Consolidated financial statements

as of December 31, 2021

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Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2021. Comparative data for 2020 have also been adjusted for inflation.

Comparative data for 2020 have been restated (indicated as "restated" below) in the consolidated financial statements as of December 31, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19 (see Note 4).

The consolidated financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

(in millions of euros)	Notes	2021	2020	% change
Net sales	6.1	72,958	70,719	3.2%
Loyalty program costs		(853)	(752)	13.5%
Net sales net of loyalty program costs		**72,105**	**69,967**	**3.1%**
Other revenue	6.1	2,181	2,183	(0.1)%
Total revenue		**74,286**	**72,150**	**3.0%**
Cost of sales	6.2	(58,766)	(56,705)	3.6%
Gross margin from recurring operations		**15,520**	**15,445**	**0.5%**
Sales, general and administrative expenses, depreciation and amortisation	6.2	(13,247)	(13,272)	(0.2)%
Recurring operating income		**2,272**	**2,173**	**4.6%**
Net income/(loss) from equity-accounted companies	9	12	(13)	188.9%
Recurring operating income after net income from equity-accounted companies		**2,284**	**2,160**	**5.8%**
Non-recurring income and expenses, net	6.3	(374)	(474)	(21.2)%
Operating income		**1,911**	**1,686**	**13.3%**
Finance costs and other financial income and expenses, net	14.6	(279)	(334)	(16.4)%
Finance costs, net		*(172)*	*(171)*	*0.7%*
Net interests related to lease commitments		*(106)*	*(113)*	*(6.0)%*
Other financial income and expenses, net		*(1)*	*(50)*	*(97.8)%*
Income before taxes		**1,632**	**1,351**	**20.7%**
Income tax expense	10.1	(372)	(498)	(25.3)%
Net income/(loss) from continuing operations		**1,259**	**853**	**47.6%**
Net income/(loss) from discontinued operations		42	(22)	289.3%
Net income/(loss) for the year		**1,301**	**831**	**56.6%**
Group share		**1,072**	**641**	**67.3%**
of which net income/(loss) from continuing operations		*1,030*	*663*	*55.3%*
of which net income/(loss) from discontinued operations		*42*	*(22)*	*289.3%*
Attributable to non-controlling interests		**229**	**190**	**20.6%**
of which net income/(loss) from continuing operations - attributable to non-controlling interests		*229*	*190*	*20.6%*
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		–	–	–

Basic earnings per share, in €		**2021**	**2020**	**% change**
Net income/(loss) from continuing operations - Group share - per share	13.6	1.31	0.82	59.0%
Net income/(loss) from discontinued operations - Group share - per share	13.6	0.05	(0.03)	293.8%
Net income/(loss) – Group share - per share	13.6	1.36	0.80	71.3%

Diluted earnings per share, in €		**2021**	**2020**	**% change**
Net income/(loss) from continuing operations - Group share - per share	13.6	1.30	0.82	58.5%
Net income/(loss) from discontinued operations - Group share - per share	13.6	0.05	(0.03)	293.2%
Net income/(loss) – Group share - per share	13.6	1.35	0.79	70.7%

Consolidated statement of comprehensive income

(in millions of euros)	Notes	2021	2020
Net income/(loss) - Group share		1,072	641
Net income - Attributable to non-controlling interests		229	190
Net income/(loss) for the year		**1,301**	**831**
Effective portion of changes in the fair value of cash flow hedges	13.4	43	(6)
Changes in the fair value of debt instruments through other comprehensive income	13.4	(8)	(4)
Exchange differences on translating foreign operations [1]	13.4	116	(1,030)
Items that may be reclassified subsequently to profit or loss		**151**	**(1,040)**
Remeasurements of defined benefit plans obligation [2]	12.1/13.4	28	(21)
Changes in the fair value of equity instruments through other comprehensive income	13.4	(0)	(1)
Items that will not be reclassified to profit or loss		**28**	**(22)**
Other comprehensive income/(loss) after tax		**179**	**(1,061)**
Total comprehensive income/(loss)		**1,481**	**(231)**
Group share		1,224	(85)
Attributable to non-controlling interests		256	(145)

These items are presented net of the tax effect (for more details, see Note 13.4).

(1) Exchange differences recognised on translating foreign operations in 2021 mainly reflect the increase in the value of the New Taiwan dollar and the very slight increase in the value of the Brazilian real. Differences in 2020 mainly reflected the significant decline in the Brazilian real during the year.

(2) Remeasurement of the net defined benefit liability recognised in 2021 reflects the increase in discount rates applied for the eurozone, from 0.40% at end-December 2020 to 0.80% at end-December 2021. In 2020, these discount rates had decreased, from 0.75% at end-December 2019 to 0.40% at end-December 2020.

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	December 31, 2021	December 31, 2020 restated
Goodwill	7.1	7,995	8,034
Other intangible assets	7.1	1,333	1,325
Property and equipment	7.2	10,721	10,505
Investment property	7.4	291	259
Right-of-use assets	8.2	4,361	4,506
Investments in companies accounted for by the equity method	9	1,256	1,172
Other non-current financial assets	14.5	1,152	1,212
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,821	1,933
Deferred tax assets	10.2	631	679
Other non-current assets	6.4	321	490
Non-current assets		**29,883**	**30,115**
Inventories	6.4	5,858	5,326
Trade receivables	6.4	2,581	2,526
Consumer credit granted by the financial services companies – portion less than one year	6.5	3,473	3,295
Other current financial assets	14.2	532	368
Tax receivables	6.4	675	608
Other current assets	6.4	943	788
Cash and cash equivalents	14.2	3,703	4,439
Assets held for sale		20	124
Current assets		**17,785**	**17,473**
TOTAL ASSETS		**47,668**	**47,588**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	Notes	December 31, 2021	December 31, 2020 restated
Share capital	13.2	1,940	2,044
Consolidated reserves (including net income)		8,311	8,059
Shareholders' equity, Group share		**10,251**	**10,103**
Shareholders' equity attributable to non-controlling interests	13.5	1,579	1,507
Total shareholders' equity		**11,830**	**11,609**
Borrowings - portion more than one year	14.2	5,491	6,305
Lease commitments - portion more than one year	8.3	3,602	3,787
Provisions	11	2,455	2,357
Consumer credit financing – portion more than one year	6.5	1,573	1,506
Deferred tax liabilities	10.2	374	467
Tax payables - portion more than one year	6.4	193	214
Non-current liabilities		**13,688**	**14,637**
Borrowings - portion less than one year	14.2	1,342	1,084
Lease commitments - portion less than one year	8.3	995	936
Suppliers and other creditors	6.4	13,072	12,560
Consumer credit financing – portion less than one year	6.5	2,868	3,067
Tax payables - portion less than one year	6.4	1,108	1,039
Other current payables	6.4	2,765	2,617
Liabilities related to assets held for sale		–	39
Current liabilities		**22,150**	**21,342**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**47,668**	**47,588**

Consolidated statement of cash flows

(in millions of euros)	2021	2020
Income before taxes	**1,632**	**1,351**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax	(439)	(477)
Depreciation and amortisation expense	2,277	2,292
Gains and losses on sales of assets	(235)	47
Change in provisions and impairment	256	(94)
Finance costs, net	172	171
Net interests related to lease commitment	106	113
Net income and dividends received from equity-accounted companies	43	60
Impact of discontinued operations [1]	(15)	(54)
Cash flow from operations	**3,796**	**3,408**
Change in working capital requirement [2]	(32)	15
Net cash (used in)/from operating activities (excluding financial services companies)	**3,764**	**3,424**
Change in consumer credit granted by the financial services companies	(104)	(29)
Net cash (used in)/from operating activities - total	**3,661**	**3,395**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets [3]	(1,653)	(1,491)
Acquisitions of non-current financial assets [4]	(174)	(16)
Acquisitions of subsidiaries and investments in associates [5]	(135)	(291)
Proceeds from the disposal of subsidiaries and investments in associates [6]	185	7
Proceeds from the disposal of property and equipment and intangible assets [7]	282	159
Proceeds from the disposal of non-current financial assets	7	13
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets [3]	124	(123)
Investments net of disposals - subtotal	**(1,364)**	**(1,742)**
Other cash flows from investing activities	30	(98)
Net cash (used in)/from investing activities - total	**(1,334)**	**(1,841)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Carrefour SA capital increase / (decrease) [8]	(702)	–
Proceeds from share issues to non-controlling interests	1	1
Dividends paid by Carrefour SA [9]	(383)	(57)
Dividends paid by consolidated companies to non-controlling interests	(193)	(113)
Change in current financial assets [10]	14	(3)
Issuance of bonds [10]	–	1,000
Repayments of bonds [10]	(871)	(972)
Net financial interests paid	(158)	(183)
Other changes in borrowings [10]	302	233
Payments related to leases (principal) [11]	(967)	(926)
Net interests related to leases [11]	(103)	(106)
Net cash (used in)/from financing activities - total	**(3,060)**	**(1,126)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(733)**	**428**
Effect of changes in exchange rates	(2)	(455)
Net change in cash and cash equivalents	**(735)**	**(27)**
Cash and cash equivalents at beginning of year	**4,439**	**4,466**
Cash and cash equivalents at end of year	**3,703**	**4,439**

(1) In accordance with IFRS 5, in 2021 and 2020 this item concerned the remaining cash flows related to the discontinued operations reported in 2018 (integrated convenience stores in France).

(2) The change in working capital requirement is set out in Note 6.4.

(3) Acquisitions include operational investments in growth formats, in particular the payment for three additional Makro Atacadista stores in Brazil (bringing the total to 28 acquired stores as of December 31, 2021), the Group's digitalisation and the roll-out of a leading omni-channel offering. Acquisitions in 2020 notably included the purchase of 25 stores and 10 service stations under the Makro Atacadista banner in Brazil (see Note 3.2.2).

(4) This item mainly corresponds to the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the ongoing acquisition of Grupo BIG in Brazil (see Note 2.3).

(5) This item mainly corresponds to the acquisition of Supersol stores in Spain for 81 million euros (see Note 2.3) and the acquisition of non-controlling interests in French companies. In 2020, this item mainly corresponded to the acquisitions of Dejbox and Potager City in France in January 2020, and Sant'Ambroeus in Italy in February 2020, the takeover of Bio c' Bon in November 2020 and the acquisition of Wellcome in Taiwan in December 2020 (see Note 3.2.2).

(6) This line corresponds to the 189 million-euro cash payment (before transaction costs) received on the sale of 60% of Market Pay (see Note 2.3).

(7) In 2021, this item corresponds mainly to the sale and leaseback of ten hypermarkets in Spain, the sale of the San Giuliano and Thiene hypermarkets in Italy, and the sale of businesses to franchisees in France.

(8) In 2021, this item corresponds to two share buybacks which were subsequently cancelled (see Note 2.6), including the related costs.

(9) The dividend approved by the Shareholders' Meeting of May 21, 2021 was paid entirely in cash on May 28, 2021 for an amount of 383 million euros (see Note 2.5). In 2020, the dividend was paid on June 29, 2020 (leading to a cash outflow of 57 million euros).

(10) Note 14.2 provides a breakdown of net debt. Changes in liabilities arising from financing activities are detailed in Note 14.4.

(11) In accordance with IFRS 16, effective from January 1, 2019, payments under leases along with any related interest are shown in financing cash flows.

Consolidated statement of changes in shareholders' equity

(in millions of euros)	Shareholders' equity, Group share: Share capital [1]	Effect of changes in foreign exchange rates	Fair value reserve [2]	Other consolidated reserves and net income	Total Shareholders' equity, Group share	Non-controlling interests	Total Shareholders' equity
Shareholders' equity at December 31, 2019	**2,018**	**(1,381)**	**(33)**	**9,332**	**9,937**	**1,736**	**11,673**
Impact of the application of the IFRS IC decision on the calculation of the employee benefit provision [3]	–	–	–	308	308	4	312
Shareholders' equity at January 1, 2020 restated	**2,018**	**(1,381)**	**(33)**	**9,640**	**10,245**	**1,740**	**11,985**
Net income/(loss) for the year 2020	–	–	–	641	641	190	831
Other comprehensive income/(loss) after tax [4]	–	(697)	(10)	(20)	(726)	(335)	(1,061)
Total comprehensive income/(loss) 2020	**–**	**(697)**	**(10)**	**621**	**(85)**	**(145)**	**(231)**
Share-based payments	–	–	–	23	23	1	23
2019 dividend payment [5]	26	–	–	(83)	(57)	(108)	(166)
Change in capital and additional paid-in capital	–	–	–	–	–	1	1
Effect of changes in scope of consolidation and other movements	–	–	–	(23)	(23)	18	(4)
Shareholders' equity at December 31, 2020 restated	**2,044**	**(2,078)**	**(42)**	**10,178**	**10,103**	**1,507**	**11,609**
Net income/(loss) for the year 2021	–	–	–	1,072	1,072	229	1,301
Other comprehensive income/(loss) after tax [4]	–	88	37	27	153	27	179
Total comprehensive income/(loss) 2021	**–**	**88**	**37**	**1,099**	**1,224**	**256**	**1,481**
Share-based payments	–	–	–	25	25	1	26
2020 dividend payment [5]	–	–	–	(383)	(383)	(198)	(581)
Change in capital and additional paid-in capital [6]	(104)	–	–	(596)	(700)	1	(699)
Effect of changes in scope of consolidation and other movements [7]	–	–	–	(18)	(18)	13	(5)
Shareholders' equity at December 31, 2021	**1,940**	**(1,990)**	**(4)**	**10,305**	**10,251**	**1,579**	**11,830**

(1) At December 31, 2021, the share capital was made up of 775,895,892 ordinary shares (see Note 13.2.1).

(2) This item comprises:

- the hedge reserve (effective portion of changes in the fair value of cash flow hedges);

- the financial asset fair value reserve (changes in the fair value of financial assets carried at fair value through other comprehensive income).

(3) In May 2021, the IFRS IC published a final decision clarifying the attribution of benefit to periods of service. The impact of bringing the consolidated financial statements into compliance with the decision, detailed in Note 4, was recognised retrospectively in equity at January 1, 2020.

(4) In 2021, other comprehensive income after tax reflects both the increase in the value of the New Taiwan dollar and the more moderate increase in the value, of the Brazilian real compared to December 31, 2020 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the increase in discount rates applied for the eurozone as of December 31, 2021.

In 2020, other comprehensive loss after tax, chiefly reflected the significant decrease in the value of the Brazilian real over the year.

(5) The 2019 dividend distributed by Carrefour SA, totalling 183 million euros, was paid:

- in cash for 57 million euros; and

- in new shares for 126 million euros (corresponding to the aggregate par value of the new shares for 26 million euros and premiums for 100 million euros).

The 2020 dividend distributed by Carrefour SA, totalling 383 million euros, was paid entirely in cash.

Dividends paid to non-controlling interests in 2020 and 2021 came to 108 million euros and 198 million euros respectively, related mainly to the Brazilian, Taiwanese and Spanish subsidiaries.

(6) Two share buybacks were carried out in 2021 for amounts of 500 million euros and 200 million euros respectively. Following these buybacks, Carrefour SA's share capital was reduced by cancelling 29,475,225 shares and then 12,252,723 shares (see Note 2.6).

(7) In 2021, this item mainly corresponds to the impact of acquiring the remaining non-controlling interest in the Belgian financial services company Fimaser (see Note 3.2).

Notes to the consolidated financial statements

NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2021 were approved for publication by the Board of Directors on February 16, 2022. They will be submitted for final approval at the Annual Shareholders' Meeting.

Carrefour SA (the "Company") is domiciled in France at 93, avenue de Paris, 91300 Massy. The consolidated financial statements for the year ended December 31, 2021 reflect the financial position and results of operations of the Company and its subsidiaries (together "Carrefour" or the "Group"), along with the Group's share of the profits and losses and net assets of equity-accounted associates and joint ventures. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

1.1 Statement of compliance

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2021 consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union as of December 31, 2021 and applicable at that date, with 2020 comparative information prepared using the same standards.

All of the standards and interpretations endorsed by the European Union are published in the Official Journal of the European Union, which can be accessed in the EUR-Lex.

At December 31, 2021, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date.

1.2 Changes in accounting policies

The accounting policies used to prepare the 2021 consolidated financial statements are the same as those used for the 2020 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2021:

- Amendment to IFRS 4 – *Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9*;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform (Phase 2).*

A further exception is the amendment to IFRS 16 – *Leases: Covid-19-Related Rent Concessions*, which is effective from April 1, 2021.

These three amendments had no material impact on the Group's consolidated financial statements.

The application of the IFRS 4 amendment extends a temporary exemption already applied by the Group's insurance companies.

The objective of Phase 2 of the interest rate benchmark reform is to clarify the accounting impacts of the effective replacement of benchmarks. In 2021, the Group completed the identification process aimed at ensuring a smooth transition to the new benchmarks. Interest rate derivatives designated as hedges of debt indexed to benchmarks are presented in Note 14.

As a reminder, Phase 1 of the project, adopted by the Group in 2020, allowed it to set aside uncertainty over future interest rate benchmarks when assessing hedge effectiveness and/or determining whether the hedged risk meets the highly probable requirement, thereby providing assurance regarding existing and future hedging relationships until such point as the uncertainty is lifted.

Note that, in the consolidated financial statements for the year ended December 31, 2021, the Group applied the IFRS IC decision published in April 2021 on the recognition of configuration and customisation costs in Software as a Service (SaaS) arrangements, as well as the decision published in May 2021 on attributing benefit to periods of service in the calculation of the provision for employee benefits falling within the scope of IAS 19.

As a result of the decision on SaaS arrangements, the Group changed the accounting policy for customisation and configuration costs when they do not meet the recognition criteria under IAS 38 (when the Group does not control the SaaS solution) or when they do not relate to the development of an interface (middleware) with this SaaS solution. These costs are now recognised as an expense either (a) as and when they are incurred if the development work is carried out internally or by a third party integrator (not related to the SaaS solution publisher), or (b) over the term of the SaaS arrangement if the development work is carried out by the SaaS solution publisher or its subcontractor. This decision was applied in the consolidated financial statements as of December 31, 2021. For SaaS solutions implemented before January 1, 2021, the estimated impact was not deemed material for the Group; therefore, the 2020 consolidated financial statements have not been restated in light of this decision. The integration costs of SaaS solutions capitalised at December 31, 2020 that no longer meet the recognition criteria were written off at January 1, 2021, against non-recurring income, in accordance with the Group's accounting principles (see Note 6.3).

The impacts of the decision regarding IAS 19 were applied to the 2021 consolidated financial statements, with comparative data for 2020 adjusted retrospectively (see Note 4).

Adopted by the European Union but not yet applicable

Standards, amendments and interpretations	Effective date
Amendments to IFRS 3 – *Business Combinations*, IAS 16 – *Property, Plant and Equipment*, IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and *Annual Improvements to IFRSs – 2018-2020 cycle*	January 1, 2022
IFRS 17 – *Insurance Contracts*	January 1, 2023

Not yet adopted by the European Union

Standards, amendments and interpretations	Effective date(1)
Amendments to IAS 1 – *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	January 1, 2023
Amendments to IAS 1 – *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*	January 1, 2023
Amendments to IAS 12 – *Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	January 1, 2023
Amendments to IFRS 17 - *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	January 1, 2023

(1) Subject to adoption by the European Union.

Carrefour does not expect the application of this standard and these amendments to have a material impact on its consolidated financial statements.

1.3 Use of estimates and judgement

Preparation of consolidated financial statements involves the use of Group Management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. These estimates and assumptions are reviewed at regular intervals by Group management to ensure that they are reasonable in light of past experience and the current economic situation. Depending on changes in those assumptions, actual results may differ from current estimates. In addition to using estimates, Group management exercises its judgement when determining the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The estimates and judgements applied for the preparation of these consolidated financial statements mainly concern:

- measurement of rebates and commercial income (see Note 6.2.1);
- useful lives of operating assets (see Note 7);
- definition of cash-generating units (CGUs) for the purpose of impairment tests on non-current assets other than goodwill (see Note 7.3);
- measurement of the recoverable amount of goodwill, other intangible assets and property and equipment (see Note 7.3);
- measurement of right-of-use assets and lease commitments in accordance with IFRS 16 – *Leases* (see Note 8);
- measurement of impairment of loans granted by the financial services companies (see Notes 6.5.1 and 14.7.4.2) as well as provisions for credit risk on loan commitments (see Note 11.1);
- measurement of fair value of identifiable assets acquired and liabilities assumed in business combinations (see Note 3.1);
- recognition of deferred tax assets and some tax credits (see Note 10) and determination of uncertainties in income taxes under IFRIC 23;
- measurement of provisions for contingencies and other business-related provisions (see Note 11);
- assumptions used to calculate pension and other post-employment benefit obligations (see Note 12.1);
- determination of the level of control or influence exercised by the Group over investees (see Notes 3 and 9).

The potential impacts of the health crisis on these estimates are set out in Note 2.1.

In addition, the potential impacts of climate change are taken into account in the Group's strategic plan and risk management. In preparing these consolidated financial statements, the Group took these impacts into account in particular when reviewing the useful lives of property and equipment (see Note 7.2) and performing goodwill impairment tests (see Note 7.3).

With regard to climate change, the Group has set itself the goal of becoming carbon neutral by 2040. Its action plan aims to reduce the CO_2 emissions produced by its operations at source as much as possible through several initiatives:

- use of 100% renewable electricity by 2030, with priority given to on-site production for self-consumption or grid feeding, followed by the future adoption of power purchase agreements. In view of this, the Group has begun to equip hypermarkets with photovoltaic systems (seven in France, two in Poland and one in Belgium to date);
- a 27.5% reduction in energy consumption by 2030 compared to 2019. The Group is seeking to improve energy efficiency through five priority action and technology recommendations for its stores: renovation of commercial cooling systems to consume less energy, doors for refrigeration units, use of electronic speed controllers, use of divisional meters and low consumption LED lighting;
- a reduction in emissions from refrigerant use. Carrefour is committed to phasing out HFC refrigeration units and phasing in systems using natural refrigerants (CO_2), which have much lower emission levels, by 2030 in Europe and 2040 in other geographies. Each country has drawn up a roadmap for the renewal of its store base.

1.4 Measurement bases

The consolidated financial statements have been prepared using the historical cost convention, except for:

- certain financial assets and liabilities measured using the fair value model (see Note 14);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (see Note 3.1);
- assets acquired through exchange, assessed at fair value if the exchange has commercial substance and if it is possible to reliably measure the fair value of the asset received or sold (see Notes 7.2 and 7.4);
- non-current assets held for sale, measured at the lower of their carrying amount and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with the hierarchy defined in IFRS 13 – *Fair Value Measurement*, there are three levels of inputs:

- Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs: models that use inputs that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., price-based data);
- Level 3 inputs: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2021; data for the comparative period presented have also been adjusted for inflation.

NOTE 2: SIGNIFICANT EVENTS OF THE YEAR

2.1 Covid-19 health crisis

The effects of the health crisis were still present across our different geographies in 2021. Thanks to its omni-channel model and the commitment of all its teams, the Group successfully adapted to the different phases of the crisis to ensure the continuity of food distribution and meet new consumer expectations in a complex and rapidly changing environment. Regarding 2020, the health crisis and its impacts are described in Note 2.1 to the consolidated financial statements as of December 31, 2020.

Solid balance sheet, liquidity and financial discipline

Since 2018, Carrefour has shown great financial discipline and has strengthened its balance sheet and liquidity. Carrefour's solid balance sheet is an important asset in the context of the fast-changing food retail sector as well as in the face of the current health crisis.

At December 31, 2021, the Group was rated Baa1 with a stable outlook by Moody's and BBB with a stable outlook by Standard & Poor's.

The main financing operations carried out in 2021 are described in detail in Note 2.4.

Impact of the health crisis on the consolidated financial statements as of December 31, 2021

Income statement

Income and expenses for 2021 have been recorded and are presented using the same principles as those applied in the 2020 consolidated financial statements. As a result, the effects of the Covid-19 health crisis are reflected at all levels of the income statement.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating income for 2021 (as in 2020), including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers.

As a reminder, in 2020, in accordance with the Group's accounting principles, which were applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components (see Note 2.1 to the 2020 consolidated financial statements).

Balance sheet

The accompanying notes contain specific information relating to the preparation of the 2021 consolidated financial statements, particularly:

- Notes 6.4.2 and 6.4.3: Value of inventories and trade receivables;
- Note 6.5.1: Value of consumer credit granted by the financial services companies corresponding to customer receivables;
- Note 7.3: Impairment testing of goodwill, store assets and investment properties;
- Note 9: Value of investments in equity-accounted companies;
- Note 10.2: Recoverability of deferred tax;
- Note 11: Review of provisions and contingent liabilities;
- Note 12.1.6: Change in assumptions (discount rates, applicable legislation, cohorts) and their impacts on the measurement of employee benefits;
- Note 14.2.4: Breakdown of cash equivalents;
- Note 14.7.1: Review of liquidity risk.

2.2 Simplification of the organisation as part of the "Carrefour 2022" transformation plan

During the first half of 2021, in pursuit of its operating performance and organisational efficiency objectives, Carrefour France launched a headquarters transformation plan. The project is part of a human resources and skills planning (GPEC) initiative which was set out in an agreement signed with the trade unions in late February 2021. It allows for the workforce to be adjusted to needs at headquarters via departures staggered through to the planned end date of the agreement in March 2022.

A provision was set aside at June 30, 2021 for the cost of this plan, against a non-recurring expense. The estimated provision at December 31, 2021 was revised in light of the costs already incurred during the period and following updates to the main parameters: the amount of the provision is the best estimate of the costs that the Group expects to incur in relation to the roll-out of the programme (see Note 6.3).

In October 2021, Carrefour Italy announced a comprehensive performance improvement plan, aimed in particular at enhancing the profitability of integrated stores by streamlining and digitalising operational processes and developing the transition from integrated stores to franchising. The plan also details reorganisation measures leading to a reduction in the number of head office employees and sales teams.

2.3 Main acquisitions and disposals in 2021

Acquisition of 172 stores under the Supersol banner (Spain) – Business combination

In August 2020, the Group entered into an agreement to acquire 172 convenience stores and supermarkets under the **Supersol** banner in Spain, located primarily in Andalucía and the Madrid area.

At December 31, 2020, closing of the transaction was subject to the customary conditions. After receiving clearance from the local competition authority on January 12, 2021, the acquisition was completed on March 11, 2021 for a final price of 81 million euros.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill in the amount of 79 million euros in the consolidated financial statements as of December 31, 2021 (see Note 7.1).

Of the 172 Supersol stores, 127 (representing net sales of around 380 million euros in 2020) were converted to Carrefour formats in 2021; 38 stores were sold and six were closed in the second half of the year; the remaining store was ultimately not acquired.

Ongoing acquisition of Grupo BIG (Brazil) – Business combination

On March 24, 2021, Carrefour Brazil entered into an agreement with Advent International and Walmart for the acquisition of **Grupo BIG**, Brazil's third biggest food retailer. The acquiree reported net sales of around 22 billion Brazilian reals (approximately 3.7 billion euros) in 2020 and operates a multi-format network of 387 stores.

The enterprise value is around 7 billion Brazilian reals (around 1.1 billion euros at the December 31, 2021 exchange rate), of which 70% will be paid in cash and 30% in new Carrefour Brazil shares. The agreement provides for an earn-out to be paid six months after completion of the transaction if the Carrefour Brazil share price exceeds the reference value of 19.26 Brazilian reals.

The transaction remains subject to approval by the Brazilian competition authority (CADE) and is expected to be completed in 2022.

Creation of a real estate company (SCI) together with Argan for the development of warehouses (France) – Equity method investment

In May 2021, Carrefour and Argan created the real estate company **Cargan-LOG,** intended for developing future logistics warehouses, some of which are to be leased to Carrefour. This entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for a total amount of 30 million euros (see Note 9).

Acquisition of a non-controlling interest in Cajoo (France) – Equity method investment

On July 29, 2021, the Group acquired a non-controlling interest in **Cajoo**, a French trailblazer in quick commerce. At December 31, 2021, the Group owned 40% of the company, which is accounted for by the equity method (see Note 9).

Pinheiros project (Brazil) – Exchange of assets

As part of the **Pinheiros** project, Carrefour Brazil proceeded with an exchange of assets with Wtorre in a transaction that took effect in February 2021, following the issuance of a building permit by the São Paulo city hall. With this transaction, Carrefour exchanged land on which its store is currently located (on Avenue of the United Nations in the south of the city), for a new store, a shopping mall, a parking lot and offices in a new corporate tower which its partner has committed to build.

The impacts of the transaction were defined in accordance with IAS 16 – *Property, Plant and Equipment* and led to the recognition of a capital gain in non-recurring income for an amount of 81 million euros (see Note 6.3). In line with the Group's intention regarding the use of these assets, the offices of the corporate tower have been recognised in work-in-progress inventories (for an amount of 300 million Brazilian reals, or 47 million euros at December 31, 2021), the store in assets under construction (65 Brazilian reals or 10 million euros at December 31, 2021) and the shopping mall and parking lot in investment property (173 million Brazilian reals, or 27 million euros at December 31, 2021).

Disposal of a controlling interest in Market Pay (Global functions)

On October 30, 2020, the Group announced the sale of 60% of its **Market Pay** payment platform to AnaCap Financial Partners, a private equity firm focused on European financial services, with the aim of accelerating the platform's development and diversification.

At December 31, 2020, in accordance with IFRS 5, Market Pay's assets and liabilities were classified within assets held for sale and related liabilities and measured at their net carrying amount.

The transaction was completed on April 29, 2021 and a resulting disposal gain of around 230 million euros (including a cash payment of 189 million euros) was recorded in non-recurring income (before tax) after taking into account the related costs (see Note 6.3).

The Group's residual interest in Market Pay (around 40%) has been accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros (see Note 9).

Discontinuation of the business of Carrefour Banca (Italian branch of Carrefour Banque)

In May 2021, the Board of Directors of Carrefour Banque decided to discontinue the business of its Italian branch.

In light of this, the branch disposed of all of its consumer credit portfolios in July and December 2021. As a result of this disposal, and more generally the definitive discontinuation of its operations, a non-recurring expense was recorded in 2021 (see Note 6.3).

2.4 Securing the Group's long-term financing

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

Furthermore, in May 2021, Carrefour exercised its option to extend its two credit facilities totalling 3.9 billion euros, from June 2025 to June 2026. This option has been applied to more than 99% of the Group's banking facilities.

Lastly, the Group updated its Euro-Medium Term Notes (EMTN) programme in June 2021 to include a Corporate Social Responsibility (CSR) component. The Group prepared and published a Sustainability-Linked Bond-type framework aimed at increasing the consideration given to CSR issues in Carrefour SA's bond financing.

Following approval by France's securities regulator, *Autorité des Marchés Financiers* (AMF), Carrefour SA became the first CAC 40 issuer to include this type of option in its EMTN programme, further aligning its financing strategy with the Group's CSR objectives and ambitions.

On September 16, 2021, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars and euros that were immediately swapped for Brazilian reals, for an amount of 1,937 million Brazilian reals (representing approximately 306 million euros at the closing rate on December 31, 2021), with two and three year maturities. The above operations have ensured that the subsidiary's medium-term financing needs are met in relation to the acquisition of Grupo BIG.

On December 8, 2021 (with a deferred start date in early January 2022), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with 16 to 17 month maturities.

2.5 Payment of the 2020 dividend in cash

In February 2021, the Group announced that its dividend policy would be returning to normal following nearly ten years of dividends with a dividend reinvestment option.

At the Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share to be paid entirely in cash.

On May 28, 2021, the dividend was paid out in an amount of 383 million euros.

2.6 Share buyback programme with a view to cancelling the shares

As part of its share capital allocation policy, the Group carried out two share buybacks in 2021, one for an amount of 500 million euros and the other for 200 million euros, as authorised by the Shareholders' Meetings of May 29, 2020 and May 21, 2021. The objective of the share buybacks was to allow the Group to hold the shares with a view to cancelling them subsequently.

The first share buyback began on May 7, 2021 and ended on July 9, 2021. 29,475,225 shares were thus acquired at an average unit price of 16.96 euros per share; these shares were cancelled following a decision by the Board of Directors on July 28, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

The second share buyback began on August 2, 2021 and ended on September 13, 2021. 12,252,723 shares were thus acquired at an average unit price of 16.32 euros per share; these shares were cancelled following a decision by the Board of Directors on October 20, 2021 to reduce the share capital of Carrefour SA, based on the authorisation granted by the Shareholders' Meeting on May 21, 2021.

Following cancellation of these shares, Carrefour SA has 775,895,892 shares outstanding and, consequently, 9,457,539 treasury shares, representing approximately 1.2% of the share capital.

NOTE 3: SCOPE OF CONSOLIDATION

3.1 Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of subsidiaries from the date of acquisition (the date when the Group gains control) up to the date when the Group ceases to control the subsidiary, and the Group's equity in associates and joint ventures accounted for by the equity method.

(i) Subsidiaries

A subsidiary is an entity over which the Group exercises control, directly or indirectly. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group.

The profit or loss of subsidiaries acquired during the year is included in the consolidated financial statements from the date when control is acquired. The profit or loss of subsidiaries sold during the year or that the Group ceases to control, is included up to the date when control ceases.

Intra-group transactions and assets and liabilities are eliminated in consolidation. Profits and losses on transactions between a subsidiary and an associate or joint venture accounted for by the equity method are included in the consolidated financial statements to the extent of unrelated investors' interests in the associate or joint venture.

(ii) Associates and joint ventures

Entities in which the Group exercises significant influence (associates), and entities over which the Group exercises joint control and that meet the definition of a joint venture, are accounted for by the equity method, as explained in Note 9 "Investments in equity-accounted companies".

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

(iii) Other investments

Investments in companies where the Group does not exercise control or significant influence over financial or operating policy decisions are qualified as either financial assets at fair value through other comprehensive income (irrevocable option at initial recognition, which is usually elected by the Group) or financial assets at fair value through profit or loss. In all cases, they are reported under "Other non-current financial assets". The accounting treatment of these investments is described in Note 14 "Financial assets and liabilities, finance costs and other financial income and expenses".

Business combinations

Business combinations, where the set of activities and assets acquired meets the definition of a business and where the Group obtains control of them, are accounted for by the purchase method.

As from January 1, 2020, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The Group may elect to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

If the acquired set of activities and assets does not constitute a business, the transaction is recognised as an asset acquisition.

Business combinations carried out since January 1, 2010 are measured and recognised as described below, in accordance with the revised IFRS 3 – *Business Combinations*.

- As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognised and measured at fair value.
- Goodwill corresponds to the excess of (i) the sum of the consideration transferred (i.e., the acquisition price) and the amount of any non-controlling interest in the acquiree, over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. It is recorded directly in the statement of financial position of the acquiree, in the latter's functional currency, and is subsequently tested for impairment at the level of the Cash-Generating Unit (CGU) to which the acquiree belongs, by the method described in Note 7.3. Any gain from a bargain purchase (i.e., negative goodwill) is recognised directly in profit or loss.

- For each business combination on a less than 100% basis, the acquisition date components of non-controlling interests in the acquiree (i.e., interests that entitle their holders to a proportionate share of the acquiree’s net assets) are measured at either:
  - fair value, such that part of the goodwill recognised at the time of the business combination is allocated to non-controlling interests ("full goodwill" method), or
  - the proportionate share of the acquiree's identifiable net assets, such that only the goodwill attributable to the Group is recognised ("partial goodwill" method).

The method used is determined on a transaction-by-transaction basis.

- The provisional amounts recognised for a business combination may be adjusted during a measurement period that ends as soon as the Group receives the information it needs at the latest 12 months from the acquisition date. Adjustments during the measurement period to the fair value of the identifiable assets acquired and liabilities assumed or the consideration transferred are offset by a corresponding adjustment to goodwill, provided they result from facts and circumstances that existed as of the acquisition date. Any adjustments identified after the 12-month measurement period or not resulting from new information about facts and circumstances that existed at the acquisition date are recognised directly in profit or loss.
- For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit or loss. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit or loss.
- Transaction costs are recorded directly as an operating expense for the period in which they are incurred.

At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, in line with the option available to first-time adopters under IFRS 1 – *First-time Adoption of International Financial Reporting Standards*.

Changes in ownership interest not resulting in a change of control

Any change in the Group's ownership interest in a subsidiary that does not result in control being acquired or lost is qualified as a transaction with owners in their capacity as owners and recorded directly in equity in accordance with IFRS 10 – *Consolidated Financial Statements*. It is shown in cash flows from financing activities in the statement of cash flows.

Translation of the financial statements of foreign operations

The consolidated financial statements are presented in euros.

An entity's functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Group entities is the currency of their home country.

The financial statements of entities whose functional currency is not the euro and is not the currency of a hyperinflationary economy are translated into euros as follows:

- assets and liabilities are translated at the period-end closing rate;
- income and expenses are translated at the weighted average exchange rate for the period;
- all resulting exchange differences are recognised in other comprehensive income and are taken into account in the calculation of any gain or loss realised on the subsequent disposal of the foreign operation;
- items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

Argentina has been classified as a hyperinflationary economy within the meaning of IAS 29 – *Financial Reporting in Hyperinflationary Economies* since 2018. In accordance with this standard:

- non-monetary assets and liabilities are restated by applying a general price index;
- all local currency items in the income statement and statement of other comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements;
- the statement of financial position, income statement and statement of comprehensive income are translated into euros at the closing rate for the reporting period;
- the restatement of reserves for the indexation of Argentinean equity items is presented in exchange differences on translating foreign operations in the statement of comprehensive income and in the translation reserve in the statement of changes in consolidated equity.

Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gain or loss arising from translation of the loan at each successive period-end is recorded directly in "Other comprehensive income" in accordance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

Non-current assets and disposal groups held for sale and discontinued operations

If the Group expects to recover the carrying amount of a non-current asset (or disposal group) principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under "Assets held for sale" in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. Liabilities related to non-current assets held for sale are also reported on a separate line of the consolidated statement of financial position (under "Liabilities related to assets held for sale"). Following their classification as held for sale, the assets concerned are measured at the lower of their carrying amount and fair value less costs to sell and they cease to be depreciated or amortised.

All the assets and liabilities of the discontinued operation are presented on separate lines on each side of the statement of financial position after eliminating intra-group items.

A discontinued operation is a component of an entity that has been either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations; and
- 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.

It is classified as a discontinued operation at the time of sale or earlier if its assets and liabilities meet the criteria for classification as held for sale. When a component of an entity is classified as a discontinued operation, comparative income statement and cash flow information is restated as if the entity had met the criteria for classification as a discontinued operation on the first day of the comparative period.

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2021

The main transactions completed in 2021 are detailed in Note 2.3: acquisition of the Supersol banner in Spain, acquisition of a non-controlling interest in Cajoo in France, creation of SCI Cargan-LOG in France, exchange of assets under the Pinheiros project in Brazil, Carrefour SA's loss of control of Market Pay, and discontinuation of the operations of Carrefour Banque's Italian branch.

In addition, in December 2021, the Group acquired the remaining 40% non-controlling interest in the Belgian financial services company Fimaser (a fully consolidated entity) for approximately 20 million euros. The impact is recorded in consolidated equity as the acquisition constitutes a transaction with minority shareholders.

The Group also bought the remaining non-controlling interests in French companies Quitoque and Greenweez for non-material amounts.

3.2.2 Changes in 2020

Acquisition of Makro Atacadista stores (Brazil) – Acquisition of assets

On February 15, 2020, Atacadão signed an agreement with **Makro Atacadista** to acquire 30 cash & carry stores (including 22 fully-owned stores, and 8 rented stores) and 14 service stations, located in 17 states across Brazil, for a total price of 1.95 billion Brazilian reals, payable in cash. This transaction corresponds to an asset acquisition.

The 30 stores represent a total retail surface area of over 165,000 sq.m. and annual sales of some 2.8 billion Brazilian reals (2019 figure).

Closing of the transaction was subject to certain customary conditions, notably including agreement by the owners of the rented properties and approval by CADE, Brazil's anti-trust authority. Following CADE's approval on October 5, 2020, the acquisition of the stores and service stations has been undertaken in several stages.

As of December 31, 2020, the Group had acquired 25 of the stores (16 fully-owned stores and nine rented stores) and ten of the service stations. The Group carried out these acquisitions in November and December 2020 for a total amount of 1,725 million reals (around 290 million euros).

In 2021, the Group acquired three additional stores on a full ownership basis and two service stations for a total amount of 170 million reals (approximately 27 million euros). A 29th store is expected to be acquired on a full ownership basis in 2022 but the Group has finally decided not to acquire a 30th store.

Acquisition of the Wellcome banner (Taiwan) – Business combination

In June 2020, Carrefour signed an agreement with Dairy Farm for the acquisition of the **Wellcome** banner, with its 224 convenience stores and a warehouse. Wellcome reported net sales of some 390 million euros in 2019.

Closing of the transaction was subject to the customary conditions. After receiving clearance from the Taiwan Fair Trade Commission on December 10, 2020, the acquisition was completed on December 31, 2020 for the final price of 4.0 billion New Taiwan dollars (approximately 119 million euros).

Given that the transaction was carried out on the last day of the annual reporting period (i.e., December 31, 2020) and that local regulations restricted the exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date, the purchase price allocation process stipulated in IFRS 3 – *Business Combinations* could not be implemented in the 2020 consolidated financial statements; provisional goodwill had therefore been recognised at December 31, 2020 in the amount of 119 million euros.

This allocation process, implemented in 2021, led to a reduction in goodwill to 80 million euros at December 31, 2021, chiefly as a result of the fair value adjustment to the warehouse (building and land) owned by Wellcome.

Acquisition of the Bioazur banner (France) – Business combination

On October 13, 2020, Carrefour announced that it was acquiring the entire share capital of the **Bioazur** banner through its subsidiary So.bio. Bioazur is a specialist retailer of organic products operating five stores located in south west France. The transaction was completed on November 12, 2020, corresponding to the date on which control was acquired.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition date, provisional goodwill in the amount of 4 million euros was recognised at December 31, 2020 in respect of this acquisition, and became final in 2021.

Takeover of the Bio c' Bon banner (France) – Business combination

On November 2, 2020, the Paris Commercial Court accepted Carrefour's bid to acquire the **Bio c' Bon** banner through its subsidiary So.bio, effective the following day.

This transaction was subject to an exemption from the suspensive effect of merger control and must be submitted to the French competition authority (*Autorité de la Concurrence*) for review. The provisional acquisition price amounted to 60 million euros, corresponding to 107 stores and around one thousand employees operating under the banner.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition date, provisional goodwill in the amount of 81 million euros was recognised at December 31, 2020 in respect of this acquisition.

Out of the 107 previously mentioned stores, seven were ultimately not acquired due to lessors electing to exercise their lease termination clause. The final price paid was reduced by 3 million euros.

In addition, in its decision dated September 10, 2021, the French competition authority authorised the transaction subject to the sale of eight identified stores.

On the basis of these factors and the recognition of property and equipment corresponding to the notarial acts, goodwill was reduced to 66 million euros at December 31, 2021.

Extending Carrefour's food e-commerce offering in France (business combinations)

On January 8, 2020, Carrefour acquired a 50% controlling interest in **Potager City**, a company based in Lyon that delivers fruit and vegetable baskets directly from the farm to the consumer. At the end of March 2020, a shareholder's advance from Carrefour was used to underwrite a share issue, giving Carrefour 56% of Potager City's capital and voting rights. Further to the purchase of additional shares from minority shareholders in December 2020, Carrefour held 68% of the capital and voting rights at December 31, 2020.

On January 24, 2020, Carrefour acquired a majority stake (68%) in the company **Dejbox**, a pioneer in lunch delivery for business employees located in suburban and outlying areas. Operating in Lille, Lyon, Paris, Bordeaux, Nantes and Grenoble, plus hundreds of other nearby towns and cities, Dejbox delivers over 400,000 meals each month.

In accordance with IFRS 3 – *Business Combinations*, following the Group's measurement of the assets acquired and liabilities assumed at the acquisition dates, final goodwill was accounted for at December 31, 2020 in the amount of 20 million euros for the Potager City acquisition and 53 million euros for the Dejbox acquisition.

At December 31, 2021, the Group held 69% of Potager City and 86% of Dejbox further to the purchase of additional shares from minority shareholders.

Disposal of Rue du Commerce (France)

On November 8, 2019, the Group announced that it had received a firm offer from Shopinvest for the acquisition of 100% of the share capital of Rue du Commerce.

The sale of Rue du Commerce was carried out on April 30, 2020. The disposal loss recognised in 2020 amounted to approximately 40 million euros and was accounted for in non-recurring operating expense.

Discontinuation of Carrefour Banque's C-zam business (France)

In April 2020, the Board of Directors of Carrefour Banque decided to discontinue the C-zam business (current account management services for retail banking customers), in order to focus on the bank's core consumer credit business. The business was discontinued in July 2020.

This decision led to the write-down of the associated non-current assets in 2020, with a contra entry to non-recurring items.

3.3 Scope of consolidation at December 31, 2021

The list of consolidated companies (subsidiaries and associates) is presented in Note 18.

The Group reviewed its analyses of control over subsidiaries in which it is not the sole investor, in light of changes in facts and circumstances during the year, and particularly those transactions described in Note 2.3. Based on its review, there were no changes in the type of control exercised over these subsidiaries.

NOTE 4: RESTATEMENT OF THE 2020 CONSOLIDATED FINANCIAL STATEMENTS

4.1 IAS 19 – *Employee Benefits* – Application of the IFRS IC decision of May 2021

In May 2021, the IFRS IC published a final decision clarifying the attribution of benefit to periods of service. The decision came in response to a request regarding a defined benefit plan with the following characteristics: provided they are still with the company when they reach retirement age, employees are entitled to a lump-sum benefit depending on their length of service, which is capped at a specified number of consecutive years of service.

The IFRS IC concluded that, in application of IAS 19, under such a plan, the benefit obligation should be accrued only for those years of service prior to retirement in respect of which the employee generates a right to the benefit.

For the Group, only the termination benefit plans in France are affected by this decision. The other plans across our various geographies do not meet the characteristics outlined by the IFRS IC.

This decision challenged the principle applied until then, which was to use the entire length of the employee's career as the rights vesting period and to recognise the benefit obligation on a straight-line basis. It led to the reversal of the provision for employees who have not yet reached the age when the cap for the benefit is reached. For employees over this age, the provision is recognised over a shorter period.

This decision has been applied retrospectively, and its impacts have been recognised in retained earnings in the comparative year presented.

4.2 Consolidated statement of financial position at January 1, 2020 and at December 31, 2020 (restated)

ASSETS

(in millions of euros)	**December 31, 2019 published**	Impact of the IFRS IC decision - IAS 19	**January 1, 2020 restated**	**December 31, 2020 restated**
Non-current assets	**32,590**	**–**	**32,590**	**30,115**
Current assets	**18,875**	**–**	**18,875**	**17,473**
TOTAL ASSETS	**51,464**	**–**	**51,464**	**47,588**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	**December 31, 2019 published**	Impact of the IFRS IC decision - IAS 19	**January 1, 2020 restated**	**December 31, 2020 restated**
Share capital	2,018	–	2,018	2,044
Consolidated reserves (including net income)	7,919	308	8,227	8,059
Shareholders' equity, Group share	**9,937**	**308**	**10,245**	**10,103**
Shareholders' equity attributable to non-controlling interests	1,736	4	1,740	1,507
Total shareholders' equity	**11,673**	**312**	**11,985**	**11,609**
Provisions	3,297	(312)	2,984	2,357
Other non-current liabilities	13,406	–	13,406	12,280
Non-current liabilities	**16,703**	**(312)**	**16,390**	**14,637**
Current liabilities	**23,089**	**–**	**23,089**	**21,342**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**51,464**	**–**	**51,464**	**47,588**

The consolidated income statement and the consolidated statement of comprehensive income for the year 2020 have not been restated as the application of the IFRS IC decision did not have a material impact on these financial statements.

NOTE 5: SEGMENT INFORMATION

Accounting principles

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments derived from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Group's operating segments consist of the countries in which it conducts its business through the integrated store network, as each country's results are reviewed monthly by the Group's Chief Executive Officer who is the chief operating decision-maker within the meaning of IFRS 8.

Countries located in the same region are considered to have similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8. These segments are:

- France;
- Rest of Europe: Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina;
- Asia: Taiwan.

The income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated income and expenses reported under "Global functions".

Segment assets include goodwill, other intangible assets, property and equipment, investment property, right-of-use assets and "other segment assets", corresponding to inventories, trade receivables, consumer credit granted by the financial services companies and other receivables. Segment liabilities comprise lease commitments, suppliers and other creditors, consumer credit financing and other payables.

Segment capital expenditure corresponds to the acquisitions of property and equipment and intangible assets (other than goodwill) reported in the statement of cash flows.

The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the consolidated financial statements.

5.1 Segment results

2021 *(in millions of euros)*	**Group total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	72,958	35,283	21,283	13,895	2,497	–
Other revenue	2,181	759	567	699	90	67
Recurring operating income before depreciation and amortisation	**4,550**	**1,797**	**1,560**	**993**	**243**	**(43)**
Recurring operating income	**2,272**	**757**	**718**	**768**	**78**	**(49)**
Capital expenditure [1]	1,653	677	403	493	69	12
Depreciation and amortisation expense [2]	(2,277)	(1,040)	(843)	(224)	(165)	(6)

2020 *(in millions of euros)*	**Group total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	70,719	34,135	21,239	13,245	2,100	–
Other revenue	2,183	789	608	635	88	62
Recurring operating income before depreciation and amortisation	**4,465**	**1,693**	**1,565**	**999**	**225**	**(18)**
Recurring operating income	**2,173**	**629**	**698**	**786**	**94**	**(33)**
Capital expenditure [1]	1,491	582	314	548	34	14
Depreciation and amortisation expense [2]	(2,292)	(1,065)	(867)	(214)	(131)	(15)

(1) In 2020, investments in property and equipment and intangible assets included the acquisition of 16 Makro Atacadista stores on a full ownership basis (see Note 3.2.2). In 2021, three additional stores were acquired on a full ownership basis, bringing the total to 28 acquired stores at the reporting date.

(2) Including the depreciation and amortisation relating to logistics equipment included in the cost of sales.

5.2 Segment assets and liabilities

December 31, 2021 *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
ASSETS						
Goodwill	7,995	5,147	2,379	321	147	1
Other intangible assets	1,333	580	574	144	28	6
Property and equipment	10,721	4,627	2,871	2,784	437	2
Investment property	291	11	115	111	54	–
Right-of-use assets	4,361	1,636	1,945	344	432	4
Other segment assets	15,672	7,326	3,126	4,569	315	336
Total segment assets	**40,373**	**19,327**	**11,009**	**8,274**	**1,414**	**350**
Unallocated assets	7,295					
TOTAL ASSETS	**47,668**					
LIABILITIES (excluding equity)						
Segment liabilities	**25,983**	**11,612**	**7,497**	**5,276**	**1,221**	**377**
Unallocated liabilities	9,856					
TOTAL LIABILITIES	**35,839**					

December 31, 2020 restated *(in millions of euros)*	Group total	France	Europe	Latin America	Asia	Global Functions
ASSETS						
Goodwill	8,034	5,149	2,388	319	176	1
Other intangible assets	1,325	615	551	130	23	6
Property and equipment	10,505	4,741	3,038	2,376	348	2
Investment property	259	11	119	80	50	–
Right-of-use assets	4,506	1,865	1,982	324	330	5
Other segment assets	14,964	7,360	3,105	3,913	206	379
Total segment assets	**39,593**	**19,742**	**11,183**	**7,142**	**1,133**	**393**
Unallocated assets	7,995					
TOTAL ASSETS	**47,588**					
LIABILITIES (excluding equity)						
Segment liabilities	**25,512**	**12,034**	**7,672**	**4,604**	**888**	**315**
Unallocated liabilities	10,466					
TOTAL LIABILITIES	**35,979**					

NOTE 6: OPERATING ITEMS

6.1 Revenue

Accounting principles

Revenue ("Total revenue") comprises net sales and other revenue.

Net sales correspond to sales via the Group's stores, e-commerce sites and service stations (to end customers) and warehouse sales (to franchisees).

Other revenue comprises revenue from the banking and insurance businesses (including bank card fees, and arranging fees for traditional and revolving credit facilities), property development revenue, travel agency revenue, commissions on e-commerce sales made on behalf of third parties (marketplaces), shopping mall rental income and franchise fees (mainly in the form of royalties).

(i) Recognition of net sales and other revenue

Revenue from sales in stores and service stations, which represents the bulk of the Group's net sales, is recorded when the customer pays at the check-out, pursuant to IFRS 15. Control is transferred when the goods and services are transferred to the customers, because the sales do not include any other unsatisfied performance obligation at that date. Some of the products on sale in the Group's stores are sold with a right of return. This concerns only certain specific product categories and the return period is limited based on local regulations in the countries concerned and/or the Group's general conditions of sale.

E-commerce sales correspond to sales on the Group's e-commerce sites (direct sales) and to commission on e-commerce sales carried out on behalf of third parties (marketplaces). The Group acts as the principal for direct sales on its e-commerce sites. Revenue from direct sales is recorded when the goods are delivered (corresponding to the date when control of the goods is transferred). In the same way as for in-store sales, certain products offered on the Group's e-commerce sites are sold with a time-limited right of return. In the case of marketplace sales, the Group acts as an agent and revenue from these sales corresponds to the commission billed to the third-party suppliers of the goods concerned.

Revenue from sales to franchisees is recorded when the goods are delivered (corresponding to the date when control of the goods is transferred).

Net banking revenue generated by the Group's financial services companies consists mainly of net interest revenue that does not fall within the scope of IFRS 15 and is accounted for in accordance with IFRS 9. IFRS 15 only applies to payment card services that do not qualify as financing or credit transactions (bank card fees, arranging fees for traditional and revolving credit facilities). These fees are recognised over the life of the underlying contracts.

Revenue from franchise fees is accounted for in accordance with the specific provisions of IFRS 15 concerning intellectual property licences (dynamic licences). The remuneration received in exchange for the right to use the Group's brand and expertise is calculated as a percentage of the net sales generated by the franchise outlet and is recognised over time. The accounting treatment of business lease fees is the same as for franchise fees.

Revenue from leases and sub-leases where the Group is lessor does not fall within the scope of IFRS 15 and is accounted for in accordance with IFRS 16 (from January 1, 2019).

The property development business corresponds primarily to the construction and extension of shopping centres adjacent to Carrefour hypermarkets and their subsequent sale. It also includes the speciality leasing business, corresponding to the enhancement of space in the shopping centres' common areas for the sale or display of products during a limited period. The property development business is conducted by Carrefour Property, a wholly-owned subsidiary of the Group. Generally speaking, revenue from property development continues to be recognised at the date the built property is delivered to the customer; only revenue relating to off-plan sales is recognised over time (based on the percentage of completion of the construction work, as measured based on costs incurred), since control is transferred to the customer as and when the work is completed by the Group.

(ii) Accounting treatment of customer loyalty programmes

When the purchase of goods or services entitles the customer to award credits under a loyalty programme, the contract with the customer comprises two separate performance obligations:

- the obligation to deliver the goods or services, which is satisfied immediately; and
- the obligation to subsequently supply goods or services at a reduced price or free of charge.

The sale proceeds are allocated between these two performance obligations proportionately to their respective specific sale prices.

6.1.1 Net sales

(in millions of euros)	**2021**	**2020**	**% change**
Net sales	72,958	70,719	3.2%

At constant exchange rates, 2021 net sales amounted to 74,276 million euros versus 70,719 million euros in 2020, an increase of 5.0%. Changes in exchange rates reduced net sales by (1.3) billion euros in 2021, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for 2021 increased by 5.1% at constant exchange rates.

Net sales by country [(1)]

(in millions of euros)	**2021**	**2020**
France	**35,283**	**34,135**
Rest of Europe	**21,283**	**21,239**
Spain	9,471	9,058
Italy	3,941	4,172
Belgium	3,940	4,124
Poland	1,838	1,820
Romania	2,092	2,065
Latin America	**13,895**	**13,245**
Brazil	11,578	11,506
Argentina	2,317	1,739
Asia	**2,497**	**2,100**
Taiwan	2,497	2,100

(1) Substantially all revenue is recognised on a specific date. Revenue recognised over time is not material at Group level.

6.1.2 Other revenue

(in millions of euros)	**2021**	**2020**	**% change**
Financing fees and commissions [1]	1,159	1,196	(3.1)%
Franchise and business lease fees	365	329	10.9%
Rental revenue	171	158	8.6%
Revenue from sub-leases	35	38	(8.6)%
Property development revenue [2]	5	21	(77.6)%
Other revenue [3]	447	441	1.4%
TOTAL OTHER REVENUE	**2,181**	**2,183**	**(0.1)%**

(1) Including net banking revenue and net insurance revenue generated by the Group's financial services and insurance companies.

(2) Corresponding to the sale price of properties developed by the Group for resale. Taking into account development costs recorded in "Cost of sales", the property development margin amounts to 5 million euros in 2021 and 1 million euros in 2020.

(3) Other revenue notably includes sales commissions, commissions received from suppliers, revenue from ticket/travel agency sales and in-store advertising fees.

Financing fees and commissions recognised in 2021 continued to be impacted by the health crisis in Europe, in connection with the reduction in the gross value of consumer credit recorded over the period (see Note 6.5.1). In addition, growth observed in Brazil in local currency was partly offset by its translation into euros, given a more unfavourable average exchange rate over the period than in 2020.
On the other hand, franchise and lease management fees continued to increase in France.

6.2 Recurring operating income

Accounting principles

Recurring operating income is an intermediate aggregate disclosed in order to help users of the consolidated financial statements to better understand the Group's underlying operating performance. It corresponds to operating income (defined as earnings from continuing operations before interest and tax) before material items that are unusual in terms of their nature and frequency and are reported under "Non-recurring income" or "Non-recurring expenses" (see Note 6.3).

6.2.1 Cost of sales

Accounting principles

Cost of sales corresponds to the cost of purchases net of rebates and commercial income, changes in inventories (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs (primarily the cost of products sold by the financial services companies and the production costs of the property development business).

Rebates are calculated based on immediate or deferred discount rates on purchases, as specified in the contractual terms negotiated each year. Rebates can be:

- unconditional, i.e., proportionate to total purchases and subject to no other conditions; or
- conditional, i.e., dependent on meeting certain conditions (e.g., growth in the supplier's net sales with the Group).

Commercial income corresponds to income from services carried out by Carrefour for its suppliers.

Rebates and commercial income recognised in cost of sales are measured based on the contractual terms specified in the agreements signed with suppliers.

6.2.2 Sales, general and administrative expenses, and depreciation and amortisation

(in millions of euros)	2021	2020	% change
Sales, general and administrative expenses	(11,229)	(11,233)	(0.0)%
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(1,270)	(1,319)	(3.7)%
Depreciation of right-of-use asset - Property and equipment and investment properties	(748)	(721)	3.8%
TOTAL SG&A EXPENSES AND DEPRECIATION AND AMORTISATION	**(13,247)**	**(13,272)**	**(0.2)%**

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2021	2020	% Prog.
Employee benefits expense	(7,285)	(7,262)	0.3%
Maintenance and repair costs	(712)	(727)	(2.0)%
Fees	(659)	(765)	(14.0)%
Advertising expense	(641)	(611)	4.9%
Taxes other than on income	(509)	(489)	4.1%
Energy and electricity	(477)	(484)	(1.6)%
Property rentals (excl. IFRS 16) [1]	(74)	(54)	36.5%
Other SG&A expenses	(873)	(840)	3.9%
TOTAL SG&A EXPENSES	**(11,229)**	**(11,233)**	**(0.0)%**

(1) In 2020 and 2021, lease expenses under property leases do not include lease expenses under contracts accounted for in accordance with IFRS 16 (see Note 8), which would have amounted to 824 million euros in 2020 and 879 million in 2021 had IFRS 16 not been applied.

Depreciation and amortisation

Including supply chain depreciation and amortisation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 2,277 million euros in 2021 (versus 2,292 million euros in 2020), as follows:

(in millions of euros)	2021	2020	% change
Property and equipment	*(1,019)*	*(1,053)*	*(3.3)%*
Intangible assets	*(242)*	*(252)*	*(3.9)%*
Investment property	*(9)*	*(13)*	*(29.8)%*
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(1,270)	(1,319)	(3.7)%
Depreciation of right-of-use asset - Property and equipment and investment properties	(748)	(721)	3.8%
Depreciation and amortisation of supply chain	(59)	(55)	6.1%
Depreciation of right-of-use asset - Supply chain	(201)	(197)	1.7%
TOTAL DEPRECIATION AND AMORTISATION	**(2,277)**	**(2,292)**	**(0.6)%**

6.3 Non-recurring income and expenses

Accounting principles

In accordance with the French accounting standards setter (ANC) recommendation no. 2020-01 dated March 6, 2020, non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges of non-current assets, gains and losses on sales of non-current assets, restructuring costs and provision charges and income recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

They are presented separately in the income statement to "help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings outlook".

Non-recurring items represented a net expense of 374 million euros in 2021, and the detailed breakdown is as follows:

(in millions of euros)	**2021**	**2020**
Net gains on sales of assets	271	19
Restructuring costs	(385)	(93)
Other non-recurring income and expenses	(42)	(105)
Non-recurring income and expenses, net before asset impairments and write-offs	**(156)**	**(179)**
Asset impairments and write-offs	(218)	(295)
of which Impairments and write-offs of goodwill	*(84)*	*(104)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(134)*	*(192)*
NON-RECURRING INCOME AND EXPENSES, NET	**(374)**	**(474)**
of which:		
Non-recurring income	*514*	*279*
Non-recurring expense	*(888)*	*(753)*

Gains and losses on disposal of assets

Gains and losses on disposals of assets mainly include the gain arising on the loss of control of Market Pay in France for a net amount of around 230 million euros (see Note 2.3). To a lesser extent, this item also includes the disposal of ten hypermarket properties in Spain, through sale and leaseback transactions with Realty Income (see Note 8).

Restructuring costs

Restructuring costs recognised in 2021 result from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items relates primarily to severance paid or payable within the scope of the transformation plan concerning the headquarters in France and, secondarily, to the measures implemented in Italy and Spain.

Other non-recurring items

Other non-recurring income and expenses recorded in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated an income of 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3);
- provision reversals (net of costs) on ICMS credits notably related to transfers between states on "basic products" were recognised for around 35 million euros following expiry of the limitation period for tax claims or further relief under tax amnesty programmes introduced by certain Brazilian states (see Note 6.3 to the 2020 consolidated financial statements);
- following the death of Mr Silveira Freitas, commitments have been made by Carrefour Brazil to public authorities and non-profit organisations as part of a settlement agreement ("*Termo de ajustamento de Conduta*") signed on June 11, 2021. It led to the recognition of a provision for 17 million euros (see Note 11.3 to these financial statements and to the 2020 consolidated financial statements).

Other non-recurring income and expenses in 2021 also included revised estimates of historical risks in Spain and the impacts related to the decision taken in May 2021 to discontinue Carrefour Banque's operations in Italy (see Note 2.3).

Asset impairments and write-offs

At December 31, 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (Note 7.3).

Impairment of assets other than goodwill and write-offs recorded in 2021 include the retirement of a variety of non-current assets, in particular relating to IT in France for 28 million euros, as well as impairment losses of 26 million euros against non-current assets, to take account of the difficulties experienced by certain stores, particularly in Italy and France. They also include the write-off of configuration and customisation costs for SaaS solutions that can no longer be capitalised as a result of the application of the final IFRS IC decision published in April 2021 (see Note 1.2), for approximately 30 million euros. In addition, the alignment of the net carrying value of Showroomprivé shares with the stock market share price at December 31, 2021 represented a non-recurring expense of 10 million euros (see Note 9.2).

Main non-recurring items in 2020

In 2020, gains and losses on disposals of assets included the loss incurred on the sale of Rue du Commerce, which was completed on April 30, 2020. The loss was more than offset by the gains recorded on the sale of store assets or businesses in France, Italy and Belgium.

Restructuring costs in 2020 primarily corresponded to severance paid or payable under the measures implemented in Spain and Italy.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating expenses for 2020, including necessary costs relating to logistics or product distribution in stores or to customers' homes, as well as costs relating to protecting the health of employees, customers and service providers.

In accordance with the Group's accounting principles, which have been applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros during the first half of 2020. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components.

In Brazil, provision reversals on "basic products" (see Note 7.3 to the consolidated financial statements at December 31, 2019) were recognised for around 65 million euros in 2020 (net of costs) following expiry of the statute of limitations for tax claims or receipt of further relief under tax amnesty programmes introduced by certain Brazilian states at the end of the year.

Other non-recurring operating income and expenses recognised in 2020 related primarily to revised estimates of historical risks in France and Brazil.

At December 31, 2020, an impairment loss of 104 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2020 consolidated financial statements). In 2020, impairment losses of 150 million euros were recognised against non-current assets other than goodwill to take account of the difficulties experienced by certain stores, particularly in Italy and France (mainly hypermarkets and Promocash stores).

In addition, 65 million euros' worth of assets were retired during the year, mainly in France (store assets), Brazil (former IT E-Commerce platform) and Spain (certain software applications in particular). Assets were also retired at Carrefour Banque following the discontinuation of the C-zam business (see Note 3.2.2).

Lastly, the net impact of the dilution of Showroomprivé shares and the alignment of their net value with the stock market share price at December 31, 2020 represented non-recurring income of 23 million euros (see Note 9.2 to the 2020 consolidated financial statements).

6.4 Working capital requirement

6.4.1 Change in working capital requirement

The change in working capital requirement reported in the consolidated statement of cash flows under "Net cash from operating activities" breaks down as follows:

(in millions of euros)	2021	2020	Change
Change in inventories	(422)	79	(500)
Change in trade receivables	(100)	(6)	(94)
Change in trade payables	376	(66)	442
Change in loyalty program liabilities	37	6	32
Change in trade working capital requirement	**(109)**	**13**	**(121)**
Change in other receivables and payables	77	3	74
Change in working capital requirement	**(32)**	**15**	**(47)**

These items, like all other items in the statement of cash flows, are translated at the average rate for the year.

6.4.2 Inventories

Accounting principles

In accordance with IAS 2 – *Inventories*, goods inventories and the inventories of the property development business (properties under construction) are measured at the lower of cost and net realisable value.

The cost of goods inventories corresponds to the latest purchase price plus all related expenses. This method is appropriate given the rapid inventory turnover, and the resulting values are close to those obtained by the first-in first-out (FIFO) method. The cost of goods inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the rebates and commercial income negotiated with suppliers.

Net realisable value corresponds to the estimated selling price in the ordinary course of business, less the estimated additional costs necessary to make the sale.

(in millions of euros)	December 31, 2021	December 31, 2020
Inventories at cost	6,024	5,496
Impairment	(166)	(169)
INVENTORIES, NET	**5,858**	**5,326**

Note that the same impairment methods were applied as in previous reporting periods, including for non-food inventories.

6.4.3 Trade receivables

Accounting principles

Trade receivables correspond for the most part to rebates and commercial income receivable from suppliers, amounts receivable from franchisees, shopping mall rental receivables and receivables of the property development business.

Trade receivables are classified as financial assets measured at amortised cost (see Note 14). They are recognised for the initial invoice amount, less a loss allowance recorded in accordance with the simplified impairment model based on expected losses defined in IFRS 9 – *Financial Instruments* (see Note 14.7.4).

Certain Group subsidiaries operate receivables discounting programmes. In accordance with IFRS 9, receivables sold under these programmes are derecognised when the related risks and rewards (i.e., mainly default, late payment and dilution risks) are substantially transferred to the buyer.

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Receivables from clients	1,794	1,697
Impairment	(162)	(174)
Receivables from clients, net	**1,632**	**1,523**
Receivables from suppliers	949	1,003
TOTAL TRADE RECEIVABLES	**2,581**	**2,526**

Note that the same impairment methods were applied as in previous reporting periods.

6.4.4 Suppliers and other creditors

Accounting principles

Suppliers and other creditors correspond primarily to trade payables. They also include payables that suppliers have transferred to financial institutions as part of reverse factoring programmes. These programmes enable suppliers to receive payment for the Group's purchases in advance of the normal payment terms. After conducting an analysis, the Group has continued to classify these liabilities as trade payables, their characteristics having not been substantially modified (in particular, their contractual terms – including debt maturity – have been maintained). Suppliers and other creditors at December 31, 2021 included reverse factored payables for a total of 2.2 billion euros (December 31, 2020: 2.0 billion euros).

Suppliers and other creditors are classified in the category of "Financial liabilities measured at amortised cost", as defined in IFRS 9 – *Financial Instruments* (see Note 14). They are initially recognised at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

6.4.5 Tax receivables and payables

Breakdown of tax receivables

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
VAT and sales tax receivables	542	474
Other tax (other than on income) receivables	58	49
Current tax receivables	75	84
TOTAL TAX RECEIVABLES	**675**	**608**

Breakdown of tax payables

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
VAT and sales tax payables	350	338
Other tax (other than on income) payables	541	524
Current tax payables	218	177
TOTAL TAX PAYABLES - PORTION DUE IN LESS THAN ONE YEAR	**1,108**	**1,039**
TOTAL TAX PAYABLES - PORTION DUE IN MORE THAN ONE YEAR	**193**	**214**

6.4.6 Other assets and payables

Breakdown of other assets

(in millions of euros)	December 31, 2021	December 31, 2020
Prepaid expenses [1]	476	304
Proceeds receivable from disposals of non-current assets	10	19
Employee advances	16	18
Other operating receivables, net	440	448
Total Other current assets	**943**	**788**
Prepaid expenses – portion due in more than one year	3	1
Tax receivables – portion due in more than one year [2]	318	489
Total Other non-current assets	**321**	**490**

(1) *At December 31, 2021, this item includes the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the ongoing acquisition of Grupo BIG in Brazil (see Note 2.3).*

(2) *These correspond to ICMS and PIS-COFINS tax credits expected to be collected in over 12 months. At December 31, 2021, the total amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 700 million euros (719 million euros at December 31, 2020). This amount has been written down by 247 million euros (resulting in a net receivable of 453 million euros versus 473 million euros at December 31, 2020) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. In the income statement, the total amount of the Brazilian ICMS tax credits for the year are recorded in recurring operating income and those for prior years are recorded in non-recurring income. In addition, at December 31, 2021, PIS-COFINS tax credits amounted to 45 million euros, compared with 123 million euros at December 31, 2020, as credits were used by the Brazilian subsidiary Atacadão to pay income tax in 2021.*

Breakdown of other current payables

(in millions of euros)	December 31, 2021	December 31, 2020
Accrued employee benefits expense	1,505	1,532
Payables to suppliers of non-current assets	648	524
Deferred revenue	105	93
Other payables	507	468
Total Other current payables	**2,765**	**2,617**

6.5 Banking and insurance businesses

Accounting principles

To support its core retailing business, the Group offers banking and insurance services to customers, mainly in France, Spain and Brazil.

The Group's financial services companies offer their customers "Carrefour" bank cards that can be used in the Group's stores and elsewhere, consumer credit (renewable credit facilities and amortisable loans), and savings products (life insurance, passbook savings accounts, etc.).

Due to its contribution to the Group's total assets and liabilities and its specific financial structure, this secondary business is presented separately in the consolidated financial statements:

- consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by the financial services companies – Portion due in more than one year" and "Consumer credit granted by the financial services companies – Portion due in less than one year", depending on their maturity.
- Financing for these loans is presented under “Consumer credit financing – Portion due in more than one year” and “Consumer credit financing – Portion due in less than one year”, depending on their maturity.
- The other assets and liabilities of the banking activities (property and equipment, intangible assets, cash and cash equivalents, tax and employee-related payables, etc.) are presented on the corresponding lines of the statement of financial position.
- Net revenues from banking activities are reported in the income statement under “Other revenue”.

- The change in the banking and insurance activities' working capital requirement is reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

6.5.1 Consumer credit granted by the financial services companies

As of December 31, 2021, consumer credit granted by the financial services companies totalled 5,294 million euros (compared with 5,227 million euros as of December 31, 2020), as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Payment card receivables	4,474	4,350
Loans	1,549	1,789
Consumer credit (on purchases made in Carrefour stores)	44	73
Other financing [1]	254	233
Impairment	(1,027)	(1,219)
Total Consumer credit granted by the financial services companies	**5,294**	**5,227**
Portion due in less than one year	*3,473*	*3,295*
Portion due in more than one year	*1,821*	*1,933*

(1) Other financing corresponds mainly to restructured loans and credit facilities.

Consumer credit granted by the financial services companies corresponds to customer receivables (credit card debt, personal loans, etc.). Its gross value decreased by 126 million overall compared to December 31, 2020. This decrease reflects firstly the discontinuation of the Italian branch's operations (see Note 2.3) and secondly a decline in credit financing in France since the health crisis. It also reflects the sale of category 3 loans in 2021 in France, Spain and Brazil. In contrast, credit financing increased in Spain and, in particular, in Brazil in 2021.

The decrease in the average impairment rate for consumer credit at December 31, 2021 was mainly attributable to France, Spain and Brazil, following the sale of category 3 loans in 2021, and from Italy, following the sale of its entire client portfolio, including loans also classified in category 3 (see above). The amount of impairment for consumer credit was estimated according to the rules and principles described below.

Credit risk management and impairment approach

Accounting principles

The impairment model for consumer credit granted by the financial services companies was adjusted in line with the requirements of IFRS 9 – *Financial Instruments* using a two-step process:

- classification of outstanding loans in uniform risk categories based on the probability of default; then
- modelling of the probability of credit losses over a 12-month period or at maturity (representing the remaining term of the financial instrument), based on the classification of the instrument.

Classification of consumer credit

Consumer credit is divided into three categories, based on an analysis of potentially significant increases in credit risk:

- category 1: credit granted to consumers whose credit risk has not significantly increased since the credit was initially recognised;
- category 2: credit granted to consumers whose financial situation has worsened (significant increase in credit risk) since the credit was initially recognised but for which no objective evidence of impairment (default) of a specific credit has yet been identified;
- category 3: credit granted to consumers in default.

(i) Significant increase in credit risk

The main criteria applied by the Group to identify a significant increase in credit risk since initial recognition and where necessary, to reclassify category 1 assets within category 2, are as follows:

- late payment criterion: payments more than 30 days past due (non-rebuttable presumption under IFRS 9);
- renegotiation criterion: credit with renegotiated terms with payment less than 30 days past due.

The Group determines whether there has been a significant increase in credit risk for each of its contracts and applies the "contagion" principle, whereby reclassification of a given credit granted to a consumer will lead to all credit granted to that consumer to be reclassified accordingly.

(ii) Objective evidence of impairment (default)

Carrefour considers that there is objective evidence of impairment if any of the following criteria are met:

- late payment criterion: payments more than 90 days past due (non-rebuttable presumption under IFRS 9);
- renegotiation criterion: credit with renegotiated terms (not considered substantial) owing to significant difficulties of the debtor, with payment more than 30 days past due;
- litigation criterion: credit in dispute at the reporting date;
- "contagion" criterion: if a given credit granted to a consumer meets the aforementioned criteria, all credit granted to that consumer is also deemed to meet those criteria.

The consumer credit concerned is classified in category 3.

Estimates of expected credit losses

Calculation of the amount of expected credit losses is based on four main inputs: probability of default, loss given default, exposure at default and the discount rate. Each of these inputs is calibrated according to the consumer credit segmentation – itself based on the products distributed by each entity (personal loans, credit cards/renewable facilities and credit granted for a specific purpose) – based on historical data and taking into account prospective factors. The methods used to calibrate these inputs are consistent with those adopted to meet regulatory and prudential requirements (particularly the Basel Accord).

Expected credit losses are calculated over a 12-month period for consumer credit classified in category 1 and over the life of the credit for items classified in categories 2 and 3.

To protect against default by borrowers, the Group's financial services companies have set up systems to check the quality and repayment capacity of their customers. These include:

- decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures;
- interrogation of positive and negative credit history databases, where they exist;
- active management of collection and litigation processes;
- solvency analyses at the contract anniversary date;
- credit risk monitoring and control systems.

Within each credit company, a Credit Risk department is responsible for all of these processes and a summary of the Credit Risk Management Committees is systematically presented to the company's Board of Directors.

At December 31, 2021, 73% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 11% in category 2 and 16% in category 3. At December 31, 2020, categories 1, 2 and 3 represented 66%, 14% and 20%, respectively, of the gross value of consumer credit granted by the financial services companies.

6.5.2 Consumer credit financing granted by the financial services companies

The related consumer credit financing amounted to 4,441 million euros at December 31, 2021 (December 31, 2020: 4,574 million euros), as follows:

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Bonds and notes [1]	1,202	1,298
Debt securities (Neu CP and Neu MTN) [2]	866	1,042
Bank borrowings [3]	498	516
Customer passbook savings deposits	304	323
Securitisations [4]	369	369
Other refinancing debt to financial institutions	1,202	1,020
Other	–	5
TOTAL CONSUMER CREDIT FINANCING	**4,441**	**4,574**
Portion due in less than one year	*2,868*	*3,067*
Portion due in more than one year	*1,573*	*1,506*

(1) In April 2021, Carrefour Banque redeemed 500 million euros worth of bonds issued in 2016 (3-month Euribor +68 bps) and issued 400 million euros worth of bonds in June 2021 with a fixed rate swapped for the 3-month Euribor (4 years – June 2025 maturity, 3-month Euribor +49 bps).

(2) Debt securities mainly comprised negotiable European commercial paper (NEU CP) and medium-term notes (NEU MTN) issued by Carrefour Banque.

(3) This item mainly includes the 360-million-euro refinancing operation with the European Central Bank, which expired on March 24, 2021 and was renewed on the same date for an equivalent amount over a period of three years, as well as drawdowns of credit lines.

(4) This item corresponds to the "Master Credit Cards Pass" reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an initial asset pool of 560 million euros. Proceeds from the securitisation amounted to 400 million euros. The current series was issued in October 2019 for 370 million euros, maturing in June 2022.

NOTE 7: INTANGIBLE ASSETS, PROPERTY AND EQUIPMENT, INVESTMENT PROPERTY

7.1 Intangible assets

Accounting principles

Goodwill

Goodwill is initially recognised on business combinations as explained in Note 3.1.

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognised on business combinations is not amortised but is tested for impairment every year, or more frequently if there is an indication that its carrying amount may not be recovered, by the method described in Note 7.3.

Other intangible assets

Intangible assets consist mainly of software and other intangible assets related to the stores.

Separately acquired intangible assets are initially recognised at cost and intangible assets acquired in business combinations are recognised at fair value (see Note 3.1).

Software (excluding SaaS arrangements)

Internal and external costs directly incurred in the purchase or development of software are recognised as intangible assets, including subsequent improvements, when it is probable that they will generate future economic benefits for the Group. Software is amortised by the straight-line method over periods ranging from, barring exceptions, one to eight years.

Software as a Service (SaaS) arrangements

A SaaS arrangement allows an entity to access, using an Internet connection and for a specified period of time, software functions hosted on infrastructure operated by an external provider. If the Group does not control a SaaS solution, the related development costs (external and internal) are recognised as follows: (a) as an expense as incurred for internal costs and the costs of an integrator not related to the SaaS publisher, and (b) as an expense over the term of the SaaS arrangement for the costs of the SaaS publisher or its subcontractor. If the Group controls a SaaS solution, costs are capitalised if they meet the IAS 38 criteria, otherwise they are expensed as incurred.

Goodwill, which constitutes the main intangible asset, is reported separately from other intangible assets in the statement of financial position.

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Goodwill	7,995	8,034
Other intangible assets	1,333	1,325
Intangible assets	**9,328**	**9,358**

7.1.1 Goodwill

The carrying amount of goodwill is monitored at the level of the operating segments corresponding to the countries in which the Group conducts its business through its integrated store networks.

The 39 million euro decrease in goodwill relative to December 31, 2020 reflects the following:

- Completion of the acquisition of the Supersol banner in Spain (see Note 2.3) including the recognition of provisional goodwill in the amount of 79 million euros.
- The partial impairment of Italian goodwill for 80 million euros as well as the impairment of goodwill related to impaired stores in Belgium.
- Regarding the acquisition of the Wellcome banner in Taiwan (see Note 3.2.2), the preliminary implementation of the purchase price allocation required by IFRS 3 – *Business Combinations* led to the reduction of goodwill from 119 million euros in the 2020 consolidated financial statements to 80 million euros in the 2021 consolidated financial statements. As a reminder, the allocation process could not be implemented at December 31, 2020 given the transaction's completion on the last day of the year and local regulations restricting the

exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date. The decrease in provisional goodwill in 2021 (recorded in the "Other movements" column of the table below) chiefly reflects the fair value adjustment to a warehouse (including the building and the land) owned by Wellcome.

- A favourable translation adjustment of 13 million euros following the increase in value of the New Taiwan dollar compared with December 31, 2020.

(in millions of euros)	December 31, 2020	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	December 31, 2021
France	5,149	12	–	–	(15)	–	5,147
Belgium	956	–	–	(4)	(1)	–	950
Spain	952	79	–	–	–	–	1,031
Brazil	311	–	–	–	–	3	314
Poland	231	–	–	–	–	(2)	229
Taiwan	176	–	–	–	(43)	15	147
Italy	149	–	–	(80)	–	–	69
Romania	101	–	–	–	–	(2)	99
Argentina	9	–	–	–	–	(1)	8
Global Functions	1	–	–	–	–	–	1
Total	**8,034**	**91**	**–**	**(84)**	**(59)**	**13**	**7,995**

The total carrying amount of goodwill at December 31, 2020 remained fairly stable, with goodwill recognised on acquisitions carried out in France (Dejbox, Potager City, Bio c' Bon) and in Taiwan (Wellcome) virtually offset by negative translation adjustments on goodwill (especially in Brazil) and partial impairment of Italian goodwill.

(in millions of euros)	December 31, 2019	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	December 31, 2020
France	4,955	195	–	–	–	–	5,149
Belgium	956	–	–	–	–	–	956
Spain	952	–	–	–	–	–	952
Brazil	437	–	–	–	–	(126)	311
Italy	250	3	–	(104)	–	–	149
Poland	247	–	–	–	–	(16)	231
Romania	103	–	–	–	–	(2)	101
Taiwan	63	119	–	–	–	(6)	176
Argentina	13	–	–	–	–	(5)	9
Global Functions	1	–	–	–	–	–	1
Total	**7,976**	**316**	**–**	**(104)**	**–**	**(155)**	**8,034**

7.1.2 Other intangible assets

(in millions of euros)	December 31, 2021	December 31, 2020
Other intangible assets, at cost	3,644	3,611
Depreciation	(2,496)	(2,419)
Impairment	(67)	(68)
Intangible assets in progress	252	200
OTHER INTANGIBLE ASSETS, NET	**1,333**	**1,325**

Changes in other intangible assets

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2019	**3,842**	**(2,389)**	**1,452**
Acquisitions	287	–	287
Disposals	(120)	72	(48)
Depreciation	–	(252)	(252)
Impairment	–	(21)	(21)
Effect of changes in foreign exchange rates	(139)	85	(54)
Changes in scope of consolidation, transfers and other movements [1]	(58)	18	(41)
At December 31, 2020	**3,812**	**(2,487)**	**1,325**
Acquisitions	334	–	334
Disposals	(265)	187	(79)
Depreciation	–	(242)	(242)
Impairment	–	(13)	(13)
Effect of changes in foreign exchange rates	2	(1)	1
Changes in scope of consolidation, transfers and other movements	14	(7)	7
At December 31, 2021	**3,895**	**(2,563)**	**1,333**

(1) This item primarily included the reclassification of Market Pay's intangible assets within assets held for sale in August 2020. The effective sale of the company took place in April 2021 (see Note 2.3).

7.2 Property and equipment

Accounting principles

Property and equipment mainly comprise buildings, store fixtures and fittings, and land.

Initial recognition

In accordance with IAS 16 – *Property, Plant and Equipment*, these items are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Qualifying assets are defined in IAS 23 – *Borrowing Costs* as assets that necessarily take a substantial period of time to get ready for their intended use or sale, corresponding in the Group's case to investment properties, hypermarkets and supermarkets for which the construction period exceeds one year.

For property and equipment acquired in exchange for one or more non-monetary assets or for a combination of monetary and non-monetary assets, cost is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable, in which case its cost is measured at the carrying amount of the asset given up.

Assets under construction are recognised at cost less any identified impairment losses.

Useful lives

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

Land is not depreciated. Other property and equipment are depreciated by the straight-line method over the following estimated useful lives:

Constructions	
▪ Building	40 years
▪ Site improvements	10 to 20 years
▪ Car parks	6 to 10 years
Equipment, fixtures and fittings	4 to 8 years
Other	3 to 10 years

In light of the nature of its business, the Group considers that its property and equipment have no residual value.

Depreciation periods are reviewed at each year-end and, where appropriate, adjusted prospectively in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*. At December 31, 2021, the Group had not identified any significant factors related to climate change that would lead to a revision of the useful lives applied.

	December 31, 2021			
(in millions of euros)	**Gross carrying amount**	**Depreciation**	**Impairment**	**Net carrying amount**
Land	2,698	–	(72)	2,626
Buildings	10,591	(5,860)	(205)	4,527
Equipment, fixtures and fittings	15,208	(12,091)	(321)	2,797
Other fixed assets	447	(326)	(4)	117
Assets under construction	655	–	–	655
TOTAL PROPERTY AND EQUIPMENT	**29,600**	**(18,277)**	**(602)**	**10,721**

	December 31, 2020			
(in millions of euros)	**Gross carrying amount**	**Depreciation**	**Impairment**	**Net carrying amount**
Land	2,672	–	(77)	2,595
Buildings	10,394	(5,772)	(241)	4,381
Equipment, fixtures and fittings	14,741	(11,620)	(315)	2,806
Other fixed assets	423	(307)	(3)	113
Assets under construction	610	–	–	610
TOTAL PROPERTY AND EQUIPMENT	**28,840**	**(17,699)**	**(636)**	**10,505**

Changes in property and equipment

(in millions of euros)	**Gross carrying amount**	**Depreciation and impairment**	**Net carrying amount**
At December 31, 2019	**29,550**	**(18,180)**	**11,370**
Acquisitions [1]	1,202	–	1,202
Disposals	(608)	517	(91)
Depreciation	–	(1,109)	(1,109)
Impairment	–	(124)	(124)
Effect of changes in foreign exchange rates [2]	(1,570)	680	(890)
Changes in scope of consolidation, transfers and other movements [3]	266	(119)	147
At December 31, 2020	**28,840**	**(18,335)**	**10,505**
Acquisitions [1]	1,318	–	1,318
Disposals [4]	(978)	750	(228)
Depreciation	–	(1,077)	(1,077)
Impairment	–	(28)	(28)
Effect of changes in foreign exchange rates	58	(31)	27
Changes in scope of consolidation, transfers and other movements [3]	362	(156)	206
At December 31, 2021	**29,600**	**(18,879)**	**10,721**

(1) In 2020, acquisitions included 16 Makro Atacadista stores on a full ownership basis (including land) (see Note 3.2.2). Three additional stores were acquired in 2021.

(2) In 2020, translation adjustments mainly corresponded to the decrease in value of the Brazilian real.

(3) In 2020 and 2021, this item corresponds mainly to the hyperinflation effect applied to property and equipment held in Argentina, in accordance with IAS 29. In 2021, this item also includes the non-current assets related to the acquisition of the companies Supersol in Spain and Wellcome in Taiwan (see Notes 2.3 and 3.2.2). In 2020, this item also reflected the reclassification of depreciation charged against leased land to depreciation of the corresponding right-of-use assets.

(4) This item mainly corresponds to the sale and leaseback of ten hypermarket properties in Spain for 137 million euros, carried out with Realty Income in second-half 2021, as well as various disposals of store buildings in Italy (including the Thiene and San Giuliano hypermarkets) and warehouses in France (creation of Cargan-LOG, see Note 2.3).

7.3 Impairment tests

Accounting principles

In accordance with IAS 36 – *Impairment of Assets*, intangible assets and property and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill in the case of the Carrefour group – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value (less costs of disposal) and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. Impairment losses on property and equipment and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Impairment of assets other than goodwill

Impairment tests on property and equipment are performed at the level of the individual stores (CGUs), for all formats.

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount.

All stores that report a recurring operating loss before depreciation and amortisation in two consecutive years (after the start-up period) are tested.

Recoverable amount is defined as the higher of value in use and fair value less the costs of disposal.

Value in use is considered to be equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate and the perpetual growth rate applied are the same as for impairment tests on goodwill.

Goodwill impairment

IAS 36 requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

In accordance with this standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 – *Operating Segments* before aggregation.

The Group is analysing the recoverable amount of goodwill at country level. The choice of this level is based on a combination of organisational and strategic criteria. In particular, operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralised purchasing organisation, marketing systems, headquarters functions, etc.) that represent an essential source of synergies between the various operations.

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, with a terminal value calculated by projecting data for the final year at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows used in the impairment tests carried out in 2021 were estimated based on the financial trajectories defined by the Executive Management teams at country level and approved by the Group's Executive Management. These future cash flows take into account the best estimate of the impact of climate change to date, including the level of planned investments.

The discount rate for each country corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is determined based on local parameters (risk-free interest rate and market premium). The cost of debt is determined by applying the same logic.

Fair value is the price that would be received to sell the operations in the country tested for impairment in an orderly transaction between market participants. Fair value is measured using observable inputs where these exist (multiples of net sales and/or EBITDA for recent transactions, offers received from potential buyers, stock market multiples for comparable companies) or based on analyses performed by internal or external experts.

Additional tests are performed at the interim period-end when there is an indication of impairment. The main impairment indicators used by the Group are as follows:

- internal impairment indicator: a material deterioration in the ratio of recurring operating income before depreciation and amortisation to net revenues excluding petrol between the budget and the most recent forecast;
- external impairment indicator: a material increase in the discount rate and/or a severe downgrade in the IMF’s GDP growth forecast.

Impairment losses recognised on goodwill are irreversible, including those recorded at an interim period-end.

7.3.1 Impairment of goodwill and sensitivity analysis

Based on the impairment tests carried out in 2021, the Group recognised a 80 million-euro impairment loss against Italian goodwill. In 2020, partial impairment of Italian goodwill was also recorded in an amount of 104 million euros.

7.3.1.1 Countries for which impairment was recognised against goodwill in 2021

As a reminder, an impairment loss of 700 million euros was recorded against Italian goodwill in 2017 to reflect the significant decline in the value in use of the Group’s operations in this country. The indications of impairment prompted the Group to carry out an in-depth analysis to determine the Italian operations' fair value. This analysis adopted a multi-criteria valuation approach which took into account multiples observed for comparable companies in the retail sector in Europe, and the market value of Italian real estate assets, determined based on independent appraisals.

In the impairment tests carried out at December 31, 2020, partial impairment of Italian goodwill was recorded in an amount of 104 million euros. This reflected a decrease in 2020 net sales, results, and the value of real estate assets in comparison with end-2019.

The multi-criteria approach was used again to test Italian goodwill for impairment at December 31, 2021. It showed that value in use was lower than at December 31, 2020, reflecting lower net sales and real estate asset market value compared to the previous year. The resulting fair value represented Executive Management's best estimate and led to the partial impairment of Italian goodwill in an amount of 80 million euros. Further to this impairment loss, the net amount of Italian goodwill at December 31, 2021 stood at 69 million euros.

7.3.1.2 Other countries

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key inputs based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the groups of CGUs would be less than its carrying amount.

7.3.1.3 Main financial assumptions used to estimate value in use

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2021 and 2020 are presented below by CGU:

	2021		2020	
Country	**After-tax discount rate**	**Perpetual growth rate**	**After-tax discount rate**	**Perpetual growth rate**
France	5.1%	1.3%	5.5%	1.6%
Spain	5.6%	1.7%	6.2%	1.7%
Italy	6.3%	1.4%	7.4%	1.4%
Belgium	5.1%	1.8%	5.6%	1.6%
Poland	7.2%	2.5%	6.8%	2.4%
Romania	8.1%	2.5%	8.8%	2.5%
Brazil	9.3%	3.1%	10.2%	3.3%
Argentina	33.4%	17.0%	32.5%	17.0%
Taiwan	5.6%	1.4%	5.5%	1.4%

7.4 Investment property

Accounting principles

IAS 40 – *Investment Property* defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' checkout area) that are exclusively or jointly owned and represent a surface area of at least 2,500 square metres. These assets generate cash flows that are largely independent of the cash flows generated by the Group's other retail assets.

Investment property is recognised at cost and is depreciated on a straight-line basis over the same period as owner-occupied property (see Note 7.2).

Rental revenue generated by investment property is reported in the income statement under "Other revenue" on a straight-line basis over the lease term. The incentives granted by the Group under its leases are an integral part of the net rental revenue and are recognised over the lease term (see Note 6.1).

The fair value of investment property is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a country-specific capitalisation rate, to the gross annualised rental revenue generated by each property; or
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square metre and to recent transaction values.

In view of the limited external data available, particularly concerning capitalisation rates, the complexity of the property valuation process and the use of passing rents to value the Group's own properties, the fair value of investment property is determined on the basis of level 3 inputs.

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Investment property (gross carrying amount)	493	448
Depreciation and impairment	(202)	(189)
TOTAL INVESTMENT PROPERTY, NET	**291**	**259**

Changes in investment property

(in millions of euros)	
At December 31, 2019	**312**
Acquisitions	2
Disposals	(0)
Depreciation and amortisation expense	(13)
Effect of changes in foreign exchange rates [1]	(41)
Transfers and other movements	0
At December 31, 2020	**259**
Acquisitions	2
Disposals	(1)
Depreciation and amortisation expense	(9)
Effect of changes in foreign exchange rates	3
Transfers and other movements [2]	38
At December 31, 2021	**291**

(1) *Translation adjustments mainly corresponedd to the depreciation of the Brazilian real during 2020.*
(2) *Transfers and other movements are mainly related to the Pinheiros project in Brazil (see Note 2.3).*

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 44 million euros in 2021 versus 43 million euros in 2020. Operating costs directly attributable to the properties amounted to 11 million euros in 2021 and 13 million euros in 2020.

The estimated fair value of investment property at December 31, 2021 was 703 million euros, versus 633 million euros at December 31, 2020. Changes in fair values in the various countries (at constant exchange rates) were not individually material.

NOTE 8: LEASES

8.1 Accounting principles

Accounting principles

Leases concern:

- mainly property assets, both used directly by the Group and sub-let to third parties, such as store premises sub-let to franchisees and retail units located in shopping malls and shopping centres;
- to a lesser extent, vehicles; as well as
- a few warehousing, IT and storage contracts with a lease component.

Since January 1, 2019, all leases (excluding the recognition exemptions set out in IFRS 16 – see below) have been included in the statement of financial position by recognising a right-of-use asset and a lease commitment corresponding to the present value of the lease payments due over the reasonably certain term of the lease.

In the income statement, IFRS 16 provides for the recognition of a depreciation charge in current operating expenses and an interest charge in financial income and expenses.

In the statement of cash flows (lease payments, representing payments of interest and repayments of the lease commitment, impact financing cash flows).

Recognition of lease commitments

Amounts taken into account in the initial measurement of the lease commitment are:

- fixed lease payments, less any lease incentives receivable from the lessor;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the option is reasonably certain to be exercised; and
- penalties for terminating or not renewing the lease, if this is reasonably certain.

Lease payments are discounted at the interest rate implicit in the lease if this can be readily determined and otherwise at the lessee's incremental borrowing rate (case applied in practice). The discount rate is tied to the weighted average date for repayment of the outstanding lease commitment.

The discount rate is calculated for each country using a risk-free yield curve and a spread (the same spread is applied for all subsidiaries in a given country). The risk-free yield curve is updated quarterly, while the spread and rating are updated annually, except in the case of a significant event expected to impact assessment of a subsidiary's credit risk.

This lease commitment is subsequently measured at amortised cost using the effective interest method.

The lease commitment may be adjusted if the lease has been modified or the lease term has been changed, or in order to take into account contractual changes in lease payments resulting from a change in an index or a rate used to determine those payments.

Recognition of right-of-use assets

Right-of-use assets are measured at cost, which includes:

- the amount of the initial measurement of the lease commitment;
- any prepaid lease payments made to the lessor;
- any initial direct costs incurred;
- an estimate of the costs to be incurred in dismantling the underlying asset or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are then depreciated on a straight-line basis over the lease term used to measure the lease commitment.

The value of the right-of-use asset may be adjusted if the lease has been modified or the lease term has been changed, or in order to take into account contractual changes in lease payments resulting from a change in an index or a rate used to determine those payments. In the event the lease is terminated before the end of the lease term under IFRS 16, the impact of derecognising the right-of-use asset (write-off of a non-current asset) and lease commitment will be included within non-recurring items.

When the lease contracts provide for initial payment of leasehold rights to the former lessee of the premises, these rights will be accounted for as a component of the right-of-use asset.

Payments under short-term leases (12 months or less) or under leases of a low-value underlying asset are recognised in recurring operating expenses on a straight-line basis over the lease term (IFRS 16 recognition exemptions).

The recoverable amount of the right-of-use asset is tested for impairment whenever events or changes in the market environment indicate that the asset may have suffered a loss in value. Impairment testing procedures are identical to those for property and equipment and intangible assets described in Note 7.3.

Lease term

The lease term to be used to determine the present value of lease payments is the non-cancellable period of a lease, adjusted to reflect:

- periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The leased assets' reasonably certain period of use is determined based on:

- the inherent characteristics of the different types of assets (stores, logistics warehouses, administrative buildings) and the country concerned by the lease. In the case of leased store premises, the characteristics taken into account include the store's profitability, the specificity of the format, any recent capital expenditure in the store, the net carrying amount of immovable assets for certain store formats (supermarkets, hypermarkets and cash & carry stores), the existence of significant termination penalties, and whether the store is integrated or franchised;
- a portfolio approach for leased vehicles with similar characteristics and periods of use. Four portfolios have been identified, corresponding to company cars, cars for rental to customers, trucks and light commercial vehicles.

Accounting treatment for sub-leasing arrangements

When the Group leases and then sub-lets a property, it recognises the main lease, for which it is the lessee, and the sublease, for which it is the lessor, as two different contracts.

If the sublease is classified as an operating lease, the right-of-use assets resulting from the main lease are maintained under assets in the statement of financial position and the proceeds from the sublease are recognised in recurring income for the term of the sublease.

If the sublease is classified as a finance lease:

- right-of-use assets resulting from the main lease are de-recognised;
- a receivable is recognised in an amount corresponding to the net investment in the sublease is recognised;
- any difference between the right-of-use assets and the net investment in the sublease is recognised in financial income and expenses;
- the lease commitment (in respect of the main lease) is maintained in liabilities.

Income tax

Deferred tax is recognised based on the net amount of temporary taxable and deductible differences.

Upon initial recognition of the right-of-use asset and lease commitment, no deferred tax is recognised if the amount of the asset equals the amount of the liability.

Net temporary differences that may result from subsequent changes in the right-of-use asset and lease commitment give rise to the recognition of deferred tax.

8.2 Right-of-use assets

(in millions of euros)	December 31, 2021				December 31, 2020			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	6,917	(2,733)	(4)	4,180	6,258	(1,934)	(2)	4,322
Equipment, fixtures and fittings	146	(24)	–	122	139	(17)	–	122
Investment property	92	(34)	–	58	83	(20)	–	63
RIGHT-OF-USE ASSET	**7,155**	**(2,791)**	**(4)**	**4,361**	**6,479**	**(1,971)**	**(2)**	**4,506**

Change in right-of-use assets

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At January 1, 2020	**6,191**	**(1,141)**	**5,050**
Increase	857	–	857
Decrease	(457)	110	(347)
Depreciation	–	(918)	(918)
Translation adjustment [1]	(186)	37	(150)
Other movements [2]	75	(61)	13
At December 31, 2020	**6,479**	**(1,973)**	**4,506**
Increase [3]	880	–	880
Decrease	(446)	158	(288)
Depreciation	–	(949)	(949)
Impairment	–	(1)	(1)
Translation adjustment [1]	70	(32)	39
Other movements [2]	172	2	174
At December 31, 2021	**7,155**	**(2,795)**	**4,361**

(1) In 2021, translation adjustments mainly corresponded to the increase in value of the New Taiwan dollar. In 2020, they were mainly due to the decrease in value of the Brazilian real.

(2) For 2021, the amounts reported on this line include changes in scope of consolidation for 182 million euros (mainly relating to the acquisition of Supersol stores for 119 million euros and Wellcome for 67 million euros). For 2020, they include changes in scope of consolidation for 65 million euros (mainly relating to Bio c' Bon) and the reclassification of the depreciation of leased land for 55 million euros (see Note 7.2).

(3) In 2021, the increases included the right-of-use assets booked following the sale and leaseback of ten hypermarkets in Spain, carried out with Realty Income for an amount of 68 million euros.

8.3 Lease commitments

Lease commitments by maturity

(in millions of euros)	December 31, 2021	December 31, 2020
Due within 1 year	995	936
Due in 1 to 2 years	917	873
Due in 2 to 5 years	1,619	1,816
Due beyond 5 years	1,065	1,098
TOTAL LEASE COMMITMENTS	**4,597**	**4,723**

NOTE 9: INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Accounting principles

The consolidated statement of financial position includes the Group's share of the change in the net assets of companies accounted for by the equity method (associates and joint ventures), as adjusted to comply with Group accounting policies, from the date when significant influence or joint control is acquired until the date when it is lost.

Companies accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component of recurring operating income ("Net income/(loss) of equity-accounted companies"), in accordance with the recommendation no. 2013-01 of the French accounting standards setter (ANC).

The carrying amount of investments in equity-accounted companies is tested for impairment in line with the accounting principles described in Note 7.3.

9.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies can be analysed as follows:

(in millions of euros)

At December 31, 2019	**1,246**
Acquisitions and capital increases	2
Disposals	(12)
Dividends	(46)
Share of net income	(13)
Effect of changes in foreign exchange rates	(10)
Other movements	6
At December 31, 2020	**1,172**
Acquisitions and capital increases	134
Disposals	(0)
Dividends	(55)
Share of net income	12
Effect of changes in foreign exchange rates	0
Other movements	(8)
At December 31, 2021	**1,256**

9.2 Information about associates

The following table shows key financial data for associates:

(in millions of euros)	**% interest**	**Total assets**	**Shareholders' equity**	**Non-current assets**	**Net sales / Revenues**	**Net income / (loss)**
Carmila (France)	36%	5,185	2,330	4,758	352	(9)
Provencia SA (France)	50%	448	286	266	830	23
Market Pay (France)	39%	478	178	329	104	(14)
Showroomprive.com (France) [1]	9%	481	177	215	698	14
Ulysse (Tunisia)	25%	135	90	120	342	8
Mestdagh (Belgium)	25%	289	33	96	637	(1)
Costasol (Spain)	34%	93	45	57	148	7
CarrefourSA (Turkey) [1]	38%	301	(8)	164	755	(29)
Other companies [2]	N/A	1,021	411	527	1,632	(21)

(1) Financial data published for the year 2020.
(2) Corresponding to a total of 190 companies, none of which is individually material.

At December 31, 2021, the two main associates were Carmila with a carrying amount of 749 million euros (December 31, 2020: 782 million euros) and Provencia with a carrying amount of 132 million euros (December 31, 2020: 130 million euros). These two associates represented 70% of the total value of equity-accounted companies at end-2021.

All of the summary financial data presented in the table above have been taken from the financial statements of associates, restated where necessary to reflect adjustments made to harmonise accounting methods on application of equity accounting. These data have not been adjusted for any changes in fair value recognised at the time of the acquisition or for any loss of control and elimination of the Group's share of profit or loss arising on asset disposals or acquisitions carried out between the Group and the associate.

<u>Main changes in investments in equity-accounted companies in 2021</u>

Carmila

On May 18, 2021, Carrefour opted to receive a portion of its dividend in shares.
On June 9, 2021, at the end of the Preference Share Plan of May 16, 2018, the capital was reduced following the conversion of 112,611 Class B shares into 31,850 Class A shares.
On June 29, 2021, Carmila also carried out a capital increase under the Preference Share Plan for key employees and company officers.

Further to the various transactions in Carmila’s capital, Carrefour's interest in Carmila increased from 35.40% at December 31, 2020 to 35.51% at December 31, 2021. The associated accretive effect, which was not material, was recognised in non-recurring income and expenses in accordance with the Group's accounting principles.

Market Pay

On April 29, 2021, the Group completed the sale of a 60% interest in Market Pay (see Note 2.3). The Group's residual interest in Market Pay (around 40%) was accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros.

Following a capital increase in the second half of the year, the Group's interest in Market Pay was reduced to 39% at December 31, 2021.

Cargan-LOG

In May 2021, Carrefour and Argan created the real estate company Cargan-LOG (see Note 2.3). The entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for an amount of 30 million euros.

Cajoo

On July 29, 2021, the Group acquired a 40% non-controlling interest in Cajoo, a French trailblazer in quick commerce, which has been accounted for by the equity method in the Group's consolidated financial statements since that date.

Showroomprivé

In 2021, additional impairment of 10 million euros on the Showroomprivé shares was recognised against non-recurring expenses in order to align their value with the company's share price at December 31, 2021.

In August 2020, Showroomprivé (SRP Groupe) carried out a capital increase to which Carrefour elected not to subscribe, leading to the dilution of the Group’s interest in that company, from 20.52% to 8.84%. The effect of this dilution combined with the alignment of the value of the shares with their stock market price led to a provision reversal in non-recurring income of 23 million euros in 2020.

<u>Focus on Carmila</u>

Carmila was set up in 2014 by the Group and its co-investment partners. Its corporate purpose is to enhance the value of the shopping centres adjacent to Carrefour hypermarkets in France, Spain and Italy. Carmila is accounted for by the equity method because the governance rules established with the co-investors allows Carrefour to exercise significant influence over Carmila.

Up until its merger with Cardety on June 12, 2017, Carmila’s governance was organised by a shareholders’ agreement between Carrefour (which held a 42% stake in Carmila) and other institutional investors (which held the remaining 58% stake). This agreement specified the composition of the Board of Directors and listed the decisions requiring the Board’s prior approval (votes subject to a simple or qualified majority, depending on the importance of the matters discussed).

In parallel with the merger of Carmila into Cardety, the corporate governance rules were adjusted (restructuring of its governance and management bodies, and amendments to its Articles of Association and the Board of Directors' Internal Rules). In light of the amended corporate governance rules, the Group considers that it has significant influence over Carmila, which is accounted for using the equity method. The Group's position is primarily derived from the fact that the Carrefour group is not represented by a majority on the Board of Directors (comprising 13 members, of which nine independent from Carrefour and four appointed by Carrefour as of December 31, 2021). Therefore, the Group does not have the unilateral ability to direct decisions requiring the Board's prior consent, which concern a portion of the relevant activities.

The following table presents key financial data for Carmila at December 31, 2021 and 2020 (as published in Carmila's consolidated financial statements[1]). Carmila's European Public Real Estate Association Net Tangible Assets (EPRA NTA), corresponding to net assets excluding transfer costs, financial instruments at fair value and the deferred tax effect, amounted to 3,580 million euros at December 31, 2021.

(in millions of euros)	**2021**	**2020**
Revenue (rental income)	352	350
Operating income before fair value adjustment of assets	239	211
Operating income [1]	234	(123)
Net income/(loss) from continuing operations	161	(198)
Total non-current assets [1]	5,967	5,897
Total current assets	404	555
of which cash and cash equivalents	*238*	*320*
Total non-current liabilities	2,611	2,662
Total current liabilities	380	522
% interest held by Carrefour	*35.5%*	*35.4%*
Amount of the investment in equity-accounted company	749	782
Carrefour - Cash dividends received from Carmila	34	24

(1) Since Carmila opted to measure its investment properties using the fair value model, in accordance with the option provided in IAS 40, the figures presented in the above table have been adjusted to reflect fair value adjustments to the property portfolio. Before being accounted for by the equity method in the Group financial statements, Carmila's consolidated financial statements are therefore restated to apply the cost model applied by Carrefour.

9.3 Transactions with associates (related parties)

The following table presents the main related-party transactions carried out in 2021 with companies over which the Group exercises significant influence:

(in millions of euros)	Carmila (France)	Provencia (France)	Market Pay (France)	Ulysse (Tunisia)	Mestdagh (Belgium)	Costasol (Spain)	CarrefourSA (Turkey)
Net sales (sales of goods)	–	582	–	4	58	97	0
Franchise fees	–	8	–	3	8	2	3
Property development revenue [1]	7	–	–	–	–	–	–
Sales of services	18	–	–	–	(0)	0	–
Fees and other operating expenses	(7)	–	(81)	–	–	(6)	–
Receivables at closing	61	22	81	1	9	34	0
Payables at closing	(82)	–	(5)	–	–	(6)	–

(1) Amounts are presented before elimination of the Group's share in the associate of revenues and proceeds arising on transactions carried out between the Group and the associate.

NOTE 10: INCOME TAX

Accounting principles

Income tax expense comprises current taxes and deferred taxes. It includes the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) local business tax in France assessed on the value-added generated by the business, which is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12 – *Income Tax*.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and their tax basis (except in the specific cases referred to in IAS 12), and carried-forward tax losses. They are measured at the tax rates that are expected to apply to the period when the asset will be realised or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under non-current assets and non-current liabilities.

The recoverability of deferred tax assets is assessed separately for each tax entity, based on estimates of future taxable profits contained in the business plan for the country concerned (prepared as described in Note 7.3) and the amount of deferred tax liabilities at the period-end. A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

10.1 Income tax expense for the period

(in millions of euros)	**2021**	**2020**
Current income tax expense (including provisions)	(444)	(534)
Deferred income taxes	71	35
TOTAL INCOME TAX EXPENSE	**(372)**	**(498)**

TAX PROOF

Theoretical income tax for 2021 and 2020 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2021, theoretical income tax expense amounted to 464 million euros compared with actual net income tax expense of 372 million euros, as follows:

(in millions of euros)	**2021**	**2020**
Income before taxes	1,632	1,351
Standard French corporate income tax rate	*28.41%*	*32.02%*
Theoretical income tax expense	**(464)**	**(433)**
Adjustments to arrive at effective income tax rate:		
- Differences between the standard French corporate income tax rate and overseas nominal taxation rates	(33)	16
- Effect of changes in applicable tax rates [1]	(41)	–
- Tax expense and tax credits not based on the taxable income [2]	36	27
- Tax effect of other permanent differences [3]	78	(47)
- Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years [4]	158	171
- Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year [5]	(76)	(62)
- Valuation allowances on deferred tax assets recognised in prior years [5]	(38)	(166)
- Tax effect of net income from equity-accounted companies	3	(4)
- Other differences	3	(0)
TOTAL INCOME TAX EXPENSE	**(372)**	**(498)**
Effective tax rate	*22.8%*	*36.9%*

(1) *This item mainly corresponds to the increase in the statutory rate in Argentina in 2021, leading to an increase in deferred tax liabilities related to the application of IAS 29.*

(2) *The reported amount of taxes other than on income notably takes into account the CVAE local business tax in France, amounting to 29 million euros in 2021 (2020: 68 million euros, the statutory rate having been halved in 2021), withholding taxes, tax credits and changes in provisions for tax risks.*

(3) *In 2021, this line item includes non-deductible expenses, which were more than offset by the low tax rate applied on the gains from the disposal of Market Pay in France and the Pinheiros exchange of assets in Brazil (see Note 2.3). In 2020 and 2021, this item was impacted by the partial impairment of Italian goodwill.*

(4) *Deferred tax assets recognised in 2021 and in 2020 on prior years' tax losses primarily concerned France, Brazil and Argentina.*

(5) *In 2021, unrecognised deferred tax assets and valuation allowances primarily concerned Italy and Belgium. In 2020, they concerned France and Italy.*

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 257 million euros at December 31, 2021, versus 213 million euros at December 31, 2020.

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Deferred tax assets	631	679
Deferred tax liabilities	(374)	(467)
NET DEFERRED TAX ASSETS	**257**	**213**

The following table shows the main sources of deferred taxes:

(in millions of euros)	**December 31, 2020 restated [1]**	**Change**			**December 31, 2021**
		Deferred income (expense) tax	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards [2]	1,030	(103)	–	13	940
Property and equipment	106	(1)	–	3	108
Non-deductible provisions [1]	606	11	(9)	18	626
Goodwill amortisation allowed for tax purposes	296	(3)	–	(7)	286
Other intangible assets	19	(1)	–	1	20
Inventories	102	2	–	(1)	103
Financial instruments	132	29	(1)	(4)	156
Other temporary differences	39	81	–	(8)	112
Deferred tax assets before netting	**2,331**	**15**	**(9)**	**15**	**2,352**
Effect of netting deferred tax assets and liabilities	(568)	80	5	(205)	(688)
Deferred tax assets after netting	**1,763**	**96**	**(5)**	**(190)**	**1,664**
Valuation allowances on deferred tax assets [1]	(1,083)	66	(3)	(12)	(1,033)
Net deferred tax assets	**679**	**161**	**(8)**	**(202)**	**631**
Property and equipment	(342)	(38)	–	(15)	(395)
Provisions recorded solely for tax purposes	(410)	77	–	0	(333)
Goodwill amortisation allowed for tax purposes	(106)	(2)	–	(3)	(112)
Other intangible assets	(12)	0	–	1	(12)
Inventories	(14)	4	–	0	(10)
Financial instruments	(15)	(33)	(4)	5	(47)
Other temporary differences	(136)	(17)	–	(1)	(154)
Deferred tax liabilities before netting	**(1,035)**	**(10)**	**(4)**	**(13)**	**(1,062)**
Effect of netting deferred tax assets and liabilities	568	(80)	(5)	205	688
Deferred tax liabilities after netting	**(467)**	**(90)**	**(9)**	**192**	**(374)**
NET DEFERRED TAXES	**213**	**71**	**(17)**	**(10)**	**257**

(1) *The amounts at December 31, 2020 of "non-deductible provisions" and "impairment of deferred tax assets" have been restated by (78) million euros and 78 million euros respectively, following adjustments to align the financial statement presentation with the IFRS IC decision on employee benefits which resulted in the reversal of 312 million euros' worth of provisions for termination benefit obligations (see Note 4).*

(2) *Utilised tax loss carryforwards primarily concerned France, Brazil and Argentina.*

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 1,033 million euros at December 31, 2021 (December 31, 2020 restated: 1,083 million euros), including 614 million euros related to tax loss carry forwards (December 31, 2020 restated: 683 million euros) and 419 million euros to temporary differences (December 31, 2020: 400 million euros).

NOTE 11: PROVISIONS AND CONTINGENT LIABILITIES

Accounting principles

In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions. Provisions are discounted when the effect of the time value of money is material. Provisions are discounted when the effect of the time value of money is material.

Contingent liabilities, which are not recognised in the statement of financial position, are defined as:

- possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

11.1 Changes in provisions

(in millions of euros)	**December 31, 2020 restated**	**Increases**	**Reversals of surplus provisions**	**Utilisations**	**Discounting adjustment**	**Effect of changes in foreign exchange rates**	**Other [4]**	**December 31, 2021**
Employee benefits [1]	839	67	(38)	(59)	(34)	3	7	786
Claims and litigation	788	294	(150)	(88)	–	1	(1)	844
Tax litigations	*524*	*90*	*(83)*	*(29)*	–	*2*	*(1)*	*503*
Employee related disputes	*113*	*66*	*(34)*	*(34)*	–	*(1)*	*(1)*	*109*
Legal disputes	*150*	*138*	*(33)*	*(24)*	–	*(0)*	*1*	*232*
Restructuring	245	284	(25)	(148)	–	0	–	356
Provisions related to banking and insurance businesses [2]	261	14	(18)	(10)	–	0	–	247
Other [3]	224	37	(15)	(31)	–	2	4	222
TOTAL PROVISIONS	**2,357**	**696**	**(246)**	**(336)**	**(34)**	**7**	**11**	**2,455**

(1) See Note 4. Following the final IFRIC IC decision published in May 2021 on IAS 19, the published financial statements as of December 31, 2020 were restated retrospectively to reflect the application of this decision.

(2) Provisions relating to the banking and insurance businesses include provisions for credit risk on loan commitments (off-balance sheet) recognised in accordance with IFRS 9, and provisions set aside to cover insurance underwriting risk.

(3) Other provisions mainly concern onerous contracts. They also include provisions for dismantling assets under property leases or for restoring assets to the requisite condition, recognised against the related right-of-use asset following application of IFRS 16 (see Note 8).

(4) Other changes are not material over the period; they correspond mainly to the provisions booked in the opening balance sheets in connection with the acquisitions of Wellcome in Taiwan (see Note 3.2.2) and Supersol in Spain (see Note 2.3).

Group companies are involved in a certain number of pre-litigation and litigation proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described below. In each case, the risk is assessed by Group management and their advisors.

At December 31, 2021, claims and legal proceedings involving the Group were covered by provisions totalling 844 million euros, compared with 788 million euros at December 31, 2020. No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.

11.2 Claims and litigation

In the normal course of its operations in around ten different countries, the Group is involved in claims and legal proceedings of all kinds, particularly tax, employee-related and commercial disputes.

11.2.1 Tax disputes (including disputes related to corporate income tax classified in tax payables)

Certain Group companies have been or are currently the subject of tax audits conducted by their local tax authorities.

In Brazil, tax audits are in progress covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration programme and to the financing of the social security system (PIS-COFINS). The Group has challenged most of the assessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with the Carrefour Brazil group's advisors and an appropriate provision is recorded. At December 31, 2021, the corresponding provision (including the portion concerning corporate income tax and classified in tax payables) totalled 479 million euros (versus 509 million euros at December 31, 2020) and legal deposits paid in connection with reassessments contested by the Group – recorded in "Other non-current financial assets" (see Note 14.5) – amounted to 388 million euros (362 million euros at December 31, 2020).

In France, in December 2021, the tax authorities challenged some of the methods used to calculate tax on sales areas (TASCOM) from past years. In several countries, the tax authorities have challenged a portion of headquarters expenses deducted by Group companies. The Group has contested these reassessments.

11.2.2 Employee related disputes

As a major employer, the Group is regularly involved in disputes with current or former employees.

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, primarily claiming overtime pay that they allege is due to them.

11.2.3 Tax and commercial disputes

The Group is subject to regular audits by the authorities responsible for overseeing compliance with the laws applicable to the retail industry and by the competition authorities. As for any company, disputes may also arise between the Group and its co-contractors, particularly its franchisees, service providers or suppliers.

11.3 Contingent liabilities

To the best of the Group's knowledge, there are no contingent liabilities that may be considered likely to have a material impact on the Group's results, financial position, assets and liabilities or business.

In Brazil, due to the highly complex tax rules, especially those applicable to retailers, the Group is exposed to tax risks which the Group and its counsel consider are unlikely to lead to an outflow of resources. The tax risks represented a total exposure of 1.4 billion euros at December 31, 2021. The main tax risk concerns the deductibility for tax purposes of the goodwill amortisation relating to the 2007 acquisition of Atacadão, representing a total exposure of 438 million euros at December 31, 2021. The Group continues to believe that the risk is unlikely to lead to an outflow of resources.

The investigations launched in 2018 by the French competition authority regarding purchasing cooperatives in the predominantly food-based segment of the retail industry are still pending.

Along with some 100 companies and roughly 15 professional associations (including the French Trade and Retail Federation – *Fédération du Commerce et de la Distribution*), several French subsidiaries of Carrefour SA received a statement of objections from the French competition authority on October 5, 2021 as part of a simplified procedure accusing them of having coordinated between February 2012 and September 2015 to implement a collective strategy aimed at:

i. refraining from any reporting on the absence of Bisphenol A (BPA) in metal containers in order to prevent any single company from gaining a competitive advantage, and
ii. agreeing to set the same dates for the marketing of BPA-free containers and the discontinuation of marketing of containers with BPA.

In its decision of April 28, 2021, the Belgian competition authority deemed that the commitments made by Carrefour Belgium and Provera as part of the implementation of their purchasing alliance were sufficient to meet its concerns. The authority thereby ended the investigation that had been opened on May 6, 2019.

In its decision of April 26, 2021, the Court of Appeal for economic offences dismissed the indictment issued on October 1, 2019 against Carrefour Argentina (INC SA) for complicity in unauthorised financial intermediation for events which occurred between 2012 and 2015 in a context of hyperinflation. The case has again been referred to a court of first instance.

In August 2019, Atacadão SA notified the Group of two criminal proceedings initiated by the State of São Paolo's public prosecutor (GEDEC) against public officials and company employees concerning the conditions under which the operating licences for the headquarters of Atacadão and two stores were renewed. Atacadão SA is not party to these criminal proceedings but the municipality of São Paolo initiated two civil proceedings against the company on June 27, 2020 and May 25, 2021.

Under the settlement agreement dated June 11, 2021 ("*Termo de ajustamento de Conduta*"), following the death of Mr. Silveira Freitas after he was beaten by security guards employed by a third party at the Porto Alegre store, Carrefour Brazil has undertaken to take a variety of measures aimed at strengthening its initiatives against racism, discrimination and violence. The settlement has put an end to the various investigations and class actions brought by public authorities and non-profit organisations.

NOTE 12: NUMBER OF EMPLOYEES, EMPLOYEE COMPENSATION AND BENEFITS

Accounting principles

Group employees receive short-term benefits (paid vacation, paid sick leave and statutory profit-sharing bonuses), long-term benefits (such as long-service awards and seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

All of these benefits are accounted for in accordance with IAS 19 – *Employee Benefits*. Short-term benefits *(i.e.,* benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under "Other payables") and recorded as an expense for the year in which the employees render the related services (see Note 6.2.2). Post-employment benefits and other long-term benefits are measured and recognised as described in Note 12.1.

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and performance share plans. These plans fall within the scope of IFRS 2 – *Share-based Payment* and are accounted for as described in Note 12.2.

12.1 Pension and other post-employment benefits

Accounting principles

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group's post-employment benefit plans include both defined contribution plans and defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays regular contributions into a separate entity that is responsible for the plan's administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient. Examples include government-sponsored pension schemes, defined contribution supplementary pension plans and defined contribution pension funds.

The contributions are recorded as an expense for the period in which they become due.

Defined benefit and long-term benefit plans

A liability is recognised for defined benefit obligations that are determined by reference to the plan participants' years of service with the Group.

The defined benefit obligation is calculated annually using the projected unit credit method, taking into account actuarial assumptions such as future salary levels, retirement age, mortality, staff turnover and the discount rate.

The discount rate corresponds to the interest rate observed at the period-end for investment grade corporate bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

The net liability recorded for defined benefit plans corresponds to the present value of the defined benefit obligation less the fair value of plan assets (if any). The cost recognised in the income statement comprises:

- current service cost, past service cost and the gain or loss on plan amendments or settlements (if any), recorded in operating expense;
- interest expense on the defined benefit liability, net of interest income on the plan assets, recorded in net financial expense.

Remeasurements of the net defined benefit liability (comprising actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling) are recognised immediately in "Other comprehensive income".

12.1.1 Description of the main defined benefit plans

The main defined benefit plans concern supplementary pension benefits paid annually in some countries to retired employees of the Group, and length-of-service awards provided for in collective bargaining agreements that are paid to employees upon retirement. The plans, which are presented below, mainly concern France, Belgium and Italy.

French plans

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement. The award is measured as a multiple of the individual's monthly salary for the last 12 months before retirement, determined by reference to his or her years of service, and may be capped for certain plans in place.

In this respect, the Group retrospectively applied the IFRS IC decision of May 2021 relating to IAS 19, which resulted in a restatement of the amount of provisions for the employees concerned (see Note 4 for more details).

In 2009, the Group set up a supplementary defined benefit pension plan, amended in 2015. Following publication of government order 2019-697 dated July 3, 2019 (on transposition into French law of the European "Portability" Directive), the supplementary pension plan was cancelled by decision of the Board of Directors on April 20, 2020 and the provision carried in the consolidated statement of financial position at December 31, 2019 was reversed in full in 2020.

In addition, at its meeting of April 20, 2020, the Board of Directors decided to set up a new supplementary defined benefit pension plan that meets the requirements of Article L. 137-11-2, as amended, of the French Social Security Code (*Code de la sécurité sociale*), effective from January 1, 2020. The main characteristics of the new plan are as follows:

- beneficiaries will retain the annual rights accrued in the event that they leave the Company;
- the rights accrued in a given year will be calculated based on the compensation for that year (reference compensation), without exceeding 60 times the annual social security ceiling;
- rights vest subject to the achievement of annual performance conditions: the performance criteria and specified targets are chosen among those used by the Board of Directors to determine the annual variable component of the Executive Officer's compensation;
- the annual vesting rate under the plan will vary depending on the achievement rates for the performance criteria, and the aggregate annual percentages applied for a given beneficiary, all employers combined, will be capped at 30%.

The Group has externalised the plan's management to an insurance company, through a deferred annuity contract fully invested in euro-denominated funds.

Belgian plans

The Group's main commitments in Belgium concern "prepensions" and the "solidarity fund".

The prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement to the statutory retirement age. Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary. The retirement age under Belgian law, amended in 2015, is 65 (unless otherwise provided). Under the collective bargaining agreement applicable to Carrefour, employees are eligible for prepension benefits from the age of 62 (unless otherwise provided).

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sum payment on retirement or a monthly pension for the rest of their lives. The plan was closed in 1994 and replaced by a defined contribution plan. Consequently, the projected benefit obligation only concerns pension rights that vested before 1994.

Furthermore, as of 2016, an additional provision has been recorded for defined contribution plans with a minimum legal guaranteed yield, in view of the current economic conditions.

Italian plans

The Group's commitments in Italy primarily concern the *Trattemento di Fine Rapporto* (TFR) deferred salary scheme. The TFR scheme underwent a radical reform in 2007, with employers now required to pay contributions to an independent pension fund in full discharge of their liability. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.

12.1.2 Net expense for the period

The expense recorded in the income statement is detailed as follows:

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	*42*	*16*	*0*	*1*	*59*
Past service cost (plan amendments and curtailments)	*(9)*	–	–	–	*(9)*
Settlements and other [1]	*(46)*	–	*(1)*	–	*(46)*
Service cost	(13)	16	(1)	1	3
Interest cost (discount effect)	6	3	1	1	10
Return on plan assets	(0)	(2)	–	(0)	(2)
Other items	0	0	–	–	1
Expense (income) for 2020	**(7)**	**18**	**0**	**1**	**12**

2021 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	*46*	*18*	*0*	*1*	*66*
Past service cost (plan amendments and curtailments)	*(6)*	–	–	*(0)*	*(6)*
Settlements and other [1]	*(23)*	–	*(1)*	–	*(23)*
Service cost	17	18	(1)	1	36
Interest cost (discount effect)	2	2	0	1	5
Return on plan assets	(0)	(1)	–	(0)	(1)
Other items	(1)	–	–	(0)	(1)
Expense (income) for 2021	**18**	**19**	**(0)**	**2**	**39**

(1) In 2021, this line primarily includes the impact of curtailments recognised following the remeasurement of commitments made under the restructuring plans implemented in France (Note 2.2) and recognised in non-recurring income. In 2020, this line included the impact of cancelling the supplementary defined benefit pension plan as decided by the Board of Directors in April 2020 (see above).

The net expense for 2021 corresponds to 58 million euros recognised in employee benefits expense, 23 million euros recognised in non-recurring income, and 4 million euros recorded in financial expense. In 2020, the net expense for the year was 12 million euros.

12.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Defined benefit obligation restated	474	470	106	43	1,094
Fair value of plan assets	(16)	(227)	–	(12)	(255)
Provision at December 31, 2020 restated	**459**	**243**	**106**	**33**	**839**
Defined benefit obligation	465	442	88	60	1,055
Fair value of plan assets	(20)	(228)	–	(21)	(269)
Provision at December 31, 2021	**445**	**215**	**88**	**39**	**786**

12.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Provision at January 1, 2020 restated	**481**	**233**	**116**	**35**	**864**
Movements recorded in the income statement	(7)	18	0	1	12
Benefits paid directly by the employer	(11)	(11)	(10)	(0)	(32)
Effect of changes in scope of consolidation	(16)	–	–	–	(16)
Change in actuarial gains and losses [1]	11	8	(0)	2	20
Other	0	(5)	–	(5)	(9)
Provision at December 31, 2020 restated	**459**	**243**	**106**	**33**	**839**
Movements recorded in the income statement	18	19	–	2	39
Benefits paid directly by the employer	(11)	(15)	(15)	(1)	(42)
Effect of changes in scope of consolidation	(14)	–	–	7	(7)
Change in actuarial gains and losses [1]	(7)	(25)	(3)	1	(34)
Other	1	(8)	–	(3)	(9)
Provision at December 31, 2021	**445**	**215**	**88**	**39**	**786**

(1) This line breaks down as follows:

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	(7)	3	(3)	0	(8)
Actuarial (gain)/loss due to demographic assumption changes	(16)	0	–	2	(14)
Actuarial (gain)/loss due to financial assumption changes [1]	34	13	3	(0)	51
Return on plan assets (greater)/less than discount rate	(0)	(8)	–	(0)	(9)
Changes in actuarial gains and losses 2020	**11**	**8**	**–**	**2**	**20**

2021 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	(1)	3	(0)	0	3
Actuarial (gain)/loss due to demographic assumption changes	8	–	(0)	1	9
Actuarial (gain)/loss due to financial assumption changes [1]	(14)	(16)	(3)	(1)	(33)
Return on plan assets (greater)/less than discount rate	(0)	(13)	–	(0)	(13)
Changes in actuarial gains and losses 2021	**(7)**	**(25)**	**(3)**	**1**	**(34)**

(1) Eurozone discount rates decreased in 2020, from 0.75% at end-2019 to 0.40% at end-2020. These rates increased in 2021 to represent 0.80% at the year-end.

12.1.5 Plan assets

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Fair value at December 31, 2019	**7**	**229**	**–**	**11**	**246**
Return on plan assets	0	2	–	0	2
Benefits paid out of plan assets	(0)	(18)	–	(2)	(20)
Actuarial gain/(loss)	0	8	–	0	9
Other	9	7	–	3	19
Fair value at December 31, 2020	**16**	**227**	**–**	**12**	**255**
Return on plan assets	0	1	–	0	1
Benefits paid out of plan assets	(0)	(21)	–	(4)	(25)
Actuarial gain/(loss)	0	13	–	0	13
Other	5	8	–	12	25
Fair value at December 31, 2021	**20**	**228**	**–**	**21**	**269**

Plan assets break down as follows by asset class:

	December 31, 2021			
	Bonds	Equities	Monetary investments	Real estate and other
France	10%	1%	88%	1%
Belgium	35%	9%	56%	0%

	December 31, 2020			
	Bonds	Equities	Monetary investments	Real estate and other
France	14%	2%	84%	1%
Belgium	36%	9%	55%	0%

All bonds and equities held in plan asset portfolios are listed securities.

12.1.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards in the three main countries are as follows:

	2021	**2020**
Retirement age	63-67	62-67
Rate of future salary increases	2.0% to 2.6%	2.0% to 2.5%
Inflation rate	2.0%	1.8%
Discount rate	0.80%	0.40%

At December 31, 2021, a discount rate of 0.80% was used for France, Belgium and Italy (December 31, 2020: 0.40%). The discount rate is based on an index of AA-rated corporate bonds with maturities that correspond to the expected cash outflows of the plans.

In 2021, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 9.9 years, 9.2 years and 10.5 years respectively (versus 13.8 years, 9.5 years and 11.2 years in 2020). The application of the IFRS IC decision on IAS 19 resulted in a reduction in the average duration of plans in France of approximately three years.

Sensitivity tests show that:

- a 25-bps increase in the discount rate would reduce the defined benefit obligation under the French, Belgian and Italian plans by around 23 million euros;
- a 25-bps increase in the inflation rate would increase the defined benefit obligation under the French, Belgian and Italian plans by around 17 million euros.

12.2 Share-based payments

Accounting principles

Two types of share-based payment plans have been set up for members of management and selected employees – stock option plans and performance share plans.

As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity in accordance with IFRS 2 – *Share-based Payment*. The cost recorded in employee benefits expense corresponds to the fair value of the equity instruments on the grant date (i.e., the date on which grantees are informed of the plan's characteristics and terms). Fair value is determined using the Black-Scholes option pricing model for stock options and the share price on the grant date for performance shares. Performance conditions that are not based on market conditions are not taken into account to estimate the fair value of stock options and performance shares at the measurement date. However, they are taken into account in estimates of the number of shares that are expected to vest, as updated at each period-end based on the expected achievement rate for the non-market performance conditions.

The cost calculated as described above is recognised on a straight-line basis over the vesting period.

The cost of share-based payment plans for 2021 recorded under employee benefits expense in recurring operating income was 26 million euros, with a corresponding increase in equity (2020: (23) million euros).

Details of the stock option and performance share plans set up for Executive Management and selected employees are presented below.

12.2.1 Stock option plans

There were no longer any Carrefour SA stock option plans outstanding at December 31, 2021, since the 2010 plans based on performance conditions and continued employment in the Group expired in July 2017.

On March 21, 2017, the Board of Directors of Atacadão decided to award options on existing or new Atacadão shares. This stock option plan was approved by Atacadão's Shareholders' Meeting held on the same date. Options awarded under this plan represent a maximum number of 9,283,783 shares, or 0.47% of Atacadão's share capital. The options are subject to the following vesting conditions:

- one-third of the options vest at the date of the company's IPO;
- one-third of the options will vest 12 months after the date of the IPO;
- one-third of the options will vest 24 months after the date of the IPO.

The options may be exercised up to March 21, 2023 at a price of 11.7 Brazilian reals.

The table below shows the main assumptions used to calculate the fair value of the options awarded in 2017.

Fair value of the options at the grant date	Brazil 2017 "Pre-IPO" Plan
Exercise price (in R$)	11.7
Estimated fair value of the share at the grant date (in R$)	11.7
Volatility (in %)	29.02%
Dividend growth (in %)	1.35%
Risk-free interest rate (in %)	10.25%
Expected average life of share option (years)	2.72
Model	Binomial
Fair value option at grant date (in R$)	**3.73**

Movements in the 2017 stock option plan were as follows:

	2021	2020
Options outstanding at January 1	**1,822,472**	**3,310,923**
Options granted during the year	–	–
Options exercised during the year	(140,500)	(543,451)
Options cancelled or that expired during the year	–	(945,000)
Recalculation of pending shares	944,999	–
Options outstanding at December 31	**2,626,971**	**1,822,472**

On June 26, 2017, Atacadão’s Extraordinary Shareholders’ Meeting approved a regular stock option plan ("regular plan") providing for annual grants of stock options subject to the following conditions:

- vesting period: 36 months after the grant date;
- maximum exercise period: end of the sixth year following the date of the stock option plan;
- maximum dilution: 2.5% of the total amount of ordinary shares comprising the share capital; and
- exercise price: to be determined by the Board of Directors when granting stock options. The price will take into account the share price during a maximum of 30 days preceding the date of grant.

On September 26, 2019, the Board of Directors of Atacadão decided to award the first options, as shown below:

	Brazil 2019 "Regular" Plan
Grant date	September 26, 2019
Number of options granted	3,978,055
Life of the options	6 years
Number of grantees	92
Exercise period	From September 26, 2022 to September 26, 2025
Number of options outstanding	3,159,255
Exercise price (in R$)	21.98

The table below shows the main assumptions used to calculate the fair value of the options awarded in 2019.

Fair value of the options at the grant date	Brazil 2019 "Regular" Plan
Exercise price (in R$)	21.98
Estimated fair value of the share at the grant date (in R$)	21.98
Volatility (in %)	27.20%
Dividend growth (in %)	1.09%
Risk-free interest rate (in %)	5.57%
Expected average life of share option (years)	3
Model	Binomial
Fair value option at grant date (in R$)	**5.20**

Movements in the 2019 stock option plan were as follows:

	2021	2020
Options outstanding at January 1	**3,163,617**	**3,612,789**
Options granted during the year	–	–
Options exercised during the year	–	–
Options cancelled or that expired during the year	(199,055)	(449,172)
Recalculation of pending shares	194,693	–
Options outstanding at December 31	**3,159,255**	**3,163,617**

12.2.2 Performance share plans

a. Carrefour SA performance share plans

On February 27, 2019, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 14th resolution of the Annual Shareholders' Meeting held on May 17, 2016 to grant new or existing performance shares. This plan provided for the grant of a maximum of 3,366,200 shares (excluding shares granted to the executive officer), or 0.43% of the share capital. The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2019 performance share plan are presented below.

	2019 Performance Plan
Shareholders' Meeting date	May 17, 2016
Grant date [1]	February 27, 2019
Vesting date [2]	February 28, 2022
Total number of shares approved at the grant date	3,615,346
Number of grantees at the grant date	640
Fair value of each share (in €) [3]	14.33

(1) Notification date (i.e., date on which grantees were notified of the plans' characteristics and terms).

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and performance conditions are met.

(3) The Carrefour share price on the grant date (reference price) adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2019 plan were as follows:

	2021	2020
Shares allotted at January 1	**2,933,646**	**3,232,646**
Shares granted during the year	–	–
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(299,100)	(299,000)
Shares allotted at December 31	**2,634,546**	**2,933,646**

The performance conditions under the 2019 plan were met as of December 31, 2021. The shares will vest subject to a service condition whereby the beneficiary must still be employed by the Group on February 27, 2022.

On February 26, 2020, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 25th resolution of the Annual Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 2,604,597 shares (representing 0.32% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and free cash flow growth for 25%);
- A condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2020 performance share plan are presented below.

	2020 Performance Plan
Shareholders' Meeting date	June 14, 2019
Grant date [1]	February 26, 2020
Vesting date [2]	February 27, 2023
Total number of shares approved at the grant date	2,604,597
Number of grantees at the grant date	516
Fair value of each share (in €) [3]	13.05

(1) Date of the Board of Directors' decision to grant shares.

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2020 plan were as follows:

	2021	2020
Shares allotted at January 1	**2,520,262**	**–**
Shares granted during the year	–	2,604,597
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(174,839)	(84,335)
Shares allotted at December 31	**2,345,423**	**2,520,262**

On February 17, 2021, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 25th resolution of the Annual Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 3,000,000 shares (representing 0.37% of the share capital).

The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board of Directors' meeting at which the rights were granted. The number of shares that vest will depend on the achievement of four performance conditions:

- two conditions linked to financial performance (recurring operating income growth for 25% and net free cash flow growth for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Carrefour share price against a panel of companies in the retail sector (for 25%); and
- a CSR-related condition for 25%.

Details of the 2021 performance share plan are presented below.

	2021 Performance Plan
Shareholders' Meeting date	June 14, 2019
Grant date [1]	February 17, 2021
Vesting date [2]	February 17, 2024
Total number of shares approved at the grant date	3,000,000
Number of grantees at the grant date	691
Fair value of each share (in €) [3]	11.85

(1) Date of the Board of Directors' decision to grant shares.

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants related to the 2021 plan were as follows:

	2021
Shares allotted at January 1	**–**
Shares granted during the year	3,000,000
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(72,400)
Shares allotted at December 31	**2,927,600**

b. Atacadão performance share plans

On November 10, 2020, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

The vesting period is three years from the date of the Board of Directors' Meeting at which the rights were granted. The number of shares that vest will depend on the achievement of five performance conditions:

- two conditions linked to financial performance (recurring operating income for 20% and free cash flow for 20%);
- a condition linked to an external performance criterion (TSR), benchmarking the Atacadão share price against a panel of companies in the retail sector (for 20%);
- a condition linked to the Company's digital transformation (for 20%);
- a CSR-related condition (for 20%).

Details of the 2020 performance share plan are presented below.

	Brazil 2020 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date [1]	November 10, 2020
Vesting date [2]	November 10, 2023
Total number of shares approved at the grant date	1,291,074
Number of grantees at the grant date	80
Fair value of each share (in R$) [3]	17.35

(1) Date of the Board of Directors' decision to grant shares.

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants under the Brazil 2020 "Regular plan" were as follows:

	2021	2020
Shares allotted at January 1	**999,403**	**–**
Shares granted during the year	29,965	999,403
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(52,228)	–
Shares allotted at December 31	**977,140**	**999,403**

On August 25, 2021, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

The vesting period is three years from the date of the Board of Directors' Meeting at which the rights were granted. The number of shares that vest will depend on the achievement of five performance conditions:

- two conditions linked to financial performance (recurring operating income for 20% and free cash flow for 20%);
- a condition linked to an external performance criterion (TSR), benchmarking the Atacadão share price against a panel of companies in the retail sector (for 20%);
- a condition linked to the Company's digital transformation (for 20%);
- a CSR-related condition (for 20%).

Details of the 2021 performance share plan are presented below.

	Brazil 2021 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date [1]	August 25, 2021
Vesting date [2]	August 25, 2024
Total number of shares approved at the grant date	1,832,230
Number of grantees at the grant date	124
Fair value of each share (in R$) [3]	14.56

(1) Date of the Board of Directors' decision to grant shares.

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

Movements in performance share grants under the Brazil 2021 “Regular plan” were as follows:

	2021
Shares allotted at January 1	**–**
Shares granted during the year	1,556,541
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(33,306)
Shares allotted at December 31	**1,523,235**

12.3 Management compensation (related parties)

The following table shows the compensation paid by the Carrefour group during the year to the Group's key management personnel.

(in millions of euros)	2021	2020
Compensation for the year	8.4	8.8
Prior year bonus	8.3	11.3
Benefits in kind (accommodation and company car)	0.4	0.3
Total compensation paid during the year	**17.0**	**20.4**
Employer payroll taxes	4.5	5.5
Termination benefits	–	0.7

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- stock options and performance shares: the serving members of the management team at December 31, 2021 held 2,296,410 performance shares (1,416,443 at December 31, 2020), for which the vesting conditions are described in Note 12.2.2. The recognised cost of share-based payment plans for members of the management team was not material in either 2021 or 2020.

The compensation paid in 2021 to members of the Board of Directors in respect of their duties amounted to 0.9 million euros (0.4 million euros in 2020).

12.4 Number of employees

	2021	2020
Senior Directors	365	379
Directors	1,761	1,794
Managers	32,395	31,978
Employees	284,500	277,148
Average number of Group employees	**319,021**	**311,299**
Number of Group employees at the year-end	**319,565**	**322,164**

NOTE 13: EQUITY AND EARNINGS PER SHARE

13.1 Capital management

The parent company, Carrefour SA, must have sufficient equity to comply with the provisions of the French Commercial Code.

The Group owns interests in a certain number of financial services companies (banks, insurance companies). These subsidiaries must have sufficient equity to comply with capital adequacy ratios and the minimum capital rules set by their local banking and insurance supervisors.

Capital management objectives (equity and debt capital) are to:

- ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources;
- optimise shareholder returns;
- keep gearing at an appropriate level, in order to minimise the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

13.2 Share capital and treasury stock

13.2.1 Share capital

At December 31, 2021, the share capital was made up of 775,895,892 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	**2021**	**2020**
Outstanding at January 1	**817,624**	**807,266**
Issued for cash	–	–
Issued under performance share plans	–	–
Issued in payment of dividends	–	10,358
Cancelled shares [1]	(41,728)	–
Outstanding at December 31	**775,896**	**817,624**

(1) See Note 2.6.

13.2.2 Treasury stock

Accounting principles

Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in equity without affecting net income for the year.

At December 31, 2021 and December 31, 2020, a total of 9,457,539 shares were held in treasury.

Shares held in treasury are intended for the Group's performance share plans.

All rights attached to these shares are suspended for as long as they are held in treasury.

13.3 Dividends

In February 2021, the Group announced that its dividend policy would be returning to normal following nearly ten years of dividends with a dividend reinvestment option.

At the Shareholders' Meeting held on May 21, 2021, the shareholders decided to set the 2020 dividend at 0.48 euro per share to be paid entirely in cash.

On May 28, 2021, the dividend was paid out in an amount of 383 million euros.

13.4 Other comprehensive income

Group share *(in millions of euros)*	**2021**			**2020**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	54	(13)	41	(8)	1	(7)
Changes in the fair value of debt instruments through other comprehensive income	(5)	1	(4)	(3)	1	(2)
Exchange differences on translating foreign operations [1]	88	0	88	(697)	0	(697)
Items that may be reclassified subsequently to profit or loss	**137**	**(11)**	**126**	**(707)**	**2**	**(705)**
Remeasurements of defined benefit plans obligation [2]	33	(6)	27	(20)	0	(20)
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	(0)	(1)	0	(1)
Items that will not be reclassified to profit or loss	**33**	**(6)**	**27**	**(21)**	**0**	**(21)**
Total other comprehensive income / (loss) - Group share	**170**	**(18)**	**153**	**(728)**	**2**	**(726)**

Non-controlling interests *(in millions of euros)*	**2021**			**2020**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	3	(1)	2	1	0	1
Changes in the fair value of debt instruments through other comprehensive income	(5)	1	(4)	(3)	1	(2)
Exchange differences on translating foreign operations [1]	28	0	28	(333)	0	(333)
Items that may be reclassified subsequently to profit or loss	**25**	**0**	**26**	**(335)**	**1**	**(334)**
Remeasurements of defined benefit plans obligation [2]	1	0	1	(1)	0	(1)
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	(0)	0	0	0
Items that will not be reclassified to profit or loss	**1**	**0**	**1**	**(1)**	**0**	**(1)**
Total other comprehensive income / (loss) - Non-controlling interests	**26**	**0**	**27**	**(336)**	**1**	**(335)**

(1) Exchange differences recognised on translating foreign operations in 2021 mainly reflect the increase in the value of the New Taiwan dollar and the very slight increase in the value of the Brazilian real. Differences in 2020 mainly reflected the significant decline in the Brazilian real during the year.

(2) Remeasurement of the net defined benefit liability recognised in 2021 reflects the increase in discount rates applied for the eurozone, from 0.40% at end-December 2020 to 0.80% at end-December 2021. In 2020, these discount rates had decreased, from 0.75% at end-December 2019 to 0.40% at end-December 2020.

13.5 Shareholders' equity attributable to non-controlling interests

Non-controlling interests mainly concern:

- the sub-group made up of Carrefour Banque SA and its subsidiaries (part of the France operating segment), which is 60% owned by the Group;
- the Grupo Carrefour Brasil sub-group made up of Atacadão SA and its subsidiaries (part of the Latin America operating segment) and covering all of Carrefour's operations in Brazil, which is 72% owned by the Group.

The following tables present the key information from the sub-groups' consolidated financial statements:

Carrefour Banque sub-group

Income statement *(in millions of euros)*	**2021**	**2020**
Revenue (Net Banking Revenue)	228	262
Net income [1]	49	(47)

Statement of financial position *(in millions of euros)*	**December 31, 2021**	**December 31, 2020**
Total assets	3,486	3,849
Total liabilities excluding shareholders' equity	2,963	3,385
Dividends paid to non-controlling interests	–	–

(1) The net income of the Carrefour Banque sub-group includes the capital gain realised on the sale of the Belgian finance company Fimaser in 2021 (see Note 3.2). At the level of the Carrefour group, as the sale constitutes a transaction with minority shareholders, it was recognised directly in consolidated equity at December 31, 2021.

Grupo Carrefour Brasil sub-group

Income statement *(in millions of euros)*	**2021**	**2020**
Total revenue	12,214	12,105
Net income	529	484
of which:		
- attributable to the Carrefour group	*494*	*454*
- attributable to non-controlling interests	*35*	*29*

Statement of financial position *(in millions of euros)*	**December 31, 2021**	**December 31, 2020**
Non-current assets	4,444	4,142
Current assets	4,880	3,985
Non-current liabilities (excluding shareholders' equity)	1,812	1,577
Current liabilities	4,601	3,877
Dividends paid to non-controlling interests	35	13

As Carrefour SA owns 72% of Atacadão SA, the distribution of net income is different at the level of the consolidated financial statements of the Carrefour group:

- 2021 net profit of 529 million euros breaks down into 354 million euros attributable to the Carrefour group and 175 million euros attributable to non-controlling interests;
- 2020 net profit of 484 million euros breaks down into 326 million euros attributable to the Carrefour group and 158 million euros attributable to non-controlling interests.

There are no individually material non-controlling interests in other subsidiaries.

13.6 Earnings per share (Group share)

Accounting principles

In accordance with IAS 33 – *Earnings Per Share*, basic earnings per share is calculated by dividing net income, Group share by the weighted average number of shares outstanding during the period. Treasury stock is not considered to be outstanding and is therefore deducted from the number of shares used for the calculation. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

Diluted earnings per share is calculated by adjusting net income, Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares correspond exclusively to the stock options and performance shares presented in Note 12.2. Their dilutive effect is calculated by the treasury stock method provided for in IAS 33, which consists in applying the proceeds that would be generated from the exercise of stock options to the purchase of shares at market price (defined as the average share price for the period). In accordance with this method, stock options are considered to be potentially dilutive if they are in the money (the exercise price considered includes the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*).

Basic earnings per share	**2021**	**2020**
Net income/(loss) from continuing operations	1,030	663
Net income/(loss) from discontinued operations	42	(22)
Net income/(loss) for the year	**1,072**	**641**
Weighted average number of shares outstanding [1]	786,946,494	805,713,713
Basic income/(loss) from continuing operations - per share (in €)	**1.31**	**0.82**
Basic income/(loss) from discontinued operations - per share (in €)	**0.05**	**(0.03)**
Basic income/(loss) - per share (in €)	**1.36**	**0.80**

(1) *In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for 2021 was adjusted to take into account the impact of the two share buybacks carried out during the year (see Note 2.6).*

Diluted earnings per share	**2021**	**2020**
Net income/(loss) from continuing operations	1,030	663
Net income/(loss) from discontinued operations	42	(22)
Net income/(loss) for the year	**1,072**	**641**
Weighted average number of shares outstanding, before dilution	786,946,494	805,713,713
Potential dilutive shares	4,462,264	1,874,178
Performance shares	*4,462,264*	*1,874,178*
Diluted weighted average number of shares outstanding	**791,408,758**	**807,587,891**
Basic income/(loss) from continuing operations - per share (in €)	**1.30**	**0.82**
Basic income/(loss) from discontinued operations - per share (in €)	**0.05**	**(0.03)**
Basic income/(loss) - per share (in €)	**1.35**	**0.79**

NOTE 14: FINANCIAL ASSETS AND LIABILITIES, FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Accounting principles

Non-derivative financial assets

In accordance with IFRS 9 – *Financial Instruments*, the main financial assets are classified in one of 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 (FVPL).

Their classification determines their accounting treatment. Financial assets are classified by the Group upon initial recognition, based on the characteristics of the contractual cash flows and the objective behind the asset's purchase (business model).

Purchases and sales of financial assets are recognised on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

(i) Financial assets at amortised cost

Financial assets at amortised cost are debt instruments (mainly loans and receivables) that give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is to hold assets to collect contractual cash flows.

They are initially recognised at fair value and are subsequently measured at amortised cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered to be equal to the original invoice amount.

These assets are impaired as described below.

Financial assets at amortised cost include trade receivables, other loans and receivables (reported under other financial assets), deposits and guarantees, and consumer credit granted by the financial services companies.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are debt instruments that give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling underlying financial assets. These financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income, under "Changes in the fair value of debt instruments at fair value through other comprehensive income" until the underlying assets are sold, at which time they are transferred to profit or loss.

This category also includes investments in equity instruments (primarily shares) that the Group has irrevocably elected to classify in this category. In this case, when the shares are sold, the unrealised gains or losses previously carried in equity (other comprehensive income) will not be reclassified to profit or loss; only dividends will be transferred to the income statement.

This category notably includes investments in non-consolidated companies which the Group has elected to recognise at fair value through other comprehensive income (an option generally chosen by the Group).

The fair value of listed securities corresponds to their market price. For unlisted securities, fair value is determined first and foremost by reference to recent transactions or by using valuation techniques based on reliable and observable market data. However, where there is no observable market data for comparable companies, the fair value of unlisted securities is usually measured based on the present value of future estimated cash flows or on the revised net asset value, as calculated by reference to internal inputs (level 3 of the fair value hierarchy).

(iii) Financial assets at fair value through profit or loss

This category includes all debt instruments that are not eligible to be classified as financial assets at amortised cost or at fair value through other comprehensive income, as well as investments in equity instruments such as shares which the Group has chosen not to measure at fair value through other comprehensive income.

They are measured at fair value with changes in fair value recognised in the income statement, under financial income or expense.

Impairment

Trade receivables and other current financial assets (other than consumer credit granted by the financial services companies) carried at amortised cost are impaired based on the total lifetime expected losses resulting from a payment default, pursuant to the simplified approach allowed under IFRS 9. Impairment is calculated using a provision matrix, which is applied to receivables past due and not yet past due (provision rates based on the length of time past due, as calculated for each country and each receivable with similar characteristics).

For consumer credit granted by the financial services companies and other non-current financial assets carried at amortised cost, impairment is determined using the general approach available under IFRS 9 and corresponds:

- on initial recognition of the asset, to expected losses over the next 12 months;
- when the credit risk significantly increases, to the total lifetime expected losses resulting from default.

The approach applied to consumer credit granted by the financial services companies is described in Note 6.5.1.

Non-derivative financial assets held by the Group

The main non-derivative financial assets held by the Group are as follows:

- non-current financial assets: this line of the statement of financial position mainly includes deposits and guarantees, investments of insurance companies (corresponding mainly to bonds and other debt securities) and of the Group's other financial services companies, along with investments in non-consolidated companies;
- trade receivables;
- consumer credit granted by the financial services companies (see Note 6.5.1);
- other current financial assets: mainly debt securities held by the financial services companies and measured at fair value, along with short-term deposits.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognised at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortised cost.

Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities held by the Group are as follows:

- borrowings: "Borrowings – portion due in more than one year" and "Borrowings – portion due in less than one year" include bonds and notes issued by the Group, other bank loans and overdrafts, and any financial liabilities related to securitised receivables for which the credit risk is retained by the Group;
- lease commitments: these result from applying IFRS 16 from January 1, 2019 and also include 275 million euros in finance lease commitments recognised at December 31, 2018 in accordance with IAS 17 and reclassified within lease commitments;
- suppliers and other creditors;
- consumer credit financing granted by the financial services companies (see Note 6.5.2);
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly interest rate and currency risks. Exceptionally, the risk of changes in the prices of certain commodities - mainly diesel - may also be hedged.

Derivatives are initially recognised at fair value. They are subsequently measured at fair value with the resulting unrealised gains and losses recorded as explained below.

(i) Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- the hedging instrument and hedged item forming the hedging relationship are eligible for hedge accounting;
- at the inception of the hedge, there is a clearly identified and formally documented hedging relationship and the effectiveness of the hedge can be demonstrated (qualitative and prospective tests);
- there is formal designation and structured documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. At December 31, 2021, no hedges were in place in respect of the Group's net investment in foreign operations.

Cash flow hedges

For instruments qualified as cash flow hedges, the portion of the change in fair value determined to be an effective hedge is recognised in other comprehensive income and accumulated in other comprehensive income until the hedged transaction affects profit. The ineffective portion of the change in fair value is recognised in the income statement, under financial income and expense.

The main cash flow hedges consist of interest rate options and swaps that convert variable rate debt to fixed rate debt, and forward purchases of foreign currencies that hedge future goods purchases in foreign currency.

Fair value hedges

Changes in fair value of instruments qualified as fair value hedges are recognised in the income statement, with the effective portion offsetting changes in the fair value of the hedged item.

Swaps set up to convert fixed rate bonds and notes to variable rate qualified as fair value hedge. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognised in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps. At December 31, 2021, as at December 31, 2020, the financing facilities arranged for Brazilian subsidiary Atacadão in April 2020 and September 2021 respectively were subject to fair value hedges (see Note 14.2.3).

(ii) Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognised in profit or loss. Derivative instruments used by the Group include interest rate and currency swaps and vanilla interest rate options.

Fair value calculation method

The fair values of currency and interest rate instruments are determined using market-recognised pricing models or prices quoted by external financial institutions.

Values estimated using pricing models are based on discounted future cash flows for futures and forward contracts or, for options, the Black & Scholes option pricing model. The models are calibrated using market data such as yield curves and exchange rates obtained from recognised financial data services.

The fair value of long-term borrowings is estimated based on the quoted market price for bonds and notes or the value of future cash flows discounted based on market conditions for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2021 and 2020, the effect of incorporating these two types of risk was not material.

14.1 Financial instruments by category

At December 31, 2021 *(in millions of euros)*	Carrying amount	Breakdown by category: Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	Fair value
Investments in non-consolidated	126	14	112	–	–	–	126
Other long-term investments	1,026	159	163	704	–	–	1,026
Other non-current financial assets	**1,152**	**174**	**274**	**704**	**–**	**–**	**1,152**
Consumer credit granted by the financial services companies	5,294	–	–	5,294	–	–	5,294
Trade receivables	2,581	–	–	2,581	–	–	2,581
Other current financial assets	532	–	79	246	24	182	532
Other current assets [1]	467	–	–	467	–	–	467
Cash and cash equivalents	3,703	3,703	–	–	–	–	3,703
ASSETS	**13,729**	**3,877**	**353**	**9,292**	**24**	**182**	**13,729**
Total borrowings	6,834	–	–	6,793	22	18	7,101
Total lease commitment	4,597	–	–	4,597	–	–	4,597
Total consumer credit financing	4,441	–	–	4,431	1	9	4,441
Suppliers and other creditors	13,072	–	–	13,072	–	–	13,072
Other current payables [2]	2,660	–	–	2,660	–	–	2,660
LIABILITIES	**31,604**	**–**	**–**	**31,553**	**24**	**27**	**31,871**

At December 31, 2020 *(in millions of euros)*	Carrying amount	Breakdown by category: Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	Fair value
Investments in non-consolidated	105	12	94	–	–	–	105
Other long-term investments	1,106	252	150	704	–	–	1,106
Other non-current financial assets	**1,212**	**264**	**244**	**704**	**–**	**–**	**1,212**
Consumer credit granted by the financial services companies	5,227	–	–	5,227	–	–	5,227
Trade receivables	2,526	–	–	2,526	–	–	2,526
Other current financial assets	368	–	57	191	20	101	368
Other current assets [1]	484	–	–	484	–	–	484
Cash and cash equivalents	4,439	4,439	–	–	–	–	4,439
ASSETS	**14,256**	**4,703**	**300**	**9,132**	**20**	**101**	**14,256**
Total borrowings	7,389	–	–	7,324	32	32	7,807
Total lease commitment	4,723	–	–	4,723	–	–	4,723
Total consumer credit financing	4,574	–	–	4,558	1	15	4,574
Suppliers and other creditors	12,560	–	–	12,560	–	–	12,560
Other current payables [2]	2,524	–	–	2,524	–	–	2,524
LIABILITIES	**31,769**	**–**	**–**	**31,689**	**33**	**47**	**32,188**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

Analysis of assets and liabilities measured at fair value

The table below shows assets and liabilities presented according to the fair value hierarchy provided for in IFRS 13 – *Fair Value Measurement* (see Note 1.4):

December 31, 2021 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	14	112	**126**
Other long-term investments	322	–	–	**322**
Other current financial assets - Fair Value through OCI	79	–	–	**79**
Other current financial assets - Derivative instruments	–	207	–	**207**
Cash and cash equivalents	3,703	–	–	**3,703**
Consumer credit financing - Derivative instruments recorded in liabilities	–	(11)	–	**(11)**
Borrowings - Derivative instruments recorded in liabilities	–	(40)	–	**(40)**

December 31, 2020 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	12	94	**105**
Other long-term investments	402	–	–	**402**
Other current financial assets - Fair Value through OCI	57	–	–	**57**
Other current financial assets - Derivative instruments	–	122	–	**122**
Cash and cash equivalents	4,439	–	–	**4,439**
Consumer credit financing - Derivative instruments recorded in liabilities	–	(15)	–	**(15)**
Borrowings - Derivative instruments recorded in liabilities	–	(64)	(0)	**(64)**

14.2 Net debt

14.2.1 Breakdown of net debt

Consolidated net debt at December 31, 2021 amounted to 2,633 million euros compared to 2,616 million euros at December 31, 2020. This amount breaks down as follows:

(in millions of euros)	December 31, 2021	December 31, 2020
Bonds and notes	6,052	6,822
Other borrowings	741	503
Total borrowings excluding derivative instruments recorded in liabilities	**6,793**	**7,324**
Derivative instruments recorded in liabilities	40	64
TOTAL BORROWINGS	**6,834**	**7,389**
of which borrowings due in more than one year	*5,491*	*6,305*
of which borrowings due in less than one year	*1,342*	*1,084*
Other current financial assets [1]	498	334
Cash and cash equivalents	3,703	4,439
TOTAL CURRENT FINANCIAL ASSETS	**4,201**	**4,773**
NET DEBT	**2,633**	**2,616**

(1) The current portion of amounts receivable from finance sub-leasing arrangements is not included in this caption (see Note 14.2.5).

14.2.2 Breakdown of bond debt

(in millions of euros)	Maturity	Face value December 31, 2020	Issues	Repayments	Translation adjustments	December 31, 2021	Book value of the debt December 31, 2021
Public placements by Carrefour SA		**6,686**	**–**	**(871)**	**68**	**5,883**	**5,815**
EMTN, EUR, 11 years, 3.875%	2021	871	–	(871)	–	–	–
EMTN, EUR, 8 years, 1.75%	2022	1,000	–	–	–	1,000	993
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	407	–	–	34	441	426
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	748
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	748
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	407	–	–	34	441	414
EMTN, EUR, 5 years, 0.88%	2023	500	–	–	–	500	499
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	498
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	497
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	994
Placements by Atacadão SA		**235**	**–**	**–**	**2**	**237**	**237**
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	78	–	–	1	79	79
Debentures, BRL 450 million, 3 years, 100% CDI	2022	71	–	–	1	71	71
Debentures, BRL 350 million, 5 years, 100% CDI	2024	55	–	–	0	55	55
Debentures, BRL 200 million, 7 years, 100% CDI	2026	31	–	–	0	32	32
TOTAL BONDS AND NOTES		**6,921**	**–**	**(871)**	**70**	**6,120**	**6,052**

On April 25, 2021, the Group redeemed 871 million euros worth of 3.875% 11-year bonds.

The Group's financial position and liquidity were solid at December 31, 2021. The average maturity of Carrefour SA's bond debt was 3.1 years at end-December 2021, compared with 3.6 years at end-December 2020.

In accordance with IFRS 9 – *Financial Instruments*, conversion options on the bonds qualify as embedded derivatives and are therefore accounted for separately from inception. Subsequent changes in the fair value of these options are recognised in income and set off against changes in the fair value of the call options purchased on Carrefour shares in parallel with the bond issue. At December 31, 2021, their fair value amounted to 22 million euros.

The bonds are recognised at amortised cost, excluding the conversion feature.

Two EUR/USD cross-currency swaps for 250 million US dollars were arranged at the inception of the transaction in 2018 for the same maturity. The swaps have been accounted for as a cash flow hedge and had a positive fair value of 80 million euros at December 31, 2021.

The fair value in euros of the currency swap for 500 million US dollars set up in 2017 to hedge bonds redeemable in cash issued on June 7, 2017 (classified as a cash flow hedge for accounting purposes) was a positive 40 million euros at December 31, 2021.

14.2.3 Breakdown of other borrowings

(in millions of euros)	December 31, 2021	December 31, 2020
Latin America borrowings	610	302
Other borrowings	59	90
Accrued interest [1]	38	55
Other financial liabilities	33	55
TOTAL OTHER BORROWINGS	**741**	**503**

(1) Accrued interest on total borrowings, including bonds and notes.

"Latin America borrowings" include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020 and in September 2021, for an amount of 1,500 million reals (approximately 237 million euros at the December 31, 2021 closing rate) and 1,937 million reals (approximately 306 million euros at the December 31, 2021 closing rate), respectively.

These euro- and US dollar-denominated facilities, which were originally fixed-rate, were converted into Brazilian reals and indexed to the CDI rate at the time of issue through cross-currency swaps over the life of the borrowings. These instruments are documented and recognised as hedges (Fair Value Hedge).

14.2.4 Cash and cash equivalents

Accounting principles

Cash includes cash on hand and demand deposits.

Cash equivalents are highly liquid investments with an original maturity of less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(in millions of euros)	December 31, 2021	December 31, 2020
Cash	1,108	1,482
Cash equivalents	2,596	2,957
TOTAL CASH AND CASH EQUIVALENTS	**3,703**	**4,439**

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries. The local supervisory authorities may require banking subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.
At December 31, 2021, as at December 31, 2020, there was no restricted cash.

14.2.5 Other current financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Derivative instruments [1]	207	122
Financial receivable [2]	162	113
Other current financial assets - Fair Value through OCI	79	57
Sub-lease receivable - less than one year	34	34
Deposits with maturities of more than three months	40	33
Other	10	9
TOTAL OTHER CURRENT FINANCIAL ASSETS	**532**	**368**

(1) The 85-million-euro increase compared to December 31, 2020 primarily reflects higher mark-to-market adjustments on the currency swaps hedging the US dollar-denominated convertible bonds (see Note 14.2.2), due to the increase in value of the US dollar against the euro over the period.

(2) This amount represents the financial receivable relating to the 20% stake in Carrefour China. The increase of 49 million euros in comparison with December 31, 2020 was booked against net income from discontinued operations. In accordance with the agreement signed with Suning.com on September 26, 2019, the Carrefour group exercised its put option on the disposal of the remaining 20% interest in Carrefour China in the second half of 2021, with payment set to be made in the first half of 2022.

14.3 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

14.3.1 Analysis by interest rate

	December 31, 2021		December 31, 2020	
(in millions of euros)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	6,518	5,936	7,047	6,785
Variable rate borrowings	276	857	278	539
Total borrowings (excluding derivative instruments recorded in liabilities)	**6,793**	**6,793**	**7,324**	**7,324**

14.3.2 Analysis by currency

(in millions of euros)	December 31, 2021	December 31, 2020
Euro	5,935	6,784
Brazilian real	855	539
Argentine peso	–	0
Polish zloty	2	–
Romanian lei	1	1
Total borrowings (excluding derivative instruments recorded in liabilities)	**6,793**	**7,324**

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 87% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2021 (93% at December 31, 2020).

14.3.3 Analysis by maturity

(in millions of euros)	December 31, 2021	December 31, 2020
Due within 1 year	1,302	1,019
Due in 1 to 2 years	1,259	1,216
Due in 2 to 5 years	2,731	3,047
Due beyond 5 years	1,502	2,042
Total borrowings (excluding derivative instruments recorded in liabilities)	**6,793**	**7,324**

14.4 Changes in liabilities arising from financing activities

(in millions of euros)	Other current financial assets [1]	Borrowings	Total Liabilities arising from financing activities
At December 31, 2020	**(334)**	**7,389**	**7,055**
Changes from financing cash flows	**(21)**	**(726)**	**(748)**
Change in current financial assets	(21)	–	(21)
Issuance of bonds	–	–	–
Repayments of bonds	–	(871)	(871)
Net financial interests paid	–	(158)	(158)
Other changes in borrowings	–	302	302
Non-cash changes	**(143)**	**171**	**29**
Effect of changes in foreign exchange rates	(2)	7	6
Effect of changes in scope of consolidation	(0)	(0)	(1)
Changes in fair values	(95)	(14)	(109)
Finance costs, net	–	172	172
Other movements [2]	(46)	6	(39)
At December 31, 2021	**(498)**	**6,834**	**6,336**

(1) The current portion of amounts receivable from finance sub-leasing arrangements totalling 34 million euro is not included in this caption.
(2) In 2021, other changes in other current financial assets included the reversal of the impairment loss recorded on the financial receivable relating to the 20% stake in Carrefour China (see Note 14.2.5).

14.5 Other non-current financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Deposits and guarantees [1]	559	518
Financial services companies' portfolio of assets	322	403
Sub-lease receivable - more than one year [2]	76	108
Investments in non-consolidated companies	126	105
Other	69	77
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,152**	**1,212**

(1) Deposits and guarantees include legal deposits paid in Brazil in connection with the tax disputes discussed in Notes 11.2 and 11.3 (disputes relating mainly to tax reassessments challenged by the Group) pending final court rulings, as well as security deposits paid to lessors under property leases.

(2) Amounts receivable from finance sub-leasing arrangements were recognised following the application of IFRS 16 from January 1, 2019.

14.6 Finance costs and other financial income and expenses

Accounting principles

This item corresponds mainly to finance costs.

In accordance with IFRS 16, it also includes interest expenses on leases along with interest income on finance sub-leasing (see Note 8).

Other financial income and expenses consist notably of discounting adjustments, taxes on financial transactions, late interest payable on certain liabilities, or the effects of hyperinflation in Argentina.

This item breaks down as follows:

(in millions of euros)	2021	2020
Interest income from loans and cash equivalents	**(1)**	**3**
Interest income from bank deposits	(1)	3
Interest income from loans	0	0
Finance costs	**(171)**	**(174)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(159)	(159)
Cost of receivables discounting in Brazil	(12)	(15)
Finance costs, net	**(172)**	**(171)**
Interest charge related to leases commitment	(107)	(114)
Interest income related to financial sublease contracts	1	1
Net interests related to lease commitment	**(106)**	**(113)**
Interest expense on defined employee benefit debt	(5)	(10)
Interest income on pension plan assets	1	2
Financial transaction tax	(24)	(18)
Late interest due in connection with tax reassessments and employee-related litigation	(24)	(19)
Dividends received on available-for-sale financial assets	3	3
Proceeds from the sale of available-for-sale financial assets	7	13
Cost of sold available-for-sale financial assets	(0)	(7)
Exchange gains and losses	5	(28)
Cost of bond buybacks	(11)	(11)
Changes in the fair value of interest rate derivatives	(8)	(3)
Impact of hyperinflation in Argentina - application of IAS 29	56	29
Other	(1)	(0)
Other financial income and expenses, net	**(1)**	**(50)**
Finance costs and other financial income and expenses, net	**(279)**	**(334)**
Financial expenses	*(352)*	*(384)*
Financial income	73	50

14.7 Risk management

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. The Group's policy for managing these risks is described below.

Due to the differing natures of the various businesses, financial risks arising from the banking and insurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organisation has been set up to track financial risks based on a cash-pooling system managed by the Corporate Treasury and Financing Department. A reporting system ensures that Group Executive Management can oversee the department's implementation of the approved management strategies.

The risks associated with the financial services and insurance businesses are managed and tracked directly by the entities concerned. Corporate Treasury and Financing oversees the proper implementation of the rules governing these businesses, jointly with other investors. A reporting system exists between local teams and Corporate Treasury and Financing.

14.7.1 Liquidity risk

14.7.1.1 Retail business

Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

Corporate Treasury and Financing's liquidity management strategy consists of:

- promoting prudent financing strategies in order to ensure that the Group’s credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion-euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group’s needs. At December 31, 2021, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. In June 2019, Carrefour amended these two credit facilities, incorporating an innovative Corporate Social Responsibility (CSR) component in the first CSR-linked credit transaction in the European retail sector. In May 2021, Carrefour exercised the option to extend its two credit facilities from June 2025 to June 2026. The option has been applied to more than 99% of the Group’s banking facilities. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme. The loan agreements for the syndicated lines of credit include the usual commitment clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. The pricing grid may be adjusted up or down to reflect changes in the long-term credit rating.

The main transactions in 2021 concerned the redemption of 871 million euros worth of 3.875% 11-year bonds (see Note 14.2.2).

The Group considers that its liquidity position is robust. It has sufficient cash reserves to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3.1 years.

14.7.1.2 Banking and insurance business

The liquidity risk of financial services companies is monitored within the framework of an Executive Management-approved liquidity strategy that is part of the Group's overall strategy. Each entity's refinancing situation is assessed based on internal standards and early warning indicators.

Liquidity risk management objectives are to:

- diversify sources of financing to include central bank programmes, bonds, securitisation programs for renewable credit facilities, negotiable debt issues and repos;
- create a balanced banking relationship using credit facilities granted by our local partners in addition to those granted by our shareholders;
- secure refinancing sources in accordance with internal and external criteria (rating agencies and supervisory authorities);
- ensure a balanced profile in terms of debt maturity and type;
- comply with regulatory ratios.

In April 2021, Carrefour Banque redeemed 500 million euros worth of bonds and issued a further 400 million euros worth of four-year bonds in June 2021 with a fixed rate swapped for the three-month Euribor +49 bps.

Banco CSF (Brazil) issued several financial bills (*Letra Financeira*) throughout the year for a total amount of 1,046 million Brazilian reals at December 31, 2021. In December 2021, it also redeemed the collateralised financial bill (*Letra Financeira Garantida*) subscribed in December 2020 (see below) and issued another collateralised financial bill through the Brazilian Central Bank for an amount of 114 million Brazilian reals (maturing in December 2022).

As a reminder, several structured financing operations were carried out in 2020:

- A 500 million-euro bond issue was redeemed by Carrefour Banque in March 2020.
- Banco CFS (Brazil) issued a collateralised financial bill in December 2020 through the Brazilian Central Bank for an amount of 284 million Brazilian reals (maturing in December 2021).

The following tables analyse the cash flows generated by the Group's financial liabilities by period.

December 31, 2021 *(in millions of euros)*	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings [2]	581	581	135	446	–
Fixed rate borrowings	5,936	6,285	1,149	3,599	1,538
Unhedged borrowings	276	276	94	95	87
Derivative instruments	40	43	17	26	–
Total Borrowings	**6,834**	**7,185**	**1,394**	**4,166**	**1,625**
Suppliers and other creditors	13,072	13,072	13,072	–	–
Consumer credit financing	4,441	4,441	2,868	1,573	–
Other current payables [1]	2,660	2,660	2,660	–	–
TOTAL FINANCIAL LIABILITIES	**27,007**	**27,358**	**19,995**	**5,739**	**1,625**

(1) *Excluding deferred revenue.*

(2) *Borrowings hedged by fair value hedges include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020 and September 2021, for 1,500 million Brazilian reals and 1,937 million Brazilian reals, respectively (see Note 14.2.3).*

December 31, 2020 *(in millions of euros)*	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings [2]	261	261	–	261	–
Fixed rate borrowings	6,785	7,253	1,091	4,077	2,085
Unhedged borrowings	278	278	15	232	31
Derivative instruments	64	100	39	61	0
Total Borrowings	**7,389**	**7,892**	**1,145**	**4,631**	**2,116**
Suppliers and other creditors	12,560	12,560	12,560	–	–
Consumer credit financing	4,574	4,574	3,067	1,506	–
Other current payables [1]	2,524	2,524	2,524	–	–
TOTAL FINANCIAL LIABILITIES	**27,046**	**27,550**	**19,296**	**6,137**	**2,116**

(1) *Excluding deferred revenue.*

(2) *Borrowings hedged by fair value hedges include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020, for an amount of 1,500 million Brazilian reals (see Note 14.2.3).*

The cash flows relating to the Group's lease commitments (established based on reasonably certain lease terms within the meaning of IFRS 16) are presented by maturity in Note 8.3.

14.7.2 Interest-rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

It is managed at head-office level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for recommending hedging strategies and methods to be used to limit interest rate exposures and optimise borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates. Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

The following table shows the sensitivity of total borrowings to changes in interest rates over one year:

(in millions of euros) *(- = loss; + = gain)*	50-bps decline		50-bps increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Investments	–	(8.4)	–	8.4
Options qualified as cash flow hedges	(11.0)	–	12.5	–
TOTAL EFFECT	**(11.0)**	**(8.4)**	**12.5**	**8.4**

14.7.3 Foreign exchange risk

Currency transaction risk is the risk of an unfavourable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.

The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency. As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (i.e., goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

The following table shows the effect of an increase/decrease in exchange rates on currency instruments:

(in millions of euros) *(- = loss; + = gain)*	10% decline		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR/USD	–	159.2	–	(159.5)
Position EUR/HKD	–	0.2	–	(0.2)
Position EUR/PLN	–	10.2	–	(10.2)
Position EUR/RON	–	2.2	–	(2.2)
Position USD/RON	–	(0.9)	–	0.9
Position CHF/EUR	–	(0.4)	–	0.4
TOTAL EFFECT	**–**	**170.5**	**–**	**(170.8)**

Currency translation risk is the risk of an unfavourable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real and Argentine peso. For example, changes in the average exchange rates used in 2021 compared with those for 2020 decreased consolidated net sales by 1,317 million euros, or 1.8% of 2021 net sales, and recurring operating income by 69 million euros, or 3.0% of 2021 recurring operating income.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

Hedging results and effectiveness

The table below reconciles, according to risk category, equity items and the assessment of other comprehensive income from hedge accounting.

(in millions of euros)	Change in fair value of hedging instruments in OCI	Ineffectiveness recognised in P&L	Heading that includes ineffectiveness of hedging	Amount transferred from CFH reserve to P&L	Heading of P&L affected by the reclassification
Cash Flow Hedge					
Interest rate risk	18	–	–	(2)	- Financial result
Foreign exchange risk	16	–	–	–	N/A
Discontinuation of hedge accounting	–	–	–	(7)	- Financial result

14.7.4 Credit risk

The Group's estimated exposure to credit risk is presented below:

(in millions of euros)	December 31, 2021	December 31, 2020
Investments in non-consolidated companies	126	105
Other long-term investments	1,026	1,106
Total Other non-current financial assets	**1,152**	**1,212**
Consumer credit granted by the financial services companies	5,294	5,227
Trade receivables	2,581	2,526
Other current financial assets	532	368
Other current assets [1]	467	484
Cash and cash equivalents	3,703	4,439
MAXIMUM EXPOSURE TO CREDIT RISK	**13,729**	**14,256**

(1) Excluding prepaid expenses.

14.7.4.1 Retail business

1) Trade receivables

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates and commercial income) and tenants of shopping mall units (rent). Impairment losses are recognised where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

At December 31, 2021, trade receivables net of impairment (excluding receivables from suppliers) amounted to (1,632) million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 151 million euros, of which 37 million euros were over 90 days past due (2.3% of total trade receivables net of impairment excluding receivables from suppliers).

2) Investments (cash equivalents and other current financial assets)

The Group's short-term cash management strategy focuses on acquiring liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the AMF as "money market" and "short-term money market" funds without any withdrawal restrictions. Investments made at the country level are approved by Corporate Treasury and Financing.

Counterparty risk monitoring procedures are implemented to track counterparties' direct investment strategies and the underlying assets held by mutual funds in which the Group invests. The Group's objective is to never hold more than 5% of a fund's net assets and to never invest more than 250 million euros in any single fund.

14.7.4.2 Banking and insurance business

A description of credit risk management processes and the method used to determine and record impairment losses in the banking and insurance businesses is provided in Note 6.5.1.

Analysis of due and past due consumer loans

(in millions of euros)	December 31, 2021	Amounts not yet due at the period-end	Amounts due and past due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	**5,294**	4,620	596	25	28	25

(in millions of euros)	December 31, 2020	Amounts not yet due at the period-end	Amounts due and past due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	**5,227**	4,276	805	36	56	55

Analysis of consumer loans by maturity

(in millions of euros)	December 31, 2021	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,263	552	643	69
Belgium	139	2	118	18
Spain	2,033	1,138	353	542
Italy	–	–	–	–
Argentina	46	46	0	–
Brazil	1,812	1,736	77	0
Total	**5,294**	**3,473**	**1,191**	**630**

(in millions of euros)	December 31, 2020	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,467	664	769	34
Belgium	133	2	119	12
Spain	1,974	1,097	357	521
Italy	75	25	49	–
Argentina	37	37	–	–
Brazil	1,540	1,469	72	0
Total	**5,227**	**3,295**	**1,367**	**566**

14.7.5 Equity risk

Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

From time to time, the Group buys back its shares on the market or purchases call options on its shares.

These shares are mainly used to cover stock option and performance share plans. At December 31, 2021, shares held in treasury by the Group covered its total commitments under these plans.

The equity risk associated with the conversion options embedded in the bonds issued by the Group in June 2017 and March 2018 is fully hedged by symmetrical options contracted with banks. The derivatives are recognised as assets and liabilities in the statement of financial position in a total amount of 22 million euros.

NOTE 15: OFF-BALANCE SHEET COMMITMENTS

Accounting principles

Commitments given and received by the Group that are not recognised in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the period-end. There are four types of off-balance sheet commitments, related to cash transactions, retailing operations, acquisitions and disposal of securities and leases.

Commitments given *(in millions of euros)*	**December 31, 2021**	**By maturity**			**December 31, 2020**
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5**	
Related to cash management transactions	10,936	9,423	1,414	100	10,938
Financial services companies	*10,711*	*9,332*	*1,377*	*2*	*10,681*
Other companies	*225*	*90*	*37*	*98*	*257*
Related to operations/real estate/expansion	1,306	801	397	109	1,474
Related to purchases and sales of securities	207	5	107	95	224
Related to leases	238	42	98	98	239
Total	**12,687**	**10,270**	**2,016**	**402**	**12,875**

Commitments received *(in millions of euros)*	**December 31, 2021**	**By maturity**			**December 31, 2020**
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5**	
Related to cash management transactions	5,997	1,147	4,235	615	5,805
Financial services companies	*1,531*	*585*	*332*	*614*	*1,438*
Other companies	*4,467*	*563*	*3,903*	–	*4,367*
Related to operations/real estate/expansion	1,412	376	810	226	1,247
Related to purchases and sales of securities	410	275	78	56	395
Related to leases	517	275	190	52	452
Total	**8,336**	**2,073**	**5,313**	**949**	**7,899**

Off-balance sheet commitments related to cash transactions include:

- credit commitments given to customers by the Group's financial services companies in the course of their operating activities, and credit commitments received from banks;
- mortgages and other guarantees given or received, mainly in connection with the Group's real estate activities;
- committed lines of credit available to the Group but not drawn down at the period-end.

Off-balance sheet commitments related to operations mainly include:

- commitments to purchase land given in connection with the Group's expansion programmes;
- miscellaneous commitments arising from commercial contracts;
- commitments given for construction work to be performed in connection with the Group’s expansion programmes;
- rent guarantees and guarantees from shopping mall operators;
- guarantees for the payment of receivables.

Off-balance sheet commitments related to securities consist of commitments to purchase and sell securities received from or given to third parties:

- for the most part in France, in connection with the Group's franchising activities;
- including immediately exercisable put and call options and sellers' warranties given to third parties. No value is attributed to sellers' warranties received by the Group.

Off-balance sheet commitments related to leases correspond to minimum payments under non-cancellable operating leases qualifying for the exemptions set out in IFRS 16 and also the IFRS 16 leases for which the underlying assets have not been made available as of December 31, 2021.

NOTE 16: SUBSEQUENT EVENTS

In early January 2022, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,900 million Brazilian reals (representing approximately 459 million euros at the closing rate on December 31, 2021), with maturities of 16 to 17 months.

On January 24, 2022, the General Superintendence of CADE (the Brazilian competition authority) issued decision no. 85/2022 recommending that the acquisition of Grupo BIG by Carrefour Brazil should be approved. This transaction is now being analysed by the CADE tribunal, which has until June 2022 to make a final decision on the recommendations of the General Superintendence.

NOTE 17: AUDITORS' FEES

	Fees 2021					
in thousands euros	Deloitte & Associés[1]	Network	**Total Deloitte**	Mazars[1]	Network	**Total Mazars**
Financial statements certification services	**2,339**	**2,338**	**4,677**	**2,335**	**1,390**	**3,725**
Carrefour SA - Issuer	*450*	–	***450***	*450*	–	***450***
Subsidiaries (controlled entities)	*1,889*	*2,338*	**4,227**	*1,885*	*1,390*	**3,275**
Other services [2]	**131**	**666**	**797**	**120**	**162**	**282**
Carrefour SA - Issuer	*51*	–	***51***	*69*	*150*	***218***
Subsidiaries (controlled entities)	*80*	*666*	***746***	*52*	*12*	***64***
Total	**2,470**	**3,004**	**5,474**	**2,455**	**1,552**	**4,007**

(1) Carrefour SA (holding company) Statutory Auditors (excluding services provided by their network).

(2) Including services that are to be provided by Statutory Auditors by law.

Non-audit services provided to the parent, Carrefour SA, and its subsidiaries by the Statutory Auditors include mainly services in relation to the issuance of certificates and agreed-upon procedures on financial information and internal control or due-diligence in the context of an acquisition or a disposal.

NOTE 18: LIST OF CONSOLIDATED COMPANIES

18.1 Fully consolidated companies at December 31, 2021

FRANCE	Percent interest used in consolidation	FRANCE	Percent interest used in consolidation
ALEP 33	**85**	CORSAIRE	**100**
ALSATOP	**100**	COVIAM 8	**100**
AMIDIS ET CIE	**100**	COVICAR 2	**100**
ANIDIS	**100**	COVICAR 44	**100**
ANTIDIS	**100**	COVICAR 51	**100**
AUPARLIXTOP	**100**	COVICAR 55	**100**
AVENUE	**52**	CRF REGIE PUBLICITAIRE	**100**
AZIMMO	**100**	CRFP13	**100**
BELLEVUE DISTRIBUTION	**100**	CRFP20	**100**
BLO DISTRIBUTION	**100**	CRFP22	**100**
BRINGO FRANCE	**100**	CRFP23	**100**
BRINGO INTERNATIONAL	**100**	CRFP8	**100**
C.DICAR	**100**	CROQUETTELAND	**100**
C.DIS	**100**	CSD TRANSPORTS	**74**
C.S.D	**74**	CSI	**100**
C.S.F	**100**	DAUPHINOISE DE PARTICIPATIONS	**100**
CADS	**100**	DE LA FONTAINE	**51**
CALLOUETS	**51**	DE SIAM	**51**
CANDIS	**100**	DEJBOX LAB	**86**
CARAUTOROUTES	**100**	DEJBOX SERVICES	**86**
CARDADEL	**100**	DIGITAL MEDIA SHOPPER	**100**
CARFIDIS	**100**	DISTRIVAL	**100**
CARFUEL	**100**	DOREL	**100**
CARGAN INVEST	**100**	EPG	**66**
CARGO INVEST	**100**	FALDIS	**100**
CARGO PROPERTY DEVELOPMENT	**100**	FCT MASTER CREDIT CARD 2013	**60**
CARIMA	**100**	FINANCIERE RSV	**100**
CARMA	**50**	FINIFAC	**100**
CARMA VIE	**50**	FONMARTOP	**100**
CARREFOUR ADMINISTRATIF FRANCE	**100**	FORUM DEVELOPPEMENT	**100**
CARREFOUR BANQUE	**60**	GAMACASH	**100**
CARREFOUR DEVELOPPEMENT URBAIN	**100**	GEILEROP	**100**
CARREFOUR DRIVE	**100**	GENEDIS	**100**
CARREFOUR FINANCE	**100**	GIE BREST BELLEVUE	**80**
CARREFOUR FORMATION HYPER FRANCE	**100**	GREENWEEZ	**100**
CARREFOUR FRANCE	**100**	GREENWEEZ BELGIUM	**100**
CARREFOUR FRANCE PARTICIPATION	**100**	GUYENNE & GASCOGNE	**100**
CARREFOUR HYPERMARCHES	**100**	GVTIMM	**51**
CARREFOUR IMPORT	**100**	HAUTS DE ROYA	**100**
CARREFOUR MANAGEMENT	**100**	HYPARLO	**100**
CARREFOUR MARCHANDISES INTERNATIONALES	**100**	HYPERADOUR	**100**
CARREFOUR MONACO	**100**	HYPERMARCHES DE LA VEZERE	**50**
CARREFOUR OMNICANAL	**100**	IMMO ARTEMARE	**51**
CARREFOUR PARTENARIAT INTERNATIONAL	**100**	IMMO BACQUEVILLE	**51**
CARREFOUR PROPERTY FRANCE	**100**	IMMOBILIERE CARREFOUR	**100**
CARREFOUR PROPERTY GESTION	**100**	IMMOBILIERE PROXI	**100**
CARREFOUR PROPERTY INTERNATIONAL	**100**	IMMOCYPRIEN	**51**
CARREFOUR PROXIMITE FRANCE	**100**	IMMODIS	**100**
CARREFOUR SA	**100**	IMMOTOURNAY	**51**
CARREFOUR SERVICES CLIENTS	**100**	INTERDIS	**100**
CARREFOUR STATION SERVICE	**100**	LA CROIX VIGNON	**51**
CARREFOUR SUPPLY CHAIN	**100**	LALAUDIS	**99**
CARREFOUR VOYAGES	**100**	LANN KERGUEN	**51**
CIGOTOP	**100**	LAPALUS	**100**
CL CV LOGISTIQUE	**100**	LEGERE	**100**
CLAIREFONTAINE	**100**	LES TASSEAUX	**51**
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	**100**	LES VALLEES	**51**

FRANCE	Percent interest used in consolidation
LESCHENES	100
LOGIDIS	100
LOMA	100
LUDIS	100
LYBERNET	50
MAISON JOHANES BOUBEE	100
MAISON VIZET FABRE	81
MATOLIDIS	100
MAXIMOISE DE CREATION	51
MONTEL DISTRIBUTION	100
MY DESIGN	100
NOOPART	100
NORLITOP	100
NOSAEL	51
PARLITOP	100
PARSEVRES	100
PASDEL	100
PHIVETOL	100
PLANETA HUERTO	100
POTAGER CITY	69
PROFIDIS	100
PUECH ECO	100
QUITOQUE	100
QUITOQUE BELGIUM	100
RESSONS	51
SAFABE	100
SAFETY	100

BRAZIL	
ATACADÃO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA - BANK	37
ATACADÃO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	72
BANCO CSF	37
BRAZIL INSURANCE SFA	37
BSF HOLDING	37
CARREFOUR COMMERCIO E INDUSTRIA	72
CMBCI INVESTIMENTOS E PARTICIPAÇÕES	72
COMERCIAL DE ALIMENTOS CARREFOUR	72
COTABEST INFORMACOES E TECNOLOGIA	37
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	37
E MIDIA INFORMACOES	72
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA	72
PANDORA PARTICIPACOES	72
RIOBONITO ASSESSORIA DE NEGOCIOS	72
TROPICARGAS TRANSPORTES	72
VERPARINVEST	72

NETHERLANDS	
CARREFOUR NEDERLAND BV	100
CARREFOUR PROPERTY BV	100
HYPER GERMANY BV	100
INTERNATIONAL MERCHANDISE TRADING BV	100

ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	88
INC S.A.	100

FRANCE	Percent interest used in consolidation
SAINT HERMENTAIRE	100
SALACA	100
SAS LOUIS SEGUIN - ANGLET	100
SCI PROXALBY	74
SELIMA	100
SIGOULIM	51
SMARTECO	100
SO.BIO HOLDING	100
SO.BIO SEVRES	100
SOCIETE DES NOUVEAUX HYPERMARCHES	100
SODIMODIS	100
SODISAL	100
SODITRIVE	100
SOFALINE	100
SOFIDIM	99
SORGENTE NATURA	100
SOVAL	100
STELAUR	100
STENN	100
STORETOP	100
SUPERADOUR	100
SUPERDIS	97
TROTTEL	100
VAN K	100
VEZERE DISTRIBUTION	50
VIZEGU	90
ZORMAT	100

ITALY	
CARREFOUR BANCA	60
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	100
CONSORZIO NICHELINO	64
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	53
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	89
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	77
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	58
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84
GS SPA	100

SPAIN	
CARREFOUR PROPERTY ESPANA	100
CENTROS COMERCIALES CARREFOUR	100
CORREDURIA DE SEGUROS CARREFOUR	100
FINANZAS Y SEGUROS	100
GROUP SUPECO MAXOR	100
INVERSIONES PRYCA	100
NORFIN HOLDER	100
SERVICIOS FINANCIEROS CARREFOUR	60
SOCIEDAD DE COMPRAS MODERNAS	100
SUPERDISTRIBUCION CEUTA	100
SUPERMERCADOS CHAMPION	100
SUPERSOL SPAIN	100
VIAJES CARREFOUR	100

BELGIUM	Percent interest used in consolidation
BRUGGE RETAIL ASSOCIATE	**100**
CAPARBEL	**100**
CARREFOUR BELGIUM	**100**
CARUM	**100**
DRIVE 1	**100**
DRIVE 2	**100**
ECLAIR	**100**
FILUNIC	**100**
FIMASER	**100**
FIRST IN FRESH	**100**
GROSFRUIT	**100**
HALLE RETAIL ASSOCIATE	**100**
HEPPEN RETAIL ASSOCIATE	**100**
INTERDIS	**100**
MARKET A1 CBRA	**100**
MARKET B2 CBRA	**100**
MARKET C3 CBRA	**100**
MARKET D4 CBRA	**100**
MARKET E5 CBRA	**100**
MARKET F6 CBRA	**100**
ORTHROS	**100**
ROB	**100**
SCHILCO	**100**
SHIP TO	**100**
SOUTH MED INVESTMENTS	**100**
STIGAM	**100**
VANDEN MEERSSCHE NV	**100**
HONG KONG	
CARREFOUR ASIA LTD	**100**
CARREFOUR GLOBAL SOURCING ASIA	**100**
CARREFOUR TRADING ASIA LTD (CTA)	**100**
CHINA	
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	**100**
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	**100**
SOCIEDAD DE COMPRAS MODERNAS, S.A. SHANGHAI REPRESENTATIVE	**100**

GERMANY	Percent interest used in consolidation
CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	**100**
POLAND	
CARREFOUR POLSKA	**100**
CPA WAW 1	**100**
ROMANIA	
ALLIB ROM SRL	**100**
ARTIMA SA	**100**
BRINGO MAGAZIN	**100**
CARREFOUR PRODUCTIE SI DISTRIBUTIE	**100**
CARREFOUR ROUMANIE	**100**
COLUMBUS ACTIVE SRL	**100**
COLUMBUS OPERATIONAL SRL	**100**
MILITARI GALERIE COMERCIALA	**100**
SUPECO INVESTMENT SRL	**100**
SWITZERLAND	
CARREFOUR WORLD TRADE	**100**
LUXEMBOURG	
VELASQUEZ	**100**
TAIWAN	
CARREFOUR INSURANCE BROKER CO	**60**
CARREFOUR TELECOMMUNICATION CO	**60**
CHARNG YANG DEVELOPMENT CO	**30**
PRESICARRE	**60**
WELLCOME	**60**

18.2 Equity-accounted companies at December 31, 2021

FRANCE	Percent interest used in consolidation
ABREDIS	**50**
ADIALEA	**20**
ALEXANDRE	**50**
ALTACAR OLLIOULES	**50**
ANGIDIS	**50**
ANTONINE	**50**
ARLOM	**50**
AROBLIS	**50**
AUBINYC	**50**
AUDIST SAS	**50**
BAMAZO	**50**
BELONDIS	**50**
BIADIS	**34**
BLS RETRAIL	**50**
BORDEROUGE	**50**
BOURG SERVICES DISTRIBUTION "B.S.D"	**50**
BPJ	**26**
CABDIS	**50**
CAJOO TECHNOLOGY	**40**
CALODIAN DISTRIBUTION	**50**
CAMPI	**50**
CARDUTOT	**26**
CARMILA	**36**
CENTRALE ENVERGURE	**50**
CERBEL	**50**
CEVIDIS	**50**
CHAMNORD	**56**
CHERBOURG INVEST	**48**
CHRISTIA	**50**
CINQDIS 09	**50**
CJA DISTRIBUTION	**50**
CLOVIS	**50**
CLUNYDIS	**50**
CODINOG	**50**
COFLEDIS	**50**
COLODOR	**50**
COROU	**50**
CVP DISTRIBUTIONPLANE PORT VENDRES	**50**
CYMUR	**50**
D2C	**50**
DECODIS	**26**
DEPOT PETROLIER DE LYON	**50**
DEPOTS PETROLIERS COTIERS	**24**
DIRIC	**50**
DISTRI AIX	**50**
DISTRI PALAVAS	**50**
DISTRIBOURG	**50**
DISTRICAB	**50**
DISTRIFLEURY	**50**
DOUDIS	**50**
DU MOULIN	**50**
EDENDIS	**50**
ENTREPOT PETROLIER DE VALENCIENNES	**34**
FABCORJO	**50**
FALME	**50**
FIVER	**50**
FONCIERE MARSEILLAN	**50**
FONCIERE PLANES	**50**
FRELUM	**50**
GALLDIS	**50**
GGP DISTRIBUTION	**50**
GPVM	**30**

FRANCE	Percent interest used in consolidation
GRANDI	**50**
GRDIS	**50**
HALLE RASPAIL	**50**
HBLP	**25**
IDEC	**50**
IMMO ST PIERRE EGLISE	**50**
J2B	**50**
JEDEMA	**50**
JLEM	**50**
JMS74 DISTRIBUTION	**50**
JOSIM	**34**
JTDS MARKET	**50**
JUPILOU	**50**
LA CATALANE DE DISTRIBUTION	**50**
LA CRAUDIS	**50**
LAITA BELON DISTRIBUTION	**50**
LB LE PLAN	**50**
LE CLAUZELS	**50**
LE PETIT BAILLY	**50**
LE PLA	**50**
LEHENBERRI	**50**
LES OLIVIERS	**50**
LEZIDIS	**50**
LSODIS	**50**
LUMIMMO	**51**
LYEMMADIS	**50**
MADIS	**50**
MAGODIS	**50**
MALISSOL	**50**
MARIDYS	**50**
MARLODIS	**50**
MASSEINE	**50**
MATCH TOPCO	**39**
MAVIC	**50**
MBD	**50**
MIMALI	**50**
NASOCA	**50**
NC DISTRIBUTION	**50**
NCL	**50**
NOUKAT	**50**
OLICOURS	**50**
OUISDIS	**50**
OULLIDIS	**50**
PAM	**50**
PAS DE MENC	**50**
PFDIS	**50**
PHILODIS	**50**
PLAMIDIS	**50**
PLANE MARSEILLAN	**50**
PLANE PORT VENDRES	**50**
PRIGONDIS	**50**
PRODIX	**50**
PROVENCIA	**50**
RD2M	**50**
REBAIS DISTRIBUTION	**50**
RETAIL MARKET	**50**
RIMADIS	**50**
ROND POINT	**50**
ROSE BERGER	**26**
SADEV	**26**
SAINT JUERY DISTRIBUTION	**50**
SAS DF19	**50**

FRANCE	Percent interest used in consolidation
SAS DISTRI GIGNAC	**50**
SASD	**26**
SCB	**26**
SCGR DISTRIBUTION	**50**
SCI 2C	**50**
SCI 2F	**50**
SCI CARGAN-LOG	**40**
SCI FONCIERE DES ALBERES	**50**
SCI IMMODISC	**50**
SCI LA BEAUMETTE	**49**
SCI LA CLAIRETTE	**50**
SCI LATOUR	**60**
SCI PONT D'ALLIER	**50**
SCI SOVALAC	**50**
SCOMONDIS	**50**
SDAP	**26**
SEREDIS	**26**
SERPRO	**50**
SIFO	**50**
SIXFOURSDIS	**50**
SME	**50**
SOBRAMIC	**50**
SOCADIS BANYULS	**50**
SOCADIS CAVALAIRE	**50**

POLAND	
C SERVICES	**30**

BELGIUM	
MESTDAGH	**25**

BRAZIL	
COSMOPOLITANO SHOPPING	**36**
EWALLY	**35**

SPAIN	
2013 ALVARO EFREN JIMENEZ	**26**
2013 CID OTERO	**26**
2013 CORDOBA RODRIGUEZ	**26**
2013 ERIK DAVID	**26**
2013 FLORES HERNANDEZ	**26**
2013 LIZANDA TORTAJADA	**26**
2013 SOBAS ROMERO	**26**
COSTASOL DE HIPERMERCADOS	**34**
DIAGONAL PARKING	**58**
GLORIAS PARKING	**50**
HEGERVIS MATARO	**26**
ILITURGITANA DE HIPERMERCADOS	**34**
J.CARLOS VAZQUEZ	**26**
JM MARMOL SUPERMERCADOS	**26**
LUHERVASAN	**26**
SAGRADA FAMILIA	**26**

FRANCE	Percent interest used in consolidation
SODIBOR	**50**
SODICAB	**50**
SODILIM	**50**
SODIMER	**50**
SODIOUIS	**50**
SODYEN	**50**
SOMADIS	**50**
SOQUIMDIS	**50**
SOVADIS	**50**
SOVALDIS	**50**
SPC DISTRI	**50**
SRP GROUPE SA (SHOWROOMPRIVE.COM)	**9**
ST BONNET DISCOUNT	**50**
ST PAUL DE DISTRIBUTION	**50**
STE D'ALIM MODERNE	**50**
STE DU DEPOT PETROLIER DE NANTERRE	**20**
TEDALI	**50**
TIADIS	**50**
TURENNE	**50**
VALCRIS DISTRIBUTION	**50**
VALMENDIS	**50**
VICTURIS 2003	**50**
VICUN	**50**

ITALY	
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	**50**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	**46**
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	**30**
S.C.A.R.L. SHOPVILLE GRAN RENO	**39**

ROMANIA	
PLOIESTI SHOPPING CITY	**50**

TURKEY	
CARREFOUR SABANCI TICARET MERKEZI (CARREFOURSA)	**38**

TUNISIA	
ULYSSE	**25**