Consolidated financial statements

as of December 31, 2022

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Consolidated income statement

The comparative consolidated income and cash flow statement information presented in this document has been restated to reflect the classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. These restatements are described in Note 4.

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, 2022. Comparative data for 2021 have also been adjusted for inflation.

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	2022	2021 restated IFRS 5	% change
Net sales	6.1	81,385	70,462	15.5%
Loyalty program costs		(842)	(792)	6.3%
Net sales net of loyalty program costs		**80,543**	**69,669**	**15.6%**
Other revenue	6.1	2,546	2,091	21.7%
Total revenue		**83,089**	**71,760**	**15.8%**
Cost of sales	6.2	(66,776)	(56,865)	17.4%
Gross margin from recurring operations		**16,313**	**14,896**	**9.5%**
Sales, general and administrative expenses, depreciation and amortisation	6.2	(13,936)	(12,701)	9.7%
Recurring operating income		**2,377**	**2,194**	**8.3%**
Net income/(loss) from equity-accounted companies	9	50	12	317.8%
Recurring operating income after net income from equity-accounted companies		**2,427**	**2,206**	**10.0%**
Non-recurring income and expenses, net	6.3	36	(366)	109.8%
Operating income		**2,463**	**1,840**	**33.8%**
Finance costs and other financial income and expenses, net	14.6	(490)	(270)	81.3%
Finance costs, net		*(336)*	*(173)*	*95.0%*
Net interests related to lease commitments		*(167)*	*(97)*	*72.3%*
Other financial income and expenses, net		*13*	*(1)*	*1343.3%*
Income before taxes		**1,973**	**1,570**	**25.6%**
Income tax expense	10.1	(408)	(360)	13.3%
Net income/(loss) from continuing operations		**1,564**	**1,210**	**29.3%**
Net income/(loss) from discontinued operations		1	92	(98.5)%
Net income/(loss) for the year		**1,566**	**1,301**	**20.3%**
Group share		**1,348**	**1,072**	**25.7%**
of which net income/(loss) from continuing operations - Group share		*1,368*	*1,002*	*36.6%*
of which net income/(loss) from discontinued operations - Group share		*(21)*	*70*	*(129.6)%*
Attributable to non-controlling interests		**218**	**229**	**(4.9)%**
of which net income/(loss) from continuing operations - attributable to non-controlling interests		*196*	*208*	*(5.7)%*
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		*22*	*22*	*2.8%*

Basic earnings per share *(in euros)*	Notes	2022	2021 restated IFRS 5	% change
Net income/(loss) from continuing operations - Group share - per share	13.6	1.85	1.27	45.0%
Net income/(loss) from discontinued operations - Group share - per share	13.6	(0.03)	0.09	(131.4)%
Net income/(loss) – Group share - per share	13.6	1.82	1.36	33.4%

Diluted earnings per share *(in euros)*	Notes	2022	2021 restated IFRS 5	% change
Net income/(loss) from continuing operations - Group share - per share	13.6	1.83	1.27	44.8%
Net income/(loss) from discontinued operations - Group share - per share	13.6	(0.03)	0.09	(131.4)%
Net income/(loss) – Group share - per share	13.6	1.80	1.35	33.2%

Consolidated statement of comprehensive income

(in millions of euros)	Notes	2022	2021
Net income/(loss) - Group share		1,348	1,072
Net income - Attributable to non-controlling interests		218	229
Net income/(loss) for the year		**1,566**	**1,301**
Effective portion of changes in the fair value of cash flow hedges [1]	13.4	115	43
Changes in the fair value of debt instruments through other comprehensive income	13.4	(19)	(8)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect [2]	13.4	(11)	–
Exchange differences on translation of foreign operations [3]	13.4	380	116
Items that may be reclassified subsequently to profit or loss		**464**	**151**
Remeasurements of defined benefit plans obligation [4]	12.1/13.4	131	28
Changes in the fair value of equity instruments through other comprehensive income	13.4	0	(0)
Items that will not be reclassified subsequently to profit or loss		**131**	**28**
Other comprehensive income/(loss) after tax		**595**	**179**
Total comprehensive income/(loss)		**2,161**	**1,481**
Group share		1,815	1,224
Attributable to non-controlling interests		346	256

These items are presented net of the tax effect (see Note 13.4).

(1) In 2022, the Group set up a currency swap eligible for cash flow hedge accounting in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan's equity, i.e., approximately 29 billion New Taiwan dollars (see Note 2.1).

(2) In 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão, treated as part of the net investment in that operation. The derivatives contracted to hedge part of these loans were classified as a net investment hedge (see Note 2.3).

(3) Exchange differences recognised on translating foreign operations in 2022 mainly reflect the significant increase in the value of the Brazilian real. Differences in 2021 mainly reflected the increase in value of the New Taiwan dollar and the very slight increase in value of the Brazilian real during the year.

(4) Remeasurement of the net defined benefit liability recognised in 2022 reflects the sharp increase in discount rates applied for the eurozone, from 0.80% at end-December 2021 to 3.80% at end-December 2022. In 2021, these discount rates had increased, from 0.40% at end-December 2020 to 0.80% at end-December 2021.

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	December 31, 2022	December 31, 2021
Goodwill	7.1	8,778	7,995
Other intangible assets	7.1	1,499	1,333
Property and equipment	7.2	12,612	10,721
Investment property	7.4	279	291
Right-of-use assets	8.1	4,190	4,361
Investments in companies accounted for by the equity method	9	1,197	1,256
Other non-current financial assets	14.5	1,162	1,152
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,867	1,821
Deferred tax assets	10.2	475	631
Other non-current assets	6.4	609	321
Non-current assets		**32,667**	**29,883**
Inventories	6.4	6,893	5,858
Trade receivables	6.4	3,330	2,581
Consumer credit granted by the financial services companies – portion less than one year	6.5	4,111	3,473
Other current financial assets	14.2	720	532
Tax receivables	6.4	948	675
Other current assets	6.4	1,025	943
Cash and cash equivalents	14.2	5,216	3,703
Assets held for sale	2.1/4.3	1,641	20
Current assets		**23,884**	**17,785**
TOTAL ASSETS		**56,551**	**47,668**

SHAREHOLDERS’ EQUITY AND LIABILITIES

(in millions of euros)	Notes	December 31, 2022	December 31, 2021
Share capital	13.2	1,855	1,940
Consolidated reserves (including net income)		9,289	8,311
Shareholders’ equity, Group share		**11,144**	**10,251**
Shareholders’ equity attributable to non-controlling interests	13.5	2,042	1,579
Total shareholders' equity		**13,186**	**11,830**
Borrowings - portion more than one year	14.2	6,912	5,491
Lease commitments - portion more than one year	8.2	3,574	3,602
Provisions	11	3,974	2,455
Consumer credit financing – portion more than one year	6.5	1,550	1,573
Deferred tax liabilities	10.2	364	374
Tax payables - portion more than one year	6.4	85	193
Non-current liabilities		**16,458**	**13,688**
Borrowings - portion less than one year	14.2	2,646	1,342
Lease commitments - portion less than one year	8.2	955	995
Suppliers and other creditors	6.4	14,393	13,072
Consumer credit financing – portion less than one year	6.5	3,592	2,868
Tax payables - portion less than one year	6.4	1,182	1,108
Other current payables	6.4	2,943	2,765
Liabilities related to assets held for sale	4.3	1,196	–
Current liabilities		**26,907**	**22,150**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**56,551**	**47,668**

Consolidated statement of cash flows

(in millions of euros)	**2022**	**2021 restated IFRS 5**
Income before taxes	**1,973**	**1,570**
OPERATING ACTIVITIES		
Income tax paid	(449)	(426)
Depreciation and amortisation expense	2,236	2,112
Gains and losses on disposal of assets and other	(165)	(236)
Change in provisions and impairment	(371)	259
Finance costs, net	336	173
Net interests related to lease commitments	167	97
Share of profit and dividends received from equity-accounted companies	26	43
Impact of discontinued operations [1]	215	205
Cash flow from operations	**3,968**	**3,796**
Change in working capital requirement [2]	108	(82)
Impact of discontinued operations [1]	8	50
Net cash from/(used in) operating activities (excluding financial services companies)	**4,085**	**3,764**
Change in consumer credit granted by the financial services companies	135	(104)
Net cash from/(used in) operating activities - total	**4,219**	**3,661**
INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets [3]	(1,882)	(1,585)
Acquisitions of non-current financial assets [4]	(45)	(174)
Acquisitions of subsidiaries and investments in associates [5]	(914)	(136)
Proceeds from the disposal of subsidiaries and investments in associates [6]	94	185
Proceeds from the disposal of property and equipment and intangible assets [7]	380	282
Proceeds from the disposal of non-current financial assets	6	7
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets [3]	55	122
Investments net of disposals - subtotal	**(2,306)**	**(1,298)**
Other cash flows from investing activities	207	4
Impact of discontinued operations [1]	(34)	(41)
Net cash from/(used in) investing activities - total	**(2,134)**	**(1,334)**
FINANCING ACTIVITIES		
Carrefour SA capital increase / (decrease) [8]	(657)	(702)
Proceeds from share issues to non-controlling interests	3	1
Dividends paid by Carrefour SA [9]	(380)	(383)
Dividends paid to non-controlling interests	(101)	(150)
Change in treasury stock and other equity instruments [8]	(96)	–
Change in current financial assets [10]	(7)	4
Issuance of bonds [10]	2,633	–
Repayments of bonds [10]	(1,081)	(871)
Net financial interests paid	(194)	(158)
Other changes in borrowings [10]	774	302
Payments related to leases (principal) [11]	(925)	(872)
Net interest related to leases [11]	(164)	(94)
Impact of discontinued operations [1]	(132)	(135)
Net cash from/(used in) financing activities - total	**(326)**	**(3,060)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**1,759**	**(733)**
Effect of changes in exchange rates	(11)	(2)
Net change in cash and cash equivalents	**1,748**	**(735)**
Cash and cash equivalents at beginning of year	**3,703**	**4,439**
Cash and cash equivalents at end of year	**5,451**	**3,703**
of which cash and cash equivalents at end of period from continuing operations	*5,216*	*3,495*
of which cash and cash equivalents at end of period from discontinued operations	*235*	*209*

(1) Restatements made to reflect the classification of cash flows relating to discontinued operations in accordance with IFRS 5 are detailed in Note 4. They correspond almost exclusively to the disposal in progress of Carrefour Taiwan.

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

(3) Acquisitions include operational investments in growth formats, in particular those relating to the first Grupo BIG store conversions, the Group's digitalisation and the roll-out of a leading omni-channel offering.

(4) In 2021, this item mainly corresponded to the downpayment of 900 million Brazilian reals in March 2021 (approximately 139 million euros) relating to the acquisition of Grupo BIG in Brazil (see Note 2.1).

(5) This line mainly corresponds to the cash payment in respect of the acquisition of Grupo BIG in Brazil (excluding the downpayment in March 2021, see above) for 866 million euros (4,392 million Brazilian reals, see Note 2.1). In 2021, this line mainly corresponded to the acquisition of Supersol franchise stores in Spain.

(6) This line mainly corresponds to the sale of the Group's interest in a variety of equity-accounted companies, including Mestdagh in Belgium for 41 million euros, Ploiesti Shopping City in Romania for 30 million euros and CarrefourSA in Turkey for 14 million euros (see Note 9). In 2021, this line corresponded to the 189 million-euro cash payment (before transaction costs) received on the sale of 60% of Market Pay.

(7) This line corresponds mainly to the sale and leaseback of 9 hypermarkets and 5 supermarkets in Spain (see Note 2.1) and the sale of store premises and businesses to franchisees in France and Italy. In 2021, this item corresponded 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) *This item corresponds to the share buyback programme for 750 million euros (see Note 2.5) implemented between March and May 2022, of which, following decisions by the Board of Directors, 401 million euros worth of shares (including associated costs) were cancelled on April 20, 2022 and another 256 million euros worth (including associated costs) were cancelled on June 3, 2022. The shares covered by this programme, which were still held in treasury at December 31, 2022, are presented within "Change in treasury stock and other equity instruments".*

(9) *The dividend approved by the Shareholders' Meeting of June 3, 2022 was paid entirely in cash on June 9, 2022 for an amount of 380 million euros (see Note 2.4). In 2021, the dividend was paid entirely in cash on May 28, 2021 for 383 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, 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]	Foreign exchange translation reserve	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, 2020	**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 [3]	–	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 [4]	–	–	–	(383)	(383)	(198)	(581)
Change in capital and additional paid-in capital [5]	(104)	–	–	(596)	(700)	1	(699)
Effect of changes in scope of consolidation and other movements [6]	–	–	–	(18)	(18)	13	(5)
Shareholders' equity at December 31, 2021	**1,940**	**(1,990)**	**(4)**	**10,305**	**10,251**	**1,579**	**11,830**
Net income/(loss) for the year 2022	–	–	–	1,348	1,348	218	1,566
Other comprehensive income/(loss) after tax [3]	–	258	83	127	467	128	595
Total comprehensive income/(loss) 2022	**–**	**258**	**83**	**1,474**	**1,815**	**346**	**2,161**
Share-based payments	–	–	–	21	21	1	22
Treasury stock (net of tax) [5]	–	–	–	(96)	(96)	–	(96)
2021 dividend payment [4]	–	–	–	(380)	(380)	(127)	(507)
Change in capital and additional paid-in capital [5]	(84)	–	–	(570)	(655)	3	(651)
Effect of changes in scope of consolidation and other movements [6]	–	62	–	126	188	241	429
Shareholders' equity at December 31, 2022	**1,855**	**(1,670)**	**78**	**10,881**	**11,144**	**2,042**	**13,186**

(1) At December 31, 2022, the share capital was made up of 742,157,461 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);*
- *exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect.*

(3) In 2022, other comprehensive income after tax reflects both the significant increase in the value of the Brazilian real compared to December 31, 2021 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the strong increase in discount rates applied for the eurozone.

In 2021, other comprehensive income after tax reflected 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.

(4) The 2021 dividend distributed by Carrefour SA, totalling 380 million euros, was paid entirely in cash.

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

Dividends paid to non-controlling interests in 2021 and 2022 came to 198 million euros and 127 million euros respectively, related mainly to the Brazilian, Taiwanese and Spanish subsidiaries.

(5) The 750-million-euro share buyback programme announced on February 16, 2022 was launched in 2022 in two tranches of 400 million euros and 350 million euros, corresponding to 38,423,806 shares. Carrefour SA's share capital was subsequently reduced by cancelling 33,738,431 shares (see Note 2.5). Following cancellation of these shares, Carrefour SA has 11,544,870 treasury shares, representing approximately 1.6% of the share capital at December 31, 2022.

In 2021, two share buybacks were carried out 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 to the 2021 consolidated financial statements).

(6) The effect of changes in the scope of consolidation and other movements mainly corresponds to the acquisition of Grupo BIG for the portion paid in newly issued Carrefour Brazil shares (see Note 2.1).

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

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NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2022 were approved for publication by the Board of Directors on February 14, 2023. 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, 2022 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 2022 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, 2022 and applicable at that date, with 2021 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, 2022, 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 2022 consolidated financial statements are the same as those used for the 2021 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2022:

- 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*.

These amendments and annual improvements had no material impact on the Group's consolidated financial statements.

As a reminder, 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 (see Notes 1.2 and 4 to the 2021 consolidated financial statements).

Adopted by the European Union but not yet applicable

Standards, amendments and interpretations	Effective date
IFRS 17 – *Insurance Contracts*	January 1, 2023
Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*	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

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; Non-current Liabilities with Covenants*	January 1, 2024
Amendments to IFRS 16 – *Leases: Lease Liability in a Sale and Leaseback*	January 1, 2024

(1) Subject to adoption by the European Union.

With regards to IFRS 17 – *Insurance Contracts*, having estimated the impacts, the Group considers that this standard has no material impact on the Group's consolidated financial statements.

Carrefour does not expect the application of the above-mentioned 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).

1.4 Seasonal fluctuations in business

Like those of other retailers, Carrefour's sales are subject to significant seasonal fluctuations, with the result that comparisons between the consolidated financial statements for the first and second halves of the year are not particularly meaningful. This is particularly the case for recurring operating income and cash flow generation between the two periods.

The Group's second-half sales are traditionally higher than those for the first half, due to increased activity in December. Most of the operating expenses on the other hand – such as payroll costs, depreciation and amortisation – are spread more or less evenly over the year. As a result, the Group's recurring operating income is generally lower in the first half than in the second.

Cash flows generated by the Group are also strongly impacted by seasonal trends, with working capital requirement rising sharply in the first half as a result of the large volume of supplier payments due at the beginning of the year for the purchases made ahead of the previous year's peak selling period in December.

1.5 Conflict in Ukraine

The Group does not do business in Ukraine, Russia or Belarus. It does not hold any assets or interests in entities in these countries, nor is it party to any franchise agreements. In addition, the Group's exposure to the Russian and Belarusian markets is not deemed to be material. The Group is not materially affected by the trade restrictions and sanctions imposed by certain governments on Russia.

However, the Group is impacted to some extent by the macro-economic consequences of the conflict, particularly due to the resulting energy price fluctuations, which have led to the recognition of higher energy costs in the financial statements.

The Group is closely monitoring the development of the conflict and its macroeconomic and potentially operational consequences, particularly in its integrated countries bordering Ukraine (Poland and Romania). As expected, the inflationary pressure that began in the second half of 2021 intensified in the 2022. In the current situation, Carrefour is committed to preserving consumer purchasing power while continuing to consolidate its business model. Carrefour did not encounter any significant supply problems during the year, despite a few localised, temporary shortages. However, in a tight supply environment, the Group is fully mobilised to ensure a steady supply of products, for example by increasing back-up inventory in certain sensitive categories, in order to improve the availability of products under favourable purchasing conditions.

1.6 Climate change

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).

In 2020, the Group aligned its direct emissions (Scope 1 and 2) targets with a 1.5°C trajectory, with the goal of becoming carbon neutral by 2040 (by 2030 for the e-commerce business), by reducing the CO_2 emissions produced by its operations at source as much as possible through three 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 is pressing ahead with equipping hypermarkets with photovoltaic systems (seven in France, five in Poland, four in Belgium, one in Italy and one in Brazil to date). In addition, alongside one or several partners currently in the process of being selected, Carrefour will begin producing photovoltaic energy by installing and operating 4.5 million sq.m. of solar panels on car park canopies in France, Spain and Brazil, representing around one TWh of theoretical power generation per year by 2027.
- a 27.5% reduction in energy consumption by 2030 compared to 2019. Carrefour is doubling its investments to 200 million euros per year between 2023 and 2026 to reduce its energy consumption. This will enable the Group to cut its consumption by 20% by 2026, including a 20% reduction in France by 2024. The Group is seeking to improve energy efficiency through five priority action and technology recommendations for its stores: renovation of commercial cooling systems, 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.

1.7 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, 2022; data for the comparative period presented have also been adjusted for inflation.

NOTE 2: SIGNIFICANT EVENTS OF THE YEAR

2.1 Main acquisitions and disposals in 2022

Carrefour Taiwan sale agreement

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary. As an illustration, based on the adjustment between the enterprise value and the equity value at December 31, 2021, the transaction would be worth 100% of Carrefour Taiwan's equity at 48.3 billion New Taiwan dollars, or approximately 1.6 billion euros (after taking into account currency hedging). The price may be adjusted at the transaction date, notably based on changes in Carrefour Taiwan's net debt and working capital requirement.

Founded in 1987 through a joint venture between Carrefour and Uni-President, Carrefour Taiwan has experienced strong growth and significant value creation over the past 35 years. Today, the entity manages an extensive network of 340 stores, including 68 hypermarkets and 272 convenience and premium stores, as well as 129 shopping malls, with almost 15,000 employees.

Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan. The Uni-President group is a diversified Taiwanese conglomerate with a strong presence in Asia. It notably operates the 7-Eleven brand in Taiwan. Carrefour Taiwan will continue to operate under the Carrefour brand in the coming years. Closing of the transaction is subject to approval by the Taiwanese competition authorities and other customary conditions, and is expected by mid-2023.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced. For more details on the impacts of this sale, which is still in progress, on the 2022 consolidated financial statements, see Note 4.

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 20 billion Brazilian reals (approximately 3.1 billion euros) in 2021 and operates a multi-format network of 388 stores, including 181 stores owned by the Group.

With Carrefour Brazil's acquisition of Grupo BIG, the Company can expand into regions where its penetration is limited, such as the north-east and south of the country. This geographic fit will enrich the Company's ecosystem of products and services, which currently serves over 45 million customers, and broaden its customer base thanks to the addition of Grupo BIG customers.

The acquisition will allow the Company to expand in its traditional formats (mainly cash & carry and hypermarkets), while extending its footprint in formats in which it has a more limited presence, in particular supermarkets (98 *Bompreço* and *Nacional* stores) and soft discounters (97 *TodoDia* stores). In addition, Carrefour Brazil will operate in a new market segment with the Sam's Club format, through a license agreement with Walmart Inc. This unique and highly profitable premium business model for the B2C segment is based on a membership system, with over two million members, and focuses mainly on private-label products.

Carrefour Brazil's Extraordinary Shareholders' Meeting and CADE, the Brazilian competition authority, approved this transaction on May 19, 2022 and May 25, 2022, respectively (subject to the disposal of 14 stores).

The acquisition was finalised on June 1, 2022, with payment made on June 6, 2022.

The preliminary purchase price for the entire share capital of Grupo BIG is 7,465 million Brazilian reals (1,471 million euros at the exchange rate as of the transaction date), which breaks down as follows:

- a cash payment of 5,292 million Brazilian reals (approximately 1 billion euros), representing 70% of the baseline price plus various preliminary earn-outs for 42 million Brazilian reals (approximately 8 million euros), including 900 million Brazilian reals (139 million euros) paid as part of a downpayment in March 2021;
- a share-based payment of 117 million new Carrefour Brazil shares (representing 30% of the baseline price), with a fair value of 2,173 million Brazilian reals (approximately 430 million euros) at June 6, 2022. As a result of this share-based payment, the Carrefour group's interest in Carrefour Brazil was 67.6% compared to 71.6% at December 31, 2021.

As this was a transaction with minority shareholders, the impact of paying for 30% of Grupo BIG in Carrefour Brazil shares was recognised in consolidated equity for approximately 180 million euros attributable to the Carrefour group and approximately 250 million euros attributable to non-controlling interests.

The agreement also provided for an earn-out that would have been paid six months after completion of the transaction if the Carrefour Brazil share price had exceeded the reference value of 19.26 Brazilian reals. No earn-out is due, as the price of the Carrefour Brazil share was 15.10 Brazilian reals at December 6, 2022.

Grupo BIG's preliminary opening balance sheet at June 1, 2022, as included in the Group's consolidated financial statements, is as follows:

ASSETS

(in millions of reals)	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Opening balance sheet (Fair Value)	Opening balance sheet (in millions of euros)
Goodwill	(a)	220	4,556	4,776	942
Other intangible assets	(e)	265	263	527	104
Property and equipment	(c)	4,887	5,033	9,920	1,955
Right-of-use assets	(b)	2,465	(22)	2,443	481
Other non-current financial assets	(f)	586		586	116
Deferred tax assets	(g)	2,407	(2,407)	–	–
Other non-current assets	(h)	3,095	(1,108)	1,987	392
Non-current assets		**13,925**	**6,315**	**20,240**	**3,989**
Inventories	(j)	2,955	(168)	2,787	549
Trade receivables	(l)	702		702	138
Other current financial assets	(l)	77		77	15
Tax receivables	(l)	513		513	101
Other current assets	(k)	204	(20)	184	36
Cash and cash equivalents	(l)	317		317	62
Assets held for sale	(i)	–	323	323	64
Current assets		**4,769**	**135**	**4,904**	**966**
TOTAL ASSETS		**18,694**	**6,450**	**25,144**	**4,955**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of reals)	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Opening balance sheet (Fair Value)	Opening balance sheet (in millions of euros)
Total shareholders' equity		**8,859**	**(1,394)**	**7,465**	**1,471**
Lease commitments - portion more than one year	(b)	2,598	(292)	2,306	454
Provisions	(d)	2,528	8,058	10,586	2,086
Deferred tax liabilities	(g)	150	61	211	42
Non-current liabilities		**5,276**	**7,827**	**13,103**	**2,582**
Borrowings - portion less than one year	(l)	982		982	194
Lease commitments - portion less than one year	(b)	196	(124)	72	14
Suppliers and other creditors	(k)	2,617	139	2,756	543
Tax payables - portion less than one year	(l)	96		96	19
Other current payables	(l)	667		667	131
Current liabilities		**4,558**	**15**	**4,573**	**901**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**18,694**	**6,450**	**25,144**	**4,955**

Movements for the period (i.e., Grupo BIG operations carried out from June to December 2022) are included in the consolidated income statement and statement of cash flows for 2022.
Between June and December 2022, Grupo BIG's net sales and operating loss amounted to 2,168 million euros and 66 million euros respectively.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill (a) in the amount of 942 million euros in the 2022 consolidated financial statements.

This preliminary purchase price allocation process will continue in first-half 2023.
As the purchase price allocation process is still ongoing, the fair value adjustments may differ at June 30, 2023 from those included in the 2022 consolidated financial statements.

In the 2022 financial statements, Grupo BIG's preliminary opening balance sheet has been prepared based on the following:

- (b) estimated right-of-use assets and related lease commitments of the stores leased by Grupo BIG, taking into account the reasonably certain term of the leases in application of the rules defined by the Group (see Note 8 for more details);
- (c) fair value measurement (determined on the basis of the market value of similar assets) of land and store premises owned by the company;
- (d) significant increase in provisions following analyses of litigation and contingent liabilities (recognised in accordance with IFRS 3) by the Brazilian subsidiary and its advisors in 2022. The increase provides, in particular, for tax and labour risks (see Note 11 for more details).
- (e) recognition and measurement of acquired brands *(Maxxi, Big, Bompreço, Nacional* and *TodoDia*) and their indefinite useful lives;
- (f) continued recognition of other non-current financial assets at their net carrying amount, mainly relating to legal deposits paid in connection with disputes;
- (g) impairment of all deferred tax assets (before deferred tax effects relating to fair value adjustments to assets and liabilities) of legal entities within Grupo BIG due to the lack of taxable profits in recent years;
- (h) partial impairment of other non-current assets, consisting mainly of ICMS and PIS-COFINS tax credits, following a preliminary analysis of the possible future use and validity of the credits;
- (i) classification as assets held for sale of the 14 stores to be disposed of in accordance with CADE's decision. These stores were in the process of being sold as of December 31, 2022;
- (j) standardised accounting practices for inventories in order to incorporate all components of the purchase cost of goods sold and to take into account the rebates and commercial income negotiated with suppliers in accordance with the rules defined by the Group (see Note 6.4 for more details). A portion of the value of inventories has also been written down in order to reflect their fair value;
- (k) standardised accounting practices for other current assets and suppliers and other creditors.
- (l) continued recognition of other assets and liabilities at their net carrying amount (including trade receivables, other current financial assets, cash and cash equivalents and borrowings, tax receivables and payables).

Sale and leaseback transactions (Spain)

The property company Ofelia leased nine stores and a shopping mall to Carrefour Spain. In February 2022, Carrefour Spain exercised its pre-emptive right and acquired these assets for approximately 40 million euros. In December 2022, eight stores (three hypermarkets and five supermarkets) out of the nine previously acquired were sold to a property company as part of a sale and leaseback transaction for approximately 40 million euros. This transaction led to the recognition of around 2 million euros in non-recurring income. Negotiations are ongoing with various operators for the sale of the remaining store and its adjacent shopping mall.

In addition, in September 2022, six Spanish hypermarket premises were sold to another property company for 110 million euros as part of a sale and leaseback transaction. This transaction led to the recognition of 23 million euros in non-recurring income.

As a reminder, in 2021, 10 Spanish hypermarket premises were sold to a property company for 137 million euros as part of sale and leaseback transactions.

Sale of the Group's stake in Cajoo (France)

On May 16, 2022, Germany-based Flink, Europe's leading quick commerce company, announced the acquisition of Cajoo from Carrefour and its founders in exchange for its own shares. This acquisition was finalised on June 23, 2022. The gain on the disposal of the Cajoo shares, amounting to 6 million euros, net of fees, was recognised within non-recurring income for the year.

Also in June 2022, the Group contributed to Flink's reserved capital increase.

All Flink shares held by the Group at December 31, 2022 are recognised as investments in non-consolidated companies measured at fair value through other comprehensive income (see Note 14.5).

Sale of the Group's stake in Mestdagh (Belgium)

In October 2022, the Group sold all of its shares in the Belgian equity-accounted company Mestdagh (i.e., 25%) to the majority shareholder for 41 million euros.

The gain on the disposal of the Mestdagh shares, amounting to 24 million euros, net of fees, was recognised within non-recurring items for the year.

2.2 Warehouse fire in Taiwan

On March 14, 2022, a fire broke out in a logistics centre leased by Carrefour in the Yang Mei district of Taiwan. All employees were evacuated immediately with no injuries or casualties and the fire was brought under control on March 15, 2022.

A claim was submitted to the Group's insurance companies in this respect and was still being assessed at December 31, 2022. Losses incurred as a result of destroyed inventories and equipment were recorded in 2022 against the payout receivable from insurers classified under other current assets. The same applies to the estimated operating losses up to December 31, 2022.
It should be noted that two payments were already made by insurers in the second half of 2022.

These impacts are recorded in net income/(loss) from discontinued operations, further to the announcement of the Carrefour Taiwan disposal in July 2022 (see Note 2.1).

2.3 Securing the Group’s long-term financing

On March 30, 2022, the Group issued its first Sustainability-Linked Bond (SLB) indexed to its sustainable development goals. The 1.5 billion-euro bond comprises two tranches of 750 million euros each, with a maturity of 4.6 years (due in October 2026) and 7.6 years (due in October 2029) respectively, and paying a coupon of 1.88% and 2.38%.

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

These bonds were issued as part of a financing strategy aligned with the Group's CSR objectives and ambitions as well as the Sustainability-Linked Bond Framework of its Euro Medium-Term Notes (EMTN) programme published in June 2021, whose CSR component was revised and enhanced in May 2022.

On June 8, 2022, the Group redeemed 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

These transactions guarantee the Group's liquidity over the short and medium term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA’s bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

Financing of the Brazilian subsidiary Atacadão

Following on from the 2021 transactions, Carrefour's Brazilian subsidiary Atacadão has set up financing arrangements in 2022 enabling it to secure its medium- and long-term needs in connection with the acquisition of Grupo BIG.

The US dollar bank financing facilities put in place in December 2021 were finalised on January 5, 2022, with a total of 2,942 million Brazilian reals (approximately 528 million euros at the exchange rate of December 31, 2022) immediately swapped for Brazilian reals with maturities of 16 to 17 months.

In addition, on May 20, 2022, the Brazilian subsidiary obtained bank financing in euros and in US dollars, which was immediately swapped for Brazilian reals, for 1,500 million reals (approximately 269 million euros at the December 31, 2022 exchange rate). This facility, which had a six-month maturity, was replaced by the financing facility described below.

In addition, on July 29, 2022, the Board of Directors of the Brazilian subsidiary approved the issuance of simple unsecured, non-convertible debentures (CRA) for an amount of 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate). On September 16, 2022, the debentures were issued in three series:

- an initial series for 467 million Brazilian reals, with a coupon of CDI (*Certificado de Deposito Interbancário* rate) +0.55% and a maturity of four years;
- a second series for 188 million Brazilian reals, with a coupon of CDI +0.60% and a maturity of five years;
- a third series for 844 million Brazilian reals, with a coupon of CDI +0.79% and a maturity of five years.

On December 8, 2022 (with a deferred start date in early January 2023), Atacadão also obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals, for an amount of 2,300 million Brazilian reals (representing approximately 413 million euros at the exchange rate on December 31, 2022), with 11 month maturities.

Lastly, on January 6 and May 17, 2022, two inter-company financing lines were set up between the companies Carrefour Finance and Atacadão.

- The first revolving credit facility (RCF) for an amount of 4 billion Brazilian reals (approximately 718 million euros at the December 31, 2022 exchange rate), bearing annual interest at 12%, falls due in July 2023 and was fully drawn in first-half 2022.
- The second RCF for 1.9 billion Brazilian reals (approximately 341 million euros at the exchange rate of December 31, 2022), bearing annual interest at 14.25%, has a maturity of three years and was fully drawn in second-half 2022.

These intra-group RCF loans are qualified as net investments in foreign operations and are therefore remeasured at fair value through equity. They are hedged in an amount of 2.95 billion Brazilian reals by derivatives classified as net investment hedges.

2.4 Payment of the 2021 dividend in cash

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euros per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

2.5 Share buyback programme

As part of its share capital allocation policy, the Group commissioned an investment services provider to buy back shares corresponding to a maximum amount of 750 million euros, as authorised by the Shareholders' Meeting of May 21, 2021.

The first tranche of the share buyback programme began on March 7, 2022 and ended on April 13, 2022, with 21,232,106 shares acquired at an average price of 18.84 euros per share for a total amount of 400 million euros. These shares were cancelled following a decision by the Board of Directors on April 20, 2022 to reduce the share capital of Carrefour SA.

A second tranche of the share buyback programme began on May 2, 2022 and ended on May 24, 2022, with 17,191,700 shares acquired at an average price of 20.36 euros per share for a total amount of 350 million euros. Of the shares bought back, 12,506,325 shares were cancelled following a decision by the Board of Directors on June 3, 2022 to reduce the share capital of Carrefour SA.

These shares were cancelled in accordance with the authorisation granted by the Shareholders' Meeting of May 21, 2021.

Following cancellation of these shares, Carrefour SA has 742,157,461 shares outstanding and, consequently, 11,544,870 treasury shares, representing approximately 1.6% 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.

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.

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.

Other investments

Investments in companies where the Group does not exercise control, joint 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 operating segment 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 year 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;
- 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.

A component is a cash-generating unit or a group of cash-generating units when held for use.

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 2022

The main transactions in 2022 are detailed in Note 2.1: the acquisition of Grupo BIG in Brazil, the sale and leaseback transactions in Spain, and the sale of the stakes in Cajoo in France and Mestdagh in Belgium.

In addition, an agreement to sell Carrefour Taiwan was signed on July 19, 2022 (see Note 2.1).

Furthermore, on April 1, 2022, the Group acquired the remaining 50% of shares in Cosmopolitano in Brazil, which has been fully consolidated since that date. Proceeds of approximately 80 million Brazilian reals (15 million euros) were recognised within non-recurring items as a result of this takeover, which was accounted for in accordance with IFRS 3 and IAS 28.

Lastly, on September 9, 2022, the Group sold its stake in the equity-accounted company Ploiesti Shopping City in Romania. This disposal led to the recognition of a gain of 32 million euros within non-recurring items for the year.

3.2.2 Changes 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 goodwill in the amount of 79 million euros as of December 31, 2021 (see Note 7.1 to the 2021 consolidated financial statements).

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.

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 to the 2021 consolidated financial statements).

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 was accounted for by the equity method (see Note 9 to the 2021 consolidated financial statements). This stake was sold in 2022 in exchange for Flink shares, see Note 2.1.

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 are under construction by its partner.

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 to the 2021 consolidated financial statements). In line with the Group’s intention regarding the use of these assets, the offices of the corporate tower were 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 to the 2021 consolidated financial statements).

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 to the 2021 consolidated financial statements).

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 to the 2021 consolidated financial statements).

3.3 Scope of consolidation at December 31, 2022

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 2.1. Based on its review, there were no changes in the type of control exercised over these subsidiaries.

NOTE 4: RESTATEMENT OF THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). If the conditions precedent are met, this agreement will result in loss of control of the subsidiary (see Note 2.1).

Closing of the transaction is subject to approval by the Taiwanese competition authority (TFTC) and other customary conditions, and is expected by mid-2023. Following the completion of the transaction, the Uni-President group will own 100% of Carrefour Taiwan.

As Carrefour Taiwan represents a separate major geographical area of operations, it is treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced.
This subsidiary's assets and liabilities were therefore reclassified as assets held for sale and related liabilities in the consolidated statement of financial position at December 31, 2022 (see Note 4.3).

In addition, the net income and cash flows of this subsidiary were reclassified within line items for discontinued operations in the consolidated income statement and consolidated cash flow statement for 2022. To allow for a meaningful comparison, the net income and cash flows for the year 2021 have been reclassified in these same lines (see Notes 4.1 and 4.2).

Key consolidated income statement aggregates for Carrefour Taiwan for 2022 and 2021 are as follows:

(in millions of euros)	**2022**	**2021**
Net sales	2,541	2,497
Gross margin from recurring operations	643	624
Sales, general and administrative expenses, depreciation and amortisation	(569)	(546)
Recurring operating income	74	78
Operating income	69	70
Income before taxes	61	62
Income tax expense	(16)	(12)
Net income/(loss) for the year	44	50
Capital expenditure	30	69

4.1 Impact on the 2021 consolidated income statement of the IFRS 5 restatement applied to Carrefour Taiwan

(in millions of euros)	**2021 published**	**IFRS 5 Reclassification**	**2021 restated IFRS 5**
Net sales	72,958	(2,497)	70,462
Loyalty program costs	(853)	61	(792)
Net sales net of loyalty program costs	**72,105**	**(2,435)**	**69,669**
Other revenue	2,181	(90)	2,091
Total revenue	**74,286**	**(2,526)**	**71,760**
Cost of sales	(58,766)	1,902	(56,865)
Gross margin from recurring operations	**15,520**	**(624)**	**14,896**
Sales, general and administrative expenses, depreciation and amortisation	(13,247)	546	(12,701)
Recurring operating income	**2,272**	**(78)**	**2,194**
Net income/(loss) from equity-accounted companies	12	–	12
Recurring operating income after net income from equity-accounted companies	**2,284**	**(78)**	**2,206**
Non-recurring income and expenses, net	(374)	8	(366)
Operating income	**1,911**	**(70)**	**1,840**
Finance costs and other financial income and expenses, net	(279)	9	(270)
Finance costs, net	*(172)*	*(0)*	*(173)*
Net interests related to lease commitments	*(106)*	*9*	*(97)*
Other financial income and expenses, net	*(1)*	*0*	*(1)*
Income before taxes	**1,632**	**(62)**	**1,570**
Income tax expense	(372)	12	(360)
Net income/(loss) from continuing operations	**1,259**	**(50)**	**1,210**
Net income/(loss) from discontinued operations	42	50	92
Net income/(loss) for the year	**1,301**	**–**	**1,301**
Group share	**1,072**	**–**	**1,072**
of which net income/(loss) from continuing operations - Group share	*1,030*	*(28)*	*1,002*
of which net income/(loss) from discontinued operations - Group share	*42*	*28*	*70*
Attributable to non-controlling interests	**229**	**–**	**229**
of which net income/(loss) from continuing operations - attributable to non-controlling interests	*229*	*(22)*	*208*
of which net income/(loss) from discontinued operations - attributable to non-controlling interests	*–*	*22*	*22*

4.2 Impact on the 2021 consolidated cash flow statement of the IFRS 5 restatement applied to Carrefour Taiwan

(in millions of euros)	2021 published	IFRS 5 Reclassification	2021 restated IFRS 5
Income before taxes	**1,632**	**(62)**	**1,570**
OPERATING ACTIVITIES			
Income tax paid	(439)	13	(426)
Depreciation and amortisation expense	2,277	(165)	2,112
Gains and losses on disposal of assets and other	(235)	(1)	(236)
Change in provisions and impairment	256	3	259
Finance costs, net	172	0	173
Net interests related to lease commitments	106	(9)	97
Share of profit and dividends received from equity-accounted companies	43	–	43
Impact of discontinued operations	(15)	220	205
Cash flow from operations	**3,796**	**–**	**3,796**
Change in working capital requirement	(32)	(50)	(82)
Impact of discontinued operations	–	50	50
Net cash from/(used in) operating activities (excluding financial services companies)	**3,764**	**–**	**3,764**
Change in consumer credit granted by the financial services companies	(104)	–	(104)
Net cash from/(used in) operating activities - total	**3,661**	**–**	**3,661**
INVESTING ACTIVITIES			
Acquisitions of property and equipment and intangible assets	(1,653)	69	(1,585)
Acquisitions of non-current financial assets	(174)	–	(174)
Acquisitions of subsidiaries and investments in associates	(135)	(0)	(136)
Proceeds from the disposal of subsidiaries and investments in associates	185	–	185
Proceeds from the disposal of property and equipment and intangible assets	282	(0)	282
Proceeds from the disposal of non-current financial assets	7	–	7
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	124	(2)	122
Investments net of disposals - subtotal	**(1,364)**	**67**	**(1,298)**
Other cash flows from investing activities	30	(26)	4
Impact of discontinued operations	–	(41)	(41)
Net cash from/(used in) investing activities - total	**(1,334)**	**–**	**(1,334)**
FINANCING ACTIVITIES			
Carrefour SA capital increase / (decrease)	(702)	–	(702)
Proceeds from share issues to non-controlling interests	1	–	1
Dividends paid by Carrefour SA	(383)	–	(383)
Dividends paid to non-controlling interests	(193)	43	(150)
Change in current financial assets	14	(11)	4
Issuance of bonds	–	–	–
Repayments of bonds	(871)	–	(871)
Net financial interests paid	(158)	(0)	(158)
Other changes in borrowings	302	–	302
Payments related to leases (principal)	(967)	95	(872)
Net interest related to leases	(103)	9	(94)
Impact of discontinued operations	–	(135)	(135)
Net cash from/(used in) financing activities - total	**(3,060)**	**–**	**(3,060)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(733)**	**–**	**(733)**
Effect of changes in exchange rates	(2)	–	(2)
Net change in cash and cash equivalents	**(735)**	**–**	**(735)**
Cash and cash equivalents at beginning of year	**4,439**	**–**	**4,439**
Cash and cash equivalents at end of year	**3,703**	**–**	**3,703**

4.3 Impact on the December 31, 2022 consolidated statement of financial position of the IFRS 5 restatement applied to Carrefour Taiwan

ASSETS *(in millions of euros)*	**IFRS 5 Reclassification**
Goodwill	141
Other intangible assets	27
Property and equipment	376
Investment property	51
Right-of-use assets	333
Other non-current financial assets	45
Deferred tax assets	6
Non-current assets	**979**
Inventories	270
Trade receivables	48
Other current financial assets	1
Tax receivables	1
Other current assets	47
Cash and cash equivalents	235
Current assets	**602**
TOTAL ASSETS HELD FOR SALE	**1,581**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in millions of euros)*	**IFRS 5 Reclassification**
Lease commitments - portion more than one year	238
Provisions	40
Deferred tax liabilities	9
Non-current liabilities	**287**
Lease commitments - portion less than one year	100
Suppliers and other creditors	704
Tax payables - portion less than one year	13
Other current payables	92
Current liabilities	**909**
TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALE	**1,196**

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 such that the Group reports on three geographical segments, as allowed by IFRS 8. These segments are:

- France;
- Europe (excluding France): Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina.

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

2022 *(in millions of euros)*	**Group total**	**France**	**Europe**	**Latin America**	**Global Functions**
Net sales	81,385	37,706	22,643	21,036	–
Other revenue	2,546	809	587	1,078	71
Recurring operating income before depreciation and amortisation	**4,613**	**1,857**	**1,451**	**1,367**	**(63)**
Recurring operating income	**2,377**	**834**	**606**	**1,005**	**(69)**
Capital expenditure [1]	1,882	741	420	717	5
Depreciation and amortisation expense [2]	(2,236)	(1,023)	(845)	(361)	(6)

2021 restated IFRS 5 *(in millions of euros)*	**Group total**	**France**	**Europe**	**Latin America**	**Global Functions**
Net sales	70,462	35,283	21,283	13,895	–
Other revenue	2,091	759	567	699	67
Recurring operating income before depreciation and amortisation	**4,307**	**1,797**	**1,560**	**993**	**(43)**
Recurring operating income	**2,194**	**757**	**718**	**768**	**(49)**
Capital expenditure [1]	1,585	677	403	493	12
Depreciation and amortisation expense [2]	(2,112)	(1,040)	(843)	(224)	(6)

(1) *In 2021, capital expenditure included the acquisition of three additional Makro Atacadista stores on a full ownership basis in Brazil as well as operational investments for the 25 acquired stores at end-2020. In 2022, the 29th and final store was acquired on a full ownership basis.*

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

The increase in Latin America's segment earnings reflects the significant upturn in profitability, particularly in Brazil, in local currency terms, further reinforced by the increase in the value of the Brazilian real in 2022. Segment results also reflect Grupo BIG's contribution since June 2022 (see Note 2.1).

5.2 Segment assets and liabilities

December 31, 2022 *(in millions of euros)*	**Group total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
ASSETS						
Goodwill	8,778	5,184	2,374	1,218	–	1
Other intangible assets	1,499	625	596	271	–	7
Property and equipment	12,612	4,570	2,733	5,307	–	2
Investment property	279	10	114	154	–	–
Right-of-use assets	4,190	1,491	1,854	843	–	3
Other segment assets	18,783	7,990	3,348	6,927	–	519
Total segment assets	**46,140**	**19,870**	**11,018**	**14,720**	**–**	**532**
Unallocated assets	10,411					
TOTAL ASSETS	**56,551**					
LIABILITIES (excluding equity)						
Segment liabilities	**28,190**	**11,995**	**7,719**	**8,123**	**–**	**352**
Unallocated liabilities	15,175					
TOTAL LIABILITIES	**43,365**					

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**					

In accordance with IFRS 5, the Carrefour Group's consolidated balance sheet at December 31, 2021 has not been restated for the assets and liabilities of Carrefour Taiwan.

In addition, the increase in assets and liabilities in the Latin America region at December 31, 2022 compared to December 31, 2021 derives from Brazil and reflects two main components:

- the consolidation of Grupo BIG from June 1, 2022 (see Note 2.1);
- the increase in the value of the Brazilian real by 14%.

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).

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.

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)	2022	2021 restated IFRS 5	% change
Net sales	81,385	70,462	15.5%

At constant exchange rates, 2022 net sales amounted to 80,544 million euros compared with 70,462 million euros in 2021, as restated, an increase of 14.3%. Changes in exchange rates increased net sales by 0.8 billion euros in 2022, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for 2022 would have increased by 13.3% at constant exchange rates.

Net sales by country (1)

(in millions of euros)	2022	2021 restated IFRS 5
France	**37,706**	**35,283**
Rest of Europe	**22,643**	**21,283**
Spain	10,437	9,471
Italy	3,916	3,941
Belgium	3,905	3,940
Poland	2,057	1,838
Romania	2,328	2,092
Latin America	**21,036**	**13,895**
Brazil	18,064	11,578
Argentina	2,972	2,317

(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)	2022	2021 restated IFRS 5	% change
Financing fees and commissions [1]	1,404	1,158	21.3%
Franchise and lease management fees	402	365	10.1%
Rental revenue	173	129	34.7%
Revenue from sub-leases	23	24	(4.0)%
Property development revenue [2]	13	5	168.8%
Other revenue [3]	530	410	29.1%
TOTAL OTHER REVENUE	**2,546**	**2,091**	**21.7%**

(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 was equal to zero for 2022 versus 5 million euros for 2021.

(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 2022 increased sharply, particularly as a result of strong business momentum in Brazil and following the end of restrictive measures linked to the health crisis. In addition, growth observed in Brazil in local currency was buoyed by its translation into euros, given a more favourable average exchange rate in 2022 than in 2021.

For the same reasons, revenue from rentals as well as retail services, including ticketing and travel and in-store advertising, saw significant growth in 2022.

Lastly, 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, depreciation and amortisation

(in millions of euros)	**2022**	**2021 restated IFRS 5**	**% change**
Sales, general and administrative expenses	(11,958)	(10,837)	10.3%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(1,284)	(1,200)	7.0%
Depreciation of right-of-use asset - property and equipment and investment property	(694)	(664)	4.6%
TOTAL SG&A EXPENSES AND DEPRECIATION AND AMORTISATION	**(13,936)**	**(12,701)**	**9.7%**

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2022	2021 restated IFRS 5	% Prog.
Employee benefits expense	(7,337)	(7,050)	4.1%
Fees	(802)	(653)	22.7%
Maintenance and repair costs	(766)	(672)	13.9%
Energy and electricity	(736)	(441)	66.9%
Advertising expense	(656)	(624)	5.2%
Taxes other than on income	(526)	(503)	4.6%
Property rentals (excluding IFRS 16) [1]	(76)	(63)	20.0%
Other SG&A expenses	(1,060)	(831)	27.5%
TOTAL SG&A EXPENSES	**(11,958)**	**(10,837)**	**10.3%**

(1) In 2021 and 2022, 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 784 million euros in 2021, as restated, and 898 million in 2022 had IFRS 16 not been applied.

The increase in sales, general and administrative expenses reflects a combination of factors in 2022, including a significant increase in energy costs (see Note 1.5), price inflation on certain purchased services, the consolidation of Grupo BIG from June 1, 2022 and the increase in the value of the Brazilian real.

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 2,236 million euros in 2022 (2,112 million euros in 2021 as restated), as follows:

(in millions of euros)	2022	2021 restated IFRS 5	% change
Property and equipment	*(1,025)*	*(954)*	*7.5%*
Intangible assets	*(247)*	*(238)*	*3.6%*
Investment property	*(12)*	*(9)*	*38.7%*
Depreciation of property and equipment and of investment property, and amortisation of intangible assets,	(1,284)	(1,200)	7.0%
Depreciation of right-of-use asset - property and equipment and investment property	(694)	(664)	4.6%
Depreciation and amortisation of supply chain	(60)	(56)	6.9%
Depreciation of right-of-use asset - supply chain	(198)	(192)	3.0%
TOTAL DEPRECIATION AND AMORTISATION	**(2,236)**	**(2,112)**	**5.9%**

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 disposals 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 net income of 36 million euros in 2022, and the detailed breakdown is as follows:

(in millions of euros)	2022	2021 restated IFRS 5
Gains and losses on disposals of assets	212	271
Restructuring costs	(13)	(383)
Other non-recurring income and expenses	(16)	(40)
Non-recurring income and expenses, net before asset impairments and write-offs	**183**	**(151)**
Asset impairments and write-offs	(147)	(215)
of which Impairments and write-offs of goodwill	*(1)*	*(84)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(146)*	*(131)*
NON-RECURRING INCOME AND EXPENSES, NET	**36**	**(366)**
of which:		
Non-recurring income	*440*	*514*
Non-recurring expense	*(404)*	*(880)*

Gains and losses on disposals of assets

Gains and losses on disposals of non-current assets comprise gains and losses arising on various asset disposals (store premises, lands and businesses), notably in France and Italy. It also includes the gain on the disposal of the nine hypermarkets and five supermarkets in Spain through sale and leaseback transactions (see Note 2.1). It also includes the gains on the disposals of the equity-accounted investments in Mestdagh in Belgium (see Note 2.1) and Ploiesti Shopping City in Romania (see Note 3.2.1).

Other non-recurring income and expenses

Other non-recurring income and expenses recorded in 2022 mainly included revised estimates of historical risks, mostly tax-related, as well as the costs related to the acquisition of Grupo BIG in Brazil (see Note 2.1).

Asset impairments and write-offs

Impairment and write-offs of non-current assets other than goodwill recorded in 2022 include impairment losses of 68 million euros, reflecting the difficulties experienced by certain stores, particularly in France and Italy, as well as the retirement of a variety of assets, in particular relating to IT in France for 15 million euros.
In addition, the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at December 31, 2022 represented a non-recurring expense of 5 million euros (see Note 9.2).

Main non-recurring items in 2021

Gains and losses on disposals of assets in 2021 mainly included 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 the 2021 consolidated financial statements). To a lesser extent, this item also included the disposal of ten hypermarket properties in Spain through sale and leaseback transactions (see Note 8 to the 2021 consolidated financial statements).

Restructuring costs in 2021 resulted from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items related 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 income and expenses in 2021 resulted primarily from the following items in Brazil:

- the impact of the Pinheiros real estate transaction, which generated income of 81 million euros following an exchange of assets in the city of São Paulo (see Note 2.3 to the 2021 consolidated financial statements);
- 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 were 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 the 2021 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 to the 2021 consolidated financial statements).

In 2021, an impairment loss of 80 million euros was recognised on goodwill in Italy (see Note 7.3 to the 2021 consolidated financial statements).

Impairment of assets other than goodwill and write-offs in 2021 included 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 included 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 to the 2021 consolidated financial statements), 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 to the 2021 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)	**2022**	**2021 restated IFRS 5**	**Change**
Change in inventories	(678)	(384)	(294)
Change in trade receivables	(350)	(94)	(256)
Change in trade payables	1,044	320	723
Change in loyalty program liabilities	43	8	35
Change in trade working capital requirement	**59**	**(149)**	**208**
Change in other receivables and payables	49	67	(18)
Change in working capital requirement	**108**	**(82)**	**190**

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, or the weighted average cost. Given rapid inventory turnover, these two methods do not lead to significant differences. 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, 2022	December 31, 2021
Inventories at cost	7,088	6,024
Impairment	(195)	(166)
INVENTORIES, NET	**6,893**	**5,858**

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

The inventories booked at December 31, 2022 include those held by Grupo BIG (see Note 2.1) but no longer include those held by Carrefour Taiwan (see Note 4.3).

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, 2022	December 31, 2021
Receivables from clients	2,312	1,794
Impairment	(190)	(162)
Receivables from clients, net	**2,122**	**1,632**
Receivables from suppliers	1,208	949
TOTAL TRADE RECEIVABLES	**3,330**	**2,581**

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, 2022 included reverse factored payables for a total of 2.3 billion euros (December 31, 2021: 2.2 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, 2022**	**December 31, 2021**
VAT and sales tax receivables	684	542
Other tax (other than on income) receivables	98	58
Current tax receivables	167	75
TOTAL TAX RECEIVABLES	**948**	**675**

Breakdown of tax payables

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
VAT and sales tax payables	462	350
Other tax (other than on income) payables	510	541
Current tax payables	210	218
TOTAL TAX PAYABLES - PORTION DUE IN LESS THAN ONE YEAR	**1,182**	**1,108**
TOTAL TAX PAYABLES - PORTION DUE IN MORE THAN ONE YEAR	**85**	**193**

6.4.6 Other assets and payables

Breakdown of other assets

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Prepaid expenses [1]	419	476
Proceeds receivable from disposals of non-current assets	34	10
Employee advances	11	16
Other operating receivables, net	561	440
Total Other current assets	**1,025**	**943**
Prepaid expenses – portion due in more than one year	1	3
Tax receivables – portion due in more than one year [2]	608	318
Total Other non-current assets	**609**	**321**

(1) *At December 31, 2021, this item included 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 2.1).*

(2) *These correspond to ICMS and PIS-COFINS tax credits expected to be collected in over 12 months. At December 31, 2022, the total amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 1,184 million euros (700 million euros at December 31, 2021). This amount has been written down by 479 million euros (resulting in a net receivable of 705 million euros versus 453 million euros at December 31, 2021) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. The increase in the gross and net amount of ICMS and PIS-COFINS tax credits reflects the inclusion of Grupo BIG from June 2022 (see Note 2.1). 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.*

Breakdown of other current payables

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Accrued employee benefits expense	1,531	1,505
Payables to suppliers of non-current assets	714	648
Deferred revenue	131	105
Other payables	567	507
Total Other current payables	**2,943**	**2,765**

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 businesses' 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, 2022, consumer credit granted by the financial services companies totalled 5,978 million euros (compared with 5,294 million euros as of December 31, 2021), as follows:

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Payment card receivables	5,583	4,474
Loans	1,448	1,549
Consumer credit (on purchases made in Carrefour stores)	59	44
Other financing [1]	245	254
Impairment	(1,356)	(1,027)
Total Consumer credit granted by the financial services companies	**5,978**	**5,294**
Portion due in less than one year	*4,111*	*3,473*
Portion due in more than one year	*1,867*	*1,821*

(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.).

The gross value of consumer credit increased by 1 billion euros compared with December 31, 2021. This reflects strong momentum in the consumer credit business in Brazil, boosted by the increase in the value of the Brazilian real in 2022. Gross consumer credit in Spain and France was relatively stable, before the impact of sales of mainly category 3 credit in both countries in 2022.

The increase in the average impairment rate for consumer credit at December 31, 2022 was primarily attributable to Brazil.

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, 2022, 72% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 9% in category 2 and 19% in category 3. At December 31, 2021, categories 1, 2 and 3 represented 73%, 11% and 16%, respectively, of the gross value of consumer credit granted by the financial services companies.

6.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,142 million euros at December 31, 2022 (December 31, 2021: 4,441 million euros), as follows:

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Bonds and notes [1]	824	1,202
Debt securities (Neu CP and Neu MTN) [2]	1,553	866
Bank borrowings [3]	572	498
Customer passbook savings deposits	279	304
Securitisations [4]	297	369
Other refinancing debt to financial institutions	1,577	1,202
Other	41	0
TOTAL CONSUMER CREDIT FINANCING	**5,142**	**4,441**
Portion due in less than one year	*3,592*	*2,868*
Portion due in more than one year	*1,550*	*1,573*

(1) In March 2022, Carrefour Banque redeemed ahead of term the 400 million-euro bond issued in June 2021 with a fixed rate swapped for the 3-month Euribor (4 years – June 2025 maturity, 3-month Euribor coupon +49 bps).

(2) Debt securities mainly comprised negotiable European Commercial Paper (NEU CP) and negotiable European Medium-Term Notes (NEU MTN) issued by Carrefour Banque.

(3) This item mainly includes the 320 million-euro refinancing operation with the European Central Bank (maturity March 2024) and 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. This vehicle was maintained at December 31, 2022 with a balance of 297 million euros.

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, 2022**	**December 31, 2021**
Goodwill	8,778	7,995
Other intangible assets	1,499	1,333
Intangible assets	**10,277**	**9,328**

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 782-million-euro increase in goodwill relative to December 31, 2021 reflects the following:

- completion of the acquisition of Grupo BIG in Brazil (see Note 2.1), including the recognition of provisional goodwill in the amount of 942 million euros;
- various acquisitions in France for a total of 37 million euros, corresponding mainly to the Carré d'Or franchisee;
- the derecognition of goodwill recorded by Carrefour Taiwan for 147 million euros, reflecting the ongoing disposal of operations there (see Note 4);
- an unfavourable translation adjustment of 49 million, mainly attributable to the decrease in value of the Brazilian real since the consolidation of Grupo BIG on June 1, 2022.

(in millions of euros)	**December 31, 2021**	**Acquisitions**	**Disposals**	**Impairment**	**Other movements**	**Exchange differences**	**December 31, 2022**
France	5,147	37	–	–	–	–	5,184
Spain	1,031	–	–	–	–	–	1,031
Belgium	950	–	–	–	–	–	950
Brazil	314	942	–	–	–	(42)	1,214
Poland	229	–	–	–	–	(4)	225
Taiwan	147	–	(147)	–	–	–	–
Romania	99	–	–	–	–	(0)	99
Italy	69	–	–	(1)	–	–	69
Argentina	8	–	–	–	–	(3)	5
Global Functions	1	–	–	–	–	–	1
Total	**7,995**	**979**	**(147)**	**(1)**	**–**	**(49)**	**8,778**

In 2021, the total carrying amount of goodwill was slightly lower, impacted by the partial impairment of Italian goodwill and the reduction of Taiwanese goodwill following the fair value adjustment of a warehouse owned by Wellcome, partially offset by the acquisition of Supersol in Spain.

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

7.1.2 Other intangible assets

(in millions of euros)	December 31, 2022	December 31, 2021
Other intangible assets, at cost	3,744	3,644
Amortisation	(2,510)	(2,496)
Impairment	(51)	(67)
Intangible assets in progress	316	252
OTHER INTANGIBLE ASSETS, NET	**1,499**	**1,333**

Changes in other intangible assets

(in millions of euros)	Gross carrying amount	Amortisation and impairment	Net carrying amount
At December 31, 2020	**3,812**	**(2,487)**	**1,325**
Acquisitions	334	–	334
Disposals	(265)	187	(79)
Amortisation	–	(242)	(242)
Impairment	–	(13)	(13)
Exchange differences	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**
Disposal of Carrefour Taiwan in progress [1]	(58)	29	(28)
Acquisitions	376	–	376
Other disposals	(303)	264	(40)
Amortisation	–	(247)	(247)
Impairment	–	(5)	(5)
Exchange differences	14	(15)	(1)
Changes in scope of consolidation [2]	105	–	105
Transfers and other movements	31	(25)	6
At December 31, 2022	**4,060**	**(2,561)**	**1,499**

(1) The amounts reported on this line relate to other intangible assets owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(2) This item corresponds almost exclusively to the intangible assets of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1).

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:

Buildings	
▪ 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, 2022, 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, 2022			
(in millions of euros)	**Gross carrying amount**	**Depreciation**	**Impairment**	**Net carrying amount**
Land	3,405	–	(68)	3,336
Buildings	11,675	(5,894)	(175)	5,606
Equipment, fixtures and fittings	14,798	(11,771)	(299)	2,728
Other fixed assets	707	(455)	(3)	249
Assets under construction	692	–	–	692
TOTAL PROPERTY AND EQUIPMENT	**31,277**	**(18,120)**	**(546)**	**12,612**

(in millions of euros)	December 31, 2021			
	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**

Changes in property and equipment

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2020	**28,840**	**(18,335)**	**10,505**
Acquisitions	1,318	–	1,318
Disposals [1]	(978)	750	(228)
Depreciation	–	(1,077)	(1,077)
Impairment	–	(28)	(28)
Exchange differences	58	(31)	27
Changes in scope of consolidation, transfers and other movements [2]	362	(156)	206
At December 31, 2021	**29,600**	**(18,879)**	**10,721**
Disposal of Carrefour Taiwan in progress [3]	(1,316)	879	(437)
Acquisitions	1,504	–	1,504
Other disposals [1]	(890)	671	(218)
Depreciation	–	(1,086)	(1,086)
Impairment	–	(25)	(25)
Exchange differences	(85)	89	4
Changes in scope of consolidation [4]	1,967	–	1,967
Transfers and other movements [2]	498	(316)	182
At December 31, 2022	**31,277**	**(18,666)**	**12,612**

(1) In 2022, this item corresponds in particular to the sale and leaseback of the nine hypermarkets and five supermarkets in Spain for approximately 150 million euros, the disposal of a warehouse in the Campania region in Italy, as well as various sales of store premises and lands in France. In 2021, this item mainly corresponded to the sale and leaseback of ten hypermarket properties in Spain for 137 million euros, as well as various disposals of store premises in Italy (including the Thiene and San Giuliano hypermarkets) and warehouses in France (creation of Cargan-LOG, see Note 2.3 to the 2021 consolidated financial statements).

(2) In 2021 and 2022, 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 included the fixed assets related to the acquisition of the companies Supersol in Spain (see Note 3.2.2) and Wellcome in Taiwan.

(3) The amounts reported on this line relate to property and equipment owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(4) This item corresponds almost exclusively to the property and equipment of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1)

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 perpetual growth rate and the discount rate formula 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 2022 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 (recurring operating income before depreciation and amortisation) 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 International Monetary Fund’s (IMF) gross domestic product (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

The impairment tests performed in 2022 did not result in any impairment losses being recorded against goodwill. In 2021, partial impairment of Italian goodwill was recorded in an amount of 80 million euros.

7.3.1.1 Countries for which the recoverable amount of goodwill was close to the carrying amount

In the impairment tests carried out at December 31, 2022, the recoverable amount of Italy CGUs was found to be close to – but still greater than – the carrying amount. Accordingly, no impairment loss was recognised on Italian goodwill.

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, 2021, partial impairment of Italian goodwill was recorded in an amount of 80 million euros (in addition to the 104 million euro impairment loss recognised at the end of 2020). This reflected a decrease in net sales and the value of real estate assets in comparison with end-2020.

The multi-criteria approach was used again to test Italian goodwill for impairment at December 31, 2022. The resulting fair value represented Executive Management’s best estimate and confirmed that the 69-million-euro carrying amount of goodwill at December 31, 2022 was reasonable.

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 2022 and 2021 are presented below by CGU:

Country	2022		2021	
	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.3%	1.6%	5.1%	1.3%
Spain	6.9%	1.7%	5.6%	1.7%
Italy	8.2%	2.0%	6.3%	1.4%
Belgium	6.4%	1.7%	5.1%	1.8%
Poland	8.4%	2.5%	7.2%	2.5%
Romania	9.5%	2.5%	8.1%	2.5%
Brazil	10.6%	3.0%	9.3%	3.1%
Argentina	56.4%	32.2%	33.4%	17.0%

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' check-out 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 once 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, 2022**	**December 31, 2021**
Investment property (gross carrying amount)	502	493
Depreciation and impairment	(223)	(202)
TOTAL INVESTMENT PROPERTY, NET	**279**	**291**

Changes in investment property

(in millions of euros)	**Net carrying amount**
At December 31, 2020	**259**
Acquisitions	2
Disposals	(1)
Depreciation	(9)
Exchange differences	3
Transfers and other movements [1]	38
At December 31, 2021	**291**
Disposal of Carrefour Taiwan in progress [2]	(54)
Acquisitions	3
Other disposals	(0)
Depreciation	(12)
Exchange differences	(0)
Transfers and other movements [1]	51
At December 31, 2022	**279**

(1) In 2022, transfers and other movements correspond mainly to the hyperinflation effect applied to investment property held in Argentina, in accordance with IAS 29. In 2021, amounts posted to this line mainly related to the Pinheiros project in Brazil (see Note 3.2.2).
(2) The amounts reported on this line relate to investment property owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 45 million euros in 2022 versus 36 million euros in 2021, as restated. Operating costs directly attributable to the properties amounted to 11 million euros in 2022 and 9 million euros in 2021, as restated.

The estimated fair value of investment property at December 31, 2022 was 635 million euros, versus 567 million euros at December 31, 2021 (excluding Taiwan). This slight increase chiefly reflects the hyperinflation effect in Argentina in accordance with IAS 29, as well as translation gains resulting from the increase in the value of the Brazilian real as of the reporting date.

NOTE 8: LEASES

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 recurring 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.

The relative stability of right-of-use assets and lease commitments compared to December 31, 2021 mainly reflects the consolidation of those recognised by Grupo BIG (see Note 2.1) and the derecognition of those recognised by Carrefour Taiwan (see Note 4.3).

8.1 Right-of-use assets

(in millions of euros)	December 31, 2022				December 31, 2021			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	7,154	(3,036)	(49)	4,068	6,917	(2,733)	(4)	4,180
Equipment, fixtures and fittings	143	(22)	–	121	146	(24)	–	122
Investment property [1]	–	–	–	–	92	(34)	–	58
RIGHT-OF-USE ASSET	**7,297**	**(3,058)**	**(49)**	**4,190**	**7,155**	**(2,791)**	**(4)**	**4,361**

(1) Carrefour Taiwan is the only Group entity that leases shopping malls. The related right-of-use assets have been reclassified as assets held for sale in accordance with IFRS 5 (see Note 4.3).

Change in right-of-use assets

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2020	**6,479**	**(1,973)**	**4,506**
Increase [1]	880	–	880
Decrease	(446)	158	(288)
Depreciation	–	(949)	(949)
Impairment	–	(1)	(1)
Exchange differences	70	(32)	39
Changes in scope of consolidation [2]	184	(3)	182
Other movements	(13)	5	(8)
At December 31, 2021	**7,155**	**(2,795)**	**4,361**
Disposal of Carrefour Taiwan in progress [3]	(831)	399	(432)
Increase [1]	906	–	906
Decrease	(404)	222	(182)
Depreciation	–	(892)	(892)
Impairment	–	(46)	(46)
Exchange differences	(7)	(1)	(8)
Changes in scope of consolidation [2]	485	–	485
Other movements	(7)	5	(2)
At December 31, 2022	**7,297**	**(3,108)**	**4,190**

(1) In 2022, the increases notably include the right-of-use assets booked following the sale and leaseback of nine hypermarkets and five supermarkets in Spain, for an amount of 44 million euros. In 2021, the increases were linked to the sale and leaseback of ten hypermarkets in Spain for an amount of 68 million euros.

(2) In 2022, changes in the scope of consolidation correspond mainly to the inclusion of the right-of-use assets of the stores leased by Grupo BIG since June 1, 2022 (see Note 2.1). In 2021, changes in the scope of consolidation chiefly included the acquisition of stores leased by Supersol for 119 million euros and Wellcome for 67 million euros.

(3) The amounts reported on this line relate to right-of-use assets owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4) at January 1, 2022. Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

8.2 Lease commitments

Lease commitments by maturity

(in millions of euros)	December 31, 2022	December 31, 2021
Due within 1 year	955	995
Due in 1 to 2 years	993	917
Due in 2 to 5 years	1,418	1,619
Due beyond 5 years	1,163	1,065
TOTAL LEASE COMMITMENTS	**4,530**	**4,597**

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. 2020-01 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, 2020	**1,172**
Acquisitions and capital increases	134
Disposals	(0)
Dividends	(55)
Share of net income	12
Exchange differences and other movements	(8)
At December 31, 2021	**1,256**
Acquisitions and capital increases	15
Disposals	(52)
Dividends	(76)
Share of net income	50
Exchange differences and other movements	5
At December 31, 2022	**1,197**

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	2,316	4,577	357	79
Provencia (France)	50%	436	296	272	851	24
Market Pay (France)	39%	494	164	358	156	(13)
Showroomprive.com (France) [1]	9%	437	205	217	724	27
Ulysse (Tunisia)	25%	133	96	119	376	9
Costasol (Spain)	34%	99	48	53	171	9
CarrefourSA (Turkey) [1]	32%	323	(39)	155	893	(41)
Other companies [2]	N.A	992	367	495	1,751	33

(1) Financial data published for the year 2021.

(2) Corresponding to a total of 217 companies, none of which is individually material.

At December 31, 2022, the two main associates were Carmila with a carrying amount of 754 million euros (December 31, 2021: 749 million euros) and Provencia with a carrying amount of 134 million euros (December 31, 2021: 132 million euros). These two associates represented 74% of the total value of equity-accounted companies at end-2022.

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 2022</u>

Carmila (France)

In first-half 2022, Carmila carried out two share buyback programmes followed by cancellation of the shares, representing approximately 1.4% of the share capital. This led to an increase in Carrefour's interest in Carmila, from 35.5% at December 31, 2021 to 36.0% at December 31, 2022.

CarrefourSA (Turkey)

In first-half 2022, the Group sold on the market around 5% of its stake in the listed company CarrefourSA for 14 million euros, leading to the recognition in non-recurring items of a capital gain on disposal for the same amount. The remaining interest in CarrefourSA is 32% at December 31, 2022, compared with 38% at December 31, 2021.

Cosmopolitano (Brazil)

On April 1, 2022, the Group acquired the remaining 50% of shares in Cosmopolitano in Brazil, which has been fully consolidated since that date.

Proceeds of approximately 80 million Brazilian reals (15 million euros) were recognised within non-recurring items as a result of this takeover, which was accounted for in accordance with IFRS 3 and IAS 28.

Cajoo (France)

In July 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.

On May 16, 2022, Germany-based Flink, Europe's leading quick commerce company, announced the acquisition of Cajoo from Carrefour and its founders in exchange for its own shares. This acquisition was finalised on June 23, 2022. The gain on the disposal of the Cajoo shares, amounting to 6 million euros, net of fees, was recognised within non-recurring items for the period.

Also in June 2022, the Group contributed to Flink's reserved capital increase. All Flink shares held by the Group at December 31, 2022 are recognised as investments in non-consolidated companies measured at fair value through other comprehensive income (see Note 14.5).

Showroomprivé (France)

In 2022, additional impairment of 5 million euros on the Showroomprivé shares was recognised against non-recurring income and expenses in order to align their value with the company’s share price at December 31, 2022.

Ploiesti Shopping City (Romania)

On September 9, 2022, the Group sold its 50% stake in the equity-accounted company Ploiesti Shopping City to Nepi Rockcastle, which already owned the other 50% of the shares. The disposal gain, amounting to 32 million euros, was recognised within non-recurring items for the year.

Mestdagh (Belgium)

In October 2022, the Group sold all of its shares in the Belgian equity-accounted company Mestdagh (i.e., 25%) to the majority shareholder for 41 million euros.

The gain on the disposal of the Mestdagh shares, amounting to 24 million euros, net of fees, was recognised within non-recurring items for the year.

<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, 2022). 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, 2022 and 2021 (as published in Carmila's consolidated financial statements1). 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 3,634 million euros at December 31, 2022.

(in millions of euros)	**2022**	**2021**
Revenue (rental income)	357	352
Operating income before fair value adjustment of assets	291	239
Operating income [1]	298	234
Net income/(loss) from continuing operations	221	192
Total non-current assets [1]	5,976	5,967
Total current assets	538	404
of which cash and cash equivalents	*357*	*238*
Total non-current liabilities	2,765	2,611
Total current liabilities	241	380
% interest held by Carrefour	*36.0%*	*35.5%*
Carrefour – Value of Carmila's shares accounted for by the equity method	754	749
Carrefour - Cash dividends received from Carmila	52	34

(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 2022 with companies over which the Group exercises significant influence:

(in millions of euros)	Carmila (France)	Provencia (France)	Market Pay (France)	Ulysse (Tunisia)	Costasol (Spain)	CarrefourSA (Turkey)
Net sales (sales of goods)	–	608	–	7	106	–
Franchise fees	–	8	–	2	2	3
Property development revenue [1]	14	–	–	–	–	–
Sales of services	18	–	(0)	–	0	–
Fees and other operating expenses	(7)	–	(120)	–	(7)	–
Receivables at closing	3	25	–	2	13	1
Payables at closing	(6)	–	(6)	–	(6)	(1)

(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), a 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 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)	**2022**	**2021 restated IFRS 5**
Current income tax expense (including provisions)	(362)	(432)
Deferred income taxes	(46)	72
TOTAL INCOME TAX EXPENSE	**(408)**	**(360)**

Tax proof

Theoretical income tax for 2022 and 2021 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2022, theoretical income tax expense amounted to 510 million euros compared with actual net income tax expense of 408 million euros, as follows:

(in millions of euros)	**2022**	**2021 restated IFRS 5**
Income before taxes	1,973	1,570
Standard French corporate income tax rate	*25.83%*	*28.41%*
Theoretical income tax expense	**(510)**	**(446)**
Adjustments to arrive at effective income tax rate:		
- Differences between the standard French corporate income tax rate and overseas nominal taxation rates	(51)	(39)
- Effect of changes in applicable tax rates [1]	0	(41)
- Tax expense and tax credits not based on the taxable income [2]	129	35
- Tax effect of other permanent differences [3]	53	79
- Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years [4]	33	157
- Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year [5]	(71)	(72)
- Valuation allowances on deferred tax assets recognised in prior years [5]	(4)	(38)
- Tax effect of net income from equity-accounted companies	13	3
- Other differences	(1)	1
TOTAL INCOME TAX EXPENSE	**(408)**	**(360)**
Effective Tax Rate (ETR)	*20.7%*	*23.0%*

(1) This item mainly corresponded 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 37 million euros in 2022 (2021: 29 million euros), withholding taxes, tax credits and changes in provisions for tax risks. It also includes income of 52 million euros resulting from the decision of the Brazilian Supreme Court not to tax certain tax credits.

(3) In 2022, this item mainly corresponds to the tax saving related to the notional interest paid by the Brazilian subsidiary Atacadão. Besides the notional interest paid in 2021, the partial impairment of Italian goodwill was 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.

(4) Deferred tax assets recognised in 2022 on prior years' tax losses primarily concern France and Brazil. It also concerned Argentina in 2021.

(5) In 2022, unrecognised deferred tax assets and valuation allowances primarily concerned Italy, Belgium and Group BIG in Brazil (see Note 2.1). In 2021, they concerned Italy and Belgium.

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 111 million euros at December 31, 2022, versus 257 million euros at December 31, 2021.

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Deferred tax assets (DTA)	475	631
Deferred tax liabilities (DTL)	(364)	(374)
NET DEFERRED TAX ASSETS	**111**	**257**

The following table shows the main sources of deferred taxes:

(in millions of euros)	**December 31, 2021**	Change			**December 31, 2022**
		Deferred income (expense) tax	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other [1]	
Tax loss carryforwards [2]	940	6	–	537	1,483
Property and equipment	108	16	–	(46)	78
Non-deductible provisions [3]	626	(64)	(39)	510	1,033
Goodwill amortisation allowed for tax purposes	286	54	–	–	340
Other intangible assets	20	(1)	–	2	21
Inventories	103	14	–	12	129
Financial instruments [3]	156	(20)	2	(124)	14
Other temporary differences [3]	112	32	(0)	113	258
Deferred tax assets before netting	**2,352**	**38**	**(38)**	**1,004**	**3,355**
Effect of netting deferred tax assets and liabilities	(688)	(2)	(15)	(79)	(784)
Deferred tax assets after netting	**1,664**	**36**	**(53)**	**925**	**2,571**
Valuation allowances on deferred tax assets	(1,033)	(66)	5	(1,002)	(2,097)
Net deferred tax assets	**631**	**(31)**	**(48)**	**(78)**	**475**
Property and equipment	(395)	(25)	–	(4)	(424)
Provisions recorded solely for tax purposes	(333)	9	–	67	(257)
Goodwill amortisation allowed for tax purposes	(112)	–	–	(1)	(113)
Other intangible assets	(12)	0	–	(1)	(13)
Inventories	(10)	1	–	–	(9)
Financial instruments	(47)	15	(24)	(5)	(60)
Other temporary differences	(154)	(18)	1	(100)	(271)
Deferred tax liabilities before netting	**(1,062)**	**(18)**	**(23)**	**(45)**	**(1,148)**
Effect of netting deferred tax assets and liabilities	688	2	15	79	784
Deferred tax liabilities after netting	**(374)**	**(16)**	**(8)**	**34**	**(364)**
NET DEFERRED TAXES	**257**	**(46)**	**(56)**	**(43)**	**111**

(1) Changes in the scope of consolidation mainly correspond to the inclusion of Grupo BIG (see Note 2.1) and, to a lesser extent, the removal of Carrefour Taiwan (see Note 4.3).

(2) Utilised tax loss carryforwards concern France and Brazil.

(3) The deferred tax assets related to the first-time application of IFRS 9 in 2018 had been reported under financial instruments. These effects are reclassified under non-deductible provisions and other temporary differences at December 31, 2022 ("other" column).

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 2,097 million euros at December 31, 2022 (December 31, 2021: 1,033 million euros), including 1,282 million euros related to tax loss carryforwards (December 31, 2021: 614 million euros) and 816 million euros on temporary differences (December 31, 2021: 419 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. This obligation may be legal, regulatory or contractual, or even implicit. 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.

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, 2021	Disposal of Carrefour Taiwan in progress [3]	Increases [4]	Reversals of surplus provisions	Utilisations	Discounting adjustment	Changes in scope of consolidation [5]	Exchange differences and other [6]	December 31, 2022
Employee benefits	786	(29)	76	(10)	(58)	(161)	–	(67)	537
Claims and litigation	844	(2)	346	(164)	(195)	–	2,075	(137)	2,768
Tax litigations	*503*	–	*137*	*(84)*	*(46)*	–	*1,296*	*(68)*	*1,739*
Employee related disputes	*109*	–	*108*	*(30)*	*(80)*	–	*574*	*(53)*	*628*
Legal disputes	*232*	*(2)*	*101*	*(51)*	*(70)*	–	*205*	*(16)*	*401*
Restructuring	356	(1)	24	(55)	(185)	–	–	–	138
Provisions related to banking and insurance businesses [1]	247	–	50	(8)	(16)	–	–	6	280
Other [2]	222	(22)	24	(43)	(21)	–	14	79	251
TOTAL PROVISIONS	**2,455**	**(54)**	**520**	**(281)**	**(475)**	**(161)**	**2,089**	**(119)**	**3,974**

(1) Provisions relating to the banking and insurance businesses notably 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.

(2) Other provisions notably include provisions for dismantling or restoring assets at the end of the property leases, provisions for employee benefits of stores transferred to lease management contracts and provisions for onerous contracts.

(3) The amounts reported in column reflect provisions for contingencies and charges recognised by Carrefour Taiwan on January 1, 2022 (classified in discontinued operations in 2022 – see Note 4). Accordingly, other changes shown in this table for 2022 do not include amounts relating to Carrefour Taiwan in the period.

(4) Increases in provisions relating to the banking and insurance businesses for 50 million euros correspond, for 32 million euros, to part of the estimated cost incurred due to the fire that broke out in the Yang Mei logistics centre in Taiwan in March 2022. Payouts receivable from insurance companies in respect of this claim, net of this cost, are recognised for an amount of 47 million euros (see Note 2.2).

(5) This item corresponds almost exclusively to provisions for contingencies and charges recorded at fair value in the preliminary opening balance sheet of Grupo BIG (see Note 2.1).

(6) Translation adjustments mainly reflect the decrease in value of the Brazilian real since the acquisition of Grupo BIG on June 1, 2022. Other changes mainly correspond to the reclassification of the provision for employee benefits to other provisions for 67 million euros (see Note 12.1) following the transfer of integrated stores to lease management contracts in France in 2022.

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, 2022, claims and legal proceedings involving the Group were covered by provisions totalling 2.8 billion euros, compared with 844 million euros at December 31, 2021. This very significant increase reflects the inclusion of Grupo BIG provisions in the Group's consolidated financial statements as from its acquisition on June 1, 2022. 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, 2022, the corresponding provision totalled 1.6 billion euros (versus 479 million euros at December 31, 2021) 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 393 million euros (388 million euros at December 31, 2021). The very significant increase in the level of provisions for tax risks in Brazil reflects the inclusion of Grupo BIG provisions in the Group's consolidated financial statements as from its acquisition on June 1, 2022.

In France, as in 2021, the tax authorities challenged some of the methods used to calculate tax on sales areas (TASCOM) from past years. In addition, the tax authorities in several countries have challenged a portion of headquarters expenses deducted at country level, a challenge the Group contests.

11.2.2 Employee related disputes

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

In addition, disputes may also arise from time to time with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, notably 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 1.7 billion euros at December 31, 2022 (an increase on December 31, 2021 due notably to the increase in value of the Brazilian real). 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 500 million euros (including costs) at December 31, 2022. 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 addition, the Court of Appeal for economic offences had 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. On December 5, 2022, INC SA and its former Chief Executive Officer were acquitted. This decision was appealed by Argentina's Central Bank on December 13, 2022.

In August 2019, Atacadão SA announced 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.

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 correspond to either 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 current 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 further obligation. These plans 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 in the consolidated financial statements for the year ended December 31, 2021 (see Note 4 to those financial statements).

As a reminder, at its meeting of April 20, 2020, the Board of Directors decided to set up a 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 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:

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**

2022 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	*44*	*18*	*0*	*1*	*63*
Past service cost (plan amendments and curtailments)	*(8)*	–	–	–	*(8)*
Settlements and other	*(1)*	–	*1*	–	*(0)*
Service cost	34	18	1	1	53
Interest cost (discount effect)	4	4	1	1	9
Return on plan assets	(0)	(2)	–	–	(2)
Other items	(5)	(1)	–	(0)	(6)
Expense (income) for 2022	**33**	**19**	**1**	**2**	**55**

(1) In 2021, this line primarily included the impact of curtailments recognised following the remeasurement of commitments made under the restructuring plans implemented in France (Note 2.2 to the 2021 consolidated financial statements) and recognised in non-recurring income.

The net expense for 2022 corresponds to 48 million euros recognised in employee benefits expense and 7 million euros recorded in financial expense. In 2021, the net expense for the year was 39 million euros, of which less than 1 million euros related to Carrefour Taiwan, which is now considered a discontinued operation (see Note 2.1).

12.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries [1]	**Group total**
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**
Defined benefit obligation	341	352	59	10	762
Fair value of plan assets	(28)	(197)	–	–	(225)
Provision at December 31, 2022	**313**	**154**	**59**	**10**	**537**

(1) The decrease in the amounts reported for "Other countries" compared with December 31, 2021 mainly relates to the reclassification of the amounts recognised by Carrefour Taiwan within liabilities related to assets held for sale (see Note 4.3).

12.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Provision at January 1, 2021	**459**	**243**	**106**	**33**	**839**
Movements recorded in the income statement	18	19	(0)	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 [2]	(7)	(25)	(3)	1	(34)
Other	1	(8)	–	(3)	(9)
Provision at December 31, 2021	**445**	**215**	**88**	**39**	**786**
Movements recorded in the income statement	32	19	1	2	55
Benefits paid directly by the employer	(14)	(13)	(13)	(1)	(40)
Effect of changes in scope of consolidation [1]	(67)	–	–	(29)	(96)
Change in actuarial gains and losses [2]	(84)	(59)	(17)	(1)	(161)
Other	–	(7)	–	1	(6)
Provision at December 31, 2022	**313**	**154**	**59**	**10**	**537**

(1) The effect of changes in the scope of consolidation in France, which reduced the provision by 67 million euros, corresponds to the reclassification of the provision for employee benefits to other provisions (see Note 11.1) following the transfer of integrated stores to lease management contracts in France during first-half 2022. The amounts reported in the "Other countries" column correspond to the provisions recognised by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4.3) at January 1, 2022.

(2) This line breaks down as follows:

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)**

2022 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	(2)	0	3	(1)	0
Actuarial (gain)/loss due to demographic assumption changes	3	–	(1)	0	2
Actuarial (gain)/loss due to financial assumption changes [1]	(84)	(75)	(19)	(1)	(179)
Return on plan assets (greater)/less than discount rate	(0)	16	–	–	16
Changes in actuarial gains and losses 2022	**(84)**	**(59)**	**(17)**	**(1)**	**(161)**

(1) Eurozone discount rates increased in 2021, from 0.40% at end-2020 to 0.80% at end-2021. These rates increased sharply in 2022 to represent 3.80% 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, 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**
Return on plan assets	0	2	–	–	2
Benefits paid out of plan assets	(0)	(24)	–	–	(24)
Actuarial gain/(loss)	0	(16)	–	–	(16)
Other [1]	8	7	–	(21)	(6)
Fair value at December 31, 2022	**28**	**197**	**–**	**–**	**225**

(1) The 21-million-euro expense reported in the "Other countries" column corresponds to the provision recognised by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 4.3) at January 1, 2022.

Plan assets break down as follows by asset class:

	December 31, 2022			
	Bonds	Equities	Monetary investments	Real estate and other
France	8%	1%	91%	0%
Belgium	0%	0%	100%	0%

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

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

At the end of 2022, the Belgian investment funds were liquidated and the funds transferred to an insurance company that will invest them during 2023. At December 31, 2022, the entire amount of Belgian plan assets was provisionally invested in money market instruments.

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:

	2022	**2021**
Retirement age	63-67	63-67
Rate of future salary increases	2.0% to 2.6%	2.0% to 2.6%
Inflation rate	2.0%	2.0%
Discount rate	3.80%	0.80%

At December 31, 2022, a discount rate of 3.80% was used for France, Belgium and Italy (December 31, 2021: 0.80%). 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 2022, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 9.0 years, 6.7 years and 8.6 years respectively (versus 9.9 years, 9.2 years and 10.5 years in 2021).

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 12 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 13 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 2022 recorded under employee benefits expense in recurring operating income was 22 million euros, with a corresponding increase in equity (2021: 26 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, 2022, 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 reals)	11.7
Estimated fair value of the share at the grant date (in reals)	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 reals)	**3.73**

Movements in the 2017 stock option plan were as follows:

	2022	**2021**
Options outstanding at January 1	**2,626,971**	**1,822,472**
Options granted during the year	–	–
Options exercised during the year	(1,503,290)	(140,500)
Options cancelled or that expired during the year	–	–
Recalculation of pending shares	–	944,999
Options outstanding at December 31	**1,123,681**	**2,626,971**

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;
- 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 reals)	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 reals)	21.98
Estimated fair value of the share at the grant date (in reals)	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 reals)	**5.20**

Movements in the 2019 stock option plan were as follows:

	2022	**2021**
Options outstanding at January 1	**3,159,255**	**3,163,617**
Options granted during the year	–	–
Options exercised during the year	–	–
Options cancelled or that expired during the year	–	(199,055)
Recalculation of pending shares	–	194,693
Options outstanding at December 31	**3,159,255**	**3,159,255**

12.2.2 Performance share plans

a. Carrefour SA performance share plans

Under the 2019 performance share plan which expired on February 27, 2022, the level of attainment achieved by the Carrefour group was 100%. Accordingly, 2,592,746 shares were delivered to the beneficiaries in accordance with the relevant settlement terms.

In addition, 5,298 shares were also delivered to heirs of employees under the ongoing 2020 and 2021 performance plans.

On February 26, 2020, 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 2,604,597 shares (representing 0.32% of the share capital). The shares will vest subject to a service condition and several performance conditions.

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 euros) [3]	13.05

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

(2) The shares will vest subject to a service condition and several performance conditions.

(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:

	2022	2021
Shares allotted at January 1	**2,345,423**	**2,520,262**
Shares granted during the year	–	–
Shares delivered to the grantees during the year[1]	(1,198)	–
Shares cancelled during the year	(238,700)	(174,839)
Shares allotted at December 31	**2,105,525**	**2,345,423**

(1) Corresponds only to shares vested to heirs of employees.

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 subject to a service condition and several performance conditions.

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%);
- 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 euros) [3]	11.85

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

(2) The shares will vest subject to a service condition and several performance conditions.

(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:

	2022	2021
Shares allotted at January 1	**2,927,600**	**–**
Shares granted during the year	–	3,000,000
Shares delivered to the grantees during the year[1]	(4,100)	–
Shares cancelled during the year	(260,700)	(72,400)
Shares allotted at December 31	**2,662,800**	**2,927,600**

(1) Corresponds only to shares vested to heirs of employees.

On February 16, 2022, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 29th resolution of the Annual Shareholders' Meeting held on May 21, 2021 to grant new or existing performance shares. The plan provided for the grant of a maximum of 3,104,000 shares (representing 0.40% of the share capital at February 16, 2022). The shares will vest subject to a service condition and several performance conditions.

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 SA share price against a panel of companies in the retail sector (for 25%);
- a CSR-related condition for 25%.

Details of the 2022 performance share plan are presented below.

	2022 Performance Plan
Shareholders' Meeting date	May 21, 2021
Grant date [1]	February 16, 2022
Vesting date [2]	February 16, 2025
Total number of shares approved at the grant date	3,104,000
Number of grantees at the grant date	809
Fair value of each share (in euros) [3]	14.21

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

(2) The shares will vest subject to a service condition and several performance conditions.

(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 2022 plan were as follows:

	2022
Shares allotted at January 1	**–**
Shares granted during the year	3,104,000
Shares delivered to the grantees during the year[1]	–
Shares cancelled during the year	(156,055)
Shares allotted at December 31	**2,947,945**

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 reals) [3]	17.35

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

(2) The shares will vest subject to a service condition and several performance conditions.

(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:

	2022	2021
Shares allotted at January 1	**977,140**	**999,403**
Shares granted during the year	–	29,965
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	–	(52,228)
Shares allotted at December 31	**977,140**	**977,140**

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 net 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 reals) [3]	14.56

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

(2) The shares will vest subject to a service condition and several performance conditions.

(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:

	2022	2021
Shares allotted at January 1	**1,523,235**	**–**
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**	**1,523,235**

On May 5, 2022, 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 net 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 2022 performance share plan are presented below.

	Brazil 2022 "Regular" Plan
Shareholders' Meeting date	April 14, 2020
Grant date [1]	May 5, 2022
Vesting date [2]	May 5, 2025
Total number of shares approved at the grant date	1,998,935
Number of grantees at the grant date	125
Fair value of each share (in reals) [3]	13.10

(1) *Date of the Board of Directors' decision to grant shares.*
(2) *The shares will vest subject to a service condition and several performance conditions.*
(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 2022 "Regular plan" were as follows:

	2022
Shares allotted at January 1	**–**
Shares granted during the year	1,998,935
Shares delivered to the grantees during the year	–
Shares cancelled during the year	–
Shares allotted at December 31	**1,998,935**

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)	**2022**	**2021**
Compensation for the year	8.6	8.4
Prior year bonus	8.1	8.3
Benefits in kind (accommodation and company car)	0.6	0.4
Total compensation paid during the year	**17.4**	**17.0**
Employer payroll taxes	6.2	4.5
Termination benefits	–	–

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- performance shares: the serving members of the management team at December 31, 2022 held 2,402,879 performance shares (2,296,410 at December 31, 2021), 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 2022 or 2021.

The compensation paid in 2022 to members of the Board of Directors in respect of their duties amounted to 1.1 million euros (0.9 million euros in 2021).

12.4 Number of employees

	2022	2021
Senior Directors	376	365
Directors	1,798	1,761
Managers	27,086	32,395
Employees	293,417	284,500
Average number of Group employees	**322,677**	**319,021**
Number of Group employees at the year-end[1]	**346,666**	**319,565**

(1) The number of Group employees at the year-end includes Carrefour Taiwan for 12,026 at December 31, 2022 and 12,174 at December 31, 2021.

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, 2022, the share capital was made up of 742,157,461 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	2022	*Of which treasury stocks*	2021
Outstanding at January 1	**775,896**	***9,458***	**817,624**
Shares distributed under the performance share plans [1]	–	*(2,598)*	–
Share buyback program [2]	–	*38,424*	–
Cancelled shares [2]	(33,738)	*(33,738)*	(41,728)
Outstanding at December 31	**742,157**	***11,545***	**775,896**

(1) See Note 12.2.2.a.

(2) See Note 2.5.

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, 2022, a total of 11,544,870 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

At the Shareholders' Meeting held on June 3, 2022, the shareholders decided to set the 2021 dividend at 0.52 euros per share to be paid entirely in cash.

On June 9, 2022, the dividend was paid out in an amount of 380 million euros.

13.4 Other comprehensive income

Group share *(in millions of euros)*	**2022**			**2021**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges [1]	129	(26)	103	54	(13)	41
Changes in the fair value of debt instruments through other comprehensive income	(13)	3	(9)	(5)	1	(4)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect [2]	(15)	4	(11)	–	–	–
Exchange differences on translation of foreign operations [3]	258	–	258	88	–	88
Items that may be reclassified subsequently to profit or loss	**359**	**(19)**	**340**	**137**	**(11)**	**126**
Remeasurements of defined benefit plans obligation [4]	163	(36)	127	33	(6)	27
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	0	0	(0)	(0)
Items that will not be reclassified subsequently to profit or loss	**163**	**(36)**	**127**	**33**	**(6)**	**27**
Total other comprehensive income / (loss) - Group share	**522**	**(55)**	**467**	**170**	**(18)**	**153**

Non-controlling interests *(in millions of euros)*	**2022**			**2021**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	16	(5)	11	3	(1)	2
Changes in the fair value of debt instruments through other comprehensive income	(13)	3	(9)	(5)	1	(4)
Exchange differences on translation of foreign operations [3]	122	–	122	28	–	28
Items that may be reclassified subsequently to profit or loss	**125**	**(1)**	**124**	**25**	**0**	**26**
Remeasurements of defined benefit plans obligation [4]	5	(1)	4	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 subsequently to profit or loss	**5**	**(1)**	**4**	**1**	**0**	**1**
Total other comprehensive income / (loss) - Non-controlling interests	**130**	**(2)**	**128**	**26**	**0**	**27**

(1) In 2022, the Group set up a currency swap eligible for cash flow hedge accounting in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan's equity, i.e., approximately 29 billion New Taiwan dollars (see Note 2.1).

(2) In 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão, treated as part of the net investment in that operation. The derivatives contracted to hedge part of these loans were classified as a net investment hedge (see Note 2.3).

(3) Exchange differences recognised on translating foreign operations in 2022 mainly reflect the significant increase in the value of the Brazilian real. Differences in 2021 mainly reflected the increase in value of the New Taiwan dollar and the very slight increase in value of the Brazilian real during the year.

(4) Remeasurement of the net defined benefit liability recognised in 2022 reflects the sharp increase in discount rates applied for the eurozone, from 0.80% at end-December 2021 to 3.80% at end-December 2022. In 2021, these discount rates had increased, from 0.40% at end-December 2020 to 0.80% at end-December 2021. This item includes the remeasurement of Carrefour Taiwan's net pre-tax liability for 4 million euros within net income/ (loss) – Group share and 3 million euros within net income/ (loss) attributable to non-controlling interests.

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 68% owned by the Group. In 2021 and until June 1, 2022, the date of the Grupo BIG acquisition, the Group held 72% of the stake in the Grupo Carrefour Brasil sub-group. It has held 68% since the acquisition (see Note 2.1).

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

Carrefour Banque sub-group

Income statement *(in millions of euros)*	**2022**	**2021**
Revenue (Net Banking Revenue)	184	228
Net income [1]	33	49

Statement of financial position *(in millions of euros)*	**December 31, 2022**	**December 31, 2021**
Total assets	3,502	3,482
Total liabilities excluding shareholders' equity	2,952	2,959
Dividends paid to non-controlling interests	6	–

(1) The net income of the Carrefour Banque sub-group included the capital gain realised on the sale of the Belgian finance company Fimaser in 2021. At the level of the Carrefour group, as the sale constituted 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)*	**2022**	**2021**
Total revenue	19,030	12,214
Net income	370	529
of which:		
- attributable to the Carrefour group	*322*	*494*
- attributable to non-controlling interests	*48*	*35*

Statement of financial position *(in millions of euros)*	**December 31, 2022**	**December 31, 2021**
Non-current assets	8,899	4,444
Current assets	7,677	4,880
Non-current liabilities (excluding shareholders' equity)	4,274	1,812
Current liabilities	8,392	4,601
Dividends paid to non-controlling interests	12	35

As Carrefour SA owns 68% of Atacadão SA, the distribution of net income is different at the level of the consolidated financial statements of the Carrefour group:

- 2022 net profit of 370 million euros breaks down into 223 million euros attributable to the Carrefour group and 146 million euros attributable to non-controlling interests;
- 2021 net profit of 529 million euros broke down into 354 million euros attributable to the Carrefour group and 175 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 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	**2022**	**2021 restated IFRS 5**
Net income/(loss) from continuing operations	1,368	1,002
Net income/(loss) from discontinued operations	(21)	70
Net income/(loss) for the year	**1,348**	**1,072**
Weighted average number of shares outstanding [1]	741,377,552	786,946,494
Basic income/(loss) from continuing operations - per share *(in euros)*	**1.85**	**1.27**
Basic income/(loss) from discontinued operations - per share *(in euros)*	**(0.03)**	**0.09**
Basic income/(loss) - per share (in euros)	**1.82**	**1.36**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for 2022 was adjusted to take into account the impact of the two share buybacks carried out during the year (cf. Note 2.5).

Diluted earnings per share	**2022**	**2021 restated IFRS 5**
Net income/(loss) from continuing operations	1,368	1,002
Net income/(loss) from discontinued operations	(21)	70
Net income/(loss) for the year	**1,348**	**1,072**
Weighted average number of shares outstanding, before dilution	741,377,552	786,946,494
Potential dilutive shares	5,245,147	4,462,264
Performance shares	*5,245,147*	*4,462,264*
Diluted weighted average number of shares outstanding	**746,622,699**	**791,408,758**
Diluted income/(loss) from continuing operations - per share *(in euros)*	**1.83**	**1.27**
Diluted income/(loss) from discontinued operations - per share *(in euros)*	**(0.03)**	**0.09**
Diluted income/(loss) - per share *(in euros)*	**1.80**	**1.35**

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 debt instruments at fair value through other comprehensive income" until the underlying assets are sold, at which time they are transferred to the income statement.

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 finance lease commitments recognised at December 31, 2018 in accordance with IAS 17 and reclassified within lease commitments;
- suppliers and other creditors;
- financing of consumer credit 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. The Group may also hedge the risk of changes in the prices of certain commodities, including electricity, natural gas, and – exceptionally – oil.

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);
- at the inception of the hedge, 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 cash flow hedges, fair value hedges or hedges of net investment in a foreign operation.

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 the Group's 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, 2022, as at December 31, 2021, the financing facilities arranged for Brazilian subsidiary Atacadão in January 2022 and in September 2021, respectively, were subject to fair value hedges (see Note 14.2.3).

Hedges of a net investment in a foreign operation

When an instrument qualifies as a hedge of a net investment in a foreign operation, the portion of the change in fair value determined to be an effective hedge is recognised in other comprehensive income, where it offsets changes in the fair value of the hedged item. The ineffective portion of the change in fair value is recognised in the income statement, under financial income and expense.

Amounts recognised in other comprehensive income are recognised in profit or loss on the date of (full or partial) disposal, resulting in the deconsolidation or liquidation of the investment.

(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, type of 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, 2022 and 2021, the effect of incorporating these two types of risk was not material.

14.1 Financial instruments by category

At December 31, 2022 *(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 companies	178	12	166	–	–	–	178
Other long-term investments	985	90	152	742	–	–	985
Other non-current financial assets	**1,162**	**102**	**318**	**742**	**–**	**–**	**1,162**
Consumer credit granted by the financial services companies	5,978	–	–	5,978	–	–	5,978
Trade receivables	3,330	–	–	3,330	–	–	3,330
Other current financial assets	720	1	149	245	18	307	720
Other current assets [1]	606	–	–	606	–	–	606
Cash and cash equivalents	5,216	5,216	–	–	–	–	5,216
ASSETS	**17,013**	**5,319**	**467**	**10,901**	**18**	**307**	**17,013**
Total borrowings	9,558	–	–	9,410	18	130	9,212
Total lease commitments	4,530	–	–	4,530	–	–	4,530
Total consumer credit financing	5,142	–	–	5,089	16	37	5,142
Suppliers and other creditors	14,393	–	–	14,393	–	–	14,393
Other current payables [2]	2,813	–	–	2,813	–	–	2,813
LIABILITIES	**36,435**	**–**	**–**	**36,235**	**34**	**167**	**36,089**

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

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 companies	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 commitments	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**

(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 1.7):

December 31, 2022 *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in non-consolidated companies	–	12	166	**178**
Other long-term investments	243	–	–	**243**
Other current financial assets - Fair Value through OCI	149	–	–	**149**
Other current financial assets - Fair Value through profit or loss	1	–	–	**1**
Other current financial assets - Derivative instruments	–	325	–	**325**
Cash and cash equivalents	5,216	–	–	**5,216**
Consumer credit financing - Derivative instruments recorded in liabilities	–	(53)	–	**(53)**
Borrowings - Derivative instruments recorded in liabilities	–	(148)	–	**(148)**

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)**

14.2. Net debt

14.2.1 Breakdown of net debt

Consolidated net debt (including discontinued operations) at December 31, 2022 amounted to 3,429 million euros compared to 2,633 million euros at December 31, 2021. This amount breaks down as follows:

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Bonds and notes	7,697	6,052
Other borrowings	1,223	741
Commercial paper	490	–
Total borrowings excluding derivative instruments recorded in liabilities	**9,410**	**6,793**
Derivative instruments recorded in liabilities	148	40
TOTAL BORROWINGS	**9,558**	**6,834**
of which borrowings due in more than one year	*6,912*	*5,491*
of which borrowings due in less than one year	*2,646*	*1,342*
Other current financial assets [1]	677	498
Cash and cash equivalents	5,216	3,703
TOTAL CURRENT FINANCIAL ASSETS	**5,893**	**4,201**
NET DEBT	**3,665**	**2,633**
Net debt of discontinued operations	**(236)**	**–**
NET DEBT INCLUDING DISCONTINUED OPERATIONS	**3,429**	**2,633**

(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, 2021	Issues	Repayments	Exchange differences	December 31, 2022	Book value of the debt December 31, 2022
Public placements by Carrefour SA		**5,883**	**2,350**	**(1,000)**	**55**	**7,288**	**7,239**
EMTN, EUR, 8 years, 1.75%	2022	1,000	–	(1,000)	–	–	–
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	441	–	–	27	469	462
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	749
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	748
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	441	–	–	27	469	450
EMTN, EUR, 5 years, 0.88%	2023	500	–	–	–	500	500
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	498
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	498
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	995
EMTN, EUR, 4.6 years, 1.88%	2026	–	750	–	–	750	748
EMTN, EUR, 6 years, 4.125%	2028	–	850	–	–	850	848
EMTN, EUR, 7.6 years, 2.38%	2029	–	750	–	–	750	744
Placements by Atacadão SA		**237**	**283**	**(81)**	**18**	**458**	**458**
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	79	–	–	11	90	90
Debentures, BRL 450 million, 3 years, 100% CDI+0.45%	2022	71	–	(81)	10	–	–
Debentures, BRL 350 million, 5 years, 100% CDI+0.55%	2024	55	–	–	7	63	63
Debentures, BRL 200 million, 7 years, 100% CDI+0.65%	2026	32	–	–	4	36	36
Debentures ("CRA"), BRL 467 million, 4 years, 100% CDI+0.55%	2026	–	88	–	(4)	84	84
Debentures ("CRA"), BRL 188 million, 5 years, 100% CDI+0.60%	2027	–	36	–	(2)	34	34
Debentures ("CRA"), BRL 844 million, 5 years, 100% CDI+0.79%	2027	–	159	–	(8)	152	152
TOTAL BONDS AND NOTES		**6,120**	**2,633**	**(1,081)**	**73**	**7,746**	**7,697**

On March 30, 2022, Carrefour SA issued 1.5 billion euros worth of bonds. The issue consists of two Sustainability-Linked tranches indexed to the Group's sustainable development goals:

- a fixed-rate tranche for 750 million euros maturing in 4.6 years and paying a coupon of 1.88% per year;
- a second fixed-rate tranche for 750 million euros maturing in 7.6 years and paying a coupon of 2.38% per year.

On June 8, 2022, Carrefour SA redeemed 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

On October 12, 2022, the Group carried out its second Sustainability-Linked Bond issue indexed to its sustainable development goals, for a total of 500 million euros, maturing in six years (due in October 2028) and paying a coupon of 4.125%. On November 28, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

The Group's financial position and liquidity were solid at December 31, 2022. The average maturity of Carrefour SA's bond debt was 3.6 years at end-December 2022, compared with 3.1 years at end-December 2021.

In addition, on July 29, 2022, the Board of Directors of the Brazilian subsidiary Atacadão approved the issuance of simple unsecured, non-convertible debentures (*Certificado de Recebíveis do Agronegócio* – CRA) for an amount of 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate). On September 16, 2022, the debentures were issued in three series:

- an initial series for 467 million Brazilian reals, with a coupon of CDI (*Certificado de Deposito Interbancário* rate) +0.55% and a maturity of four years;
- a second series for 188 million Brazilian reals, with a coupon of CDI +0.60% and a maturity of five years;
- a third series for 844 million Brazilian reals, with a coupon of CDI +0.79% and a maturity of five years.

In accordance with IFRS 9 – *Financial Instruments*, conversion options on the bonds qualify as derivatives and are 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 convertible bond issue. At December 31, 2022, they had a positive fair value of 17 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 105 million euros at December 31, 2022.

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 69 million euros at December 31, 2022.

14.2.3 Breakdown of other borrowings

(in millions of euros)	December 31, 2022	December 31, 2021
Latin America borrowings	1,025	610
Other borrowings	72	59
Accrued interest [1]	57	38
Other financial liabilities	69	33
TOTAL OTHER BORROWINGS	**1,223**	**741**

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

"Latin America borrowings" include USD and EUR financing swapped into Brazilian reals by the Brazilian subsidiary Atacadão:

- 1,500 million Brazilian reals (approximately 269 million euros at the December 31, 2022 exchange rate) in April 2020, 750 million Brazilian reals of which (approximately 135 million euros at the December 31, 2022 exchange rate) were repaid in April 2022;
- 1,937 million Brazilian reals (approximately 348 million euros at the December 31, 2022 exchange rate) in September 2021;
- 2,942 million Brazilian reals (approximately 528 million euros at the December 31, 2022 exchange rate) in January 2022;

These euro- and US dollar-denominated facilities, which were originally fixed-rate, were converted into Brazilian reals and indexed to the Brazilian interbank deposit (*Certificado de Deposito Interbancário* – 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, 2022	December 31, 2021
Cash	1,420	1,108
Cash equivalents	3,796	2,596
TOTAL CASH AND CASH EQUIVALENTS	**5,216**	**3,703**

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, 2022, as at December 31, 2021, there was no restricted cash.

14.2.5 Other current financial assets

(in millions of euros)	December 31, 2022	December 31, 2021
Derivative instruments [1]	325	207
Financial receivable [2]	136	162
Other current financial assets - Fair Value through OCI	149	79
Other current financial assets - Fair Value through profit or loss	1	0
Sub-lease receivable - less than one year	43	34
Deposits with maturities of more than three months	64	40
Other	1	10
TOTAL OTHER CURRENT FINANCIAL ASSETS	**720**	**532**

(1) The 118 million-euro increase in this item compared to December 31, 2021 primarily reflects the new EUR/TWD currency hedge taken out in connection with the ongoing sale of Carrefour Taiwan (mark-to-market of currency swaps for 64 million euros) and the 55-million-euro increase in 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 year.

(2) This amount represents the financial receivable relating to the 20% stake in Carrefour China. 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. The 26-million-euro decrease in comparison with December 31, 2021 corresponds to payments received from Suning.com during 2022.

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

14.3.1 Analysis by interest rate

	December 31, 2022		December 31, 2021	
(in millions of euros)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	8,843	7,902	6,518	5,936
Variable rate borrowings	567	1,508	276	857
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**9,410**	**6,793**	**6,793**

14.3.2 Analysis by currency

(in millions of euros)	December 31, 2022	December 31, 2021
Euro	7,901	5,935
Brazilian real	1,506	855
Polish zloty	2	2
Romanian lei	1	1
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**6,793**

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 84% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2022 (87% at December 31, 2021).

14.3.3 Analysis by maturity

(in millions of euros)	December 31, 2022	December 31, 2021
Due within 1 year	2,498	1,302
Due in 1 to 2 years	1,514	1,259
Due in 2 to 5 years	3,799	2,731
Due beyond 5 years	1,599	1,502
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	**9,410**	**6,793**

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, 2021	**(498)**	**6,834**	**6,336**
Changes from financing cash flows	**(50)**	**2,133**	**2,083**
Change in current financial assets	(50)	–	(50)
Issuance of bonds	–	2,633	2,633
Repayments of bonds	–	(1,081)	(1,081)
Net financial interests paid	–	(194)	(194)
Issuance of commercial paper	–	490	490
Other changes in borrowings	–	285	285
Non-cash changes	**(129)**	**592**	**462**
Exchange differences	(13)	90	76
Effect of changes in scope of consolidation	(13)	194	181
Changes in fair values	(113)	47	(67)
Finance costs, net	–	336	336
Other movements	11	(75)	(65)
At December 31, 2022	**(677)**	**9,558**	**8,881**

(1) The current portion of amounts receivable from finance sub-leasing arrangements totalling 43 million euro is not included in this caption.

14.5 Other non-current financial assets

(in millions of euros)	December 31, 2022	December 31, 2021
Deposits and guarantees [1]	594	559
Financial services companies' portfolio of assets	243	322
Sub-lease receivable - more than one year [2]	72	76
Investments in non-consolidated companies [3]	178	126
Other	75	69
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,162**	**1,152**

(1) Deposits and guarantees notably include legal deposits paid in Brazil in connection with the tax disputes presented in Notes 11.2 and 11.3 (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 are recognised in application of IFRS 16.

(3) The increase in investments in non-consolidated companies corresponds mainly to the Flink shares received in June 2022 in exchange for the disposal of the Cajoo shares (see Note 9).

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 arrangements (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)	**2022**	**2021 restated IFRS 5**
Interest income from loans and cash equivalents	**20**	**(2)**
Interest income from bank deposits	20	(2)
Interest income from loans	0	0
Finance costs	**(356)**	**(171)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(321)	(159)
Cost of receivables discounting in Brazil	(35)	(12)
Finance costs, net	**(336)**	**(173)**
Interest charge related to lease commitments	(167)	(97)
Interest income related to financial sublease contracts	1	1
Net interests related to lease commitments	**(167)**	**(97)**
Interest expense on defined employee benefit debt	(9)	(5)
Interest income on pension plan assets	2	1
Financial transaction tax	(33)	(24)
Late interest due in connection with tax reassessments and employee-related litigation	(51)	(24)
Dividends received on financial assets at FVOCI	5	3
Gain on disposal of financial assets at FVOCI	8	7
Loss on disposal of financial assets at FVOCI	(3)	(0)
Exchange gains and losses	(8)	5
Cost of bond buybacks	(7)	(11)
Changes in the fair value of interest rate derivatives	(1)	(8)
Impact of hyperinflation in Argentina - application of IAS 29	119	56
Other	(8)	(1)
Other financial income and expenses, net	**13**	**(1)**
Finance costs and other financial income and expenses, net	**(490)**	**(270)**
Financial expenses	*(644)*	*(343)*
Financial income	154	73

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.

Liquidity risk is monitored by a Liquidity Committee which 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, 2022, 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 was 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 2022 were as follows (see Note 14.2.2):

- a 1.5-billion-euro Sustainability-Linked Bond issue, indexed to the Group's sustainable development goals, divided into two tranches: a first fixed-rate tranche for 750 million euros maturing in 4.6 years and paying a coupon of 1.88% per year; a second fixed-rate tranche for 750 million euros maturing in 7.6 years and paying a coupon of 2.38% per year;
- a 500 million-euro Sustainability-Linked Bond issue indexed to the Group’s sustainable development goals, maturing in six years and paying a coupon of 4.125%. On

November 21, 2022, the Group increased the amount of the Sustainability-Linked Bond issue by 350 million euros, under the same terms.

- the redemption of 1 billion euros worth of 1.75% 8-year bonds, ahead of their maturity (July 2022).

Other financing transactions were carried out by Brazilian subsidiary Atacadão in 2022; these are detailed in Notes 14.2.2 and 14.2.3.

Lastly, as a reminder, the Group redeemed 871 million euros worth of 3.875% 11-year bonds in April 2021.

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 3.6 years as of December 31, 2022.

14.7.1.2 Banking and insurance businesses

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 March 2022, Carrefour Banque redeemed 400 million euros worth of bonds subscribed in 2021, ahead of their maturity (see below).

Banco CSF (Brazil) issued several financial bills (*Letra Financeira*) throughout 2022 and repaid several other *Letra Financeira* outstanding at end-2021, for a total amount of 700 million Brazilian reals at December 31, 2022. In addition, in December 2022 it redeemed the collateralised financial bill (*Letra Financeira Garantida*) subscribed in December 2021 (see below).

As a reminder, several structured financing operations were carried out in 2021:

- A 500 million euro bond was redeemed by Carrefour Banque in April 2021 and a new 400-million-euro bond with a fixed rate swapped to 3-month Euribor +49 basis points, maturing in 4 years was issued in June 2021.
- 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 *Letra Financeira Garantida* subscribed in December 2020 and issued another collateralised financial bill through the Brazilian Central Bank for an amount of 114 million Brazilian reals.

The following tables analyse the cash outflows relating to the Group's financial liabilities, by period and payment due date.

December 31, 2022 *(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]	941	941	699	242	–
Fixed rate borrowings	7,902	8,542	1,733	5,142	1,667
Unhedged borrowings	567	567	198	370	–
Derivative instruments	148	147	128	17	1
Total Borrowings	**9,558**	**10,197**	**2,758**	**5,770**	**1,668**
Suppliers and other creditors	14,393	14,393	14,393	–	–
Consumer credit financing	5,142	5,142	3,592	1,550	–
Other current payables [1]	2,813	2,813	2,813	–	–
TOTAL FINANCIAL LIABILITIES	**31,906**	**32,545**	**23,556**	**7,320**	**1,668**

(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 Brazilian reals by Brazilian subsidiary Atacadão in April 2020, September 2021 and January 2022, for 1,500 million reals (of which 750 million reals were repaid in April 2022), 1,937 million reals and 2,942 million reals, respectively (see Note 14.2.3).

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 included the financing facilities in US dollars and euros set up and swapped for Brazilian reals by Brazilian subsidiary Atacadão in April 2020 and September 2021, for 1,500 million reals and 1,937 million reals, respectively (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 8.2.

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	–	(26)	–	26
Variable rate borrowings	–	8	–	(8)
Swaps qualified as cash flow hedges	(2)	–	2	–
Options qualified as cash flow hedges	(7)	–	7	–
TOTAL EFFECT	**(9)**	**(19)**	**9**	**19**

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 risk on import transactions covered by firm commitments (i.e., goods purchases billed in foreign currencies) is 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% decrease		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR/USD	–	63	–	(63)
Position EUR/PLN	–	13	–	(13)
Position EUR/HKD	–	0	–	(0)
Position BRL/EUR	(41)	–	45	–
Position USD/TWD	–	(88)	–	88
Position USD/RON	–	(4)	–	4
Position RON/EUR	–	(5)	–	5
Position CHF/EUR	–	(0)	–	0
Position CNY/EUR	–	(0)	–	0
TOTAL EFFECT	**(41)**	**(22)**	**45**	**22**

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 2022 compared with those for 2021 increased consolidated net sales by 841 million euros, or 1% of 2022 net sales, and recurring operating income by 81 million euros, or 3.4% of 2022 recurring operating income.

Lastly, any local financing is generally implemented in local currency.

14.7.4 Credit risk

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

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Investments in non-consolidated companies	178	126
Other long-term investments	985	1,026
Total Other non-current financial assets	**1,162**	**1,152**
Consumer credit granted by the financial services companies	5,978	5,294
Trade receivables	3,330	2,581
Other current financial assets	720	532
Other current assets [1]	606	467
Cash and cash equivalents	5,216	3,703
MAXIMUM EXPOSURE TO CREDIT RISK	**17,013**	**13,729**

(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, 2022, trade receivables net of impairment (excluding receivables from suppliers) amounted to 2,122 million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 192 million euros, of which 56 million euros were over 90 days past due (2.7% 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 businesses

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.

<u>Analysis of due and not yet due consumer loans</u>

(in millions of euros)	**December 31, 2022**	**Amounts not yet due at the period-end**	**Amounts 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	**5,978**	5,487	405	29	30	28

(in millions of euros)	**December 31, 2021**	**Amounts not yet due at the period-end**	**Amounts 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

<u>Analysis of consumer loans by maturity</u>

(in millions of euros)	**December 31, 2022**	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**
France	1,254	538	624	92
Belgium	153	4	124	25
Spain	2,053	1,187	340	527
Argentina	71	71	0	–
Brazil	2,447	2,311	136	0
Total	**5,978**	**4,111**	**1,224**	**643**

(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
Argentina	46	46	0	–
Brazil	1,812	1,736	77	0
Total	**5,294**	**3,473**	**1,191**	**630**

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, 2022, 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 17 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 management transactions, retailing operations, purchases and sales of securities, and leases.

Commitments given *(in millions of euros)*	**December 31, 2022**	**By maturity**			**December 31, 2021 restated[1]**
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5**	
Related to cash management transactions	8,851	8,524	227	99	9,049
Financial services companies	*8,482*	*8,334*	*146*	*2*	*8,823*
Other companies	*369*	*190*	*81*	*97*	*225*
Related to operations/real estate/expansion	1,213	810	237	166	1,306
Related to purchases and sales of securities	137	2	28	108	207
Related to leases	248	41	112	95	238
Total	**10,449**	**9,377**	**604**	**468**	**10,799**

Commitments received *(in millions of euros)*	**December 31, 2022**	**By maturity**			**December 31, 2021**
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5**	
Related to cash management transactions	5,984	1,244	4,653	87	5,997
Financial services companies	*1,426*	*659*	*750*	*17*	*1,531*
Other companies	*4,557*	*584*	*3,903*	*70*	*4,467*
Related to operations/real estate/expansion	1,612	428	903	282	1,412
Related to purchases and sales of securities	426	295	90	40	410
Related to leases	467	254	159	54	517
Total	**8,488**	**2,220**	**5,805**	**463**	**8,336**

(1) The reported balance of commitments given relating to cash management transactions at the level of the financial services companies at December 31, 2021 included personal loans pre-approved by the Brazilian subsidiary Banco CSF for an amount of 12 billion Brazilian reals (or 1.9 billion euros at the December 31, 2021 exchange rate). As the final approval of these loans is at the discretion of the Brazilian subsidiary, they do not meet the definition of an off-balance sheet commitment and are therefore excluded from the above table at December 31, 2022. For comparison purposes, the amount at December 31, 2021 has been restated.

<u>Off-balance sheet commitments related to cash management transactions</u> 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.

<u>Off-balance sheet commitments related to operations</u> 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.

<u>Off-balance sheet commitments related to securities</u> 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.

<u>Off-balance sheet commitments related to leases</u> correspond to minimum payments under non-cancellable 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, 2022.

NOTE 16: SUBSEQUENT EVENTS

In early January 2023, the Brazilian subsidiary Atacadão obtained bank financing facilities in US dollars that were immediately swapped for Brazilian reals. The post-swap debt totalled 2,300 million Brazilian reals (representing approximately 413 million euros at the December 31, 2022 exchange rate), with a maturity of 11 months.

NOTE 17: AUDITORS' FEES

	Fees 2022					
(in thousands euros)	Deloitte & Associés[1]	Network	**Total Deloitte**	Mazars[1]	Network	**Total Mazars**
Financial statements certification services	**2,457**	**3,330**	**5,787**	**2,239**	**1,309**	**3,548**
Carrefour SA - Issuer	*515*	*–*	***515***	*428*	*–*	***428***
Subsidiaries (controlled entities)	*1,943*	*3,330*	***5,273***	*1,811*	*1,309*	***3,121***
Other services [2]	**88**	**602**	**690**	**120**	**82**	**203**
Carrefour SA - Issuer	*47*	*–*	***47***	*62*	*–*	***62***
Subsidiaries (controlled entities)	*41*	*602*	***643***	*59*	*82*	***141***
TOTAL	**2,545**	**3,932**	**6,477**	**2,359**	**1,392**	**3,751**

(1) Carrefour SA (parent 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, 2022

FRANCE	Percent interest used in consolidation
ABREDIS	**100**
AMIDIS ET CIE	**100**
ANTIDIS	**100**
BELLEVUE DISTRIBUTION	**100**
BLO DISTRIBUTION	**100**
BRINGO FRANCE	**100**
BRINGO INTERNATIONAL	**100**
BRINGO TECH	**100**
BRUNIEDIS	**100**
C.DICAR	**100**
C.DIS	**100**
C.S.F	**100**
C.S.V	**100**
CANDIS	**100**
CARAUTOROUTES	**100**
CARDADEL	**100**
CARFIDIS	**100**
CARFUEL	**100**
CARGO INVEST	**100**
CARGO PROPERTY DEVELOPMENT	**100**
CARIMA	**100**
CARMA	**50**
CARMA VIE	**50**
CARRE D'OR DISTRIBUTION	**100**
CARREFOUR ADMINISTRATIF FRANCE	**100**
CARREFOUR BANQUE	**60**
CARREFOUR DEVELOPPEMENT URBAIN	**100**
CARREFOUR DRIVE	**100**
CARREFOUR FINANCE	**100**
CARREFOUR FRANCE	**100**
CARREFOUR FRANCE PARTICIPATION	**100**
CARREFOUR HYPERMARCHES	**100**
CARREFOUR IMPORT	**100**
CARREFOUR MANAGEMENT	**100**
CARREFOUR MARCHANDISES INTERNATIONALES	**100**
CARREFOUR MONACO	**100**
CARREFOUR OMNICANAL	**100**
CARREFOUR PARTENARIAT INTERNATIONAL	**100**
CARREFOUR PROPERTY FRANCE	**100**
CARREFOUR PROPERTY GESTION	**100**
CARREFOUR PROXIMITE FRANCE	**100**
CARREFOUR REGIE PUBLICITAIRE	**100**
CARREFOUR SA	**100**
CARREFOUR SERVICES CLIENTS	**100**
CARREFOUR STATION SERVICE	**100**
CARREFOUR SUPPLY CHAIN	**100**
CARREFOUR SYSTEMES D'INFORMATION	**100**
CARREFOUR VOYAGES	**100**
CENTRE D'ACTIVITES DE DRAGUIGNAN SALAMANDRIER	**100**
CENTRE DE FORMATION ET COMPTETENCES	**100**
CL CV LOGISTIQUE	**100**
CLAIREFONTAINE	**100**

FRANCE	Percent interest used in consolidation
COFLEDIS	**100**
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL	**100**
COMPTOIR SAVOYARD DE DISTRIBUTION	**74**
COVIAM 8	**100**
COVICAR 2	**100**
COVICAR 44	**100**
COVICAR 51	**100**
COVICAR 55	**100**
CRFP LOG INVEST	**100**
CRFP NANTES	**100**
CRFP SARTROUVILLE	**100**
CRFP13	**100**
CRFP20	**100**
CRFP22	**100**
CRFP23	**100**
CRFP24	**100**
CRFP25	**100**
CRFP8	**100**
CROQUETTELAND	**100**
CSD TRANSPORTS	**74**
DASTORE	**100**
DAUPHINOISE DE PARTICIPATIONS	**100**
DE LA FONTAINE	**51**
DEJBOX LAB	**86**
DEJBOX SERVICES	**86**
DES CALLOUETS	**51**
DIGITAL MEDIA SHOPPER	**100**
DISTRIVAL	**100**
DOREL	**100**
ENTREPOT PETROLIER DE LA GIRONDE	**66**
ETS LUCIEN LAPALUS ET FILS	**100**
FALDIS	**100**
FCT MASTER CREDIT CARD 2013	**60**
FINANCIERE RSV	**100**
FINIFAC	**100**
FONMARTOP	**100**
FORUM DEVELOPPEMENT	**100**
GAMACASH	**100**
GEILEROP	**100**
GENEDIS	**100**
GIE BREST BELLEVUE	**80**
GREENWEEZ	**100**
GREENWEEZ BELGIUM	**100**
GSMC	**100**
GUYENNE & GASCOGNE	**100**
GVTIMM	**51**
HYPARLO	**100**
HYPERADOUR	**100**
IMMO ARTEMARE	**51**
IMMOBILIERE CARREFOUR	**100**
IMMOBILIERE PROXI	**100**
IMMOCYPRIEN	**51**

FRANCE	Percent interest used in consolidation
IMMODIS	**100**
INTERDIS	**100**
LA CROIX VIGNON	**51**
LALAUDIS	**99**
LANN KERGUEN	**51**
LESCHENES	**100**
LOGIDIS	**100**
LYBERNET	**50**
MAISON JOHANES BOUBEE	**100**
MATOLIDIS	**100**
MONTEL DISTRIBUTION	**100**
NASOCA	**100**
NOOPART	**100**
NOSAEL	**51**
PARLITOP	**100**
PARSEVRES	**100**
PASDEL	**100**
PHIVETOL	**100**
PLANETA HUERTO	**100**
POTAGER CITY	**88**
PROFIDIS	**100**
PUECH ECO	**100**
QUITOQUE	**100**
QUITOQUE BELGIUM	**100**
SAFABE	**100**
SAFETY	**100**
SAINT HERMENTAIRE	**100**
SALACA	**100**
SAS LOUIS SEGUIN - ANGLET	**100**
SCI AVENUE	**52**
SCI AZIMMO	**100**
SCI DE SIAM	**51**
SCI IMMO BACQUEVILLE	**51**
SCI IMMOTOURNAY	**51**
SCI LEGERE	**100**
SCI LES HAUTS DE ROYA	**100**
SCI LES TASSEAUX	**51**
SCI LES VALLEES	**51**
SCI MAXIMOISE DE CREATION	**51**
SCI PROXALBY	**74**
SCI RESSONS	**51**
SCI SIGOULIM	**51**
SELIMA	**100**
SMARTECO	**100**
SO.BIO	**100**
SO.BIO SEVRES	**100**
SOCIETE D'ALIMENTATION MODERNE	**100**
SOCIETE DES HYPERMARCHES DE LA VEZERE	**50**
SOCIETE DES NOUVEAUX HYPERMARCHES	**100**
SOCIETE LUDIS	**100**
SOCIETE MODERNE DE DISTRIBUTION MAISON VIZET-FAVRE	**81**
SODIMODIS	**100**
SODISAL	**100**
SODITRIVE	**100**
SOFALINE	**100**
SOFIDIM	**99**
SORGENTE NATURA	**100**

FRANCE	Percent interest used in consolidation
SOVAL	**100**
STELAUR	**100**
STENN	**100**
SUPERADOUR	**100**
SUPERDIS	**97**
TIADIS	**100**
VAN-K	**100**
VEZERE DISTRIBUTION	**50**
VIZEGU	**90**
ZORMAT	**100**
GERMANY	
CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	**100**
ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	**88**
INC S.A.	**100**
BELGIUM	
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**
RETAIL SUPPORT SERVICES	**100**
ROB	**100**
SCHILCO	**100**
SHIP TO	**100**
SOUTH MED INVESTMENTS	**100**
STIGAM	**100**
VANDEN MEERSSCHE NV	**100**
BRAZIL	
ATACADÃO S.A	**68**
BANCO CSF	**34**
BARBAROSSA EMPREENDIMENTOS E PARTICIPACOES	**68**
BOMPREÇO BAHIA	**68**
BOMPREÇO NORDESTE	**68**
BSF HOLDING	**34**
BULGE EMPREENDIMENTOS E PARTICIPACOES	**68**
CARREFOUR COMMERCIO E INDUSTRIA	**68**

BRAZIL	Percent interest used in consolidation
CCI IP PARTICIPAÇÕES	68
CCI RE SPCO DESENVOLVIMENTO IMOBILIÁRIO OSASCO	68
CMBCI INVESTIMENTOS E PARTICIPAÇÕES	68
COMERCIAL DE ALIMENTOS CARREFOUR	68
COSMOPOLITANO SHOPPING EMPREENDIMENTOS	68
COTABEST INFORMACOES E TECNOLOGIA	34
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	34
E MIDIA INFORMACOES	68
FIDC	68
GIBRALTAR EMPREENDIMENTOS E PARTICIPACOES	68
GRUPO BIG	68
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA	68
KHARKOV EMPREENDIMENTOS E PARTICIPACOES	68
KURSK EMPREENDIMENTOS E PARTICIPACOES	68
MIDWAY EMPREENDIMENTOS E PARTICIPACOES	68
NOVA TROPI GESTÃO DE EMPREENDIMENTOS	68
OVERLORD EMPREENDIMENTOS E PARTICIPACOES	68
PACIFICO EMPREENDIMENTOS E PARTICIPACOES	68
PANDORA PARTICIPACOES	68
RIO BONITO ASSESSORIA DE NEGOCIOS	68
SPE CENTRO-OESTE	68
SPE NORDESTE	68
SPE NORTE	68
SPE SUDESTE	68
SPE SUL	68
STALINGRADO EMPREENDIMENTOS E PARTICIPACOES	68
TORCH EMPREENDIMENTOS E PARTICIPACOES	68
TRANSPORTADORA	68
VALQUIRIA EMPREENDIMENTOS E PARTICIPACOES	68
VERPARINVEST	68
WMB	68
WMS	68

CHINA	
SHANGHAI GLOBAL SOURCING CONSULTING CO	100

SPAIN	
CARREFOUR PROPERTY ESPANA	100
CENTROS COMERCIALES CARREFOUR	100
CORREDURIA DE SEGUROS CARREFOUR	100
EURECA	100
FINANZAS Y SEGUROS	100

SPAIN	Percent interest used in consolidation
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

HONG KONG	
CARREFOUR ASIA	100
CARREFOUR GLOBAL SOURCING ASIA	100
CARREFOUR TRADING ASIA (CTA)	100

ITALY	
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	100
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI BUROLO	89
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI GIUSSANO	77
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI MASSA	54
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI NICHELINO	64
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI PADERNO DUGNANO	53
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI THIENE	58
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI TORINO MONTECUCCO	87
CONSORZIO TRA I PROPRIETARI DEL CENTRO COMMERCIALE DI VERCELLI	84
GS SPA	100

LUXEMBOURG	
VELASQUEZ	100

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

POLAND	
CARREFOUR POLSKA	100
CPA WAW 1	100

ROMANIA	Percent interest used in consolidation
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**

TAIWAN	
CARREFOUR CONDOMINIUM MANAGEMENT AND MAINTENANCE	**60**
CARREFOUR INSURANCE BROKER CO	**60**
CHARNG YANG DEVELOPMENT CO	**30**
PRESICARRE	**60**
WELLCOME	**60**

18.2 Equity-accounted companies at December 31, 2022

FRANCE	Percent interest used in consolidation
ADIALEA	5
ALEXANDRE	50
ALK DISTRI	50
ALTACAR OLLIOULES	50
ANGIDIS	50
ANTONINE	50
ARLOM DISTRIBUTION	50
AROBLIS	50
AUBINYC	50
AUDIST	50
BAMAZO	50
BELONDIS	50
BFM DISTRIBUTION	50
BIADIS	34
BLS RETRAIL	50
BOULOGNE POINT DU JOUR	26
BOURG SERVICES DISTRIBUTION	50
BRUT SHOP	40
CABDIS	50
CABDISTRI	50
CALODIAN DISTRIBUTION	50
CAMPI	50
CARDUTOT	26
CARMILA	36
CEMALIYA IMMOBILIER	50
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
COJEDIS	50
COROU	50
COSALCIA	50
CVP DISTRIBUTION	50
CYMUR	50
CZIMMO	50
D2C	50
DECODIS	26
DEPOT PETROLIER DE LYON	50
DIMATI	50
DIRIC	50
DISTRI AIX	50
DISTRI GIGNAC	50
DISTRI PALAVAS	50
DISTRIBERRE IMMO	50
DISTRIBOURG	50
DISTRICAB	50
DISTRIFLEURY	50
DISTRIONE	50
DOUDIS	50
EDENDIS	50
EDENMATHIMMO	50
ENTREPOT PETROLIER DE VALENCIENNES	34
FABCORJO	50
FALME	50

FRANCE	Percent interest used in consolidation
FIVER	50
FONCIERE BORDEROUGE	50
FONCIERE MARSEILLAN	50
FONCIERE PLANES	50
FRELUM	50
GALLDIS	50
GDCLE	48
GENIDIS	48
GGP DISTRIBUTION	50
GMARKET IMMO	50
GRANDI	50
GRDIS	50
GREGADIS	50
HBLP	25
IDEC	50
IMMO ST PIERRE EGLISE	50
J2B DISTRIBUTION	50
JEDEMA	50
JLEM	50
JMS74 DISTRIBUTION	50
JOSIM	34
JTDS MARKET	50
JUPILOU	50
KASAM	50
LA BEAUMETTE	49
LA CATALANE DE DISTRIBUTION	50
LA CLAIRETTE	50
LA CRAUDIS	50
LA GARDUERE IMMO	50
LB LE PLAN	50
LE CLAUZELS	50
LEHENBERRI	50
LES 4 CANAUX IMMO	50
LES OLIVIERS	50
LEZIDIS	50
LOVICHAM	50
LSODIS	50
LYEMMADIS	50
MADIS	50
MADIX	50
MAGODIS	50
MALISSOL	50
MARIDYS	50
MARITIMA DIS	50
MARLODIS	50
MASSEINE	50
MATCH OPCO (MARKET PAY)	39
MAVIC	50
MBD	50
MBD IMMO	50
MIMALI	50
NCL	50
NOUKAT	50
OLICOURS	50
OUISDIS	50
OULLIDIS	50
P.A.M.	50
PAS DE MENC	50
PFDIS	50
PHILODIS	50
PLAMIDIS	50

FRANCE	Percent interest used in consolidation
PLANE MARSEILLAN	50
PLANE PORT VENDRES	50
PONT D'ALLIER	50
PRIGONDIS	50
PRODIX	50
PROVENCIA	50
QUENDIDIS	50
RD2M	50
REBAIS DISTRIBUTION	50
RETAIL MARKET	50
RILLIDIS	48
RIMADIS	50
ROLLAND DISTRIBUTION	50
ROND POINT	50
ROSE BERGER	26
ROUET DISTRI	50
S.C.B	26
S.O.V.A.L.A.C.	50
SADEV	26
SAELI	50
SAINT JUERY DISTRIBUTION	50
SAINT PAUL DISTRIBUTION	50
SAS DF19	50
SAS NC DISTRIBUTION	50
SCGR DISTRIBUTION	50
SCI 2C	50
SCI 2F	50
SCI BRETEUIL	50
SCI CARGAN-LOG	40
SCI COLODOR	50
SCI DU MOULIN	50
SCI DU PARC NATIONAL	50
SCI FONCIERE DES ALBERES	50
SCI HALLE RASPAIL	50
SCI IMMODISC	50
SCI LATOUR	60
SCI LE PETIT BAILLY	50
SCI LE PLA	50
SCI LUMIMMO	51
SCI MARKET RIEC	50
SCOMONDIS	50
SEREDIS	26
SERPRO	50
SIFO	50
SIXFOURSDIS	50
SOBRAMIC	50
SOCADIS	50
SOCIETE DES DEPOTS DE PETROLE COTIERS	24
SOCIETE DES MAGASINS ECONOMIQUES	50
SOCIETE DISTRIBUTION ALMENTAIRE PYRENEES	26
SOCIETE DU DEPOT PETROLIER DE NANTERRE	20
SOCIETE PETROLIERE DU VAL DE MARNE	30
SODIBAL	50
SODIBOR	50
SODICAB	50
SODIFAL	50

FRANCE	Percent interest used in consolidation
SODILIM	50
SODIMER	50
SODIOUIS	50
SODITIOL	50
SODYEN	50
SOLDIS	50
SOMADIS	50
SOQUIMDIS	50
SOVADIS	50
SOVALDIS	50
SPC DISTRI	50
SR2G	50
SRP GROUPE SA (SHOWROOMPRIVÉ.COM)	9
ST BONNET DISCOUNT	50
TEDALI	50
TURENNE	50
VALCRIS DISTRIBUTION	50
VALMENDIS	50
VICTURIS 2003	50
VICUN	50
VILAC	50

BRAZIL	
EWALLY	33

SPAIN	
2012 ALVARO EFREN JIMENEZ	26
2012 CORDOBA RODRIGUEZ	26
2012 ERIK DAVID	26
2012 FLORES HERNANDEZ	26
2012 LIZANDA TORTAJADA	26
2013 CID OTERO	26
2013 SOBAS ROMERO	26
COSTASOL DE HIPERMERCADOS	34
DIAGONAL PARKING	58
GLORIAS PARKING	50
ILITURGITANA DE HIPERMERCADOS	34
JM MARMOL SUPERMERCADOS	26
LAREDO EXPRESS J.CARLOS VAZQUEZ	26
LUHERVASAN	26
SUPERMERCATS HEGERVIC MATARO	26
SUPERMERCATS SAGRADA FAMILIA	26

ITALY	
CONSORZIO CENTRO COMMERCIALE SHOPVILLE GRAN RENO	39
CONSORZIO OPERATORI CENTRO COMMERCIALE LA ROMANINA	46
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	50
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	30

POLAND	
C SERVICES	30

TUNISIA	
ULYSSE	25

TURKEY	
CARREFOUR SABANCI TICARET MERKEZI (CARREFOURSA)	32