Consolidated financial statements

as of December 31, 2020

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Note that Carrefour China was classified as a discontinued operation in 2019 in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (see Notes 2 and 5 to the 2019 consolidated financial statements).

Argentina is classified as a hyperinflationary economy within the meaning of IFRSs. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2020. Comparative data for 2019 have also been adjusted for inflation.

Comparative data for 2019 have been restated (indicated as "restated" below) in the consolidated financial statements as of December 31, 2020 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16 (see Note 4).

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

(in millions of euros)	Notes	2020	2019 restated	% change
Net sales	6.1	70,719	72,397	(2.3)%
Loyalty program costs		(752)	(746)	0.8%
Net sales net of loyalty program costs		**69,967**	**71,651**	**(2.4)%**
Other revenue	6.1	2,183	2,491	(12.4)%
Total revenue		**72,150**	**74,142**	**(2.7)%**
Cost of sales	6.2	(56,705)	(58,051)	(2.3)%
Gross margin from recurring operations		**15,445**	**16,091**	**(4.0)%**
Sales, general and administrative expenses, depreciation and amortisation	6.2	(13,272)	(13,992)	(5.1)%
Recurring operating income		**2,173**	**2,099**	**3.6%**
Net income/(loss) from equity-accounted companies	9	(13)	2	(942.0)%
Recurring operating income after net income from equity-accounted companies		**2,160**	**2,101**	**2.8%**
Non-recurring income and expenses, net	6.3	(474)	(1,030)	(53.9)%
Operating income		**1,686**	**1,071**	**57.4%**
Finance costs and other financial income and expenses, net	14.6	(334)	(352)	(5.1)%
Finance costs, net		*(171)*	*(214)*	*(19.9)%*
Net interests related to leases commitment		*(113)*	*(121)*	*(7.0)%*
Other financial income and expenses, net		*(50)*	*(17)*	*198.1%*
Income before taxes		**1,351**	**719**	**88.0%**
Income tax expense	10.1	(498)	(503)	(0.9)%
Net income/(loss) from continuing operations		**853**	**216**	**294.8%**
Net income/(loss) from discontinued operations	3.4	(22)	1,092	(102.0)%
Net income/(loss) for the year		**831**	**1,308**	**(36.5)%**
Group share		**641**	**1,126**	**(43.1)%**
of which net income/(loss) from continuing operations		*663*	*29*	2172.8%
of which net income/(loss) from discontinued operations		*(22)*	*1,097*	(102.0)%
Attributable to non-controlling interests		**190**	**182**	**4.6%**
of which net income/(loss) from continuing operations - attributable to non-controlling interests		*190*	*187*	1.7%
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		-	*(5)*	(100.0)%

Basic earnings per share, in €	2020	2019 restated	% change
Net income/(loss) from continuing operations - Group share - per share	0.82	0.04	*2130.4%*
Net income/(loss) from discontinued operations - Group share - per share	(0.03)	1.39	*(102.0)%*
Net income/(loss) – Group share - per share	0.80	1.42	*(44.2)%*

Diluted earnings per share, in €	2020	2019 restated	% change
Diluted Net income/(loss) from continuing operations - Group share - per share	0.82	0.04	*2127.8%*
Diluted Net income/(loss) from discontinued operations - Group share - per share	(0.03)	1.39	*(102.0)%*
Diluted Net income/(loss) – Group share - per share	0.79	1.42	*(44.2)%*

Details of earnings per share calculations are provided in Note 13.6.

Consolidated statement of comprehensive income

(in millions of euros)	**Notes**	**2020**	**2019 restated**
Net income/(loss) - Group share		641	1,126
Net income - Attributable to non-controlling interests		190	182
Net income/(loss) for the year		**831**	**1,308**
Effective portion of changes in the fair value of cash flow hedges	13.4	(6)	(5)
Changes in the fair value of debt instruments through other comprehensive income	13.4	(4)	(0)
Exchange differences on translating foreign operations (1)	13.4	(1,030)	(207)
Items that may be reclassified subsequently to profit or loss		**(1,040)**	**(212)**
Remeasurements of defined benefit plans obligation (2)	12.1/13.4	(21)	(110)
Changes in the fair value of equity instruments through other comprehensive income	13.4	(1)	1
Items that will not be reclassified to profit or loss		**(22)**	**(109)**
Other comprehensive income/(loss) after tax		**(1,061)**	**(321)**
Total comprehensive income/(loss)		**(231)**	**987**
Group share		(85)	853
Attributable to non-controlling interests		(145)	134

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

(1) Exchange differences in 2020 primarily resulted from the sharp depreciation of the Brazilian real. In 2019, exchange differences on translating foreign operations mainly result from the positive translation adjustments at Carrefour China (i.e., 160 million euros) further to its sale in September 2019, and to a lesser extent from the depreciation of the Brazilian real.

(2) Remeasurement of the net defined benefit liability recognised in 2020 reflects the decrease in discount rates applied for the eurozone, from 0.75% at end-2019 to 0.40% at end-2020. In 2019, these discount rates had also decreased, from 1.60% at end-2018 to 0.75% at end-2019.

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	December 31, 2020	December 31, 2019 restated
Goodwill	7.1	8,034	7,976
Other intangible assets	7.1	1,325	1,452
Property and equipment	7.2	10,505	11,370
Investment property	7.4	259	312
Right-of-use assets	8.2	4,506	5,050
Investments in companies accounted for by the equity method	9	1,172	1,246
Other non-current financial assets	14.5	1,212	1,507
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,933	2,283
Deferred tax assets	10.2	679	824
Other non-current assets	6.4	490	569
Non-current assets		**30,115**	**32,590**
Inventories	6.4	5,326	5,867
Trade receivables	6.4	2,526	2,669
Consumer credit granted by the financial services companies – portion less than one year	6.5	3,295	4,007
Other current financial assets	14.2	368	252
Tax receivables	6.4	608	838
Other current assets	6.4	788	738
Cash and cash equivalents	14.2	4,439	4,466
Assets held for sale		124	37
Current assets		**17,473**	**18,875**
TOTAL ASSETS		**47,588**	**51,464**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	Notes	December 31, 2020	December 31, 2019 restated
Share capital	13.2	2,044	2,018
Consolidated reserves (including net income)		7,751	7,919
Shareholders' equity, Group share		**9,795**	**9,937**
Shareholders' equity attributable to non-controlling interests	13.5	1,502	1,736
Total shareholders' equity		**11,297**	**11,673**
Borrowings - portion more than one year	14.2	6,305	6,303
Lease commitments - portion more than one year	8.3	3,787	4,297
Provisions	11	2,670	3,297
Consumer credit financing – portion more than one year	6.5	1,506	1,817
Deferred tax liabilities	10.2	467	655
Tax payables - portion more than one year	6.4	214	335
Non-current liabilities		**14,949**	**16,703**
Borrowings - portion less than one year	14.2	1,084	997
Lease commitments - portion less than one year	8.3	936	941
Suppliers and other creditors	6.4	12,560	13,646
Consumer credit financing – portion less than one year	6.5	3,067	3,712
Tax payables - portion less than one year	6.4	1,039	1,095
Other current payables	6.4	2,617	2,649
Liabilities related to assets held for sale		39	49
Current liabilities		**21,342**	**23,089**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**47,588**	**51,464**

Consolidated statement of cash flows

(in millions of euros)	2020	2019 restated
INCOME BEFORE TAXES	**1,351**	**719**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax	(477)	(499)
Depreciation and amortisation expense	2,292	2,318
Gains and losses on sales of assets	47	26
Change in provisions and impairment	(94)	287
Finance costs, net	171	214
Net interests related to leases	113	121
Net income and dividends received from equity-accounted companies	60	101
Impact of discontinued operations (1)	(54)	114
Cash flow from operations	**3,408**	**3,400**
Change in working capital requirement (2)	15	56
Impact of discontinued operations (1)	-	(5)
Net cash (used in)/from operating activities (excluding financial services companies)	**3,424**	**3,452**
Change in consumer credit granted by the financial services companies	(29)	(205)
Net cash (used in)/from operating activities - total	**3,395**	**3,247**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets (3)	(1,491)	(1,725)
Acquisitions of non-current financial assets	(16)	(24)
Acquisitions of subsidiaries and investments in associates (4)	(291)	(86)
Proceeds from the disposal of subsidiaries and investments in associates (5)	7	338
Proceeds from the disposal of property and equipment and intangible assets (6)	159	347
Proceeds from the disposal of non-current financial assets	13	103
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets (3)	(123)	84
Investments net of disposals - subtotal	**(1,742)**	**(964)**
Other cash flows from investing activities	(98)	(30)
Impact of discontinued operations (1)	-	(20)
Net cash (used in)/from investing activities - total	**(1,841)**	**(1,013)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues to non-controlling interests (7)	1	75
Dividends paid by Carrefour (parent company) (8)	(57)	(106)
Dividends paid by consolidated companies to non-controlling interests	(113)	(116)
Change in treasury stock and other equity instruments	-	-
Change in current financial assets (9)	(3)	(2)
Issuance of bonds (9)	1,000	930
Repayments of bonds (9)	(972)	(1,530)
Net financial interests paid	(183)	(236)
Other changes in borrowings (9)	233	131
Payments related to leases (principal) (10)	(926)	(892)
Net interests related to leases (10)	(106)	(111)
Impact of discontinued operations (1)	-	(128)
Net cash (used in)/from financing activities - total	**(1,126)**	**(1,987)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**428**	**247**
Effect of changes in exchange rates	(455)	(81)
Net change in cash and cash equivalents	**(27)**	**166**
Cash and cash equivalents at beginning of year	**4,466**	**4,300**
Cash and cash equivalents at end of year	**4,439**	**4,466**

(1) In accordance with IFRS 5, in 2020 this item concerns the remaining cash flows related to the discontinued operations reported in 2018 (integrated convenience stores) and 2019 (Carrefour China) – see Note 3.2.

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

(3) Acquisitions mostly include operational investments in growth formats, in particular the acquisition of 25 stores and 10 service stations under the Makro Atacadista banner in Brazil (see Note 2.2), the Group's digitalisation and the roll-out of a leading omni-channel offering.

(4) This item mainly corresponds to the acquisitions of Dejbox and Potager City in France in January 2020, and Sant'Ambroeus in Italy in February 2020, the takeover of Bio c' Bon in November 2020 and the acquisition of Wellcome in Taiwan in December 2020 (see Note 2.2). In 2019, this item mainly concerned the acquisition of So.bio.

(5) In 2019, this item mainly reflected the sale of the subsidiary Carrefour China (see Note 3.2).

(6) In 2019, this item mainly reflected the sale of distribution centres owned by the subsidiary Cargo Property Assets (see Note 3.2).

(7) In 2019, this item mainly corresponded to the share capital of the subsidiary Cargo Property Assets, subscribed and paid up during the period by third-party investors (non-controlling interests) prior to its sale (see above).

(8) Corresponds to cash dividends paid to shareholders who chose not to reinvest their dividends (see Note 2.4).

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

(10) In accordance with IFRS 16, effective from January 1, 2019 (see Note 4), payments under leases along with any related interest are shown in financing cash flows.

Consolidated statement of changes in equity

(in millions of euros)	Shareholders' equity, Group share				Total Shareholders' equity, Group share	Non-controlling interests	Total Shareholders' equity
	Share capital [1]	Translation reserve	Fair value reserve [6]	Other consolidated reserves and net income			
Shareholders' equity at December 31, 2018	**1,973**	**(1,219)**	**(30)**	**8,445**	**9,169**	**2,117**	**11,286**
IFRS 16 first application adjustments [2]	-	-	-	(9)	(9)	-	(9)
Shareholders' equity at January 1st, 2019	**1,973**	**(1,219)**	**(30)**	**8,436**	**9,161**	**2,117**	**11,278**
Net income/(loss) for the year 2019 restated	-	-	-	1,126	1,126	182	1,308
Other comprehensive income/(loss) after tax [3]	-	(162)	(3)	(109)	(274)	(47)	(321)
Total comprehensive income/(loss) 2019 restated	**-**	**(162)**	**(3)**	**1,018**	**853**	**134**	**987**
Share-based payments	-	-	-	10	10	0	10
2018 dividend payment [4]	43	-	-	(149)	(106)	(136)	(242)
Change in capital and additional paid-in capital	2	-	-	(2)	-	12	12
Effect of changes in scope of consolidation and other movements [5]	-	-	-	19	19	(392)	(373)
Shareholders' equity at December 31, 2019 restated	**2,018**	**(1,381)**	**(33)**	**9,332**	**9,937**	**1,736**	**11,673**
Net income/(loss) for the year 2020	-	-	-	641	641	190	831
Other comprehensive income/(loss) after tax [3]	-	(697)	(10)	(20)	(726)	(335)	(1,061)
Total comprehensive income/(loss) 2020	**-**	**(697)**	**(10)**	**621**	**(85)**	**(145)**	**(231)**
Share-based payments	-	-	-	23	23	1	23
2019 dividend payment [4]	26	-	-	(83)	(57)	(108)	(166)
Change in capital and additional paid-in capital	-	-	-	-	-	1	1
Effect of changes in scope of consolidation and other movements	-	-	-	(23)	(23)	18	(4)
Shareholders' equity at December 31, 2020	**2,044**	**(2,078)**	**(42)**	**9,870**	**9,795**	**1,502**	**11,297**

(1) At December 31, 2020, the share capital was made up of 817,623,840 ordinary shares (see Note 13.2.1).

(2) The Group applied IFRS 16 – Leases for the first time as of January 1, 2019. Given that the simplified retrospective approach was used on transition to this standard, comparative data have not been restated and the impact resulting from the first-time application of IFRS 16 (detailed in Note 4) was recognised in equity at January 1, 2019.

(3) In 2020, other comprehensive income, after tax, essentially reflected the depreciation of the Brazilian real over the year. In 2019, translation adjustments primarily represented the transfer of exchange differences with a credit balance recognised by Carrefour China for a negative 130 million euros attributable to the Group.

Other consolidated reserves and net income in 2019 and 2020 relate to the remeasurement of the net defined benefit liability following the successive decreases in discount rates applied for the eurozone.

(4) The 2018 dividend distributed by Carrefour SA, totalling 359 million euros, was paid:
- *in cash for 106 million euros; and*
- *in new shares for 253 million euros (corresponding to the aggregate par value of the new shares for 43 million euros and premiums for 210 million euros).*

The 2019 dividend distributed by Carrefour SA, totalling 183 million euros, was paid:
- *in cash for 57 million euros; and*
- *in new shares for 126 million euros (corresponding to the aggregate par value of the new shares for 26 million euros and premiums for 100 million euros).*

Dividends paid to non-controlling interests in 2020 for 108 million euros mainly concern Taiwanese, Spanish and Brazilian subsidiaries. In 2019, they primarily concerned the Brazilian and French subsidiaries for a total amount of 136 million euros.

(5) For data relating to non-controlling interests, the effect of changes in the scope of consolidation and other movements in 2019 essentially related to the deconsolidation of non-controlling interests in Cargo Property Assets (negative 442 million-euro impact) and in Carrefour China (positive 70 million-euro impact) – see Note 3.2.

(6) 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).*

Notes to the consolidated financial statements

NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2020 were approved for publication by the Board of Directors on February 17, 2021. They will be submitted to shareholders for final approval at the Annual General 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, 2020 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 2020 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, 2020 and applicable at that date, with 2019 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, 2020, 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 2020 consolidated financial statements are the same as those used for the 2019 consolidated financial statements, except for the following amendments whose application is mandatory as of January 1, 2020:

- Amendments to IAS 1 and IAS 8 – *Definition of Material*
- Amendments to IFRS 9, IAS 39 and IFRS 7 – *Interest Rate Benchmark Reform (Phase 1)*
- Amendments to IFRS 3 – *Definition of a Business*
- Amendments to References to the Conceptual Framework in IFRS Standards.

A further exception is the amendment to IFRS 16 – *Leases: Covid-19-Related Rent Concessions*, which is effective from June 1, 2020.

The application of these amendments had no material impact on the Group's consolidated financial statements.

Note that the impacts of the IFRS IC decision published in December 2019 regarding the term of leases falling within the scope of IFRS 16 were applied to the 2020 consolidated financial statements, with comparative data for 2019 adjusted retrospectively (see Note 4).

Adopted by the European Union and effective from January 1, 2021

Standards, amendments and interpretations	Effective date
Amendment to IFRS 4 – *Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9*	January 1, 2021
Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 – *Interest Rate Benchmark Reform (Phase 2)*	January 1, 2021

The application of the IFRS 4 amendment is not expected to have an impact on the Group's consolidated financial statements, as it extends a temporary exemption already applied by the Group's insurance companies.

Regarding interest rate benchmark reform, Carrefour has applied the IFRS 9 and IFRS 7 Phase 1 amendments as from 2020. These amendments allow the Group to set aside uncertainty over future interest rate benchmarks when assessing hedge effectiveness and/or determining whether the hedged risk meets the highly probable requirement, thereby providing assurance regarding existing and future hedging relationships until such point as the uncertainty is lifted.

The Phase 2 amendments relating to interest rate benchmark reform would not have had any impact on Carrefour had they been applied to the 2020 consolidated financial statements, to the extent that the interest rate benchmarks had not changed in the Group's contracts as of December 31 2020.

Carrefour is continuing the identification process in order to anticipate the impacts of the reform and initiate the adaptation process, so as to ensure a smooth transition to the new benchmarks. Interest rate derivatives designated as hedges of debt indexed to benchmarks are presented in Note 14.

Not yet adopted by the European Union

Standards, amendments and interpretations	Effective date[1]
Amendments to IFRS 3 – *Business Combinations*, IAS 16 – *Property, Plant and Equipment*, IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and *Annual Improvements to IFRSs – 2018-2020 cycle*	January 1, 2022
IFRS 17 – *Insurance Contracts*	January 1, 2023
Amendments to IAS 1 – *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*	January 1, 2023

(1) Subject to adoption by the European Union.

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

1.3 Use of estimates and judgement

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

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

- measurement of rebates and commercial income (see Note 6.2.1);
- useful lives of operating assets (see Note 7);
- definition of cash-generating units (CGUs) for the purpose of impairment tests on non-current assets other than goodwill (see Note 7.3);
- 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 Notes 4 and 8);
- measurement of impairment of loans granted by the financial services companies (see Note 6.5.1) as well as provisions for credit risk on loan commitments (see Note 11.1);

- measurement of fair value of identifiable assets acquired and liabilities assumed in business combinations (see Note 3.1);
- recognition of deferred tax assets and some tax credits (see Note 10) and determination of uncertainties in income taxes under IFRIC 23;
- measurement of provisions for contingencies and other business-related provisions (see Note 11);
- assumptions used to calculate pension and other post-employment benefit obligations (see Note 12.1);
- determination of the level of control or influence exercised by the Group over investees (see Notes 3 and 9).

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

1.4 Measurement bases

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

- certain financial assets and liabilities measured using the fair value model (see Note 14);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model (see Note 3.1);
- 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 IFRSs. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2020; data for the comparative period presented have also been adjusted for inflation.

NOTE 2: SIGNIFICANT EVENTS OF THE YEAR

2.1 Covid-19 health crisis

During 2020, the Covid-19 pandemic had a severe impact on the global economy and led to a serious, unprecedented situation. In response to the pandemic, Carrefour's teams acted with exceptional agility to ensure the continuity of food distribution and meet new consumer expectations in a complex and rapidly changing environment.

The Group implemented robust measures to protect the health of employees and customers, in most cases anticipating and going beyond the health measures recommended by the public authorities in each country. Carrefour remains extremely vigilant with regard to the safety of its teams and customers, and is constantly adapting its commercial and operational models to the public health situation in all of the countries in which it is present. The robust protective measures implemented by the Group have been recognised by accredited certification bodies in several countries around the world. In June, Carrefour was the first company to earn AENOR certification in Spain. In September, Carrefour Brazil became the country's first retailer to be awarded the international My Care label developed by DNV GL, and in November, Carrefour received AFNOR certification in France.

Carrefour also took social responsibility measures and carried out concrete solidarity initiatives, such as rolling out dedicated services for priority customers (particularly the elderly and caregivers), making donations via the Carrefour Foundation and supporting local producers.

The multi-format model has made it possible to meet consumer needs during the different phases of the crisis. Most notably, the food e-commerce offering was highly successful this year.

<u>First-half 2020 Group's retail activity</u>

In January and February, sales were boosted by the success of the strategic initiatives launched in the past two years. In March, Carrefour recorded a strong increase in sales, with consumers making precautionary purchases ahead of lockdown, mainly in dry groceries and shelf stable products. All store formats and e-commerce benefited from this very sustained momentum in food.

Across all geographies, fairly similar consumption behaviours were observed as the pandemic spread and governments took lockdown decisions.

Once lockdown measures were implemented, consumers favoured convenience stores and supermarkets, which are closer to home and more accessible, at the expense of hypermarkets. Across all formats, the number of store visits was reduced, while average basket increased significantly. Food e-commerce kept up its strong momentum.

From May onwards, European countries gradually began to ease lockdown measures. In Brazil, public health policy varies from one state to the next with lockdowns being implemented on a local basis, while Argentina has remained under lockdown. While the health situation and the timing of lockdown easing varies from country to country, certain trends have emerged. In May and June, food markets where generally buoyant, benefiting in particular from repressed demand for consumption outside of the home. Convenience stores and supermarkets maintained their appeal, while hypermarkets – now fully reopened – enjoyed brisk sales.

<u>Second-half 2020 Group's retail activity</u>

Sales in the second half of 2020 were especially brisk in buoyant markets, particularly in Brazil and Spain and operations in France saw signs of an acceleration. In addition, the shift away from out-of-home spending and towards in-home spending – notably due to the expansion of remote working – continued to lift the market.

The health measures introduced by the authorities in Carrefour's various geographies did nevertheless have an adverse impact on a portion of business in certain geographies, notably operations in Italy due to the Group's exposure to heavily-impacted northern tourist areas, and big hypermarkets in Poland located in large shopping centres where footfall has declined.

B2B operations, financial and other services

Confronted with an uncertain macroeconomic environment, Carrefour's financial services companies very quickly applied greater selectivity in the loan approval process and strengthened collection procedures. The cost of risk nevertheless increased due to the economic crisis, particularly in Spain and Brazil.

B2B operations (Promocash in France) and other services (relating to travel and show ticketing, rentals, etc.) were impacted by the lockdowns and the various health restrictions.

Solid balance sheet, enhanced liquidity and financial discipline

Carrefour has for several years shown great financial discipline and has strengthened its balance sheet and liquidity. Carrefour's solid balance sheet is an important asset in the context of the fast-changing food retail sector as well as in the face of the current pandemic.

At December 31, 2020, the Group was rated Baa1 with negative outlook by Moody's and BBB with a stable outlook by Standard & Poor's.

The main financing operations carried out in 2020 are described in detail in Note 2.3.

Business continuity

As a food retailer, Carrefour is a provider of basic necessities. As such, it was able to continue operating normally throughout the various lockdowns. This was also the case for its franchisees.
At the same time, the Group continued to secure its short- and long-term financing sources (see Note 2.3).
As a result, the Group's business continuity has not been called into question.

Income statement

Income and expenses for 2020 have been recorded and are presented using the same principles as those applied in the 2019 consolidated financial statements. As a result, the effects of the Covid-19 crisis are reflected at all levels of the income statement.

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

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

Balance sheet

In light of the unusual situation created by the Covid-19 health crisis, the Group performed specific work in preparing the 2020 interim financial statements, which is described in Note 3.1 of said statements.

The accompanying notes contain specific information relating to the preparation of the 2020 consolidated financial statements, particularly:

- Notes 6.4.2 and 6.4.3: Value of inventories and trade receivables;

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

2.2 Main acquisitions and disposals in 2020

a. Investments in growth formats

In Brazil – Faster expansion of the Atacadão cash & carry format (asset acquisition)

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

A down payment of 195 million Brazilian reals was paid during the first quarter of 2020.

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

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

As of December 31, 2020, the Group had acquired 25 of the stores (16 fully-owned stores and 9 rented stores) and 10 of the service stations. The Group carried out these acquisitions in November and December 2020 for a total amount of 1,725 million Brazilian reals (around 290 million euros).

In addition, a further four stores are expected to be acquired in the first half of 2021. The acquisition of the 30th store is subject to the lessor’s agreement.

In Taiwan – Faster development of the convenience format (business combination)

In June 2020, Carrefour signed an agreement with Dairy Farm for the acquisition of **Wellcome**. The deal covers 224 convenience stores and a warehouse (including title to the land and buildings). Wellcome reported net sales of some 390 million euros in 2019.

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

Given that the transaction was carried out on the last day of the annual reporting period (i.e., December 31, 2020) and that local regulations restricted the exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date, the purchase price allocation process stipulated in IFRS 3 – *Business Combinations* could not be implemented in the 2020 consolidated financial statements; provisional goodwill was therefore recognised at December 31, 2020 in the amount of 119 million euros. The provisional accounting for the business combination is expected to be finalised during the course of the first half of 2021.

In Spain – Strengthening of supermarket and convenience formats (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. Supersol has an enterprise value of 78 million euros. The acquired stores generated net sales of around 450 million euros in 2019.

Carrefour plans to convert them into convenience (Express), supermarket (Market) and Supeco formats. Through this transaction, Carrefour is consolidating its number 2 position in Spain by diversifying its store base and strengthening its presence in growth formats, in line with the 2022 Carrefour transformation plan.

The transaction was subject to the customary conditions, in particular clearance by the Spanish competition authority, which was received on January 12, 2021. The acquisition is expected to close in the first half of 2021. Following its completion, the acquisition will be accounted for in accordance with IFRS 3 – *Business Combinations*.

b. Strengthening Carrefour's position in the organic segment (France)

Acquisition of the Bioazur banner (business combination)

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

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

Takeover of the Bio c' Bon banner (business combination)

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

The acquisition will enable Carrefour to accelerate its development in the fast-growing specialist organic retailing segment in urban areas, with a concept that effectively complements the Group's existing banners. Bio c' Bon has developed a highly attractive specialist retail network, combining a modern store concept with an offering suited to prime urban locations.

The provisional acquisition price amounted to 60 million euros, corresponding to 107 stores and around one thousand employees operating under the banner. This amount will be adjusted if certain stores cannot ultimately be acquired due to lessors electing to exercise their lease termination clause.

This transaction was subject to an exemption from the suspensive effect of merger control and will be subject to review by the French competition authority.

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

The revenue and profit attributable to Bioazur and Bio c' Bon recorded in the consolidated statement of comprehensive income for the period were not material. The two transactions are in line with the plan to strengthen Carrefour's specialist organic business, starting with the So.bio acquisition in 2019.

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

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

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

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

The revenue and profit attributable to Potager City and Dejbox recorded in the consolidated statement of comprehensive income for the period were not material.

d. Disposal of Rue du Commerce (France)

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

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, the subsidiary's assets and liabilities were classified within assets held for sale and related liabilities at December 31, 2019, and measured at the lower of their net carrying amount and fair value less costs to sell. In light of the financial terms of the unilateral promise given by Shopinvest, these assets were written down in full at December 31, 2019 against non-recurring operating income.

The sale of Rue du Commerce was completed on April 30, 2020. The disposal loss recognised in 2020 amounted to approximately 40 million euros. It was accounted for in non-recurring operating expense (see Note 6.3).

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

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

This decision led to the write-down of the associated non-current assets in the 2020 interim consolidated financial statements, against non-recurring operating expenses (see Note 6.3).

f. Disposal of a controlling interest in Market Pay (France)

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. Market Pay has an enterprise value of around 300 million euros.

Developed by Carrefour’s teams since 2016, Market Pay is a European payment platform designed to meet the Group’s omni-channel retail needs in its different geographies. It handles 1.3 billion transactions per year and manages 45,000 point-of-sale terminals and 5 million payment cards. Supporting physical points of sale and online retailers with the end-to-end deployment of innovative, simplified payment solutions, Market Pay has enjoyed continuous, strong growth since its creation.

Through this partnership, Carrefour aims to capitalise on AnaCap’s deepened expertise in the sector and 15-year track record in growth and business development to enable Market Pay to continue expanding, diversifying and accelerating its transformation in support of Carrefour’s innovation projects and of its other existing and prospective customers.

France’s standard consultation process with employee representative bodies was completed in December 2020, and the transaction remains subject to the customary conditions, i.e., a review by the banking regulators in France and Spain and by the European Commission. It is expected to close in the first half of 2021.

In accordance with IFRS 5, the subsidiary's assets and liabilities were classified within assets held for sale and related liabilities from August 2020, and measured at the lower of their net carrying amount and fair value less costs to sell. In light of the financial conditions of the transaction, the assets are measured at their net carrying amount.

On completion of the transaction in 2021, the Group's residual interest in Market Pay (around 40%) will be accounted for by the equity method in the consolidated financial statements.

2.3 Securing the Group's long-term financing

In early March 2020, the Covid-19 health crisis cut off access to the money market and the primary long-term bond market. The primary bond market re-opened on March 20, after a ten-day closure, with credit spreads at 200 bps versus 150 bps pre-closure.

On April 1, 2020, Carrefour became the first BBB-rated issuer to tap the market, issuing 1 billion euros worth of 2.625% bonds maturing in around 7.5 years (due December 15, 2027). On April 9, 2020, the Group redeemed 802 million euros worth of 4% 10-year bonds.

These transactions, which ensure the Group's liquidity over the short- and medium-term, are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. They also extended the average maturity of bond financing from 3.5 years at end-December 2019 to 3.6 years at end-December 2020, while reducing Carrefour's cost of debt.

Furthermore, in May 2020, Carrefour exercised its option to extend its two credit facilities totalling 3.9 billion euros, from June 2024 to June 2025. This option has been applied to more than 95% of the Group's banking facilities.

On April 16, 2020, the Brazilian subsidiary Atacadão obtained various types of financing in US dollars and euros that were immediately swapped for Brazilian reals, for an amount of 1.5 billion Brazilian reals (representing approximately 235 million euros at the closing rate on December 31, 2020). These financing facilities have two and three year maturities. The above operations have ensured that the subsidiary's short- and medium-term financing needs are met in the current health crisis.

On December 28, 2020, Atacadão retired the tranche of bonds maturing in April 2021 for an amount of 1,000 million Brazilian reals (approximately 155 million euros at the December 31, 2020 closing rate), without any penalties or additional costs. This operation reflects a dynamic debt management strategy aimed at optimising the borrowing costs and debt/equity structure of its Brazilian subsidiary.

2.4 2019 dividend payment with a dividend reinvestment option

At the Annual Shareholders' Meeting held on May 29, 2020, the shareholders decided to set the 2019 dividend at 0.23 euro per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 12.19 euros per share, representing 95% of the average of the closing prices quoted on Euronext Paris during the 20 trading days preceding the date of the Annual Shareholders' Meeting, less the net amount of the dividend of 0.23 euro per share and rounded up to the nearest euro cent.

The option period was open from June 10 to June 23, 2020. At the end of this period, shareholders owning 69% of Carrefour's shares had elected to reinvest their 2019 dividends.

June 29, 2020 was set as the date for:

- settlement/delivery of the 10,358,336 new shares corresponding to reinvested dividends, leading to a total capital increase including premiums of 126 million euros;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 57 million euros.

NOTE 3: SCOPE OF CONSOLIDATION

3.1 Accounting principles

Basis of consolidation

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

(i) Subsidiaries

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

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

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

(ii) Associates and joint ventures

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

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

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

(iii) Other investments

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

Business combinations

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

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

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

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

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

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

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

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

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

Changes in ownership interest not resulting in a change of control

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

Translation of the financial statements of foreign operations

The consolidated financial statements are presented in euros.

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

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

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

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

- non-monetary assets and liabilities are restated by applying a general price index;
- all local currency items in the income statement and statement of other comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements;
- the statement of financial position, income statement and statement of comprehensive income are translated into euros at the closing rate for the reporting period.

Translation of foreign currency transactions

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

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

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

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

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

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

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

- represents a separate major line of business or geographical area of operations; and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

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

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2020

The main transactions completed in 2020 are detailed in Note 2.2: acquisition of a number of French companies and banners (Potager City, Dejbox, Bioazur and Bio c' Bon), the Taiwanese company Wellcome and a number of Makro Atacadista stores and service stations in Brazil; disposal of Rue du Commerce and discontinuation of Carrefour Banque's C-Zam operations in France.

3.2.2 Changes in 2019

Sale of Carrefour China

On June 23, 2019, the Group announced that it had signed an agreement to sell an 80% equity interest in Carrefour China to Chinese group Suning.com. The sale took effect on September 26, 2019, following approval from the Chinese competition authorities.

With a presence in China dating back to 1995, the company Carrefour China operated a network of 210 hypermarkets and 24 convenience stores. In 2018, it generated net sales of 3.6 billion euros and EBITDA of 66 million euros.

The final sale price for the 80% interest in Carrefour China was 4.8 billion renminbi, corresponding to 615 million euros at September 26, 2019. A disposal gain of around 1.15 billion euros was recognised within net income from discontinued operations in 2019.

The agreement signed with Suning.com gives several liquidity windows for this residual 20% stake:

- during the 90 days following the second anniversary of the transaction date (September 26, 2019), the Group may exercise a put option to sell its residual 20% interest to Suning.com at a price equal to 20% of equity as calculated at the date of the sale of the 80% interest, i.e., 20% of 6 billion renminbi;
- at the end of this period and for a period of 90 days, Suning.com may exercise a call option to purchase the residual 20% interest held by Carrefour at a price equal to 20% of equity as calculated at the date of the sale of the 80% interest;

- during the three years following the third anniversary of the transaction date, Carrefour may exercise a put option to sell its residual 20% interest to Suning.com at market value;
- during the three years following the fourth anniversary of the transaction date, Suning.com may exercise a call option to purchase the residual 20% interest held by Carrefour at market value.

As the options exercisable from the second anniversary of the transaction have virtually the same characteristics and a fixed exercise price, it is considered virtually certain that they will be exercised and that consequently, the Group effectively sold its entire equity interest in Carrefour China on September 26, 2019. A financial receivable has therefore been recognised in this respect in the consolidated statement of financial position (within other non-current financial assets) for 1.2 billion renminbi. This asset was classified within current financial assets at December 31, 2020, in compliance with the first 90-day window within which the Group can exercise its option to sell its residual interest.

For more details on the impacts of this sale, see Note 5 to the 2019 consolidated financial statements.

Sale of Cargo Property Assets

During the spring of 2019, the Group began the process to sell its subsidiary Cargo Property Assets, which owns 22 distribution centres in France. A preliminary agreement to sell the subsidiary's entire share capital was signed on July 10, 2019 with Argan, a listed property company, and the sale took effect on October 15, 2019. The subsidiary's assets comprised property and equipment with a net carrying amount of 577 million euros at the effective date of the sale.

The sale price attributable to the Group amounted to 288 million euros (corresponding to 32%). The price was settled in cash for 231 million euros and in the acquirer’s listed shares for 57 million euros, representing around 5% of Argan’s capital following the transaction.

For accounting purposes, the disposal gain was adjusted for the impact of applying IFRS 16 to sale and leaseback transactions (all non-current assets have been re-leased by the Group). A post-IFRS 16 disposal gain was recognised in 2019 for approximately 45 million euros before tax within non-recurring operating income.

In early December 2019, the Group sold virtually all of its stake in Argan held through private placements with institutional investors for 80 million euros, resulting in an additional 24 million-euro gain included in finance costs and other financial income and expenses. Following this transaction, the Group held 0.2% of Argan’s share capital, which it sold in February 2020.

Acquisition of So.bio

On July 18, 2018, Carrefour announced that it had acquired So.bio, a chain of retail stores specialised in organic products (12 points of sale in France at end-2019). This acquisition was subject to approval by the relevant anti-trust authorities. On February 28, 2019, the transaction was approved by the anti-trust authorities.

In accordance with IFRS 3 – *Business Combinations*, the Group measured the assets acquired and liabilities assumed at the acquisition date. Based on these provisional measurements, provisional goodwill in the amount of 37 million euros was recognised in the consolidated statement of financial position at December 31, 2019 in respect of the So.bio acquisition, and this amount was retained as final goodwill.

3.3 Scope of consolidation at December 31, 2020

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

3.4 Net income/(loss) from discontinued operations

As a reminder, net income from discontinued operations in 2019 amounted to 1,092 million euros, corresponding mainly to the gain on the sale of Carrefour China to Chinese group Suning.com on September 26, 2019 (see Note 3.2). Net income from discontinued operations also included the net income of Carrefour China in the first nine months of 2019.

For more details, see Note 5 to the 2019 consolidated financial statements.

NOTE 4: RESTATEMENT OF THE 2019 CONSOLIDATED FINANCIAL STATEMENTS

Following the December 2019 publication of the IFRS IC decision clarifying the rules for determining the term of leases within the scope of IFRS 16 – *Leases*, the Group conducted analyses to measure the corresponding impacts and then implemented them in its financial and accounting systems during the second half of 2020.

These analyses also took into account the position statement published by the French accounting standards setter (*Autorité des normes comptables* – ANC) on July 3, 2020, which supersedes the previous statement dated February 16, 2018, to determine the IFRS 16 lease terms of "3/6/9"-type French commercial leases, notably those which have entered an automatic renewal period.

The application of the IFRS IC decision had the effect of extending the IFRS 16 lease term of certain leases, which led to an increase in the right-of-use assets and related lease commitments. The impacts of this change in accounting policy were recognised retrospectively with effect from the IFRS 16 transition date (i.e., January 1, 2019), and the 2019 consolidated financial statements were restated (see Notes 4.2 and 4.3).

4.1 IFRS 16 – *Leases* – Application of the IFRS IC decision published on December 16, 2019

On December 16, 2019, the IFRS IC published its decision in response to a request for clarification on the following matters:

- determination of the enforceable period of an automatically renewable lease, or of an indefinite-term lease, that may be terminated by one of the parties subject to a specified notice period. The issue to be clarified concerned the notion of penalties on which the definition of the enforceable period is based;
- the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16.

The IFRS IC:

- concluded that the economics of a lease (rather than just the legal form) should be taken into account to determine the enforceable period of a lease;
- provided clarification on the relationship between the lease term under IFRS 16 and the useful life of non-removable leasehold improvements.

Note that Carrefour did not apply this decision when preparing its 2019 consolidated financial statements or the 2020 condensed consolidated interim financial statements (see Note 4 to both these sets of financial statements).

The Group's analyses focused mainly on leases:

- that are automatically renewable or can be cancelled at any time;
- that concern underlying assets (stores, warehouses) such as non-removable leasehold improvements and installations whose residual net carrying amount at the end of the IFRS 16 lease term could represent a significant penalty (within the meaning of the IFRS IC's decision) for the Group. These cases could lead to an extension in the term of the corresponding leases under IFRS 16 and/or to an adjustment of the useful life of non-removable leasehold improvements and installations.

<u>Based on the analyses performed during 2020, the following rules have been established:</u>

- Confirmation of depreciation periods of non-removable leasehold improvements for all the underlying assets concerned.
- For the determination of reasonably certain periods of use under IFRS 16:
  - Application of a different approach taking into account the issues specific to each store format (convenience, hypermarket, supermarket, cash & carry) or warehouse format and the issues specific to each geographic area.
  - Consideration of the economic incentive notably associated with material non-removable leasehold improvements for leased supermarkets, hypermarkets and

cash & carry stores, which led to an increase in the IFRS 16 lease term for a certain number of leases.

- No change in IFRS 16 lease terms for other underlying assets (convenience stores, logistics warehouses and miscellaneous assets) due to the fact that existing leasehold improvements are not material.

In addition, and pursuant to the ANC position statement of July 3, 2020, the IFRS 16 lease terms of automatically renewable leases (which until now corresponded to their notice periods, i.e., generally six months) are now determined according to the same rules as for other types of leases, regardless of the format of the underlying asset (see above).

Due to the sale of Carrefour China in September 2019, the Chinese leases could not be submitted to further analysis. Accordingly, the IFRS 16 impacts on these leases have not been restated.

4.2 Opening statement of financial position at January 1, 2019 restated to reflect the IFRS IC decision on leases (IFRS 16)

i) Impacts recognised at January 1, 2019, date of the first-time application of IFRS 16

The Group has chosen to apply IFRS 16 using the simplified retrospective approach from January 1, 2019. Therefore, the 2018 financial statements have not been restated.

Taking into account the IFRS IC decision, the total impact of applying IFRS 16 represented 5.7 billion euros in the opening statement of financial position at January 1, 2019 (versus 5.0 billion euros as reported in the 2019 consolidated financial statements), including a negative 9 million euros in equity (unchanged versus the 2019 consolidated financial statements as reported).

The opening consolidated statement of financial position at January 1, 2019 has been restated as follows (taking in account the application of IFRS 16 and IFRIC 23):

ASSETS

(in millions of euros)	December 31, 2018	IFRS 16 first application impacts	IFRIC 23 first application impacts	January 1, 2019	IFRS 16 first application impacts (after IFRIC decision)	January 1, 2019 restated
Goodwill	7,983			7,983		7,983
Other intangible assets	1,461	(41)		1,420		1,420
Property and equipment	12,637	(367)		12,270		12,270
Investment property	389			389		389
Right-of-use Assets	-	5,244		5,244	692	5,936
Investments in companies accounted for by the equity method	1,374			1,374		1,374
Other non-current financial assets	1,275	191		1,466		1,466
Consumer credit granted by the financial services companies – portion more than one year	2,486			2,486		2,486
Deferred tax assets	723			723		723
Other non-current assets	379	(26)		353		353
Non-current assets	**28,709**	**5,000**	**-**	**33,709**	**692**	**34,401**
Inventories	6,135			6,135		6,135
Trade receivables	2,537			2,537		2,537
Consumer credit granted by the financial services companies – portion less than one year	3,722			3,722		3,722
Other current financial assets	190	42		232		232
Tax receivables	853			853		853
Other current assets	887	(17)		870	(6)	864
Cash and cash equivalents	4,300			4,300		4,300
Assets held for sale	46			46		46
Current assets	**18,670**	**25**	**-**	**18,694**	**(6)**	**18,688**
TOTAL ASSETS	**47,378**	**5,025**	**-**	**52,403**	**686**	**53,089**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	December 31, 2018	IFRS 16 first application impacts	IFRIC 23 first application impacts	January 1, 2019	IFRS 16 first application impacts (after IFRIC decision)	January 1, 2019 restated
Share capital	1,973			1,973		1,973
Consolidated reserves (including net income)	7,196	(9)		7,188		7,188
Shareholders' equity, Group share	**9,169**	**(9)**	**-**	**9,161**	**-**	**9,161**
Shareholders' equity attributable to non-controlling interests	2,117			2,117		2,117
Total shareholders' equity	**11,286**	**(9)**	**-**	**11,278**	**-**	**11,278**
Borrowings - portion more than one year	6,936	(230)		6,706		6,706
Lease commitments - portion more than one year	-	4,272		4,272	626	4,898
Provisions	3,521	54	(459)	3,116		3,116
Consumer credit financing – portion more than one year	1,932			1,932		1,932
Deferred tax liabilities	541			541		541
Tax payables - portion more than one year	-		382	382		382
Non-current liabilities	**12,930**	**4,096**	**(77)**	**16,949**	**626**	**17,575**
Borrowings - portion less than one year	1,339	(45)		1,294		1,294
Lease commitments - portion less than one year	-	984		984	60	1,045
Suppliers and other creditors	14,161	(2)		14,160		14,160
Consumer credit financing – portion less than one year	3,582			3,582		3,582
Tax payables - portion less than one year	1,142		77	1,219		1,219
Other current payables	2,938	(1)		2,937		2,937
Liabilities related to assets held for sale	-			-		-
Current liabilities	**23,162**	**937**	**77**	**24,176**	**60**	**24,237**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,378**	**5,025**	**-**	**52,403**	**686**	**53,089**

At January 1, 2019, the amount of lease commitments represents the present value of lease payments due over the reasonably certain term of the lease.

The amount of right-of-use assets represents the amount of lease commitments, adjusted where necessary for leasehold rights and for any prepaid lease payments or lease incentives receivable from the lessor and recognised at December 31, 2018. This figure also includes a provision for dismantling where applicable. Right-of-use assets are adjusted for any onerous leases.

The discount rate used at January 1, 2019 is the incremental borrowing rate (the weighted average incremental borrowing rate at January 1, 2019 is 4.58% at the consolidated level and 3.40% excluding Carrefour China) as calculated over the initial term of each lease. This was calculated for each country using a risk-free yield curve and a spread (the same spread is used for all subsidiaries in a given country).

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 and storage contracts with a lease component.

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 non-removable assets for certain store formats (see Note 4.1) and the existence of significant termination penalties in the case of integrated or franchised stores.
- a portfolio approach for leased vehicles with similar characteristics and periods of use. Four portfolios have been identified, corresponding to company cars, cars and vans for rental to customers, trucks and light commercial vehicles.

Reconciliation of off-balance sheet commitments at December 31, 2018 with IFRS 16 lease commitments at January 1, 2019 (restated):

(in millions of euros)	
Operating leases commitments as a lessee at December 31, 2018	**3,569**
Contracts not accounted for in accordance with IFRS 16 exemptions	(95)
Differences in duration determined under IFRS 16 related to termination and extension options which are reasonably certain	3,410
Non discounted leases commitments under IFRS 16 at January 1, 2019 restated	**6,884**
Discount impact	(1,216)
Discounted leases commitments under IFRS 16 at January 1, 2019 restated	**5,668**
Finance leases liability under IAS 17 at December 31, 2018	275
Total lease commitments at January 1, 2019 restated	**5,943**
including leases commitments - Portion less than one year	*1,045*
including leases commitments - Portion more than one year	*4,898*

Applying IFRS 16 also impacts the following items in the consolidated financial statements:

- at the transition date, right-of-use assets and lease commitments relating to leases previously classified as finance leases under IAS 17 are written back at their carrying amount immediately before the date of first-time application. Right-of-use assets relating to leases previously classified as finance leases represent 367 million euros, while finance lease liabilities represent 275 million euros;
- leasehold rights are now included as part of the initial measurement of the right-of-use assets. Reclassifications were made in the opening statement of financial position in this respect for 41 million euros;
- prepaid lease payments and lease incentives to be recognised over the lease term, which were initially shown in other assets and other liabilities, are now included in right-of-use assets;
- right-of-use assets have been derecognised and financial receivables recognised in respect of finance sub-leasing arrangements granted over the residual period of the leases concerned. Recognition of these receivables had a negative impact of 9 million euros on opening equity.

At January 1, 2019 (restated), right-of-use assets relate to the following asset categories:

(in millions of euros)	**Right of Use Assets**
Land & Buildings	5,663
Equipment, fixtures and fittings	116
Investment property	158
Total	5,936

ii) Impact on segment information

At January 1, 2019 (restated), segment assets and liabilities increased following the application of IFRS 16:

(in millions of euros)	**Group**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Right-of-use assets	**5,936**	1,746	2,344	360	1,251	235
Lease commitments	**5,943**	1,730	2,525	360	1,100	228

iii) Practical expedients adopted by the Group at January 1, 2019

The Group applied the following practical expedients upon the first-time application of IFRS 16:

- use of a single discount rate for a portfolio of leases with reasonably similar characteristics. This approach was applied to vehicle fleets;
- use of its assessment of whether leases are onerous by applying IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of first-time application as an alternative to testing right-of-use assets for impairment at January 1, 2019. Right-of-use assets were adjusted by the amount recognised in respect of any provisions for onerous leases (leases at above-market rates) immediately before the date of first-time application;
- exclusion of initial direct costs from the measurement of right-of-use assets at the date of first-time application;
- use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The Group also chose not to review contracts to determine whether or not they contained a lease at the transition date. Accordingly, contracts not identified as leases under IAS 17 and IFRIC 4 before the date of first-time application were not reviewed. This practical expedient applies to all contracts entered into before January 1, 2019.

4.3 2019 consolidated financial statements restated to reflect the IFRS IC decision on leases (IFRS 16)

The IFRS 16 accounting principles applied to the consolidated financial statements as from January 1, 2019 are described in Note 8.

i) Consolidated income statement for 2019 (restated)

(in millions of euros)	**2019 published**	**2019 restated**	**Change**
Net sales	72,397	72,397	-
Loyalty program costs	(746)	(746)	-
Net sales net of loyalty program costs	**71,651**	**71,651**	**-**
Other revenue	2,491	2,491	-
Total revenue	**74,142**	**74,142**	**-**
Cost of sales	(58,054)	(58,051)	3
Gross margin from recurring operations	**16,088**	**16,091**	**3**
Sales, general and administrative expenses, depreciation and amortisation	(13,999)	(13,992)	7
Recurring operating income	**2,088**	**2,099**	**11**
Net income/(loss) from equity-accounted companies	2	2	-
Recurring operating income after net income from equity-accounted companies	**2,090**	**2,101**	**11**
Non-recurring income and expenses, net	(1,030)	(1,030)	-
Operating income	**1,060**	**1,071**	**11**
Finance costs and other financial income and expenses, net	(338)	(352)	(14)
Finance costs, net	*(214)*	*(214)*	-
Net interests related to leases commitment	*(107)*	*(121)*	*(14)*
Other financial income and expenses, net	*(17)*	*(17)*	-
Income before taxes	**722**	**719**	**(4)**
Income tax expense	(504)	(503)	1
Net income/(loss) from continuing operations	**219**	**216**	**(3)**
Net income/(loss) from discontinued operations	1,092	1,092	-
Net income/(loss) for the year	**1,311**	**1,308**	**(3)**
Group share	**1,129**	**1,126**	**(3)**
of which net income/(loss) from continuing operations	*32*	*29*	(3)
of which net income/(loss) from discontinued operations	*1,097*	*1,097*	-
Attributable to non-controlling interests	**182**	**182**	**-**
of which net income/(loss) from continuing operations - attributable to non-controlling interests	*187*	*187*	-
of which net income/(loss) from discontinued operations - attributable to non-controlling interests	*(5)*	*(5)*	-

ii) Consolidated statement of financial position at December 31, 2019 (restated)

ASSETS

(in millions of euros)	December 31, 2019 published	December 31, 2019 restated	Change
Goodwill	7 976	7 976	-
Other intangible assets	1 452	1 452	-
Property and equipment	11 370	11 370	-
Investment property	312	312	-
Right-of-use assets	4 388	5 050	661
Investments in companies accounted for by the equity method	1 246	1 246	-
Other non-current financial assets	1 507	1 507	-
Consumer credit granted by the financial services companies – portion more than on	2 283	2 283	-
Deferred tax assets	823	824	1
Other non-current assets	569	569	-
Non-current assets	**31 927**	**32 590**	**662**
Inventories	5 867	5 867	-
Trade receivables	2 669	2 669	-
Consumer credit granted by the financial services companies – portion less than one	4 007	4 007	-
Other current financial assets	252	252	-
Tax receivables	838	838	-
Other current assets	738	738	-
Cash and cash equivalents	4 466	4 466	-
Assets held for sale	37	37	-
Current assets	**18 875**	**18 875**	**-**
TOTAL ASSETS	**50 802**	**51 464**	**662**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	December 31, 2019 published	December 31, 2019 restated	Change
Share capital	2 018	2 018	-
Consolidated reserves (including net income)	7 921	7 919	(3)
Shareholders' equity, Group share	**9 940**	**9 937**	**(3)**
Shareholders' equity attributable to non-controlling interests	1 736	1 736	-
Total shareholders' equity	**11 675**	**11 673**	**(3)**
Borrowings - portion more than one year	6 303	6 303	-
Lease commitments - portion more than one year	3 660	4 297	637
Provisions	3 297	3 297	-
Consumer credit financing – portion more than one year	1 817	1 817	-
Deferred tax liabilities	655	655	-
Tax payables - portion more than one year	335	335	-
Non-current liabilities	**16 066**	**16 703**	**637**
Borrowings - portion less than one year	997	997	-
Lease commitments - portion less than one year	912	941	28
Suppliers and other creditors	13 646	13 646	-
Consumer credit financing – portion less than one year	3 712	3 712	-
Tax payables - portion less than one year	1 095	1 095	-
Other current payables	2 649	2 649	-
Liabilities related to assets held for sale	49	49	-
Current liabilities	**23 061**	**23 089**	**28**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**50 802**	**51 464**	**662**

iii) Consolidated statement of cash flows for 2019 (restated)

(in millions of euros)	December 31, 2019 published	December 31, 2019 restated	Change
INCOME BEFORE TAXES	**722**	**719**	**(4)**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income tax	(499)	(499)	-
Depreciation and amortisation expense	2,328	2,318	(11)
Gains and losses on sales of assets	26	26	-
Change in provisions and impairment	287	287	-
Finance costs, net	214	214	-
Net interests related to leases	107	121	14
Net income and dividends received from equity-accounted companies	101	101	-
Impact of discontinued operations	114	114	-
Cash flow from operations	**3,400**	**3,400**	**-**
Change in working capital requirement	56	56	-
Impact of discontinued operations	(5)	(5)	-
Net cash (used in)/from operating activities (excluding financial services companies)	**3,452**	**3,452**	**-**
Change in consumer credit granted by the financial services companies	(205)	(205)	-
Net cash (used in)/from operating activities - total	**3,247**	**3,247**	**-**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment and intangible assets	(1,725)	(1,725)	-
Acquisitions of non-current financial assets	(24)	(24)	-
Acquisitions of subsidiaries and investments in associates	(86)	(86)	-
Proceeds from the disposal of subsidiaries and investments in associates	338	338	-
Proceeds from the disposal of property and equipment and intangible assets	347	347	-
Proceeds from the disposal of non-current financial assets	103	103	-
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	84	84	-
Investments net of disposals - subtotal	**(964)**	**(964)**	**-**
Other cash flows from investing activities	(30)	(30)	-
Impact of discontinued operations	(20)	(20)	-
Net cash (used in)/from investing activities - total	**(1,013)**	**(1,013)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues to non-controlling interests	75	75	-
Dividends paid by Carrefour (parent company)	(106)	(106)	-
Dividends paid by consolidated companies to non-controlling interests	(116)	(116)	-
Change in treasury stock and other equity instruments	0	0	-
Change in current financial assets	(2)	(2)	-
Issuance of bonds	930	930	-
Repayments of bonds	(1,530)	(1,530)	-
Net financial interests paid	(236)	(236)	-
Other changes in borrowings	131	131	-
Payments related to leases (principal)	(905)	(892)	13
Net interests related to leases	(98)	(111)	(13)
Impact of discontinued operations	(128)	(128)	-
Net cash (used in)/from financing activities - total	**(1,987)**	**(1,987)**	**-**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**247**	**247**	**-**
Effect of changes in exchange rates	(81)	(81)	-
Net change in cash and cash equivalents	**166**	**166**	**-**
Cash and cash equivalents at beginning of year	**4,300**	**4,300**	**-**
Cash and cash equivalents at end of year	**4,466**	**4,466**	**-**

NOTE 5: SEGMENT INFORMATION

Accounting principles

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

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

- France;
- Rest of Europe: Spain, Italy, Belgium, Poland and Romania;
- Latin America: Brazil and Argentina;
- Asia: Taiwan (Carrefour China was sold in September 2019 and is shown in discontinued operations in 2019).

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

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

2019 restated *(in millions of euros)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	72,397	34,765	20,999	14,665	1,968	-
Other revenue	2,491	824	667	855	84	61
Recurring operating income before depreciation and amortisation (3)	**4,417**	**1,551**	**1,537**	**1,114**	**209**	**5**
Recurring operating income	**2,099**	**555**	**659**	**833**	**83**	**(32)**
Capital expenditure	1,725	875	366	420	47	17
Depreciation and amortisation expense (2) (3)	(2,318)	(996)	(878)	(281)	(126)	(37)

(1) In 2020, investments in property and equipment and intangible assets notably included the acquisition of 16 Makro Atacadista stores on a full ownership basis (see Note 2.2.a).

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

(3) The head office lease in Massy was transferred in January 2020 from Carrefour SA (Global Functions segment) to an entity in the France segment. In 2019, the Global Functions' recurring operating income before depreciation and amortisation, and depreciation and amortisation expense included respectively income and expense of 19 million euros. In 2019, the recurring operating income before depreciation and amortisation of the France segment included a 19-million-euro expense. In 2020, the depreciation and amortisation expense is disclosed in the France segment. The transfer has no impact on the recurring operating income of either segment in 2020.

5.2 Segment assets and liabilities

December 31, 2020 *(in millions of euros)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
ASSETS						
Goodwill	8,034	5,149	2,388	319	176	1
Other intangible assets	1,325	615	551	130	23	6
Property and equipment	10,505	4,741	3,038	2,376	348	2
Investment property	259	11	119	80	50	-
Right-of-use Assets (1)	4,506	1,865	1,982	324	330	5
Other segment assets	14,964	7,360	3,105	3,913	206	379
Total segment assets	**39,593**	**19,742**	**11,183**	**7,142**	**1,133**	**393**
Unallocated assets	7,995					
TOTAL ASSETS	**47,588**					
LIABILITIES (excluding equity)						
Segment liabilities (1)	**25,512**	**12,034**	**7,672**	**4,604**	**888**	**315**
Unallocated liabilities	10,779					
TOTAL LIABILITIES	**36,291**					

December 31, 2019 restated *(in millions of euros)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
ASSETS						
Goodwill	7,976	4,955	2,507	450	63	1
Other intangible assets	1,452	646	551	172	20	64
Property and equipment	11,370	4,908	3,281	2,806	373	2
Investment property	312	11	139	110	52	-
Right-of-use Assets (1)	5,050	1,883	2,153	382	419	213
Other segment assets	16,971	8,328	3,216	4,638	270	519
Total segment assets	**43,132**	**20,730**	**11,847**	**8,558**	**1,197**	**800**
Unallocated assets	8,333					
TOTAL ASSETS	**51,464**					
LIABILITIES (excluding equity)						
Segment liabilities (1)	**28,156**	**13,077**	**7,975**	**5,534**	**1,040**	**531**
Unallocated liabilities	11,635					
TOTAL LIABILITIES	**39,792**					

(1) The Massy lease was transferred in January 2020 from Carrefour SA (Global Functions segment) to Carrefour Administratif France (France segment). This transfer resulted in the reclassification of the right-of-use asset and the related lease commitment for an amount of approximately 205 million euros.

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, commission on e-commerce sales made on behalf of third parties (marketplaces), shopping mall rental income and franchise fees (mainly in the form of royalties).

(i) Recognition of net sales and other revenue

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

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

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

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

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

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

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

(ii) Accounting treatment of customer loyalty programmes

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

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

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

6.1.1 Net sales

(in millions of euros)	2020	2019	% change
Net sales	70,719	72,397	(2.3)%

At constant exchange rates, 2020 net sales amounted to 75,495 million euros versus 72,397 million euros in 2019, an increase of 4.3%. Changes in exchange rates reduced net sales by 4.8 billion euros in 2020, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for 2020 increased by 4.5% at constant exchange rates.

Net sales by country(1)

(in millions of euros)	2020	2019
France	**34,135**	**34,765**
Rest of Europe	**21,239**	**20,999**
Spain	9,058	8,799
Italy	4,172	4,516
Belgium	4,124	3,797
Poland	1,820	1,895
Romania	2,065	1,992
Latin America	**13,245**	**14,665**
Brazil	11,506	12,793
Argentina	1,739	1,872
Asia	**2,100**	**1,968**
Taiwan	2,100	1,968

(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)	2020	2019	% change
Financing fees and commissions (1)	1,196	1,488	(19.6)%
Franchise and business lease fees	329	280	17.6%
Rental revenue	158	190	(17.1)%
Revenue from sub-leases	38	36	4.2%
Property development revenue (2)	21	24	(12.2)%
Other revenue (3)	441	473	(6.8)%
Total Other Revenue	**2,183**	**2,491**	**(12.4)%**

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

(2) Corresponding to the sale price of properties developed by the Group for resale. Taking into account development costs recorded in "Cost of sales", the property development margin amounts to 1 million euros in 2020 and 19 million euros in 2019.

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

Other income recorded for 2020 was impacted by the health crisis from March 2020 onwards (see Note 2.1).

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 inventory (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs (primarily the cost of products sold by the financial services companies and the production costs of the property development business).

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

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

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

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

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

(in millions of euros)	2020	2019 restated	% change
Sales, general and administrative expenses	(11,233)	(11,906)	(5.7) %
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(1,319)	(1,361)	(3.1) %
Amortisation of right-of-use assets	(721)	(725)	(0.7) %
Total SG&A expenses and depreciation and amortisation	**(13,272)**	**(13,992)**	**(5.1) %**

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in millions of euros)	2020	2019	% change
Employee benefits expense	(7,262)	(7,547)	(3.8) %
Fees	(765)	(863)	(11.3) %
Maintenance and repair costs	(727)	(713)	2.0%
Advertising expense	(611)	(791)	(22.8) %
Taxes other than on income	(489)	(505)	(3.3) %
Energy and electricity	(484)	(531)	(8.9) %
Property rentals (1)	(54)	(59)	(8.7) %
Other SG&A expenses	(840)	(896)	(6.2) %
Total SG&A expenses	**(11,233)**	**(11,906)**	**(5.7) %**

(1) In 2019 and 2020, lease expenses under property leases do not include lease expenses under contracts accounted for in accordance with IFRS 16 (see Note 4), which would have amounted to 826 million euros in 2019 and 824 million euros in 2020 had IFRS 16 not been applied from January 1, 2019.

Depreciation and amortisation

Including supply chain depreciation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 2,292 million euros in 2020 (versus 2,318 million euros in 2019 as restated), as follows:

(in millions of euros)	2020	2019 restated	% change
Property and equipment	(1,053)	(1,123)	(6.2) %
Intangible assets	(252)	(223)	12.8%
Investment property	(13)	(15)	(7.6) %
Depreciation and amortisation of property and equipment, intangible assets, and investment property	**(1,319)**	**(1,361)**	**(3.1) %**
Depreciation of right-of-use asset - Property and equipment and investment properties (2)	**(721)**	**(725)**	**(0.7) %**
Depreciation and amortisation of supply chain	**(55)**	**(54)**	**2.0%**
Depreciation of right-of-use asset - Suppy chain (2)	**(197)**	**(178)**	**11.0%**
Total Depreciation and amortisation	**(2,292)**	**(2,318)**	**(1.1) %**

(2) Since 2019, right-of-use assets under leases have been accounted for in accordance with IFRS 16. These right-of-use assets are depreciated over the reasonably certain period of use for the asset (see Note 4).

6.3 Non-recurring income and expenses

Accounting principles

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

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

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

Non-recurring items represented a net expense of 474 million euros in 2020 and broke down as follows:

(in millions of euros)	2020	2019
Net gains on sales of assets	19	28
Restructuring costs	(93)	(549)
Other non-recurring income and expenses	(105)	(308)
Non-recurring income and expenses, net before asset impairments and write-offs	**(179)**	**(830)**
Asset impairments and write-offs	(295)	(200)
of which Impairments and write-offs of goodwill	*(104)*	*(1)*
of which Impairments and write-offs of property and equipment, intangible assets and others	*(192)*	*(200)*
Non-recurring income and expenses, net	**(474)**	**(1,030)**
of which:		
Non-recurring income	*279*	*343*
Non-recurring expense	*(753)*	*(1,373)*

Gains and losses on disposal of assets

Gains and losses on disposals of assets include the loss incurred on the sale of Rue du Commerce, which was completed on April 30, 2020 (see Note 2.2.d). The loss was more than offset by the gains recorded on the sale of store assets or businesses in France, Italy and Belgium.

Restructuring costs

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

Other non-recurring items

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

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

In Brazil, provision reversals on "basic products" (see below "main non-recurring items in 2019") were recognised for around 65 million euros in 2020 (net of costs) following expiry of the limitation period for tax claims or further relief under tax amnesty programmes introduced by certain Brazilian states.

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

Asset impairments and write-offs

At December 31, 2020, an impairment loss of 104 million euros was recognised on goodwill in Italy (Note 7.3).

In 2020, impairment losses of 150 million euros were recognised against non-current assets other than goodwill to take account of the difficulties experienced by certain stores, notably in Italy and France (mainly hypermarkets and Promocash stores) in line with the accounting principles explained in Note 7.3.

In addition, 65 million euros' worth of assets were retired during the year, mainly in France (store assets), Brazil (former IT E-Commerce platform) and Spain (certain software applications in particular). Assets were also retired at Carrefour Banque following the discontinuation of the C-zam business (see Note 2.2.e).

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

<u>Main non-recurring items in 2019</u>

Excluding the sale of assets owned by Cargo Property Assets in October 2019, resulting in a post IFRS 16 gain of around 45 million euros (see Note 3.2), gains and losses on disposal of assets in 2019 corresponded to various sales of assets, mainly in France and Italy.

Restructuring costs in 2019 mainly included employee severance costs incurred in connection with the hypermarket transformation plan in France (mutually agreed termination) as well as the measures implemented in Italy.

Other non-recurring income and expenses recorded in 2019 concerned Brazil and France.

In Brazil, other non-recurring income and expenses resulted primarily from the following two rulings:

- in May 2019, the Brazilian Supreme Court handed down an unfavourable decision to adjust its ruling on inter-state transfers of ICMS tax credits relating to “basic products”. As a result of this decision, a provision (including interest and penalties) was recognised in the consolidated financial statements against the related non-recurring expenses in order to cover current tax disputes as well as possible new ones arising from years still potentially subject to tax audits;
- in June 2019, following a favourable and final ruling, PIS-COFINS tax credits from prior years were recognised against the related non-recurring income.

In France, changes in estimates used to calculate the cost of risk associated with Carrefour Banque in 2019 led to an overall increase in provisions recognised at December 31 in respect of certain categories of consumer credit, in particular over-indebted customers whose debt rescheduling arrangements were approved by debt commissions in prior years. This increase notably reflected experience acquired in 2019 with the adverse impact of recent regulatory changes on this type of customer.

In 2019, impairment losses against non-current assets other than goodwill amounted to 36 million euros and mainly concerned stores in Italy and France. In addition, 77 million euros’ worth of software and other assets were retired during the year.

In addition, Rue du Commerce non-current assets were written down in full at December 31, 2019 (see Note 2.2.d). Lastly, shares in Showroomprivé were written down by 47 million euros in 2019 to bring them into line with the stock market share price at December 31, 2019 (see Note 9.2).

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)	**2020**	**2019**	**Change**
Change in inventories	79	(313)	392
Change in trade receivables	(6)	(122)	116
Change in trade payables	(66)	913	(979)
Change in loyalty program liabilities	6	32	(26)
Change in trade working capital requirement	**13**	**510**	**(497)**
Change in other receivables and payables	3	(454)	456
Change in working capital requirement	**15**	**56**	**(41)**

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

6.4.2 Inventories

Accounting principles

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

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

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

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Inventories at cost	5,496	6,052
Impairment	(169)	(184)
Inventories, net	**5,326**	**5,867**

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

6.4.3 Trade receivables

Accounting principles

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

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

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

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Receivables from clients	1,697	1,750
Impairment	(174)	(175)
Receivables from clients, net	**1,523**	**1,575**
Receivables from suppliers	1,003	1,094
Total Trade receivables	**2,526**	**2,669**

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 are set up by the Group to 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, 2020 included reverse factored payables for a total of 2.0 billion euros (versus 2.1 billion euros at December 31, 2019).

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

Tax receivables

(in millions of euros)	December 31, 2020	December 31, 2019
VAT and sales tax receivables	474	561
Other tax (other than on income) receivables	49	55
Current tax receivables	84	222
Total Tax receivables	**608**	**838**

Tax payables

(in millions of euros)	December 31, 2020	December 31, 2019
VAT and sales tax payables	338	262
Other tax (other than on income) payables	524	653
Current tax payables	177	180
Total Tax payables - portion due in less than one year	**1,039**	**1,095**
Total Tax payables - portion due in more than one year	**214**	**335**

6.4.6 Other assets and payables

Break down of other assets

(in millions of euros)	December 31, 2020	December 31, 2019
Prepaid expenses	304	299
Proceeds receivable from disposals of non-current assets	19	13
Employee advances	18	18
Other operating receivables, net	448	408
Total Other current assets	**788**	**738**
Prepaid expenses – portion due in more than one year	1	2
Tax receivables – portion due in more than one year (1)	489	567
Total Other non-current assets	**490**	**569**

(1) These correspond to tax credits expected to be collected in over 12 months. At December 31, 2020, the total amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 719 million euros (891 million euros at December 31, 2019). This amount has been written down by 246 million euros (resulting in a net receivable of 473 million euros versus 503 million euros at December 31, 2019) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. In the income statement, the total amount of the Brazilian ICMS tax credits for the year are recorded in recurring operating income and those for prior years are recorded in non-recurring income.

Break down of other current payables

(in millions of euros)	December 31, 2020	December 31, 2019
Accrued employee benefits expense	1,532	1,518
Payables to suppliers of non-current assets	524	621
Deferred revenue	93	93
Other payables	468	416
Total Other current payables	**2,617**	**2,649**

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", as appropriate;
- 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", as appropriate;
- the other assets and liabilities (property and equipment, intangible assets, cash and cash equivalents, tax and employee-related payables, etc.) are presented on the corresponding lines of the statement of financial position;
- net revenues from banking activities are reported in the income statement under "Other revenue";
- the change in the banking and insurance activities' working capital 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, 2020, consumer credit granted by the financial services companies totalled 5,227 million euros (compared with 6,290 million euros as of December 31, 2019), as follows:

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Payment card receivables	4,350	5,129
Loans	1,789	2,050
Consumer credit (on purchases made in Carrefour stores)	73	86
Other financing (1)	233	364
Impairment	(1,219)	(1,339)
Total Consumer credit granted by the financial services companies	**5,227**	**6,290**
Portion due in less than one year	*3,295*	*4,007*
Portion due in more than one year	*1,933*	*2,283*

(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 financial services companies granted repayment holidays to their customers in line with the measures announced by local authorities to help consumers during the Covid-19 crisis, or according to the terms of the contracts. The repayment holidays have not affected the existing classification of the customer loans concerned and had no impact on the calculation of expected credit losses at December 31, 2020.

The significant reduction in consumer credit compared with December 31, 2019 reflects the sharp decline in credit financing in 2020 (especially in the second quarter), related to weaker consumption (outside Carrefour stores) and to lockdown periods in various countries. The reduction was amplified by the depreciation of the Brazilian real over the period.

The credit risk associated with past-due repayments was assessed in light of the unusual situation created by the health crisis and the government support measures implemented in some of the Group's regions. The increase in the average impairment rate for consumer credit in 2020 primarily affected Brazil and Spain, and to a lesser extent, France, and was partially offset by the sale of category 3 loans in the second half of 2020 in Brazil and Spain.

Lastly, credit commitments given to customers by the Group's financial services companies (off-balance sheet commitments) were limited in 2020, in line with local regulations, particularly in Spain (see Note 15).

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.

As of December 31, 2020, 66% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 14% in category 2 and 20% in category 3. At December 31, 2019, categories 1, 2 and 3 represented 66%, 17% 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 4,574 million euros at December 31, 2020 (December 31, 2019: 5,529 million euros), as follows:

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Bonds and notes (1)	1,298	1,859
Debt securities (Neu CP and Neu MTN) (2)	1,042	1,138
Bank borrowings	516	487
Customer passbook savings deposits	323	387
Securitisations (3)	369	368
Other refinancing debt to financial institutions	1,020	1,269
Other	5	20
Total Consumer credit financing	**4,574**	**5,529**
Portion due in less than one year	*3,067*	*3,712*
Portion due in more than one year	*1,506*	*1,817*

(1) In March 2020, Carrefour Banque redeemed 500 million euros worth of bonds.

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

(3) This item corresponds to the "Master Credit Cards Pass" reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an asset pool: 560 million euros. Proceeds from the securitisation amounted to 400 million euros. The 300 million euros remaining at December 31, 2018 was repaid over first-half 2019. As a replacement for these securities, Carrefour Banque issued a new series of securities in October 2019 for 370 million euros, maturing in June 2022.

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

7.1 Intangible assets

Accounting principles

Goodwill

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

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

Other intangible assets

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

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

Software is amortised by the straight-line method over periods ranging from one to eight years.

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, 2020	December 31, 2019
Goodwill	8,034	7,976
Other intangible assets	1,325	1,452
Intangible assets	**9,358**	**9,429**

7.1.1 Goodwill

The carrying amount of goodwill is generally 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 total carrying amount of goodwill as of December 31, 2020 was very close to the year-earlier amount (58 million euros higher). Goodwill recognised on acquisitions carried out in 2020 (Dejbox, Potager City, Bio c' Bon and Wellcome) was offset by unfavourable foreign exchange impacts on goodwill (especially in Brazil) and the partial impairment of Italian goodwill.

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

The total carrying amount of goodwill at December 31, 2019 had remained fairly stable, with goodwill recognised on acquisitions carried out in France offset by the sale of Carrefour China and by negative translation adjustments on goodwill recognised in Brazil and Argentina.

(in millions of euros)	**Net goodwill at December 31, 2018**	**Acquisitions**	**Disposals (1)**	**Impairment**	**Other movements**	**Translation adjustment**	**Net goodwill at December 31, 2019**
France	4,901	50	-	-	4	-	4,955
Belgium	956	-	-	-	-	-	956
Spain	952	-	-	-	-	-	952
Brazil	446	-	-	-	(0)	(9)	437
Italy	251	-	-	(1)	(0)	-	250
Poland	244	-	-	-	-	3	247
Romania	105	-	-	-	-	(3)	103
Taiwan	61	-	-	-	-	2	63
China	46	-	(46)	-	-	-	-
Argentina	20	-	-	-	-	(7)	13
Global Functions	1	-	-	-	-	-	1
Total	**7,983**	**50**	**(46)**	**(1)**	**4**	**(14)**	**7,976**

(1) The negative balance of 46 million euros reflected the derecognition of goodwill recorded by Carrefour China following its September 2019 sale.

7.1.2 Other intangible assets

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Other intangible assets, at cost	3,611	3,640
Amortisation	(2,419)	(2,317)
Impairment	(68)	(72)
Intangible assets in progress	200	202
Other intangible assets, net	**1,325**	**1,452**

Changes in other intangible assets

(in millions of euros)	**Gross carrying amount**	**Amortisation and impairment**	**Net carrying amount**
At December 31, 2018	**3,707**	**(2,246)**	**1,461**
IFRS 16 first application adjustments (1)	(47)	6	(41)
At January 1, 2019	**3,660**	**(2,240)**	**1,420**
Disposal of Carrefour China (2)	(37)	17	(20)
Acquisitions	371	-	371
Other disposals	(73)	26	(46)
Amortisation	-	(223)	(223)
Impairment	-	1	1
Translation adjustment	(22)	12	(10)
Changes in scope of consolidation, transfers and other movements	(57)	17	(40)
At December 31, 2019	**3,842**	**(2,389)**	**1,452**
Acquisitions	287	-	287
Disposals	(120)	72	(48)
Amortisation	-	(252)	(252)
Impairment	-	(21)	(21)
Translation adjustment	(139)	85	(54)
Changes in scope of consolidation, transfers and other movements (3)	(58)	18	(41)
At December 31, 2020	**3,812**	**(2,487)**	**1,325**

(1) Leasehold rights, included within other intangible assets up to December 31, 2018, are now included as part of the initial measurement of right-of-use assets. These items were reclassified accordingly in the opening statement of financial position at January 1, 2019 for a net amount of 41 million euros (see Note 4).

(2) The amounts reported on this line related to other intangible assets owned by Carrefour China (classified in discontinued operations in 2019 – see Note 3.2) at January 1, 2019. Accordingly, other changes shown in this table for 2019 did not include amounts relating to Carrefour China in the period.

(3) This item primarily reflects the reclassification within assets held for sale of Market Pay intangible assets (see Note 2.2.f).

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.

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, or each significant part of an item of property or 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*.

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

(in millions of euros)	December 31, 2019			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	2,688	(55)	(71)	2,562
Buildings	10,891	(5,790)	(208)	4,893
Equipment, fixtures and fittings	14,934	(11,513)	(245)	3,176
Other fixed assets	415	(295)	(3)	117
Assets under construction	623	-	-	623
Total property and equipment	**29,550**	**(17,653)**	**(527)**	**11,370**

Changes in property and equipment

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2018	**31,971**	**(19,334)**	**12,637**
IFRS 16 first application adjustments (1)	(723)	356	(367)
At January 1, 2019	**31,248**	**(18,977)**	**12,270**
Disposal of Carrefour China (2)	(1,672)	1,359	(313)
Acquisitions	1,346	-	1,346
Other disposals (3)	(1,270)	609	(661)
Depreciation	-	(1,177)	(1,177)
Impairment	-	(46)	(46)
Translation adjustment	(337)	179	(157)
Changes in scope of consolidation, transfers and other movements (4)	236	(126)	110
At December 31, 2019	**29,550**	**(18,180)**	**11,370**
Acquisitions (5)	1,202	-	1,202
Disposals	(608)	517	(91)
Depreciation	-	(1,109)	(1,109)
Impairment	-	(124)	(124)
Translation adjustment (6)	(1,570)	680	(890)
Changes in scope of consolidation, transfers and other movements (4)	266	(119)	147
At December 31, 2020	**28,840**	**(18,335)**	**10,505**

(1) Property and equipment, net, decreased from 12,637 million euros at December 31, 2018 to 12,270 million euros at January 1, 2019 following the reclassification of 367 million euros in fixed assets held under finance leases in accordance with IAS 17 in right-of-use assets recognised pursuant to IFRS 16 (see Note 4).

(2) The amounts reported on this line reflected property and equipment owned by Carrefour China (classified as discontinued operations in 2019 – see Note 3.2). Accordingly, other changes shown in this table for 2019 did not include amounts relating to Carrefour China in the period.

(3) Other disposals primarily included property and equipment owned by Cargo Property Assets at the time it was removed from the scope of consolidation (see Note 3.2), representing a gross amount of 653 million euros and a net amount of 577 million euros.

(4) In 2019 and 2020, this item corresponds mainly to the hyperinflation effect applied to property and equipment held in Argentina, in accordance with IAS 29. In 2020, this item also reflects the reclassification of depreciation charged against leased land to depreciation of the corresponding right-of-use assets.

(5) Acquisitions in 2020 included the purchase of 16 Makro Atacadista stores on a full-ownership basis (including the land) in Brazil (see Note 2.2.a).

(6) Translation adjustments mainly correspond to the depreciation of the Brazilian real during 2020.

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 Group – the test is performed at least once a year.

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

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

Impairment of assets other than goodwill

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

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount. All stores that report a recurring operating loss before depreciation and amortisation in two consecutive years (after the start-up period) are tested.

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

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

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

Goodwill impairment

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

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

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

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, with a terminal value calculated by projecting data for the final year at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows used in the impairment tests carried out in 2020 were estimated based on the financial trajectories defined by the Executive Management teams at country level and approved by the Group's Executive Management.

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

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

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

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

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

7.3.1 Impairment of goodwill and sensitivity analysis

Based on the impairment tests carried out in 2020, the Group recognised a 104 million-euro impairment loss against Italian goodwill. No impairment losses were recognised in 2019.

7.3.1.1 Countries for which impairment was recognised against goodwill in 2020

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.

The multi-criteria approach was also used to test Italian goodwill for impairment at December 31, 2020 (as at December 31, 2018 and 2019). Using this approach, it was determined that the value in use of Carrefour's Italian operations was lower than at December 31, 2019. The decrease reflects a lower level of net sales, 2020 results and property market value than in the previous year. The resulting fair value represented Executive Management's best estimate and led to the partial impairment of Italian goodwill in an amount of 104 million euros. Further to this impairment loss, the net amount of Italian goodwill at December 31, 2020 stood at 149 million euros.

7.3.1.2 Other countries

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

7.3.1.3 Main financial assumptions used to estimate value in use

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) by country, applied for impairment testing purposes in 2020 and 2019, are presented below:

	2020		2019	
Country	**After-tax discount rate**	**Perpetual growth rate**	**After-tax discount rate**	**Perpetual growth rate**
France	5.5%	1.6%	5.6%	1.7%
Spain	6.2%	1.7%	6.2%	1.8%
Italy	7.4%	1.4%	7.3%	1.5%
Belgium	5.6%	1.6%	5.6%	1.8%
Poland	6.8%	2.4%	7.2%	2.8%
Romania	8.8%	2.5%	8.6%	2.5%
Brazil	10.2%	3.3%	10.1%	3.5%
Argentina	32.5%	17.0%	27.9%	17.0%
Taiwan	5.5%	1.4%	5.5%	1.4%

7.4 Investment property

Accounting principles

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

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

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

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

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

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

(in millions of euros)	**December 31, 2020**	**December 31, 2019**
Investment property (gross carrying amount)	448	507
Depreciation and impairment	(189)	(195)
Total Investment property, net	**259**	**312**

Changes in investment property

(in millions of euros)	
At December 31, 2018	**389**
Disposal of Carrefour China [1]	(71)
Acquisitions	8
Other disposals	(2)
Depreciation	(15)
Translation adjustment	(11)
Transfers and other movements	13
At December 31, 2019	**312**
Acquisitions	2
Disposals	(0)
Depreciation	(13)
Translation adjustment [2]	(41)
Transfers and other movements	0
Au 31 décembre 2020	**259**

(1) The amounts reported on this line reflected investment property owned by Carrefour China (classified in discontinued operations in 2019 – see Note 3.2). Accordingly, other changes shown in this table for 2019 did not include amounts relating to Carrefour China in the period.

(2) Translation adjustments mainly correspond to the depreciation of the Brazilian real during 2020.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 43 million euros in 2020 versus 55 million euros in 2019. Operating costs directly attributable to the properties amounted to 13 million euros in both 2020 and 2019.

The estimated fair value of investment property at December 31, 2020 was 633 million euros versus 711 million euros at December 31, 2019 (including all of the Group's fair value measurements). Changes in fair values in the various countries (at constant exchange rates) were not individually material.

NOTE 8: LEASES

8.1 Accounting principles

Accounting principles

Leases concern:

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

As of January 1, 2019, all leases (excluding the recognition exemptions set out in IFRS 16 – see below) are 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.

IFRS 16 also affects the presentation of lease transactions in the income statement (with the lease expense recognised in recurring operating expenses replaced by a depreciation expense in recurring operating expenses and an interest expense in finance costs and other financial income and expenses) and in the statement of cash flows (lease payments, representing payment of interest and repayment of the outstanding liability, impact financing cash flows).

The changes introduced by IFRS 16 therefore mainly concern leases that met the definition of operating leases under IAS 17 (applicable until December 31, 2018) and which therefore did not give rise to the recognition of leased assets in the statement of financial position. Operating lease payments were previously recognised within recurring operating expenses on a straight-line basis over the lease term.

<u>Recognition of lease commitments</u>

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.

<u>Recognition of right-of-use assets</u>

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 test procedures are identical to those for property and equipment and intangible assets that are described in Note 7.3 to the consolidated financial statements.

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. 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 non-removable 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 and vans for rental to customers, trucks and light commercial vehicles.

Accounting treatment for sub-leasing arrangements

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

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

If the sublease is classified as a finance lease:

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

Income tax

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

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

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

8.2 Right-of-use assets

	December 31, 2020				December 31, 2019 restated			
(in millions of euros)	**Gross carrying amount**	**Depreciation**	**Impairment**	**Net carrying amount**	**Gross carrying amount**	**Depreciation**	**Impairment**	**Net carrying amount**
Land & Buildings	6,258	(1,934)	(2)	4,322	5,971	(1,115)	(3)	4,853
Equipment, fixtures and fittings	139	(17)	-	122	134	(13)	-	121
Investment property	83	(20)	-	63	86	(10)	-	75
Right-of-use asset	**6,479**	**(1,971)**	**(2)**	**4,506**	**6,191**	**(1,138)**	**(3)**	**5,050**

Change in right-of-use assets

(in millions of euros)	**Gross carrying amount**	**Depreciation & Impairment**	**Net carrying amount**
Assets under IAS 17 finance leases at December 31, 2018	*723*	*(356)*	*367*
At January 1, 2019 restated	**6,292**	**(356)**	**5,936**
Disposal of Carrefour China (1)	(878)	41	(836)
Increase (2)	1,051	-	1,051
Decrease	(270)	76	(193)
Depreciation	-	(903)	(903)
Other movements	(7)	0	(6)
At December 31, 2019 restated	**6,191**	**(1,141)**	**5,050**
Increase	857	-	857
Decrease	(457)	110	(347)
Depreciation	-	(918)	(918)
Translation adjustment (3)	(186)	37	(150)
Other movements (4)	75	(61)	13
At December 31, 2020	**6,479**	**(1,973)**	**4,506**

(1) The amounts reported on this line related to right-of-use assets owned by Carrefour China (classified in discontinued operations in 2019 – see Note 3.2) at January 1, 2019. Accordingly, other changes shown in this table for 2019 do not include amounts relating to Carrefour China in the period.

(2) In 2019, the increases included notably the right-of-use assets booked following the sale and leaseback of Cargo Property Assets' 22 distribution centres (see Note 3.2).

(3) Translation adjustments mainly correspond to the depreciation of the Brazilian real during 2020.

(4) The amounts reported on this line include changes in scope of consolidation for 65 million euros (mainly relating to Bio c' Bon) and the reclassification of the depreciation of leased land for 55 million euros (see Note 7.2).

8.3 Lease commitments

Lease commitments by maturity

(in millions of euros)	**December 31, 2020**	**December 31, 2019 restated**
Due within 1 year	936	941
Due in 1 to 2 years	873	903
Due in 2 to 5 years	1,816	2,011
Due beyond 5 years	1,098	1,383
Lease commitments	**4,723**	**5,237**

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

Accounting principles

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

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

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

9.1 Changes in investments in equity-accounted companies

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

(in millions of euros)

At December 31, 2018	**1,374**
Acquisitions and capital increases	27
Dividends	(103)
Share of net income	2
Translation adjustment	0
Other movements	(54)
At December 31, 2019	**1,246**
Acquisitions and capital increases	2
Disposals	(12)
Dividends	(46)
Share of net income	(13)
Translation adjustment	(10)
Other movements	6
At December 31, 2020	**1,172**

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)	35%	5,434	2,420	4,874	350	(77)
Provencia (France)	50%	464	282	271	868	24
Showroomprive.com (France)	9%	465	168	219	655	(16)
CarrefourSA (Turkey)	38%	480	(48)	252	984	(28)
Costasol (Spain)	34%	93	44	60	144	6
Mestdagh (Belgium)	25%	290	34	96	342	(5)
Ulysse (Tunisia)	25%	134	85	119	315	5
Other companies (1)	N/A	929	307	560	1,608	(18)

(1) Corresponding to a total of 190 companies, none of which is individually material.

At December 31, 2020, the two main associates were Carmila with a carrying amount of 782 million euros (December 31, 2019: 838 million euros) and Provencia with a carrying amount of

130 million euros (December 31, 2019: 125 million euros). These two associates represented 78% of the total value of equity-accounted companies at end-2020.

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.

Corporate actions carried out by certain equity-accounted companies in 2020

At the Annual Shareholders' Meeting of Carmila in June 2020, shareholders approved a reinvestment option for the 2019 dividend. New shares were issued to shareholders who chose to reinvest their dividend. As Carrefour opted to receive a portion of its dividend in shares, its interest in Carmila increased slightly from 35.36% to 35.40%.

In August 2020, Showroomprivé (SRP Groupe) carried out a capital increase to which Carrefour elected not to subscribe, leading to the dilution of the Group's interest in that company, from 20.52% to 8.84%.
The dilutive impact was offset by the partial reversal of the existing provision on the Showroomprivé shares, aligning their value with the stock market share price at December 31, 2020. The net impact, which was recognised in non-recurring income, amounts to 23 million euros.
Note that shares in Showroomprivé had been written down by 47 million euros in 2019 to bring them into line with the stock market share price at December 31, 2019.

In December 2020, CarrefourSA (Turkey) carried out a capital increase to which Carrefour elected not to subscribe, leading to the dilution of the Group's interest in that company, from 46.02% to 37.54%.

The dilutive or accretive effects of the above transactions were recognised in non-recurring income and expenses in accordance with the Group’s accounting principles.

Focus on Carmila

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 system established with the co-investors allows Carrefour to exercise significant influence on 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 16 members, of which 12 independent and four appointed by Carrefour as of December 31, 2020). 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, 2020 and 2019 (as published in Carmila's consolidated financial statements[(1)]). Carmila’s net asset value measured based on the best practice recommendations of the European Public Real Estate Association (NAV EPRA) came to 3,530 million euros at December 31, 2020.

(in millions of euros)	**2020**	**2019**
Revenue (rental income)	350	359
Operating income before fair value adjustment of assets	211	282
Operating income [(1)]	(123)	192
Net income from continuing operations	(198)	108
Total non-current assets [(1)]	5,897	6,155
Total current assets	555	364
of which cash and cash equivalents	*320*	*178*
Total non-current liabilities	2,662	2,563
Total current liabilities	522	410
% interest held by Carrefour	*35.4%*	*35.4%*
Amount of the investment in equity-accounted company	782	838
Carrefour - Cash dividends received from Carmila	24	72

(1) Since Carmila opted to apply the fair value model for the accounting of its investment properties, in accordance with the option provided in IAS 40, the figures presented in the above table are adjusted to reflect real estate fair value corrections. 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 2020 with companies over which the Group exercises significant influence:

(in millions of euros)	**Carmila** (France)	**CarrefourSA** (Turkey)	**Provencia** (France)	**Mestdagh** (Belgium)	**Ulysse** (Tunisia)	**Costasol** (Spain)
Net sales (sales of goods)	-	0	579	62	5	92
Franchise fees	-	3	9	9	2	2
Property development revenue [(1)]	28	-	-	-	-	-
Sales of services	13	-	-	6	-	-
Fees and other operating expenses	(6)	-	-	-	-	(5)
Receivables at December 31, 2020	61	1	23	12	1	9
Payables at December 31, 2020	(7)	(1)	-	-	-	(5)

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

NOTE 10: INCOME TAX

Accounting principles

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

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

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

10.1 Income tax expense for the period

(in millions of euros)	**2020**	**2019 restated**
Current income tax expense (including provisions)	(534)	(475)
Deferred income taxes	35	(28)
Total Income tax expense	**(498)**	**(503)**

Tax proof

Theoretical income tax for 2020 and 2019 (restated) has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2020, theoretical income tax expense amounted to 433 million euros compared with actual net income tax expense of 498 million euros, as follows:

(in millions of euros)	**2020**	**2019 restated**
Income before taxes	1,351	719
Standard French corporate income tax rate	*32.02%*	*34.43%*
Theoretical income tax expense	**(433)**	**(248)**
Adjustments to arrive at effective income tax rate:		
- Differences between the standard French corporate income tax rate and overseas nominal taxation rates	16	40
- Effect of changes in applicable tax rates	0	7
- Tax expense and tax credits not based on the taxable income (1)	27	(16)
- Tax effect of other permanent differences (2)	(47)	(12)
- Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years (3)	171	28
- Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year (4)	(62)	(172)
- Valuation allowances on deferred tax assets recognised in prior years (4)	(166)	(131)
- Tax effect of net income from equity-accounted companies	(4)	1
- Other differences	(0)	(0)
Total Income tax expense	**(498)**	**(503)**
Effective tax rate	*36.9%*	*69.9%*

(1) The reported amount of taxes other than on income notably takes into account the CVAE local business tax in France, amounting to 68 million euros in 2020 (2019: 61 million euros, net of the related tax profit), withholding taxes and changes in provisions for tax risks.

(2) In 2020, the tax effect of permanent differences corresponds notably to the partial impairment of Italian goodwill (see Note 7.3).

(3) Deferred tax assets recognised in 2020 on prior years' tax losses primarily concerned France, Brazil, Belgium and Argentina. In 2019, they primarily concerned Brazil.

(4) In 2020, valuation allowances concerned France and Italy.

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 213 million euros at December 31, 2020, versus 169 million euros at the previous year-end.

(in millions of euros)	At December 31,2020	At December 31,2019 restated
Deferred tax assets	679	824
Deferred tax liabilities	(467)	(655)
Net deferred tax assets	**213**	**169**

The following table shows the main sources of deferred taxes:

(in millions of euros)	December 31, 2019 restated	Change			December 31, 2020
		Income statement	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	1,185	(96)	-	(58)	1,030
Property and equipment	119	11	-	(24)	106
Non-deductible provisions	845	(57)	4	(108)	683
Goodwill amortisation allowed for tax purposes	316	(26)	-	6	296
Other intangible assets	8	12	-	(1)	19
Inventories	127	(8)	-	(17)	102
Financial instruments	133	(7)	7	(1)	132
Other temporary differences	(18)	50	0	7	39
Deferred tax assets before netting	**2,715**	**(122)**	**11**	**(196)**	**2,409**
Effect of netting deferred tax assets and liabilities	(469)	30	(6)	(124)	(568)
Deferred tax assets after netting	**2,247**	**(92)**	**5**	**(320)**	**1,841**
Valuation allowances on deferred tax assets	(1,423)	153	(4)	113	(1,161)
Net deferred tax assets	**824**	**61**	**1**	**(206)**	**679**
Property and equipment	(351)	(14)	-	23	(342)
Provisions recorded solely for tax purposes	(447)	38	-	(0)	(410)
Goodwill amortisation allowed for tax purposes	(141)	(3)	-	37	(106)
Other intangible assets	(16)	(0)	-	4	(12)
Inventories	(19)	5	-	0	(14)
Financial instruments	(17)	4	(4)	2	(15)
Other temporary differences	(132)	(26)	-	23	(136)
Deferred tax liabilities before netting	**(1,124)**	**4**	**(4)**	**89**	**(1,035)**
Effect of netting deferred tax assets and liabilities	469	(30)	6	124	568
Deferred tax liabilities after netting	**(655)**	**(26)**	**1**	**213**	**(467)**
NET DEFERRED TAXES	**169**	**35**	**3**	**6**	**213**

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 1,161 million euros at December 31, 2020 (December 31, 2019: 1,423 million euros), including 761 million euros related to tax loss carryforwards (December 31, 2019: 949 million euros) and 400 million euros on temporary differences (December 31, 2019: 474 million euros).

NOTE 11: PROVISIONS AND CONTINGENT LIABILITIES

Accounting principles

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

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, 2019	Increases	Reversals of surplus provisions	Utilisations	Discounting adjustment	Translation adjustment [(4)]	Other	December 31, 2020
Employee benefits [(1)]	1,176	71	(66)	(55)	20	(2)	7	1,152
Claims and litigation	1,094	241	(195)	(119)	-	(242)	9	788
Tax litigations	*797*	*100*	*(124)*	*(54)*	-	*(198)*	*2*	*524*
Employee related disputes	*147*	*66*	*(34)*	*(42)*	-	*(24)*	*0*	*113*
Legal disputes	*150*	*75*	*(37)*	*(23)*	-	*(21)*	*6*	*150*
Restructuring	548	19	(27)	(285)	-	(0)	(10)	245
Provisions related to banking and insurance businesses [(2)]	231	70	(4)	(25)	-	(10)	0	261
Other [(3)]	249	51	(51)	(22)	-	(1)	(0)	224
Total Provisions	**3,297**	**452**	**(344)**	**(506)**	**20**	**(257)**	**6**	**2,670**

(1) See Note 12. Following publication of government order 2019-697 dated July 3, 2019, the Carrefour group's supplementary defined benefit pension plan was cancelled by decision of the Board of Directors on April 20, 2020 and the provision carried in the consolidated statement of financial position at December 31, 2019 was reversed in full. A new defined benefit plan was introduced in 2020 with retroactive effect to January 1.

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

(3) Other provisions mainly concern onerous contracts. They also include provisions for dismantling assets under property leases or for restoring assets to the requisite condition, recognised against the related right-of-use asset following application of IFRS 16 (see Note 4).

(4) Unfavourable translation adjustments mainly correspond to the decrease in the value of the Brazilian real over the period.

Group companies are involved in a certain number of claims and legal 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, 2020, claims and legal proceedings involving the Group were covered by provisions totalling 788 million euros, compared with 1,094 million euros at December 31, 2019 (a decline mainly reflecting the depreciation of the Brazilian real over the year). 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 tax, employee-related and commercial disputes and legal proceedings.

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, 2020, the corresponding provision (including the portion concerning corporate income tax and classified in tax payables) totalled 509 million euros (versus 790 million euros at December 31, 2019) 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 362 million euros (497 million euros at December 31, 2019). The decrease in provisions and legal deposits essentially reflects the depreciation of the Brazilian real since December 31, 2019.

In France, Carrefour had contested the position of the administration regarding the scope of the "*rabot*" scheme, which capped the tax deduction of financial expenses until December 31, 2018. In 2020, the tax authorities handed down a favourable judgement on this matter.

In several countries, the tax authorities have in the past disallowed a portion of headquarters expenses deducted by Group companies. The Group has contested these reassessments.

11.2.2 Employee related disputes

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

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

11.2.3 Legal 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 any company, disputes may also arise with 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 1.3 billion euros at December 31, 2020. The decrease in the total exposure from the amount of 1.9 billion euros at December 31, 2019, reflects the depreciation of the Brazilian real over the period. 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 424 million euros at December 31, 2020. The Group continues to believe that the risk is unlikely to lead to an outflow of resources.

In France, the local competition authority (*Autorité de la concurrence*) launched an investigation in July 2018 regarding purchasing cooperatives in the predominantly food-based segment of the retail industry, which is still pending. However, as the case relates to a cooperation agreement between Carrefour and Tesco, the authority decided on December 17, 2020 to accept the commitments proposed by the parties.

The investigation launched in May 2019 by the Belgian competition authority as part of the purchasing alliance between Carrefour Belgium and Provera is still pending.

By a decision of October 1, 2019, Carrefour Argentina (INC SA) has been referred back to a trial court for complicity in unauthorised financial intermediation for events which occurred between 2012 and 2015 in a context of hyperinflation. The appeal filed by INC SA against this procedural decision is currently pending.

In August 2019, Atacadão SA notified the Group of two criminal proceedings initiated by the State of São Paolo's public prosecutor (GEDEC) against public officials and company employees (who have since been suspended) concerning the conditions under which the operating licences for the company's headquarters and two stores were renewed. The company is not party to the criminal proceedings. On June 27, 2020, Atacadão SA was nevertheless notified by the municipality of São Paolo that a civil investigation had been initiated.

On November 19, 2020, Mr. Silveira Freitas died after being beaten by security guards employed by a third party at the Porto Alegre store. Criminal proceedings were initiated against the security guards and three of the store's employees, who have since been fired. The company is not party to the criminal proceedings.
However, given the racial overtones invoked, Carrefour Brazil has been subject to a variety of investigations and class actions brought by public authorities and non-profit organisations seeking compensation for damages.

NOTE 12: NUMBER OF EMPLOYEES, EMPLOYEE COMPENSATION AND BENEFITS

Accounting principles

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

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

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

12.1 Pension and other post-employment benefits

Accounting principles

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

Defined contribution plans

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

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

Defined benefit and long-term benefit plans

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

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

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

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

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

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

12.1.1 Description of the main defined benefit plans

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

French plans

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

In 2009, the Group set up a supplementary defined benefit pension plan, amended in 2015. Following publication of government order 2019-697 dated July 3, 2019 (on transposition into French law of the European "Portability" Directive), the supplementary pension plan was cancelled by decision of the Board of Directors on April 20, 2020 and the provision carried in the consolidated statement of financial position at December 31, 2019 was reversed in full (see Note 11.1).

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

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

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

Belgian plans

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

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

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

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

Italian plans

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

12.1.2 Net expense for the period

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

2019 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Service cost [1]	(45)	15	(1)	1	(30)
Interest cost (discount effect)	13	7	2	1	22
Return on plan assets	(0)	(3)	-	(0)	(3)
Other items	2	-	-	(0)	2
Expense (income) for 2019	**(30)**	**19**	**1**	**1**	**(9)**

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Service cost [1]	(13)	16	(1)	1	3
Interest cost (discount effect)	6	3	1	1	10
Return on plan assets	(0)	(2)	-	(0)	(2)
Other items	0	0	-	-	1
Expense (income) for 2020	**(7)**	**18**	**0**	**1**	**12**

(1) The following table presents details of service cost:

2019 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	42	14	0	1	57
Past service cost (plan amendments and curtailments)	(87)	1	-	-	(86)
Settlements and other	-	-	(1)	-	(1)
Total Service cost 2019	**(45)**	**15**	**(1)**	**1**	**(30)**

2020 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	42	16	0	1	59
Past service cost (plan amendments and curtailments)	(9)	-	-	-	(9)
Settlements and other [1]	(46)	-	(1)	-	(46)
Total Service cost 2020	**(13)**	**16**	**(1)**	**1**	**3**

(1) This line includes the impact of cancelling the supplementary defined benefit pension plan as decided by the Board of Directors in April 2020 (see above).

The net expense for 2020 reflects 4 million euros recognised in employee benefits expense and 9 million euros recorded in net financial income and expenses. In 2019, net income of 9 million euros was attributable to reversals of provisions further to the implementation of redundancy plans, notably in France (see Note 6.3).

12.1.3 Breakdown of the provision

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Defined benefit obligation	799	462	116	45	1,423
Fair value of plan assets	(7)	(229)	-	(11)	(246)
Provision at December 31, 2019	**793**	**233**	**116**	**35**	**1,176**
Defined benefit obligation	787	470	106	43	1,407
Fair value of plan assets	(16)	(227)	-	(12)	(255)
Provision at December 31, 2020	**771**	**243**	**106**	**33**	**1,152**

DBO : Defined Benefits Obligations

12.1.4 Change in the provision

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Provision at December 31, 2018	**764**	**181**	**115**	**35**	**1,095**
Movements recorded in the income statement	(30)	19	1	1	(9)
Benefits paid directly by the employer	(19)	(11)	(14)	(0)	(44)
Effect of changes in scope of consolidation	(11)	-	(0)	-	(11)
Change in actuarial gains and losses (2)	90	5	14	2	111
Other (1)	(0)	39	-	(3)	36
Provision at December 31, 2019	**793**	**233**	**116**	**35**	**1,176**
Movements recorded in the income statement	(7)	18	0	1	12
Benefits paid directly by the employer	(11)	(11)	(10)	(0)	(32)
Effect of changes in scope of consolidation	(16)	-	-	-	(16)
Change in actuarial gains and losses (2)	11	8	(0)	2	20
Other (1)	0	(5)	-	(5)	(9)
Provision at December 31, 2020	**771**	**243**	**106**	**33**	**1,152**

(1) In 2019, an amount of 47 million euros was reclassified from provisions for restructuring to provisions for post-employment benefit obligations to reflect the departure of Belgian employees under early retirement schemes. An additional amount of 9 million euros has been reclassified in 2020 to reflect the departure of Belgian employers under early retirement schemes during the year.
(2) This line breaks down as follows:

2019 *(in millions of euros)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	(6)	-	1	(1)	(5)
Actuarial (gain)/loss due to demographic assumption changes	11	-	-	2	14
Actuarial (gain)/loss due to financial assumption changes (1)	84	26	13	1	124
Return on plan assets (greater)/less than discount rate	0	(21)	-	(0)	(22)
Changes in actuarial gains and losses 2019	**90**	**5**	**14**	**2**	**111**

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

(1) Eurozone discount rates decreased significantly in the years reported, from 1.60% at end-2018 to 0.75% at end-2019 and 0.40% at end-2020.

12.1.5 Plan assets

(in millions of euros)	France	Belgium	Italy	Other countries	**Group total**
Fair value at December 31, 2018	**6**	**217**	**-**	**8**	**231**
Return on plan assets	0	3	-	0	3
Benefits paid out of plan assets	(0)	(21)	-	(2)	(23)
Actuarial gain/(loss)	0	21	-	0	22
Other	1	8	-	5	13
Fair value at December 31, 2019	**7**	**229**	**-**	**11**	**246**
Return on plan assets	0	2	-	0	2
Benefits paid out of plan assets	(0)	(18)	-	(2)	(20)
Actuarial gain/(loss)	0	8	-	0	9
Other	9	7	-	3	19
Fair value at December 31, 2020	**16**	**227**	**-**	**12**	**255**

Plan assets break down as follows by asset class:

	December 31, 2020				December 31, 2019			
	Bonds	Equities	Monetary investments	Real estate and other	Bonds	Equities	Monetary investments	Real estate and other
France	14%	2%	84%	1%	31%	3%	63%	2%
Belgium	36%	9%	55%	0%	36%	10%	54%	0%

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

12.1.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards are as follows:

	2020	2019
Retirement age	62-67	62-67
Rate of future salary increases	2.0% to 2.5%	2.0% to 2.4%
Inflation rate	1.8%	1.9%
Discount rate	0.40%	0.75%

At December 31, 2020, a discount rate of 0.40% was used for France, Belgium and Italy (December 31, 2019: 0.75%). 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 2020, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 13.8 years, 9.5 years and 11.2 years respectively (versus 12.9 years, 9.8 years and 11.5 years in 2019).

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 34 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 35 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 2020 recorded under employee benefits expense in recurring operating income was 23 million euros, with a corresponding increase in equity (10 million euros in 2019).

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, 2020, since the 2010 plans based on performance conditions and continued employment in the Group expired in July 2017.

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

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

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

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

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

Movements in the stock option plan were as follows:

	2020	**2019**
Options outstanding at January 1	**3,310,923**	**4,797,887**
Options granted during the year	-	-
Options exercised during the year	(543,451)	(1,305,040)
Options cancelled or that expired during the year	(945,000)	(181,924)
Options outstanding at December 31	**1,822,472**	**3,310,923**

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

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

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

	Brazil 2019 "Regular" Plan
Grant date	September 26, 2019
Number of options granted	3,978,055
Life of the options	6 years
Number of grantees	92
Exercise period	September 26, 2022 to September 26, 2025
Number of options outstanding	3,163,617
Exercise price (in R$)	21.98

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

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

Movements in the stock option plan were as follows:

	2020	**2019**
Options outstanding at January 1	**3,612,789**	**3,546,029**
Options granted during the year	-	237,335
Options exercised during the year	-	-
Options cancelled or that expired during the year	(449,172)	(170,575)
Options outstanding at December 31	**3,163,617**	**3,612,789**

12.2.2 Performance share plans

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

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

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

Details of the 2019 performance share plan are presented below.

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

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

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

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

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

	2020	2019
Shares allotted at January 1	**3,232,646**	**3,615,346**
Shares granted during the year	-	-
Shares delivered to the grantees during the year	-	-
Shares cancelled during the year	(299,000)	(382,700)
Shares allotted at December 31	**2,933,646**	**3,232,646**

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

The vesting period is three years from the date of the Board of Directors' meeting at which the plan was decided. 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.

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

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

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

(3) *The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period. The reference price corresponds to the average of the three opening share prices preceding the Board of Directors' decision.*

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

	2020
Shares allotted at February 26, 2020	**2 604 597**
Shares granted during the year	-
Shares delivered to the grantees during the year	-
Shares cancelled during the year	(84 335)
Shares allotted at December 31, 2020	**2 520 262**

In addition, on November 10, 2020, the Board of Directors of Atacadão decided to grant rights to existing and 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%.

The main characteristics of the 2020 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	79
Fair value of each share (in €) (3)	17.35

(1) Date of the Board of Directors' decision to grant shares.
(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.
(3) The fair value of shares is determined according to a reference price adjusted for dividends expected during the vesting period.

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

	2020
Shares allotted at November 10, 2020	**999,403**
Shares granted during the year	-
Shares delivered to the grantees during the year	-
Shares cancelled during the year	-
Shares allotted at December 31, 2020	**999,403**

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)	**2020**	**2019**
Compensation for the year	8.8	9.0
Prior year bonus	11.3	11.9
Benefits in kind (accommodation and company car)	0.3	0.4
Total compensation paid during the year	**20.4**	**21.4**
Employer payroll taxes	5.5	5.4
Termination benefits	0.7	-

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- stock options and performance shares: the serving members of the management team at December 31, 2020 held 1,416,443 performance shares (797,246 at December 31, 2019), 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 2020 or 2019.

The compensation paid in 2020 to members of the Board of Directors in respect of their duties amounted to 0.4 million euros (1.0 million euros in 2019).

12.4 Number of employees

	2020	2019
Senior Directors	379	389
Directors	1,794	1,759
Managers	31,978	32,478
Employees	277,148	282,005
Average number of Group employees	**311,299**	**316,631**
Number of Group employees at the year-end	**322,164**	**321,383**

NOTE 13: EQUITY AND EARNINGS PER SHARE

13.1 Capital management

The parent company, Carrefour SA, must have sufficient equity capital 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 capital 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, 2020, the share capital was made up of 817,623,840 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	**2020**	**2019**
Outstanding at January 1	**807,266**	**789,253**
Issued for cash	-	-
Issued under the 2016 performance share plan	-	916
Issued in payment of dividends	10,358	17,097
Cancelled shares	-	-
Outstanding at December 31	**817,624**	**807,266**

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, 2020 and December 31, 2019, a total of 9,457,539 shares were held in treasury.

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

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

13.3 Dividends

At the Annual Shareholders' Meeting held on May 29, 2020, the shareholders decided to set the 2019 dividend at 0.23 euros per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 12.19 euros per share, representing 95% of the average of the closing prices quoted on Euronext Paris during the 20 trading days preceding the date of the Annual Shareholders' Meeting, less the net amount of the dividend of 0.23 euro per share and rounded up to the nearest euro cent.

The option period was open from June 10 to June 23, 2020. At the end of this period, shareholders owning 69% of Carrefour's shares had elected to reinvest their 2019 dividends.

June 29, 2020 was set as the date for:

- settlement/delivery of the 10,358,336 new shares corresponding to reinvested dividends, representing a total capital increase including premiums of 126 million euros;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 57 million euros.

13.4 Other comprehensive income

Group share *(in millions of euros)*	**2020**			**2019**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	(8)	1	(7)	(7)	3	(4)
Changes in the fair value of debt instruments through other comprehensive income	(3)	1	(2)	0	0	0
Exchange differences on translating foreign operations	(697)	0	(697)	(162)	0	(162)
Items that may be reclassified subsequently to profit or loss	**(707)**	**2**	**(705)**	**(169)**	**3**	**(166)**
Remeasurements of defined benefit plans obligation	(20)	0	(20)	(110)	1	(109)
Changes in the fair value of equity instruments through other comprehensive income	(1)	0	(1)	1	(0)	1
Items that will not be reclassified to profit or loss	**(21)**	**0**	**(21)**	**(109)**	**1**	**(108)**
Total other comprehensive income / (loss) - Group share	**(728)**	**2**	**(726)**	**(278)**	**4**	**(274)**

Non-controlling interests *(in millions of euros)*	**2020**			**2019**		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	1	0	1	(1)	0	(1)
Changes in the fair value of debt instruments through other comprehensive income	(3)	1	(2)	(1)	0	(1)
Exchange differences on translating foreign operations	(333)	0	(333)	(44)	0	(44)
Items that may be reclassified subsequently to profit or loss	**(335)**	**1**	**(334)**	**(46)**	**0**	**(46)**
Remeasurements of defined benefit plans obligation	(1)	0	(1)	(2)	1	(2)
Changes in the fair value of equity instruments through other comprehensive income	0	0	0	0	0	0
Items that will not be reclassified to profit or loss	**(1)**	**0**	**(1)**	**(2)**	**1**	**(2)**
Total other comprehensive income / (loss) - Non-controlling interests	**(336)**	**1**	**(335)**	**(48)**	**1**	**(47)**

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), which is 72% owned by the Group.

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

Carrefour Banque SA sub-group

Income statement *(in millions of euros)*	**2020**	**2019**
Revenue (Net Banking Revenue)	262	303
Net income	(47)	(66)
of which:		
- attributable to the Carrefour group	*(28)*	*(40)*
- attributable to non-controlling interests	*(19)*	*(26)*

Statement of financial position *(in millions of euros)*	**December 31, 2020**	**December 31, 2019**
Non-current assets	1,125	1,420
Current assets	2,436	2,873
Non-current liabilities (excluding shareholders' equity)	1,506	1,702
Current liabilities	1,793	2,292
Dividends paid to non-controlling interests	0	7

Grupo Carrefour Brasil sub-group

Income statement *(in millions of euros)*	**2020**	**2019**
Total revenue	12,105	13,596
Net income	484	301
of which:		
- attributable to the Carrefour group	454	*229*
- attributable to non-controlling interests	29	*71*

Statement of financial position *(in millions of euros)*	**December 31, 2020**	**December 31, 2019**
Non-current assets	4,142	5,024
Current assets	3,985	4,891
Non-current liabilities (excluding shareholders' equity)	1,577	2,240
Current liabilities	3,877	4,428
Dividends paid to non-controlling interests	37	58

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

- 2020 net profit of 484 million euros breaks down into 326 million euros attributable to the Carrefour group and 158 million euros attributable to non-controlling interests.
- 2019 net profit of 301 million euros breaks down into 165 million euros attributable to the Carrefour group and 136 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 stocks, including shares held indirectly through the equity swap described in Note 12.2, are not considered to be outstanding and are therefore deducted from the number of shares used for earnings per share calculations. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

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

Basic earnings per share	**2020**	**2019 restated**
Net income/(loss) from continuing operations - Group share	663	29
Net income/(loss) from discontinued operations - Group share	(22)	1,097
Net income/(loss) for the year - Group share	**641**	**1,126**
Weighted average number of shares outstanding (1)	805,713,713	790,674,090
Basic income/(loss) from continuing operations - Group share - per share (in €)	**0.82**	**0.04**
Basic income/(loss) from discontinued operations - Group share - per share (in €)	**(0.03)**	**1.39**
Basic income/(loss) - Group share - per share (in €)	**0.80**	**1.42**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2019 earnings per share (restated) was adjusted to take into account the effect of the 2019 dividends paid in shares on June 29, 2020 (retrospective adjustment of the effect of the 5% discount on shares issued in payment of dividends, determined by the treasury stock method).

Diluted earnings per share	**2020**	**2019 restated**
Net income/(loss) from continuing operations - Group share	663	29
Net income/(loss) from discontinued operations - Group share	(22)	1,097
Net income/(loss) for the year - Group share	**641**	**1,126**
Weighted average number of shares outstanding, before dilution	805,713,713	790,674,090
Potential dilutive shares	1,874,178	904,909
Performance shares	*1,874,178*	*904,909*
Diluted weighted average number of shares outstanding	**807,587,891**	**791,578,999**
Diluted income/(loss) from continuing operations - Group share - per share (in €)	**0.82**	**0.04**
Diluted income/(loss) from discontinued operations - Group share - per share (in €)	**(0.03)**	**1.39**
Diluted income/(loss) - Group share - per share (in €)	**0.79**	**1.42**

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 financial assets. These financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income, under "Changes in the fair value of debt instruments at fair value through other comprehensive income" until the underlying assets are sold, at which time they are transferred to profit or loss.

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

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

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

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

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

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

Impairment

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

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

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

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

Non-derivative financial assets held by the Group

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

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

Non-derivative financial liabilities

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

Non-derivative financial liabilities held by the Group

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

- borrowings: "Borrowings – portion due in more than one year" and "Borrowings – portion due in less than one year" include bonds and notes issued by the Group, other bank loans and overdrafts, and any financial liabilities related to securitised receivables for which the credit risk is retained by the Group;
- lease commitments: these result from applying IFRS 16 from January 1, 2019 and also include 275 million euros in finance lease commitments recognised at December 31, 2018 in accordance with IAS 17 and reclassified within lease commitments (see Note 4);
- suppliers and other creditors;
- consumer credit financing (see Note 6.5.2);
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Derivative financial instruments

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

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

(i) Derivatives designated as hedging instruments

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

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

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. The Group does not currently hedge its net investment in foreign operations.

Cash flow hedges

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

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

Fair value hedges

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

Swaps set up to convert fixed rate bonds and notes to variable rate qualified as fair value hedge. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognised in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps. At December 31, 2019, the Group had no fair value hedges of assets or liabilities. At December 31, 2020, the financing facilities arranged for Brazilian subsidiary Atacadão in April 2020 were subject to fair value hedges (see Note 14.2.3).

(ii) Other derivative instruments

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

Fair value calculation method

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

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

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

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2020 and 2019, the effect of incorporating these two types of risk was not material.

14.1 Financial instruments by category

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

At December 31, 2019 restated *(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	100	12	88	-	-	-	100
Other long-term investments	1,407	75	327	1,005	-	-	1,407
Other non-current financial assets	**1,507**	**87**	**415**	**1,005**	**-**	**-**	**1,507**
Consumer credit granted by the financial services companies	6,290	-	-	6,290	-	-	6,290
Trade receivables	2,669	-	-	2,669	-	-	2,669
Other current financial assets	252	4	66	59	43	81	252
Other current assets (1)	439	-	-	439	-	-	439
Cash and cash equivalents	4,466	4,466	-	-	-	-	4,466
ASSETS	**15,624**	**4,557**	**481**	**10,462**	**43**	**81**	**15,624**
Total borrowings	7,300	-	-	7,241	43	16	7,566
Total lease commitment (3)	5,237	-	-	5,237	-	-	5,237
Total consumer credit financing	5,529	-	-	5,513	1	15	5,529
Suppliers and other creditors	13,646	-	-	13,646	-	-	13,646
Other current payables (2)	2,556	-	-	2,556	-	-	2,556
LIABILITIES	**34,268**	**-**	**-**	**34,194**	**44**	**31**	**34,534**

(1) Excluding prepaid expenses.

(2) Excluding deferred revenue.

(3) Lease commitments at December 31, 2019 were restated on application of the IFRS IC decision published in December 2019 regarding the terms of leases falling within the scope of IFRS 16 (see Note 4).

Analysis of assets and liabilities measured at fair value

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

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

December 31, 2019 *(in millions of euros)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	-	12	88	**100**
Other long-term investments	402	-	-	**402**
Other current financial assets - Fair Value through OCI	66	-	-	**66**
Other current financial assets - Fair Value through profit or loss	4	-	-	**4**
Other current financial assets - Derivative instruments	-	124	-	**124**
Cash and cash equivalents	4,466	-	-	**4,466**
Consumer credit financing - Derivative instruments recorded in liabilities	-	(15)	-	**(15)**
Borrowings - Derivative instruments recorded in liabilities	-	(59)	(0)	**(59)**

14.2 Net debt

14.2.1 Breakdown of net debt

Consolidated net debt at December 31, 2020 amounted to 2,616 million euros compared to 2,615 million euros at December 31, 2019. This amount breaks down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Bonds and notes	6,822	6,981
Other borrowings	503	261
Total borrowings excluding derivative instruments recorded in liabilities	**7,324**	**7,241**
Derivative instruments recorded in liabilities	64	59
TOTAL BORROWINGS	**7,389**	**7,300**
of which borrowings due in more than one year	*6,305*	*6,303*
of which borrowings due in less than one year	*1,084*	*997*
Other current financial assets (1)	334	219
Cash and cash equivalents	4,439	4,466
TOTAL CURRENT FINANCIAL ASSETS	**4,773**	**4,685**
NET DEBT	**2,616**	**2,615**

(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 Bond debt

		Face value					Book value of the debt
(in millions of euros)	Maturity	December 31, 2019	Issues	Repayments	Translation adjustments	December 31, 2020	December 31, 2020
Public placements by Carrefour SA		**6,564**	**1,000**	**(802)**	**(75)**	**6,686**	**6,586**
EMTN, EUR, 10 years, 4.00%	2020	802	-	(802)	-	-	-
EMTN, EUR, 11 years, 3.875%	2021	871	-	-	-	871	871
EMTN, EUR, 8 years, 1.75%	2022	1,000	-	-	-	1,000	980
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	445	-	-	(38)	407	385
EMTN, EUR, 8 years, 0.750%	2024	750	-	-	-	750	747
EMTN, EUR, 10 years, 1.25%	2025	750	-	-	-	750	747
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	445	-	-	(38)	407	372
EMTN, EUR, 5 years, 0.88%	2023	500	-	-	-	500	498
EMTN, EUR, 7.5 years, 1.75%	2026	500	-	-	-	500	497
EMTN, EUR, 8 years, 1.00%	2027	500	-	-	-	500	497
EMTN, EUR, 7.5 years, 2.625%	2027	-	1,000	-	-	1,000	993
Placements by Atacadão SA		**552**	**-**	**(170)**	**(147)**	**235**	**235**
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	110	-	-	(32)	78	78
Debentures, BRL 1,000 million, 3 years, 104.4% CDI	2021	221	-	(170)	(51)	-	-
Debentures, BRL 450 million, 3 years, 100% CDI	2022	99	-	-	(29)	71	71
Debentures, BRL 350 million, 5 years, 100% CDI	2024	77	-	-	(22)	55	55
Debentures, BRL 200 million, 7 years, 100% CDI	2026	44	-	-	(13)	31	31
Total Bonds and notes		**7,116**	**1,000**	**(972)**	**(222)**	**6,921**	**6,822**

On April 1, 2020, Carrefour became the first BBB-rated issuer to tap the market, issuing 1 billion euros worth of 2.625% bonds maturing in around 7.5 years (due December 15, 2027). It has ensured that the Group's short- and medium-term financing needs are met in the current health crisis.

On April 9, 2020, the Group redeemed 802 million euros worth of 4% 10-year bonds.

These transactions have also extended the average maturity of bond financing from 3.5 years at end-December 2019 to 3.6 years at end-December 2020 while reducing Carrefour's cost of debt.

On December 28, 2020, Atacadão retired the tranche of bonds maturing in April 2021 for an amount of 1.0 billion Brazilian reals without any penalties or additional costs.

In accordance with IFRS 9 – *Financial Instruments*, conversion options on the bonds qualify as embedded derivatives and are therefore accounted for separately from inception. Subsequent changes in the fair value of these options are recognised in income and set off against changes in the fair value of the call options purchased on Carrefour shares in parallel with the bond issue. At December 31, 2020, their fair value amounted to 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 47 million euros at December 31, 2020.

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 5 million euros at December 31, 2020.

14.2.3 Other borrowings

(in millions of euros)	December 31, 2020	December 31, 2019
Latin America borrowings	302	75
Other borrowings	90	80
Accrued interest [1]	55	80
Other financial liabilities	55	26
Total Other borrowings	**503**	**261**

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

"Latin America borrowings" include in particular the financing facilities in US dollars and euros set up and swapped for Brazilian reals by Brazilian subsidiary Atacadão in April 2020, for an amount of 1.5 billion reals (around 235 million euros at the December 31, 2020 closing rate).

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

14.2.4 Cash and cash equivalents

Accounting principles

Cash includes cash on hand and demand deposits.

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

(in millions of euros)	December 31, 2020	December 31, 2019
Cash	1,482	1,286
Cash equivalents	2,957	3,180
Total Cash and cash equivalents	**4,439**	**4,466**

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, 2020, as at December 31, 2019, there was no restricted cash.

14.2.5 Other current financial assets

(in millions of euros)	December 31, 2020	December 31, 2019
Derivative instruments	122	124
Financial receivable [1]	113	-
Other current financial assets - Fair Value through OCI	57	66
Other current financial assets - Fair Value through profit or loss	-	4
Sub-lease receivable - less than 1 year	34	34
Deposits with maturities of more than three months	33	12
Other	9	12
Total Other current financial assets	**368**	**252**

(1) This amount represents the financial receivable relating to the 20% stake in Carrefour China. This receivable was classified within other current financial assets at December 31, 2020, to reflect the first 90-day window within which the Group can exercise its option to sell its residual interest (see Note 3.2).

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

14.3.1 Analysis by interest rate

	December 31, 2020		December 31, 2019	
(in millions of euros)	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	7,047	6,785	6,610	6,610
Variable rate borrowings	278	539	631	631
Total borrowings (excluding derivative instruments recorded in liabilities)	**7,324**	**7,324**	**7,241**	**7,241**

14.3.2 Analysis by currency

(in millions of euros)	December 31, 2020	December 31, 2019
Euro	6,784	6,609
Brazilian real	539	631
Argentine peso	0	0
Romanian lei	1	2
Total borrowings (excluding derivative instruments recorded in liabilities)	**7,324**	**7,241**

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 93% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2020 (91% at December 31, 2019).

14.3.3 Analysis by maturity

(in millions of euros)	December 31, 2020	December 31, 2019
Due within 1 year	1,019	939
Due in 1 to 2 years	1,216	1,127
Due in 2 to 5 years	3,047	3,368
Due beyond 5 years	2,042	1,808
Total borrowings (excluding derivative instruments recorded in liabilities)	**7,324**	**7,241**

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, 2019	**(219)**	**7,300**	**7,081**
Changes from financing cash flows	**(29)**	**75**	**46**
Change in current financial assets	(29)	-	(29)
Issuance of bonds	-	1,000	1,000
Repayments of bonds	-	(972)	(972)
Net financial interest paid	-	(183)	(183)
Other changes in borrowings	-	230	230
Non-cash changes	**(86)**	**14**	**(73)**
Effect of changes in foreign exchange rates	31	(191)	(160)
Effect of changes in scope of consolidation	-	26	26
Changes in fair values	(6)	4	(2)
Finance costs, net	-	171	171
Other changes (2)	(112)	3	(108)
At December 31, 2020	**(334)**	**7,389**	**7,055**

(1) The current portion of amounts receivable from finance sub-leasing arrangements is not included in this caption.
(2) In 2020, other movements include the classification of the financial receivable relating to the 20% stake in Carrefour China to other current financial assets at December 31, 2020 (see Note 14.2.5).

14.5 Other non-current financial assets

(in millions of euros)	December 31, 2020	December 31, 2019
Deposits and guarantees [(1)]	518	664
Financial services companies' portfolio of assets	403	403
Sub-lease receivable - more than 1 year [(2)]	108	143
Financial receivable [(3)]	-	138
Investments in non-consolidated companies	105	100
Other	77	60
Total Other non-current financial assets	**1,212**	**1,507**

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

(2) *Amounts receivable from finance sub-leasing arrangements were recognised following the application of IFRS 16 from January 1, 2019 (see Note 4).*

(3) *At December 31, 2019, this amount represented the financial receivable relating to the 20% stake in Carrefour China. It was classified within other current financial assets at December 31, 2020 (see Note 14.2.5).*

14.6 Finance costs and other financial income and expenses

Accounting principles

This item corresponds mainly to finance costs.
In accordance with IFRS 16, it also includes interest expenses on leases along with interest income on finance sub-leasing (see Note 8).
Other financial income and expenses consist for the most part of discounting adjustments, late payment fees payable on certain liabilities, and the impacts of hyperinflation in Argentina.

This item breaks down as follows:

(in millions of euros)	2020	2019 restated
Interest income from loans and cash equivalents	**3**	**(1)**
Interest income from bank deposits	3	4
Interest income from loans	0	(5)
Finance costs	**(174)**	**(213)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(159)	(184)
Cost of receivables discounting in Brazil	(15)	(29)
Finance costs, net	**(171)**	**(214)**
Interest charge related to leases commitment	(114)	(123)
Interest income related to financial sublease contracts	1	2
Net interest related to lease commitment	**(113)**	**(121)**
Other financial income and expenses	**(50)**	**(17)**
Interest expense on defined employee benefit debt	(10)	(22)
Interest income on pension plan assets	2	3
Financial transaction tax	(18)	(20)
Late interest due in connection with tax reassessments and employee-related litigation	(19)	(33)
Dividends received on available-for-sale financial assets	3	4
Proceeds from the sale of available-for-sale financial assets	13	49
Cost of sold available-for-sale financial assets	(7)	(1)
Exchange gains and losses	(28)	(11)
Cost of bond buybacks	(11)	(10)
Changes in the fair value of interest rate derivatives	(3)	(0)
Impact of hyperinflation in Argentina - application of IAS 29	29	22
Other	(0)	2
Finance costs and other financial income and expenses, net	**(334)**	**(352)**
Financial expenses	*(384)*	*(438)*
Financial income	*50*	*86*

14.7 Risk management

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

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

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

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

14.7.1 Liquidity risk

14.7.1.1 Retail business

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

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

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

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

- promoting prudent financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion-euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2020, 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 2020, Carrefour exercised the option to extend its two credit facilities from June 2024 to June 2025. The option has been applied to more than 95% 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 commitments 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 of 2020 included the issue of 1 billion euros worth of 2.625% 7.5-year bonds on April 1, 2020, and the redemption of 802 million euros worth of 4% 10-year bonds on April 9, 2020 (see Note 14.2). These transactions are part of the strategy to ensure the necessary financing is in place to meet the Group’s long-term needs.

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.

14.7.1.2 Banking and insurance business

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

Liquidity risk management objectives are to:

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

In March 2020, Carrefour Banque redeemed 500 million euros worth of bonds. In addition, Banco CFS (Brazil) issued a collateralised financial bill (*Letra Financeira Garantida*) in December 2020 through the Brazilian Central Bank for an amount of 284 million Brazilian reals (maturing in December 2021).

As a reminder, several structured financing operations were carried out in 2019:

- Servicios Financieros Carrefour (Spain) renewed the securitisation program for its renewable credit facility ("Columbus") on June 26, 2019 for 430 million euros. Carrefour Banque subscribed to the entire 2019 tranche, thereby rebuilding the collateral to be posted against the 400-million-euro refinancing granted by the ECB through TLTRO II, which matures in March 2021. An early partial repayment of 40 million euros on this loan was made to the ECB on June 26, 2019;
- on July 11, 2019, Carrefour Banque (France) signed the early renegotiation arrangement ("Amend & Extend") for its 750 million euro syndicated facility maturing in November 2021. The amount in question was reduced by 150 million euros to 600 million euros over five years, with two one-year extension options;
- on September 4, 2019, Carrefour Banque issued a 400-million-euro bond paying interest at 3-month Euribor +65 bp and maturing in four years. This further secures the Group's refinancing at attractive interest rate terms;
- on October 25, 2019, Carrefour Banque issued a new tranche of debt securities within the scope of the securitisation program for its renewable MCCP France credit facility. The 2019 Class A (senior) securities totalling 370 million euros and maturing on June 25, 2022 have been classified STS (simple, transparent and standardised securitisation), which is fast becoming a market benchmark demanded by investors. This tranche of securities replaces the 2017 tranche which was called on June 25, 2019;
- on October 22, 2019, Banco CSF (Brazil) issued two bond tranches to increase its liquidity. The first two-year tranche of 387.5 million Brazilian reals and the second four-year tranche totalling 112.5 million reals have been placed with local investors.

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

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

(1) Excluding deferred revenue.

(2) Borrowings hedged by fair value hedges include in particular the financing facilities in US dollars and euros set up and swapped for reals by Brazilian subsidiary Atacadão in April 2020, for an amount of 1.5 billion Brazilian reals (see Note 14.2.3).

December 31, 2019 *(in millions of euros)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Fixed rate borrowings	6,610	7,443	1,471	4,180	1,792
Unhedged borrowings	631	631	9	577	44
Derivative instruments	59	53	9	9	35
Total Borrowings	**7,300**	**8,127**	**1,489**	**4,766**	**1,871**
Suppliers and other creditors	13,646	13,646	13,646	-	-
Consumer credit financing	5,529	5,529	3,712	1,817	-
Other current payables (1)	2,556	2,556	2,556	-	-
Total Financial liabilities	**29,031**	**29,858**	**21,403**	**6,582**	**1,871**

(1) Excluding deferred revenue.

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

14.7.2 Interest rate risk

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

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

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

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

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

(in millions of euros) (- = loss; + = gain)	**50-bps decline** Impact on shareholders' equity (OCI)	Impact on income statement	**50-bps increase** Impact on shareholders' equity (OCI)	Impact on income statement
Investments	-	(17.4)	-	17.4
Options qualified as cash flow hedges	(10.5)	-	11.2	-
Instruments classified as held for trading	-	(0.0)	-	0.1
Total effect	**(10.5)**	**(17.4)**	**11.2**	**17.5**

14.7.3 Foreign exchange risk

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

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

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

(in millions of euros) (- = loss; + = gain)	**10% decline** Impact on shareholders' equity (OCI)	Impact on income statement	**10% increase** Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR / USD	-	137.5	-	(137.5)
Position EUR / RON	-	5.8	-	(5.8)
Position EUR / PLN	-	11.6	-	(11.6)
Position EUR / HKD	-	0.2	-	(0.2)
Position USD / RON	-	(0.6)	-	0.6
Total effect	**-**	**154.4**	**-**	**(154.4)**

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 2020 compared with those for 2019 decreased consolidated net sales by 4,775 million euros, or 6.8% of 2020 net sales, and recurring operating income by 269 million euros, or 12.4% of 2020 recurring operating income.

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

Hedging results and effectiveness

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

(in millions of euros)	Change in fair value of hedging instruments in OCI	Ineffectiveness recognised in P&L	Heading that includes ineffectiveness of hedging	Amount transferred from CFH reserve to P&L	Heading of P&L affected by the reclassification
Cash Flow Hedge					
Interest rate risk	2	-	-	(2)	- Financial result
Foreign exchange risk	(22)	-	-	-	N/A
Discontinuation of hedge accounting	-	-	-	(3)	- Financial result

14.7.4 Credit risk

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

(in millions of euros)	December 31, 2020	December 31, 2019
Investments in non-consolidated companies	105	100
Other long-term investments	1,106	1,407
Total Other non-current financial assets	**1,212**	**1,507**
Consumer credit granted by the financial services companies	5,227	6,290
Trade receivables	2,526	2,669
Other current financial assets	368	252
Other current assets [(1)]	484	439
Cash and cash equivalents	4,439	4,466
Maximum exposure to credit risk	**14,256**	**15,624**

(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, 2020, trade receivables net of impairment (excluding receivables from suppliers) amounted to 1,523 million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 181 million euros, of which 54 million euros were over 90 days past due (3.5% of total trade receivables net of impairment excluding receivables from suppliers).

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

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

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

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

14.7.4.2 Banking and insurance business

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

Analysis of due and past due consumer loans

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

(in millions of euros)	December 31, 2019	Amounts not yet due at the period-end	Amounts due and past due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	**6,290**	5,085	1,038	53	57	57

Analysis of consumer loans by maturity

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

(in millions of euros)	December 31, 2019	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,825	802	976	47
Belgium	154	4	138	11
Spain	2,182	1,243	385	554
Italy	118	45	73	-
Argentina	64	64	-	-
Brazil	1,947	1,848	97	1
TOTAL	**6,290**	**4,007**	**1,670**	**613**

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, 2020, shares held in treasury by the Group covered its total commitments under past and existing 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 transactions, retailing operations, acquisitions of securities and leases.

Commitments given *(in millions of euros)*	**December 31, 2020**	**By maturity**			**December 31, 2019**
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**10,938**	**9,869**	**971**	**99**	**12,674**
Financial services companies	*10,681*	*9,762*	*917*	*1*	*12,454*
Other companies	*257*	*107*	*53*	*97*	*219*
Related to operations/real estate/expansion	**1,474**	**1,019**	**362**	**93**	**2,144**
Related to purchases and sales of securities	**224**	**21**	**103**	**100**	**274**
Related to leases	**239**	**44**	**99**	**96**	**268**
TOTAL	**12,875**	**10,953**	**1,535**	**387**	**15,360**

Commitments received *(in millions of euros)*	**December 31, 2020**	**By maturity**			**December 31, 2019**
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**5,805**	**715**	**4,354**	**736**	**6,159**
Financial services companies	*1,438*	*253*	*449*	*736*	*1,734*
Other companies	*4,367*	*461*	*3,905*	*0*	*4,425*
Related to operations/real estate/expansion	**1,247**	**346**	**711**	**191**	**1,263**
Related to purchases and sales of securities	**395**	**271**	**80**	**45**	**368**
Related to leases	**452**	**245**	**161**	**46**	**481**
TOTAL	**7,899**	**1,576**	**5,306**	**1,017**	**8,271**

Off-balance sheet commitments related to cash transactions include:

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

Off-balance sheet commitments related to operations mainly include:

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

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

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

Off-balance sheet commitments related to leases correspond to minimum payments under non-cancellable operating leases qualifying for the exemptions set out in IFRS 16 and also the IFRS 16 leases for which the underlying assets have not been made available as of December 31, 2020.

As a result of the health crisis, credit commitments given to customers by the Group's financial services companies have been limited in line with local regulations, particularly in Spain. In addition, they decreased in Latin America, mainly due to the depreciation of the Brazilian real over the period.

NOTE 16: SUBSEQUENT EVENTS

There are no significant subsequent events to report.

NOTE 17: AUDITORS' FEES

	Fees 2020								
(in thousands of euros)	Deloitte & Associés(1)	Network	**Total Deloitte**	KPMG S.A.(1)	Network	**Total KPMG**	MAZARS(1)	Network	**Total MAZARS**
Financial statements certification services	**1,600**	**562**	**2,162**	**2,797**	**2,822**	**5,619**	**1,533**	**863**	**2,396**
Carrefour SA - Issuer	*323*	*-*	***323***	*512*	*-*	***512***	*390*	*-*	***390***
Subsidiaries (controlled entities)	*1,277*	*562*	***1,839***	*2,285*	*2,822*	***5,107***	*1,144*	*863*	***2,007***
Other services (2)	**23**	**672**	**695**	**724**	**493**	**1,217**	**27**	**273**	**300**
Carrefour SA - Issuer	*23*	*-*	***23***	*23*	*-*	***23***	*23*	*176*	***199***
Subsidiaries (controlled entities)	*-*	*672*	***672***	*701*	*493*	***1,194***	*4*	*97*	***101***
TOTAL	**1,623**	**1,234**	**2,857**	**3,521**	**3,316**	**6,837**	**1,560**	**1,136**	**2,696**

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

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

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

NOTE 18: LIST OF CONSOLIDATED COMPANIES

18.1 Fully consolidated companies at December 31, 2020

	Percent interest used in consolidation
FRANCE	
AJODIS	100
ALEP 33	85
ALSATOP	100
AMIDIS ET CIE	100
ANTIDIS	100
AUPARLIXTOP	100
AVENUE	52
AZAYDIS	100
AZIMMO	100
BELLEVUE DISTRIBUTION	100
BLO DISTRIBUTION	100
C.DICAR	100
C.DIS	100
C.S.D	74
C.S.F	100
CADS	100
CALLOUETS	51
CARAUTOROUTES	100
CARDADEL	100
CARFUEL	100
CARGO INVEST	100
CARGO PROPERTY DEVELOPMENT	100
CARGO PROPERTY MANAGEMENT	100
CARIMA	100
CARMA	50
CARMA VIE	50
CARREFOUR ADMINISTRATIF FRANCE	100
CARREFOUR BANQUE	60
CARREFOUR DRIVE	100
CARREFOUR FORMATION HYPER FRANCE	100
CARREFOUR FRANCE	100
CARREFOUR FRANCE PARTICIPATION	100
CARREFOUR HYPERMARCHES	100
CARREFOUR IMPORT	100
CARREFOUR LIVRE CHEZ VOUS	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 PROPERTY INTERNATIONAL	100
CARREFOUR PROXIMITE FRANCE	100
CARREFOUR SA	100
CARREFOUR SERVICES CLIENTS	100
CARREFOUR STATION SERVICE	100
CARREFOUR SUPPLY CHAIN	100
CARREFOUR VOYAGES	100
CHALLENGER	100
CIGOTOP	100
CITEAUXDIS	100
CLAIREFONTAINE	100
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100
CORSAIRE	100
COVIAM 8	100
COVICAR 2	100
COVICAR 44	100
COVICAR 50	100
COVICAR 51	100
COVICAR 52	100
COVICAR 53	100
COVICAR 54	100
COVICAR 55	100
CPF ASSET MANAGEMENT	100
CRF REGIE PUBLICITAIRE	100
CRFP13	100
CRFP20	100
CRFP21	100
CRFP22	100
CRFP23	100
CRFP8	100
CROQUETTELAND	89
CSD TRANSPORTS	74
CSI	100
DAUPHINOISE DE PARTICIPATIONS	100
DE LA FONTAINE	51
DE SIAM	51
DEJBOX SERVICES	68
DELANGLE	100
DIGITAL MEDIA SHOPPER	100
DISTRIVAL	100
DOLETDIS	100
DOREL	100
EFP	100
EPG	66

	Percent interest used in consolidation
FRANCE	
FALDIS	100
FCT MASTER CREDIT CARD 2013	60
FINANCIERE RSV	100
FINIFAC	100
FONCIERE SOLANDIS	100
FONMARTOP	100
FORUM DEVELOPPEMENT	100
FRED 10	100
FRED 8	100
FRED 9	100
GAMACASH	100
GEILEROP	100
GENEDIS	100
GIE BREST BELLEVUE	80
GRANDSVINS-PRIVES.COM	100
GREENWEEZ	99
GREENWEEZ BELGIUM	99
GUYENNE & GASCOGNE	100
GVTIMM	51
HAUTS DE ROYA	100
HYPARLO	100
HYPERADOUR	100
HYPERMARCHES DE LA VEZERE	50
IMMO ARTEMARE	51
IMMO BACQUEVILLE	51
IMMOBILIERE CARREFOUR	100
IMMOBILIERE PROXI	100
IMMOCYPRIEN	51
IMMODIS	100
IMMOTOURNAY	51
INTERDIS	100
LA CROIX VIGNON	51
LALAUDIS	99
LANN KERGUEN	51
LAPALUS	100
LEGERE	100
LES TASSEAUX	51
LES VALLEES	51
LESCHENES	100
LOGIDIS	100
LOZERE DISTRIBUTION	100
LUDIS	100
LVDIS	100
LYBERNET	50
MAISON JOHANES BOUBEE	100
MAISON VIZET FABRE	81
MAJOR	100
MARKET PAY	100
MARKET PAY TECH	100
MATOLIDIS	100
MAUDIS	100
MAXIMOISE DE CREATION	51
MONTEL DISTRIBUTION	100
MY DESIGN	100
NOOPART	100
NORLITOP	100
NOSAEL	51
ON LINE CARREFOUR	100
PARLITOP	100
PARSEVRES	100
PASDEL	100
PHIVETOL	100
PLANETA HUERTO	99
POTAGER CITY	68
PROFIDIS	100
PUECH ECO	100
QUITOQUE	79
RESSONS	51
SAFABE	100
SAFETY	100
SAINT HERMENTAIRE	100
SALACA	100
SAVIDIS	100
SCI PROXALBY	74
SELIMA	100
SIGOULIM	51
SMARTECO	100
SO.BIO HOLDING	100
SO.BIO SEVRES	100
SOCIETE DES NOUVEAUX HYPERMARCHES	100
SODIMODIS	100
SODISAL	100
SODITA	100
SODITRIVE	100
SOFALINE	100
SOFIDIM	99

	Percent interest used in consolidation
FRANCE	
SOLANDIS	**100**
SORGENTE NATURA	**99**
SOVAL	**100**
STELAUR	**100**
STENN	**100**
STORETOP	**100**
SUPER AZUR	**100**
SUPERADOUR	**100**
SUPERDIS	**97**
TROTTEL	**100**
UNIVU	**100**
VAN K	**100**
VEZERE DISTRIBUTION	**50**
VIVRE BIO	**100**
VIZEGU	**90**
ZORMAT	**100**
ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	**88**
INC S.A.	**100**
GERMANY	
CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	**100**
BRAZIL	
ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	**72**
ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA - BANK	**37**
BANCO CSF S.A.	**37**
BRAZIL INSURANCE SFA	**37**
BSF HOLDING S.A.	**37**
CARREFOUR COMMERCIO E INDUSTRIA LTDA	**72**
CMBCI INVESTIMENTOS E PARTICIPAÇÕES LTDA	**72**
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	**72**
COTABEST INFORMACOES E TECNOLOGIA S.A.	**37**
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	**37**
E MIDIA INFORMACOES LTDA	**72**
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	**72**
PANDORA PARTICIPACOES LTDA.	**72**
RIOBONITO ASSESSORIA DE NEGOCIOS LTDA.	**72**
TROPICARGAS TRANSPORTES LTDA.	**72**
VERPARINVEST S.A	**72**
BELGIUM	
BRUGGE RETAIL ASSOCIATE	**100**
CAPARBEL	**100**
CARREFOUR BELGIUM	**100**
CARREFOUR FINANCE	**100**
CARUM	**100**
DRIVE 1	**100**
DRIVE 2	**100**
ECLAIR	**100**
FILUNIC	**100**
FIMASER	**60**
FIRST IN FRESH	**100**
GROSFRUIT	**100**
HALLE RETAIL ASSOCIATE	**100**
HEPPEN RETAIL ASSOCIATE	**100**
INTERDIS	**100**
MARKET A1 CBRA	**100**
MARKET B2 CBRA	**100**
MARKET C3 CBRA	**100**
MARKET D4 CBRA	**100**
MARKET E5 CBRA	**100**
MARKET F6 CBRA	**100**
ORTHROS	**100**
ROB	**100**
SCHILCO	**100**
SHIP TO	**100**
SOUTH MED INVESTMENTS	**100**
STIGAM	**100**
VANDEN MEERSSCHE NV	**100**

	Percent interest used in consolidation
NETHERLANDS	
CARREFOUR NEDERLAND BV	**100**
CARREFOUR PROPERTY BV	**100**
FICADAM BV	**100**
HYPER GERMANY BV	**100**
INTERNATIONAL MERCHANDISE TRADING BV	**100**
SOCA BV	**100**
SPAIN	
CARREFOUR PROPERTY ESPANA, S.L.U.	**100**
CENTROS COMERCIALES CARREFOUR, S.A.	**100**
CORREDURIA DE SEGUROS CARREFOUR, S.A.U.	**100**
FINANZAS Y SEGUROS	**100**
GROUP SUPECO MAXOR, S.L.U.	**100**
INVERSIONES PRYCA, S.A.U.	**100**
NORFIN HOLDER, S.L.	**100**
SERVICIOS FINANCIEROS CARREFOUR, EFC, S.A.	**60**
SOCIEDAD DE COMPRAS MODERNAS, S.A.U.	**100**
SUPERMERCADOS CHAMPION, S.A.U.	**100**
VIAJES CARREFOUR, S.L.U.	**100**
ITALY	
CARREFOUR BANCA	**60**
CARREFOUR ITALIA FINANCE SRL	**100**
CARREFOUR ITALIA SPA	**100**
CARREFOUR PROPERTY ITALIA SRL	**100**
CONSORZIO NICHELINO	**64**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	**53**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	**89**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	**77**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	**54**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	**58**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	**87**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	**84**
GALLERIA COMMERCIALE PADERNO S.R.L	**100**
GALLERIA COMMERCIALE PROPERTY FUTURA S.R.L	**100**
GS SPA	**100**
POLAND	
CARREFOUR POLSKA	**100**
CPA WAW 1	**100**
ROMANIA	
ALLIB ROM SRL	**100**
ARTIMA SA	**100**
BRINGO MAGAZIN	**90**
CARREFOUR PRODUCTIE SI DISTRIBUTIE	**100**
CARREFOUR ROUMANIE	**100**
COLUMBUS ACTIVE SRL	**100**
COLUMBUS OPERATIONAL SRL	**100**
MILITARI GALERIE COMERCIALA	**100**
SUPECO INVESTMENT SRL	**100**
SWITZERLAND	
CARREFOUR WORLD TRADE	**100**
LUXEMBOURG	
VELASQUEZ S.A.	**100**
TAIWAN	
CARREFOUR INSURANCE BROKER CO	**60**
CARREFOUR TELECOMMUNICATION CO	**60**
CHARNG YANG DEVELOPMENT CO	**30**
PRESICARRE	**60**
WELLCOME	**60**
HONG KONG	
CARREFOUR ASIA LTD	**100**
CARREFOUR GLOBAL SOURCING ASIA	**100**
CARREFOUR TRADING ASIA LTD (CTA)	**100**
CHINA	
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	**100**
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	**100**
SOCIEDAD DE COMPRAS MODERNAS, S.A. SHANGHAI REPRESENTATIVE OFFICE	**100**

18.2 Equity-accounted companies at December 31, 2020

FRANCE	Percent interest used in consolidation	FRANCE	Percent interest used in consolidation
ABREDIS	50	LES OLIVIERS	50
ADIALEA	20	LEZIDIS	50
ALEXANDRE	50	LSODIS	50
ALTACAR OLLIOULES	50	LUMIMMO	51
ANGIDIS	50	LYEMMADIS	50
ANTONINE	50	MADIS	50
ARLOM	50	MAGODIS	50
AROBLIS	50	MALISSOL	50
AUBINYC	50	MARIDYS	50
AUDIST SAS	50	MARLODIS	50
BAMAZO	50	MASSEINE	50
BELONDIS	50	MBD	50
BIADIS	34	MIMALI	50
BLS RETRAIL	50	NASOCA	50
BORDEROUGE	50	NC DISTRIBUTION	50
BOURG SERVICES DISTRIBUTION "B.S.D"	50	NCL	50
BPJ	26	NOUKAT	50
CABDIS	50	OLICOURS	50
CALODIAN DISTRIBUTION	50	OUISDIS	50
CAMPI	50	OULLIDIS	50
CARDUTOT	26	PAM	50
CARMILA	35	PAS DE MENC	50
CENTRALE ENVERGURE	50	PFDIS	50
CERBEL	50	PHILODIS	50
CEVIDIS	50	PLAMIDIS	50
CHAMNORD	56	PLANE MARSEILLAN	50
CHERBOURG INVEST	48	PLANE PORT VENDRES	50
CHRISTIA	50	PRIGONDIS	50
CINQDIS 09	50	PRODIX	50
CJA DISTRIBUTION	50	PROVENCIA SA	50
CLOVIS	50	RD2M	50
CLUNYDIS	50	REBAIS DISTRIBUTION	50
CODINOG	50	RIMADIS	50
COFLEDIS	50	ROND POINT	50
COLODOR	50	ROSE BERGER	26
COROU	50	SADEV	26
CVP DISTRIBUTION	50	SAINT JUERY DISTRIBUTION	50
CYMUR	50	SAS DF19	50
D2C	50	SAS DISTRI GIGNAC	50
DECODIS	26	SASD	26
DEPOT PETROLIER DE LYON	50	SCB	26
DEPOTS PETROLIERS COTIERS	24	SCGR DISTRIBUTION	50
DIRIC	50	SCI 2C	50
DISTRI PALAVAS	50	SCI 2F	50
DISTRIBOURG	50	SCI FONCIERE DES ALBERES	50
DISTRICAB	50	SCI IMMODISC	50
DISTRIFLEURY	50	SCI LA BEAUMETTE	49
DOUDIS	50	SCI LA CLAIRETTE	50
DU MOULIN	50	SCI LATOUR	60
EDENDIS	50	SCI PONT D'ALLIER	50
EN CONTACT	34	SCI SOVALAC	50
ENTREPOT PETROLIER DE VALENCIENNES	34	SCOMONDIS	50
FABCORJO	50	SDAP	26
FALME	50	SEREDIS	26
FIVER	50	SERPRO	50
FONCIERE MARSEILLAN	50	SHOWROOMPRIVE.COM	9
FONCIERE PLANES	50	SIFO	50
FRELUM	50	SIXFOURSDIS	50
GALLDIS	50	SME	50
GGP DISTRIBUTION	50	SOBRAMIC	50
GIE FOURTY	50	SOCADIS BANYULS	50
GPVM	30	SOCADIS CAVALAIRE	50
GRANDI	50	SODIBOR	50
GRDIS	50	SODICAB	50
HALLE RASPAIL	50	SODILIM	50
HBLP	25	SODIMER	50
IDEC	50	SODIOUIS	50
IMMO ST PIERRE EGLISE	50	SODYEN	50
J2B	50	SOMADIS	50
JEDEMA	50	SOQUIMDIS	50
JLEM	50	SOVADIS	50
JMS74 DISTRIBUTION	50	SOVALDIS	50
JOSIM	34	SPC DISTRI	50
JTDS MARKET	50	ST BONNET DISCOUNT	50
JUPILOU	50	ST PAUL DE DISTRIBUTION	50
LA CATALANE DE DISTRIBUTION	50	STE D'ALIM MODERNE	50
LA CRAUDIS	50	STE DU DEPOT PETROLIER DE NANTERRE	20
LAITA BELON DISTRIBUTION	50	TEDALI	50
LB LE PLAN	50	TIADIS	50
LE CLAUZELS	50	TURENNE	50
LE PETIT BAILLY	50	VALCRIS DISTRIBUTION	50
LE PLA	50	VALMENDIS	50
LEHENBERRI	50	VICUN	50

BELGIUM	Percent interest used in consolidation
MESTDAGH	25

BRAZIL	
COSMOPOLITANO SHOPPING EMPREENDIMENTOS S.A	36
EWALLY	35

SPAIN	
2013 ALBADALEJO VALENCIA, S.L.	26
2013 ALVARO EFREN JIMENEZ, S.L.	26
2013 CID OTERO, S.L.	26
2013 CORDOBA RODRIGUEZ, S.L.	26
2013 ERIK DAVID, S.L.	26
2013 FLORES HERNANDEZ, S.L.	26
2013 LIZANDA TORTAJADA, S.L.	26
2013 MARTINEZ CARRION, S.L.	26
2013 NAYARA SAN MARTIN YANGÜELA, S.L.	26
2013 SOBAS ROMERO, S.L.	26
COSTASOL DE HIPERMERCADOS, S.L.	34
D-PARKING, S.C.P.	58
GLORIAS PARKING, S.A.	50
ILITURGITANA DE HIPERMERCADOS, S.L.	34
JM MARMOL SUPERMERCADOS, S.L.	26
LAREDO EXRPRESS J.CARLOS VAZQUEZ, S.L.	26
LUHERVASAN, S.L.	26
SUPERMERCATS HEGERVIC MATARO, S.L.	26
SUPERMERCATS SAGRADA FAMILIA, S.L.	26

ITALY	Percent interest used in consolidation
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	50
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	46
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	30
S.C.A.R.L. SHOPVILLE GRAN RENO	39

NETHERLANDS	
KACC BV	49

POLAND	
C SERVICES	30

ROMANIA	
PLOIESTI SHOPPING CITY	50

TURKEY	
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	38

TUNISIA	
ULYSSE	25