out the annual evaluation of arm's length agreements entrusted to the Audit Committee in the framework of the Charter set up in 2020 (see details on page 83).

Within the framework of the evolution of the Executive Management, the Board of Directors has, on the proposal of the Chairman of the Board of Directors and following the opinion of the Appointments and Compensation Committee, appointed Alexis Ravalais, General Manager effective 30 September 2022.

The Board of Directors has decided to transfer the company's registered office. This decision was submitted to the Shareholders' Meeting for ratification on 16 May 2023.

Compensation

At its meeting on 17 March 2022, the Board of Directors determined, based on the achievement of pre-defined condition, the General Manager's 2021 variable compensation and also the amount of the long-term incentive awarded in 2019 to be paid in 2022.

In accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors set the 2022 compensation policy for the General Manager, in connection with his term of office. It also set the compensation policy for non-executive corporate officers for 2022/2023. 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' 2021/2022 term of office in accordance with the compensation policy approved by the Shareholders' Meeting of 18 May 2021.

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.

Shareholders' Meeting

The Board approved the reports and the text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting held on 17 May 2022.

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 17 May 2022.

*

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 22 March 2023

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Philippe Castagnac	Chairman	☑	17 May 2022	4/4 (1)	100%
Anne Yannic	Member	☑	10 May 2017 – 17 May 2022	5/5	100%
Didier Lévêque	Member		15 Dec. 2017 – 17 May 2022	5/5	100%
Independence rate		2/3			

(1) Given the date of his appointment to the Audit Committee on 17 May 2022.

The Audit Committee has three members: Philippe Castagnac, Chairman since 17 May 2022 in replacement of Philippe Charrier, 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 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 in order to formulate its recommendations to the Board of Directors.

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 83).

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

Activity in 2022

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 2022.

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 and in this framework it has also examined the administrative procedures (AMF) or judicial (PNF) as well as the procedures of disputes of claims and third-party proceedings to the safeguard plan (see page 58 of this 2022 Universal Registration Document).

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 2022, and approved their continued classification as such.

The Audit Committee also confirmed to the Board of Directors that the procedure for determining and evaluating arm's length agreements thus defined by the Charter remained adapted to the Company's situation without the need for amendment.

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 while recommending to the Board of Directors to amend the charter by completing the list of non-audit services pre-approved by nature.

In addition, the Audit Committee approved several non-audit tasks to be carried out by the Company's Statutory Auditors. It also communicated the annual report on all non-audit tasks entrusted to the Company's Statutory Auditors within the Group.

The Audit Committee implemented the selection procedure, through a tender procedure, of a new Statutory Auditor, which continued in 2023. In this context, the Committee reviewed the specifications, the schedule, the selection criteria and the list of audit firms to be solicited. He also analysed the summary of the evaluation, according to the rating grid decided by him, of the applications received and prepared by the Selection Committee following exchanges with the prospective firms. The Committee reviewed the nominations and held hearings of the selected candidates with a view to submitting its reasoned recommendation to the Board of Directors on 22 March 2023.

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 22 March 2023

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Laurence Dors	Chair	☑	17 May 2022	2/2 (1)	100%
Gilbert Delahaye (2)	Member	n/a	27 June 2020 – 16 May 2022	4/4	100%
Odile Muracciole	Member		18 May 2016 – 16 May 2022	4/4	100%
Anne Yannic (3)	Member	☑	17 May 2022	2/2(1)	100%
Independence rate		50%			

(1) Given the date of his appointment to the Appointments and Compensation Committee on 17 May 2022.

(2) 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.

(3) Laurence Dors was appointed Chair of the Appointments and Compensation Committee on 16 December 2022 in replacement of Anne Yannic, Chair of the said Committee from 17 May 2022 to 16 December 2022.

The Appointments and Compensation Committee comprised two independent members: Laurence Dors, Chair, and Anne Yannic, as well as two other members 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.

Missions

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 2022

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 a Non-voting Director as well as the appointment of two independent Directors and a Non-voting Director, submitted for approval at the Shareholders' Meeting 17 May 2022. The Committee also delivered a favourable opinion on the renewal in May 2022 of the mandate of the Chairman of the Board of Directors, and made its recommendations on the composition of the Committees of the Board following the evolution of that of the Board.

The Committee issued a favourable opinion on all the annual and multi-annual variable components of the General Manager's compensation, the payment of which was submitted to the Shareholders' Meeting of 17 May 2022.

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 6° of the French Commercial Code.

The Committee reviewed the compensation policy for non-executive directors for their 2022/2023 terms of office, to be submitted to the Shareholders' Meeting of 17 May 2022.

The Committee prepared the 2022 compensation policy for the General Manager as approved by the Board of Directors on 17 March 2022 and subsequently approved by the Shareholders' Meeting of 17 May 2022 based on the observations and recommendations of an external specialist in executive compensation.

The committee also examined the actual allocation of Directors' compensation for 2021/2022.

The Committee issued a favourable opinion on the proposal to appoint Alexis Ravalais as General Manager, replacing Franck Hattab, in the context of the continued separation of the office of Chairman of the Board of Directors assumed by Jean-Charles Naouri

At the time of the appointment of the new General Manager, the Committee expressed a favourable opinion on the continuation of the specific annual authorisations granted to him.

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 22 March 2023

	Position	Independence	First appointed/ last reappointed	Number of meetings	Attendance rate
Anne Yannic	Chair	☑	25 June 2019 – 17 May 2022	4/4	100%
Philippe Castagnac	Member	☑	17 May 2022	3/3 (1)	100%
Laurence Dors	Member	☑	17 May 2022	3/3 (1)	100%
Didier Lévêque	Member		25 June 2019 – 17 May 2022	4/4	100%
Independence rate		50%			

(1) Given the date of their appointment to the Safeguard Proceedings Monitoring Committee on 17 May 2022.

The Safeguard Proceedings Monitoring Committee has four members: Anne Yannic, Chair, Laurence Dors and Philippe Castagnac, independent Directors, as well as Didier Lévêque, who are appointed for the duration of their term of office as Director. The Committee benefits from the assistance of a lawyer. The General Manager may be called upon to participate in the meetings of the Monitoring Committee.

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 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 2022

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

In this context, the Committee heard presentations on the work undertaken and the analyses conducted by the Company's financial and legal advisors and, in particular, Rothschild & Co's analyses on the impact of Casino's performance, business plans and asset divestments on the Company's safeguard plan and those of its parent companies, Euris, Finatis and Foncière Euris.

The Safeguard Proceedings Monitoring Committee benefited from presentations on the updating of Casino's business plan and the evolution of the Casino Group's asset disposal plan and in order to be able to monitor Casino's distributive capacity, the Committee monitors, on a quarterly basis, the financial situation of Casino on which the proper execution of the safeguard plans depends. The Committee was informed of the ongoing legal proceedings in the context of the safeguard plan, details of which are provided on page 58 of this Universal Registration Document.

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.

The Board of Directors, at its meeting on 22 March 2023, after receiving the opinion of the Appointments and Compensation Committee, decided to implement a new assessment of the organization and functioning of the Board of Directors.

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

• 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, which provides a permanent mission of strategic advice and development (team of thirteen people to date), the terms of which are fixed by an agreement last renewed on 22 March 2023 for an unchanged period of three years under conditions similar to those of the agreement renewed on 1 January 2020. In January 2020, the Audit Committee favorably appreciated the interest of its renewal for Rallye, which concluded at the end of its analyses and in the light of expertise, as arm's length agreements. It renewed its analysis and conclusion during its annual review of the implementation of this Convention and last on 1 February 2023 in the context of its renewal (see below Procedure for regular evaluation by the Audit Committee of arm's length agreements concluded by the Company established pursuant to Article L. 22-10-12 of the French Commercial Code).

Under these billing arrangements, the amount paid in 2022 to Euris by the Company for services provided in 2022 was €1.6m excluding VAT (versus €1.8m excluding VAT in 2021).

Euris provides strategic consulting services to Company subsidiaries, and particularly to Casino Group, which represented total fees of €3.95m (excluding VAT) in 2022.

Jean-Charles Naouri, Didier Lévêque, Alexis Ravalais, Virginie Grin et Odile Muracciole, Directors or permanent representatives of Group companies, have employee and/or management functions and/or are members of the corporate bodies of companies within the Rallye and Euris Groups (see the list of mandates on pages 86 and following) and receive 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.

Related-party agreements

See the Statutory Auditors' special report on agreements entered into pursuant to the procedure for related-party agreements on page 259.

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 2022, 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.

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.

Implementation of the procedure

Under this procedure, the Audit Committee shall examine in particular annually the services rendered by the company Euris under the strategic advice agreement concluded by the Company with Euris which had been renewed on 1 January 2020 for three years and classified as arm's length agreements on the basis of financial and legal expertise detailed in previous Board reports on corporate governance.

Euris invoices annually for the costs it has incurred in connection with its ongoing strategic assistance mission for the benefit of its group, according to distribution keys applied successively at two levels: a primary key applied to holding companies on the basis of capital employed (equity + debt) and a secondary key within the Casino Group to allocate the Casino Group's share among the Casino, Guichard-Perrachon subsidiaries, in proportion to their turnover (Casino, Guichard-Perrachon covering 20% of the costs). Allocated costs are increased by a margin of 10 %.

As the agreement concluded by the Company with Euris came to an end on 31 December 2022, the Audit Committee was referred to it at its meeting on 1 February 2023, as part of the procedure for evaluating arm's length agreements, to formulate its opinion on the arm's length nature of the conditions for renewal of the strategic agreement between Euris and Rallye under the same financial terms and for the same three-year period. It assessed the interest of its renewal in the light of the services provided and the Company's social interest and verified that the agreement continued to meet the conditions for being classified as an arm's length agreement, on the basis of two financial expert reports, including an independent expert report entrusted to Salustro, and legal opinions. These reports and opinions did not call for further information from the Committee.

At its meeting, the Committee reviewed the services provided by Euris during the 2020 to 2022 fiscal years (permanent missions or services meeting specific needs), reviewed the conclusions of the expert report on the application of the Convention during the fiscal years 2020 to 2022 and noted the ongoing conditions for the implementation of the Convention and its arm's length nature.

The opinions of the financial expert and the independent expert confirmed the relevance and balance of the strategic cost allocation method and its suitability for the services performed which were verified. All of their opinions also concluded to the arm's length nature in view of the nature of the re-billed costs and the method of allocation chosen, costs increased by a margin of 10 % which was considered justified and relevant and therefore balanced, from the perspective of both the provider and the beneficiary.

It is clear from the conclusions of the independent expertise entrusted to the firm Salustro in order to examine and assess anew the method of allocation adopted in the context of invoicing Rallye for strategic consulting services carried out by Euris, and the nature of the services it charges Rallye in this respect, in particular that:

- the cost allocation method is balanced and relevant;
- the re-billed costs are justified and correctly allocated according to the same defined procedures;
- the margin applied to these costs, except for local tax obstacles, is within the usual range and therefore does not appear excessive;
- the services provided on the occasion of permanent and temporary missions falling within the scope of the management and strategy consulting agreement or meeting specific needs formulated by Rallye management, are constant and proven. In addition, these services are deemed necessary for the consistency of the management and strategy policy of the Euris and Rallye groups;
- the cost of these services appears thus justified.

The legal opinions sought concluded that the agreement was in line with the social interest of the companies concerned and that the strategic advice agreement with Euris was an arm's length agreement.

In view of the draft agreement unchanged, missions carried out by Euris at Rallye from 2020 to 2022, financial opinions consistent with those issued in 2020 confirming the relevance and balance of the method of allocation of strategic costs and its suitability for the services provided, and legal opinions, and after having heard and debated with the various experts, the Audit Committee confirmed that the Convention continued to fulfil the conditions for it to be classified as an arm's length agreement.

At its meeting on 17 March 2023, the Committee also reviewed the annual report on all arm's length agreements concluded or implemented in 2022. The report submitted to the Audit Committee enabled it to note that the other agreements executed did not call for any further analysis and to confirm the validity of their classification as arm's length agreements.

The Audit Committee also confirmed to the Board of Directors that the procedure for determining and evaluating arm's length agreements thus defined by the Charter remained adapted to the Company's situation without the need for amendment.

Other disclosures

Methods for attending Shareholders' Meetings

Methods for attending Shareholders' Meetings are set forth in Articles 25, 27 and 28 of the articles of association (see pages 289 to 290 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 30 et seq.

The articles of association contain no restrictions on the exercise of voting rights or the transfer of shares. There are no agreements of which the Company is aware under Article L. 233-11 of the French Commercial Code that provide for pre-emptive rights with respect to the sale or purchase of the Company's shares, nor are there, to the best of the Company's knowledge, any agreements between shareholders which might restrict share transfers or the exercise of voting rights.

The Company has not issued securities with special rights of control, and no mechanism for control is provided for in any employee share ownership plan, when the rights of control are not exercised by the employees.

The rules which apply to appointing and replacing members of the Board of Directors, and to amending the Company's articles of association, are described in pages 285 et seq.

The powers of the Board of Directors are described on page 75.

With respect to the issuance of shares, the authorisations awarded to the Board of Directors are set forth on page 31.

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
• 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 81

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

I. Directors being proposed for reappointment at the Shareholders' Meeting of 16 May 2023

Jean-Charles Naouri

Date of birth: 8 March 1949.

Business address: 103, rue La Boétie – 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 16 May 2023
Chairman of the Board of Directors	2 April 1998	Ordinary Shareholders' Meeting of 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

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);
- Vice-Chairman and Director of Casino Corporate Foundation;
- Chairman of the Euris Foundation.

Outside the Rallye/Euris Group

- Director and 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 Member (member A) of the Supervisory Board of GreenYellow.

Number of Rallye shares held: 369

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 de Mazars.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	17 May 2022	Ordinary Shareholders' Meeting of 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

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

Outside the Rallye/Euris Group

- Managing partner of SCI 75 and 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).

Number of Rallye shares held: 3,000

Gilbert Delahaye

Date of birth: 15 September 1955.

Business address: 1, cours Antoine Guichard – 42000 Saint Etienne, 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 2022 and continuing as of 22 March 2023

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

Laurence Dors

Date of birth: 16 March 1956

Business address: 103, rue La Boétie - 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.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	17 May 2022	Ordinary Shareholders' Meeting of 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- Chair and Member 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 and Chair of the Audit and Risk Committee of Latécoère (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 (*Institut Français des Administrateurs*).

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;
- Director, Chair of the Compensation Committee and member of the Risk Committee and Ethics and Governance Committee of Capgemini (listed company).

Number of Rallye shares held: 2,696

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 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- Member of the Audit Committee of Rallye (listed company);
- Member of the Appointments and Compensation 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

- Chair of the Appointments and Compensation Committee of Rallye (listed company);

Outside the Rallye/Euris Group

- Chair of the Executive Board of Financière d'Amneville;
- General Manager of SETE;
- 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: 103, rue La Boétie – 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 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

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: 103, rue La Boétie – 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. In 1990, she joined the Euris group where she held the position of General Counsel and then Counsel for Legal and Social Affairs at Casino Services since 1 December 2022.

Main executive position

Counsel for Legal and Social Affairs at Casino Services.

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- Member of the Appointments and Compensation Committee of Rallye (listed company);
- 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);
- Director of the Euris Foundation.

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

Within the Rallye/Euris Group

- Manager of Legal Affairs at Euris;
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Chair of Pargest Holding ;
- Chief Executive Officer of Pargest ;
- Chief Executive Officer of Matignon Abbeville;
- Permanent representative of Matignon Diderot on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Chair of Saris;
- Permanent representative of Saris, Manager of Euriscom.
- Director of employment law matters at Casino Services;
- Chief Executive Officer of Parande and Parinvest.

Outside the Rallye/Euris Group

- Director of Wansquare.

Number of Rallye shares held: 132,917

Finatis

French joint stock company (*société anonyme*) with share capital of €84,646,545

Registered office: 103, rue La Boétie – 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 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

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

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: Didier Lévêque, since 17 May 2022 until 16 May 2023, date on which Virginie Grin will be appointed permanent representative of Finatis

Date of birth: 20 December 1961.

Business address: 103, rue La Boétie – 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 where he served as Company Secretary from 2008 to January 2023.

Main executive positions

Chairman and Chief Executive Officer of Finatis (listed company).

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- Chairman and Chief Executive Officer of Carpinienne de Participations (listed company);
- Chairman and Chief Executive Officer of Euristates Inc.;
- Permanent representative of Finatis, Director of Foncière Euris (listed company);
- Member of the Appointments and Compensation Committee and the Audit Committee of Foncière Euris (listed company);
- Member of the Audit Committee and the Safeguard Proceedings Monitoring Committee of Rallye (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;
- 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);
- 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).
- Member of the Supervisory Board of Centrum Development (Luxembourg);
- Company Secretary of Euris;
- Chairman of Par-Bel 2 and Matignon Diderot.

Outside the Rallye/Euris Group

- Member of the Board of Directors of Wansquare.

Number of Rallye shares held: 59,655

Foncière Euris

French joint stock company (*société anonyme*) with share capital of €148,699,245

Registered office: 103, rue La Boétie – 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 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

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: Virginie Grin, since 17 May 2022 until 16 May 2023, date on which Franck Hattab will be appointed permanent representative of Foncière Euris

First elected/appointed: 18 May 2016

Date of birth: 21 September 1967

Business address: 103, rue La Boétie – 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 2022 and continuing as of 22 March 2023

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 and Member of the Audit Committee of Finatis SA (listed company);
- Permanent representative of Matignon Diderot SAS on the Board of Directors of Foncière Euris SA (listed company).

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 and Centrum Development SA (Luxembourg);
- Permanent representative of Saris SAS on the Board of Directors of Carpinienne de Participations SA (listed company);
- Director, Treasurer and Secretary of Euristates Inc.

Number of Rallye shares held: 76,287

Matignon Diderot

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

Registered office: 103, rue La Boétie – 75008 Paris, France

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

Other offices and positions held in 2022 and continuing as of 22 March 2023

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 since 17 May 2022

Date of birth: 16 October 1984.

Business address: 103, rue La Boétie – 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. He is also General Manager of Rallye since 30 September 2022.

Main executive position

- General Manager of Rallye (listed company);
- Advisor to the Chairman of Euris.

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- Representative of Parande, Chairman of Parinvest;
- Representative of Rallye, Chairman of Parande;
- Permanent representative of Matignon Diderot SAS on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Chairman of Matignon Diderot.

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

Within the Rallye/Euris Group

- Deputy Chief Financial Officer of Rallye (listed company).

Number of Rallye shares held: 39,267

II. Non-voting Directors not being proposed for reappointment at the Shareholders' Meeting of 16 May 2023

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 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- None

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

- None

Number of Rallye shares held: 376

Philippe Charrier

Date of birth: 2 August 1954.

Business address: 6 Avenue de l'Europe, 78400 Chatou

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 from 30 January 2022 to 31 July 2022.

Main position

- Chairman of Alphident;
- Chairman of the "steering committee" of Mayoly.

Offices and positions held at the Company

Office/Position	First elected/appointed	Current term expires
Director	3 June 2009	Ordinary Shareholders' Meeting of 16 May 2023

Other offices and positions held in 2022 and continuing as of 22 March 2023

Within the Rallye/Euris Group

- None

Outside the Rallye/Euris Group

- 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;
- 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

Within the Rallye/Euris Group

- None

Outside the Rallye/Euris Group

- General Manager of Laboratoires Mayoly Spindler;
- 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;
- Director of Ponroy Vitarmonyl Hong Kong Limited and Yves Ponroy SA (Swiss company);
- Member of the Supervisory Board of Lilas 1 SAS;
- Director, Chairman of the Audit Committee, member of the Appointments and Compensation Committee and member of the Safeguard Proceedings Monitoring Committee of Rallye (listed company);
- Chairman of the Board of Directors then Chairman and Chief Executive Officer of Orpea (listed company) ;
- Chairman of Alphident, Chief Executive Officer of Scorpius.

Number of Rallye shares held: 1,363

Executive Management

Executive Management, separated since 28 February 2013 from the office of Chairman of the Board of Directors assumed by Jean-Charles Naouri, has been entrusted to Alexis Ravalais since 30 September 2022, replacing Franck Hattab.

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 17 March 2022 and took effect on 26 March 2022.

On 22 March 2023, the Board of Directors, based on the recommendation of the Appointments and Compensation Committee, decided to renew in advance and effective 26 March 2023 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 2022 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 2023 compensation policy for the General Manager and the compensation policy for non-executive corporate officers in consideration of their 2023/2024 term of office as laid down in Article L. 22-10-8 of the French Commercial Code, respectively submitted to an *ex post* vote (14th and 17th resolutions) and an *ex ante* vote (18th and 19th resolutions) at the Annual Shareholders' Meeting of 16 May 2023 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 2022

1. Compensation awarded or paid by Rallye

The compensation and benefits of all kinds awarded or paid by Rallye to the Chairman of the Board of Directors in respect of and during 2021 and 2022 are as follows:

(in €)	2021		2022	
	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	9,250	10,000	9,250
Benefits in kind	-	-	-	-
Total	**10,000**	**9,250**	**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.

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 of all kinds awarded or paid to the Chairman of the Board of Directors for and during 2021 and 2022, by Rallye and the companies that it controls:

(in €)	2021		2022	
	Amounts awarded	Amount paid	Amounts awarded	Amount paid
Compensation due for the year (gross)	1,836,250 (1)	1,213,374 (2)	2,280,568 (3)	1,183,000 (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	**1,836,250**	**1,213,374**	**2,280,568**	**1,183,000**

(1) *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.*

(2) *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 2018/2020 long-term incentive, and €11,979 in Directors' compensation;*
- *Rallye: €9,250 in Directors' compensation.*

(3) *Compensation awarded for 2022:*

- *Casino, Guichard-Perrachon: €2,270,568, of which €825,000 in fixed compensation, €193,068 in variable compensation in respect of 2022, €1,237,500 corresponding to the 2022/2024 long-term incentive, corresponding to the target amount to be paid possibly in 2025 depending on the achievement of exclusively quantitative performance conditions, and €15,000 in Directors' compensation;*
- *Rallye: €10,000 in Directors' compensation.*

(4) *Compensation paid in 2022:*

- *Casino, Guichard-Perrachon: €1,173,750, of which €825,000 in fixed compensation, €96,250 in variable compensation in respect of 2021, €240,000 euros corresponding to the 2019/2021 long-term incentive, and €12,500 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

Compensation policy for the General Manager in respect of 2023
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 79 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 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.

As part of the development of the General Manager's 2023 compensation package, a new review of his total compensation package was entrusted to an external expert. On the basis of the latter's conclusions and the comparable market practices observed, the Appointments and Compensation Committee proceeded, with a view to formulating its recommendation within the framework of the tasks entrusted to it, the review of the General Manager's 2023 compensation policy.

In accordance with the provisions of Article L.22-10-8 of the French Commercial Code, the Board of Directors meeting on 22 March 2023 established, following the recommendations of the Appointments and Compensation Committee, the General Manager's 2023 compensation policy.

In this regard, taking into account the status of the new General Manager who also holds salaried positions within Euris as Advisor to the Chairman in charge of strategic operations within the Group, the Board of Directors has decided, within the framework of a change in the remuneration structure of the General Manager, due to the Company's current activities and the analyses and conclusions of the compensation expert, that its 2023 remuneration would exclusively consist of a fixed compensation of €400,000 gross.

The 2023 compensation policy is as follows:

Fixed compensation: €400,000 gross.

Stock options / Free shares

The General Manager has not and has never been awarded any stock options or free Rallye's 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 2023.

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 within the framework of his mandate.

Employment contract

The General Manager has no employment contract with Rallye.

The compensation policy as set out above will apply to any newly appointed General Manager in 2023 pending the approval of the Shareholder's' Meeting, if necessary, of any significant changes made to it.

Components of compensation paid to the General Manager in 2022 or awarded to him in respect of that year

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

It is recalled that 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 17 March 2022 and approved by the shareholders of the Ordinary Shareholders' Meeting of 17 May 2022 at 98.85%, his compensation for 2022 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: €500,000 gross. In 2022, it was paid pro rata temporis to the two successive General Managers.

Annual variable compensation

- Target amount for the annual variable compensation: €350,000, i.e., 70% of fixed compensation.
- Two quantitative financial objectives, accounting for 65% of the target amount, i.e., €227,500, based on:
  - growth in consolidated EBITDA Casino France Retail for 30%, i.e., €105,000,
  - a reduction in Rallye's gross debt, corresponding to a weighting of 35%, i.e., €122,500.
- A non-financial CSR quantitative target of €35,000, representing 10% of the target amount, for the average of Casino ratings in the ratings of the following three rating agencies: FTSE Group, Moody's ESG / Vigeo Eiris and DJSI with:
  - A minimum threshold and a target value of 73/100 and 75/100 respectively, being specified that the 75/100 rating is very high and Casino class among the most advanced groups in terms of CSR.
- Two individual qualitative objectives accounting for 20% of the target amount (day-to-day management of the safeguard proceedings and financial reporting), or €70,000.
- Assessment of managerial attitudes and behaviour, accounting for 5% of the target amount, i.e., €17,500.
- An outperformance bonus representing up to 200% for the two quantitative financial criteria only, as before.
- The maximum potential gross annual variable compensation was therefore an amount representing 115.5% of fixed compensation (i.e. €577,500) in the event of outperformance.

Long-term incentive

- The gross target amount was unchanged at €350,000, representing 70% of fixed compensation in line with the 2022 annual variable compensation target amount.
- The performance conditions are assessed over a three-year period (2022-2024).
- 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 each of the criteria.
- Payment, in respect of retention, of part of the target amount, i.e. €100,000, subject only to the presence of the General Manager at 31 December 2024.

As part of the evolution of the Executive Management, Franck Hattab, General Manager until 29 September 2022, called to take up new salaried positions within the Euris Group has waived the 2022 annual variable remuneration provided for by the Shareholders' Meeting of 17 May 2022 under the 2022 compensation policy. The long-term incentive for 2020/2022, 2021/2023 and 2022/2024 that was previously allocated to him and to be paid respectively in 2023, 2024 and 2025, subject to the performance conditions attached thereto and also subject to attendance at the date of their payment, shall not be due to him following the termination of his duties as General Manager on 29 September 2022.

From 1 January 2022 to 29 September 2022, his fixed compensation of €500,000 gross annual amount was paid to him on a pro rata basis.

The table below presents a summary of the components of the compensation awarded or paid by the Company to Franck Hattab in connection with his term of office as General Manager in 2021 and until 29 September 2022.

(in €)	2021		2022	
	Amount awarded (1)	Amount paid (2)	Amount awarded (1)	Amount paid (2)
Fixed compensation	480,000	480,000	500,000 (3)	373,077(3)
Variable compensation	165,888	147,614	(4)	165,588
Multi-annual variable compensation				
Long-term incentive	300,000 (5)	152,447 (6)	(7)	101,176 (8)
Deferred exceptional bonus		300,000 (9)		
Long-term exceptional bonus		1,000,000 (10)		
Benefits in kind(11)	32,765	32,765	24,574	24,574
Total	**978,653**	**2,112,826**	**524,574**	**664,415**

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

(2) Compensation paid in 2021 and 2022.

(3) Fixed compensation of a gross annual base amount of €500,000 paid on a pro rata basis from 1 January to 29 September 2022, taking into account the termination of the position of General Manager of the Company of Franck Hattab on the latter date, a fixed compensation paid in 2022 of a gross amount of €373,077.

(4) 2022 annual variable compensation of a target amount of €350,000 provided for by the Director General's 2022 compensation policy, to which Franck Hattab waived following the termination of his duties as Director General on 29 September 2022.

(5) 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 in particular under condition of presence which cannot therefore be due to him as a result of the termination of his duties as General Manager on 29 September 2022.

(6) 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.

(7) Long term incentive (2022/2024) provided for by the Chief Executive Officer's 2022 compensation policy with a target amount of €350,000 appreciated over 3 years (2022/2024) and allocated in 2022 to Franck Hattab because of his mandate as General Manager, to be paid possibly in 2025 on condition of presence which cannot therefore be due to him as a result of the termination of his duties as General Manager on 29 September 2022.

(8) Corresponds to the amount paid in 2022 for long-term incentive awarded in 2019 and appreciated over 3 years (2019/2021) and with a target amount of €300,000.

(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).

No compensation and no benefits of any kind were awarded or paid to Franck Hattab, General Manager until 29 September 2022 for and during the 2021 and 2022 financial years, by the companies controlled by Rallye.

Other elements of compensation or benefits of all kinds awarded in connection with his term of office to Franck Hattab, General Manager until 29 September 2022:

Stock options for new or existing shares and free shares awarded by the Company and/or companies that it controls: none

Employment contract, supplementary retirement plan, severance pay and non-compete clause compensation: none

Employment contract	Supplementary retirement plan	Compensation or benefits due or likely to be due as a result of the termination or change of functions	Compensation relating to a non-compete clause
Yes (1)	No (2)	No	No

(1) Franck Hattab's employment contract concluded on 1 March 1999 and suspended upon his appointment as General Manager regained its full effect from 30 September 2022 to 31 December 2022.

(2) The General manager shall not benefit from any defined benefit supplementary retirement plan. He is affiliated to all of the collective schemes in force within the company Rallye in terms of compulsory group retirement (Arrco-Agirc) and supplementary, defined contributions, as well as those of health insurance and death and disability plans.

Compensation of the new General Manager from 30 September 2022

Amendment to the compensation policy

Alexis Ravalais, new Rallye General Manager since 30 September 2022, also holding salaried positions within the Euris Group, has waived the obligation to receive all annual and long-term variable compensation, including those awarded under the 2022 compensation policy, in connection with its mandate as Rallye General Manager. Therefore, only the fixed compensation under the 2022 compensation policy was paid to him on a pro rata basis from 30 September to 31 December 2022.

Furthermore, it was agreed upon his appointment as General Manager that his fixed remuneration would be reduced to €400,000 gross annually, retroactive to 30 September 2022.

To this end, the Board of Directors of 22 March 2023, following the advice of the Appointments and Compensation Committee, decided to propose to the Shareholders' Meeting of 16 May 2023 that the 2022 compensation policy of the General Manager be amended.

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.

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.

Management of conflicts of interest

See page 82 of this Universal Registration Document.

The table below presents the compensation awarded or paid for 2022 by the Company to Alexis Ravalais in connection with his term of office as General Manager since 30 September 2022

(in €)	2022	
	Amount awarded (1)	Amount paid (2)
Fixed compensation	126,923 (3)	126,923 (4)
Variable compensation	(5)	
Long-term incentive	(6)	
Total compensation	**126,923**	**126,923**

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

(2) Compensation paid in 2022.

(3) Fixed compensation awarded with a gross annual base amount of €500,000 paid on a pro rata basis for 2022 as of 29 September 2022, when Alexis Ravalais was appointed General Manager of the Company.

(4) Pro rata temporis basis payment (see note (3) above)

(5) 2022 annual variable compensation of a target amount of €350,000 provided for in the General Manager's 2022 compensation policy and waived upon his appointment as General Manager on 29 September 2022.

(6) Long term incentive (2022/2024) as part of the General Manager's 2022 compensation policy with a target amount of €350,000 appreciated over 3 years (2022/2024) to be paid possibly in 2025 under condition of presence and to which Alexis Ravalais renounced when he was appointed as General Manager of the Company on 29 September 2022.

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 of all kinds awarded or paid to the General Manager, Alexis Ravalais, for and during 2022, by Rallye and the companies that it controls:

(in €)	2022	
	Amount awarded (1)	Amount paid (2)
Compensation due for the year (gross)	357,656	569,964
Value of stock options awarded during the year	No award	No award
Value of free shares awarded during the year	No award	No award
Total	**357,656**	**569,964**

(1) *Compensation awarded for 2022:*
- *Rallye: see table above.*
- *Casino, Guichard-Perrachon: €230,733 of which €100,000 gross annual variable share in respect of 2022 and €130,733 fixed share, (calculated pro rata temporis from 1 January to 20 September 2022 date of termination of employment), excluding 2022 exceptional compensation of a gross annual amount of €150,000.*

(2) *Compensation paid in 2022:*
- *Rallye: €180,923 of which €126,923 in fixed amount in respect of its mandate as General Manager calculated on a pro rata temporis basis (see table above) and €54,000 in variable amount in respect of fiscal year 2021 and its employee functions within the Company until 31 December 2021.*
- *Casino, Guichard-Perrachon: €389,041 of which €163,041in fixed amount, €226,000 in variable gross amount 2021 and 2022, excluding exceptional gross compensation of €350,000 euros and compensation for paid holidays.*

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 2021 to measure changes in performance.

• Compensation paid or awarded:	2018	2019	2020	2021	2022
General Manager	€975,717	€1,176,277	€1,340,275	€2,112,826 (1)	€791,338
Average salary	€264,918	€272,954	€297,834	€316,817	€336,162
Median salary	€173,564	€163,224	€198,668	€183,626	€177,982
Average pay ratio	**3.7**	**4.3**	**4.5**	**6.7**	**2.4**
Median pay ratio	**5.6**	**7.2**	**6.7**	**11.5**	**4.4**
• Performance criteria:					
Change in holding company scope's cost of debt	107	121	120	130	123
Consolidated EBITDA/interest coverage ratio	4.04	4.14	3.59	5.62	4.61

(1) *of which €300,000 corresponds to the additional remuneration awarded by the Board of Directors on 26 March 2020 and approved by the Shareholders' Meeting on 26 June 2020 for a total amount of €600,000 and paid half in 2020 and half in 2021 and €600,000 corresponding to the award to the General Manager of exceptional long-term remuneration (i) on 10 May 2017 (at 96.63%), a gross amount for its new Branch functions and increased responsibilities, and (ii) on 23 May 2018 (at 97.43%), a gross amount of EUR 400,000, for the first year of full performance alone of its new General Manager functions and a further increase in its responsibilities.*

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 2023/2024 term of office

(19th resolution at the Shareholders' Meeting of 16 May 2023)

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 22 March 2023, the Board of Directors determined the compensation policy for non-executive corporate officers in connection with their 2023/2024 terms of office, to be submitted to the Shareholders' Meeting of 16 May 2023.

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 22 March 2023, in line with the allocation principles applied in previous years, the Board of Directors decided to renew the compensation policy for the 2022/2023 terms of office of non-executive corporate officers for their 2023/2024 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 16 May 2023 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 in 2022 or awarded to the non-executive corporate officers in connection with their 2022/2023 term of office

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

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

Based on the recommendation of the Appointments and Compensation Committee, at its meeting of 17 May 2022, the Board of Directors set the principles for allocating compensation to the Directors and members of Special Committees in connection with their 2021/2022 terms of office, as approved by the Shareholders' Meeting of 18 May 2021, 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 2021 and 2022 by the Company and the companies referred to in Article L. 233-16 of the French Commercial Code to non-executive corporate officers other than the Chairman of the Board of Directors was as follows:

(in €)	Compensation paid in 2021		Compensation paid in 2022	
	Compensation for service as a Director in 2020/2021	Other compensation	Compensation for service as a Director in 2021/2022	Other compensation (1)
Philippe Charrier	60,000		60,000	
Gilbert Delahaye	25,500	100,826	30,000	101,253
Jacques Dumas (2)	10,000	952,721	10,000	520,666
Catherine Fulconis	50,000		47,500	
Virginie Grin	10,000		10,000	
Didier Lévêque (3)	30,000	11,979	30,000	12,500
Odile Muracciole (4)	20,000	211,135	20,000	216,373
Anne Yannic	50,000		50,000	

(1) Compensation and benefits of any kind paid, excluding exceptional items, by the companies that Rallye controls.

(2) Jacques Dumas' term as Director ended on 17 May 2022, as part of his retirement on 31 January 2022. Other compensation paid in 2022 (by Casino): €520,666 gross, including gross variable compensation of €387,000 in respect of 2021, gross fixed compensation of €120,699, €467 euros in benefits in kind, and €12,500 in Directors' compensation, excluding €1,000,000 in retirement pay and compensatory leave with pay and excluding a gross exceptional bonus in respect of 2021. In 2021, 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 2022 (by Casino): €216,373 gross, including gross variable compensation of €62,000 in respect of 2021, gross fixed compensation of €141,873 and €12,500 in Directors' compensation.

Aggregate compensation paid in 2022 to the non-executive corporate officers (including the Chairman of the Board of Directors) for their terms of office in 2021/2022 amounted to €266,750 gross versus €264,750 gross paid in 2021 for the 2020/2021 terms of office.

In connection with the 2022/2023 term of office (to be paid in 2023)

The compensation policy for the non-executive corporate officers of Rallye in connection with the 2022/2023 term of office was approved by the Shareholders' Meeting of 17 May 2022 at a rate of 99.59%, in accordance with the following conditions:

Basic compensation paid to Directors

The principles remained unchanged compared to the terms of office 2021/2022 (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 2023 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 17 May 2022 to pay basic compensation to the non-voting Directors in connection with their 2021/2022 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 €36,000 in 2022 in respect of 2021/2022.

Audit of the financial statements

Statutory Auditors

In compliance with legal requirements, Rallye appoints two Statutory Auditors:

KPMG S.A.

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: Alexis Hurtrel (since June 2022).

Date of first appointment: 1st June 1999.

Latest term of office expires: at the close of the 2023 Annual Shareholders' Meeting.

Implementation of the procedure for selecting a new Statutory Auditor to replace Ernst &Young et Autres

Ernst & Young (EY) is Statutory Auditor of Rallye since June 1999 and its mandate expires at the 2023 Shareholders' Meeting. The mandate of Statutory Auditor of the firm EY at Casino, Guichard-Perrachon was not renewed during the Assembly held on 10 May 2022, as the firm EY having reached the legal limitation of the period of exercise of the mandates of Statutory Auditors set by article L. 823-1 of the French Commercial Code. Since Guichard-Perrachon was unable to retain its mandate at Casino, bringing together the main operational activities, EY expressed its wish not to remain an auditor of Casino's parent companies. In this context, EY did not request the renewal of its mandate at Rallye during the Shareholders' Meeting on 16 May 2023.

With a view to its replacement and in accordance with the tasks entrusted to it, the Audit Committee has implemented the tender procedure allowing the selection of a new Statutory Auditor. To this end, the Committee reviewed the specifications, the schedule, the selection criteria and the list of audit firms to be solicited. He also analysed the summary of the evaluation, according to the rating grid adopted by him, of the applications received, prepared by the Selection Committee following exchanges with prospective firms. It then heard the shortlisted candidates and made its recommendations to the Board of Directors, which submitted the appointment of Deloitte & Associés to the Shareholders' Meeting on 16 May 2023 for approval.

Chapter 3

Consolidated financial statements for the year ended 31 December 2022

Statutory Auditors' report on the Consolidated Financial Statements

Year ended 31 December 2022

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 2022.

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 2022 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' responsibilities 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 2022 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.

Material uncertainty related to the going concern

Without qualifying our opinion, we draw your attention to the material uncertainty related to events or circumstances likely to affect going concern described in Note 1.2.1 « Going concern » to the consolidated financial statement.

Justification of assessments – Key audit matters

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, in addition to the point described in the "Material uncertainty related to the going concern" section above, 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.

— *"Food and general retailing" goodwill impairment test*

See Notes 3 "Scope of consolidation", 10.1 "Goodwill" and
10.5 "Impairment of non-current assets" to the consolidated financial statements

Risk identified

As at December 31, 2022, the net carrying value of goodwill allocated to the cash generating unit (CGU) "Food and general retailing" recorded in the consolidated statement of financial position amounts to €7,852m, i.e. approximately 24% of total consolidated assets. The CGU "Food and general retailing" corresponds to the Casino group.

In respect of the valuation of this asset, the Group performs a "Food and general retailing" goodwill impairment test at least once a year and whenever an indication of impairment is identified, according to the methods described in Notes 10.1 and 10.5.1 to the consolidated financial statements.

We considered the assessment of the recoverable value of the goodwill of the CGU "Food and general retailing" to be a key audit matter due to:

- the materiality of goodwill in the consolidated financial statements;
- the importance of the estimates used by management, including revenue and EBITDA forecasts, discount rates and the perpetual growth rates used to determine the terminal value;
- the sensitivity of certain assumptions on which the assessment of these values in use are based.

Our response

We assessed the compliance of the methodology implemented by the Group with the applicable accounting standards.

We also assessed the main estimates underlying the assessment of the recoverable amount, determined on the basis of the discounted future cash flows or the market value. We particularly appreciated:

- the consistency of projected cash flows with the budgets and medium-term plans approved by management, as well as the consistency of revenue and EBITDA forecasts with the Group's historical performance, in the economic context in which the Group operates;
- the methods and parameters used to determine the discount rates and perpetual growth rates applied to estimated cash flows. With the assistance of our valuation specialists, we recalculated the discount rates based on the latest available market data and compared the results with (i) the rates used by the Group and (ii) the rates for several players operating in the same business sector as the Group;
- the appropriateness of the market value used for the Latam Retail market;
- the sensitivity scenarios adopted by the Group, for which we verified the arithmetical accuracy.

Finally, we also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, in particular those relating to sensitivity analyses.

— *Compliance with bank ratios relating to the "RCF" syndicated corporate loan facility of Casino, Guichard- Perrachon*

See Notes 2 "Significant events of the year" and 11.5 "Financial risk management objectives and policies
and hedge accounting" to the consolidated financial statements

Risk identified

Certain bonds and bank financing require the Company Casino, Guichard-Perrachon and certain French subsidiaries to comply with "bank covenants", as stated in Note 11.5.4. "Liquidity risk" to the consolidated financial statements.

Non-compliance with the bank covenants could result in the immediate repayment of all or part of the financing concerned, some of which is also subject to cross-default clauses.

We considered compliance with bank ratios under the "RCF" corporate loan facility of Casino, Guichard-Perrachon to be a key audit matter in view of the amount of the authorized credit line, which is €2,051 million. Any non-compliance with the bank ratios could have an impact on the availability of this credit line and consequently, due to the existence of cross-default clauses as described in the notes to the consolidated financial statements, on the current/non-current presentation of financial liabilities in the consolidated financial statements, the Group's liquidity position and, if relevant, the Company's ability to continue as a going concern.

Our response

As part of our audit work, we:

- gained an understanding of the internal control procedures relating to the monitoring of the Group's liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating ratios and monitoring compliance with bank covenants;
- analysed the contractual bank documentation relating to the "RCF" syndicated corporate loan facility;
- reconciled the methods adopted to determine the aggregates used to monitor the covenants of the "RCF" corporate loan facility as implemented by the Company: "secured gross debt", "EBITDA" and "cost of net financial debt", with their contractual definition;
- assessed the assumptions used by the Company Casino, Guichard-Perrachon to establish projections for the calculation of financial ratios for the next quarterly milestones over the forthcoming 12 months;
- assessed the appropriateness of the disclosures 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

In respect of its retail activities, the Group receives rebates from its suppliers in the form of discounts and commercial cooperation fees.

These rebates, generally paid on the basis of a percentage defined contractually according to purchase volumes and applied to purchases made from suppliers, are deducted from cost of goods sold.

Considering the material impact of these rebates, the large number of contracts involved and the need for the Group to estimate the amount of rebate for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter for the Distribution Casino France, Monoprix, Franprix, Cdiscount and Éxito brands.

Our response

As part of our audit work, we:

- gained an understanding of the internal control environment relating to the process of monitoring these rebates in the Distribution Casino France, Monoprix, Franprix, Cdiscount and Éxito brands;
- assessed the key controls implemented by the Group relating to the determination of the purchase volumes concerned by the rebates, and the application of contractual commercial terms: we assessed their design and tested their operational effectiveness on a sampling basis;
- reconciled, for a sample of contracts, the rates used to assess the rebates with the commercial terms indicated in the contracts signed with suppliers;
- assessed, for a sample of contracts and by comparison with the annual purchase amounts confirmed by the suppliers and those recorded in information systems, the year-end purchase volumes used by the Group to assess the amount of rebates to be received by product family for each supplier;
- assessed the settlement of accrued invoices booked as at 31 December 2021, compared to amounts received in 2022; and
- assessed the information available to date relating to the settlement of accrued invoices booked as at 31 December 2022, compared to amounts received in early 2023.

— *Valuation of tax credits (ICMS and PIS/COFINS) and contingent tax liabilities at GPA and Sendas*

See Notes 5.1 "Key indicators by reportable segment", 6.8 "Other current assets", 6.9.1 "Analysis 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 recognizes ICMS and PIS/COFINS tax credits. As at 31 December 2022, the recorded ICMS tax credits amount to €366m and the PIS/COFINS tax credits to €504m.

These tax credits were recognized insofar as GPA and Sendas consider their recoverability to be probable.

In Brazil, GPA and Sendas are also involved in various administrative and legal proceedings, arising notably from tax claims filed by the Brazilian tax authorities. A portion of these tax risks, estimated at €2,471m, were classified as contingent liabilities and no provisions were recognized at 31 December 2022, as stated in Note 13.3 to the consolidated financial statements.

We considered the recoverability of tax credits and the assessment of contingent tax liabilities in Brazil to be key audit matters due to (i) the materiality of the tax credits receivable and contingent tax liabilities in the consolidated financial statements for the year ended 31 December 2022, (ii) the complexity of Brazilian tax legislation and (iii) the use of judgements and estimates as part of the assessment of tax credits and contingent tax liabilities.

Our response

We familiarized ourselves with the procedures put in place by the Group to identify and assess tax credits and tax risks in the Brazilian subsidiaries (identification of credits and risks, credit recovery plan, documentation of risk assessment, use of external experts). As part of this procedure, we also interviewed the various individuals who hold responsibilities in the GPA and Sendas organization to identify and gain an understanding of the tax credits and existing disputes, as well as the judgements relating thereto.

Concerning the ICMS and PIS/COFINS tax credits, with the assistance of our Brazilian indirect tax specialists:

- we analysed the internal control environment relating to the processes implemented to monitor the tax credits and ensure their recoverability. We assessed the design of the related key controls and tested their operating effectiveness, including controls over the projections prepared by Management which support the assessment of tax credit recoverability;
- we tested the material assumptions used by Management in its assessment of the recoverability of these tax credits and tested the accuracy of the underlying data;
- we assessed the application of tax laws and special tax regimes used in the assessment of tax credit recoverability;
- we tested the data used by Management to determine the amounts of tax credits recorded;
- we assessed the appropriateness of the disclosures in Notes 5.1, 6.8, 6.9.1 and 13.3 to the consolidated financial statements.

Concerning contingent liabilities, with the assistance of our Brazilian tax specialist, we:

- gained an understanding of the internal control environment relating to the process of identifying, monitoring and estimating the level of risk associated with the various disputes, assessed the design of the related key controls and tested their operational effectiveness, in particular controls relating to the assumptions and technical bases of the tax positions used to assess loss probabilities, as well as those relating to the assessment and presentation of the amounts associated with contingent tax liabilities.
- evaluated the assessment made by GPA and Sendas Management of the probability and estimation of losses for a sample of material contingent tax liabilities:
  - gained an understanding of the judgements made by GPA and Sendas Management, the technical bases and documentation used by Management to assess risk, including analyses of tax opinions or other tax advice obtained from GPA and Sendas' external legal and tax advisors;
  - inspection and assessment of the responses to external confirmations sent to GPA and Sendas' principal legal and tax advisors;
  - review of Management's estimates based on the knowledge and experience of our tax experts in Brazil, regarding the application of tax laws and changes in the regulatory and tax environments;
- analysed the underlying assumptions and data and the accuracy of the calculation of the amounts related to the contingent tax liabilities presented; and
- assessed the appropriateness of the disclosures in Note 13.3 to the consolidated financial statements.

Specific verifications

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.

Report on other legal and regulatory requirements

— *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 statutory auditors 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 Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 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 material respects, with the European single electronic format.

Due to the technical limits inherent in the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Furthermore, 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 SA by the Annual Shareholders' Meeting held on 29 June 1993 for KPMG SA and on 1 June 1999 for Ernst & Young et Autres.

As at 31 December 2022, KPMG SA and Ernst & Young et Autres were in the thirtieth and twenty-fourth 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 Group's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk 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 of the Company 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 Auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses 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 obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains 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 Auditor is 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 a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if 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 audit 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 set out 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, 5 April 2023

The Statutory Auditors,

French original signed by:

KPMG S.A.	**ERNST & YOUNG et Autres**
Jean-Marc Discours	Alexis Hurtrel

Consolidated financial statements

Consolidated income statement

(€ millions)	*Notes*	Year 2022	Year 2021 (restated) [1]
Continuing operations			
Net sales	5 / 6.1	33,615	30,555
Other income	6.1	394	504
Total income	**6.1**	**34,009**	**31,059**
Cost of goods sold	6.2	(26,109)	(23,436)
Gross margin	6.2	**7,900**	**7,623**
Selling expenses	6.3	(5,370)	(5,127)
General and administrative expenses	6.3	(1,423)	(1,323)
Recurring operating income	**5.1**	**1,107**	**1,173**
Other operating income	6.5	764	350
Other operating expenses	6.5	(1,354)	(1,011)
Operating income		**517**	**512**
Income from cash and cash equivalents	11.3.1	61	27
Cost of gross debt	11.3.1	(758)	(521)
Cost of net debt	***11.3.1***	***(697)***	***(494)***
Other financial income	11.3.2	439	230
Other financial expenses	11.3.2	(660)	(510)
Income (loss) before tax		**(401)**	**(262)**
Income tax expense	9.1	9	86
Share of net income of equity-accounted investees	3.3.3	11	48
Net income (loss) from continuing operations		**(381)**	**(128)**
Attributable to owners of the parent		*(235)*	*(143)*
Attributable to non-controlling interests		*(146)*	*15*
Discontinued operations			
Net income (loss) from discontinued operations	**3.5.2**	**(31)**	**(255)**
Attributable to owners of the parent	*3.5.2*	*(19)*	*(134)*
Attributable to non-controlling interests	*3.5.2*	*(12)*	*(121)*
Continuing and discontinued operations			
Consolidated net income (loss)		**(412)**	**(383)**
Attributable to owners of the parent		*(254)*	*(277)*
Attributable to non-controlling interests	*12.6*	*(158)*	*(106)*
Per share, in €:			
From continuing operations	12.8	(4.46)	(2.72)
From continuing and discontinued operations	12.8	(4.82)	(5.26)

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

Consolidated statement of comprehensive income

(€ millions)	Year 2022	Year 2021 (restated) [(1)]
Consolidated net income (loss)	**(412)**	**(383)**
Items that may subsequently be reclassified to profit or loss	**203**	**(84)**
Cash flow hedges and cash flow hedge reserve [(2)]	9	38
Foreign currency translation reserves [(3)]	194	(108)
Debt instruments at fair value through other comprehensive income	(1)	(1)
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	2	(3)
Income tax effects	(1)	(10)
Items that will never be reclassified to profit or loss	**3**	**(1)**
Equity instruments at fair value through other comprehensive income	(32)	(3)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	-	-
Actuarial gains and losses	46	2
Income tax effects	(11)	-
Other comprehensive income (loss), net of tax	**206**	**(85)**
Total comprehensive income (loss) for the year, net of tax	**(206)**	**(468)**
Attributable to owners of the parent	*(216)*	*(279)*
Attributable to non-controlling interests	*10*	*(189)*

(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 2022 or 2021.

(3) The €194m positive net translation adjustment in 2022 arose primarily from the appreciation of the Brazilian real for €299m, partially offset by the depreciation of the Colombian peso for €123m. In 2021, the €108m negative net translation adjustment arose primarily from the depreciation of the Colombian peso for €124m.

Changes in other comprehensive income are presented in note 12.5.3.

Consolidated statement of financial position

Assets

(€ millions)	*Notes*	31 December 2022	31 December 2021 (restated)(1)	1 January 2021 (restated)(1)
Non-current assets				
Goodwill	10.1	7,852	7,662	7,650
Intangible assets	10.2	2,065	2,006	2,048
Property, plant and equipment	10.3	5,319	4,643	4,281
Investment property	10.4	403	411	428
Right-of-use assets	7.1.1	4,890	4,749	4,889,
Investments in equity-accounted investees	3.3.3	382	201	191
Other non-current assets	6.9	1,322	1,207	1,260
Deferred tax assets	9.2	1,490	1,195	1,022
Total non-current assets		**23,723**	**22,074**	**21,769**
Current assets				
Inventories	6.6	3,644	3,218	3,215
Trade receivables	6.7	854	772	941
Other current assets	6.8	1,640	2,036	1,774
Tax assets		174	196	167
Cash and cash equivalents	11.1	2,525	2,302	2,781
Assets held for sale	3.5.1	110	973	1,221
Total current assets		**8,947**	**9,497**	**10,099**
Total assets		**32,670**	**31,571**	**31,868**

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

Equity and liabilities

(€ millions)	*Notes*	31 December 2022	31 December 2021 (restated)[(1)]	1 January 2021 (restated)[(1)]
Equity				
Share capital	12.2	159	158	157
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		(1,337)	(1,244)	(974)
Equity attributable to owners of the parent		***(1,178)***	***(1,086)***	***(817)***
Non-controlling interests	*12.6*	*5,039*	*4,900*	*5,144*
Total equity		**3,861**	**3,814**	**4,327**
Non-current liabilities				
Non-current provisions for employee benefits	8.2	216	274	289
Other non-current provisions	13.1	515	376	374
Non-current financial liabilities, gross	11.2	10,212	10,295	9,575
Non-current lease liabilities	7.1.1	4,447	4,174	4,282
Put options granted to owners of non-controlling interests	3.4.1	32	61	44
Other non-current liabilities	6.10	314	238	211
Deferred tax liabilities	9.2	503	405	508
Total non-current liabilities		**16,239**	**15,823**	**15,283**
Current liabilities				
Current provisions for employee benefits	8.2	13	12	12
Other current provisions	13.1	229	216	189
Trade payables	4.2	6,525	6,101	6,193
Current financial liabilities, gross	11.2	1,827	1,369	1,355
Current lease liabilities	7.1.1	743	718	706
Put options granted to owners of non-controlling interests	3.4.1	129	134	119
Current tax liabilities		19	8	98
Other current liabilities	6.10	3,073	3,201	3,085
Liabilities associated with assets held for sale	3.5.1	12	175	501
Total current liabilities		**12,570**	**11,934**	**12,258**
Total equity and liabilities		**32,670**	**31,571**	**31,868**

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

Consolidated statement of cash flows

(€ millions)	Notes	Year 2022	Year 2021 (restated)[1]
Net cash from operating activities			
Net income (loss) before tax from continuing operations		(402)	(262)
Net income (loss) before tax from discontinued operations	3.5.2	(29)	(329)
Consolidated net income (loss) before tax		**(431)**	**(591)**
Depreciation/amortisation for the year	6.4	1,391	1,330
Provision and impairment expense	4.1	399	299
Unrealised losses (gains) arising from changes in fair value	11.3.2	(2)	(5)
Expenses (income) on share-based payment plans		14	14
Other income and expenses		(119)	(47)
(Gains) losses on disposals of non-current assets	4.4	(80)	(128)
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		(310)	20
Dividends received from equity-accounted investees	3.3.1 / 3.3.2	11	17
Cost of net debt	11.3.1	697	494
Net impact of the global tender offers for unsecured debt	11.3.2	(139)	(113)
Interest paid on leases, net	11.3.2	343	313
Non-recourse factoring and associated transaction costs	11.3.2	108	88
Disposal gains and losses and adjustments related to discontinued operations		(7)	128
Net cash from operating activities before change in working capital and income tax		**1,875**	**1,819**
Income tax paid		(139)	(184)
Change in working capital	4.2	(477)	(25)
Income tax paid and change in working capital: discontinued operations		(119)	(89)
Net cash from operating activities	(A)	**1,140**	**1,521**
Of which continuing operations		***1,295***	***1,811***
Net cash from investing activities			
Acquisitions of property, plant and equipment, intangible assets and investment property	4.3	(1,651)	(1,122)
Disposals of property, plant and equipment, intangible assets and investment property	4.4	467	156
Acquisitions of financial assets	4.5	(232)	(174)
Disposals of financial assets	4.5	712	163
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.6	587	(41)
Effect of changes in scope of consolidation related to equity-accounted investees	4.7	280	1
Change in loans and advances granted		(13)	(30)
Net cash from investing activities of discontinued operations		(42)	(86)
Net cash from (used in) investing activities	(B)	**108**	**(1,133)**
Of which continuing operations		***150***	***(1,047)***

(€ millions)	Notes	Year	
		2022	2021 (restated) (1)
Net cash flow from financing activities			
Dividends paid:			
▪ to owners of the parent	12.7	-	-
▪ to non-controlling interests	4.8	(66)	(102)
▪ to holders of deeply-subordinated perpetual bonds (TSSDI)		(42)	(35)
Capital reductions/increases for cash		-	-
Transactions between the Group and owners of non-controlling interests	4.9	442	15
Purchases and sales of treasury shares		-	-
Increase in loans and borrowings	4.10	2,027	4,246
Repayments of loans borrowings	4.10	(2,020)	(3,555)
Repayment of lease liabilities		(603)	(623)
Interest paid, net	4.11	(986)	(751)
Other repayments		(49)	(30)
Net cash from (used in) financing activities of discontinued operations		(3)	(27)
Net cash from (used in) financing activities	(C)	**(1,300)**	**(862)**
Of which continuing operations		***(1,297)***	***(835)***
Effect of changes in exchange rates on cash and cash equivalents:			
▪ of continuing operations	(D)	96	(22)
▪ of discontinued operations		-	-
Change in cash and cash equivalents	(A+B+C+D)	**44**	**(496)**
Net cash and cash equivalents at beginning of year	**(E)**	**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
Net cash and cash equivalents at end of year	**(F)**	**2,286**	**2,242**
Of which net cash and cash equivalents from:			
▪ continuing operations	11.1	2,286	2,243
▪ operations held for sale			(1)
Change in cash and cash equivalents	(F-E)	**44**	**(496)**

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

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 2021 (reported)	**157**	**1,483**	**(759)**	**(1,694)**	**(813)**	**5,150**	**4,337**
Effect of applying IFRS IC agenda decision on Costs in a Cloud Computing Arrangement (note 1.3)			(4)		**(4)**	**(6)**	**(10)**
Equity at 1 January 2021 (restated) (*)	**157**	**1,483**	**(763)**	**(1,694)**	**(817)**	**5,144**	**4,327**
Other comprehensive income (loss) for the year (*)				(2)	**(2)**	(83)	**(85)**
Net income (loss) for the year (restated)(*)			(277)		**(277)**	(106)	**(383)**
Total comprehensive income (loss) for the year (restated)(*)			***(277)***	***(2)***	***(279)***	***(189)***	***(468)***
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 (6)			6	15	**21**	27	**48**
Equity at 1 January 2022 (restated) (*)	**158**	**1 482**	**(1,045)**	**(1,681)**	**(1,086)**	**4,900**	**3,814**
Other comprehensive income (loss) for the year				38	**38**	168	**206**
Net income (loss) for the year			(254)		**(254)**	(158)	**(412)**
Total comprehensive income (loss) for the year			***(254)***	***38***	***(216)***	***10***	***(206)***
Equity transactions	1	(1)			**-**		**-**
Purchases and sales of treasury shares					**-**		**-**
Dividends paid/to be paid (3)					**-**	(53)	**(53)**
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries (4)			12		**12**	(130)	**(118)**
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries (5)			69	28	**97**	252	**349**
Other movements (6)			9	6	**15**	60	**75**
Equity at 31 December 2022	**159**	**1,481**	**(1,209)**	**(1,609)**	**(1,178)**	**5,039**	**3,861**

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

(1) See note 12.5.1 on the breakdown of other reserves.

(2) See note 12.6 on non-controlling interests.

(3) Dividends paid and payable to non-controlling interests during the year primarily concern Uruguay for €20m, Sendas for €14m and Éxito for €13m (2021: Sendas, GPA and Éxito for €28m, €11m and €19m, respectively).

(4) The €118m negative impact on the Group's consolidated equity mainly reflects the loss of control of GreenYellow (Note 3.1.3).

(5) The €348m impact on the Group's consolidated equity mainly reflects the disposal of a 10.44% stake in Assaí (Note 3.1.4).

(6) Primarily relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

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 2022 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 22 March 2023. They will be submitted for approval by the Annual Shareholders' Meeting to be held on 16 May 2023.

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 2022

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 2022 and do not have a material impact on its consolidated financial statements:

- *Amendments to IFRS 3 – Reference to the Conceptual Framework*

These amendments are mandatorily applicable on a prospective basis for reporting periods beginning on or after 1 January 2022.

They update a reference to the Conceptual Framework in IFRS 3 but do not change the accounting requirements for business combinations.

- *Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use*

These amendments are applicable on a retrospective basis as from 1 January 2022. 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*

These amendments are applicable on a retrospective basis as from 1 January 2022. 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: direct 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*

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: minor amendments were issued to these standards but are not applicable to the Group.

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

In April 2021 the IFRS IC issued a decision on accounting for the costs of configuring or customizing software in a cloud computing (SaaS) arrangement.

During the first half of 2022, the Group finished identifying SaaS contracts and analyzing the different types of costs incurred in order to determine those items affected by this decision. These analyses led the Group to change the method of accounting for customization and configuration costs when they did not meet the criteria for capitalization under IAS 38 and when they did not relate to the development of an interface with the SaaS solution. These costs are now expensed – mostly as they are incurred – and especially if the work is carried out internally or by a third-party supplier (not related to the SaaS solution provider).

These costs are recognised over the term of the SaaS contract if the work is carried out by the SaaS solution provider or its subcontractor and cannot be separated from the rights to access the SaaS solution. However, the Group is not significantly concerned by this last case. The effects of applying this agenda decision on a retrospective basis are presented in Note 1.3.

IFRS IC agenda decision – Demand Deposits with Restrictions on Use

In April 2022, the IFRS IC issued an agenda decision clarifying whether an entity should include a demand deposit as a component of cash and cash equivalents in its statements of financial position and cash flows when the deposit is subject to contractual restrictions on use agreed with a third party.

In its decision, the IFRS IC concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash, unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7.

The Group has identified and analyzed such contracts: this has not led to any material change in the presentation of its consolidated financial statements.

1.2 Basis of preparation and presentation of the consolidated financial statements

1.2.1 Going concern

The consolidated financial statements for the year ended 31 December 2022 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.

Furthermore, as of March 22, 2023, Rallye has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assai's share capital for an amount of €723.2m, in order to accelerate its deleveraging. As the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principal and amount of which depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan, Rallye considers that the risk factor related to the implementation of the safeguard plans has increased (see Note 11.5.6 Risk exposure – Risk relating to the implementation of the safeguard plans).

Based on this finding, there is significant uncertainty about Rallye's going concern related to Casino's ability to distribute sufficient dividends and/or the possibility of amending Rallye's safeguard plan by the February 2025 deadline.

As detailed in note 11.5.6, if the company subject to the safeguard plan fail to fulfill its commitments by the deadlines set in the plan, the Paris Commercial Court may vote on the resolution of the plan after consulting the public prosecutor and the administrators appointed to oversee the plan upon presentation of their report. If the event that the Court acknowledges the suspension of payments during the execution of the safeguard plans, the Paris Commercial Court will initiate administration proceedings, unless administration is manifestly not possible, in which case the Court will initiate liquidation proceedings

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 realize 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 assets in accordance with IFRS 5 (Note 3.5);
- 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);
- measurement of deferred tax assets (Note 9) ;
- valuation of non-current assets and goodwill (Note 10.5) ;
- Group liquidity risk (Note 11.5.4) ;
- analysis of control of Sendas and GPA (Note 12.6) ;
- provisions for risks (Note 13), particularly tax and employee-related risks in Brazil.

1.2.4 Addressing risks related to climate change

In 2021, Casino Group set up a Sustainable Finance department, whose role includes ensuring an alignment between the financial statements and climate issues, responding to new regulations in this area, and making sure that environmental issues are factored into decision-making processes, particularly investments.

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

- 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 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;
- on the Group's image and reputation among its customers and stakeholders, who expect companies to actively fight against climate change;
- on its employees, whose working conditions could be affected, particularly in areas vulnerable to heatwaves.

An increase in the occurrence of such extreme events would have not only direct consequences for the Group's operations (business interruption/supply chain difficulties), but also an indirect impact through higher raw material prices, energy, transport and distribution costs, a drop in sales of seasonal products, changes in consumer habits and an increase in insurance premiums. All such factors could be exacerbated by the introduction of new regulations in the countries in which the Group operates.

The following commitments also demonstrate how the Group is addressing climate risks and opportunities:

- 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.

In the course of its business, the Group addresses the climate change risks identified at the level of its business plans. These risks are considered:

- in assessing the value of certain assets through their useful life or, in the case of intangible assets with an indefinite useful life, in assessing events that may result in the identification of impairment indicators;
- in implementing decarbonisation roadmaps through the identification of measures to reduce emissions and the evaluation of the related financial impacts, notably concerning the transfer of traditional cold stores to hybrid or natural gas cold stores, the installation of equipment to improve energy efficiency and the deployment of low-carbon modes of transport;
- in developing product ranges in line with the potential future behaviour of consumers, who are increasingly aware of the carbon impact of what they consume. The Group is developing 100% vegan product ranges and store concepts, eco-certified products, local product offers, bulk sales and second-hand or reconditioned products;
- in analyzing funding opportunities.

In 2022, the Group hired an external firm to conduct a physical climate risk study in France, Colombia and Brazil in order to identify potential risks to assets. Based on this study, the Group's exposure to acute and chronic physical climate risks was found to be low. The Group will continue to review the findings of this study, as well as the applicable adaptation solutions, which will be deployed where necessary. Accordingly, the direct impacts of climate change on the Group's financial statements are not considered to be material at this point in time.

1.3 Changes in accounting methods and restatement of comparative information

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 the IFRS IC agenda decision – Configuration or Customization Costs in a Cloud Computing Arrangement (Note 1.1).

Impact on the main consolidated income statement indicators in 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	2021 (restated)
Net sales	30,555		30,555
Other income	504		504
Total income	**31,059**		**31,059**
Cost of goods sold	(23,436)		(23,436)
Selling expenses	(5,126)	(1)	(5,127)
General and administrative expenses	(1,317)	(6)	(1,323)
Recurring operating income	**1,180**	**(7)**	**1,173**
Operating income	**519**	**(7)**	**512**
Cost of net debt	(494)		(494)
Other financial income and expenses	(280)		(280)
Income (loss) before tax	**(255)**	**(7)**	**(262)**
Income tax expense	84	2	86
Share of net income of equity-accounted investees	48		48
Net income (loss) from continuing operations	**(123)**	**(5)**	**(128)**
Net income (loss) from discontinued operations	(255)		(255)
Consolidated net income (loss)	**(378)**	**(5)**	**(383)**
Attributable to owners of the parent	*(274)*	*(3)*	*(277)*
Attributable to non-controlling interests	*(104)*	*(2)*	*(106)*

Impact on the main consolidated statement of comprehensive income indicators in 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	2021 (restated)
Consolidated net income (loss)	**(378)**	**(5)**	**(383)**
Items that may subsequently be reclassified to profit or loss	(84)		(84)
Items that will never be reclassified to profit or loss	(1)		(1)
Other comprehensive income (loss), net of tax	**(85)**		**(85)**
Total comprehensive income (loss) for the year, net of tax	**(463)**	**(5)**	**(468)**
Attributable to owners of the parent	*(276)*	*(3)*	*(279)*
Attributable to non-controlling interests	*(187)*	*(2)*	*(189)*

Impact on the main consolidated statement of financial position indicators at 1 January 2021

(€ millions)	1 January 2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	1 January 2021 (restated)
Total non-current assets	**21,779**	**(10)**	**21,769**
of which intangible assets	*2,061*	*(13)*	*2,048*
of which deferred tax assets	*1,019*	*3*	*1,022*
Total current assets	**10,099**		**10,099**
Total assets	**31,878**	**(10)**	**31,868**
Total equity	**4,337**	**(10)**	**4,327**
of which attributable to owners of the parent	*(813)*	*(4)*	*(817)*
of which attributable to non-controlling interests	*5,150*	*(6)*	*5,144*
Total non-current liabilities	**15,283**		**15,283**
Total current liabilities	**12,258**		**12,258**
Total equity and liabilities	**31,878**	**(10)**	**31,868**

Impact on the main consolidated statement of financial position indicators at 31 December 2021

(€ millions)	31 December 2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	31 December 2021 (restated)
Total non-current assets	**22,088**	**(14)**	**22,074**
of which intangible assets	*2,024*	*(18)*	*2,006*
of which deferred tax assets	*1,191*	*4*	*1,195*
Total current assets	**9,497**		**9,497**
Total assets	**31,585**	**(14)**	**31,571**
Total equity	**3,829**	**(15)**	**3,814**
of which attributable to owners of the parent	*(1,080)*	*(6)*	*(1,086)*
of which attributable to non-controlling interests	*4,909*	*(9)*	*4,900*
Total non-current liabilities	**15,823**		**15,823**
Total current liabilities	**11,933**	**1**	**11,934**
of which trade payables	*6,099*	*2*	*6,101*
of which other current liabilities	*3,202*	*(1)*	*3,201*
Total equity and liabilities	**31,585**	**(14)**	**31,571**

Impact on the main consolidated statement of financial position indicators at 31 December 2021

(€ millions)	2021 (reported)	Impact of the IFRS IC – Costs in a Cloud Computing Arrangement	Other	2021 (restated)
Net cash from operating activities	**1 643**	**(9)**	**(113)**	**1 521**
Of which consolidated net income (loss) before tax	*(584)*	*(7)*		*(591)*
of which depreciation and amortisation	*1 334*	*(4)*		*1 330*
Of which other components of cash flow	*893*	*2*	*(113)*	*782*
Net cash from (used in) investing activities	**(1 142)**	**9**		**(1 133)**
of which cash used in acquisitions of property, plant and equipment, intangible assets, and investment property	*(1 131)*	*9*		*(1 122)*
Net cash from (used in) financing activities	**(975)**		**113**	**(862)**
Effect of changes in exchange rates on cash and cash equivalents	(22)			(22)
Change in cash and cash equivalents	**(496)**			**(496)**
Net cash and cash equivalents at beginning of year	*2 738*			*2 738*
Net cash and cash equivalents at end of year	*2 242*			*2 242*

Note 2. Significant events of the year

Significant events of the year are the following:

2.1 Rallye

Global offer on Rallye's unsecured debt

On **23 March 2022**, Rallye has launched a global tender offer at a fixed purchase price for its unsecured debt (including the bonds and commercial paper) (the "Tender Offer"). This operation follows a first global tender offer made in the first half of 2021.

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 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 was willing to offer.

The Tender Offer, for a maximum amount of €37m, began on 23 March 2022 and expired on 5 April 2022.

Success of the global tender offer

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 exceeded 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 spent €36.6m of cash to acquire €242.3m of nominal amount of unsecured debt, reducing the total amount of its net financial debt by €234.8m (including accrued interests and excluding IFRS restatements see Notes 11.3.1 et 11.3.2). 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 was, 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

The operation was financed by the financing of €82.4m set up with Fimalac and financial institutions during the first Tender offer carried out in 2021. The nominal value of the first tranche drawn in May 2021 is €43.4m, and that of the second tranche drawn in May 2022 is €39.0m.

Amendment to Rallye's safeguard plan

On 9 May 2022, the Paris Commercial Court approved the amendment to Rallye's safeguard plan, authorizing the effective completion of the global tender offer on its unsecured debt launched on 23 March 2022. The settlement-delivery of the Tender Offer took place on 16 May 2022.

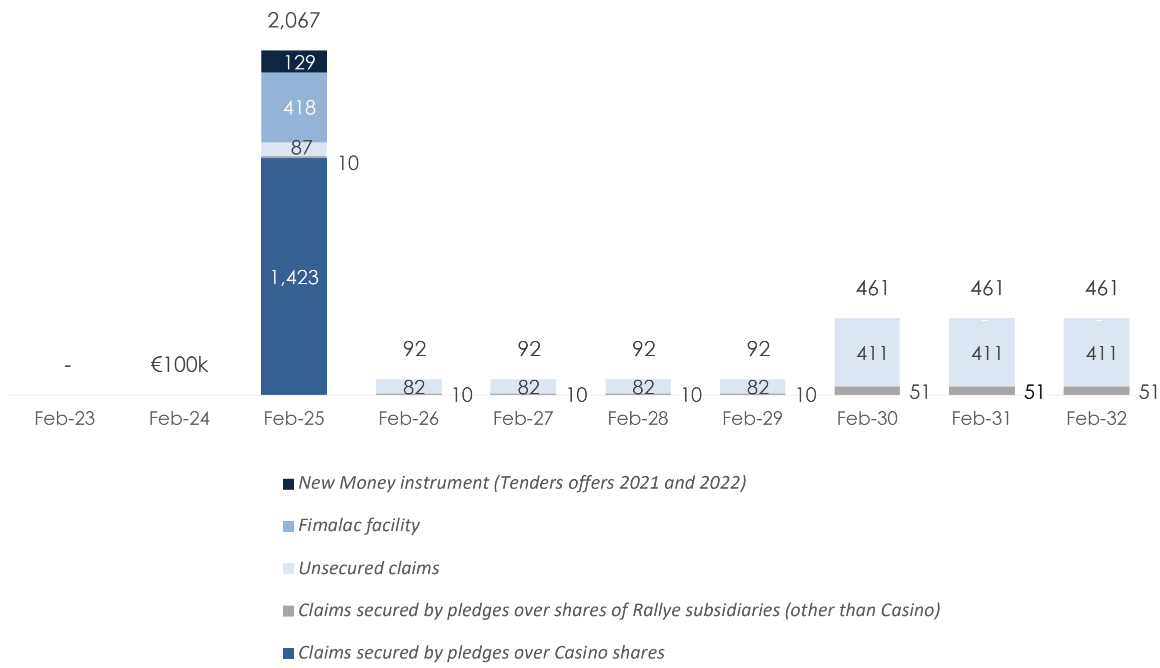
New estimated repayment profile of Rallye's liabilities [1]

As a result of the safeguard plans for all of the Group's structures (including the parent companies, Foncière Euris, Finatis and Euris), and given the mechanisms of pledges over securities accounts, the debt repayment profiles [2], including interest and commissions that continue to run, resulting from these commitments, increased by the amounts due for transactions not subject to the safeguard plan, can be estimated as follows. These estimates also include the impacts of Tender Offers on Rallye's unsecured debt, renegotiations on transactions not subject to the safeguard plan and taking into account changes in the forward yield curve.

1 | The new estimated repayment profiles for liabilities of the mother companies Foncière Euris, Finatis and Euris are presented in part 1 "Significant events 2022" of the management report.

2 | Secured and unsecured bank claims, Fimalac financing.

Rallye repayment schedule
(€ millions)



Main terms of the safeguard plan

The repayment undertakings provided for by Rallye's safeguard plan 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%;
  - Annuities 10 to 12: 25% (less the amount paid under annuities 1 and 4 in annuity 12).

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 2022, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.86x.

The Board of Directors of Rallye has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. Rallye draws the attention of investors to the fact that the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principle and amount of which will depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan. Rallye therefore considers that the risk factor related to the implementation of the safeguard plans has increased (cf. Note 11.5.6 Risk relating to the implementation of the safeguard plans).

Rallye will liaise with its creditors in order to examine the possibilities and possible ways of adjusting its safeguard plan.

Main impacts on the consolidated accounts

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 (excluding derivative transactions) in an amount of €334m at 31 December 2020, recognised as a reduction of consolidated debt.

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.

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.

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.

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 modifications*	*Impact of amortised cost*
Claims secured by pledges over Casino shares	1,268	1,258		10	
Claims not secured by pledges over Casino shares	1,435	1,182	221	32	
Total – claims under the safeguard plan	**2,703**	**2,440**	**221**	**42**	
Financing issued after the enforcement of the safeguard plan	397	395			2
Total	**397**	**395**			**2**

2.2 Casino Group

Impact of the conflict in Ukraine and of the economic crisis on the consolidated financial statements

The geopolitical situation in Eastern Europe worsened on 24 February 2022 following Russia's invasion of Ukraine. The Group does not operate in Ukraine, Russia or Belarus and does not own any assets or equity interests in these countries, nor does it operate any franchise agreements. Casino Group is not significantly affected by the trade restrictions and sanctions that certain governments have imposed on Russia. However, the conflict continues to weigh heavily on the global economy and capital markets, and is exacerbating an already difficult macro-economic climate defined by accelerating inflation and disruptions to global supply chains. For example, export/import controls and economic sanctions against Russia may adversely affect the Group's operations, supply chains, business partners or customers. Similarly, indirect effects in the form of higher inflation and fluctuating energy and commodity prices lead to higher freight costs and higher purchasing costs for some products.

All of these factors may compromise the Group's ability to supply certain products and lead to changes in customer purchasing behaviour and cost structures (including inventory, freight costs and payroll). This in turn could have an adverse impact on our earnings, financial position and cash flows.

Casino Group did not experience any significant supply issues during the year, despite a few localised and temporary shortages. However, in a tight supply chain environment, the Group stands ready to ensure regular supplies, for example by increasing emergency inventories in certain at-risk product categories, in order to improve the availability of products at favourable purchasing conditions.

Casino Group does not operate in the conflict zones but continues to monitor the impacts of the war and the ways in which it is indirectly exposed.

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 3.1.1).

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 memorandum 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.

This new partnership did not have a material accounting impact on the Group's consolidated financial statements at 31 December 2022.

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. This transaction was accounted for as a hybrid instrument comprising debt and an embedded derivative, recorded respectively in borrowings and debt for €101 million and in derivatives at fair value through profit or loss for €8 million (€10 million at 30 June 2022).
- €87m via a syndicated credit facility with a pool of top-tier banks with a one-year initial maturity (31 December 2022).

Disposal of the entire stake in Mercialys' share capital

Casino Group completed the sale of its remaining stake in Mercialys through two total return swaps (TRS) which were settled during the year: a first TRS for 6.5% of the share capital entered into in 21 February 2022 and a second TRS for 10.3% of the share capital entered into on 4 April 2022 (Note 3.1.2).

Sale of GreenYellow

On 18 October 2022, Casino Group sold a majority stake in GreenYellow for an enterprise value of €1.4bn and an equity value of €1.1bn. Net of the reinvestment, disposal proceeds for Casino Group would amount to

€587m, in addition to €30m paid at closing into a segregated account contingent on achievement of certain operating indicators. The disposal gain less the costs of disposal came to €302m. At 31 December 2022, the remaining 11.8% stake is accounted for as an equity investment (Note 3.1.3).

Legal reorganisation of Casino Group in France

On 15 June 2022, Casino Group announced that it planned to simplify and increase the clarity of its legal organisation in France by placing all of its French food retail subsidiaries (mainly Franprix, Monoprix, Distribution Casino France, Easydis and AMC) under a common holding company wholly owned by Casino, Guichard-Perrachon. The holding company, CGP Distribution France, was incorporated in the second half of 2022. The employee representative bodies of the subsidiaries concerned have been informed and consulted in accordance with the law, and the entities in the Monoprix scope are now owned by CGP Distribution France. The final phase of this reorganisation, consisting primarily of the contribution of Distribution Casino France's operations, is expected to take place in the first half of 2023.

The reporting segments and management structure of Casino Group remain unchanged. This reorganisation had no material accounting impact on the consolidated financial statements at 31 December 2022.

Strategic agreement signed to extend the Group's partnership with Gorillas to Frichti banner

On 30 June 2022, Casino Group signed an agreement with Gorillas to extend their partnership established in December 2021. This agreement gives Frichti access to Casino's national-brand products and to Monoprix's private-label products. These products are now available on the Frichti platform for delivery to consumers in a matter of minutes in the areas where Frichti currently operates. Through this partnership, which follows Gorillas' acquisition of French banner Frichti, Casino Group intends to strengthen the ties between Frichti, the French leader in quick commerce, and Monoprix, the leader in home delivery in city centres. As a result, Casino Group will become directly involved in Frichti's value creation through its stake in the company's capital.

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

Following the acquisition of the entire share capital of Gorillas GmbH by the Getir group in December 2022, the Group's shareholding in Gorillas (a subsidiary of Gorillas GmbH) was written down in an amount of €30m against "Other comprehensive income" (Note 12.7.2).

Distribution by GPA of 83% of the capital of Grupo Éxito to its shareholders

On 5 September 2022, the Board of Directors of GPA, a Casino Group subsidiary, announced that it was considering distributing approximately 83% of Grupo Éxito's capital to its shareholders and retaining a minority stake of around 13% which could be sold at a later date. Casino's Board of Directors' meeting held on the same date approved the principle of the GPA and Grupo Éxito spin-off in order to realise maximum capital gains on Grupo Éxito. At the Extraordinary General Meeting held on 14 February 2023, GPA's capital reduction of BRL 7.1bn was approved by delivering 1.08bn Éxito shares to GPA shareholders, i.e., four Éxito shares for each GPA share held.

The distribution of Grupo Éxito shares to GPA shareholders in the form of Brazilian Depository Receipts (BDR) and American Depository Receipts (ADR) is expected to take place in the first half of 2023, after the end of the creditors' objection period and following completion of the registration and listing of the BDR and ADR programmes.

As this is an internal transaction (no change in Casino's control over the Éxito sub-group), it did not have a material accounting impact on the Group's financial statements at 31 December 2022, with the exception of the costs incurred in connection with this transaction recorded under "Other operating expenses" and the tax impact.

Following this transaction, Casino Group will hold 47% of the voting rights (39% interest) and will continue to control its subsidiary, Éxito.

Franprix and the Zouari family extend their partnership

On 21 September 2022 Franprix, a Casino Group subsidiary, and the Zouari family, decided to extend their long-standing strategic partnership. Their collaboration will help to drive the ongoing development of the banner and create new synergies, with a joint objective of opening 75 new stores (Note 3.1.5).

Group partnership with BUT, Conforama, MDA Company and Intermarché

On 29 September 2022, BUT, Conforama, MDA Company, Casino Group and Intermarché announced a new purchasing partnership for technical goods (large and small household appliances and audiovisual equipment) with the creation of Sirius Achats, a central purchasing unit.

This partnership has been operational since the 2023 purchasing round. The Sirius Achats central purchasing unit is responsible for negotiating the French banners' purchasing conditions with the largest international suppliers of household appliances. By combining the volumes of the French leaders in home furnishings (BUT and Conforama), e-commerce (Cdiscount), food retail (Casino Group and Intermarché) and local technical product distribution (MDA-GPDIS-Pulsat), Sirius Achats is positioning itself as a major player in technical goods and aims to support its industry partners in the commercial and environmental challenges of the future. The new partnership is aimed at optimising purchasing for all these banners and championing the development of responsible goods, including energy-efficient, eco-designed and repairable products.

This new partnership did not have a material accounting impact on the Group's consolidated financial statements at 31 December 2022.

Sale of a stake in Assaí

In order to accelerate its deleveraging, on 26 October 2022 Casino Group announced that it was studying the possibility of selling part of its stake in Assaí (Sendas). This project came to fruition on 29 November 2022 in the form of a secondary offering. Under the offering, 140.8 million Assaí shares held by the Group (including 2.0 million shares in the form of ADSs, with each ADS comprising 5 Assaí shares), or 10.44% of Assaí's share capital, were allocated at a price of BRL 19.00 per share (USD 17.90 per ADS). The total amount of the offering was therefore BRL 2,675m, or €491m. Settlement and delivery of the shares sold took place on 2 December, reducing the Group's stake in Assaí to 30.5% (Note 3.1.4).

Disposal plan for non-strategic assets

In mid-2018, Casino Group initiated a plan to dispose of certain non-strategic assets, under which a total of €3.2bn in assets had been sold at 31 December 2021. The Group pressed ahead with this plan in 2022, involving mainly the sale of its residual interest in Mercialys (Note 3.1.2) and the sale of GreenYellow (Note 3.1.3). The Group has now sold a total of €4.1bn in non-strategic assets out of the announced €4.5bn disposal plan.

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 “Other comprehensive income (loss)”. 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 initially 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 2022

3.1.1 Sale of FLOA

On 31 January 2022, Casino Group and Crédit Mutuel Alliance Fédérale completed the sale of Floa to BNP Paribas. The resulting gain on disposal was not material to the 2022 consolidated financial statements.

The sale price (excluding expenses) amounted to €200m, of which €192m has been collected net of expenses (Note 4.6), breaking down as (i) €150m relating to the disposal of shares representing 50% of FLOA's capital and (ii) €50m relating to the sale of technology assets of the "Floa Pay" split payment solution and to the renewal of commercial agreements between Cdiscount, the Casino banners and Floa (Cdiscount continues to operate its split payment solution via card through Floa and BNP Paribas).

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). No gains were recognised in this respect in the consolidated financial statements at 31 December 2022.

3.1.2 Sale of Mercialys and loss of significant influence

Casino Group completed the disposal of its residual stake in Mercialys through two total return swaps (TRS), which were settled in full during the year.

The impact of these transactions in the Group's consolidated financial statements represents a cash inflow of €140m (Note 4.6) and a disposal loss recognised under "Other operating expenses" for €20m (Note 6.5).

Casino Group no longer holds any voting rights or equity interest in Mercialys as of 31 December 2022. The loss of significant influence was recognised at the end of April 2022 when the Group resigned from the Board of Directors of Mercialys.

3.1.3 Sale of GreenYellow

On 18 October 2022, Casino Group sold to Ardian a majority stake in GreenYellow, the Group's energy subsidiary, based on an enterprise value of €1.4bn and an equity value of €1.1bn. At end-December, Casino Group continued to have a stake in the company's value creation through a €150m reinvestment.

The disposal proceeds for Casino Group represented €587m, less the €150m reinvested, of which (i) €350m was received on 20 September 2022 through a pre-financing transaction with Farallon Capital, (ii)€222m received on the day of closing, and (iii) €15m received on 23 December 2022 as part of a syndication (Note 4.5). In addition, €30m was paid into a segregated account and will be released if certain operating indicators are met. An amount of €11m in income was recognised in the year.

This transaction led to the recognition of a net capital gain before tax of €302m, presented in "Net gains and losses related to changes in scope of consolidation" (Note 6.5) within "Other operating income", including a negative €21m impact from the reclassification of translation adjustments from equity to disposal gains in income (Note 12.7.2) The impact of this transaction on non-controlling interests is a negative €142m. The interest retained by Casino Group following its reinvestment is accounted for under the equity method. As 31 December 2022, the equity-accounted investment represented €147m and a 11.8% holding (Note 3.3.1).

3.1.4 Sale of a 10.44% stake in Assaí

On 29 November 2022, Casino Group sold a 10.44% stake in Assaí in the form of a secondary offering of 140.8 million Assaí shares (including 2.0 million shares in the form of ADSs, with each ADS comprising 5 Assaí shares) at a price of BRL 19 per share (USD 17.90 per ADS), representing a total offering amount of BRL 2,675m. Settlement and delivery of this offering took place on 2 December 2022. The price received in December 2022 net of disposal costs amounted to BRL 2,537m, or €466m (Note 4.9).

Following this transaction, the Group held 30.51% of the share capital of Assaí, which continues to be fully consolidated in the Group's consolidated financial statements in light of the fact that Casino still has de facto control over the entity (Note 12.8). This sale without loss of control was accounted for as a transaction between owners. The impacts of this transaction on equity attributable to the owners of the parent and on non-controlling interests were €119m and €239m, respectively.

3.1.5 Changes in scope relating to the Franprix sub-group

On 21 September 2022, the Group announced that it had extended its long-standing, strategic partnership with the Zouari family through its subsidiary Pro Distribution, which is fully consolidated in the Group's financial statements.

The new partnership led to:

- a 2.5% increase in Franprix Leader Price Holding's stake in the capital of Pro Distribution for a price of €20m (Note 4.9);
- the sale of 25 Franprix stores to Pro Distribution;
- the extension of the put and call agreements for a period of five years (Note 3.4.1).

Following this transaction, Casino Group holds 72.5% of the capital of Pro Distribution (Note 17). The sale was accounted for as a transaction between owners with a non-material impact on equity attributable to owners of the parent and on non-controlling interests.

The liability recognised in respect of the put option granted to non-controlling interests represented €28m at 31 December 2022 (Note 3.4.1).

3.2 Transactions affecting the scope of consolidation in 2021

3.2.1 Mercialys TRS

On 9 December 2021, 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%. In all, the Group collected €23m in 2021 in respect of the TRS (Note 4.6).

3.2.2 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.

3.3 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)	2022 [1]		2021			
	Tuya [2]	FIC [3]	Mercialys [4]	Tuya [2]	Floa Bank	FIC [3]
Country	*Colombia*	*Brazil*	*France*	*Colombia*	*France*	*Brazil*
Business	*Banking*	*Banking*	*Real estate*	*Banking*	*Banking*	*Banking*
Type of relationship	*Joint venture*	*Associate*	*Associate*	*Joint venture*	*Joint venture*	*Associate*
% interest and voting rights held by the Group [5]	50%	36%	17%	50%	50%	36%
Total income	342	259	228	243	275	162
Net income (loss) from continuing operations	(16)	45	78	2	20	42
Other comprehensive income						
Total comprehensive income (loss)	**(16)**	**45**	**78**	**2**	**20**	**42**
Non-current assets	26	6	2 755	25	39	6
Current assets [6]	967	2,072	365	843	2,119	1,385
Non-current liabilities	(464)	(31)	(1,275)	(322)	(37)	(7)
Current liabilities	(418)	(1,767)	(213)	(424)	(1,891)	(1,173)
Of which liabilities related to credit activities	*(828)*	*(291)*		*(662)*	*(1,865)*	*(307)*
Net assets	**111**	**280**	**1,632**	**121**	**230**	**211**
Dividends received from associates or joint ventures		**6**	**8**			**3**

(1) Following the loss of control of GreenYellow, Casino Group retained a stake in GreenYellow Holding in the context of a reinvestment (Note 3.1.3). At 31 December 2022, the Group held 11.8% of GreenYellow Holding, giving it significant influence over the company. This is primarily based on Casino Group's representation on GreenYellow Holding's Board of Directors, the protective rights granted and the existing business relationship that was maintained following the sale. This new structure, which carries on the GreenYellow business, only had three months of operations in 2022; at the reporting date, its accounts were still being prepared and are not therefore presented in this note.

(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) At 31 December 2021, the Group held 17% of the capital of Mercialys and exercised significant influence over the company. This stake in Mercialys was sold in 2022 (Note 3.1.2).

(5) 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.

(6) 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 2022 (in 2021: €5m).

3.3.3 Changes in investments in associates and joint ventures

(€ millions)	2022	2021
Balance at 1 January	**201**	**191**
Share of net income (loss) for the year	11	48
Dividends	(14)	(18)
Other movements	184	(20)
Balance at 31 December	**382**	**201**

(1) In 2022, other movements mainly reflect the reinvestment in GreenYellow Holding for €150m (Note 3.1.3).

3.3.4 Impairment losses on investments in equity-accounted investees

No impairment losses relating to equity-accounted investees were recognised in 2022 (€26m recognised in 2021).

3.3.5 Share of contingent liabilities of equity-accounted investees

At 31 December 2022 and 31 December 2021, 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)	2022		2021	
	Associates	Joint ventures	Associates	Joint ventures
Loans	56	5	77	47
of which impairment	*(2)*		*(4)*	
Receivables	41	25	33	26
of which impairment				
Payables	43 (1)	229 (3)	109 (1)	234 (3)
Expenses	125 (2)	1,120 (3)	39 (2)	969 (3)
Income	233 (4)	31	200 (4)	52

(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.

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

(3) Including €1,084m in fuel purchases from Distridyn (2021: €928m). At 31 December 2022, Casino Group had a current account with Distridyn for €30m (31 December 2021: €30m).

(1) Income of €233m in 2022 includes sales of goods by Franprix to master franchisees accounted for by the equity method amounting to €114m (2021: €200m, including sales of goods by Franprix to master franchisees accounted for by the equity method amounting to €94m. The income figure also includes proceeds from property development transactions with Mercialys reported under "Other revenue" for €44m, including an EBITDA impact of €27m (Note 5.1), versus €21m reported under "Other revenue" in 2021 including an EBITDA impact of €12m.

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 2022 (€60m at end-December 2021).

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 the discounted present value of the estimated exercise price. 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 2022:

(€ 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	32	
Éxito (Disco) (2)	62.49%	29.82%	V		127
Other					2
Total put options granted to owners of non-controlling interests				**32**	**129**

(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 2027.

(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 2022, the exercise price represents the minimum price.

(3) At 31 December 2021, NCI put liabilities amounted to €195m, including current liabilities of €133m, and related mainly to the Disco subsidiary for €113m and to Franprix subsidiaries for €45m.

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 2022, there were no outstanding puts relating to non-controlling interests.

Call options granted to the Group on shares in non-controlled companies stood at zero at 31 December 2022 (31 December 2021: €312m). At the end of 2021, the main call option, exercisable until 30 September 2022, was on a property asset previously sold to Immosiris and granted in connection with Mercialys transactions. This option was recognised at the higher of the fair value 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)	Note	31 December 2022		31 December 2021	
		Assets	Liabilities	Assets	Liabilities
Other France Retail (1)		92	12	836	175
Other (2)		18		137	
Total		**110**	**12**	**973**	**175**
Net assets		98		798	
Of which attributable to owners of the parent of the selling subsidiary	11.2	*97*		*798*	

(1) At 31 December 2021, this line corresponded 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 corresponded mainly to (i) 17 store properties at GPA for BRL 517m (€82m) as part of the conversion of Extra stores into Assaí stores and (ii) real estate assets at Sendas in connection with sale-and-leaseback transactions for BRL 147m, or €23m.

3.5.2 Discontinued operations

The net loss from discontinued operations in 2022 reflects the residual impacts of the discontinued operations of Leader Price and Via Varejo sold in 2019. In 2021, net income (loss) from discontinued operations essentially reflected (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.

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

(€ millions)	2022	2021
Net sales	66	611
Net expenses	(95)	(940)
Net income (loss) before tax from discontinued operations	**(29)**	**(329)**
Income tax (expense) benefit	(1)	75
Share of net income (loss) of equity-accounted investees	(1)	(1)
Net income (loss) from discontinued operations	**(31)**	**(255)**
Attributable to owners of the parent	*(19)*	*(134)*
Attributable to non-controlling interests	*(12)*	*(121)*

Earnings per share of discontinued operations are presented in Note 12.8.

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, non-recourse factoring and associated transaction costs, and interest on leases), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt (mainly in relation to reverse factoring transactions).

4.1 Reconciliation of provision expense

(€ millions)	*Notes*	Year	
		2022	2021
Goodwill impairment	10.1.2		
Impairment of intangible assets	10.2.2	(13)	(90)
Impairment of property, plant and equipment	10.3.2	(125)	(123)
Impairment of investment property	10.4.2	(1)	(3)
Impairment of right-of-use assets	7.1.1	(107)	(33)
Impairment of other assets		(52)	(51)
Net (additions to) reversals of provisions for risks and charges	13.1	(122)	(27)
Total provision expense		**(420)**	**(327)**
Provision expense adjustment reported under “Net income (loss) from discontinued operations”		21	28
Provision expense adjustment in the statement of cash flows		**(399)**	**(299)**

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

(€ millions)	*Notes*	1 Jan. 2022	Cash flows from operating activities	Changes in scope of consolidation (1)	Effect of movements in exchange rates	Reclass. and other (2)	31 Dec. 2022
Goods inventories	6.6	(3,123)	(434)	2	(63)	19	**(3,599)**
Property development work in progress	6.6	(95)	4	52		(6)	**(45)**
Trade payables	B/S	6,101	436	(45)	82	(49)	**6,525**
Trade and other receivables	6.7	(772)	(201)	119	(5)	5	**(854)**
Other (receivables) payables	6.8.1 / 6.9.1 / 6.10	196	(282)	(20)	(69)	597	**422**
Total		**2,307**	**(477)**	**108**	**(55)**	**566**	**2,449**

(€ millions)	*Notes*	1 Jan. 2022 (restated)	Cash flows from operating activities	Changes in scope of consolidation	Effect of movements in exchange rates	Reclass. and other (2)	31 Dec. 2021 (restated)
Goods inventories	6.6	(3,060)	(82)	(4)	24	(1)	**(3,123)**
Property development work in progress	6.6	(155)	2	(1)	1	58	**(95)**
Trade payables	B/S	6,193	174	1	(53)	(214)	**6,101**
Trade and other receivables	6.7	(941)	124	10	5	30	**(772)**
Other (receivables) payables	6.8.1 / 6.9.1 / 6.10	262	(243)	57	(12)	132	**196**
Total		**2,299**	**(25)**	**63**	**(35)**	**5**	**2,307**

(1) In 2022, changes in scope of consolidation primarily reflect the loss of control of GreenYellow (Note 3.1.3).

(2) In 2022, this column mainly reflects (i) cash flows from investing activities, including the use of segregated accounts for €468m (Note 4.11) and an increase in net debt on non-current assets for €148m, and (ii) cash flows related to discontinued operations, representing a net cash outflow of €162m. In 2021, this column mainly reflected cash flows from discontinued operations.

4.3 Reconciliation of acquisitions of non-current assets

(€ millions)	*Notes*	Year 2022	Year 2021 (restated)
Additions to and acquisitions of intangible assets	10.2.2	(290)	(262)
Additions to and acquisitions of property, plant and equipment (1)	10.3.2	(1,586)	(1,021)
Additions to and acquisitions of investment property	10.4.2	(22)	(22)
Additions to and acquisitions of lease premiums included in right-of-use assets		(3)	(6)
Change in amounts due to suppliers of non-current assets		171	178
Neutralisation of capitalised borrowing costs (IAS 23) (2)	10.3.3	78	8
Effect of discontinued operations		1	3
Cash used in acquisitions of intangible assets, property, plant and equipment and investment property		**(1,651)**	**(1,122)**

(1) The increase in acquisitions of property, plant and equipment is mainly due to Assaí's expansion.

(2) Non-cash movements.

4.4 Reconciliation of disposals of non-current assets

(€ millions)	*Notes*	Year 2022	Year 2021
Derecognition of intangible assets	10.2.2	3	2
Derecognition of property, plant and equipment	10.3.2	140	46
Derecognition of investment property	10.4.2	1	
Disposals of lease premiums included in right-of-use assets		9	3
Gains on disposals of non-current assets (1)		110	131
Change in receivables related to non-current assets		51	(71)
Reclassification of non-current assets as "Assets held for sale" (IFRS 5) (2)		154	46
Effect of discontinued operations		(1)	(1)
Cash from disposals of intangible assets, property, plant and equipment and investment property		**467**	**156**

(1) Prior to the restatement of sale and leaseback transactions in accordance with IFRS 16.

(2) In 2022: relating to sale-and-leaseback transactions in Brazil (Note 7.1.4).

4.5 Cash from (used in) investing activities relating to financial assets

In 2022, cash outflows and inflows related to financial assets amounted to €232m and €712m, respectively, representing a net cash inflow of €480m. They mainly reflect the use of segregated accounts, primarily the account linked to the RCF financing operation (Note 11.2.1).

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

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

(€ millions)	Year	
	2022	2021
Amount paid for acquisitions of subsidiaries	(18)	(21)
Cash (bank overdrafts) acquired		
Proceeds from disposals of subsidiaries	719	4
(Cash) bank overdrafts sold	(114)	(24)
Effect of changes in scope of consolidation resulting in acquisition or loss of control	**587**	**(41)**

In 2022, the net impact of these transactions on the Group's cash and cash equivalents is mainly due to the loss of control of GreenYellow for €444m (Note 3.1.3).

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

(€ millions)	*Notes*	Year	
		2022	2021
Amount paid for the acquisition of shares in equity-accounted investees		(29)	(19)
Net outflow relating to the Mercialys TRS	3.1.2/3.2.1	140	23
Disposal of Floa, net of expenses (1)	3.1.1	166	
Other		3	(3)
Effect of changes in scope of consolidation related to equity-accounted investees		**280**	**1**

(1) Excluding operating cash flows relating to commercial agreements.

4.8 Reconciliation of dividends paid to non-controlling interests

(€ millions)	*Note*	Year	
		2022	2021
Dividends paid and payable to non-controlling interests	12.6	(53)	(69)
Change in the liability for dividends payable to non-controlling interests		(11)	(32)
Currency effects		(2)	(1)
Dividends paid to non-controlling interests as presented in the statement of cash flows		**(66)**	**(102)**

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

(€ millions)	*Notes*	Year 2022	Year 2021
Sale of a 10.44% stake in Assaí	3.1.4	466	
Franprix – acquisition of 2.5% of Pro Distribution	3.1.5	(20)	
GPA – exercise of stock options		3	8
Other		(7)	7
Effect on cash and cash equivalents of transactions with non-controlling interests		**442**	**15**

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

(€ millions)	*Notes*	Year 2022	Year 2021 (restated)
Change in cash and cash equivalents		**44**	**(496)**
Increase in loans and borrowings [1]	11.2.2	(2,027)	(4,246)
Repayments of loans and borrowings [1]	11.2.2	2,020	3,555
Allocation to (use of) escrow account	4.5	(448)	(3)
Outflows (inflows) of financial assets		(111)	16
Non-cash changes in debt [1]		(453)	33
Change in net assets held for sale attributable to owners of the parent		*(719)*	*77*
Change in other financial assets		*143*	*60*
Effect of changes in scope of consolidation		*260*	*(62)*
Change in fair value hedges		*82*	*13*
Change in accrued interest		*(291)*	*(180)*
Impact of the approval of the safeguard plan for the Rallye scope	*11.3.1*	*(10)*	*51*
Net impact of the global tender offers for unsecured debt	*11.3.2*	*139*	*113*
Other		*(57)*	*(39)*
Effect of movements in exchange rates [1]		(237)	(4)
Change in loans and borrowings of discontinued operations			21
Change in net debt		**(1,212)**	**(1,124)**
Net debt at beginning of year	11.2.1	7,875	6,751
Net debt at end of year	11.2.1	9,087	7,875

(1) These impacts relate exclusively to continuing operations.

4.11 Reconciliation of net interest paid

(€ millions)	*Notes*	Year 2022	Year 2021 (restated)
Cost of net debt reported in the income statement	11.3.1	**(697)**	**(494)**
Neutralisation of unrealised exchange gains/losses		1	9
Neutralisation of amortisation of debt issuance/redemption costs and premiums		32	64
Impact of the approval of the safeguard plan for the Rallye scope	11.3.1	10	(51)
Capitalised borrowing costs	10.3.3	(78)	(8)
Change in accrued interest and fair value hedges of borrowings		192	125
Interest paid on lease liabilities	11.3.2	(338)	(308)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs	11.3.2	(108)	(88)
Interest paid, net as presented in the statement of cash flows		**(986)**	**(751)**

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 of Rallye's Group 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 et Franprix);
  - *GPA*: reportable segment comprising the retail operations of GPA's food banners in Brazil;
  - Assaí: reportable segment comprising the retail operations of the Assaí food chain in Brazil;
  - Grupo Éxito: reportable segment comprising the food retail operations of the Éxito, Disco - Devoto and Libertad sub-group banners in Colombia, Uruguay and Argentina, respectively;
  - *E-commerce*: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

Following the spin-off of GPA and Sendas assets, the conversion of Extra hypermarkets into Assaí stores, the proposed spin-off of GPA (distribution of 83% of Grupo Éxito's shares to its shareholders) and the disposal of a block of Assaí shares (Note 2.2), the Latam Retail reportable segment now comprises GPA, Assaí and Grupo Éxito. A "Latam Retail" sub-total is also presented in certain notes to the consolidated financial statements.

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 until September 2022 (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 included 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

(€ millions)	Notes	**Food and general retailling**	*of which France Retail*		*of which E-commerce*	*of which Latam Retail*		**Holdings and other activities**	**Total**
2022									
Net sales	6.1.1	***33,610***	*14,205*		*1,620*	*17,785*		**5**	**33,615**
EBITDA (1)		**2,508**	*1,268*	*(2)*	*54*	*1,186*	*(3)*	**(10)**	**2,498**
Net depreciation and amortisation expense	6.3 / 6.4	**(1,390)**	*(785)*		*(96)*	*(509)*		**(1)**	**(1,391)**
Recurring operating income (loss)		**1,117**	*482*		*(42)*	*677*	*(3)*	**(10)**	**1,107**
2021 (restated)									
Net sales	6.1.1	***30,550***	*14,071*		*2,031*	*14,448*		**5**	**30,555**
EBITDA (1)		**2,516**	*1,351*	*(2)*	*105*	*1,060*	*(3)*	**(13)**	**2,503**
Net depreciation and amortisation expense	6.3 / 6.4	**(1,329)**	*(820)*		*(87)*	*(422)*		**(1)**	**(1,330)**
Recurring operating income (loss)		**1,186**	*530*		*18*	*638*	*(3)*	**(13)**	**1,173**

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

(2) In 2022, Of which €32m in respect of property deals carried out in France, corresponding in 2022 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the disposal of assets by Mercialys and disposal of Casino's residual interest in Mercialys (Notes 3.1.2 and 3.3.6). In 2021, Of which €14m in respect of property deals carried out in France, corresponding in 2021 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys.

(3) In June 2022, Brazil's Superior Court of Justice (STJ) confirmed that sales of certain technological products provided for by law – which had been the subject of an initial unfavourable court ruling – were to be excluded when calculating PIS/COFINS tax. As a result of this decision, GPA recognised a BRL 160m (€29m) tax credit in first-half 2022. A ruling was also handed down in favour of GPA in another legal action that also concerned the exclusion of ICMS from the base used to calculate PIS/COFINS tax. This led the Group to recognise a tax credit in the second half of 2022 amounting to BRL 106m (€19m), of which BRL 35m (€6m) recognised in net sales and BRL 71m (€13m) in other financial income. In May 2021, a new ruling by the Brazilian federal supreme court (STF) upheld the decisions 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.

5.2 Key indicators by geographical area

(€ millions)	France	Latin America	Other regions	**Food and general retailling**	France	Other regions	**Holdings and other activities**	**Total**
At 31 December 2022								
External net sales	15,783	17,787	39	**33,609**	6		**6**	**33,615**
Non-current assets (1)	11,076	9,800	51	**20,927**	2		**2**	**20,929**
At 31 December 2021 (restated)								
External net sales	16,073	14,448	28	**30,549**	6		**6**	**30,555**
Non-current assets (1)	11,382	8,117	183	**19,682**	4		**4**	**19,686**

(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, 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. The corresponding revenues are then recognised on a percentage of completion determined according to costs incurred (input 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**	*of which France Retail*	*of which E-commerce*	*of which Latam Retail*	**Holdings and other activities**	2022
Net sales	**33,610**	*14,205*	*1,620*	*17,785*	**5**	**33,615**
Other income	**394**	*223*		*171*		**394**
Total income	**34,004**	***14,428***	***1,620***	***17,956***	**5**	**34,009**

(€ millions)	**Food and general retailing**	*of which France Retail*	*of which E-commerce*	*of which Latam Retail*	**Holdings and other activities**	2021
Net sales	**30,550**	*14,071*	*2,031*	*14,448*	**5**	**30,555**
Other income	**504**	*341*		*163*		**504**
Total income	**31,054**	***14,412***	***2,031***	***14,611***	**5**	**31,059**

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

(€ millions)	*Notes*	2022	2021
Incremental costs of obtaining contracts included in "Intangible assets"	10.2	113	101
Contract assets	6.8 / 6.9		2
Right-of-return assets included in "Inventories"	6.6		2
Contract liabilities	6.10	145	127

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 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*	2022	2021 (restated)
Purchases and changes in inventories		(24,665)	(22,066)
Logistics costs	6.3	(1,444)	(1,370)
Cost of goods sold		**(26,109)**	**(23,436)**

6.3 Expenses by nature and function

Accounting principle

Selling expenses consist of point-of-sale costs.

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	2022 total
Employee benefits expense		(540)	(2,312)	(726)	**(3,578)**
Other expenses		(760)	(2,048)	(460)	**(3,268)**
Depreciation/amortisation for the year	5.1 / 6.4	(144)	(1,010)	(237)	**(1,391)**
Total		**(1,444)**	**(5,370)**	**(1,423)**	**(8,237)**

(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	2021 total (restated)
Employee benefits expense		(512)	(2,227)	(700)	**(3,439)**
Other expenses		(716)	(1,942)	(394)	**(3,052)**
Depreciation/amortisation for the year	5.1 / 6.4	(143)	(958)	(229)	**(1,330)**
Total		**(1,371)**	**(5,127)**	**(1,323)**	**(7,821)**

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

6.4 Depreciation and amortisation

(€ millions)	*Notes*	2022	2021 (restated)
Amortisation of intangible assets	10.2.2	(241)	(219)
Depreciation of property, plant and equipment	10.3.2	(459)	(440)
Depreciation of investment property	10.4.2	(11)	(13)
Depreciation of right-of-use assets	7.1.1	(681)	(667)
Total depreciation and amortisation		**(1,392)**	**(1,339)**
Depreciation and amortisation reclassified under "Net income (loss) from discontinued operations"		1	9
Depreciation and amortisation expense of continuing operations	**5.1 / 6.3**	**(1,391)**	**(1,330)**

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 (including the catch-up in depreciation and amortisation not recognised during the time the assets are classified as held for sale), 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)	2022	2021
Total other operating income	764	350
Total other operating expenses	(1,354)	(1,011)
Total other operating income (expense), net	**(590)**	**(661)**
Breakdown by type		
Gains and losses on disposal of non-current assets (1)(7)	41	133
Net asset impairment losses (2)(7)	(296)	(113)
Net income (expense) related to changes in scope of consolidation (3)(7)	13	(302)
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	**(242)**	**(282)**
Restructuring provisions and expenses (4)(7)	(240)	(270)
Provisions and expenses for litigation and risks (5)	(96)	(54)
Other (6)	(12)	(55)
Other operating income and expenses	**(348)**	**(379)**
Total other operating income (expense), net	**(590)**	**(661)**

(1) Net gains on disposal of non-current assets in 2022 primarily concerned the France Retail segment for €37m. Net gains on disposal of non-current assets in 2021 primarily reflected 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).

(2) Net impairment losses in 2022 mainly concerned the France Retail segment and related to (a) integrated loss-making stores that will be monetised and operated under a franchise model and (b) impairment tests performed on individual assets. Net impairment losses in 2021 mainly concerned the France Retail segment and related to the asset disposal plan and to impairment tests performed on individual assets.

(3) Net income of €13m recognised in 2022 resulted mainly from the loss of control of GreenYellow for which a capital gain of €302m was recognised (Note 2), partially offset by additional costs of €178m incurred in the conversion of Extra hypermarkets into Assaí stores and the impact of the partial derecognition of the "Food and general retailing" Goodwill (-€76m). The net €302m expense recognised in 2021 was 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.

(4) Restructuring provisions and expenses in 2022 mainly concerned (a) France Retail for €178m, of which €98m (mainly at Distribution Casino France) relating to the strategic transformation phase, the change in store concepts and €69m in organisational streamlining costs and (b) Latam Retail (mainly GPA) for €50m relating in particular to employee disputes and store and warehouse restructuring costs in connection with the closure of the Extra hypermarkets business. 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.

(5) Provisions and expenses for litigation and risks represented a net expense of €96m in 2022, including €70m for tax, payroll and civil risks at GPA and Sendas. Provisions and expenses for litigation and risks represented a net expense of €54m in 2021, including €20m for tax risks at GPA.

(6) *In 2021, this mainly included 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 the breakdown of asset impairment losses with the tables of asset movements:*

(€ millions)	Notes	2022	2021
Goodwill impairment losses	10.1.2		
Impairment (losses) reversals on intangible assets, net	10.2.2	(13)	(90)
Impairment (losses) reversals on property, plant and equipment, net	10.3.2	(125)	(123)
Impairment (losses) reversals on investment property, net	10.4.2	(1)	(3)
Impairment (losses) reversals on right-of-use assets, net	7.1.1	(107)	(33)
Impairment (losses) reversals on other assets, net (IFRS 5 and other)		(81)	(56)
Total net impairment losses		**(327)**	**(305)**
Net impairment losses of discontinued operations		8	16
Net impairment losses of continuing operations		**(319)**	**(289)**
Of which presented under "Restructuring provisions and expenses"		*(33)*	*(45)*
Of which presented under "Net impairment (losses) reversals on assets"		*(297)*	*(113)*
Of which presented under "Net income (expense) related to changes in scope of consolidation"		*11*	*(131)*
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 2022			31 December 2021		
		Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods inventories		3,657	(59)	**3,598**	3,165	(41)	**3,124**
Property assets		56	(10)	**46**	105	(11)	**94**
Net inventories	**4.2**	**3,713**	**(69)**	**3,644**	**3,270**	**(52)**	**3,218**

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 2022	31 December 2021
Trade and other receivables	11.5.3	965	882
Accumulated impairment losses on trade and other receivables	6.7.2	(111)	(110)
Net trade receivables	**4.2**	**854**	**772**

6.7.2 Accumulated impairment losses on trade receivables

(€ millions)	2022	2021
Accumulated impairment losses on trade receivables at 1 January	**(110)**	**(100)**
Additions	(49)	(48)
Reversals	46	36
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	2	2
At 31 December	**(111)**	**(110)**

The criteria for recognising impairment losses are presented in note 11.5.3 "Counterparty risk".

6.8 Other current assets

6.8.1 Breakdown of other current assets

(€ millions)	*Notes*	31 December 2022	31 December 2021
Other receivables (1)		789	769
Financial assets held for cash management purposes and short-term financial investments	11.2.1	7	1
Financial assets arising from a significant disposal of non-current assets	11.2.1	85	99
Guarantees and escrow accounts (2)	11.2.1	124	514
Current accounts of non-consolidated companies		19	12
Accumulated impairment losses on other receivables and current accounts	6.8.2	(46)	(32)
Fair value hedges – assets	11.5.1	5	7
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	8	12
Contract assets	6.1.2		2
Financial assets		**991**	**1,384**
Other receivables (1)		272	289
Tax and employee-related receivables in Brazil	6.9.1	271	269
Accumulated impairment losses on other receivables	6.8.2		
Prepaid expenses (1)		106	94
Non-financial assets		**649**	**652**
Other current assets		**1,640**	**2,036**

(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 €36m relating to the escrow account associated with the November 2019 refinancing transaction (2021: €484m).

6.8.2 Accumulated impairment losses on other receivables and current accounts

(€ millions)	2022	2021
Accumulated impairment losses on other receivables and current accounts at 1 January	**(32)**	**(34)**
Additions	(65)	(36)
Reversals	39	37
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	12	1
Accumulated impairment losses on other receivables and current accounts at 31 December	**(46)**	**(32)**

6.9 Other non-current assets

6.9.1 Breakdown of other non-current assets

(€ millions)	Notes	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss		13	33
Financial assets at fair value through other comprehensive income		62	66
Financial assets arising from a significant disposal of non-current assets	11.2.1	19	24
Non-current economic and fair value hedges – assets	11.5.1	85	28
Other financial assets		333	420
Loans		*85*	*160*
Non-hedging derivatives – assets	*11.5.1*		*1*
Other long-term receivables		*248*	*259*
Impairment of other non-current assets	6.9.2	(13)	(13)
Financial assets		**499**	**558**
Other financial assets		145	135
Legal deposits paid by GPA and Sendas	*13.2*	*145*	*135*
Other long-term receivables			
Impairment of other non-current assets	6.9.2		
Tax and employee-related receivables in Brazil (see below)		659	501
Prepaid expenses		19	13
Non-financial assets		**683**	**649**
Other non-current assets		**1,322**	**1,207**

GPA and Sendas have tax and payroll receivables respectively totalling €596m (of which €495m of long-term receivables and €101m of short-term receivables) and€335m (€164m long-term and €170m short-term) corresponding primarily to ICMS (VAT) for €366m, PIS/COFINS (VAT) for €504m and INSS (employer social security contributions) for €60m.

The main tax receivable (PIS/COFINS) is expected to be recovered as follows:

(€ millions)	31 December 2022	*o/w GPA*	*o/w Sendas*
Within one year	178	*113*	*65*
In one to five years	326	*287*	*39*
In more than five years			
Total	**504**	***399***	***104***

The ICMS tax receivable is expected to be recovered as follows:

(€ millions)	31 December 2022	*o/w GPA*	*o/w Sendas*
Within one year	206	*110*	*96*
In one to five years	120	*26*	*94*
In more than five years	40	*16*	*24*
Total	**366**	***152***	***214***

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)	2022	2021
Accumulated impairment losses on other non-current assets at 1 January	**(13)**	**(7)**
Additions	(3)	(5)
Reversals		1
Other reclassifications and movements	3	(2)
Accumulated impairment losses on other non-current assets at 31 December	**(13)**	**(13)**

6.10 Other liabilities

(€ millions)	Notes	31 December 2022			31 December 2021 (restated)		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities	11.5.1		4	**4**	23	1	**24**
Tax, employee-related and other liabilities		59	1,493	**1,552**	77	1,647	**1,724**
Amounts due to suppliers of non-current assets		67	404	**471**	46	261	**307**
Current accounts			52	**52**		39	**39**
Financial liabilities		**126**	**1,953**	**2,079**	**146**	**1,948**	**2,094**
Tax, employee-related and other liabilities		140 (1)	880	**1,020**	56	1,025	**1,081**
Contract liabilities	6.1.2	28	117	**145**	23	104	**127**
Deferred income		20	123	**143**	13	124	**137**
Non-financial liabilities		**188**	**1,120**	**1,308**	**92**	**1,253**	**1,345**
Other liabilities		**314**	**3,073**	**3,387**	**238**	**3,201**	**3,439**

(1) Including BRL 600m (€106m) in the 9% social contribution surtax on profit (CSSL) recognised by GPA (Note 9.1.2).

6.11 Off-balance sheet commitments entered into in the ordinary course of business

Accounting principle

At every year-end, management determines, to the best of its knowledge, that there are no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described in this note.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities, except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments relating to the scope of consolidation are presented in note 3.4.2.

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 2022	31 December 2021
Assets pledged as collateral [(1)]		138	301
Bank guarantees given [(2)]		2,359	2,205
Guarantees given in connection with disposals of non-current assets		20	7
Other commitments given		73	52
Due:			
Within one year		224	154
In one to five years		2,327	2,320
In more than five years		39	91
Total commitments given		**2,590**	**2,565**
Bank guarantees received		102	52
Secured financial assets		68	65
Undrawn confirmed lines of credit	11.2.6	2,202	2,216
Other commitments received		27	92
Due:			
Within one year		284	218
In one to five years		1,958	2,115
In more than five years		157	92
Total commitments received		**2,399**	**2,425**

(1) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2022, this concerns GPA for €103m, mainly in connection with the tax disputes described in Note 13.2 (2021: €116m). In 2021, this item also concerned GreenYellow for an amount of €101m in connection with project-related liabilities. The amount of €138m at 31 December 2022 (€301m at 31 December 2021) does not include the guarantees given in connection with the November 2019 financing transaction (Note 11.5.4).

(2) At 31 December 2022, this amount includes €2,198m in bank guarantees obtained by GPA and Sendas (31 December 2021: €1,985m) 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 2021: €60m) described in Note 3.3.7 and a guarantee granted to Aldi France in connection with the sale of Leader Price for €50m (2021: €100m).

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.

For contracts with automatic renewal clauses (notably “3-6-9”-type leases), the Group considers that it is unable to anticipate this automatic renewal period at the inception of the lease, and that this tacit renewal period 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 if the lease premium cannot be separated from the right-of-use asset, or (most commonly) are not amortised, but are tested annually for impairment if the lease premium is distinct from the right-of-use asset.

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 2021	**35**	**4,546**	**181**	**127**	**4,889**
New assets	8	457	14		**479**
Modifications/remeasurements	4	403	2	6	**415**
Derecognised assets	(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		(10)	(1)	1	**(10)**
IFRS 5 reclassifications		(7)			**(7)**
Other reclassifications and movements		(21)	8	1	**(12)**
Carrying amount at 31 December 2021	**34**	**4,469**	**120**	**126**	**4,749**
New assets	5	574	3	9	**591**
Modifications/remeasurements	5	357	1	5	**368**
Derecognised assets	(6)	(170)	(21)	(15)	**(212)**
Depreciation/amortisation for the year	(5)	(636)	(29)	(11)	**(681)**
Impairment (losses) reversals, net [(1)]		(105)		(2)	**(107)**
Changes in scope of consolidation	(5)	(1)	(7)		**(13)**
Effect of movements in exchange rates	1	127		16	**144**
IFRS 5 reclassifications		(4)	(1)	(1)	**(6)**
Other reclassifications and movements	(1)	57		1	**57**
Carrying amount at 31 December 2022	**28**	**4,668**	**66**		**4,890**

(1) Mainly related to a plan to transfer loss-making integrated stores to a franchise model (Note 6.5).

Lease liabilities

(€ millions)	*Note*	31 December 2022	31 December 2021
Current portion		743	718
Non-current portion		4,447	4,174
Total	**11.5.4**	**5,190**	**4,892**
Food and general retailing		5,190	4,891
of which France Retail		*2,646*	*2,904*
of which Latam Retail [(1)]		*2,411*	*1,820*
of which E-commerce		*133*	*167*
Holdings and other activities			1

(1) The increase is primarily attributable to a currency effect and sale and leaseback transactions in Brazil.

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)	2022	2021
Rental expense relating to variable lease payments [(1)]	73	62
Rental expense relating to short-term leases [(1)]	6	6
Rental expense relating to leases of low-value assets that are not short-term leases [(1)]	113	104

(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 €1,135m (2021: €1,058m)

7.1.4 Sale and leaseback transactions

The impact on the consolidated financial statements of Casino Group's sale-and-leaseback transactions carried out in 2022 are as follows:

- recognition of a right-of-use asset for €107m and a lease liability for €147m;
- decrease of €43m in property, plant and equipment and of €106m in assets held for sale (Note 3.5.1);
- recognition of disposal gains of €110m within other operating income.

In 2022, the main sale-and-leaseback transaction carried out was the transaction planned as part of the operation to convert Extra hypermarkets into Assaí stores and concerning 17 store properties (see Note 2.2 to the 2021 consolidated financial statements). At 31 December 2022, 16 assets had been sold.

7.2 Group as lessor

Operating leases

he following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	31 December 2022	31 December 2021
Due within one year	63	66
In one to two years	24	27
In two to three years	16	15
In three to four years	12	11
In four to five years	9	10
In five or more years	43	44
Undiscounted value of lease payments receivable	**167**	**173**

The following amounts were recognised in the 2022 income statement:

(€ millions)	2022	2021
Operating leases:		
Lease income [(1)]	148	119
Sub-letting income included within right-of-use assets	34	39

(1) Including €15m in variable lease payments in 2022 that do not depend on an index or rate (2021: €12m).

Note 8. Payroll expenses

8.1 Employee benefits expense

Employee expenses are analysed by function in note 6.3.

8.2 Pension and other post-employment benefit obligations

Accounting principle

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 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 2022			31 December 2021		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Pensions	188	11	**199**	233	11	**244**
Jubilees	23	1	**24**	30	1	**31**
Bonuses for services rendered	5	1	**6**	10		**10**
Provisions for pensions and other post-employment benefits and for long-term employee benefits	**216**	**13**	**229**	**273**	**12**	**285**

Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salary increase rates, turnover and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2022	2021	2022	2021
Discount rate	3.8%	1.0%	7.8% – 13.7%	7.8% – 8.5%
Expected rate of future salary increases	2.0% – 2.8%	1.0% – 1.9%	3.5% – 9.6%	3.50%
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 2022 was €221m, of which 86% 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	
	2022	2021	2022	2021	2022	2021
Provisions recognised in the statement of financial position	192	240	7	4	**199**	**244**
Service cost	19	20			**19**	**20**
Interest cost [(1)]	2	2			**2**	**2**
Past service costs			4		**4**	
Curtailments/settlements	(18)	(18)		1	**(18)**	**(17)**
Expense for the year of continuing operations	**3**	**4**	**4**	**1**	**7**	**5**

(1) Reported under financial income and expenses.

8.3 Share-based payment

Accounting principle

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by **stock options**, measured at fair value on the grant date, constitutes additional compensation. The fair value of the options at the grant date is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (note 6.5).

The fair value of options is determined using Black-Scholes option pricing models, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of **free shares** is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise, it is deferred and recognised over the vesting period as and when the vesting conditions are met. When free shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Impact of share-based payments on earnings and equity

The total net expense recorded under recurring operating income by the Group was €14m in 2022 (2021: €15m) of which €1m for Rallye, €5m for Casino, €5m for GPA and €3m 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 which expired on 25 June 2022 and 18 May 2022 respectively. The final vesting of the shares for beneficiaries was subject to the condition of continued employment and to the achievement of the Company's annually assessed performance criteria, which resulted each year in the determination of the percentage of shares vested for the year in question. The total number of free shares that finally vested has been equal to the average of the annual award, i.e. 326,502 new shares.

— *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. 2022	Of which number of performance shares (1)	Share price (2) *(€)*	Fair value of the share(2) *(€)*
15/12/2022	31/08/2024	61,836	61,836	-	10.33	10.33
10/05/2022	28/02/2024	6,798	4,326	-	16.69	16.31
10/05/2022	10/05/2025	318,727	252,635	252,635	16.69	14.37
15/12/2021	31/07/2023	9,052	9,052	-	23.25	22.55
28/07/2021	30/04/2023	22,641	22,045	-	24.50	23.62
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	149,857	149,857	24.50	18.46
27/04/2020	27/04/2025	8,171	8,171	8,171	35.87	26.25
27/04/2020	27/04/2023	160,033	95,794	95,794	35.87	25.34
07/05/2019	07/05/2024	7,809	7,809	7,809	35.49	14.65
15/05/2018	15/05/2023	7,326	3,808	3,808	40.75	17.01
Total		**845,346**	**626,354**	**522,046**		

(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	2022	2021
Unvested shares at 1 January	**880,921**	**621,481**
Free share rights granted	387,361	538,969
Free share rights cancelled	(300,381)	(47,082)
Shares issued	(341,547)	(232,447)
Unvested shares at 31 December	**626,354**	**880,921**

— *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. 2022 *(in thousands)*
C6 Series	31/01/2021	31/05/2023	30/11/2023	497	12.6	217
B6 Series	31/01/2021	31/05/2023	30/11/2023	673	0.01	223
C7 Series	31/05/2022	31/05/2025	30/11/2025	1,328	17.28	1,328
B7 Series	31/05/2022	31/05/2025	30/11/2025	1,617	0.01	1,270
					8.46	**3,038**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans (“Series” 7 and 8 respectively):

- dividend yield: 1.61% and 4.50%;
- projected volatility: 37.09% and 43.48%;
- risk-free interest rate: 5.47% and 11.96%.

The average fair value of outstanding stock options at 31 December 2022 was BRL 12.80 or €2.27.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2022		2021	
	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	**1,412**	**5.71**	**1,468**	**30.71**
Of which exercisable options			-	-
Options granted during the year	2,945	7.80	1,225	22.37
Options exercised during the year	(985)	10.82	(1,157)	10.50
Options cancelled during the year	(291)	1.94	(55)	7.65
Options that expired during the year	(43)	6.34	(69)	11.57
Options outstanding at 31 December	**3,038**	**8.46**	**1,412**	**5.71**
Of which exercisable options	-	-	-	-

— *Sendas*

Features of Sendas 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 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. 2022 *(in thousands)*
B8 Series	31/05/2021	01/06/2024	30/11/2024	363	0.01	314
C8 Series	31/05/2021	01/06/2024	30/11/2024	363	13.39	314
B9 Series	31/05/2022	01/06/2025	30/11/2025	2,163	0.01	2,131
C9 Series	31/05/2022	01/06/2025	30/11/2025	1,924	12.53	1,892
					6.01	**4,651**

Main assumptions used to value stock options

Sendas uses the following assumptions to value its plans:

- dividend yield: 1.28% and 1.20%;
- projected volatility: 37.96% and 37.29%;
- risk-free interest rate: 7.66% and 12.18%;
- exit rate: 8%.

The average fair value of outstanding stock options at 31 December 2022 was BRL 17.21, BRL 7.69, BRL 15.27 and BRL 7.35 for the B8, C8, B9 and C9 Series, respectively (€3.05, €1.36, €2.71 and €1.30, respectively, for these Series).

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2022		2021	
	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	**668**	**6.70**		
Of which exercisable options				
Options granted during the year	4,087	5.90	726	6.70
Options exercised during the year	(104)	6.01		
Options cancelled during the year			(58)	6.70
Options that expired during the year				
Options outstanding at 31 December	**4,651**	**6.01**	**668**	**6.70**
Of which exercisable options	-	-	-	-

8.4 Gross compensation and benefits of directors and officers

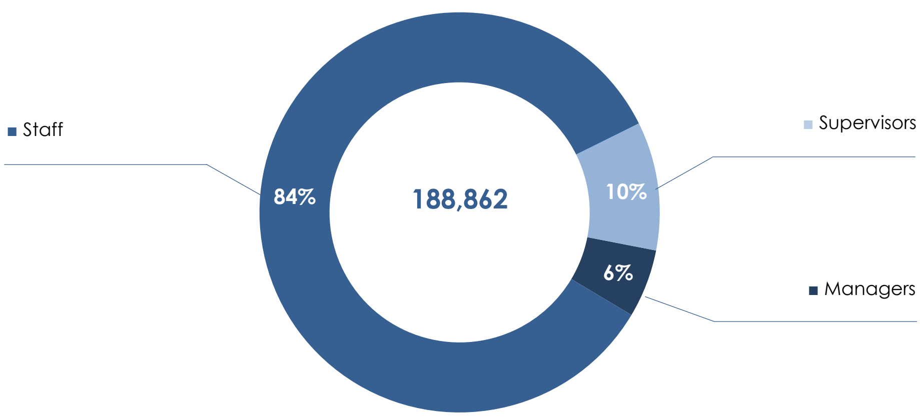
(€ millions)	31 December 2022	31 December 2021
Short-term benefits excluding social security contributions (1)	6	6
Social security contributions on short-term benefits	2	2
Termination benefits for key executives		
Share-based payments (2)	1	1
Total	**9**	**9**

(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	2022	2021
Managers	10,409	10,823
Staff	158,837	165,480
Supervisors	19,616	20,045
Group total	**188,862**	**196,348**

2022



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.

On 14 December 2022, all EU Member States formally adopted the Directive, which aims to ensure a global minimum level of taxation for multinationals and large- scale domestic groups in the Union, implementing at EU level the global agreement reached by the OECD Inclusive Framework on 8 October 2021.

The Pillar 2 Directive should be transposed into French law before the end of 2023. Its provisions will be applicable to financial years beginning on or after 31 December 2023 (for the tax liability rule, while the under-taxed payments rule will be applicable to financial years beginning on or after 31 December 2024).

9.1 Income tax expense

9.1.1 Analysis of income tax expense

(€ millions)	*Note*	2022			2021 (restated)		
		France	International	Total	France	International	Total
Current income tax		(62)	57	**(5)**	(35)	(79)	**(114)**
Other taxes (CVAE)		(27)		**(27)**	(30)		**(30)**
Deferred taxes		(73)	114	**41**	29	201	**230**
Total income tax benefit (expense) recorded in the income statement		**(162)**	**171**	**9**	**(36)**	**122**	**86**
Income tax on items recognised in "Other comprehensive income"	12.5.3	(12)	(1)	**(13)**	(10)	(1)	**(11)**
Income tax on items recognised in equity			(118)	**(118)**	1		**1**

9.1.2 Tax proof

(€ millions)	2022	2021 (restated)
Income (loss) before tax	**(401)**	**(262)**
Theoretical tax rate	*25.83%*	*28.41%*
Theoretical income (loss) tax expense (1)	**104**	**74**
Impact of differences in foreign tax rates	(28)	(29)
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences (2)	24	13
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences (3)	(340)	(48)
Change in corporate tax rate (4)	(47)	(19)
CVAE net of income tax	(20)	(22)
Non-deductible interest expense (5)	(26)	(30)
Non-deductible asset impairment losses	3	(3)
Other taxes on distributed earnings (6)	(7)	(4)
Deductible interest on deeply subordinated perpetual bonds	13	10
Reduced-rate asset disposals and changes in scope of consolidation (7)	269	(27)
Change in Brazilian taxation (8)	73	171
Other	(9)	
Actual income (loss) tax expense	**9**	**86**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 25.83% (28.41% in 2021).

(2) In 2022, this primarily concerns the France Retail segment in an amount of €21m. In 2021, it concerned the France Retail segment for €9m and the Latam Retail segment for €4m.

(3) In 2022, this concerns France Retail, Latam Retail and E-commerce segments for negative amounts of €285m, €8m and €34m, respectively (Notes 9.2.3 and 9.2.4). During the year, and in accordance with IAS 12, the Group capped its recognition of deferred taxes relating to the tax losses of the Casino, Guichard-Perrachon tax consolidation group and recorded an expense of €240m. In 2021, this concerned the France Retail segment for €21m, the Latam Retail segment for €22m and the E-commerce segment for €15m.

(4) As a result of a Brazilian Federal Supreme Court (STF) ruling dated February 2023, which has been applied retrospectively since 2007, GPA is now liable for the 9% social contribution surtax on profit (CSLL) which, together with the corporate income tax rate of 25%, raises its tax rate to 34%. As a result of this ruling, a non-current tax liability was recognised for BRL 600m (€106m – Note 6.10). The impact of this ruling, net of the revised deferred tax amount, is an expense of BRL 407m (€75m).

(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) In 2022 relating to (a) the Group's plan to dispose of non-strategic assets and, in particular, GreenYellow and Mercialys, and (b) the ongoing restructuring of our Brazilian operations.

(8) Following a change in Brazilian legislation in the second half of 2021 stipulating the non-taxation of investment grants, a tax reduction was recognised in respect of grants received in 2022, in line with the reduction already recognised in the second half of 2021. In 2021, further to 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 from the STF regarding the exclusion of monetary corrections relating to judicial proceedings from the tax base. This resulted in the recognition of a tax credit for €46m.

9.2 Deferred taxes

9.2.1 Change in deferred tax assets

(€ millions)	2022	2021 (restated)
At 1 January	**1 195**	**1 022**
(Expense) benefit for the year [1]	132	191
Impact of changes in scope of consolidation	2	1
IFRS 5 reclassifications	3	
Effect of movements in exchange rates and other reclassifications	166	(12)
Changes recognised directly in equity and other comprehensive income	(8)	(7)
At 31 December	**1 490**	**1 195**

(1) Impairment, net.

The deferred tax benefit net of deferred tax liabilities (Note 9.2.2) relating to discontinued operations was €9m in 2022 (€76m in 2021).

9.2.2 Change in deferred tax liabilities

(€ millions)	2022	2021
At 1 January	**405**	**508**
Expense (benefit) for the year	82	(115)
Impact of changes in scope of consolidation	(2)	1
IFRS 5 reclassifications		
Effect of movements in exchange rates and other reclassifications	14	11
Changes recognised directly in equity and other comprehensive income	4	
At 31 December	**503**	**405**

9.2.3 Deferred tax assets and liabilities by source

(€ millions)	Net	
	31 December 2022	31 December 2021 (restated)
Intangible assets	(571)	(466)
Property, plant and equipment	165	(34)
Right-of-use assets net of lease liabilities	214	166
Inventories	25	26
Financial instruments	(7)	15
Other assets	(86)	(41)
Provisions	256	174
Regulated provisions	(55)	(58)
Other liabilities	80	43
Tax loss carryforwards and tax credits	966	965
Net deferred tax asset (liability)	**987**	**790**
Deferred tax assets	1,490	1,195
Deferred tax liabilities	(503)	(405)
Net	**987**	**790**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €124m in 2022 versus €103m in 2021.

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 2022, deferred tax assets amounted to €509m for Casino, Guichard-Perrachon, €175m for GPA and €77m for Éxito. These amounts are expected to be recovered by 2030 (Casino, Guichard- Perrachon and GPA), and 2027 (Éxito).

Deferred tax assets are recognised on tax loss carryforwards over the period during which they are expected to be recovered, based on the likely existence of future taxable profits. The estimated recovery of tax loss carryforwards is based on the achievement of projected taxable profit targets. For example, for the Casino, Guichard Perrachon tax group, achieving an average of 85% of the operating profitability targets over the period of the plan would mean not being able to use €150m in deferred taxes arising on tax losses (able to be carried forward indefinitely).

9.2.4 Unrecognised deferred taxes

At 31 December 2022, unrecognised deferred tax assets arising on tax loss carryforwards amounted to approximately €4,457m, (representing an unrecognised deferred tax effect of €1,135m) versus €3,715m at 31 December 2021 (representing an unrecognised deferred tax effect of €988m). These tax loss carryforwards mainly concern the Rallye tax consolidation group and, to a lesser extent, the Casino, Guichard-Perrachon tax group, the Franprix sub-group and Cdiscount, and can mostly be carried forward indefinitely.

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 Dec. 2022	31 Dec. 2021
Food and general retailing [(1)]	**7,852**	**7,662**
France Retail	**4,375**	**4,309**
Hypermarkets, supermarkets and convenience stores	*1,594*	*1,523*
Franprix	*1,456*	*1,449*
Monoprix	*1,319*	*1,327*
Divers	*6*	*10*
E-commerce (France)	**58**	**61**
Latam Retail	**2,500**	**2,298**
Argentina	*88*	*75*
Brazil – GPA	*636*	*569*
Brazil – Assaí	*1,154*	*1,031*
Colombia	*363*	*406*
Uruguay	*259*	*217*
Total	**7,852**	**7,662**

(1) This amount includes goodwill recognized by Rallye on the Casino Group, i.e. €934m at 31 December 2022, versus €1,011m at 31 December 2021 (Note 10.5.1).

10.1.2 Movements for the year

(€ millions)	2022	2021
Carrying amount at 1 January	**7,662**	**7,650**
Goodwill recognised during the year	19	17
Impairment losses recognised during the year		
Goodwill written off on disposals	(89)	(5)
Effect of movements in exchange rates	160	(24)
Reclassifications and other movements	100	24
Total	**7,852**	**7,662**

10.2 Intangible assets

Accounting principle

Intangible assets

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks and costs to obtain contracts. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including lease premiums and purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and amortisation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1 Breakdown

(€ millions)	31 December 2022			31 December 2021 (restated)		
	Gross	Accumulated amortisation and impairment	Net	Gross	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,335	(113)	**1,222**	1,315	(110)	**1,205**
Software	1,736	(1,134)	**602**	1,543	(1,001)	**542**
Other intangible assets	484	(243)	**241**	489	(230)	**259**
Total intangible assets	**3,555**	**(1,490)**	**2,065**	**3,347**	**(1,341)**	**2,006**

10.2.2 Variations

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	**Total**
Carrying amount at 1 January 2021 (restated)	**1,263**	**483**	**302**	**2,048**
Changes in scope of consolidation	29		(5)	**24**
Additions and acquisitions	2	87	173	**262**
Assets disposed of during the year		(1)	(1)	**(2)**
Amortisation for the year	(2)	(149)	(68)	**(219)**
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)	134	(114)	**18**
Carrying amount at 31 December 2021 (restated)	**1,205** [1]	**542**	**259** [2]	**2,006**
Changes in scope of consolidation	(27)	(7)	(26)	**(60)**
Additions and acquisitions	1	138	151	**290**
Assets disposed of during the year		(2)	(1)	**(3)**
Amortisation for the year	(2)	(182)	(57)	**(241)**
Impairment (losses) reversals, net		(9)	(4)	**(13)**
Effect of movements in exchange rates	44	17		**61**
IFRS 5 reclassifications	3		(20)	**(17)**
Other reclassifications and movements	(2)	105	(61)	**42**
Carrying amount at 31 December 2022	**1,222** [1]	**602**	**241** [2]	**2,065**

(1) Including trademarks for €1,220m (31 December 2021: €1,176m).

(2) Including costs to obtain contracts for €113m (31 December 2021: €101m) (Note 6.1.2).

(3) Of which €78m relating to impairment losses recognised against the Extra trademark in 2021 (Note 6.5).

Internally-generated intangible assets (mainly information systems developments) represented €107m at 31 December 2022 (31 December 2021: €103m).

10.2.3 Breakdown of trademarks

Intangible assets at 31 December 2022 include trademarks with an indefinite life, carried in the statement of financial position for €1,220m, allocated to the following groups of CGUs:

(€ millions)	31 December 2022	31 December 2021
Latam Retail	**644**	**600**
of which Brazil - GPA (1)	415	*371*
of which Brazil - Sendas (1)	90	*81*
of which Colombia	113	*127*
of which Uruguay	25	*21*
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 2022	31 December 2021
Brazil - GPA	**415**	**371**
Pão de Açúcar	185	*165*
Extra	229	*205*
Other	1	*1*
Brazil - Sendas	**90**	**81**
Assaí	90	*81*
Monoprix	**566**	**566**
Monoprix	552	*552*
Other	14	*14*

Intangible assets were tested for impairment at 31 December 2022 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

	31 December 2022			31 December 2021		
(€ millions)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Land and land improvements	843	(106)	**737**	753	(88)	**665**
Buildings, fixtures and fittings	3,677	(1,342)	**2,335**	2,818	(1,078)	**1,740**
Other property, plant and equipment (1)	7,068	(4,821)	**2,247**	6,660	(4,422)	**2,238**
Total property, plant and equipment	**11,588**	**(6,269)**	**5,319**	**10,231**	**(5,588)**	**4,643**

(1) Other non-current assets consist mainly of facilities, machinery and equipment.

10.3.2 Movements

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Total
Carrying amount at 1 January 2021	**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 [(1)]	(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**
Changes in scope of consolidation		(128)	(351)	**(479)**
Additions and acquisitions	14	717	855	**1,586**
Assets disposed of during the year	(8)	(27)	(105)	**(140)**
Depreciation for the year	(3)	(102)	(355)	**(460)**
Impairment (losses) reversals, net	(7)	(16)	(102)	**(125)**
Effect of movements in exchange rates	(3)	72	63	**132**
IFRS 5 reclassifications	60	60	44	**164**
Other reclassifications and movements	19	19	(40)	**(2)**
Carrying amount at 31 December 2022	**737**	**2,335**	**2,247**	**5,319**

(1) *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 (Note 3.5.1) and (ii) at Sendas, for an amount of BRL 349m (€59m) (Note 3.5.1).*

Property, plant and equipment were tested for impairment at 31 December 2022 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 2022 amounted to €78m, reflecting an average interest rate of 13% (2021: €8m at an average rate of 7.4%).

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 2022			31 December 2021		
(€ millions)	Gross	Accumulated depreciation and impairment	Net	Gross	Accumulated depreciation and impairment	Net
Total investment property	**546**	**(143)**	**403**	**540**	**(129)**	**411**

10.4.2 Movements

(€ millions)	2022	2021
Carrying amount at 1 January	**411**	**428**
Changes in scope of consolidation		
Additions and acquisitions	22	22
Assets disposed of during the year	(1)	
Depreciation for the year	(11)	(13)
Impairment (losses) reversals, net	(1)	(3)
Effect of movements in exchange rates	(48)	(31)
Other reclassifications and movements [(1)]	30	8
Carrying amount at 31 December	**403**	**411**

(1) Including €28m at end-2022 (31 December 2021: €19m) relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2022, investment property totalled €403m, of which 65% (€260m) concerned Éxito. Investment property at 31 December 2021 amounted to €411m, of which 68% concerned Éxito.

At 31 December 2022, the fair value of investment property was €716m (31 December 2021: €687m). 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 2022 and primarily concerned the Latam Retail segment (31 December 2021: €1m, also 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)	2022	2021
Rental revenue from investment property	84	66
Directly attributable operating expenses on investment property		
- that generated rental revenue during the year	(20)	(18)
- that did not generate rental revenue during the year	(18)	(16)

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.

Total goodwill on the balance sheet amounts to €7.9bn, including an amount of €934m recognized at the level of Rallye on the Casino Group and the remainder recognized at the level of the Casino Group on the operating subsidiaries.

10.5.1 Impairment losses on the goodwill of Casino

The cash genereting unit (CGU) used corresponds to the Casino group as a whole which corresponds to the "Food and general retailing" operating segment (« Casino CGU »). Goodwill allocated to that CGU amounted to €934m at 31 December 2022, down €76m over the year following disposals affecting the Casino CGU, mainly GreenYellow, i.e. an amount proportional to the relative valuation of the assets sold compared to that of the assets retained.

The goodwill of Casino CGU impairment testing consists of determining the recoverable amount of the CGU (value in use or fair value less costs to sell) and comparing it to the net carrying amount of the relevant assets.

The value in use of the Casino CGU is based on a sum-of-the-parts approach comprising the various activities of this CGU.

For France Retail and E-Commerce activities, discounted cash flow projections based on business plans drawn up by Casino Group have been used. The business plans include market inputs that are, by nature, fluctuating. A discount rate of 8.3% and a perpetual growth rate of 2.0% were used.

For Latin American activities, the hypothesis adopted is Casino's pursuit of the monetization of those assets, the latter are therefore valued at their market value (stock market price of GPA and Sendas (Assaí) as of 31 December 2022). This change in estimate is based on the following two events:

- the sale of 10.4% of the capital of Assaí announced in November 2022 was based on the stock market price;
- the Grupo Éxito spin-off launched in September 2022 and to be finalised in the first half of 2023 (subject to authorisation) paves the way for monetization options for these assets by the Casino Group, which would then hold holdings in three separate listed assets.

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 2022.

An increase in the discount rate by 100 basis points or a decrease of 50 basis points on the perpetual growth rate or a decrease of 100 basis points in the EBITDA margin rate of the normative flow or a 25% drop in the GPA and Sendas (Assaí) stock exchange prices, would not lead to the recognition of an impairment loss.

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 2022 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €246m (Note 6.5), of which €224m arose in relation to individual assets (mainly in the France Retail segment for €211m, the Latam Retail segment for €8m and the E-commerce segment for €6m), €33m in relation to restructuring operations (mainly in the France Retail segment for €24m and in the Latam Retail segment for €9m), and a negative €11m impact in relation to changes in the scope of consolidation (mainly in the Latam Retail segment).

Further to the impairment tests conducted in 2021, Casino Group recognised net impairment losses on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalling €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 changes in the scope of consolidation (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).

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 2022 for internal calculations of values in use:

Region	2022 perpetual growth rate (1)	2022 after-tax discount rate (2)	2021 perpetual growth rate (1)	2021 after-tax discount rate (2)
Activité Grande distribution				
France (retail)	2.0%	6.1%	1.4%	5.5%
France (other)(3)	2.0%	6.1% and 8.6%	1.4% and 1.9%	5.5% and 7.5%
Argentina (4)	-	-	4.0%	11.6%
Brazil - GPA (3)	5.4%	11.0%	4.6%	10.0%
Brazil - Assaí (3)	5.4%	12.2%	6.6%	10.4%
Colombia (3)	3.7%	7.4%	3.0%	7.4%
Uruguay	5.4%	9.2%	5.8%	8.6%

(1) *In 2022, the inflation-adjusted perpetual growth rate was nil (2021: between 0% and 1.5% depending on the nature of the CGU's business/banner and country).*

(2) *The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.*

(3) *At 31 December 2022, the market capitalisation of the listed subsidiaries was as follows: GPA €791m, Sendas €4,659m, Éxito €853m and Cnova €1,067m. 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 and Éxito goodwill were performed based on their value in use (see below).*

(4) *For Argentina, the recoverable amount was determined using the adjusted net asset value method.*

No impairment loss was recognised at 31 December 2022 from the annual goodwill impairment test conducted at the end of the year.

With the exception of GPA 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 GPA 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 two 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 11.01% discount rate (2021: 10.00%).

Management believes that a cumulative change in key assumptions could result in a carrying amount equal to the recoverable amount. The table below shows the individual change of the key assumptions required for the estimated recoverable value of the GPA CGU to equal its carrying amount (including €636m in goodwill).

Change required for the GPA CGU carrying amount to equal its recoverable value	31 December 2022
Post-tax discount rate	+233 pbs
Perpetual growth rate net of inflation	-342 pbs
EBITDA margin used for the annual cash flow projection	-152 pbs

For Argentina, the recoverable amount was determined using the adjusted net asset value method. The remeasurement relates to the Company's property portfolio, which is measured at fair value less costs to sell. Fair value was estimated on the basis of appraisals made by independent experts of all the real estate assets owned by the subsidiary. A 4.9% decrease in fair value less costs to sell would reduce the recoverable amount to the carrying amount.

10.5.3 Casino Group's Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method as applied to the CGU of the relevant banner. The main trademarks concern the subsidiaries GPA and Monoprix. The Extra and Pão de Açúcar banners in Brazil which own the banners with a net carrying amount of €229m and €185m, respectively, at 31 December 2022, were tested for impairment. No impairment was recognised as a result of this test. Changes in the key assumptions used (a 100-basis point increase in discount rates, a 25-basis point decrease in the perpetual growth rate used to calculate the terminal value, and a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate terminal value) would have led the recoverable amount to equal the carrying amount.

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 borrowings and debt 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), and (iv) financial assets arising from a significant disposal of non-current assets. Previously, the Group also monitored net debt after IFRS 5, which led it to reduce gross debt by its share of the net assets held for sale of the selling subsidiary.

11.1 Net cash and cash equivalents

(€ millions)	*Notes*	31 December 2022	31 December 2021
Cash equivalents		1,648	1,169
Cash		877	1,133
Gross cash and cash equivalents [(1)]	**11.4.1**	**2,525**	**2,302**
Bank overdrafts	11.2.4	(239)	(59)
Net cash and cash equivalents		**2,286**	**2,243**

(1) The main currencies making up gross cash and cash equivalents are the euro, the Brazilian real and the Colombian peso, representing 17%, 69% and 10%, respectively, at 31 December 2022, compared with 24%, 51% and 21%, respectively, at 31 December 2021.

As of 31 December 2022, 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 €9,087m at 31 December 2022 (31 December 2021: €7,875m), breaking down as follows:

(€ millions)	*Notes*	31 December 2022			31 December 2021		
		Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds [1]	11.2.3	5,969	79	**6,048**	5,983	492	**6,475**
Other loans and borrowings	11.2.4	4,076	1,733	**5,809**	4,303	876	**5,179**
Economic and fair value hedges – liabilities [2]	11.5.1	167	15	**182**	9	1	**10**
Gross borrowings and debt [3]		**10,212**	**1,827**	**12,039**	**10,295**	**1,369**	**11,664**
Economic and fair value hedges – assets [4]	11.5.1	(85)	(5)	**(90)**	(28)	(7)	**(35)**
Other financial assets [3][5]	6.8.1 / 6.9.1	(24)	(216)	**(240)**	(41)	(613)	**(654)**
Loans and borrowings [6]		**10,103**	**1,606**	**11,709**	**10,226**	**749**	**10,975**
Cash and cash equivalents	11.1		(2,525)	**(2,525)**		(2,302)	**(2,302)**
Net debt		**10,103**	**(919)**	**9,184**	**10,226**	**(1,553)**	**8,673**
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5.1		(97)	**(97)**		(798)	**(798)**
Net debt after IFRS 5 (assets held for sale)		**10,103**	**(1,016)**	**9,087**	**10,226**	**(2,351)**	**7,875**
Holdings and other activities				2,815			2,818
Food and general retailing:				6,273			5,060
of which France Retail				*4,124*			*3,737*
of which Latam Retail [7]				*1,847*			*991*
of which E-commerce				*302*			*333*

(1) Including €2,812m in France and €2,238m in Brazil at 31 December 2022 (31 December 2021: €3,687m in France and €1,724m in Brazil) (Note 11.2.3).

(2) Including €166m in France and €16m in Brazil at 31 December 2022 (31 December 2021: €4m in France and €7m in Brazil).

(3) Including secured gross debt of €2,145m at Casino Group level. This indicator is used to calculate the covenants of Casino Group following the amendment to the revolving credit facility since 30 June 2021 (RCF) (Note 11.5.4

(4) Including €58m in France and €32m in Brazil at 31 December 2022 (31 December 2021: €30m in France and €5m in Brazil).

(5) Including mainly €124m placed in segregated accounts and posted as collateral (of which €36m in respect of the revolving credit facility (RCF) – Note 11.5.4) and €104m of financial assets following the disposal of non-current assets at 31 December 2022 (31 December 2021: €514m placed in segregated accounts and posted as collateral, of which €484m in respect of the revolving credit facility (RCF), and €122m in financial assets further to a major disposal of non-current assets comprising contingent consideration recognised in the year for €94m, of which €5m in non-current items).

(6) The Group defines “Loans and borrowings” as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets.

(7) Segisor is included in the presentation of the Latam Retail segment. Segisor loans and borrowings had been repaid in full at 31 December 2022 (31 December 2021: €149m).

11.2.2 Change in financial liabilities

(€ millions)	*Notes*	2022	2021
Gross borrowings and debt at 1 January		11,664	10,930
Fair value hedges – assets		(35)	(92)
Other financial assets		(654)	(586)
Loans and borrowings at 1 January		**10,975**	**10,252**
New borrowings (1) (3) (8) (9)		2,027	4,246
Repayments of borrowings (2) (3) (8) (9)		(2,020)	(3,555)
Change in fair value of hedged debt		(82)	(13)
Change in accrued interest		291	180
Foreign currency translation reserves (4)		255	4
Changes in scope of consolidation (5)		(260)	62
Reclassification of financial liabilities associated with non-current assets held for sale		5	
Net impact of the global tender offers for unsecured debt (9)		(139)	(113)
Impact of the approval of the safeguard plan for the Rallye scope	2.1	10	(51)
Change in other financial assets (6)		417	(67)
Other and reclassifications (7)		230	30
Loans and borrowings at end of period		**11,709**	**10,975**
Gross borrowings and debt at end of period	11.2.1	12,039	11,664
Fair value hedges – assets	11.2.1	(90)	(35)
Other financial assets	11.2.1	(240)	(654)

(1) New borrowings in 2022 mainly included the following: (a) the use by Casino, Guichard-Perrachon of the revolving credit facility for €50m, (b) the issue by Sendas of debentures for BRL 2,850m (€524m), of commercial paper for BRL 1,150m (€211m) and new bank loans for BRL 3,201m (€589m), (c) the issue by GreenYellow of bonds convertible into shares with warrants for €109m (Note 2), and (d) the use of confirmed bank lines and the issue of new bank loans by Éxito for COP 764 billion (€171m).

New borrowings in 2021 mainly included: (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).

(2) Repayments of borrowings in 2022 relate mainly to (i) Casino, Guichard-Perrachon (of which €249m in repayments of NEU CP negotiable short-term debt, €314m in redemptions of the 2022 bond issue and €232m in partial redemptions of the January 2023 and March 2024 bond issues), (ii) Quatrim with the partial redemption of secured high-yield bonds for €147m, and (iii) GPA with BRL 2,000m (€368m) in bond redemptions.

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 public buyback offers launched at the end of the year (Note 2)), (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.

(3) Cash flows relating to financing activities in 2022 represent a net outflow of €641m, with new borrowings of €2,027m offset by repayments of borrowings for €2,020m and net interest payments of €648m (excluding interest on lease liabilities)

Cash flows relating to financing activities in 2021 represented a net inflow of €248m, with new borrowings of €4,246m broadly offset by repayments of borrowings for €3,555m and net interest payments of €443m (excluding interest on lease liabilities

(4) In 2022, foreign currency translation adjustments primarily concern Brazil for €261m.

(5) In 2022, including a negative impact of €263m resulting from the loss of control of GreenYellow (Note 3.1.3).

(6) In 2022, changes in other financial assets essentially related to the use of the segregated account (Note 4.11).

In 2021, changes in other financial assets primarily resulted from the recognition of contingent consideration (earn-out) not collected, representing a negative €94m impact.

(7) Including an increase in bank overdrafts for €175m in 2022 and a reduction of €11m in 2021.

(8) Changes in negotiable European commercial paper ("NEU CP") are presented net in this table.

(9) *Through a global tender offer for its unsecured debt, carried out in the first half of 2022, Rallye acquired a total amount of debt of €270m, for a total repurchase price of €36m, i.e. a reduction in the amount of debt of €234m (before IFRS restatements in the amount of €69m) (note 2.1). In 2021, through a global tender offer for its unsecured debt, Rallye had 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).*

11.2.3 Outstanding bond issues

Bond issues *(€ millions)*	Currency	Principal (1)	Issue rate (2)	Issue date	Maturity date (3)	31 Dec. 2022 (4)	31 Dec. 2021 (4)
Rallye (5)		**1,140**				**998**	**1,065**
2020 bonds	EUR	3	F: 1.00%	Oct.-13	Feb-25 à Feb-32	1	1
2020 bonds	CHF	57	F: 4.00%	Nov.-16		52	56
2021 EMTN	EUR	361	F: 4.00%	Apr.-14		326	397
2022 bonds	EUR	89	F: 5.25%	Oct.-16		17	27
2023 EMTN	EUR	267	F: 4.37%	May-17		244	298
2024 bonds	CHF	64	F: 3.25%	Feb.-18		60	67
2025 bonds (6)	EUR	279	V: 12-month Euribor + 12.00%	July-20	June-25	279	210
2025 bonds (6)	EUR	19	V: 12-month Euribor + 12.00%	May-21	Jan.-25	19	9
Casino, Guichard-Perrachon		**2,287**				**2,151**	**2,892**
2022 bonds	EUR		F: 1.87%	June-17 / Jan.-18	June-22		313
2023 bonds	EUR	36 (7)	F: 4.56%	Jan.-13 / May-13	Jan.-23	36	224
2024 bonds	EUR	509 (7)	F: 4.50%	March-14	March-24	498	574
2025 bonds	EUR	357	F: 3.58%	Dec.-14	Feb.-25	337	333
2026 bonds	EUR	460	F: 4.05%	Aug.-14	Aug.-26	427	528
2026 bonds	EUR	400	F: 6.625%	Dec.-20	Jan.-26	397	396
2027 bonds	EUR	525	F: 5.25%	Apr.-21	Apr.-27	457	523
Quatrim		**653**				**648**	**790**
2024 bonds	EUR	653 (7)	F: 5.88%	Nov.-19	Jan.-24	648	790
GreenYellow							**29**
2023 bonds	EUR		F: 6%	June-21	June-23		5
2028 bonds	BRL		V: CDI 3.5%	Sept.-21	Sept.-28		24
Cdiscount		**13**				**13**	
2029 bonds	EUR	13	E3M 6%	June-22	Sept.-29	13	
GPA		**443**				**437**	**710**
Debentures – 17th issue	BRL		V: CDI 1.45%	Jan.-20	Jan.-22 / Jan.-23		317
Debentures – 18th issue – 1st Series	BRL	174	V: CDI 1.70%	May-21	May-25 / May-26	174	155
Debentures – 18th issue – 2nd Series	BRL	92	V: CDI 1.95%	May-21	May-27 / May-28	92	82
Promissory notes – 5th issue – 1st Series	BRL	89	V: CDI 1.55%	July-21	July-25	89	79
Promissory notes – 5th issue – 2nd Series	BRL	89	V: CDI 1.65%	July-21	July-26	89	79
Issue fees	BRL					(6)	(3)

Bond issues *(€ millions)*	Currency	Principal (1)	Issue rate (2)	Issue date	Maturity date (3)	31 Dec. 2022 (4)	31 Dec. 2021 (4)
Sendas		**1,818**				**1,801**	**989**
Promissory notes – 1st issue – 3rd Series	BRL		V: CDI 0.72%	July-19	July-22		8
Promissory notes – 1st issue – 4th Series	BRL	44	V: CDI 0.72%	July-19	July-23	44	40
Promissory notes – 1st issue – 5th Series	BRL	35	V: CDI 0.72%	July-19	July-24	35	32
Promissory notes – 1st issue – 6th Series	BRL	35	V: CDI 0.72%	July-19	July-25	35	32
Debentures – 2nd issue – 1st Series	BRL	167	V: CDI 1.70%	June-21	May-26	167	149
Debentures – 2nd issue – 2nd Series	BRL	117	V: CDI 1.95%	June-21	May-28	117	105
Promissory notes – 2nd issue – 1st Series	BRL	222	V: CDI 1.47%	Aug.-21	Aug.-24	222	198
Promissory notes – 2nd issue – 2nd Series	BRL	222	V: CDI 1.53%	Aug.-21	Aug.-25	222	198
Debentures – 3rd issue – 1st Series – CRI	BRL	174	V: IPCA 5.15%	Oct.-21	Oct.-28	174	156
Debentures – 3rd issue – 2nd Series – CRI	BRL	92	V: IPCA 5.27%	Oct.-21	Oct.-31	92	82
Debentures – 4th issue – CRI	BRL	355	V: CDI 1.75%	Jan.-22	Nov.-27	355	
Commercial Paper Notes – 1st series	BRL	133	V: CDI 1.70%	Feb.-22	Feb.-25	133	
Debentures – 5th issue – CRI	BRL	44	V: CDI 0.75%	Apr.-22	March-25	44	
Debentures – 6th issue – 1st Series – CRI	BRL	13	V: CDI 0.60%	Sept.-22	Sept.-26	13	
Debentures – 6th issue – 2nd Series – CRI	BRL	10	V: CDI 0.70%	Sept.-22	Sept.-27	10	
Debentures – 6th issue – 3rd Series – CRI	BRL	84	V: IPCA 6.70%	Sept.-22	Sept.-29	84	
Commercial Paper Notes – 2nd series	BRL	71	V: CDI 0.93%	Dec.-22	Dec.-25	71	
Issue fees	BRL					(17)	(9)
Total bonds						**6,048**	**6,475**

(1) *Corresponds to the principal of the bonds outstanding at 31 December 2022.*

(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) *For financings under the safeguard plan, please refer to the terms for the repayment of liabilities detailed in Note 2.1.*

(4) *The amounts above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.*

(5) *In April 2022, as part of the global tender offer on Rallye's unsecured debt (Note 2.1), Rallye reduced its outstanding bond debt by €215m. In February 2021, as part of a similar global tender offer, Rallye reduced its outstanding debt by €115m.*

(6) *Financing issued after the enforcement of the safeguard and therefore not subject to it.*

(7) *In 2022, the Group carried out early redemptions of a portion of its unsecured bonds maturing in 2023 and 2024 for €184m and €49m, respectively, and the secured high-yield bond issue maturing in January 2024 for €147m (Note 11.5.4).*

11.2.4 Breakdown of other loans and borrowings

Other loans and borrowings *(€ millions)*	Principal [1]	Rate	Issue date	Maturity date [2]	31 Dec. 2022	31 Dec. 2021
Rallye Group [3]	**1,607**				**1,837**	**1,770**
Bank borrowings	135	Variable		Feb.-25	134	134
Bank borrowings [4]	207	Variable/ Fixed		Feb.-25 à Feb.-32	197	221
Syndicated loans – credit lines	1,001	Variable		Feb.-25	991	988
Syndicated loans – credit lines	147	Variable		Feb.-25 à Feb.-32	45	42
Bank borrowings [5]	68	Variable		Jan.-25	67	33
NEU CP	49	Fixed		Feb.-25 à Feb.-32	49	49
Accrued interest [6]					354	304
Casino	**3,271**				**3,972**	**3,409**
• France						
Term Loan B	1,425	Variable [7]	Apr.-21 / Nov.-21	Aug.-25	1,418	1,416
NEU CP (Casino Guichard-Perrachon)	59	Fixed	[8]	[8]	59	308
Government-backed loan (Cdiscount)	60	Variable	Aug.-20	Aug.-26 [9]	60	120
RCF Casino Finance	50	Variable	Nov.-19	Oct.-23 à July-26 [10]	50	
Confirmed credit lines - Monoprix	170	Variable	July-21	Jan.-24 à Jan.-26 [11]	170	170
Other [12]					153	99
• International						
GPA	522	Variable [13]	Nov.-14 à Dec.-22	May-23 à Nov.-26	518	491
Sendas	836	Variable [13]	Jan.-15 à Dec.-22	Apr.-22 à May-27	835	240
Exito	149	Variable/ Fixed [13]	March-20 à March-21	March-25 à March-30	149	193
Segisor						149
Bank overdrafts [14]					239	59
Accrued interest [6]					321	164
Total other loans and borrowings					**5,809**	**5,179**
Of which variable rate					***4,472***	***4,119***

(1) Corresponds to the nominal amount at 31 December 2022.

(2) For financings under the safeguard plan, please refer to the terms for the repayment of liabilities detailed in Note 2.1.

(3) In April 2022, as part of the global tender offer on Rallye's unsecured debt (Note 2.1), Rallye reduced its outstanding debt by €26m. In February 2021, as part of a similar global tender offer, Rallye reduced its outstanding debt by €68m of which €10m in commercial paper.

(4) Including €102m in fixed-rate borrowings at 31 December 2022 (2020: €126m).

(5) Financing issued after the enforcement of the safeguard and therefore not subject to it.

(6) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2022, accrued interest primarily concerned Casino for €82m, GPA for €74m and Sendas for €159m (31 December 2021: Casino for €90m, GPA for €35m and Sendas for €39m).

(7) 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.

(8) Negotiable European commercial paper (NEU CP) is short-term financing generally with a maturity of less than 12 months.

(9) 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 (€30m) and current financial liabilities (also €30m) at 31 December 2022.

(10) An amount of €10m falls due in October 2023 and €40m in July 2026 (May 2025 if Term Loan B maturing in August 2025 is not refinanced at that date).

(11) An amount of €130m falls due in January 2026. In February 2022, the maturity of the €40m confirmed facility was extended from January 2023 to January 2024 (July 2023 if the Quatrim high-yield bond maturing in January 2024 is not refinanced at that date).

(12) Including €128m in one-off asset financing (end-2021: €90m relating to GreenYellow and €13m to Cdiscount).

(13) *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 355 billion, or €69m (31 December 2021: COP 303 billion, or €66m, swapped for fixed-rate debt.*

(14) *Overdrafts are mostly in France.*

11.2.5 Restructuring agreements

Refinancing of Rallye derivatives transactions: 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.

Financing of the global tender offers for Rallye's unsecured debt

The Tender Offers launched in January 2021 and March 2022 (Note 2.1) were 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).

This 82.4 M€ financing was arranged with Fimalac and financial institutions during the first tender offer in 2021. The nominal value of the first tranche drawn in May 2021 is €43.4m, and that of the second tranche drawn in May 2022 is €39.0m.

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.

It is recalled that the transfer of the Casino shares to the fiduciary trust, both for the refinancing of derivatives transactions and the financing of the global tender offers, is neutral for accounting and tax purposes and does not affect the percentage interest held by Rallye in Casino for consolidation purposes.

11.2.6 Casino Group confirmed bank credit lines in 2022

At 31 December 2022, Casino Group had confirmed undrawn bank credit lines totalling €2.2bn, breaking down as follows:

(€ millions)	Interest rate	Maturity date: within one year	Maturity date: in more than one year	Authorised	Drawn
Syndicated lines					
Casino, Guichard-Perrachon, Casino Finance (1)	Variable (1)	252	1,799	2,051	50
Syndicated lines					
Casino Group (2)	Variable (3)	19	364	383	183
Total		**271**	**2,163**	**2,435**	**233**

(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 ratio of loans and borrowings to EBITDA 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 bearing interest at Euribor with a zero floor, plus a spread that depends on the ratio of loans and borrowings to EBITDA 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 concerned Monoprix, Éxito and Distribution Casino France for €170m (including a syndicated facility of €130m – Note 2), €193m (COP 1,000bn) and €20m, respectively, of which €170m in lines drawn by Monoprix and €13m in lines drawn by Distribution Casino France. In February 2022, the maturity of the confirmed €40m line at Monoprix was extended from January 2023 to January 2024 (July 2023 if Quatrim's high-yield bond maturing in January 2024 is not refinanced at that date).*

(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 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 economic interest rate hedges (including the ineffective portion, counterparty credit risk and the Group's own default risk) 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*	2022	2021
Gains (losses) on disposals of cash equivalents			
Income from cash and cash equivalents		61	27
Income from cash and cash equivalents		**61**	**27**
Interest expense on borrowings after hedging [(1)]		(748)	(572)
Impact of the approval of the safeguard plan for the Rallye scope [(2)]	2.1	(10)	51
Cost of gross debt		**(758)**	**(521)**
Cost of net debt		**(697)**	**(494)**
Holdings and other activities		(116)	(72)
Food and general retailing		(581)	(422)
Of which France Retail [(3)]		*(213)*	*(267)*
Of which Latam Retail		*(350)*	*(144)*
Of which E-commerce		*(18)*	*(11)*

(1) *The expense in 2022 includes a positive impact of €27m corresponding to the cancellation of the interest calculated, since the start of the safeguard procedure, on Rallye's unsecured debt repurchased over the period (Note 2.1).*

(2) *In 2021, the determent for two-years of the payment dates under Rallye's safeguard plan led to the recognition of a net income of €51m following the application of IFRS 9 "Financial Instruments" in the case of a substantial modification of financial liabilities.*

(3) *Including a positive €51m impact in 2022 relating to the assessment of the DVA risk on derivatives with a negative fair value (Note 11.4). In 2021, including a negative €38m impact in connection with the derecognition of the former Term Loan B.*

11.3.2 Other financial income and expenses

(€ millions)	*Note*	2022	2021
Other financial income		**439**	**230**
Other financial expenses		**(660)**	**(510)**
Net foreign currency exchange gains (losses) (other than on borrowings) [(1)]			(12)
Gains (losses) on remeasurement at fair value of non-hedging derivative instruments [(2)]		13	11
Gains (losses) on remeasurement at fair value of financial assets		(11)	(6)
Interest expense on lease liabilities	7.1.2	(343)	(313)
No-drawdown credit lines costs, non-recourse factoring and associated transaction costs		(108)	(88)
Impact of applying IAS 29 to operations in Argentina		(23)	(10)
Net impact of the global tender offers [(2)]		139	113
Other [(3)]		112	25
Other financial income and expenses		**(221)**	**(280)**

(1) Including €76m in foreign currency exchange gains and €76m in foreign currency exchange losses in 2022 (2021: €29m in forex gains and €40m in forex losses).

(2) Impact of the global tender offers for Rallye's unsecured debt (Note 2.1) net of IFRS restatements (i.e. the accelerated amortization of liabilities under the IFRS 9 standard for the acquired debt).

(3) In 2022, this item mainly corresponds to the monetary adjustment at GPA and Sendas relating to the exclusion of ICMS tax from the PIS/COFINS tax base. In 2021, this item included BRL 41m (€6m) recognised by Sendas in connection with the exclusion of ICMS from the PIS/COFINS tax base and BRL 109m (€17m) recognised by GPA (Note 5.1).

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 2022						
Other non-current assets [1]	6.9	**499**	13	63	85	338
Trade and other receivables	6.7	**854**		95		759
Other current assets [1]	6.8	**991**	12		8	971
Cash and cash equivalents	11.1	**2,525**				2,525
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

(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 2022					
Bonds	11.2.3	**6,048**	6,048		
Other loans and borrowings	11.2.4	**5,991**	5,809		182
Put options granted to owners of non-controlling interests	3.4.1	**161**		161	
Lease liabilities	7.1.1	**5,190**	5,190		
Trade payables		**6,525**	6,525		
Other liabilities [1]	6.10	**2,079**	2,075		4
At 31 December 2021 (restated)					
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		**6,101**	6,101		
Other liabilities [1]	6.10	**2,094**	2,070		24

(1) Excluding non-financial liabilities.

11.4.2 Fair value hierarchy for financial instruments

Accounting principle

The fair value of all financial assets and liabilities is determined at the reporting date generally using standard valuation techniques, either for the purpose of recognition in the financial statements or for disclosure in the notes. This fair value includes the risk of non-performance by the Group and counterparties

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 (e.g., bonds) 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.

In particular, the measurement of the fair value of derivative financial instruments includes a credit value adjustment (CVA) to reflect counterparty risk for derivative instruments with a positive fair value, and a debit value adjustment (DVA) to reflect own credit risk for derivative instruments with a negative fair value.

Counterparty credit risk and the Group's own default risk used in the calculation of the CVA and DVA are determined on the basis of the credit spreads of the debt securities on the secondary market and trends in credit default swaps (CDS). A probability of loss given default (LGD) is applied, determined according to the market standard.

The Group has not adopted the exemption provided by IFRS 13.48 that allows an entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received for the sale of a net long position or the transfer of a net short position, where the entity manages that group of financial assets and financial liabilities on the basis of its net exposure to market or credit risk

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 2022					
Assets recognised at fair value:					
Financial assets at fair value through profit or loss	20	**20**			20
Financial assets at fair value through other comprehensive income	158	**158**	7	133	18
Economic and fair value hedges – assets (1)	90	**90**		90	
Cash flow hedges and net investment hedges – assets (1)	3	**3**		3	
Other derivative instruments – assets	5	**5**		5	
At 31 December 2021					
Assets recognised at fair value					
Financial assets at fair value through profit or loss	33	**33**			33
Financial assets at fair value through other comprehensive income	108	**108**	11	80	17
Economic and fair value hedges – assets (1)	35	**35**		35	
Cash flow hedges and net investment hedges – assets (1)	8	**8**		8	
Other derivative instruments – assets	5	**5**		5	

(1) 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 2022					
Liabilities recognised at fair value:					
Economic and fair value hedges – liabilities (1)	182	**182**		182	
Cash flow hedges and net investment hedges – liabilities (1)	2	**2**		2	
Other derivative instruments – liabilities (1)	1	**1**		1	
Put options granted to owners of non-controlling interests (2)	161	**161**			161
Liabilities not recognised at fair value:					
Bonds	6,048	**4,658**	1,983	2,675	
Other loans and borrowings (3)	5,809	**5,724**	7	5,717	
Lease liabilities	5,190	**5,190**		5,190	
At 31 December 2021					
Liabilities recognised at fair value:					
Economic and 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	6,475	**6,015**	3,891	2,124	
Other loans and borrowings (3)	5,179	**5,157**	18	5,136	3
Lease liabilities	4,892	**4,892**		4,892	

(1) *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 profit multiples (Note 3.4.1).*

(3) *The fair value of other borrowings was measured using the discounted cash flow method, taking into account the Group's own 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. 2022	31 Dec. 2021
Assets						
Derivatives at fair value through profit or loss	6.8.1 / 6.9		5		5	5
Cash flow hedges	6.8.1	3			3	8
Economic and fair value hedges – assets	6.8.1 / 6.9 / 11.2.1	90			90	34
Total derivatives – assets		**93**	**5**		**98**	**47**
of which non-current		*85*			*85*	*28*
of which current		*8*	*5*		*13*	*19*
Liabilities						
Derivatives at fair value through profit or loss	6.10		1		1	
Cash flow hedges	6.10		2		2	24
Economic and fair value hedges - liabilities	11.2.1	165	17		182	11
Total derivatives – liabilities		**165**	**20**		**185**	**35**
of which non-current		*163*	*4*		*167*	*33*
of which current		*2*	*16*		*18*	*2*

At 31 December 2022, non-qualifying derivatives (i.e., derivatives held as fair value hedges but not eligible for hedge accounting) on a notional amount of €3,997m had a negative net fair value of €92m and mainly comprised interest rate hedges and currency hedges in France on a notional amount of €3,506m with a negative fair value of €107m and in Brazil on a notional amount of €492m with a positive fair value of €16m. 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 2022, the cash flow hedge reserve included in equity had a debit balance of €7m after tax (31 December 2021: debit balance of €14m 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 was USD 207m (€194m – Note 11.5.2). Colombia applied cash flow hedge accounting to hedge interest rates on variable-rate borrowings for a notional amount of €69m at 31 December 2022. 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 2022 (31 December 2021: €5m).

The fair value calculation at 31 December 2022 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS

13. Income of €51m was recognised in 2022 in this respect (Note 11.3.1).

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 €4,080m and €1,425m, respectively, as at 31 December 2022 (note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date.

At 31 December 2022, Casino Group had a portfolio of 40 interest-rate swaps with around ten bank counterparties. These instruments expire at various dates between 2023 and 2027.

At 31 December 2022, after hedging, 35% of bond debt was at fixed rates (€1,931m), 31% was at capped or floored variable rates (€1,723m) and 34% was at variable rates (€1,852 m).

Sensitivity to changes in interest rates

(€ millions)	*Notes*	31 December 2022	31 December 2021
Casino, Guichard-Perrachon variable-rate bonds (1)	11.2.3	1,852	1,788
Casino, Guichard-Perrachon Term Loan B (1)	11.2.4	1,425	1,425
Brazil variable-rate bonds (2)	11.2.3	2,261	1,712
Rallye variable-rate bond (1)	11.2.3	298	219
Other variable-rate loans and borrowings (3)(4)(5)	11.2.4	3,171	2,809
Total variable-rate borrowings		**9,007**	**7,953**
Cash and cash equivalents	11.1	(2,525)	(2,302)
Net variable-rate position		**6,482**	**5,651**
1-point change in interest rates		**65**	**47**
Cost of net debt (excluding impact of the Safeguard Plan)	11.3.1	686	545
Impact of change on cost of net debt		**9.5%**	**8.6%**

(1) Corresponding to fixed-rate or floored-rate bonds and to the Term Loan B, representing a principal amount of €5,505m (31 December 2021: €6,335m) (note 11.2.3), including a principal amount of €1,852m (31 December 2021: €1,788m) swapped for variable-rate debt, and a principal amount of €1,723m (31 December 2021: €1,645m) 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 7,625m, or €1,352m (31 December 2021: BRL 4,645m, or €736m).

(5) Including variable-rate borrowings in Colombia for COP 417bn, or €81m (31 December 2021: COP 589bn, or €128m).

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 9.5% or €65m increase (9.5% or €65m 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 2022	Of which USD	Total exposure 2021
Exposed trade receivables	(16)	(14)	(6)
Exposed other financial assets	(74)	(37)	(84)
Exposed derivatives at fair value through profit or loss			
Exposed trade payables	208	186	179
Exposed financial liabilities	157	142	237
Exposed other financial liabilities	74	74	53
Gross exposure payable (receivable)	**349**	**351**	**379**
Hedged other financial assets			
Hedged trade payables	165	151	141
Hedged financial liabilities	140	140	235
Other hedged financial liabilities	66	66	49
Net exposure payable (receivable)	**(22)**	**(6)**	**(46)**
Hedges of future purchases	**194**	**194**	**190**
Put options granted to owners of non-controlling interests (1)	**127**	**127**	**113**

(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).*

Sensitivity of net exposure after currency hedging

A 10% appreciation of the euro at 31 December 2022 and 2021 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)	2022	2021
US dollar	(1)	(1)
Other currencies	(1)	(4)
Total	**(2)**	**(5)**

A 10% depreciation of the euro against those currencies at 31 December 2022 and 2021 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)	2022		2021	
	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total income	(1,222)	(312)	(985)	(268)
Recurring operating income	(44)	(14)	(41)	(15)
Net income	(9)	(3)	(8)	(8)
Equity	(325)	(104)	(242)	(123)

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	2022		2021	
	Closing balance	Average rate	Closing balance	Average rate
Brazilian real (BRL)	5.6386	5.43763	6.3101	6.3797
Colombian peso (COP)	5,173.70	4,471.77	4,611.32	4,426.54
Argentine peso (ARS)[1]	190.4643	190.4643	116.7629	116.7629
Uruguayan peso (UYP)	42.49402	43.37884	50.5625	51.5217
US dollar (USD)	1.0666	1.0534	1.1326	1.1829
Polish zloty (PLN)	4.6808	4.6856	4.5969	4.5655
Romanian leu (RON)	4.9495	4.931675	4.9490	4.9209

(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 2022, 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 2022	641	75	84	165	**324**	(111)	**854**
31 December 2021	504	135	93	150	**378**	(110)	**772**

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 2022, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.86x.

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.

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 2022.

As of 31 December 2022, 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

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

The liquidity analysis is performed both at the level of 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 2022, the Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,202m (of which a non-current portion of €1,766m for France);
- gross cash and cash equivalents totalling €2,504m (of which €434m available in France);
- €36m held in segregated accounts in France and able to be used at any time to pay down debt.

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2022 (France Retail):

- unsecured bonds amounting to €2,287m, of which €400m in high-yield bonds maturing in January 2026 and €525m in high-yield bonds maturing in April 2027;
- secured high-yield bonds for €653m maturing in January 2024;
- a term loan ("Term Loan B") for €1,425m, maturing in August 2025.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €59m was outstanding at 31 December 2022 (France Retail); these issues are made under a programme capped at €2,000m, with the availability of funds depending on market conditions and investor appetite. These issues are not subject to any covenants.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues and discounting facilities;
- diversifying financing currencies to include the euro, Casino Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities in excess of Casino Group's payment obligations at all times;

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.

- limiting the amount of annual repayments and proactively managing the repayment schedule;
- carrying out asset disposals, particularly in the Latam Retail segment;
- 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 €59m at 31 December 2022 versus €308m at 31 December 2021. In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

At 31 December 2022, trade payables totalling €1,217m (including €520m in France Retail payables, €664m in Latam Retail payables and €33m in E-commerce payables) had been reverse factored, versus €1,158m at 31 December 2021 (€509m, €604m, and €45m, respectively).

Management of medium- and long-term debt

Casino Group continues to proactively manage its debt maturities through buybacks and early repayments, and by accessing the market for new loan and bond issues. The form, availability and timing of these operations are dependent on market conditions.

In November 2022, Casino Group made a public offer to redeem its unsecured bond issue maturing in January 2023 for a nominal amount of €154m.

The Group also redeemed bond issues through buybacks on the financial markets throughout 2022. These redemptions represented a total nominal amount of €226m, of which (i) €147m for the secured high-yield bond maturing in January 2024, (ii) €49m for the unsecured bond maturing in March 2024 and (iii) €30m for the unsecured bond maturing in January 2023.

The table below shows the ratings assigned to the financial instruments by Fitch Ratings, Moody's, Scope Ratings and Standard & Poor's:

Financial instrument rating	Fitch Ratings (new rating)	Moody's	Scope Ratings	Standard & Poor's
Casino, Guichard-Perrachon	B- with a positive outlook since 25 November 2022	B3 with a negative outlook since 8 September 2022 (previously B3 with a stable outlook)	B+ with a negative outlook since 27 January 2023 (previously BB- with a stable outlook)	CCC+ with a developing outlook since 7 October 2022 (previously B with a negative outlook)
Secured bonds	BB- since 25 November 2022	B2/stable outlook (6 August 2020)	BB- since 27 January 2023 (previously BB)	B- since 7 October 2022 (previously B+)
Term Loan B	BB- since 25 November 2022	B2/stable outlook (6 August 2020)	BB- since 27 January 2023 (previously BB)	B- since 7 October 2022 (previously B+)
Unsecured bonds	CCC+ since 25 November 2022	Caa1/stable outlook (6 August 2020)	B since 27 January 2023 (previously B+)	CCC+ since 7 October 2022 (previously B)

The high-yield bond issue by Quatrim is secured by shares in Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets whose disposal was pending).

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 Group's Latin American operations.

Surety rights have also been granted in respect of miscellaneous liabilities totalling €17m (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 and E-commerce)	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2022
Secured gross debt (1) / EBITDA (2) not more than 3.5	RCF for €2,051m	Quarterly	3.1
EBITDA (2) / net finance costs (3) not less than 2.25			3.0

(1) *Gross debt as defined in the loan documentation only concerns loans and borrowings for which collateral has been posted for the France Retail 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 2022, the debt concerned was mainly (i) the Term Loan B for €1,425m, (ii) high-yield bonds for €653m, and (iii) the drawn portion of the RCF facility (€50m drawn at end-2022.*

(2) *EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities for the France Retail and E-commerce scope.*

(3) *Net finance costs as defined in the loan agreement represent net finance costs for the France Retail 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 Casino Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably 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 may be applied on an independent or additional basis, depending on the transactions planned:
  - FCCR: EBITDA [2] / Fixed charges [2] > 2
  - Secured debt leverage: Consolidated leverage [2] / EBITDA [2] : < 2

Casino Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses.

Change-of-control clauses are included in all of Casino's bond financing documentation issued up to 2018, except for the documentation relating to the €600m deeply- subordinated perpetual bonds (TSSDI) issued in 2005. Change of control is established when two criteria are met:

- a third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
- this change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €1,362m at 31 December 2022, 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.

1 | 50% of net profit attributable to owners of the parent, with a minimum of €100m per year from 2021 and an additional €100m that may be used for one or several distributions during the life of the debt.

2 | As defined in the loan agreements.

Financing of subsidiaries subject to covenants

Most of Casino Group's other loan agreements – primarily concerning Monoprix, GPA and Sendas – 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		

(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).

These covenants were respected at 31 December 2022.

Exposure to liquidity risk

The table below presents a schedule of financial liabilities by maturity at 31 December 2022, 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 2.1 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 (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. 2022	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	11,857	14,843	1,630	2,562	5,557	2,804	2,290
Lease liabilities	5,190	8,516	1,025	971	907	1,555	4,058
Put options granted to owners of non-controlling interests	161	214	129		12	73	
Trade payables and other financial liabilities	8,599	8,599	8,419	142	14	11	13
Total	**25,807**	**32,172**	**11,203**	**3,675**	**6,490**	**4,443**	**6,361**
Derivative financial instruments							
cash inflows		*368*	*311*	*38*	*12*	*7*	
cash outflows		*(529)*	*(362)*	*(89)*	*(42)*	*(36)*	
Derivative contracts – net settled		*100*	*(48)*	*(20)*	*(11)*	*(13)*	*192*
Total	**(87)**	**(61)**	**(99)**	**(71)**	**(41)**	**(42)**	**192**

11.5.5 Terms for the repayment of liabilities under the Safeguard Plan

The terms for the repayment of liabilities provided for by Rallye's safeguard plan are specified in note 2.1.

11.5.6 Risks relating to the implementation of the safeguard plans

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 as well as its refinancing. 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 fulfill 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.

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 the different companies are also linked.

Rallye has three categories of resources at its disposal to repay its liabilities under the safeguard plan:

- mainly 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 offers made by Rallye on its unsecured debt (see page 8 of this management report) in 2021 and in 2022 as well as the financing planned in connection with the tender offers were approved by the Paris Commercial Court on 4 May 2021 and on 9 May 2022. 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.

The company Rallye follows quarterly the evolution of Casino's financial situation on which depends the proper execution of the safeguard plans.

11.5.7 Rallye liquidity risks

Current liquidity is limited to its available cash as 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. However, the payment of dividends will depend on the distributive capacity and therefore the financial situation of Casino.

In the event of a Rallye liquidity problem, which may occur before or after the first significant maturity of 2025, the suspension of payments status could be observed, the safeguard plan would be resolved and the Paris Commercial Court would then open administration proceedings, or if administration was manifestly impossible, liquidation proceedings.

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: The dividend exemption negotiated by Rallye of €5m (or €1.5 per share) in respect of the 3.257 million shares placed in fiduciary trusts to the benefit of banks and Fimalac, applied to any dividends paid by Casino until 31 December 2022. In the absence of a dividend payment by Casino, this franchise mechanism was never implemented.

At 31 December 2022, Rallye's cash position stood at €19.3m versus €15.5m at 31 December 2021.

11.5.8 Risks related ton ongoing proceedings

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.

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. The parties have agreed to jointly request a deferral of the decision to admit the claims declared by Diis Group under the *Additional Amount* mechanisms (corresponding to tax claims that may arise and become due upon the occurrence of certain events) provided for in the terms and conditions of the bonds. The hearing took place on 7 June 2022. By judgments of 10 January 2023, the Court of Appeal of Paris declared inadmissible the exception to defer the decision on the Additional Amounts, but nevertheless decided to defer the decision for the proper administration of justice.

- 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. A statement of discontinuance has been filed and the hearing has been set for the 16 May 2023.

Third-party proceedings from Angelo Gordon funds:

- Angelo Gordon, representing various Rallye creditor funds, secured on Casino shares, filed on 5 November 2021 two statements of third-party proceedings against the judgment of 26 October 2021 having extended the duration of Rallye safeguard plan. By judgment of 13 October 2022, the Paris Commercial Court declared Angelo Gordon admissible but unfounded in his application for revocation and dismissed him. Angelo Gordon appealed the judgment of 13 October 2022. The hearing before the Paris Court of Appeal took place on 23 March 2023.

Other appeals from Bernard Law-Wai:

- Mr. Bernard Law-Wai filed applications to revise/withdraw the decisions handed down by the Paris Commercial Court on 25 November 2019 (renewal of the observation periods) and 28 February 2020 (approval of the safeguard plans) in connection with the safeguard proceedings for Rallye, Foncière Euris, Finatis and Euris. Mr. Bernard Law-Wai was declared inadmissible in his applications by judgment of the Paris Commercial Court of 30 September 2021. Mr. Bernard Law-Wai appealed these judgments. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgments declaring Mr. Bernard Law-Wai inadmissible by judgments of 7 February 2023.
- Mr. Bernard Law-Wai appealed from the judgment of the Paris Commercial Court of 9 December 2021, which (i) dismissed his applications for withdrawal of various procedural judgments of 23 April 2021 and (ii) dismissed his application for stay of proceedings, based on the requests for legitimate suspicion and revocation lodged against the members of the Court. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgment dismissing the applications of Mr. Bernard Law-Wai by judgment of 7 February 2023.
- Mr. Bernard Law-Wai filed third-party proceedings to the judgments of 26 October 2021, which extended the safeguard plans of Rallye, Foncière Euris, Finatis and Euris. By judgments of 1 December 2022, the Commercial Court of Paris declared the nullity of these four third-party proceedings.

The investigation of the *Autorité des Marchés Financiers* ("AMF") opened in autumn 2018 against Rallye and its director is ongoing and has led to the issuance of a letter of observations to which it was replied. Rallye has been referred to the Sanctions Commission.

The AMF procedure is ongoing and the hearing before the Sanctions Commission could take place as early as 2023.

The possible sanction in the context of the sanction procedure opened against Rallye is likely to call into question its going concern and correlatively, to lead to the conversion of the safeguard procedure into administration proceedings, and even into liquidation proceedings.

Note 12. Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Rallye shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control only affect shareholders' equity because there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in shareholders' equity attributable to owners of Rallye. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met:

- the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and
- in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the entity's own equity instruments, or it is a derivative that will be settled solely by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

Eligible external and internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Treasury shares are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact on profit or loss for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in note 11.

12.1 Capital management

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial flexibility required to support the Group's future business development.

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 €159m, made up of 52,925,203 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.

The Group has awarded shares to its employees under the free share plans described in note 8.3.

12.3 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 12.5.2);
- net change in fair value of available-for-sale financial assets;
- net change in fair value of cash flow hedges.

12.4 Other equity instruments

TSSDI Casino

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 2022, the average coupon was 2.69% (2021: 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.

12.5 Other information on consolidated reserves

12.5.1 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 2021	**(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)**
Movements for the year	4		69	17	(18)		72
At 31 December 2022	**(3)**	**(7)**	**(1,490)**	**(37)**	**(72)**		**(1,609)**

(1) Financial instruments at fair value through other comprehensive income.

12.5.2 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 positive €194m change in 2022 included a positive €69m impact on equity attributable to owners of the parent.

(€ millions)	31 December 2022			31 December 2021		
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	(1,109)	(4,328)	**(5,437)**	(1,192)	(4,571)	**(5,763)**
Argentina	(143)	(257)	**(400)**	(126)	(195)	**(321)**
Colombia	(202)	(872)	**(1,074)**	(195)	(758)	**(953)**
Uruguay	(49)	(92)	**(141)**	(59)	(147)	**(206)**
United States	10	12	**22**	10	10	**20**
Poland	2	3	**5**	3	3	**6**
Hong Kong	1		**1**	1		**1**
Other		(1)	**(1)**	(1)	(2)	**(3)**
Total	**(1,490)**	**(5,535)**	**(7,025)**	**(1,559)**	**(5,660)**	**(7,219)**

12.5.3 Notes to the statement of comprehensive income

(€ millions)	2022	2021 (restated)
Cash flow hedges and cash flow hedge reserve [(1)]	**8**	**28**
Change in fair value during the year		40
Reclassifications to profit or loss	9	(2)
Income tax (expense) benefit	(1)	(10)
Hedges of net investments in foreign operations		
Change in fair value during the year		
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 12.5.2)	**194**	**(108)**
Foreign currency translation reserves for the year	173	(108)
Reclassifications to profit or loss related to disposals over the year	21	
Income tax (expense) benefit		
Equity instruments at fair value through other comprehensive income	**(32)**	**(3)**
Change in fair value during the year [(2)]	(32)	(3)
Income tax (expense) benefit		
Actuarial gains and losses	**35**	**2**
Adjustments for the year	46	2
Income tax (expense) benefit	(11)	
Share of other comprehensive income (loss) of equity-accounted investees	**2**	**(3)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	2	2
Foreign currency translation reserve – adjustments for the year		(4)
Equity instruments at fair value through other comprehensive income – change in fair value		
Total	**206**	**(85)**

(1) The change in the cash flow hedge reserve in 2022 and 2021 was not material.

(2) In 2022, this corresponds to the impairment loss recognised on the Group's investment in Gorillas (Note 2.2).

12.6 Main non-controlling interests

The following table provides detailed information on the main non-controlling interests:

(€ millions) Country	Casino (1) *France*	GPA (2) *Brazil*	Sendas *Brazil*	Grupo Éxito (3) *Colombia*	Other	Total *restated*
At 1 January 2021 (reported)	2,293	1,370		1,412	75	5,150
In Effect of applying IFRS IC agenda decision on Costs in a Cloud Computing Arrangement (Note 1.3)	(4)	(1)			(1)	(6)
1 January 2021 (restated)	**2,289**	**1,369**		**1,412**	**74**	**5,144**
% of ownership interests held by non-controlling interests (4)	*47.4%*	*58.8%*		*60.2%*		
% of voting rights held by non-controlling interests (4)	*36.9%*	*58.8%*		*60.2%*		
Net income (loss) for the year	**(238)**	**(95)**	**149**	**87**	**(9)**	**(106)**
Other comprehensive income (loss) (5)		14	3	(98)	(2)	(83)
Dividends paid/payable		11	(28)	(52)		(69)
Other movements (6)	(31)	(602)	621	28	(2)	14
31 December 2021 (restated)	**2,020**	**697**	**745**	**1,377**	**61**	**4,900**
% of ownership interests held by non-controlling interests (4)	*47.5%*	*59.0%*	*59.0%*	*60.4%*		
% of voting rights held by non-controlling interests (4)	*37.8%*	*59.0%*	*59.0%*	*60.4%*		
Net income (loss) for the year	**(129)**	**(219)**	**159**	**45**	**(14)**	**(158)**
Other comprehensive income (loss) (5)	39	99	126	(106)	10	168
Dividends paid/payable		28	(14)	(65)	(2)	(53)
Other movements	166	255	(130)	33	(142)	182
31 December 2022	**2,096**	**860**	**886**	**1,284**	**(87)**	**5,039**
% of ownership interests held by non-controlling interests (4)	*47.7%*	*59.1%*	*69.5%*	*60.5%*		
% of voting rights held by non-controlling interests (4)	*36.7%*	*59.1%*	*69.5%*	*60.5%*		

(1) Including holders of deeply-subordinated perpetual bonds (TSSDI) for €1,350m (note 12.4).

(2) GPA excluding Éxito, Uruguay and Argentina.

(3) Éxito including Uruguay and Argentina.

(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 and Sendas relate to the Casino Group scope; percentages for Casino relate to the Rallye Group scope.

At 31 December 2022, Casino holds 40.9% of the capital and voting rights of GPA and 30.5% of 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) a majority of members of the Board of Directors have been nominated by Casino, and the remaining shares of GPA and Sendas are held by widely-dispersed shareholders (31 December 2021: 41.0% of capital and voting rights held in GPA and Sendas).

(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.

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	
	2022	2021 (restated)
% ownership interests held by non-controlling interests	*47.66%*	*47.49%*
% voting rights of non-controlling interests	*36.65%*	*37.79%*
Net sales	33,610	30,549
Net income (loss) from continuing operations	(314)	(147)
Net income (loss) from discontinued operations	(31)	(255)
Consolidated net income (loss)	**(345)**	**(402)**
Attributable to non-controlling interests in Casino subsidiaries	*(29)*	*132*
Attributable to non-controlling interests in Casino	*(128)*	*(237)*
Attributable to non-controlling interests in Casino Group	***(158)***	***(106)***
Other comprehensive income (loss)	168	(82)
Total comprehensive income (loss) for the year	**(177)**	**(484)**
Attributable to non-controlling interests in Casino subsidiaries	99	*49*
Attributable to non-controlling interests in Casino	*(89)*	*(238)*
Attributable to non-controlling interests in Casino Group	***10***	***(189)***
Non-current assets	22,781	21,053
Current assets	8,917	9,470
Non-current liabilities	(13,398)	(12,975)
Current liabilities	(12,563)	(11,926)
Net assets	**5,738**	**5,622**
Attributable to non-controlling interests in Casino subsidiaries	*2,947*	*2,880*
Attributable to non-controlling interests in Casino (1)	*2,097*	*2,021*
Attributable to non-controlling interests in Casino Group	***5,044***	***4,900***
Net cash from operating activities	1,155	1,519
Net cash from (used in) investing activities	108	(1,101)
Net cash from (used in) financing activities	(1,317)	(848)
Effect of changes in exchange rates on cash and cash equivalents	97	(22)
Change in cash and cash equivalents	**43**	**(452)**
Dividends paid during the year to:		
Non-controlling interests in Casino subsidiaries	(53)	*(69)*
Non-controlling interests in Casino		
Total dividends paid by Casino and its subsidiaries to non-controlling interests	***(53)***	***(69)***

(1) Including €1,350m relating to issues of TSSDIs by Casino (note 12.4).

12.7 Dividends

In connection with the safeguard proceedings, Rallye's Board of Directors asked shareholders at the 2022 Shareholders' Meeting to approve the proposal not to pay a dividend in respect of 2021. The same proposal will be submitted for the 2022 dividend at the 2023 Shareholders'.

12.8 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.

12.8.1 Weighted average number of shares

	31 December 2022	31 December 2021
Weighted average number of shares outstanding during the year:		
▪ total shares	52,785,418	52,514,692
▪ treasury shares		
Weighted average number of shares before dilution	**52,785,418**	**52,514,692**
▪ Free share plans		275,725
Dilutive effect of stock option plans		**275,725**
Weighted average number of shares after dilution	**52,785,418**	**52,790,417**

12.8.2 Net income (loss) attributable to owners of the Company

(€ millions)	*Note*	2022	2021 (restated)
Net income (loss), Group share		**(254)**	**(277)**
Diluted net income (loss), Group share		**(254)**	**(277)**
Net income (loss) from discontinued operations	3.5.2	(19)	(134)
Diluted net income (loss) from continuing operations		**(235)**	**(143)**

12.8.3 Earnings per share

	2022	2021 (restated)
Consolidated net income (loss), Group share *(€ millions)*	**(254)**	**(277)**
Consolidated net income (loss), Group share *(€ per share)*:		
▪ before dilution	(4.82)	(5.26)
▪ after dilution	(4.82)	(5.26)
Net income (loss) from continuing operations, Group share *(€ millions)*	**(235)**	**(143)**
Net income (loss) from continuing operations, Group share *(€ per share)*:		
▪ before dilution	(4.46)	(2.72)
▪ after dilution	(4.46)	(2.72)
Net income (loss) from discontinued operations, Group share *(€ millions)*	**(19)**	**(134)**
Net income (loss) from discontinued operations, Group share *(€ per share)*:		
▪ before dilution	(0.37)	(2.54)
▪ après dilution	(0.37)	(2.54)

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. 2022	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. 2022
Claims and litigation	381	271	(90)	(61)	(1)	37		537
Other risks and expenses	100	34	(14)	(18)	(1)		2	103
Restructuring	112	48	(43)	(9)			(3)	104
Total other provisions	**592**	**353**	**(147)**	**(88)**	**(2)**	**37**	**(1)**	**744**
... of which non-current	376	234	(75)	(54)		38	(3)	515
... of which current	216	119	(72)	(33)	(2)	(1)	2	229

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 €537m and include €485m 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 €227m, a negative €74m and a negative €52m.

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 2022	58	253	134	40	**485**
of which GPA	*53*	*248*	*119*	*36*	***456***
of which Sendas	*5*	*5*	*15*	*4*	***29***
31 December 2021	45	197	66	37	**345**
of which GPA	*33*	*192*	*55*	*33*	***313***
of which Sendas	*12*	*5*	*11*	*4*	***32***

(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 December 2022						31 December 2021					
	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	GPA	Sendas	GPA	Sendas	GPA	Sendas
Tax disputes	86	2	101		1,718	124	79	10	115		1,573	100
Employee disputes	37	6			177	16	33	8			183	16
Civil and other litigation	12	2	2		73	90	4	1	1		78	35
Total	**135**	**10**	**103**		**1,968**	**230**	**116**	**19**	**116**		**1,834**	**151**

(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. On 14 July 2022, the Advocate General delivered their opinion recommending that the Court categorically annul the Commission's 2017 investigation and hence the 2019 investigation. The procedure remains pending until the Court of Justice delivers its judgement in the coming weeks.

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. At the beginning of March 2022, Cnova received a report from the court-appointed expert indicating that (i) a significant number of claims did not meet the eligibility criteria as described in the agreement, and (ii) the amount of BRL 65m should be reduced by Via Varejo's 22% contribution and by approximately BRL 25m of deductible. In an order handed down in July 2022, the court instructed the expert to carry out further examinations on 19,700 third-party claims. The court's final decision is expected by the end of 2023. Cnova management and its counsel have analysed the expert's report and do not consider the residual risk to be material.

Brazil tax, social and civil contingent liabilities

(€ millions)	2022	*o/w GPA*	*o/w Sendas*	2021	*o/w GPA*	*o/w Sendas*
INSS (employer's social security contributions)	113	*109*	*4*	100	*91*	*9*
IRPJ – IRRF and CSLL (corporate income taxes)	253	*144*	*109*	195	*119*	*76*
PIS, COFINS and CPMF (VAT and similar taxes)	936	*821*	*115*	835	*739*	*97*
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	26	*23*	*3*	25	*22*	*2*
ICMS (state VAT)	1,143	*951*	*192*	974	*795*	*179*
Civil litigation	71	*63*	*8*	59	*52*	*7*
Total	**2,542**	***2,111***	***431***	**2,188**	***1,819***	***369***

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 2022, the estimated amount totalled €28m, comprising €25m for GPA and €2m for Sendas (31 December 2021: €25 and €2m, respectively, for a total of €27m).

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 1,922m (€341m) at 31 December 2022 (31 December 2021: BRL 1,467 m), 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 961m (€170m) (31 December 2021: BRL 734m, representing €116m). 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 and BRL 613m (€104m) recognised in "Other financial income". 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 2022, 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. Following full justification by Via Varejo, GPA no longer considers these tax credits as a contingent asset, and accordingly recognised an additional amount of BRL 278m (€51m) at 31 December 2022, shown in profit (loss) from discontinued operations.

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 103, rue la Boétie – 75008 Paris – France (Siren no. 702 023 508) for the year ended 31 December 2022.

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 €6.3m, of which €6.0m for strategic and technical advisory services and €0.3m for the provision of staff and premises.

Note 15. Subsequent events

— *TERACT and Casino Group sign an exclusive agreement to create the French leader in responsible and sustainable retail*

On 9 March 2023, Casino Group and TERACT announced that they had entered into an exclusive agreement, with the aim of entering into a binding agreement to create the French leader in responsible and sustainable retail activities. The exclusive discussions concern the creation of two separate entities:

- an entity, controlled by Casino, bringing together the retail activities in France. Casino Group would contribute over 9,100 stores, its undisputed leadership in convenience formats, the strength of its banners, its digital offering and its good CSR practices. TERACT would bring its know-how and expertise in the operation of garden centres and food distribution;
- a new entity, named TERACT Ferme France and controlled by InVivo, in charge of supplying local agricultural products through short food supply chains that help to promote France's regions and showcase agricultural products. TERACT Ferme France will benefit from strong proximity to the agricultural industry through the InVivo group, its majority shareholder.

The transaction would value the activities contributed by Casino Group and TERACT at 85% and 15%, respectively, on a debt-free cash-free basis.

In order to be able to execute an ambitious growth plan, the new entity would be provided with additional equity in the region of €500 million. To this effect, in a joint initiative, Casino and the reference shareholders of TERACT have already engaged in discussions with a number of investors keen to become shareholders of the combined entity.

The composition of both entities' governance and executive bodies would closely associate the reference shareholders of Casino Group and TERACT, as well as their management teams.

This project remains subject to the signing of a binding agreement between Casino Group and TERACT, which could be achieved by the end of the second quarter of 2023. This project would be subject to the consultation of the employee representative bodies of both groups as well as to the approval of the respective governance bodies of Casino Group, TERACT and InVivo. Further communication to the market would be made upon the signing of the binding agreement, which would be submitted to the approval of the antitrust authorities and of the shareholders and creditors of both parties.

— *Disposal of part of Casino's stake in Assaí*

In order to accelerate its deleveraging, Casino Group announced on 17 March 2023 that it had completed the book building process for the secondary offering of Assaí shares announced on 14 March 2023. As part of the offering, 254 million Assaí shares held by Casino Group (including 2.3 million shares represented by ADS, each ADS consisting of 5 Assaí shares), representing 18.8% of Assaí's share capital, were allocated at a selling price of BRL 16.00 per share ($15.13 per ADS), for a total placement amount of BRL 4,064.0m (€723.2m[1]). The transaction took place on 21 March 2023. Upon completion of the transaction, Casino Group holds an 11.7% stake in Assaí's capital and therefore no longer controls the company.

Note 16. Statutory Auditors' fees

(€ millions)	2022		2021	
	EY	KPMG	EY	KPMG
Statutory audit and review of the parent company and consolidated financial statements	1.6	4.2	5.1	0.3
Non-audit services (*)	3.3	1.2	1.6	0.0
Total	**4.9**	**5.4**	**6.7**	**0.3**

(*) Concerning EY in 2022, this amount includes €2.5m for audit reports and comfort letters in connection with subsidiaries' market operations.

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.

1 | Based on an exchange rate of BRL 5.62/euro.

Note 17. List of main consolidated companies

FC – fully consolidated; EM – equity method.

At 31 December 2022, the scope of consolidation covered 1,299 companies (compared with 1,345 companies at 31 December 2021).

Company	Registered office	Business segment	2022			2021		
			Conso-lidation method	% interest	% control	Conso-lidation method	% interest	% control
Rallye SA*	**75008 Paris**	**Holding company**	**Parent company**			**Parent company**		
Centrum Development Luxembourg SA	Luxembourg	Holding company	-	-	-	EM	20,0	20,0
Centrum Krakow SA	Luxembourg	Holding company	EM	20.0	20.0	EM	20.0	20.0
Centrum K SP Zoo (ex. Centrum Krokus SP Zoo)	Warsaw (Poland)	Property development	EM	26.5	36.0	EM	26.5	36.0
Centrum Lacina SP Zoo	Warsaw (Poland)	Property development	-	-	-	EM	5.4	27.0
Centrum S SP Zoo (ex. Centrum Serenada SP Zoo)	Warsaw (Poland)	Property development	EM	26.5	36.0	EM	26.5	36.0
Euristates Inc.	Wilmington, Delaware (US)	Holding company	FC	100.0	100.0	FC	100.0	100.0
IG Real Estate Investments SRL	Bucharest (Romania)	Property development	FC	81.6	100.0	FC	81.6	100.0
IG Romanian Investments Ltd	Nicosia (Cyprus)	Investments	FC	81.6	81.6	FC	81.6	81.6
Kergorju SCI	29200 Brest	Property	FC	100.0	100.0	FC	100.0	100.0
Magasins Jean SAS	29200 Brest	Retailing	FC	100.0	100.0	FC	100.0	100.0
Parande SAS	75008 Paris	Holding company	FC	100.0	100.0	FC	100.0	100.0
Pargest SAS	75008 Paris	Investments	-	-	-	FC	100.0	100.0
Pargest Holding SAS	75008 Paris	Holding company	-	-	-	FC	100.0	100.0
Parinvest SAS	75008 Paris	Investments	FC	100.0	100.0	FC	100.0	100.0
Perrières (Des) SCI	75008 Paris	Property	-	-	-	FC	100.0	100.0
Pont de Grenelle SCI	75008 Paris	Holding company	EM	20.0	20.0	EM	20.0	20.0
Projekt SP Zoo	Warsaw (Poland)	Property development	-	-	-	EM	33.0	33.0
Ruban Bleu Saint-Nazaire SCI	92300 Levallois-Perret	Property management	-	-	-	EM	50.0	50.0
Sables (Les) SCI	75008 Paris	Property	-	-	-	FC	100.0	100.0
Sport Trade Marketing International (« STMI ») Sàrl	CH1215 Geneva (Switzerland)	Sport	-	-	-	EM	50.0	50.0
Casino, Guichard-Perrachon SA*	**42000 Saint-Etienne**	**Retailing**	**FC**	**52.3**	**63.3**	**FC**	**52.5**	**62.2**
Achats Marchandises Casino (« AMC ») SAS	94400 Vitry-sur-Seine	Purchases	FC	52.3	100.0	FC	52.5	100.0
AUXO Achats Alimentaires SAS	91300 Massy	Purchases	EM	15.7	30.0	EM	15.8	30.0
AUXO Achats Non-Alimentaires SAS	91300 Massy	Purchases	EM	36.6	70.0	EM	36.8	70.0
Casino Carburants SAS	42000 Saint-Etienne	Service stations	FC	52.3	100.0	FC	52.5	100.0
Casino Finance SA	42000 Saint-Etienne	Holding company	FC	52.3	100.0	FC	52.5	100.0
Casino International SAS	42000 Saint-Etienne	Services	FC	52.3	100.0	FC	52.5	100.0
Casino Participations France SAS	42000 Saint-Etienne	Holding company	FC	52.3	100.0	FC	52.5	100.0
Casino Services SAS	42000 Saint-Etienne	Services	FC	52.3	100.0	FC	52.5	100.0
Distribution Casino France SAS (« DCF »)	42000 Saint-Etienne	Retailing	FC	52.3	100.0	FC	52.5	100.0
Distridyn SA	75008 Paris	Retailing	EM	26.2	50.0	EM	26.2	50.0
Easydis SAS	42160 Andrézieux-Bouthéon	Logistics	FC	52.3	100.0	FC	52.5	100.0
ExtenC SAS	42000 Saint-Etienne	Retailing	FC	52.3	100.0	FC	52.5	100.0
Floa Bank SA	75116 Paris	Banque	-	-	-	EM	26.3	50.0
Floréal SA	42000 Saint-Etienne	Retailing	FC	52.3	100.0	FC	52.5	100.0
Forézienne de Participations SAS	42000 Saint-Etienne	Holding company	-	-	-	FC	52.5	100.0
Géant Holding BV	Amsterdam (Netherlands)	Holding company	FC	52.3	100.0	FC	52.5	100.0
Géant International BV	Amsterdam (Netherlands)	Holding company	FC	52.3	100.0	FC	52.5	100.0
Geimex SA	75001 Paris	Retailing	FC	52.3	100.0	FC	52.5	100.0
Gelase SA	Brussels (Belgium)	Holding company	FC	20.7	100.0	FC	20.9	100.0

** Listed company*

Company	Registered office	Business segment	2022			2021		
			Conso-lidation method	% interest	% control	Conso-lidation method	% interest	% control
Global Retail Services SA	Brussels (Belgium)	Services	EM	26.2	50.0	EM	26.3	50.0
GreenYellow SAS	42000 Saint-Etienne	Photovoltaics	-	-	-	FC	38.0	72.4
GreenYellow Holding SAS	92800 Puteaux	Holding company	EM	11.8	11.8	-	-	-
Helicco Participacoes Ltda	São Paulo (Brazil)	Holding company	FC	52.3	100.0	FC	52.5	100.0
Inlead SAS	44000 Nantes	Marketing Digital	FC	47.8	100.0	FC	47.9	100.0
Infinity Advertising SA	75009 Paris	Marketing Digital	EM	26.2	50.0	EM	26.3	50.0
IRTS SARL	Genève (Switzerland)	Purchasing	FC	52.3	100.0	FC	52.5	100.0
Intexa SA *	42000 Saint-Etienne	Photovoltaic	FC	51.2	98.9	FC	51.4	98.9
L'Immobilière Groupe Casino SAS	42000 Saint-Etienne	Property	FC	52.3	100.0	FC	52.5	100.0
Mayland Real Estate Sp Zoo	Warsaw (Poland)	Property development	FC	52.3	100.0	FC	52.5	100.0
Mercialys SA*	75016 Paris	Property	-	-	-	EM	8.9	16.9
Perspecteev SAS	75011 Paris	Software development	EM	25.6	49.0	EM	25.7	49.0
Quatrim SAS	42000 Saint-Etienne	Holding company	FC	52.3	100.0	FC	52.5	100.0
RelevanC SAS	75008 Paris	Digital marketing	FC	52.3	100.0	FC	52.5	100.0
Ségisor SA	42000 Saint-Etienne	Holding company	FC	52.3	100.0	FC	52.5	100.0
Sudéco SAS	42000 Saint-Etienne	Property management	FC	52.3	100.0	FC	52.5	100.0
Tevir SA	42000 Saint-Etienne	Holding company	FC	52.3	100.0	FC	52.5	100.0
Tonquin BV	Eindhoven (Netherlands)	Holding company	FC	52.3	100.0	FC	52.5	100.0
Uranie SAS	42000 Saint-Etienne	Property	FC	52.3	100.0	FC	52.5	100.0
Wilkes	São Paulo (Brazil)	Retailing	FC	52.3	100.0	FC	52.5	100.0
Monoprix SA (Monoprix Group)	**92116 Clichy**	**Retailing**	**FC**	**52.3**	**100.0**	**FC**	**52.5**	**100.0**
Aux Galeries de la Croisette SAS	92110 Clichy	Retailing	FC	52.3	100.0	FC	52.5	100.0
Monoprix Exploitation SAS	92110 Clichy	Retailing	FC	52.3	100.0	FC	52.5	100.0
Monoprix On Line (ex Sarenza) SAS	92110 Clichy	E- commerce	-	-	-	FC	52.5	100.0
Monop' SAS	92110 Clichy	Retailing	FC	52.3	100.0	FC	52.5	100.0
Naturalia France SAS	92110 Clichy	Retailing	FC	52.3	100.0	FC	52.5	100.0
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires (« S.A.M.A.D.A. »)	92110 Clichy	Logistics	FC	52.3	100.0	FC	52.5	100.0
Société L.R.M.D.	92110 Clichy	Retailing	FC	52.3	100.0	FC	52.5	100.0
Codim 2 SA (Codim Group)	**20200 Bastia**	**Retailing**	**FC**	**52.3**	**100.0**	**FC**	**52.5**	**100.0**
Hyper Rocade 2 SNC	20600 Furiani	Retailing	FC	52.3	100.0	FC	52.5	100.0
Pacam 2 SNC	20167 Mezzavia	Retailing	FC	52.3	100.0	FC	52.5	100.0
Poretta 2 SNC	20137 Porto-Vecchio	Retailing	FC	52.3	100.0	FC	52.5	100.0
Prodis 2 SNC	20110 Propriano	Retailing	FC	52.3	100.0	FC	52.5	100.0
Franprix-Leader Price Group	**75016 Paris**	**Retailing**	**FC**	**52.3**	**100.0**	**FC**	**52.5**	**100.0**
Cofilead SAS	75017 Paris	Holding company	FC	52.3	100.0	FC	52.5	100.0
Distribution Franprix SAS	94430 Chennevières-sur-Marne	Retailing	FC	52.3	100.0	FC	52.5	100.0
Distribution Leader Price SNC	77220 Gretz-Armainvilliers	Retailing	FC	52.3	100.0	FC	52.5	100.0
Franprix Holding SA	75016 Paris	Retailing	FC	52.3	100.0	FC	52.5	100.0
Franprix-Leader Price Holding SASU	94400 Vitry-sur-Seine	Retailing	FC	52.3	100.0	FC	52.5	100.0
Franprix Leader Price Finance SNC	94430 Chennevières-sur-Marne	Holding company	FC	52.3	100.0	FC	52.5	100.0
Holding Ile de France 2 SAS	92310 Sèvres	Holding company	FC	52.3	100.0	FC	52.5	100.0
Holdi Mag SAS	92024 Nanterre	Holding company	FC	52.3	100.0	FC	52.5	100.0
Pro Distribution SA	92370 Chaville	Holding company	FC	37.9	72.5	FC	36.8	70.0
Sarjel SAS	94100 St-Maur-des-Fossés	Finance	FC	52.3	100.0	FC	52.5	100.0
Sédifrais SA	95560 Montsoult	Retailing	FC	52.3	100.0	FC	52.5	100.0

** Listed company*

Company	Registered office	Business segment	2022 Conso-lidation method	2022 % interest	2022 % control	2021 Conso-lidation method	2021 % interest	2021 % control
Cnova N.V. Group*	**Amsterdam (Netherlands)**	**E- commerce**	**FC**	**41.3**	**99.5**	**FC**	**41.4**	**99.5**
Cdiscount SA	33700 Merignac	E- commerce	FC	41.3	100.0	FC	41.4	100.0
C-Logistics SAS	33700 Merignac	E- commerce	FC	43.0	100.0	FC	43.2	100.0
Cnova Pay SAS	33300 Bordeaux	E- commerce	FC	41.3	100.0	FC	41.4	100.0
GPA Group* (1)	**São Paulo (Brazil)**	**Retailing**	**FC**	**21.4**	**40.9**	**FC**	**21.5**	**41.0**
Financeira Itaú CBD SA - Crédito. Financiamento e Investimento (« FIC ») (2)	São Paulo (Brazil)	Financing	EM	3.8	25.0	EM	3.9	25.0
GPA Malls & Properties Gestão de Ativos e Serviços, Imobiliários Ltda.	São Paulo (Brazil)	Property	FC	21.4	100.0	FC	21.5	100.0
Novasoc Comercial Ltda	São Paulo (Brazil)	Retailing	FC	21.4	100.0	FC	21.5	100.0
Sendas Distribuidora SA * (1)	**São João de Meriti (Brazil)**	**Retailing**	**FC**	**16.0**	**30.5**	**FC**	**21.5**	**41.0**
Financeira Itaú CBD SA - Crédito. Financiamento e Investimento (« FIC ») (2)	São Paulo (Brazil)	Financing	EM	2.9	25.0	EM	3.9	25.0
Éxito Group* (3)	**Medellin (Colombia)**	**Retailing**	**FC**	**20.7**	**96.5**	**FC**	**20.8**	**96.6**
Devoto	Montevideo (Uruguay)	Retailing	FC	20.7	100.0	FC	20.8	100.0
Éxito Industrias S.A.S.	Municipio de Envigado (Colombia)	Retailing	FC	20.3	98.0	FC	20.4	98,0
Grupo Disco Uruguay (4)	Montevideo (Uruguay)	Retailing	FC	12.9	75.1	FC	13.0	75.1
Libertad SA	Cordoba (Argentina)	Retailing	FC	20.7	100.0	FC	20.8	100.0
Logistica y transporte de Servicios SAS	Medellin (Colombia)	Logistics	FC	20.7	100.0	FC	20.8	100.0
Tuya SA	Medellin (Colombia)	Financing	EM	10.3	50.0	EM	10.4	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	10.5	51.0	FC	10.6	51.0
Trust Viva Villavincencio	Medellin (Colombia)	Property	FC	5.4	51.0	FC	5.4	51.0

** Listed company*

(1) 10.44% of the capital of Sendas was sold on 2 December 2022 (Notes 2 and 3.1.4).

(2) FIC finances purchases made by GPA and Sendas customers. This entity was created through a partnership between Banco Itaú Unibanco SA (“Itaú Unibanco”), GPA and Sendas. It is accounted for by the equity method as GPA and Sendas exercise significant influence over its operating and financial policies.

(3) Following measures taken at the end of 2019 to streamline the Group’s structure in Latin America, 96.52% of Éxito is now held by GPA.

(4) 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).

(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 2022:

Standard *(Group application date)*	Description of the standard
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.
Amendment 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".
Amendment 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.

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:

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 2024)	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 *Non-current Liabilities with Covenants* (1 January 2024)	These amendments will be applicable on a retrospective basis. They specify that covenants to be met after the reporting period should not affect the classification of a liability as current or non-current at the reporting date. However, entities are required to provide information on long-term debt subject to covenants in the notes to the financial statements.
Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback* (1 January 2024)	These amendments will be applicable on a retrospective basis. They provide clarification on the subsequent measurement of the lease liability arising from sale and leaseback transactions, consisting of variable lease payments that are not dependent on an index or rate. In particular, the lessee-seller should calculate the lease payments so that no gain or loss is recognised in respect of the right-of-use asset retained.

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 2022

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 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 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 2022 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.

Material uncertainty related to the going concern

Without qualifying our opinion, we draw your attention to the material uncertainty related to events or circumstances likely to affect going concern described in the "General information" section of note I. "Accounting policies" in the notes to the annual financial statements.

Justification of assessments – Key audit matters

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, in addition to the point described in the "Material uncertainty related to the going concern" section above, 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 of the current period, 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.

— *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 2022, the net carrying amount of investments in subsidiaries and associates recorded in the statement of financial position amounted to €2,456.9m, 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.

As described in note 6.3 « Impairment of investments in subsidiaries ans associates » of the notes to the annual financial statements, the value in use of Casino shares was determined as follows:

- for the France Retail and e-commerce activities, the value was determined by applying a multicriteria method using (i) the present value for future cash flows net of debt, and (ii) comparable multiples;
- for the Latam Retail market, the value was based on market value.

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 that underlie the valuation of the value in use, determined on the basis of discounted future cash flows, comparable multiples or market values. We particularly appreciated:

- 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 methods and parameters used to determine comparable multiples;
- the appropriateness of the market value used for the Latam Retail market;
- 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 with respect to the financial position and the financial statements provided to the shareholders.

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 SA by the Annual Shareholders' Meetings held on 29 June 1993 for KPMG S.A. and on 1 June 1999 for Ernst & Young et Autres.

As at 31 December 2022, KPMG S.A. and Ernst & Young et Autres were in the thirtieth and twenty-fourth 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 were 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 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 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 program 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, 5 April 2023
The Statutory Auditors
French original signed by:

KPMG S.A.
Jean-Marc Discours

ERNST & YOUNG et Autres
Alexis Hurtrel

Parent company financial statements

Income statement

(€ millions)	*Notes*	2022	2021
Net revenue		**0.7**	**1.5**
Other purchases and external expenses		(12.9)	(17.2)
Taxes and duties		(0.1)	(0.1)
Payroll expenses		(3.7)	(5.2)
Net additions to depreciation, amortisation and provisions		(18.0)	(13.0)
Other net operating expenses		(0.2)	0.2
Operating income (loss)	1	**(34.1)**	**(33.9)**
Financial income		238.2	381.7
Financial expenses		(1,900.1)	(455.4)
Net financial income (expense)	2	**(1,661.9)**	**(73.7)**
Recurring income (loss) before tax		**(1,696.1)**	**(107.6)**
Non-recurring income		0.1	0.0
Non-recurring expenses		(0.2)	(226.1)
Net non-recurring income (expense)	3	**(0.2)**	**(226.0)**
Income tax	4	**0.0**	**0.0**
Net income (loss)		**(1,696.2)**	**(333.6)**

PARENT COMPANY FINANCIAL STATEMENTS

Statement of financial position

Assets

(€ millions)	*Notes*	Gross	Depreciation, amortisation and impairment	31 December 2022	31 December 2021
Intangible assets	5	0.0	0.0	0.0	0.0
Property, plant and equipment	5	0.5	0.5	0.0	0.0
Long-term investments	6	4,856.7	2,399.8	2,456.9	4,225.3
Total non-current assets		**4,857.3**	**2,400.3**	**2,457.0**	**4,225.3**
Receivables	7	55.4	29.2	26.2	46.1
Marketable securities	8	0.0		0.0	0.0
Cash and cash equivalents	8	19.4		19.4	15.5
Prepaid expenses	7	0.4		0.4	0.2
Total current assets		**75.1**	**29.2**	**45.9**	**61.8**
Accruals and other assets	9	7.1		7.1	7.2
Total assets		**4,939.5**	**2,429.5**	**2,509.9**	**4,294.3**

Shareholders’ equity and liabilities

(€ millions)	*Notes*	31 December 2022	31 December 2021
Share capital		158.8	157.8
Share issue premiums		1,480.4	1,481.4
Reserves		41.3	41.3
Retained earnings		(585.2)	(251.6)
Net income (loss) for the year		(1,696.2)	(333.6)
Shareholders’ equity	**10**	**(600.9)**	**1,095.3**
Provisions	**11**	**0.2**	**3.1**
Borrowings and financial liabilities	12	3,078.9	3,165.9
Accounts payable	13	4.1	5.0
Other liabilities	13	27.7	25.0
Deferred income	13		
Total liabilities		**3,110.6**	**3,195.9**
Total shareholders’ equity and liabilities		**2,509.9**	**4,294.3**

Cash flow statement

(€ millions)	2022	2021
Cash flow from operating activities:		
Net income (loss)	**(1,696.2)**	**(333.6)**
Elimination of non-cash and non-operating expenses and income:		
▪ Depreciation. amortisation. impairment and provisions	1,786.5	122.1
▪ Capital gains on disposals. net of tax		225.8
▪ Gain on debt buy-back	(234.9)	(156.3)
Cash from (used in) operating activities before change in working capital	**(144.6)**	**(142.0)**
Change in working capital related to operating activities		
▪ Net operating receivables	(0.0)	1.2
▪ Accounts payable	(1.0)	(2.9)
Net cash flow from (used in) operating activities (A)	**(145.6)**	**(143.7)**
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)
Disposal of long-term investments	0.0	0.0
Net cash flow (used in) investing activities (B)	**0.0**	**0.0**
Cash flow from financing activities:		
Dividends paid to shareholders of the Company		
Increase in financial liabilities	112.4	43.4
Decrease in financial liabilities	(34.6)	(28.9)
Change in financial instruments	4.9	8.2
Change in accrued interest	67.4	107.0
Current account advances to subsidiaries of the Company	(0.6)	0.1
Net cash flow from (used in) financing activities (C)	**149.4**	**129.7**
Change in cash and cash equivalents (A+B+C)	**3.8**	**(14.0)**
Cash and cash equivalents at beginning of year (D)	15.5	29.5
Cash and cash equivalents at end of year (E)	19.4	15.5
Change in cash and cash equivalents (E-D)	**3.8**	**(14.0)**

Notes to the parent company financial statements

I. Accounting policies

General information

The financial statements have been prepared in accordance with the French Commercial Code (Articles L. 123-12 to L. 123-28-2 and R. 123-172 to R. 123-208-1) and the French General Chart of Accounts (*Plan Comptable Général*) (regulation no. 2014-03 of the *Autorité des normes comptables*).

The generally accepted accounting principles have been applied, in accordance with the basic principle of prudence and based on the following principles:

- Accrual
- Consistency

  The accounting policies applied are consistent with those used for the previous year.
- 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.

  Rallye's financial statements have been prepared on a going concern basis.

  On 28 February 2020, the Paris Commercial Court approved the Rallye safeguard plan and the latter was extended until 28 February 2032 by decision of the Paris Commercial Court on 26 October 2021.

  Furthermore, as of March 22, 2023, Rallye has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. As the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principal and amount of which depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan, Rallye considers that the risk factor related to the implementation of the safeguard plans has increased (see note 12.4 Risk exposure – Risks relating to the implementation of the safeguard plans).

  Based on this finding, there is significant uncertainty about Rallye's going concern related to Casino's ability to distribute sufficient dividends and/or the possibility of amending Rallye's safeguard plan by the February 2025 deadline.

  As detailed in note 12.4, if the company subject to the safeguard plan fail to fulfill its commitments by the deadlines set in the plan, the Paris Commercial Court may vote on the resolution of the plan after consulting the public prosecutor and the administrators appointed to oversee the plan upon presentation of their report. If the event that the Court acknowledges the suspension of payments during the execution of the safeguard plans, the Paris Commercial Court will initiate administration proceedings, unless administration is manifestly not possible, in which case the Court will initiate liquidation proceedings.

  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.

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.

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.

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 2022, the tax group consisted of 4 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

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 and operations that have taken place since the initiation of safeguard proceedings

Approval of the safeguard plans of Rallye and its parent companies

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.

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 had been 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 provided 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 was made in the context of exceptional governmental measures put in place during the Covid-19 crisis. It aimed 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 have remained 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.

Global offers on Rallye's unsecured debt

On **22 January 2021**, Rallye launched a first 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 for a maximum amount of €75m 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. On 11 February 2021, after expiration deadline of the Tender Offer, a total amount of unsecured debt of €195.4m was acquired, based on a purchase price at 20 % of the amount of the claim (i.e. the maximum purchase price initially set by Rallye), 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.

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.

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 this first 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.

On **March 23, 2022**, Rallye launched a second global tender offer for its unsecured debt (see "III. Other significant events of the year").

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, prior to the initiation of the safeguard proceedings, were not covered by the safeguard plans in accordance with Article L. 211-40 of the French Monetary and Financial Code. These derivatives transactions were refinanced with Fimalac 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 Rallye and its 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 2022, the gross financial debt to EBITDA including leases (France Retail + E-commerce) ratio is at 6.86x.

  The Board of Directors of Rallye has acknowledged the results announced by Casino for the financial year ended 31 December 2022 as well as the sale by Casino of 18.8% of Assaí's share capital for an amount of €723.2m, in order to accelerate its deleveraging. Rallye draws the attention of investors to the fact that the safeguard plans depend primarily on the ability of Casino to distribute sufficient dividends, the principle and amount of which will depend on Casino's financial position, the implementation of its strategic plan and, in particular, its disposal plan. Rallye therefore considers that the risk factor related to the implementation of the safeguard plans has increased (cf. note 12.4 Exposure to risks – Risks relating to implementation of the safeguard).

  Rallye will liaise with its creditors in order to examine the possibilities and possible ways of adjusting its safeguard plan.

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 offer on Rallye's unsecured debt

On **23 March 2022**, Rallye has launched a global tender offer at a fixed purchase price for its unsecured debt (including the bonds and commercial paper) (the "Tender Offer"). This operation follows a first global tender offer made in the first half of 2021.

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 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 was willing to offer.

The Tender Offer, for a maximum amount of €37m, began on 23 March 2022 and expired on 5 April 2022.

Success of the global tender offer

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 exceeded 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 spent €36.6m of cash to acquire €242.3m of nominal amount of unsecured debt, reducing the total amount of its net financial debt by €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 was, 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

The operation was financed by the financing of €82.4m set up with Fimalac and financial institutions during the first Tender offer carried out in 2021. The nominal value of the first tranche drawn in May 2021 is €43.4m, and that of the second tranche drawn in May 2022 is €39.0m.

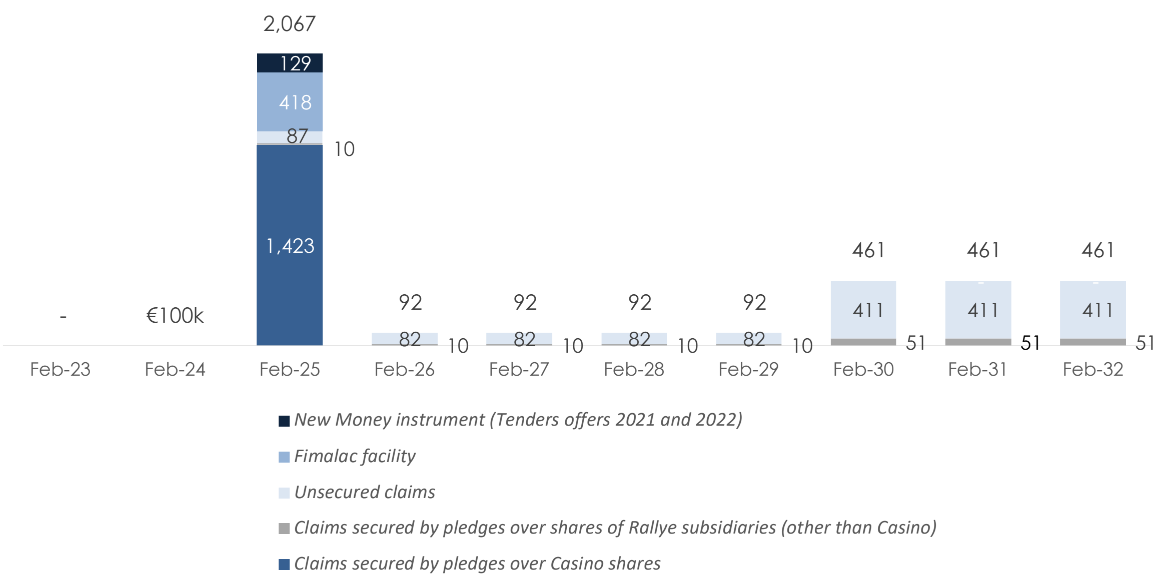
Amendment to Rallye's safeguard plan

On 9 May 2022, the Paris Commercial Court approved the amendment to Rallye's safeguard plan, authorizing the effective completion of the global tender offer on its unsecured debt launched on 23 March 2022. The settlement-delivery of the Tender Offer took place on 16 May 2022.

New repayment profiles for Rallye liabilities

The estimated repayment profile of Rallye's liabilities incorporating the impact of the tender offer on the unsecured debt as well as the impact of the forward yield curve is set out below:

Rallye repayment schedule
(€ millions)



IV. Notes on items in the financial statements

Note 1 · Operating income (loss)

1.1 Breakdown

(€ millions)		2022	2021
Net revenue:	▪ Services	0.7	1.5
	▪ Financial services		0.0
Operating income		**0.7**	**1.5**
Other purchases and external expenses		12.9	17.2
Taxes and duties		0.1	0.1
Payroll expenses		3.7	5.2
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	1.1
	▪ impairment of receivables	17.2	11.9
	▪ provisions for risks and liabilities	(0.3)	(0.1)
Other operating expenses		0.2	(0.2)
Operating expenses		**34.9**	**35.3**
Operating income (loss)		**(34.1)**	**(33.9)**

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 €0.2m.

Expense transfers are recorded by type within "Other purchases and external expenses" and concern debt issuance costs of €1.2m at 31 December 2022 versus €1.3m at 31 December 2021.

The impairment of receivables relates to the repayment claim relating to the Dailly sale of the Parande current account and amounted to €17.2m at 31 December 2022 versus €11.9m at 31 December 2021.

1.2 Number of employees and compensation paid to Directors and management

	2022	2021
Managers	12	15
Total average number of employees	**12**	**15**
Compensation awarded to Directors (€ millions)	1.1	2.4

Note 2 • Net financial income (expense)

2.1 Breakdown

(€ millions)	Notes	2022	2021
Income from investments in subsidiaries and associates		0.5	0.0
Reversals of financial provisions	2.2	2.6	225.8
Interest and similar income	2.3	235.1	155.9
Foreign exchange gains			0.0
Financial income		**238.2**	**381.7**
Interest and similar expenses	2.4	131.5	119.2
Additions to financial provisions	2.2	1,768.5	336.1
Foreign exchange losses		0.0	0.0
Financial expenses		**1,900.1**	**455.4**
Net financial income (expense)		**(1,661.9)**	**(73.7)**

2.2 Breakdown of provisions and impairment

Additions to depreciation, amortisation, impairment and provisions for the year primarily concern the impairment recorded on Casino shares for €1,768.4m (cf. note 6.3).

Movements in provisions and impairment in 2021 were mainly attributable to the impairment on Casino shares for €315m and on Parande shares for €20.8m.

Reversals of provisions in 2021 primarily concerned Groupe Go Sport for €225.8m.

2.3 Breakdown of interest and similar income

(€ millions)	2022	2021
Interest on current accounts	0.0	0.0
Financial income on companies wound up	0.1	
Miscellaneous financial income	234.9	155.9
Interest and similar income	**235.1**	**155.9**

In 2022, miscellaneous financial income mainly relate to the gain on the repurchase of unsecured debt following the Tender Offer for €234.9m versus €155.8m for the offer made in 2021.

2.4 Breakdown of interest and similar expenses

(€ millions)	2022	2021
Interest on financial liabilities	128.9	119.2
Financial expenses on companies wound up	0.1	
Miscellaneous financial expenses	2.6	
Interest and similar expenses	**131.5**	**119.2**

In 2022, the financial expenses on companies wound up include the merger malis of the companies SCI Les Perrières and SCI Les Sables. Miscellaneous financial expenses correspond to the deferral of an option premium of €2.6m.

Note 3 • Net non-recurring income (expense)

(€ millions)	2022	2021
Gains (losses) on disposals of financial assets	0.0	(225.8)
Other non-recurring income (expense)	(0.2)	(0.2)
Net non-recurring income (expense)	**(0.2)**	**(226.0)**

The result of the disposals of financial assets in 2021 consisted 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 2022, 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 2022, the tax loss carry-forwards amounted to €2,794m versus €2,894m at 31 December 2021. They are constituted within the tax group and 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 décembre 2022	31 décembre 2021
Intangible assets, gross	**0.0**	**0.1**
Amortisation	(0.0)	(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 Variations

(€ millions)	Gross	Depreciation and amortisation	Net
At 1 January 2021	**0.7**	**(0.6)**	**0.0**
Increases			
Decreases	(0.0)	(0.0)	(0.0)
At 31 December 2021	**0.7**	**(0.6)**	**0.0**
Increases	0.0	(0.0)	0.0
Decreases	(0.1)	0.1	0.0
At 31 December 2022	**0.6**	**(0.5)**	**0.0**

Note 6 • Long-term investments

6.1 Breakdown of long-term investments

(€ millions)	31 December 2022	31 December 2021
Investments in subsidiaries and associates	3,454.0	3,454.0
Casino, Guichard-Perrachon securities placed in trust	1,050.4	1,050.4
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**	**4,856.7**
Impairment	(2,399.8)	(631.4)
Investments in subsidiaries and associates, net	**2,456.9**	**4,225.2**
Other long-term investments	0.1	0.1
Other long-term investments, net	**0.1**	**0.1**
Long-term investments, net	**2,456.9**	**4,225.3**

(1) Technical losses from merger transactions are allocated to Casino, Guichard-Perrachon shares.

As of 31 December 2022, 12,725,639 Casino shares held by Rallye are the subject of French fiduciary trust contracts with Fimalac and financial institutions, unchanged position compared to 31 December 2021.

6.2 Movements in investment in subsidiaries and associates

(€ millions)	Gross	Provisions	Net
At 1 January 2021	**5,082.5**	**(521.4)**	**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**
Increases		(1,768.4)	(1,768.4)
Decreases	(0 .0)	0.0	(0.0)
At 31 December 2022	**4,856.6**	**(2,399.8)**	**2,456.8**

In 2022, the change in provisions corresponds to the impairment loss on Casino shares for €1,768.4m.

In 2021, the movements in equity securities accounted for €352.5m in Casino securities placed in fiduciary trusts and the sale of Groupe Go Sport shares for €225.8m with a reversal of provision for the entire amount. The change in provisions corresponded to the provision on Casino shares for €315m and the provision on Parande shares fully provisioned for €20.8m.

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.

The value in use of Casino shares is estimated using a multicriteria approach using:

- the present value of future cash flows net of debt;
- comparable multiples.

As of 31 December 2022, the value in use of Casino shares was determined as follows:

- for the France Retail an e-commerce activities, the value in use was determined by applying the multicriteria approach described above as in 2021
- regarding the Latam Retail market, a change in the valuation estimate was made to use a market value to account for the following two events:
  - the sale of 10.4% of the capital of Assaí announced in November 2022 was based on the stock market price;
  - the Grupo Éxito spin-off launched in September 2022 and to be finalised in the first half of 2023 (subject to authorisation) paves the way for monetization options for these assets by the Casino Group, which would then hold holdings in three separate listed assets.

Thus, the hypothesis adopted by Rallye is Casino's pursuit of the monetization of its Latam assets, leading to a change in estimate on the Latam Retail market which was recorded as a decrease in the net financial debt of the France retail scope for its market value (market price at closing for GPA and Sendas (Assaí)), a valuation of €1.7bn at 31 December 2022. As at 31 December 2021, the Latam Retail market was evaluated on the basis of the multi-criteria approach presented above.

Multi-criteria valuation integrates scalable parameters by nature, based on Casino's 2022 performance, and in line with sectoral and competitive developments in the food and non-food distribution sector.

Regarding the discounted valuation of future cash flows, it is based on the cash flow projections from Casino's business plans and the following actuarial assumptions:

	Discount rate 2022	Perpetual growth rate 2022	Discount rate 2021	Perpetual growth rate 2021
France Retail and E-commerce	8.3 %	2.0 %	6.1 % - 8.9 %	1.4 % - 1.9 %

Regarding the multiple valuation method, it is based on the aggregates of turnover and EBITDA, including a 25% control premium.

The value in use thus determined is €43.31 per Casino share as of 31 December 2022. vs €74.49 per share as at 31 December 2021 (and a gross value of €80.04 per share), which leads to the recognition of an additional impairment of €1,768.4m as at 31 December 2022. The value in use is the result of the indicated methodology. The resulting provisions on securities may vary significantly depending on the future evolution of the parameters monitored and particularly as the safeguard plan evolves.

In the event of a change in a key assumption (increase in the discount rate by 100 basis points or a decrease of 50 basis points on the perpetual growth rate or a decrease of 100 basis points in the EBITDA margin rate of the normative flow or a 25% drop in the GPA and Sendas (Assaí) stock exchange prices) a further impairment of Casino shares could be recognised for an amount between €145m and €387m.

For information, if the Latam Retail market had been valued at 31 December 2022 on the basis of the multicriteria approach adopted at 31 December 2021, the value in use of the Casino shares held by Rallye would have been estimated at €53.59 per share (with a discount rate of 12.6% vs 10.7% in 2021 and a perpetual growth rate of 5.4% for GPA and Assaí and 3.7% for Éxito vs 4.0% in 2021).

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 2022	31 December 2021
Non-current receivables		**0.1**	**0.1**
Trade receivables		0.0	0.1
Current accounts		2.7	2.5
Tax and employee-related receivables		0.3	0.5
Other operating receivables		23.1	43.0
Current receivables		**26.2**	**46.1**
Prepaid expenses		**0.4**	**0.2**
Maturity of net receivables (1) :	*due within one year*	*0.7*	*0.7*
	due in more than 1 year	*25.8*	*45.6*

(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 2022, the other operating receivables relate to a receivable relating to the assignment of the Parande current account under the Dailly mechanism for €52.2m (versus €52.4m in 2021) provisioned for €29.2m at 31 December 2022 versus €11.9m at 31 December 2021.

Note 8 • Marketable securities and cash and cash equivalents

Marketable securities and cash and cash equivalents break down as follows:

(€ millions)	31 December 2022	31 December 2021
Marketable securities	0.0	0.0
Cash	19.4	15.5
Gross cash and cash equivalents	**19.4**	**15.5**

Note 9 • Accruals and other assets and liabilities

(€ millions)	31 December 2022	31 December 2021
Deferred loan arranging fees and bond early redemption premiums	7.1	7.2
Bond redemption premiums	0.0	0.0
Accruals and other assets	**7.1**	**7.2**
of which: due within one year	*1.7*	*1.7*
due in more than one year	*5.4*	*5.5*

Note 10 • Shareholders' equity

10.1 Breakdown

At 31 December 2022, share capital amounted to €158,775,609 made up of 52,925,203 shares with a par value of €3.

(€ millions)	31 December 2022	31 December 2021
Share capital	158.8	157.8
Share issue, merger and contribution premiums	1,480.4	1,481.4
Legal reserve	16.1	16.1
Tax-driven reserves	1.4	1.4
Other reserves	23.7	23.7
Retained earnings	(585.2)	(251.6)
Net income (loss) for the year	(1,696.2)	(333.6)
Shareholders' equity	**(600.9)**	**1,095.3**

10.2 Changes in shareholders' equity

(€ millions)	2022	2021
At 1 January	**1,095.3**	**1,428.9**
Increase in capital	1.0	0.7
Share issue premium	(1.0)	(0.7)
Net income (loss) for the year	(1,696.2)	(333.6)
At 31 December	**(600.9)**	**1,095.3**

At 31 December 2022, the increase in capital reflects the issuance of shares under free share plans that matured in 2021, which led to the change in the share issue premium during the period.

The same was true at 31 December 2021 concerning a free share plan that matured in 2021.

10.3 Movements in share capital and number of shares

	2022	2021
Number of shares at 1 January	**52,598,701**	**52,373,235**
Issuance of shares	326,502	225,466
Number of shares at 31 December	**52,925,203**	**52,598,701**

10.4 Potential dilution

	31 December 2022	31 December 2021
Number of shares	**52,925,203**	**52,598,701**
Free shares to be issued		331,169
Total number of shares after dilution	**52,925,203**	**52,929,870**

10.5 Securities carrying rights to shares of the Company

As of 31 December 2022, there is no free share plan outstanding.

Note 11 • Provisions

11.1 Breakdown

(€ millions)	31 December 2022	31 December 2021
Provision for miscellaneous risks		2.6
Provision for pension commitments	0.2	0.5
Provisions	**0.2**	**3.1**

11.2 Movements

(€ millions)		2022	2021
At 1 January		**3.1**	**3.2**
Additions			
Reversals		(2.9)	(0.1)
At 31 December		**0.2**	**3.1**
Of which reversals (additions :	*- operating*	*0.3*	*0.1*
	- financial	2.6	
	- non-recurring		

Reversals of provision in 2022 relate for €2.6m to the residual option premium related to Casino calls intended to cover the 2022 exchangeable bond and for €0.3m to pension commitments.

Note 12 • Financial liabilities

12.1 Breakdown of financial liabilities

(€ millions)	31 December 2022	31 December 2021
Bonds	1,293.3	1,440.1
Bank borrowings	1,736.5	1,676.9
Commercial paper and other financial liabilities	49.1	48.9
Borrowings and financial liabilities (1)	**3,078.9**	**3,165.9**

(1) Of which €332.5m in accrued interest at 31 December 2022 and €292.4m at 31 December 2021.

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%;
  - Annuities 10 to 12: 25% (less the amount paid under annuites 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 2022	31 December 2021
Liabilities within the scope of the safeguard proceedings:	Due within one year		
	Due in one to five years	1,932.9	1,761.2
	Due in more than five years	1,145.9	1,404.7
Total		**3,078.9**	**3,165.9**

12.3 Breakdown of borrowings

	Rate	Issue date	Maturity date	Nominal amount (€ millions) 31 December 2022	31 December 2021
2020 bond	Fixed 1.00%	October 2013	February 2025-2032	2.9	2.9
2021 bond	Fixed 4.00%	April 2014	February 2025-2032	361.3	438.6
2020 CHF bond (1)	Fixed 4.00%	November 2016	February 2025-2032	57.2	61.0
2022 bond	Fixed 5.25%	October 2016	February 2025-2032	88.9	154.2
2023 bond	Fixed 4.37%	May 2017	February 2025-2032	267.3	328.0
2024 CHF bond (2)	Fixed 3.25%	February 2018	February 2025-2032	63.5	71.2
2024 bond (3) (4)	Euribor + 12.00%	July 2020	June 2025	264.3	210.0
2025 bond (4)	Euribor + 12.00%	May 2021	January 2025	19.3	9.5
2025 bond (4)	Euribor + 12.00%	June 2022	June 2025	15.0	0.0
Accrued interest				153.6	164.6
Total bonds				**1,293.3**	**1,440.1**
Other bank borrowings (5)	Fixed/Variable (6)			410.2	401.4
Drawn credit lines	Variable (6)			1,147.9	1,148.1
NEU CP	Variable (6)			48.5	48.5
Accrued interest				179.0	127.8
Total other borrowings and financial liabilities				**1,785.6**	**1,725.8**
Total financial liabilities				**3,078.9**	**3,165.9**

(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) Maturity was extended by one year to June 2025.

(4) Financing put in place after the adoption of the safeguard plan and therefore not subject to the schedule presented in "Main terms of the safeguard plan" in note II. Rallye safeguard proceedings.

(5) Including €68.4m at 31 December 2022 (versus €33.8m at 31 December 2021) of financing put in place after the adoption of the safeguard plan and therefore not subject to the schedule presented in "Main terms of the safeguard plan" in note II. Rallye safeguard proceedings.

(6) Interest on variable-rate liabilities is based on Euribor plus a contractual spread.

In May 2022, Rallye issued a €8.6m bond with Fimalac and drew a €30.4m bank facility to finance the repurchase of unsecured claims (see III. Other significant events of the year). On 15 June 2022, Rallye issued another €15m bond fully subscribed by Fimalac to finance the Company's general needs.

12.4 Risk exposure

Interest rate risk

Gross financial debt (excluding accrued interest) outstanding at €2,746.3m at 31 December 2022, is at fixed rates for €981.4m and at floating rates for €1,764.9m. The impact of a uniform annual increase in rates of 100 basis points would have led to an increase in financial costs of €18m.

Equity risk

Rallye holds a 52.31% direct and indirect stake in the capital of Casino, Guichard-Perrachon, listed on Euronext Paris, Compartment A. In accordance with note 1.2 of the Accounting Rules and Methods and as detailed in note 6, these securities are subject to a valuation that resulted in a depreciation of €1,768.4m at 31 December 2022.

This valuation is no guarantee of the price that may be obtained in the event of full or partial disposal of the shares or in the context of market transactions.

The direct and indirect stake in Casino's share capital represents 56.7m shares as of 31 December 2022:

- 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 30 December 2022, or €9.76, the market valuation of this participation would be €554m, for a net carrying amount of €2,456m. If an impairment had been made on the basis of this share price, Rallye's equity would have been negative at -€2,503m at 31 December 2022.

Risks relating to the implementation of the safeguard plans

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 as well as its refinancing. 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.

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 the different companies are also linked.

Rallye has three categories of resources at its disposal to repay its liabilities under the safeguard plan:

- mainly 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 offers made by Rallye on its unsecured debt (see page 8 of this management report) in 2021 and in 2022 as well as the financing planned in connection with the tender offers were approved by the Paris Commercial Court on 4 May 2021 and on 9 May 2022. 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.

The company Rallye follows quarterly the evolution of Casino's financial situation on which depends the proper execution of the safeguard plans.

Rallye liquidity risks

Current liquidity is limited to its available cash as 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. However, the payment of dividends will depend on the distributive capacity and therefore the financial situation of Casino.

In the event of a Rallye liquidity problem, which may occur before or after the first significant maturity of 2025, the suspension of payments status could be observed, the safeguard plan would be resolved and the Paris Commercial Court would then open administration proceedings, or if administration was manifestly impossible, liquidation proceedings.

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:** The dividend exemption negotiated by Rallye of €5m (or €1.5 per share) in respect of the 3.257 million shares placed in fiduciary trusts to the benefit of banks and Fimalac, applied to any dividends paid by Casino until 31 December 2022. In the absence of a dividend payment by Casino, this franchise mechanism was never implemented.

At 31 December 2022, Rallye's cash position stood at €19.3m versus €15.5m at 31 December 2021.

Risks related ton ongoing proceedings

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.

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. The parties have agreed to jointly request a deferral of the decision to admit the claims declared by Diis Group under the Additional Amount mechanisms (corresponding to tax claims that may arise and become due upon the occurrence of certain events) provided for in the terms and conditions of the bonds. The hearing took place on 7 June 2022. By judgments of 10 January 2023, the Court of Appeal of Paris declared inadmissible the exception to defer the decision on the Additional Amounts, but nevertheless decided to defer the decision for the proper administration of justice.
- 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. A statement of discontinuance has been filed and the hearing has been set for the 16 May 2023.

Third-party proceedings from Angelo Gordon funds:

- Angelo Gordon, representing various Rallye creditor funds, secured on Casino shares, filed on 5 November 2021 two statements of third-party proceedings against the judgment of 26 October 2021 having extended the duration of Rallye safeguard plan. By judgment of 13 October 2022, the Paris Commercial Court declared Angelo Gordon admissible but unfounded in his application for revocation and dismissed him. Angelo Gordon appealed the judgment of 13 October 2022. The hearing before the Paris Court of Appeal took place on 23 March 2023.

Other appeals from Bernard Law-Wai:

- Mr. Bernard Law-Wai filed applications to revise/withdraw the decisions handed down by the Paris Commercial Court on 25 November 2019 (renewal of the observation periods) and 28 February 2020 (approval of the safeguard plans) in connection with the safeguard proceedings for Rallye, Foncière Euris, Finatis and Euris. Mr. Bernard Law-Wai was declared inadmissible in his applications by judgment of the Paris Commercial Court of 30 September 2021. Mr. Bernard Law-Wai appealed these judgments. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgments declaring Mr. Bernard Law-Wai inadmissible by judgments of 7 February 2023.
- Mr. Bernard Law-Wai appealed from the judgment of the Paris Commercial Court of 9 December 2021, which (i) dismissed his applications for withdrawal of various procedural judgments of 23 April 2021 and (ii) dismissed his application for stay of proceedings, based on the requests for legitimate suspicion and revocation lodged against the members of the Court. The oral hearing before the Paris Court of Appeal was held on 13 December 2022. The Court of Appeal upheld the judgment dismissing the applications of Mr. Bernard Law-Wai by judgment of 7 February 2023.
- Mr. Bernard Law-Wai filed third-party proceedings to the judgments of 26 October 2021, which extended the safeguard plans of Rallye, Foncière Euris, Finatis and Euris. By judgments of 1 December 2022, the Commercial Court of Paris declared the nullity of these four third-party proceedings.

The investigation of the *Autorité des Marchés Financiers* ("AMF") opened in autumn 2018 against Rallye and its director is ongoing and has led to the issuance of a letter of observations to which it was replied. Rallye has been referred to the Sanctions Commission. The proceeding is ongoing.

The possible sanction in the context of the sanction procedure opened against Rallye is likely to call into question its going concern and correlatively, to lead to the conversion of the safeguard procedure into administration proceedings, and even into liquidation proceedings.

The AMF procedure is ongoing and the hearing before the Sanctions Commission could take place as early as 2023.

Note 13 • Accounts payable and other liabilities

(€ millions)		31 December 2022	31 December 2021
Accounts payable (1)		**4.1**	**5.0**
Current accounts		0.3	0.5
Debt on repurchase agreements		5.0	5.0
Miscellaneous liabilities (2)		22.4	19.5
Other liabilities		**27.7**	**25.0**
Maturity of accounts payable and other liabilities:	*due within one year*	*3.3*	*14.7*
	due in more than one year (3)	*28.5*	*15.3*

(1) Of which €2.9m in accrued expenses at 31 December 2022 and €3.3m in accrued expenses at 31 December 2021.
(2) Of which €21.5m in accrued expenses at 31 December 2022 and €16.7m in accrued expenses at 31 December 2021.
(3) The maturity date for accounts payable and other liabilities over one year is February 2025 or later.

Current account advances are advances received as part of 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 2022	31 December 2021
Bonds and guarantees given to banks		
Total commitments given		
Other commitments received		39.0
Total commitments received		**39.0**

There are no longer any off-balance sheet commitments at 31 December 2022, following the drawing of the balances of the available lines carried out this year.

As of 31 December 2022, Rallye had pledged 43,988,624 Casino shares, representing all of the Casino shares it holds, 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)	2022
Assets	
Long-term investments, net	2,956.2
Receivables, net	2.8
Marketable securities	
Liabilities	
Financial liabilities	
Other liabilities	0.4
Income statement	
Investment income	0.5
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 103, rue La Boétie – 75008 Paris – France (Siren no. 702 023 508).

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	2022 net revenue	2022 net income (loss)	Dividends received by the Company during the year
				Gross	Net					
A – Subsidiaries (1)										
(at least 50%-owned)										
Magasins Jean	0.3	(1.5)	100%	2.2		2.0		4.4	(0.8)	
Parande	0.1	(12.1)	100%	303.8		0.7			(17.3)	
B – Associates (1)										
(10% to 50%-owned)										
Casino. Guichard - Perrachon	165.9	7.582.7	40.6% (2)	3.137.0 (2)	1.905.1 (2)			135.5	(62.1)	
C – Other subsidiaries and associates										
Subsidiaries other than in A				0.6	0.6					
Associates other than in B										

(1) The carrying amount of which is more than 1% of the company's share capital.

(2) These data do not take into account the Casino. Guichard-Perrachon shares transfered in fiduciary trust.

Five-year financial summary

(in €)	31 December 2022 [1]	31 December 2021	31 December 2020	31 December 2019	31 December 2018
1 - Financial position at end of the year					
Share capital	158.775.609	157.796.103	157.119.705	156.545.307	161.214.798
Number of existing ordinary shares	52.925.203	52.598.701	52.373.235	52.181.769	53.738.266
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	0	331.169	499.026	437.158	368.564
2 – Operations and income (loss) for the year					
Net revenue	740.394	1.456.704	1.998.324	3.043.810	3.600.314
Income (loss) before tax. employee profit-sharing and depreciation. amortisation and provisions	87.772.723	(210.221.379)	(98.599.048)	(51.131.720)	48.631.565
Income tax					
Income (loss) after tax. employee profit-sharing and depreciation. amortisation and provisions	(1.696.208.495)	(333.596.316)	(98.690.018)	(190.258.900)	47.072.388
Distributed earnings [1]					53.738.266
3 – Per share data					
Earnings (loss) per share after tax. employee profit-sharing. but before depreciation. amortisation and provisions	(1.66)	(4.00)	(1.88)	(0.98)	0.90
Earnings (loss) per share after tax. employee profit-sharing and depreciation. amortisation and provisions	(32.05)	(6.34)	(1.88)	(3.65)	0.88
Dividend per share [1]					1.00
4 – Employee data					
Average number of employees during the year	12	15	19	20	23
Total payroll	2.646.147	3.721.719	5.214.395	4.744.913	4.030.170
Total benefits	1.103.631	1.437.003	2.328.011	2.191.310	2.006.102

(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 2022

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

We inform you that we have not been given notice of any agreement authorized and concluded during the past financial year to be submitted to the Shareholders' Meeting for approval under the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Meeting

Agreements approved in previous years 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.

— *1) 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 with 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.

The subscription agreement for a maximum of €15,000,000 was drawn on 15 June 2022. Rallye thus issued 15,000,000 bonds fully subscribed by Fimalac, for an amount of 15,000,000 euros.

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 2022, your Company recorded an expense of €33,940,691 in respect of interest and an expense of €347,984 in respect of commissions.

— 2) *Amendment to the bond financing 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.

— 3) *Fimalac 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 May 2021, your Company issued 9,544,935 bonds, which were fully subscribed by Fimalac, for an amount of €9,544,935.

On 13 May 2022, in accordance with the provisions of the subscription agreement, your Company issued 7,688,214 bonds fully subscribed by Fimalac, for an amount of 8,588,399 euros, following a new tender offer with a discount of part of its debt not secured by Casino shares.

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 2022, Rallye recorded an expense of €1,940,204 in respect of interest and an expense of €298,375 in respect of commissions.

Paris-La Défense, 5 April 2023

The Statutory Auditors

French original signed by:

KPMG S.A.	ERNST & YOUNG et Autres
Jean-Marc Discours	Alexis Hurtrel

Chapter 5

Ordinary and Extraordinary Shareholders' Meeting of 16 May 2023

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 2022, 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 2022

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 2022 as presented, together with any and all transactions reported therein or mentioned in said reports, and which show a net loss of €1,696,208,494.95.

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 2022

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 2022 as presented, which show a consolidated net loss of €412m.

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 reminded that the Board of Directors of 22 March 2023 decided not to propose to the Shareholders' Meeting of 16 May 2023 the payment of a dividend for the 2022 financial year.

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 €1,696,208,494.95 for the year ended 31 December 2022 to "Retained earnings", which will subsequently have a debit balance of €2,281,392,241.50.

The Meeting notes that no dividends have been paid in respect of the last three years.

Resolution 4: Agreements governed by Article L. 225-38 of the French Commercial Code

Presentation

No new related-party agreements, as contemplated by Articles L. 225-38 and L. 225-40 of the French Commercial Code, were entered into in 2022.

Fourth resolution

Agreements governed by Article L. 225-38 of the French Commercial Code

The Ordinary Shareholders' Meeting, having reviewed the Statutory Auditors' special report on the agreements governed by Article L. 225-38 of the French Commercial Code, acknowledges that no new related-party agreements were entered into in 2022.

Resolutions 5 to 12: Renewal of the appointment of Directors

Presentation

The Board of Directors currently comprises nine Directors including one Director representing employees, appointed by the most representative union, and two non-voting Directors.

Under the terms of the 5th to 12th resolutions, the Board of Directors asks you, on the recommendation of the Appointments and Compensation Committee, the renewal for a period of one year of all the terms of office of directors expiring at this Shareholders' Meeting, namely the terms of office of Laurence Dors and Anne Yannic, Jean-Charles Naouri and Philippe Castagnac as well as Euris (Odile Muracciole), Finatis (who will be represented by Virginie Grin), Foncière Euris (who will be represented by Franck Hattab) and Matignon Diderot (Alexis Ravalais) (see presentation, pages 86 and following). The term of office of the Director representing employees, appointed in 2020 for 3 years, ends at the end of the Shareholders' Meeting of 16 May 2023.

The assessment of the independence of the Directors, reviewed annually by the Board of Directors, is presented in the Corporate Governance Report. It is assessed on the basis of the criteria proposed for this purpose by the Afep-Medef Code. The assessment found that none of the independent Directors of Rallye have a business relationship, either directly or indirectly, with the Company or with one of the Group companies.

If you approve the proposed renewals, at the next Shareholders' Meeting, the Board of Directors will still have nine Directors. The proportion of women on the Board will continue to meet the 50% threshold.

It would have three independent members, Laurence Dors, Anne Yannic and Philippe Castagnac, i.e. representing 37.5% of the Board's total members, one Director representing the employees and five Directors representing the controlling shareholder.

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 2022 Universal Registration Document.

Fifth resolution

Renewal of the appointment as Director of Philippe Castagnac

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Philippe Castagnac for a period of one (1) year which will expire at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2023.

Sixth resolution

Renewal of the appointment as Director of Laurence Dors

The Ordinary Shareholders' Meeting hereby renews the appointment as Director of Laurence Dors for a period of one (1) year which will expire at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2023.

Seventh 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 to be called to approve the financial statements for the year ending 31 December 2023.

Eighth 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 to be called to approve the financial statements for the year ending 31 December 2023.

Ninth 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 to be called to approve the financial statements for the year ending 31 December 2023.

Tenth 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 will be Virginie Grin, for a period of one (1) year which will expire at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2023.

Eleventh 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 will be Franck Hattab, for a period of one (1) year which will expire at the end of the Shareholders' Meeting to be called to approve the financial statements for the year ending 31 December 2023.

Twelfth resolution

Renewal of the 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 to be called to approve the financial statements for the year ending 31 December 2023.

Resolution 13: Appointment of Deloitte & Associés as Statutory Auditor replacing Ernst & Young et Autres

Presentation

It is proposed that you appoint the firm Deloitte & Associés as Statutory Auditor to replace the firm Ernst & Young (EY), Rallye's Statutory Auditor since June 1999 and whose mandate expires at the 2023 Shareholders' Meeting.

As the mandate of Auditor of the firm EY at Casino, Guichard-Perrachon was not renewed at the Shareholders' Meeting held on 10 May 2022, EY having reached the legal limitation of the period of office of Statutory Auditors set by Article L.823-1 of the French Commercial Code. Since EY was unable to retain its mandate at Casino, Guichard-Perrachon bringing together the main operational activities, EY expressed its wish not to remain an auditor of Casino's parent companies. In this context, EY did not request the renewal of its mandate at Rallye during the Shareholders' Meeting on 16 May 2023.

With a view to replacing EY, a tender procedure was set up and conducted under the responsibility of the Audit Committee, which defined the terms of reference, specifying the content of the Statutory Auditors' general mission and the assessment criteria based on technical skills (business knowledge, mastery of technological tools, context of safeguard proceedings...), the audit exercise and the financial offer. Following the recommendation of the Audit Committee further to this procedure, the Board of Directors proposes to you, under the 13th resolution, to appoint the firm Deloitte & Associés as Statutory Auditor replacing the firm Ernst & Young et Autres, for a period of 6 financial years, that is until the Ordinary General Meeting which will meet in 2029 to decide on the accounts of the year ended 31 December 2028.

Thirteenth resolution

Appointment of a new Statutory Auditor

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report and noting that the term of office of Ernst & Young et Autres as Statutory Auditor is due to expire at the close of this meeting, resolves to elect Deloitte & Associés as Statutory Auditor to replace Ernst & Young et Autres, for a six-year term, expiring at the close of the Ordinary General Meeting to be called in 2029 to approve the financial statements for the year ending 31 December 2028.

Resolution 14: Amendment to the 2022 compensation policy for the General Manager

Presentation

By the 14th resolution, it is proposed to amend the 2022 compensation policy of the General Manager as approved at the Ordinary Shareholders' Meeting on 17 May 2022, following the evolution of the General Management and the appointment of Alexis Ravalais on 29 September 2022 as General Manager replacing Franck Hattab.

Franck Hattab has waived the 2022 annual variable remuneration provided for by the Shareholders' Meeting of 17 May 2022 under the 2022 compensation policy. Since it is specified that the long-term variable remuneration conditional on the presence of Franck Hattab on 31 December 2024 cannot be due to him, only his fixed remuneration of €500,000 has been paid to him, pro rata temporis.

Alexis Ravalais, new Rallye General Manager since 30 September 2022, also holding salaried positions within the Euris Group, has waived all annual variable and long-term remuneration, including those allocated under the 2022 compensation policy. As a result, only fixed remuneration under the 2022 compensation policy was paid to him on a pro rata basis, effective 30 September 2022. The Board of Directors of 22 March 2023, having taken note of the decision of Franck Hattab and Alexis Ravalais, and after consulting the Appointments and Remuneration Committee, based on the analyses and recommendations of a specialized firm, has decided under the 2022 remuneration policy to reduce the fixed remuneration of the new General Manager to an annual gross amount of €400,000 retroactively from 30 September 2022, subject to its approval by the Shareholders' Meeting of 16 May 2023. As such, the 2022 compensation policy should be amended.

Fourteenth resolution

Amendment to the 2022 compensation policy for the General Manager

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-8 of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report, approves the amendment to the 2022 compensation policy for the General Manager, modifying the amount of fixed compensation of the Company's new General Manager from 30 September 2022.

Resolution 15: Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the 2022 compensation of corporate officers

Presentation

In the 15th resolution, pursuant to Article L. 22-10-34 I, of the French Commercial Code, you are asked to approve all of the information, governed by 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 2022 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 2022 Universal Registration Document.

Fifteenth resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to the 2022 compensation of corporate officers

The Ordinary Shareholders' Meeting, pursuant to Article L. 22-10-34 I of the French Commercial Code, after reviewing the Board of Directors' Corporate Governance Report, which includes information relating to the compensation paid to corporate officers of the Company in 2022 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.

Resolutions 16 and 17: Approval of the components of compensation paid to the General Manager in 2022 or granted in respect of that year

Presentation

Under the 16th resolution, you are asked to approve the components of compensation, which is composed only of a fixed part of a gross amount of €500,000, paid, pro rata temporis, during or assigned to Franck Hattab as General Manager for fiscal year 2022 until 29 September 2022, due to his mandate as outlined in the Corporate Governance Report in the 2022 Annual Report.

Under the 17th resolution, you are asked to approve the components of compensation, which is composed only of a fixed part of a gross amount of €500,000, paid, pro rata temporis, during or awarded to Alexis Ravalais as General Manager for fiscal year 2022 since 30 September 2022, due to his mandate.

Sixteenth resolution

Approval of the components of compensation and benefits in kind paid in 2022 or awarded in respect of 2022 to Franck Hattab, General Manager until 29 September 2022, 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, approves the compensation paid to the General Manager in respect of 2022 in connection with his term of office, comprising solely a fixed portion, as presented to the Shareholders' Meeting in said report.

Seventeenth resolution

Approval of the components of compensation paid in 2022 or awarded in respect of 2022 to Alexis Ravalais, General Manager as from 30 September 2022, 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, approves the compensation paid to the General Manager in respect of 2022 in connection with his term of office, comprising solely a fixed portion, as presented to the Shareholders' Meeting in said report.

Resolution 18: 2023 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 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 2023 compensation policy for the General Manager in connection with his term of office, determined by the Board of Directors on 22 March 2023 on the recommendation of the Appointments and Compensation Committee, which consists only of a fixed remuneration of a gross annual amount of €400,000, in line with that proposed under the 2022 compensation policy amendment.

All the elements relating to the 2023 compensation policy of the General Manager are also presented in the section on the remuneration of management bodies in the report of the Board of Directors on corporate governance in Chapter 2 of the 2022 Universal Registration Document (see page 102).

Eighteenth resolution

Approval of the 2023 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, approves the 2023 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 2023/2024 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 2023/2024 term of office, determined by the Board of Directors on 22 March 2023 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 2022 Universal Registration Document.

Nineteenth resolution

Approval of the compensation policy for non-executive corporate officers in connection with their 2023/2024 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, approves the compensation policy for non-executive corporate officers in connection with their 2023/2024 term of office, as presented in said report.

Resolution 20: Ratification of the decision to transfer the registered head office

Presentation

The Board of Directors at its meeting on 16 December 2022 decided to transfer the registered head office of the Company to 103, rue La Boétie, Paris (75008) and the subsequent amendment to the Articles of Association. This change is subject to ratification by your Shareholders' Meeting.

Twentieth resolution

Ratification of the decision to transfer the registered head office of the company

The Ordinary Shareholders' Meeting, having heard the Board of Directors' report, ratifies the decision to transfer the registered office of the Company to 103 rue de La Boétie, Paris (75008), as adopted by the Board of Directors at its meeting on 16 December 2022.

Extraordinary resolutions

Resolutions 21 to 23: Share capital increase with and without pre-emptive subscription rights for existing shareholders

Presentation

The Extraordinary Shareholders' Meeting of 18 May 2021 delegated its authority to the Board of Directors, for a period of 26 months, for the purpose of issuing shares or securities carrying rights to shares of the Company or of a company in which it directly or indirectly holds an interest, with pre-emptive subscription rights (20th resolution) and without pre-emptive subscription rights via a public offering (21st resolution) or via a private placement (22nd resolution).

The Board of Directors did not use these delegations and you are being asked to renew them.

- Under the 21th resolution, you are being asked to delegate authority to the Board of Directors, for a further 26-month period, for the purpose of deciding on the issue, with or without pre-emptive subscription rights for existing shareholders, of shares or securities carrying rights immediately and/or in the future, to shares of the Company or of a company in which it directly or indirectly holds an interest, it being specified that the total par value of the securities that may be issued under this delegation may not exceed:
  - €66 million, if they are equity securities (unchanged from 2021), corresponding to 42% of the share capital at 31 December 2022; and
  - €1 billion, if they are debt securities (unchanged from 2021).

Each of these amounts would also constitute an aggregate ceiling by virtue of the 29th resolution, which limits the aggregate par value of issues of shares, with and without pre-emptive subscription rights, or of debt securities that may be carried out by virtue of the 21th to 28th resolutions, to €66 million and €1 billion, respectively.

- Under the terms of the 22nd and 23rd resolutions, you are being asked to delegate the necessary authority to the Board of Directors for a further 26-month period for the purpose of issuing shares or securities, without pre-emptive subscription rights for existing shareholders, either via a public offer with the option of granting a priority subscription period to shareholders (22nd resolution) or via a private placement as referred to in Article L. 411-2 of the French Monetary and Financial Code (23rd resolution), it being specified that the par value of the securities that may be issued by virtue of these delegations may not exceed:
  - €15 million (9.45% of the share capital as of 31 December 2022), if they are securities representing a portion of the share capital (unchanged from 2021), it being specified that this amount, by virtue of the 29th resolution, is an aggregate ceiling for capital increases without pre-emptive subscription rights (excluding issues for the benefit of members of a Company savings plan); and
  - €1 billion, if they are debt securities (aggregate ceiling set in the 29th resolution).

You are being asked to suspend these delegations in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The ability to issue financial instruments without pre-emptive subscription rights ensure that the Company get access, if necessary, to instruments that facilitate its access to financial markets.

For issues carried out without pre-emptive subscription rights, the issue price of the securities will be set such that the Company receives, for each share issued by the Company, an amount equal to no less than the minimum authorised under applicable regulations as of the issue date or an amount equal to the weighted average of the prices of the share on Euronext Paris over the last three trading days preceding the date on which it was set less, where appropriate, a maximum 10% discount.

For issues carried out with pre-emptive subscription rights in the context of the 21st resolution, the sum paid or to be paid to the Company for each of the Company shares that may be issued must be at least equal to the par value of the share.

The issue price of all securities carrying rights to shares would be determined based on market practices and conditions.

The rights attached to the securities that may be issued under the terms of these resolutions could be exercised on set dates, at any time, or during one or several set periods determined by the Board, beginning no earlier than on the issue date of the primary security and ending in the event of redemption, conversion, or exchange of a debt security no later than three months after it has reached maturity or, in other cases, no later than seven years after the issue of the security carrying rights thereto.

Twenty-first resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any other company in which the Company directly or indirectly holds an equity interest, with pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with Articles L. 225-127, L. 225-129, L. 225-129-2, L 225-130, L 225-132, L 225-134, L 22-10-49, L 22-10-50 and L. 228-91 et seq. of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, in one or several transactions and at its sole discretion, in the amounts and at the times that it shall determine, both in France and abroad, with pre-emptive rights for existing shareholders, by granting, at the Company's discretion, new and/or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of any other company in which it directly or indirectly holds an equity interest, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The Company's share warrants may be issued through a subscription offering, but also by free allocation to the owners of old shares, on the understanding that the Board of Directors will have the right to decide that rights to fractional shares will not be negotiable and that the corresponding securities will be sold.

The aggregate par value of Company shares that may be issued, immediately and/or in the future, by virtue of this delegation, shall not exceed 66 million euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and any contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to shares of the Company.

The aggregate par value of debt securities that may be issued by virtue of this delegation shall not exceed un billion euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

In order to allow securities holders to exercise their rights to the Company's new shares, the Shareholders' Meeting also authorises the Board of Directors to increase the share capital by a maximum par value of sixty-six million euros (€66 million) in addition to, if necessary, the par value of any additional shares that may be issued to protect the rights of the holders of the securities carrying rights to the Company's shares, in accordance with the law.

In accordance with the law, the Board of Directors may introduce, if deemed necessary, a subscription right for excess shares in the event of a share or securities issue. This right would allow any excess shares or securities, after subscriptions as of right, to be allocated to shareholders who subscribed for a larger number of shares than the number they were entitled to as of right, in proportion to the subscription rights that they hold, and in any event, within the limit of their requests.

If subscriptions as of right and subscriptions for excess shares do not absorb the entire issue, the Board may limit the issue to the amount of the subscriptions received, on the condition that this amount represents at least three quarters of the initially decided issue amount.

In addition, if the issue is not taken up in full by shareholders exercising their pre-emptive rights as provided for above, the Board may freely distribute and/or offer all or some of the unsubscribed securities to the public.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest

capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);

- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued, in compliance with the applicable formalities;
- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one-tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Twenty-second resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any other company in which the Company directly or indirectly holds an equity interest, without pre-emptive subscription rights for existing shareholders, via a public offering

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with Articles L. 225-129 à L. 225-129-6, L 225-134 à L 225-136, L. 22-10-49 à L. 22-10-52, L 22-10-51, L 22-10-54 and L. 228-91 et seq. of the French Commercial Code:

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, via a public tender offer, in one or several transactions and at its sole discretion, in the amounts and at the times that it shall determine, both in France and abroad, via offerings other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code by granting, at the Company's discretion, new shares and/or existing shares of the Company or existing shares of any other company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;
- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of any other company in which it directly or indirectly holds an equity interest, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The total par value of the securities that may be issued under this delegation of authority may not exceed fifteen million euros (€15 million), if they are equity securities, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and any contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to the shares of the Company.

The aggregate par value of debt securities that may be issued by virtue of this delegation shall not exceed one billion euros (€1 billion) or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The Shareholders' Meeting resolves to waive the pre-emptive rights of existing shareholders to subscribe to the shares and securities carrying rights to the shares to be issued pursuant to this delegation of authority. However, the Shareholders' Meeting delegates the necessary powers to the Board of Directors to introduce, if considered useful for all or part of an issue, a priority subscription period for shareholders to acquire shares in proportion to existing stock and/or for excess shares and to determine the exercise terms and conditions thereof, in accordance with the applicable legal and regulatory provisions, on the understanding that the securities left unsubscribed under this right may be offered through a public placement in or outside France and on the international market.

In the event of a public exchange offer initiated by the Company on its own shares, the Shareholders' Meeting delegates to the Board of Directors the necessary powers to tender the securities described under Article L. 228-91 of the French Commercial Code and issued in connection with this authorisation.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on Euronext Paris over the last three trading days preceding the day on which the price is set less, where appropriate, a maximum 10% discount, and after correcting this average, if necessary, for any difference in the dividend entitlement date.

The issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities will carry rights, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, where appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued, in compliance with the applicable formalities;
- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;
- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Twenty-third resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to new or existing shares of the Company or existing shares of any other company in which the Company directly or indirectly holds an equity interest, without pre-emptive subscription rights for existing shareholders, via an offering as referred to in paragraph 1 of Article L. 411-2- of the French Monetary and Financial Code

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and after noting that the share capital has been fully paid up, in accordance with L. 225-129 à L. 225-129-6, L. 225-135, L. 225-136, L. 22-10-49 à L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code,

- delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, to issue shares or any other securities carrying rights, by any means, immediately and/or in the future, to shares of the Company, in one or several transactions and at its sole discretion, in the proportions and at the times that it shall determine, both in France and abroad, through an offering defined in Article L. 411-2 of the French Monetary and Financial Code, by granting, at the Company's discretion, new shares and/or existing shares of the Company, or existing shares of any other company in which it directly or indirectly holds an equity interest. The subscription may be carried out either in cash or by offsetting liabilities;

- resolves that the securities thus issued and carrying rights to new or existing shares of the Company, or existing shares of one of its subsidiaries, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as interim securities. They may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The aggregate par value of Company shares that may be issued, immediately and/or in the future, by virtue of this delegation, shall not exceed 15 million euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and any contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to the shares of the Company.

The aggregate par value of debt securities that may be issued by virtue of this delegation shall not exceed un billion euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The Shareholders' Meeting resolves to cancel the pre-emptive rights of shareholders to subscribe for shares and securities carrying rights to the shares to be issued, for the benefit of the persons and entities referred to in Article L. 411-2 of the French Monetary and Financial Code.

This delegation of authority automatically implies, for the benefit of holders of securities that could be issued on the basis of this delegation of authority, the waiver by shareholders of their pre-emptive rights to subscribe for the new shares to which the securities may entitle them.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum provided by regulations in force on the issue date, which is currently equal to the weighted average of the market prices of the share on Euronext Paris over the last three trading days preceding the day on which the price is set less, where appropriate, a maximum 10% discount, and after correcting this average, if necessary, for any difference in the dividend entitlement date.

The issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities will carry rights, to be set by the Board of Directors, will be such that the sum immediately received by the Company plus, where appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

Within the limits set by the Shareholders' Meeting and those prescribed by law, the Board of Directors shall have full powers, with the ability to sub-delegate, to use this delegation of authority, and namely to:

- determine (i) the characteristics, amount and conditions of any issue(s), in particular the category of the securities issued and their subscription price, with or without a premium, (ii) the conditions governing their payment, (iii) the date, even retroactive, from which the new shares will have dividend rights, (iv) the conditions under which securities issued under this resolution will grant access to ordinary shares to be issued by the Company, or, as the case may be, an equity interest, (v) and the conditions under which these securities may also grant access to existing equity securities;
- determine the persons and entities referred to in Article L. 411-2 of the French Monetary and Financial Code and to whom the shares or securities would be issued;
- set, in the event of the immediate issue of debt securities and securities related to debt securities, the loan amount, duration, issue currency, subordination status, the fixed, variable, zero coupon, indexed or other interest rate and its payment date, the interest capitalisation conditions, the terms and conditions and fixed or variable redemption price, with or without a premium, the terms and conditions of redemption relative to market conditions, as well as the conditions under which they will carry rights to the shares of the Company and other terms and conditions of the issue (including whether to grant them guarantees or sureties);
- amend, during the life of the securities concerned, the terms and conditions of the securities issued or to be issued in compliance with the applicable formalities;
- proceed, as the case may be, with the admission to trading on a regulated market of ordinary shares, securities to be issued or shares issued following the exercise of securities granting access to shares to be issued;
- take any and all measures to protect the holders of rights and securities carrying future rights to new shares of the Company, and do so in accordance with legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment;
- if necessary, suspend the exercise of the rights attached to these securities for a set period in accordance with legal and regulatory provisions;

- enter into any and all agreements, with any and all credit institutions, take any and all measures and carry out any and all formalities to ensure the completion and successful conclusion of any issue carried out using the powers conferred in this delegation of authority;
- deduct, as applicable, the capital increase costs from the amount of the premiums associated with each of these increases and, if considered appropriate, also deduct the sums required to raise the legal reserve to one tenth of the new capital after each issue;
- place on record the completion of the share capital increases resulting from this resolution and amend the articles of association accordingly, complete any and all formalities and declarations and request any and all authorisations necessary to ensure the success of these issues.

Resolution 24: Exceptional option to set the issue price in the event of capital increases without pre-emptive subscription rights for existing shareholders

Presentation

Under the terms of the 24th resolution, you are being asked to authorise your Board of Directors, in the event of increases without pre-emptive subscription rights, via public offerings (22nd resolution) or private placements (23rd resolution), for the purpose of, if deemed appropriate, setting the issue price based on the weighted average market price of the share during the last ten trading days preceding the date on which it as set less, where appropriate, a maximum 10% discount in accordance with the conditions set forth by law.

The 29th resolution limits the aggregate amount of issues of shares, with and without pre-emptive subscription rights, or debt securities, that may be carried out pursuant to the 21th to 28th resolutions.

Twenty-fourth resolution

Authorisation granted to the Board of Directors to set the issue price according to the methods determined by the Shareholders' Meeting, in the event of issues, via public tender offers or private placements, without pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, with the ability to sub-delegate to the General Manager or, in agreement with the latter, to one or several Deputy General Managers, in accordance with Article L. 22-10-52 of the French Commercial Code, during an issue carried out on the basis of the 22st and 23nd resolutions of this Meeting, to set, notwithstanding the provisions of Article L. L225-136-1° paragraph 2 of the French Commercial Code, the issue price under the conditions below:

- the issue price will be equal to the weighted average market price of the share over the ten trading days preceding the date on which it is set less, where appropriate, a maximum 10% discount;
- the issue price of the securities carrying rights to shares of the Company and the number of shares to which these securities carry rights, will be such that the sum immediately received by the Company plus, where appropriate, the sum that may be subsequently received by the Company is, for each share issued in connection with the issue of said securities, at least equal to the issue price defined in the previous paragraph.

The aggregate par value of share capital increases carried out pursuant to this resolution may not exceed 10% of the share capital per year. This ceiling shall be assessed on the date on which the Board of Directors sets the issue price.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 25: Option to increase the amount of issues in the event of capital increases with or without pre-emptive rights, in the event they are oversubscribed

Presentation

The purpose of the 25th resolution is to renew the authorisation granted to your Board of Directors in the context of share capital increases carried out with or without pre-emptive subscription rights (21st, 22nd, 23rd and 24th resolutions), to increase the number of securities to be issued, in the event they are oversubscribed, in accordance with the applicable regulatory conditions.

During the 30 days preceding the closing of the subscription period, your Board of Directors would thus have the ability to increase the number of securities issued at the same price as that retained in the initial issue, by up to 15% of the initial issue, subject to the ceiling set in the 21st, 22nd, 23rd and 24th resolutions depending as appropriate, and subject to the aggregate ceiling set in the 29th resolution.

Twenty-fifth resolution

Delegation of competence granted to the Board of Directors for the purpose of increasing the number of securities to be issued in the event of a share capital increase with or without pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, authorises the Board of Directors, with the ability to sub-delegate to the General Manager, or, in agreement with the latter, to one or several Deputy General Managers, in accordance with the provisions of Articles L. 225-135-1 and L. 22-10-49 of the French Commercial Code, and in the event of any issue carried out under the 21th to 24rd resolutions of this Meeting and at its sole discretion, for the purpose of issuing a higher number of shares or securities than initially set, within the time frame and limits provided for by the applicable regulations as of the issue date (or, currently, within 30 days of the end of the subscription period, and in an amount no higher than 15% of the initial issue and at the same price as that retained for the initial issue), and subject to compliance with the ceiling set in the resolution pursuant to which the issue was decided and to the aggregate ceiling set forth in the 29th resolution.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 26: Share capital increase carried out by capitalising reserves, profits, premiums or other capitalisable sums

Presentation

At its meeting of 18 May 2021, the Extraordinary Shareholders' Meeting delegated its authority to the Board of Directors for a period of 26 months, for the purpose of increasing the share capital by capitalising reserves, profits, premiums, or other sums eligible for capitalisation.

The Board of Directors did not use this delegation.

Under the terms of the 26th resolution, you are being asked to renew this delegation for 26 months, within a limit not to exceed an aggregate par value of €66 million euros (42% of the share capital as of 31 December 2022, unchanged from 2021), which constitutes the aggregate share capital increase ceiling applicable to all issues, with pre-emptive subscription rights for existing shareholders, as set forth in the 29th resolution.

Twenty-sixth resolution

Delegation of authority granted to the Board of Directors to increase the share capital by capitalising reserves, profits, premiums or other sums eligible for capitalisation

The Annual General Meeting, voting in accordance with the quorum and majority rules governing ordinary shareholders' meetings, after reviewing the Board of Directors' report and voting in accordance with Articles L. 225-129, L. 22-10-49, L. 225-130 and L. 22-10-50 of the French Commercial Code, delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to increase the share capital, on one or several occasions, at the times and according to the procedures that it will determine, via the capitalisation of reserves, profits, premiums or other sums that may be eligible for capitalisation, by issuing and awarding free shares or by raising the par value of existing shares or a combination of the two methods.

The amount by which the capital may be increased pursuant to this delegation of authority shall not exceed sixty-six million euros (€66 million), not including the amount necessary to protect the rights of holders of securities carrying rights to shares in accordance with the law.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate, for the purpose of implementing this delegation and, in particular, to:

- define all the terms and conditions for the authorised transactions and, in particular, set the amount and type of the reserves and share premiums to be capitalised, set the number of new shares to be issued or the amount of the increase in the par value of existing shares that make up the share capital, set the date, which may be retroactive, from which the new shares will carry rights to the dividend or the date from which the higher par value will take effect;
- take all the necessary steps to protect the rights of holders of securities carrying rights to shares of the Company on the day of the share capital increase;
- define the conditions for using fractional shares and, in particular, decide that these rights will be neither tradable nor transferable and that the corresponding shares will be sold, while allocating the proceeds from the sale to rights holders, no later than 30 days after the date on which the whole number of shares is registered in their account;
- record the completion of the capital increase resulting from the share issue, amend the articles of association accordingly, request the admission of the shares on a regulated market and carry out any and all required publication formalities; and
- generally, take any and all measures and complete any and all formalities required to ensure the successful completion of each capital increase.

This delegation of authority, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 27: Share capital increase carried out in the event of a public exchange offer launched by the Company

Presentation

The Extraordinary Shareholders' Meeting of 18 May 2021 delegated its authority to the Board of Directors for 26 months for the purpose of issuing shares and securities carrying rights to shares of the Company in the event of a public exchange offer launched by the Company and targeting the securities of another publicly traded company, without pre-emptive subscription rights for existing shareholders.

The Board of Directors did not use this delegation.

Under the terms of the 27th resolution, you are being asked to renew this delegation for 26 months.

The aggregate par value of the securities that may be issued by virtue of this delegation may not exceed:

- €15 million (9.45% of the share capital as of 31 December 2022), if they are securities representing a portion of the share capital (unchanged from 2021); and
- €1 billion, if they are debt securities.

You are also being asked to suspend this delegation in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The 29th resolution limits the aggregate amount of shares, with and without pre-emptive subscription rights, or debt securities, that may be issued pursuant to the 21st to 28th resolutions.

Twenty-seventh resolution

Delegation of authority granted to the Board of Directors to issue shares or securities carrying rights to shares of the Company in the event of a public exchange offer launched by Rallye for the securities of another publicly traded company, without pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors, delegates its authority to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to decide, at its sole discretion, to issue shares or any other securities carrying rights, by any means, immediately or in the future, to shares of the Company in consideration for the shares or securities tendered in any mixed or alternative public exchange offer launched by the Company and targeting the shares or securities of another company registered on one of the regulated markets specified by Article L. 22-10-54 of the French Commercial Code.

The Shareholders' Meeting resolves that securities thus issued, carrying rights to Company shares, may be debt securities or be associated with the issue of debt securities or allow said debt securities to be issued as intermediate securities. These securities may, in particular, take the form of subordinated or unsubordinated fixed term or undated debt securities, and be denominated in euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies The Shareholders' Meeting expressly resolves to waive as necessary the pre-emptive rights of existing shareholders to these shares or securities.

The aggregate par value of Company shares that may be issued, immediately and/or in the future, by virtue of this delegation, shall not exceed 15 million euros, plus, as the case may be, the par value of any additional shares to be issued in order to protect, in accordance with legal and regulatory provisions and any contractual stipulations providing for other cases of adjustment, the rights of holders of securities granting future access to the shares of the Company.

The aggregate par value of debt securities that may be issued by virtue of this delegation shall not exceed un billion euros or its equivalent value in foreign currency or in any account unit established by reference to several currencies.

The Shareholders' Meeting also authorises the Board of Directors, in order to allow securities holders to exercise their right to new Company shares, to increase the share capital by a maximum par value of 15 million euros.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

The Shareholders' Meeting notes that the issue of securities carrying rights to shares of the Company implies the waiver by shareholders of their pre-emptive right to subscribe for the shares to which the securities may entitle them.

The Board of Directors will have full powers, with the ability to sub-delegate, to implement the public tender offers described by this resolution. In particular, it will set the exchange rate and if necessary, the amount of the cash balance to be paid; record the number of securities tendered at maturity; set the conditions, the nature and the characteristics of the shares or securities delivered in exchange, the date, which may be retroactive, from which the new shares will have dividend rights; record as a statement of financial position liability the contribution premium against which, if necessary, all the costs and duties incurred by the transaction will be charged, and place on record the completion of the capital increases and amend the articles of association accordingly. It will also carry out any and all formalities and declarations and request any and all authorisations that might be required for the execution and successful completion of the transactions authorised by this delegation of authority, and generally, do all that is necessary.

This delegation of authority is granted for a period of 26 months as from the date of this Meeting; it supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 28: Share capital increase to compensate contributions in kind granted to the Company

Presentation

The Extraordinary Shareholders' Meeting of 18 May 2021 delegated authority to the Board of Directors, for a period of 26 months, to issue shares or securities carrying rights to the share capital, for the purpose of compensating contributions in kind granted to the Company and comprising shares or securities carrying rights to shares.

The Board of Directors did not use this delegation.

Under the terms of the 28th resolution, you are being asked to renew this authorisation for a period of 26 months, on the same terms so that the Company may have this option.

You are also being asked to suspend this delegation in the event of a public offering, unless previously approved by the Shareholders' Meeting.

The 29th resolution limits the aggregate amount of shares, with and without pre-emptive subscription rights, or debt securities, that may be issued pursuant to the 21th to 28th resolutions.

Twenty-eighth resolution

Delegation of powers granted to the Board of Directors, within the limit of 10% of the Company's share capital, 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 pre-emptive subscription rights for existing shareholders

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and voting in accordance with Articles L. 225-129 et seq., L. 225-147, L. 22-10-49 and L. 22-10-53 of the French Commercial Code, delegates full powers to the Board of Directors, with the ability to sub-delegate to the General Manager, or in agreement with the latter, to one or several Deputy General Managers, to decide, in an amount not to exceed 10% of the Company's share capital as determined on the day the Board of Directors approves the issue and on the basis of the report of the Capital Contributions Auditor (*commissaire aux apports*) referred to in the first and second paragraphs of the above- mentioned Article L. 225-147, to issue shares or securities carrying rights to the shares of the Company, in order to compensate contributions in kind granted to the Company and comprising shares or securities carrying rights to shares of the Company, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable. It also resolves, as necessary, to waive, for the benefit of holders of these securities tendered under the contributions in kind, the pre-emptive rights of shareholders to the shares or securities to be issued.

The Shareholders' Meeting notes that this delegation of powers automatically implies the waiver by shareholders of their pre-emptive rights to subscribe for the Company shares that would have been associated with the securities issued on the basis of this delegation of powers, for the benefit of holders of securities carrying rights to shares of the Company issued under this delegation of powers.

The Board of Directors will have full powers, with the ability to sub-delegate, to implement this resolution, in particular to decide, based on the report of the independent valuer(s) described in paragraphs 1 and 2 of the abovementioned Article L. 225-147, whether the contributions in kind and the grant of special benefits and their value have been measured appropriately (including, to reduce, with the contributors' agreement, the valuation of contributions or the compensation to be awarded for special benefits), to set the conditions, the nature and characteristics of the shares and other securities to be issued, to place on record the completion of the capital increases carried out under this delegation of powers, amend the articles of association accordingly, carry out any and all formalities and declarations and apply for any and all authorisations that might be necessary to make these contributions and generally, do all that is necessary.

The Board of Directors may not, unless previously authorised by the Shareholders' Meeting, use this delegation of authority as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

This delegation of powers, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Resolution 29: Aggregate ceiling applicable to the financial authorisations

Presentation

The purpose of the 29th resolution is to limit the aggregate amount of issues of shares or debt securities that may be carried out pursuant to the 21st to 28th resolutions.

Accordingly, the aggregate par value of the share capital increases that may be carried out, immediately and/or in the future, may not exceed sixty-six million euros (€66 million) (unchanged from 2021), corresponding to 42% of the share capital as of 31 December 2022, it being specified that the aggregate par value of share capital increases that may be carried out, immediately and/or in the future without pre-emptive subscription rights pursuant to the 22nd, 23rd, 24th, 25th, 27th and 28th resolutions may not exceed fifteen million euros (€15 million), i.e., 9.45% of the share capital at 31 December 2022, also unchanged from 2021.

The aggregate par value of debt securities that may be issued is limited to one billion euros (€1 billion).

Twenty-ninth resolution

Aggregate ceiling applicable to the financial authorisations granted to the Board of Directors

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report, and subject to adoption of the 21th to 28th resolutions above, resolves that:

- the total nominal value of debt securities that may be issued under these resolutions may not exceed one billion euros (€1 billion) or its equivalent value in foreign currency or in any account unit established by reference to several currencies,
- the total par value of the shares that may be issued, immediately and/or in the future, pursuant to the 21th to 28th resolutions, may not exceed sixty-six million euros (€66 million), it being specified that the par value of the capital increases that may be carried out, immediately and/or in the future, without pre-emptive rights for existing shareholders, may not exceed fifteen million euros (€15 million) under the 22st, 23nd, 24rd, 25th, 27th and 28th resolutions, not including, for each of these amounts, the par value of any additional shares to be issued in order to protect the rights of holders of securities granting access to the share capital of the Company The Shareholders' Meeting notes that the aggregate par values of 66 million euros and of 15 million euros do not include the par value of the shares:
- to be awarded to employees and corporate officers under free share plans where the shares are allocated via a capital increase;
- to be issued, if necessary, for the benefit of employees who are members of the Company savings plan, in accordance with the 30th resolution.

Resolution 30: Share capital increase reserved for members of a Company savings plan *(plan d'épargne d'entreprise)*

Presentation

The Extraordinary Shareholders' Meeting of 18 May 2021 authorised the Board of Directors, for a period of 26 months, to increase the share capital or sell treasury shares for the benefit of members of a Company savings plan offered by the Company and related companies, on implementing a cash issue of securities carrying rights to shares of the Company.

The Board of Directors did not use this delegation.

Under the terms of the 30th resolution, you are being asked to renew this authorisation for a period of 26 months.

The total number of shares that may be issued under the terms of this resolution remains at 1% of the share capital as of the date of the Shareholders' Meeting and will not be deducted from the aggregate ceiling on share capital increases set in the 29th resolution.

You are being asked to waive shareholders' pre-emptive subscription rights to the shares and securities carrying rights to shares that could potentially be issued under this authorisation. In accordance with the terms of Article L. 3332-19 of the French Labour Code, the subscription price of the shares may not be lower than the average of the prices quoted for the share during the last 20 trading days preceding the date of the decision setting the opening day of the subscription period, less a maximum discount of 30%, or 40% if the plan's lock-up period is at least ten years.

The Board of Directors will have also the authority to make free awards of shares or other securities carrying rights to shares of the Company, it being understood that the total benefit derived from such awards and, where appropriate, from any employer matching contribution or discount on the subscription price, may not exceed legal or regulatory limits.

Thirtieth resolution

Authorisation granted to the Board of Directors to increase the share capital and/or sell shares held in treasury for the benefit of employees

The Extraordinary Shareholders' Meeting, after reviewing the reports of the Board of Directors and of the Statutory Auditors and voting in accordance with Articles L. 3332-2 et seq. of the French Labour Code and Article L. 225-138-1 of the French Commercial Code, authorises the Board of Directors, under the conditions provided for by law, with the ability to sub-delegate in application of Articles L. 225-129-2 and L. 225-129-6 of the French Commercial Code, to increase the share capital at its sole discretion and if considered necessary, in one or several transactions, through share issues, on implementing a cash issue of securities carrying rights to shares of the Company.

Participation in the capital increase will be restricted to employees who are members of a Company savings plan offered by Rallye and related companies under the conditions specified in Article L. 225-180 of the French Commercial Code and in Article L. 3344 et seq. of the French Labour Code.

The Shareholders' Meeting hereby resolves to cancel, for the benefit of the beneficiaries of any capital increases decided under this authorisation, the pre-emptive rights of existing shareholders to subscribe for the shares that will be issued.

The total number of shares that may be issued under this authorisation may not exceed 1% of the total number of shares representing the Company's share capital, it being specified that this ceiling is separate from the ceiling set in the 24rd resolution and from the aggregate ceiling set in the 29th resolution.

The subscription price of the shares will be set in accordance with the provisions of Article L. 3332-19 of the French Labour Code.

The Shareholders' Meeting also resolves that the Board of Directors will have the authority to award free shares or other securities carrying rights to shares of the Company, it being understood that the total benefit derived from such awards and, where appropriate, from any employer matching contribution or discount on the subscription price, may not exceed legal or regulatory limits.

The Shareholders' Meeting authorises the Board of Directors to sell the shares bought back by the Company pursuant to the provisions of Article L. 225-206 et seq. of the French Commercial Code, in one or several transactions and at its sole discretion, within the limit of 1% of the shares issued by the Company to the employees who are members of a savings plan offered by the Company and related companies under the conditions set forth in Article L. 225-180 of the French Commercial Code and in Article L. 3332-18 et seq. of the French Labour Code.

This authorisation, granted for a period of 26 months as from the date of this Meeting, supersedes all authorisations with the same purpose given by previous Shareholders' Meetings.

Capital increases may only be carried out under this authorisation insofar as they correspond to the number of shares subscribed by employees individually or through the intermediary of a corporate mutual fund (FCPE).

The Shareholders' Meeting authorises the Board of Directors, in accordance with and under the conditions of Article L. 225-135-1 of the French Commercial Code, to issue a higher number of shares than initially set, at the same price as for the initial issue, within the limit of the abovementioned ceiling.

The Shareholders' Meeting grants full powers to the Board of Directors, with the ability to sub-delegate under the conditions set forth by law, to implement this authorisation and carry out this or these issue(s) within the limits set above, on the dates, within the time frames and according to the methods that it shall determine in accordance with statutory and legal provisions and more particularly to:

- define the methods for the restricted issue or issues and, in particular, determine whether the issues can be carried out for the direct benefit of beneficiaries or through collective investment vehicles;
- set the amounts of the capital increases, the dates and duration of the subscription period, the terms and conditions and amount of time granted to subscribers to pay for their securities and the seniority conditions that should be met by the subscribers of new shares;
- after each capital increase and at its sole discretion, deduct the capital increase costs from the amount of the associated premiums and deduct from this amount the sums required to raise the legal reserve to one tenth of the new share capital;
- record the amount of the corresponding capital increases and amend the articles of association accordingly to reflect the direct or deferred capital increases; and
- generally, take any and all measures to complete any and all formalities required for the issue, the listing and the servicing of securities that may be issued under this authorisation.

Resolution 31: Statutory amendments relating to the age limit for the performance of the duties of Director, Chairman of the Board of Directors and General Manager (Articles 16, 20 and 21-I of the Articles of Association)

Presentation

Under the 31st resolution, on the recommendation of the Appointments and Compensation Committee, it is proposed that the age limit for the performance of the duties of Director, Chairman of the Board and General Manager be increased from 75 to 78 years, and to amend accordingly the wording of Articles 16, 20 and 21.

Thirty-first resolution

Amendments to the Articles of Association relating to the age limit for serving as Director, Chairman of the Board of Directors and General Manager (Articles 16, 20 and 21-1 of the Articles of Association)

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report, resolves to set the age limit for serving as Director, Chairman of the Board of Directors and General Manager at 78 years and to amend the wording of Article 16-II, Article 20-4 and Article 21-I-6 of the Articles of Association, which shall henceforth read as follows:

"Article 16 - Term of office - Age limit - Replacement of Directors appointed by the Ordinary Shareholders' Meeting
(…)
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 called to approve the financial statements for the year in which they reach 78 years of age."
(…)".

"Article 20 - Chairman of the Board of Directors
(…)
The Chairman is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year in which they reach 78 years of age.
(…)".

"Article 21 - General Management
I. General Manager
(…)
The General Manager is deemed to have automatically resigned from office at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year in which they reach 78 years of age.
(…)".

The other wording of Articles 16, 20 and 21 remain unchanged.

Resolution 32: Powers to carry out formalities

Presentation

The 32nd resolution is a standard authorisation to carry out publication and legal formalities.

Thirty-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: 103, rue la Boétie – 75008 Paris

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) (subject to the approval of the 31st resolution of the Extraordinary Shareholders' Meeting of 16 Mai 2023)

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 78 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 (subject to the approval of the 31st resolution of the Extraordinary Shareholders' Meeting of 16 Mai 2023)

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 78 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 (subject to the approval of the 31st resolution of the Extraordinary Shareholders' Meeting of 16 Mai 2023)

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 78 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

Alexis Ravalais, General Manager

Business address: 103, rue la Boétie - 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 5 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. "

18 April 2023

Alexis Ravalais,
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 2021:
  - the consolidated financial statements prepared in accordance with IFRS, and the parent company financial statements for the year ended 31 December 2021, the corresponding Statutory Auditors' reports and Group management report on pages 120 to 232, 239 to 263, 114 to 119, 234 à 238 and 7 to 64, respectively, of the Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on 20 April 2022 under number D.22-0314.
- 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 253, 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.

Other information contained in the Universal Registration Document for 2020 and 2019 has, where applicable, been replaced by or updated with the information contained in this Universal Registration Document. The Universal Registration Document 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 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 Alexis Hurtrel, 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.

The appointment of Deloitte & Associés will be submitted at the Annual General Meeting on 16 May 2023 to replace Ernst & Young et Autres, whose mandate is not renewed.

Person responsible for the financial information

Alexis Ravalais - 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 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.

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.

Cross-reference table for the Annual Financial Report

The table below can be used to identify the main information contained in the Annual Financial Report which listed companies are required to publish in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations:

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:

Cross-reference table for the Board of Directors' Corporate Governance 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' corporate governance report as required by Article L. 225-37 of the French Commercial Code:

Production: Rallye

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2022 UNIVERSAL REGISTRATION DOCUMENT