Paris - July 30, 2020

RALLYE

2020 first-half results

The consolidated financial statements for the first-half of 2020, established by the Board of Directors on July 29, 2020, were reviewed by the statutory auditors. They were drawn up in accordance with the going concern principle given estimates prepared for the next twelve months for Rallye. Cash position forecasts are consistent with future commitments taken within the safeguard plan.

In line with the AMF's recommendations, all costs associated with the pandemic including exceptional bonuses and similar benefits paid to employees are presented in trading profit.

In €m	H1 2020	H1 2019 (restated)
Net Sales	**16,141**	**16,845**
EBITDA[1]	**1,055**	**1,116**
EBITDA margin	6.5%	6.6%
Trading profit	**375**	**449**
Trading profit margin	2.3%	2.7%
Net income from continuing operations, Group share	121[2]	-198
Net underlying income from continuing operations, Group share	-135	-78
Net income, Group share	43	-102

Rallye's consolidated net sales amounted to €16.1bn and trading profit reached €375m as at June 30, 2020.

Rallye's holding perimeter net financial debt, before IFRS restatements, stood at €3,088m as of June 30, 2020, compared to €3,002m as at December 31, 2019. After taking into account IFRS[2] restatements, Rallye's holding perimeter net financial debt stood at €2,702m.

The net underlying income from continuing operations, Group share amounted to - €135m as at June 30, 2020.

Financial statements published on June 30, 2019 were mainly restated for the reclassification of Leader Price and Groupe GO Sport as discontinued operations.

[1] EBITDA = trading profit + current depreciation and amortization expense

[2] IFRS restatements relate to the assessment of IFRS 9 standard « financial instruments » after the Paris Commercial Court (Tribunal de Commerce de Paris) has approved Rallye's safeguard plan on February 28, 2020 (cf note 2.1 to the interim consolidated financial statements). The net underlying income from continuing operations, Group share includes a €385m impact.

1. Holding perimeter[1]

- Rallye's holding perimeter net financial debt

The bridge between Rallye's holding perimeter gross financial debt and net financial debt is detailed below:

In €m	06/30/2020	12/31/2019
Claims secured by pledges over Casino shares	1,177	1,165
Unsecured claims	1,627	1,600
Claims secured by pledges over shares of Rallye subsidiaries (other than Casino)	213	207
Total - claims under the safeguard plans	**3 017**	**2 972**
Derivatives transactions	210	223
Total - gross financial debt	**3,226**	**3,195**
Cash and other financial assets	-139[2]	-193
Total - net financial debt (before IFRS restatements)	**3,088**	**3,002**
IFRS restatements (including the impact of the approval of the safeguard plan)	-386	-2
Total - net financial debt	**2,702**	**3,000**

Rallye's holding perimeter gross financial debt stood at €3,226m as of June 30, 2020, up + €31m, mainly as a result of:

- Financial interests (excluding IFRS) of €64m over H1 2020, which will be repaid in accordance with the repayments undertakings approved by the Paris Commercial Court on February 28, 2020;
- Debt repayment for €32m following a netting of cash collateral by financial institutions secured by such form of security.

Rallye's holding perimeter net financial debt, before IFRS restatements, amounted to €3,088m as of June 30, 2020, compared to €3,002m as of December 31, 2019.

The change in Rallye's holding perimeter net financial debt over H1 2020 breaks down as follows:

In €m	06/30/2020	12/31/2019
Net financial debt (opening)	**3,000**	**2,899**
Financial interests (excluding IFRS)	64	95
Holding costs	18	22
Dividends received from Casino	-	-88
Dividends paid by Rallye	-	53
Other	5	-10
Variation of IFRS restatements (including the impact of the approval of the safeguard plan)	-385	31
Net financial debt (closing)	**2,702**	**3,000**

After taking into account the change in IFRS restatements for - €385m, Rallye's holding perimeter net financial debt amounted to €2,702m as of June 30, 2020.

IFRS restatements followed up on the analysis of the accounting treatment which stems from modification generated by the repayments undertakings and other changes made to financial liabilities,

[1] Rallye's holding perimeter is defined as Rallye and its subsidiaries that act as holding and the investment portfolio.
[2] As at June 30, 2020, Rallye's holding perimeter cash and other financial assets includes a €82m amount of cash collateral (vs €114m as at December 31, 2019) in the form of UCITS. Those UCITS can be apprehended by financial institutions in order to enforce their security right, with respects to the provisions of the safeguard plan.

and more specifically to the occurrence of a substantial change under the IFRS 9 standard « financial instruments ».

As a reminder, the company Rallye and its subsidiaries Cobivia, L'Habitation Moderne de Boulogne (HMB) and Alpétrol, as well as Rallye's holding companies Foncière Euris, Finatis, and Euris, requested and obtained the opening of safeguard proceedings by decisions rendered on May 23, 2019 and June 17, 2019.

By court decisions dated February 28, 2020, the Paris Commercial Court (*Tribunal de Commerce de Paris*) has approved the repayment undertakings of the gross financial debt which stipulates the following principles:

- For claims secured by pledges over Casino shares, a repayment of at least 85% of claims on the third payment date of the safeguard plan, and the residual balance on the fourth payment date;
- For claims that are not entitled to pledges over Casino shares, a repayment of claims over a 10-year schedule from the approval date of the plan, which breaks down as follow :
    - Annuity n°1 : €100,000 to be distributed among all the creditors pro rate the amount of their claims definitely admitted;
    - Annuity n°2 : €100,000 to be distributed among all the creditors pro rate the amount of their claims definitely admitted;
    - Annuity n°3 to n°9 : 5% [1];
    - Annuity n°10: 65 % (reduced by the amounts paid in annuities n°1 and n°2).

When taking into account the specificities of the safeguard proceeding, the implementation of this standard triggered an adjustment on financial liabilities of €384m as of June 30, 2020 which was recorded as reduction of the consolidated financial debt.

This restatement breaks down as follows:

- For financial liabilities for which a change in financing conditions was unsubstantial, a gain recorded in the financial result for an amount of €29m was recorded against a reduction in financial debt. This reduction relates to the discrepancy between the net carrying amount on safeguard plan approval date and the sum of all payments undertakings discounted at the effective interest rate as required by the standard;
- For financial liabilities for which a change in financing conditions was substantial (quantitatively and qualitatively), this modification was recorded in run-off of the initial financial liability with a new financial liability recorded at its fair value as required by the standard. The fair value was determined on the basis of the value of the liability recorded on the secondary market or defined, if need be, by reference to those values when no secondary price was available. According to the financial liability, the recorded fair value range was 26% to 27% of the par value for a total notional amount of €482m. All in all, it generated a gain in the financial result of €354m recorded against a reduction in financial debt.

When adding up the renegotiation of the derivatives claims already recorded in 2019, the modification and run-off of liabilities generated a gain in financial result of €386m which was recorded as a reduction of the consolidated financial debt. This amount will be amortized on an actuarial basis (based on the

[1] According to article L. 626-18, subparagraph 5 of the French Commercial Code, for each principal of a claim to be fully repaid on the date of the first annuity under the repayment schedule, its reimbursement will start at the annuity date set by the repayment schedule which immediately follows the contractual maturity date, as stipulated in the agreement signed between parties before the opening of Rallye's safeguard procedure. At that date, the principal amount and, if need be, associated ancillary amounts will be paid for an amount equal to what the given creditor should have received if he has been subject to the repayment schedule since the decision approving the payment undertakings. The principal amount repaid and, if need be, associated ancillary amounts subsequent to the next annuities, will be determined with respects to the payment undertakings.

effective interest rate) and gradually recovered via an increase of the net financial in accordance with the repayments undertakings (cf note 2.1 to the interim consolidated financial statements).

The accounting treatment comprising a reduction of the financial liability and as counterpart the future increase of the interest expenses is the translation of the IFRS 9 standard and does not amend the repayments undertakings or the financial liability to be reimbursed.

- Rallye's holding perimeter streamlining

In order to streamline the shareholding structure of Rallye in Casino and Groupe GO Sport, the companies HMB, Cobivia, Alpétrol (as provided in their safeguard plan), and the company MFD were absorbed by Rallye. As a result of this operation, all Casino shares within the holding perimeter are now owned by the company Rallye.

- Refinancing of all derivatives transactions of Rallye's holding perimeter

The board of Rallye has approved on March 26, 2020, in the context of the financial markets developments relating Coronavirus (Covid-19) epidemic, an agreement with Fimalac (a company controlled by Marc Ladreit de Lacharrière) in view of refinancing the derivatives transactions of Rallye, Cobivia and HMB, as well as the financing of Rallye's day-to-day operations for an amount of €15m.

On July 17, 2020, Rallye issued 210,042,400 bonds with a par value of 1€[1], that were subscribed by Fimalac. The proceeds of this bond issuance were entirely used to repay all the derivatives transactions entered into by Rallye, HMB, and Cobivia[2], which were not covered by the safeguard plans of such companies but had been the subject of specific agreements (see Rallye's press release dated November 25, 2019).

The bonds subscribed by Fimalac bear PIK interest and have a maturity of 4 years (with a one-year extension subject to agreement between Rallye and Fimalac)[3]. The event of default are customary for such type of financing, the main events being set out below:

– occurrence of an event leading to Jean-Charles Naouri no longer holding directly or indirectly at least 50% of the voting rights of Casino, plus one vote; and

– rescission (*résolution*) of the safeguard plan of Rallye.

As a guarantee of the bond financing, 9,468,255 shares of Casino (i.e 8.73% of Casino's share capital), previously pledged to the benefit of the financial institutions parties to the derivatives transactions, have been transferred by Rallye to a fiduciary trust (*fiducie-sûreté*) for the benefit of Fimalac.

Both agreements (eg. refinancing of the derivatives transactions and financing of Rallye's day-to-day operations) have the same features. The financing of Rallye day-to-day operations have not yet been drawn.

The transfer of the Casino shares, which were previously pledged to secure the derivatives transactions, into the fiduciary trust occurred on July 20, 2020 and triggered two thresholds crossings: one lower crossing by Rallye below 50% of the shareholding in Casino and one upper crossing by Equitis Gestion (the fiduciary) above 5% of the shareholding and voting rights in Casino. With respects to the fiduciary trust agreement, and as long as no event of default is notified to Equitis Gestion, the voting rights attached to the 9,468,255 Casino Guichard-Perrachon shares transferred into the fiduciary trust will be

[1] As a result of the completion of this bond financing, Fimalac's undertaking to finance Par-Bel 2 (as described in Rallye's press release dated March 30, 2020), has been terminated. Par-Bel 2 is a subsidiary controlled at 100% by Euris, itself controlled at 100% by Jean-Charles Naouri and his family.
[2] HMB and Cobivia have been merged into Rallye during H1 2020, with respect to the provision of the safeguard plan.
[3] The subscription agreement entered into between Fimalac and Rallye is a regulated agreement (*convention réglementée*) and has been the subject of a publication (in French) on Rallye's website in accordance with article L. 225-40-2 of the French Code de commerce.

exercised by Equitis Gestion upon instructions from Rallye. Any distribution, including dividend, associated with the 9 468 255 Casino Guichard-Perrachon shares transferred into the fiduciary trust will be promptly used as an early repayment of the financing. Moreover, the transfer of the Casino shares into the fiduciary trust is neutral from an accounting and tax point of view, and does not affect the equity percentage of Rallye in Casino's shareholding used for consolidation purpose.

2. Results of the operating subsidiaries

- Casino

Strong increase in consolidated net sales at Casino level, up +10.4% during Q2 on a same-store basis, with:

- In France, same-store growth of +6.0% and +7.9% including Cdiscount
- For Cdiscount[1], acceleration in gross merchandise volume (GMV) to +25% growth, driven by a +39% increase in the marketplace, which accounted for 46.3% of GMV
- In Latin America, organic growth of +17.3%, led by Assaí in Brazil (+26.4%[1])

Consolidated EBITDA for the first half of the year up 4%[2] and EBITDA margin in France up + 9 bps despite the additional costs of the pandemic, thanks to strengthened cost savings plans

- In France, EBITDA margin for the retail business improved by +9bps to 7.2%.
    - Cost savings plans and the Rocade plan generated savings of €40m, representing a sustained improvement in the cost ratio of +50bps
    - The health crisis generated a +€80m effect on activity, which was more than offset by temporary additional costs related to emergency measures to ensure the supply of populations in challenging conditions (logistics costs: -€27m, staff reinforcements: -€28m) and to protect our employees and clients (safety, protection equipment, cleaning: -€38m). In addition to these impacts on operations of -€13m, the exceptional employee bonus of -€37m was added, bringing the net impact of the health crisis to -€50m in H1 2020
- Excellent performance by Cdiscount, with EBITDA up +€30m, led by the marketplace
- In Latin America, EBITDA increased by +9.9%[2], reflecting excellent performance at Assaí

Casino strengthened its growth pillars in France

- Formats: double-digit growth in urban and convenience formats in the quarter, with 68 store openings. Growth of +14% in organic sales. A total of 444 autonomous stores
- Food E-commerce[3]: triple-digit growth and strong momentum maintained post-lockdown, with around 10,000 orders per day (vs. 6,500 before the crisis); deployment of the Casino O'logistique automated warehouse based on Ocado technology, with a five-fold increase in orders in one month
- Non-food E-commerce: acquisition of one million new customers in Q2

Sale of Leader Price to Aldi France for €735m, bringing total amount from disposals signed to €2.8bn, and completion of the sale of Vindémia, bringing total proceeds received to €2.0bn

In France, strong free cash flow generation of €507m over 12 months and solid liquidity at end-H1 2020 with €3.2bn including €2.3bn in undrawn confirmed credit lines.

[1] Data published by the subsidiary
[2] Growth at constant exchange rates
[3] Food E-commerce = E-commerce France excluding Cdiscount

At 30 June 2020, Casino complied with covenants in the "France Retail + E-commerce" scope[1]. The **gross debt/adjusted EBITDA ratio was 6.62x**, below the 7.50x limit, with headroom of €764m in gross debt. The **adjusted EBITDA/net finance costs ratio was 3.76x**, above the required 2.25x, representing headroom of €350m in EBITDA.

- Groupe GO Sport

In the context of the ongoing disposal process, Groupe Go Sport is classified under IFRS 5 and is no longer recorded in Group's 2020 net sales.

3. Outlook for H2 2020

Casino's priorities in France for the second half of the year are:

- Activity growth driven by food E-commerce and Cdiscount, expansion in buoyant formats and the commercial momentum of the banners;
- Continued improvement in profitability through the ramp-up of ongoing savings plans and the growth in new activities (energy and data);
- Cash generation with continued efforts to reduce inventories and control capex;
- Reduction in gross debt with the allocation of all proceeds from the disposal plan to debt reduction, and the continuation of the €4.5bn disposal plan of non-strategic assets.

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[1] Perimeter as defined in financing documentations with mainly Segisor accounted for within France Retail + Ecommerce perimeter

APPENDICES

H1 2020 RESULTS

(CONSOLIDATED DATA)

In €m	H1 2020	H1 2019 (restated)
Net Sales	**16,141**	**16,845**
EBITDA	**1,055**	**1,116**
Trading profit	**375**	**449**
Other operational income and expenses	-248	-303
Cost of net financial debt	133	-199
Other financial income and expenses	-263	-165
Profit (loss) before tax	**-4**	**-218**
Income taxes	12	-24
Income from associated companies	14	21
Net profit (loss) from continuing operation, Group share	**121**	**-198**
Net profit (loss) underlying income from continuing operations, Group share	**-135**	**-78**
Net profit (loss), Group share	**43**	**-102**

RECONCILIATION OF REPORTED PROFIT TO UNDERLYING PROFIT

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 the application of IFRIC 23 "Uncertainties about Tax Treatment".

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps and forward instruments related to GPA shares) and the effects of discounting Brazilian tax liabilities.

In €m	H1 2020	Restated items	H1 2020 underlying	H1 2019	Restated items	H1 2019 underlying
Trading profit	**375**	**-**	**375**	**449**	**-**	**449**
Other operating income and expenses	-248	248		-303	303	-
Operating profit	**127**	**248**	**375**	**146**	**303**	**449**
Cost of net financial debt	133	-385[1]	-252	-199		-199
Other financial income and expenses	-263	74	-189	-165	-40	-205
Income taxes	12	-66	-54	-24	-33	-57
Income from associated companies	14	-	14	21	-	21
Net profit (loss) from continuing operations	**22**	**-129**	**-107**	**-221**	**230**	**9**
of which minority interests[2]	-99	126	28	-23	110	86
of which Group share	**121**	**-255**	**-135**	-198	120	-78

[1] IFRS 9 « financial instruments » (cf note 2.1 to the interim consolidated financial statements) impacts have been restated

[2] Non-controlling interests have been restated for amounts associated with the restated items listed above.