

RALLYE

Rallye launches a global tender offer for its unsecured debt as part of a modified Dutch auction procedure

Paris, January, 22 2021 – On February 28, 2020, the Paris Commercial Court approved Rallye's safeguard plan, which provides for the repayment of its liabilities to be rescheduled between 2023 and 2030¹.

Rallye has launched today a global tender offer for its unsecured debt (including the bonds and commercial paper) as part of a modified Dutch auction procedure (the "**Tender Offer**").

Tender Offer

The purpose of the Tender Offer is to (i) provide holders of unsecured debt with the opportunity of having all or part of their claims repurchased at a price determined as part of a modified Dutch auction and 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 a reminder, on 30 June 2020, the gross financial debt of the Rallye holding company scope was as follows:

<i>(in millions of euros)</i>	30 June 2020
<i>Claims secured by pledges over Casino shares</i>	1,177
<i>Unsecured claim</i>	1,627
<i>Claims secured by pledges over shares of Rallye subsidiaries other than Casino</i>	213
Total – claims from safeguard plans	3,017
<i>Derivatives²</i>	210
Total – gross financial debt	3,226

The Tender Offer, the maximum amount of which is 75 million euros, starts today and will expire on 5 February 2021, at 5 p.m (Paris time). Rallye will keep the markets informed of the results of the Tender Offer, its outcome and its impact on the repayment profile of Rallye.

Completion of the Tender Offer is, *inter alia*, subject to (i) the approval by the Paris Commercial Court of the amendment to the Rallye's safeguard plan in order to authorize the effective completion of the Tender Offer and the setting up of the new financing described below (including the related security interests) and (ii) the availability of the proceeds of the new financing. Rallye will seek such approval immediately after announcing the results of the Tender Offer and subject to such results.

To obtain a copy of the tender offer memorandum relating to the Tender Offer or for any questions about the Tender Offer and the procedures required to participate in it, holders of unsecured debt

¹ See Rallye's press release dated 2 March 2020.

² As indicated in Rallye's press release dated 17 July 2020, all of Rallye's derivatives have been refinanced.

(including bonds and commercial paper issued by Rallye) are invited to contact Lucid Issuer Services Limited, in its capacity as tender agent, at the contact details set out below:

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA
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Telephone: +44 20 7704 0880
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Tender Offer Financing

The Tender Offer will be financed by a new financing repayable *in fine*, consisting of a bond issue and a bank loan, for a global total amount of 82,400,000 euros (including the arrangement fee due to the lenders), for which Rallye has already obtained firm commitments from Mr. Marc Ladreit de Lacharrière and from banks.

This new financing will bear, at Rallye's discretion for each interest period, (i) cash interest at the Euribor rate (floored at zero) for the 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, it being specified that in the absence of any drawdown until 30 April 2021 and subsequent cancellation of the lenders' commitments under the new financing, the amount due under the non-use fee will be 400,000 euros.

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, up to two drawdowns.

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

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

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

- in 2021 and 2022: the potential dividends up to a maximum aggregate amount of 5 million euros may be paid to Rallye (which may be increased to a total amount of 6.6 million euros if the cash position of Rallye makes it necessary);
- in 2023: the potential dividends will be paid to Rallye, subject to (i) the payment by the fiduciary trustee to the new financing providers of an amount of 10 million euros drawn from these dividends in order to be used for the mandatory early repayment of the new financing, (ii) a

maximum of 44 million³ Casino shares currently pledged to the benefit of Rallye's secured creditors being transferred to the securities account that will have been pledged in first rank to the benefit of the lenders under the new financing⁴ and (iii) that 9.5 million Casino shares be placed in fiduciary trust (*fiducie-sûreté*) to the benefit of the lenders under the new financing if the financing granted to Rallye by Fimalac has been repaid; and

- in 2024; the potential dividends will be kept by Rallye provided that (i) a maximum of 44 million Casino shares have effectively been recorded in the securities account pledged to the benefit of the lenders under this new financing in 2023 and that (ii) the value of the securities included in the fiduciary trust assets (based on the closing price of the 30 trading days prior to the detachment date, as reduced by the amount of the distribution) is at least equal to 120% of the outstanding amount of this new financing on such date. If this 120% coverage is not achieved, payment of such dividends to Rallye will only be authorized if all of the 44 million Casino shares are registered in the securities account pledged to the lenders under this new financing on the payment date of such dividends.

The main mandatory early repayment events are the following:

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

Presentation

An investor presentation describing the terms and conditions of the Tender Offer and the new financing is available on Rally's website.

This press release does not represent an invitation to participate in the Tender Offer in any country in which, or to any person to whom, it is prohibited to make such an invitation in accordance with applicable laws and regulations. Offers to sell made in connection with the Tender Offer by eligible investors will not be accepted in all cases where such an offer or request would be unlawful. Rallye makes no recommendation to eligible investors as to whether or not they should take part in the Tender Offer.

Distribution of this document in some jurisdictions may be restricted by law. Those in possession of this document are required to obtain information themselves and to comply with all legal and regulatory restrictions.

United States

³ This figure will be reduced to 34.5 million if 9.5 million Casino shares have been placed into fiduciary trust (*fiducie-sûreté*) in case of repayment of the financing granted by Fimalac.

⁴ This first-rank pledge will have a target coverage ratio of 140% and must include at least 30 million Casino shares.

The Tender Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, or to owners of debt instruments who are located or resident in, the United States or to any U.S. Persons as defined in Regulation S under the Securities Act (each, a “U.S. Person”). The debt instruments may not be tendered in the Tender Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of this press release and any other documents or materials relating to the Tender Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States, or to U.S. Persons or to persons located or resident in the United States. Any purported tender of debt instruments in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of debt instruments made by, or on behalf of, a U.S. Person or a person located or resident in the United States or from any agent, fiduciary or other intermediary acting on a non-discretionary basis located in or acting for a principal located or resident in the United States or a U.S. Person will not be acknowledged or accepted. For the purposes of this paragraph, United States means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

EEA and United Kingdom

*This press release and the Tender Offer Memorandum are not a prospectus within the meaning of the Regulation EU 2017/1129, as amended or supplemented from time to time, and including underlying legislation (the “**Prospectus Regulation**”), or the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 and has not been approved, filed or reviewed by any regulatory authority of a Member State of the EEA or of the United Kingdom.*

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