



Consolidated financial statements as of December 31, 2023



Consolidated financial statements as of December 31, 2023

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Consolidated income statement

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 2.1.1.3 and 4).

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2023. Comparative data for 2022 have also been adjusted for inflation.

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

<i>(in millions of euros)</i>	Notes	2023	2022	% change
Net sales	6.1	83,270	81,385	2.3%
Loyalty program costs		(993)	(842)	18.0%
Net sales net of loyalty program costs		82,276	80,543	2.2%
Other revenue	6.1	2,632	2,546	3.4%
Total revenue		84,908	83,089	2.2%
Cost of sales	6.2	(68,278)	(66,776)	2.2%
Gross margin from recurring operations		16,630	16,313	1.9%
Sales, general and administrative expenses, depreciation and amortisation	6.2	(14,367)	(13,936)	3.1%
Recurring operating income		2,264	2,377	(4.7)%
Net income/(loss) from equity-accounted companies	9	44	50	(12.6)%
Recurring operating income after net income from equity-accounted companies		2,308	2,427	(4.9)%
Non-recurring income and expenses, net	6.3	(558)	36	(1654.8)%
Operating income		1,749	2,463	(29.0)%
Finance costs and other financial income and expenses, net	14.6	(410)	(490)	(16.3)%
<i>Finance costs, net</i>		(258)	(336)	(23.4)%
<i>Net interests related to leases</i>		(208)	(167)	25.1%
<i>Other financial income and expenses, net</i>		56	13	331.8%
Income before taxes		1,339	1,973	(32.1)%
Income tax expense	10.1	(439)	(408)	7.6%
Net income/(loss) from continuing operations		900	1,564	(42.5)%
Net income/(loss) from discontinued operations	2.1.3	742	1	53067.3%
Net income/(loss) for the year		1,642	1,566	4.9%
Group share		1,659	1,348	23.1%
of which net income/(loss) from continuing operations - Group share		930	1,368	(32.0)%
of which net income/(loss) from discontinued operations - Group share		729	(21)	3614.4%
Attributable to non-controlling interests		(17)	218	(108.0)%
of which net income/(loss) from continuing operations - attributable to non-controlling interests		(30)	196	(115.4)%
of which net income/(loss) from discontinued operations - attributable to non-controlling interests		13	22	(42.5)%
Basic earnings per share <i>(in euros)</i>	Notes	2023	2022	% change
Net income/(loss) from continuing operations - Group share - per share	13.6	1.30	1.85	(29.4)%
Net income/(loss) from discontinued operations - Group share - per share	13.6	1.02	(0.03)	3748.3%
Net income/(loss) - Group share - per share	13.6	2.32	1.82	27.8%
Diluted earnings per share <i>(in euros)</i>	Notes	2023	2022	% change
Net income/(loss) from continuing operations - Group share - per share	13.6	1.29	1.83	(29.4)%
Net income/(loss) from discontinued operations - Group share - per share	13.6	1.01	(0.03)	3748.0%
Net income/(loss) - Group share - per share	13.6	2.31	1.80	27.8%



Consolidated statement of comprehensive income

(in millions of euros)

	Notes	2023	2022
Net income/(loss) - Group share		1,659	1,348
Net income - Attributable to non-controlling interests		(17)	218
Net income/(loss) for the year		1,642	1,566
Effective portion of changes in the fair value of cash flow hedges ¹	13.4	(93)	115
Changes in debt instruments at fair value through other comprehensive income	13.4	(29)	(19)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect ²	13.4	(6)	(11)
Exchange differences on translating foreign operations ³	13.4	9	380
Items that may be reclassified subsequently to profit or loss		(119)	464
Remeasurements of defined benefit plans obligation ⁴	12.1/13.4	(29)	131
Changes in the fair value of equity instruments through other comprehensive income	13.4	0	0
Items that will not be reclassified subsequently to profit or loss		(28)	131
Other comprehensive income/(loss) after tax		(147)	595
Total comprehensive income/(loss)		1,495	2,161
Group share		1,463	1,815
Attributable to non-controlling interests		32	346

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

- (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 2.1.3). To a lesser extent, this item also includes swaps in Spain and France taken out to hedge the risk of unfavourable changes in energy prices for electricity and biomethane, respectively (see Note 14.7.6).
- (2) In 2023 and 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão for 2.3 billion Brazilian reals and 5.9 billion Brazilian reals 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 2.3).
- (3) Exchange differences recognised on translating foreign operations in 2023 result from contrasting movements, namely, exchange losses arising on the major decrease in the value of the Argentina peso and on the reversal of positive translation adjustments recognised by Carrefour Taiwan at the time of its sale, representing 52 million euros. These exchange losses were offset by the increase in the value of the Brazilian real and the Polish zloty.
Exchange differences in 2022 mainly reflected the significant increase in the value of the Brazilian real.
- (4) Remeasurement of the net defined benefit liability recognised in 2023 reflects the decline in discount rates applied for the eurozone, from 3.80% at end-December 2022 to 3.20% at end-December 2023 (see Note 12.1). In 2022, these discount rates had increased sharply, from 0.80% at end-December 2021 to 3.80% at end-December 2022.



Consolidated statement of financial position

ASSETS

(in millions of euros)

	Notes	December 31, 2023	December 31, 2022 IFRS 3 restated
Goodwill	7.1	8,712	8,644
Other intangible assets	7.1	1,552	1,499
Property and equipment	7.2	12,360	12,612
Investment property	7.4	262	279
Right-of-use assets	8.1	4,464	4,190
Investments in companies accounted for by the equity method	9.1	1,142	1,197
Other non-current financial assets	14.5	1,229	1,251
Consumer credit granted by the financial services companies – portion due in more than one year	6.5	1,911	1,867
Deferred tax assets	10.2	395	475
Other non-current assets	6.4	697	609
Non-current assets		32,723	32,622
Inventories	6.4	6,544	6,893
Trade receivables	6.4	3,269	3,330
Consumer credit granted by the financial services companies – portion due in less than one year	6.5	4,644	4,111
Other current financial assets	14.2	685	771
Tax receivables	6.4	824	948
Other current assets	6.4	1,008	1,025
Cash and cash equivalents	14.2	6,290	5,216
Assets held for sale	2.1.4	184	1,641
Current assets		23,448	23,935
TOTAL ASSETS		56,171	56,558

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)

	Notes	December 31, 2023	December 31, 2022 IFRS 3 restated
Share capital	13.2	1,772	1,855
Consolidated reserves (including net income)		9,767	9,289
Shareholders' equity, Group share		11,539	11,144
Shareholders' equity attributable to non-controlling interests	13.5	1,848	2,042
Total shareholders' equity		13,387	13,186
Borrowings - portion due in more than one year	14.2	7,264	6,912
Lease commitments - portion due in more than one year	8.2	3,894	3,574
Provisions	11	4,012	3,979
Consumer credit financing – portion due in more than one year	6.5	1,931	1,550
Deferred tax liabilities	10.2	300	365
Tax payables - portion due in more than one year	6.4	57	85
Non-current liabilities		17,458	16,464
Borrowings - portion due in less than one year	14.2	2,224	2,646
Lease commitments - portion due in less than one year	8.2	1,007	955
Suppliers and other creditors	6.4	14,242	14,393
Consumer credit financing – portion due in less than one year	6.5	3,771	3,592
Tax payables - portion due in less than one year	6.4	1,222	1,182
Other current payables	6.4	2,860	2,943
Liabilities related to assets held for sale		–	1,196
Current liabilities		25,326	26,907
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		56,171	56,558



Consolidated statement of cash flows

<i>(in millions of euros)</i>	2023	2022
Income before taxes	1,339	1,973
OPERATING ACTIVITIES		
Income tax paid	(343)	(449)
Depreciation and amortisation expense	2,295	2,236
Gains and losses on disposal of assets and other	55	(165)
Change in provisions and impairment	93	(371)
Finance costs, net	258	336
Net interests related to leases	208	167
Share of profit and dividends received from equity-accounted companies	38	26
Impact of discontinued operations ¹	89	215
Cash flow from operations	4,032	3,968
Change in working capital requirement ²	775	108
Impact of discontinued operations ¹	(54)	8
Net cash (used in)/from operating activities (excluding financial services companies)	4,754	4,085
Change in consumer credit granted by the financial services companies	(104)	135
Net cash (used in)/from operating activities - total	4,650	4,219
INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets ³	(1,850)	(1,882)
Acquisitions of non-current financial assets	(21)	(45)
Acquisitions of subsidiaries and investments in associates ⁴	(6)	(914)
Proceeds from the disposal of subsidiaries and investments in associates ⁵	1,067	94
Proceeds from the disposal of property and equipment and intangible assets ⁶	474	380
Proceeds from the disposal of non-current financial assets	10	6
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets ³	(124)	55
Investments net of disposals - subtotal	(450)	(2,306)
Other cash flows from investing activities	(64)	207
Impact of discontinued operations ¹	(225)	(34)
Net cash (used in)/from investing activities - total	(739)	(2,134)
FINANCING ACTIVITIES		
Carrefour SA capital increase / (decrease) ^{7 8}	(609)	(657)
Proceeds from share issues to non-controlling interests	47	3
Dividends paid by Carrefour SA ⁹	(405)	(380)
Dividends paid to non-controlling interests	(76)	(101)
Change in treasury stock and other equity instruments ⁸	(118)	(96)
Change in current financial assets ¹⁰	69	(7)
Issuance of bonds ¹⁰	1,425	2,633
Repayments of bonds ¹⁰	(1,053)	(1,081)
Net financial interests paid	(184)	(194)
Other changes in borrowings ¹⁰	(563)	774
Payments related to leases (principal) ¹¹	(1,000)	(925)
Net interests paid related to leases ¹¹	(209)	(164)
Impact of discontinued operations ¹	(45)	(132)
Net cash (used in)/from financing activities - total	(2,719)	(326)
Net change in cash and cash equivalents before the effect of changes in exchange rates	1,192	1,759
Effect of changes in exchange rates ¹²	(353)	(11)
NET CHANGE IN CASH AND CASH EQUIVALENTS	838	1,748
Cash and cash equivalents at beginning of year	5,451	3,703
Cash and cash equivalents at end of year	6,290	5,451
<i>of which cash and cash equivalents at end of year from continuing operations</i>	<i>6,290</i>	<i>5,216</i>
<i>of which cash and cash equivalents at end of year from discontinued operations</i>	<i>-</i>	<i>235</i>

- (1) This caption reflects the classification of cash flows relating to discontinued operations in accordance with IFRS 5. The reclassified cash flows correspond almost exclusively to the disposal of Carrefour Taiwan, effective June 30, 2023 (see Note 2.1.3).
- (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 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 a preliminary amount of 1.0 billion euros (see Note 2.1.3). In 2022, this item corresponded mainly to the sale of the Group's interest in a variety of equity-accounted companies, including Mestdagh in Belgium for 41 million euros, Ploiesti Shopping City in Romania for 30 million euros and CarrefourSA in Turkey for 14 million euros.
- (6) This line mainly corresponds to the sale and leaseback of five stores and four warehouses in Brazil and six hypermarkets in Spain (see Note 2.1.5) and the sale of store premises and businesses to franchisees in France. In 2022, this line corresponded mainly to the sale and leaseback of nine hypermarkets and five supermarkets in Spain and the sale of store premises and businesses to franchisees in France and Italy.
- (7) In 2023, Carrefour SA's capital was increased by 75 million euros following the implementation of the "Carrefour Invest" plan (see Note 2.6).
- (8) These lines correspond to the 800 million euro share buyback programme (see Note 2.5) implemented in 2023 in four 200 million euro buyback mandates. Following decisions by the Board of Directors, 682 million euros worth of shares (including associated costs) were cancelled on



Consolidated statement of cash flows

July 28, 2023 and October 25, 2023 (including the 95 million euros worth of shares acquired under the 2022 share buyback programme and not yet cancelled). The shares covered by the 2023 programme, which were still held in treasury at December 31, 2023, are presented within "Change in treasury stock and other equity instruments".

In 2022, this item corresponded to the share buyback programme for 750 million euros implemented between March and May 2022, of which, following decisions by the Board of Directors, 401 million euros worth of shares (including associated costs) were cancelled on April 20, 2022 and another 256 million euros worth (including associated costs) were cancelled on June 3, 2022. The shares covered by this programme, which were still held in treasury at December 31, 2022, 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 2.4). In 2022, the dividend was paid entirely in cash on June 9, 2022 for 380 million euros.
- (10) Note 14.2 provides a breakdown of net debt. Changes in liabilities arising from financing activities are detailed in Note 14.4. In 2023, changes in current financial assets mainly reflect the 900 million Brazilian real (approximately 145 million euro) reduction in the firm price received for Grupo BIG (see Note 2.1.1.3), partially offset by the purchase of dollar- and inflation-linked investments in Argentina.
- (11) In accordance with IFRS 16, payments under leases along with any related interest are shown in financing cash flows.
- (12) Exchange differences in 2023 mainly relate to the major devaluation of the Argentine peso during the year.



Consolidated statement of changes in shareholders' equity

(in millions of euros)	Shareholders' equity, Group share				Total Shareholders' equity, Group share	Total Non-controlling interests	Total Shareholders' equity
	Share capital ¹	Foreign exchange translation reserve	Fair value reserve ²	Other consolidated reserves and net income			
Shareholders' equity at December 31, 2021	1,940	(1,990)	(4)	10,305	10,251	1,579	11,830
Net income/(loss) for the year 2022	–	–	–	1,348	1,348	218	1,566
Other comprehensive income/(loss) after tax ³	–	258	83	127	467	128	595
Total comprehensive income/(loss) 2022	–	258	83	1,474	1,815	346	2,161
Share-based payments	–	–	–	21	21	1	22
Treasury stock (net of tax) ⁵	–	–	–	(96)	(96)	–	(96)
2021 dividend payment ⁴	–	–	–	(380)	(380)	(127)	(507)
Change in capital and additional paid-in capital ⁵	(84)	–	–	(570)	(655)	3	(651)
Effect of changes in scope of consolidation and other movements ⁷	–	62	–	126	188	241	429
Shareholders' equity at December 31, 2022	1,855	(1,670)	78	10,881	11,144	2,042	13,186
Net income/(loss) for the year 2023	–	–	–	1,659	1,659	(17)	1,642
Other comprehensive income/(loss) after tax ³	–	(48)	(120)	(28)	(196)	49	(147)
Total comprehensive income/(loss) 2023	–	(48)	(120)	1,631	1,463	32	1,495
Share-based payments	–	–	–	52	52	1	53
Treasury stock (net of tax) ⁵	–	–	–	(118)	(118)	–	(118)
2022 dividend payment ⁴	–	–	–	(405)	(405)	(70)	(475)
Change in capital and additional paid-in capital ^{5 6}	(83)	–	–	(524)	(607)	8	(599)
Effect of changes in scope of consolidation and other movements ⁷	–	(1)	–	11	10	(165)	(155)
Shareholders' equity at December 31, 2023	1,772	(1,719)	(42)	11,528	11,539	1,848	13,387

(1) At December 31, 2023, the share capital was made up of 708,790,816 ordinary shares (see Note 13.2.1).

(2) This item comprises:

- the hedge reserve (effective portion of changes in the fair value of cash flow hedges);
- the financial asset fair value reserve (changes in the fair value of financial assets carried at fair value through other comprehensive income);
- exchange differences on translation of intercompany loans qualifying as net investments in foreign operations, net of the hedge effect.

In 2023, this item includes the impact of unwinding the EUR/TWD currency swap following the disposal of Carrefour Taiwan, representing a negative 46 million euros net of tax. This instrument had been set up in 2022 to hedge the risk of unfavourable fluctuations in the New Taiwan dollar. This item also includes the 35 million euro decrease in the fair value of Flink shares.

(3) In 2023, the Group's share of exchange differences recognised on translating foreign operations mainly reflects the major decrease in the value of the Argentine peso, as well as the reversal of the positive translation adjustments recognised by Carrefour Taiwan further to its disposal at June 30 (see Note 2.1.3), partially offset by the slight increase in the value of the Brazilian real and Polish zloty versus December 31, 2022.

In 2022, other comprehensive income after tax reflected both the significant increase in the value of the Brazilian real and, under other consolidated reserves and net income, the remeasurement of the net defined benefit liability following the strong increase in discount rates applied for the eurozone.

(4) The 2022 dividend distributed by Carrefour SA, totalling 405 million euros, was paid entirely in cash.

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

Dividends paid to non-controlling interests mainly concern the Spanish and Brazilian subsidiaries for an amount of 70 million euros in 2023, and 127 million euros in 2022.

(5) The 800 million euro share buyback programme, authorised by the Shareholders' Meetings of June 3, 2022 and May 26, 2023, was implemented in 2023 in four 200 million euro buyback mandates, representing a total of 46,197,844 shares. Carrefour SA's share capital was reduced by cancelling 38,080,380 shares, including 26,887,362 shares on July 28, 2023 and 11,193,018 shares on October 25, 2023, representing a total of 682 million euros (see Note 2.5). Following cancellation of these shares, Carrefour SA has 17,609,525 treasury shares, representing approximately 2.5% of the share capital at December 31, 2023.

In 2022, a 750 million euro share buyback programme was launched in two tranches of 400 million euros and 350 million euros, corresponding to a total of 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 December 31, 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 2.6).

(7) In 2023, the effect of changes in the scope of consolidation and other movements mainly corresponds to the disposal of Carrefour Taiwan and to the creation of the entity Villes et Commerce in France in partnership with Nexity (see Note 2.1.2).

In 2022, the effect of changes in the scope of consolidation and other movements related mainly to the acquisition of Grupo BIG for the portion paid in newly issued Carrefour Brazil shares (see Note 2.1.1.3).



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NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2023 were approved for publication by the Board of Directors on February 20, 2024. They will be submitted for final approval at the Annual Shareholders' Meeting.

Carrefour SA (the "Company") is domiciled in France at 93, avenue de Paris, 91300 Massy.

Carrefour is one of the world's leading food retailers (in terms of stores and e-commerce), operating in over 40 countries with an omni-channel model. The Group operates directly in eight countries, including six in Europe (France, Spain, Italy, Belgium, Poland and Romania) and two in Latin America (Brazil and Argentina), and has a network of integrated stores, stores under lease management contracts and franchised stores in a variety of formats (hypermarkets, supermarkets, convenience stores, club stores, cash & carry and soft discount). In the other geographies (especially the Middle East, Africa and Asia), the Group operates through local partners who are managing and expanding a network of stores under Carrefour banners. Carrefour also offers financial services to its customers in France, Spain, Belgium and Brazil (consumer credit and insurance).

The consolidated financial statements for the year ended December 31, 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 2023 consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union as of December 31, 2023 and applicable at that date, with 2022 comparative information prepared using the same standards.

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

At December 31, 2023, the standards and interpretations adopted for use in the European Union were the same as those published by the International Accounting Standards Board (IASB) and applicable at that date.

1.2 Changes in accounting policies

The accounting policies used to prepare the consolidated financial statements for the year ended December 31, 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; International Tax Reform – Pillar Two Model Rules*.

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

Not yet adopted by the European Union

Standards, amendments and interpretations	Effective date⁽¹⁾
Amendments to IAS 7 – <i>Statement of Cash Flows</i> and IFRS 7 – <i>Financial instruments: Disclosures: Supplier Finance Arrangements</i>	January 1, 2024
Amendments to IAS 21 – <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	January 1, 2025

(1) Subject to adoption by the European Union.

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

1.3 Other regulatory developments

1.3.1 International Tax Reform – Pillar Two

France has transposed the Pillar Two international tax reform into its national law. As Carrefour SA is incorporated under French law, the reform is applicable to all jurisdictions in which the Group operates pursuant to Pillar Two rules. The impact of applying the reform is currently being analysed. The overall impact on the Group is not however thought to be material given the tax rates in the jurisdictions where the Group operates.

1.3.2 Pension reform in France

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 December 31, 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.

1.3.3 Accrual of paid leave during a period of absence from work in France

Three rulings handed down by the French Supreme Court (*Cour de cassation*) on September 13, 2023 overturn French provisions on paid leave and absence from work, and confirm the principle that European Union (EU) law takes precedence over national law. These rulings improve employees' rights to paid leave while they are off work, and amendments are expected to the Labour Code in order to bring it into line with EU law.

Following this ruling, a provision was recognised at December 31, 2023 based on a retroactive period of three years. This provision was recorded in non-recurring income and expenses for prior years (2019 to 2022), and in recurring operating income for the portion relating to 2023 (see Note 6.3).



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

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

1.5 Seasonal fluctuations in business

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

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

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

1.6 Conflict in Ukraine

The Group does not do business in Ukraine, Russia or Belarus. It does not hold any assets or interests in entities in these countries, nor is it party to any franchise agreements. In addition, the Group's



exposure to the Russian and Belarusian markets is not deemed to be material. The Group is not materially affected by the trade restrictions and sanctions imposed by certain governments on Russia.

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

1.7 Climate change

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

In line with the goals set in 2015 by the Paris Climate Agreement adopted by the COP21, Carrefour raised its objectives to limit global warming in 2021, setting itself the goal of achieving carbon-neutral stores by 2040 (Scopes 1 and 2) and achieving carbon-neutral e-commerce activities by 2030.

Carrefour has committed to reducing its CO₂ emissions for Scopes 1 and 2 by 30% by 2025, 50% by 2030 and 70% by 2040 (compared to 2019). These targets for integrated stores (Scopes 1 and 2) are aligned with a greenhouse gas (GHG) emissions reduction trajectory consistent with a "below 1.5°C" scenario. It should be noted that taking into account direct and indirect GHG emissions across Scopes 1, 2 and 3 combined, the Group's targets are aligned with a trajectory consistent with a "well below 2°C" scenario and have been validated by the Science Based Targets initiative.

To do this, the Group aims to reduce the CO₂ emissions produced by its operations at source as much as possible, through three initiatives:

- Use of 100% renewable electricity by 2030, with priority given to on-site production for self-consumption or grid feeding, followed by the adoption of power purchase agreements:
 - The Group is therefore stepping up the process to equip its stores with photovoltaic systems (94 in Spain, 14 in France, 13 in Poland, nine in Brazil, six in Belgium and one in Italy at December 31, 2023).
 - In 2023, the Group signed four Physical Power Purchase Agreements (covering wind and solar farms) in France, which will produce around 100 GWh per year from 2024, equivalent to the power consumed by 29 hypermarkets. The Group will continue to accelerate the roll-out of these green energy contracts across all its geographies.
 - In addition, as part of the objective under the Carrefour 2026 strategic plan to produce almost one TWh of electricity per year from 2027 onwards in France, Spain and Brazil, Carrefour has selected a number of partners to produce solar power at more than 500 sites in France and has also begun the selection process to find operators in Spain. The first half of 2024 will be dedicated to finalising contractual frameworks for these partnerships.
- A 27.5% reduction in energy consumption by 2030 (2019 baseline). The investments made (in the form of operating and capital expenditure) will enable Carrefour to reduce energy consumption across the Group by 20% by 2026. Carrefour in France achieved its target of a 20% reduction by 2023. The Group is seeking to improve energy efficiency through six priority action and technology recommendations for its stores: renovation of commercial cooling systems, doors for refrigeration units, use of electronic speed controllers, use of divisional meters, low consumption LED lighting and technical building management (focused on air conditioning, ventilation and heating).
- A reduction in emissions from refrigerant use. Carrefour is committed to phasing out HFC refrigeration units and phasing in systems using natural refrigerants (CO₂), which have much lower emission levels, by 2030 in Europe and 2040 in other geographies. Each country has drawn up a roadmap for the renewal of its store base: by the end of 2023, implementation was in line with the targets set for 2030 in Europe.



1.8 Measurement bases

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

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

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

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

Argentina is classified as a hyperinflationary economy within the meaning of IFRS. IAS 29 – *Financial Reporting in Hyperinflationary Economies* is therefore applicable to the consolidated financial statements for the year ended December 31, 2023; data for the comparative period presented have also been adjusted for inflation.



NOTE 2: SIGNIFICANT EVENTS OF THE YEAR

2.1 Changes in scope of consolidation in 2023

2.1.1 Acquisitions in 2023

2.1.1.1 Main acquisitions completed in 2023

Cora banner (Romania) – Business combination

In April 2023, Carrefour entered into an agreement with the Louis Delhaize group to acquire its activities in Romania, including ten Cora hypermarkets and nine 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.

After receiving clearance from the local competition authority, the acquisition was completed on October 31, 2023 for non-material price.

In accordance with IFRS 3 – *Business Combinations*, following the Group's preliminary measurement of the assets acquired and liabilities assumed at the acquisition date, provisional goodwill in the amount of 3 million euros was recognised in the consolidated statement of financial position at December 31, 2023 in respect of the Cora acquisition in Romania.

2.1.1.2 Main acquisitions in progress at December 31, 2023

Cora and Match banners (France)

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.

Stores operating under the Supercor banner (Spain)

On September 20, 2023, Carrefour Spain reached an agreement with El Corte Inglés to acquire 47 supermarkets and convenience stores under the Supercor banner, employing around 850 people.

This transaction values the acquired assets on the basis of an enterprise value of 60 million euros and is expected to be completed by June 30, 2024.



2.1.1.3 Follow-up to the acquisition of Grupo BIG (Brazil) in 2022 – reduction in purchase price and final opening balance sheet

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 in 2022, as the price of the Carrefour Brazil share was 15.10 Brazilian reais at December 6, 2022.

Developments in 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 was to be paid 60 days after the publication of Carrefour Brazil's 2023 annual consolidated financial statements. The 550 million reais, which bear interest at SELIC rates calculated as from April 11, 2023 were paid in full in August 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



Notes to the consolidated financial statements

opening balance sheet with an offsetting adjustment to goodwill (see Note 4 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 as from June 30, 2023, is as follows:

ASSETS

<i>(in millions of reais)</i>	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
Non-current assets		13,925	6,315	20,240	(745)	19,495	3,843
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
Current assets		4,769	135	4,904	-	4,904	966
TOTAL ASSETS		18,694	6,450	25,144	(745)	24,399	4,810

SHAREHOLDERS' EQUITY AND LIABILITIES

<i>(in millions of reais)</i>	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)
Total shareholders' equity		8,859	(1,394)	7,465	(778)	6,687	1,318
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
Non-current liabilities		5,276	7,827	13,103	33	13,136	2,589
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
Current liabilities		4,558	15	4,573	-	4,573	901
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		18,694	6,450	25,144	(745)	24,399	4,810



The purchase price allocation process stipulated in IFRS 3 was implemented and led to the recognition of final goodwill (a) in an amount of 795 million euros in the consolidated financial statements at December 31, 2023 (amount of goodwill finalised in the half-year consolidated financial statements at June 30, 2023).

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

- (b) measurement of 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 Todo Dia) 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).

2.1.2 Partnerships in 2023

Creation of the entity 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.

Creation of the entity Villes et Commerces in France in partnership with Nexity

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.

On November 30, 2023, the Villes et Commerces property venture (80% owned by Carrefour and 20% by Nexity) was created to hold the land following an initial contribution of 69 sites by Carrefour and 39 million euros in cash by Nexity. As this was a transaction with a minority shareholder, its



impact was recognised in consolidated shareholders' equity in an amount of 18 million euros net of transaction costs.

The remaining seven sites will be contributed to the venture in 2024.

2.1.3 Disposals effective in 2023

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 – *Non-current Assets Held for Sale and Discontinued Operations* since the date its disposal was announced.

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.

Disposal of the entity Quitoque (France)

Quitoque, a specialist in home-delivered meal kits acquired by Carrefour Omnicanal in 2018, was sold to Terence Capital on October 31, 2023. The disposal loss net of transaction costs amounted to 13 million euros and was recognised in non-recurring items for 2023.

2.1.4 Closure of unprofitable former Grupo BIG stores (Brazil)

Closure of the Todo Dia banner

In December 2023, the Group decided to close the 94 soft discount stores operated under the Todo Dia banner (acquired in 2022 at the time of the Grupo BIG acquisition) due to unprofitability. The assets of the directly-owned stores (around 50% of the total) are in the process of being sold to various buyers outside of the food retail sector.

Closure of hypermarkets and supermarkets operating under the Bompreço and Nacional banners

In December 2023, the Group also decided to close 16 hypermarkets (acquired in 2022 at the time of the Grupo BIG acquisition and since converted to Carrefour stores) and 13 supermarkets (acquired in 2022 at the time of the Grupo BIG acquisition and operated under the Bompreço and Nacional banners) due to unprofitability. The assets of the directly-owned stores (around a third of the total) are in the process of being sold to various buyers.

Classification as assets held for sale

In accordance with IFRS 5, at December 31, 2023 the assets of 122 of the above-mentioned 123 stores were classified within "Assets held for sale" and measured at the lower of their net carrying amount and fair value less costs to sell. An impairment loss of around 540 million Brazilian reais (around 100 million euros) was recognised in non-recurring items in 2023 to bring the value of the assets into line with their estimated market prices.

In accordance with Group accounting policies, other costs associated with these closures have also been recognised in non-recurring items for approximately 310 million Brazilian reais (approximately 60 million euros).



2.1.5 Sale and leaseback transactions in 2023

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.

Sale and leaseback transaction (Spain)

On December 1, 2023, the premises of six Spanish hypermarkets were sold to the property company Realty Income, with disposal proceeds net of transaction costs representing 114 million euros.

With negotiations on the agreements finalised and the other conditions precedent satisfied, these assets have been leased to Carrefour since December 1, 2023 (date of the transaction's completion and the signing of the leases for fixed ten-year terms, with three five-year renewal options). This transaction led to the recognition of non-recurring income in an amount that was close to zero.

As a reminder, the premises of 16 other Spanish hypermarkets had previously been sold and subsequently leased back to the same buyer (Realty Income) as from 2020 as part of sale and leaseback arrangements.

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 accessible to all our customers;
- building a cutting-edge Group.

The 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, boosting performance and agility and simplifying the organisation, all of 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 collective contractual termination agreement (*Rupture Conventionnelle Collective*) currently under discussion with the employee representatives will involve a maximum of 979 departures, on a strictly voluntary basis. Following four negotiation sessions, the *Rupture Conventionnelle Collective* 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 represented the best estimate of the costs that the Group expected to incur in relation to the plan (see Note 6.3). This transformation plan was rolled out in the second half of 2023. The related provision still to be recognised at December 31, 2023 will cover costs that will mostly be disbursed in 2024.

2.3 Securing the Group's long-term financing

In 2023, the Group carried out two new Sustainability-Linked Bond issues, indexed to two greenhouse gas emission targets:

- a 500 million euro issue on May 2, 2023, maturing in seven and a half years (due in October 2030) and paying a coupon of 3.75%;
- a 750 million euro issue on November 7, 2023, maturing in eight years (due in November 2031) and paying a coupon of 4.375%.

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

In addition, on June 12, 2023, the Group redeemed 500 million euros worth of 0.88% five-year bonds. On June 14, 2023, the Group subsequently redeemed 500 million US dollars' worth of convertible, non-dilutive 0% six-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-December 2023, compared with 3.6 years at end-December 2022.

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.

a. Bonds and notes

On April 27, 2023, Atacadão redeemed debenture-type debt representing 500 million Brazilian reals (approximately 93 million euros at the December 31, 2023 exchange rate) maturing in five years and paying a coupon of 105.75% of the CDI (*Certificado de Depósito Interbancário*) rate.

Conversely, 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 reals (approximately 174 million euros at the December 31, 2023 exchange rate) in three series:

- an initial series for 330 million Brazilian reals, with a coupon of CDI +0.95% and a maturity of three years;
- a second series for 468 million Brazilian reals, representing a coupon of 111.20% of the CDI after hedging and a maturity of four years;
- a third series for 132 million Brazilian reals, with a coupon of CDI +1.00% and a maturity of five years.

b. Bank loans covered by Brazil's law 4131/1962

US dollar bank financing facilities were finalised on January 10, 2023 and immediately swapped for a total of 2,293 million Brazilian reals. On December 20, 2023, Atacadão repaid the financing falling due and, the same day, renewed these euro and US dollar bank facilities, which were immediately swapped for a total of 2,323 million Brazilian reals (approximately 434 million euros at the December 31, 2023 exchange rate), with maturities ranging from 12 to 24 months.

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

Two bank loans matured in May 2023: one of 793 million Brazilian reals on May 5 and one of 568 million Brazilian reals on May 8 (approximately 254 million euros at the December 31, 2023



exchange rate). In June 2023, two other bank loans were repaid, one on June 5 for an amount of 1,014 million Brazilian reals and one on June 7 for an amount of 568 million Brazilian reals (approximately 296 million euros at the December 31, 2023 exchange rate). On September 20, 2023, two other bank financing facilities were repaid in an amount of 527 million Brazilian reals (approximately 99 million euros at the December 31, 2023 exchange rate).

c. Inter-company financing

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 reals bearing annual interest at 12% fell due in July 2023;
- The second RCF for 1.9 billion Brazilian reals, bearing annual interest at 14.25%, has a maturity of three years.

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

- The third RCF for 6.3 billion Brazilian reals (approximately 1.2 billion euros at the December 31, 2023 exchange rate), bearing annual interest at 14.95%, has a three-year maturity and was drawn for 2.3 billion Brazilian reals in the first half of 2023. The remaining 4 billion Brazilian reals were drawn down in July 2023 to refinance the first RCF, which fell due and was repaid.

These intra-group RCF loans, totalling 8.2 billion Brazilian reals at December 31, 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 reals by derivatives classified as net investment hedges.

At December 31, 2023, the Group was rated BBB with a stable outlook by Standard & Poor's and Baa1 with a stable outlook by Moody's.

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 euros per share to be paid entirely in cash.

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

2.5 Share buyback program

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.

The second share buyback mandate began on May 2, 2023 and ended on July 21, 2023, with 11,687,580 shares acquired at an average price of 17.11 euros per share for a total amount of 200 million euros.

On July 26, 2023, the Board of Directors, pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of May 26, 2023, decided to decrease the share capital of Carrefour SA by cancelling 26,887,362 treasury shares (including the last shares not yet cancelled, i.e., 4,685,375 shares acquired under the 2022 share buyback programme), representing approximately 3.6% of the share capital. These shares were cancelled on July 28, 2023.



The third share buyback mandate began on August 1, 2023 and ended on September 12, 2023, with 11,370,337 shares acquired at an average price of 17.59 euros per share for a total amount of 200 million euros.

The fourth share buyback mandate began on October 2, 2023 and ended on November 30, 2023, with 12,040,843 shares acquired at an average price of 16.61 euros per share for a total amount of 200 million euros.

On October 25, 2023, the Board of Directors, pursuant to the authorisation granted by the Extraordinary Shareholders' Meeting of May 26, 2023, decided to decrease the share capital of Carrefour SA by way of cancellation of 11,193,018 treasury shares representing approximately 1.6% of the share capital. These shares were cancelled on that day.

At December 31, 2023, Carrefour SA had 708,790,816 shares outstanding and, consequently, 17,609,525 treasury shares, representing 2.5% of the share capital.

2.6 Employee share ownership plan

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



NOTE 3: SCOPE OF CONSOLIDATION

3.1 Accounting principles

Basis of consolidation

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

(i) Subsidiaries

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

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

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

(ii) Associates and joint ventures

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

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

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

(iii) Other investments

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

Business combinations

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

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

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

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

- As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognised and measured at fair value.
- Goodwill corresponds to the excess of (i) the sum of the consideration transferred (i.e., the acquisition price) and the amount of any non-controlling interest in the acquiree, over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. It is recorded directly in the statement of financial position of the acquiree, in the latter's functional currency, and is subsequently tested for impairment at the level of the operating segment to which the acquiree belongs,



by the method described in Note 7.3. Any gain from a bargain purchase (i.e., negative goodwill) is recognised directly in profit or loss.

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

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

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

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

Changes in ownership interest not resulting in a change of control

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

Translation of the financial statements of foreign operations

The consolidated financial statements are presented in euros.

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

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

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

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

- non-monetary assets and liabilities are restated by applying a general price index;
- all local currency items in the income statement and statement of other comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements;
- the statement of financial position, income statement and statement of comprehensive income are translated into euros at the closing rate for the reporting period;
- the restatement of reserves for the indexation of Argentinean equity items is presented in exchange differences on translating foreign operations in the statement of comprehensive income and in the translation reserve in the statement of changes in consolidated equity;
- items in the statement of cash flows are translated at the average rate for the year unless the rate on the transaction date is materially different (see Note 6.4).



Translation of foreign currency transactions

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

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

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

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

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

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

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

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

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

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

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2023

The main transactions in 2023 are detailed in Note 2.1 and include the disposal of Carrefour Taiwan and Quitoque in France, the acquisition of the Cora banner in Romania, the creation of companies in partnership with Publicis Groupe and Nexity, the closure of unprofitable former Grupo BIG stores in Brazil, and sale and leaseback transactions in Brazil and Spain.

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. This transaction is expected to close in the summer of 2024.

Lastly, on September 20, 2023, Carrefour announced that it had reached an agreement with El Corte Inglés to acquire 47 stores operating under the Supercor banner in Spain. This transaction is expected to close no later than June 30, 2024.

3.2.2 Changes in 2022

Acquisition of Grupo BIG (Brazil) – see Note 2.1.1.3

Sale and leaseback transactions (Spain)

The property company Ofelia leased the premises of nine stores and a shopping mall to Carrefour Spain. In February 2022, Carrefour Spain exercised its pre-emptive right and acquired these assets for approximately 40 million euros. In December 2022, eight store premises (three hypermarkets and five supermarkets) out of the nine previously acquired were sold to a



property company as part of a sale and leaseback transaction for approximately 40 million euros. This transaction led to the recognition of around 2 million euros in non-recurring income in 2022.

The shopping mall and the ninth store were sold for 18 million euros in 2023.

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

Acquisition of Cosmopolitano (Brazil)

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

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

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

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

Sale of the Group's stake in Ploiesti (Romania)

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

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

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

The gain on the disposal of the Mestdagh shares, amounted to 24 million euros, net of costs, and was recognised within non-recurring items for the year 2022.

3.3 Scope of consolidation at December 31, 2023

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

The Group reviewed its analyses of control over subsidiaries in which it is not the sole investor, in light of changes in facts and circumstances during the year, and particularly those transactions described in Note 2.1. Based on its review, there were no changes in the type of control exercised over these subsidiaries.



NOTE 4: RESTATEMENT OF THE 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 2.1.1.3 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

<i>(in millions of euros)</i>	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
Non-current assets	32,667	(45)	32,622
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
Current assets	23,884	51	23,935
TOTAL ASSETS	56,551	6	56,558

SHAREHOLDERS’ EQUITY AND LIABILITIES

<i>(in millions of euros)</i>	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
Shareholders’ equity, Group share	11,144	-	11,144
Shareholders’ equity attributable to non-controlling interests	2,042	-	2,042
Total shareholders’ equity	13,186	-	13,186
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
Non-current liabilities	16,458	6	16,464
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
Current liabilities	26,907	-	26,907
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	56,551	6	56,558



NOTE 5: SEGMENT INFORMATION

Accounting principles

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

Countries located in the same region are considered to have similar characteristics and have been combined such that the Group reports on three geographical segments, as allowed by IFRS 8. These segments are:

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

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

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

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

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

5.1 Segment results

2023 (in millions of euros)	Group total	France	Europe	Latin America	Global Functions
Net sales	83,270	38,220	23,650	21,399	–
Other revenue	2,632	798	623	1,144	66
Recurring operating income before depreciation and amortisation	4,559	2,010	1,454	1,181	(86)
Recurring operating income	2,264	988	604	763	(91)
Capital expenditure	1,850	724	439	683	5
Depreciation and amortisation expense ²	(2,295)	(1,022)	(850)	(418)	(5)
2022 (in millions of euros)	Group total	France	Europe	Latin America	Global Functions
Net sales	81,385	37,706	22,643	21,036	–
Other revenue	2,546	809	587	1,078	71
Recurring operating income before depreciation and amortisation	4,613	1,857	1,451	1,367	(63)
Recurring operating income	2,377	834	606	1,005	(69)
Capital expenditure ¹	1,882	741	420	717	5
Depreciation and amortisation expense ²	(2,236)	(1,023)	(845)	(361)	(6)

(1) In 2022, capital expenditure included the acquisition of the two last Makro Atacadista stores on a full ownership basis for 21 million euros, bringing the total to 29 acquired stores at December 31, 2022.

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

Latin America’s segment earnings include Grupo BIG’s contribution over 12 months for 2023, versus seven months for 2022 (acquisition of Grupo BIG effective June 1, 2022, see Note 2.1.1.3).



5.2 Segment assets and liabilities

December 31, 2023 <i>(in millions of euros)</i>	Group total	France	Europe	Latin America	Global Functions
ASSETS					
Goodwill	8,712	5,193	2,393	1,125	1
Other intangible assets	1,552	667	619	258	8
Property and equipment	12,360	4,537	2,651	5,170	2
Investment property	262	10	115	137	–
Right-of-use assets	4,464	1,566	2,043	854	1
Other segment assets	18,896	7,829	3,360	7,160	548
Total segment assets	46,247	19,801	11,180	14,705	561
Unallocated assets	9,924				
TOTAL ASSETS	56,171				
LIABILITIES (excluding equity)					
Segment liabilities	28,927	11,958	8,171	8,445	354
Unallocated liabilities	13,857				
TOTAL LIABILITIES	42,784				

December 31, 2022 IFRS 3 restated <i>(in millions of euros)</i>	Group total	France	Europe	Latin America	Global Functions
ASSETS					
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
Total segment assets	46,007	19,870	11,018	14,587	532
Unallocated assets	10,551				
TOTAL ASSETS	56,558				
LIABILITIES (excluding equity)					
Segment liabilities	28,190	11,995	7,719	8,123	352
Unallocated liabilities	15,182				
TOTAL LIABILITIES	43,371				



NOTE 6: OPERATING ITEMS

6.1 Revenue

Accounting principles

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

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

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

(i) Recognition of net sales and other revenue

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

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

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

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

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

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

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

(ii) Accounting treatment of customer loyalty programmes

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

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

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



Notes to the consolidated financial statements

6.1.1 Net sales

<i>(in millions of euros)</i>	2023	2022	% change
Net sales	83,270	81,385	2.3%

Factoring out Argentina, which saw a major devaluation of the peso during the year, net sales for 2023 at constant exchange rates would have been virtually identical at current exchange rates.

Net sales by country ⁽¹⁾

<i>(in millions of euros)</i>	2023	2022
France	38,220	37,706
Europe (excluding France)	23,650	22,643
Spain	10,860	10,437
Belgium	4,209	3,905
Italy	3,926	3,916
Romania	2,569	2,328
Poland	2,085	2,057
Latin America	21,399	21,036
Brazil	19,258	18,064
Argentina	2,141	2,972
TOTAL NET SALES	83,270	81,385

(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>	2023	2022	% change
Financing fees and commissions ¹	1,426	1,404	1.5%
Franchise and lease management fees	420	402	4.4%
Rental revenue	176	173	1.8%
Revenue from sub-leases	24	23	2.0%
Property development revenue ²	31	13	144.9%
Other revenue ³	556	530	4.8%
TOTAL OTHER REVENUE	2,632	2,546	3.4%

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

(2) Corresponding to the sale price of properties developed by the Group for resale. After deducting development costs recorded in "Cost of sales", the property development margin amounted to 8 million euros in 2023 compared with zero in 2022.

(3) Other revenue notably includes commission from marketplace sales, commission received from suppliers, and revenue generated from retail media and from merchant services.

Despite the significant rise in refinancing costs due to higher interest rates, financing fees and commissions recognised in 2023 confirmed the rally begun in 2022, propelled by strong sales momentum in Brazil and a return to growth in the French business.

Similarly, property development revenue, revenue generated by retail media and revenue from merchant services (including ticketing and travel) continued to rise in 2023.

Franchise and lease management fees also climbed further in France, Spain and Italy.



6.2 Recurring operating income

Accounting principles

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

6.2.1 Cost of sales

Accounting principles

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

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

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

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

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

6.2.2 Sales, general and administrative expenses, depreciation and amortisation

<i>(in millions of euros)</i>	2023	2022	% change
Sales, general and administrative expenses	(12,335)	(11,958)	3.2%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(1,304)	(1,284)	1.5%
Depreciation of right-of-use asset - property and equipment and investment property	(728)	(694)	4.8%
TOTAL SG&A EXPENSES AND DEPRECIATION AND AMORTISATION	(14,367)	(13,936)	3.1%

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

<i>(in millions of euros)</i>	2023	2022	% change
Employee benefits expense	(7,373)	(7,337)	0.5%
Fees	(904)	(802)	12.8%
Energy and electricity	(903)	(736)	22.7%
Maintenance and repair costs	(778)	(766)	1.6%
Advertising expense	(682)	(656)	4.0%
Taxes other than on income	(521)	(526)	(1.0)%
Property rentals (excl. IFRS 16) ¹	(82)	(76)	7.9%
Other SG&A expenses	(1,094)	(1,060)	3.2%
TOTAL SG&A EXPENSES	(12,335)	(11,958)	3.2%

(1) In 2022 and 2023, lease expenses under property leases do not include lease expenses under contracts accounted for in accordance with IFRS 16 (see Note 8), which would have amounted to 898 million euros in 2022, and 991 million euros in 2023 had IFRS 16 not been applied.

The increase in sales, general and administrative expenses in 2023 reflects the rise in energy costs, a higher price for certain purchased services and the consolidation of Grupo BIG from June 1, 2022



Notes to the consolidated financial statements

(Grupo BIG contribution calculated over 12 months for 2023 compared with seven months for 2022).

Depreciation and amortisation

Including supply chain depreciation and amortisation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 2,295 million euros in 2023 (versus 2,236 million euros in 2022), as follows:

<i>(in millions of euros)</i>	2023	2022	% change
Property and equipment	(1,037)	(1,025)	1.1%
Intangible assets	(255)	(247)	3.3%
Investment property	(12)	(12)	0.6%
Depreciation of property and equipment and of investment property, and amortisation of intangible assets	(1,304)	(1,284)	1.5%
Depreciation of right-of-use asset - property and equipment and investment property	(728)	(694)	4.8%
Depreciation and amortisation of supply chain	(63)	(60)	4.0%
Depreciation of right-of-use asset - supply chain	(201)	(198)	1.7%
TOTAL DEPRECIATION AND AMORTISATION	(2,295)	(2,236)	2.6%

6.3 Non-recurring income and expenses

Accounting principles

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

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

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

Non-recurring items represented a net expense of 558 million euros in 2023, and the detailed breakdown is as follows:

<i>(in millions of euros)</i>	2023	2022
Gains and losses on disposals of assets	66	212
Restructuring costs	(352)	(13)
Other non-recurring income and expenses	25	(16)
Non-recurring income and expenses, net before asset impairments and write-offs	(261)	183
Asset impairments and write-offs	(297)	(147)
<i>of which Impairments and write-offs of goodwill</i>	(1)	(1)
<i>of which Impairments and write-offs of property and equipment, intangible assets and others</i>	(295)	(146)
NON-RECURRING INCOME AND EXPENSES, NET	(558)	36
of which:		
<i>Non-recurring income</i>	476	440
<i>Non-recurring expense</i>	(1,034)	(404)



Gains and losses on disposals of assets

Gains and losses on disposals of non-current assets result from gains and losses on the sale and leaseback of five stores and four warehouses in Brazil and six hypermarkets in Spain (Note 2.1.5) and on the disposal of Carrefour Brazil's headquarters building. They also include capital gains on the disposal of various assets (store premises, land and businesses), mainly to franchisees in France. Net disposal gains were partially offset by the capital loss incurred on the disposal of Quitoque in France (see Note 2.1.3).

Restructuring costs

Restructuring costs recognised in 2023 relate to the new Carrefour 2026 strategic plan (see Note 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, 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 *Rupture Conventiionnelle Collective* 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 recorded in 2023 primarily comprise reversals of provisions in Brazil i) for tax risks relating to PIS-COFINS tax credits following the expiry of statutory limitation periods or favourable judgements, and ii) for ICMS tax credits following their sale. These reversals were almost entirely offset by costs related to store closures under way in Brazil (see Note 2.1.4).

Asset impairments and write-offs

Asset impairments (other than goodwill) and write-offs in 2023 include impairment recognised against non-current assets, reflecting the difficulties experienced by certain stores, as well as the retirement of various assets relating to stores in France, Spain and Belgium, and to IT in France and Belgium.

Impairment was also recognised against unprofitable former Grupo BIG stores in Brazil which were closed in 2023 (mainly stores under the Maxxi banner) or in the process of being closed at December 31, 2023 (stores under the Todo Dia, Bompreço and Nacional banners and some stores that had been converted to the Carrefour banner) for a total of approximately 120 million euros (Note 2.1.4). The caption also includes the partial write-down of brands recognised in Grupo BIG's opening balance sheet for approximately 38 million euros (Note 2.1.1.3).

Lastly, it includes write-downs to bring the net carrying amount of Showroomprivé shares in line with the stock market price at December 31, 2023.

Main non-recurring items in 2022

Gains and losses on disposals of non-current assets comprised gains and losses arising on the sale of various assets (store premises and businesses) to franchisees, notably in France and Italy. It also included the gain on the disposal of the nine hypermarkets and five supermarkets in Spain through sale and leaseback transactions. Gains on the disposal of the equity-accounted investments in Mestdagh in Belgium and Ploiesti Shopping City in Romania were also included in this caption.

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

Asset impairments (other than goodwill) and write-offs in 2022 included impairment recognised against non-current assets, reflecting the difficulties experienced by certain stores, particularly in France and Italy, as well as the retirement of various assets, in particular relating to IT in France. Asset impairments also included write-downs to bring the net carrying amount of Showroomprivé shares into line with the stock market share price at December 31, 2022.



6.4 Working capital requirement

6.4.1 Change in working capital requirement

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

<i>(in millions of euros)</i>	2023	2022	Change
Change in inventories	(6)	(678)	672
Change in trade receivables	(75)	(350)	275
Change in trade payables	662	1,044	(382)
Change in loyalty program liabilities	10	43	(33)
Change in trade working capital requirement	591	59	532
Change in other receivables and payables	185	49	136
CHANGE IN WORKING CAPITAL REQUIREMENT	775	108	667

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

In light of the major devaluation of the Argentine peso on December 13, 2023, and in accordance with the accounting principles described in Note 3.1, items in the Argentine cash flow statement for the month of December 2023 were translated at the average exchange rate for that month, while items relating to the first 11 months of the year were translated at the average rate over that period in order to reflect as closely as possible the rate existing at the time of the transactions.

6.4.2 Inventories

Accounting principles

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

The cost of goods inventories corresponds to the latest purchase price plus all related expenses, or the weighted average cost. Given rapid inventory turnover, these two methods do not lead to significant differences. The cost of goods inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the rebates and commercial income negotiated with suppliers.

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Inventories at cost	6,752	7,088
Impairment	(208)	(195)
INVENTORIES, NET	6,544	6,893

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



6.4.3 Trade receivables

Accounting principles

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

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

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Receivables from clients	2,457	2,312
Impairment	(234)	(190)
Receivables from clients, net	2,223	2,122
Receivables from suppliers	1,046	1,208
TOTAL TRADE RECEIVABLES	3,269	3,330

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

6.4.4 Suppliers and other creditors

Accounting principles

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

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Suppliers and other creditors	14,242	14,393
<i>Of which reverse factored payables</i>	1,998	2,297



6.4.5 Tax receivables and payables

Breakdown of tax receivables

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
VAT and sales tax receivables	590	684
Other tax (other than on income) receivables	60	98
Current tax receivables	173	167
TOTAL TAX RECEIVABLES	824	948

Breakdown of tax payables

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
VAT and sales tax payables	485	462
Other tax (other than on income) payables	498	510
Current tax payables	239	210
TOTAL TAX PAYABLES - PORTION DUE IN LESS THAN ONE YEAR	1,222	1,182
TOTAL TAX PAYABLES - PORTION DUE IN MORE THAN ONE YEAR	57	85

6.4.6 Other assets and payables

Breakdown of other assets

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Prepaid expenses	443	419
Receivables from real estate activity	89	75
Proceeds receivable from disposals of non-current assets	28	34
Employee advances	14	11
Other operating receivables, net	434	486
TOTAL OTHER CURRENT ASSETS	1,008	1,025
Prepaid expenses – portion due in more than one year	2	1
Tax receivables – portion due in more than one year ¹	694	608
TOTAL OTHER NON-CURRENT ASSETS	697	609

(1) These correspond to ICMS and PIS-COFINS tax credits expected to be collected in over 12 months. At December 31, 2023, the total gross amount of the Brazilian ICMS tax credits, mainly attributable to favourable rulings handed down by the Brazilian Supreme Court, represented 1,080 million euros (1,184 million euros at December 31, 2022). This amount has been written down by 426 million euros (resulting in a net receivable of 654 million euros versus 705 million euros at December 31, 2022) to reflect the market value of the tax credits, which the Company intends to use over a period not exceeding three years. In the income statement, the total amount of the Brazilian ICMS tax credits for the year are recorded in recurring operating income and those for prior years are recorded in non-recurring income.

Breakdown of other current payables

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Accrued employee benefits expense	1,532	1,531
Payables to suppliers of non-current assets	567	714
Deferred revenue	147	131
Other payables	614	567
TOTAL OTHER CURRENT PAYABLES	2,860	2,943



6.5 Banking and insurance businesses

Accounting principles

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

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

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

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

6.5.1 Consumer credit granted by the financial services companies

As of December 31, 2023, consumer credit granted by the financial services companies totalled 6,554 million euros (versus 5,978 million euros at December 31, 2022), as follows:

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Payment card receivables	6,650	5,583
Loans	1,501	1,448
Consumer credit (linked to in-store purchases)	53	59
Other financing ¹	163	245
Impairment	(1,813)	(1,356)
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	6,554	5,978
<i>Portion due in less than one year</i>	<i>4,644</i>	<i>4,111</i>
<i>Portion due in more than one year</i>	<i>1,911</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 around 1 billion euros compared with December 31, 2022. This reflects strong momentum in the consumer credit business in Brazil, driven in part by the acquisition of Grupo BIG customers who now use payment solutions from the Brazilian bank (Banco CSF), 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 1 and 3 credit over the year.

At December 31, 2023, 70% of the gross value of consumer credit granted by the financial services companies was classified in category 1, 7% in category 2 and 23% 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 3.2% compared with December 31, 2022, reflecting expected credit losses in Brazil and Spain.



The amount of impairment for consumer credit was estimated according to the rules and principles described below.

Credit risk management and impairment approach

Accounting principles

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

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

Classification of consumer credit

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

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

(i) Significant increase in credit risk

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

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

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

(ii) Objective evidence of impairment (default)

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

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

The consumer credit concerned is classified in category 3.

Estimates of expected credit losses

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

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



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

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

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

6.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,702 million euros at December 31, 2023 (December 31, 2022: 5,142 million euros), as follows:

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Bonds and notes ¹	950	824
Debt securities (Neu CP and Neu MTN) ²	1,530	1,553
Bank borrowings ³	654	572
Customer passbook savings deposits	276	279
Securitisations ⁴	287	297
Other refinancing debt to financial institutions	1,966	1,577
Other	38	41
TOTAL CONSUMER CREDIT FINANCING	5,702	5,142
<i>Portion due in less than one year</i>	<i>3,771</i>	<i>3,592</i>
<i>Portion due in more than one year</i>	<i>1,931</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 three-month Euribor (four years maturing in May 2027, three-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 (four years maturing in September 2023, three-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 320 million euro refinancing operation with the European Central Bank (maturity March 2024) and drawdowns of credit lines.

(4) This item corresponds to the Master Credit Cards Pass reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013 for an initial asset pool of 560 million euros. Proceeds from the securitisation amounted to 400 million euros. This vehicle was maintained at December 31, 2023 with a balance of 287 million euros.



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

7.1 Intangible assets

Accounting principles

Goodwill

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

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

Other intangible assets

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

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

Software (excluding SaaS arrangements)

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

Software as a Service (SaaS) arrangements

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

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022 IFRS 3 restated
Goodwill	8,712	8,644
Other intangible assets	1,552	1,499
TOTAL INTANGIBLE ASSETS	10,264	10,143

7.1.1 Goodwill

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

The 68 million euro increase in goodwill compared to the end-2022 figure as restated for IFRS 3 primarily reflects a 57 million euro positive translation adjustment resulting from the slight increase in the value of the Brazilian real and Polish zloty during the period. To a lesser extent, the increase in goodwill also results from various acquisitions in France and from the Cora acquisition in Romania (see Note 2.1.1.1).



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(in millions of euros)	December 31, 2022 IFRS 3 restated	Acquisitions	Disposals	Impairment	Other movements	Exchange differences	December 31, 2023
France	5,184	9	–	–	–	–	5,193
Brazil	1,080	–	–	–	–	44	1,124
Spain	1,031	–	–	–	–	–	1,031
Belgium	950	–	–	(0)	–	–	950
Poland	225	–	–	–	–	18	242
Romania	99	3	–	–	–	(1)	102
Italy	69	–	–	(1)	–	–	67
Argentina	5	–	–	–	–	(4)	1
Global Functions	1	–	–	–	–	–	1
TOTAL	8,644	12	–	(2)	–	57	8,712

At December 31, 2022 as restated for IFRS 3, the 649 million euro increase in goodwill relative to December 31, 2021 reflected:

- completion of the acquisition of Grupo BIG in Brazil, including the recognition of final goodwill in the amount of 795 million euros. In accordance with IFRS 3 – *Business Combinations*, the price reduction and other adjustments occurring within 12 months of the acquisition’s closing were recognised retrospectively in Grupo BIG’s opening balance sheet with an offsetting adjustment to goodwill (see Note 2.1.1.3);
- various acquisitions in France for a total of 37 million euros, corresponding mainly to the Carré d’Or franchisee;
- the derecognition of goodwill recorded by Carrefour Taiwan for 147 million euros, reflecting the disposal of operations there (see Note 2.1.3);
- an unfavourable translation adjustment of 36 million euros, mainly attributable to the decrease in the value of the Brazilian real since the consolidation of Grupo BIG on June 1, 2022.

(in millions of euros)	December 31, 2021	Acquisitions	Disposals	Impairment	Other movements	Exchange differences	December 31, 2022 IFRS 3 restated
France	5,147	37	–	–	–	–	5,184
Brazil	314	795	–	–	–	(29)	1,080
Spain	1,031	–	–	–	–	–	1,031
Belgium	950	–	–	–	–	–	950
Poland	229	–	–	–	–	(4)	225
Romania	99	–	–	–	–	(0)	99
Italy	69	–	–	(1)	–	–	69
Argentina	8	–	–	–	–	(3)	5
Global Functions	1	–	–	–	–	–	1
Taiwan	147	–	(147)	–	–	–	–
TOTAL	7,995	832	(147)	(1)	–	(36)	8,644



Notes to the consolidated financial statements

7.1.2 Other intangible assets

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Other intangible assets, at cost	3,956	3,744
Amortisation	(2,681)	(2,510)
Impairment	(85)	(51)
Intangible assets in progress	362	316
TOTAL OTHER INTANGIBLE ASSETS, NET	1,552	1,499

Changes in other intangible assets

<i>(in millions of euros)</i>	Gross carrying amount	Amortisation and impairment	Net carrying amount
At December 31, 2021	3,895	(2,563)	1,333
Disposal of Carrefour Taiwan ¹	(58)	29	(28)
Acquisitions	376	–	376
Other disposals	(303)	264	(40)
Amortisation	–	(247)	(247)
Impairment	–	(5)	(5)
Exchange differences	14	(15)	(1)
Changes in scope of consolidation ²	105	–	105
Transfers and other movements	31	(25)	6
At December 31, 2022	4,060	(2,561)	1,499
Acquisitions	385	–	385
Disposals	(130)	90	(40)
Amortisation	–	(255)	(255)
Impairment ³	–	(38)	(38)
Exchange differences	(27)	20	(7)
Changes in scope of consolidation, transfers and other movements	30	(22)	8
At December 31, 2023	4,318	(2,766)	1,552

(1) The amounts reported on this line related to other intangible assets owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Accordingly, other changes shown in this table for 2022 did not include amounts relating to Carrefour Taiwan in the period. Carrefour Taiwan was sold on June 30, 2023.

(2) This item corresponded almost exclusively to the intangible assets of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1.1.3).

(3) In 2023, this item corresponds to the partial write-down of brands recognised at the time of the Grupo BIG acquisition in Brazil (see Note 2.1.4).



7.2 Property and equipment

Accounting principles

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

Initial recognition

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

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

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

Useful lives

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

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

Buildings	
▪ Buildings	40 years
▪ Site improvements	10 to 20 years
▪ Car parks	6 to 10 years
Equipment, fixtures and fittings	
	4 to 25 years
Other	
	3 to 10 years

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

Depreciation periods are reviewed at each year-end and, where appropriate, adjusted prospectively in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.

As part of its plan to reduce CO₂ emissions from its activities, the Group acquired new types of equipment – in particular photovoltaic power plants for self-consumption and refrigeration plants running on natural fluid (CO₂) with much lower emissions. The Group determined the useful lives of these facilities in 2023.

At December 31, 2023, the Group had not identified any significant factors related to climate change that would lead to a revision of the useful lives applied.

(in millions of euros)	December 31, 2023			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land	3,248	–	(57)	3,190
Buildings	11,606	(6,006)	(155)	5,446
Equipment, fixtures and fittings	14,435	(11,215)	(299)	2,921
Other fixed assets	1,002	(777)	(3)	222
Assets under construction	581	–	–	581
TOTAL PROPERTY AND EQUIPMENT	30,872	(17,997)	(515)	12,360



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<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
TOTAL PROPERTY AND EQUIPMENT	31,277	(18,120)	(546)	12,612

Changes in property and equipment

<i>(in millions of euros)</i>	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2021	29,600	(18,879)	10,721
Disposal of Carrefour Taiwan ¹	(1,316)	879	(437)
Acquisitions	1,504	–	1,504
Other disposals ²	(890)	671	(218)
Depreciation	–	(1,086)	(1,086)
Impairment	–	(25)	(25)
Exchange differences	(85)	89	4
Changes in scope of consolidation ³	1,967	–	1,967
Transfers and other movements ⁴	498	(316)	182
At December 31, 2022	31,277	(18,666)	12,612
Acquisitions	1,461	–	1,461
Disposals ²	(1,567)	1,132	(435)
Depreciation	–	(1,100)	(1,100)
Impairment ⁴	–	(97)	(97)
Exchange differences ⁶	(577)	477	(99)
Changes in scope of consolidation, transfers and other movements ⁵	277	(259)	17
At December 31, 2023	30,872	(18,512)	12,360

- (1) The amounts reported on this line related to property and equipment owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Accordingly, other changes shown in this table for 2022 did not include amounts relating to Carrefour Taiwan in the period. Carrefour Taiwan was sold on June 30, 2023.
- (2) In 2023, this item corresponds mainly to the sale and leaseback of the real estate of five stores and four warehouses in Brazil for around 220 million euros and of six hypermarkets in Spain for 114 million euros (see Note 2.1.5). It also includes the sale of Carrefour Brazil's headquarters building, various sales of store premises and lands in France, and the retirement of fully depreciated property, plant and equipment in France.
In 2022, this item corresponded mainly to the sale and leaseback of the real estate of nine hypermarkets and five supermarkets in Spain for approximately 150 million euros, the disposal of a warehouse in the Campania region in Italy, as well as various sales of store premises and lands in France.
- (3) In 2022, this item corresponded almost exclusively to the property and equipment of Grupo BIG, following its consolidation on June 1, 2022 (see Note 2.1.1.3).
- (4) In 2023, this item includes approximately 85 million euros in impairment of the property, plant and equipment of Grupo BIG's 122 unprofitable Brazilian stores (in the process of being closed) at December 31, prior to their reclassification as assets held for sale (see below).
- (5) In 2022 and 2023, this item corresponds mainly to the hyperinflation effect applied to property and equipment held in Argentina, in accordance with IAS 29. In 2023, it was reduced by the reclassification of the assets of Grupo BIG's 122 stores as held for sale (see Note 2.1.4).
- (6) In 2023, exchange differences mainly reflect the sharp decline in the value of the Argentine peso over the year, partially offset by the slight increase in the value of the Brazilian real.



7.3 Impairment tests

Accounting principles

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

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

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

Impairment of assets other than goodwill

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

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

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

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

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

Goodwill impairment

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

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

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

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, with a terminal value calculated by projecting data for the final year at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows used in the impairment tests carried out in 2023 were estimated based on the financial trajectories defined by the Executive Management teams at country level and approved by the Group's Executive Management. These future cash flows take into account the best estimate of the impact of climate change to date, including the level of planned investments.

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

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



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

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

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

7.3.1 Impairment of goodwill and sensitivity analysis

The impairment tests performed in 2023 did not result in any impairment losses being recorded against goodwill. Impairment losses were also not recognised against goodwill in 2022.

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

In the impairment tests carried out at December 31, 2023, the recoverable amount of Italy and Poland CGUs were found to be close to – but still greater than – the carrying amount. Accordingly, no impairment loss was recognised on Italian or Polish goodwill.

Italy

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

In the impairment tests carried out at December 31, 2021, partial impairment of Italian goodwill was recorded in an amount of 80 million euros (in addition to the 104 million euro impairment loss recognised at the end of 2020). This reflected a decrease in net sales and the value of real estate assets in comparison with end-2020. At December 31, 2022, no additional impairment of Italian goodwill was required.

The multi-criteria approach was used again to test Italian goodwill for impairment at December 31, 2023. The resulting fair value represented Executive Management's best estimate and confirmed that the 67 million euro carrying amount of Italian goodwill at December 31, 2023 was reasonable.

Poland

The Group carried out an in-depth analysis to determine the Polish operations' fair value at December 31, 2023. This analysis adopted a multi-criteria valuation approach which took into account multiples observed for comparable companies in the retail sector in Europe, and the market value of Polish real estate assets, determined based on independent appraisals.

This analysis revealed that the value in use of Polish operations was higher than their net carrying amount. The resulting fair value represented Executive Management's best estimate and confirmed that the 242 million euro carrying amount of Polish goodwill at December 31, 2023 was reasonable.

7.3.1.2 Other countries

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



7.3.1.3 Main financial assumptions used to estimate value in use

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2023 and 2022 are presented below by CGU:

Country	2023		2022	
	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	7.0%	1.6%	6.3%	1.6%
Spain	7.6%	1.7%	6.9%	1.7%
Italy	8.6%	2.0%	8.2%	2.0%
Belgium	7.1%	2.0%	6.4%	1.7%
Poland	9.0%	2.5%	8.4%	2.5%
Romania	10.2%	2.5%	9.5%	2.5%
Brazil	11.3%	3.0%	10.6%	3.0%
Argentina	58.2%	32.5%	56.4%	32.2%

7.4 Investment property

Accounting principles

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

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

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

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

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

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

(in millions of euros)	December 31, 2023	December 31, 2022
Investment property (gross carrying amount)	493	502
Depreciation and impairment	(231)	(223)
TOTAL INVESTMENT PROPERTY, NET	262	279



Changes in investment property

(in millions of euros)

	Net carrying amount
At December 31, 2021	291
Disposal of Carrefour Taiwan ¹	(54)
Acquisitions	3
Other disposals	(0)
Depreciation	(12)
Exchange differences	(0)
Transfers and other movements ²	51
At December 31, 2022	279
Acquisitions	4
Disposals	(0)
Depreciation	(12)
Exchange differences ³	(26)
Transfers and other movements ²	18
At December 31, 2023	262

(1) The amounts reported on this line related to investment property owned by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Accordingly, other changes shown in this table for 2022 did not include amounts relating to Carrefour Taiwan in the period. Carrefour Taiwan was sold on June 30, 2023.

(2) In 2022 and 2023, transfers and other movements correspond mainly to the hyperinflation effect applied to investment property held in Argentina, in accordance with IAS 29.

(3) Exchange differences mainly reflect the sharp decline in the value of the Argentine peso at the reporting date, partially offset by the slight increase in the value of the Polish zloty and Brazilian real.

Rental revenue generated by investment property, reported in the income statement under “Other revenue”, totalled 53 million euros in 2023 versus 45 million euros in 2022. Operating costs directly attributable to the properties amounted to 14 million euros in 2023 and 11 million euros in 2022.

The estimated fair value of investment property at December 31, 2023 was 691 million euros versus 729 million euros at December 31, 2022 based on the independent appraisal report drawn up in Argentina. The lower fair value essentially reflects the sharp decline in the value of the Argentine peso at the reporting date, partially offset by the effect of hyperinflation in Argentina in application of IAS 29.



NOTE 8: LEASES

Accounting principles

Leases concern:

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

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

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

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

Recognition of lease commitments

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

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

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

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

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

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

Recognition of right-of-use assets

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

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

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

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

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

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

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



Lease term

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

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

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

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

Accounting treatment for subleasing arrangements

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

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

If the sublease is classified as a finance lease:

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

Sale and leaseback transactions

When the Group enters into a sale and leaseback transaction classified as a sale in accordance with IFRS 15, a right to use the leased asset (right-of-use asset) is recognised as a portion of the previous carrying amount of the underlying asset, corresponding to the right of use granted in exchange for the commitment to make lease payments, as defined by IFRS 16. Gains and losses on these transactions are recognised in non-recurring income and expenses in proportion to the rights effectively transferred to the buyer-lessor.

Income tax

Deferred tax is recognised based on the gross amount of temporary taxable and deductible differences. Deferred tax is recognised upon initial recognition of the right-of-use asset and lease commitment.



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The change in right-of-use assets and lease commitments compared to December 31, 2022 mainly reflects the consolidation of those items recognised following the sale and leaseback of the real estate of five stores and four warehouses in Brazil and of six hypermarkets in Spain (Note 2.1.5), along with the consolidation of the leases relating to Cora in Romania following the acquisition of 19 leased stores (Note 2.1.1.1). The increase in right-of-use assets and lease commitments was partially offset by depreciation and lease payments made during the year.

8.1 Right-of-use assets

(in millions of euros)	December 31, 2023				December 31, 2022			
	Gross carrying amount	Depreciation	Impairment	Net carrying amount	Gross carrying amount	Depreciation	Impairment	Net carrying amount
Land & Buildings	8,206	(3,784)	(81)	4,342	7,154	(3,036)	(49)	4,068
Equipment, fixtures and fittings	147	(24)	–	123	143	(22)	–	121
TOTAL RIGHT-OF-USE ASSET	8,354	(3,808)	(81)	4,464	7,297	(3,058)	(49)	4,190

Change in right-of-use assets

(in millions of euros)	Gross carrying amount	Depreciation and impairment	Net carrying amount
At December 31, 2021	7,155	(2,795)	4,361
Disposal of Carrefour Taiwan ¹	(831)	399	(432)
Increase ²	906	–	906
Decrease	(404)	222	(182)
Depreciation	–	(892)	(892)
Impairment	–	(46)	(46)
Exchange differences	(7)	(1)	(8)
Changes in scope of consolidation ³	485	–	485
Other movements	(7)	5	(2)
At December 31, 2022	7,297	(3,108)	4,190
Increase ²	1,336	–	1,336
Decrease	(369)	160	(210)
Depreciation	–	(928)	(928)
Impairment	–	(43)	(43)
Exchange differences ⁴	38	(5)	34
Changes in scope of consolidation ³	98	3	101
Other movements	(47)	31	(15)
At December 31, 2023	8,354	(3,889)	4,464

(1) In 2022, the amounts reported on this line related to right-of-use assets held by Carrefour Taiwan (classified in discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Accordingly, other changes shown in this table for 2022 did not include amounts relating to Carrefour Taiwan in the period. Carrefour Taiwan was sold on June 30, 2023.

(2) In 2023, increases notably include the right-of-use assets booked following the sale and leaseback of the real estate of five stores and four warehouses in Brazil for 105 million euros, and of six hypermarkets in Spain for 62 million euros (see Note 2.1.5). In 2022, the increases were linked to the sale and leaseback of nine hypermarkets and five supermarkets in Spain for an amount of 44 million euros.

(3) In 2023, changes in the scope of consolidation mainly reflect the inclusion of the right-of-use assets of the stores leased by Cora in Romania for 104 million euros (see Note 2.1.1.1). In 2022, changes in the scope of consolidation corresponded mainly to the inclusion of the right-of-use assets of the stores leased by Grupo BIG since June 1, 2022 (see Note 2.1.1.3).

(4) In 2023, exchange differences primarily reflect the increase in the value of the Brazilian real and the Polish zloty at the reporting date, partially offset by the decline in the value of the Argentine peso.



8.2 Lease commitments

Lease commitments by maturity

(in millions of euros)

	December 31, 2023	December 31, 2022
Due within 1 year	1,007	955
Due in 1 to 2 years	857	794
Due in 2 to 5 years	1,510	1,432
Due beyond 5 years	1,526	1,349
TOTAL LEASE COMMITMENTS	4,901	4,530



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

Accounting principles

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

Companies accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component of recurring operating income ("Net income/(loss) of equity-accounted companies"), in accordance with recommendation no. 2020-01 of the French accounting standards setter (ANC).

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

9.1 Changes in investments in equity-accounted companies

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

(in millions of euros)

At December 31, 2021	1,256
Acquisitions and capital increases	15
Disposals	(52)
Dividends	(76)
Share of net income	50
Exchange differences and other movements	5
At December 31, 2022	1,197
Acquisitions and capital increases	2
Disposals	–
Dividends	(82)
Share of net income	44
Exchange differences and other movements	(20)
At December 31, 2023	1,142



9.2 Information about associates

The following table shows key financial data for associates:

<i>(in millions of euros)</i>	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales / Revenues	Net income / (loss)
Carmila (France)	36%	5,514	2,167	4,411	370	62
Provencia (France)	50%	454	300	271	900	21
Market Pay (France)	35%	494	167	358	141	(13)
Showroomprive.com (France) ¹	9%	448	201	224	657	0
Ulysse (Tunisia)	25%	131	99	117	363	9
Costasol (Spain)	34%	106	51	54	179	9
CarrefourSA (Turkey) ¹	32%	385	(39)	149	962	(9)
Other companies ²	N/A	998	354	556	2,174	41

(1) Financial data published for the year 2022.

(2) Corresponding to a total of 225 companies, none of which is individually material.

At December 31, 2023, the two main associates were Carmila with a carrying amount of 707 million euros (December 31, 2022: 754 million euros) and Provencia with a carrying amount of 137 million euros (December 31, 2022: 134 million euros). These two associates represented 74% of the total value of equity-accounted companies at end-2023.

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

Main changes in investments in equity-accounted companies in 2023

Carmila (France)

In first-half 2023, Carmila carried out a share buyback programme followed by cancellation of the shares, representing approximately 1.0% of the share capital. This led to an increase in Carrefour's interest in Carmila, from 36.0% at December 31, 2022 to 36.4% at December 31, 2023.

Market Pay (France)

In the second half of 2023, Market Pay finalised the acquisition of Polish fintech Novelpay, notably through the issue of new shares. This led to a decrease in Carrefour's interest in Market Pay, from 38.6% at December 31, 2022 to 35.0% at December 31, 2023.

Showroomprivé (France)

Additional impairment of 7 million euros on the Showroomprivé shares was recognised against non-recurring income and expenses in order to align their value with the company's share price at December 31, 2023.

Adialéa (France)

In July 2023, Adialéa carried out a capital increase to which Carrefour elected not to subscribe, leading to the dilution of the Group's interest in that company, from 5.0% at December 31, 2022 to 3.0% at December 31, 2023.

The dilutive or accretive effects of the above transactions are not material and were recognised in non-recurring income and expenses in accordance with the Group's accounting principles.



Notes to the consolidated financial statements

Focus on Carmila

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

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

In parallel with the merger of Carmila into Cardety, the corporate governance rules were adjusted (restructuring of its governance and management bodies, and amendments to its Articles of Association and the Board of Directors' Internal Rules). In light of the amended corporate governance rules, the Group considers that it has significant influence over Carmila, which is accounted for using the equity method. This position is primarily derived from the fact that the Carrefour group is not represented by a majority on the Board of Directors (comprising 13 members, of which nine independent from Carrefour and four appointed by Carrefour as of December 31, 2023). Therefore, the Group does not have the unilateral ability to direct decisions requiring the Board's prior consent, which concern a portion of the relevant activities.

The following table presents key financial data for Carmila at December 31, 2023 and 2022 (as published in Carmila's consolidated financial statements). Carmila's European Public Real Estate Association Net Tangible Assets (EPRA NTA), corresponding to net assets excluding transfer costs, financial instruments at fair value and the deferred tax effect, amounted to 3,443 million euros at December 31, 2023.

<i>(in millions of euros)</i>	2023	2022
Revenue (rental income)	369	357
Operating income before fair value adjustment of assets	292	291
Operating income ¹	85	298
Net income/(loss) from continuing operations	9	221
Total non-current assets ¹	5,686	5,976
Total current assets	1,045	538
<i>of which cash and cash equivalents</i>	860	357
Total non-current liabilities	2,703	2,765
Total current liabilities	734	241
<i>% interest held by Carrefour</i>	36.4%	36.0%
Carrefour - Value of Carmila's shares accounted for by the equity method	707	754
Carrefour - Cash dividends received from Carmila	61	52

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



9.3 Transactions with associates (related parties)

The following table presents the main related-party transactions carried out in 2023 with companies over which the Group exercises significant influence:

<i>(in millions of euros)</i>	Carmila (France)	Provencia (France)	Market Pay (France)	Ulysse (Tunisia)	Costasol (Spain)	CarrefourSA (Turkey)
Net sales (sales of goods)	–	623	–	4	107	–
Franchise fees	–	8	–	2	8	4
Property development revenue ¹	30	–	–	–	–	–
Sales of services	19	–	–	–	0	–
Fees and other operating expenses	(8)	–	(120)	–	(7)	–
Receivables at closing	7	22	2	1	20	1
Payables at closing	(7)	–	(8)	–	(8)	(1)

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



NOTE 10: INCOME TAX

Accounting principles

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

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

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

10.1 Income tax expense for the period

<i>(in millions of euros)</i>	2023	2022
Current income tax expense (including provisions)	(341)	(362)
Deferred income taxes	(98)	(46)
TOTAL INCOME TAX EXPENSE	(439)	(408)



Tax proof

Theoretical income tax for 2023 and 2022 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate. For 2023, theoretical income tax expense amounted to 346 million euros compared with actual net income tax expense of 439 million euros, as follows:

<i>(in millions of euros)</i>	2023	2022
Income before taxes	1,339	1,973
Standard French corporate income tax rate	25.83%	25.83%
Theoretical income tax expense	(346)	(510)
Adjustments to arrive at effective income tax rate:		
- Differences between the standard French corporate income tax rate and overseas nominal taxation rates	(7)	(51)
- Effect of changes in applicable tax rates	–	0
- Tax expense and tax credits not based on the taxable income ¹	97	129
- Tax effect of other permanent differences ²	(43)	53
- Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years ³	7	33
- Deferred tax assets not recognised on temporary differences and tax loss carryforwards arising in the year ⁴	(153)	(71)
- Valuation allowances on deferred tax assets recognised in prior years ⁴	(5)	(4)
- Tax effect of net income from equity-accounted companies	11	13
- Other differences	(2)	(1)
TOTAL INCOME TAX EXPENSE	(439)	(408)
<i>Effective tax rate (ETR)</i>	<i>32.8%</i>	<i>20.7%</i>

(1) The reported amount of taxes other than on income notably takes into account the CVAE local business tax in France, which fell to 19 million euros in 2023 (2022: 37 million euros) due to the halving of the applied rate, as well as withholding taxes, tax credits and changes in provisions for tax risks. In 2022, it also included income of 52 million euros resulting from the decision of the Brazilian Supreme Court not to tax certain tax credits.

(2) In 2023 and 2022, this item includes the tax saving relating to notional interest paid by the Brazilian subsidiary Atacadão, which dropped sharply following the significant reduction in the amount paid in 2023.

In 2023, this item also includes non-deductible expenses relating to the disposal of equity investments in France and losses incurred on the conversion of Grupo BIG stores in Brazil.

(3) In 2022, deferred tax assets recognised on prior years' tax losses primarily concerned France and Brazil.

(4) In 2023, unrecognised deferred tax assets and valuation allowances chiefly concerned Grupo BIG in Brazil, Italy and Belgium, and Carrefour Banque in France. In 2022, they concerned to a lesser extent Grupo BIG in Brazil, Italy and Belgium.

10.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 95 million euros at December 31, 2023, versus 110 million euros at December 31, 2022 as restated for IFRS 3.

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022 IFRS 3 restated ¹
Deferred tax assets (DTA)	395	475
Deferred tax liabilities (DTL)	(300)	(365)
NET DEFERRED TAX ASSETS	95	110

(1) See Note 4.



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The following table shows the main sources of deferred taxes:

(in millions of euros)	December 31, 2022 IFRS 3 restated & IAS 12 ^{1 2}	Change			December 31, 2023
		Deferred income (expense) tax	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other ³	
Tax loss carryforwards ⁴	1,483	44	–	20	1,548
Lease commitments and restoring assets at the end of the property leases ²	1,200	73	–	15	1,288
Non-deductible provisions ¹	1,029	(80)	9	67	1,026
Goodwill amortisation allowed for tax purposes ¹	343	63	–	0	407
Inventories	129	3	–	(11)	121
Financial instruments	14	(8)	2	21	29
Other temporary differences ²	284	(10)	(0)	(86)	186
Deferred tax assets before netting	4,483	85	11	27	4,605
Effect of netting deferred tax assets and liabilities ^{1 2}	(1,912)	(46)	8	3	(1,947)
Deferred tax assets after netting	2,571	39	19	30	2,659
Valuation allowances on deferred tax assets	(2,097)	(118)	(2)	(48)	(2,264)
Net deferred tax assets	475	(79)	18	(18)	395
Right-of-use assets and sub-lease receivable ²	(1,129)	(45)	–	(15)	(1,188)
Property and equipment	(424)	(47)	–	79	(391)
Provisions recorded solely for tax purposes	(257)	10	–	(0)	(247)
Goodwill amortisation allowed for tax purposes	(113)	–	–	(5)	(118)
Financial instruments	(60)	14	32	0	(14)
Other temporary differences	(294)	2	(0)	2	(290)
Deferred tax liabilities before netting	(2,277)	(65)	31	63	(2,247)
Effect of netting deferred tax assets and liabilities ^{1 2}	1,912	46	(8)	(3)	1,947
Deferred tax liabilities after netting	(365)	(19)	23	61	(300)
NET DEFERRED TAXES	110	(98)	40	42	95

- (1) Deferred tax assets and liabilities were retrospectively restated in Grupo BIG's opening balance sheet in a negative amount of 1 million euros with a corresponding adjustment to goodwill in accordance with IFRS 3 (see Note 4).
- (2) In accordance with the amendments to IAS 12 – Income Taxes, deferred tax relating to assets and liabilities arising from a single transaction are presented prior to offsetting. The reversal of offsetting shown in the table above concerns right-of-use assets along with lease commitments and provisions for the associated restoration costs.
- (3) The assets side of this column includes reclassifications of items in Brazil from the "Other temporary differences" line to the "Non-deductible provisions" and "Financial instruments" lines.
- (4) At December 31, 2023, the amount of deferred tax assets and write-downs of deferred tax assets relating to tax loss carryforwards primarily concerns Brazil and Italy.

10.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 2,264 million euros at December 31, 2023 (December 31, 2022: 2,097 million euros), including 1,481 million euros related to tax loss carry forwards (December 31, 2022: 1,282 million euros) and 784 million euros to temporary differences (December 31, 2022: 816 million euros).



NOTE 11: PROVISIONS AND CONTINGENT LIABILITIES

Accounting principles

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

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

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

11.1 Changes in provisions

(in millions of euros)	December 31, 2022 IFRS 3 restated ⁴	Increases	Reversals of surplus provisions ⁵	Utilisations	Discounting adjustment	Exchange differences, changes in scope of consolidation and other ⁶	December 31, 2023
Employee benefits	537	67	(35)	(49)	36	(11)	545
Claims and litigation	2,773	445	(333)	(238)	–	70	2,717
<i>Tax litigations</i>	1,773	102	(126)	(41)	–	61	1,770
<i>Employee related disputes</i>	599	207	(131)	(142)	–	8	541
<i>Legal disputes</i>	401	136	(76)	(56)	–	2	406
Restructuring ¹	138	216	(13)	(104)	–	0	239
Provisions related to banking and insurance businesses ²	280	63	(22)	(46)	–	2	278
Other ³	251	22	(35)	(19)	–	14	233
TOTAL PROVISIONS	3,979	814	(436)	(456)	36	76	4,012

(1) See Notes 2.2 and 6.3.

(2) Provisions relating to the banking and insurance businesses notably include provisions for credit risks 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 2.1.3).

(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 Notes 2.1.1.3 and 4).

(5) Reversals of surplus provisions mainly concern Brazil and relate to tax and labour risks for which the statute of limitations has expired or for which judgements were handed down in favour of the Group.

(6) Exchange differences totalled 79 million euros, corresponding almost entirely to the slight 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 11 million euros following the transfer of integrated stores to lease management contracts in France in 2023.

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

At December 31, 2023, claims and legal proceedings involving the Group were covered by provisions totalling 2.72 billion euros, compared with 2.77 billion euros at December 31, 2022, as restated for IFRS 3. No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.



11.2 Claims and litigation

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

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

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

In Brazil, Carrefour is exposed to tax risks, in particular relating to the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration programme and to the financing of the social security system (PIS-COFINS). The Group has challenged most of the assessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with the Carrefour Brazil group's advisors and an appropriate provision is recorded. At December 31, 2023, the corresponding provision totalled 1,653 million euros (versus 1,651 million euros at December 31, 2022 as restated for IFRS 3) and legal deposits paid in connection with reassessments contested by the Group – recorded in "Other non-current financial assets" (see Note 14.5) – amounted to 444 million euros (393 million euros at December 31, 2022).

11.2.2 Employee related disputes

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

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

11.2.3 Tax and commercial disputes

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

11.3 Contingent liabilities

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

In Brazil, due to the highly complex tax rules, especially those applicable to retailers, the Group is exposed to tax risks which the Group and its counsel consider are unlikely to lead to an outflow of resources. The tax risks represented a total exposure of 2.1 billion euros at December 31, 2023 (an increase of approximately 0.4 billion euros versus December 31, 2022, mainly due to the fact that the reassessments notified in previous fiscal years have been extended to new fiscal years, and to the slight increase in the value of the Brazilian real). The main tax risk concerns the deductibility for tax purposes of the goodwill amortisation relating to the 2007 acquisition of Atacadão, representing a total exposure of 616 million euros (including costs) at December 31, 2023. The Group continues to believe that the risk is unlikely to lead to an outflow of resources.

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

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



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

On December 29, 2023, the French Trade and Retail Federation, Carrefour SA and its subsidiaries were acquitted.

On October 1, 2019, Carrefour Argentina (INC SA) and its former Chairman were accused of complicity in unauthorised financial intermediation, with the alleged events occurring between 2012 and 2015 in a context of hyperinflation. On December 5, 2022, INC SA and its former Chief Executive Officer were acquitted. This decision was appealed by Argentina's Central Bank on December 13, 2022. INC SA and its former Chairman were acquitted by a final judgement dated September 1, 2023.

In August 2019, Atacadão SA announced two criminal proceedings initiated by the State of São Paulo's public prosecutor (GEDEC) against public officials and company employees concerning the conditions under which the operating licences for the headquarters of Atacadão and two stores were renewed. Atacadão SA not being party to these criminal proceedings, the municipality of São Paulo initiated two civil proceedings against the company on June 27, 2020 and May 25, 2021. In a decision dated March 14, 2023, the municipality of São Paulo dismissed Atacadão SA's liability and terminated the proceedings initiated on June 27, 2020. The proceedings were effectively terminated on April 12, 2023.



NOTE 12: NUMBER OF EMPLOYEES, EMPLOYEE COMPENSATION AND BENEFITS

Accounting principles

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

All of these benefits are accounted for in accordance with IAS 19 – *Employee Benefits*. Short-term benefits (i.e., benefits expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under “Other current payables”) and recorded as an expense for the year in which the employees render the related services (see Note 6.2.2). Post-employment benefits and other long-term benefits are measured and recognised as described in Note 12.1.

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

12.1 Pension and other post-employment benefits

Accounting principles

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

Defined contribution plans

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

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

Defined benefit and long-term benefit plans

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

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

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

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

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

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



12.1.1 Description of the main defined benefit plans

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

French plans

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

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 December 31, 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.

Furthermore, as a reminder, the Board of Directors decided at its April 20, 2022 meeting to set up a supplementary defined benefit pension plan that meets the requirements of Article L. 137-11-2, as amended, of the French Social Security Code (*Code de la sécurité sociale*), effective from January 1, 2020. The main characteristics of the plan are as follows:

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

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

Belgian plans

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

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

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

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



Italian plans

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

12.1.2 Net expense for the period

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

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

2023 (in millions of euros)	France	Belgium	Italy	Other countries	Group total
Current service cost	29	14	0	1	44
Past service cost (plan amendments and curtailments) ¹	(17)	–	–	0	(17)
Settlements and other ²	(22)	–	0	–	(22)
Service cost	(10)	14	0	1	5
Interest cost (discount effect)	13	13	2	1	29
Return on plan assets	(0)	(7)	–	–	(7)
Other items	0	0	–	0	0
Expense (income) for 2023	3	20	2	2	27

(1) This line includes income of 17 million euros recognised within employee benefits expense corresponding to the amendment to benefits granted to beneficiaries following the enactment on April 15, 2023 of the French Amended Social Security Financing Law (law no. 2023-270). This law provides for, among other things, a gradual increase in the statutory retirement age as from September 1, 2023 to 64 in 2030.

(2) The line includes the impact of curtailments following the remeasurement of commitments resulting from the restructuring plan being implemented in France (see Note 2.2), recognised in non-recurring income for 14 million euros.

The net expense for 2023 corresponds to 19 million euros recognised in employee benefits expense, 14 million euros recognised in non-recurring income, and 22 million euros recorded in financial expense. The net expense for 2022 corresponded to 48 million euros recognised in employee benefits expense and 7 million euros in financial expense.



12.1.3 Breakdown of the provision

<i>(in millions of euros)</i>	France	Belgium	Italy	Other countries	Group total
Defined benefit obligation	341	352	59	10	762
Fair value of plan assets	(28)	(197)	–	–	(225)
Provision at December 31, 2022	313	154	59	10	537
Defined benefit obligation	353	341	58	13	765
Fair value of plan assets	(31)	(189)	–	–	(220)
Provision at December 31, 2023	321	153	58	13	545

12.1.4 Change in the provision

<i>(in millions of euros)</i>	France	Belgium	Italy	Other countries	Group total
Provision at January 1, 2022	445	215	88	39	786
Movements recorded in the income statement	33	19	1	2	55
Benefits paid directly by the employer	(14)	(13)	(13)	(1)	(40)
Effect of changes in scope of consolidation ¹	(67)	–	–	(29)	(96)
Change in actuarial gains and losses ²	(84)	(59)	(17)	(1)	(161)
Other	–	(7)	–	1	(6)
Provision at December 31, 2022	313	154	59	10	537
Movements recorded in the income statement	3	20	2	2	27
Benefits paid directly by the employer	(16)	(11)	(10)	(1)	(37)
Effect of changes in scope of consolidation ¹	(11)	–	–	–	(11)
Change in actuarial gains and losses ²	32	(4)	6	2	36
Other	–	(7)	–	(0)	(7)
Provision at December 31, 2023	321	153	58	13	545

(1) In 2022 and 2023, the effect of changes in the scope of consolidation in France, which reduced the provision by 67 million euros and 11 million euros, respectively, corresponded to the reclassification of the provision for employee benefits to other provisions following the transfer of integrated stores to lease management contracts.

In 2022, the amount reported in the "Other countries" column corresponded to the provision recognised by Carrefour Taiwan (classified within discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Carrefour Taiwan was sold on June 30, 2023.

(2) This line breaks down as follows:

2022 <i>(in millions of euros)</i>	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(2)	0	3	(1)	0
Actuarial (gain)/loss due to demographic assumption changes	3	–	(1)	0	2
Actuarial (gain)/loss due to financial assumption changes ¹	(84)	(75)	(19)	(1)	(179)
Return on plan assets (greater)/less than discount rate	(0)	16	–	–	16
Changes in actuarial gains and losses 2022	(84)	(59)	(17)	(1)	(161)
2023 <i>(in millions of euros)</i>	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	13	(13)	3	0	3
Actuarial (gain)/loss due to demographic assumption changes	4	–	(0)	(0)	4
Actuarial (gain)/loss due to financial assumption changes ¹	15	9	3	2	29
Return on plan assets (greater)/less than discount rate	(0)	0	–	–	0
Changes in actuarial gains and losses 2023	32	(4)	6	2	36

(1) Eurozone discount rates increased sharply in 2022, from 0.80% at end-2021 to 3.80% at end-2022. These rates decreased in 2023 to represent 3.20% at the year-end.



12.1.5 Plan assets

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Fair value at January 1, 2022	20	228	–	21	269
Return on plan assets	0	2	–	–	2
Benefits paid out of plan assets	(0)	(24)	–	–	(24)
Actuarial gain/(loss)	0	(16)	–	–	(16)
Other ¹	8	7	–	(21)	(6)
Fair value at December 31, 2022	28	197	–	–	225
Return on plan assets	0	7	–	–	7
Benefits paid out of plan assets	(2)	(23)	–	–	(25)
Actuarial gain/(loss)	0	(0)	–	–	(0)
Other	6	7	–	–	13
Fair value at December 31, 2023	31	189	–	–	220

(1) The 21 million euro expense reported in the "Other countries" column corresponded to the provision recognised by Carrefour Taiwan (classified within discontinued operations in 2022 – see Note 2.1.3) at January 1, 2022. Carrefour Taiwan was sold on June 30, 2023.

Plan assets break down as follows by asset class:

	December 31, 2023			
	Bonds	Equities	Monetary investments	Real estate and other
France	0%	0%	100%	0%
Belgium	0%	0%	100%	0%

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

Hedging assets such as bonds and equities, which consisted solely of listed securities at the end of 2022, were used to settle benefits due to employees who retired in 2023.

12.1.6 Actuarial assumptions and sensitivity analysis

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

	2023	2022
Retirement age	64-67	63-67
Rate of future salary increases	2% to 2.6%	2% to 2.6%
Inflation rate	2.0%	2.0%
Discount rate	3.20%	3.80%

At December 31, 2023, a discount rate of 3.20% 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 2023, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 8.4 years, 7.0 years and 8.2 years respectively (2022: 9.0 years, 6.7 years and 8.6 years respectively).

Sensitivity tests show that:

- a 25-bps increase in the discount rate would reduce the defined benefit obligation under the French, Belgian and Italian plans by around 12 million euros;
- a 25-bps increase in the inflation rate would increase the defined benefit obligation under the French, Belgian and Italian plans by around 5 million euros.

12.2 Share-based payments

Accounting principles

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

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

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

The cost of share-based payment plans for 2023 recorded under employee benefits expense in recurring operating income was 53 million euros, with a corresponding increase in equity (2022: 22 million euros). The increase reflects the employee share ownership plan launched in May 2023 (see Note 2.6).

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

12.2.1 Stock option plans

There were no longer any Carrefour SA stock option plans outstanding at December 31, 2023, since the 2010 plans based on performance conditions and continued employment in the Group expired in July 2017.

a. Brazil 2017 "Pre-IPO" Plan

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

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



Notes to the consolidated financial statements

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

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

Movements in the 2017 stock option plan were as follows:

	2023	2022
Options outstanding at January 1	1,123,681	2,626,971
Options granted during the year	–	–
Options exercised during the year	(1,100,345)	(1,503,290)
Options cancelled or that expired during the year	(23,336)	–
Options outstanding at December 31	–	1,123,681

The options were exercised up to March 21, 2023 at a price of 11.7 Brazilian reais.

b. 2019 "Regular" Plan in Brazil

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

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

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

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



Notes to the consolidated financial statements

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

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

The number of options outstanding at December 31, 2023 under the 2019 stock option plan amounted to 3,159,255.

12.2.2 Performance share plans

a. Carrefour SA performance share plans

Under the 2020 performance share plan which expired on February 27, 2023, the level of attainment achieved by the Carrefour group was 100%. Accordingly, 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.

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

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

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

Details of the 2021 performance share plan are presented below.

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

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

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

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



Notes to the consolidated financial statements

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

	2023	2022
Shares allotted at January 1	2,662,800	2,927,600
Shares granted during the year	–	–
Shares delivered to the grantees during the year ¹	(3,200)	(4,100)
Shares cancelled during the year	(233,500)	(260,700)
Shares allotted at December 31	2,426,100	2,662,800

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

Under the 2021 performance share plan which expired on February 17, 2024, the level of attainment achieved by the Carrefour group was 100%. Accordingly, 2 411 400 shares were delivered to the beneficiaries in accordance with the relevant settlement terms.

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

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

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

Details of the 2022 performance share plan are presented below.

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

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

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

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

Movements in performance share grants related to the 2022 plan were as follows:

	2023	2022
Shares allotted at January 1	2,947,945	–
Shares granted during the year	–	3,104,000
Shares delivered to the grantees during the year ¹	(3,200)	–
Shares cancelled during the year	(218,375)	(156,055)
Shares allotted at December 31	2,726,370	2,947,945

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



Notes to the consolidated financial statements

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 29th resolution of the Annual Shareholders' Meeting held on May 21, 2021 to grant new or existing performance shares. The plan provided for the grant of a maximum of 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 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 ¹	February 14, 2023
Vesting date ²	February 14, 2026
Total number of shares approved at the grant date	2,833,260
Number of grantees at the grant date	680
Fair value of each share (in euros) ³	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.

Movements in performance share grants related to the 2023 plan were as follows:

	2023
Shares allotted at January 1	–
Shares granted during the year	2,833,260
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(67,460)
Shares allotted at December 31	2,765,800

b. Atacadão performance share plans

The Atacadão 2020 performance share plan expired on November 10, 2023. Accordingly, 529,780 shares were delivered to the beneficiaries in accordance with the relevant settlement terms.

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

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

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



Notes to the consolidated financial statements

Details of the 2021 performance share plan are presented below.

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

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

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

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

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

	2023	2022
Shares allotted at January 1	1,523,235	1,523,235
Shares granted during the year	–	–
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(201,408)	–
Shares allotted at December 31	1,321,827	1,523,235

On May 5, 2022, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

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

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

Details of the 2022 performance share plan are presented below.

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

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

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

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



Notes to the consolidated financial statements

Movements in performance share grants under the Brazil 2022 "Regular plan" were as follows:

	2023	2022
Shares allotted at January 1	1,998,935	–
Shares granted during the year	–	1,998,935
Shares delivered to the grantees during the year	–	–
Shares cancelled during the year	(235,300)	–
Shares allotted at December 31	1,763,635	1,998,935

On June 1, 2023, the Board of Directors of Atacadão decided to grant rights to existing or new Atacadão shares. This plan was approved by Atacadão's Shareholders' Meeting held on April 14, 2020.

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

- two conditions linked to financial performance (recurring operating income for 25% and net free cash flow for 25%);
- a condition linked to an external performance criterion (TSR), benchmarking the Atacadão 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.

Brazil 2023 "Regular" Plan	
Shareholders' Meeting date	April 14, 2020
Grant date ¹	June 1, 2023
Vesting date ²	June 1, 2026
Total number of shares approved at the grant date	2,063,975
Number of grantees at the grant date	117
Fair value of each share (in reals) ³	14.38

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

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

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

Movements in performance share grants under the Brazil 2023 "Regular plan" were as follows:

	2023
Shares allotted at January 1	–
Shares granted during the year	2,063,975
Shares delivered to the grantees during the year	–
Shares cancelled during the year	(32,525)
Shares allotted at December 31	2,031,450



12.3 Management compensation (related parties)

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

<i>(in millions of euros)</i>	2023	2022
Compensation for the year	8.2	8.6
Prior year bonus	8.3	8.1
Benefits in kind (accommodation and company car)	0.7	0.6
Total compensation paid during the year	17.2	17.4
Employer payroll taxes	6.8	6.2
Termination benefits	–	–

Other management benefit plans are as follows:

- the supplementary defined benefit pension plan described in Note 12.1;
- performance share rights: the serving members of the management team at December 31, 2023 held 2,445,737 performance share rights across all plans (2,402,879 at December 31, 2022), for which the vesting conditions are described in Note 12.2.2.

The compensation paid in 2023 to members of the Board of Directors in respect of their duties amounted to 1.1 million euros (1.1 million euros in 2022).

12.4 Number of employees

	2023	2022
Senior Directors	469	361
Directors	1,667	1,710
Managers	27,012	25,478
Employees	281,144	283,052
Average number of Group employees	310,292	310,601
Number of Group employees at the year-end	305,309	334,640

The Group's headcount as shown for 2023 and 2022 does not include employees of Carrefour Taiwan. The Group's average headcount includes the employees of Grupo BIG over 12 months in 2023 and seven months in 2022 (see Note 2.1.1.3).



NOTE 13: EQUITY AND EARNINGS PER SHARE

13.1 Capital management

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

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

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

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

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

13.2 Share capital and treasury stock

13.2.1 Share capital

At December 31, 2023, the share capital was made up of 708,790,816 ordinary shares with a par value of 2.5 euros each, all fully paid.

<i>(in thousands of shares)</i>	2023	<i>Of which treasury</i>	2022
Outstanding at January 1	742,157	11,545	775,896
Issued for cash ¹	4,714	–	–
Issued/(used) under performance share plans ²	–	(2,053)	–
Share buyback program ³	–	46,198	–
Cancelled shares ³	(38,080)	(38,080)	(33,738)
Outstanding at December 31	708,791	17,610	742,157

(1) See Note 2.6.

(2) See Note 12.2.2.a.

(3) See Note 2.5.

13.2.2 Treasury stock

Accounting principles

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

At December 31, 2023, a total of 17,609,525 shares were held in treasury.

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

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



Notes to the consolidated financial statements

13.3 Dividends

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

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

13.4 Other comprehensive income

Group share (in millions of euros)	2023			2022		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges ¹	(111)	29	(82)	129	(26)	103
Changes in debt instruments at fair value through other comprehensive income ²	(31)	(1)	(32)	(13)	3	(9)
Exchange differences on translation of intercompany loans qualifying as net investment of foreign operations, net of hedge effect ³	(7)	2	(6)	(15)	4	(11)
Exchange differences on translating foreign operations ⁴	(48)	–	(48)	258	–	258
Items that may be reclassified subsequently to profit or loss	(198)	30	(168)	359	(19)	340
Remeasurements of defined benefit plans obligation ⁵	(36)	7	(28)	163	(36)	127
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	0	0	(0)	0
Items that will not be reclassified subsequently to profit or loss	(36)	7	(28)	163	(36)	127
TOTAL GROUP SHARE	(233)	37	(196)	522	(55)	467

Non-controlling interests (in millions of euros)	2023			2022		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	(15)	4	(11)	16	(5)	11
Changes in debt instruments at fair value through other comprehensive income	4	(1)	3	(13)	3	(9)
Exchange differences on translating foreign operations ⁴	58	–	58	122	–	122
Items that may be reclassified subsequently to profit or loss	46	3	49	125	(1)	124
Remeasurements of defined benefit plans obligation ⁵	(0)	0	(0)	5	(1)	4
Changes in the fair value of equity instruments through other comprehensive income	0	(0)	0	0	(0)	0
Items that will not be reclassified subsequently to profit or loss	(0)	0	(0)	5	(1)	4
TOTAL NON-CONTROLLING INTERESTS SHARE	46	3	49	130	(2)	128

(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 2.1.3). To a lesser extent, this item also includes swaps in Spain and France taken out to hedge the risk of unfavourable changes in energy prices for electricity and biomethane, respectively (see Note 14.7.6).

(2) At December 31, 2023, the carrying amount of Flink shares was reduced by 35 million euros to align with their fair value (see Note 2.1 to the 2022 consolidated financial statements).

(3) In 2023 and 2022, Carrefour Finance granted two intra-group revolving credit facilities (RCF) to the Brazilian subsidiary Atacadão for 2.3 billion Brazilian reals and 5.9 billion Brazilian reals 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 2.3).

(4) The Group's share of exchange differences in 2023 mainly reflects the major decrease in the value of the Argentine peso, as well as the reversal of positive translation adjustments recorded by Carrefour Taiwan in an amount of 52 million euros, partially offset by the increase in the value of the Brazilian real and the Polish zloty.

The share of exchange differences attributable to non-controlling interests in 2023 reflects the slight increase in the value of in the Brazilian real. Exchange differences recognised in 2022 mainly resulted from the sharp increase in the value of the Brazilian real compared with December 31, 2021.

(5) Remeasurement of the net defined benefit liability recognised in 2023 reflects the decrease in discount rates applied for the eurozone, from 3.80% at end-December 2022 to 3.20% at end-December 2023. In 2022, these discount rates had increased sharply, from 0.80% at end-December 2021 to 3.80% at end-December 2022.



13.5 Shareholder's equity attributable to non-controlling interests

Non-controlling interests mainly concern:

- the sub-group made up of Carrefour Banque SA and its subsidiaries (part of the France operating segment), which is 60% owned by the Group;
- the Grupo Carrefour Brasil sub-group made up of Atacadão SA and its subsidiaries (part of the Latin America operating segment) and covering all of Carrefour's operations in Brazil, which is 68% owned by the Group.

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

Carrefour Banque sub-group

Income statement (in millions of euros)	2023	2022
Revenue (Net Banking Revenue)	167	184
Net income/(loss)	(32)	33

Statement of financial position (in millions of euros)	December 31, 2023	December 31, 2022
Total assets	3,672	3,502
Total liabilities excluding shareholders' equity	3,168	2,952
Dividends paid to non-controlling interests	–	6

Grupo Carrefour Brasil sub-group

Income statement (in millions of euros)	2023	2022
Total revenue	20,354	19,030
Net income/(loss)	(118)	370
of which:		
- attributable to the Carrefour group	(147)	322
- attributable to non-controlling interests	29	48

Statement of financial position (in millions of euros)	December 31, 2023	December 31, 2022 IFRS 3 restated
Non-current assets	8,994	8,853
Current assets	8,344	7,729
Non-current liabilities (excluding shareholders' equity)	4,581	4,280
Current liabilities	8,865	8,392
Dividends paid to non-controlling interests	23	12

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

- 2023 net loss of 118 million euros broke down into 99 million euros attributable to the Carrefour group and 19 million euros attributable to non-controlling interests.
- 2022 net income of 370 million euros broke down into 223 million euros attributable to the Carrefour group and 146 million euros attributable to non-controlling interests.

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



13.6 Earnings per share (Group share)

Accounting principles

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

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

Basic earnings per share	2023	2022
Net income/(loss) from continuing operations	930	1,368
Net income/(loss) from discontinued operations	729	(21)
Net income/(loss) (in millions of euros)	1,659	1,348
Weighted average number of shares outstanding ¹	714,170,185	741,377,552
Basic income/(loss) from continuing operations - per share (in euros)	1.30	1.85
Basic income/(loss) from discontinued operations - per share (in euros)	1.02	(0.03)
Basic income/(loss) - per share (in euros)	2.32	1.82

(1) In accordance with IAS 33, the weighted average number of shares used to calculate earnings per share for 2023 was adjusted to take into account the impact of the share buybacks carried out during the period (see Note 2.5).

Diluted earnings per share	2023	2022
Net income/(loss) from continuing operations	930	1,368
Net income/(loss) from discontinued operations	729	(21)
Net income/(loss) (in millions of euros)	1,659	1,348
Weighted average number of shares outstanding, before dilution	714,170,185	741,377,552
Potential dilutive shares	5,055,485	5,245,147
Performance shares	5,055,485	5,245,147
Diluted weighted average number of shares outstanding	719,225,670	746,622,699
Diluted income/(loss) from continuing operations - per share (in euros)	1.29	1.83
Diluted income/(loss) from discontinued operations - per share (in euros)	1.01	(0.03)
Diluted income/(loss) - per share (in euros)	2.31	1.80



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

Accounting principles

Non-derivative financial assets

In accordance with IFRS 9 – *Financial Instruments*, the main financial assets are classified in one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss (FVPL).

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

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

(i) Financial assets at amortised cost

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

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

These assets are impaired as described below.

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

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

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

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

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

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

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

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

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

Impairment

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



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

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

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

Non-derivative financial assets held by the Group

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

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

Non-derivative financial liabilities

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

Non-derivative financial liabilities held by the Group

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

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

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly interest rate and currency risks. The Group may also hedge the risk of changes in the prices of certain commodities, including electricity, natural gas, and – exceptionally – oil.

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

(i) Derivatives designated as hedging instruments

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

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

Carrefour uses three types of hedges for accounting purposes: cash flow hedges, fair value hedges and hedges of net investment in a foreign operation.

Cash flow hedges

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

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



Fair value hedges

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

Swaps set up to convert fixed rate bonds and notes to variable rate are qualified as fair value hedges. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognised in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps. At December 31, 2023, the financing facilities arranged for Brazilian subsidiary Atacadão in September 2021, April 2023 and December 2023, respectively, were subject to fair value hedges (see Note 14.2.3).

Hedges of a net investment in a foreign operation

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

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

(ii) Other derivative instruments

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

Fair value calculation method

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

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

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

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2023 and 2022, the effect of incorporating these two types of risk was not material.



Notes to the consolidated financial statements

14.1 Financial instruments by category

At December 31, 2023		Breakdown by category					Fair value
(in millions of euros)	Carrying amount	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	154	20	134	–	–	–	154
Other long-term investments	1,074	79	185	810	–	–	1,074
Other non-current financial assets	1,229	99	319	810	–	–	1,229
Consumer credit granted by the financial services companies	6,554	–	–	6,554	–	–	6,554
Trade receivables	3,269	–	–	3,269	–	–	3,269
Other current financial assets	685	191	176	204	1	114	685
Other current assets ¹	564	–	–	564	–	–	564
Cash and cash equivalents	6,290	6,290	–	–	–	–	6,290
ASSETS	18,592	6,580	495	11,402	1	114	18,592
Total borrowings	9,487	–	–	9,425	5	58	9,416
Total lease commitments	4,901	–	–	4,901	–	–	4,901
Total consumer credit financing	5,702	–	–	5,652	12	38	5,702
Suppliers and other creditors	14,242	–	–	14,242	–	–	14,242
Other current payables ²	2,713	–	–	2,713	–	–	2,713
LIABILITIES	37,045	–	–	36,933	17	96	36,973

At December 31, 2022 IFRS 3 restated		Breakdown by category					Fair value
(in millions of euros)	Carrying amount	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	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 ¹	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 ²	2,813	–	–	2,813	–	–	2,813
LIABILITIES	36,435	–	–	36,235	34	167	36,089

(1) Excluding prepaid expenses.

(2) Excluding deferred revenue.



Analysis of assets and liabilities measured at fair value

The table below shows assets and liabilities presented according to the fair value hierarchy provided for in IFRS 13 – *Fair Value Measurement* (see Note 1.8):

December 31, 2023 (in millions of euros)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies	–	20	134	154
Other long-term investments	264	–	–	264
Other current financial assets - Fair Value through OCI	176	–	–	176
Other current financial assets - Fair Value through profit or loss	191	–	–	191
Other current financial assets - Derivative instruments	–	115	–	115
Cash and cash equivalents	6,290	–	–	6,290
Consumer credit financing - Derivative instruments recorded in liabilities	–	(50)	–	(50)
Borrowings - Derivative instruments recorded in liabilities	–	(63)	–	(63)

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)

14.2 Net debt

14.2.1 Breakdown of net debt

Consolidated net debt (including discontinued operations) at December 31, 2023 amounted to 2,560 million euros compared to 3,378 million euros at December 31, 2022 as restated for IFRS 3. This amount breaks down as follows:

(in millions of euros)	December 31, 2023	December 31, 2022 IFRS 3 restated
Bonds and notes	8,077	7,697
Other borrowings	1,226	1,223
Commercial paper	122	490
Total borrowings excluding derivative instruments recorded in liabilities	9,425	9,410
Derivative instruments recorded in liabilities	63	148
TOTAL BORROWINGS	9,487	9,558
<i>of which borrowings due in more than one year</i>	7,264	6,912
<i>of which borrowings due in less than one year</i>	2,224	2,646
Other current financial assets ¹	638	728
Cash and cash equivalents	6,290	5,216
TOTAL CURRENT FINANCIAL ASSETS	6,928	5,944
NET DEBT	2,560	3,614
Net debt of discontinued operations	–	(236)
NET DEBT INCLUDING DISCONTINUED OPERATIONS	2,560	3,378

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



Notes to the consolidated financial statements

14.2.2 Breakdown of bond debt

<i>(in millions of euros)</i>		Face value				Book value of the debt	
		December 31, 2022	Issues	Repayments	Exchange differences	December 31, 2023	December 31, 2023
	Maturity						
Public placements by Carrefour SA		7,288	1,250	(963)	(22)	7,552	7,520
Non-dilutive convertible bonds, USD 500 million, 6 years, 0%	2023	469	–	(463)	(6)	–	–
EMTN, EUR, 5 years, 0.88%	2023	500	–	(500)	–	–	–
EMTN, EUR, 8 years, 0.750%	2024	750	–	–	–	750	750
Non-dilutive convertible bonds, USD 500 million, 6 years, 0%	2024	469	–	–	(16)	452	445
EMTN, EUR, 10 years, 1.25%	2025	750	–	–	–	750	749
EMTN, EUR, 7.5 years, 1.75%	2026	500	–	–	–	500	499
EMTN, EUR, 4.6 years, 1.88%	2026	750	–	–	–	750	748
EMTN, EUR, 8 years, 1.00%	2027	500	–	–	–	500	498
EMTN, EUR, 7.5 years, 2.625%	2027	1,000	–	–	–	1,000	996
EMTN, EUR, 6 years, 4.125%	2028	850	–	–	–	850	848
EMTN, EUR, 7.6 years, 2.38%	2029	750	–	–	–	750	745
EMTN, EUR, 7.5 years, 3.75%	2030	–	500	–	–	500	497
EMTN, EUR, 8 years, 4.375%	2031	–	750	–	–	750	744
Placements by Atacadão SA		458	175	(90)	14	557	557
Debentures, BRL 500 million, 5 years, 105.75% CDI	2023	90	–	(90)	0	–	–
Debentures, BRL 350 million, 5 years, 100% CDI+0.55%	2024	63	–	–	3	65	65
Debentures, BRL 200 million, 7 years, 100% CDI+0.65%	2026	36	–	–	1	37	37
Debenture ("CRA"), BRL 467 million, 4 years, 100% CDI+0.55%	2026	84	–	–	3	87	87
Debenture ("CRA"), BRL 330 million, 3 years, 100% CDI+0.95%	2026	–	62	–	(0)	62	62
Debenture ("CRA"), BRL 188 million, 5 years, 100% CDI+0.60%	2027	34	–	–	1	35	35
Debenture ("CRA"), BRL 844 million, 5 years, 100% CDI+0.79%	2027	152	–	–	6	158	158
Debenture ("CRA"), BRL 468 million, 4 years, 11.87%	2027	–	88	–	(1)	87	87
Debenture ("CRA"), BRL 132 million, 5 years, 100% CDI+1.00%	2028	–	25	–	(0)	25	25
TOTAL BONDS AND NOTES		7,746	1,425	(1,053)	(8)	8,109	8,077

On May 2, 2023, Carrefour SA carried out a new Sustainability-Linked Bond issue indexed to two goals related to greenhouse gas emissions, for a total of 500 million euros, maturing in seven and a half 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% five-year bonds.

On June 14, 2023, Carrefour SA redeemed 500 million dollars worth of convertible, non-dilutive 0% six-year bonds.

Lastly, on November 7, 2023, Carrefour SA carried out a new Sustainability-Linked Bond issue indexed to two goals related to greenhouse gas emissions, for a total of 750 million euros, maturing in eight years (due in November 2031) and paying a coupon of 4.375%.

The Group's financial position and liquidity were solid at December 31, 2023. The average maturity of bond debt was 3.8 years at end-December 2023, compared with 3.6 years at end-December 2022.



Financing of the Brazilian subsidiary Atacadão

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

Conversely, 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 174 million euros at the December 31, 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 three years;
- a second series for 468 million Brazilian reais, with a coupon of 11.87% before hedging, representing 111.20% of the CDI after hedging, and a maturity of four years;
- a third series for 132 million Brazilian reais, with a coupon of CDI +1.00% and a maturity of five years.

14.2.3 Breakdown of other borrowings

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Latin America borrowings	813	1,025
Other borrowings	238	72
Accrued interest ¹	68	57
Other financial liabilities	108	69
TOTAL OTHER BORROWINGS	1,226	1,223

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

“Latin America borrowings” correspond to USD and EUR financing set up by the Brazilian subsidiary Atacadão. These US-dollar and euro-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 fair value hedges.

At December 31, 2023, this financing includes loans taken out:

- in September 2021, for 1,410 million Brazilian reais;
- in April 2023, for 744 million Brazilian reais;
- in December 2023, for 2,323 million Brazilian reais, replacing a loan of 2,293 million Brazilian reais taken out in January 2023 and maturing on the same date.

14.2.4 Cash and cash equivalents

Accounting principles

Cash includes cash on hand and demand deposits.

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Cash	1,778	1,420
Cash equivalents	4,512	3,796
TOTAL CASH AND CASH EQUIVALENTS	6,290	5,216



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

At December 31, 2023, there was no restricted cash.

14.2.5 Other current financial assets

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022 IFRS 3 restated
Derivative instruments ¹	115	325
Financial receivable ²	127	188
Other current financial assets - Fair Value through OCI	176	149
Other current financial assets - Fair Value through profit or loss ³	191	1
Sub-lease receivable - less than one year	47	43
Deposits with maturities of more than three months	22	64
Other	7	1
TOTAL OTHER CURRENT FINANCIAL ASSETS	685	771

- (1) The 211 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 value 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 non-dilutive convertible bond – for which mark-to-market value amounted to 69 million euros at end-2022 – after the bond was redeemed in June 2023 (see Note 14.2.2), and (iii) the unwinding of the swaptions partially hedging the interest rate on the two 2023 bond issues – for which mark-to-market value amounted to 40 million euros at end-2022.
- (2) This amount represents the financial receivable relating to the 20% stake in Carrefour China. At December 31, 2022 as restated for IFRS 3, this amount also included the current portion of the reduction in the purchase price for Grupo BIG in Brazil amounting to 51 million euros, which was received in April 2023 (see Note 2.1.1.3).
- (3) This amount corresponds almost exclusively to dollar- and inflation-linked investments made by Carrefour Argentina during 2023.

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

14.3.1 Analysis by interest rate

<i>(in millions of euros)</i>	December 31, 2023		December 31, 2022	
	Before hedging	After hedging	Before hedging	After hedging
Fixed rate borrowings	8,930	8,026	8,843	7,902
Variable rate borrowings	495	1,398	567	1,508
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	9,425	9,425	9,410	9,410

14.3.2 Analysis by currency

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Euro	8,025	7,901
Brazilian real	1,396	1,506
Polish zloty	–	2
Romanian leu	3	1
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	9,425	9,410

The above analysis includes the effect of hedging.

Euro-denominated borrowings represented 85% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2023 (84% at December 31, 2022).



14.3.3 Analysis by maturity

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Due within 1 year	2,161	2,498
Due in 1 to 2 years	1,179	1,514
Due in 2 to 5 years	4,087	3,799
Due beyond 5 years	1,998	1,599
TOTAL BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)	9,425	9,410

14.4 Changes in liabilities arising from financing activities

<i>(in millions of euros)</i>	Other current financial assets ¹	Borrowings	Total Liabilities arising from financing activities, net
At December 31, 2022 IFRS 3 restated	(728)	9,558	8,830
Changes from financing cash flows	21	(375)	(354)
Change in current financial assets	21	–	21
Issuance of bonds	–	1,425	1,425
Repayments of bonds	–	(1,053)	(1,053)
Net financial interests paid	–	(184)	(184)
Net repayments of Commercial papers	–	(368)	(368)
Other changes in borrowings	–	(195)	(195)
Non-cash changes	69	304	373
Exchange differences	125	(51)	74
Effect of changes in scope of consolidation	0	12	12
Changes in fair values	7	6	13
Finance costs, net	(52)	310	258
Other movements	(11)	28	17
At December 31, 2023	(638)	9,487	8,849

(1) This item does not include amounts receivable from finance subleasing arrangements and was restated in accordance with IFRS 3 (see Note 4).

14.5 Other non-current financial assets

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022 IFRS 3 restated
Deposits and guarantees ¹	637	594
Financial services companies' portfolio of assets	262	243
Sub-lease receivable - more than one year ²	73	72
Financial receivable ³	–	88
Investments in non-consolidated companies ⁴	154	178
Other	102	75
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	1,229	1,251

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

(2) Amounts receivable from finance subleasing arrangements are recognised in application of IFRS 16.

(3) The amount recognised under this line at December 31, 2022 included the long-term portion of the financial receivable relating to the reduction in the purchase price for Grupo BIG in Brazil for 88 million euros, received in August 2023 (see Note 2.1.1.3).

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



14.6 Finance costs and other financial income and expenses

Accounting principles

This item corresponds mainly to finance costs.

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

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

This item breaks down as follows:

<i>(in millions of euros)</i>	2023	2022
Interest income from loans and cash equivalents	168	20
Interest income from bank deposits	116	20
Interest income from investments	52	0
Finance costs	(426)	(356)
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(385)	(321)
Cost of receivables discounting in Brazil	(41)	(35)
Finance costs, net	(258)	(336)
Interest charge related to lease commitments	(210)	(167)
Interest income related to financial sublease contracts	1	1
Net interests related to lease commitments	(208)	(167)
Interest expense on defined employee benefit debt	(29)	(9)
Interest income on pension plan assets	7	2
Financial transaction tax	(26)	(33)
Late interest due in connection with tax reassessments and employee-related litigation	(38)	(51)
Dividends received on financial assets at FVOCI	7	5
Gain on disposal of financial assets at FVOCI	10	8
Loss on disposal of financial assets at FVOCI	(0)	(3)
Exchange gains and losses	12	(8)
Cost of bond buybacks	–	(7)
Changes in the fair value of interest rate derivatives	0	(1)
Impact of hyperinflation in Argentina - application of IAS 29	104	119
Other ¹	8	(8)
Other financial income and expenses, net	56	13
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	(410)	(490)
<i>Financial expenses</i>	<i>(608)</i>	<i>(644)</i>
<i>Financial income</i>	<i>198</i>	<i>154</i>

(1) In 2023, this item includes 21 million euros in interest relating to the reduction in the purchase price for Grupo BIG in Brazil (see Note 2.1.1.3).



14.7 Risk management

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

Due to the differing natures of the various businesses, financial risks arising from the banking and insurance business are managed separately from those related to the retail business.

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

For financial services and insurance activities, risk management and monitoring are overseen directly by the entities concerned, under the aegis of the Corporate Treasury and Financing department and the Group Financial and Merchant Services department. These departments oversee the proper implementation of the rules governing these businesses, jointly with other investors. Periodic reports are sent to them by the local teams.

14.7.1 Liquidity risk

14.7.1.1 Retail business

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

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

Liquidity risk is monitored by a Liquidity Committee which meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

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

- promoting prudent financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) programme totals 12 billion euros;
- using the 5 billion euro commercial paper programme on Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2023, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. In June 2019, Carrefour amended these two credit facilities, incorporating an innovative Corporate Social Responsibility (CSR) component in the first CSR-linked credit transaction in the European Retail sector. In May 2021, Carrefour exercised the option to extend its two credit facilities from June 2025 to June 2026. The option was applied to more than 99% of the Group's banking facilities. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme. The loan agreements for the syndicated lines of credit include the usual commitment clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. The pricing grid may be adjusted up or down to reflect changes in the long-term credit rating.

The main transactions in 2023 were as follows (see Note 14.2.2):

- a 500 million euro Sustainability-Linked Bond issue indexed to two goals related to greenhouse gas emissions, maturing in seven and a half years (due in October 2030) and paying a coupon of 3.75%;
- a 750 million euro Sustainability-Linked Bond issue indexed to two goals related to greenhouse gas emissions, maturing in eight years (due in November 2031) and paying a coupon of 4.375%;



- redemption of 500 million euros worth of 0.88% five-year bonds;
- redemption of 500 million US dollars worth of convertible, non-dilutive 0% six-year bonds.

Other financing transactions were carried out by Brazilian subsidiary Atacadão in 2023; these are detailed in Notes 14.2.2 and 14.2.3.

As a reminder, in 2022, the Group redeemed 1 billion euros worth of 1.75% eight-year bonds ahead of their July 2022 maturity. It also carried out two Sustainability-Linked Bond issues, indexed to the Group's sustainable development goals. The first 1.5 billion euro issue comprised a 750 million euro tranche with a maturity of 4.6 years and a coupon of 1.88% per annum, and a second 750 million euro tranche with a maturity of 7.6 years and a coupon of 2.38% per annum. The second issue was for an initial amount of 500 million euros, a maturity of six years and a coupon of 4.125% per annum. The issue was increased by 350 million euros offering the same terms in November 2022.

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

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averaged 3.8 years as of December 31, 2023, compared with 3.6 years as of December 31, 2022.

14.7.1.2 Banking and insurance businesses

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

Liquidity risk management objectives are to:

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

In May 2023, Carrefour Banque issued a new 500 million euro bond with a four-year maturity (due May 2027) with a fixed rate swapped for the three-month Euribor +95 basis points, and in June 2023 redeemed ahead of term the 400 million euro bond issued in September 2019 with a floating rate of three-month Euribor +65 basis points (initial maturity in September 2023).

Banco CSF (Brazil) issued several financial bills (*Letra Financeira*) throughout 2023 for a total amount of 712 million Brazilian reais and redeemed several others that were outstanding at end-2022, for an amount of 767 million Brazilian reais. As a result, the balance amounted to 1,962 million Brazilian reais at December 31, 2023.

As a reminder, several structured financing operations were carried out in 2022:

- a 400 million euro bond issue was redeemed early by Carrefour Banque in March 2022;
- Banco CSF (Brazil) had issued several *Letra Financeira* for 700 million Brazilian reais and redeemed several others that were outstanding at end-2021, including the *Letra Financeira Garantida* subscribed in December 2021 in an amount of 114 million Brazilian reais.



Notes to the consolidated financial statements

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

December 31, 2023 <i>(in millions of euros)</i>	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings ²	813	813	390	423	–
Fixed rate borrowings	8,117	9,002	1,857	4,991	2,154
Unhedged borrowings	495	494	90	404	–
Derivative instruments	63	61	42	16	3
Total Borrowings	9,487	10,371	2,380	5,834	2,157
Suppliers and other creditors	14,242	14,242	14,173	43	26
Consumer credit financing	5,702	5,702	3,771	1,931	–
Other current payables ¹	2,713	2,713	2,713	–	–
TOTAL FINANCIAL LIABILITIES	32,145	33,028	23,038	7,808	2,183

(1) Excluding deferred revenue.

(2) Borrowings hedged by fair value hedges correspond to the financing facilities in US dollars and euros set up and swapped for Brazilian reals by Brazilian subsidiary Atacadão in September 2021, April 2023 and December 2023, for 1,410 million reals (after repayment of 527 million reals in March and June 2023), 744 million reals and 2,323 million reals, respectively (see Note 14.2.3).

December 31, 2022 <i>(in millions of euros)</i>	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Fair value hedged borrowings ²	941	941	699	242	–
Fixed rate borrowings	7,902	8,542	1,733	5,142	1,667
Unhedged borrowings	567	567	198	370	–
Derivative instruments	148	147	128	17	1
Total Borrowings	9,558	10,197	2,758	5,770	1,668
Suppliers and other creditors	14,393	14,393	14,340	34	20
Consumer credit financing	5,142	5,142	3,592	1,550	–
Other current payables ¹	2,813	2,813	2,813	–	–
TOTAL FINANCIAL LIABILITIES	31,906	32,545	23,502	7,354	1,688

(1) Excluding deferred revenue.

(2) Borrowings hedged by fair value hedges corresponded to the financing facilities in US dollars and euros set up and swapped for Brazilian reals by Brazilian subsidiary Atacadão in April 2020, September 2021 and January 2022, for 1,500 million reals (of which 750 million reals were repaid in April 2022), 1,937 million reals and 2,942 million reals, respectively (see Note 14.2.3).

The cash flows relating to the Group's lease commitments (established based on reasonably certain lease terms within the meaning of IFRS 16) are presented by maturity in Note 8.2.

14.7.2 Interest-rate risk

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

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

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

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



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

<i>(in millions of euros)</i> <i>(- = loss; + = gain)</i>	50-bps decline		50-bps increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Investments	-	(31)	-	31
Variable rate borrowings	-	7	-	(7)
Swaps qualified as cash flow hedges	-	-	-	-
Options qualified as cash flow hedges	(2)	-	3	-
TOTAL EFFECT	(2)	(24)	3	24

14.7.3 Foreign exchange risk

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

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

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

<i>(in millions of euros)</i> <i>(- = loss; + = gain)</i>	10% decrease		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR/USD	-	84	-	(84)
Position EUR/HKD	-	-	-	-
Position EUR/PLN	-	9	-	(9)
Position EUR/RON	-	3	-	(3)
Position USD/RON	-	(2)	-	2
Position CHF/EUR	-	-	-	-
Position BRL/EUR	(58)	-	68	-
TOTAL EFFECT	(58)	95	68	(95)

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

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

The translation risk on foreign operations outside the euro zone mainly concerns the Brazilian real and Argentine pesos. Factoring out Argentina, which saw a major devaluation of the peso during the year, sales and recurring operating income for 2023 at constant exchange rates would have been virtually identical at current exchange rates.

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



14.7.4 Credit risk

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

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022 IFRS 3 restated
Investments in non-consolidated companies	154	178
Other long-term investments	1,074	1,073
Total Other non-current financial assets	1,229	1,251
Consumer credit granted by the financial services companies	6,554	5,978
Trade receivables	3,269	3,330
Other current financial assets	685	771
Other current assets ¹	564	606
Cash and cash equivalents	6,290	5,216
MAXIMUM EXPOSURE TO CREDIT RISK	18,592	17,153

(1) Excluding prepaid expenses.

14.7.4.1 Retail business

1) Trade receivables

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

At December 31, 2023, trade receivables net of impairment (excluding receivables from suppliers) amounted to 2,223 million euros (see Note 6.4.3). At that date, past due receivables amounted to a net 271 million euros, of which 43 million euros were over 90 days past due (1.9% of total trade receivables net of impairment excluding receivables from suppliers).

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

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

Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the French financial markets authority (*Autorité des marchés financiers* - AMF) as "money market" and "short-term money market" funds without any withdrawal restrictions. Investments made at the country level are approved by Corporate Treasury and Financing.

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



14.7.4.2 Banking and insurance businesses

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

Analysis of due and not yet due consumer loans

<i>(in millions of euros)</i>	December 31, 2023	Amounts not yet due at the period-end	Amounts due and past due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	6,554	5,776	428	85	115	151

<i>(in millions of euros)</i>	December 31, 2022	Amounts not yet due at the period-end	Amounts due and past due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,978	5,181	523	76	93	105

Analysis of consumer loans by maturity

<i>(in millions of euros)</i>	December 31, 2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	1,490	622	759	109
Belgium	172	5	136	31
Spain	1,816	1,128	258	429
Argentina	49	49	0	–
Brazil	3,027	2,840	188	0
TOTAL	6,554	4,644	1,341	570

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

14.7.5 Equity risk

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

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

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

These shares are mainly used to cover stock option and performance share plans. At December 31, 2023, shares held in treasury by the Group covered its total commitments under these plans.

The equity risk associated with the conversion options embedded in the bonds issued by the Group in March 2018 is fully hedged by symmetrical options contracted with banks. The derivatives are recognised as assets and liabilities in the statement of financial position in a total amount of 0.7 million euros.



14.7.6 Commodity risk

Commodity risk is the risk that a change in the price of commodities could have an adverse effect on the Group's future cash flows.

The Group's exposure to commodity risk mainly results from energy prices, and more specifically the cost of biomethane (in the context of freight transport) and electricity. This risk is hedged by forward purchase contracts on the various underlyings, the maturities of which can exceed 12 months. These forwards qualify as cash flow hedges for accounting purposes.

At December 31, 2023, these contracts were valued as follows:

<i>(in millions of euros)</i>	ASSETS		LIABILITIES	
	Face value	Fair value	Face value	Fair value
Forward contracts hedging biomethane exposure	-	-	13	(4)
Forward contracts hedging electricity provision	-	-	21	(6)
TOTAL	-	-	34	(10)

The calculation of the pre-tax impact of a change in the value of derivatives due to an increase/decrease in prices is shown below:

<i>(in millions of euros)</i> <i>(- = loss; + = gain)</i>	10% decrease		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Forward contracts hedging biomethane exposure	(1)	-	1	-
Forward contracts hedging electricity provision	(1)	-	1	-
TOTAL EFFECT	(2)	-	2	-

In 2023, as part of its goal of achieving net-zero carbon emissions from its store operations by 2040, the Group signed four Physical Power Purchase Agreements. These agreements cover wind and solar farms in France, which will produce around 100 GWh per year from 2024, equivalent to the power consumed by 29 hypermarkets. They are accounted for as executory contracts ("own-use" exemption as provided for by IFRS 9).

The Group will continue to accelerate the implementation of these green energy contracts across all of its geographies by considering both Physical and Virtual Power Purchase Agreements.



NOTE 15: OFF-BALANCE SHEET COMMITMENTS

Accounting principles

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

Commitments given (in millions of euros)	December 31, 2023	By maturity			December 31, 2022 ¹
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	8,819	8,025	692	102	9,264
Financial services companies	8,525	7,964	558	4	8,895
Other companies	294	62	134	99	369
Related to operations/real estate/expansion	2,934	1,756	984	194	1,213
Related to purchases and sales of securities	157	18	37	102	137
Related to leases	269	59	126	85	248
TOTAL	12,180	9,858	1,838	484	10,862

Commitments received (in millions of euros)	December 31, 2023	By maturity			December 31, 2022 ¹
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	5,941	804	5,081	55	5,984
Financial services companies	1,350	158	1,175	17	1,426
Other companies	4,591	646	3,906	39	4,557
Related to operations/real estate/expansion	1,930	392	1,080	458	1,612
Related to purchases and sales of securities	459	313	108	38	426
Related to leases	667	331	250	87	467
TOTAL	8,997	1,841	6,518	638	8,488

(1) The reported balance of commitments given and received at December 31, 2022 did not include Grupo BIG commitments. Grupo BIG was acquired in 2022 (see Note 2.1.1.3).

Off-balance sheet commitments related to cash management transactions include:

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

Off-balance sheet commitments related to operations mainly include:

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

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

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

Off-balance sheet commitments related to leases correspond to minimum payments under non-cancellable leases qualifying for the exemptions set out in IFRS 16 and also the IFRS 16 leases for which the underlying assets had not been made available as of December 31, 2023.



NOTE 16: SUBSEQUENT EVENTS

On January 8, 2024, the Brazilian subsidiary Atacadão issued debentures for an amount of 1.5 billion Brazilian reais (approximately 280 million euros at the December 31, 2023 exchange rate) in two tranches:

- an initial tranche for 650 million Brazilian reais, with a coupon of CDI +1.2% and a maturity of two years;
- a second tranche for 850 million Brazilian reais, with a coupon of CDI +1.35% and a maturity of three years;

On February 5, 2024, the Brazilian subsidiary Atacadão issued simple, unsecured non-convertible debentures (*Certificado de Recebíveis do Agronegócio – CRA*) for an amount of 1 billion Brazilian reais (approximately 187 million euros at the December 31, 2023 exchange rate) in five tranches:

- an initial tranche for 146 million Brazilian reais, with a coupon of CDI +0.85% and a maturity of three years;
- a second tranche for 61 million Brazilian reais, with a coupon of CDI +0.95% and a maturity of five years;
- a third tranche for 341 million Brazilian reais, with a coupon of between 109.95% and 110.07% of the CDI (after hedging) and a maturity of three years;
- a fourth tranche for 196 million Brazilian reais, with a coupon of 110.10% of the CDI (after hedging) and a maturity of five years;
- a fifth tranche for 256 million Brazilian reais, with a coupon of between 110.80% and 111.20% of the CDI (after hedging) and a maturity of seven years.

On January 25, 2024, the Group announced that it had entered into exclusive negotiations with the Intermarché group with a view to acquiring 31 stores. These stores generated sales of around 400 million euros in 2022. The amount of the acquisition is not material.

Under the terms of this agreement, Carrefour will replace Intermarché for the purchase of 25 stores from Casino (purchase commitment signed on February 8, 2024), while the remaining six stores will be acquired directly from Intermarché.

The Group has undertaken to maintain all employees working in the stores along with their social benefits for a minimum period of 15 months.

The transaction is subject to the usual conditions precedent, notably the authorisation of the French competition authority. The transaction is expected to be completed in April 2024 for the stores acquired from Casino and in the second quarter of 2024 for the stores acquired from Intermarché.



NOTE 17: AUDITORS' FEES

(in thousands euros)	Fees 2023					
	Deloitte & Associés ¹	Network	Total Deloitte	Mazars ¹	Network	Total Mazars
Financial statements certification services	2,498	3,354	5,851	2,150	1,292	3,441
<i>Carrefour SA - Issuer</i>	496	–	496	428	–	428
<i>Subsidiaries (controlled entities)</i>	2,002	3,354	5,356	1,722	1,292	3,014
Other services ²	352	347	700	120	44	164
<i>Carrefour SA - Issuer</i>	274	–	274	32	–	32
<i>Subsidiaries (controlled entities)</i>	78	347	426	88	44	132
TOTAL	2,850	3,701	6,551	2,270	1,335	3,605

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

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

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



Notes to the consolidated financial statements

NOTE 18: LIST OF CONSOLIDATED COMPANIES

18.1 Fully consolidated companies at December 31, 2023

	Percent interest used in consolidation		Percent interest used in consolidation
FRANCE		FRANCE	
ABREDIS	100	CARREFOUR SYSTEMES D'INFORMATION	100
AMIDIS ET CIE	100	CARREFOUR VOYAGES	100
ANTIDIS	100	CENTRE D'ACTIVITES DE DRAGUIGNAN SALAMANDRIER	100
BELLEVUE DISTRIBUTION	100	CENTRE DE FORMATION ET COMPETENCES	100
BLO DISTRIBUTION	100	CL CV LOGISTIQUE	100
BRINGO FRANCE	100	CLAIREFONTAINE	100
BRINGO INTERNATIONAL	100	COFLEDIS	100
BRINGO TECH	100	COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL	100
BRUNIEDIS	100	COMPTOIR SAVOYARD DE DISTRIBUTION	74
C.DICAR	100	COVIAM 8	100
C.DIS	100	COVICAR 2	100
C.S.F	100	COVICAR 44	100
C.S.V	100	COVICAR 51	100
CANDIS	100	COVICAR 55	100
CARAUROUTES	100	CRPF LOG INVEST	100
CARDADEL	100	CRPF NANTES	100
CARFIDIS	100	CRPF SARTROUVILLE	100
CARFUEL	100	CRFP VESTA PROPERTY	100
CARGO INVEST	100	CRFP13	100
CARGO PROPERTY DEVELOPMENT	100	CRFP20	100
CARIMA	100	CRFP22	100
CARMA	50	CRFP23	100
CARMA VIE	50	CRFP24	100
CARRE D'OR DISTRIBUTION	100	CRFP25 (UNLIMITAIL)	51
CARREFOUR ADMINISTRATIF FRANCE	100	CRFP8	100
CARREFOUR BANQUE	60	CORDIS	100
CARREFOUR DEVELOPPEMENT URBAIN	100	CROQUETTELAND	100
CARREFOUR DRIVE	100	CSD TRANSPORTS	74
CARREFOUR FINANCE	100	DASTORE	100
CARREFOUR FRANCE	100	DAUPHINOISE DE PARTICIPATIONS	100
CARREFOUR FRANCE PARTICIPATION	100	DE LA FONTAINE	51
CARREFOUR HYPERMARCHES	100	DELMAS	100
CARREFOUR IMPORT	100	DEJBOX LAB	86
CARREFOUR MANAGEMENT	100	DEJBOX SERVICES	86
CARREFOUR MARCHANDISES INTERNATIONALES	100	DES CALLOUETS	51
CARREFOUR MONACO	100	DIGITAL MEDIA SHOPPER	100
CARREFOUR OMNICANAL	100	DISTRIVAL	100
CARREFOUR PARTENARIAT INTERNATIONAL	100	DOREL	100
CARREFOUR PROPERTY FRANCE	100	ENTREPOT PETROLIER DE LA GIRONDE	66
CARREFOUR PROPERTY GESTION	100	ETS LUCIEN LAPALUS ET FILS	100
CARREFOUR PROXIMITE FRANCE	100	FALDIS	100
CARREFOUR REGIE PUBLICITAIRE	100	FCT MASTER CREDIT CARD 2013	60
CARREFOUR SA	100	FINANCIERE RSV	100
CARREFOUR SERVICES CLIENTS	100	FINIFAC	100
CARREFOUR SERVICES FACTORY	100	FONMARTOP	100
CARREFOUR STATION SERVICE	100	FORUM DEVELOPPEMENT	100
CARREFOUR SUPPLY CHAIN	100	GAMACASH	100



Notes to the consolidated financial statements

	Percent interest used in consolidation
FRANCE	
GEILEROP	100
GENEDIS	100
GIE BREST BELLEVUE	80
GREENWEEZ	100
GSMC	100
GUYENNE & GASCOGNE	100
GVTIMM	51
HYPARLO	100
HYPERADOUR	100
IMMO ARTEMARE	51
IMMOBILIERE CARREFOUR	100
IMMOBILIERE PROXI	100
IMMOCYPRIEN	51
IMMODIS	100
INTERDIS	100
LA CROIX VIGNON	51
LALAUDIS	100
LANN KERGUEN	51
LESCHENES	100
LOGIDIS	100
LOVADIS	100
LYBERNET	50
MAISON JOHANES BOUBEE	100
MATOLIDIS	100
MENHIR	100
MONTEL DISTRIBUTION	100
NASOCA	100
NOOPART	100
NOSAEL	51
PARLITOP	100
PARSEVRES	100
PASDEL	100
PHIVETOL	100
PLANETA HUERTO	100
POTAGER CITY	88
PROFIDIS	100
PUECH ECO	100
ROYAL	100
SAFABE	100
SAFETY	100
SAINT HERMENTAIRE	100
SALACA	100
SAS LOUIS SEGUIN - ANGLET	100
SCI AZIMMO	100
SCI DE SIAM	51
SCI IMMO BAQUEVILLE	51
SCI IMMOTOURNAY	51
SCI LEGERE	100
SCI LES HAUTS DE ROYA	100
SCI LES TASSEAUX	51
SCI LES VALLEES	51
SCI MAXIMOISE DE CREATION	51
SCI PROXALBY	74
SCI RESSONS	51
SCI SIGOULIM	51

	Percent interest used in consolidation
FRANCE	
SELIMA	100
SMARTECO	100
SO.BIO	100
SO.BIO SEVRES	100
SOCIETE D'ALIMENTATION MODERNE	100
SOCIETE DES HYPERMARCHES DE LA VEZERE	50
SOCIETE DES NOUVEAUX HYPERMARCHES	100
SOCIETE LUDIS	100
SOCIETE MODERNE DE DISTRIBUTION MAISON VIZET-FAVRE	81
SODIMODIS	100
SODISAL	100
SODITRIVE	100
SOFALINE	100
SOFIDIM	99
SORGENTE NATURA	100
SOVAL	100
STELAUR	100
STENN	100
SUPERADOUR	100
SUPERDIS	97
TIADIS	100
VAN-K	100
VEZERE DISTRIBUTION	50
VILLES ET COMMERCE	80
VIZEGU	90
ZORMAT	100

GERMANY

CARREFOUR PROCUREMENT INTERNATIONAL BV & CO. KG	100
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ARGENTINA

BANCO DE SERVICIOS FINANCIEROS SA	92
INC S.A.	100

BELGIUM

BRUGGE RETAIL ASSOCIATE	100
CAPARBEL	100
CARREFOUR BELGIUM	100
CARUM	100
DRIVE 1	100
DRIVE 2	100
ECLAIR	100
FILUNIC	100
FIMASER	100
FIRST IN FRESH	100
GROFRUIT	100
HALLE RETAIL ASSOCIATE	100
HEPPEN RETAIL ASSOCIATE	100
INTERDIS	100
MARKET A1 CBRA	100
MARKET B2 CBRA	100
MARKET C3 CBRA	100
MARKET D4 CBRA	100
MARKET E5 CBRA	100
MARKET F6 CBRA	100



Notes to the consolidated financial statements

	Percent interest used in consolidation
BELGIUM	
ORTHROS	100
RETAIL SUPPORT SERVICES	100
ROB	100
SCHILCO	100
SHIP TO	100
SOUTH MED INVESTMENTS	100
STIGAM	100
VANDEN MEERSSCHE NV	100

	Percent interest used in consolidation
BRAZIL	
ATACADÃO S.A	67
BANCO CSF	34
BARBAROSSA EMPREENDIMENTOS E PARTICIPACOES	67
BOMPREGO BAHIA	67
BOMPREGO NORDESTE	67
BSF HOLDING	34
BULGE EMPREENDIMENTOS E PARTICIPACOES	67
CARREFOUR COMMERCIO E INDUSTRIA	67
CARREFOUR UNLIMITAIL PUBLICIDADE	67
CCI IP PARTICIPACOES	67
CCI RE SPCO DESENVOLVIMENTO IMOBILIARIO OSASCO	67
CMBCI INVESTIMENTOS E PARTICIPAÇÕES	67
COMERCIAL DE ALIMENTOS CARREFOUR	67
COSMOPOLITANO SHOPPING EMPREENDIMENTOS	67
COTABEST INFORMACOES E TECNOLOGIA	34
CSF ADMINISTRADORA E CORRETORA DE SEGUROS EIRELI	34
E MIDIA INFORMACOES	67
GIBRALTAR EMPREENDIMENTOS E PARTICIPACOES	67
GRUPO BIG	67
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA	67
KHARKOV EMPREENDIMENTOS E PARTICIPACOES	67
KURSK EMPREENDIMENTOS E PARTICIPACOES	67
MIDWAY EMPREENDIMENTOS E PARTICIPACOES	67
NOVA TROPI GESTAO DE EMPREENDIMENTOS	67
OVERLORD EMPREENDIMENTOS E PARTICIPACOES	67
PACIFICO EMPREENDIMENTOS E PARTICIPACOES	67
PANDORA PARTICIPACOES	67
RIO BONITO ASSESSORIA DE NEGOCIOS	67
SPE CENTRO-OESTE	67
SPE NORDESTE	67
SPE NORTE	67

	Percent interest used in consolidation
BRAZIL	
SPE SUDESTE	67
SPE SUL	67
STALINGRADO EMPREENDIMENTOS E PARTICIPACOES	67
TORCH EMPREENDIMENTOS E PARTICIPACOES	67
TRANSPORTADORA	67
VALQUIRIA EMPREENDIMENTOS E PARTICIPACOES	67
VERPARINVEST	67
WMB	67
WMS	67

	Percent interest used in consolidation
CHINA	
SHANGHAI GLOBAL SOURCING CONSULTING CO	100

	Percent interest used in consolidation
SPAIN	
CARREFOUR PROPERTY ESPANA	100
CENTROS COMERCIALES CARREFOUR	100
CORREDURIA DE SEGUROS CARREFOUR	100
EURECA	100
FINANZAS Y SEGUROS	100
GROUP SUPECO MAXOR	100
INVERSIONES PRYCA	100
NORFIN HOLDER	100
SERVICIOS FINANCIEROS CARREFOUR	60
SOCIEDAD DE AGENCIA DE SEGUROS VINCULADA CARREFOUR	100
SOCIEDAD DE COMPRAS MODERNAS	100
SUPERDISTRIBUCION CEUTA	100
SUPERMERCADOS CHAMPION	100
SUPERSOL SPAIN	100
VIAJES CARREFOUR	100

	Percent interest used in consolidation
HONG KONG	
CARREFOUR ASIA	100
CARREFOUR GLOBAL SOURCING ASIA	100
CARREFOUR TRADING ASIA (CTA)	100

	Percent interest used in consolidation
ITALY	
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	100
CONSORZIO TRA / PROPRIETARI DEL CENTRO COMMERCIALE DI BUROLO	89
CONSORZIO TRA / PROPRIETARI DEL CENTRO COMMERCIALE DI GUISSANO	77



Notes to the consolidated financial statements

Percent interest used in consolidation

ITALY

CONSORZIO TRA / PROPRIETARI DEL CENTRO COMMERCIALE DI MASSA	54
CONSORZIO TRA / PROPRIETARI DEL CENTRO COMMERCIALE DI NICHELINO	64
CONSORZIO TRA / PROPRIETARI DEL CENTRO COMMERCIALE DI PADERNO DUGNANO	53
CONSORZIO PROPRIETARI CENTRO COMMERCIALE DI TORINO MONTECUCCO	87
CONSORZIO PROPRIETARI CENTRO COMMERCIALE DI VERCELLI	84
GS SPA	100

LUXEMBOURG

VELASQUEZ	100
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NETHERLANDS

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

POLAND

CARREFOUR POLSKA	100
CPA WAW 1	100

ROMANIA

ALLIB ROM SRL	100
ARTIMA SA	100
BRINGO MAGAZIN	100
CARREFOUR PRODUCTIE SI DISTRIBUTIE	100
CARREFOUR ROUMANIE	100
COLUMBUS ACTIVE SRL	100
COLUMBUS OPERATIONAL SRL	100
MILITARI GALERIE COMERCIALA	100
ROMANIA HYPERMARCHE SA	100
SUPECO INVESTMENT SRL	100

SWITZERLAND

CARREFOUR WORLD TRADE	100
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Notes to the consolidated financial statements

18.2 Equity-accounted companies at December 31, 2023

FRANCE	Percent interest used in consolidation	FRANCE	Percent interest used in consolidation
ADIALEA	3	EDENMATHIMMO	50
ALEXANDRE	50	ENTREPOT PETROLIER DE VALENCIENNES	34
ALK DISTRI	50	FABCORJO	50
ALTACAR NANTES	40	FALME	50
ALTACAR SARTROUVILLE	40	FAMYDIS	50
ANGIDIS	50	FIVER	50
ANTONINE	50	FONCIERE BORDEROUGE	50
ARLOM DISTRIBUTION	50	FONCIERE MARSEILLAN	50
AROBLIS	50	FONCIERE PLANES	50
AUBINYC	50	FRELUM	50
AUDIST	50	GALLDIS	50
BAMAZO	50	GAMAX33	50
BELONDIS	50	GDCLE	48
BIADIS	34	GENIDIS	48
BFM DISTRIBUTION	50	GGP DISTRIBUTION	50
BLS RETRAIL	50	GMARKET IMMO	50
BOULOGNE POINT DU JOUR	26	GRANDI	50
BOURG SERVICES DISTRIBUTION	50	GRDIS	50
CABDIS	50	GREGADIS	50
CABDISTRI	50	HBLP	25
CALODIAN DISTRIBUTION	50	IDEC	50
CAMPI	50	IMMO ST PIERRE EGLISE	50
CARDUTOT	26	J2B DISTRIBUTION	50
CARMILA	36	JEDEMA	50
CEMALIYA IMMOBILIER	50	JLEM	50
CENTRALE ENVERGURE	50	JMS74 DISTRIBUTION	50
CERBEL	50	JOSIM	34
CEVIDIS	50	JTDS MARKET	50
CHAMNORD	56	JUPILOU	50
CHERBOURG INVEST	48	KASAM	50
CHRISTIA	50	KARAMONTDE	50
CINQDIS 09	50	LA BEAUMETTE	49
CLOVIS	50	LA CATALANE DE DISTRIBUTION	50
CLUNYDIS	50	LA CLAIRETTE	50
CODINOG	50	LA CRAUDIS	50
COJEDIS	50	LA GARDUERE IMMO	50
COROU	50	LB LE PLAN	50
COSALCIA	50	LE CLAUZELS	50
CVP DISTRIBUTION	50	LEHENBERRI	50
CYMUR	50	LES 4 CANAUX IMMO	50
CZIMMO	50	LES OLIVIERS	50
D2C	50	LEZIDIS	50
DECODIS	26	LOVICHAM	50
DEPOT PETROLIER DE LYON	50	LSODIS	50
DIMATI	50	LYEMMADIS	50
DIRIC	50	MACANOSA	50
DISTRI AIX	50	MADIS	50
DISTRI GIGNAC	50	MADIX	50
DISTRI PALAVAS	50	MAGODIS	50
DISTRIBERRE IMMO	50	MALISSOL	50
DISTRIBOURG	50	MARIDYS	50
DISTRICAB	50	MARITIMA DIS	50
DISTRIFLEURY	50	MARLODIS	50
DISTRIONE	50	MASSEINE	50
DOLMEN	50	MATCH OPCO (MARKET PAY)	35
DOUDIS	50	MAVIC	50
ECUDIS	50	MBD	50
EDENDIS	50	MBD IMMO	50



Notes to the consolidated financial statements

	Percent interest used in consolidation
FRANCE	
MIMALI	50
MEJE DISTRIBUTION	50
NCL	50
NOUKAT	50
OLICOURS	50
OUISDIS	50
OULLIDIS	50
P.A.M.	50
PAS DE MENC	50
PFDIS	50
PHILODIS	50
PLAMIDIS	50
PLANE MARSEILLAN	50
PLANE PORT VENDRES	50
PONT D'ALLIER	50
PRIGONDIS	50
PRODIX	50
PROVENCIA	50
QUENDIDIS	50
RD2M	50
REBAIS DISTRIBUTION	50
RETAIL MARKET	50
RILLIDIS	48
RIMADIS	50
ROJULDIS	50
ROLLAND DISTRIBUTION	50
ROND POINT	50
ROSE BERGER	26
ROUET DISTRI	50
S.C.B	26
S.O.V.A.L.A.C.	50
SADEV	26
SAELI	50
SAINT JUERY DISTRIBUTION	50
SAINT PAUL DISTRIBUTION	50
SAS DF19	50
SAS NC DISTRIBUTION	50
SCGR DISTRIBUTION	50
SCI 2C	50
SCI 2F	50
SCI BRETEUIL	50
SCI CARGAN-LOG	40
SCI COLODOR	50
SCI DU MOULIN	50
SCI DU PARC NATIONAL	50
SCI FONCIERE DES ALBERES	50
SCI HALLE RASPAIL	50
SCI IMMODISC	50
SCI LATOUR	60
SCI LE PETIT BAILLY	50
SCI LE PLA	50
SCI LUMIMMO	51
SCI MARKET RIEC	50
SCOMONDIS	50
SEREDIS	26
SERPRO	50
SIFO	50

	Percent interest used in consolidation
FRANCE	
SIXFOURSDIS	50
SOBRAMIC	50
SOCADIS	50
SOCIETE DES DEPOTS DE PETROLE COTIERS	24
SOCIETE DES MAGASINS ECONOMIQUES	50
SOCIETE DISTRIBUTION ALMENTAIRE PYRENEES	26
SOCIETE DU DEPOT PETROLIER DE NANTERRE	20
SOCIETE PETROLIERE DU VAL DE MARNE	30
SODIBAL	50
SODIBOR	50
SODICAB	50
SODIFAL	50
SODILIM	50
SODIMER	50
SODIOUIS	50
SODITIOIOL	50
SODYEN	50
SOLDIS	50
SOMADIS	50
SOQUIMDIS	50
SOROTIN	50
SOVADIS	50
SOVALDIS	50
SPC DISTRI	50
SR2G	50
SRP GROUPE SA (SHOWROOMPRIVE.COM)	9
ST BONNET DISCOUNT	50
TEDALI	50
TURENNE	50
VALCRIS DISTRIBUTION	50
VALMENDIS	50
VICTURIS 2003	50
VICUN	50
VILAC	50
YOUN MARKET	50

BRAZIL	
EWALLY	33

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



Notes to the consolidated financial statements

	Percent interest used in consolidation
ITALY	
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SHOPVILLE GRAN RENO	39
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	50
CONSORZIO TRA I PROPRIETARI DEL PARCO COMMERCIALE DI NICHELINO	30
POLAND	
C SERVICES	30
TUNISIA	
ULYSSE	25
TURKEY	
CARREFOUR SABANCI TICARET MERKEZI (CARREFOURSA)	32