



# **Condensed consolidated financial statements**

**for the six-month period ended  
June 30, 2021**



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## Consolidated income statement

Comparative data for the six months ended June 30, 2020 have been restated (indicated as “restated” below) in the consolidated financial statements as of June 30, 2021 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).

Argentina is classified as a hyperinflationary economy within the meaning of IFRSs. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the condensed consolidated half-year financial statements as of June 30, 2021: data for the comparative period presented have also been adjusted for inflation.

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

<i>(in millions of euros)</i>	Notes	First-half 2021	First-half 2020 restated	% change
Net sales	6.1	34,462	34,265	0.6%
Loyalty program costs		(403)	(317)	27.3%
<b>Net sales net of loyalty program costs</b>		<b>34,059</b>	<b>33,949</b>	<b>0.3%</b>
Other revenue	6.1	1,040	1,121	(7.2)%
<b>Total revenue</b>		<b>35,100</b>	<b>35,070</b>	<b>0.1%</b>
Cost of sales		(27,734)	(27,612)	0.4%
<b>Gross margin from recurring operations</b>		<b>7,365</b>	<b>7,458</b>	<b>(1.2)%</b>
Sales, general and administrative expenses, depreciation and amortisation	6.2	(6,625)	(6,732)	(1.6)%
<b>Recurring operating income</b>		<b>740</b>	<b>726</b>	<b>1.9%</b>
Net income/(loss) from equity-accounted companies	10.1	(10)	(2)	382.1%
<b>Recurring operating income after net income from equity-accounted companies</b>		<b>730</b>	<b>724</b>	<b>0.8%</b>
Non-recurring income and expenses, net	6.3	(41)	(239)	(82.7)%
<b>Operating income</b>		<b>689</b>	<b>485</b>	<b>41.9%</b>
Finance costs and other financial income and expenses, net	13.6	(132)	(185)	(28.5)%
<i>Finance costs, net</i>		(80)	(91)	(12.8)%
<i>Net interests related to leases commitment</i>		(52)	(59)	(13.0)%
<i>Other financial income and expenses, net</i>		(1)	(34)	(96.6)%
<b>Income before taxes</b>		<b>556</b>	<b>300</b>	<b>85.2%</b>
Income tax expense	9	(187)	(237)	(20.9)%
<b>Net income/(loss) from continuing operations</b>		<b>369</b>	<b>64</b>	<b>479.5%</b>
Net income/(loss) from discontinued operations		23	3	676.7%
<b>Net income/(loss) for the period</b>		<b>392</b>	<b>67</b>	<b>488.1%</b>
<b>Group share</b>		<b>298</b>	<b>(25)</b>	<b>1269.2%</b>
of which net income/(loss) from continuing operations - Group share		275	(28)	1069.2%
of which net income/(loss) from discontinued operations - Group share		23	3	676.7%
<b>Attributable to non-controlling interests</b>		<b>94</b>	<b>92</b>	<b>2.0%</b>
of which net income/(loss) from continuing operations - attributable to non-controlling interests		94	92	2.0%
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		-	-	-

  

<b>Basic earnings per share (in euros)</b>	First-half 2021	First-half 2020 restated	% change
Net income/(loss) from continuing operations - Group share - per share	0.34	(0.04)	1066.3%
Net income/(loss) from discontinued operations - Group share - per share	0.03	0.00	674.3%
Net income/(loss) - Group share - per share	0.37	(0.03)	1265.7%

  

<b>Diluted earnings per share (in euros)</b>	First-half 2021	First-half 2020 restated	% change
Diluted Net income/(loss) from continuing operations - Group share - per share	0.34	(0.04)	1062.5%
Diluted Net income/(loss) from discontinued operations - Group share - per share	0.03	0.00	671.3%
Diluted Net income/(loss) - Group share - per share	0.37	(0.03)	1261.1%

Details of earnings per share calculations are provided in Note 12.2.



## Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	Notes	First-half 2021	First-half 2020 restated
Net income/(loss) - Group share		298	(25)
Net income - Attributable to non-controlling interests		94	92
<b>Net income/(loss) for the period</b>		<b>392</b>	<b>67</b>
Effective portion of changes in the fair value of cash flow hedges	12.1	31	21
Changes in the fair value of debt instruments through other comprehensive income	12.1	(2)	(3)
Exchange differences on translating foreign operations <sup>(1)</sup>	12.1	251	(880)
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>280</b>	<b>(861)</b>
Remeasurements of defined benefit plans obligation <sup>(2)</sup>	12.1	49	(0)
Changes in the fair value of equity instruments through other comprehensive income	12.1	-	0
<b>Items that will not be reclassified to profit or loss</b>		<b>49</b>	<b>(0)</b>
<b>Other comprehensive income/(loss) after tax</b>		<b>329</b>	<b>(862)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>721</b>	<b>(795)</b>
Group share		548	(597)
Attributable to non-controlling interests		173	(198)

These items are presented net of the tax effect (see Note 12.1).

- (1) Exchange differences recognised on translating foreign operations in first-half 2021 mainly reflect the slight increase in the value of the Brazilian real, in contrast to first-half 2020 during which the value of the Brazilian real decreased significantly.
- (2) Remeasurement of the net defined benefit liability recognised in first-half 2021 reflects the increase in discount rates applied for the eurozone, from 0.40% at end-December 2020 to 0.80% at end-June 2021. In first-half 2020, the discount rate had remained stable at 0.75%.



## Consolidated statement of financial position

### ASSETS

<i>(in millions of euros)</i>	Notes	June 30, 2021	December 31, 2020
Goodwill	7.1	8,100	8,034
Other intangible assets	7.1	1,312	1,325
Property and equipment	7.2	10,620	10,505
Investment property	7.3	298	259
Right-of-use assets	8.1	4,522	4,506
Investments in companies accounted for by the equity method	10.1	1,232	1,172
Other non-current financial assets	13.5	1,247	1,212
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,827	1,933
Deferred tax assets		727	679
Other non-current assets		405	490
<b>Non-current assets</b>		<b>30,291</b>	<b>30,115</b>
Inventories		5,942	5,326
Trade receivables		2,698	2,526
Consumer credit granted by the financial services companies – portion less than one year	6.5	3,721	3,295
Other current financial assets	13.2	400	368
Tax receivables		727	608
Other current assets		1,134	788
Cash and cash equivalents	13.2	1,294	4,439
Assets held for sale		101	124
<b>Current assets</b>		<b>16,018</b>	<b>17,473</b>
<b>TOTAL ASSETS</b>		<b>46,309</b>	<b>47,588</b>

### SHAREHOLDERS' EQUITY AND LIABILITIES

<i>(in millions of euros)</i>	Notes	June 30, 2021	December 31, 2020
Share capital		2,044	2,044
Consolidated reserves (including net income)		7,425	7,751
<b>Shareholders' equity, Group share</b>		<b>9,469</b>	<b>9,795</b>
Shareholders' equity attributable to non-controlling interests		1,593	1,502
<b>Total shareholders' equity</b>		<b>11,063</b>	<b>11,297</b>
Borrowings - portion more than one year	13.2	6,146	6,305
Lease commitments - portion more than one year	8.2	3,760	3,787
Provisions	11	2,806	2,670
Consumer credit financing – portion more than one year	6.5	1,630	1,506
Deferred tax liabilities		518	467
Tax payables - portion more than one year		215	214
<b>Non-current liabilities</b>		<b>15,077</b>	<b>14,949</b>
Borrowings - portion less than one year	13.2	1,038	1,084
Lease commitments - portion less than one year	8.2	977	936
Suppliers and other creditors		11,385	12,560
Consumer credit financing – portion less than one year	6.5	3,182	3,067
Tax payables - portion less than one year		1,167	1,039
Other current payables		2,421	2,617
Liabilities related to assets held for sale		-	39
<b>Current liabilities</b>		<b>20,170</b>	<b>21,342</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>46,309</b>	<b>47,588</b>



## Consolidated statement of cash flows

<i>(in millions of euros)</i>	<b>First-half 2021</b>	<b>First-half 2020 restated</b>
<b>Income before taxes</b>	<b>556</b>	<b>300</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income tax	(165)	(227)
Depreciation and amortisation expense	1,133	1,160
Gains and losses on sales of assets	(281)	32
Change in provisions and impairment	152	(158)
Finance costs, net	80	91
Net interests related to leases	52	59
Net income and dividends received from equity-accounted companies	48	3
Impact of discontinued operations <sup>(1)</sup>	(9)	(27)
<b>Cash flow from operations</b>	<b>1,566</b>	<b>1,233</b>
Change in working capital requirement <sup>(2)</sup>	(2,138)	(2,064)
<b>Net cash (used in)/from operating activities (excluding financial services companies)</b>	<b>(572)</b>	<b>(831)</b>
Change in consumer credit granted by the financial services companies	(103)	(38)
<b>Net cash (used in)/from operating activities - total</b>	<b>(675)</b>	<b>(869)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment and intangible assets <sup>(3)</sup>	(558)	(485)
Acquisitions of non-current financial assets <sup>(4)</sup>	(147)	(9)
Acquisitions of subsidiaries and investments in associates <sup>(5)</sup>	(87)	(77)
Proceeds from the disposal of subsidiaries and investments in associates <sup>(6)</sup>	186	5
Proceeds from the disposal of property and equipment and intangible assets	40	53
Proceeds from the disposal of non-current financial assets	2	9
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets <sup>(3)</sup>	(219)	(329)
<b>Investments net of disposals - subtotal</b>	<b>(782)</b>	<b>(834)</b>
Other cash flows from investing activities	44	(68)
<b>Net cash (used in)/from investing activities</b>	<b>(739)</b>	<b>(901)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issues to non-controlling interests	0	1
Dividends paid by Carrefour SA (parent company) <sup>(7)</sup>	(383)	(57)
Dividends paid by consolidated companies to non-controlling interests	(90)	(88)
Change in treasury stock and other equity instruments <sup>(8)</sup>	(443)	-
Change in current financial assets <sup>(9)</sup>	15	(88)
Issuance of bonds <sup>(9)</sup>	-	1,000
Repayments of bonds <sup>(9)</sup>	(871)	(802)
Net financial interests paid	(82)	(129)
Other changes in borrowings <sup>(9)</sup>	649	1,046
Payments related to leases (principal) <sup>(10)</sup>	(480)	(469)
Net interests paid related to leases <sup>(10)</sup>	(51)	(55)
<b>Net cash (used in)/from financing activities</b>	<b>(1,735)</b>	<b>358</b>
<b>Net change in cash and cash equivalents before the effect of changes in exchange rates</b>	<b>(3,149)</b>	<b>(1,412)</b>
Effect of changes in exchange rates	4	(304)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,145)</b>	<b>(1,717)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,439</b>	<b>4,466</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,294</b>	<b>2,750</b>

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

(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 payment of 123 million Brazilian reais to acquire two additional Makro Atacadista stores in Brazil, (approximately 19 million euros, bringing the total to 27 acquired stores as of June 30, 2021), the Group's digitalisation and the roll-out of a leading omni-channel offering.

(4) This item mainly corresponds to the downpayment of 900 million Brazilian reais in March 2021 (approximately 139 million euros) relating to the ongoing acquisition of the BIG group in Brazil (see Note 3.3).

(5) This item mainly corresponds to the acquisition of Supersol stores in Spain for 80 million euros (provisional amount, see Note 3.3). In first-half 2020, this item mainly corresponded to the acquisitions of Dejbox and Potager City in France and Sant'Ambroeus in Italy.

(6) This line corresponds to the 189 million-euro cash payment (before transaction costs) received on the sale of 60% of Market Pay (see Note 3.3).

(7) The dividend approved by the Shareholders' Meeting of May 21, 2021 was paid entirely in cash on May 28, 2021 for an amount of 383 million euros (see Note 3.5). In 2020, the dividend was paid on June 29, 2020 (leading to a cash outflow of 57 million euros).

(8) This item corresponds for to the share buyback programme (see Note 3.6).

(9) Note 13.2 provides a breakdown of net debt. Changes in liabilities arising from financing activities are detailed in Note 13.4.

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



# Consolidated statement of changes in shareholders' equity

(in millions of euros)	Shareholders' equity, Group share				Total Shareholders' equity, Group share	Non-controlling interests	Total Shareholders' equity
	Share capital	Translation reserve	Fair value reserve <sup>(2)</sup>	Other consolidated reserves and net income			
<b>Shareholders' equity at December 31, 2019</b>	<b>2,018</b>	<b>(1,381)</b>	<b>(33)</b>	<b>9,332</b>	<b>9,937</b>	<b>1,736</b>	<b>11,673</b>
Net income/(loss) for the half-year 2020 restated				(25)	(25)	92	67
Other comprehensive income/(loss) after tax <sup>(3)</sup>		(591)	20	(0)	(572)	(290)	(862)
<b>Total comprehensive income/(loss) for the half-year 2020 restated</b>		<b>(591)</b>	<b>20</b>	<b>(26)</b>	<b>(597)</b>	<b>(198)</b>	<b>(795)</b>
Share-based payments				7	7	0	8
2019 dividend payment <sup>(1)</sup>	26			(83)	(57)	(73)	(130)
Change in capital and additional paid-in capital						1	1
Effect of changes in scope of consolidation and other movements				(14)	(14)	13	(1)
<b>Shareholders' equity at June 30, 2020 restated</b>	<b>2,044</b>	<b>(1,972)</b>	<b>(13)</b>	<b>9,217</b>	<b>9,276</b>	<b>1,478</b>	<b>10,754</b>
<b>Shareholders' equity at December 31, 2020</b>	<b>2,044</b>	<b>(2,078)</b>	<b>(42)</b>	<b>9,870</b>	<b>9,795</b>	<b>1,502</b>	<b>11,297</b>
Net income/(loss) for the half-year 2021				298	298	94	392
Other comprehensive income/(loss) after tax <sup>(3)</sup>		172	29	49	250	79	329
<b>Total comprehensive income/(loss) for the half-year 2021</b>		<b>172</b>	<b>29</b>	<b>347</b>	<b>548</b>	<b>173</b>	<b>721</b>
Share-based payments				13	13	0	13
Treasury stock (net of tax) <sup>(4)</sup>				(502)	(502)		(502)
2020 dividend payment <sup>(1)</sup>				(383)	(383)	(83)	(466)
Change in capital and additional paid-in capital						0	0
Effect of changes in scope of consolidation and other movements				(1)	(1)	0	(1)
<b>Shareholders' equity at June 30, 2021</b>	<b>2,044</b>	<b>(1,906)</b>	<b>(13)</b>	<b>9,344</b>	<b>9,469</b>	<b>1,593</b>	<b>11,063</b>

- (1) The 2019 dividend distributed by Carrefour SA, totalling 183 million euros, was paid in first-half 2020:
- in cash for 57 million euros; and
  - in new shares for 126 million euros (corresponding to the aggregate par value of the new shares for 26 million euros and premiums for 100 million euros).

The 2020 dividend distributed by Carrefour SA, totalling 383 million euros, was paid entirely in cash in first-half 2021.

Dividends paid to non-controlling interests mainly concern to the Spanish and Brazilian subsidiaries for an amount of 83 million euros in first-half 2021, and to the Spanish and Taiwanese subsidiaries for a total amount of 73 million euros in first-half 2020.

- (2) This item comprises:
- the hedge reserve (effective portion of changes in the fair value of cash flow hedges);
  - the financial asset fair value reserve (changes in the fair value of financial assets carried at fair value through other comprehensive income).
- (3) Other comprehensive income after tax reflects the slight increase in the value of the Brazilian real compared to December, 31 2020 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the increase in discount rates applied for the eurozone as of June 30, 2021. In first-half 2020, other comprehensive loss after tax chiefly reflected the significant decrease in the value of the Brazilian real over the period.
- (4) A share buyback programme was launched in first-half 2021 for a maximum amount of 500 million euros. At the date the agreement was signed with the investment services provider, a short-term financial liability of 500 million euros in shares and related fees of 2 million euros were recorded against shareholders' equity (see Note 3.6).



# Notes to the Condensed Consolidated Financial Statements

## Notes to the Condensed Consolidated Financial Statements

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# Notes to the Condensed Consolidated Financial Statements

## NOTE 1: BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Consolidated Financial Statements for the six-month period ended June 30, 2021 were approved for publication by the Board of Directors on July 28, 2021.

Carrefour SA (the "Company") is domiciled in France at 93, avenue de Paris, 91300 Massy. The Condensed Consolidated Financial Statements for the six-month period ended June 30, 2021 reflect the financial position and results of operations of the Company and its subsidiaries (together "Carrefour" or the "Group"), along with the Group's share of the profits and losses and net assets of equity-accounted associates and joint ventures. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

### 1.1 Statement of compliance

In accordance with European Regulation (EC) No. 1606/2002 dated July 19, 2002, the Condensed Consolidated Financial Statements for the six-month period ended June 30, 2021 have been prepared in compliance with the International Financial Reporting Standards (IFRSs) as adopted for use in the European Union as of June 30, 2021 and applicable at that date, with comparative information for the same period of 2020 and at December 31, 2020 prepared using the standards applicable at the reporting date.

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 June 30, 2021, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date, except for the amendment to IFRS 16 – *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021*, which has not yet been adopted by the European Union.

### 1.2 IFRSs applied by the Group

The accounting and measurement methods used to prepare the Condensed Consolidated Financial Statements for the six-month period ended June 30, 2021 are the same as those used for the 2020 consolidated financial statements, except for specific requirements of IAS 34 – *Interim Financial Reporting* (see Note 1.3) and the following standards, amendments and interpretations which were applicable as of January 1, 2021:

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

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

The objective of Phase 2 of the interest rate benchmark reform is to clarify the accounting impacts of the effective replacement of benchmarks. Its entry into force had no impact for the Group as the interest rate benchmarks had not changed in the Group's contracts as of June 30, 2021.

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

During the first half of 2021, the Group continued the identification process in order to ensure a smooth transition to the new benchmarks, with the additional aim of anticipating the impacts of the reform and initiating the adaptation process. Interest rate derivatives designated as hedges of debt indexed to benchmarks are presented in Note 13.



# Notes to the Condensed 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, which led the Group to retrospectively restate comparative data for the six months ended June 30, 2020 (see Note 4).

Furthermore, the IFRS IC published several final decisions over the first half of 2021, particularly with regard to the accounting treatment of configuration and customisation costs in a Software as a Service (SaaS) arrangement and the allocation of benefits to periods of service associated with a specific defined benefit plan. Carrefour did not apply these decisions when preparing its condensed consolidated half-year financial statements as of June 30, 2021, since their potential impacts are in the process of being analysed.

## **Adopted by the European Union but not yet applicable**

<b>Standards, amendments and interpretations</b>	<b>Effective date</b>
Amendments to IFRS 3 – <i>Business Combinations</i> , IAS 16 – <i>Property, Plant and Equipment</i> , IAS 37 – <i>Provisions, Contingent Liabilities and Contingent Assets</i> and <i>Annual Improvements to IFRSs – 2018-2020 cycle</i>	January 1, 2022

## **Not yet adopted by the European Union**

<b>Standards, amendments and interpretations</b>	<b>Effective date <sup>(1)</sup></b>
Amendment to IFRS 16 – <i>Leases: Covid-19-Related Rent Concessions beyond 30 June 2021</i>	April 1, 2021
IFRS 17 – <i>Insurance Contracts</i>	January 1, 2023
Amendments to IAS 1 – <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	January 1, 2023
Amendments to IAS 1 – <i>Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies</i>	January 1, 2023
Amendments to IAS 8 – <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	January 1, 2023
Amendments to IAS 12 – <i>Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	January 1, 2023

(1) Subject to adoption by the European Union.

The Group is currently analysing the potential impacts of the amendments to IAS 12. It does not expect the application of the other standards, amendments or interpretations to have a material impact on its consolidated financial statements.

## **1.3 Specific reporting treatments in the preparation of interim financial statements**

### **1.3.1 Reporting principles**

The condensed consolidated financial statements for the six-month period ended June 30, 2021 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*. Condensed interim consolidated financial statements do not contain all of the disclosures that would be required in a complete set of annual financial statements. Consequently, these interim financial statements should be read jointly with the Group's consolidated financial statements for the year ended December 31, 2020, as included in the Universal Registration Document filed with the AMF (French



# Notes to the Condensed Consolidated Financial Statements

financial markets authority) and available on request from the Company's head office at 93 avenue de Paris – 91300 Massy, France, or on the Company's website, [www.carrefour.com](http://www.carrefour.com).

## 1.3.2 Estimation of income tax expense

In accordance with IAS 34, income tax expense for first-half 2021 is calculated based on the estimated weighted average annual income tax rate for full-year 2021 (the effective tax rate), for each entity and tax sub-group (see Note 9). The tax impact of specific transactions is reflected in income tax expense for the period.

## 1.3.3 Post-employment benefits and other long-term benefits

The provision for pensions and other post-employment benefits is calculated using actuarial projections based on data from the previous period-end. The discount rate for the main contributing countries (eurozone) is reviewed at June 30 (see Note 11.2). The actuarial projections are updated to take into account any material changes to assumptions or one-off impacts (discount rates, applicable legislation, the population concerned, etc.) during the six-month period.

It should be noted that, needing sufficient time to analyse potential impacts, the Group did not apply the IFRS IC decision published in May 2021 relating to the allocation of benefits to periods of service associated with a specific defined benefit plan (see Note 1.2).

## 1.4 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 main estimates and judgements applied for the preparation of the condensed consolidated financial statements for the six-month period ended June 30, 2021 are the same as those described in the consolidated financial statements for the year ended December 31, 2020, except as explained in Note 1.3.

## 1.5 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 13);
- assets acquired and liabilities assumed in business combinations, measured using the fair value model;
- 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);



## Notes to the Condensed Consolidated Financial Statements

- 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 condensed consolidated financial statements for the six-month period ended June 30, 2021; data for the comparative period presented have also been adjusted for inflation.

### NOTE 2: SEASONAL FLUCTUATIONS IN BUSINESS

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

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

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

### NOTE 3: SIGNIFICANT EVENTS OF THE PERIOD

#### 3.1 Covid-19 health crisis

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

#### Solid balance sheet, enhanced liquidity and financial discipline

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

At June 30, 2021, the Group was rated Baa1 with a stable outlook by Moody's and BBB with a stable outlook by Standard & Poor's.

The main financing operations carried out in first-half 2021 are described in detail in Note 3.4.



# Notes to the Condensed Consolidated Financial Statements

## Impact of the health crisis on the consolidated half-year financial statements as of June 30, 2021

### **Income statement**

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

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

As a reminder, in first-half 2020, in accordance with the Group's accounting principles, which were applied consistently, exceptional bonuses and similar benefits were recognised in non-recurring expenses for a total amount of 128 million euros. These bonuses did not compensate employees for their work as such. Rather, they represented an act of corporate social responsibility, offering tax and employee benefits. The exceptional bonuses supplemented the usual components of fixed and variable compensation awarded to the employees concerned (in respect of overtime pay, various types of bonuses, profit-sharing, etc.), i.e., without replacing said components (see Note 2.1 to the 2020 consolidated financial statements and Note 3.1.c to the 2021 condensed consolidated half-year financial statements).

### **Balance sheet**

#### **Impairment – review of indicators and tests**

At each interim closing, as prescribed by IAS 36 – *Impairment of Assets*, the Group determines whether there are any indications of impairment of the cash-generating units (CGUs) represented by the individual stores and of the goodwill allocated to groups of CGUs by country and performs additional impairment tests if such indicators are identified.

For **goodwill**, 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 indicators: a material increase in the discount rate and/or a severe downgrade in the GDP growth forecasts issued by the IMF or the OECD.

In light of the unusual situation created by the Covid-19 health crisis, the methodology used for goodwill impairment tests consisted in applying June 30, 2021 financial parameters to the tests performed at end-December 2020 (same methodology as applied as of June 30, 2020) and the following assumptions:

- application of an enhanced market premium and long-term beta to determine the weighted average cost of capital (WACC);
- forecast of perpetual growth rates from the recent data provided by the IMF.

Regarding the **stores**, a targeted review was performed on stores identified as offering limited headroom (recoverable amount – carrying amount) during the end-2020 impairment tests.

Regarding **investments in equity-accounted companies**, the value of the investment in Carmila at June 30, 2021 was supported by the company's EPRA NAV (European Public Real Estate Association Net Asset Value) at that date. No impairment loss was recorded during the period on the investment in Provencia (a group of Carrefour franchisees in the Rhône-Alpes region). In addition, the carrying amount of the investment in Showroomprivé at June 30, 2021 (as at December 31, 2020) was aligned with the company's share price at that date. Lastly, the shares retained following the sale of 60% of Market Pay and those obtained as part of the creation of SCI Cargan-LOG have just been accounted for in the consolidated balance sheet (see Note 3.3).



## Notes to the Condensed Consolidated Financial Statements

Ultimately, at June 30, 2021, the tests performed by the Group did not lead to the recognition of any impairment losses on stores, goodwill, investment properties or investments in equity-accounted companies.

### Financial services companies

Consumer credit granted by the financial services companies corresponds to customer receivables (credit card debt, personal loans, etc.). In 2020, 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 health crisis, or according to the terms of the contracts. The repayment holidays did not affect the existing classification of the customer loans concerned and had no impact on the calculation of expected credit losses at June 30 and December 31, 2020. At June 30, 2021, the usual process has been resumed for classifying these outstanding loans and calculating the related allowances.

In addition, credit risks continued to be assessed in light of the specific context associated with the health crisis.

### 3.2 Simplification of the organisation as part of the "Carrefour 2022" transformation plan

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

A provision was set aside at June 30, 2021 for the cost of this plan, against a non-recurring expense. The amount of the provision was determined based on various assumptions and is the best estimate of the costs the Group expects to incur in relation to the roll-out of the programme (see Notes 6.3 and 11.4).

### 3.3 Main acquisitions, disposals and other transactions during the period

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

In August 2020, the Group entered into an agreement to acquire 172 convenience stores and supermarkets under the **Supersol** banner in Spain, located primarily in Andalucía and the Madrid area. The acquired stores generated net sales of around 480 million euros in 2020.

At December 31, 2020, closing of the transaction was subject to the customary conditions. After receiving clearance from the local competition authority on January 12, 2021, the acquisition was completed on March 11, 2021 for a provisional price of 80 million euros.

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of provisional goodwill in the amount of 76 million euros in the 2021 condensed consolidated half-year financial statements.

Of the 172 stores, 127 Supersol stores will be converted into Carrefour store formats by the end of 2021, 42 stores are being disposed of and have been classified within assets held for sale at June 30, 2021 in accordance with IFRS 5 - 38 of these have already been disposed in July 2021 - and the 3 remaining stores will be closed.



## Notes to the Condensed Consolidated Financial Statements

### **Ongoing acquisition of Grupo BIG Brasil SA (Brazil) – Business combination**

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

The enterprise value is around 7 billion Brazilian reais (around 1.2 billion euros at the June 30, 2021 exchange rate), of which 70% will be paid in cash and 30% in new Carrefour Brazil shares. The agreement provides for an earn-out to be paid six months after completion of the transaction if the Carrefour Brazil share price exceeds the reference value of 19.26 Brazilian reais.

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

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

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

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

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

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

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

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

A process to dispose of the consumer credit portfolio began on June 30, 2021, notably with the receipt of firm purchase offers and buy-out option offers. In accordance with IFRS 5 and IFRS 9, the branch's financial assets were classified within assets held for sale and measured at the lower of their net carrying amount and fair value less costs to sell. This resulted in an expense being recorded in non-recurring expenses for first-half 2021 (see Note 6.3).

### **Creation of a real estate company together with Argan for the development of warehouses – Equity method investment**

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



## Pinheiros project (Brazil) – Exchange of assets

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

The impacts of the transaction were defined in accordance with IAS 16 – *Property, Plant and Equipment* and led to the recognition of a capital gain in non-recurring operating income for an amount of 81 million euros. In line with the Group's intention regarding the use of these assets, the offices of the corporate tower have been recognised in work-in-progress inventories (for an amount of 300 million Brazilian reais, or 51 million euros), the store in assets under construction (65 million Brazilian reais, or 11 million euros) and the shopping mall and the parking lot in investment property (173 million Brazilian reais, or 29 million euros).

## 3.4 Securing the Group's long-term financing

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

The Group's financial position and liquidity were solid at end-June 2021. The average maturity of bond debt of Carrefour SA was 3.6 years at end-June 2021, compared with 3.6 years at end-December 2020 and 4.1 years at end-June 2020.

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

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

Following approval by the AMF, Carrefour SA is the first CAC 40 issuer to include an option of this type in its EMTN programme, further aligning its financing strategy with the Group's CSR objectives and ambitions.

## 3.5 Payment of the 2020 dividend in cash

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

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

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

## 3.6 Share buyback programme

As part of its share capital allocation policy, the Group commissioned an investment services provider to buy back shares corresponding to a maximum amount of 500 million euros, as authorised by the Shareholders' Meetings of May 29, 2020 and May 21, 2021.

The share buyback programme began on May 7, 2021 and ended on July 9, 2021. The objective of the share buyback programme is to allow the Group to hold the shares with a view to cancelling them subsequently.

At the date the agreement was signed, a short-term financial liability (recorded in "Other current payables" in the consolidated balance sheet) of 500 million euros in shares was recorded against consolidated shareholders' equity.

At June 30, 2021, the liability was reduced by the effective amount of purchases made during the period, to represent 59 million euros. At that date, Carrefour held 36 233 955 treasury shares, i.e.,



## Notes to the Condensed Consolidated Financial Statements

4.43% of the share capital, with an average price by share of 16.99 euros for the 26,776,416 shares bought back.

At the completion of the share buyback programme, on July, 9 2021, Carrefour holds 38,932,764 treasury shares, i.e., 4.76% of the share capital, with an average price of 16.96 euros by share for the 29,475,225 shares bought back.



# Notes to the Condensed Consolidated Financial Statements

## NOTE 4: RESTATEMENT OF THE 2020 CONSOLIDATED HALF-YEAR 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 method were recognised retrospectively with effect from the IFRS 16 transition date (i.e., January 1, 2019). For more details on the restatement, see Note 4 to the 2020 consolidated financial statements and Note 8 for the accounting principles relating to IFRS 16.

The consolidated half-year financial statements as of June 30, 2020 have also been restated as a result of this decision.

### 4.1 Consolidated income statement for first-half 2020 (restated)

<i>(in millions of euros)</i>	First-half 2020 published	First-half 2020 restated	Change
Net sales	34,265	34,265	-
Loyalty program costs	(317)	(317)	-
<b>Net sales net of loyalty program costs</b>	<b>33,949</b>	<b>33,949</b>	-
Other revenue	1,121	1,121	-
<b>Total revenue</b>	<b>35,070</b>	<b>35,070</b>	-
Cost of sales	(27,612)	(27,612)	1
<b>Gross margin from recurring operations</b>	<b>7,457</b>	<b>7,458</b>	<b>1</b>
Sales, general and administrative expenses, depreciation and amortisation	(6,739)	(6,732)	7
<b>Recurring operating income</b>	<b>718</b>	<b>726</b>	<b>8</b>
Net income/(loss) from equity-accounted companies	(2)	(2)	-
<b>Recurring operating income after net income from equity-accounted companies</b>	<b>716</b>	<b>724</b>	<b>8</b>
Non-recurring income and expenses, net	(234)	(239)	(5)
<b>Operating income</b>	<b>482</b>	<b>485</b>	<b>4</b>
Finance costs and other financial income and expenses, net	(173)	(185)	(12)
<i>Finance costs, net</i>	(91)	(91)	-
<i>Net interests related to leases commitment</i>	(48)	(59)	(11)
<i>Other financial income and expenses, net</i>	(34)	(34)	(0)
<b>Income before taxes</b>	<b>308</b>	<b>300</b>	<b>(8)</b>
Income tax expense	(238)	(237)	2
<b>Net income/(loss) from continuing operations</b>	<b>70</b>	<b>64</b>	<b>(7)</b>
Net income/(loss) from discontinued operations	3	3	-
<b>Net income/(loss) for the period</b>	<b>73</b>	<b>67</b>	<b>(7)</b>
<b>Group share</b>	<b>(21)</b>	<b>(25)</b>	<b>(5)</b>
of which net income/(loss) from continuing operations - Group share	(23)	(28)	(5)
of which net income/(loss) from discontinued operations - Group share	3	3	-
<b>Attributable to non-controlling interests</b>	<b>94</b>	<b>92</b>	<b>(2)</b>
of which net income/(loss) from continuing operations - attributable to non-controlling interests	94	92	(2)
of which net income/(loss) from discontinued operations - attributable to non-controlling interests	-	-	-



# Notes to the Condensed Consolidated Financial Statements

## 4.2 Consolidated statement of cash flows for first-half 2020 (restated)

<i>(in millions of euros)</i>	<b>First-half 2020 published</b>	<b>First-half 2020 restated</b>	<b>Change</b>
<b>Income before taxes</b>	<b>308</b>	<b>300</b>	<b>(8)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income tax	(227)	(227)	-
Depreciation and amortisation expense	1,168	1,160	(8)
Gains and losses on sales of assets	27	32	5
Change in provisions and impairment	(158)	(158)	-
Finance costs, net	91	91	-
Net interests related to leases	48	59	11
Net income and dividends received from equity-accounted companies	3	3	-
Impact of discontinued operations	(27)	(27)	-
<b>Cash flow from operations</b>	<b>1,233</b>	<b>1,233</b>	<b>-</b>
Change in working capital requirement	(2,064)	(2,064)	-
<b>Net cash (used in)/from operating activities (excluding financial services companies)</b>	<b>(831)</b>	<b>(831)</b>	<b>-</b>
Change in consumer credit granted by the financial services companies	(38)	(38)	-
<b>Net cash (used in)/from operating activities - total</b>	<b>(869)</b>	<b>(869)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment and intangible assets	(485)	(485)	-
Acquisitions of non-current financial assets	(9)	(9)	-
Acquisitions of subsidiaries and investments in associates	(77)	(77)	-
Proceeds from the disposal of subsidiaries and investments in associates	5	5	-
Proceeds from the disposal of property and equipment and intangible assets	53	53	-
Proceeds from the disposal of non-current financial assets	9	9	-
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	(329)	(329)	-
<b>Investments net of disposals - subtotal</b>	<b>(834)</b>	<b>(834)</b>	<b>-</b>
Other cash flows from investing activities	(68)	(68)	-
<b>Net cash (used in)/from investing activities</b>	<b>(901)</b>	<b>(901)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issues to non-controlling interests	1	1	-
Dividends paid by Carrefour SA (parent company)	(57)	(57)	-
Dividends paid by consolidated companies to non-controlling interests	(88)	(88)	-
Change in current financial assets	(88)	(88)	-
Issuance of bonds	1,000	1,000	-
Repayments of bonds	(802)	(802)	-
Net financial interests paid	(129)	(129)	-
Other changes in borrowings	1,046	1,046	-
Payments related to leases (principal)	(481)	(469)	12
Net interests paid related to leases	(44)	(55)	(12)
<b>Net cash (used in)/from financing activities</b>	<b>358</b>	<b>358</b>	<b>-</b>
<b>Net change in cash and cash equivalents before the effect of changes in exchange rates</b>	<b>(1,412)</b>	<b>(1,412)</b>	<b>-</b>
Effect of changes in exchange rates	(304)	(304)	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,717)</b>	<b>(1,717)</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,466</b>	<b>4,466</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,750</b>	<b>2,750</b>	<b>-</b>



# Notes to the Condensed Consolidated Financial Statements

## NOTE 5: SEGMENT INFORMATION

### 5.1 Segment results

<b>First-half 2021</b> <i>(in millions of euros)</i>	<b>Total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Asia</b>	<b>Global Functions</b>
Net sales	<b>34,462</b>	16,889	10,158	6,208	1,208	-
Other revenue	<b>1,040</b>	374	270	318	43	35
<b>Recurring operating income before depreciation and amortisation</b>	<b>1,873</b>	<b>710</b>	<b>648</b>	<b>414</b>	<b>126</b>	<b>(25)</b>
<b>Recurring operating income</b>	<b>740</b>	<b>187</b>	<b>225</b>	<b>309</b>	<b>47</b>	<b>(28)</b>
Capital expenditure <sup>(1)</sup>	<b>558</b>	217	97	220	18	5
Depreciation and amortisation expense <sup>(2)</sup>	<b>(1,133)</b>	(523)	(423)	(105)	(80)	(2)

  

<b>First-half 2020 restated</b> <i>(in millions of euros)</i>	<b>Total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Asia</b>	<b>Global Functions</b>
Net sales	<b>34,265</b>	16,357	10,246	6,569	1,092	-
Other revenue	<b>1,121</b>	371	306	363	44	36
<b>Recurring operating income before depreciation and amortisation</b>	<b>1,886</b>	<b>659</b>	<b>636</b>	<b>492</b>	<b>116</b>	<b>(17)</b>
<b>Recurring operating income</b>	<b>726</b>	<b>129</b>	<b>200</b>	<b>377</b>	<b>49</b>	<b>(28)</b>
Capital expenditure <sup>(1)</sup>	<b>485</b>	204	104	168	2	6
Depreciation and amortisation expense <sup>(2)</sup>	<b>(1,160)</b>	(530)	(436)	(115)	(67)	(11)

(1) In first-half 2021, capital expenditure notably included the acquisition of two additional Makro Atacadista stores on a full ownership basis for approximately 19 million euros, bringing the total to 27 acquired stores at the reporting date. In first-half 2020, capital expenditure notably included the approximately 35 million-euro downpayment made in February 2020 in relation to the acquisition of these stores.

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



# Notes to the Condensed Consolidated Financial Statements

## 5.2 Segment assets and liabilities

June 30, 2021 (in millions of euros)	Total	France	Europe	Latin America	Asia	Global Functions
<b>ASSETS</b>						
Goodwill	8,100	5,153	2,464	342	139	1
Other intangible assets	1,312	589	552	142	22	6
Property and equipment	10,620	4,571	2,934	2,717	396	2
Investment property	298	11	116	120	52	-
Right-of-use Assets	4,522	1,739	2,001	353	424	5
Other segment assets	16,456	7,937	3,175	4,682	275	387
<b>Total Segment assets</b>	<b>41,308</b>	<b>20,001</b>	<b>11,242</b>	<b>8,356</b>	<b>1,308</b>	<b>401</b>
Unallocated assets	5,001					
<b>TOTAL ASSETS</b>	<b>46,309</b>					
<b>LIABILITIES (excluding equity)</b>						
<b>Segment liabilities</b>	<b>24,523</b>	<b>11,800</b>	<b>6,999</b>	<b>4,152</b>	<b>1,106</b>	<b>466</b>
Unallocated liabilities	10,724					
<b>TOTAL LIABILITIES</b>	<b>35,247</b>					

  

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

## NOTE 6: OPERATING ITEMS

### 6.1 Revenue

#### 6.1.1 Net sales

(in millions of euros)	First-half 2021	First-half 2020	% change
Net sales	34,462	34,265	0.6%

Excluding the currency effect, first-half 2021 net sales would have amounted to 36,010 million euros versus 34,265 million euros in first-half 2020, an increase of 5.1%. Changes in exchange rates reduced net sales by 1.5 billion euros in first-half 2021, almost exclusively attributable to the Latin America region.

Restated for IAS 29 in Argentina, consolidated net sales for first-half 2021 would have increased by 5.0% at constant exchange rates.



# Notes to the Condensed Consolidated Financial Statements

## Net sales by country <sup>(1)</sup>

<i>(in millions of euros)</i>	First-half 2021	First-half 2020
<b>France</b>	<b>16,889</b>	<b>16,357</b>
<b>Rest of Europe</b>	<b>10,158</b>	<b>10,246</b>
Spain	4,353	4,204
Italy	1,935	2,131
Belgium	1,998	2,058
Poland	872	875
Romania	1,000	978
<b>Latin America</b>	<b>6,208</b>	<b>6,569</b>
Brazil	5,271	5,632
Argentina	937	937
<b>Asia</b>	<b>1,208</b>	<b>1,092</b>
Taiwan	1,208	1,092
<b>Total Net Sales</b>	<b>34,462</b>	<b>34,265</b>

(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

<i>(in millions of euros)</i>	First-half 2021	First-half 2020	% change
Financing fees and commissions <sup>(1)</sup>	549	667	(17.7)%
Franchise and business lease fees	185	167	10.3%
Rental revenue	75	71	6.2%
Revenue from sub-leases	15	17	(7.1)%
Property development revenue <sup>(2)</sup>	4	9	(53.1)%
Other revenue <sup>(3)</sup>	212	190	11.5%
<b>Total Other Revenue</b>	<b>1,040</b>	<b>1,121</b>	<b>(7.2)%</b>

(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 amounted to 3 million euros in first-half 2021 (zero in first-half 2020).

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

Financing fees and commissions recognised in first-half 2021 continued to be impacted by the health crisis in Europe, in connection with the reduction in the gross value of consumer credit recorded over the period (see Note 6.5.1). In addition, growth observed in Brazil in local currency was compensated on translation into euros, given a more unfavourable average exchange rate over the period than in first-half 2020.

## 6.2 Sales, general and administrative expenses, and depreciation and amortisation

<i>(in millions of euros)</i>	First-half 2021	First-half 2020 restated	% change
Sales, general and administrative expenses	(5,622)	(5,700)	(1.4)%
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(633)	(675)	(6.2)%
Amortisation of right-of-use assets	(369)	(357)	3.6%
<b>Total SG&amp;A expenses and depreciation and amortisation</b>	<b>(6,625)</b>	<b>(6,732)</b>	<b>(1.6)%</b>



# Notes to the Condensed Consolidated Financial Statements

## Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

<i>(in millions of euros)</i>	First-half 2021	First-half 2020	% change
Employee benefits expense	(3,630)	(3,629)	0.0%
Taxes other than on income	(350)	(328)	6.8%
Maintenance and repair costs	(347)	(364)	(4.6)%
Fees	(319)	(385)	(17.3)%
Advertising expense	(300)	(277)	8.4%
Energy and electricity	(219)	(252)	(13.1)%
Property rentals (excluding IFRS 16)	(36)	(30)	18.6%
Other SG&A expenses	(422)	(435)	(3.1)%
<b>Total SG&amp;A expenses</b>	<b>(5,622)</b>	<b>(5,700)</b>	<b>(1.4)%</b>

## Depreciation and amortisation

Including supply chain depreciation and amortisation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 1,133 million euros in first-half 2021 (first-half 2020 restated: 1,160 million euros), as follows:

<i>(in millions of euros)</i>	First-half 2021	First-half 2020 restated	% change
Property and equipment	(507)	(540)	(6.1)%
Intangible assets	(122)	(128)	(4.9)%
Investment property	(5)	(7)	(30.8)%
Depreciation and amortisation of property and equipment, intangible assets, and investment property	(633)	(675)	(6.2)%
Depreciation of right-of-use asset - Property and equipment and investment properties	(369)	(357)	3.6%
Depreciation and amortisation of supply chain	(29)	(27)	7.3%
Depreciation of right-of-use asset - Supply chain	(101)	(101)	(0.2)%
<b>Total Depreciation and amortisation</b>	<b>(1,133)</b>	<b>(1,160)</b>	<b>(2.3)%</b>

## 6.3 Non-recurring income and expenses

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 of non-current assets, gains and losses on sales of non-current assets, restructuring costs and provisions recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the period.

Non-recurring items for first-half 2021 represented a net non-recurring expense of 41 million euros and broke down as follows:

<i>(in millions of euros)</i>	First-half 2021	First-half 2020 restated
Gains and losses on disposals of assets	248	(31)
Restructuring costs	(260)	(42)
Other non-recurring income and expenses	4	(106)
<b>Non-recurring income and expenses, net before asset impairments and write-offs</b>	<b>(9)</b>	<b>(180)</b>
Asset impairments and write-offs	(33)	(59)
<i>of which Impairments and write-offs of goodwill</i>	-	-
<i>of which Impairments and write-offs of property and equipment, intangible assets and others</i>	(33)	(59)
<b>Non-recurring income and expenses, net</b>	<b>(41)</b>	<b>(239)</b>
of which:		
Non-recurring income	405	86
Non-recurring expense	(446)	(325)



## Notes to the Condensed Consolidated Financial Statements

Gains and losses on disposals of assets mainly include the gain arising on the loss of control of Market Pay in France for a net amount of around 230 million euros (see Note 3.3).

Restructuring costs recognised in first-half 2021 result from continued work towards objectives to improve operating performance and organisational efficiency. The expense included in non-recurring items relates chiefly to severance paid or payable within the scope of the transformation plan concerning the headquarters in France (see Note 3.2).

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

- the impact of the Pinheiros real estate transaction, which generated 81 million euros following an exchange of assets in the city of São Paulo (see Note 3.3);
- provision reversals (net of costs) on ICMS credits related to transfers between states on "basic products" were recognised for around 23 million euros (net of costs) following expiry of the limitation period for tax claims or further relief under tax amnesty programmes introduced by certain Brazilian states (see Note 6.3 to the 2020 consolidated financial statements);
- following the death of Mr Silveira Freitas, commitments have been made by Carrefour Brazil to public authorities and non-profit organisations as part of a settlement agreement ("*Termo de ajustamento de Conduta*") signed on June 11, 2021. It led to the recognition of a provision for 17 million euros (see Note 11.1 to these financial statements and Note 11.3 to the 2020 consolidated financial statements).

Other non-recurring income and expenses in first-half 2021 also included revised estimates of historical risks in Spain, and the impacts related to the decision taken in May 2021 to discontinue Carrefour Banque's operations in Italy (see Note 3.3).

Asset impairments and write-offs recorded in first-half 2021 include the retirement of a variety of non-current assets, in particular relating to IT in France for 23 million euros.

### **Main non-recurring items in first-half 2020**

Gains and losses on disposals of assets included the loss incurred on the sale of Rue du Commerce, which was completed on April 30, 2020.

The costs incurred in connection with the Covid-19 health crisis were recognised in recurring operating expenses for first-half 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. 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.

Asset impairments and write-offs corresponded mainly to the write-down of non-current assets by Carrefour Banque following the decision of its Board of Directors to discontinue the C-zam business and impairment losses on certain Promocash stores in France.



# Notes to the Condensed Consolidated Financial Statements

## 6.4 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:

<i>(in millions of euros)</i>	<b>First-half 2021</b>	<b>First-half 2020</b>	<b>Change</b>
Change in inventories	(426)	(65)	(361)
Change in trade receivables	(103)	(11)	(91)
Change in trade payables	(1,448)	(1,739)	290
Change in loyalty program liabilities	25	(15)	39
<b>Change in trade working capital requirement</b>	<b>(1,953)</b>	<b>(1,830)</b>	<b>(122)</b>
Change in other receivables and payables	(186)	(233)	48
<b>Change in working capital requirement</b>	<b>(2,138)</b>	<b>(2,064)</b>	<b>(75)</b>

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

## 6.5 Banking and insurance businesses

### 6.5.1 Consumer credit granted by the financial services companies

At June 30, 2021, consumer credit totalled 5,549 million euros (December 31, 2020: 5,227 million euros), breaking down as follows:

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Payment card receivables	4,319	4,350
Loans	1,625	1,789
Consumer credit (on purchases made in Carrefour stores)	41	73
Other financing <sup>(1)</sup>	199	233
Impairment	(1,011)	(1,219)
Short-term outstandings - loans and receivables on financial institutions <sup>(2)</sup>	375	-
<b>Total Consumer credit granted by the financial services companies</b>	<b>5,549</b>	<b>5,227</b>
<i>Portion due in less than one year</i>	<i>3,721</i>	<i>3,295</i>
<i>Portion due in more than one year</i>	<i>1,827</i>	<i>1,933</i>

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

(2) Securitisation instruments were closed out on July 12, 2021.

Restated for securitisation instruments (see above), the gross value of consumer credit decreased by approximately 250 million euros compared with December 31, 2020. This reflects the decline in credit financing since the health crisis, particularly in France; unlike in Spain where credit financing remained stable and in Brazil where it increased over the first half of 2021. The decline in consumer credit was accentuated by the sale of category 3 consumer credit over the period in Spain and Brazil, and, by the reclassification of the Italian branch's outstanding consumer credit as assets held for sale at June 30, 2021, taking into account the decision to discontinue its operations (see Note 3.3). By contrast, the decline was partially offset by the slight increase in value of the Brazilian real over the period.

The decrease in the average impairment rate for consumer credit at June 30, 2021 was attributable to Spain and Brazil, following the sale of category 3 loans over first-half 2021, and from Italy, following the sale in progress of its entire client portfolio, including loans also classified in category 3 (see above). The amount of impairment for consumer credit was estimated according to the rules and principles described in Note 3.1.

At June 30, 2021, 69% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 15% in category 2 and 16% in category 3. At December 31, 2020, categories 1, 2 and 3 represented 66%, 14% and 20%, respectively, of the gross value of consumer credit granted by the financial services companies.



# Notes to the Condensed Consolidated Financial Statements

## 6.5.2 Consumer credit financing

The related consumer credit financing amounted to 4,813 million euros at June 30, 2021 (December 31, 2020: 4,574 million euros), as follows:

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Bonds and notes <sup>(1)</sup>	1,215	1,298
Debt securities (Neu CP and Neu MTN) <sup>(2)</sup>	1,305	1,042
Bank borrowings <sup>(3)</sup>	510	516
Customer passbook savings deposits	313	323
Securitisations <sup>(4)</sup>	369	369
Other refinancing debt to financial institutions	1,097	1,020
Other	3	5
<b>Total Consumer credit financing</b>	<b>4,813</b>	<b>4,574</b>
<i>Portion due in less than one year</i>	<i>3,182</i>	<i>3,067</i>
<i>Portion due in more than one year</i>	<i>1,630</i>	<i>1,506</i>

- (1) In April 2021, Carrefour Banque redeemed 500 million euros worth of bonds issued in 2016 (3-month Euribor +68 bps) and issued 400 million euros worth of bonds in June 2021 with a fixed rate swapped for the 3-month Euribor (4 years – June 2025 maturity, 3-month Euribor +49 bps).
- (2) Debt securities mainly comprised negotiable European commercial paper (NEU CP) and medium-term notes (NEU MTN) issued by Carrefour Banque.
- (3) This item mainly corresponds to the 360 million-euro financing operation with the European Central Bank expiring on March 24, 2021 and renewed on that same date for an equivalent amount over a period of three years, as well as credit line draw downs.
- (4) This item corresponds to the "Master Credit Cards Pass" reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an initial asset pool of 560 million euros. Proceeds from the securitisation amounted to 400 million euros. The current series was issued in October 2019 for 370 million euros, maturing in June 2022.

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

### 7.1 Goodwill and other intangible assets

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

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Goodwill	8,100	8,034
Other intangible assets	1,312	1,325
<b>Total Intangible assets</b>	<b>9,412</b>	<b>9,358</b>

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 net carrying amount of goodwill can be broken down as follows:

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
France	5,153	5,149
Spain	1,028	952
Belgium	956	956
Brazil	334	311
Poland	233	231
Italy	149	149
Taiwan	139	176
Romania	100	101
Argentina	8	9
Global Functions	1	1
<b>Total</b>	<b>8,100</b>	<b>8,034</b>



## Notes to the Condensed Consolidated Financial Statements

The 67 million euro increase in goodwill over first-half 2021 reflects the following:

- Completion of the acquisition of the Supersol banner in Spain (see Note 3.3) including the recognition of provisional goodwill in the amount of 76 million euros.
- Regarding the acquisition of the Wellcome banner in Taiwan (see Note 2.2 to the 2020 consolidated financial statements), the preliminary implementation of the purchase price allocation required by IFRS 3 – *Business Combinations* led to the reduction of provisional goodwill from 119 million euros in the 2020 consolidated financial statements to 72 million euros in the 2021 consolidated half-year financial statements. As a reminder, the allocation process could not be implemented in December 2020 given the transaction's completion on the last day of the year and local regulations restricting the exchange of information between the Carrefour group and the acquired company Wellcome until the transaction completion date. The decrease in provisional goodwill in first-half 2021 chiefly reflects the fair value adjustment to a warehouse (including the building and the land) owned by Wellcome.
- A favourable translation adjustment of 23 million euros following the slight increase in value of the Brazilian real compared with December 31, 2020.

### **Impairment tests at June 30, 2021**

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. At each interim closing, as prescribed by IAS 36, the Group determines whether there are any indications of impairment and, if this is the case, performs additional impairment tests.

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 indicators: a material increase in the discount rate and/or a severe downgrade in the GDP growth forecasts issued by the IMF or the OECD.

### **Focus on Italy**

Note that 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. In light of this, an in-depth analysis was carried out to determine the Italian operations' fair value. This analysis adopted a multi-criteria valuation approach which took into account multiples observed for comparable companies in the retail sector in Europe, and the market value of Italian real estate assets, determined based on independent appraisals.

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

The multi-criteria approach was also used to test goodwill for impairment at June 30, 2021 (as at December 31, 2019 and 2020). This approach did not lead to any additional impairment of Italian goodwill.

Ultimately, at June 30, 2021, the tests performed by the Group did not lead to the recognition of any goodwill impairment losses.



# Notes to the Condensed Consolidated Financial Statements

## 7.2 Property and equipment

<i>(in millions of euros)</i>	June 30, 2021			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	2,763	-	(77)	2,686
Buildings	10,656	(5,886)	(224)	4,547
Equipment, fixtures and fittings	15,150	(12,076)	(302)	2,771
Other fixed assets	429	(323)	(3)	104
Assets under construction	513	-	-	513
<b>Total Property and equipment</b>	<b>29,512</b>	<b>(18,285)</b>	<b>(607)</b>	<b>10,620</b>

<i>(in millions of euros)</i>	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
<b>Total Property and equipment</b>	<b>28,840</b>	<b>(17,699)</b>	<b>(636)</b>	<b>10,505</b>

The increase in the net carrying amount of property, plant and equipment compared with December 31, 2020 mainly reflects the favourable translation adjustment associated with the slight increase in value of the Brazilian real at the reporting date.

## 7.3 Investment property

<i>(in millions of euros)</i>	June 30, 2021	December 31, 2020
Investment property (gross carrying amount)	503	448
Depreciation and impairment	(204)	(189)
<b>Total Investment property, net</b>	<b>298</b>	<b>259</b>

Investment property consists mainly of shopping malls located adjacent to the Group's stores. The increase in net carrying amount of investment property compared with December 31, 2020 mainly corresponds to the Pinheiros project (i.e., 29 million euros, see Note 3.3).

## NOTE 8: LEASES

### 8.1 Right-of-use assets

<i>(in millions of euros)</i>	June 30, 2021			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	6,677	(2,319)	(2)	4,356
Equipment, fixtures and fittings	139	(33)	-	106
Investment property	87	(27)	-	60
<b>Total Right-of-use asset</b>	<b>6,903</b>	<b>(2,379)</b>	<b>(2)</b>	<b>4,522</b>

<i>(in millions of euros)</i>	December 31, 2020			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	6,258	(1,934)	(2)	4,322
Equipment, fixtures and fittings	139	(17)	-	122
Investment property	83	(20)	-	63
<b>Total Right-of-use asset</b>	<b>6,479</b>	<b>(1,971)</b>	<b>(2)</b>	<b>4,506</b>



# Notes to the Condensed Consolidated Financial Statements

## Change in right-of-use assets

<i>(in millions of euros)</i>	June 30, 2021		
	Gross carrying amount	Depreciation & Impairment	Net carrying amount
<b>At December 31, 2020</b>	<b>6,479</b>	<b>(1,973)</b>	<b>4,506</b>
Increase	416	-	416
Decrease	(231)	79	(152)
Depreciation	-	(470)	(470)
Translation adjustment	61	(19)	42
Changes in scope of consolidation and other movements <sup>(1)</sup>	177	2	180
<b>At June 30, 2021</b>	<b>6,903</b>	<b>(2,381)</b>	<b>4,522</b>

(1) The amounts reported on this line include changes in scope of consolidation for 187 million euros (mainly relating to the acquisition of Supersol stores for 119 million euros and Wellcome for 67 million euros).

## 8.2 Lease commitments

### Lease commitments by maturity

<i>(in millions of euros)</i>	June 30, 2021	December 31, 2020
Due within 1 year	977	936
Due in 1 to 2 years	904	873
Due in 2 to 5 years	1,716	1,816
Due beyond 5 years	1,140	1,098
<b>Total Lease commitments</b>	<b>4,738</b>	<b>4,723</b>

## NOTE 9: INCOME TAX

The income tax expense for first-half 2021 amounted to 187 million euros, i.e., an effective tax rate of 34%, compared with the 237 million euro expense recorded in first-half 2020 as restated, which corresponded to an effective tax rate of 79%.

This decrease over first-half 2021 reflects:

- the 50% reduction in the CVAE rate (local business tax) in France from 2021 onwards, and
- the tax rate applied on the gains from the disposal of Market Pay in France and the Pinheiros exchange of assets in Brazil (see Note 3.3).

This rate decrease in first-half 2021 was partially offset by the increase in the applicable tax rate in Argentina from this year, i.e., 35% versus 30% previously.

As a reminder, the restated first-half 2020 rate mainly reflected the fact that no deferred tax assets were recognised on temporary differences or in respect of tax loss carryforwards arising on significant non-recurring expenses recognised during the period.

Furthermore, the probable recoverability of deferred tax assets recognised in the consolidated statement of financial position at December 31, 2020 was confirmed at June 30, 2021, based in particular on a comparison between the budgeted performance of the different countries and the most recent forecasts.



# Notes to the Condensed Consolidated Financial Statements

## NOTE 10: INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

### 10.1 Changes in investments in equity-accounted companies

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

*(in millions of euros)*

<b>At December 31, 2020</b>	<b>1,172</b>
Acquisitions and capital increases	103
Disposals	-
Dividends	(38)
Share of net income	(10)
Translation adjustment	1
Other movements	4
<b>At June 30, 2021</b>	<b>1,232</b>

### 10.2 Information about associates

At June 30, 2021, the two main associates were Carmila with a carrying amount of 737 million euros (December 31, 2020: 782 million euros) and Provencia, with a carrying amount of 135 million euros (December 31, 2020: 130 million euros). These two associates represented 71% of the total value of equity-accounted companies at end-June 2021.

#### Main transactions in first-half 2021

On April 29, 2021, the Group completed the sale of a 60% interest in Market Pay (see Note 3.3). The Group's residual interest in Market Pay (around 40%) was accounted for by the equity method in the consolidated financial statements as from April 29, 2021, for an amount of 73 million euros.

In May 2021, Carrefour and Argan created the real estate company Cargan-LOG (see Note 3.3). This entity, which is 60%-owned by Argan and 40% by Carrefour (through the contribution of three warehouses), has been accounted for by the equity method in the consolidated financial statements as from May 2021, for a total amount of 30 million euros.

A partial reversal of the existing provision of 4 million euros on the Showroomprivé shares, against non-recurring income, was carried out to align their value with the company's share price at June 30, 2021.

Following transactions in Carmila's capital in June 2021, the Group's ownership interest in Carmila decreased slightly from 35.40% to 35.37%. The associated dilutive effect, which was not material, was recognised in non-recurring income and expenses in accordance with the Group's accounting principles.

As a reminder, Carmila is accounted for by the equity method because the governance established with the co-investors allows Carrefour to exercise significant influence over Carmila (see Note 9.2 to the 2020 consolidated financial statements).



# Notes to the Condensed Consolidated Financial Statements

## NOTE 11: PROVISIONS AND CONTINGENT LIABILITIES

### 11.1 Changes in provisions

(in millions of euros)	December 31, 2020	Increases	Reversals of surplus provisions	Utilisations	Discounting adjustment	Translation adjustment <sup>(3)</sup>	Other <sup>(4)</sup>	June 30, 2021
Employee benefits	1,152	33	(39)	(28)	(63)	2	7	1,063
Claims and litigation	788	131	(56)	(40)	-	34	0	856
Tax litigations	524	12	(36)	(16)	-	29	(0)	512
Employee related disputes	113	29	(9)	(18)	-	2	(1)	117
Legal disputes	150	90	(11)	(7)	-	3	1	227
Restructuring	245	262	(12)	(96)	-	0	-	399
Provisions related to banking and insurance businesses <sup>(1)</sup>	261	10	(2)	(6)	-	4	-	268
Other <sup>(2)</sup>	224	24	(15)	(18)	-	1	4	219
<b>Total Provisions</b>	<b>2,670</b>	<b>460</b>	<b>(125)</b>	<b>(188)</b>	<b>(63)</b>	<b>41</b>	<b>11</b>	<b>2,806</b>

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

(2) 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.

(3) Translation adjustments correspond almost entirely to the slight increase in the value of the Brazilian real over the period.

(4) Other changes are not material over the period; they correspond mainly to the provisions booked in the preliminary opening balance sheets in connection with the acquisitions of Wellcome in Taiwan (see Note 2.2 to the 2020 consolidated financial statements) and Supersol in Spain (see Note 3.3).

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.

The main material changes occurred during the first half of 2021, concerning the contingent liabilities mentioned in the Note 11.3 to the 2020 consolidated financial statements for the year, are described below.

In its decision of April 28, 2021, the Belgian competition authority endorsed the commitments made by Carrefour Belgium and Provera as part of their purchasing alliance. The authority thereby ended the investigation that had been opened in May 2019.

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

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

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



# Notes to the Condensed Consolidated Financial Statements

## 11.2 Post-employment benefits

The Group's post-employment benefit obligation (defined benefit plans) is calculated on the basis of actuarial assumptions such as future salary levels, retirement age, mortality, staff turnover and the discount rate.

A discount rate of 0.80% was used for France, Belgium and Italy at June 30, 2021, compared with 0.40% at December 31, 2020. 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.

<i>(in millions of euros)</i>	France	Belgium	Italy	Other countries	Group total
<b>Provision at December 31, 2020</b>	<b>771</b>	<b>243</b>	<b>106</b>	<b>33</b>	<b>1,152</b>
Service costs	22	9	0	0	31
Settlement and plan amendments <sup>(1)</sup>	(38)	-	(0)	-	(39)
Interest cost (discount effect)	2	1	0	0	3
Return on plan assets	(0)	(0)	-	(0)	(0)
Other items	(1)	-	-	-	(1)
Movements recorded in the income statement	(16)	10	(0)	0	(6)
Benefit directly paid by the employer	(6)	(8)	(6)	-	(19)
Effect of changes in scope of consolidation <sup>(2)</sup>	0	-	-	7	7
Change in actuarial gains and losses	(39)	(19)	(4)	-	(63)
Other	-	(4)	-	(3)	(7)
<b>Provision at June 30, 2021</b>	<b>710</b>	<b>222</b>	<b>96</b>	<b>36</b>	<b>1,063</b>

(1) This line primarily includes the impact of curtailments recognised following the remeasurement of commitments made under the restructuring plans implemented in France (Note 3.2) and recognised in non-recurring income.

(2) The amounts reported on this line include changes in scope of consolidation for 7 million euros relating to Wellcome in Taiwan (see Note 3.3).

The cost of services rendered was recognised in employee benefits expense, and interest income and expenses were recognised in financial income and expenses.

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 31 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 32 million euros.

## 11.3 Performance share plan

On February 17, 2021, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorisation given in the 25<sup>th</sup> resolution of the Annual Shareholders' Meeting held on June 14, 2019 to grant new or existing performance shares. The plan provided for the grant of a maximum of 3,000,000 shares (representing 0.37% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

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

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



# Notes to the Condensed Consolidated Financial Statements

Details of the 2021 performance share plan are presented below.

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

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

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

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

## 11.4 Restructuring

Provisions set aside at December 31, 2020 for restructuring in an amount of 245 million euros mainly comprised costs related to plans undertaken to streamline operating structures as part of the first pillar of the Group's transformation plan, chiefly in France. These costs primarily corresponded to severance pay, early retirement benefits, costs of notice periods not served, and costs of training and other support measures offered to employees being made redundant under restructuring plans.

Some of these provisions were used during first-half 2021 and additional provisions were set aside in respect of the transformation plan for the headquarters in France (see Note 3.2).



# Notes to the Condensed Consolidated Financial Statements

## NOTE 12: OTHER COMPREHENSIVE INCOME AND EARNINGS PER SHARE

### 12.1 Other comprehensive income

Group share <i>(in millions of euros)</i>	First-half 2021			First-half 2020 restated		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	39	(9)	30	21	0	21
Changes in the fair value of debt instruments through other comprehensive income	(1)	0	(1)	(2)	0	(1)
Exchange differences on translating foreign operations	172	0	172	(591)	0	(591)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>209</b>	<b>(8)</b>	<b>201</b>	<b>(572)</b>	<b>1</b>	<b>(572)</b>
Remeasurements of defined benefit plans obligation	63	(14)	49	(0)	0	(0)
Changes in the fair value of equity instruments through other comprehensive income	0	0	0	0	(0)	0
<b>Items that will not be reclassified to profit or loss</b>	<b>63</b>	<b>(14)</b>	<b>49</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Total Other comprehensive income/(loss) - Group share</b>	<b>272</b>	<b>(22)</b>	<b>250</b>	<b>(573)</b>	<b>1</b>	<b>(572)</b>

  

Non-controlling interests <i>(in millions of euros)</i>	First-half 2021			First-half 2020 restated		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	2	(1)	1	0	(0)	0
Changes in the fair value of debt instruments through other comprehensive income	(1)	0	(1)	(2)	0	(1)
Exchange differences on translating foreign operations	79	0	79	(289)	0	(289)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>79</b>	<b>(1)</b>	<b>79</b>	<b>(290)</b>	<b>0</b>	<b>(290)</b>
Remeasurements of defined benefit plans obligation	1	0	1	(0)	(0)	(0)
Changes in the fair value of equity instruments through other comprehensive income	0	0	0	0	0	0
<b>Items that will not be reclassified to profit or loss</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Total Other comprehensive income/(loss) - Non-controlling interests</b>	<b>80</b>	<b>(0)</b>	<b>79</b>	<b>(291)</b>	<b>0</b>	<b>(290)</b>



# Notes to the Condensed Consolidated Financial Statements

## 12.2 Earnings per share (Group share)

Basic earnings per share	First-half 2021	First-half 2020 restated
Net income/(loss) from continuing operations	275	(28)
Net income/(loss) from discontinued operations	23	3
<b>Net income/(loss) for the period</b>	<b>298</b>	<b>(25)</b>
Weighted average number of shares outstanding <sup>(1)</sup>	803,785,482	801,347,527
<b>Basic income/(loss) from continuing operations - per share (in €)</b>	<b>0.34</b>	<b>(0.04)</b>
<b>Basic income/(loss) from discontinued operations - per share (in €)</b>	<b>0.03</b>	<b>0.00</b>
<b>Basic income/(loss) - per share (in €)</b>	<b>0.37</b>	<b>(0.03)</b>

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share as of June 30, 2021 was adjusted to take into account the impact of the share buyback programme (see Note 3.6).

Diluted earnings per share	First-half 2021	First-half 2020 restated
Net income/(loss) from continuing operations	275	(28)
Net income/(loss) from discontinued operations	23	3
<b>Net income/(loss) for the period</b>	<b>298</b>	<b>(25)</b>
Weighted average number of shares outstanding, before dilution	803,785,482	801,347,527
Potential dilutive shares	3,165,431	-
<i>Performance shares</i>	3,165,431	-
Diluted weighted average number of shares outstanding	806,950,913	801,347,527
<b>Diluted income/(loss) from continuing operations - per share (in €)</b>	<b>0.34</b>	<b>(0.04)</b>
<b>Diluted income/(loss) from discontinued operations - per share (in €)</b>	<b>0.03</b>	<b>0.00</b>
<b>Diluted income/(loss) - per share (in €)</b>	<b>0.37</b>	<b>(0.03)</b>

Free shares awarded under the 2019 and 2020 plans were not considered to have a dilutive impact in first-half 2020, since the Group reported a net loss from continuing operations during that period.



# Notes to the Condensed Consolidated Financial Statements

## NOTE 13: FINANCIAL ASSETS AND LIABILITIES, FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

### 13.1 Financial instruments by category

At June 30, 2021 <i>(in millions of euros)</i>	Carrying amount	Breakdown by category					Fair value
		Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	
Investments in non-consolidated companies	112	13	99	-	-	-	112
Other long-term investments	1,135	127	272	736	-	-	1,135
<b>Other non-current financial assets</b>	<b>1,247</b>	<b>140</b>	<b>371</b>	<b>736</b>	-	-	<b>1,247</b>
Consumer credit granted by the financial services companies	5,549	-	-	5,549	-	-	5,549
Trade receivables	2,698	-	-	2,698	-	-	2,698
Other current financial assets	400	-	61	201	34	103	400
Other current assets <sup>(1)</sup>	732	-	-	732	-	-	732
Cash and cash equivalents	1,294	1,294	-	-	-	-	1,294
<b>ASSETS</b>	<b>11,920</b>	<b>1,433</b>	<b>432</b>	<b>9,916</b>	<b>34</b>	<b>103</b>	<b>11,920</b>
Total borrowings	7,184	-	-	7,078	33	73	7,540
Total lease commitment	4,738	-	-	4,738	-	-	4,738
Total consumer credit financing	4,813	-	-	4,799	1	13	4,813
Suppliers and other creditors	11,385	-	-	11,385	-	-	11,385
Other current payables <sup>(2)</sup>	2,292	-	-	2,292	-	-	2,292
<b>LIABILITIES</b>	<b>30,412</b>	-	-	<b>30,292</b>	<b>34</b>	<b>86</b>	<b>30,768</b>

At December 31, 2020 <i>(in millions of euros)</i>	Carrying amount	Breakdown by category					Fair value
		Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	Derivative instruments designated as hedges	
Investments in non-consolidated companies	105	12	94	-	-	-	105
Other long-term investments	1,106	252	150	704	-	-	1,106
<b>Other non-current financial assets</b>	<b>1,212</b>	<b>264</b>	<b>244</b>	<b>704</b>	-	-	<b>1,212</b>
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 <sup>(1)</sup>	484	-	-	484	-	-	484
Cash and cash equivalents	4,439	4,439	-	-	-	-	4,439
<b>ASSETS</b>	<b>14,256</b>	<b>4,703</b>	<b>300</b>	<b>9,132</b>	<b>20</b>	<b>101</b>	<b>14,256</b>
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 <sup>(2)</sup>	2,524	-	-	2,524	-	-	2,524
<b>LIABILITIES</b>	<b>31,769</b>	-	-	<b>31,689</b>	<b>33</b>	<b>47</b>	<b>32,188</b>

(1) Excluding prepaid expenses.

(2) Excluding deferred revenue.



# Notes to the Condensed Consolidated Financial Statements

## 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 1.5):

<i>(in millions of euros)</i>	<b>June 30, 2021</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Investments in non-consolidated companies	-	13	99	<b>112</b>
Other long-term investments	399	-	-	<b>399</b>
Other current financial assets - Fair Value through OCI	61	-	-	<b>61</b>
Other current financial assets - Derivative instruments	-	137	-	<b>137</b>
Cash and cash equivalents	1,294	-	-	<b>1,294</b>
Consumer credit financing - Derivative instruments recorded in liabilities	-	(14)	-	<b>(14)</b>
Borrowings - Derivative instruments recorded in liabilities	-	(106)	(0)	<b>(106)</b>

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

## 13.2 Net debt

### 13.2.1 Breakdown of net debt

Consolidated net debt at June 30, 2021 amounted to 5,525 million euros, breaking down as follows:

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Bonds and notes	6,011	6,822
Other borrowings	442	503
Commercial paper	625	-
<b>Total borrowings excluding derivative instruments recorded in liabilities</b>	<b>7,078</b>	<b>7,324</b>
Derivative instruments recorded in liabilities	106	64
<b>TOTAL BORROWINGS</b>	<b>7,184</b>	<b>7,389</b>
<i>of which borrowings due in more than one year</i>	6,146	6,305
<i>of which borrowings due in less than one year</i>	1,038	1,084
Other current financial assets <sup>(1)</sup>	365	334
Cash and cash equivalents	1,294	4,439
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>1,659</b>	<b>4,773</b>
<b>NET DEBT</b>	<b>5,525</b>	<b>2,616</b>

(1) The current portion of amounts receivable from finance sub-leasing arrangements is not included in this caption (see Note 13.2.5).

The increase in net debt between December 31 and June 30 is due to seasonal effects, with the year-end figure being structurally lower due to the significant volume of business recorded during December.



# Notes to the Condensed Consolidated Financial Statements

## 13.2.2 Bond debt

(in millions of euros)	Maturity	Face value				Book value of the debt	
		December 31, 2020	Issues	Repayments	Translation adjustments	June 30, 2021	
					June 30, 2021		
<b>Public placements by Carrefour SA</b>		<b>6,686</b>	-	<b>(871)</b>	<b>27</b>	<b>5,841</b>	<b>5,758</b>
EMTN, EUR, 11 years, 3.875%	2021	871	-	(871)	-	-	-
EMTN, EUR, 8 years, 1.75%	2022	1,000	-	-	-	1,000	986
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	407	-	-	13	421	402
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	407	-	-	13	421	389
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
<b>Placements by Atacadão SA</b>		<b>235</b>	-	-	<b>18</b>	<b>253</b>	<b>253</b>
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	78	-	-	6	84	84
Debentures, BRL 450 million, 3 years, 100% CDI	2022	71	-	-	5	76	76
Debentures, BRL 350 million, 5 years, 100% CDI	2024	55	-	-	4	59	59
Debentures, BRL 200 million, 7 years, 100% CDI	2026	31	-	-	2	34	34
<b>Total Bonds and notes</b>		<b>6,921</b>	-	<b>(871)</b>	<b>44</b>	<b>6,095</b>	<b>6,011</b>

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

The Group's financial position and liquidity were solid at end-June 2021. The average maturity of bond debt of Carrefour SA was 3.6 years at end-June 2021, compared with 3.6 years at end-December 2020 and 4.1 years at end-June 2020.

## 13.2.3 Other borrowings

(in millions of euros)	June 30, 2021	December 31, 2020
Latin America borrowings	300	302
Other borrowings	52	90
Accrued interest <sup>(1)</sup>	38	55
Other financial liabilities	52	55
<b>Total Other borrowings</b>	<b>442</b>	<b>503</b>

(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 1,500 million Brazilian reals (approximately 253 million euros at the closing price on June 30, 2021).

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 fair value hedges.



# Notes to the Condensed Consolidated Financial Statements

## 13.2.4 Cash and cash equivalents

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Cash	855	1,482
Cash equivalents	439	2,957
<b>Total Cash and cash equivalents</b>	<b>1,294</b>	<b>4,439</b>

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 June 30, 2021, as at December 31, 2020, there was no restricted cash.

## 13.2.5 Other current financial assets

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Derivative instruments	137	122
Financial receivable <sup>(1)</sup>	136	113
Other current financial assets - Fair Value through OCI	61	57
Sub-lease receivable - less than one year	34	34
Deposits with maturities of more than three months	22	33
Other	8	9
<b>Total Other current financial assets</b>	<b>400</b>	<b>368</b>

(1) This amount represents the financial receivable relating to the 20% stake in Carrefour China. The increase of 23 million euros in comparison with December 31, 2020 has been booked against net income from discontinued operations.

## 13.3 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

### 13.3.1 Analysis by interest rate

<i>(in millions of euros)</i>	<b>June 30, 2021</b>		<b>December 31, 2020</b>	
	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	6,158	5,895	7,047	6,785
Variable rate borrowings	920	1,183	278	539
<b>Total Borrowings (excluding derivative instruments recorded in liabilities)</b>	<b>7,078</b>	<b>7,078</b>	<b>7,324</b>	<b>7,324</b>

### 13.3.2 Analysis by currency

<i>(in millions of euros)</i>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Euro	6,520	6,784
Brazilian real	556	539
Argentine peso	0	0
Polish zloty	1	-
Romanian lei	1	1
<b>Total Borrowings (excluding derivative instruments recorded in liabilities)</b>	<b>7,078</b>	<b>7,324</b>

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 92% of total borrowings (excluding derivative instruments recorded in liabilities) at June 30, 2021 (December 31, 2020: 93%).



# Notes to the Condensed Consolidated Financial Statements

## 13.3.3 Analysis by maturity

<i>(in millions of euros)</i>	June 30, 2021	December 31, 2020
Due within 1 year	932	1,019
Due in 1 to 2 years	2,150	1,216
Due in 2 to 5 years	2,495	3,047
Due beyond 5 years	1,502	2,042
<b>Total Borrowings (excluding derivative instruments recorded in liabilities)</b>	<b>7,078</b>	<b>7,324</b>

## 13.4 Changes in liabilities arising from financing activities

<i>(in millions of euros)</i>	Other current financial assets <sup>(1)</sup>	Borrowings	Total Liabilities arising from financing activities
<b>At December 31, 2020</b>	<b>(334)</b>	<b>7,389</b>	<b>7,055</b>
<b>Changes from financing cash flows</b>	<b>(3)</b>	<b>(304)</b>	<b>(307)</b>
Change in current financial assets	(3)	-	(3)
Repayments of bonds	-	(871)	(871)
Net financial interest paid	-	(82)	(82)
Issuance of commercial paper <sup>(2)</sup>	-	625	625
Other changes in borrowings	-	24	24
<b>Non-cash changes</b>	<b>(28)</b>	<b>99</b>	<b>71</b>
Effect of changes in foreign exchange rates	(5)	44	39
Effect of changes in scope of consolidation	(0)	10	10
Changes in fair values	(5)	(3)	(8)
Finance costs, net	-	80	80
Other changes	(18)	(32)	(50)
<b>At June 30, 2021</b>	<b>(365)</b>	<b>7,184</b>	<b>6,819</b>

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

(2) In first-half 2021, the Group issued short-term commercial paper to secure its liquidity.

## 13.5 Other non-current financial assets

<i>(in millions of euros)</i>	June 30, 2021	December 31, 2020
Deposits and guarantees <sup>(1)</sup>	571	518
Financial services companies' portfolio of assets	400	403
Sub-lease receivable - more than one year <sup>(2)</sup>	92	108
Investments in non-consolidated companies	112	105
Other	73	77
<b>Total Other non-current financial assets</b>	<b>1,247</b>	<b>1,212</b>

(1) Deposits and guarantees include legal deposits paid in Brazil in connection with tax 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.



# Notes to the Condensed Consolidated Financial Statements

## 13.6 Finance costs and other financial income and expenses

This item corresponds mainly to finance costs.

In accordance with IFRS 16, from 2019 it also includes interest expenses on leases along with interest income on finance sub-leasing arrangements.

Other financial income and expenses consist for the most part of late payment fees payable on certain liabilities, financial transaction taxes and the impacts of hyperinflation in Argentina.

<i>(in millions of euros)</i>	<b>First-half 2021</b>	<b>First-half 2020 restated</b>
<b>Interest income from loans and cash equivalents</b>	<b>(5)</b>	<b>4</b>
Interest income from bank deposits	(5)	4
Interest income from loans	0	(0)
<b>Finance costs</b>	<b>(74)</b>	<b>(95)</b>
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(72)	(84)
Cost of receivables discounting in Brazil	(3)	(11)
<b>Finance costs, net</b>	<b>(80)</b>	<b>(91)</b>
Interest charge related to leases commitment	(52)	(60)
Interest income related to financial sublease contracts	0	1
<b>Net interest related to lease commitment</b>	<b>(52)</b>	<b>(59)</b>
Interest expense on defined employee benefit debt	(3)	(5)
Interest income on pension plan assets	0	1
Financial transaction tax	(10)	(10)
Late interest due in connection with tax reassessments and employee-related litigation	(15)	(13)
Dividends received on available-for-sale financial assets	1	2
Proceeds from the sale of available-for-sale financial assets	2	9
Cost of sold available-for-sale financial assets	2	(5)
Exchange gains and losses	6	(15)
Impact of hyperinflation in Argentina - application of IAS 29 <sup>(1)</sup>	28	12
Cost of bond buybacks	(6)	(5)
Changes in the fair value of interest rate derivatives	(8)	1
Other	1	(5)
<b>Other financial income and expenses</b>	<b>(1)</b>	<b>(34)</b>
<b>Finance costs and other financial income and expenses, net</b>	<b>(132)</b>	<b>(185)</b>
<i>Financial expenses</i>	<i>(257)</i>	<i>(344)</i>
<i>Financial income</i>	<i>124</i>	<i>159</i>

(1) In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies, results for the first halves of 2021 and 2020 include the impact of hyperinflation in Argentina (see Note 1.5).



## NOTE 14: OTHER INFORMATION

### 14.1 Scope of consolidation

#### 14.1.1 Main changes in the scope of consolidation in first-half 2021

The acquisition of Supersol in Spain, the investment in Cargan-LOG in France accounted for by the equity method, and the 60% disposal of Market Pay in France are described in Note 3.3.

With the exception of these transactions, there were no other material changes in the Carrefour group's scope of consolidation in first-half 2021.

#### 14.1.2 Main changes in the scope of consolidation in first-half 2020

The main changes in the scope of consolidation in first-half 2020 concerned the acquisitions of Potager City and Dejbox as well as the disposal of Rue du Commerce in France.

### 14.2 Related parties

Group transactions with related parties mainly concern:

- compensation and other benefits granted to members of the Group Executive Committee and the Board of Directors;
- transactions with companies over which the Group exercises significant influence.

Related-party transactions are carried out on an arm's length basis.

There were no material changes in the nature of the Group's related-party transactions in first-half 2021 compared with the situation at December 31, 2020.

### 14.3 Off-balance sheet commitments

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.

### 14.4 Subsequent events

#### **Completion of the 500 million-euro share buyback programme and reduction of Carrefour SA's share capital through the cancellation of treasury shares bought back under the programme**

On July 28, 2021, pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of May 21, 2021, the Board of Directors decided to reduce the share capital of Carrefour SA by cancelling 29,475,225 treasury shares representing approximately 3.6% of the share capital.

The shares were bought back between May 7, 2021 and July 9, 2021 as part of the 500 million-euro share buyback programme approved by the Board of Directors on April 20, 2021 (see Note 3.6).

Following cancellation of the shares, Carrefour SA will have 788,148,615 shares outstanding and, consequently, 9,457,539 shares in treasury, representing approximately 1.2% of the share capital.

#### **Additional 200 million-euro share buyback programme**



## Notes to the Condensed Consolidated Financial Statements

On July 28, 2021, pursuant to the authorisation granted by the Shareholders' Meeting of May 21, 2021, the Board of Directors approved additional transactions to buy back Carrefour shares for a maximum amount of 200 million euros, with a view to cancelling them in the future.