



# Half-Year Financial Report 2023





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# 1. Business review and consolidated income analysis

## 1.1 Main income statement indicators

The comparative consolidated income and cash flow statement information presented in this document has been restated to reflect the classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (see Note 4.3).

In addition, the consolidated statement of financial position at December 31, 2022 has been restated in accordance with IFRS 3 – *Business Combinations* to reflect the changes affecting the opening balance sheet of Grupo BIG in Brazil (see Note 4.3).

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the condensed consolidated financial statements for the six-month period ended June 30, 2023; data for the comparative period presented have also been adjusted for inflation.

(in millions of euros)	First-half 2023	First-half 2022 IFRS 5 restated	% change	% change at constant exchange rates
<b>Net sales</b>	<b>40,743</b>	<b>37,790</b>	<b>7.8%</b>	<b>12.4%</b>
<b>Gross margin from recurring operations</b>	<b>8,074</b>	<b>7,504</b>	<b>7.6%</b>	<b>13.8%</b>
<i>in % of net sales</i>	<i>19.8%</i>	<i>19.9%</i>		
Sales, general and administrative expenses, depreciation and amortisation	(7,374)	(6,729)	9.6%	15.7%
<b>Recurring operating income</b>	<b>700</b>	<b>775</b>	<b>(9.6)%</b>	<b>(2.2)%</b>
<i>Recurring operating income before depreciation and amortisation</i>	<i>1,852</i>	<i>1,862</i>	<i>(0.5)%</i>	<i>4.0%</i>
<b>Recurring operating income after net income from equity-accounted companies</b>	<b>724</b>	<b>786</b>	<b>(7.9)%</b>	<b>(0.6)%</b>
Non-recurring income and expenses, net	(186)	(82)	125.6%	131.3%
<b>Operating income</b>	<b>538</b>	<b>704</b>	<b>(23.6)%</b>	<b>(16.1)%</b>
Finance costs and other financial income and expenses, net	(276)	(181)	52.0%	34.8%
Income tax expense	(153)	(193)	(20.8)%	(11.8)%
<b>Net income/(loss) from continuing operations – Group share</b>	<b>118</b>	<b>239</b>	<b>(50.5)%</b>	<b>(22.5)%</b>
Net income/(loss) from discontinued operations - Group share	749	16	4457.5%	4462.7%
<b>Net income/(loss) - Group share</b>	<b>867</b>	<b>255</b>	<b>239.6%</b>	<b>266.2%</b>
<b>Free cash-flow <sup>1</sup></b>	<b>(867)</b>	<b>(1,177)</b>		
<b>Net free cash-flow <sup>2</sup></b>	<b>(1,684)</b>	<b>(1,880)</b>		
<b>Net debt (including discontinued operations) <sup>3</sup></b>	<b>5,040</b>	<b>6,480</b>		

(1) Free cash flow corresponds to cash flow from operating activities before net finance costs and net interest related to lease commitments, after the change in working capital requirement, less net cash from/(used in) investing activities.

(2) Net free cash flow corresponds to free cash flow after net finance costs and net lease payments.

(3) Net debt does not include lease commitments or right-of-use assets (see Note 2.2). At June 30, 2022, net debt was restated by 52 million euros in accordance with IFRS 3 (see above).

Net sales amounted to 40.7 billion euros in first-half 2023, an increase of 12.4% at constant exchange rates.

Recurring operating income before depreciation and amortisation came in at 1,852 million euros, a 4.0% rise at constant exchange rates.

Recurring operating income contracted by 2.2% at constant exchange rates, to 700 million euros.

Non-recurring operating income and expenses represented a net expense of 186 million euros, versus a net expense of 82 million euros in first-half 2022 as restated for IFRS 5. The first-half 2023 figure primarily relates to severance paid or payable within the scope of the voluntary redundancy





# 1. Business review and consolidated income analysis

plan put in place at headquarters in France, and the measures implemented in stores and headquarters in Italy, Spain and Brazil. It also includes asset impairments and write-offs related to stores in France, Belgium and Brazil, as well as the retirement of IT equipment in France and Belgium. These expenses were partially offset by (i) reversals of provisions for tax risks relating to PIS-COFINS tax credits in Brazil following the expiry of statutory limitation periods or favourable judgements, (ii) capital gains on various asset disposals, notably to franchisees in France, and (iii) the gain on the sale and leaseback of five stores and four warehouses in Brazil (see Note 1.2).

Finance costs and other financial income and expenses represented a net expense of 276 million euros, an increase of 94 million euros on the first-half 2022 figure as restated for IFRS 5, reflecting a rise in the cost of net debt and net interest expense on leases (see Note 1.2).

The income tax expense for first-half 2023 amounted to 153 million euros, compared with 193 million euros for first-half 2022 as restated for IFRS 5.

The Group share of net income from continuing operations of 118 million euros, versus 239 million euros in the first six months of 2022 as restated for IFRS 5.

The Group share of net income from discontinued operations totalled 749 million euros in first-half 2023, corresponding almost exclusively to the gain realised on the disposal of Carrefour Taiwan (see Note 4.2.1).

In view of the above, net income – Group share came to 867 million euros, versus 255 million euros in first-half 2022 as restated for IFRS 5.

Free cash flow amounted to a negative 867 million euros, versus a negative 1,177 million euros for first-half 2022. Net free cash flow was a negative 1,684 million euros, compared with a negative 1,880 million euros for the same period of 2022.

## 1.2 Analysis of the main income statement items

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions", corresponding to the holding companies and other administrative, finance and marketing support entities.

### Net sales by region

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>	<b>% change</b>	<b>% change at constant exchange rates</b>
France	18,694	17,910	4.4%	4.4%
Europe (excluding France)	11,301	10,636	6.3%	6.2%
Latin America	10,748	9,244	16.3%	35.1%
<b>TOTAL</b>	<b>40,743</b>	<b>37,790</b>	<b>7.8%</b>	<b>12.4%</b>

The Carrefour group reported net sales of 40.7 billion euros, up by 12.4% at constant exchange rates and by 11.8% restated for the application of IAS 29.

- In France, net sales rose by 4.4% in first-half 2023. Like-for-like growth<sup>1</sup> was 7.2%, with food sales up 8.4% LFL and all formats contributing to the increase. Carrefour made further market share gains in volume terms during the period.
- In Europe (excluding France), net sales increased by 6.2% at constant exchange rates and by 8.1% like-for-like compared with first-half 2022. In Spain, Carrefour maintained its solid momentum (with net sales up 8.5% LFL), driven in particular by growth in the food segment

<sup>1</sup> Like-for-like (LFL) sales generated by stores open for at least 12 months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects and excluding the IAS 29 impact.



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despite a slowdown in food inflation. In Italy, the Group's good performance (up 5.1% LFL) continued to reflect rising customer satisfaction, thanks in particular to Carrefour's improved positioning and price perception. In Belgium, Carrefour achieved LFL growth of 11.3%, with market share gains (at constant scope) higher than those of other banners in the second quarter. In Poland, Carrefour posted 3.1% LFL growth despite a high basis of comparison, due in particular to the war in Ukraine. In Romania, sales momentum remained robust, with LFL growth of 9.8%.

- In Latin America, net sales rose by 35.1% at constant exchange rates and by 21.0% on a like-for-like basis. In Brazil, net sales grew by 17.2% at constant exchange rates and 0.8% like-for-like. The market environment was difficult during the period, particularly in the second quarter, with food price inflation slowing sharply to 2.9% in June (a sequential deflation compared with the first quarter), falling prices for many agricultural products, and volumes continuing to contract as a result of pressure on purchasing power. After seeing first-quarter growth (9.2% at constant exchange rates and 5.7% LFL), cash & carry stores (Atacadão) were particularly hit in the second quarter (down 4.3% LFL) by price deflation for raw materials – which account for a significant proportion of sales – and by the BtoB business, where customers are postponing certain purchases as prices trend downwards. Carrefour Retail posted stable net sales in the second quarter (up 0.3% LFL) following pronounced growth in the first quarter (up 5.7% LFL). Sam's Club saw net sales grow throughout the period (up 7.6% LFL in the first quarter and 4.2% LFL in the second), as did financial services, with a 28.1% increase in credit portfolio and a 14.0% rise in billings. In Argentina, the Group continued its growth, in terms of volume and market share, in a highly inflationary environment (up 122.4% LFL).

## Net sales by region – contribution to the consolidated total

(in %)	First-half 2023 <sup>1</sup>	First-half 2022 IFRS 5 restated
France	44.0%	47.4%
Europe (excluding France)	26.6%	28.1%
Latin America	29.4%	24.5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

(1) At constant exchange rates.

At constant exchange rates, the portion of sales generated outside France continued to rise, representing 56.0% in first-half 2023 versus 52.6% in first-half 2022 as restated for IFRS 5.

## Recurring operating income by region

(in millions of euros)	First-half 2023	First-half 2022 IFRS 5 restated	% change	% change at constant exchange rates
France	270	194	38.6%	38.6%
Europe (excluding France)	164	163	1.0%	1.0%
Latin America	304	444	(31.5)%	(18.6)%
Global functions	(38)	(26)	44.5%	44.4%
<b>TOTAL</b>	<b>700</b>	<b>775</b>	<b>(9.6)%</b>	<b>(2.2)%</b>

Recurring operating income totaled 700 million euros in first-half 2023, decreasing by 75 million euros (representing a 2.2% decrease at constant exchange rates). This change reflects contrasting situations within the Group, with France delivering an excellent performance, Europe holding firm, mainly weighed down by high bases of comparison in Poland, and Latin America reporting a significant decline, due to the integration of Grupo BIG in an unfavourable market



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environment in Brazil. Carrefour's business momentum remained solid, with high market shares maintained in all key countries, and strong cost discipline, as demonstrated by the successful execution of the Group's cost-savings plan. Operating margin stood at 1.7%, compared with 2.0% in the first half of 2022 as restated for IFRS 5 (33 bps decrease); excluding the effects of Grupo BIG, the figure was 2.1%, in line with the prior-year period as restated for IFRS 5 (up 4 bps).

In France, recurring operating income for the first half of 2023 totalled 270 million euros, increasing by 38.6% compared to first-half 2022. In a context of high inflation, operating margin increased by 36 bps to 1.4%, versus 1.1% in first-half 2022, led by a good sales performance and strong cost-cutting momentum. This performance reflects the benefits of the strategic initiatives of the Carrefour 2026 plan, including the increase in sales of Carrefour-brand products, the transformation of operating modes and the improved profitability of digital activities.

In Europe (excluding France), recurring operating income came to 164 million euros, versus 163 million euros in first-half 2022, representing an increase of 1.0% at constant exchange rates. Western Europe posted growth in both recurring operating income and margin, led by Spain and Italy. Poland was impacted by a very high basis of comparison, against the backdrop of the outbreak of war in Ukraine in the first half of 2022, while Romania improved its profitability level.

In Latin America, recurring operating income totalled 304 million euros, representing a decrease of 18.6% at constant exchange rates. In Brazil, recurring operating income was down 39.6% at constant exchange rates, reflecting the accelerated integration of Grupo BIG and the unfavourable market environment, with falling inflation, volumes under pressure and the opening of a large number of stores in the cash & carry segment. As part of this accelerated integration, one-off costs were incurred, particularly for store conversions; in addition, converted stores traditionally make an operating loss in the first few months after reopening. Against this backdrop, the performance and operating margins of the legacy business remained very resilient. In Argentina, recurring operating income continued to improve significantly, rising to 53 million euros compared to 30 million euros in first-half 2022, thanks to excellent sales momentum and constant cost discipline. Operating margin improved by 130 bps to 3.4%, including the 10 million euro negative impact of adjustments relating to the application of IAS 29.

### Depreciation and amortisation

Depreciation and amortisation of property and equipment, intangible assets and investment property amounted to 657 million euros in first-half 2023 compared with 616 million euros in first-half 2022 as restated for IFRS 5.

Depreciation of right-of-use assets (IFRS 16) relating to property and equipment and investment property totalled 362 million euros compared with 344 million euros in first-half 2022 as restated for IFRS 5.

Including depreciation and amortisation of logistics equipment and of the related IFRS 16 right-of-use assets included in the cost of sales, a total depreciation and amortisation expense of 1,152 million euros was recognised in the consolidated income statement for first-half 2023, compared with an expense of 1,087 million euros for first-half 2022 as restated for IFRS 5.

### Net income from equity-accounted companies

Net income from equity-accounted companies amounted to 24 million euros, versus 12 million euros in first-half 2022. The first-half 2022 figure was affected by the loss realised on Cajoo. Besides Cajoo, which has since been exchanged for Flink shares (see Note 2.1 to the 2022 consolidated financial statements), net income from equity-accounted companies was similar to that for the first half of 2022, with a stable contribution from Carmila in particular.





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

Non-recurring items represented a net expense of 186 million euros in first-half 2023, and the detailed breakdown is as follows:

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>
Gains and losses on disposals of assets	42	62
Restructuring costs	(257)	(16)
Other non-recurring income and expenses	85	(87)
<b>Non-recurring income and expenses, net before asset impairments and write-offs</b>	<b>(130)</b>	<b>(42)</b>
Asset impairments and write-offs	(56)	(41)
<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>	(56)	(41)
<b>NON-RECURRING INCOME AND EXPENSES, NET</b>	<b>(186)</b>	<b>(82)</b>
of which:		
<i>Non-recurring income</i>	276	133
<i>Non-recurring expense</i>	(461)	(215)

## Gains and losses on disposals of assets

Gains and losses on disposals of non-current assets comprise gains and losses arising on various asset disposals (store premises, land and businesses), notably to franchisees in France. The first-half 2023 figure also includes the gain on the sale and leaseback of five stores and four warehouses in Brazil (see Note 4.2.1).

## Restructuring costs

Restructuring costs recognised in first-half 2023 relate to the new Carrefour 2026 strategic plan (see Note 4.2.2). This plan is based on a project to transform the Group's various headquarters with a view to safeguarding its competitiveness over the long term, and boosting performance and agility, and simplifying its organisation, all of which will benefit its stores. The expense included in non-recurring items relates primarily to severance paid or payable within the scope of the voluntary redundancy plan put in place at headquarters in France, involving a maximum of 979 jobs, and, secondarily, to the measures implemented in stores and headquarters in Italy, Spain and Brazil.

## Other non-recurring income and expenses

Other non-recurring income and expenses in the first half of 2023 mainly included reversals of provisions for tax risks relating to PIS-COFINS tax credits in Brazil following the expiry of statutory limitation periods or favourable judgements, offset slightly by costs relating to store closures in Brazil.

## Asset impairments and write-offs

Asset impairments and write-offs recorded in first-half 2023 related to stores in France, Belgium and Brazil. They also included the impact of the retirement of IT equipment in France and Belgium, and the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at June 30, 2023.



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## Main non-recurring items in first-half 2022 (restated for IFRS 5)

Gains and losses on disposals of non-current assets comprised gains and losses arising on various disposals of store premises and businesses to franchisees, notably in France and Italy.

Other non-recurring income and expenses recorded in first-half 2022 as restated for IFRS 5 mainly included revised estimates of historical risks, mostly tax-related, as well as the costs related to the acquisition of Grupo BIG in Brazil.

Asset impairments and write-offs recorded in first-half 2022 (as restated for IFRS 5) related to certain stores, particularly in France and Argentina. They also included the impact of the retirement of various assets, in particular relating to IT equipment in France, and the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at June 30, 2022.

## **Operating income**

The Group ended first-half 2023 with operating income of 538 million euros, versus 704 million euros in first-half 2022 as restated for IFRS 5.

## **Finance costs and other financial income and expenses**

Finance costs and other financial income and expenses represented a net expense of 276 million euros in first-half 2023, corresponding to a negative 0.7% of sales, versus a negative 0.5% in first-half 2022 as restated for IFRS 5.

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>
Finance costs, net	(191)	(151)
Net interests related to leases	(100)	(68)
Other financial income and expenses, net	15	38
<b>TOTAL</b>	<b>(276)</b>	<b>(181)</b>

Finance costs, net amounted to 191 million euros, an increase of 39 million euros compared with first-half 2022 as restated for IFRS 5. The change is attributable to Brazil and reflects (i) the increase in bank borrowings relating to the acquisition of Grupo BIG and store conversions to Carrefour group banners, and (ii) the rise in the CDI (*Certificado de Depósito Interbancário*) interest rates.

In accordance with IFRS 16, finance costs and other financial income and expenses also include interest expenses on leases along with interest income on finance sub-leasing arrangements. The increase in net interests reflects in particular the inclusion of six months' rent for stores leased by Grupo BIG in first-half 2023, compared with one month in the first-half 2022.

Other financial income and expenses consist for the most part of late interest payable on tax and labour disputes (mostly in Brazil), financial transaction taxes, and the impact of hyperinflation in Argentina (IAS 29), which increased slightly in comparison with first-half 2022 due to rising inflation.

## **Income tax expense**

The income tax expense for first-half 2023 amounted to 153 million euros, i.e., an effective tax rate of 58%, compared with the 193 million euro expense recorded in first-half 2022 as restated for IFRS 5, which corresponded to an effective tax rate of 37%.

The effective tax rates for the first six months of 2023 and 2022 (restated for IFRS 5) were mainly impacted by the absence of deferred tax assets at Grupo BIG in Brazil, in Italy and Belgium in 2023, and in Italy in 2022 and, to a lesser extent, by the recognition of the CVAE (local business tax) in France.

Apart from these factors, the first-half 2023 effective tax rate reflects the geographical breakdown of income before tax, with no other items significantly distorting the tax proof.

Furthermore, the probable recoverability of deferred tax assets recognised in the consolidated statement of financial position at December 31, 2022 was confirmed at June 30, 2023, based in



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particular on a comparison between the budgeted performance of the different countries and the most recent forecasts.

### **Net income attributable to non-controlling interests**

Net income attributable to non-controlling interests came to 4 million euros in first-half 2023, versus 103 million euros in first-half 2022 as restated for IFRS 5.

### **Net income from continuing operations – Group share**

As a result of the items described above, the Group share of net income from continuing operations amounted to 118 million euros in first-half 2023, compared with 239 million euros in first-half 2022 as restated for IFRS 5.

### **Net income from discontinued operations – Group share**

The Group share of net income from discontinued operations totalled 749 million euros in first-half 2023, compared with 16 million euros in first-half 2022 as restated for IFRS 5. This increase reflects the 0.75 billion euros disposal gain recorded on the sale of the Carrefour Taiwan subsidiary on June 30, 2023.



## 2. Group financial position and cash flows

### 2.1 Shareholders' equity

At June 30, 2023, shareholder's equity stood at 13,276 million euros, compared with 13,186 million euros at December 31, 2022, representing an increase of 90 million euros.

The increase mainly reflects:

- net income for the period of 871 million euros;
- other comprehensive income, net of tax, of 142 million euros, reflecting the slight increase in the value of the Brazilian real compared with December 31, 2022, partly offset by the reversal of the positive translation adjustments recorded by Carrefour Taiwan following its disposal (see Note 4.2.1), and the 35 million euro decrease in the fair value of the shares in Flink;
- 2022 dividends distributed in a total amount of 450 million euros, of which 405 million euros paid to Carrefour SA shareholders (entirely in cash) and 45 million euros to non-controlling shareholders, relating to the Spanish and Brazilian subsidiaries;
- the execution of the first two share buyback mandates for 200 million euros each pursuant to the 2023 programme representing a total of 800 million euros;
- the "Carrefour Invest" international employee share ownership plan launched on March 1, 2023 of, which resulted in a 75 million euro capital increase for Carrefour SA (4,713,735 new ordinary shares);
- the derecognition of non-controlling interests in Carrefour Taiwan for 185 million euros, following the sale of the subsidiary effective June 30, 2023.



## 2. Group financial position and cash flows

### 2.2 Net debt

Consolidated net debt (including discontinued operations) amounted to 5,040 million euros at June 30, 2023 compared to 3,378 million euros at December 31, 2022, as restated for IFRS 3. 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.

The Group's net debt breaks down as follows:

<i>(in millions of euros)</i>	<b>June 30, 2023</b>	<b>December 31, 2022 IFRS 3 restated</b>
Bonds and notes	7,341	7,697
Other borrowings	1,164	1,223
Commercial paper	831	490
<b>Total borrowings excluding derivative instruments recorded in liabilities</b>	<b>9,336</b>	<b>9,410</b>
Derivative instruments recorded in liabilities	147	148
<b>TOTAL BORROWINGS</b>	<b>9,483</b>	<b>9,558</b>
<i>of which borrowings due in more than one year</i>	<i>6,479</i>	<i>6,912</i>
<i>of which borrowings due in less than one year</i>	<i>3,004</i>	<i>2,646</i>
Other current financial assets <sup>1</sup>	584	728
Cash and cash equivalents	3,859	5,216
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>4,443</b>	<b>5,944</b>
<b>NET DEBT</b>	<b>5,040</b>	<b>3,614</b>
Net debt of discontinued operations	—	(236)
<b>NET DEBT INCLUDING DISCONTINUED OPERATIONS</b>	<b>5,040</b>	<b>3,378</b>

(1) This item does not include the current portion of amounts receivable from finance sub-leasing arrangements (see Note 13.2.5 to the condensed consolidated half-year financial statements as of June 30, 2023).

Long and short-term borrowings (excluding derivatives) mature at different dates, through 2030 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years, as shown below:

<i>(in millions of euros)</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Due within 1 year	2,857	2,498
Due in 1 to 2 years	1,137	1,514
Due in 2 to 5 years	3,246	3,799
Due beyond 5 years	2,096	1,599
<b>TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)</b>	<b>9,336</b>	<b>9,410</b>

Cash and cash equivalents totalled 3,859 million euros at June 30, 2023 compared with 5,216 million euros at December 31, 2022, representing a decrease of 1,357 million euros.





## 2. Group financial position and cash flows

### 2.3 Statement of cash flows

Net debt rose by 1,662 million euros in first-half 2023, versus a 3,848 million euro increase in first-half 2022 as restated for IFRS 3. The change is analysed in the Group's simplified statement of cash flows presented below:

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>	<b>Change</b>
<b>OPENING NET DEBT <sup>1</sup></b>	<b>(3,378)</b>	<b>(2,633)</b>	<b>(745)</b>
Cash flow from operations	1,785	1,645	140
Change in working capital requirement	(1,926)	(2,067)	141
Change in consumer credit granted by the financial services companies	(18)	54	(72)
Impact of discontinued operations	(54)	(49)	(6)
<b>Net cash (used in)/from operating activities - total</b>	<b>(213)</b>	<b>(416)</b>	<b>203</b>
Acquisitions of property and equipment and intangible assets <sup>2</sup>	(687)	(551)	(135)
Proceeds from the disposal of property and equipment and intangible assets - Business-related	289	68	221
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	(246)	(262)	17
Impact of discontinued operations	(11)	(16)	5
<b>Free cash flow</b>	<b>(867)</b>	<b>(1,177)</b>	<b>310</b>
Payments related to leases (principal and interest) net of subleases payments received	(581)	(497)	(84)
Finance costs, net	(191)	(151)	(39)
Impact of discontinued operations	(45)	(55)	10
<b>Net Free cash flow</b>	<b>(1,684)</b>	<b>(1,880)</b>	<b>196</b>
Acquisitions of investments	(9)	(936)	927
Disposal of investments	1,075	25	1,050
Change in treasury stock and other equity instruments	(336)	(96)	(241)
Carrefour SA capital increase / (decrease)	75	(657)	732
Proceeds from share issues to non-controlling interests	8	2	6
Dividends paid	(462)	(424)	(39)
Other (including effect of changes in exchange rates)	(113)	115	(229)
Impact of discontinued operations	(216)	3	(219)
<b>Decrease/(Increase) in net debt</b>	<b>(1,662)</b>	<b>(3,848)</b>	<b>2,185</b>
<b>CLOSING NET DEBT <sup>1</sup></b>	<b>(5,040)</b>	<b>(6,480)</b>	<b>1,440</b>

(1) Closing net debt for the first half of 2022 and opening net debt for the first half of 2023 were restated for the reduction in Grupo BIG's acquisition price, in accordance with IFRS 3.

(2) Restated for the acquisition of Makro Atacadista stores in Brazil (acquisition of the 29<sup>th</sup> and last store on a full-ownership basis in first-half 2022).

Free cash flow came to a negative 867 million euros in first-half 2023, compared with a negative 1,177 million euros in first-half 2022, and mainly comprised:

- cash flow from operations of 1,785 million euros, compared with 1,645 million euros in the first half of 2022, an increase that mainly reflects (i) the reduction in tax paid due in particular to the use of tax credits generated in 2022 on Atacadão, (ii) the receipt of the insurance payout for the damage suffered in Taiwan (Yang Mei warehouse), and (iii) amounts paid out in relation to disputes in France and Belgium in 2022;
- the 1,926 million euro negative change in working capital requirement compared with a 2,067 million euro negative change in first-half 2022 as restated for IFRS 5;
- operational investments in an amount of 687 million euros in first-half 2023, compared with 551 million euros in first-half 2022 as restated for IFRS 5.



## 2. Group financial position and cash flows

### 2.4 Financing and liquidity resources

The Group's main measures for strengthening its overall liquidity consist of:

- promoting prudent financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs.

The main transactions in first-half 2023 corresponded to a Sustainability-Linked Bond issue indexed to two goals related to greenhouse gas emissions, for a total amount of 500 million euros, and two bond issues redeemed ahead of maturity for 500 million euros and 500 million US dollars respectively (see Note 4.2.3).

At June 30, 2023, the Group was rated BBB with a stable outlook by Standard & Poor's and Baa1 with a stable outlook by Moody's.

The Group's financial position and liquidity were solid at end-June 2023. The average maturity of Carrefour SA's bond debt was 3.8 years at end-June 2023, compared with 3.6 years at end-December 2022 and 3.8 years at end-June 2022.

### 2.5 Restrictions on the use of capital resources

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, 2023, as at December 31, 2022, there was no restricted cash.

### 2.6 Expected sources of funding

To meet its commitments, Carrefour can use its net free cash flow and raise debt capital using its EMTN and commercial paper programmes, as well as its credit lines.



### 3. Outlook

The Group's objectives for 2026, as well as the situation at the end of 2022 and in first-half 2023, are detailed below:

Operational objectives	End of 2022	First-half 2023	2026 objective
Private labels	33% of food sales	35% of food sales (+3 pts vs. H1 2022)	40% of food sales
Convenience store openings	-	+295	+2,400 vs. 2022
Atacadão store openings	-	+14	>200 vs. 2022

ESG objectives	End of 2022	First-half 2023	2026 objective
Sales of certified sustainable products	€5.4bn	€3.1bn	€8bn
Top 100 suppliers to adopt a 1.5°C trajectory	27%	36%	100%
Employees with disabilities	11,281	12,679	15,000

Financials objectives	End of 2022	First-half 2023	2026 objective
E-commerce GMV	€4.2bn	€2.4bn (+20%)	€10bn
Cost savings	€1.0bn	€490m	€4bn (cumul. 2023-26)
Net Free Cash Flow <sup>(1)</sup>	€1,262m	+€196m vs. N-1	>€1.7bn
Capital expenditures	€1,861m	€687m	€2bn/year
Cash dividend growth	€0.56 (+8%)	-	>+5%/year

(1) Net Free Cash Flow corresponds to free cash flow after net finance costs and net lease payments. It includes cash-out for exceptional expenses.



## 4. Other information

### 4.1 Accounting principles

The accounting policies used to prepare the condensed consolidated financial statements for the six-month period ended June 30, 2023 are the same as those used for the 2022 consolidated financial statements, except for the following standard and amendments whose application is mandatory as of January 1, 2023:

- IFRS 17 – *Insurance Contracts*;
- Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*;
- Amendments to IAS 1 – *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*;
- Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*;
- Amendments to IAS 12 – *Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*.

The application of IFRS 17 – *Insurance Contracts* had no impact on the Group's consolidated financial statements. The application of the amendments had no impact on the Group's consolidated financial statements either.

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

Standards, amendments and interpretations	Effective date
Amendments to IAS 1 – <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date; Non-current Liabilities with Covenants</i>	January 1, 2024
Amendments to IFRS 16 – <i>Leases: Lease Liability in a Sale and Leaseback</i>	January 1, 2024
Amendments to IAS 7 – <i>Statement of Cash Flows</i> and IFRS 7 – <i>Financial instruments: Disclosures: Supplier Finance Arrangements</i>	January 1, 2024

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

Standards, amendments and interpretations	Effective date <sup>(1)</sup>
Amendments to IAS 12 – <i>Income Taxes: International Tax Reform – Pillar Two Model Rules</i>	January 1, 2023

(1) Subject to adoption by the European Union.

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



## 4. Other information

### 4.2 Significant events of the period

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

##### Sale of Carrefour Taiwan

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). As the applicable conditions precedent were met, particularly clearance from the local competition authority obtained in May 2023, this agreement resulted in loss of control of the subsidiary on June 30, 2023.

The preliminary sale price is 31.1 billion New Taiwan dollars, representing 1.0 billion euros (after taking account of currency hedging). The disposal gain, amounting to approximately 0.75 billion euros, was recognised within net income from discontinued operations. This is because Carrefour Taiwan represents a separate major geographic area of operations and has therefore been treated as a discontinued operation in accordance with IFRS 5 since the date its disposal was announced. For more details on the impacts of this sale on the consolidated half-year financial statements as of June 30, 2023, see Note 4.1 to these consolidated financial statements.

As a reminder, on March 14, 2022, a fire broke out in a logistics centre leased by Carrefour in the Yang Mei district of Taiwan. A claim was submitted to the Group's insurance companies in this respect. Losses incurred as a result of destroyed inventories and equipment were recorded in 2022 against the payout receivable from insurers classified under other current assets. The same applies to the estimated operating losses for 2022 and first-half 2023. In June 2023, further to their final conclusions, the Group's insurance companies paid the balance of the compensation recognised for the damage incurred, after deducting the two instalments already paid last year. The related impacts are recorded in net income from discontinued operations for the periods concerned.

##### Acquisition of Grupo BIG (Brazil) – Reduced acquisition price

On March 24, 2021, Carrefour Brazil entered into an agreement with Advent International and Walmart for the acquisition of Grupo BIG, Brazil's third biggest food retailer. The acquiree reported net sales of around 20 billion Brazilian reais (approximately 3.1 billion euros) in 2021 and operates a multi-format network of 388 stores, including 181 owned stores.

Carrefour Brazil's Extraordinary Shareholders' Meeting and CADE, the Brazilian competition authority, approved this transaction on May 19, 2022 and May 25, 2022, respectively (subject to the disposal of 14 stores which took effect before June 30, 2023).

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

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

- a cash payment of 5,292 million Brazilian reais (approximately 1 billion euros), representing 70% of the baseline price plus various preliminary earn-outs for 42 million Brazilian reais (approximately 8 million euros), including 900 million Brazilian reais (139 million euros) paid as part of a downpayment in March 2021;
- a share-based payment of 117 million new Carrefour Brazil shares (representing 30% of the baseline price), with a fair value of 2,173 million Brazilian reais (approximately 430 million euros) at June 6, 2022.

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

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





## 4. Other information

### Developments in first-half 2023

Discussions between the sellers (Advent International and Walmart) and the buyer (Carrefour Brazil) under the terms of the Grupo BIG acquisition contract led the parties to agree on a firm price reduction of 900 million Brazilian reais (paid in two instalments of 350 and 550 million Brazilian reais respectively) and a potential further reduction of up to 100 million Brazilian reais.

This agreement was signed on March 31, 2023 with the following two conditions precedent:

- immediate payment of the first tranche of 350 million Brazilian reais (317 million Brazilian reais after minor adjustments);
- provision by the sellers of a first demand guarantee from a leading bank.

The agreement was finalised on April 11, 2023 following the satisfaction of both conditions precedent.

In addition to the 350 million Brazilian reais paid on April 11, 2023, the agreement mainly provides for the following price reductions:

- A second tranche of 550 million reais to be paid 60 days after the publication of Carrefour Brazil's 2023 annual consolidated financial statements. The 550 million Brazilian reais bear interest at SELIC rates calculated as from April 11, 2023;
- An additional variable receivable of up to 100 million Brazilian reais, calculated using a metric agreed by the stakeholders. This top-up also bears interest at SELIC rates calculated as from April 11, 2023.

The acquisition price for Grupo BIG is 6,687 million Brazilian reais (or 1,318 million euros at the exchange rate on the transaction date), after discounting to present value the 900 million Brazilian real price reduction at June 1, 2022.

Carrefour Brazil also increased the provisions set aside for labour and tax risks (net of associated deferred tax) by a non-material amount of 33 million Brazilian reais.

In accordance with IFRS 3 – *Business Combinations*, the price reduction and other adjustments occurring within 12 months of the acquisition's closing are recognised retrospectively in Grupo BIG's opening balance sheet with an offsetting adjustment to goodwill (see Note 4.2 to the condensed consolidated half-year financial statements as of June 30, 2023 for more details on the restatement of the consolidated statement of financial position at December 31, 2022).

Grupo BIG's final opening balance sheet at June 1, 2022, as included in the Group's consolidated financial statements, is presented in Note 3.1 to the condensed consolidated half-year financial statements as of June 30, 2023.

### **Ongoing acquisition of Cora (Romania) – Business combination**

In April 2023, Carrefour entered into an agreement with the Louis Delhaize group to acquire its activities in Romania, including 10 Cora hypermarkets and eight Cora Urban stores, with almost 2,400 employees. This transaction will consolidate Carrefour's presence in Romania, with hypermarkets in prime locations that will be converted to the Carrefour formats and banner.

Closing of the transaction is subject to the customary conditions, in particular clearance by the relevant competition authorities. The transaction is expected to be completed by the end of 2023.

### **Creation of Unlimitail in partnership with Publicis Groupe**

On November 8, 2022, the Carrefour group and Publicis Groupe announced their intention to create a joint entity in the fast-growing retail media market in continental Europe and Latin America. On June 15, 2023, this intention became a reality with the announcement of the launch of Unlimitail (51% owned by Carrefour and 49% by Publicis). The company has been fully consolidated in the Carrefour group's financial statements since that date. Unlimitail will partner with retailers and brands, bringing retail expertise and connectivity to these regions. Unlimitail combines one of Publicis' most advanced technologies, "CitrusAd powered by Epsilon", with Carrefour Links' in-depth knowledge of retail media.



## 4. Other information

### Sale and leaseback transaction (Brazil)

On May 12, 2023, Carrefour Brazil announced that it had entered into exclusive negotiations with Barzel, a real estate investment and asset management company, with a view to the sale and leaseback of five stores and four warehouses, for a total of approximately 1.2 billion Brazilian reais i.e., approximately 220 million euros.

CADE, the Brazilian competition authority, approved the transaction on June 12, 2023.

With negotiations on the agreements finalised and the other conditions precedent satisfied, these assets have been leased to Carrefour since June 30, 2023 (date of the transaction's completion and the signing of the leases for fixed 20-year terms, with a five-year renewal option). This transaction led to the recognition of around 10 million euros in non-recurring income.

### 4.2.2 Simplification of the organisation as part of the transformation plan

On November 8, 2022, the Group presented its new strategic plan, Carrefour 2026, to accelerate its transformation, following on from its previous strategic plan. The plan draws on the Group's *raison d'être*, its commitment to the food transition for all, and its digital-driven omni-channel model. The Carrefour 2026 plan has two pillars:

- Commitment to making the best available to all our customers,
- Building a cutting-edge Group.

This second pillar involves transforming our organisational structure in order to optimise our internal operations by leveraging digitalisation.

In early June 2023, Carrefour France initiated a dialogue process with its employee representatives concerning a transformation project for its various French headquarters, with the aim of safeguarding competitiveness over the long term, and boosting performance and agility and simplifying the organisation, which will benefit our stores. The proposed new organisational structure was presented to the employee representatives on June 26, 2023. At that time, Carrefour confirmed that the voluntary redundancy plan currently under discussion with the employee representatives will involve a maximum of 979 departures, on a strictly voluntary basis. Following four negotiation sessions, the agreement on the collective voluntary redundancy plan was signed on July 12, 2023 by the trade unions representing a large majority of the employees concerned.

The amount of the related provision recognised in the consolidated financial statements for the six-month period ended June 30, 2023 was calculated based on various assumptions and represents the best estimate of the costs that the Group expects to incur in relation to the restructuring plan currently being implemented (see Note 1.2).

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

On May 2, 2023, the Group carried out a new Sustainability-Linked Bond issue indexed to its two goals related to greenhouse gas emissions, for a total of 500 million euros, maturing in 7.5 years (due in October 2030) and paying a coupon of 3.75%.

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

On June 12, 2023, the Group redeemed 500 million euros worth of 0.88% 5-year bonds.

On June 14, 2023, the Group redeemed 500 million US dollars worth of convertible, non-dilutive 0% 6-year bonds.

These transactions guarantee the Group's liquidity over the short and medium term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA's bond debt was 3.8 years at end-June 2023, compared with 3.6 years at end-December 2022 and 3.8 years at end-June 2022.



## 4. Other information

### Financing of the Brazilian subsidiary Atacadão

Following on from the 2021 and 2022 transactions, Carrefour's Brazilian subsidiary Atacadão has set up financing arrangements in 2023 enabling it to secure its medium- and long-term needs.

US dollar bank financing facilities were finalised on January 10, 2023 and immediately swapped for a total of 2,293 million Brazilian reais (approximately 436 million euros at the June 30, 2023 exchange rate) with an 11-month maturity.

On April 14, 2023, new euro and US dollar bank financing facilities were put in place, immediately swapped for a total of 744 million Brazilian reais, which enabled a bank loan maturing on the same date to be repaid. The repaid loan amounted to 750 million Brazilian reais.

On April 27, 2023, Atacadão redeemed debenture-type debt representing 500 million Brazilian reais (approximately 95 million euros at the June 30, 2023 exchange rate) maturing in 5 years and paying a coupon of 105.75% of the CDI (*Certificado de Depósito Interbancário*) rate.

Two bank loans covered by Brazil's law 4131/1962 matured in May 2023: one of 793 million Brazilian reais on May 5 and one of 568 million Brazilian reais on May 8 (approximately 259 million euros at the June 30, 2023 exchange rate). In June 2023, two other bank loans were repaid, one on June 5 for an amount of 1,014 million Brazilian reais and one on June 7 for an amount of 568 million Brazilian reais (approximately 300 million euros at the June 30, 2023 exchange rate).

In addition, on June 2, 2023, the Brazilian subsidiary issued simple unsecured, non-convertible debentures (*Certificado de recebíveis do agronegócio* – CRA) for an amount of 930 million Brazilian reais (approximately 177 million euros at the June 30, 2023 exchange rate) in three series:

- an initial series for 330 million Brazilian reais, with a coupon of CDI+0.95% and a maturity of 3 years;
- a second series for 468 million Brazilian reais, with a coupon of 111.20% of the CDI (after hedging) and a maturity of 4 years;
- a third series for 132 million Brazilian reais, with a coupon of CDI+1.00% and a maturity of 5 years.

As a reminder, in 2022, two inter-company financing lines were set up between the companies Carrefour Finance and Atacadão:

- The first revolving credit facility (RCF) for an amount of 4 billion Brazilian reais bearing annual interest at 12% falls due in July 2023;
- The second RCF for 1.9 billion Brazilian reais, bearing annual interest at 14.25% has a maturity of 3 years.

In first-half 2023, another inter-company financing line was set up between the companies Carrefour Finance and Atacadão:

- The third RCF for 6.3 billion Brazilian reais (approximately 1.2 billion euros at June 30, 2023 exchange rate), bearing annual interest at 14.95%, has a 3-year maturity and has been drawn for 2.3 billion Brazilian reais. The remaining 4 billion Brazilian reais will be drawn down in July 2023 to refinance the first RCF, which will have reached maturity.

These intra-group RCF loans, totalling 8.2 billion Brazilian reais at June 30, 2023, are qualified as net investments in foreign operations and are therefore remeasured at fair value through equity. They are hedged in an amount of 4.1 billion Brazilian reais by derivatives classified as net investment hedges.

At June 30, 2023, the Group was rated BBB with a stable outlook by Standard & Poor's and Baa1 with a stable outlook by Moody's.

### **4.2.4 Payment of the 2022 dividend in cash**

At the Shareholders' Meeting held on May 26, 2023, the shareholders decided to set the 2022 dividend at 0.56 euro per share to be paid entirely in cash.

On June 8, 2023, the dividend was paid out in an amount of 405 million euros.



## 4. Other information

### 4.2.5 Share buyback programmes

As part of its share capital allocation policy, the Group commissioned investment services providers to buy back shares corresponding to a maximum amount of 800 million euros for 2023, as authorised by the Shareholders' Meetings of June 3, 2022 and May 26, 2023. The objective of the share buybacks is to allow the Group to hold the shares with a view to cancelling them subsequently.

The first share buyback mandate began on February 27, 2023 and ended on March 31, 2023, with 11,099,084 shares acquired at an average price of 18.02 euros per share for a total amount of 200 million euros.

A second share buyback mandate began on May 2, 2023 and was ongoing at June 30, 2023, with 7,918,989 shares acquired at an average price of 17.07 euros per share for a total amount of 135 million euros at that date. At the date the related buyback mandate was signed, a short-term financial liability of 200 million euros was recognised (in "Other current payables"), with a corresponding reduction in equity. At June 30, 2023, this liability was reduced to 65 million euros to take into account the actual amount of the share acquisitions carried out during the first half of the year. At that date, Carrefour held 28,510,134 shares in treasury (i.e. 3.8% of the share capital made up of 746,871,196 shares), with an average unit price of 17.64 euros per share for the 19,018,073 shares acquired.

The second share buyback mandate ended on July 21, 2023, with 3,768,591 additional shares acquired at an average price of 17.19 euros per share. At the end of the second share buyback mandate, the number of shares making up the share capital amounted to 746,871,196 and the number of shares held in treasury was 32,278,725 representing approximately 4.3% of the share capital.

In addition, pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of May 26, 2023, the Board of Directors decided on July 26, 2023, to reduce the share capital of Carrefour SA by cancelling 26,887,362 treasury shares representing approximately 3.6% of the share capital. The cancellation is expected to occur on or about July 28, 2023.

Following cancellation of the shares, Carrefour SA will have 719,983,834 shares outstanding and, consequently, 5,391,363 shares in treasury, representing approximately 0.7% of the share capital.

### 4.2.6 Employee share ownership programme

On March 1, 2023, the Group launched Carrefour Invest, an international employee share ownership plan. Two options were offered: Carrefour Classic and Carrefour Secure. The reservation period ran from March 1 to March 20, 2023 and the subscription/revocation period from May 5 to May 9, 2023, with the shares delivered on May 31, 2023. As part of the offer, beneficiaries subscribed to Carrefour shares either directly or through a company mutual fund (FCPE), depending on the option chosen and/or their country of residence. Shareholders must hold directly-subscribed shares or FCPE units until May 31, 2028 (inclusive), unless an early release event occurs.

The offer entitled employees to a 15% discount on the share price and a matching employer contribution. The reference price communicated on May 3, 2023 was 18.67 euros (average of the closing prices over the previous 20 days). After application of the 15% discount, the subscription price of the shares for both options stood at 15.87 euros per share.

The operation resulted in a capital increase of 75 million euros (4,713,735 new ordinary shares) for Carrefour SA and the recognition of an operating expense of approximately 30 million euros in respect of the discount and the company contribution.



## 4. Other information

### 4.3 Restatement of the 2022 consolidated half-year and full-year financial statements

#### Classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%).

As Carrefour Taiwan represents a separate major geographic area of operations, it has been treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced (see Notes 2 and 4 to the 2022 consolidated financial statements). Therefore the assets and liabilities recognised by the subsidiary were reclassified as assets held for sale and related liabilities in the consolidated statement of financial position at December 31, 2022 (see Note 4.3 to these consolidated financial statements).

The Group lost control of Carrefour Taiwan on June 30, 2023, following the approval of the Taiwanese competition authority (TFTC) and the satisfaction of other customary conditions.

In addition, the net income and cash flows of Carrefour Taiwan were reclassified within line items for discontinued operations in the consolidated income statement and consolidated cash flow statement for first-half 2022. The reclassifications are presented in Notes 4.1.1 and 4.1.2 to the condensed consolidated half-year financial statements as of June 30, 2023.

Key consolidated income statement aggregates for Carrefour Taiwan for first-half 2023 and 2022 are as follows:

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022</b>
Recurring operating income	37	40
Operating income	39	37
Income before taxes	37	32
Income tax expense	(6)	(9)
Net income/(loss) for the period	31	24
Capital expenditure	2	5

#### Restatement of the consolidated statement of financial position at December 31, 2022 to reflect the reduction in the acquisition price of Grupo BIG in Brazil

On March 31, 2023, an agreement was signed with the sellers of Grupo BIG, leading to a firm reduction in its price for a minimum of 900 million Brazilian reais (see Note 4.2.1 for further details). In accordance with IFRS 3 – *Business Combinations*, the price reduction occurring within 12 months of the acquisition's closing is recognised retrospectively in Grupo BIG's opening balance sheet with an offsetting adjustment to goodwill.

The consolidated statement of financial position at December 31, 2022 has therefore been restated for this price reduction (on the line "Other non-current financial assets" for its long-term portion and on the line "Other current financial assets" for its short-term portion), as well as for other minor adjustments. The reclassifications are presented in Note 4.2 to the condensed consolidated half-year financial statements as of June 30, 2023.





## 4. Other information

### 4.4 Main related-party transactions

There were no material changes in the nature of the Group's related-party transactions in first-half 2023 compared with the situation at December 31, 2022.

### 4.5 Subsequent events

One of the objectives of the Carrefour 2026 strategic plan is to enhance the Group's real estate assets in France through the development of mixed-use real estate projects. To that end, on July 6, 2023, the Group announced that it has joined forces with Nexity to develop 76 sites covering all Carrefour retail formats (hypermarkets, supermarkets and convenience stores). This long-term partnership will enable Carrefour and Nexity to develop mixed-use programmes with high environmental performance for housing, serviced residences, retail outlets, offices and hotels. The related property venture, which is expected to be up and running by the first quarter of 2024 at the latest, will be 80% owned by Carrefour and 20% by Nexity.

On July 12, 2023, Carrefour announced that it had entered into an agreement with the Louis Delhaize group to acquire the Cora and Match banners in France, which operate 60 hypermarkets and 115 supermarkets respectively, and employ some 24,000 people. This acquisition will enable the Group to reaffirm its leadership in food retail in France, with the acquired stores offering a very strong geographical fit with Carrefour, particularly in the east and north of the country. The transaction values the acquired assets on the basis of an enterprise value of 1.05 billion euros and will be paid entirely in cash. Subject to certain customary conditions, particularly approval by the French competition authority, the transaction is expected to close in the summer of 2024.

### 4.6 Risk factors

The risk factors are the same as those set out in Chapter 4 *Risk Management* of the 2022 Universal Registration Document.



## **Condensed consolidated financial statements for the six-month period ended June 30, 2023**

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## Consolidated income statement

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

In addition, the consolidated statement of financial position at December 31, 2022 has been restated in accordance with IFRS 3 – *Business Combinations* to reflect the changes affecting the opening balance sheet of Grupo BIG in Brazil (see Notes 3.1 and 4.2).

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the condensed consolidated financial statements for the six-month period ended June 30, 2023; 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.

(in millions of euros)	Notes	First-half 2023	First-half 2022 IFRS 5 restated	% change
Net sales	6.1	40,743	37,790	7.8%
Loyalty program costs		(441)	(400)	10.3%
<b>Net sales net of loyalty program costs</b>		<b>40,302</b>	<b>37,391</b>	<b>7.8%</b>
Other revenue	6.1	1,287	1,168	10.2%
<b>Total revenue</b>		<b>41,589</b>	<b>38,558</b>	<b>7.9%</b>
Cost of sales		(33,515)	(31,055)	7.9%
<b>Gross margin from recurring operations</b>		<b>8,074</b>	<b>7,504</b>	<b>7.6%</b>
Sales, general and administrative expenses, depreciation and amortisation	6.2	(7,374)	(6,729)	9.6%
<b>Recurring operating income</b>		<b>700</b>	<b>775</b>	<b>(9.6)%</b>
Net income/(loss) from equity-accounted companies	9.1	24	12	106.8%
<b>Recurring operating income after net income from equity-accounted companies</b>		<b>724</b>	<b>786</b>	<b>(7.9)%</b>
Non-recurring income and expenses, net	6.3	(186)	(82)	125.6%
<b>Operating income</b>		<b>538</b>	<b>704</b>	<b>(23.6)%</b>
Finance costs and other financial income and expenses, net	13.6	(276)	(181)	52.0%
Finance costs, net		(191)	(151)	26.1%
Net interests related to leases		(100)	(68)	47.6%
Other financial income and expenses, net		15	38	(59.9)%
<b>Income before taxes</b>		<b>262</b>	<b>522</b>	<b>(49.8)%</b>
Income tax expense	10	(153)	(193)	(20.8)%
<b>Net income/(loss) from continuing operations</b>		<b>109</b>	<b>329</b>	<b>(66.8)%</b>
Net income/(loss) from discontinued operations		761	29	2520.0%
<b>Net income/(loss) for the period</b>		<b>871</b>	<b>358</b>	<b>143.1%</b>
<b>Group share</b>		<b>867</b>	<b>255</b>	<b>239.6%</b>
of which net income/(loss) from continuing operations - Group share		118	239	(50.5)%
of which net income/(loss) from discontinued operations - Group share		749	16	4457.5%
<b>Attributable to non-controlling interests</b>		<b>4</b>	<b>103</b>	<b>(96.1)%</b>
of which net income/(loss) from continuing operations - attributable to non-controlling interests		(9)	90	(109.7)%
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		13	13	0.8%
<b>Basic earnings per share (in euros)</b>		<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>	<b>% change</b>
Net income/(loss) from continuing operations - Group share - per share	12.3	0.16	0.32	(48.7)%
Net income/(loss) from discontinued operations - Group share - per share	12.3	1.03	0.02	4624.8%
Net income/(loss) - Group share - per share	12.3	1.19	0.34	252.1%
<b>Diluted earnings per share (in euros)</b>		<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>	<b>% change</b>
Net income/(loss) from continuing operations - Group share - per share	12.3	0.16	0.32	(48.7)%
Net income/(loss) from discontinued operations - Group share - per share	12.3	1.03	0.02	4622.1%
Net income/(loss) - Group share - per share	12.3	1.19	0.34	251.9%



## Consolidated statement of comprehensive income

(in millions of euros)

	Notes	First-half 2023	First-half 2022
Net income/(loss) - Group share		867	255
Net income - Attributable to non-controlling interests		4	103
<b>Net income/(loss) for the period</b>		<b>871</b>	<b>358</b>
Effective portion of changes in the fair value of cash flow hedges <sup>1</sup>	12.2	(56)	63
Changes in the fair value of debt instruments through other comprehensive income	12.2	(36)	(16)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect <sup>2</sup>	12.2	21	19
Exchange differences on translation of foreign operations <sup>3</sup>	12.2	217	461
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>146</b>	<b>527</b>
Remeasurements of defined benefit plans obligation <sup>4</sup>	12.2	(4)	128
<b>Items that will not be reclassified subsequently to profit or loss</b>		<b>(4)</b>	<b>128</b>
<b>Other comprehensive income/(loss) after tax</b>		<b>142</b>	<b>655</b>
<b>Total comprehensive income/(loss)</b>		<b>1,013</b>	<b>1,013</b>
Group share		929	703
Attributable to non-controlling interests		84	310

These items are presented net of the tax effect (see Note 12.2).

- (1) The currency swap eligible for cash flow hedge accounting, set up by the Group in 2022 in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan, was settled when Carrefour Taiwan was sold, generating an expense of 46 million euros net of tax (see Note 3.1).
- (2) In first-half 2023 and in 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão for 2.3 billion Brazilian reais and 5.9 billion Brazilian reais respectively. These facilities were treated as part of the net investment in that operation. The derivatives contracted to hedge part of the facilities were classified as a net investment hedge (see Note 3.3).
- (3) Exchange differences recognised on translation of foreign operations in first-half 2023 mainly reflect the slight increase in the value of the Brazilian real, partially offset by the 52 million euro reversal of positive translation adjustments recognised by Carrefour Taiwan further to its sale. Exchange differences recognised on translating foreign operations in first-half 2022 mainly reflected the significant increase in the value of the Brazilian real.
- (4) Remeasurement of the net defined benefit liability recognised in first-half 2023 reflects the slight decline in discount rates applied for the eurozone, from 3.80% at end-December 2022 to 3.70% at end-June 2023 (see Note 11.3). In first-half 2022, these discount rates had increased sharply, from 0.80% at end-December 2021 to 3.20% at end-June 2022.



## Consolidated statement of financial position

### ASSETS

(in millions of euros)

	Notes	June 30, 2023	December 31, 2022 IFRS 3 restated
Goodwill	7.1	8,720	8,644
Other intangible assets	7.1	1,523	1,499
Property and equipment	7.2	12,603	12,612
Investment property	7.3	292	279
Right-of-use assets	8.1	4,190	4,190
Investments in companies accounted for by the equity method	9.1	1,151	1,197
Other non-current financial assets	13.5	1,161	1,251
Consumer credit granted by the financial services companies – portion more than one year	6.5	1,970	1,867
Deferred tax assets		450	475
Other non-current assets		641	609
<b>Non-current assets</b>		<b>32,702</b>	<b>32,622</b>
Inventories		7,047	6,893
Trade receivables		3,349	3,330
Consumer credit granted by the financial services companies – portion less than one year	6.5	4,358	4,111
Other current financial assets	13.2	631	771
Tax receivables		927	948
Other current assets		1,222	1,025
Cash and cash equivalents	13.2	3,859	5,216
Assets held for sale		52	1,641
<b>Current assets</b>		<b>21,444</b>	<b>23,935</b>
<b>TOTAL ASSETS</b>		<b>54,146</b>	<b>56,558</b>

### SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)

	Notes	June 30, 2023	December 31, 2022 IFRS 3 restated
Share capital		1,867	1,855
Consolidated reserves (including net income)		9,500	9,289
<b>Shareholders' equity, Group share</b>		<b>11,367</b>	<b>11,144</b>
Shareholders' equity attributable to non-controlling interests		1,910	2,042
<b>Total shareholders' equity</b>		<b>13,276</b>	<b>13,186</b>
Borrowings - portion more than one year	13.2	6,479	6,912
Lease commitments - portion more than one year	8.2	3,626	3,574
Provisions	11	4,228	3,979
Consumer credit financing – portion more than one year	6.5	1,678	1,550
Deferred tax liabilities		373	365
Tax payables - portion more than one year		62	85
<b>Non-current liabilities</b>		<b>16,446</b>	<b>16,464</b>
Borrowings - portion less than one year	13.2	3,004	2,646
Lease commitments - portion less than one year	8.2	936	955
Suppliers and other creditors		12,831	14,393
Consumer credit financing – portion less than one year	6.5	3,791	3,592
Tax payables - portion less than one year		1,129	1,182
Other current payables		2,733	2,943
Liabilities related to assets held for sale		–	1,196
<b>Current liabilities</b>		<b>24,423</b>	<b>26,907</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>54,146</b>	<b>56,558</b>





# Consolidated statement of cash flows

(in millions of euros)

	First-half 2023	First-half 2022 IFRS 5 restated
<b>Income before taxes</b>	<b>262</b>	<b>522</b>
<b>OPERATING ACTIVITIES</b>		
Income tax paid	(146)	(198)
Depreciation and amortisation expense	1,152	1,087
Gains and losses on sales of assets and other	15	(31)
Change in provisions and impairment	82	(111)
Finance costs, net	191	151
Net interests related to leases	100	68
Share of profit and dividends received from equity-accounted companies	39	45
Impact of discontinued operations <sup>1</sup>	89	111
<b>Cash flow from operations</b>	<b>1,785</b>	<b>1,645</b>
Change in working capital requirement <sup>2</sup>	(1,926)	(2,067)
Impact of discontinued operations <sup>1</sup>	(54)	(49)
<b>Net cash (used in)/from operating activities (excluding financial services companies)</b>	<b>(195)</b>	<b>(470)</b>
Change in consumer credit granted by the financial services companies	(18)	54
<b>Net cash (used in)/from operating activities - total</b>	<b>(213)</b>	<b>(416)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment and intangible assets <sup>3</sup>	(687)	(556)
Acquisitions of non-current financial assets	(6)	(20)
Acquisitions of subsidiaries and investments in associates <sup>4</sup>	(3)	(911)
Proceeds from the disposal of subsidiaries and investments in associates <sup>5</sup>	1,004	21
Proceeds from the disposal of property and equipment and intangible assets <sup>6</sup>	289	69
Proceeds from the disposal of non-current financial assets	7	4
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets <sup>3</sup>	(246)	(262)
<b>Investments net of disposals - subtotal</b>	<b>359</b>	<b>(1,656)</b>
Other cash flows from investing activities	61	93
Impact of discontinued operations <sup>1</sup>	(225)	(15)
<b>Net cash (used in)/from investing activities - total</b>	<b>195</b>	<b>(1,579)</b>
<b>FINANCING ACTIVITIES</b>		
Carrefour SA capital increase / (decrease) <sup>7 8</sup>	75	(657)
Proceeds from share issues to non-controlling interests	8	2
Dividends paid by Carrefour SA <sup>9</sup>	(405)	(380)
Dividends paid to non-controlling interests	(57)	(44)
Change in treasury stock and other equity instruments <sup>8</sup>	(336)	(96)
Change in current financial assets <sup>10</sup>	233	(1)
Issuance of bonds <sup>10</sup>	675	1,500
Repayments of bonds <sup>10</sup>	(1,058)	(1,082)
Net financial interests paid	(51)	(100)
Other changes in borrowings <sup>10</sup>	155	2,056
Payments related to leases (principal) <sup>11</sup>	(504)	(449)
Net interests paid related to leases <sup>11</sup>	(100)	(66)
Impact of discontinued operations <sup>1</sup>	(45)	(54)
<b>Net cash (used in)/from financing activities - total</b>	<b>(1,411)</b>	<b>629</b>
<b>Net change in cash and cash equivalents before the effect of changes in exchange rates</b>	<b>(1,429)</b>	<b>(1,366)</b>
Effect of changes in exchange rates	(163)	201
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,592)</b>	<b>(1,165)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>5,451</b>	<b>3,703</b>
<b>Cash and cash equivalents at end of the period</b>	<b>3,859</b>	<b>2,539</b>
of which cash and cash equivalents at end of period from continuing operations	3,859	2,331
of which cash and cash equivalents at end of period from discontinued operations	—	208

- (1) Restatements made to reflect the classification of cash flows relating to discontinued operations in accordance with IFRS 5 are detailed in Note 4. They correspond almost exclusively to the disposal of Carrefour Taiwan, effective June 30, 2023.
- (2) The change in working capital requirement is set out in Note 6.4.
- (3) Acquisitions include operational investments in growth formats, in particular those relating to the Grupo BIG store conversions and the Group's digitalisation.
- (4) In first-half 2022, this line mainly corresponded to the cash payment in respect of the acquisition of the entire share capital of Grupo BIG in Brazil (excluding the downpayment in March 2021) for 866 million euros (4,392 million Brazilian reais).
- (5) This item corresponds to the disposal of Carrefour Taiwan for 1.0 billion euros (see Note 3.1).
- (6) This line mainly corresponds to the sale and leaseback of five stores and four warehouses in Brazil (see Note 3.1) and the sale of store premises and businesses to franchisees in France. In first-half 2022, this item mainly corresponded to the sale of store businesses to franchisees in France and Italy.
- (7) During the first half of 2023, Carrefour SA's capital was increased by 75 million euros following the implementation of the "Carrefour Invest" plan (see Note 3.6).
- (8) These lines correspond to the first two share buyback mandates, amounting to 200 million euros each (see Note 3.5), implemented up to June 30, 2023 for 336 million euros (including associated costs). In first-half 2022, this item corresponded to the share buyback programme for 750 million euros implemented between March and May 2022, of which 401 million euros worth of shares (including associated costs) were cancelled on April 20, 2022 following a decision by the Board of Directors and another 256 million euros worth (including associated costs) were



## Consolidated statement of cash flows

*cancelled on June 3, 2022. The shares covered by this programme, which were still held in treasury at June 30, 2022, were presented within "Change in treasury stock and other equity instruments".*

- (9) The dividend approved by the Shareholders' Meeting of May 26, 2023 was paid entirely in cash on June 8, 2023 for an amount of 405 million euros (see Note 3.4). In 2022, the dividend was paid entirely in cash on June 9, 2022 for 380 million euros.*
- (10) Note 13.2 provides a breakdown of net debt. Changes in liabilities arising from financing activities are detailed in Note 13.4.*
- (11) In accordance with IFRS 16, payments under leases along with any related interest are shown in financing cash flows.*



## Consolidated statement of changes in shareholders' equity

	Shareholders' equity, Group share						
(in millions of euros)	Share capital <sup>1</sup>	Foreign exchange translation reserve	Fair value reserve <sup>2</sup>	Other consolidated reserves and net income	Total Shareholders' equity, Group share	Total Non-controlling interests	Total Shareholders' equity
<b>Shareholders' equity at December 31, 2021</b>	<b>1,940</b>	<b>(1,990)</b>	<b>(4)</b>	<b>10,305</b>	<b>10,251</b>	<b>1,579</b>	<b>11,830</b>
Net income/(loss) for the period - First-half 2022	—	—	—	255	255	103	358
Other comprehensive income/(loss) after tax <sup>3</sup>	—	252	69	127	448	207	655
<b>Total comprehensive income/(loss) - First-half 2022</b>	<b>—</b>	<b>252</b>	<b>69</b>	<b>382</b>	<b>703</b>	<b>310</b>	<b>1,013</b>
Share-based payments	—	—	—	12	12	1	13
Treasury stock (net of tax) <sup>5</sup>	—	—	—	(96)	(96)	—	(96)
2021 dividend payment <sup>4</sup>	—	—	—	(380)	(380)	(33)	(413)
Change in capital and additional paid-in capital <sup>5</sup>	(84)	—	—	(570)	(655)	(0)	(655)
Effect of changes in scope of consolidation and other movements <sup>7</sup>	—	63	—	120	183	247	430
<b>Shareholders' equity at June 30, 2022</b>	<b>1,855</b>	<b>(1,675)</b>	<b>65</b>	<b>9,774</b>	<b>10,019</b>	<b>2,103</b>	<b>12,122</b>
<b>Shareholders' equity at December 31, 2022</b>	<b>1,855</b>	<b>(1,670)</b>	<b>78</b>	<b>10,881</b>	<b>11,144</b>	<b>2,042</b>	<b>13,186</b>
Net income/(loss) for the period - First-half 2023	—	—	—	867	867	4	871
Other comprehensive income/(loss) after tax <sup>3</sup>	—	135	(69)	(4)	62	80	142
<b>Total comprehensive income/(loss) - First-half 2023</b>	<b>—</b>	<b>135</b>	<b>(69)</b>	<b>863</b>	<b>929</b>	<b>84</b>	<b>1,013</b>
Share-based payments	—	—	—	31	31	1	32
Treasury stock (net of tax) <sup>5</sup>	—	—	—	(400)	(400)	—	(400)
2022 dividend payment <sup>4</sup>	—	—	—	(405)	(405)	(45)	(450)
Change in capital and additional paid-in capital <sup>6</sup>	12	—	—	63	75	9	83
Effect of changes in scope of consolidation and other movements <sup>7</sup>	—	(1)	—	(7)	(8)	(181)	(189)
<b>Shareholders' equity at June 30, 2023</b>	<b>1,867</b>	<b>(1,536)</b>	<b>9</b>	<b>11,027</b>	<b>11,367</b>	<b>1,910</b>	<b>13,276</b>

- (1) The share capital was made up of 746,871,196 ordinary shares at June 30, 2023.
- (2) This item comprises:
  - the hedge reserve (effective portion of changes in the fair value of cash flow hedges);
  - the financial asset fair value reserve (changes in the fair value of financial assets carried at fair value through other comprehensive income);
  - exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect.
- (3) In first-half 2023, the Group's share of exchange differences recognised on translating foreign operations mainly reflects the slight increase in the value of the Brazilian real compared with December 31, 2022, partially offset by the reversal of the positive translation adjustments recognised by Carrefour Taiwan further to its disposal (see Note 3.1). The figure also includes the decrease in the fair value of Flink shares (see Note 12.2).  
In first-half 2022, other comprehensive income after tax reflected both the significant increase in the value of the Brazilian real compared to December 31, 2021 and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the increase in discount rates applied for the eurozone.
- (4) The 2022 dividend distributed by Carrefour SA, totalling 405 million euros, was paid entirely in cash in first-half 2023.  
The 2021 dividend distributed by Carrefour SA, totalling 380 million euros, was paid entirely in cash in first-half 2022.  
Dividends paid to non-controlling interests mainly concern the Spanish and Brazilian subsidiaries for an amount of 45 million euros in first-half 2023, and 33 million euros in first-half 2022.
- (5) The 800 million euro share buyback programme, as authorised by the Shareholders' Meetings of June 3, 2022 and May 26, 2023, was launched in first-half 2023 in the form of two buyback mandates of 200 million euros each.  
The first 200 million euro mandate ended on March 31, 2023.  
The second share buyback mandate began on May 2, 2023 and was still ongoing at June 30, 2023. At that date, 135 million euros worth of shares had been bought back, leading to the recognition of a short-term financial liability of 65 million euros, with a corresponding reduction in shareholders' equity (see Note 3.5).  
In first-half 2022, a 750 million euro share buyback programme was launched in two tranches of 400 million euros and 350 million euros, corresponding to 38,423,806 shares. Carrefour SA's share capital was subsequently reduced by cancelling 33,738,431 shares. Following cancellation of these shares, Carrefour SA had 11,544,870 treasury shares, representing approximately 1.6% of the share capital at June 30, 2022.
- (6) On March 1, 2023, the Group launched Carrefour Invest, an international employee share ownership plan. The transaction resulted in a capital increase of 75 million euros (4,713,735 new ordinary shares) by Carrefour SA (see Note 3.6).
- (7) The effect of changes in the scope of consolidation and other movements in first-half 2023 mainly corresponds to the disposal of Carrefour Taiwan (see Note 3.1). At June 30, 2022, it mainly corresponded to the acquisition of Grupo BIG for the portion paid in newly-issued Carrefour Brazil shares (see Note 3.1 to the half-year financial statements as of June 30, 2022).



## Notes to the condensed consolidated financial statements

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

The condensed consolidated financial statements for the six-month period ended June 30, 2023 were approved for publication by the Board of Directors on July 26, 2023.

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, 2023 reflect the financial position and results of operations of the Company and its subsidiaries (together "Carrefour" or the "Group"), along with the Group's share of the profits and losses and net assets of equity-accounted associates and joint ventures. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

### 1.1 Statement of compliance

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the condensed consolidated financial statements for the six-month period ended June 30, 2023 have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union as of June 30, 2023 and applicable at that date, with comparative information for the same period of 2022 and at December 31, 2022 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, 2023, 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 amendments to IAS 12 – *Income Taxes: International Tax Reform – Pillar Two Model Rules* which have not yet been adopted for use in the European Union.

### 1.2 Changes in accounting policies

The accounting policies used to prepare the condensed consolidated financial statements for the six-month period ended June 30, 2023 are the same as those used for the 2022 consolidated financial statements, except for the following standard and amendments whose application is mandatory as of January 1, 2023:

- IFRS 17 – *Insurance Contracts*;
- Amendments to IFRS 17 – *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*;
- Amendments to IAS 1 – *Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies*;
- Amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*;
- Amendments to IAS 12 – *Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*.

The application of IFRS 17 – *Insurance Contracts* had no impact on the Group's consolidated financial statements. The application of the amendments had no impact on the Group's consolidated financial statements either.



# Notes to the condensed consolidated financial statements

## Adopted by the European Union but not yet applicable

Standards, amendments and interpretations	Effective date
Amendments to IAS 1 – <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date; Non-current Liabilities with Covenants</i>	January 1, 2024
Amendments to IFRS 16 – <i>Leases: Lease Liability in a Sale and Leaseback</i>	January 1, 2024
Amendments to IAS 7 – <i>Statement of Cash Flows</i> and IFRS 7 – <i>Financial instruments: Disclosures: Supplier Finance Arrangements</i>	January 1, 2024

## Not yet adopted by the European Union

Standards, amendments and interpretations	Effective date <sup>(1)</sup>
Amendments to IAS 12 – <i>Income Taxes: International Tax Reform – Pillar Two Model Rules</i>	January 1, 2023

(1) Subject to adoption by the European Union.

Carrefour does not expect the application of these amendments 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, 2023 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, 2022, as included in the Universal Registration Document filed with the AMF (French 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 2023 is calculated based on the estimated weighted average annual income tax rate for full-year 2023 (the effective tax rate), for each entity and tax sub-group (see Note 10). The tax impact of specific transactions is reflected in income tax expense for the period.

The impact of applying the Pillar Two international tax reform is currently being analysed. Given the tax rates in the jurisdictions where the Group operates, the overall impact on the Group is not thought to be material at this stage.

### 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 11.3). 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.



## Notes to the condensed consolidated financial statements

Following the enactment of France's amended social security financing law no. 2023-270 on April 15, 2023, the pension reform has been taken into account in determining provisions for defined benefit plans at June 30, 2023: the changes brought about by this reform have been analysed as a plan amendment within the meaning of IAS 19; the impact has been treated accordingly as a past service cost and therefore recognised in operating income.

### 1.3.4 Conflict in Ukraine

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

However, the Group is impacted to some extent by the macro-economic consequences of the conflict, particularly due to the resulting energy price fluctuations, which have led to the recognition of higher energy costs in the financial statements since 2022.

The Group is closely monitoring the development of the conflict and its macroeconomic and potentially operational consequences, particularly in its integrated countries bordering Ukraine (Poland and Romania).

### 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, 2023 are the same as those described in the consolidated financial statements for the year ended December 31, 2022, 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;
- assets acquired through exchange, assessed at fair value if the exchange has commercial substance and if it is possible to reliably measure the fair value of the asset received or sold;
- non-current assets held for sale, measured at the lower of their carrying amount and fair value less costs to sell.





## Notes to the condensed consolidated financial statements

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

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

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the condensed consolidated financial statements for the six-month period ended June 30, 2023; 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 Main acquisitions, disposals and other transactions during the period

#### Sale of Carrefour Taiwan

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). As the applicable conditions precedent were met, particularly clearance from the local competition authority obtained in May 2023, this agreement resulted in loss of control of the subsidiary on June 30, 2023.

The preliminary sale price is 31.1 billion New Taiwan dollars, representing 1.0 billion euros (after taking account of currency hedging). The disposal gain, amounting to approximately 0.75 billion euros, was recognised within net income from discontinued operations. This is because Carrefour Taiwan represents a separate major geographic area of operations and has therefore been treated as a discontinued operation in accordance with IFRS 5 since the date its disposal was announced. For more details on the impacts of this sale on the consolidated half-year financial statements as of June 30, 2023, see Note 4.1.

As a reminder, on March 14, 2022, a fire broke out in a logistics centre leased by Carrefour in the Yang Mei district of Taiwan. A claim was submitted to the Group's insurance companies in this respect. Losses incurred as a result of destroyed inventories and equipment were recorded in 2022 against the payout receivable from insurers classified under other current assets. The same applies to the estimated operating losses for 2022 and first-half 2023. In June 2023, further to their final conclusions, the Group's insurance companies paid the balance of the compensation recognised for the damage incurred, after deducting the two instalments already paid last year. The related impacts are recorded in net income from discontinued operations for the periods concerned.

#### Acquisition of Grupo BIG (Brazil) – Reduced acquisition price

On March 24, 2021, Carrefour Brazil entered into an agreement with Advent International and Walmart for the acquisition of Grupo BIG, Brazil's third biggest food retailer. The acquiree reported net sales of around 20 billion Brazilian reais (approximately 3.1 billion euros) in 2021 and operates a multi-format network of 388 stores, including 181 owned stores.

Carrefour Brazil's Extraordinary Shareholders' Meeting and CADE, the Brazilian competition authority, approved this transaction on May 19, 2022 and May 25, 2022, respectively (subject to the disposal of 14 stores which took effect before June 30, 2023).

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

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

- a cash payment of 5,292 million Brazilian reais (approximately 1 billion euros), representing 70% of the baseline price plus various preliminary earn-outs for 42 million Brazilian reais (approximately 8 million euros), including 900 million Brazilian reais (139 million euros) paid as part of a downpayment in March 2021;
- a share-based payment of 117 million new Carrefour Brazil shares (representing 30% of the baseline price), with a fair value of 2,173 million Brazilian reais (approximately 430 million euros) at June 6, 2022.

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

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



## Notes to the condensed consolidated financial statements

### Developments in first-half 2023

Discussions between the sellers (Advent International and Walmart) and the buyer (Carrefour Brazil) under the terms of the Grupo BIG acquisition contract led the parties to agree on a firm price reduction of 900 million Brazilian reais (paid in two instalments of 350 and 550 million Brazilian reais respectively) and a potential further reduction of up to 100 million Brazilian reais.

This agreement was signed on March 31, 2023 with the following two conditions precedent:

- immediate payment of the first tranche of 350 million Brazilian reais (317 million Brazilian reais after minor adjustments);
- provision by the sellers of a first demand guarantee from a leading bank.

The agreement was finalised on April 11, 2023 following the satisfaction of both conditions precedent.

In addition to the 350 million Brazilian reais paid on April 11, 2023, the agreement mainly provides for the following price reductions:

- A second tranche of 550 million reais to be paid 60 days after the publication of Carrefour Brazil's 2023 annual consolidated financial statements. The 550 million Brazilian reais bear interest at SELIC rates calculated as from April 11, 2023;
- An additional variable receivable of up to 100 million Brazilian reais, calculated using a metric agreed by the stakeholders. This top-up also bears interest at SELIC rates calculated as from April 11, 2023.

The acquisition price for Grupo BIG is 6,687 million Brazilian reais (or 1,318 million euros at the exchange rate on the transaction date), after discounting to present value the 900 million Brazilian real price reduction at June 1, 2022.

Carrefour Brazil also increased the provisions set aside for labour and tax risks (net of associated deferred tax) by a non-material amount of 33 million Brazilian reais.

In accordance with IFRS 3 – *Business Combinations*, the price reduction and other adjustments occurring within 12 months of the acquisition's closing are recognised retrospectively in Grupo BIG's opening balance sheet with an offsetting adjustment to goodwill (see Note 4.2 for more details on the restatement of the consolidated statement of financial position at December 31, 2022).



# Notes to the condensed consolidated financial statements

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

## ASSETS

(in millions of reals)

	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Preliminary opening balance sheet (Fair Value)	Price reduction and others adjustments	Final opening balance sheet (Fair Value)	Final opening balance sheet (in millions of euros)
Goodwill	(a)	220	4,556	4,776	(745)	4,031	795
Other intangible assets	(e)	265	263	527		527	104
Property and equipment	(c)	4,887	5,033	9,920		9,920	1,955
Right-of-use assets	(b)	2,465	(22)	2,443		2,443	482
Other non-current financial assets	(f)	586		586		586	116
Deferred tax assets	(g)	2,407	(2,407)	-		-	-
Other non-current assets	(h)	3,095	(1,108)	1,987		1,987	392
<b>Non-current assets</b>		<b>13,925</b>	<b>6,315</b>	<b>20,240</b>	<b>(745)</b>	<b>19,495</b>	<b>3,843</b>
Inventories	(j)	2,955	(168)	2,787		2,787	549
Trade receivables	(l)	702		702		702	138
Other current financial assets	(l)	77		77		77	15
Tax receivables	(l)	513		513		513	101
Other current assets	(k)	204	(20)	184		184	36
Cash and cash equivalents	(l)	317		317		317	62
Assets held for sale	(i)	-	323	323		323	64
<b>Current assets</b>		<b>4,769</b>	<b>135</b>	<b>4,904</b>	<b>-</b>	<b>4,904</b>	<b>966</b>
<b>TOTAL ASSETS</b>		<b>18,694</b>	<b>6,450</b>	<b>25,144</b>	<b>(745)</b>	<b>24,399</b>	<b>4,810</b>

## SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of reals)

	Reference	Opening balance sheet (Net Book Value)	Fair Value adjustments	Preliminary opening balance sheet (Fair Value)	Price reduction and others adjustments	Final opening balance sheet (Fair Value)	Final opening balance sheet (in millions of euros)
<b>Total shareholders' equity</b>		<b>8,859</b>	<b>(1,394)</b>	<b>7,465</b>	<b>(778)</b>	<b>6,687</b>	<b>1,318</b>
Lease commitments - portion more than one year	(b)	2,598	(292)	2,306		2,306	454
Provisions	(d)	2,528	8,058	10,586	27	10,613	2,092
Deferred tax liabilities	(g)	150	61	211	6	217	43
<b>Non-current liabilities</b>		<b>5,276</b>	<b>7,827</b>	<b>13,103</b>	<b>33</b>	<b>13,136</b>	<b>2,589</b>
Borrowings - portion less than one year	(l)	982		982		982	194
Lease commitments - portion less than one year	(b)	196	(124)	72		72	14
Suppliers and other creditors	(k)	2,617	139	2,756		2,756	543
Tax payables - portion less than one year	(l)	96		96		96	19
Other current payables	(k)	667		667		667	131
<b>Current liabilities</b>		<b>4,558</b>	<b>15</b>	<b>4,573</b>	<b>-</b>	<b>4,573</b>	<b>901</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>18,694</b>	<b>6,450</b>	<b>25,144</b>	<b>(745)</b>	<b>24,399</b>	<b>4,810</b>



## Notes to the condensed consolidated financial statements

The purchase price allocation process stipulated in IFRS 3 – *Business Combinations* was implemented and led to the recognition of final goodwill (a) in the amount of 795 million euros in the consolidated half-year financial statements as of June 30, 2023.

Grupo BIG's final opening balance sheet has been prepared based on the following:

- (b) estimated right-of-use assets and related lease commitments of the stores leased by Grupo BIG, taking into account the reasonably certain term of the leases in application of the rules defined by the Group (see Note 8 to the 2022 consolidated financial statements);
- (c) fair value measurement (determined on the basis of the market value of similar assets) of land and store premises owned by the company;
- (d) significant increase in provisions following analyses of litigation and contingent liabilities (recognised in accordance with IFRS 3) by the Brazilian subsidiary and its advisors in 2022. The increase provides, in particular, for tax and labour risks (see Note 11 to the 2022 consolidated financial statements);
- (e) recognition and measurement of acquired brands (*Maxxi, Big, Bompreço, Nacional* and *TodoDia*) and their indefinite useful lives;
- (f) continued recognition of other non-current financial assets at their net carrying amount, mainly relating to legal deposits paid in connection with disputes;
- (g) impairment of all deferred tax assets (before deferred tax effects relating to fair value adjustments to assets and liabilities) of legal entities within Grupo BIG due to the lack of taxable profits in recent years;
- (h) partial impairment of other non-current assets, consisting mainly of ICMS and PIS-COFINS tax credits, following an analysis of the possible future use and validity of the credits;
- (i) classification as assets held for sale of the 14 stores to be disposed of in accordance with CADE's decision. These stores were sold in 2022 and first-half 2023;
- (j) standardised accounting practices for inventories in order to incorporate all components of the purchase cost of goods sold and to take into account the rebates and commercial income negotiated with suppliers in accordance with the rules defined by the Group (see Note 6.4 to the 2022 consolidated financial statements). A portion of the value of inventories has also been written down in order to reflect their fair value;
- (k) standardised accounting practices for other current assets/liabilities and suppliers and other creditors;
- (l) continued recognition of other assets and liabilities at their net carrying amount (including trade receivables, other current financial assets, cash and cash equivalents and borrowings, tax receivables and payables).

### Ongoing acquisition of Cora (Romania) – Business combination

In April 2023, Carrefour entered into an agreement with the Louis Delhaize group to acquire its activities in Romania, including 10 Cora hypermarkets and eight Cora Urban stores, with almost 2,400 employees. This transaction will consolidate Carrefour's presence in Romania, with hypermarkets in prime locations that will be converted to the Carrefour formats and banner.

Closing of the transaction is subject to the customary conditions, in particular clearance by the relevant competition authorities. The transaction is expected to be completed by the end of 2023.

### Creation of Unlimitail in partnership with Publicis Groupe

On November 8, 2022, the Carrefour group and Publicis Groupe announced their intention to create a joint entity in the fast-growing retail media market in continental Europe and Latin America. On June 15, 2023, this intention became a reality with the announcement of the launch of Unlimitail (51% owned by Carrefour and 49% by Publicis). The company has been fully consolidated in the Carrefour group's financial statements since that date. Unlimitail will partner with retailers and brands, bringing retail expertise and connectivity to these regions. Unlimitail combines one of Publicis' most advanced technologies, "CitrusAd powered by Epsilon", with Carrefour Links' in-depth knowledge of retail media.



## Sale and leaseback transaction (Brazil)

On May 12, 2023, Carrefour Brazil announced that it had entered into exclusive negotiations with Barzel, a real estate investment and asset management company, with a view to the sale and leaseback of five stores and four warehouses, for a total of approximately 1.2 billion Brazilian reais i.e., approximately 220 million euros.

CADE, the Brazilian competition authority, approved the transaction on June 12, 2023.

With negotiations on the agreements finalised and the other conditions precedent satisfied, these assets have been leased to Carrefour since June 30, 2023 (date of the transaction's completion and the signing of the leases for fixed 20-year terms, with a five-year renewal option). This transaction led to the recognition of around 10 million euros in non-recurring income.

## 3.2 Simplification of the organisation as part of the transformation plan

On November 8, 2022, the Group presented its new strategic plan, Carrefour 2026, to accelerate its transformation, following on from its previous strategic plan. The plan draws on the Group's *raison d'être*, its commitment to the food transition for all, and its digital-driven omni-channel model. The Carrefour 2026 plan has two pillars:

- Commitment to making the best available to all our customers,
- Building a cutting-edge Group.

This second pillar involves transforming our organisational structure in order to optimise our internal operations by leveraging digitalisation.

In early June 2023, Carrefour France initiated a dialogue process with its employee representatives concerning a transformation project for its various French headquarters, with the aim of safeguarding competitiveness over the long term, and boosting performance and agility and simplifying the organisation, which will benefit our stores. The proposed new organisational structure was presented to the employee representatives on June 26, 2023. At that time, Carrefour confirmed that the voluntary redundancy plan currently under discussion with the employee representatives will involve a maximum of 979 departures, on a strictly voluntary basis. Following four negotiation sessions, the agreement on the collective voluntary redundancy plan was signed on July 12, 2023 by the trade unions representing a large majority of the employees concerned.

The amount of the related provision recognised in the consolidated financial statements for the six-month period ended June 30, 2023 was calculated based on various assumptions and represents the best estimate of the costs that the Group expects to incur in relation to the restructuring plan currently being implemented (see Notes 6.3 and 11.5).

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

On May 2, 2023, the Group carried out a new Sustainability-Linked Bond issue indexed to its two goals related to greenhouse gas emissions, for a total of 500 million euros, maturing in 7.5 years (due in October 2030) and paying a coupon of 3.75%.

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

On June 12, 2023, the Group redeemed 500 million euros worth of 0.88% 5-year bonds.

On June 14, 2023, the Group redeemed 500 million US dollars worth of convertible, non-dilutive 0% 6-year bonds.

These transactions guarantee the Group's liquidity over the short and medium term in an unstable economic environment, and are part of the strategy to ensure the necessary financing is in place to meet Carrefour's needs. The average maturity of Carrefour SA's bond debt was 3.8 years at end-June 2023, compared with 3.6 years at end-December 2022 and 3.8 years at end-June 2022.



## Notes to the condensed consolidated financial statements

### Financing of the Brazilian subsidiary Atacadão

Following on from the 2021 and 2022 transactions, Carrefour's Brazilian subsidiary Atacadão has set up financing arrangements in 2023 enabling it to secure its medium- and long-term needs.

US dollar bank financing facilities were finalised on January 10, 2023 and immediately swapped for a total of 2,293 million Brazilian reais (approximately 436 million euros at the June 30, 2023 exchange rate) with an 11-month maturity.

On April 14, 2023, new euro and US dollar bank financing facilities were put in place, immediately swapped for a total of 744 million Brazilian reais, which enabled a bank loan maturing on the same date to be repaid. The repaid loan amounted to 750 million Brazilian reais.

On April 27, 2023, Atacadão redeemed debenture-type debt representing 500 million Brazilian reais (approximately 95 million euros at the June 30, 2023 exchange rate) maturing in 5 years and paying a coupon of 105.75% of the CDI (*Certificado de Depósito Interbancário*) rate.

Two bank loans covered by Brazil's law 4131/1962 matured in May 2023: one of 793 million Brazilian reais on May 5 and one of 568 million Brazilian reais on May 8 (approximately 259 million euros at the June 30, 2023 exchange rate). In June 2023, two other bank loans were repaid, one on June 5 for an amount of 1,014 million Brazilian reais and one on June 7 for an amount of 568 million Brazilian reais (approximately 300 million euros at the June 30, 2023 exchange rate).

In addition, on June 2, 2023, the Brazilian subsidiary issued simple unsecured, non-convertible debentures (*Certificado de recebíveis do agronegócio* – CRA) for an amount of 930 million Brazilian reais (approximately 177 million euros at the June 30, 2023 exchange rate) in three series:

- an initial series for 330 million Brazilian reais, with a coupon of CDI +0.95% and a maturity of 3 years;
- a second series for 468 million Brazilian reais, with a coupon of 111.20% of the CDI (after hedging) and a maturity of 4 years;
- a third series for 132 million Brazilian reais, with a coupon of CDI +1.00% and a maturity of 5 years.

As a reminder, in 2022, two inter-company financing lines were set up between the companies Carrefour Finance and Atacadão:

- The first revolving credit facility (RCF) for an amount of 4 billion Brazilian reais bearing annual interest at 12% falls due in July 2023;
- The second RCF for 1.9 billion Brazilian reais, bearing annual interest at 14.25% has a maturity of 3 years.

In first-half 2023, another inter-company financing line was set up between the companies Carrefour Finance and Atacadão:

- The third RCF for 6.3 billion Brazilian reais (approximately 1.2 billion euros at the June 30, 2023 exchange rate), bearing annual interest at 14.95%, has a 3-year maturity and has been drawn for 2.3 billion Brazilian reais. The remaining 4 billion Brazilian reais will be drawn down in July 2023 to refinance the first RCF, which will have reached maturity.

These intra-group RCF loans, totalling 8.2 billion Brazilian reais at June 30, 2023, are qualified as net investments in foreign operations and are therefore remeasured at fair value through equity. They are hedged in an amount of 4.1 billion Brazilian reais by derivatives classified as net investment hedges.

At June 30, 2023, the Group was rated BBB with a stable outlook by Standard & Poor's and Baa1 with a stable outlook by Moody's.





### 3.4 Payment of the 2022 dividend in cash

At the Shareholders' Meeting held on May 26, 2023, the shareholders decided to set the 2022 dividend at 0.56 euro per share to be paid entirely in cash.

On June 8, 2023, the dividend was paid out in an amount of 405 million euros.

### 3.5 Share buyback programmes

As part of its share capital allocation policy, the Group commissioned investment services providers to buy back shares corresponding to a maximum amount of 800 million euros for 2023, as authorised by the Shareholders' Meetings of June 3, 2022 and May 26, 2023. The objective of the share buybacks is to allow the Group to hold the shares with a view to cancelling them subsequently.

The first share buyback mandate began on February 27, 2023 and ended on March 31, 2023, with 11,099,084 shares acquired at an average price of 18.02 euros per share for a total amount of 200 million euros.

A second share buyback mandate began on May 2, 2023 and was ongoing at June 30, 2023, with 7,918,989 shares acquired at an average price of 17.07 euros per share for a total amount of 135 million euros at that date. At the date the related buyback mandate was signed, a short-term financial liability of 200 million euros was recognised (in "Other current payables"), with a corresponding reduction in equity. At June 30, 2023, this liability was reduced to 65 million euros to take into account the actual amount of the share acquisitions carried out during the first half of the year. At that date, Carrefour held 28,510,134 shares in treasury (i.e. 3.8% of the share capital made up of 746,871,196 shares), with an average unit price of 17.64 euros per share for the 19,018,073 shares acquired.

The second share buyback mandate ended on July 21, 2023, with 3,768,591 additional shares acquired at an average price of 17.19 euros per share. At the end of the second share buyback mandate, the number of shares making up the share capital amounted to 746,871,196 and the number of shares held in treasury was 32,278,725 representing approximately 4.3% of the share capital.

In addition, pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of May 26, 2023, the Board of Directors decided on July 26, 2023, to reduce the share capital of Carrefour SA by cancelling 26,887,362 treasury shares representing approximately 3.6% of the share capital. The cancellation is expected to occur on or about July 28, 2023.

Following cancellation of the shares, Carrefour SA will have 719,983,834 shares outstanding and, consequently, 5,391,363 shares in treasury, representing approximately 0.7% of the share capital.

### 3.6 Employee share ownership programme

On March 1, 2023, the Group launched Carrefour Invest, an international employee share ownership plan. Two options were offered: Carrefour Classic and Carrefour Secure. The reservation period ran from March 1 to March 20, 2023 and the subscription/revocation period from May 5 to May 9, 2023, with the shares delivered on May 31, 2023. As part of the offer, beneficiaries subscribed to Carrefour shares either directly or through a company mutual fund (FCPE), depending on the option chosen and/or their country of residence. Shareholders must hold directly-subscribed shares or FCPE units until May 31, 2028 (inclusive), unless an early release event occurs.

The offer entitled employees to a 15% discount on the share price and a matching employer contribution. The reference price communicated on May 3, 2023 was 18.67 euros (average of the closing prices over the previous 20 days). After application of the 15% discount, the subscription price of the shares for both options stood at 15.87 euros per share.

The operation resulted in a capital increase of 75 million euros (4,713,735 new ordinary shares) for Carrefour SA and the recognition of an operating expense of approximately 30 million euros in respect of the discount and the company contribution.



## NOTE 4: RESTATEMENT OF THE 2022 CONSOLIDATED HALF-YEAR AND FULL-YEAR FINANCIAL STATEMENTS

### 4.1 Classification of Carrefour Taiwan in discontinued operations in accordance with IFRS 5

On July 19, 2022, the Group signed an agreement to sell its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%).

As Carrefour Taiwan represents a separate major geographic area of operations, it has been treated as a discontinued operation in accordance with IFRS 5, from the date its disposal was announced (see Notes 2 and 4 to the 2022 consolidated financial statements). Therefore the assets and liabilities recognised by the subsidiary were reclassified as assets held for sale and related liabilities in the consolidated statement of financial position at December 31, 2022 (see Note 4.3 to these consolidated financial statements).

The Group lost control of Carrefour Taiwan on June 30, 2023, following the approval of the Taiwanese competition authority (TFTC) and the satisfaction of other customary conditions.

In addition, the net income and cash flows of Carrefour Taiwan were reclassified within line items for discontinued operations in the consolidated income statement and consolidated cash flow statement for first-half 2022. The reclassifications are presented in Notes 4.1.1 and 4.1.2 below.

Key consolidated income statement aggregates for Carrefour Taiwan for first-half 2023 and 2022 are as follows:

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022</b>
Recurring operating income	37	40
Operating income	39	37
Income before taxes	37	32
Income tax expense	(6)	(9)
Net income/(loss) for the period	31	24
Capital expenditure	2	5



# Notes to the condensed consolidated financial statements

## 4.1.1 Impact on the first-half 2022 consolidated income statement of the IFRS 5 restatement applied to Carrefour Taiwan

<i>(in millions of euros)</i>	<b>First-half 2022 published</b>	<b>IFRS 5 Restatement</b>	<b>First-half 2022 IFRS 5 restated</b>
Net sales	39,054	(1,263)	37,790
Loyalty program costs	(428)	29	(400)
<b>Net sales net of loyalty program costs</b>	<b>38,625</b>	<b>(1,235)</b>	<b>37,391</b>
Other revenue	1,215	(47)	1,168
<b>Total revenue</b>	<b>39,840</b>	<b>(1,282)</b>	<b>38,558</b>
Cost of sales	(32,016)	962	(31,055)
<b>Gross margin from recurring operations</b>	<b>7,824</b>	<b>(320)</b>	<b>7,504</b>
Sales, general and administrative expenses, depreciation and amortisation	(7,010)	280	(6,729)
<b>Recurring operating income</b>	<b>814</b>	<b>(40)</b>	<b>775</b>
Net income/(loss) from equity-accounted companies	12	–	12
<b>Recurring operating income after net income from equity-accounted companies</b>	<b>826</b>	<b>(40)</b>	<b>786</b>
Non-recurring income and expenses, net	(85)	3	(82)
<b>Operating income</b>	<b>741</b>	<b>(37)</b>	<b>704</b>
Finance costs and other financial income and expenses, net	(186)	4	(181)
<i>Finance costs, net</i>	<i>(151)</i>	<i>(0)</i>	<i>(151)</i>
<i>Net interests related to leases</i>	<i>(72)</i>	<i>4</i>	<i>(68)</i>
<i>Other financial income and expenses, net</i>	<i>37</i>	<i>0</i>	<i>38</i>
<b>Income before taxes</b>	<b>555</b>	<b>(32)</b>	<b>522</b>
Income tax expense	(202)	9	(193)
<b>Net income/(loss) from continuing operations</b>	<b>353</b>	<b>(24)</b>	<b>329</b>
Net income/(loss) from discontinued operations	5	24	29
<b>Net income/(loss) for the period</b>	<b>358</b>	<b>-</b>	<b>358</b>
<b>Group share</b>	<b>255</b>	<b>-</b>	<b>255</b>
of which net income/(loss) from continuing operations - Group share	250	(11)	239
of which net income/(loss) from discontinued operations - Group share	5	11	16
<b>Attributable to non-controlling interests</b>	<b>103</b>	<b>-</b>	<b>103</b>
of which net income/(loss) from continuing operations - attributable to non-controlling interests	103	(13)	90
of which net income/(loss) from discontinued operations - attributable to non-controlling interests	–	13	13



# Notes to the condensed consolidated financial statements

## 4.1.2 Impact on the first-half 2022 consolidated cash flow statement of the IFRS 5 restatement applied to Carrefour Taiwan

(in millions of euros)	First-half 2022 published	IFRS 5 Restatement	First-half 2022 IFRS 5 restated
<b>Income before taxes</b>	<b>555</b>	<b>(32)</b>	<b>522</b>
<b>OPERATING ACTIVITIES</b>			
Income tax paid	(205)	7	(198)
Depreciation and amortisation expense	1,173	(86)	1,087
Gains and losses on sales of assets and other	(26)	(5)	(31)
Change in provisions and impairment	(115)	4	(111)
Finance costs, net	151	0	151
Net interests related to leases	72	(4)	68
Share of profit and dividends received from equity-accounted companies	45	-	45
Impact of discontinued operations	(4)	116	111
<b>Cash flow from operations</b>	<b>1,645</b>	<b>-</b>	<b>1,645</b>
Change in working capital requirement	(2,115)	49	(2,067)
Impact of discontinued operations	-	(49)	(49)
<b>Net cash (used in)/from operating activities (excluding financial services companies)</b>	<b>(470)</b>	<b>-</b>	<b>(470)</b>
Change in consumer credit granted by the financial services companies	54	-	54
<b>Net cash (used in)/from operating activities - total</b>	<b>(416)</b>	<b>-</b>	<b>(416)</b>
<b>INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment and intangible assets	(562)	5	(556)
Acquisitions of non-current financial assets	(20)	-	(20)
Acquisitions of subsidiaries and investments in associates	(911)	-	(911)
Proceeds from the disposal of subsidiaries and investments in associates	21	-	21
Proceeds from the disposal of property and equipment and intangible assets	69	(0)	69
Proceeds from the disposal of non-current financial assets	4	-	4
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	(273)	11	(262)
<b>Investments net of disposals - subtotal</b>	<b>(1,672)</b>	<b>16</b>	<b>(1,656)</b>
Other cash flows from investing activities	94	(1)	93
Impact of discontinued operations	-	(15)	(15)
<b>Net cash (used in)/from investing activities - total</b>	<b>(1,579)</b>	<b>-</b>	<b>(1,579)</b>
<b>FINANCING ACTIVITIES</b>			
Carrefour SA capital increase / (decrease)	(657)	-	(657)
Proceeds from share issues to non-controlling interests	2	-	2
Dividends paid by Carrefour SA	(380)	-	(380)
Dividends paid to non-controlling interests	(44)	-	(44)
Change in treasury stock and other equity instruments	(96)	-	(96)
Change in current financial assets	(1)	(0)	(1)
Issuance of bonds	1,500	-	1,500
Repayments of bonds	(1,082)	-	(1,082)
Net financial interests paid	(99)	(0)	(100)
Other changes in borrowings	2,056	-	2,056
Payments related to leases (principal)	(500)	50	(449)
Net interests paid related to leases	(70)	4	(66)
Impact of discontinued operations	-	(54)	(54)
<b>Net cash (used in)/from financing activities - total</b>	<b>629</b>	<b>-</b>	<b>629</b>
<b>Net change in cash and cash equivalents before the effect of changes in exchange rates</b>	<b>(1,366)</b>	<b>-</b>	<b>(1,366)</b>
Effect of changes in exchange rates	201	-	201
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,165)</b>	<b>-</b>	<b>(1,165)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,703</b>	<b>-</b>	<b>3,703</b>
<b>Cash and cash equivalents at end of the period</b>	<b>2,539</b>	<b>-</b>	<b>2,539</b>
<i>of which cash and cash equivalents at end of period from continuing operations</i>	<i>2,539</i>	<i>(208)</i>	<i>2,331</i>
<i>of which cash and cash equivalents at end of period from discontinued operations</i>	<i>-</i>	<i>208</i>	<i>208</i>



# Notes to the condensed consolidated financial statements

## 4.2 Restatement of the consolidated statement of financial position at December 31, 2022 to reflect the reduction in the acquisition price of Grupo BIG in Brazil

On March 31, 2023, an agreement was signed with the sellers of Grupo BIG, leading to a firm reduction in its price for a minimum of 900 million Brazilian reais (see Note 3.1 for further details). In accordance with IFRS 3 – *Business Combinations*, the price reduction occurring within 12 months of the acquisition's closing is recognised retrospectively in Grupo BIG's opening balance sheet with an offsetting adjustment to goodwill.

The consolidated statement of financial position at December 31, 2022 has therefore been restated for this price reduction (on the line "Other non-current financial assets" for its long-term portion and on the line "Other current financial assets" for its short-term portion), as well as for other minor adjustments.

### ASSETS

(in millions of euros)

	December 31, 2022 published	IFRS 3 restatement	December 31, 2022 IFRS 3 restated
Goodwill	8,778	(134)	8,644
Other intangible assets	1,499	-	1,499
Property and equipment	12,612	-	12,612
Investment property	279	-	279
Right-of-use assets	4,190	-	4,190
Investments in companies accounted for by the equity method	1,197	-	1,197
Other non-current financial assets	1,162	88	1,251
Consumer credit granted by the financial services companies – portion more than one year	1,867	-	1,867
Deferred tax assets	475	-	475
Other non-current assets	609	-	609
<b>Non-current assets</b>	<b>32,667</b>	<b>(45)</b>	<b>32,622</b>
Inventories	6,893	-	6,893
Trade receivables	3,330	-	3,330
Consumer credit granted by the financial services companies – portion less than one year	4,111	-	4,111
Other current financial assets	720	51	771
Tax receivables	948	-	948
Other current assets	1,025	-	1,025
Cash and cash equivalents	5,216	-	5,216
Assets held for sale	1,641	-	1,641
<b>Current assets</b>	<b>23,884</b>	<b>51</b>	<b>23,935</b>
<b>TOTAL ASSETS</b>	<b>56,551</b>	<b>6</b>	<b>56,558</b>

### SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)

	December 31, 2022 published	IFRS 3 restatement	December 31, 2022 IFRS 3 restated
Share capital	1,855	-	1,855
Consolidated reserves (including net income)	9,289	-	9,289
<b>Shareholders' equity, Group share</b>	<b>11,144</b>	<b>-</b>	<b>11,144</b>
Shareholders' equity attributable to non-controlling interests	2,042	-	2,042
<b>Total shareholders' equity</b>	<b>13,186</b>	<b>-</b>	<b>13,186</b>
Borrowings - portion more than one year	6,912	-	6,912
Lease commitments - portion more than one year	3,574	-	3,574
Provisions	3,974	5	3,979
Consumer credit financing – portion more than one year	1,550	-	1,550
Deferred tax liabilities	364	1	365
Tax payables - portion more than one year	85	-	85
<b>Non-current liabilities</b>	<b>16,458</b>	<b>6</b>	<b>16,464</b>
Borrowings - portion less than one year	2,646	-	2,646
Lease commitments - portion less than one year	955	-	955
Suppliers and other creditors	14,393	-	14,393
Consumer credit financing – portion less than one year	3,592	-	3,592
Tax payables - portion less than one year	1,182	-	1,182
Other current payables	2,943	-	2,943
Liabilities related to assets held for sale	1,196	-	1,196
<b>Current liabilities</b>	<b>26,907</b>	<b>-</b>	<b>26,907</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>56,551</b>	<b>6</b>	<b>56,558</b>



# Notes to the condensed consolidated financial statements

## NOTE 5: SEGMENT INFORMATION

### 5.1 Segment results

<b>First-half 2023</b> (in millions of euros)	<b>Group total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Global Functions</b>
Net sales	40,743	18,694	11,301	10,748	–
Other revenue	1,287	390	300	561	36
<b>Recurring operating income before depreciation and amortisation</b>	<b>1,852</b>	<b>780</b>	<b>590</b>	<b>517</b>	<b>(35)</b>
<b>Recurring operating income</b>	<b>700</b>	<b>270</b>	<b>164</b>	<b>304</b>	<b>(38)</b>
Capital expenditure	687	289	107	289	2
Depreciation and amortisation expense <sup>2</sup>	(1,152)	(511)	(426)	(214)	(2)

  

<b>First-half 2022 IFRS 5 restated</b> (in millions of euros)	<b>Group total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Global Functions</b>
Net sales	37,790	17,910	10,636	9,244	–
Other revenue	1,168	383	278	474	33
<b>Recurring operating income before depreciation and amortisation</b>	<b>1,862</b>	<b>703</b>	<b>585</b>	<b>596</b>	<b>(23)</b>
<b>Recurring operating income</b>	<b>775</b>	<b>194</b>	<b>163</b>	<b>444</b>	<b>(26)</b>
Capital expenditure <sup>1</sup>	556	217	143	193	3
Depreciation and amortisation expense <sup>2</sup>	(1,087)	(509)	(423)	(153)	(3)

(1) At June 30, 2022, investments in property and equipment and intangible assets included the acquisition of the 29th and final Makro Atacadista store on a full ownership basis for 5 million euros.

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

Latin America's segment earnings reflect Grupo BIG's contribution over six months for first-half 2023, versus one month for first-half 2022 (acquisition of Grupo BIG effective June 1, 2022, see Note 3.1).



# Notes to the condensed consolidated financial statements

## 5.2 Segment assets and liabilities

<b>June 30, 2023</b> (in millions of euros)	<b>Group total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Global Functions</b>
<b>ASSETS</b>					
Goodwill	8,720	5,187	2,386	1,146	1
Other intangible assets	1,523	631	590	294	8
Property and equipment	12,603	4,493	2,667	5,442	2
Investment property	292	10	115	168	–
Right-of-use assets	4,190	1,401	1,856	931	1
Other segment assets	19,513	8,289	3,557	7,286	381
<b>Total segment assets</b>	<b>46,842</b>	<b>20,012</b>	<b>11,169</b>	<b>15,267</b>	<b>393</b>
Unallocated assets	7,304				
<b>TOTAL ASSETS</b>	<b>54,146</b>				
<b>LIABILITIES (excluding equity)</b>					
<b>Segment liabilities</b>	<b>26,723</b>	<b>11,656</b>	<b>7,443</b>	<b>7,272</b>	<b>352</b>
Unallocated liabilities	14,147				
<b>TOTAL LIABILITIES</b>	<b>40,870</b>				

<b>December 31, 2022 IFRS 3 restated</b> (in millions of euros)	<b>Group total</b>	<b>France</b>	<b>Europe</b>	<b>Latin America</b>	<b>Global Functions</b>
<b>ASSETS</b>					
Goodwill	8,644	5,184	2,374	1,085	1
Other intangible assets	1,499	625	596	271	7
Property and equipment	12,612	4,570	2,733	5,307	2
Investment property	279	10	114	154	–
Right-of-use assets	4,190	1,491	1,854	843	3
Other segment assets	18,783	7,990	3,348	6,927	519
<b>Total segment assets</b>	<b>46,007</b>	<b>19,870</b>	<b>11,018</b>	<b>14,587</b>	<b>532</b>
Unallocated assets	10,551				
<b>TOTAL ASSETS</b>	<b>56,558</b>				
<b>LIABILITIES (excluding equity)</b>					
<b>Segment liabilities</b>	<b>28,190</b>	<b>11,995</b>	<b>7,719</b>	<b>8,123</b>	<b>352</b>
Unallocated liabilities	15,182				
<b>TOTAL LIABILITIES</b>	<b>43,371</b>				





# Notes to the condensed consolidated financial statements

## NOTE 6: OPERATING ITEMS

Operating items for first-half 2023 reflect Grupo BIG's contribution in Brazil over six months, compared with one month in first-half 2022 (see Note 3.1).

### 6.1 Revenue

#### 6.1.1 Net sales

<i>(in millions of euros)</i>	First-half 2023	First-half 2022 IFRS 5 restated	% change
Net sales	40,743	37,790	7.8%

At constant exchange rates, first-half 2023 net sales amounted to 42,481 million euros versus 37,790 million euros in first-half 2022 as restated for IFRS 5, representing an increase of 12.4%. Changes in exchange rates reduced net sales by 1.7 billion euros in first-half 2023, almost exclusively attributable to the Latin America region (Argentina).

Restated for IAS 29 in Argentina, consolidated net sales for first-half 2023 increased by 11.8% at constant exchange rates.

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

<i>(in millions of euros)</i>	First-half 2023	First-half 2022 IFRS 5 restated
<b>France</b>	<b>18,694</b>	<b>17,910</b>
<b>Europe (excluding France)</b>	<b>11,301</b>	<b>10,636</b>
Spain	5,125	4,815
Belgium	2,073	1,884
Italy	1,938	1,907
Romania	1,176	1,058
Poland	989	973
<b>Latin America</b>	<b>10,748</b>	<b>9,244</b>
Brazil	9,190	7,824
Argentina	1,558	1,421
<b>TOTAL NET SALES</b>	<b>40,743</b>	<b>37,790</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 2023	First-half 2022 IFRS 5 restated	% change
Financing fees and commissions <sup>1</sup>	700	661	6.0%
Franchise and lease management fees	205	193	6.1%
Rental revenue	90	79	14.6%
Revenue from sub-leases	10	12	(20.6)%
Property development revenue <sup>2</sup>	14	2	674.8%
Other revenue <sup>3</sup>	269	221	21.4%
<b>TOTAL OTHER REVENUE</b>	<b>1,287</b>	<b>1,168</b>	<b>10.2%</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 was 6 million euros for first-half 2023 versus 2 million euros for first-half 2022.

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



# Notes to the condensed consolidated financial statements

Financing fees and commissions recognised in first-half 2023 built on the sharp increase that began in 2022, lifted in particular by strong business momentum in Brazil.

Similarly, revenue from rentals as well as retail services, including ticketing and travel and in-store advertising, continued to grow in first-half 2023.

Lastly, franchise and lease management fees continued to increase in France.

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

<i>(in millions of euros)</i>	First-half 2023	First-half 2022 IFRS 5 restated	% change
Sales, general and administrative expenses	(6,356)	(5,769)	10.2%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(657)	(616)	6.6%
Depreciation of right-of-use asset - property and equipment and investment property	(362)	(344)	5.1%
<b>TOTAL SG&amp;A EXPENSES AND DEPRECIATION AND AMORTISATION</b>	<b>(7,374)</b>	<b>(6,729)</b>	<b>9.6%</b>

### Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

<i>(in millions of euros)</i>	First-half 2023	First-half 2022 IFRS 5 restated	% change
Employee benefits expense	(3,736)	(3,523)	6.0%
Energy and electricity	(463)	(357)	29.8%
Fees	(455)	(364)	25.0%
Maintenance and repair costs	(389)	(355)	9.4%
Taxes other than on income	(389)	(357)	8.9%
Advertising expense	(332)	(307)	7.9%
Property rentals (excluding IFRS 16)	(38)	(34)	10.3%
Other SG&A expenses	(555)	(470)	17.9%
<b>TOTAL SG&amp;A EXPENSES</b>	<b>(6,356)</b>	<b>(5,769)</b>	<b>10.2%</b>

The increase in sales, general and administrative expenses reflects in particular the significant rise in energy costs and price inflation on certain purchased services.

### 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 1,152 million euros in first-half 2023 (versus 1,087 million euros in first-half 2022 as restated for IFRS 5), as follows:

<i>(in millions of euros)</i>	First-half 2023	First-half 2022 IFRS 5 restated	% change
Property and equipment	(521)	(486)	7.3%
Intangible assets	(130)	(125)	3.7%
Investment property	(6)	(5)	11.3%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(657)	(616)	6.6%
Depreciation of right-of-use asset - property and equipment and investment property	(362)	(344)	5.1%
Depreciation and amortisation of supply chain	(32)	(30)	9.5%
Depreciation of right-of-use asset - supply chain	(102)	(97)	4.6%
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>(1,152)</b>	<b>(1,087)</b>	<b>6.0%</b>



# Notes to the condensed consolidated financial statements

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

Non-recurring items represented a net expense of 186 million euros in first-half 2023, and the detailed breakdown is as follows:

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>
Gains and losses on disposals of assets	42	62
Restructuring costs	(257)	(16)
Other non-recurring income and expenses	85	(87)
<b>Non-recurring income and expenses, net before asset impairments and write-offs</b>	<b>(130)</b>	<b>(42)</b>
Asset impairments and write-offs	(56)	(41)
<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>	(56)	(41)
<b>NON-RECURRING INCOME AND EXPENSES, NET</b>	<b>(186)</b>	<b>(82)</b>
of which:		
Non-recurring income	276	133
Non-recurring expense	(461)	(215)

### Gains and losses on disposals of assets

Gains and losses on disposals of non-current assets comprise gains and losses arising on various asset disposals (store premises, land and businesses), notably to franchisees in France. The first-half 2023 figure also includes the gain on the sale and leaseback of five stores and four warehouses in Brazil (see Note 3.1).

### Restructuring costs

Restructuring costs recognised in first-half 2023 relate to the new "Carrefour 2026" strategic plan (see Note 3.2). This plan is based on a project to transform the Group's various headquarters with a view to safeguarding its competitiveness over the long term, and boosting performance and agility, and simplifying its organisation, which will benefit its stores. The expense included in non-recurring items relates primarily to severance paid or payable within the scope of the voluntary redundancy plan put in place at headquarters in France, involving a maximum of 979 jobs, and, secondarily, to the measures implemented in stores and headquarters in Italy, Spain and Brazil.

### Other non-recurring income and expenses

Other non-recurring income and expenses in the first half of 2023 mainly included reversals of provisions for tax risks relating to PIS-COFINS tax credits in Brazil following the expiry of statutory limitation periods or favourable judgements, offset slightly by costs relating to store closures in Brazil.

### Asset impairments and write-offs

Asset impairments and write-offs recorded in first-half 2023 related to stores in France, Belgium and Brazil. They also included the impact of the retirement of IT equipment in France and Belgium, and the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at June 30, 2023.



# Notes to the condensed consolidated financial statements

## Main non-recurring items in first-half 2022 (restated for IFRS 5)

Gains and losses on disposals of non-current assets comprised gains and losses arising on various disposals of store premises and businesses to franchisees, notably in France and Italy.

Other non-recurring income and expenses recorded in first-half 2022 as restated for IFRS 5 mainly included revised estimates of historical risks, mostly tax-related, as well as the costs related to the acquisition of Grupo BIG in Brazil.

Asset impairments and write-offs recorded in first-half 2022 (as restated for IFRS 5) related to certain stores, particularly in France and Argentina. They also included the impact of the retirement of various assets, in particular relating to IT equipment in France, and the alignment of the net carrying amount of Showroomprivé shares with the stock market share price at June 30, 2022.

## 6.4 Change in working capital requirement

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

<i>(in millions of euros)</i>	<b>First-half 2023</b>	<b>First-half 2022 IFRS 5 restated</b>	<b>Change</b>
Change in inventories	(114)	(650)	537
Change in trade receivables	(115)	(427)	312
Change in trade payables	(1,422)	(824)	(599)
Change in loyalty program liabilities	(2)	24	(27)
<b>Change in trade working capital requirement</b>	<b>(1,654)</b>	<b>(1,877)</b>	<b>223</b>
Change in other receivables and payables	(272)	(190)	(82)
<b>CHANGE IN WORKING CAPITAL REQUIREMENT</b>	<b>(1,926)</b>	<b>(2,067)</b>	<b>141</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, 2023, consumer credit granted by the financial services companies totalled 6,328 million euros (compared with 5,978 million euros at December 31, 2022), as follows:

<i>(in millions of euros)</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Payment card receivables	6,110	5,583
Loans	1,559	1,448
Consumer credit (linked to in-store purchases)	44	59
Other financing <sup>1</sup>	215	245
Impairment	(1,600)	(1,356)
<b>TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES</b>	<b>6,328</b>	<b>5,978</b>
<i>Portion due in less than one year</i>	<i>4,358</i>	<i>4,111</i>
<i>Portion due in more than one year</i>	<i>1,970</i>	<i>1,867</i>

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

Consumer credit granted by the financial services companies corresponds to customer receivables (credit card debt, personal loans, etc.).

The gross value of consumer credit increased by approximately 600 million euros compared with December 31, 2022. This reflects strong momentum in the consumer credit business in Brazil, driven



## Notes to the condensed consolidated financial statements

in part by the acquisition of Grupo BIG customers who now use payment solutions from our Brazilian bank (Banco CSF) – an impact that was reinforced by the appreciation of the Brazilian real over the period – and, to a lesser extent, the upturn in France, particularly in digital channels. Gross consumer credit in Spain remained relatively stable, before the impact of sales of category 3 credit over the period.

At June 30, 2023, 70% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 9% in category 2 and 21% in category 3. At December 31, 2022, categories 1, 2 and 3 represented 72%, 9% and 19%, respectively, of the gross value of consumer credit granted by the financial services companies.

As a result, the average impairment rate for consumer credit increased by approximately 1.7% compared with December 31, 2022, reflecting expected credit losses in Spain and Brazil.

### 6.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,469 million euros at June 30, 2023 (December 31, 2022: 5,142 million euros), and was provided by the following sources of financing:

<i>(in millions of euros)</i>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
Bonds and notes <sup>1</sup>	918	824
Debt securities (Neu CP and Neu MTN) <sup>2</sup>	1,707	1,553
Bank borrowings <sup>3</sup>	572	572
Customer passbook savings deposits	248	279
Securitisation <sup>4</sup>	291	297
Other refinancing debt to financial institutions	1,683	1,577
Other	50	41
<b>TOTAL CONSUMER CREDIT FINANCING</b>	<b>5,469</b>	<b>5,142</b>
<i>Portion due in less than one year</i>	<i>3,791</i>	<i>3,592</i>
<i>Portion due in more than one year</i>	<i>1,678</i>	<i>1,550</i>

- (1) In May 2023, Carrefour Banque issued a new 500 million euro bond with a fixed rate swapped for the 3-month Euribor (4 years maturing in May 2027, 3-month Euribor coupon +95 basis points) and, in June 2023, redeemed ahead of term the 400 million euro floating-rate bond issued in September 2019 (4 years maturing in September 2023, 3-month Euribor coupon +65 basis points).
- (2) Debt securities mainly comprised Negotiable European Commercial Paper (NEU CP) and Negotiable European Medium-Term Notes (NEU MTN) issued by Carrefour Banque.
- (3) This item mainly includes the 324 million euro refinancing operation with the European Central Bank (maturity March 2024) and drawdowns of credit lines.
- (4) This item corresponds to the "Master Credit Cards Pass" reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an initial asset pool of 560 million euros. Proceeds from the securitisation amounted to 400 million euros. This vehicle was maintained at June 30, 2023 with a balance of 291 million euros.



# Notes to the condensed consolidated financial statements

## 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>	June 30, 2023	December 31, 2022 IFRS 3 restated
Goodwill	8,720	8,644
Other intangible assets	1,523	1,499
<b>TOTAL INTANGIBLE ASSETS</b>	<b>10,243</b>	<b>10,143</b>

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

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

<i>(in millions of euros)</i>	June 30, 2023	December 31, 2022 IFRS 3 restated
France	5,187	5,184
Brazil	1,143	1,080
Spain	1,031	1,031
Belgium	950	950
Poland	237	225
Romania	99	99
Italy	69	69
Argentina	3	5
Global Functions	1	1
<b>TOTAL</b>	<b>8,720</b>	<b>8,644</b>

The 76 million euro increase in goodwill in first-half 2023 chiefly reflects a 63 million euro positive translation adjustment resulting from the increase in the value of the Brazilian real compared with December 31, 2022.

### Impairment tests at June 30, 2023

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 forecasts.
- external impairment indicators: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

The tests performed by the Group at June 30, 2023 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, 2023			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	3,472	–	(66)	3,405
Buildings	11,820	(6,062)	(175)	5,583
Equipment, fixtures and fittings	14,830	(11,705)	(292)	2,833
Other fixed assets	999	(783)	(3)	213
Assets under construction	569	–	–	569
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>31,689</b>	<b>(18,550)</b>	<b>(536)</b>	<b>12,603</b>

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

## 7.3 Investment property

<i>(in millions of euros)</i>	June 30, 2023	December 31, 2022
Investment property (gross carrying amount)	540	502
Depreciation and impairment	(248)	(223)
<b>TOTAL INVESTMENT PROPERTY, NET</b>	<b>292</b>	<b>279</b>

Investment property consists mainly of shopping malls located adjacent to the Group's stores.

The slight increase in the net carrying amount of investment property compared with December 31, 2022 chiefly reflects the hyperinflation effect in Argentina in accordance with IAS 29, partially offset by the depreciation of the Argentine peso as of the reporting date.





# Notes to the condensed consolidated financial statements

## NOTE 8: LEASES

The change in right-of-use assets and lease commitments compared to December 31, 2022 reflects the consolidation of those items recognised following the sale and lease back of five stores and four warehouses in Brazil (see Note 3.1), offset by depreciation and rent payments over the period.

### 8.1 Right-of-use assets

(in millions of euros)	June 30, 2023				December 31, 2022			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	7,564	(3,427)	(53)	4,083	7,154	(3,036)	(49)	4,068
Equipment, fixtures and fittings	143	(36)	–	107	143	(22)	–	121
<b>TOTAL RIGHT-OF-USE ASSET</b>	<b>7,707</b>	<b>(3,464)</b>	<b>(53)</b>	<b>4,190</b>	<b>7,297</b>	<b>(3,058)</b>	<b>(49)</b>	<b>4,190</b>

### 8.2 Lease commitments

#### Lease commitments by maturity

(in millions of euros)	June 30, 2023	December 31, 2022
Due within 1 year	936	955
Due in 1 to 2 years	780	794
Due in 2 to 5 years	1,347	1,432
Due beyond 5 years	1,499	1,349
<b>TOTAL LEASE COMMITMENTS</b>	<b>4,562</b>	<b>4,530</b>



# Notes to the condensed consolidated financial statements

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

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

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

*(in millions of euros)*

<b>At December 31, 2022</b>	<b>1,197</b>
Acquisitions and capital increases (net of reductions)	2
Disposals	-
Dividends	(63)
Share of net income	24
Exchange differences and other movements	(9)
<b>At June 30, 2023</b>	<b>1,151</b>

### 9.2 Information about associates

At June 30, 2023, the two main associates were Carmila with a carrying amount of 709 million euros (December 31, 2022: 754 million euros) and Provencia with a carrying amount of 139 million euros (December 31, 2022: 134 million euros). These two associates represented 74% of the total value of equity-accounted companies at end-June 2023.

#### Main changes in investments in equity-accounted companies in first-half 2023

##### Carmila (France)

Following share buybacks carried out during the period, Carrefour's interest in Carmila was increased from 36.02% to 36.37% at June 30, 2023.

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 2022 consolidated financial statements).

##### Showroomprivé (France)

In first-half 2023, additional impairment of 3 million euros on the Showroomprivé shares was recognised against non-recurring income and expenses in order to align their value with the company's share price at June 30, 2023.



## Notes to the condensed consolidated financial statements

### NOTE 10: INCOME TAX

The income tax expense for first-half 2023 amounted to 153 million euros, i.e., an effective tax rate of 58%, compared with the 193 million euro expense recorded in first-half 2022 as restated for IFRS 5, which corresponded to an effective tax rate of 37%.

The effective tax rates for the first six months of 2023 and 2022 (restated for IFRS 5) were mainly impacted by the absence of deferred tax assets at Grupo BIG in Brazil, in Italy and Belgium in 2023, and in Italy in 2022 and, to a lesser extent, by the recognition of the CVAE (local business tax) in France.

Apart from these factors, the first-half 2023 effective tax rate reflects the geographical breakdown of income before tax, with no other items significantly distorting the tax proof.

Furthermore, the probable recoverability of deferred tax assets recognised in the consolidated statement of financial position at December 31, 2022 was confirmed at June 30, 2023, 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 11: PROVISIONS AND CONTINGENT LIABILITIES

### 11.1 Changes in provisions

(in millions of euros)	December 31, 2022 IFRS 3 restated <sup>4</sup>	Increases	Reversals of surplus provisions <sup>5</sup>	Utilisations	Discounting adjustment	Exchange differences, changes in scope of consolidation and other <sup>6</sup>	June 30, 2023
Employee benefits	537	28	(31)	(12)	5	(9)	517
Claims and litigation	2,773	214	(124)	(83)	–	120	2,900
<i>Tax litigations</i>	1,773	63	(67)	(4)	–	93	1,856
<i>Employee related disputes</i>	599	61	(32)	(56)	–	22	594
<i>Legal disputes</i>	401	90	(25)	(22)	–	6	450
Restructuring <sup>1</sup>	138	212	(2)	(54)	–	0	294
Provisions related to banking and insurance businesses <sup>2</sup>	280	15	(5)	(25)	–	3	269
Other <sup>3</sup>	251	9	(7)	(11)	–	7	249
<b>TOTAL PROVISIONS</b>	<b>3,979</b>	<b>478</b>	<b>(170)</b>	<b>(184)</b>	<b>5</b>	<b>121</b>	<b>4,228</b>

(1) See Note 11.5.

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

Out of the provisions relating to the estimated cost of the claim arising from the fire that occurred in March 2022 in the Yang Mei logistics centre in Taiwan, 24 million euros were reversed (utilised) during the period following payment by the Group's insurance companies of the balance of the compensation due (see Note 3.1).

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

(4) Provisions for tax and labour risks have been retrospectively restated in Grupo BIG's opening balance sheet with a corresponding adjustment to goodwill in accordance with IFRS 3 (see Note 3.1).

(5) Reversals of surplus provisions mainly relate to tax risks in Brazil following the expiry of statutory limitation periods or favourable judgments.

(6) Exchange differences totalled 134 million euros, corresponding almost entirely to the increase in the value of the Brazilian real over the period. Other changes mainly correspond to the reclassification of the provision for employee benefits to other provisions for 9 million euros following the transfer of integrated stores to lease management contracts in France in first-half 2023.

Group companies are involved in a certain number of pre-litigation and litigation proceedings in the normal course of business. Furthermore, they have been or are currently the subject of tax audits, some of which may result in reassessments.

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

In each case, the risk is assessed by Group management and their advisors.

### 11.2 Contingent liabilities

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

During first-half 2023, there was no material change in contingent liabilities compared to those described in Note 11.3 to the 2022 consolidated financial statements.



# Notes to the condensed consolidated financial statements

## 11.3 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.

At June 30, 2023, a discount rate of 3.70% was used for France, Belgium and Italy (December 31, 2022: 3.80%). The discount rate is based on an index of AA-rated corporate bonds with maturities that correspond to the expected cash outflows of the plans.

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
<b>Provision at December 31, 2022</b>	<b>313</b>	<b>154</b>	<b>59</b>	<b>10</b>	<b>537</b>
Service cost	15	7	–	0	22
Settlement and plan amendments <sup>1</sup>	(31)	–	0	–	(31)
Interest cost (discount effect)	7	7	1	–	14
Return on plan assets	(0)	(4)	–	–	(4)
Other items	3	0	–	–	3
Impact on income statement	(6)	10	1	0	5
Benefits paid directly by the employer	(9)	(6)	(4)	–	(18)
Effect of changes in scope of consolidation <sup>2</sup>	(9)	–	–	–	(9)
Change in actuarial gains and losses	2	2	1	0	5
Other	–	(3)	–	0	(3)
<b>Provision at June 30, 2023</b>	<b>291</b>	<b>158</b>	<b>57</b>	<b>11</b>	<b>517</b>

(1) This line includes a 17 million euro reduction corresponding to the amendment of the benefits granted to beneficiaries following the enactment on April 15, 2023 of the French Amended Social Security Financing Law (law no. 2023-270). This Act provides for, among other things, a gradual increase in the statutory retirement age as from September 1, 2023 to 64 in 2030. The line also includes the impact of curtailments following the remeasurement of commitments resulting from the restructuring plan being implemented in France (see Note 3.2), recognised in non-recurring income.

(2) The effect of changes in the scope of consolidation, which reduced the provision by 9 million euros, corresponds to the reclassification of the provision for employee benefits to other provisions (see Note 11.1) following the transfer of integrated stores to lease management contracts in France during first-half 2023.

The net expense for first-half 2023 breaks down as 8 million euros recognised in employee benefits expense, 13 million euros recognised in non-recurring income, and 11 million euros recognised in financial expense.

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 11 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 12 million euros.



## 11.4 Performance share plan

Under the 2020 performance share plan which expired on February 27, 2023, the level of attainment achieved by the Carrefour group was 100%. Accordingly, in the first half of 2023, 2,046,409 shares were delivered to the beneficiaries in accordance with the relevant settlement terms.

In addition, 6,400 shares were also delivered to heirs of employees under the ongoing 2021 and 2022 performance plans.

Lastly, on February 14, 2023, based on the Compensation Committee's recommendation, Carrefour SA's Board of Directors decided to use the authorisation given in the 29<sup>th</sup> resolution of the Annual Shareholders' Meeting held on May 21, 2021 to grant new or existing performance shares. The plan provided for the grant of a maximum of 2,833,260 shares (representing 0.38% of the share capital at February 14, 2023). The shares will vest subject to a service condition and several performance conditions.

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

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

Details of the 2023 performance share plan are presented below.

2023 Performance Plan	
Shareholders' Meeting date	May 21, 2021
Grant date <sup>1</sup>	February 14, 2023
Vesting date <sup>2</sup>	February 14, 2026
Total number of shares approved at the grant date	2,833,260
Number of grantees at the grant date	681
Fair value of each share (in euros) <sup>3</sup>	13.23

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

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

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

## 11.5 Restructuring

The provisions for restructuring set aside during the period, which amounted to 212 million euros (recognised in non-recurring expenses) mainly comprised costs relating to severance paid or payable within the scope of the voluntary redundancy plan put in place at headquarters in France, involving a maximum of 979 people (see Note 3.2).

The amount recognised in the consolidated financial statements for the six-month period ended June 30, 2023 was calculated on the basis of various assumptions and represents the best estimate of the costs that the Group expects to incur in relation to the restructuring plan currently being implemented. These costs primarily correspond to severance pay, costs of notice periods not served, and costs of training and other support measures offered to employees made redundant under the plan.

Provisions set aside at December 31, 2022 for restructuring in an amount of 138 million euros mainly comprised costs related to plans undertaken to streamline operating structures, chiefly in France and Italy (see Note 2.2 to the 2021 consolidated financial statements). Some of these provisions were used during first-half 2023 (see Note 11.1).



# Notes to the condensed consolidated financial statements

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

### 12.1 Share capital and treasury stock

At June 30, 2023, the share capital was made up of 746,871,196 ordinary shares with a par value of 2.5 euros each, all fully paid.

Furthermore, at June 30, 2023 a total of 28,510,134 shares were held in treasury.

<i>(in thousands of shares)</i>	<b>Number of shares</b>	<b>Of which treasury stock</b>
<b>Outstanding at January 1, 2023</b>	<b>742,157</b>	<b>11,545</b>
Issued for cash <sup>1</sup>	4,714	–
Issued/(used) under performance share plans <sup>2</sup>	–	(2,053)
Share buyback program <sup>3</sup>	–	19,018
Cancelled shares	–	–
<b>Outstanding at June 30, 2023</b>	<b>746,871</b>	<b>28,510</b>

(1) See Note 3.6.

(2) See Note 11.4.

(3) See Note 3.5.



# Notes to the condensed consolidated financial statements

## 12.2 Other comprehensive income

Group share (in millions of euros)	First-half 2023			First-half 2022		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges <sup>1</sup>	(72)	18	(54)	60	(2)	58
Changes in the fair value of debt instruments through other comprehensive income <sup>2</sup>	(35)	(0)	(35)	(10)	3	(7)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect <sup>3</sup>	28	(7)	21	25	(7)	19
Exchange differences on translating foreign operations <sup>4</sup>	135	–	135	252	–	252
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>55</b>	<b>11</b>	<b>66</b>	<b>327</b>	<b>(6)</b>	<b>321</b>
Remeasurements of defined benefit plans obligation <sup>5</sup>	(5)	1	(4)	164	(37)	127
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>(5)</b>	<b>1</b>	<b>(4)</b>	<b>164</b>	<b>(37)</b>	<b>127</b>
<b>TOTAL GROUP SHARE</b>	<b>50</b>	<b>12</b>	<b>62</b>	<b>491</b>	<b>(43)</b>	<b>448</b>

  

Non-controlling interests (in millions of euros)	First-half 2023			First-half 2022		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	(2)	0	(2)	7	(2)	5
Changes in the fair value of debt instruments through other comprehensive income	(1)	(0)	(1)	(11)	3	(8)
Exchange differences on translating foreign operations <sup>4</sup>	82	–	82	209	–	209
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>80</b>	<b>0</b>	<b>80</b>	<b>205</b>	<b>1</b>	<b>206</b>
Remeasurements of defined benefit plans obligation <sup>5</sup>	(0)	0	(0)	1	(0)	1
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>1</b>	<b>(0)</b>	<b>1</b>
<b>TOTAL NON-CONTROLLING INTERESTS SHARE</b>	<b>80</b>	<b>0</b>	<b>80</b>	<b>206</b>	<b>0</b>	<b>207</b>

- (1) The currency swap eligible for cash flow hedge accounting, set up by the Group in 2022 in order to hedge the risk of unfavourable changes in the New Taiwan dollar up to the amount of the Group's share in the value of Carrefour Taiwan, was settled when Carrefour Taiwan was sold, generating an expense of 46 million euros net of tax (see Note 3.1).
- (2) At June 30, 2023, the change in fair value of Flink shares was a 35 million euro decrease (see Note 2.1 to the 2022 consolidated financial statements).
- (3) In first-half 2023 and in 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão for 2.3 billion Brazilian reais and 5.9 billion Brazilian reais respectively. These facilities were treated as part of the net investment in that operation. The derivatives contracted to hedge part of the facilities were classified as a net investment hedge (see Note 3.3).
- (4) Exchange differences recognised on translating foreign operations in first-half 2023 mainly reflect the slight increase in the value of the Brazilian real since December 31, 2022, partially offset by the 52 million euro reversal of positive translation adjustments recognised by Carrefour Taiwan further to its sale.  
Exchange differences recognised in first-half 2022 reflected the significant increase in the value of the Brazilian real compared with December 31, 2021.
- (5) Remeasurement of the net defined benefit liability recognised in first-half 2023 reflects the slight decline in discount rates applied for the eurozone, from 3.80% at end-December 2022 to 3.70% at end-June 2023. In first-half 2022, these discount rates had increased sharply, from 0.80% at end-December 2021 to 3.20% at end-June 2022.





# Notes to the condensed consolidated financial statements

## 12.3 Earnings per share (Group share)

Basic earnings per share	First-half 2023	First-half 2022 IFRS 5 restated
Net income/(loss) from continuing operations	118	239
Net income/(loss) from discontinued operations	749	16
<b>Net income/(loss) (in millions of euros)</b>	<b>867</b>	<b>255</b>
Weighted average number of shares outstanding <sup>1</sup>	725,605,959	752,242,509
<b>Basic income/(loss) from continuing operations - per share (in euros)</b>	<b>0.16</b>	<b>0.32</b>
<b>Basic income/(loss) from discontinued operations - per share (in euros)</b>	<b>1.03</b>	<b>0.02</b>
<b>Basic income/(loss) - per share (in euros)</b>	<b>1.19</b>	<b>0.34</b>

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for first-half 2023 was adjusted to take into account the impact of the share buybacks carried out during the period (see Note 3.5).

Diluted earnings per share	First-half 2023	First-half 2022 IFRS 5 restated
Net income/(loss) from continuing operations	118	239
Net income/(loss) from discontinued operations	749	16
<b>Net income/(loss) (in millions of euros)</b>	<b>867</b>	<b>255</b>
Weighted average number of shares outstanding, before dilution	725,605,959	752,242,509
Potential dilutive shares	4,400,952	4,129,274
Performance shares	4,400,952	4,129,274
<b>Diluted weighted average number of shares outstanding</b>	<b>730,006,911</b>	<b>756,371,783</b>
<b>Diluted income/(loss) from continuing operations - per share (in euros)</b>	<b>0.16</b>	<b>0.32</b>
<b>Diluted income/(loss) from discontinued operations - per share (in euros)</b>	<b>1.03</b>	<b>0.02</b>
<b>Diluted income/(loss) - per share (in euros)</b>	<b>1.19</b>	<b>0.34</b>



# 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, 2023	Carrying amount	Breakdown by category					Fair value
(in millions of euros)		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	147	14	134	–	–	–	147
Other long-term investments	1,014	77	164	773	–	–	1,014
Other non-current financial assets	1,161	91	298	773	–	–	1,161
Consumer credit granted by the financial services companies	6,328	–	–	6,328	–	–	6,328
Trade receivables	3,349	–	–	3,349	–	–	3,349
Other current financial assets	631	1	168	320	16	126	631
Other current assets <sup>1</sup>	720	–	–	720	–	–	720
Cash and cash equivalents	3,859	3,859	–	–	–	–	3,859
ASSETS	16,048	3,950	466	11,490	16	126	16,048
Total borrowings	9,483	–	–	9,336	14	133	9,202
Total lease commitments	4,562	–	–	4,562	–	–	4,562
Total consumer credit financing	5,469	–	–	5,407	19	42	5,469
Suppliers and other creditors	12,831	–	–	12,831	–	–	12,831
Other current payables <sup>2</sup>	2,558	–	–	2,558	–	–	2,558
LIABILITIES	34,902	–	–	34,694	33	175	34,621

At December 31, 2022	Carrying amount	Breakdown by category					Fair value
IFRS 3 restated		(in millions of euros)	Fair value through profit or loss	Fair value through OCI	Amortised cost	Derivative instruments not designated as hedges	
Investments in non-consolidated companies	178	12	166	–	–	–	178
Other long-term investments	1,073	90	152	831	–	–	1,073
Other non-current financial assets	1,251	102	318	831	–	–	1,251
Consumer credit granted by the financial services companies	5,978	–	–	5,978	–	–	5,978
Trade receivables	3,330	–	–	3,330	–	–	3,330
Other current financial assets	771	1	149	296	18	307	771
Other current assets <sup>1</sup>	606	–	–	606	–	–	606
Cash and cash equivalents	5,216	5,216	–	–	–	–	5,216
ASSETS	17,153	5,319	467	11,041	18	307	17,153
Total borrowings	9,558	–	–	9,410	18	130	9,212
Total lease commitments	4,530	–	–	4,530	–	–	4,530
Total consumer credit financing	5,142	–	–	5,089	16	37	5,142
Suppliers and other creditors	14,393	–	–	14,393	–	–	14,393
Other current payables <sup>2</sup>	2,813	–	–	2,813	–	–	2,813
LIABILITIES	36,435	–	–	36,235	34	167	36,089

(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):

June 30, 2023 (in millions of euros)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	14	134	147
Other long-term investments	239	–	2	241
Other current financial assets - Fair Value through OCI	168	–	–	168
Other current financial assets - Fair Value through profit or loss	1	–	–	1
Other current financial assets - Derivative instruments	–	142	–	142
Cash and cash equivalents	3,859	–	–	3,859
Consumer credit financing - Derivative instruments recorded in liabilities	–	(61)	–	(61)
Borrowings - Derivative instruments recorded in liabilities	–	(147)	–	(147)

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

## 13.2 Net debt

### 13.2.1 Breakdown of net debt

Consolidated net debt at end-June 2023 amounted to 5,040 million euros, breaking down as follows:

(in millions of euros)	June 30, 2023	December 31, 2022 IFRS 3 restated
Bonds and notes	7,341	7,697
Other borrowings	1,164	1,223
Commercial paper	831	490
<b>Total borrowings excluding derivative instruments recorded in liabilities</b>	<b>9,336</b>	<b>9,410</b>
Derivative instruments recorded in liabilities	147	148
<b>TOTAL BORROWINGS</b>	<b>9,483</b>	<b>9,558</b>
<i>of which borrowings due in more than one year</i>	<i>6,479</i>	<i>6,912</i>
<i>of which borrowings due in less than one year</i>	<i>3,004</i>	<i>2,646</i>
Other current financial assets <sup>1</sup>	584	728
Cash and cash equivalents	3,859	5,216
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>4,443</b>	<b>5,944</b>
<b>NET DEBT</b>	<b>5,040</b>	<b>3,614</b>
Net debt of discontinued operations	–	(236)
<b>NET DEBT INCLUDING DISCONTINUED OPERATIONS</b>	<b>5,040</b>	<b>3,378</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 Breakdown of bond debt

Face value							Book value of the debt
(in millions of euros)							
	Maturity	December 31, 2022	Issues	Repayments	Exchange differences	June 30, 2023	June 30, 2023
Public placements by Carrefour SA		7,288	500	(963)	(15)	6,810	6,774
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2023	469	–	(463)	(6)	–	–
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	749
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	749
Cash-settled convertible bonds, USD 500 million, 6 years, 0%	2024	469	–	–	(9)	460	447
EMTN, EUR, 5 years, 0.88%	2023	500	–	(500)	–	–	–
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	498
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	498
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	995
EMTN, EUR, 4.6 years, 1.88%	2026	750	–	–	–	750	748
EMTN, EUR, EUR, 6 years, 4.125%	2028	850	–	–	–	850	848
EMTN, EUR, 7.6 years, 2.38%	2029	750	–	–	–	750	744
EMTN, EUR, 7.5 years, 3.75%	2030	–	500	–	–	500	497
Placements by Atacadão SA		458	175	(95)	28	566	566
Debenture, BRL 500 million, 5 years, 105.75% CDI	2023	90	–	(95)	5	–	–
Debenture, BRL 350 million, 5 years, 100% CDI+0.55%	2024	63	–	–	4	67	67
Debenture, BRL 200 million, 7 years, 100% CDI+0.65%	2026	36	–	–	2	38	38
Debenture ("CRA"), BRL 467 million, 4 years, 100% CDI+0.55%	2026	84	–	–	5	89	89
Debenture ("CRA"), BRL 188 million, 5 years, 100% CDI+0.60%	2027	34	–	–	2	36	36
Debenture ("CRA") BRL 844 million, 5 years, 100% CDI+0.79%	2027	152	–	–	9	160	160
Debenture ("CRA"), BRL 330 million, 3 years, 100% CDI+0.95%	2026	–	62	–	1	63	63
Debenture ("CRA"), BRL 468 million, 4 years, 11.87%	2027	–	88	–	1	89	89
Debenture ("CRA"), BRL 132 million, 5 years, 100% CDI+1.00%	2028	–	25	–	0	25	25
TOTAL BONDS AND NOTES		7,746	675	(1,058)	14	7,377	7,341

On May 2, 2023, the Group carried out a new Sustainability-Linked Bond issue indexed to its two goals related to greenhouse gas emissions, for a total of 500 million euros, maturing in 7.5 years (due in October 2030) and paying a coupon of 3.75%.

On June 12, 2023, Carrefour SA redeemed 500 million euros worth of 0.88% 5-year bonds.

On June 14, 2023, Carrefour SA redeemed 500 million dollars worth of cash-settled convertible 0% 6-year bonds.

The Group's financial position and liquidity were solid at end-June 2023. The average maturity of bond debt was 3.8 years at end-June 2023, compared with 3.6 years at end-December 2022 and 3.8 years at end-June 2022.

### Financing of the Brazilian subsidiary Atacadão

On April 27, 2023, Atacadão redeemed 500 million reais worth of debenture-type debt maturing in 5 years and paying a coupon of 105.75% of the CDI (*Certificado de Depósito Interbancário*) rate.



## Notes to the condensed consolidated financial statements

In addition, on June 2, 2023, the Brazilian subsidiary issued simple unsecured, non-convertible debentures (*Certificado de recebíveis do agronegócio* – CRA) for an amount of 930 million Brazilian reais (approximately 177 million euros at the June 30, 2023 exchange rate) in three series:

- an initial series for 330 million Brazilian reais, with a coupon of CDI+0.95% and a maturity of 3 years;
- a second series for 468 million Brazilian reais, with a coupon of 11.87% before hedging, amounting to 111.20% of the CDI after hedging, and a maturity of 4 years;
- a third series for 132 million Brazilian reais, with a coupon of CDI+1.00% and a maturity of 5 years.

### 13.2.3 Breakdown of other borrowings

(in millions of euros)	June 30, 2023	December 31, 2022
Latin America borrowings	885	1,025
Other borrowings	100	72
Accrued interest <sup>1</sup>	96	57
Other financial liabilities	83	69
<b>TOTAL OTHER BORROWINGS</b>	<b>1,164</b>	<b>1,223</b>

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

“Latin America borrowings” include USD and EUR financing swapped for Brazilian reais by the Brazilian subsidiary Atacadão:

- in September 2021, for 1,937 million Brazilian reais (approximately 368 million euros at the June 30, 2023 closing exchange rate);
- in January 2023, for 2,293 million Brazilian reais (approximately 436 million euros at the June 30, 2023 closing exchange rate);
- in April 2023, for 744 million Brazilian reais (approximately 141 million euros at the June 30, 2023 closing exchange rate).

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

### 13.2.4 Cash and cash equivalents

(in millions of euros)	June 30, 2023	December 31, 2022
Cash	1,169	1,420
Cash equivalents	2,690	3,796
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,859</b>	<b>5,216</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, 2023, as at December 31, 2022, there was no restricted cash.



# Notes to the condensed consolidated financial statements

## 13.2.5 Other current financial assets

<i>(in millions of euros)</i>	June 30, 2023	December 31, 2022 IFRS 3 restated
Derivative instruments <sup>1</sup>	142	325
Financial receivable <sup>2</sup>	232	188
Other current financial assets - Fair Value through OCI	168	149
Other current financial assets - Fair Value through profit or loss	1	1
Sub-lease receivable - less than one year	46	43
Deposits with maturities of more than three months	39	64
Other	3	1
<b>TOTAL OTHER CURRENT FINANCIAL ASSETS</b>	<b>631</b>	<b>771</b>

(1) The 183 million euro decrease in this item compared to December 31, 2022 primarily reflects (i) the unwinding of the EUR/TWD currency swap – for which mark-to-market amounted to 64 million euros at end-2022 – following the sale of Carrefour Taiwan on June 30, 2023, and (ii) the unwinding of the currency swap hedging the cash-settled convertible bonds – for which mark-to-market amounted to 69 million euros at end-2022 – following its repayment in June 2023 (see Note 13.2.2).

(2) This amount corresponds to the financial receivables relating to the 20% stake in Carrefour China and the reduction in the purchase price of Grupo BIG in Brazil (see Note 3.1).

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

### 13.3.1 Analysis by interest rate

<i>(in millions of euros)</i>	June 30, 2023		December 31, 2022	
	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	8,815	7,850	8,843	7,902
Variable rate borrowings	521	1,485	567	1,508
<b>TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)</b>	<b>9,336</b>	<b>9,336</b>	<b>9,410</b>	<b>9,410</b>

### 13.3.2 Analysis by currency

<i>(in millions of euros)</i>	June 30, 2023	December 31, 2022
Euro	7,852	7,901
Brazilian real	1,482	1,506
Polish zloty	1	2
Romanian leu	2	1
<b>TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)</b>	<b>9,336</b>	<b>9,410</b>

The above analysis includes the effect of hedging. Euro-denominated borrowings represented 84% of total borrowings (excluding derivative instruments recorded in liabilities) at June 30, 2023 (84% at December 31, 2022).

### 13.3.3 Analysis by maturity

<i>(in millions of euros)</i>	June 30, 2023	December 31, 2022
Due within 1 year	2,857	2,498
Due in 1 to 2 years	1,137	1,514
Due in 2 to 5 years	3,246	3,799
Due beyond 5 years	2,096	1,599
<b>TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)</b>	<b>9,336</b>	<b>9,410</b>



# Notes to the condensed consolidated financial statements

## 13.4 Changes in liabilities arising from financing activities

(in millions of euros)

	Other current financial assets <sup>1</sup>	Borrowings	Total Liabilities arising from financing activities, net
<b>At December 31, 2022</b>	<b>(728)</b>	<b>9,558</b>	<b>8,830</b>
<b>Changes from financing cash flows</b>	<b>209</b>	<b>(279)</b>	<b>(69)</b>
Change in current financial assets	209	–	209
Issuance of bonds	–	675	675
Repayments of bonds	–	(1,058)	(1,058)
Net financial interests paid	–	(51)	(51)
Issuance of commercial paper <sup>2</sup>	–	341	341
Other changes in borrowings	–	(186)	(186)
<b>Non-cash changes</b>	<b>(66)</b>	<b>204</b>	<b>138</b>
Exchange differences	(14)	11	(4)
Effect of changes in scope of consolidation	–	–	–
Changes in fair values	(32)	26	(6)
Finance costs, net	–	191	191
Other movements	(20)	(23)	(43)
<b>At June 30, 2023</b>	<b>(584)</b>	<b>9,483</b>	<b>8,899</b>

(1) Amounts receivable from finance sub-leasing arrangements are not included in this caption.

(2) In first-half 2023, the Group issued short-term commercial paper to secure its liquidity.

## 13.5 Other non-current financial assets

(in millions of euros)

	June 30, 2023	December 31, 2022 IFRS 3 restated
Deposits and guarantees <sup>1</sup>	639	594
Financial services companies' portfolio of assets	239	243
Sub-lease receivable - more than one year <sup>2</sup>	67	72
Financial receivable <sup>3</sup>	–	88
Investments in non-consolidated companies <sup>4</sup>	147	178
Other	70	75
<b>TOTAL OTHER NON-CURRENT FINANCIAL ASSETS</b>	<b>1,161</b>	<b>1,251</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.

(3) The amount recognised under this line at December 31, 2022 corresponded to the long-term financial receivable relating to the reduction in the price of Grupo BIG in Brazil (see Note 3.1). At June 30, 2023, this receivable has been reclassified as "Other current financial assets".

(4) The decrease in investments in non-consolidated companies in first-half 2023 was mainly due to the change in the fair value of Flink shares.



# 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, 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 2023</b>	<b>First-half 2022 IFRS 5 restated</b>
<b>Interest income from loans and cash equivalents</b>	<b>33</b>	<b>(2)</b>
Interest income from bank deposits	30	(2)
Interest income from loans	3	(0)
<b>Finance costs</b>	<b>(223)</b>	<b>(149)</b>
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(205)	(137)
Cost of receivables discounting in Brazil	(19)	(13)
<b>Finance costs, net</b>	<b>(191)</b>	<b>(151)</b>
Interest charge related to leases	(100)	(68)
Interest income related to financial sublease contracts	0	0
<b>Net interests related to leases</b>	<b>(100)</b>	<b>(68)</b>
Interest expense on defined employee benefit debt	(14)	(4)
Interest income on pension plan assets	4	1
Financial transaction tax	(18)	(16)
Late interest due in connection with tax reassessments and employee-related litigation	(52)	(8)
Dividends received on financial assets at FVOCI	1	2
Gain on disposal of financial assets at FVOCI	7	6
Loss on disposal of financial assets at FVOCI	(1)	(2)
Exchange gains and losses	12	1
Cost of bond buybacks	–	(7)
Changes in the fair value of interest rate derivatives	(1)	(1)
Impact of hyperinflation in Argentina - application of IAS 29	63	61
Other	16	3
<b>Other financial income and expenses, net</b>	<b>15</b>	<b>38</b>
<b>FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET</b>	<b>(276)</b>	<b>(181)</b>
<i>Financial expenses</i>	<i>(411)</i>	<i>(256)</i>
<i>Financial income</i>	<i>135</i>	<i>75</i>





## NOTE 14: OTHER INFORMATION

### 14.1 Scope of consolidation

#### 14.1.1 Main changes in first-half 2023

On June 15, 2023, Carrefour and Publicis announced the launch of Unlimitail (51% owned by Carrefour and 49% by Publicis). On June 30, 2023, the Group completed the sale of its entire interest in its Taiwanese subsidiary (i.e., 60%) to the Uni-President group (holder of the remaining 40%). These transactions are described in Note 3.1.

In June 2023, the Group contributed to a capital increase carried out by its Argentinian subsidiary Banco de Servicios Financieros for approximately 10 million euros, increasing its interest from 88% to 92%. This transaction did not have a material anti-dilutive impact.

With the exception of these transactions, there were no other material changes in the Carrefour group's scope of consolidation in first-half 2023.

#### 14.1.2 Main changes in first-half 2022

The main changes in the scope of consolidation in first-half 2022 included the acquisition of Grupo BIG in Brazil (effective from June 1, 2022, see Note 3.1) and the sale of the Carrefour group's interest in Cajoo in exchange for Flink shares.

### 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 2023 compared with the situation at December 31, 2022.

### 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, operations, acquisitions/disposals of securities, and leases (excluding contracts accounted for in accordance with IFRS 16).

### 14.4 Other disclosures

Between the night of June 29, 2023 and early July 2023, a number of the Group's stores were damaged in France. The impact is currently being estimated and will be covered by our insurers.

### 14.5 Subsequent events

One of the objectives of the Carrefour 2026 strategic plan is to enhance the Group's real estate assets in France through the development of mixed-use real estate projects. To that end, on July 6, 2023, the Group announced that it has joined forces with Nexity to develop 76 sites covering all Carrefour retail formats (hypermarkets, supermarkets and convenience stores). This long-term partnership will enable Carrefour and Nexity to develop mixed-use programmes with high environmental performance



## Notes to the condensed consolidated financial statements

for housing, serviced residences, retail outlets, offices and hotels. The related property venture, which is expected to be up and running by the first quarter of 2024 at the latest, will be 80% owned by Carrefour and 20% by Nexity.

On July 12, 2023, Carrefour announced that it had entered into an agreement with the Louis Delhaize group to acquire the Cora and Match banners in France, which operate 60 hypermarkets and 115 supermarkets respectively, and employ some 24,000 people. This acquisition will enable the Group to reaffirm its leadership in food retail in France, with the acquired stores offering a very strong geographical fit with Carrefour, particularly in the east and north of the country. The transaction values the acquired assets on the basis of an enterprise value of 1.05 billion euros and will be paid entirely in cash. Subject to certain customary conditions, particularly approval by the French competition authority, the transaction is expected to close in the summer of 2024.

## CARREFOUR

Société anonyme

93 avenue de Paris

91300 MASSY

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### Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2023

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*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders of CARREFOUR company,

In compliance with the assignment entrusted to us by Shareholders' Meetings and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of the company, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### **Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

### **Specific verification**

We have also verified the information presented in the half-yearly management report on the half-yearly condensed consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the half-yearly condensed consolidated financial statements.

Courbevoie and Paris-La-Défense, July 26, 2023

The Statutory Auditors

*French original signed by*

Mazars

Deloitte & Associés

Jérôme de PASTORS

Marc BIASIBETTI

Bertrand BOISSELIER

Olivier BROISSAND



## **Declaration by the persons responsible**

We hereby certify that, to the best of our knowledge, the condensed consolidated financial statements for the six-month period ended June 30, 2023 were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and income of the company Carrefour and of all the consolidated companies, and that the attached half-year financial report gives a true and fair view of the significant events having occurred during the first six months of the financial year, of their impact on the financial statements, of the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

July 26, 2023

Alexandre Bompard  
Chairman and Chief Executive Officer

Matthieu Malige  
Chief Financial Officer